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## Court Rules Again: Texas School Funding Must Serve All Students Equitably

### *IDRA Statement on the Texas District Court Ruling on Texas School Finance System – August 28, 2014*

The Texas District Court, Judge John Dietz presiding, ruled today that the Texas school finance system violates the Texas Constitution. Judge Dietz ruled that the current funding system is “**constitutionally inadequate, unsuitable and financially inefficient**” (pg. 4).

“Once again, the court has affirmed what researchers, communities and educators have stated for years: the Texas system for funding public schools is inequitable, inadequate and unacceptable,” said Dr. María “Cuca” Robledo Montecel, IDRA President & CEO.

The Mexican American Legal Defense and Educational Fund (MALDEF) represented a sub-group of low wealth school districts and parents in the case, and IDRA conducted several research studies of the Texas school finance system in conjunction with the case. IDRA research found that they system is inequitable and fails to provide adequate levels of funding for educating English language learners and low-income students.

Dr. Albert Cortez, IDRA’s Director of Policy, provided key testimony in the *Texas Taxpayer and Student Fairness Coalition vs. Michael Williams, et al.*, initial trial that concluded in February 2013 and the subsequent hearings that examined the impact of changes to the Texas public school funding system adopted by the Texas legislature in 2013. IDRA also presented analyses at trial revealing that funding cuts to special programs disproportionately impact students in low wealth and major urban school districts. These cuts were not restored in the 2013 legislative session.

Among IDRA’s research findings, presented to the court, were the following.

- **Inequitable** – The Texas system fails to provide a similar return for similar tax effort, producing unacceptably high levels of inequity between the state’s wealthiest and most property poor school districts. Texas’ richest school districts have \$1,098 more per student, which amounts to a gap of \$27,450 per classroom or \$823,500 per school to spend on teachers, curriculum, books, technology tools and supplies.
- **Inadequately funded** – School districts are not adequately funded to provide for the general diffusion of knowledge as required by the Texas Constitution, especially given increased standards and a more rigorous state assessment system. All students are expected to graduate college and career ready, yet no funding adjustments were adopted that reflect what research shows is needed to achieve those outcomes.
- **Insufficient** – The state fails to provide sufficient funding for schools to effectively address the needs of a growing population of **English language learners and low-income students**. Programs serving ELL and low-income students are underfunded by 75 percent.

- **No meaningful discretion** – Because school districts must tax at maximum levels just to meet state requirements, school districts, in effect, lose meaningful discretion to local supplemental funding. Without meaningful discretion, local school taxes become the equivalent of a state property tax, a tax that is forbidden under the Texas Constitution. More than 200 school districts have already reached the cap on local taxing authority.

Judge Dietz concurred, stating in the ruling: “Based upon the competent evidence admitted at trial... the court finds that the Texas school finance system effectively imposes a state property tax in violation of Article VIII, Section 1-e of the Texas Constitution... that the Legislature has **failed to meet its constitutional duty to suitably provide for Texas public schools** because the school finance system is structured, operated and funded so that it cannot provide a constitutionally adequate education for all Texas schoolchildren... the school finance system **is constitutionally inadequate** because it cannot accomplish, and has not accomplished, a general diffusion of knowledge for all students due to insufficient funding, [and] the school finance system **is financially inefficient** because all Texas students do not have substantially equal access to the educational funds necessary to accomplish a general diffusion of knowledge.” (pp. 2-3)

Importantly, the ruling **recognizes the substantial and growing population of economically disadvantaged and English language learner students** in Texas and the impact of inadequate funding. “This court declares that the Texas school finance system violates the ‘make suitable provision’ clause in Article VII, Section 1 of the Texas Constitution because the system is not ‘structured, operated and funded so that it can accomplish its purpose for economically disadvantaged and English language learner children’” (pg. 7).

In addition, the judge found that the **facilities funding** provided to public schools is “constitutionally inadequate to suitably provide sufficient support for districts to maintain, build and renovate the classrooms necessary for an adequate education.” (pg. 9)

The court also once again rejected the charter school intervenors’ call for the court to mandate the lifting of caps on the number of charter schools or to mandate that the state provide funding for charter school facilities. The ruling observes that the legislature recently increased the number of authorized charters adopted in 2013, and the court re-stated its earlier position that the state has the authority to treat charter schools in ways that differ from traditional neighborhood public schools. The court also rejected the claims of the pro-voucher intervenors who were seeking court support for providing state funding for options other than public schools.

