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ALAMO HEIGHTS ISD JOINS SCHOOL FINANCE LAWSUIT State Funding Inadequate, System has Become Statewide Property Tax

Alamo Heights ISD is participating in the school finance lawsuit filed today by members of the Texas School Coalition, which is made up of revenue-contributing schools. The lawsuit challenges the constitutionality of the Texas school finance system, claiming it fails to provide schools with sufficient funding to meet state educational standards and the system has become a statewide property tax.

“The current school finance system is robbing Alamo Heights ISD of local discretion and over time will limit its ability to provide the excellent education for children that our community expects. The finance system is essentially an unconstitutional state property tax. By advocating for adequate funding and local control, we hope to benefit all children in Texas” said Alamo Heights ISD Superintendent of Schools, Dr. Kevin Brown. “In the last 20 years, Alamo Heights ISD has sent \$300M of local tax revenue to the state, including \$25M this school year alone. It is time for the State of Texas to do its part,” Brown added.

Mark Trachtenberg and John Turner of Haynes and Boone, LLP filed Calhoun County ISD et al vs. Robert Scott et al in state district court in Austin on behalf of six school districts. In addition to the six plaintiff school districts, another 54 school districts are represented by the law firm in connection with the case. Most of the participating districts are members of the Texas School Coalition, which is made up of revenue-contributing schools. These districts have paid almost \$15 billion in local taxes to the state finance system since 1993 and are projected to pay more than \$1B this school year.

“This lawsuit will demonstrate that school districts are not being provided with the resources needed to meet the standards the State of Texas itself has identified as the measure of a constitutionally adequate education. And, the States actions have left school districts without meaningful discretion to control their local property tax rates, which violates the constitutional prohibition against a statewide property tax,” Trachtenberg said.

With Texas schools adding about 80,000 students annually, the Texas Legislature failed for the first time in 60 years to fund enrollment growth by cutting \$5.4 billion from public education for the coming two-year budget cycle. This has forced districts to eliminate thousands of positions for teachers and other support staff. AHISD had to cut \$2.3M this year from its budget and \$3.3M next year.

“These severe funding reductions come at a time when Texas is requiring school districts to implement a new and more rigorous testing and accountability regime. The State’s school finance system is no longer merely drifting toward constitutional inadequacy. It has arrived,” Turner said.

Dr. Brown added, “In 2006, the Supreme Court ruled in the 2006 *West Orange Cove* school finance case that if the State reduced funding or increased standards, then the State would not be adequately funding schools. Well, the State did both—it cut funding by \$5.3 billion and raised state standards significantly. Every school district in the State has a strong case to make.”

“The level of state funding has fallen to such a point that many, or even most, school districts must effectively use all of the local funds they can raise just to meet basic education standards. Local tax dollars raised above a certain level ought to be available for local enrichment and should not be used to compensate for funding the State has failed to provide. We will argue that the State has effectively co-opted the taxing capacity of districts, resulting in a *de facto* state property tax, which is prohibited by the Texas Constitution,” Turner said.

Dr. Brown stated, “Our children are our most precious resource. They represent our highest hopes, and their success is vital to the health of our nation. Our State’s forefathers knew that when they made provisions for public schools utilizing land grants, they needed to form our State constitution to require schools to be adequately funded and locally controlled. It is my hope that we will see the wisdom of their actions, and do right by our children.”

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