Filed in The District Court
of Travis County, Texas
EM FEB 04 2013
At 4:30 p M.
Amalia Rodriguez-Mendoza, Clerk

CAUSE NO. D-1-GN-11-003130

THE TEXAS TAXPAYER & STUDENT FAIRNESS COALITION, et al; CALHOUN COUNTY ISD, et al; EDGEWOOD ISD, et al; FORT BEND ISD, et al; TEXAS CHARTER SCHOOL ASSOCIATION, et al.	§	IN THE DISTRICT COURT
Plaintiffs	§	
JOYCE COLEMAN, et al	§	
Intervenors	§	
vs.	§	200th JUDICIAL DISTRICT
MICHAEL WILLIAMS, COMMISSIONER OF EDUCATION, IN HIS OFFICIAL CAPACITY; SUSAN COMBS, TEXAS COMPTROLLER OF PUBLIC ACCOUNTS, IN HER OFFICIAL CAPACITY; TEXAS STATE BOARD OF EDUCATION,	§	
Defendants.	§	TRAVIS COUNTY, TEXAS

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COURT'S RULING

TEXAS TAXPAYER AND STUDENT FAIRNESS, *et al.*

The Court declares that the school finance system violates the "efficiency" provisions of Article VII, §1 of the Texas Constitution in that it fails to provide substantially equal access to revenues necessary to provide a general diffusion of knowledge;

The Court declares that the school finance system is not adequately funded and therefore fails to make suitable provision for the support and maintenance of the system in violation of Article VII, §1 of the Texas Constitution;

The Court declares the school finance system has created a state ad valorem tax in violation of Article VIII, §1-e of the Texas Constitution.

The Court declares that the school finance system does not violate Article VIII, §1(a), the equal and uniform tax provision, of the Texas Constitution.

EDGEWOOD INDEPENDENT SCHOOL DISTRICT, *et al.*

The Court declares that the current public school finance system is financially and quantitatively inefficient under Article VII, §1 of the Texas Constitution;

The Court declares that the current public school finance system is constitutionally unsuitable for the provision of a general diffusion of knowledge for low income and English Language Learner students under Article VII, §1 of the Texas Constitution;

The Court declares that low wealth school districts have been forced to tax at or near the cap of $1.17 merely to fulfill State mandates and no longer have meaningful discretion in setting their tax rates, so as to constitute a statewide ad valorem tax.

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FORT BEND INDEPENDENT SCHOOL DISTRICT, *et al.*

The Court declares that the current school finance system violates Article VII, §1 of the Texas Constitution in that it is inadequate and unsuitable because it is not structured, operated, and funded so that it can accomplish the general diffusion of knowledge.

The Court declares that the current school finance system violates Article VII, §1 of the Texas Constitution in that it is inefficient, inequitable, and unsuitable and arbitrarily funds districts at different levels below the constitutionally required level of the general diffusion of knowledge.

The Court declares that the current school finance system prevents districts from exercising "meaningful discretion" in setting their tax rates, thereby violating Article VIII, §1-e of the Texas Constitution. To the extent that Plaintiff districts could raise taxes to the statutory maximum rate, the districts would still remain unable to meaningfully use local tax dollars for local enrichment beyond the level required for a constitutionally adequate education.

CALHOUN COUNTY INDEPENDENT SCHOOL DISTRICT, *et al.*

The Court declares that the current school finance system violates Article VII, §1 of the Texas Constitution in that it is inadequate and fails to provide the resources needed to achieve a general diffusion of knowledge. School districts

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must be able to finance the cost of providing for an adequate education within the range of their taxing authority that is not subject to TREs.

The Court declares that the current school finance system prevents districts from exercising "meaningful discretion" in setting their tax rates, thereby violating Article VIII, §1-e of the Texas Constitution. The Calhoun districts cannot lower taxes without compromising their ability to meet state standards, nor can they raise their taxes because they are either legally or practically unable to do so. Even at the maximum tax rate, the additional dollars would not be available for enrichment because they would be needed to fund an adequate education.

TEXANS FOR REAL EFFICIENCY AND EQUITY IN EDUCATION, *et al.*

The Efficiency Intervenors contend the public school system is unconstitutional because it is qualitatively inefficient, that is, it is not productive of results. Accordingly, they challenge the statutory cap on charter schools, the over-regulation of traditional public schools, the system for rating financial accountability, the failure to update the CEI, Tex. Ed. Code Chapter 21's control over personnel decisions, the laws governing Home Rule Charters, and the ability of a receiving district to reject a transfer student from an underperforming school under a Public Education Grant. The Efficiency Intervenors contend the public school system would be more productive of results if the Court were to declare the above practices to be unconstitutional under Article VII, §1 of the Texas

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Constitution. The Court declines to so declare. The Court declares that the issues raised by the Efficiency Intervenors clearly reflect policy decisions within the sound discretion of the Legislature in shaping the public school system.

TEXAS CHARTER SCHOOLS ASSOCIATION, *et al.*

The Charter Intervenors contend that the Legislature has violated Article VII, §1 of the Texas Constitution by establishing an alternative method for funding open-enrollment charter school rather than funding charters in the same manner as traditional public school districts, including the provision of funding for facilities. The Court declares it is within the Legislature's discretion to fund charters differently than traditional public school districts. Any disparities do not rise to the level of rendering the entire system unconstitutional under Article VII, §1 or Article I, §3 of the Texas Constitution.

SIGNED THIS 4th day of February, 2013.

JOHN K. DIETZ
250th District Court

This is not an order which will come later.
JD
2/4/13

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