



Focus: Fair Funding

The Latest Texas School Finance Equity and Adequacy Court Case – Round Six

Texas Taxpayers and Student Fairness Coalition et al vs. Williams

by Albert Cortez, Ph.D.

After closing arguments in the trial last year involving the legal challenge by six groups to the Texas school finance system, the district court ruled from the bench that the current funding system is “inefficient, inequitable and unsuitable...” (2013). Judge Dietz planned to have the written ruling four to six weeks later wherein he would provide more specificity regarding its findings of fact and rulings of law.

At roughly the same time, the 83rd Texas Legislature voted to increase the basic allotment from \$4,765 to \$4,950 per student and to slightly increase the “golden penny” guaranteed yield from \$59.95 per penny of tax effort to \$61.86 beginning in 2014-15. Along with a couple of other formulae changes, the adjustments in state aid restored most but not all funding that had been cut from public schools two years earlier. Those cuts triggered the 2012 lawsuit by more than half of the school districts in Texas – representing three-fourths of the students – and even charter school proponents.

At the recommendation of some of the plaintiff groups, the district court agreed to convene new hearings in the case, slating the continuation of proceedings for January 2014. By early January, the updated arguments had been presented by plaintiff groups. The state offered its perspective that enough new funding has been allocated that the system should now be ruled both equi-

tably and adequately funded. But the key position taken by plaintiffs who sued the state over inequity in the funding system is that the limited amount of increased funding did little to narrow the funding gap between low and high property wealth school districts.

All plaintiffs agree that, even with the increased funding, school districts do not have the resources necessary to ensure that all students have access to an adequate education, as required in recent state court rulings. Plaintiffs contend that to reach adequate funding levels – defined as ranging from between \$5,300 to \$6,400 per weighted student – some school districts have reached maximum tax rates permitted by the state, thus creating a state property tax that is prohibited by the state constitution. Some groups also have reinforced earlier arguments that state funding formulae provide insufficient revenue to meet the needs of low-income and English language learner students enrolled in Texas public schools.

IDRA presented expert testimony showing the continuing inequity in the state funding system, noting that, despite increased funding levels, disparities remain at existing tax rates as well as if all school districts were at the maximum allowable tax rate of 1.17. IDRA also testified that districts of varying wealth have to exert very different levels of tax effort to generate similar
(cont. on Page 2)

“When families can’t count on their neighborhood public school to be funded equitably, something has gone deeply wrong with Texas.”

– Dr. María “Cuca” Robledo Montecel, IDRA President and CEO

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amounts of funding. Key findings from IDRA's analyses include the following.

- Despite the re-investment of \$4 billion of the \$5.2 billion in funding cuts made to school districts in the 2011 Texas legislative session, there remain large differences in revenues available to the lowest and highest wealth school districts in Texas.
- For the 2012-13 school year, at districts' adopted maintenance and operation (M&O) tax rates, the state's 10 percent lowest property wealth districts had an estimated revenue per weighted student of approximately \$5,617— or \$1,098 less revenue per weighted student (WADA) than the estimated \$6,715 revenue available to the state's 10 percent highest property wealth districts.
- These per pupil disparities translate to over \$27,450 per classroom at adopted tax rates. These huge differences in turn result in very different educational expenditure options available to educators and communities throughout the state.
- Even allowing for increased revenue that is projected for the 2013-14 school year, using 2013 adopted M&O tax rates, the disparities in revenue remain. The state's lowest wealth districts could access approximately \$5,800 per student (WADA), compared to the \$6,750 per WADA available to the wealthiest sub-group of Texas districts — a disparity of approximately \$950 per WADA.
- At current return per penny of tax effort, lowest wealth districts must tax themselves at 10 percent higher levels to generate the same revenue as their wealthiest counterparts — raising serious questions about the taxpayer fairness features in the current system. Despite

the fact that taxpayers may be paying higher rates in some districts, their efforts are allowed to produce substantially less than similar tax payers in other school districts, often translating these into higher tax rates for thousands of Texas property owners subject to local school taxes.

