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March 13, 2013

Hon. John Dietz, Presiding Judge
250th Judicial District Court
Travis County Courthouse
P.O. Box 1748
Austin, TX 78767

Re: Cause No. D-1-GN-11-003130; *The Texas Taxpayer & Student Fairness Coalition, et al. (consolidated) vs. Robert Scott, et al.*, In the 200th Judicial District Court, Travis County, Texas

Dear Judge Dietz:

The Efficiency Intervenors submit the attached draft of the Final Judgment for the above-named cause.

As discussed in the email we sent to your chambers yesterday, Plaintiffs and Intervenors were unable to reach agreement on certain issues, thus we are noting our concerns in a separate draft of the final judgment.

We attempted to electronically file this draft of the Final Judgment yesterday, but were informed this morning that the filing of this document required a cover letter or motion. Thus, we are refiling our draft of the final judgment today with this cover letter.

Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

/s/ Amy L. Saberian

Amy L. Saberian

ALS/ccm

cc: All parties via ProDoc eFile

ISD Plaintiffs,⁴ the Edgewood ISD Plaintiffs,⁵ the Charter School Plaintiffs,⁶ the Efficiency Intervenor,⁷ and the State Defendants.⁸ The case was tried to the Court over the course of forty-five trial days. Based upon the competent evidence admitted at trial, the arguments of counsel, and this Court's contemporaneously-entered Findings of Fact and Conclusions of Law (incorporated herein by reference), the Court rules as follows:

I. Declaratory Relief relating to Article VII, Section 1 adequacy and suitability claims

This Court GRANTS FINAL JUDGMENT to the TTSFC Plaintiffs, the Calhoun County ISD Plaintiffs, the Fort Bend ISD Plaintiffs, the Edgewood ISD Plaintiffs, the Efficiency Intervenor, and the Charter School Plaintiffs on their requests for declaratory relief in connection with their Article VII, Section 1 adequacy and suitability claims. Accordingly, the Court makes the following declarations (which summarize or restate those made in the accompanying Findings of Fact and Conclusions of Law):

1. The TTSFC Plaintiffs have shown that the cost of meeting the constitutional mandate of adequacy (the "general diffusion of knowledge") exceeds the maximum amount of funding that is available to them at the \$1.04 M&O tax rate (the highest rate accessible without a Tax Ratification Election, or "TRE"). Accordingly, this Court hereby declares the State's school finance system fails to satisfy the Article VII, section 1 adequacy and suitability requirements as to the TTSFC Plaintiff districts. The TTSFC Plaintiffs also have shown that the cost of meeting the constitutional mandate of adequacy exceeds the amount of funding that is or would be available to them at the maximum \$1.17 M&O tax rate.

⁴ The Fort Bend ISD Plaintiffs are those districts listed in paragraphs 2-83 of their Fifth Amended Petition filed with the Court on November 30, 2012.

⁵ The Edgewood ISD Plaintiffs are those plaintiffs listed in paragraphs 2-12 of their Second Amended Petition filed with the Court on December 3, 2012.

⁶ The Charter School Plaintiffs are those plaintiffs listed in paragraphs 5-10 of their First Amended Original Petition filed with the Court on October 15, 2012.

⁷ The Efficiency Intervenor are those parties listed in paragraphs 1-2 of their Third Amended Plea in Intervention filed with this Court on October 15, 2012, as well as the Texas Association of Business.

⁸ The State Defendants are Michael Williams, in his official capacity as Texas Commissioner of Education; the Texas Education Agency; Susan Combs, in her official capacity as the Texas Comptroller of Public Accounts; and the Texas State Board of Education.

