A Roadmap to Abolishing School Property Taxes:

Eliminating Texas' School M&O Property Tax In 8 Years

Huffines Liberty Foundation

Executive Summary

Texas' school M&O property tax, about 43% of the current $81.9 billion total property tax levy, can be eliminated in as little as six years without raising any existing taxes or creating a new tax.

Yet, for 25 years Texas politicians have been unsuccessful in their attempts to reduce the heavy burden of property taxes on Texans. Five major reform efforts took place in 1997, 2006, 2015, 2019, and 2021. All of these efforts have three things in common.

First, they failed. Only the 2006 attempt resulted in even a minor reduction in the property tax burden—and that was temporary. In all cases, the efforts failed to stop the rapid increase in property taxes. In 1996, the total property tax levy in Texas was $16.8 billion. In 2022, it was $81.9 billion.

Second, they did not tackle the problem underlying property tax growth, increased government spending. As long as Texas state, local, and school governments continue to increase their spending, taxes will continue to increase. Property tax reform will continue to fail until Texas' elected officials get serious about reining in the growth of government. The only way to significantly reduce or eliminate property taxes in Texas is to reduce or reverse the growth of government spending.

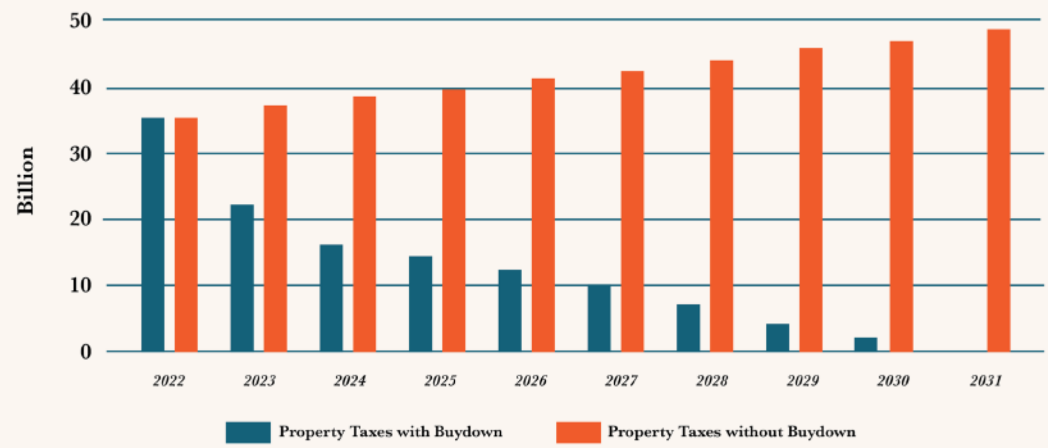
Finally, they did not significantly limit the ability of local governments to continue to increase property tax revenue. Every time the Texas Legislature increased state spending for public education under the guise of "buying down" the school property tax, schools, counties, cities, and special purpose districts have simply raised local property taxes to eliminate what little "relief" taxpayers were supposed to enjoy. Usually, the local governments took advantage of various loopholes in the law that gave them the ability to ignore the few restrictions the Legislature has placed on them.

If Texas politicians are serious about serving the voters—rather than special interests, it is possible to eliminate school maintenance and operations (M&O) property taxes in a relatively short period of time. This paper, the third in a three-part series on Texas property taxes, provides an outline of how Texas can successfully eliminate the M&O portion of school property taxes in six to nineteen years, depending on the level of fiscal discipline exercised by our state politicians.

To eliminate the M&O tax in 8 years, the Texas Legislature must 1) limit annual state spending growth to 2.9%, 2) allocate 90% of surplus funds created by the spending limit to property tax relief, 3) freeze and then reduce school property revenue each year until school M&O property taxes are eliminated, and 4) require local governments to get permission of voters to raise property tax rates above the "No New Revenue" tax rate.

In 8 years—depending on what the Texas Legislature does this session—the school M&O property tax will be either closing in on $50 billion or $0. Texans should let their elected officials know which outcome they prefer.

