

Property Taxation and Government Revenue: Exploring the Dynamic of Homestead Exemptions and Independent School Districts

by

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An Applied Research Project
(Political Science 5397)
Submitted to the Department of Political Science
Texas State University
In Partial Fulfillment for the Requirements for the Degree of
Masters of Public Administration
Spring 2010

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Dedication

I would like to dedicate this paper to my loving and supportive husband. His support is critical in each of my endeavors. Without it, I would never have decided to leave Evansville, Indiana to join the Master's of Public Administration Program at Texas State University-San Marcos. The support and love he shows prove to be the stabilizing factor in my life.

Acknowledgements

This paper would not be complete without giving thanks to God, my family, my friends, and the university staff. My faith in God helped to carry me through this process. Without spiritual guidance, I believe that I wouldn't have been able to finish the Applied Research Project (ARP). In addition, my family played an important role by providing love and confidence. My parents, grandparents, and in-laws always believe in my ability to complete any task that I put my mind to. My friends, co-workers, and members of the political science faculty of the University of Evansville also showed confidence in my research abilities. During times of personal struggle, these people were there to answer a phone call and provide important advice and support. Each of these individuals showed faith in me and weren't afraid to share their confidence. Finally, I must thank my committee members and the Texas State University faculty. These individuals provided important insight and knowledge, unlike any other. Thank you all so much.

About the Author



Jennifer Michele Carter was born in Evansville, Indiana. Her love for politics, business, and law led Jennifer to study political science, business administration, and international studies in hopes of entering public service. In 2004, Jennifer graduated with a B.S. in Political Science and minors in business administration and international studies from the University of Evansville. After graduation, Jennifer began graduate studies in the Master's of Public Administration program at Texas State University-San Marcos. During her time at Texas State, she sought an internship with the Hays County Commissioner of Precinct 3, the Honorable Will Conley. As a public servant in the precinct, Jennifer worked as an assistant and researcher for Commissioner Conley. At the beginning of the internship, she was asked to explore an initiative to increase the general homestead exemption in Hays County, Texas. By working on this project, Jennifer became interested in the topic of tax exemptions and decided to explore the effect of homestead exemptions on independent school districts. In August 2008, Jennifer was hired, by Commissioner Conley, to serve as an assistant in a part-time capacity. By studying at Texas State University and working for Hays County, Jennifer gained valuable public service experiences. The Applied Research Project is the culmination of all this information, experience, and knowledge. Upon graduation, Jennifer will be married to Ryan Scott and begin work for a State of Texas public agency. Ryan and Jennifer plan to remain in San Marcos with their cocker spaniel, Duncan James.

Abstract

The development of children is not only critical to Texas, but to the future prosperity of the world community. The purpose of this study is to explore the effect of homestead exemptions on the fiscal health of independent school districts (ISDs) in Texas. In addition, parents depend on the local, state, and federal governments to maintain school districts that are fiscally healthy and stable. The research gathered county property tax and independent school district data for 2007. With this data, forty eight counties were matched by population, average total tax levy, number of school districts per county, and the general fund tax rate. Using scholarly literature, working hypotheses were developed and tested using an independent samples t-test. The preliminary results revealed that homestead exemptions had no effect on the fiscal health of independent school districts in Texas. Data limitations make these findings tentative. The study revealed gaps in the financial data across Texas school districts and counties.

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Chapter 1: Introduction

Government entities rely on methods of taxation to generate revenue for public projects and services. At each level of government, entities must balance ability to pay with demand for public services. Taxes on income, consumption, and wealth are broad categories from which federal, state, and local governments collect funds. For example, the federal government relies primarily on the individual income tax. In addition, most state governments depend on the general sales tax applied to goods and service purchases. Finally, local entities implement the property tax as a prominent source of revenue. Cities, counties, and school districts rely on property taxes because property is immovable wealth of the locality. In addition, the property tax most closely mirrors the benefit principle of equity (Musgrave and Musgrave 1973, 193-194). Many people feel that property is unfair because this type of taxation does not consider income. For example, some people live on a fixed income yet their property value continues to increase. Without some correction, people on fixed incomes pay increasing amounts of taxes (Netzer 1983, 222-236).

From the Colonial period to the present, the property tax evolved. Throughout the period, governments levied property taxes to generate significant levels of revenue enabling local entities to provide services. As the property tax evolved, state and local governments designed methods for protecting citizens from excessive taxation. The property tax homestead exemption is such a mechanism. By 1839, the Republic of Texas instituted the first homestead exemption laws in the United States. After becoming a state in 1845, Texas expanded the exemption. The homestead exemption reduces the amount of tax due and is designed to “protect the family from hazards of circumstance”, encourage homeownership, restrict the rights of creditors, increase

enterprise, lessen the penalty for failure to comply with property tax laws, and offer permanent security (*The Yale Law Journal* 1937, 1030; Goodman 1993, 476). Homestead exemptions also reduce the amount of taxes collected by local governments. Thus, there is less money available to support local, publically funded, services such as primary and secondary education. In Texas, local governments have some discretion in the application of the homestead exemption. As a result, it is possible to explore the effect of homestead exemption size on local government fiscal indicators. Specifically, this study explores the effect of variations in the homestead exemption on the fiscal health of independent school districts (ISDs).

Homestead Exemptions and Independent School Districts

Local governments depend on property taxes as a primary source of revenue. Funding for the independent school districts comes from local, state, and federal government sources. Every state requires individuals and businesses to pay property taxes that fund the educational initiatives of ISDs. The design of the homestead exemption reduces the property tax base. This reduction is problematic because school districts rely on the property tax as the main source of financial support. Fiscal stability enables districts to better focus on opportunities for all children. Fiscal health instills stability in the revenue stream, equity in student expenditures, and revenues sufficient to meet the educational needs of the district's children (Howell and Miller 1997, 40-43).

Research Purpose

The purpose of this study is to explore the effect of homestead exemptions on the fiscal health of independent school districts (ISDs) in Texas. The most important components of fiscal health are fiscal equity and adequacy. This study is important for two reasons.

First, the education and development of children is critical to the future prosperity of the local, national and the global community. Second, parents depend on local, state, and federal governments to maintain fiscally healthy and adequately funded school districts. In developing measurements of fiscal health, the research used the aggregate data approach and quasi-experimental design. Gathering aggregated data enabled the study to develop the treatment and comparison groups as part of a quasi-experimental design. The primary hypothesis suggests that a higher homestead exemption negatively affects the fiscal health of independent school districts in Texas. Performance of a paired samples t-test matched twenty four counties with a maximum of 20 percent, general homestead exemptions to twenty four counties with the minimum zero percent exemption rate. An independent samples t-test tested the working hypothesis and sub-hypotheses. Fiscal health is derived from fiscal equity and fiscal adequacy. This study predicts that higher homestead exemptions negatively affect the fiscal equity and adequacy of independent school districts in Texas.

The second chapter establishes the setting in which the paper is based. The purpose of the section is to outline the financial landscape of all 254 Texas counties and describe the relationship between homestead exemptions and independent school districts. Chapter three reviews literature about four major principles of taxation: 1) the tax structure in the United States, 2) the evolution of the property tax, 3) property tax relief measures, 4) and the implication of these measures on funding of independent school districts. In addition, the research develops working hypotheses specifying the expected relationship between fiscal health and homestead exemption variations. The fourth chapter explains the methodology used to test the hypothesis. This study uses a quasi-experimental design developed using of aggregated data.

Chapter five discusses the results from the independent samples t-test. The hypothesis predicted that higher homestead exemptions negatively affect the fiscal health, fiscal equity, and fiscal adequacy, of independent school districts in Texas. Chapter six discusses the conclusions and recommendations regarding data collection and further research.

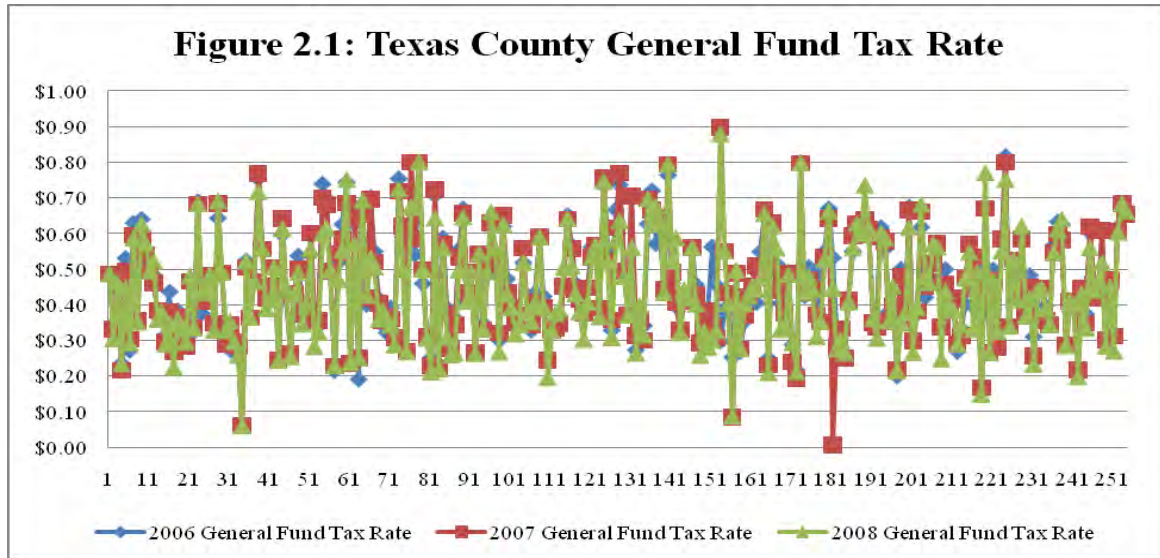
Chapter 2: Setting

Setting the Stage

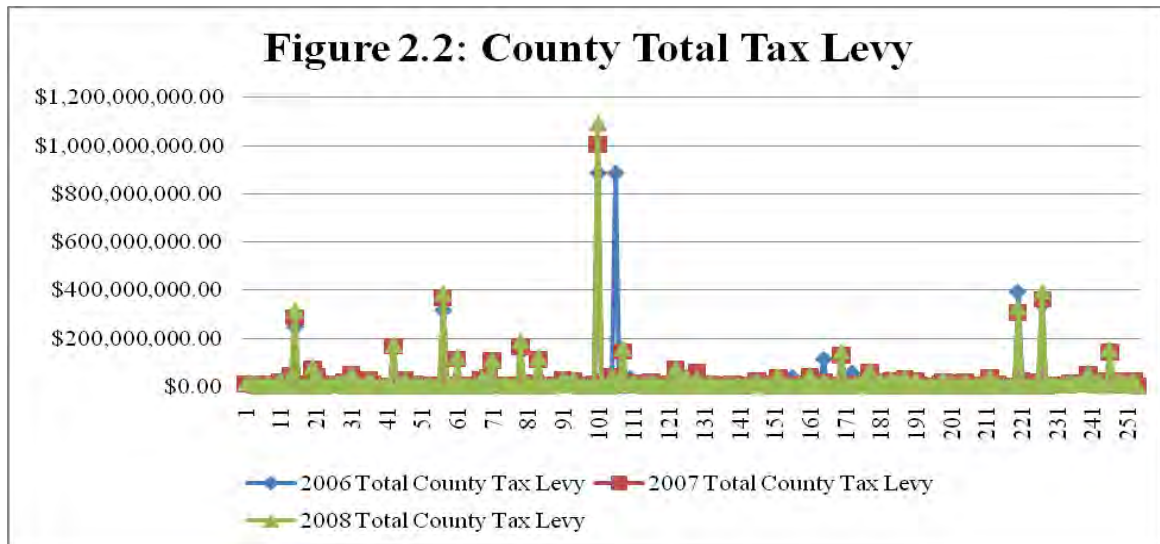
The purpose of this chapter is to describe the financial landscape of Texas counties and outline the relationship between these localities and independent school districts. Localities are dependent on property taxes to provide services that increase the public good. Education is a critical service for which cities and counties are responsible. Funding for school districts comes from local, state, and federal government sources (Howell and Miller 1997, 40-43). In Texas, the 254 counties and 1,325 independent school districts work together to provide the money and resources necessary to establish equitable and adequate educational services and facilities. However, local governments implement various types of exemptions that reduce property tax levels. Texas counties primarily use homestead exemptions. The homestead exemption reduces appraised value, which causes property taxes to decline (*The Yale Law Journal* 1937, 1030; Goodman 1993, 476).

Localities implement and control three types of homestead exemptions. The prominent exemption is the general homestead exemption, which all residential property owners may use (Texas Comptroller of Public Accounts 2006). This exemption creates two major issues for independent school districts. First, school districts rely on the property tax to generate the majority of district revenue. Second, the county determines the homestead exemption percentage based on the factors that affect all goods and services, not just education. The fiscal landscape of counties originates from the general fund tax rate, total tax levy, and the total value of property within the boundaries of each locality. Figure 2.1 shows the general fund tax rate trend from

2006 to 2008.¹ In addition, Figure 2.2 illustrates the trend in total tax levy for Texas counties from 2006 to 2008. Finally, Figure 2.3 is shows the trend in total county property values from 2006 to 2008 (See Appendix A for data).

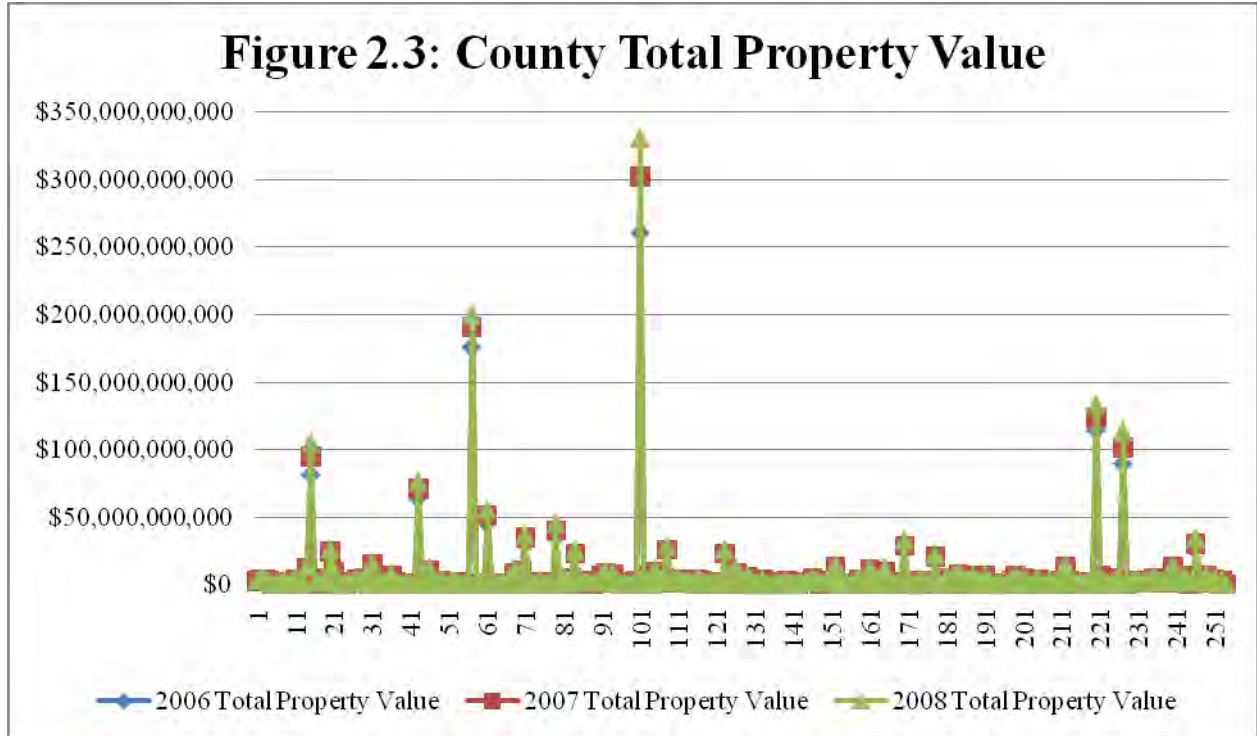


Source: 2006-2008 Texas Property Tax Reports



Source: 2006-2008 Texas Property Tax Reports

¹ For other Texas State University Applied Research Projects dealing with county governments see Pearson (2002); Esparza (2003); Worley (2003); Batts (2005)



Source: 2006-2008 Texas Property Tax Report

Conclusion

The previous section describes the types of homestead exemption that affect the fiscal landscape of Texas counties. The chapter includes graphs that illustrate trends in the general fund tax rate, total tax levy, and total property value for each county from 2006-2008. The following chapter discusses tax and exemption literature, the key components of fiscal health for independent school districts, and concludes with a justification of the hypotheses.

