



Writer's Direct Line  
512-974-2458

Writer's Fax Line  
512-974-1311

**November 2, 2012**

Honorable Judge Dietz  
Herman Marion Sweatt Courthouse  
1000 Guadalupe,  
Austin, Texas 78701

**RE: Cause No. D-1-GN-11-003130; *Edgewood Independent School Dist., et al. v. Robert Scott et al.*; in the District Court of Travis County, Texas, 200th Judicial District**

STATEMENT OF INTEREST OF THE CITY OF AUSTIN

TO THE HONORABLE COURT:

The City of Austin submits this statement of interest on behalf of the Austin area school districts currently litigating the school finance system before this court. The City is not a party to the litigation but submits this statement of interest as a trial court amicus as requested by the Austin City Council's September 27, 2012 resolution attached as Exhibit A.

The outcome of this case impacts The City of Austin's ability to promote the quality of the area's public education system as a component of attracting and retaining businesses and jobs within the central Texas area. Prospective businesses not only analyze the quality of the school systems, but the property tax rates among the taxing entities in a local area. Further, the adequacy of education funding, which is central to this lawsuit, directly impacts the City of Austin's ability to continue to maintain healthy partnerships with AISD. Such partnerships are

critical to meeting both the educational needs and social service needs of the City's school-age population, particularly among at-risk youth. Basically, a core measure of Central Texas' quality of life is impacted by this litigation.

As the Capital City for the state of Texas, Austin enjoys a rapidly growing population of over 800,000 residents.<sup>1</sup> Austin serves as the hub of economic development for the Central Texas region, and the City plays a vital role in attracting and retaining businesses. The number of large corporations to list Austin as either their headquarters or major operations speaks to the City's success in potential job growth in recent years. Specific companies include, Dell, Freescale Semiconductor, IBM, Nvidia, 3M, Apple, Hewlett-Packard, Google, AMD, Applied Materials, Cirrus Logic, Cisco Systems, Flextronics, eBay/PayPal, Bioware, Intel Corporation, National Instruments, Samsung Group, Buffalo Technology, Silicon Laboratories, Xerox, Oracle, Hostgator, and United Devices. Facebook's 2010 agreement to construct a downtown Austin office made it the most recent example of job growth potential with its promise to add as many as 200 jobs to the rapidly growing Capital City. In addition to technology, Austin has seen growth and potential growth in its pharmaceutical and biotechnology sectors again serving as the home to over 80 of such companies.

The City's job growth success is dependent in part upon its economic development incentives that it is able to offer under provisions of the Texas Local Government Code and the Texas Tax Code. However, attracting, expanding and retaining companies are also greatly dependent upon the strength of the educational system in the central Texas region. Most of the city is served by the Austin Independent School District with other districts, including Round

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<sup>1</sup> According to the 2010 U.S. Census, Austin's population hit 820, 611 and was the 3<sup>rd</sup> fastest growing large City in the United States since the completion of the census in April of 2010. In fact, its population is the largest among the ten fastest growing large cities.

Rock, Pflugerville, Leander, Manor, Del Valle, Lake Travis, Hays, and Eanes ISDs serving the remaining City population. Despite Austin's rapid population growth, the public elementary and secondary schools that educate the City's residents have historically enjoyed high rankings not only from state and federal educational agencies, but private industry analysts as well. Such rankings emphasize quality of life as an attractive feature for potential entrepreneurs and business relocation efforts. Further, such rankings demonstrate the potential for a highly qualified labor pool as more and more businesses look to Austin for potential expansion.

Understandably, the rapid population growth has placed additional demands upon numerous City services and the City's social services are no exception. When the area districts' funds are diminished at the state level,<sup>2</sup> additional strains are felt at the City's level both in the provision of services for City residents but also in its efforts to collaborate with and assist the districts in the provision of core services to the student populations.

Currently, the City Austin has over 70 examples of collaborations with the Austin Independent School District ranging from interlocal agreements to provide transportation and physical space for school enrichment programs<sup>3</sup> to Gang Prevention education funding. In fact, the need for collaboration is so apparent that City, AISD and the Travis County established a Joint Education Subcommittee where three members of the Austin City Council regularly meet with District and County officials to identify and evaluate areas of mutual interest and concern. Numerous partnerships have emerged from this committee and many of the programs focus on at-risk youth. For example, the VICTORY After School Program provides after school activities

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<sup>2</sup> As Plaintiff's in this case point out, the 82<sup>nd</sup> Legislature cut \$5.4 billion from public education for the 2011-2013 biennium.