Figure 1: 8-Year Buydown of M&O Property Tax



Lessons Learned from Previous Property Tax Relief Efforts

The five failed attempts to provide property tax relief since 1997 were divided between two basic approaches (for a more complete explanation of previous efforts, see the Foundation's second paper, Why Texas Can't—or Won't—Stop the Rapid Growth of Property Taxes, in this series):

- An increase in the homestead exemption
- Replacing local education with higher state spending on education, paired with compression of school district property tax rates

The second approach, swapping increased state spending on education for decreased local taxes, was further broken down into two approaches:

- Increasing a state tax that produced revenue used to "buy down" local school taxes
- Using a "surplus" of existing state revenue to buy down local school taxes

By 2019, it had become obvious to legislators that both increasing exemptions and lowering tax rates related to school taxes were doomed to failure because cities, counties, and special purpose districts took advantage of these by rapidly increasing property taxes, thus undermining the benefits of either approach. Legislators, then, took the additional step of limiting the ability of taxing entities to increase revenue. While this was a step in the right direction, it has not worked because 1) the limits were originally delayed for a year, 2) local governments were able to ignore the limits because of Gov. Abbott's COVID emergency declaration, and 3) the limits, even when fully implemented, still allow for significant property tax revenue increases over time.

Who Pays for Texas Schools?	
Texas Homeowners	21.35%
Texas Renters	3.31%
Texas Businesses	20.12%
Texas State Taxpayers	44.64%
Federal Taxpayers	10.03%

Because of the 25 years of failure to reduce property taxes, a number of proposals have been made to address the problem. The proposals have either targeted the complete elimination of property taxes or the elimination of the maintenance and operations (M&O) portion of school property taxes which make up about 43% of property tax levies. Additionally, the proposals have suggested an immediate elimination/reduction through a tax swap or a "buy down" of the property tax over a period of time. The rest of this paper examines these proposals and makes recommendations for reducing property taxes in Texas.

Options for Eliminating School M&O Property Taxes

Though some past proposals have suggested eliminat-

TABLE 1: ALTERNATIVE SALES TAX RATE NECESSARY TO REPLACE ALL PROPERTY TAX REVENUES INCLUDING THE VALUE OF PROPERTY SALES, AVERAGE 2006 THROUGH 2009

	Average Tax Base 2005-2009 (millions)	Average Tax Rate
Current Tax Base Including Real Estate	385,257	15.73%
Taxing All FTA Services Including Real Estate	551,773	10.98%

ing all property taxes, this paper focuses primarily on eliminating the M&O portion of school district property taxes. For the 2022 tax year, the M&O levy was $35.8 billion, 43% of the estimated $81.9 billion total property tax levy. The two primary ways proposed for eliminating the M&O school property tax are a property tax swap and a property tax buydown. We will examine each here.

Property Tax Swap

Replace the M&O portion of property taxes using revenue from increasing another tax. In 2006, the Texas Legislature implemented a property tax swap by increasing the state's franchise tax on businesses. More recent proposals have focused on using an increased sales tax.

In 2012, the Texas Public Policy Foundation published a paper that proposed the immediate replacement of all property taxes with state revenue generated by increasing the sales tax (Arduin, Laffer & Moore Econometrics). Table 1 (see above) from the paper explains the tax rates necessary to accomplish this at that time.

In order to replace the revenue lost from completely abolishing all property taxes in 2012, Texas would have had to raise its sales tax rate to 15.73% and start taxing property sales. To get the rate down to 10.98%, Texas would have had to expand its sales tax base by taxing every service that is taxed in at least one other state. Some of those are electricity, water, veterinary services, newspapers, lobbying, dentistry, architectural, legal, and medical (including lab testing).

There have also been discussions about eliminating all education property taxes, or only its M&O portion, immediately using revenue from an increased sales tax. The mechanism for swapping school property tax revenue for increased sales tax revenue is essentially the same as for the full swap. The main difference is the new revenue needed for eliminating M&O school taxes is less, since the only revenue loss will be from school property taxes. Another difference is because state and local funds are already mixed in the existing school finance system, there is no need to develop a new way to distribute funds to cities, counties, and special purpose districts that lost revenue from the elimination of the property tax, one of their main sources of revenue.

> **Texas' school M&O property tax can be eliminated in as little as six years without raising existing taxes or creating a new tax.**

The main problem with a tax swap is that it does not reduce taxes. It simply shifts the incidence of the tax from individuals and businesses who own property and renters to those who buy goods and services. All Texas taxpayers, both individuals and businesses, will still pay the taxes, just a portion of the burden will shift from some Texans to others. Additionally, a tax swap provides no incentives to reduce the growth of government spending; total government spending will be the same after the swap as it was before. Finally, while some studies have estimated that shifting from a property tax to the sales tax will increase economic growth, the best means of sustaining economic growth—and liberty—over time is by reducing the size and scope of government. A tax swap does not achieve that goal and thus will not produce economic growth over time.