Chapter 3: Review of the Literature

Purpose

The chapter reviews literature that centers on taxation theory, the structure of the United States tax system, evolution of property taxes, and whether the homestead exemption has negative fiscal implications for Texas independent school districts. The first section outlines the theoretical components of tax systems derived from the benefit and ability-to-pay principles, the premises of flows and stocks, and qualities of an effective tax system. Understanding tax theory provides a basis for examining the tax responsibilities of federal, state, and local governments in the United States. Each level relies on different combinations of income, consumption, and wealth taxes to generate revenue. Taxing units primarily tax individual income, general sales, and property. Throughout history, the importance of property taxes evolves and is critical to revenue generation by local governments. Expansion of property taxation and concerns over equity led governments to implement homestead exemptions. These exemptions reduce the ability of local taxing units, especially independent schools districts to obtain revenue and alleviate fiscal stress. This study examines the logic behind the idea that localities with lower homestead exemption rates provide more money to school districts. If counties can allocate to education, the fiscal health of district institutions is improved. The chapter concludes with justification of the hypotheses.

Generating Government Revenue: Theoretical Components of Taxation

Government entities rely on taxation of different revenue sources to fund public services. Within federal, state, and local governments, taxing units implement taxation principles derived from economic theory. The major to approaches to taxation theory include the benefit and

ability-to-pay principles. Governments base each approach on specific components, and examine the different categories of taxes to determine the most effective tax to use at the local, state, and federal levels. The categories include taxes on current output and income; flows; and taxes on the holding and transfer of wealth; stocks. Finally, taxing units must retain certain qualities to be effective.

Tax Equity: The Benefit Principle and Ability-to-Pay

The two key criteria of ideal standards are benefit and ability to pay. One important way to assess equity is through the benefit principle. Governments can apply the benefit principle to general benefit taxes, specific benefit taxes, and taxes in lieu of charges. Hence, general benefit taxes correspond with individual demands for public services. For example, if people move to a local area with good schools and parks, the property taxes are usually higher. The choice to move and take on the tax burden reveals a benefit to the consumer/citizen. Citizens pay specific benefit taxes for admission to the park. Taxes in lieu of charges are taxes placed on a complementary product. For example, governments levy a tax on gasoline and automobiles rather than roads (Musgrave and Musgrave 1973, 193-194).

The ability-to-pay approach to tax equity contrasts to the benefit principle. Ability-to-pay is independent of expenditures. Taxes meet the equity criterion if the tax due correlates to an individual's ability to pay. Ability-to-pay criteria takes into account sacrifice incurred, horizontal equity, vertical equity, equal sacrifice rules, and the issue of progression. In this approach, sacrifice incurred is defined as a loss of welfare. Horizontal equity is the requirement of equal taxes for people in equal positions. In contrast, vertical equity refers to the pattern of unequal taxes among people with unequal incomes. Equal sacrifice is defined as absolute,

proportional, or marginal. Progressive taxes have tax rates that increase as income falls. In the United States, many levels of government use the ability-to-pay approach for taxation. Income, consumption, and wealth are the broad measures governments use to determine taxpayer ability to pay. The taxes on income, consumption, and wealth include stocks and flows. Tax systems define taxation of current outputs as a flow. The bulk of government revenue comes from the taxation of income. In contrast, taxes governments impose on a holding of wealth are stocks, which tax property, net worth, assets, estate, inheritance, and gifts (Musgrave and Musgrave 1973, 205-208).

Qualities of an Effective System

Tax rates in progressive systems increase as income increases. Across sectors, a balance exists between state and local entities. After a balance emerges between the government and economic sectors, good systems limit political interference in efficient markets and work to correct inefficiencies. This balance allows for economic and political accountability. These systems also encourage efficient administration (Musgrave and Musgrave 1973, 193). Systems with administrative simplicity enable taxing units to avoid the inclusion of complex provisions and regulations, multiple filing systems, and keep the amount of tax deductions and exclusions within manageable levels (Brunori 1997, 52-53). In addition, good tax systems enable taxpayers to understand the taxation process (Cline and Shannon 1983, 43; Brunori 1997, 53). Finally, effective tax systems reduce administration and compliance costs (Musgrave and Musgrave 1973, 193).

The United States and Taxes: Taxation at the Federal, State, and Local Levels

Taxation of individual income contributes the largest amount of revenue to the federal government. Income taxes are the most progressive of the major tax structures (Musgrave and Musgrave 1973, 188). In 1862, the federal government began taxing income. The initial legislation established a minimum tax rate of three percent and a maximum rate of five percent (Mikesell 2007, 331-333).

By 1880, court cases challenged the constitutionality of taxing income. For example, decisions in *Springer v. United States* and *Pullock v. Farmer's Loan and Trust* determined the income taxes to be unconstitutional. By 1913, the federal government passed the Sixteenth Amendment, which allowed the federal government to tax income (Mikesell 2007, 331-333). State governments rely primarily on consumption and wealth taxes to generate revenue². At the beginning of the 1900s, the state share of property taxes began to decline. Lost revenues were captured by increases in sales and gross taxes. Currently, states rely predominantly on sales taxes. Sales taxes are less progressive than income taxes and may even be regressive in distributional impact. Last, local taxing units rely almost entirely on taxing wealth. Taxing of property is the most dominant form of revenue generation for localities (Musgrave and Musgrave 1973, 189-191). The taxing of income, consumption, and wealth is vital to the function of government.

² Some states do not rely on sales taxes. Oregon, for example, does not impose the tax.

Federal, state, and local governments determine the taxes due based on sources of income, consumption, and wealth using the following formula:

$$T = r \times b$$

Where:

T = Total Tax Due

r = Tax Rate

b = Tax Base

For example, if the tax base is \$150,000 and the government implements a tax rate of 10% the total tax due \$1,500.

$$T = (.10 \times \$150,000)$$

$$T = \$1,500$$

Taxation of Income and Consumption: The Income and Sales Tax

Income can be described as a flow that is measured in units of time. The federal government collects taxes on a yearly basis. In addition, income is revenue accruing to an individual or state from labor services, land ownership, and capital. Rent is a form of income accrued from land. Owners receive income as interest. Wages are income received from labor. Income taxes use all sources of income (Musgrave and Musgrave 1973, 205-206).

In their calculation of income, taxing units establish income parameters. Taxing units calculate taxes from labor, services, property, natural resources, investments, and operations. Payroll taxes are a special kind of incremental tax levied on wages, salaries, and company payrolls. These taxes narrow and exclude forms of income received by individuals with high incomes, who are more likely to receive rent and interest (Mikesell 2007, 341-366).

Governments calculate the total income tax due using the following formula:

$$IT = r \times ib$$

Where:

IT = Income Tax Due

r = Tax Rate

ib = Income Base

For example, if Ryan earns a yearly income of \$150,000, at a tax rate of 39 percent, Ryan's total income tax due is \$58,500.

$$IT = (.39 \times \$150,000)$$

$$IT = \$58,500$$

State and local governments implement various types of consumption taxes. These taxes generate revenue from the sale of goods and services. A general sales tax on goods and services can disproportionately fall on low income tax payers who seldom receive income from interest or rents. Sales taxes on products like gasoline act as surrogates for charges of government services, and generate revenue according to consumption not to the value added to the economy. Sales tax is the dominant tax used by state governments (Mikesell 2007, 372-373). General sales taxes use the costs of goods and services tax base. For example, states tax clothing. The tax is calculated using the following formula:

$$ST = r \times c$$

Where:

ST = Sales Tax Due

r = Tax Rate

c = Cost of Good or Service

For example, if Krista buys a shirt that costs \$25.00, at a tax rate of 8.25 percent, the total sales tax levied on the good is \$2.06.

$$ST = (.0825 \times \$25.00)$$

$$ST = \$2.06$$

Taxation of Wealth: Types of Taxes and the Importance of the Property Taxes

Taxation of wealth is based on the stock and distribution of wealth holdings. Major stocks of wealth include housing, fixed business capital, and consumer goods. The property tax is the dominant tax local governments use to fund and administer services. Levying of this tax on wealth works for localities because property is stationary, and people cannot change their behavior to escape the tax. Property is an immovable form of wealth found within local jurisdictions (Musgrave and Musgrave 1973, 208).

Paul Mort and Francis Cornell (1938), and Edward Glaeser (1994) gave three additional reasons for the importance of the property tax for localities. 1) The property tax is capable of successful administration at the local level. 2) Taxation of property meets local fiscal requirements better than any other taxing mechanism. 3) The assessment process conforms to the financial structure of taxing units in localities (Mort and Cornell 1938, 114-115). In assessing properties, taxing units rely on various individuals and entities to appraise and assess property. For example, taxpayers list or render all taxable property upon request from the tax assessor. Additionally, the assessor requests a listing of property from all taxpayers, finds and lists all unrendered property, enters and lists all found property, and notifies taxpayers and the Board of Equalization of unsatisfactory rendition (Yudof 1972, 888-896). Assessment establishes the appraised value, which is the property tax base. Local governments use this base to calculate total property tax due using the following formula:

$$PT = r \times AV$$

Where:

PT = Property Tax Due

r = Tax Rate

AV = Appraised Value

For example, if Norm and Susie own property appraised at \$200,000, at a tax rate of 2.5 percent, the total property tax due is \$ 5,000.

$$PT = (.025 \times \$200,000)$$

$$PT = \$5,000$$

Generating Government Revenue: Historical Evolution of the Property Tax

During the colonial period, New England relied on property and poll taxes. For instance, the Massachusetts Bay Colony implemented a tax directly on estates, Maryland levied a property tax to finance the Revolutionary War, and New York and Pennsylvania levied a property tax. Additionally, the middle colonies relied on property, customs, and excise taxes (Howe and Reeb 1997, 109-110).

Property taxes do not assess income. It is possible to be property rich and income poor. For example, over a person's lifetime, the assessed value of their home could go up faster than their wages. Further, retirees often live on a fixed income while their property value continues to rise. Property tax exemptions are mechanisms governments use to address this problem. Exemptions reduce the tax base. The property tax exemptions are tied to ownership or specific use of property which involves real property that is publicly owned. Property tax exemptions provide tax relief to all landowners, or those in a certain class (Mikesell 2007, 432).

States and localities provide exemptions for various types of property. For example, governments exempt property used by educational, religious, charitable, government, non-profit, and military organizations. Property of public schools; libraries that are free and open to the public; non-profit educational organizations; literary and scientific societies; churches; charities; federal, state, and local government agencies; and fraternal groups, veterans, and benevolent societies are free from property taxes (Sexton 2003, 14-15).

Increased economic development led local governments to adopt property tax exemptions that moved beyond land to include buildings, livestock, and other enumerated, tangible, and personal property items. The changes in property tax administration and assessment increased the collection capabilities of localities during the economic boom of the 1920s, decline of the 1930s, and economic resurgence of the 1940s and 1950s. With the economic expansion in 1920, property tax levies increased. During the Great Depression, the share of property tax declined (Howe and Reeb 1997, 116). Declines in property ownership and value, during the 1930s, forced continued losses in property tax revenue the following decade. This caused problems for local governments in counties, cities, and school districts that relied on property taxes as the main source of support. For example, declines in government revenue from the property tax caused serious financial problems for schools (Hudson 1940, 43). In addition, Howe and Reeb (1997) determined that governments associated the revenue decline with increases in property tax exemptions for religious, governmental, and non-profit organizations. During the 1980s and 1990s, communities with fragmented local governments relied on the property tax for revenue (Chicoine and Walzer 1986, 19-24).

Property Tax Evolution: The Rise of Exemptions for the Homestead

As the property tax evolved, state and local governments designed methods for protecting citizens from excessive taxation. The dominant protective measures include homestead exemptions and circuit breakers (Pogue 1983, 420). The homestead exemption is a reduction on a principle residence that removes part of the home value from taxation (Texas State Comptroller of Public Accounts 2006). The exemption serves several purposes. For example, the exemption 1) protects the family from hazards of circumstance, 2) encourages homeownership, 3) restricts the rights of creditors, 4) increases enterprise, 5) lessens the penalty for failure to comply with property tax laws, and 6) enhances permanent security (*The Yale Law Journal* 1937, 1030; Goodman 1993, 476).

The development of property tax exemptions played an important role in reducing the reliance of government on property as a single source for revenue. In the 1800s, the homestead exemption emerged in the United States. Under the constitution of 1836, the Republic of Texas offered free land for immigrants (Goodman 1993, 477). By 1839, Texas implemented the first homestead exemption laws. The exemption provided protection to property owners (Hynes, Malani, and Posner 2004, 23). During the 1840s, the homestead exemption transformed the political environment, gender relations, and families. For instance, the statutes forbade the husband from disposing of a homestead or waiving an exemption without consent from the wife. In 1845, government officials from the State of Texas expanded homestead protection to include a 200 acre homestead and a city lot worth \$2,000. In Texas, the objective of the law was to encourage immigration and property ownership. From 1848 to 1852, eighteen states passed homestead exemption laws (Goodman 1993, 470-496). During the 1880s, the homestead

exemption provided homeowners security in the volatile economy. The laws shielded the homes of working class families during periods of economic decline, exempted the homestead from certain kinds of debt, and established mandatory rules for assessing the tax base (Goodman 1993, 471; Hynes, Malani, and Posner 2004, 24).

Homestead Exemptions: The Texas Legal Context

In Texas, the homestead exemption protects the owner from excessive taxation of the primary residential homestead. According to the Taxable Property and Exemptions section, Chapter 11, of the 2006 Texas Property Tax Code, the residential homestead is “a structure or separately secured portion of a structure, together with land that does not exceed 20 acres, and improvements used in the residential occupancy of the structure.” In addition, the homestead is “the land owned by one or more individuals in a qualifying trust designed or adapted for human residence, used as a residence, and occupied as the principle residence by an owner, owned through a beneficial trust, or owned by a trustor of the trust that qualifies for the exemption” (Texas Comptroller of Public Accounts 2006, 1).