Due to the fact that only 80 percent of state funding cuts was restored by the Texas legislature in 2013, a small percentage of what many believe is required to achieve both equity and adequacy in the Texas school finance system, plaintiffs expect to prevail in the case. If the school funding system is once again ruled unconstitutional by the district court in Austin, it is expected that the decision will be appealed to the Texas Supreme Court. Due to the time required for the state high court to schedule oral arguments and then for it to issue its ruling, no decisive ruling is expected before late 2014, or perhaps as late as mid-2015. If the Texas Supreme Court once again finds that the Texas public school funding system is unconstitutional, legislative action may not happen during the upcoming 2015 session — requiring yet another special session to fix flaws outlined by the state's high court.

Critics of the ongoing school funding equity litigation have suggested that the complexity of the system needs to be eliminated and that a simpler funding plan be created in its stead. Those pushing for simplicity overlook the complexity of the more than 1,100 schools districts and the various educational needs among the state's 4.6 million students. While necessarily complex, the current system could benefit from some streamlining, including elimination of archaic hold harmless features that date back to 1993. It can also be improved by adopting mechanisms that will create and sustain equity for students

and school districts and ensure that all students have access to high quality education regardless of the neighborhood or area of the state they happen to reside in. The ability to achieve both equity and excellence in Texas schools however will depend on whether state leaders have the political courage and will that has eluded them for over five decades of court cases. If they fail to achieve those goals, it is a sure bet that there will be another round of court cases before the end of this decade.

Resources

IDRA. *Report of the Intercultural Development Research Association – Extent of Equity in the Texas School Finance System and Its Impact on Selected Student Related Issues* (San Antonio, Texas: Intercultural Development Research Association, October 2013).

IDRA. *Report of the Intercultural Development Research Association Related to the Extent of Equity in the Texas School Finance System and Its Impact on Selected Student Related Issues* (San Antonio, Texas: Intercultural Development Research Association, August 2012).

Cortez, Albert. *The Status of School Finance Equity in Texas – A 2009 Update* (San Antonio, Texas: Intercultural Development Research Association, September 2009).

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Happy Birthday to You – The Civil Rights Act at Fifty

by Bradley Scott, Ph.D.

It was 50 years ago that the *Civil Rights Act* of 1964 was passed and was enacted on July 2, 1964, as the law of the land. A college professor told me once: “We already have civil rights. The law was passed a long time ago.” I had to agree, “Yes, we have the letter of the law, I just don’t think we have the full spirit of it yet.” This article is a brief reflection on where I think we need to go to capture the full spirit of the law.

As we approach the act’s 50th anniversary, it is my hope that we can spend some time capturing and documenting evidence of where the act has come to life, is coming to life or is manifesting signs of coming to life for learners and their families in schools and communities across the nation, and particularly across federal Region VI (Arkansas, Louisiana, New Mexico, Oklahoma and Texas), the region served by IDRA’s South Central Collaborative for Equity. You can help us to make this happen. I will explain how in a moment. First, let’s look briefly at what the *Civil Rights Act* was intended to do.

The act was intended by its language “to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States, to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in public facilities and public education, to extend the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes.”

Title IV of the act defined the desegregation of public schools, including public colleges and universities, along with Title VI, Section 601, provided that “no person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.”

This landmark piece of legislation set in motion activities in public education that are to this day challenging us to focus on the protection of the benefits of a public education for all learners regardless of their race, color or national origin. There are big questions we could ask ourselves in this year of commemoration, reflection, redirection, rededication and new action regarding the implementation of the *Civil Rights Act*.

- How well are we doing?
- Where do we need to focus greater time, attention, energy and effort?
- Who is receiving the benefit of a high quality education that leads to school success, graduation, college going and the creation of a good life?
- Where are we advancing?
- Where have we essentially stayed the same?
- Where are things getting worse?
- What successes have we had?
- Where have we failed?
- What new work do we need to undertake?
- How do we reset a revitalized civil rights agenda for the 21st century?

There are many other big questions we could raise, but finding the right answers to these 10 would be a powerful enough start.

