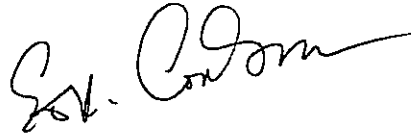




College Station Independent School District

Success....each life....each day....each hour

MEMORANDUM

To: CSISD Board of Trustees 

From: Eddie Coulson, Superintendent of Schools

Date: January 12, 2007

Subject: Texas School Coalition

Agenda Item: D-1

Board Priority/
District Goals: Priorities 1 and 3: Goal 2

Background

The Texas School Coalition is a consortium of 118 Chapter 41 school districts that is organized for the purpose of bringing together independent school districts that have an interest in improving the school funding laws for all school districts. The organization provides research, information, and consultation regarding school finance legislation. In addition, the Texas School Coalition financed the litigation costs associated with the West-Orange Cove lawsuit. As you may recall, as a member of the Texas School Coalition, CSISD was listed as a plaintiff in the West-Orange Cove lawsuit.

The West-Orange Cove lawsuit was a long ordeal and did not come without considerable legal expense to the participant school districts. As you know, the plaintiffs prevailed in the lawsuit, and the former school finance system was ruled unconstitutional. As a result of the ruling, the legislature adopted House Bill 1 as the new school finance provision for the state.

HB 1, in part, resulted in the following for CSISD: First, the state increased funding to CSISD through the high school allotment allocation and through the \$2,000 provided for each teacher, nurse, librarian and counselor. Though the funding is not guaranteed beyond this school year, it appears that the funding for these two items will continue. Second, CSISD will realize a reduction in the 2006-2007 Chapter 41 payment that it must make to equalize its wealth. Though CSISD's Chapter 41 payment for the 2006-2007 school year is still in the range of 10 million dollars, without the provisions in HB 1, the payment would have been substantially higher. Third, HB 1 did provide the board some meaningful discretion in determining the tax rate for the 2006-2007 school year.

CSISD's portion of the litigation costs is \$13,500. This payment is a very small part of the \$837,318 needed by The Coalition to completely fund the legal costs that they have already incurred. Though we certainly would have like to have known about this expense

prior to incurring it, I believe the expense to be legitimate, and I believe that school districts around the state, including CSISD, have benefited financially due to the litigation.

Please note that the District Court awarded attorney fees to the plaintiffs; however, the state has appealed this ruling to the Third Circuit Court of Appeals where it currently remains under review. It is the feel of The Coalition and the attorneys involved that the fees may never be reimbursed by the state, and if the state is required to reimburse the litigants, it may be several years before that occurs. If the fees are awarded by the state for the attorney costs, each district will be refunded on a pro rata basis the funds that they have contributed toward the litigation costs.

The board will have an opportunity to consider its involvement in the Texas School Coalition as a member again next fall. At that time we will have the opportunity to weigh the benefits of our continued involvement.

Recommendation

It is recommended that CSISD pay \$13,500 to the Texas School Coalition as its part in the litigation cost of the West-Orange Cove lawsuit.