After defining residential homesteads, the Texas legislature (2006) outlined three distinct types of homestead exemptions. The first type of exemption is the general homestead exemption. County governments establish the general homestead at a percentage of the appraised value. According to the statutes, the general homestead exemption percentage cannot exceed 20 percent. In addition, counties are required to provide a minimum \$3,000 tax exemption if none exists. The second type of homestead exemption applies to school districts. In a school district, an adult homeowner is eligible for a \$15,000 reduction in the appraised value of the residence homestead, which is set by the state as a flat amount for all districts. To qualify for the school district exemption, the residence must be a political subdivision organized to

provide general elementary and secondary public education. The third type of exemption is the disability homestead exemption. A disabled individual, or person over the age of sixty five, is entitled to an exemption at a rate established by the taxing unit. To qualify for the disability exemption, the individuals must be receiving disability insurance benefits allocated by the Old-Age, Survivors', and Disability Trust Funds (Texas Comptroller of Public Accounts 2006). Prior to applying for the homestead exemptions, owners are expected to meet certain requirements: 1) the claimant must own property; 2) the property must consist of a dwelling; land; and improvements; and land on which a dwelling stands; 3.) the claimant must possess equitable interest; 4) the property must be occupied; and 5) the property must be the primary residence established by a formal declaration (Haskins 1950, 1291-1297).

Along with the requirements for residents claiming the general homestead exemption, the Texas property tax laws established requirements for the government entities involved in taxation. The taxing unit is required to present the general residence exemption from taxation by a percentage of the appraised value of the homestead. The exemption percentage is constrained to a minimum of 0%, or \$3,000, and a maximum of 20%. The homestead exemption reduces the appraised value of property by a given percentage (Texas Comptroller of Public Accounts 2006). The total property tax due, after the exemption is applied, can be determined by the following formula (Mikesell, 2007, 421):

$$PT = AV(r-er)$$

Where:

PT = Property Tax Due
AV= Appraised Value
r = Tax Rate
er = Exemption Rate

For example, if Norm and Susie's property is appraised at \$200,000, with a property tax rate of 2.5% and they opt for the homestead exemption at the rate of 1%, the total property tax due is \$3,000.

$$PT = \$200,000 (.025 - .01)$$

$$PT = \$ 3,000$$

Additionally, if no exemption percentage is applied to the homestead by the county that Norm and Susie live in, Texas law requires that local governments calculate the total property tax with a base of \$3,000. The property tax due is calculated with the following formula:

$$PT = AV(r) - c$$

Where:

PT = Property Tax Due

AV = Appraised Value

r = Tax Rate

c = constant established by government entity

For example, if a property is appraised at \$200,000, with a tax rate of 2.5% and a value of \$3,000, could be taken off of the appraised value.

$$PT = \$200,000 (.025) - \$3,000$$

$$PT = \$ 2,000$$

The Property Tax, Exemptions, and School Districts

Local governments depend on property taxes as the primary source of revenue. Funding for the districts in each locality comes from local, state, and federal government sources (Howell and Miller 1997, 40-43). Every state requires individuals and businesses to pay property taxes to

fund the educational initiatives of independent school districts (ISDs). ISDs possess the following characteristics. All independent school districts are funded by multiple levels of government. ISDs levy some their own taxes, which provides the districts an additional jurisdiction to collect taxes. Independent school districts do not share boundaries with other governmental entities. School district taxing authority can overlap with parts of cities and counties. School districts may rely on another level of government for tax administration such as determining appraised value (Kent and Sowards 2008, 26). 5.) ISDs do not have the power to establish or remove exemptions. For this, they rely on county governments (Texas Comptroller of Public Accounts 2006).

The System and Obstacles of School District Funding

State and local governments develop funding systems for school districts that are financially efficient and combat political, legal, and sociological obstacles. When the majority of the nation lived in rural areas, public schools relied on property taxes as the major source of funding. As economic, political, and sociological transitions occurred, most states began to divide responsibilities of educational funding equally between the state and local governments. However, funding variations exist between states and districts. For example, school districts with higher property values receive a greater share of funding from the local level (Howell and Miller 1997, 40).

Independent school districts must maintain fiscal health. Stable school budgets are critical to district effectiveness. Fiscal health incorporates stability in the revenue stream, equity in student expenditures, and revenues sufficient to meet the educational needs of the district's children, including those with special needs. Special school district initiatives include special education and special English language instruction; and address problems associated with

poverty (Howell and Miller 1997, 48). Equity implies that one district or school receives comparable per child revenue, or at least all per child expenditures reach the some sort of minimum threshold (Clune 1994, 377).

Part of equality means states must counter differences in tax bases across districts by equalizing the districts' abilities to raise funds. The districts must maintain wealth neutrality. Property tax bases cannot vary systematically among districts if the result is widely different levels of support for local education (Kent and Sowards 2008, 27). Also, independent school districts must provide adequate resources and spending per student (Kent and Sowards 2008, 27). According to Clune (1994), adequacy is the functional level of achievement based on outputs. The adequate provision of revenue depends upon political decisions and which government division controls funding sources. In addition, rapid enrollment fluctuations can cause massive decline in per capita school resources (Howell and Miller 1997, 48).

The Homestead Exemption: Financial Implications for Independent School Districts

In the nineteenth and twentieth centuries, localities implemented homestead exemption laws to protect homeowners from extensive taxation. Homestead exemptions work to reduce assessed property values, yield benefits to taxpayers, and operate to the advantage of middle and low-income homeowners (Thomas 1935, 259). However, homestead exemption policies create problems for the fiscal health of independent school districts.

The Homestead Exemption and the Fiscal Health of ISDs³

Fiscal health is critical for independent school districts. Fiscal health enables districts to provide equal and adequate opportunities for all children. The homestead exemption is designed

³ This draws from the following fiscal health literature Augenblick, Myers, and Anderson (1997); Brunori (1997); Clune (1994); Haskins (1950); Howell and Miller (1997); Kent and Sowards (2008)

to reduce the property tax base. Reduction of the property tax base could be detrimental to school districts. Therefore, one would expect:

WH1: Higher rates of homestead exemptions negatively affect the fiscal health of independent school districts in Texas.

The notion of fiscal health takes into account two norms: equity and adequacy. This section of the chapter examines the equity component. Fiscal equity differs from the school district and tax burden perspectives (Salle 2005, 15). Studies examining equity define a conceptual basis for and dimensions of equity. The conceptual framework of equity is based on horizontal equity, vertical equity, and equal opportunity (Moser and Rubenstein 2002, 64). Vertical equity requires different levels of resource allocation based on differences in individuals (Augenblick, Myers, and Anderson 1997, 71-73). Vertical equity depends on the circumstances of individuals in the school system (Salle 2005, 18). When the vertical equity norm is in place, schools with a high proportion of low income, or special needs children, would have disproportionately more services. If vertical equity norms influence the revenue stream, when students' needs increase, funding increases. Horizontal equity norms would treat similarly situated school districts the same (Brunori 1997, 52). Rubenstein provides a far less complicated definition of horizontal equity. This type of equity is "equal treatment of equals" (Rubenstein 1998, 71)⁴.

One critical dimension of equity involves the funding problems that school districts face when the population of at-risk or special needs children increases drastically in comparison to other districts. If school districts often use measures like instructional expenditures and revenue from local sources to evaluate equity, differences in these per capita indicators can suggest equity disparities and problems with fiscal health (Howell and Miller 1997, 40-49). In this study,

⁴ Horizontal equity is not necessarily a contrast to vertical equity. Two poor school districts would often receive more funding.

equity is defined as the amount of money allocated to fund educational services. By reducing the available tax revenue, property tax exemptions can affect district fiscal equity. Therefore, one would expect:

WH1a: Higher rates of homestead exemptions negatively affect the fiscal equity of independent school districts in Texas.

Fiscal Adequacy

In 1973, the Supreme Court linked fiscal equity and adequacy. After *San Antonio v. Rodriguez*, “there could be no such thing as absolute equity across school districts, and that states must find ways to fund their schools so that they become relatively equitable and adequate” (Musfeldt 2002, 15). The issue of adequacy in school finance did not come to prominence until right after the *Rodriguez* decision (Musfeldt 2002, 20).

Reschovsky and Imazeki developed four approaches for determining adequacy. The first approach is based on the Chambers (1981) regression analysis. This analysis identified factors that rest outside of the control of the schools. In addition, the factors require that some districts incur higher costs. Examples of these factors include the racial and ethnic make up of the student population and local land costs. The second approach uses a predetermined group of schools and identifies the specified levels of performance and takes into account that some districts have higher levels of property wealth than others. The third approach is the “expert professional judgment” model. This model incorporates a group of “experts” to estimate measurable input levels used to ensure adequacy in education. In addition, the “experts” use standard accounting methods to project the student expenditures per capita. The final approach is the “whole school” model. This method was developed to improve student performance and is used in many low-income districts (Reschovsky and Imazeki 2001, 377-379). School finance

adequacy is more difficult to measure than equity (Odden 2003 120-125; Clune 1995, 485).

Koski and Levin (2000, 490) stated that:

Even if we can get agreement on what are adequate educational outcomes, we need to specify how they are produced. At this moment, education is more an art than a science in that we cannot predict precisely what conditions will produce which outcomes for a wide range of student populations. Studies that have attempted to do this even for a single subject or grade level have not shown consistent results (p. 490).

Adequacy of education is based on the sufficient resources for schools and districts. In addition, adequate programs and facilities improve the ability of schools to recruit and pay talented staff members, upgrade instruction, and teach students high performance standards. To address the issue of adequacy, school financiers shift focus from inputs to outputs and attempt to determine whether sufficient monetary resources are allocated to fund educational services and facilities (Odden 2003 120-125; Clune 1995, 485). Therefore, one can conclude the following:

WH1b: Higher rates of homestead exemptions negatively affect the fiscal adequacy of independent school districts in Texas.

Chapter Summary

This chapter reviews literature on the major principles of taxation, tax structure in the United States, evolution of the property tax, property tax relief measures, and the implication of these measures on funding of independent school districts. The purpose of the chapter is to justify the hypotheses related to homestead exemptions and fiscal health of Texas school districts. The literature provided the basis for establishing the relationships between the two research variables. The relationships are expressed by the working hypothesis and two working sub-hypotheses.

Conceptual Framework

Table 3.1 outlines the working hypotheses used to explore the influence of property tax exemptions on school district fiscal health⁵.

⁵ Information for developing the conceptual framework was discussed in Shields (1998) and Shields and Tajalli (2006).

Table 3.1: Conceptual Framework

Research Purpose: The purpose of the research is to explore the effect of homestead exemptions on the fiscal health of independent school districts (ISDs) in Texas.	
Working Hypotheses	Sources
<p>WH1:</p> <p>Higher rates of homestead exemptions negatively affect the fiscal health of independent school districts in Texas.</p>	<p>Augenblick, Myers, and Anderson (1997) Brunori (1997) Clune (1994) Haskins (1950) Howell and Miller (1997) Kent and Sowards (2008)</p>
<p>WH1a:</p> <p>Higher rates of homestead exemptions negatively affect the fiscal equity of independent school districts in Texas.</p>	<p>Augenblick, Myers, and Anderson (1997) Howell and Miller (1997) Moser and Rubenstein (2002) Sallee (2005)</p>
<p>WH1b:</p> <p>Higher rates of homestead exemptions negatively affect the fiscal adequacy of independent school districts in Texas.</p>	<p>Clune (1995) Koski and Levin (2000) Musfeldt (2002) Odden (2003) Reschovsky and Imazeki (2001)</p>

Conclusion

Adequate and equitable educational services and facilities are critical for all children. Funding for school districts comes from local, state, and federal government sources (Howell and Miller 1997, 40-43). Every state requires individuals and businesses to pay property taxes to fund the educational initiatives of independent school districts (ISDs). State and local governments develop funding systems for school districts that seek financial efficiency and combat political, legal, and sociological obstacles. Fiscally healthy school districts should better provide equitable and adequate educational services and facilities. Local governments design property tax exemptions as a way to reduce financial burden on homeowners (Haskins 1950, 1290). Variations in the exemption rate could result in disparity in fiscal health across school districts. The working hypotheses developed in this chapter frame this assertion. The next chapter discusses how the research hypotheses in the study are tested.

Chapter 4: Methodology

Purpose

This chapter describes the methodology used to explore the effect of homestead exemptions on the fiscal health of independent school districts (ISDs). The study incorporates existing aggregated data to explore which school district financial variables are influenced by homestead exemptions. The study obtained homestead exemption and fiscal health data from state property tax and educational finance reports.

Originally, this study proposed to use Texas school district data from 2007 to test the hypotheses developed in chapter three. Unfortunately, data was not available for all the school districts. Further, school district property tax exemptions are determined at the county, not school district level. As a result, the study uses a quasi-experimental design with paired comparison groups at the county level to test the working hypotheses. This is clearly a “second-best” methodology. However, it does mirror methodological problems faced by street level public administrators. One must interpret the results with caution. This chapter begins by describing the treatment and comparison groups used to construct the quasi-experimental design. Next, the chapter describes how the variables are operationalized. Finally, the chapter discusses the statistics used to test the working hypotheses⁶.

⁶ Information about exploratory research using working hypotheses, aggregated data, and the quasi-experimental was obtained from Shields and Tajalli (2006).