Property Tax Buydown

Eliminate all school M&O taxes over time using existing state revenue.

The immediate elimination of property taxes in Texas through a tax swap has some appeal. However, the disruption to the economy of the high level of sales taxes needed to fund an immediate tax swap suggest that a buydown is the better option for eliminating school M&O property taxes.

Elimination of the M&O property tax will not reduce funding for public schools or change funding formulas.

In 2018, the Texas Public Policy Foundation crafted a plan to eliminate the school M&O property tax through "government exercising fiscal restraint through tax and expenditure limits and reduce the growth of government (Belew, Sass, et al.). Using the past rate of growth (10.08%) of general revenue-related (GRR) state revenue, TPPF estimated that Texas could generate enough surplus revenue from existing taxes to eliminate school M&O taxes and cut property taxes almost in half in as little as 11 years.

Unlike the property tax swap, the property tax buydown would provide an immediate tax cut for Texans who would see their property tax bills cut by over 40% using state taxes that had previously funded increased government spending. Additionally, the size of government in Texas would be significantly less using a property tax buydown that under either a swap or the status quo. Thus, future state and local taxes would be significantly lower than under the status quo.

A large body of research has shown that lower taxes and government spending are directly correlated to increased prosperity and liberty. The Heritage Foundation and the Fraser Institute (Stansel, Torra, et. al.) show a strong correlation between less government spending and economic freedom and wealth, at both the national and state levels. After reviewing economic literature on this topic, the United States Joint Economic Committee stated, "The conclusions of research in this area are clear: substantial economic benefits are available to people in states that have adopted policies that promote economic freedom." The Committee goes on to summarize its findings:

> Three important measures capture the degree of lawmakers' adherence to policies that promote economic freedom: (1) state and local government spending as a percent of state GDP, (2) a tax climate that is conducive for economic growth, and (3) a state-level minimum wage not higher than the federal level and right-to-work protection.

A property tax buydown, which would reduce the growth of taxes and government spending, is the best option for reducing property taxes that also promotes economic growth and liberty.

Elements Needed to Eliminate Texas' School M&O Property Tax

Below is an overview of the path forward for eliminating school M&O property taxes in Texas.

Time Requirement of a Buy Down

The Comptroller reports total property revenue for tax year 2022 to be $81.9 billion. The school M&O portion of property taxes is $35.8 billion. From there, the estimated time needed to eliminate property taxes is determined by a simple math equation; though, of course, variability in future economic growth will affect the actual timeline. The average annual growth rate of state general revenue-related (GRR) funds over the last 11 years is 5.12% (4.59% for the sales tax and 5.66% for other GRR). For the last five years, the rates are higher: 6.10% for the sales tax and 9.80% for other GRR. For the purposes of this paper, the Foundation uses the 11-year growth rates. If the Texas Legislature exercises fiscal discipline by limiting annual increases in state GRR to less than 5.12%, this will (on average) create a revenue surplus with which to buy down the school M&O property tax. The lower the increase in state spending, the less time it will take to buy down the school M&O property tax. As seen in Figure 2, a 2.9% annual limit on state spending growth would require 8 years to eliminate the school M&O property tax. However, a 0% state spending limit accomplishes the elimination in only four years.

Figure 2: Timeline for M&O Buydown

State Spending Growth Limit	Time Needed to Eliminate School M&O Property Tax
2.9%	8 years
2.5%	7 years
2%	6 years
1%	5 years
0%	4 years

Revenue from Limits on State Spending Growth

An essential revenue component of a property tax buydown is excess GRR revenue created by imposing limits on spending growth. GRR spending does not include state dedicated revenue (except some unexpended balances), state other revenue, and federal revenue. The

Figure 3: Potential Buydown Revenue from GRR						
		Available GRR Surplus for Property Tax Reduction (000s)				
Fiscal Year	Estimated GRR	2.9% Growth	2.5% Growth	2% Growth	1% Growth	0% Growth
2024	$81,116,587,000	12,283,816,364	12,513,099,291	12,799,702,950	13,372,910,268	13,946,117,585
2025	$84,780,321,000	8,016,453,639	8,305,400,563	8,666,326,274	9,387,317,886	10,107,163,084
2026	$89,071,105,511	2,473,832,762	2,805,452,395	3,219,625,562	4,046,802,278	4,872,422,369
2027	$93,581,432,088	1,989,095,456	2,342,752,916	2,784,415,827	3,666,381,000	4,546,536,156
2028	$98,322,656,284	2,029,304,321	2,401,651,728	2,866,646,413	3,795,173,368	4,721,755,392

use of GRR, then, provides the Legislature the flexibility it needs to redirect funds to buying down property taxes. Figure 3 shows the amount of GRR that would be available for property tax relief given various levels of spending growth.