2. The Calhoun County ISD Plaintiffs have shown that the cost of meeting the constitutional mandate of adequacy (the “general diffusion of knowledge”) exceeds the maximum amount of funding that is available to them at the \$1.04 M&O tax rate (the highest rate accessible without a TRE). Accordingly, this Court hereby declares the State’s school finance system fails to satisfy the Article VII, section 1 adequacy and suitability requirements as to these districts. The Calhoun County ISD Plaintiffs also have shown that the cost of meeting the constitutional mandate of adequacy exceeds the amount of funding that is or would be available to them at the maximum \$1.17 M&O tax rate.
3. The Fort Bend ISD Plaintiffs have shown that the cost of meeting the constitutional mandate of adequacy (the “general diffusion of knowledge”) exceeds the maximum amount of funding that is available to them at the \$1.04 M&O tax rate (the highest rate accessible without a TRE). Accordingly, this Court hereby declares the State’s school finance system fails to satisfy the Article VII, section 1 adequacy and suitability requirements as to these districts. The Fort Bend ISD Plaintiffs also have shown that the cost of meeting the constitutional mandate of adequacy exceeds the amount of funding that is or would be available to them at the maximum \$1.17 M&O tax rate.
4. The Edgewood ISD Plaintiffs have shown that the cost of meeting the constitutional mandate of adequacy (the “general diffusion of knowledge”) exceeds the maximum amount of funding that is available to them at the \$1.04 M&O tax rate (the highest rate accessible without a TRE). Accordingly, this Court hereby declares the State’s school finance system fails to satisfy the Article VII, section 1 adequacy and suitability requirements as to these districts. The Edgewood ISD Plaintiffs also have shown that the cost of meeting the constitutional mandate of adequacy exceeds the amount of funding that is or would be available to them at the maximum \$1.17 M&O tax rate.
5. Because the ISD Plaintiffs collectively have also established a systemic/statewide “adequacy” and “suitability” violation, this Court declares that the Texas school finance system is presently in violation of Article VII, section 1 of the Texas Constitution. Stated another way, this Court finds that the Legislature violated the “arbitrary” standard described in *West Orange Cove II* by “defin[ing] the goals for accomplishing the constitutionally required general diffusion of knowledge,” and then providing “insufficient means for achieving those goals.” *Neeley v. West Orange Cove Consolidated I.S.D.*, 176 S.W.3d 746, 785 (Tex. 2005).
6. The current public school finance system also is unsuitable for the provision of a general diffusion of knowledge for low income and English Language Learner students under Article VII, section 1 of the Texas Constitution.
7. In light of the Court’s findings about the inadequacy of the funding for independent school districts under the statutory formulas, and because charter schools are financed based on state averages of school district funding levels, the Court declares that funding for open-enrollment charter schools also is inadequate and unsuitable.

7-8. 8. —Because the Efficiency Intervenors also established that the Texas system of public schools is not “adequate” (can accomplish a general diffusion of knowledge) or “suitable” (structured, operated, and funded to accomplish its purpose), this Court declares that the Texas school finance system is presently in violation of Article VII, section 1 of the Texas Constitution.

II. Declaratory Relief relating to Article VIII, Section 1-e state property tax claims

This Court GRANTS FINAL JUDGMENT to the TTSFC Plaintiffs, the Calhoun County ISD Plaintiffs, the Fort Bend ISD Plaintiffs, and the Edgewood ISD Plaintiffs on their requests for declaratory relief in connection with their Article VIII, Section 1-e state property tax claims. Accordingly, the Court makes the following declarations (which summarize or restate those made in the accompanying Findings of Fact and Conclusions of Law):

