

TAXPAYER PROTECTION PROJECT

# JUST THE FACTS:

Local Government Debt in Texas' Most Populous  
Cities, Counties, and School Districts  
3rd Edition

WRITTEN BY

James Quintero and Sela Andrews

April 2025



*Texas*  *Public*  
**POLICY FOUNDATION**

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# JUST THE FACTS:

## Local Government Debt in Texas' Most Populous Cities, Counties, and School Districts 3rd Edition

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### KEY POINTS

- **Local government debt in Texas** is large and growing quickly, raising serious concerns around affordability, sustainability, and prudence.
- **The 10 largest cities** have borrowed more than \$78 billion, or \$8,664 per resident.
- **The 10 largest counties** have borrowed more than \$18 billion, or \$991 per resident.
- **The 10 largest school districts** have borrowed more than \$36 billion, or \$35,885 per student.

### INTRODUCTION

Local governments in Texas continue to borrow at an alarming rate.

In fiscal year (FY) 2024, the amount of unpaid principal debt owed by cities, counties, school districts, and special purpose districts (SPDs) stood at \$333.32 billion, with 68.8% of that amount (or \$229.22 billion) taking the form of general obligation bond debt that was paid for with property taxes.<sup>1</sup> From FY 2018 to FY 2024, local debt outstanding<sup>2</sup> increased by \$81.45 billion or 32.6% (BRB, 2025, p. iii).

Of the unpaid principal debt, independent school districts (ISDs) were responsible for the largest share, owing 39.1% or \$130.21 billion of the total. The next most indebted taxing unit type was municipalities, owing 31% of the debt or \$103.28 billion, followed by water districts, holding 15.3% or \$50.97 billion. The remaining 14.7% (or \$48.87 billion) belonged to counties and other SPD types (BRB, n.d.).

Of course, these figures only convey the principal amount owed. Once interest is accounted for, the actual level of indebtedness is much greater. Consider that local debt service outstanding<sup>3</sup> rose to nearly \$500 billion in FY 2024, with ISD and municipal debt again constituting the bulk of the burden<sup>4</sup> (Quintero, 2025). If this debt was equally distributed to every man, woman, and child in Texas,

- 1 The BRB (2025, p. 101) defines a general obligation bond as: "Debt backed by the credit and taxing power of the issuing jurisdiction."
- 2 The BRB (2025, p. 100) describes debt outstanding as: "The amount of unpaid principal on a debt that will continue to generate interest until paid off."
- 3 The BRB (2025, p. 100) defines debt service outstanding as: "The amount that is required to cover the [full] repayment of principal and interest on a debt for a particular period."
- 4 Local debt service outstanding totaled \$499.7 billion in FY 2024 and its constituent components from largest to smallest included ISDs (\$202.6 billion), cities (\$149.6 billion), water districts (\$72.8 billion), counties (\$26.9 billion), and other special purpose district types (\$47.9 billion) (Quintero, 2025).

then every resident would right now owe \$15,970 for his or her share of government borrowing.

To get a sense of how Texas' situation compares, consider its local debt in the context of other large populous states. Using the most recent U.S. Census Bureau data, the Texas Bond Review Board (BRB) suggests that Texas' local debt per capita (\$8,627) ranked as the third highest among the top 10 most populous states in 2022. Only New York (\$10,172) and California (\$10,243) local governments have borrowed more heavily on a per capita basis (BRB, 2025, p. 4). These amounts reflect unpaid principal only.

These data paint a worrisome picture about the present state of affairs and possible future difficulties. If left unchecked, Texas' excessive borrowing threatens higher taxes, greater unaffordability, and bigger government. If left unchecked for an extended period, these policy outcomes may endanger the state's economic dynamism and potential. None of this is to say that all local governments share equally in these fiscal excesses however. Indeed, some taxing units are more responsible than others.

To better understand the local debt landscape and the contribution made by different governmental classes, this paper examines borrowing in Texas' 10 largest cities, counties, and school districts. These 30 separate jurisdictions represent large population centers in the state and, in many cases, overlap with one another. The local debt data are largely presented without commentary so that you—the reader—can see **just the facts!**