The Texas Comptroller estimates that GRR for Texas' FY2024, the first year of the state's next biennial budget period, to be $81.1 billion. By applying growth limits on GRR spending, the Legislature could produce surplus GRR revenue to be used for a buy down. If the spending limit is set at 0% (a no growth budget; see the sidebar on the Liberty Budget), Texas could have a surplus of about $15.1 billion for property tax reduction in 2024. If a 2.5% limit is imposed, the surplus would be $13.7 billion.

The surplus is higher in 2024 and 2025 than in later years. This is because of the extremely high budget surplus Texas currently has. This provides an extraordinary opportunity to quickly reduce the property tax burden on Texans. But it is an opportunity that Texas politicians seem eager to ignore in their quest for spending the surplus to meet the demands of special interests.

It should be noted that the state's current constitutional spending cap, which has been defined by the Legislature to mean population growth plus inflation, provides no protection for those wanting to limit spending to save money for reducing property taxes. The Texas' Legislative Budget Board recently adopted a 12.3% spending limitation for the 2024-25 fiscal biennium. If the Legislature comes to town every two years prepared to spend money up to the current constitutional spending limits, there will be no funds available for reducing property taxes.

Not only does a strong spending limit generate revenue for reducing property taxes, it also limits the spending growth that is responsible for higher taxes. A meaningful spending growth limit is essential.

If the Legislature comes to town every two years prepared to spend money up to the current constitutional spending limits, there will be no funds available for reducing property taxes.

Using Texas' $32 Billion Budget Surplus

On January 9, Texas Comptroller Glenn Hegar announced a projected fiscal year 2023 ending balance of $32.7 billion. That means that Texas will have a surplus of available revenue after taking into account the appropriations made by the Texas Legislature in 2021. Already, plans are being made for how the state can spend all this money. Yet all of these funds came from taxpayers. Rather than make up new ways of spending the money, 100% of it should be returned to taxpayers. One way to do that is through the buy-down mechanism. Since these are one-time funds, as opposed to the ongoing surpluses that would be created by spending growth limits, the best way to use this is to apply a portion of it to the buydown annually for a period of years. For instance, applying the surplus over 8 years, starting in FY 2024, would reduce property taxes by $4.1 billion. By the time the $32 billion is entirely used, the M&O property tax would likely be eliminated, allowing future surpluses to cover the termination of this funding stream.

Freezing School District Property Tax Revenue Growth

The only way to eliminate the school M&O property tax is to eliminate the ability of school districts to increase property taxes during the buydown. Otherwise, school districts will do what they always do: raise taxes. To do this, the state must freeze school M&O property tax revenue at current levels, then reduce it in steps over the buydown period based on the compression levels set by the comptroller using surplus state revenues. While the state cannot impose a local property tax, the courts have held that the state can place caps on property tax rates; the only restriction on this is maintaining equity in public education funding. As long as the state replaces local property tax revenue with enough revenue from state funds to maintain adequate and equitable funding, there is no constitutional prohibition on the state freezing, then reducing, revenue from the school M&O property tax during a buydown (Griesinger, Sass, et al, 10-11).

As the M&O property tax is eliminated over the buy down period, local revenue from the property tax would be eliminated by reducing the property tax rate in each school district. At the same time, the revenue lost from the reduction in property taxes would be replaced from

> **In 8 years—depending on what the Texas Legislature does this session—the school M&O property tax will be either closing in on $50 billion or $0.**

state revenue sources. For each dollar of M&O property tax revenue that is eliminated, one dollar of state revenue would replace it. If the Legislature wants to not only replace but increase the revenue schools previously received from the property tax, it can do so within the spending limit decided upon by the Legislature.

Eliminating the M&O property tax will not reduce funding for public schools or change funding formulas. All school district revenue for maintenance and operations is already distributed according to state school finance funding formulas, whether it comes from local property taxes or state taxes. Adjusting the formulas to account for the shift in revenue from property taxes to the state is a mechanical process that would reduce the complexity of the current school finance system.

