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State agencies say they can't bear the cost of proposed property tax reform

Gov. Greg Abbott, Lt. Gov. Dan Patrick and House Speaker Dustin Burrows ordered 3% budget cuts to most Texas agencies.

By **Karen Brooks Harper**, *Staff Writer*
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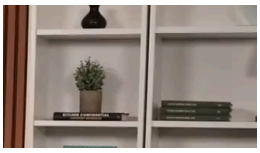


The State Capitol in Austin, Wednesday, Aug. 19, 2026.
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State agencies say they can't bear the cost of proposed property tax reform
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Texas agencies are warning state leaders that a mandatory budget cut ordered by Republican leaders to help pay for property tax changes next year will cost the state hundreds of millions of dollars in revenue and the taxpayers critical losses in services.

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Texas Comptroller Don Huffines and Attorney General Ken Paxton are among those begging state budget writers to restore the funding from the 3% cuts. The state's parks and wildlife agency, the juvenile justice department and the adult prison system are also among dozens of agencies struggling with the cuts, according to budget documents.

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The battle over hundreds of millions in cuts has already begun in the halls of the Texas Capitol.

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In hearings with budget writers in the House and Senate over the last several weeks, agencies said the cuts could jeopardize hundreds of jobs, child support collections, tax fraud investigations, prison security, juvenile probation programs and tax collections.

“The impact of not funding these core operations … will likely increase recidivism; cause growth in the prison population… and negatively impact both supervision in the community and security within the state’s institutions,” Texas Department of Criminal Justice officials wrote in a 539-page budget request.

Gov. Greg Abbott, Lt. Gov. Dan Patrick and House Speaker Dustin Burrows ordered the budget reduction in July for the 2028-29 spending cycle.

The state’s $1 billion-per-year private school voucher program is exempt from the limit. The guidelines also protect public school funding, Medicaid children’s health insurance programs and debt service.

The estimates of how much property tax cuts could cost range wildly. Patrick’s plan is estimated to cost about $4 billion.

The cuts aren't enough to cover property tax reform, budget watchers and consultants say.

"This doesn't get us there," budget researcher Rahul Sreenivasan, who works at the nonpartisan Texas2036, said of the 3% edict. "Property tax relief is a priority of state leadership, and it's natural to see that they might be thinking about that, but it's not likely that the 3% cut for this smaller part of the budget pays for all of the more ambitious proposals being thrown around."

It's more likely the belt-tightening is because accounts aren't as flush this budget cycle now that economic conditions have shifted, The state is nearing the end of an unusual surplus era as federal pandemic funds and the growth of state tax collections wind down to more typical levels than seen in recent years.

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The state has already paid for $51 billion in property tax cuts over the last several years. The governor has been pushing for lowering or removing property taxes entirely as he defends his seat against Democrat Gina Hinojosa.

Abbott, Patrick and Burrows — all of whom are up for reelection next month in a belt-tightening political atmosphere — told agencies in a July letter that a 3% reduction in baseline funding should be "a starting point" to cut agency bloat.

State agencies can argue to restore funds during weeks of daily hearings in the Texas Capitol once the legislative session gets underway next year.

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The state comptroller has yet to offer any predictions or evaluations of tax collections or any potential leftover balance leading into the next session. Lawmakers will get the biennial revenue estimate telling them how much they get to spend the day before the session.

The budget for the current cycle, which ends September 2027, is $338 billion, including about $150 billion in general revenue — money collected from Texas taxpayers. Grassroots conservatives have criticized fellow Republicans for growing the budget too fast. And in tighter times, agencies were required to cut their baselines

A drumbeat of protests

Texas Comptroller of Public Accounts: Cuts to the state comptroller could cost taxpayers nearly $565 million in tax collections due to fewer staff and put taxpayers at risk of fraud, according to the budget request submitted last month to the Legislative Budget Board.

“Fiscal responsibility is a priority shared by this office,” the request said. But the reduction “would naturally result in a decline in its ability to perform core functions, a decrease in tax revenue, as well as a reduction in investigations into tax fraud, tax evasion and other criminal activity.”

The Texas Parks and Wildlife Department: The organization is asking budget writers — namely the chairs of the House and Senate budget committees — to restore $13.7 million in cuts. Facilities are aging and backlogs of repairs are growing. The agency’s budget can also be affected by a number of unpredictable things, such as catastrophic weather, natural disasters and economic downturns.

“It is imperative that state parks have the funding to fully operate new and existing parks to maintain and enhance core services,” parks officials said in the budget request.

Office of the Texas Attorney General: The office wants budget leaders to restore $15 million in potential cuts to its base operations, claiming that declining to do so will "directly limit the agency's ability to maintain full operational capacity and continue delivering essential services to the State of Texas."

That includes child support enforcement and Medicaid fraud investigations, the office said.

Texas Department of Criminal Justice: The state's adult prison system requests full restoration of $287 million in baseline funding that would be cut under the 3% order. Reducing the funding threatens 1,300 agency jobs, prison security, probation and parole, residential programs and diversion programs — losses that would have a "profound effect" on the state, per the department.

The Texas Juvenile Justice Department: The office would lose $26 million through targeted reductions to juvenile probation, staffing and vacant positions, administrative and operating expenses, contractors, tech costs, travel and training.

Agency officials said "reductions of this magnitude cannot be absorbed without operational consequences."

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Karen Brooks Harper
STAFF WRITER

Karen Brooks Harper is a senior writer covering Texas politics. A Mizzou Tiger with nearly 30 years in Texas journalism, she has also covered the cartel wars along the border, Congress in Mexico City, 3 presidential races, and 6 hurricanes. Raised on blues in the MS Delta, she lives in ATX with her son, her boxing gloves, and her guitar. In that order.

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