1. The TTSFC Plaintiffs have lost meaningful discretion to set their M&O tax rates, as their current rates effectively serve as a floor (because they cannot lower taxes without further compromising their ability to meet state standards and requirements) and a ceiling (because they are either legally or practically unable to raise rates further). Further, to the extent any of the TTSFC Plaintiff districts could raise their M&O tax rate to the statutory maximum rate of \$1.17 (and have not already done so), the district would still remain unable to meaningfully use local tax dollars for local enrichment beyond the level required for a constitutionally adequate education, in violation of the prohibition on state ad valorem taxes.
2. The Calhoun County ISD Plaintiffs have lost meaningful discretion to set their M&O tax rates, as their current rates effectively serve as a floor (because they cannot lower taxes without further compromising their ability to meet state standards and requirements) and a ceiling (because they are either legally or practically unable to raise rates further). Further, to the extent any of the Calhoun County ISD Plaintiff districts could raise their M&O tax rate to the statutory maximum rate of \$1.17 (and have not already done so), the district would still remain unable to meaningfully use local tax dollars for local enrichment beyond the level required for a constitutionally adequate education, in violation of the prohibition on state ad valorem taxes.
3. The Fort Bend ISD Plaintiffs have lost meaningful discretion to set their M&O tax rates, as their current rates effectively serve as a floor (because they cannot lower taxes without further compromising their ability to meet state standards and requirements) and a ceiling (because they are either legally or practically unable to raise rates further). Further, to the extent any of the Fort Bend ISD Plaintiff districts could raise their M&O tax rate to the statutory maximum rate of \$1.17 (and have not already done so), the district would still remain unable to meaningfully use local tax dollars for local enrichment beyond the level required for a constitutionally adequate education, in violation of the prohibition on state ad valorem taxes.

4. The Edgewood ISD Plaintiffs have lost meaningful discretion to set their M&O tax rates, as their current rates effectively serve as a floor (because they cannot lower taxes without further compromising their ability to meet state standards and requirements) and a ceiling (because they are either legally or practically unable to raise rates further). Further, to the extent any of the Edgewood ISD Plaintiff districts could raise their M&O tax rate to the statutory maximum rate of \$1.17 (and have not already done so), the district would still remain unable to meaningfully use local tax dollars for local enrichment beyond the level required for a constitutionally adequate education, in violation of the prohibition on state ad valorem taxes.
5. Because the ISD Plaintiffs collectively have established a systemic/statewide violation, this Court declares that the Texas school finance system is presently in violation of Article VIII, section 1-e of the Texas Constitution.

III. Declaratory Relief relating to Article VII, Section 1 financial efficiency (equity) claims

This Court GRANTS FINAL JUDGMENT to the TTSFC Plaintiffs, the Fort Bend ISD Plaintiffs, and the Edgewood ISD Plaintiffs on their requests for declaratory relief in connection with their Article VII, Section 1 financial efficiency or equity claims. Accordingly, the Court makes the following declarations (which summarize or restate those made in the accompanying Findings of Fact and Conclusions of Law):

1. The TTSFC Plaintiffs, the Ft. Bend ISD Plaintiffs and the Edgewood Plaintiffs have shown that, in the current system, there is not a direct and close correlation between a district's tax effort and the educational resources available to it, and, as a result, there are large gaps in funding levels between low property wealth and high property wealth districts. These plaintiffs have shown that these gaps disadvantage the students in their districts in becoming college and career ready and cannot be tolerated in a system that requires that "children who live in poor districts and children who live in rich districts . . . be afforded a substantially equal opportunity to have access to educational funds WOCII, 176 S.W.3d at 753.
2. The school finance system violates the "efficiency" provisions of Article VII, Section I of the Texas Constitution in that it fails to provide substantially equal access to revenues necessary to provide a general diffusion of knowledge.
3. The school finance system violates the "efficiency" provisions of Article VII, Section I of the Texas Constitution in that the amount of unequal local supplementation in the system is so great as to destroy the efficiency of the system.

IV. This Court denies the TTSFC Plaintiffs’ request for declaratory relief relating their Article VIII, section 1(a) “taxpayer equity” claim.

For the reasons set forth in its Findings of Fact and Conclusions of Law, this Court declines to grant the relief sought by the TTSFC Plaintiffs in connection with their Article VIII, section 1(a) “taxpayer equity” claim and GRANTS FINAL JUDGMENT to the State Defendants on this claim.

V. This Court denies the Efficiency Intervenors’ request for declaratory relief relating to their Article VII, Section 1 “qualitative efficiency” claim.