This mechanism would only eliminate school M&O property taxes. No change would be made to the interest and sinking fund property tax that schools use to fund expenditures such as new construction.

Limit Property Tax Revenue Growth

As noted above, over the past 25 years the Texas Legislature has failed numerous times to reduce property taxes. One of the reasons for that is every time the Legislature attempted to provide property tax relief, schools and local governments stepped in to fill the gap by raising property taxes. In 2019, the Texas Legislature attempted to restrain local governments from doing this. Yet the legislation adopted by the Legislature contained several loopholes, including the "no-new-revenue" tax rate that exempts new development from the revenue limits. Today, if a property has been newly developed since the last appraisal, or there is additional development of an existing development, the additional revenue generated from these activities does not count against the limits place on property tax growth by the Legislature. This is the reason, along with some districts that do receive voter approval, why property tax revenue is still growing at more than 4% per year despite lower growth limits.

If Texas is going to get control of local property taxes growth by meaningfully controlling local government spending, the Texas Legislature must greatly reduce the ability of local governments and schools to increase property tax revenue without voter approval. The simplest way to accomplish this is to require voter approval for tax rate that would increase property tax revenue in excess of the no-new-revenue standard.

Despite what many local government officials might claim, this is not a draconian restriction on local governments. Harris County provides a good example of this. The county recently set its tax rate for FY 2023 at the no-new-revenue rate. This happened because two commissioners boycotted court meetings to avoid imposing a $257 million tax increase on residents favored by the county judge and two other commissioners. By law, without a quorum to adopt a tax rate, the no-new-revenue tax rate automatically took effect. Because of the exemption from the calculations for new development, the no-new-revenue rate will produce about $66 million in new revenue for Harris County next year. That equals 3.3% in additional revenue growth over 2022. Harris County will have more than enough revenue to meet its fiscal responsibilities in 2023.

Counties experiencing less economic activity might see less revenue growth than Harris County. Of course, less economic activity means less demand for increased services. However, if county commissioners or city council members believe more revenue is needed than can be had under the No New Revenue tax rate, all they have to do is ask voters to approve the higher tax rate.

Constitutional Amendment

The changes needed to eliminate the property tax in Texas can be accomplished by changes to state law. Realistically, though, eliminating the school M&O property tax should be accomplished through an amendment to the Texas Constitution. Though this requires a higher, two-thirds threshold of votes in both houses of the Texas Legislature, it is important that Texans be given a chance to express their views on a state-funding shift of such significance.

Additionally, if anything can be learned from the Legislature's failures to reduce property taxes, it is that politicians have a hard time keeping their hands off taxpayer money. In 2006, for example, the Texas Legislature raised taxes to support an increase of $14 billion in education spending based on the promise of reduced property taxes. However, property taxes decreased by only $438 million, and that reduction only lasted a year. If Texans can persuade their elected officials to make real reforms to the property tax system that provide significant tax relief, the changes should be incorporated into the Texas Constitution to ensure that any future changes must also be approved by Texas voters. This will prevent the Texas Legislature from, for example, reinstituting the school M&O property tax to support higher spending in the future.

Prioritize Liberty Over Local Control

While local governments—and to some extent school districts—have control over their revenue, the current level of local control is not conducive to the liberty of local taxpayers. Schools and local governments often schedule votes on bonds, tax rates, and council elections on low turnout election days, rather than the general election days in November. The result is that often a small minority, sometimes with a financial interest in the adoption of higher spending and more debt, determines the outcomes of these elections. Under a serious plan to reduce or eliminate property taxes, however, the liberty of individual Texans will be better protected by allowing Texans to keep more of their own money through limiting the growth of government spending and reducing the overall tax burden on Texans.

Conclusion: Five Steps to Eliminating the School M&O Property Tax

Elimination of the school M&O property tax within 8 years is unequivocally achievable. However, one of the current proposals to provide property tax relief, increasing the homestead exemption, will not work. For one thing, it affects less than one-half of all property value. Rather, to accomplish the elimination, the Texas Legislature should:

Limit State Spending Growth

Limiting state spending growth to no more than 5.9% per biennium (2.9% annually) will provide adequate state revenue to eliminate the M&O portion of school property taxes within 8 years.