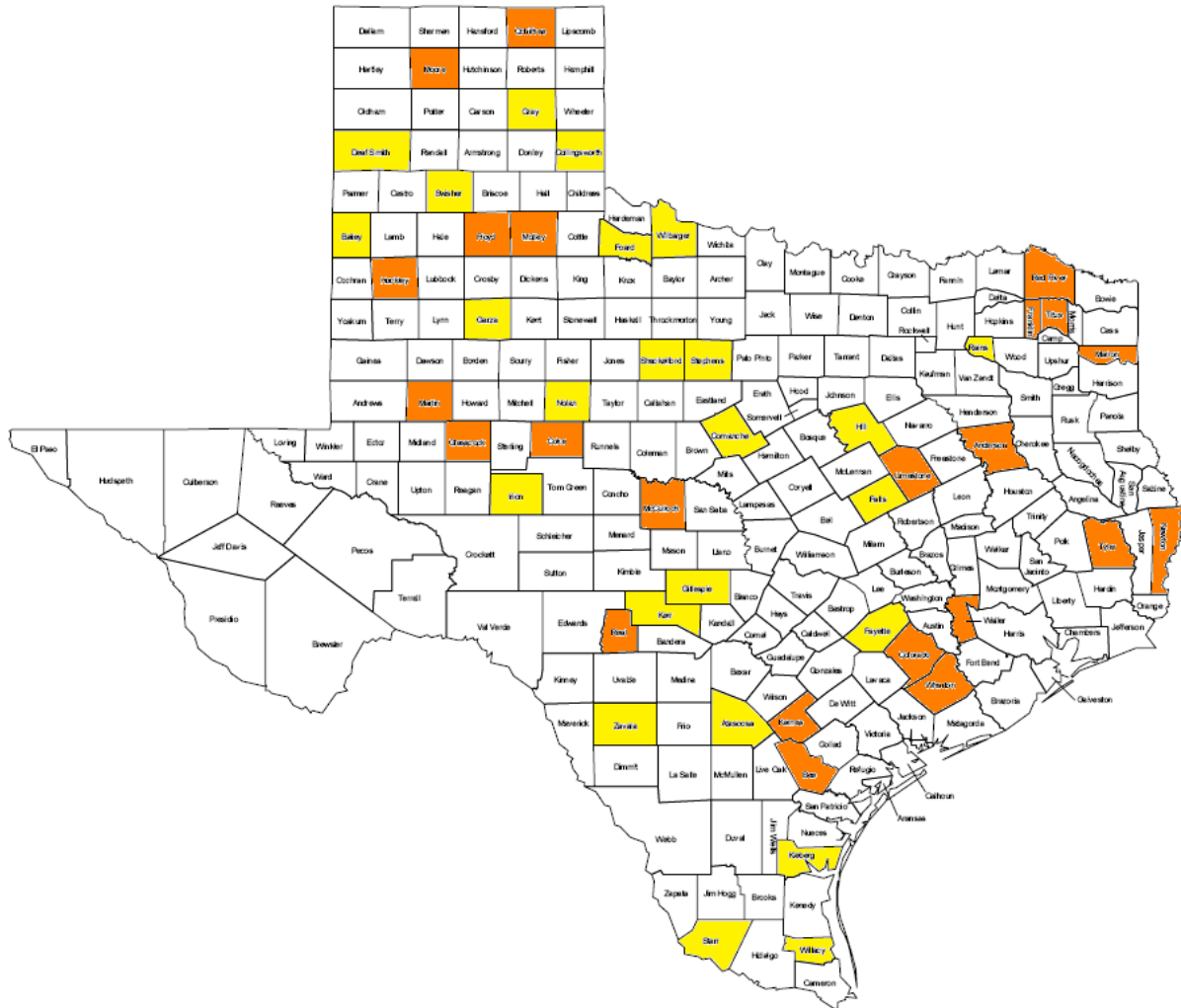
Treatment and Comparison Groups

In order to test for the effects of differences in the property tax exemption rates, the study selects and pairs forty eight counties. This type of statistical test “uses a single sample of individuals measured more than once on the same dependent variable” (Gravetter and Wallnau 2007, 335). Paired sample tests rely on whether there is a systematic difference between the scores in the treatment and comparison conditions. A primary advantage of the test is that the same individuals are used to test all treatment conditions (Gravetter and Wallnau 2007, 335-336). The data consist of two score sets that are statistically equivalent and grouped together under a common name. Table 4.2 lists the forty eight counties and categorizes them as high exemption (24) or no exemption (24). Figure 4.1 shows the counties on a map of Texas. The study matched counties using a set of characteristics including population, number of school districts, tax levy, and tax rate (See Appendix B for data by county). The results of the paired comparison appear in Table 4.3. The results reveal that, based on the above criteria, there exist few significant differences between the treatment and comparison groups.

Table 4.1: Texas County Paired Samples

Treatment	Pairs	Comparison
Anderson	1	Starr
Bee	2	Nolan
Coke	3	Shackelford
Colorado	4	Gillespie
Floyd	5	Bailey
Franklin	6	Rains
Glasscock	7	Irion
Hockley	8	Fayette
Karnes	9	Falls
Kinney	10	Hall
Limestone	11	Gray
Marion	12	Zavala
Martin	13	Garza
McCulloch	14	Swisher
Moore	15	Deaf Smith
Motley	16	Foard
Newton	17	Wilbarger
Ochiltree	18	Stephens
Real	19	Collingsworth
Red River	20	Comanche
Titus	21	Kleberg
Tyler	22	Willacy
Waller	23	Kerr
Wharton	24	Atascosa

Figure 4.1 Map of Treatment and Comparison Group Counties



- Maximum Exemption County
- Minimum Exemption County

Source: Texas Association of Counties

Table 4.2: Paired Samples T-test Results

Testing for Comparison Group Validity	Results
Total Population Treatment Group Mean (N=24) Comparison Group Mean (N=24) Mean Difference t-value p-value	16858.67 17177.21 318.54 .330 .744
Number Independent School Districts Treatment Group Mean (N=24) Comparison Group Mean (N=24) Mean Difference t-value p-value	2.88 2.38 -.042 -.189 .852
Tax Levy Treatment Group Mean (N=24) Comparison Group Mean (N=24) Mean Difference t-value p-value	\$ 4, 776, 674.71 \$ 4, 897, 197.21 \$ - 120, 522.50 -1.19 .248
General Fund Tax Rate Treatment Group Mean (N=24) Comparison Group Mean (N=24) Mean Difference t-value p-value	\$.589 \$.521 .068 2.13 .045

Paired Sample T-test Results

The paired sample t-test revealed that, with one exception, there was no systematic difference exists in counties with the maximum and minimum homestead exemption. First, the mean population for each group was significantly close. The treatment group had an average population of 16, 858.67. The comparison group possessed an average population of 17, 177.21. With a mean difference of 318.54, t-value of .303, and p-value of .774, no statistically significant population difference exists between the counties with maximum and zero exemptions. Second, the average number of independent school districts in the treatment and comparison groups was nearly equal. In the treatment group, the average number of ISDs equaled 2.88. Comparatively, the average number of independent school districts in the comparison group equaled 2.38. With a mean difference of -.042, t-value of -.189, and p-value .852, there is no significant difference in the number of school districts between counties with maximum and zero exemptions. Third, the mean tax levies for the treatment and comparison groups were significantly close. The treatment group possessed an average tax levy of \$ 4,776, 674.71. The comparison group had an average tax levy of \$4,897,197.21. With a mean difference of \$ -120, 522.50, t-value of -1.19, and p-value .248, there is no statistically significant difference in the average tax levy between maximum and zero exemption counties.

A Significant Difference: The General Fund Tax Rate

In contrast to average population, number of independent school districts, and tax levy, measurement of the general fund tax rate revealed a systematic difference in the funding ability of localities among the treatment and comparison group. The treatment group possessed an average general fund tax rate of \$.589. The comparison group had a mean general fund tax rate of \$.521. Even with this difference, the maximum and zero exemption counties could still be

compared to determine the effect of homestead exemptions on the school districts within each county. However, the difference indicates that counties may make up for the lost revenue from the homestead exemption by increasing the general fund tax rate.

Research Variables

The operationalization table defines the variables used to test the working hypotheses (See Table 4.1). The independent variable distinguishes between maximum and no exemption counties. The dependent variables for fiscal equity include average per pupil instructional expenditure, average staff and student support expenditure per pupil, and average revenue from local sources per pupil. The dependent variables for fiscal adequacy include average number of students per school district, average cost of administrative services per pupil, and the average student to teacher ratio. Because the exemption data is available by county, school district data was converted to the county level. This was done when a county had more than one school district. In these cases, the average across school districts in the county was computed. All of the data refer to 2007.

The study incorporated an independent measures t-test to determine the effect of homestead exemptions on the fiscal health of independent school districts. The independent measures t-test involves two separate samples and incorporates a t-statistic. The structure of this statistic is the same as that used in single sample hypothesis tests. However, the t-test doubles all of the single sample t-formulas. In addition, this test calculates the difference between two population means (Gravettar and Wallnau 2007, 303-324).

Table 4.3 Operationalization of the Working Hypotheses

Dependent Variables	+/-	Measurement	Data Source
<p>W1: Fiscal Health</p> <p>W1a: Fiscal Equity</p> <ol style="list-style-type: none"> 1. Average Instructional Expenditures per Pupil (average of school districts in the county) 2. Average Staff and Support Expenditures per Pupil (average of school districts in the county) 3. Average Revenue from Local Sources per Pupil (average of school districts in the county) <p>W1b: Fiscal Adequacy</p> <ol style="list-style-type: none"> 1. Average Number of Students per School District (average of school districts in the county) 2. Average Cost of Administrative Services per Pupil (average of school districts in the county) 3. Average Student to Teacher Ratio (average of school districts in the county) 		<p>\$</p> <p>\$</p> <p>\$</p> <p>Number</p> <p>\$</p> <p>Number</p>	<p>National Center for Education Statistics</p> <p>National Center for Education Statistics</p> <p>National Center for Education Statistics</p> <p>National Center for Education Statistics</p> <p>National Center for Education Statistics</p> <p>National Center for Education Statistics</p>
Independent Variable	-		
<ol style="list-style-type: none"> 1. General Homestead Exemption 		<p>1= max 20%</p> <p>2= min 0%⁷</p>	<p>2007 Property Tax Report</p>

⁷ The Texas Property Tax Code requires that a \$3,000 exemption be given to property owners in counties with a 0% homestead exemption.

Conclusion

This chapter outlines the methodology of this study, which examines homestead exemptions and their effect on the fiscal health of independent school districts. Existing data validates the treatment and comparison groups. In addition, the study incorporates the aggregated data approach to test the working hypothesis that higher homestead exemption rates negatively affect the fiscal health (fiscal equity and fiscal adequacy) of independent school districts in Texas. A paired samples t-test develops a treatment and comparison group. After delineating the groups, the study incorporated an independent samples t-test to determine the effect of homestead exemptions on ISDs. The working hypotheses are tested in the next chapter.

Chapter 5: Results

Purpose

This chapter tests the working hypotheses and provides the results from the statistical procedures. Separate independent t-tests explore differences in school district fiscal health as county exemption rates vary. The working hypotheses predicted that homestead exemptions negatively affect the fiscal health of independent school districts in Texas. The evidence fails to support the predictions. Table 5.1 presents and the narrative discusses these results (See Appendix C for data).

Results

As mentioned, table 5.1 depicts the results of the independent t-test. There is no significant difference in the fiscal health of independent school districts in counties with the minimum and maximum general homestead exemption rates. For example, the mean difference for instructional expenditures per pupil equaled \$73.29. With a t-value of .303 and p-value of .76, the results indicate that there is no statistically significant difference in instructional expenditures per pupil for school districts in counties with the maximum general homestead exemption rate and those with the minimum. In addition, the mean difference in student and staff support expenditures per pupil equals \$ 107.63. With a t-value of 1.98 and p-value of .05, the results suggest no statistically significant difference exists in student and staff support services for ISDs in counties with the maximum versus the minimum general homestead exemption rate. The mean difference for the treatment and comparison group on the basis of average revenue from local sources per pupil equals \$ 810.79. The t-value of 1.25 and p-value

of .22 suggests there is no statistically significant difference in average revenue from local sources for independent school districts in counties with the maximum and minimum general homestead exemption rate. These results indicate that higher homestead exemption rates do not negatively affect the fiscal equity of independent school districts in Texas.

Second, fiscal adequacy measurements, average number of students per district, average cost of administrative services per pupil, and average student to teacher ratio display similar results. There is no difference between maximum and zero exemption counties in these areas. For instance, the mean difference for the average number of students per district equals -65.5. With a t-value of -.248 and a p-value of .80, the results suggest that no statistically significant difference exists in the number of students per district in counties with the maximum general homestead exemption rate than those with the minimum. Additionally, the mean difference for the average cost of administrative services equals \$ -117.00. The t-value of -1.01 and p-value of .32 suggest that no statistically significant difference in the cost of administrative services for ISDs in counties with the maximum or minimum homestead exemption. Finally, the mean difference for the average student to teacher ratio is -.546. With a t-value of -1.02 and p-value of .32, the results indicate no statistically significant difference in the student to teacher ratio of independent school districts in counties with the maximum or minimum general homestead exemption rate.

Table 5.1: Independent Measures T-test Results

Dependent Variable: Fiscal Health	
Dependent Variable W1a: Fiscal Equity	
1. Average Instructional Expenditures per Pupil	
Treatment Group Mean (N=24)	\$ 5,784.79
Comparison Group Mean (N=24)	\$ 5, 711.50
Mean Difference:	\$ 73.29
T-value:	.303
p-value	.76
2. Average Student and Staff Support Expenditures per Pupil	
Treatment Group Mean (N=24)	\$ 627.42
Comparison Group Mean (N=24)	\$ 519.79
Mean Difference:	\$ 107.63
T-value:	1.98
p-value:	.054
3. Average Revenue from Local Sources per Pupil	
Treatment Group Mean (N=24)	\$ 5,112.00
Comparison Group Mean (N=24)	\$ 4,301.21
Mean Difference:	\$ 810.79
T-value:	1.25
p-value:	.22
Dependent Variable W1b: Fiscal Adequacy	
1. Average Number of Students per District	
Treatment Group Mean (N=24)	1, 049
Comparison Group Mean (N=24)	1, 115
Mean Difference:	-65.5
T-value:	-.248
p-value:	.80

2. Average Cost of Administrative Services per Pupil	
Treatment Group Mean (N=24)	\$ 1,293.50
Comparison Group Mean (N=24)	\$ 1, 410.50
Mean Difference:	\$ -117.00
T-value:	-1.01
p-value	.32
3. Average Student to Teacher Ratio	
Treatment Group Mean (N=24)	11.1
Comparison Group Mean (N=24)	11.7
Mean Difference:	-.546
T-value:	-1.02
p-value	.32

Conclusion

This chapter discusses the results obtained from the independent samples t-test. The hypotheses predicted that higher homestead exemptions negatively affect the fiscal health, fiscal equity, and fiscal adequacy, of independent school districts in Texas. However, the study indicates that no statistically significant difference exists between the 24 counties with the maximum and 24 counties with the minimum homestead exemption and the fiscal health of the respective independent school districts. The following chapter explains these results and makes recommendations for future research.

Chapter 6: Conclusion

Research Summary

The purpose of the research is to explore the effect of homestead exemptions on the fiscal health of independent school districts in Texas. The first chapter introduces the research topic. The second chapter describes the fiscal landscape of Texas counties and outlines the relationship between these localities and independent school districts. Chapter three developed a comprehensive review of literature that examined taxation theory, the structure of the United States tax system, evolution of property taxes, and whether a systematic difference exists in the funding ability of localities relied upon for funding of independent school districts (ISDs) in Texas. In addition, chapter three introduced the working hypotheses used to address the research purpose.

The fourth chapter outlines the study's methodology which examines homestead exemptions and the affect on the fiscal health of independent school districts. Initially, the study intended to use Texas school district data for 2007 to test the hypotheses developed from the literature review. Unfortunately, data was not available for all the school districts. In addition, the county determines homestead exemption rate, not school district. As a result, a quasi-experimental design uses paired comparison groups at the county level and tests the working hypotheses. Existing data validate the treatment and comparison groups. In addition, the study incorporates aggregated data to test the hypothesis that higher homestead exemption rates negatively affect the fiscal health, fiscal equity and fiscal adequacy, of independent school districts in Texas. A paired samples t-test determines whether statistically significant differences existed between the treatment and comparison groups.

Chapter five outlines the results of the independent samples t-test. The independent t-test results for measurements of fiscal equity (average instructional expenditures per pupil, average student and staff support expenditures, and average revenue from local sources per pupil) indicate that there is no statistically significant difference between counties with the maximum and no homestead exemption. Fiscal adequacy test results for (average number of students per district, average cost of administrative services, and average student to teacher ratio) also reveal no statistically significant difference. Whether or not counties raise or lower the homestead exemption amounts, school districts possess the ability to adjust the tax rates in some instances, to make sure that the tax revenue is adequate. For example, if the homestead exemption rises, the ISD tax rate on taxable values of properties may increase to negate the loss of dollars for schools. This is a possible reason that the findings indicate that higher homestead exemptions do not negatively affect the fiscal equity and adequacy of independent school districts in Texas. Overall, the study finds that homestead exemptions do not negatively affect the fiscal health of independent school districts in Texas.

