

**MOST DIVERSE GROUP OF SCHOOL DISTRICTS WITH LARGEST STUDENT
POPULATION EVER FILES SCHOOL FINANCE LAWSUIT**

Today, 63 public school districts, led by the Fort Bend Independent School District and collectively educating more than 1.5 million Texas children, have filed a lawsuit in Travis County to challenge the constitutionality of the State school finance system. In the history of school finance litigation, no plaintiff group ever has been larger in terms of student enrollment, representing more than one-third of the State's student population. This will also be the most broad and diverse group of school districts ever to jointly challenge the school finance system. The plaintiff group includes the largest and some of the smallest school districts in the State, and many in between. The group represents rural, big town, small town, suburban, urban, fast growth, property poor, property wealthy, and average wealth districts. Combined with three other lawsuits that have been previously filed by other groups, it appears that approximately half of all Texas school districts, educating over sixty percent of Texas students, are currently challenging the school funding system, and more are likely to join.

Less than six years ago, the Texas Supreme Court struck down the State school funding system. In November 2005, the Court found that the Texas legislature had over-relied on local property taxes, left local school districts without meaningful discretion over local tax rates, and was operating a state property tax in violation of the Texas Constitution. The Supreme Court also cautioned that the school funding system was on the verge of resulting in a constitutionally inadequate education system. The Court warned that structural change was needed and stated that it "remain[ed] to be seen whether the system's predicted drift toward constitutional inadequacy [would] be avoided by legislative reaction to widespread calls for changes."

Six years later, it is evident that the Texas legislature has failed to answer the call for needed change, and Texas is once again operating under an unconstitutional school funding system. Revenue added after the Supreme Court's last decision has now been significantly reduced by the most recent legislative cuts of about \$5.4 billion, which is more than \$500 per student per year. The business tax created to bring down local property taxes has failed to generate revenue sufficient to replace lost property tax revenue. And the "temporary" target revenue system adopted by the Legislature in 2006 has become a permanent funding system that assigns different levels of money to students in different school districts without regard for the actual costs of educating a growing and increasingly diverse and poor student population.

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Texas has added an average of over 80,000 students every year since the Court's decision in 2005. It will add about 170,000 students in the next two years. Nearly all of that growth has been among economically disadvantaged students, who now make up almost 60 percent of total student enrollment. In 2011, for the first time since WWII, the Texas legislature failed to provide funding to cover the costs of student growth at current formulas in the next biennium and has eliminated or severely cut funding for specific programs aimed at helping our most at-risk students.

Despite these cuts, the Texas legislature has continued to add requirements for school districts and students and to increase accountability standards and testing requirements. Increased standards and an emphasis on post-secondary readiness for all students are the right goals for all Texas students. But the State's funding commitment no longer matches its plans, and the legislature has failed to fundamentally change the system in a way that will rationally connect resources to the requirements the State has set.

The coalition will be represented by David Thompson and Philip Fraissinet of Thompson & Horton LLP. Mr. Thompson and Mr. Fraissinet were part of the legal team that successfully argued the State property tax claim in 2005. Mr. Thompson also represented the Texas Association of School Boards Legal Assistance Fund in Edgewood IV in 1995 on behalf of 263 diverse school districts to raise the adequacy claim for the first time in Texas. Moak Casey and Associates will assist the coalition as experts.

"Our Constitution clearly sets out the reason our State provides public education – to provide a general diffusion of knowledge for all Texas students. Our courts have repeatedly said this is a high standard. Our goal is to benefit all school districts and their students by requiring the Texas Legislature to establish an adequate, rational, and equitable funding system actually tied to the high standards it has set for all students, rather than simply leveling down to fit funds available," said David Thompson.

In taking this action, the plaintiff school districts are keenly aware of the economic challenges that have faced our country, state and local communities. Many Texas families have had to do more with less, and Texas school districts and their students, families and employees have done the same. The answers are not easy. But our State cannot use the difficulty of these challenges as an excuse to fail to live up to the constitutional duty placed on our legislature to provide an adequate, equitable and rational school funding system that is not funded by a State property tax.

Abilene ISD	Keller ISD
Aldine ISD*	Kenedy ISD
Allen ISD	Kingsville ISD
Amarillo ISD	Klein ISD
Angleton ISD	La Marque ISD
Austin ISD	La Porte ISD
Balmorhea ISD	Lamar Consolidated ISD
Bluff Dale ISD	Leggett ISD
Brazosport ISD	McKinney ISD
Carthage ISD	Midland ISD
Channelview ISD	New Caney ISD
Clear Creek ISD	North East ISD
Cleveland ISD	Northside ISD
College Station ISD	Pampa ISD
Coppell ISD	Pasadena ISD
Crosby ISD	Pearland ISD
Cypress-Fairbanks	Perrin-Whitt CISD
Dallas ISD	Pleasant Grove ISD
Damon ISD	Rice CISD
Decatur ISD	Rockdale ISD
Denton ISD	Round Rock ISD
East Central ISD	Royal ISD
Edna ISD	Santa Fe ISD
Fort Bend ISD	Sheldon ISD
Fort Worth ISD	Spring Branch ISD
Hardin-Jefferson ISD	Spring ISD*
Hays CISD	Stafford MSD
Hempstead ISD	Sweeny ISD
Highland ISD	Trent ISD
Houston ISD	Waco ISD
Huffman ISD	West Orange Cove CISD
Humble ISD	Woodville ISD
Katy ISD	

***Districts that are providing financial support for the litigation effort but are not participating as plaintiffs**