

The Texas public education system is one of the largest in the United States -- consisting of more than 1,000 public school districts and serving an estimated five million schoolchildren.

[1830](#) | [1850](#) | [1860](#) | [1870](#) | [1880](#) | [1910](#) | [1940](#) | [1960](#) | [1970](#) | [1980](#)
[1990](#) | [2000](#) | [2010](#)

1839

January 26, 1839

[Mirabeau B. Lamar](#), President of the Republic of Texas, signs the Education Act of 1839 providing public lands to public schools.

1853

San Antonio establishes the first comprehensive free public school system in Texas.

1854

January 31, 1854

[Governor Elisha M. Pease](#) signs legislation establishing Texas' system of free public schools. According to the Texas Almanac the first school census in 1854 showed there were 65,463 students and the state fund apportionment was \$0.62 per student.

1869

Texans adopt the [Constitution of 1869](#). The Constitution authorizes a poll tax and stipulates its receipts, along with income from school lands and 25% of the general revenue would go to the school fund. The office of the [state superintendent of public instruction](#) was continued, and school attendance was made compulsory.

1876

February 15, 1876

The Texas Constitution is adopted stating "...it shall be the duty of the Legislature of the State to establish and make suitable provision for the support and maintenance of an efficient system of public free schools." [Art. 7, Sec. 1.](#)

[According to the Texas General Land Office](#), the Texas Constitution of 1876 set aside half of Texas' remaining public lands to establish a Permanent School Fund (PSF), to help finance public schools. Legislators intended for this inexhaustible source of revenue because only interest income from the fund could be spend and would be apportioned among the state's public schools. Funds from the Permanent School Fund were the only state expenditure until 1915.

1883

Although no direct ad valorem taxation for maintenance of an available school fund was made, in 1883 a maximum rate of \$0.20 was adopted.

1918

The maintenance taxation is raised to a maximum rate of \$0.35, along with a provision for free textbooks.

To address a funding crisis, [Governor William P. Hobby issued the first state general appropriation.](#)

1949

[Gilmer-Aikin laws](#) reorganize the state system of public schools by making sweeping changes in administration and financing.

1965

[Governor John B. Connally, Jr.](#) appoints a special committee on public education. In 1968, the committee publishes a report (*The Challenge and the Chance*) that calls for a complete overhaul of the public education system in Texas.

1968

July 10, 1968

[Demetrio Rodriguez files a suit against the San Antonio Independent School District](#) claiming the state's system of financing education in Texas discriminates against students in low-wealth districts. Under the Texas system, the state appropriated funds to provide each child with a minimum education. Each local school district then enriched that basic education with funds derived from locally levied ad valorem property taxes. Since the value of taxable property and the number of school-aged children varied greatly among the state's many school districts, significant interdistrict disparities existed in available enrichment revenues, per-pupil expenditures, and tax rates.

The plaintiffs argued that this led to better education for students in wealthier school districts and worse education for students in poorer districts and was thus a violation of the equal protection of the law of the Fourteenth Amendment to the U.S. Constitution.

1971

December 23, 1971

A three-judge panel of the [U.S. District Court](#) unanimously ruled that education was a fundamental constitutional right and that wealth-based classification such as Texas had created were constitutionally suspect.

1973

March 21, 1973

The [United States Supreme Court](#) overturns the district court ruling by a vote of 5-4 and says education is not a fundamental right protected by the 14th Amendment, and a State's system of school finance must be judged on the individual State's constitution rather than the U.S. Constitution. The majority held that education is not a fundamental right since it is neither explicitly nor implicitly guaranteed by the U.S. Constitution. The opinion encourages Texas legislators to create a more equitable system, but it does not mandate it.

1983

[Governor Mark W. White](#) appoints a Select Committee on Public Education to investigate the Texas public education system.

1984

May 23, 1984

[MALDEF](#), joined by the Alvarado plaintiff intervenors (Equity Center), sues the State on behalf of a group of low-wealth school districts alleging the school finance system discriminates against students in low-wealth districts.

June 30, 1984

The Legislature passes [H.B. 72](#), which increases state aid to school districts with low-property wealth by several hundred million dollars a year, in addition to instituting the 22-1 student/teacher ratio for elementary, “no pass, no play”, career ladder, etc.

1987

January 20, 1987

[Edgewood v. Kirby](#) proceedings begin with District court Judge Harley Clark presiding.

June 1, 1987

Judge Clark rules Texas' school finance system is unconstitutional and must be changed by the Legislature by September 1, 1989.