Recommendations

The recommendations from this study attempt to address data consistency and compilation issues. Analysis began with the lack of access to independent school district data. Discussions with officials at the Texas Education Agency (TEA) and local districts revealed that school districts live up to the minimum requirement of making budget data available to the public. However, this does not mean that the data is placed in a central location. Some school districts post their budgets online while others make data available with a public records request. As long as the information is “out there”, the districts fulfill the requirement. This is problematic in an era where people rely increasingly on the Internet for information. At this time, the data is

spread out through national databases and local and state reports. This lack of standardization leads to problems in locating and compiling consistent information. Table 6.1 provides recommendations for local and state governments that could correct the data collection, consistency, and compilation problems.

Table 6.1: Recommendations for the Texas Local and State Government

Local Government Recommendations
<ul style="list-style-type: none"> ▪ Districts provide budget information online on the district websites. ▪ Texas school districts post the current budgets via the Internet. ▪ County governments provide leadership by using the Internet to display financial statements and budget data. ▪ Counties meet with school board and school district officials to discuss the importance of using the Internet as a tool for financial transparency.
State Government Recommendations
<ul style="list-style-type: none"> ▪ The Texas Education Agency posts archival data in spreadsheets on the agency website ▪ The agency develops spreadsheets with the county name, each district, and the budgets listed ▪ Critical data all in one location allows consistency in the budget years and data.

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Appendix A

Table A.1: 2006-2008 General Fund Tax Rate Data

Counties	2006 General Fund Tax Rate	2007 General Fund Tax Rate	2008 General Fund Tax Rate
Anderson	\$0.49	\$0.49	\$0.49
Andrews	\$0.34	\$0.33	\$0.30
Angelina	\$0.44	\$0.45	\$0.46
Aransas	\$0.23	\$0.22	\$0.23
Archer	\$0.53	\$0.49	\$0.45
Armstrong	\$0.27	\$0.30	\$0.29
Atascosa	\$0.63	\$0.60	\$0.59
Austin	\$0.35	\$0.35	\$0.35
Bailey	\$0.64	\$0.58	\$0.63
Bandera	\$0.50	\$0.54	\$0.57
Bastrop	\$0.50	\$0.49	\$0.49
Baylor	\$0.48	\$0.46	\$0.52
Bee	\$0.37	\$0.38	\$0.36
Bell	\$0.38	\$0.38	\$0.38
Bexar	\$0.31	\$0.30	\$0.29
Blanco	\$0.44	\$0.38	\$0.35
Borden	\$0.27	\$0.27	\$0.22
Bosque	\$0.38	\$0.37	\$0.36
Bowie	\$0.32	\$0.32	\$0.33
Brazoria	\$0.29	\$0.28	\$0.29
Brazos	\$0.46	\$0.47	\$0.48
Brewster	\$0.32	\$0.33	\$0.33
Briscoe	\$0.69	\$0.68	\$0.68
Brooks	\$0.37	\$0.41	\$0.43
Brown	\$0.47	\$0.46	\$0.44
Burleson	\$0.48	\$0.48	\$0.48
Burnet	\$0.36	\$0.35	\$0.33
Caldwell	\$0.64	\$0.68	\$0.69
Calhoun	\$0.49	\$0.49	\$0.49
Callahan	\$0.31	\$0.29	\$0.33
Cameron	\$0.31	\$0.34	\$0.35
Camp	\$0.26	\$0.29	\$0.30
Carson	\$0.27	\$0.28	\$0.26
Cass	\$0.06	\$0.06	\$0.06
Castro	\$0.52	\$0.51	\$0.52
Chambers	\$0.36	\$0.36	\$0.36
Cherokee	\$0.48	\$0.47	\$0.47
Childress	\$0.75	\$0.77	\$0.72
Clay	\$0.56	\$0.56	\$0.56
Cochran	\$0.44	\$0.42	\$0.39
Coke	\$0.43	\$0.45	\$0.41
Coleman	\$0.50	\$0.50	\$0.50
Collin	\$0.25	\$0.25	\$0.24
Collingsworth	\$0.60	\$0.64	\$0.61
Colorado	\$0.42	\$0.43	\$0.45
Comal	\$0.27	\$0.26	\$0.25
Comanche	\$0.43	\$0.43	\$0.43
Concho	\$0.54	\$0.50	\$0.49
Cooke	\$0.38	\$0.37	\$0.34

Coryell	\$0.40	\$0.40	\$0.40
Cottle	\$0.54	\$0.60	\$0.56
Crane	\$0.35	\$0.36	\$0.28
Crockett	\$0.34	\$0.36	\$0.32
Crosby	\$0.74	\$0.70	\$0.60
Culberson	\$0.70	\$0.68	\$0.61
Dallam	\$0.51	\$0.49	\$0.50
Dallas	\$0.21	\$0.23	\$0.23
Dawson	\$0.52	\$0.54	\$0.47
Deaf Smith	\$0.63	\$0.58	\$0.55
Delta	\$0.74	\$0.68	\$0.75
Denton	\$0.23	\$0.24	\$0.24
Dewitt	\$0.63	\$0.64	\$0.57
Dickens	\$0.19	\$0.25	\$0.25
Dimmit	\$0.68	\$0.65	\$0.69
Donley	\$0.40	\$0.42	\$0.43
Duval	\$0.70	\$0.70	\$0.53
Eastland	\$0.55	\$0.52	\$0.51
Ector	\$0.42	\$0.40	\$0.36
Edwards	\$0.34	\$0.36	\$0.38
Ellis	\$0.32	\$0.36	\$0.36
El Paso	\$0.39	\$0.36	\$0.34
Erath	\$0.32	\$0.31	\$0.29
Falls	\$0.75	\$0.72	\$0.72
Fannin	\$0.59	\$0.62	\$0.50
Fayette	\$0.27	\$0.27	\$0.27
Fisher	\$0.80	\$0.80	\$0.67
Floyd	\$0.54	\$0.58	\$0.67
Foard	\$0.79	\$0.80	\$0.80
Fort Bend	\$0.46	\$0.50	\$0.50
Franklin	\$0.32	\$0.31	\$0.31
Freestone	\$0.25	\$0.23	\$0.21
Frio	\$0.71	\$0.72	\$0.64
Gaines	\$0.23	\$0.22	\$0.22
Galveston	\$0.59	\$0.57	\$0.56
Garza	\$0.39	\$0.38	\$0.31
Gillespie	\$0.30	\$0.28	\$0.26
Glasscock	\$0.36	\$0.34	\$0.26
Goliad	\$0.56	\$0.53	\$0.50
Gonzales	\$0.67	\$0.66	\$0.65
Gray	\$0.41	\$0.43	\$0.41
Grayson	\$0.49	\$0.49	\$0.49
Gregg	\$0.27	\$0.26	\$0.26
Grimes	\$0.54	\$0.54	\$0.54
Guadalupe	\$0.35	\$0.33	\$0.33
Hale	\$0.49	\$0.49	\$0.49
Hall	\$0.63	\$0.63	\$0.66
Hamilton	\$0.53	\$0.52	\$0.56
Hansford	\$0.30	\$0.32	\$0.27
Hardeman	\$0.62	\$0.65	\$0.62
Hardin	\$0.47	\$0.44	\$0.43
Harris	\$0.40	\$0.39	\$0.39
Harrison	\$0.35	\$0.35	\$0.32
Hartley	\$0.36	\$0.36	\$0.34
Haskell	\$0.52	\$0.56	\$0.52
Hays	\$0.38	\$0.37	\$0.37
Hemphill	\$0.33	\$0.34	\$0.35

Henderson	\$0.43	\$0.41	\$0.41
Hidalgo	\$0.59	\$0.59	\$0.59
Hill	\$0.42	\$0.39	\$0.39
Hockley	\$0.24	\$0.24	\$0.19
Hood	\$0.35	\$0.33	\$0.33
Hopkins	\$0.33	\$0.34	\$0.37
Houston	\$0.37	\$0.35	\$0.39
Howard	\$0.45	\$0.45	\$0.50
Hudspeth	\$0.65	\$0.64	\$0.64
Hunt	\$0.57	\$0.56	\$0.51
Hutchinson	\$0.46	\$0.44	\$0.43
Irion	\$0.41	\$0.42	\$0.38
Jack	\$0.40	\$0.38	\$0.30
Jackson	\$0.45	\$0.45	\$0.41
Jasper	\$0.56	\$0.53	\$0.53
Jeff Davis	\$0.54	\$0.57	\$0.57
Jefferson	\$0.40	\$0.39	\$0.37
Jim Hogg	\$0.73	\$0.76	\$0.75
Jim Wells	\$0.56	\$0.52	\$0.52
Johnson	\$0.33	\$0.36	\$0.31
Jones	\$0.67	\$0.62	\$0.58
Karnes	\$0.74	\$0.77	\$0.64
Kaufman	\$0.49	\$0.49	\$0.48
Kendall	\$0.37	\$0.37	\$0.37
Kenedy	\$0.71	\$0.70	\$0.56
Kent	\$0.27	\$0.31	\$0.26
Kerr	\$0.36	\$0.36	\$0.40
Kimble	\$0.34	\$0.30	\$0.31
King	\$0.63	\$0.70	\$0.70
Kinney	\$0.72	\$0.67	\$0.62
Kleberg	\$0.57	\$0.65	\$0.68
Knox	\$0.63	\$0.63	\$0.63
Lamar	\$0.44	\$0.44	\$0.43
Lamb	\$0.76	\$0.79	\$0.79
Lampasas	\$0.46	\$0.49	\$0.52
LaSalle	\$0.40	\$0.41	\$0.59
Lavaca	\$0.34	\$0.33	\$0.32
Lee	\$0.44	\$0.41	\$0.44
Leon	\$0.42	\$0.42	\$0.42
Liberty	\$0.56	\$0.56	\$0.56
Limestone	\$0.46	\$0.43	\$0.40
Lipscomb	\$0.30	\$0.29	\$0.26
Live Oak	\$0.39	\$0.33	\$0.33
Llano	\$0.38	\$0.38	\$0.28
Loving	\$0.56	\$0.34	\$0.30
Lubbock	\$0.46	\$0.31	\$0.33
Lynn	\$0.30	\$0.90	\$0.88
Madison	\$0.39	\$0.55	\$0.55
Marion	\$0.38	\$0.43	\$0.40
Martin	\$0.25	\$0.09	\$0.09
Mason	\$0.49	\$0.49	\$0.50
Matagorda	\$0.27	\$0.28	\$0.28
Maverick	\$0.35	\$0.37	\$0.40
McCulloch	\$0.43	\$0.42	\$0.42
McLennan	\$0.44	\$0.45	\$0.45
McMullen	\$0.41	\$0.51	\$0.44
Medina	\$0.55	\$0.50	\$0.47

Menard	\$0.67	\$0.67	\$0.66
Midland	\$0.25	\$0.23	\$0.21
Milam	\$0.63	\$0.63	\$0.62
Mills	\$0.51	\$0.49	\$0.56
Mitchell	\$0.40	\$0.44	\$0.33
Montague	\$0.38	\$0.38	\$0.33
Montgomery	\$0.49	\$0.49	\$0.48
Moore	\$0.29	\$0.24	\$0.29
Morris	\$0.22	\$0.19	\$0.21
Motley	\$0.80	\$0.80	\$0.80
Nacogdoches	\$0.42	\$0.43	\$0.43
Navarro	\$0.51	\$0.47	\$0.48
Newton	\$0.50	\$0.44	\$0.44
Nolan	\$0.48	\$0.37	\$0.31
Nueces	\$0.37	\$0.35	\$0.35
Ochiltree	\$0.55	\$0.54	\$0.53
Oldham	\$0.67	\$0.64	\$0.66
Orange	\$0.53	\$0.01	\$0.45
Palo Pinto	\$0.34	\$0.28	\$0.28
Panola	\$0.28	\$0.33	\$0.30
Parker	\$0.25	\$0.25	\$0.27
Parmer	\$0.42	\$0.41	\$0.41
Pecos	\$0.55	\$0.59	\$0.56
Polk	\$0.63	\$0.63	\$0.63
Potter	\$0.60	\$0.60	\$0.60
Presidio	\$0.64	\$0.64	\$0.74
Rains	\$0.61	\$0.61	\$0.61
Randall	\$0.35	\$0.35	\$0.36
Reagan	\$0.36	\$0.34	\$0.31
Real	\$0.62	\$0.59	\$0.60
Red River	\$0.56	\$0.58	\$0.59
Reeves	\$0.38	\$0.35	\$0.35
Refugio	\$0.40	\$0.40	\$0.45
Roberts	\$0.20	\$0.22	\$0.21
Robertson	\$0.50	\$0.48	\$0.35
Rockwall	\$0.35	\$0.35	\$0.38
Runnels	\$0.68	\$0.67	\$0.62
Rusk	\$0.30	\$0.30	\$0.26
Sabine	\$0.37	\$0.38	\$0.39
San Augustine	\$0.62	\$0.66	\$0.68
San Jacinto	\$0.42	\$0.45	\$0.48
San Patricio	\$0.48	\$0.46	\$0.46
San Saba	\$0.52	\$0.52	\$0.57
Schleicher	\$0.56	\$0.57	\$0.56
Scurry	\$0.34	\$0.34	\$0.25
Shackelford	\$0.50	\$0.46	\$0.44
Shelby	\$0.40	\$0.40	\$0.40
Sherman	\$0.40	\$0.42	\$0.39
Smith	\$0.27	\$0.29	\$0.29
Somervell	\$0.33	\$0.31	\$0.34
Starr	\$0.40	\$0.47	\$0.47
Stephens	\$0.55	\$0.57	\$0.55
Sterling	\$0.39	\$0.44	\$0.33
Stonewall	\$0.50	\$0.53	\$0.49
Sutton	\$0.15	\$0.17	\$0.15
Swisher	\$0.67	\$0.67	\$0.77
Tarrant	\$0.37	\$0.27	\$0.26

Taylor	\$0.50	\$0.47	\$0.47
Terrell	\$0.28	\$0.28	\$0.32
Terry	\$0.58	\$0.58	\$0.55
Throckmorton	\$0.82	\$0.80	\$0.75
Titus	\$0.34	\$0.34	\$0.34
Tom Green	\$0.52	\$0.53	\$0.53
Travis	\$0.45	\$0.42	\$0.41
Trinity	\$0.59	\$0.59	\$0.62
Tyler	\$0.37	\$0.37	\$0.37
Upshur	\$0.48	\$0.45	\$0.42
Upton	\$0.31	\$0.26	\$0.23
Uvalde	\$0.44	\$0.44	\$0.44
Val Verde	\$0.45	\$0.45	\$0.45
Van Zandt	\$0.40	\$0.36	\$0.39
Victoria	\$0.34	\$0.34	\$0.34
Walker	\$0.57	\$0.55	\$0.55
Waller	\$0.63	\$0.60	\$0.61
Ward	\$0.63	\$0.58	\$0.64
Washington	\$0.28	\$0.29	\$0.28
Webb	\$0.41	\$0.41	\$0.41
Wharton	\$0.40	\$0.40	\$0.40
Wheeler	\$0.23	\$0.22	\$0.20
Wichita	\$0.45	\$0.45	\$0.43
Wilbarger	\$0.37	\$0.35	\$0.33
Willacy	\$0.60	\$0.62	\$0.56
Williamson	\$0.47	\$0.46	\$0.44
Wilson	\$0.42	\$0.42	\$0.46
Winkler	\$0.61	\$0.61	\$0.52
Wise	\$0.29	\$0.30	\$0.28
Wood	\$0.46	\$0.47	\$0.45
Yoakum	\$0.31	\$0.31	\$0.27
Young	\$0.62	\$0.61	\$0.60
Zapata	\$0.68	\$0.68	\$0.68
Zavala	\$0.65	\$0.65	\$0.66
Averages	\$0.45	\$0.45	\$0.44