Freeze School M&O Property Taxes

Eliminating the ability of school districts to increase M&O property taxes by freezing school property taxes at the current level stops school districts from interfering with a buydown.

Use 90% of Current and Future Texas' Budget Surpluses for the Property Tax Buydown

Fiscal discipline at the state level will provide enough funds to eliminate the M&O property tax in 10 years (or less) only if 90% of the surpluses generated are used for the buydown.

Require Voter Approval for Local Governments to Exceed the No-New-Revenue Tax Rate

Cities and counties constantly undermine property tax relief by rapidly filling in the gap created by reduction in school property taxes. They should be required to ask voters for permission if they want to keep doing so.

Enshrine Property Tax Relief in the Texas Constitution

Property Tax relief can be accomplished by the Texas Legislature passing a new law. But to ensure a future Legislature does not backtrack on its promises, property tax relief must be made permanent through the passage of an amendment to the Texas Constitution.

These five steps will bring Texans long-awaited and permanent relief from runaway property taxes. It is up to Texas voters and politicians to make it happen.

Bibliography

Arduin, Laffer & Moore Econometrics. *Enhancing Texas' Economic Growth Through Tax Reform*. Texas Public Policy Foundation. 2012.

Belew, Sass, et al. *Abolishing the "Robin Hood" School Property Tax*. Texas Public Policy Foundation. 2018.

Griesinger, Sass, et al, 10-11. *Education and Property Taxes: A Texas-Sized Conundrum*. Texas Public Policy Foundation. 2020.

Heritage Foundation. 2022 Index of Economic Freedom. 2022.

Stansel, Torra, et. al. *Economic Freedom of North America: 2022*. Fraser Institute. 2022.

United States Joint Economic Committee. *Let Freedom Ring: Policies That Promote Freedom Also Promote Prosperity*. 2016.

Appendix

Figure 4: Where Texas Gets Its Money – FY 2022	
Sales Taxes	38,826,997,000
Oil & Gas Production Taxes	10,831,632,000
Motor Vehicle Sales and Rental Taxes	5,926,931,000
Corporate Franchise Tax	3,971,036,000
Interest and Investment Income	2,258,160,000
Net Lottery Proceeds	1,906,985,000
Alcoholic Beverage Taxes	1,643,972,000
Licenses, Fees, Fines, and Penalties	1,539,510,000
Hotel Occupancy Taxes	699,939,000
Cigarette and Tobacco Taxes	531,082,000
Other Taxes	4,804,853,000
Other Non-Tax Revenue	3,531,718,000
Total	**76,472,815,000**

Figure 5: Texas Public Education Funding 2020-21

Funding Source	Current	%	% After Buydown
M&O Property Taxes w/o Recapture	$26,132,322,677	29.46%	0%
M&O Recaptured Property Tax	2,970,608,744	3.35%	0%
I&S Property Taxes	8,341,065,357	9.40%	9.40%
Other Local Funds	$2,769,097,185	3.12%	0%
All Local Funds		***45.33%***	***9.40%***
State General Funds	24,792,291,636	27.95%	63.88%
State Debt Service-Related Funds	12,293,723,639	13.86%	13.86%
State TRS Contributions	2,509,216,302	2.83%	2.83%
All State Funds		***44.64%***	***80.57%***
Federal Funds	8,899,057,269	10.03%	***10.03%***
Total	**$88,707,382,809**	**100%**	**100%**

Figure 6: History of the Property Tax Burden, Total Education Revenue, and Total State and Local Government Revenue in Texas (000s)

