



# TEXAS SCHOOL COALITION

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## **Texas School Coalition Members File School Finance Lawsuit** *State Funding Inadequate, System has Become Statewide Property Tax*

AUSTIN – Members of the Texas School Coalition, made up of revenue-contributing schools, were among six school districts which today filed a lawsuit challenging the constitutionality of the Texas school finance system. The lawsuit claims that the State fails to provide schools with sufficient funding to meet state educational standards and that the system has become a statewide property tax.

Mark Trachtenberg and John Turner of Haynes and Boone, LLP filed Calhoun County ISD et al vs. Robert Scott et al in state district court in Austin on behalf of six school districts. In addition to the six plaintiffs, another 54 school districts are represented by the law firm in connection with the case. Most of the participating districts are members of the Texas School Coalition, which is made up of revenue-contributing schools. These districts have paid almost \$15 billion in local taxes to the state finance system since 1993 and are projected to pay more than \$1 billion this school year.

“The Texas school finance system is in crisis again. The current system does not meet the constitutional definition of adequacy and denies local districts the ability to address that inadequacy,” said Trachtenberg.

“This lawsuit will demonstrate that school districts are not being provided with the resources needed to meet the standards the State of Texas itself has identified as the measure of a constitutionally adequate education. And, the State’s actions have left school districts without meaningful discretion to control their local property tax rates, which violates the constitutional prohibition against a statewide property tax,” Trachtenberg said.

With Texas schools adding about 80,000 students annually, the Texas Legislature failed for the first time in 60 years to fund enrollment growth by cutting \$5.4 billion from public education for the coming two-year budget cycle. This has forced districts to eliminate thousands of positions for teachers and other support staff.

“These severe funding reductions come at a time when Texas is requiring school districts to implement a new and more rigorous testing and accountability regime. The State’s school finance system is no longer merely drifting toward constitutional inadequacy. It has arrived.” Turner said.

Also, previous court rulings, including the successful West Orange-Cove II case in 2006 brought by Coalition districts, have made it clear that school districts must have a meaningful ability to use local property tax funds for local enrichment.

“The level of state funding has fallen to such a point that many, or even most, school districts must effectively use all of the local funds they can raise just to meet basic education standards. Local tax dollars raised above a certain level ought to be available for local enrichment, and should not be used to compensate for funding the State has failed to provide. We will argue that the State has effectively co-opted the taxing capacity of districts, resulting in a *de facto* state property tax, which is prohibited by the Texas Constitution,” Turner said.

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*A complete list of plaintiff and participating school districts is attached.*