

It is hereby ORDERED, ADJUDGED AND DECREED that:

- A.** The State shall provide the City of New York with at least \$5.406 billion annually in additional education operating funds, phased in over the first four years, with each payment to be adjusted annually for inflation, based on the composite consumer price index published by the New York State Division of the Budget, as follows:
1. \$1.3515 billion no later than 90 days of notice of entry of this Order.
 2. \$2.703 billion no later than July 1, 2006.
 3. \$4.0545 billion no later than July 1, 2007.
 4. \$5.406 billion, no later than July 1, 2008.
- B.** The State is enjoined from manipulating data or the existing State aid formulas or taking any action that will result in a reduction of New York City's share of State education aid, including but not limited to building aid, transportation aid, high cost aid, extraordinary needs aid and private excess aid, Education Law §§ 3601-3612, or taking any steps that provide the City with a smaller percentage increase in education funding than that received by any other school district in New York State;
- C.** The State is enjoined from directing New York City to provide part of the operating funds to be provided by the State pursuant to this Order, and from reducing other educational or other appropriations to New York City to offset the increased education funds ordered herein;
- D.** Until the State provides New York City the full amount of the additional operating funds ordered herein, it shall allocate additional State education aid to all districts solely according to the extraordinary needs aid formula, Education Law § 3602, exclusive of building aid, transportation aid, and private excess cost aid;
- E.** The State shall enact legislation revising its current school aid formulas to provide for a foundation grant that adequately adjusts school operating aid to take into account both regional costs and the special needs of New York City school children, including higher proportions of a) children living in poverty, (b) English Language Learners, and (c) Special Education students;

- F.** The State shall provide New York City with \$6.5 billion in additional capital funds, made available in equal installments of \$1.3 billion over five years starting with the first payment to be made within 90 days of notice of entry of this Order;
- G.** The State shall enact legislation revising its current building aid formulas to provide reimbursement for school renovation and construction based on the need for new buildings and renovations in New York City and further based upon the actual capital expenditures for school facilities in New York City, including specifically:
- Update and simplify the maximum cost allowance to reflect the total actual costs of efficiently acquiring sites and constructing school facilities in New York City and other parts of the state;
 - Phase-in a new building aid ratio system based on average property values over a five-year period, which includes a needs-based adjustment based on relative numbers of students from poverty backgrounds in the district;
 - Restore pay as you go reimbursements;
 - Eliminate the current 15 year limit on lease reimbursements;
- H.** The state shall enact appropriate legislation to supersede and/or streamline all planning, programmatic reporting, and application requirements set forth in current laws and consolidate all such requirements to the maximum extent possible into a single comprehensive sound basic education plan report;
- I.** The State shall enact legislation to amend the disciplinary process under Education Law section 3020-a to accelerate the teacher discipline and removal process and provide for substantial deference to the determinations of the Superintendent to ensure competent teachers in the classrooms;
- J.** The State shall enact amend Education Law § 2852(9) so that the cap on the number of Charter schools does not apply to

Chancellor-approved Charter schools in the City of New York, or, alternatively, eliminate the State-wide cap;

- K.** The State shall adopt other appropriate legislation to remove all statutory, regulatory and contractual barriers to the provision of a sound basic education.

This Court shall retain jurisdiction to ensure compliance with this Order.