1988

December 14, 1988

Texas' 3rd Court of Appeals overturns Judge Clark's decision.

1989

May 29, 1989

The Legislature passes [S.B. 1019](#) which increases the Basic Allotment and establishes a guaranteed yield formula in Tier 2.

July 5, 1989

[Texas Supreme Court](#) hears *Edgewood I*.

October 2, 1989

The [Texas Supreme Court](#) declares the system unconstitutional by a vote of 9-0, and orders the Legislature to overhaul the system by May 1, 1990. (*Edgewood I*)

1990

February 27, 1990

The Legislature meets in special session to overhaul the school finance system. [Governor William P. Clements](#) insists there be no tax increase.

May 15, 1990

Legislature passes [S.B. 1](#), which requires a one-half cent increase in the sales tax to fund \$555 million increase.

May 22, 1990

[Governor Clements](#) vetoes the bill.

May 29, 1990

Texas House fails to override the Governor's veto.

June 1, 1990

A court-appointed Master lays out his school finance plan.

June 6, 1990

The Legislature once again passes [S.B. 1](#), increasing the Basic Allotment and guaranteed yield, in addition to establishing a goal of equalizing up to the 95th percentile of wealth by the year 1995. The bill increases funding by \$528 million for the first year through a combination of increases in the sales, cigarette, mixed beverage, and smokeless tobacco taxes.

June 7, 1990

[Governor Clements](#) signs S.B. 1.

September 25, 1990

State district Judge Scott McCown rules S.B. 1 unconstitutional.

1991

January 22, 1991

[Texas Supreme Court](#) rules S.B. 1 unconstitutional and gives the Legislature until April 1, 1991 to adopt a new law. (*Edgewood II*)

February 25, 1991

In response to a motion for rehearing, the [Texas Supreme Court](#) issues an “advisory opinion” which states school districts may have unequalized enrichment as long as it doesn’t throw the whole system out of equity. (*Edgewood IIA*)

April 1, 1991

Judge McCown extends deadline for Legislature until April 15, 1991.

April 11, 1991

The Legislature passes [S.B. 351](#)—creating county education districts (CEDs) within which school districts would share the revenue raised from their tax bases up to a specified tax rate.

April 15, 1991

[Governor Ann W. Richards](#) signs [S.B. 351](#).

June 17, 1991

School districts with high-property wealth challenge [S.B. 351](#) charging that it constitutes a state property tax and violates a [Texas Supreme Court](#) ruling prohibiting transfer of tax revenue from one school district to another (*Love v. Dallas*).

August 7, 1991

Judge McCown rules [S.B. 351](#) is constitutional.

November 19, 1991

[Texas Supreme Court](#) hears arguments on [S.B. 351](#).

1992

January 24, 1992

Over 400 businesses file suit against the CEDs requesting collection of the CED tax be enjoined to protect themselves against the “voluntary payment rule.”

January 30, 1992

[Texas Supreme Court](#) overturns Judge McCown and rules [S.B. 351](#) unconstitutional saying it implements a state ad valorem tax through the county education districts and no voter approval was obtained. However they allow for the collection of the CED tax for 1991 and 1992. The Court orders the Legislature to pass a constitutional system by June 1, 1993. (*Edgewood III*)

February 4, 1992

Judge McCown denies taxpayers' requests to stop collection of the CED tax. Attorney Jim Keahey files lawsuit in federal district court in an attempt to halt the collection of the tax.

April 10, 1992

Keahey presents his class action suit before U.S. District Judge James Nowlin arguing the collection of an unconstitutional tax violates the rights of his clients under the due process clause of the U.S. Constitution and requests an injunction forbidding collection of the tax.

May 4, 1992

Judge Nowlin rules although he agrees the collection of the tax violates taxpayers' rights, he will not enjoin the collection of the tax because doing so would have a "disastrous effect" on the children of Texas, which outweighs the harm done to the plaintiffs.

May 14, 1992

Keahey appeals to the 5th Circuit Court of Appeals requesting an expedited hearing.

July 7, 1992

Judge McCown denies MALDEF's request for appointment of a Master to develop a constitutional school finance plan and warns he will allow the schools of Texas to shut down if the Legislature fails to pass a constitutional system by June 1, 1993.

August 3, 1992

The 5th Circuit Court of Appeals hears arguments in taxpayers' class action suit. The court rules the federal court has no jurisdiction over the case and returns the suit to Judge Nowlin with instructions to dismiss it.

