

Litigation Talking Points

Why is a lawsuit necessary?

A lawsuit is necessary because:

- The Texas Legislature has failed to fund public schools in an efficient, equitable and adequate manner, as required by the Texas Constitution.
- The Texas Legislature has failed to implement a school funding system that lives up to the promise of the 2006 special session, called in response to a Texas Supreme Court ruling that the system in place at that time created, in effect, an unconstitutional state property tax. Since 2006, the funding system has deteriorated to the point that, with only sporadic exception, districts are funded by arbitrary and inequitable hold-harmless and other outside-the-system schemes.
- The Texas Legislature has refused to adopt a rational, efficient system that treats all school children and taxpayers fairly.

Why must equity be a key component of school finance litigation?

- **Student Inequity:** Per weighted student¹ revenues for the basic education program, including both state and local, across Texas will range from less than \$5,000 per student to more than \$12,000 per student for the 2011-12 school year.
 - Even within the same city, revenues range greatly—even at the same property tax rate. For example, at \$1.04 M&O Tax Rate, San Antonio ISD is funded at \$5,036 per student for 2011-12, while Alamo Heights is funded at \$6,243.
 - It's important to note that the children in these districts are held to the same accountability and graduation standards—and will be expected to compete with one another in colleges, universities, and in the workforce.
- **Taxpayer Inequity:** M&O tax rates range across the state from \$.70 to \$1.17 per \$100 of property valuation. Taxpayers in the districts currently at the maximum M&O rate of \$1.17 are able to generate only \$49.80 per student per penny of adopted tax rate. The same number of districts with the lowest tax rates are able to generate \$68.89. This is unfair to taxpayers and businesses.

What outcome will the lawsuit seek?

- The goal of this lawsuit is to achieve a funding system that treats all Texas children and taxpayers fairly.

¹ The state uses a weighted student count for school funding purposes that takes into account extra student costs, such as in special education. "Student" will have this meaning throughout this document.