**Figure 1**  
*Comparing Local Debt Among Large, Populous States*

<b>LOCAL DEBT OUTSTANDING: Top 10 Most Populous States</b>				
<b>State</b>	<b>Principal Debt (in millions)</b>	<b>% of Total Debt</b>	<b>Per Capita Amount Owed</b>	<b>Per Capita Ranking</b>
New York	\$199,083	56.4%	\$10,172	2
California	\$399,110	71.4%	\$10,243	1
Illinois	\$92,091	68.8%	\$7,338	4
<b>Texas</b>	<b>\$263,147</b>	<b>80.5%</b>	<b>\$8,627</b>	<b>3</b>
Pennsylvania	\$67,357	58.6%	\$5,197	5
Ohio	\$38,879	53.9%	\$3,299	9
Michigan	\$45,361	63.4%	\$4,519	7
Florida	\$104,523	82.4%	\$4,623	6
Georgia	\$46,847	77.2%	\$4,248	8
North Carolina	\$31,805	69.3%	\$2,935	10

## CITY GOVERNMENTS

Texas' 10 largest municipal governments owed a combined \$78.2 billion in FY 2024. Of those specific entities, the most deeply indebted was the city of San Antonio, whose debts totaled \$21.2 billion. That was followed by the cities of Houston (+\$20.9 billion), Austin (+\$11.2 billion), and Dallas (+\$8.2 billion). On a per capita basis, the city of San Antonio's debt was at the highest level, with city taxpayers owing \$14,209 for every resident. That was followed by the cities of Austin (+\$11,474/resident), Houston (+\$9,015/resident), and Corpus Christi (+\$7,896/resident).

In each of the 10 instances observed, municipal debt service outstanding exceeded the \$1 billion mark.

**Table 1**

*Local Debt in Texas' Largest Municipalities*

CITY GOVERNMENT DEBT: FY 2024					
Municipality	Principal	Interest	Total Repayment	2023 Population*	City Debt Per Capita
Houston	\$14,283,730,992	\$6,578,533,371	\$20,862,264,363	2,314,157	\$9,015
San Antonio	\$13,289,830,000	\$7,957,506,605	\$21,247,336,605	1,495,295	\$14,209
Dallas	\$5,567,525,416	\$2,590,168,856	\$8,157,694,272	1,302,868	\$6,261
Austin	\$7,390,012,000	\$3,852,889,515	\$11,242,901,515	979,882	\$11,474
Fort Worth	\$2,813,211,000	\$1,179,953,874	\$3,993,164,874	978,468	\$4,081
El Paso	\$3,002,559,000	\$1,424,487,090	\$4,427,046,090	678,958	\$6,520
Arlington	\$1,942,870,000	\$829,970,274	\$2,772,840,274	398,431	\$6,959
Corpus Christi	\$1,657,807,000	\$841,869,939	\$2,499,676,939	316,595	\$7,896
Plano	\$808,100,000	\$328,108,597	\$1,136,208,597	290,190	\$3,915
Lubbock	\$1,339,352,000	\$482,031,480	\$1,821,383,480	266,878	\$6,825
<b>TOTAL</b>	<b>\$52,094,997,408</b>	<b>\$26,065,519,601</b>	<b>\$78,160,517,009</b>	<b>9,021,722</b>	<b>\$8,664</b>

\* 2023 population figures are the latest data available.

### **DID YOU KNOW?**

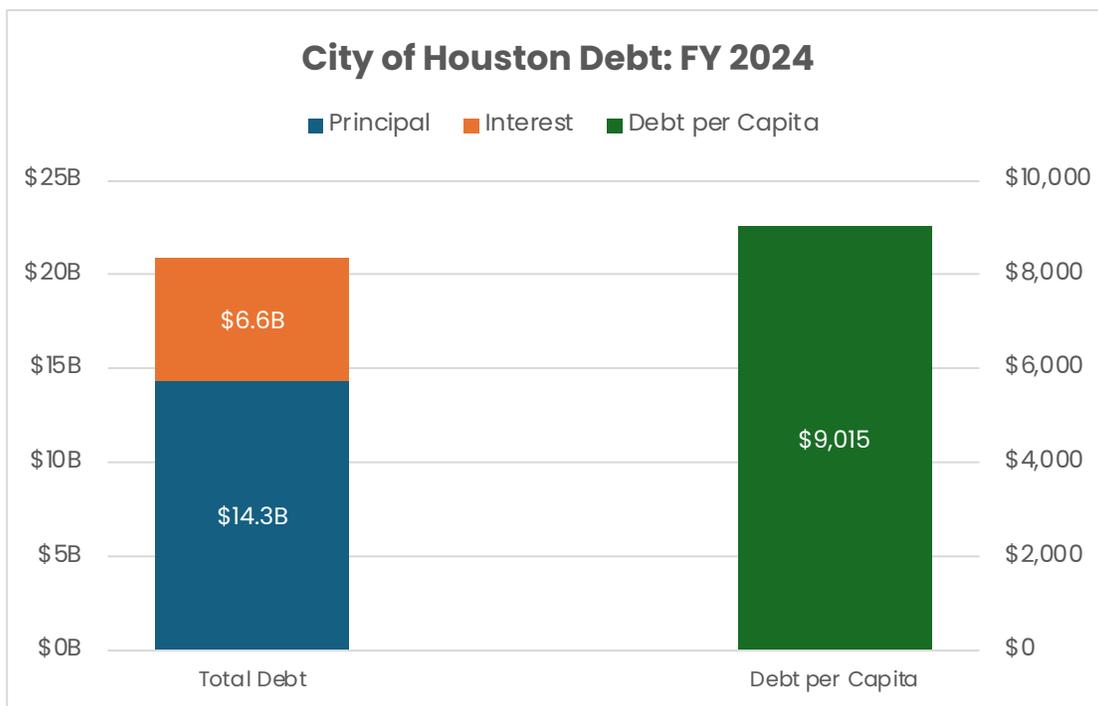
In 2024, Houston ISD board members proposed a \$4.4 billion bond, the largest in Texas history (Zuvanich, 2024). Nearly 60% of voters in the bond election voted against this proposition, which was considered by many to be a referendum on the district's state appointed superintendent and board of managers. "No trust, no bond" was the rallying cry of parents, educators, and community members who voted against the bond in a rare moment of bipartisan collaboration. At the time of the bond election, Houston ISD already owed \$2.57 billion in principal debt and interest payments (BRB, n.d.).