The Court considered the Efficiency Intervenors’ claim that Texas Education Code, Chapter 21 and sections 12.101(b), 12.013(b)(3)(F)-(S), 25.111-112, 29.203(d), 39.082, and 42.102 are unconstitutional because they are not efficient as required by article VII, sec. 1 of the Texas Constitution. The Court determines that these are policy decisions for the legislature and therefore declines to rule on these claims. The Court further declines to declare that the Texas system of public schools is presently in violation of Article VII, section 1 because it is not qualitatively “efficient” (it uses resources to produce results with little waste). This Court grants final judgment to the State Defendants on these claims.

VI. This Court denies the Charter School Plaintiffs’ request for declaratory relief relating to their claims (other than their adequacy claim).

As noted in Part I above, this Court GRANTS FINAL JUDGMENT to the Charter School Plaintiffs on their Article VII, Section 1 adequacy claim. For the reasons set forth in its Findings of Fact and Conclusions of Law, this Court declines to grant the remaining relief requested by the Charter School Plaintiffs in connection with their other claims and GRANTS FINAL JUDGMENT to the State Defendants on these claims.

VII. Injunctive Relief

This Court GRANTS FINAL JUDGMENT in favor of the TTSFC Plaintiffs, Calhoun County ISD Plaintiffs, Fort Bend ISD Plaintiffs, Edgewood ISD Plaintiffs, and the Charter School Plaintiffs on their claims for injunctive relief. Accordingly, this Court:

1. ENJOINS the State Defendants from giving any force and effect to the sections of the Education Code relating to the financing of public school education (Chapters 41 and 42 and Section 12.106 of the Education Code) and from distributing any money under the current Texas school financing system until the constitutional violations are remedied. The effect of this injunction shall be stayed until July 1, 2014 in order to give the Legislature a reasonable opportunity to cure the constitutional deficiencies in the finance system before the foregoing prohibitions take effect.
2. As part of remedying the constitutional violation of the suitability clause of Article VII, Section 1 and in order to ensure that the public school system is structured, operated and funded so as to accomplish its purpose for all students, the State Defendants shall make a good faith effort to determine, in accordance with a Court-approved methodology and with the input and participation of the Plaintiffs, the true costs of meeting the State's performance requirements for all school districts and students, including appropriate weights and adjustments to accurately reflect the cost associated with specific groups of students and/or concentration levels of those students, specific instructional arrangements, and/or specific district characteristics.
3. This injunction shall in no way be construed as enjoining the State Defendants, their agents, successors, employees, attorneys, and persons acting in concert with them or under their direction, from enforcing or otherwise implementing any other provisions of the Education Code.
4. This injunction shall not bar suits for collection of delinquent taxes, penalties, and interest.
5. This injunction does not impair any lawful obligation created by the issuance or execution of any lawful agreement or evidence of indebtedness before July 1, 2014, that matures after that date and that is payable from the levy and collection of ad valorem taxes, and a school district may, before, on, and after July 1, 2014, levy, assess, and collect ad valorem taxes, at the full rate and in the full amount authorized by law necessary to pay such obligations when due and payable. A school district that, before July 1, 2014, issues bonds, notes, public securities, or other evidences of indebtedness under Chapter 45 of Education Code, or other applicable law, or enters into a lease-purchase agreement under Subchapter A, Chapter 271 of the Local Government Code, may continue, before, on, and after July 1, 2014, to receive state assistance with respect to such payments to the same extent that the district would have been entitled to receive such assistance under Chapter 42 or 46 of the Education Code, notwithstanding this injunction.

6. This injunction does not limit, modify, or eliminate the authority of a school district to issue or execute bonds, notes, public securities, or other evidences of indebtedness under Chapter 45 of the Education Code, or other applicable law, before, on, or after July 1, 2014, or to levy, assess, and collect, before, on, or after July 1, 2014, ad valorem taxes at the full rate and in the full amount authorized by Section 45.002 of the Education Code or other applicable law, necessary to pay such bonds, notes, public securities, or other evidences of indebtedness when due and payable.
7. This injunction does not limit, modify, or eliminate the authority of the commissioner of education, before, on, or after to July 1, 2014, to grant assistance to a school district under Chapter 42 or 46 of the Education Code, in connection with bonds, notes, public securities, lease-purchase agreements, or evidences of indebtedness, including those described by Subchapter A, Chapter 277 of the Local Government Code.