Here is my challenge to our readers and partners: Between today and July 2, 2014 (the actual birthday of the *Civil Rights Act*), please visit the IDRA website at www.idra.org and populate our Equity Hub Crowd Map with your own examples of real civil rights in action in education. Let us know by the examples you submit what is working that reflects the spirit of the act. Let us know your concerns through examples you submit where we are falling short across the region and nation. Let us know where education stakeholders, including principals, teachers, parents, students and

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IDRA South Central Collaborative for Equity

For more information about the IDRA South Central Collaborative for Equity or to request technical assistance, contact us at 210-444-1710 or contact@idra.org.

Additional resources are available online at http://www.idra.org/South_Central_Collaborative_for_Equity/

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(Happy Birthday to You – The Civil Rights Act at Fifty, continued from Page 3)

community members are making a difference for learners regardless of race, color, national origin, sex, economic status, language, ability or disability. Let us know how these stakeholders are creating civil rights-based educational benefit for diverse learners that is leading these learners to school success, high school graduation, college attendance and completion and successful transition into life and work experiences.

Feel free to write just a single sentence or a full story. Share photos and videos too, if you'd like. We need your stories because 50 years of work and dedication to these legal rights deserves an airing and an accounting. Happy birthday to you, *Civil Rights Act* of 1964. To paraphrase an old spiritual: "You've been on this road a mighty long time. I hope you are not tired yet."

Bradley Scott, Ph.D., is the director of the IDRA South Central Collaborative for Equity. Comments and questions may be directed to him via email at comment@idra.org.

Get More Online at the IDRA Newsletter Plus

- South Central Collaborative for Equity – Equity Hub
- IDRA expert report on Texas school finance equity
- Infographics on school funding in Texas
- Podcasts about fair funding
- Resources on the *Civil Rights Act* of 1964

Visit www.idra.org for more information.

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IDRA SCCE Equity Hub

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www.idra.org/SCCE_Equity_Hub

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Designed particularly for school administrators, teachers and parents in school districts in Arkansas, Louisiana, New Mexico, Oklahoma and Texas (the states served by IDRA's federally-funded South Central Collaborative for Equity).

IDRA Names 2014 José A. Cárdenas School Finance Fellow – Dr. Oscar Jimenez-Castellanos

IDRA has named Dr. Oscar Jimenez-Castellanos to be our 2014 José A. Cárdenas School Finance Fellow for this inaugural year of the program, which we have established to honor the memory of IDRA founder, Dr. José Angel Cárdenas. The goal of the program is engage the nation's most promising researchers in investigating school finance solutions that secure equity and excellence for all public school students.

“Dr. José A. Cárdenas dedicated his life to improving educational opportunities for all children, leading decades-long efforts to achieve school finance equity,” said Dr. María “Cuca” Robledo Montecel, IDRA president. “Research is needed as we continue our work to move to fair funding and opportunity for all students. We are so pleased to have named Dr. Jimenez-Castellanos as our first fellow to advance this research.”

“I am honored and humbled in receiving the inaugural IDRA José A. Cárdenas School Finance Fellowship award to conduct research to improve the funding for the most vulnerable populations while striving toward equity and excellence,” Dr. Jimenez-Castellanos said.

An assistant professor in the Mary Lou Fulton Teachers College at Arizona State University, Dr. Jimenez-Castellanos has published extensively in the area of K-12 education finance, policy and parent engagement and its impact on opportunity, equity and outcomes in low-income ethnically and linguistically diverse communities. He received his master's degree in policy studies from San Diego State University and his doctorate in education from Claremont Graduate University. His work has been published in academic journals, such as *Review of Educational Research*, *Bilingual Research Journal*, *Educational Considerations*, and *Journal of Latinos and Education*. He is lead editor of the *Association of Mexican-American Educators (AMAE) Journal*. Dr. Jimenez-Castellanos is a 2012 Ford Postdoctoral Fellow administered by the National Research Council

of the National Academies. He was bestowed the honor of a Fulton Professor in 2011 and served as Arizona's Acting Director of the University Research Council (URC) in Education.

As IDRA's 2014 José A. Cárdenas School Finance Fellow, Dr. Jimenez-Castellanos will conduct an important and timely empirical study to examine the amount of supplemental funding above the base funding level that is required to effectively implement appropriate services for English language learners at the secondary level in the State of Texas. More than 11 million school-age children speak a language other than English at home, and Texas enrolls the second largest population of K-12 English language learners. IDRA has been at the forefront in supporting legislative and litigation efforts to address the insufficient funding for education ELLs in Texas and the poor monitoring and implementation of programs serving ELLs at the secondary level.