Tax Year	Special Districts	County	City	School Districts	Total PT Revenue	Total S/L Revenue
1996	$1,698,577	$2,537,184	$2,701,214	$9,910,195	$16,847,151	$89,318,080
1997	$1,759,623	$2,658,308	$2,847,091	$10,394,500	$17,659,513	$104,147,774
1998	$1,889,138	$2,828,287	$3,005,996	$11,334,614	$19,058,036	$100,421,555
1999	$2,041,041	$2,979,379	$3,347,964	$12,009,923	$20,378,308	$117,493,056
2000	$2,389,110	$3,200,920	$3,530,864	$13,392,336	$22,513,230	$120,665,917
2001	$2,703,512	$3,566,857	$3,884,829	$15,155,218	$25,310,416	N/A
2002	$2,864,455	$3,849,728	$4,186,795	$16,418,789	$27,319,768	$113,816,982
2003	$3,092,285	$4,121,759	$4,415,213	$17,264,154	$28,893,411	N/A
2004	$3,369,069	$4,462,844	$4,607,758	$18,533,965	$30,973,635	$155,611,993
2005	$3,609,630	$4,772,652	$4,901,792	$20,194,916	$33,478,989	$162,806,313
2006	$3,972,186	$5,339,614	$5,322,986	$20,918,122	$35,552,907	$177,114,769
2007	$4,513,060	$5,836,990	$5,890,307	$18,874,240	$35,114,597	$194,800,324
2008	$4,952,735	$6,342,705	$6,451,012	$21,233,517	$38,979,970	$171,630,060
2009	$5,133,821	$6,526,724	$6,593,755	$21,780,056	$40,034,356	$171,739,630
2010	$5,392,512	$6,567,070	$6,755,401	$21,758,289	$40,273,272	$209,930,381
2011	$4,926,074	$6,742,913	$6,810,049	$22,001,561	$40,480,597	$224,865,846
2012	$5,543,423	$7,064,659	$7,054,990	$23,072,782	$42,735,855	$212,050,073
2013	$5,529,434	$7,537,750	$7,324,431	$24,854,671	$45,246,286	$233,292,946
2014	$6,370,470	$8,114,998	$7,828,572	$26,792,677	$49,106,717	$253,112,113
2015	$6,954,137	$8,696,397	$8,390,436	$28,176,466	$52,207,427	$237,372,235
2016	$8,031,408	$9,027,418	$9,163,214	$29,856,268	$56,090,308	$247,566,135
2017	$8,010,349	$9,535,695	$9,730,426	$32,132,605	$59,406,975	$276,479,023
2018	$8,469,317	$10,036,617	$10,387,752	$34,876,945	$63,770,629	$292,191,923
2019	$8,887,185	$11,000,571	$11,152,238	$36,178,717	$67,218,711	$289,857,800
2020	$9,485,844	$11,093,235	$11,866,211	$37,906,918	$70,352,240	N/A
2021	$10,400,964	$11,699,037	$12,495,941	$38,956,443	$73,552,385	N/A
2022	$11,381,707	$12,602,561	$13,634,751	$44,296,728	$81,915,548	
Avg. Change	**7.66%**	**6.34%**	**6.35%**	**5.73%**	**6.12%**	**5.53%**
2018 to 2022	**6.76%**	**5.30%**	**6.45%**	**4.94%**	**5.48%**	**N/A**

Figure 7: Total Texas School District Expenditures 2002-2022

School Year	Expenditures
2002-03	$30,054,426,935
2003-04	$33,164,345,212
2004-05	$33,626,280,204
2005-06	$35,419,761,052
2006-07	$38,983,656,736
2007-08	$41,473,272,004
2008-09	$44,418,502,815
2009-10	$45,194,035,716
2010-11	$46,539,494,227
2011-12	$45,425,434,845
2012-13	$47,166,240,032
2013-14	$50,039,394,927
2014-15	$53,327,533,905
2015-16	$56,300,655,327
2016-17	$58,664,556,733
2017-18	$60,890,235,223
2018-19	$63,124,872,187
2019-20	$67,453,820,696
2020-21	$70,506,904,205
2021-22	$72,620,846,524
Total	**$994,394,269,505**
Avg. Annual Change	**4.79%**

HUFFINES LIBERTY FOUNDATION

About the Founder

Don Huffines

Former Texas State Senator Donald B. Huffines is a strong Christian, proud fifth-generation Texan, husband, father, grandfather, and self-made businessman.

Don Huffines fought fearlessly for fiscal restraint and government accountability in the Texas State Senate while representing Dallas County.

During his time in the Senate, Senator Huffines served as the Vice-Chairman of the Border Security Committee. Huffines also earned a reputation as one of Texas's most conservative lawmakers.

Don Huffines now serves as President of the Huffines Liberty Foundation and leads the Texas First movement by promoting the values we all cherish that make Texas great.

The Huffines Liberty Foundation is a 501(c)(3) non-profit, non-partisan research institute.

Our mission is to advance the cause of liberty, prosperity, and virtue in the State of Texas by educating citizens so they may hold their elected officials accountable.

We have developed an agenda based upon the common sense liberty principles of individual rights, fiscal restraint, personal responsibility, limited government, and social conservatism.

The Huffines Liberty Foundation encourages and educates citizens so they are better informed to tackle the toughest challenges.