VIII. Attorneys' Fees and Costs

In response to an agreed motion by all parties, this Court bifurcated the issue of attorneys' fees from the trial on the merits of the plaintiffs' claims in an order dated August 29th, 2012. Following the conclusion of the trial on the merits, the parties agreed to try the attorneys' fees issues by submissions of expert affidavits to this Court. This Court is of the opinion that the TTSFC Plaintiffs, Calhoun County ISD Plaintiffs, Fort Bend ISD Plaintiffs, Edgewood ISD Plaintiffs, and Efficiency Intervenor are entitled to reasonable and necessary attorneys' fees as set forth below, and that such an award of fees would be equitable and just.

A. TTSFC Plaintiffs' Attorneys' Fees

IT IS THEREFORE ORDERED that under Section 37.009 of the Texas Civil Practice and Remedies Code, the TTSFC Plaintiffs shall recover from the State Defendants attorneys' fees in the sum of \$[1,516,776.41], an amount that this Court finds to be both reasonable and necessary and equitable and just.

IT IS FURTHER ORDERED that the sum awarded to the TTSFC Plaintiffs shall bear post-judgment interest at the rate of five percent (5%), compounded annually, from the date the judgment is signed until the judgment is paid in full.

IT IS FURTHER ORDERED that the TTSFC Plaintiffs shall recover from the State Defendants appellate attorneys' fees in the following amounts that the Court also finds to be reasonable and necessary and equitable and just:

- (A) [\$325,000] if the State Defendants seek and obtain direct review in the Texas Supreme Court, with post-judgment interest to accrue on said amount at the rate of five percent (5%), compounded annually, from the date the direct appeal is perfected in the Texas Supreme Court, with all such post-judgment interest to run until the judgment against the State Defendants is paid in full; or
- (B) (1) [\$325,000] if the State Defendants perfect an appeal from this Final Judgment to the Court of Appeals, with post-judgment interest to accrue on said amount at the rate of five percent (5%), compounded annually, from the date of the notice of appeal in the Court of Appeals; plus (2) [\$100,000] if the State Defendants seek review in the Texas Supreme Court, with post-judgment interest to accrue on said amount at the rate of five percent (5%), compounded annually, from the date a petition for review is filed with the Supreme Court of Texas; with all such post-judgment interest to run until the judgment against the State Defendants is paid in full.

IT IS FURTHER ORDERED that if, following an appeal, the TTSFC Plaintiffs do not prevail on one or both of their claims, the Court finds that this award of attorneys' fees would still be equitable and just under Section 37.009 of the Texas Civil Practice and Remedies Code, because they have made significant contributions to the public debate on school finance law through this lawsuit.

B. Calhoun County ISD Plaintiffs' Attorneys' Fees

IT IS THEREFORE ORDERED that under Section 37.009 of the Texas Civil Practice and Remedies Code, the Calhoun County ISD Plaintiffs shall recover from the State Defendants attorneys' fees in the sum of [\$2,091,244.37], an amount that this Court finds to be both reasonable and necessary and equitable and just.

IT IS FURTHER ORDERED that the sum awarded to the Calhoun County ISD Plaintiffs shall bear post-judgment interest at the rate of five percent (5%), compounded annually, from the date the judgment is signed until the judgment is paid in full.

IT IS FURTHER ORDERED that the Calhoun County ISD Plaintiffs shall recover from the State Defendants appellate attorneys' fees in the following amounts that the Court also finds to be reasonable and necessary and equitable and just:

- (A) [\$500,000] if the State Defendants seek and obtain direct review in the Texas Supreme Court, with post-judgment interest to accrue on said amount at the rate of five percent (5%), compounded annually, from the date the direct appeal is perfected in the Texas Supreme Court, with all such post-judgment interest to run until the judgment against the State Defendants is paid in full; or
- (B) (1) [\$400,000] if the State Defendants perfect an appeal from this Final Judgment to the Court of Appeals, with post-judgment interest to accrue on said amount at the rate of five percent (5%), compounded annually, from the date of the notice of appeal in the Court of Appeals; plus (2) [\$325,000] if the State Defendants seek review in the Texas Supreme Court, with post-judgment interest to accrue on said amount at the rate of five percent (5%), compounded annually, from the date a petition for review is filed with the Supreme Court of Texas; with

all such post-judgment interest to run until the judgment against the State Defendants is paid in full.