Table A.2: 2006-2008 County Total Tax Levy Data

Counties	2006 Total County Tax Levy	2007 Total County Tax Levy	2008 Total County Tax Levy
Anderson	\$10,652,967	\$11,841,494	\$12,833,719
Andrews	\$12,876,624	\$13,908,932	\$15,089,747
Angelina	\$12,421,410	\$13,771,783	\$14,723,278
Aransas	\$6,411,179	\$6,950,131	\$8,711,679
Archer	\$3,082,534	\$3,128,275	\$3,191,109
Armstrong	\$532,043	\$605,978	\$639,337
Atascosa	\$11,305,575	\$12,111,193	\$12,986,191
Austin	\$8,604,832	\$9,433,976	\$10,626,906
Bailey	\$1,896,769	\$2,032,222	\$2,191,147
Bandera	\$7,563,546	\$9,266,625	\$10,470,001
Bastrop	\$21,578,174	\$22,320,902	\$24,432,287
Baylor	\$938,692	\$988,466	\$1,043,353
Bee	\$3,976,740	\$4,365,186	\$4,717,369
Bell	\$43,093,239	\$47,791,456	\$52,341,759
Bexar	\$246,417,480	\$286,109,762	\$319,364,761
Blanco	\$3,520,104	\$3,598,063	\$3,634,533
Borden	\$1,620,279	\$1,619,009	\$1,703,863
Bosque	\$3,710,743	\$3,879,978	\$4,248,815
Bowie	\$11,973,147	\$12,926,702	\$14,125,178
Brazoria	\$68,717,535	\$73,133,878	\$81,314,274
Brazos	\$37,768,837	\$42,909,340	\$48,827,914
Brewster	\$1,462,067	\$1,605,491	\$1,744,528
Briscoe	\$616,876	\$617,323	\$613,921
Brooks	\$5,236,029	\$4,804,577	\$5,291,960
Brown	\$9,267,355	\$9,814,501	\$10,234,744
Burleson	\$5,564,015	\$5,711,920	\$6,137,557
Burnet	\$11,662,609	\$12,962,421	\$14,199,522
Caldwell	\$8,515,559	\$9,320,820	\$10,239,130
Calhoun	\$18,391,606	\$19,519,763	\$19,527,863
Callahan	\$1,580,219	\$1,607,644	\$2,085,769
Cameron	\$45,739,322	\$49,369,638	\$54,590,290
Camp	\$2,405,645	\$2,616,999	\$2,841,176
Carson	\$2,994,049	\$2,994,562	\$3,250,143
Cass	\$5,897,676	\$6,291,364	\$6,706,896
Castro	\$2,275,129	\$2,303,196	\$2,606,311
Chambers	\$26,053,006	\$27,444,974	\$28,892,636
Cherokee	\$10,459,552	\$11,035,195	\$13,069,260
Childress	\$1,527,807	\$1,623,301	\$1,775,068
Clay	\$3,752,771	\$3,955,440	\$4,298,572
Cochran	\$2,809,353	\$3,040,168	\$3,564,913
Coke	\$1,381,939	\$1,501,282	\$1,671,664
Coleman	\$1,914,918	\$2,102,754	\$2,246,808
Collin	\$151,786,647	\$167,637,953	\$173,926,405
Collingsworth	\$1,128,552	\$1,196,837	\$1,204,320
Colorado	\$5,886,277	\$6,587,050	\$7,568,262
Comal	\$23,429,417	\$27,882,763	\$31,557,508
Comanche	\$3,066,610	\$3,376,424	\$3,721,284
Concho	\$1,337,037	\$1,343,422	\$1,485,227
Cooke	\$10,847,481	\$11,678,016	\$12,443,978
Coryell	\$6,836,350	\$7,544,622	\$8,345,433
Cottle	\$897,667	\$959,701	\$1,013,469

Crane	\$7,155,306	\$7,620,906	\$7,257,024
Crockett	\$9,222,033	\$9,474,590	\$10,299,229
Crosby	\$1,973,164	\$2,073,704	\$2,126,242
Culberson	\$1,901,804	\$2,082,393	\$2,084,349
Dallam	\$1,783,188	\$2,041,863	\$2,080,692
Dallas	\$316,507,685	\$369,687,063	\$388,038,362
Dawson	\$5,418,809	\$5,690,221	\$6,113,584
Deaf Smith	\$4,485,140	\$5,077,368	\$6,129,884
Delta	\$1,457,836	\$1,553,839	\$1,752,395
Denton	\$100,480,605	\$114,623,812	\$123,891,269
Dewitt	\$6,150,689	\$6,649,490	\$7,045,456
Dickens	\$763,984	\$1,077,621	\$1,402,352
Dimmit	\$2,767,102	\$3,075,967	\$3,093,061
Donley	\$865,597	\$907,393	\$956,318
Duval	\$8,279,720	\$8,094,245	\$8,353,109
Eastland	\$3,926,425	\$3,981,628	\$4,359,495
Ector	\$28,182,674	\$31,367,966	\$34,267,631
Edwards	\$1,567,124	\$1,635,967	\$1,837,249
Ellis	\$29,901,885	\$37,478,515	\$40,457,240
El Paso	\$101,536,503	\$107,188,851	\$111,493,605
Erath	\$7,805,157	\$8,564,924	\$8,492,268
Falls	\$3,603,580	\$3,698,135	\$3,969,897
Fannin	\$6,861,098	\$7,561,319	\$8,449,064
Fayette	\$8,077,685	\$8,488,818	\$8,933,380
Fisher	\$1,698,100	\$1,784,631	\$1,942,176
Floyd	\$1,436,864	\$1,556,864	\$1,672,026
Foard	\$686,431	\$660,261	\$717,652
Fort Bend	\$142,751,694	\$166,138,323	\$190,736,711
Franklin	\$3,831,362	\$4,152,373	\$4,423,701
Freestone	\$11,294,312	\$10,264,956	\$10,899,010
Frio	\$3,459,994	\$3,906,073	\$3,728,457
Gaines	\$10,709,114	\$15,730,879	\$20,421,737
Galveston	\$106,976,936	\$113,155,027	\$122,071,933
Garza	\$2,343,379	\$2,474,216	\$2,674,616
Gillespie	\$6,531,965	\$6,992,332	\$7,388,280
Glasscock	\$2,447,047	\$2,657,312	\$2,872,291
Goliad	\$5,812,196	\$5,969,895	\$6,258,534
Gonzales	\$5,304,158	\$5,579,860	\$5,941,282
Gray	\$6,141,559	\$6,534,671	\$6,557,975
Grayson	\$25,435,830	\$27,377,610	\$29,524,189
Gregg	\$18,436,872	\$19,324,625	\$21,466,344
Grimes	\$7,254,536	\$13,668,213	\$9,378,944
Guadalupe	\$23,488,020	\$26,427,037	\$29,936,492
Hale	\$7,611,894	\$7,781,808	\$9,249,471
Hall	\$1,029,765	\$1,034,880	\$1,114,506
Hamilton	\$2,132,388	\$2,234,867	\$2,629,234
Hansford	\$2,381,726	\$2,469,944	\$2,475,115
Hardeman	\$1,984,373	\$1,996,004	\$2,219,081
Hardin	\$10,863,453	\$11,753,321	\$13,160,927
Harris	\$885,849,380	\$1,004,426,951	\$1,095,133,426
Harrison	\$16,458,050	\$19,372,895	\$20,622,175
Hartley	\$1,492,616	\$1,620,979	\$1,745,687
Haskell	\$1,676,629	\$1,813,909	\$1,820,654
Hays	\$36,816,720	\$41,895,968	\$46,466,437
Hemphill	\$885,849,380	\$7,956,034	\$9,505,424
Henderson	\$16,458,050	\$22,309,299	\$24,588,242
Hidalgo	\$1,492,616	\$145,869,803	\$159,961,800

Hill	\$1,676,629	\$7,538,961	\$8,665,361
Hockley	\$36,816,720	\$8,646,565	\$9,179,305
Hood	\$13,143,253	\$14,412,633	\$16,508,736
Hopkins	\$7,451,377	\$8,005,594	\$8,654,180
Houston	\$3,538,970	\$3,789,741	\$4,946,039
Howard	\$7,360,786	\$9,132,548	\$11,663,292
Hudspeth	\$1,815,020	\$1,984,521	\$2,081,801
Hunt	\$18,333,766	\$19,378,585	\$20,402,103
Hutchinson	\$8,226,302	\$8,931,203	\$9,889,926
Irion	\$1,813,960	\$2,197,143	\$2,707,642
Jack	\$2,867,100	\$3,035,407	\$3,573,158
Jackson	\$6,775,306	\$6,247,453	\$6,306,134
Jasper	\$9,773,985	\$9,837,504	\$11,104,381
Jeff Davis	\$1,038,133	\$1,122,411	\$1,260,324
Jefferson	\$66,382,570	\$72,439,392	\$75,745,190
Jim Hogg	\$5,049,263	\$4,880,710	\$4,927,893
Jim Wells	\$9,143,874	\$9,382,391	\$10,200,237
Johnson	\$26,499,593	\$34,274,715	\$42,393,245
Jones	\$3,132,441	\$3,116,535	\$3,351,864
Karnes	\$3,095,978	\$3,297,621	\$3,355,142
Kaufman	\$28,337,625	\$59,435,726	\$33,943,708
Kendall	\$10,860,050	\$12,621,961	\$14,445,788
Kenedy	\$3,424,389	\$3,416,696	\$3,597,376
Kent	\$2,711,685	\$3,145,596	\$3,570,266
Kerr	\$11,352,214	\$13,745,295	\$16,373,618
Kimble	\$988,022	\$995,491	\$1,079,283
King	\$2,286,783	\$2,466,220	\$2,804,384
Kinney	\$1,123,588	\$1,086,193	\$1,079,661
Kleberg	\$7,880,969	\$8,762,103	\$9,842,180
Knox	\$1,008,000	\$1,119,677	\$1,207,222
Lamar	\$9,288,471	\$9,876,267	\$10,550,280
Lamb	\$6,067,860	\$6,355,721	\$6,849,810
Lampasas	\$4,655,315	\$5,554,240	\$6,362,779
LaSalle	\$2,333,648	\$2,252,966	\$3,291,435
Lavaca	\$6,349,441	\$6,808,856	\$7,129,710
Lee	\$6,077,934	\$6,557,776	\$7,490,383
Leon	\$6,281,304	\$7,495,463	\$10,132,443
Liberty	\$21,705,512	\$23,258,084	\$23,593,823
Limestone	\$10,013,253	\$10,747,930	\$11,540,314
Lipscomb	\$3,115,608	\$3,347,405	\$3,809,507
Live Oak	\$4,928,049	\$4,818,785	\$5,371,735
Llano	\$8,486,022	\$11,092,253	\$8,394,983
Loving	\$2,579,341	\$2,730,689	\$2,948,303
Lubbock	\$34,284,957	\$40,162,541	\$45,864,361
Lynn	\$2,161,112	\$2,329,138	\$2,574,031
Madison	\$2,873,626	\$3,095,185	\$3,304,423
Marion	\$2,759,438	\$2,911,061	\$3,023,161
Martin	\$39,558,686	\$3,628,379	\$4,809,283
Mason	\$2,067,472	\$1,349,600	\$1,577,812
Matagorda	\$9,244,919	\$9,785,561	\$10,968,574
Maverick	\$784,580	\$5,877,531	\$7,136,776
McCulloch	\$19,578,627	\$1,438,016	\$1,553,906
McLennan	\$8,309,778	\$43,455,682	\$46,790,326
McMullen	\$1,404,135	\$2,077,568	\$2,479,620
Medina	\$2,968,799	\$9,624,825	\$10,503,436
Menard	\$4,648,551	\$824,017	\$916,554
Midland	\$114,291,047	\$21,162,986	\$23,489,746

Milam	\$7,654,109	\$8,908,179	\$9,808,637
Mills	\$2,065,656	\$1,520,268	\$1,792,866
Mitchell	\$532,824	\$3,225,005	\$3,503,194
Montague	\$10,942,646	\$4,981,077	\$5,183,716
Montgomery	\$11,840,756	\$130,759,974	\$146,759,893
Moore	\$3,460,264	\$6,770,527	\$8,937,409
Morris	\$4,247,463	\$2,089,069	\$2,130,013
Motley	\$56,820,699	\$576,637	\$599,432
Nacogdoches	\$4,164,706	\$12,325,015	\$13,630,619
Navarro	\$1,041,652	\$12,831,320	\$14,124,654
Newton	\$21,479,112	\$3,477,826	\$4,047,191
Nolan	\$6,044,138	\$4,687,955	\$5,134,354
Nueces	\$12,295,972	\$61,761,190	\$67,677,701
Ochiltree	\$22,204,904	\$4,511,875	\$4,984,217
Oldham	\$2,675,514	\$1,039,196	\$1,154,366
Orange	\$17,742,586	\$22,271,757	\$23,726,315
Palo Pinto	\$12,316,738	\$6,416,494	\$6,883,874
Panola	\$32,477,697	\$15,178,590	\$16,635,189
Parker	\$1,389,226	\$26,381,316	\$31,172,032
Parmer	\$3,099,327	\$2,889,193	\$3,054,415
Pecos	\$17,742,586	\$19,390,788	\$24,391,414
Polk	\$12,316,738	\$13,254,020	\$14,610,045
Potter	\$32,477,697	\$34,522,714	\$36,552,270
Presidio	\$1,389,226	\$1,517,181	\$1,816,030
Rains	\$3,099,327	\$3,183,204	\$3,412,519
Randall	\$20,894,089	\$22,857,206	\$25,265,410
Reagan	\$4,902,321	\$5,232,616	\$5,987,587
Real	\$1,627,365	\$1,600,935	\$1,706,330
Red River	\$2,715,919	\$2,883,867	\$3,049,035
Reeves	\$2,452,993	\$2,575,347	\$2,828,154
Refugio	\$4,441,754	\$3,899,085	\$5,092,930
Roberts	\$1,889,117	\$2,178,386	\$2,598,385
Robertson	\$9,974,189	\$11,675,905	\$14,464,682
Rockwall	\$19,775,877	\$21,914,982	\$25,271,024
Runnels	\$3,262,466	\$3,460,219	\$3,742,069
Rusk	\$13,641,514	\$15,035,359	\$18,012,047
Sabine	\$1,424,272	\$1,532,358	\$1,718,977
San Augustine	\$1,465,027	\$1,613,755	\$1,842,977
San Jacinto	\$5,489,503	\$4,863,763	\$5,807,599
San Patricio	\$17,358,708	\$19,409,181	\$20,395,214
San Saba	\$1,651,683	\$1,767,638	\$1,988,858
Schleicher	\$1,942,845	\$2,505,375	\$3,078,890
Scurry	\$7,092,621	\$8,513,322	\$7,358,371
Shackelford	\$1,339,952	\$1,898,711	\$2,542,624
Shelby	\$4,985,643	\$5,131,877	\$6,275,668
Sherman	\$2,523,123	\$2,511,235	\$2,728,432
Smith	\$30,868,384	\$36,237,009	\$38,802,286
Somervell	\$6,483,390	\$8,483,358	\$10,700,227
Starr	\$12,123,614	\$13,282,619	\$14,088,012
Stephens	\$3,479,401	\$3,759,018	\$4,627,635
Sterling	\$2,172,450	\$2,285,447	\$2,847,663
Stonewall	\$1,039,500	\$1,130,728	\$1,223,022
Sutton	\$2,672,031	\$2,912,517	\$3,141,083
Swisher	\$1,780,704	\$1,845,225	\$1,939,399
Tarrant	\$393,274,035	\$306,591,822	\$329,368,255
Taylor	\$25,716,412	\$27,126,607	\$29,273,799
Terrell	\$2,235,224	\$2,615,488	\$2,874,713