IDRA's fellowship was established to focus on and fund school finance research that builds cross-disciplinary and inter-sector perspectives on equity. Fellows dedicate themselves to a period of intense study and writing in school finance, with the effort culminating in an annual symposium that includes release of the fellow's program paper. The paper and findings will be published in the symposium proceedings and disseminated to the education research and policymaker community throughout the country.



Dr. Oscar Jimenez-Castellanos, 2014 José A. Cárdenas School Finance Fellow

IDRA Publications Available



The Cost of Inequity in Education

This literature review looks at the policy-related research regarding education and the cost of inequity. Research has established that the benefits of providing additional schooling for a greater percentage of students far outweigh the additional expenses that are associated with keeping more students enrolled all the way to graduation from high school and college.

Free online <http://budurl.com/IDRAwpLitr>



Tracking, Endorsements and Differentiated Diplomas – When ‘Different’ Really is Less

IDRA released an updated policy note following the close of the legislative session to outline the new Texas graduation plans and changes to high school curriculum. The new system encourages placing students in different paths toward graduation, some college bound and some bound for labor. This is bad educational policy and practice. To create true opportunities for all of our children, we must commit to high quality curriculum for all students and full, equitable funding of all our schools, especially those neighborhood public schools in our neediest communities.

Free online: <http://budurl.com/IDRAeNtrk2>



Why More Charter Schools and School Vouchers Are Not Needed in Texas

IDRA released a new policy brief in May 2013 that presents IDRA's analyses finding that no new additional charter sites are needed in Texas. Instead, more effective and efficient use of the available charters currently authorized by law could address existing demand. IDRA's research also shows that vouchers do little if anything to improve local public schools and, for the most part, fail to deliver on promises to provide better quality academic outcomes for students enrolled in lower performing public schools.

Free online <http://budurl.com/IDRApbCV>

IDRA Research – Fair Funding

Throughout IDRA's history, our research has assessed fair funding policy efforts undertaken in Texas and other states to examine progress made toward achieving equity in school funding for all students. These efforts have served to inform policymakers, educators and communities about areas where additional reforms are needed and have included specific recommendations to help achieve more equitable funding systems. IDRA fair funding research has impacted policy dating back to IDRA's inception, leading toward reductions in gaps in funding between property poor and property wealthy school systems. IDRA founder, Dr. José A. Cárdenas, summarized IDRA's first two decades of this work in *Texas School Finance Reform: An IDRA Perspective*. IDRA later published *The Status of School Finance Equity in Texas – A 2009 Update* summarizing changes that had occurred by that point and identifying changes that were still needed.

IDRA's research on funding for English language learners also has informed state and national policy including our seminal bilingual education cost studies for Texas, Colorado and Utah in the 1970s, finding that the lack of equitable and sufficient funding for special programs has been a continuing problem for decades.

In addition to informing the policymaking process, IDRA's research has been used in court cases related to equity in funding dating back to the 1970s up to the current school funding equity case in Texas. Our research has informed several court rulings requiring that the state of Texas change its public school funding system in order to make it more equitable for all students and communities. (See story on Page 1). More examples and resources from IDRA's school funding research work are online at http://www.idra.org/Research/IDRA_Research.

In Texas, some children are considered more valuable than others

Texas schools in 2013 have an estimated

\$1,098 gap per student in how much money they have to spend to educate our children

\$5,617

PER STUDENT

Poorest 100 school districts

\$6,715

PER STUDENT

Richest 100 school districts

The richest school districts still have about **\$27,450 more** to spend per classroom on teachers, curriculum, books, technology tools and supplies

\$140,425

PER CLASSROOM

Poorest 100 school districts

\$167,875

PER CLASSROOM

Richest 100 school districts

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January 2014. Figures based on average estimated 2013 revenue per weighted student at districts' adopted tax rates for 2012-13. Calculated by IDRA. Data source: Texas Attorney General's Office, October 2013.



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