



Texas School Coalition

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Judge Issues Findings in Texas School Finance Lawsuit

AUSTIN – State District Judge John Dietz today issued a final judgment holding the state’s school finance system unconstitutional on several grounds, and an exhaustive set of findings of fact and conclusions of law articulating the rationale for his ruling.

All the school district plaintiff groups succeeded on their claims. Judge Dietz held that the Calhoun County ISD plaintiffs had proven that the current school finance system has evolved into an unconstitutional statewide property tax and fails to sufficiently fund Texas schools at the level required to provide a constitutionally adequate education.

Judge Dietz’s orders now set the stage for an appeal by the state, possibly directly to the Texas Supreme Court. As part of the final judgment, Judge Dietz enjoined the operation of the school finance system but delayed the effect of the ruling until July 1, 2015 to give the legislature an opportunity to address the constitutional shortcomings of the system.

The Calhoun County ISD plaintiffs consist of a group of 88 school districts represented by Mark Trachtenberg and John Turner, partners with Haynes and Boone, LLP.

“Judge Dietz’s ruling makes it clear that the state is failing to provide schools with the resources they need to ensure all students have a meaningful opportunity to achieve the state’s own standards,” said Trachtenberg. “Judge Dietz correctly reasoned that the legislature cannot substantially increase academic standards with one hand, and then cut billions out of the public education system with the other.”

Added Turner: “Because of statutory mandates, rising academic standards and declining state funding, districts have lost meaningful discretion over their local property tax rates and have no opportunity to provide enrichment programming desired by their local communities. Judge Dietz correctly found that this situation results in a de facto state property tax, which is prohibited under the Texas Constitution.”

The extensive written orders follow Judge Dietz’s Feb. 4, 2013 oral announcement from the bench at the end of the longest and most extensive school finance trial in state history. His detailed findings are the result of hearing 13 weeks of testimony in the trial conducted from October 2012 to February 2013, and three weeks of testimony in the supplemental evidentiary hearing, which took place earlier this year to update the record regarding legislation passed in 2013. The scope of Judge Dietz’s findings is unprecedented as well, with more than 1,500 findings of fact and close to 120 conclusions of law.

The Texas School Coalition represents school districts that return tax dollars raised from their local homeowners and businesses to the state. Since 1993, these revenue-contributing districts have given more than \$16 billion to the statewide system and they are now contributing about \$1 billion annually.

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