Terry	\$4,618,704	\$4,992,899	\$5,354,300
Throckmorton	\$1,542,175	\$1,426,412	\$1,549,963
Titus	\$8,140,515	\$8,806,088	\$9,434,956
Tom Green	\$18,031,927	\$19,209,837	\$20,719,737
Travis	\$339,589,799	\$361,662,483	\$394,444,444
Trinity	\$2,562,147	\$2,668,675	\$3,305,090
Tyler	\$4,532,965	\$5,664,349	\$7,457,879
Upshur	\$8,345,374	\$8,600,813	\$8,711,298
Upton	\$6,924,624	\$6,927,166	\$7,559,385
Uvalde	\$5,548,902	\$6,059,536	\$6,678,556
Val Verde	\$6,949,075	\$7,258,768	\$8,342,860
Van Zandt	\$8,301,681	\$7,709,009	\$8,838,995
Victoria	\$16,892,428	\$18,275,992	\$19,944,128
Walker	\$10,351,410	\$10,799,454	\$11,613,638
Waller	\$12,766,120	\$13,857,385	\$15,247,641
Ward	\$9,775,640	\$9,750,364	\$12,609,334
Washington	\$9,530,078	\$10,001,511	\$11,157,544
Webb	\$50,589,262	\$51,716,068	\$57,241,570
Wharton	\$13,387,315	\$13,751,892	\$14,451,814
Wheeler	\$3,865,403	\$4,401,947	\$5,385,475
Wichita	\$24,599,178	\$26,334,876	\$26,852,904
Wilbarger	\$4,304,976	\$4,410,657	\$4,595,360
Willacy	\$4,483,525	\$4,552,963	\$4,954,756
Williamson	\$125,524,280	\$143,642,020	\$156,664,266
Wilson	\$6,801,729	\$7,757,099	\$8,814,610
Winkler	\$7,453,255	\$7,553,110	\$9,550,114
Wise	\$21,686,900	\$23,825,592	\$26,086,483
Wood	\$10,396,712	\$13,677,159	\$12,148,085
Yoakum	\$12,079,196	\$12,267,919	\$13,934,616
Young	\$4,918,182	\$5,071,091	\$5,479,956
Zapata	\$24,773,161	\$23,293,430	\$25,296,337
Zavala	\$2,078,509	\$2,465,049	\$2,338,613
Average	\$24,246,011	\$22,980,275	\$24,971,279

Table A.3: 2006-2008 County Total Property Value Data

Counties	2006 Total Property Value	2007 Total Property Value	2008 Total Property Value
Anderson	\$2,291,903,467	\$2,543,773,973	\$2,866,264,557
Andrews	\$3,249,713,244	\$3,663,073,978	\$4,381,650,592
Angelina	\$3,315,409,801	\$3,472,240,316	\$3,587,426,005
Aransas	\$2,426,619,213	\$2,779,011,021	\$2,967,750,798
Archer	\$476,999,640	\$518,429,084	\$570,387,812
Armstrong	\$133,113,090	\$135,510,950	\$150,350,990
Atascosa	\$1,576,576,652	\$1,802,228,402	\$2,029,318,367
Austin	\$1,997,402,262	\$2,101,257,161	\$2,409,520,413
Bailey	\$255,763,249	\$302,047,151	\$313,131,156
Bandera	\$1,258,243,064	\$1,437,953,926	\$1,611,091,473
Bastrop	\$3,651,117,308	\$3,865,163,946	\$4,254,663,375
Baylor	\$174,151,850	\$180,954,390	\$170,285,750
Bee	\$1,021,546,420	\$1,092,331,790	\$1,241,178,220
Bell	\$11,031,298,230	\$12,210,029,084	\$13,348,850,985
Bexar	\$81,396,955,503	\$94,786,884,193	\$104,881,690,699
Blanco	\$842,710,679	\$974,437,702	\$1,077,493,121
Borden	\$635,869,253	\$700,337,356	\$853,189,348
Bosque	\$1,049,053,882	\$1,153,860,506	\$1,202,179,126
Bowie	\$4,165,832,910	\$4,529,147,490	\$4,777,278,723
Brazoria	\$22,616,398,591	\$24,687,582,969	\$26,291,748,398
Brazos	\$8,856,469,823	\$9,770,799,171	\$10,751,288,511
Brewster	\$475,622,183	\$502,896,424	\$548,810,564
Briscoe	\$89,660,557	\$90,575,161	\$90,295,808
Brooks	\$1,111,023,285	\$939,237,841	\$981,158,726
Brown	\$1,783,994,876	\$1,884,591,009	\$2,045,079,102
Burleson	\$1,014,997,524	\$1,045,265,034	\$1,120,112,730
Burnet	\$3,122,516,513	\$3,507,634,968	\$4,034,164,371
Caldwell	\$1,351,916,164	\$1,390,053,781	\$1,510,028,115
Calhoun	\$4,041,930,098	\$4,273,955,680	\$4,313,203,179
Callahan	\$429,608,480	\$472,252,780	\$542,333,260
Cameron	\$13,642,292,488	\$14,930,725,227	\$15,878,689,030
Camp	\$698,322,074	\$694,994,140	\$746,492,776
Carson	\$866,338,690	\$843,515,430	\$951,587,020
Cass	\$1,381,596,590	\$1,533,054,720	\$1,644,186,615
Castro	\$328,490,906	\$346,567,396	\$375,974,514
Chambers	\$6,344,005,420	\$6,672,370,030	\$7,106,328,820
Cherokee	\$1,792,808,372	\$1,926,535,322	\$2,222,470,717
Childress	\$203,614,560	\$212,538,970	\$258,964,090
Clay	\$583,086,800	\$615,158,936	\$665,949,943
Cochran	\$503,265,300	\$570,716,220	\$723,294,380
Coke	\$267,644,188	\$275,899,960	\$330,636,390
Coleman	\$287,176,631	\$309,454,881	\$333,464,790
Collin	\$64,129,639,803	\$71,299,517,936	\$76,388,698,341
Collingsworth	\$149,738,190	\$146,735,570	\$154,222,420
Colorado	\$1,541,169,852	\$1,677,960,403	\$1,845,319,574
Comal	\$8,546,260,860	\$10,047,432,900	\$11,762,128,281
Comanche	\$533,654,946	\$574,168,712	\$616,572,085
Concho	\$212,530,600	\$227,686,800	\$252,511,190
Cooke	\$2,320,405,742	\$2,523,122,588	\$2,841,003,665
Coryell	\$1,787,017,823	\$1,975,565,404	\$2,172,549,513
Cottle	\$142,089,210	\$136,804,670	\$155,874,170
Crane	\$1,855,322,660	\$1,958,340,250	\$2,341,328,060
Crockett	\$2,159,449,520	\$2,054,083,260	\$2,464,573,600
Crosby	\$234,199,980	\$257,565,440	\$318,377,660
Culberson	\$243,227,120	\$271,610,210	\$300,632,500
Dallam	\$353,201,445	\$417,023,200	\$543,860,442

Dallas	\$176,105,558,978	\$190,712,640,361	\$200,307,555,488
Dawson	\$892,405,700	\$895,106,790	\$1,114,097,920
Deaf Smith	\$753,713,248	\$906,807,766	\$1,166,206,646
Delta	\$164,522,469	\$189,500,810	\$198,564,052
Denton	\$45,439,772,889	\$50,942,850,258	\$55,126,555,268
Dewitt	\$869,685,560	\$916,764,290	\$1,060,194,080
Dickens	\$225,057,710	\$269,720,360	\$350,900,770
Dimmit	\$428,916,038	\$493,831,401	\$473,355,015
Donley	\$178,324,603	\$182,046,023	\$192,622,851
Duval	\$831,504,101	\$827,958,696	\$1,118,374,090
Eastland	\$754,027,530	\$953,729,640	\$1,105,314,040
Ector	\$7,701,243,181	\$8,979,673,526	\$11,115,287,099
Edwards	\$369,536,482	\$371,533,347	\$391,150,707
Ellis	\$9,365,185,470	\$10,228,877,992	\$10,984,331,135
El Paso	\$29,771,387,861	\$34,969,246,630	\$36,738,560,652
Erath	\$1,876,168,755	\$2,131,195,382	\$2,244,987,642
Falls	\$444,056,461	\$475,462,680	\$507,460,340
Fannin	\$1,208,401,020	\$1,259,195,287	\$1,465,001,996
Fayette	\$2,036,636,774	\$2,176,461,591	\$2,336,366,195
Fisher	\$184,434,435	\$193,299,300	\$240,790,854
Floyd	\$275,196,090	\$275,832,020	\$338,104,160
Foard	\$73,511,347	\$70,120,995	\$76,232,250
Fort Bend	\$34,779,324,934	\$39,997,135,879	\$45,657,430,261
Franklin	\$893,170,725	\$967,821,440	\$1,031,858,720
Freestone	\$4,859,902,680	\$4,771,562,235	\$5,586,229,720
Frio	\$482,155,390	\$534,394,240	\$566,572,060
Gaines	\$4,042,342,921	\$4,600,867,117	\$5,964,450,829
Galveston	\$21,263,033,206	\$23,111,683,254	\$25,353,313,240
Garza	\$606,041,900	\$707,178,630	\$914,400,060
Gillespie	\$2,233,850,043	\$2,600,437,872	\$2,939,080,492
Glasscock	\$678,781,440	\$793,470,940	\$1,125,169,600
Goliad	\$1,075,750,360	\$1,150,187,140	\$1,292,357,350
Gonzales	\$800,676,570	\$860,570,390	\$931,972,500
Gray	\$1,444,928,623	\$1,463,695,714	\$1,676,258,854
Grayson	\$6,122,620,927	\$6,611,592,367	\$7,073,176,409
Gregg	\$7,334,139,909	\$8,055,989,194	\$8,992,560,767
Grimes	\$1,490,058,177	\$2,680,425,583	\$1,921,811,983
Guadalupe	\$6,446,146,316	\$7,448,350,684	\$8,406,348,801
Hale	\$1,563,444,634	\$1,595,007,306	\$1,900,346,542
Hall	\$164,765,140	\$165,155,890	\$170,641,490
Hamilton	\$411,685,095	\$442,985,394	\$490,108,693
Hansford	\$662,431,207	\$727,354,832	\$853,328,776
Hardeman	\$324,596,640	\$310,080,080	\$357,873,410
Hardin	\$2,105,431,880	\$2,404,295,120	\$2,823,839,400
Harris	\$261,036,377,963	\$302,063,318,183	\$331,253,409,329
Harrison	\$5,357,605,000	\$6,352,340,150	\$7,285,073,595
Hartley	\$413,064,780	\$463,947,682	\$523,255,957
Haskell	\$224,695,236	\$232,516,874	\$251,259,508
Hays	\$8,777,979,404	\$9,853,086,576	\$11,015,210,956
Hemphill	\$2,026,622,730	\$1,908,440,130	\$2,241,383,981
Henderson	\$4,793,117,100	\$4,958,063,716	\$5,510,273,780
Hidalgo	\$22,399,382,149	\$26,062,180,675	\$28,238,780,116
Hill	\$1,569,238,387	\$1,726,266,662	\$1,970,153,089
Hockley	\$2,394,816,428	\$3,107,199,462	\$3,977,949,910
Hood	\$3,618,354,890	\$4,169,939,620	\$4,818,412,150
Hopkins	\$1,578,382,742	\$1,667,408,853	\$1,780,963,415
Houston	\$1,064,293,670	\$1,216,281,030	\$1,399,760,110
Howard	\$1,631,545,649	\$2,044,079,084	\$2,350,532,202
Hudspeth	\$281,419,533	\$311,859,642	\$326,518,212
Hunt	\$3,424,050,812	\$3,680,610,913	\$4,308,006,080
Hutchinson	\$2,162,036,770	\$2,590,990,990	\$2,882,079,740
Irion	\$402,764,060	\$498,150,550	\$663,792,070
Jack	\$813,836,110	\$840,011,880	\$1,132,690,599

Jackson	\$1,330,317,193	\$1,248,983,780	\$1,404,883,574
Jasper	\$1,608,492,375	\$1,811,083,509	\$1,980,729,546
Jeff Davis	\$202,850,114	\$204,230,220	\$230,824,734
Jefferson	\$20,483,992,530	\$23,151,017,685	\$25,887,497,589
Jim Hogg	\$523,908,841	\$469,837,731	\$470,503,223
Jim Wells	\$1,415,060,482	\$1,545,961,754	\$1,696,770,144
Johnson	\$7,354,525,783	\$8,795,524,793	\$12,232,269,002
Jones	\$472,529,650	\$513,181,375	\$633,186,968
Karnes	\$432,483,257	\$447,336,773	\$553,464,431
Kaufman	\$5,279,070,768	\$5,897,744,062	\$6,457,983,981
Kendall	\$3,019,746,556	\$3,555,295,110	\$4,055,518,356
Kenedy	\$484,908,830	\$485,686,854	\$643,301,564
Kent	\$564,866,870	\$567,465,090	\$767,357,790
Kerr	\$2,972,813,520	\$3,575,854,981	\$3,869,652,359
Kimble	\$295,936,184	\$337,904,699	\$348,353,212
King	\$288,223,838	\$279,493,728	\$317,811,938
Kinney	\$163,597,332	\$171,317,617	\$179,687,551
Kleberg	\$1,410,243,319	\$1,383,396,172	\$1,490,577,777
Knox	\$134,838,631	\$149,574,136	\$161,102,544
Lamar	\$2,290,033,791	\$2,436,149,083	\$2,753,891,748
Lamb	\$797,619,547	\$804,396,229	\$867,244,868
Lampasas	\$901,647,364	\$1,007,156,010	\$1,189,254,660
LaSalle	\$474,633,869	\$462,254,200	\$448,360,800
Lavaca	\$1,444,601,474	\$1,574,048,775	\$1,695,321,292
Lee	\$1,066,634,948	\$1,240,759,747	\$1,335,947,267
Leon	\$1,595,889,240	\$1,892,554,250	\$2,545,653,090
Liberty	\$4,024,986,244	\$4,321,793,444	\$4,397,355,405
Limestone	\$2,249,294,843	\$2,569,920,662	\$2,968,986,950
Lipscomb	\$810,084,572	\$877,796,127	\$1,062,111,492
Live Oak	\$912,838,840	\$1,039,971,940	\$1,149,366,610
Llano	\$2,451,151,831	\$3,009,548,716	\$3,334,134,784
Loving	\$687,000,320	\$770,075,900	\$945,728,560
Lubbock	\$12,484,541,855	\$13,612,788,069	\$14,568,282,991
Lynn	\$239,477,590	\$268,623,160	\$303,094,530
Madison	\$530,848,668	\$570,813,060	\$613,776,833
Marion	\$663,998,120	\$667,996,760	\$757,935,840
Martin	\$892,819,856	\$1,021,815,936	\$1,468,509,686
Mason	\$236,331,570	\$253,164,260	\$295,883,670
Matagorda	\$3,690,204,939	\$3,843,621,700	\$4,305,460,422
Maverick	\$1,514,488,539	\$1,649,111,902	\$1,901,208,768
McCulloch	\$332,994,500	\$374,285,430	\$396,240,090
McLennan	\$10,482,642,304	\$11,098,886,987	\$12,078,060,878
McMullen	\$461,952,009	\$409,777,296	\$509,123,075
Medina	\$1,539,643,332	\$1,757,992,916	\$2,025,911,465
Menard	\$115,510,470	\$121,650,800	\$138,861,430
Midland	\$8,106,646,050	\$9,743,491,613	\$12,086,566,602
Milam	\$1,381,940,571	\$1,506,865,108	\$1,684,134,824
Mills	\$236,918,070	\$262,254,830	\$275,271,750
Mitchell	\$616,981,528	\$608,554,838	\$881,576,197
Montague	\$1,067,074,760	\$1,121,735,400	\$1,303,675,995
Montgomery	\$24,887,037,350	\$28,820,419,850	\$32,873,539,161
Moore	\$2,381,338,208	\$2,321,701,550	\$2,698,471,400
Morris	\$835,593,756	\$944,180,280	\$889,682,640
Motley	\$69,526,385	\$77,506,441	\$79,409,413
Nacogdoches	\$2,992,974,450	\$3,270,004,753	\$3,578,287,150
Navarro	\$2,105,634,242	\$2,424,179,168	\$2,651,438,780
Newton	\$801,176,007	\$876,608,871	\$995,820,195
Nolan	\$963,075,601	\$1,604,140,097	\$2,269,017,272
Nueces	\$18,220,562,383	\$20,799,455,665	\$22,413,693,042
Ochiltree	\$792,794,223	\$922,872,154	\$1,017,793,626
Oldham	\$135,883,274	\$188,174,452	\$339,076,544
Orange	\$4,526,470,110	\$4,964,937,166	\$5,403,954,837
Palo Pinto	\$1,864,074,240	\$2,021,398,440	\$2,187,519,900