October 2, 1992

Judge McCown denies Keahey's request for a permanent injunction to stop collection of the CED tax.

November 10, 1992

Special Session begins to deal with the school finance problem.

December 3, 1992

Special Session ends with the House of Representatives deadlocked, largely along party lines, on the passage of a constitutional amendment authorizing limited redistribution of local ad valorem taxes.

1993

January 12, 1993

73rd Legislative Session begins.

May 1, 1993

Voters reject Proposition 1 which would authorize the recreation of the CEDs and levy of a tax by the CEDs. It would also authorize statewide recapture of up to 2.75% of total revenue.

May 31, 1993

Governor [Ann W. Richards](#) signs [S.B. 7](#), otherwise known as the “Local Option Plan.”

June 1, 1993

Edgewood Plaintiffs (MALDEF) and Plaintiff Intervenors (Equity Center) challenge [S.B. 7](#) and request an injunction and immediate hearing.

June 25, 1993

Judge McCown denies the Plaintiffs request for an injunction and immediate hearing, noting the 1993-94 school year will operate under [S.B. 7](#).

October 4, 1993

District court trial begins to challenge to [S.B. 7](#). (*Edgewood IV*)

1994

January 26, 1994

Judge McCown rules [S.B. 7](#) is constitutional except for facilities. He issues an injunction stating if the State does not provide an equitable means to finance facilities by September 1, 1995, no school district may issue bonds after that date.

May 25, 1994

[Texas Supreme Court](#) hears case. (*Edgewood IV*)

1995

January 30, 1995

In a 5-4 decision, the [Texas Supreme Court](#) declares [S.B. 7](#) constitutional. Additionally, they link the State’s accountability system and “a general diffusion of knowledge.” (*Edgewood IV*)

2001

April 9, 2001

Four property-wealthy school districts (West Orange Cove CISD, Coppell ISD, La Porte ISD, and Port Neches-Groves CISD) file suit in district court claiming they no longer have any meaningful discretion to set their local M&O tax rates, thus creating an unconstitutional statewide property tax. (*West Orange Cove I*)

July 24, 2001

Judge McCown dismisses the case stating a significant number (more than half) of school districts are not at the \$1.50 cap. He also states that of the 195 districts at the cap, 64 of them (including all four plaintiff districts) granted a local option homestead exemption which necessitated a higher rate to compensate for lost revenue due to the exemption. The plaintiffs appeal.

2002

April 11, 2002

Third Court of Appeals affirms Judge McCown's dismissal of the [West Orange Cove](#) case. The plaintiffs appeal to the Supreme Court.

2003

May 29, 2003

[Texas Supreme Court](#) reverses the Third Court of Appeals and remands the case back to district court for trial. ([West Orange Cove I](#))

2004

April 8, 2004

[Governor Rick Perry](#) releases his school finance plan which includes a split roll property tax with \$1.40 M&O tax rate on business property and \$1.25 M&O tax rate on residential property. It also contains a 3% appraisal cap on residential property and a revenue cap for counties and cities. The plan is funded with a video lottery, increased tobacco taxes, acceleration of franchise tax payments and change in the tax base, and adult entertainment fees.

April 20, 2004

Special Session of the 78th Legislature convenes to address educational excellence and property tax relief.

May 17, 2004

Special Session adjourns sine die without consensus on a school finance plan.

August 9, 2004

Over 300 school districts file suit against the State regarding the equity and adequacy of the school finance system, in addition to the issue of statewide property tax. District Judge John Dietz presiding. ([West Orange Cove II](#))

September 15, 2004

Judge Dietz issues a verbal ruling the school finance system is unconstitutional on all issues. He also enters an injunction that all funding of public schools will cease unless the Legislature conforms the school finance system to meet constitutional standards within one year of the injunction.

November 30, 2004

Judge Dietz issues his formal ruling declaring the school finance system unconstitutional on three issues: (1) The school property tax is an unconstitutional state property tax; (2) The State is not providing enough funding in which to provide a “general diffusion of knowledge”; and (3) The facilities funding system is inequitable. The court also enjoined the State from dispersing any funds after October 1, 2005, unless these violations are remedied.

December 1, 2004

State appeals the case to the [Texas Supreme Court](#).

2005

July 6, 2005

[Texas Supreme Court](#) hears the case. (*West Orange Cove II*)

November 22, 2005

[Texas Supreme Court](#) rules the \$1.50 tax rate cap for school district M&O taxes acts as an unconstitutional state property tax. However, they also state the money in the system is currently adequate to provide a general diffusion of knowledge and there is not enough evidence to declare facilities funding to be inequitable. The Court imposes a deadline of June 1, 2006, for the Legislature to change the system.

