



Texas' Constitutional Amendments Voters Can Downsize Texas Government on November 7

Bill Peacock

The Texas Legislature has put \$13.8 billion in spending on the November 7 constitutional amendments ballot. A vote by Texans to reject eight of these propositions (see below) would cut Texas' spending of state funds by \$13.8 billion, or more than 6% of projected spending over the next two years. This gives Texans an unprecedented opportunity to reduce the size and scope of Texas government.

Normally, politicians—who love to spend our money—would never give us this opportunity. But Texas politicians had a choice to make this spring. With a record \$80 billion of new revenue available, they could either spend the money or give it back to Texas taxpayers in the form of property tax relief. Unfortunately for Texans, for the most part they chose to spend the money.

Constitutional Amendments that Authorize \$13.8 Billion in New Spending				
Proposition	Topic	2024-25 Cost	Future Costs	Notes
2	Property tax breaks for childcare facilities	?	?	Only for subsidized, low-income facilities
5	Creates the Texas University Fund	\$208 million	\$120 million annually	Funding for “emerging” research universities
6	Creates the Texas Water Fund	\$1 billion	N/A	Increases government control over water
7	Creates the Texas Energy Fund	\$5 billion	N/A	Subsidies for natural gas electricity generators
8	Creates the Texas Broadband Fund	\$1.5 billion	N/A	Subsidies for rural telephone companies
9	Teacher Retirement	\$5 billion	N/A	Increases payments to retired teachers
10	Property tax breaks for medical products	\$43 million	\$50+ million annually	Subsidies for medical product manufacturers
14	Creates the Centennial Parks Fund	\$1 billion	N/A	Funds the purchase of more state parks
Total		\$13.8 billion		

However, spending the vast majority of the surplus put them in a bind. They were constitutionally constrained by spending all the money by something known as the Tax Spending Limit (TSL) in the Texas Constitution, which limits spending growth of “state tax revenues not dedicated by this constitution” to no more than the growth of the state economy.

The limits of the TSL can be exceeded if “approved by a record vote of a majority of the members of each house.” But voting to exceed the spending cap meant Texas politicians would be faced with another constraint; angry Texas voters who might object to their increasing spending by \$56.5 billion while only putting \$12.7 billion into property tax relief.

However, this dilemma did not baffle Texas politicians for long. In the words of Texas Lt. Gov. Dan Patrick, they came up with some “creative ways” to bust the spending cap imposed on them by the TSL. First, they spent money “backward” into the 2023 fiscal year to increase the base from which the TSL is measured. This allowed them to spend an additional \$22.5 billion. Second, they decided to put \$13.8 billion in new spending on the November ballot so that voters would be the ones busting the spending cap—though they did not plan on telling us that is what we are doing. Together, these measures allowed the Legislature to spend \$36.3 billion that otherwise would have been constrained by the TSL.

While it might get Texas politicians off the hook, it also gives Texans an unprecedented opportunity in November. Never in Texas history has the Texas Legislature given us the power of the purse at such a level. Because Texas politicians wanted to avoid both the constitutional constraints and angry voters, Texans now have the choice to either support or roll back the Legislature’s plan to spend the \$13.8 billion—much of which is simply corporate welfare and crony capitalism which will benefit big business at the expense of taxpayers. A Yes vote will further increase what already is the largest spending increase in Texas history. A No vote will roll back Texas government spending by \$13.8 billion, make that money available for future property tax relief, and tell Texas politicians that voters are tired of runaway spending and crony capitalism. It is up to Texas voters to make the choice which direction Texas will take.