IT IS FURTHER ORDERED that if, following an appeal, the Calhoun County ISD Plaintiffs do not prevail on one or both of their claims, the Court finds that this award of attorneys' fees would still be equitable and just under Section 37.009 of the Texas Civil Practice and Remedies Code, because they have made significant contributions to the public debate on school finance law through this lawsuit.

C. Fort Bend ISD Plaintiffs' Attorneys' Fees

IT IS THEREFORE ORDERED that under Section 37.009 of the Texas Civil Practice and Remedies Code, the Fort Bend ISD Plaintiffs shall recover from the State Defendants attorneys' fees in the sum of [\$1,315,984.25], an amount that this Court finds to be both reasonable and necessary and equitable and just.

IT IS FURTHER ORDERED that the sum awarded to the Fort Bend ISD Plaintiffs shall bear post-judgment interest at the rate of five percent (5%), compounded annually, from the date the judgment is signed until the judgment is paid in full.

IT IS FURTHER ORDERED that the Fort Bend ISD Plaintiffs shall recover from the State Defendants appellate attorneys' fees in the following amounts that the Court also finds to be reasonable and necessary and equitable and just:

- (A) [\$400,000] if the State Defendants seek and obtain direct review in the Texas Supreme Court, with post-judgment interest to accrue on said amount at the rate of five percent (5%), compounded annually, from the date the direct appeal is perfected in the Texas Supreme Court, with all such post-judgment interest to run until the judgment against the State Defendants is paid in full; or

- (B) (1) [\$300,000] if the State Defendants perfect an appeal from this Final Judgment to the Court of Appeals, with post-judgment interest to accrue on said amount at the rate of five percent (5%), compounded annually, from the date of the notice of appeal in the Court of Appeals; plus (2) [\$250,000] if the State Defendants seek review in the Texas Supreme Court, with post-judgment interest to accrue on said amount at the rate of five percent (5%) compounded annually, from the date a petition for review is filed with the Supreme Court of Texas; with all such post-judgment interest to run until the judgment against the State Defendants is paid in full.

IT IS FURTHER ORDERED that if, following an appeal, the Fort Bend ISD Plaintiffs do not prevail on one or both of their claims, the Court finds that this award of attorneys' fees would still be equitable and just under Section 37.009 of the Texas Civil Practice and Remedies Code, because they have made significant contributions to the public debate on school finance law through this lawsuit.

D. Edgewood ISD Plaintiffs' Attorneys' Fees

IT IS THEREFORE ORDERED that under Section 37.009 of the Texas Civil Practice and Remedies Code, the Edgewood ISD Plaintiffs shall recover from the State Defendants attorneys' fees in the sum of [\$1,760,953.14], an amount that this Court finds to be both reasonable and necessary and equitable and just.

IT IS FURTHER ORDERED that the sum awarded to the Edgewood ISD Plaintiffs shall bear post-judgment interest at the rate of five percent (5%), compounded annually, from the date the judgment is signed until the judgment is paid in full.

