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**CITY OF NEW YORK SUES TRUMP ADMINISTRATION FOR THREATENING  
PANDEMIC RELIEF FUNDS INTENDED FOR ECONOMICALLY DISADVANTAGED  
STUDENTS IN PUBLIC SCHOOLS**

*Interim final rule threatens at least \$53 million in funding to New York City K-12 public schools*

**NEW YORK**—The de Blasio Administration today announced that the New York City Department of Education is joining a lawsuit against the U.S. Department of Education (USDOE) and Education Secretary Betsy DeVos over their unlawful attempt to siphon federal pandemic relief funds from economically disadvantaged students in K-12 public schools and impermissibly restrict needed flexibility in the use of those funds, contrary to Congressional intent. The lawsuit targets a new USDOE rule which unlawfully diverts and limits the use of funding made available to schools under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. New York City schools stand to lose at least \$53 million because of the rule, which violates the requirements established by Congress in the CARES Act, the Administrative Procedure Act, and the U.S. Constitution.

"President Trump has already botched his response to the COVID-19 pandemic, and now he is threatening to take millions of dollars in aid away from vulnerable students in our public schools," said **Mayor Bill de Blasio**. "His cruelty knows no bounds. A safe and successful school reopening requires support from all levels of government, not playing politics with our kids. President Trump: we'll see you in court."

"At a time when we should be addressing the needs of our most vulnerable students, the Trump Administration is trying to take millions of dollars in emergency pandemic aid intended to support them and turn it over to private educational institutions already flush with other federal pandemic aid. This is Robin Hood in reverse. This rule worsens the challenges and inequities our students face right now that have been made worse by the pandemic. We will battle this cruel initiative and ensure our students receive the aid they need and deserve," said **Corporation Counsel James E. Johnson**.

"The federal government's utter lack of leadership throughout this crisis has caused immeasurable harm to our students and families, and we're not going to stand idly by while they attempt to harm our public schools. As the largest school district in the nation, we need more—not less—funding from our country's leaders whose job it is to support public institutions rather than privatization that benefits the privileged few. Safe reopening requires all the resources we can get, and we call on the Trump Administration to stop playing politics with our children," said **Schools Chancellor Richard A. Carranza**.

On March 27, 2020, Congress enacted the CARES Act to assist schools across the nation in responding to the enormous challenges posed by the COVID-19 pandemic. Under the Act, \$13.2 billion in emergency aid would be distributed to K-12 schools nationwide, of which \$717 million was slated for the New York City school system, the largest school district in the nation. The Act requires funds to be distributed under a longstanding formula set by federal education law (Title I), which allocates funds to private and public schools in proportion to the number of low-income students residing in a school district. According to the lawsuit, this legal requirement is violated by the restrictions imposed in the USDOE's rule and as a result would deprive many low-income and at-risk students, their teachers and the public schools that serve them of essential resources needed during and in response to the pandemic.

USDOE's rule changes or imposes restrictions on the methodology mandated by the CARES Act for the distribution of funds by offering two options to states and local school districts such as the NYC DOE, neither of which is authorized under the CARES Act and will harm city schools. Under the first option, CARES Act funds would be allocated based on the number of low-income students, but the funds must only be used for schools qualifying for Title I funding. This results in a loss of an estimated \$100 million for more than 250 non-Title I New York City public schools and the disadvantaged students in those schools, and otherwise restricts funding for central services for all public schools. Those services include pupil transportation, facilities maintenance and improvements, school safety, food services (including staff to serve meals), technology platforms for remote learning, and custodial and cleaning supplies. Under the second option, states and local school districts would be required to distribute CARES Act funds without regard to low-income status or residency of students, as is required under Title I. This would divert approximately \$53 million from public to private schools, as more private school students would be counted to determine the private school share. The loss of funds intended for public schools comes at a time when news reports show private schools getting millions in other pandemic funds.

According to the lawsuit, the federal rule causes immediate and irreparable harm to the City's public schools and its students which have already incurred funding reductions by the state during the pandemic. The rule will have a long-term negative impact on hundreds of thousands of public-school students affected by the COVID-19 pandemic, including those most vulnerable to its effects.

In addition to the City of New York, Hawaii, Maryland, Pennsylvania, Chicago, Cleveland Municipal School District Board of Education and San Francisco Unified School District are part of today's legal effort to join a suit originally filed by California and Michigan Attorneys General in the U.S. District Court for the Northern District of California.

The City of New York is committed to furthering the interests of students. In June, the Law Department filed suit to protect students from a harmful Trump Administration education rule which weakens the NYC DOE's ability to properly investigate student harassment, including sexual assault, in city schools.

Eric Proshansky, Hope Lu, and Gail Rubin of the Law Department's Affirmative Litigation Division are handling the current suit.

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