

GN-11-003130

CAUSE NO. D-1-CV-11-00130

TEXAS TAXPAYER & STUDENT
FAIRNESS COALITION, *ET AL.*,

Plaintiffs,

EDGEWOOD INDEPENDENT SCHOOL
DISTRICT, *ET AL.*, (consolidated)

Plaintiffs

v.

MICHAEL WILLIAMS, in his official capacity as
Commissioner of Education, *ET AL.*,

Defendants,

§ IN THE DISTRICT COURT

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TRAVIS COUNTY, TEXAS

200TH JUDICIAL DISTRICT

Filed in The District Court
of Travis County, Texas

FEB - 6 2014

At: 409 M.
Amalia Rodríguez-Mendoza, Clerk

Affidavit of Dr. Albert Cortez Regarding Rebuttal Testimony and Analysis

STATE OF TEXAS §

COUNTY OF BEXAR §

Now Comes Dr. Albert Cortez of IDRA, expert for Edgewood I.S.D., *et al.*, in the above entitled matter and hereby declares the following:

1. My name is Albert Cortez. I am over the age of 18 and fully competent to make this affidavit. The facts stated here in this affidavit are true and within my personal knowledge.
2. I testified in the prior trial in this case, and more recently, on January 27, 2014. During my cross examination, I was asked a series of questions related to demonstrative and trial exhibits that I did not previously have access to during the preparation of the report in this case.
3. Since that time, I have had an opportunity to examine a spreadsheet produced by TEA on or about January 6, 2014, and the demonstrative exhibits.
4. As I understand it, some of the [REDACTED] assertions made by the State in my cross-examination questioned my use of average group yields at adopted tax rates to generate varying levels of funding. Through the limited number of districts (4) presented to me on cross, the State asserted that because districts have different yields at varying tax rates (at compressed tax rates, at \$1.00, at \$1.04, at \$1.06 and \$1.17), the use of yields at adopted tax rates may somehow skew the analysis needed to determine whether school districts have substantially equal access to similar revenue at similar tax effort. [REDACTED]

[REDACTED]

5. [REDACTED]

6. Although I stand by my analysis previously performed, I analyzed the relevant data in order to determine: 1) the revenue generated by school district groups (grouped by decile of districts according to property wealth per WADA) at similar tax effort, and in turn, revenue gaps between the school district groups; and 2) the average yield per penny at such tax rates for the school district groups. The tax efforts used were \$1.00; \$1.04 and \$1.17-- the same rates identified in the State's exhibit used during my cross-examination. The base spreadsheet is the spreadsheet provided by TEA to Calhoun County on or about January 6, 2014. The spreadsheet with my calculations is attached as Exhibit 3340, and fully incorporated by reference herein.
7. The results of my analysis show that there remains a substantial gap between the revenue generated by the poorest decile of school districts and the wealthiest decile of school districts at the same rate of tax effort. The results also show a substantial gap in the average yield for each of those decile groups.

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Table 1: Average Revenue per WADA in 2013-14 Continues to Show a Large Gap Between Poorest and Wealthiest Deciles of School Districts With All Districts Set at \$1.00

School District Groupings	Number of Districts per Group	Group Property Wealth per WADA	Group Average Revenue per WADA at FY 2014 @ \$1.00	Group M&O Tax Rate Yield Per Penny Tax @ \$1.00
Poorest Decile	102	\$72,573	\$5,360	\$53.60
Wealthiest Decile	102	\$1,074,629	\$6,291	\$62.91
Gap			\$932	\$9.32

Intercultural Development Research Association Data source: Texas Attorney General's Office, January 2014

Table 2: Average Revenue per WADA in 2013-14 Continues to Show a Large Gap Between Poorest and Wealthiest Deciles of School Districts With All Districts Set at \$1.04

School District Groupings	Number of Districts per Group	Group Property Wealth per WADA	Group Average Revenue per WADA at FY 2014 @ \$1.04	Group M&O Tax Rate Yield Per Penny Yield \$1.04
Poorest Decile	102	\$72,573	\$5,570	\$53.56
Wealthiest Decile	102	\$1,074,629	\$6,619	\$63.64
Gap			\$1,049	\$10.08

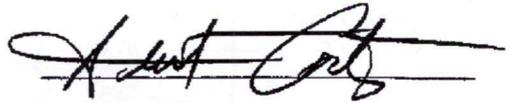
Intercultural Development Research Association Data source: Texas Attorney General's Office, January 2014

each sub-group's total revenue per WADA was then divided by the sub-group's total WADA to produce a weighted revenue per WADA for each sub-group. Differences (gaps) in revenue per WADA between the lowest property wealth per WADA decile sub-group, and the highest property wealth per WADA decile sub-group were then computed by subtracting the sub-group average revenue per WADA in the wealthiest decile from average revenue per WADA in the lowest wealth sub-group decile. The same process was repeated using TEA revenue per WADA at \$1.04 and \$1.17 revenue as provided in the TEA-created spreadsheet.

11. Yields for each subgroup at each tax effort were computed by dividing the subgroup average revenue per WADA by the applicable tax rate. Differences in yields were computed by subtracting the sub-group average revenue per WADA in the wealthiest decile from average revenue per WADA in the lowest wealth sub-group decile. This simple calculation is included on the spreadsheet.
12. The formulas used are also identified in the spreadsheet for each analysis, except as noted above in paragraph 11.
13. This type of methodology is consistent with other analyses performed by other experts in the field of examining the financial efficiency of the system. I am aware that myself, state experts, and other experts have utilized the same and similar methodology. The data is publicly available data that is typically used by experts in the field of examining the financial efficiency of the system.
14. 

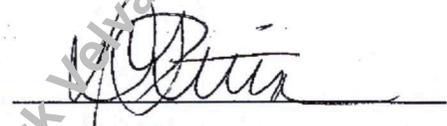
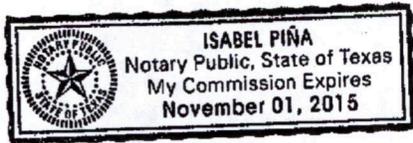
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Further Affiant sayeth not.



Dr. Albert Cortez

SWORN TO AND SUBSCRIBED by said Albert Cortez before me, the undersigned authority, on February 5, 2014.



Notary Public of the State of Texas

Rule 11 Agreement between authorized counsel for State Defendants, Calhoun County ISD Plaintiffs and Edgewood ISD Plaintiffs.

Parties agree to admission of Ex 4341; Affidavit as Redacted; to admission of accompanying spreadsheet, Ex 4340; and to Ex 5798.

Agreed:


David Hinojosa


Mark Trachtenberg


SHELLEN DAHUBER