IT IS FURTHER ORDERED that the Edgewood ISD Plaintiffs shall recover from the State Defendants appellate attorneys' fees in the following amounts that the Court also finds to be reasonable and necessary and equitable and just:

- (A) \$[] if the State Defendants seek and obtain direct review in the Texas Supreme Court, with post-judgment interest to accrue on said amount at the rate of five percent (5%), compounded annually, from the date the direct appeal is perfected in the Texas Supreme Court, with all such post-judgment interest to run until the judgment against the State Defendants is paid in full; or
- (B) (1) [\$200,000] if the State Defendants perfect an appeal from this Final Judgment to the Court of Appeals, with post-judgment interest to accrue on said amount at the rate of five percent (5%), compounded annually, from the date of the notice of appeal in the Court of Appeals; plus (2) [\$100,000] if the State Defendants seek review in the Texas Supreme Court, with post-judgment interest to accrue on said amount at the rate of five percent (5%), compounded annually, from the date a petition for review is filed with the Supreme Court of Texas; with all such post-judgment interest to run until the judgment against the State Defendants is paid in full.

IT IS FURTHER ORDERED that if, following an appeal, the Edgewood ISD Plaintiffs do not prevail on one or both of their claims, the Court finds that this award of attorneys' fees would still be equitable and just under Section 37.009 of the Texas Civil Practice and Remedies Code, because they have made significant contributions to the public debate on school finance law through this lawsuit.

E. Charter School Plaintiffs' Attorneys' Fees

[Await Court Ruling. If award of fees, we can duplicate language above or Charters can propose their own]

F. Efficiency Intervenors' Attorneys' Fees

IT IS THEREFORE ORDERED that under Section 37.009 of the Texas Civil Practice and Remedies Code, the Efficiency Intervenors shall recover from the State Defendants attorneys' fees in the sum of \$1,402,898, an amount that this Court finds to be both reasonable and necessary and equitable and just, and costs, expenses, and expert fees in the sum of \$99,168.02, an amount that this Court finds to be both equitable and just.

IT IS FURTHER ORDERED that the sum awarded to the Efficiency Intervenors shall bear post-judgment interest at the rate of five percent (5%), compounded annually, from the date the judgment is signed until the judgment is paid in full.

IT IS FURTHER ORDERED that the Efficiency Intervenors shall recover from the State Defendants appellate attorneys' fees in the following amounts that the Court also finds to be reasonable and necessary and equitable and just:

- (A) \$170,000 if the State Defendants seek and obtain direct review in the Texas Supreme Court, with post-judgment interest to accrue on said amount at the rate of five percent (5%), compounded annually, from the date the direct appeal is perfected in the Texas Supreme Court, with all such post-judgment interest to run until the judgment against the State Defendants is paid in full; or
- (B) (1) \$130,000 if the State Defendants perfect an appeal from this Final Judgment to the Court of Appeals, with post-judgment interest to accrue on said amount at the rate of five percent (5%), compounded annually, from the date of the notice of appeal in the Court of Appeals; plus (2) \$100,000 if the State

Defendants seek review in the Texas Supreme Court, with post-judgment interest to accrue on said amount at the rate of five percent (5%), compounded annually, from the date a petition for review is filed with the Supreme Court of Texas; with all such post-judgment interest to run until the judgment against the State Defendants is paid in full.

IT IS FURTHER ORDERED that if, following an appeal, the Efficiency Intervenors do not prevail on one or both of their claims, the Court finds that this award of attorneys' fees would still be equitable and just under Section 37.009 of the Texas Civil Practice and Remedies Code, because they have made significant contributions to the public debate on school finance law through this lawsuit.

IX. Continuing Jurisdiction

This Court will retain continuing jurisdiction over this matter until the Court has determined that the State Defendants have fully and properly complied with its judgment and orders.

X. Miscellaneous

IT IS FURTHER ORDERED that all costs of court expended or incurred in this cause by the TTSFC Plaintiffs, the Calhoun County ISD Plaintiffs, the Fort Bend ISD Plaintiffs, the Edgewood ISD Plaintiffs, and the Efficiency Intervenors are taxed against the State Defendants.

IT IS FURTHER ORDERED that all writs and processes for the enforcement and collection of this judgment or the costs or court may issue as necessary.

This Judgment finally disposes of all parties and all claims and is appealable. All other relief not expressly granted is denied.

SIGNED this ____th day of _____, 2013.

JOHN DIETZ
Presiding Judge

Unofficial copy Travis Co. District Clerk Velda L. Price