



College Station Independent School District

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

To: CSISD School Board
From: Eddie Coulson, Superintendent
Date: November 11, 2011
Agenda: E-3
Re: School Finance Litigation

Background

It is estimated that 500 school districts across the state will file suit against the state of Texas related to school finance. The state has charged school districts with preparing all students for post-secondary education and the work force, and the state is significantly raising the academic expectations for districts and students via the implementation of the STAAR exams. At the same time expectations are being raised for students and districts, funding levels for College Station ISD are being reduced by approximately nine percent.

In 2005, the Texas Legislature, in response to a Texas Supreme Court decision, implemented the Target Revenue school finance system. With the new system, local property taxes were reduced/compressed by one-third, and a new business margins tax was implemented. When the new school finance system was put in place, then State Comptroller Carole Keyton McCleelan Rylander Strayhorn stated in a letter to Governor Perry that the new system was 'the largest hot-check in Texas history.' Comptroller Strayhorn was correct. It should be noted that the finance system adopted in 2005 was intended to be a short term solution to 'hold over' school districts until a more permanent solution could be determined. Unfortunately, the 2007, 2009 and 2011 legislative sessions did not develop a finance solution.

Over the years, the Texas Legislature has had to respond a number of times to court decisions related to school finance. And while no school district wants to be involved in a school finance lawsuit, it appears that litigation is now the best option to move the school finance issues forward with the state legislature.

The law firm of Thompson and Horton will be representing a coalition of school districts to challenge the constitutionality of the current school funding system. Ultimately, the coalition of school districts will be seeking a ruling that will compel the legislature to adequately fund public education, provide local meaningful discretion to school districts and tie the funding of the districts to the standards and requirements as set forth by the state.

At this point the coalition of districts joining with Thompson and Horton are:



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Angleton
Austin
Balmorhea
Braozosport
Carthage
Clear Creek
Coppell
Crosby
Damon
East Central
Fort Bend
Fort Worth
Hardin-Jefferson
Houston
Humble
Katy
Kingsville
La Porte
Leggett
Pearland
Perrin-Whitt
Rockdale
Santa Fe
Sweeny
West Orange Cove
Woodville

Recommendation

It is recommended that the CSISD board adopt a resolution to participate in school finance litigation and to engage Thompson and Horton LLP regarding the same.