<sup>3</sup> The City and AISD provide funds for a solar learning center on secondary campuses with an associated science curriculum.

to students who reside in seven neighborhoods surrounding the City's public libraries. These programs are focused on increasing student attendance and decreasing discipline referrals in these areas. Further, the City partners with AISD and six non profit organizations to place mentors and tutors into AISD schools. Not only is there programming collaboration, the City and the District work to collaborate on facilities planning. For example, AISD and the City entered into an agreement to jointly fund, design and construct the St. John's Community Center campus which includes an elementary school, a library, health clinic, police substation and shared recreational space. A lack of an adequate, consistent and equitable funding mechanism hampers the ability of the City and the area districts to plan and implement ways of collaborating to achieve success both within the schools and the surrounding communities. Numerous studies suggest that adequate school finance correlates with higher academic achievement and the potential to reduce the drop out rates among at risk populations. The failure to achieve adequate funding levels places the schools and in turn the communities that they serve at risk youth at the brink of social service needs that cannot be met. Multiple studies correlate school drop out rates with increased likelihood of poverty and law enforcement interaction. These basic facts directly impact the quality of life for the citizens of Austin. And this is precisely why Austin has an interest in the outcome of this litigation.

RESPECTFULLY SUBMITTED,

KAREN M. KENNARD, CITY ATTORNEY



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MEGHAN L. RILEY, CHIEF LITIGATION  
STATE BAR NO. 2409373  
CITY OF AUSTIN LAW DEPARTMENT  
P.O. BOX 1546  
AUSTIN, TEXAS 78767-1546  
(512) 974-2268  
(512) 974-1311 [FAX]  
ATTORNEYS FOR CITY OF AUSTIN

Unofficial copy Travis Co. District Clerk Vela Lopez

**RESOLUTION NO. 20120927-080**

**WHEREAS**, the Texas Constitution requires that the State of Texas provide “support and maintenance of an efficient system of public free schools.” The State’s school finance system is a component of this constitutional mandate; and

**WHEREAS**, Texas Supreme Court decisions interpreting the Texas Constitution have required a school finance system that contributes to a “general diffusion of knowledge;” and

**WHEREAS**, the 2011 legislature cut more than \$5 billion dollars from public education and failed to fund an increase in statewide public school enrollment of approximately 80,000 additional students; and

**WHEREAS**, public school districts across the State of Texas have recently faced financial difficulties based in part on the state funding cuts; and

**WHEREAS**, numerous studies suggest that adequate school finance correlates with higher academic achievement within our nation’s public schools; and

**WHEREAS**, the City of Austin greatly benefits from high-performing public schools. Strong public schools provide recruitment and retention benefits for the City’s numerous businesses. Further, a well- educated populace provides a strong pool of qualified candidates to serve as business and civic leaders within the community; and

**WHEREAS**, school funding provided to the districts within the City of Austin’s jurisdiction has a direct economic impact on the Austin community; and

**WHEREAS**, an efficient and high-quality education system undoubtedly benefits the economic development of this City and the State of Texas; and

**WHEREAS**, Austin area school districts, including Austin Independent School District have joined several other Texas school districts in five lawsuits that challenge the State of Texas' school financing system as constitutionally inadequate; and

**WHEREAS**, the consolidated lawsuits, which are set for trial in October of 2012, allege that the current public education finance system is not efficient, is not adequate, and limits meaningful discretion for setting local property tax rates; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

This City Council supports the Austin Independent School District and other area school districts' participation in the consolidated school finance lawsuits and supports their efforts to speak with one voice in the litigation of public school finance matters essential to the fair treatment of Texas taxpayers and public school children;

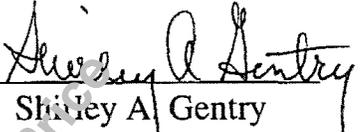
**BE IT FURTHER RESOLVED:**

Council authorizes the City Manager and appropriate City staff to take necessary steps to prepare and file an amicus brief expressing the City's

“statement of interest” in support of the litigation on behalf of the area districts.

ADOPTED: September 27, 2012

ATTEST:



Shirley A. Gentry  
City Clerk

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