2006

May 31, 2006

Legislature passes a [H.B. 1](#) which compresses M&O property tax rates by one-third and provides school districts with \$0.17 of tax rate capacity above the compressed rate that can be accessed (at a district's discretion), thereby providing “meaningful discretion” when setting tax rates.

May 2006

Case is dissolved upon agreement between the plaintiffs and the state.

2011

May 31, 2011

The 82nd Legislature passes the General Appropriations Act ([H.B. 1](#)) reducing funding to public education for the first time in history by \$5.4 billion due to a predicted revenue shortfall.

October 11, 2011

The [Texas Taxpayer and Student Fairness Coalition](#) (consisting of 443 school districts and representing more than 1.4 million school children) is the first of what will ultimately be four ISD plaintiff groups, to file suit against the State on the grounds the current school finance system is inequitable, inadequate, creates a statewide de facto property tax, and in violation of the equal protection clause of Texas Constitution. ([Texas Taxpayer & Student Fairness Coalition, et al. v. Michael Williams, et al.](#))

2012

October 2011 - June 2012

Three additional ISD groups join the suit: Edgewood ISD, Fort Bend ISD, & Calhoun County ISD. A charter school group will also join the Plaintiffs, in addition to a Plaintiff Intervenor (TREEE) group led by the Texas Association of Business.

October 22, 2012

Texas Taxpayers & Student Fairness Coalition trial begins with Judge John Dietz presiding. ([Texas Taxpayer & Student Fairness Coalition, et al. v. Michael Williams, et al.](#))

2013

February 4, 2013

Judge Dietz issues a ruling from the bench declaring the school finance system unconstitutional on the grounds it is inequitable, inadequate, and constitutes a de facto statewide property tax in violation of the Texas Constitution.

May 27, 2013

The 83rd Legislature increases funding for public education by \$3.6 billion from the 2012-13 biennial spending level and reduces end-of-course exams to 5 from 15. ([S.B. 1](#))

June 19, 2013

Judge Dietz announces he will hold a re-hearing to determine how actions by the 83rd Legislature might affect his formal ruling.

2014

January 21, 2014

Re-Hearing in the [Texas Taxpayer & Student Fairness Coalition](#) trial begins.

February 7, 2014

Re-Hearing concludes.

June 2, 2014

Attorney General's Office files Motion to Recuse Judge Dietz.

June 23, 2014

Following a hearing on June 20, the Motion to Recuse is denied by Judge David Peeples.

August 28, 2014

Judge Dietz issues final decision in [Texas Taxpayers & Student Fairness Coalition v. Michael Williams](#) finding the system to be inequitable, unsuitable, and inadequate in violation of [Article VII, §1](#) of the Texas Constitution. He also found districts do not have meaningful discretion to adopt property tax rates below the statutory maximum, creating, in effect, an unconstitutional state ad valorem tax in violation of [Article VIII, §1-e](#) of the Texas Constitution.

September 26, 2014

Attorney General Greg Abbott says the State will appeal the district court ruling directly to the [Texas Supreme Court](#).

2015

January 23, 2015

The [Texas Supreme Court](#) announces it will hear the [Texas Taxpayer & Student Fairness Coalition, et al. v. Michael Williams, et al.](#) case.

July 3, 2015

The [Texas Supreme Court](#) announces they will hear arguments in the [Texas Taxpayer & Student Fairness Coalition, et al. v. Michael Williams, et al.](#) trial beginning at 9 a.m. on Tuesday, September 1, 2015.

September 1, 2015

The [Texas Taxpayer & Student Fairness Coalition, et al. v. Michael Williams, et al.](#) trial scheduled to start at 9 a.m. The State will be allowed 45 minutes opening for oral submission. The Intervenors (TREEE) and Charter School plaintiffs will each be allowed 10 minutes and the ISD plaintiffs ([Texas Taxpayer & Student Fairness Coalition](#), Fort Bend ISD, Edgewood ISD, and Calhoun County ISD) will be allowed a total of 60 minutes. The State will then have 15 minutes for rebuttal, with an additional 5 minutes each for the Intervenors and Charter School plaintiffs.

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2016

May 13, 2016

The [Texas Supreme Court](#) unanimously rules school finance system in constitutional. [See more.](#)