Panola	\$4,472,535,937	\$4,612,590,057	\$5,601,606,400
Parker	\$6,679,676,590	\$8,004,942,350	\$8,939,261,640
Parmer	\$536,080,374	\$577,265,476	\$625,519,503
Pecos	\$3,312,905,400	\$3,304,459,943	\$4,418,917,500
Polk	\$2,123,531,286	\$2,261,226,545	\$2,471,415,244
Potter	\$5,756,364,628	\$6,297,697,155	\$6,691,971,888
Presidio	\$221,175,526	\$246,072,706	\$257,410,699
Rains	\$522,650,464	\$533,584,763	\$566,775,808
Randall	\$6,144,905,851	\$6,804,004,479	\$7,216,057,736
Reagan	\$1,189,015,172	\$1,374,430,970	\$1,748,230,134
Real	\$273,825,653	\$283,252,301	\$295,000,060
Red River	\$447,027,970	\$456,417,400	\$485,271,880
Reeves	\$683,500,050	\$775,705,060	\$839,492,540
Refugio	\$1,156,354,140	\$1,026,908,460	\$1,193,120,950
Roberts	\$689,228,038	\$719,796,599	\$882,177,103
Robertson	\$2,023,332,630	\$2,462,064,930	\$4,249,036,480
Rockwall	\$5,778,549,448	\$6,400,353,632	\$6,901,918,049
Runnels	\$458,191,300	\$495,700,010	\$581,179,900
Rusk	\$4,571,761,100	\$5,116,733,160	\$6,025,319,520
Sabine	\$439,785,374	\$458,319,755	\$502,578,499
San Augustine	\$249,878,995	\$255,201,518	\$280,996,650
San Jacinto	\$1,163,144,854	\$1,255,217,109	\$1,430,952,581
San Patricio	\$3,508,623,612	\$4,061,168,622	\$4,233,315,681
San Saba	\$252,464,951	\$270,028,251	\$281,308,030
Schleicher	\$293,792,770	\$378,083,809	\$480,834,855
Scurry	\$2,228,453,970	\$2,664,494,516	\$3,411,882,865
Shackelford	\$274,740,312	\$419,419,939	\$761,181,140
Shelby	\$1,166,518,643	\$1,232,095,912	\$1,456,078,530
Sherman	\$639,966,765	\$632,249,729	\$742,218,473
Smith	\$12,349,761,552	\$13,404,595,899	\$14,298,717,429
Somervell	\$2,022,888,249	\$2,797,824,877	\$3,237,276,797
Starr	\$2,011,263,320	\$1,920,927,530	\$2,038,635,760
Stephens	\$642,344,040	\$676,252,340	\$860,996,840
Sterling	\$555,183,631	\$576,243,738	\$1,331,678,601
Stonewall	\$171,368,012	\$173,646,352	\$204,237,022
Sutton	\$1,468,700,110	\$1,437,098,316	\$1,751,817,374
Swisher	\$262,379,681	\$272,169,554	\$274,505,264
Tarrant	\$114,372,048,558	\$123,640,860,952	\$134,183,456,266
Taylor	\$5,696,749,750	\$6,364,061,307	\$6,850,736,443
Terrell	\$804,161,605	\$941,416,414	\$894,977,384
Terry	\$802,998,160	\$867,475,980	\$985,428,660
Throckmorton	\$157,492,560	\$147,558,142	\$170,469,162
Titus	\$2,716,174,401	\$2,971,769,659	\$3,120,972,903
Tom Green	\$4,125,461,335	\$4,334,161,479	\$4,778,217,891
Travis	\$89,623,745,794	\$101,578,649,219	\$113,590,951,395
Trinity	\$459,732,323	\$476,437,631	\$554,472,977
Tyler	\$928,811,978	\$1,177,494,817	\$1,586,717,698
Upshur	\$1,957,059,490	\$2,246,822,893	\$2,411,017,900
Upton	\$2,400,159,306	\$2,854,241,273	\$3,420,824,867
Uvalde	\$1,125,739,396	\$1,149,941,887	\$1,285,528,843
Val Verde	\$1,575,569,774	\$1,647,312,725	\$1,886,859,296
Van Zandt	\$2,440,672,811	\$2,460,918,747	\$2,582,862,519
Victoria	\$4,543,833,689	\$4,893,155,101	\$5,295,087,429
Walker	\$1,937,365,439	\$2,081,198,806	\$2,238,026,433
Waller	\$2,204,026,368	\$2,510,893,824	\$2,690,948,821
Ward	\$1,537,097,408	\$1,648,180,778	\$1,918,265,908
Washington	\$2,261,606,718	\$2,369,721,572	\$2,698,000,997
Webb	\$12,602,986,798	\$12,899,631,689	\$14,283,845,881
Wharton	\$2,571,895,103	\$2,659,427,224	\$2,958,193,128
Wheeler	\$1,281,153,923	\$1,515,932,048	\$2,029,566,450
Wichita	\$5,885,739,253	\$6,340,584,659	\$6,673,864,010
Wilbarger	\$932,021,200	\$969,521,960	\$1,028,727,260
Willacy	\$682,920,557	\$667,355,417	\$801,252,615

Williamson	\$25,625,284,110	\$30,080,778,085	\$34,251,004,847
Wilson	\$1,653,383,233	\$1,898,180,472	\$1,912,886,813
Winkler	\$1,122,762,450	\$1,137,126,570	\$1,692,384,189
Wise	\$5,903,269,157	\$6,329,899,028	\$7,201,888,791
Wood	\$2,618,150,237	\$3,226,414,652	\$3,078,440,504
Yoakum	\$3,365,007,611	\$3,417,113,102	\$4,529,951,474
Young	\$832,180,918	\$870,874,638	\$945,484,370
Zapata	\$3,420,912,151	\$3,223,818,845	\$3,521,296,156
Zavala	\$302,286,106	\$357,323,749	\$340,573,928
Average	\$6,067,651,120	\$6,790,560,150	\$7,488,017,541

Appendix B

Table B.1: Treatment Group Data

Treatment Group	Population	ISDs	Average Tax Levy	General Fund Tax Rate
Anderson	56,716	7	11,558,268	\$0.49
Bee	32,654	4	4,066,360	\$0.38
Coke	3,467	2	1,348,225	\$0.45
Colorado	20,492	3	6,587,050	\$0.43
Floyd	6,618	2	1,556,864	\$0.58
Franklin	11,104	1	3,440,832	\$0.31
Glasscock	1,167	1	2,657,312	\$0.34
Hockley	22,186	6	7,961,112	\$0.24
Karnes	15,036	4	3,189,381	\$0.77
Kinney	3,296	1	1,060,885	\$0.67
Limestone	22,312	3	10,519,628	\$0.43
Marion	10,691	1	2,754,327	\$0.43
Martin	4,439	2	2,245,326	\$0.09
McCulloch	7,843	3	1,435,419	\$0.42
Moore	19,910	2	5,973,708	\$0.24
Motley	1,285	1	576,637	\$0.80
Newton	13,782	3	3,003,460	\$0.44
Ochiltree	9,482	1	4,511,875	\$0.54
Real	2,951	1	1,600,935	\$0.59
Red River	13,086	4	2,585,508	\$0.58
Titus	29,211	4	8,806,088	\$0.34
Tyler	20,334	5	4,837,633	\$0.37
Waller	35,815	3	13,517,629	\$0.60
Wharton	40,731	5	11,738,277	\$0.40

Table B.2: Comparison Group Data

Comparison Group	Population	ISDs	Average Tax Levy	General Fund Tax Rate
Atascosa	43,477	5	\$11,005,583	\$0.60
Bailey	6,294	1	\$1,887,615	\$0.58
Collingsworth	2,963	2	\$1,057,375	\$0.64
Comanche	13,466	4	\$2,900,454	\$0.43
Deaf Smith	18,394	2	\$5,077,368	\$0.58
Falls	16,946	4	\$3,482,949	\$0.72
Fayette	22,457	5	\$7,080,414	\$0.27
Foard	1,398	1	\$608,135	\$0.80
Garza	4,697	2	\$2,474,216	\$0.38
Gillespie	23,381	3	\$6,992,332	\$0.28
Gray	21,996	4	\$10,101,442	\$0.43
Hall	3,451	2	\$1,034,880	\$0.63
Irion	1,722	1	\$2,123,688	\$0.42
Kerr	47,665	5	\$13,214,270	\$0.36
Kleberg	30,634	4	\$8,762,103	\$0.65
Nolan	14,550	4	\$4,498,147	\$0.37
Rains	11,165	1	\$3,183,204	\$0.61
Shackelford	3,158	2	\$1,898,711	\$0.46
Starr	61,335	3	\$11,164,255	\$0.47
Stephens	9,492	1	\$3,759,018	\$0.57
Swisher	7,689	3	\$1,793,764	\$0.67
Wilbarger	13,858	3	\$3,868,611	\$0.35
Willacy	20,437	4	\$4,321,613	\$0.62
Zavala	11,628	2	\$2,350,046	\$0.65

Appendix C

Table C.1: Independent T-test Data

Treatment Group	Instructional Expenditures	Student and Staff Support Expenditures	Revenue from Local Sources	Number of Students in District	Cost of Administrative Services	Student to Teacher Ratio
Anderson	\$5,052	\$553	\$4,211	1220	\$912	12
Bee	\$5,213	\$566	\$6,958	1223	\$1,298	12.7
Coke	\$5,939	\$259	\$5,334	300	\$1,766	8.2
Colorado	\$5,378	\$707	\$6,427	1130	\$1,159	12.1
Floyd	\$6,914	\$798	\$2,954	768	\$1,385	10.6
Franklin	\$4,481	\$434	\$6,314	1527	\$853	12.9
Glasscock	\$6,948	\$453	\$3,558	276	\$1,484	9.5
Hockley	\$6,153	\$464	\$8,031	807	\$1,379	10.5
Karnes	\$5,760	\$864	\$3,087	572	\$1,266	10.8
Kinney	\$5,527	\$385	\$3,053	599	\$1,126	10.5
Limestone	\$5,779	\$611	\$6,038	1333	\$1,442	11.3
Marion	\$4,962	\$939	\$6,008	1277	\$1,271	11.3
Martin	\$6,574	\$893	\$1,283	478	\$1,349	11.2
McCulloch	\$6,524	\$623	\$3,226	538	\$1,615	9.2
Moore	\$5,162	\$775	\$8,850	2296	\$1,060	11.8
Motley	\$9,040	\$1,046	\$5,844	178	\$1,925	9.3
Newton	\$5,875	\$691	\$6,400	778	\$1,364	10.9
Ochiltree	\$4,768	\$591	\$5,049	2179	\$841	12.8
Real	\$7,187	\$512	\$9,293	245	\$2,179	9.1
Red River	\$5,695	\$567	\$3,346	640	\$1,231	11.5
Titus	\$5,067	\$462	\$4,523	1710	\$1,281	12.1
Tyler	\$4,842	\$542	\$3,641	718	\$1,081	11.4
Waller	\$4,927	\$717	\$4,614	2790	\$898	13
Wharton	\$5,068	\$606	\$4,646	1611	\$879	12.5
Comparison Group	Instructional Expenditures	Student and Staff Support Expenditures	Revenue from Local Sources	Number of Students in District	Cost of Administrative Services	Student to Teacher Ratio
Atascosa	\$6,146	\$754	\$7,795	5509	\$1,033	13.4
Bailey	\$6,651	\$442	\$1,432	766	\$2,348	10.8
Collingsworth	\$6,908	\$312	\$5,270	340	\$1,546	9.3
Comanche	\$4,916	\$418	\$9,439	1141	\$1,262	11.9
Deaf Smith	\$4,888	\$425	\$2,463	2193	\$724	16.3
Falls	\$5,228	\$736	\$5,100	1633	\$777	12.9
Fayette	\$5,865	\$327	\$1,618	351	\$1,955	11.7
Foard	\$5,244	\$408	\$9,948	730	\$1,166	11.3
Garza	\$5,336	\$582	\$4,016	630	\$1,474	11.1
Gillespie	\$6,152	\$470	\$2,988	404	\$1,347	10
Gray	\$6,175	\$516	\$2,196	952	\$2,464	9.6
Hall	\$5,744	\$834	\$7,584	1731	\$1,493	13.1
Irion	\$6,433	\$533	\$6,932	526	\$1,725	9.2
Kerr	\$5,508	\$672	\$3,204	1420	\$1,234	10.8
Kleberg	\$5,252	\$20	\$2,318	159	\$695	18.7
Nolan	\$5,607	\$531	\$3,847	251	\$1,960	10.1
Rains	\$5,628	\$377	\$4,878	827	\$1,203	10.7

Shackelford	\$4,729	\$485	\$5,715	1587	\$979	12.3
Starr	\$6,599	\$382	\$4,180	331	\$1,720	8.9
Stephens	\$5,381	\$583	\$2,758	569	\$1,209	10.9
Swisher	\$5,835	\$619	\$3,404	484	\$1,394	9.7
Wilbarger	\$6,080	\$890	\$2,504	1126	\$1,427	13
Willacy	\$5,836	\$485	\$1,031	1388	\$1,572	11.4
Zavala	\$4,935	\$674	\$2,609	1718	\$1,145	13.2