### **What is Needed to Ensure Texas Provides High Quality Education for All Students**

If past rulings are any guide, this latest case will very likely be brought to the Texas Supreme Court. The Texas legislature, however, has no reason to wait for court-imposed reforms. The legislature has the authority to act on its own accord to ensure that education meets the test of fairness, efficiency, and education quality for all students. The priority could not be more pressing, as Texas schools prepare to serve growing numbers of low-income students and English language learners. These actions are needed now.

- **Fair funding now.** What is needed are critical funding resources, not more time. There is not a need for complete restructuring of the school funding system. Given the breadth of the court ruling and the compelling facts of the case, it is clear however that the adoption of an equitable school funding plan that provides all school districts the resources needed to educate children to the high levels is needed – and needed now.
- **Features that maintain inequity** and that have been hidden within the state funding system for decades **need to be eliminated immediately** – no more phasing out. The trial testimony made reference to the significant inequities that continue as result of target revenue funding. Elimination of this alternative dis-equalizing funding scheme is absolutely essential. Plans to phase out what are called “hold-harmless” features (money that school districts receive despite not qualifying for it under the regular funding formulae) over a multi-year span have always been used as an excuse to perpetuate inequities that were created as far back as 1993. The argument that high wealth school districts need time to adjust ignores the fact they have already had decades to do so.
- **Special population funding increases must be implemented now.** Funding weights based on real-world costs have been long overdue. Based on expert testimony, the court concluded that all schools serving the state’s special population students (particularly those who are learning English and those from low-income backgrounds) require higher levels of funding than provided in current state formulas. There has never been an adjustment since the weights were adopted in 1984. After decades of neglect, Texas needs to increase funding for compensatory education and ELL weights to 40 percent, as supported by the research literature.

- **Public funding must be reserved for public schools.** The court ruled that funding for public schools must be made more adequate and more equitable. To achieve this goal, the state must not divert state funding to private schools by providing vouchers or tax breaks for businesses to divert tax monies to contributions designed to support private schools, or expanding corporate run charter schools. Such proposals would result in diminishing the resources available to fairly fund public schools that has been mandated by the court. Diverting public money away from public schools would do nothing to address the current crisis and would create dual school systems: one separate for the few and one under-funded for the many.
- **Facilities funding priority should be given to public schools.** The state of Texas has long been negligent in addressing the facilities funding needs of the majority of its public schools, failing to provide new funding for facilities in the last several years. Priority in addressing long-neglected facilities needs should be given to those public schools that have waited patiently for their opportunity to get state support to remodel, upgrade or replace old, outdated classrooms, laboratories and similar instructional areas.

### The time for fair funding is now

Dr. María “Cuca” Robledo Montecel added: “The state of Texas has struggled with inadequate, inequitable education funding for far too long – perpetuating funding schemes that value some groups of schools and students over others. That was the old Texas. It is time for the new Texas – one that provides equal educational opportunity not for just some – but for all of its children.”

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[Court ruling on August 28, 2014](#)

[Texas School Funding Equity Gap – Infographic](#) showing how some children are considered more valuable than others in Texas

Recent article, February 2014: [The Latest Texas School Finance Equity and Adequacy Court Case – Round Six Texas Taxpayers and Student Fairness Coalition et al vs. Williams](#), IDRA Newsletter

Statement on February 5, 2013: [Court Rules: Texas School Funding Must Serve All Students Equitably](#)

Article (with link to IDRA's expert report and slideshow): [Highlights of IDRA's Expert Reports and Testimony Presented in the Texas 2012 School Finance Court Case](#)

Statement on December 14, 2011: [Fair Funding is Essential to Having Excellent Schools for All Texas Students](#)

MALDEF statement (with link to a presentation of MALDEF's arguments): [MALDEF Secures Court Victory on Behalf of Children in Texas School Finance Case](#)

Video of [Judge Dietz's decision in the initial Texas school finance trial](#) (08:01 min; YouTube)

Graphic showing [IDRA's Quality Schools Action Framework™](#)

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[Principles for Fair Funding for the Common Good](#)

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IDRA works hand-in-hand with hundreds of thousands of educators and families each year in communities and classrooms around the country. All our work rests on an unwavering commitment to creating self-renewing schools that value and promote the success of students of all backgrounds.

We are a small organization with a powerful mission: to create schools that work for *all* children.



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