## CITY OF HOUSTON

In FY 2024, the city of Houston’s debt totaled \$20.9 billion. This total includes an outstanding principal of \$14.3 billion and \$6.6 billion in interest owed. One year prior, in FY 2023, the city’s debt totaled \$19.3 billion (BRB, n.d.).

In 2023, the number of people residing within Houston proper was 2,314,157 (U.S. Census Bureau, n.d.-a).

On a per capita basis, the city has borrowed \$9,015 per resident.

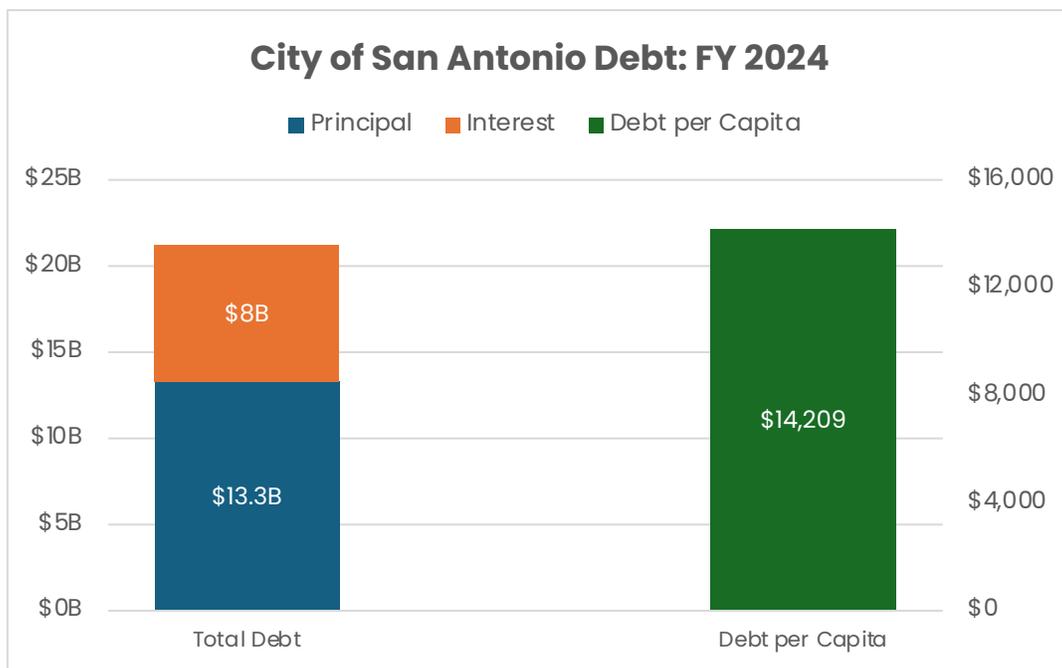


## CITY OF SAN ANTONIO

In FY 2024, the city of San Antonio's debt totaled \$21.2 billion. This total includes an outstanding principal of \$13.3 billion and \$8 billion in interest owed. One year prior, in FY 2023, the city's debt totaled \$20.3 billion.

In 2023, the number of people residing within San Antonio proper was 1,495,295.

On a per capita basis, the city has borrowed \$14,209 per resident.

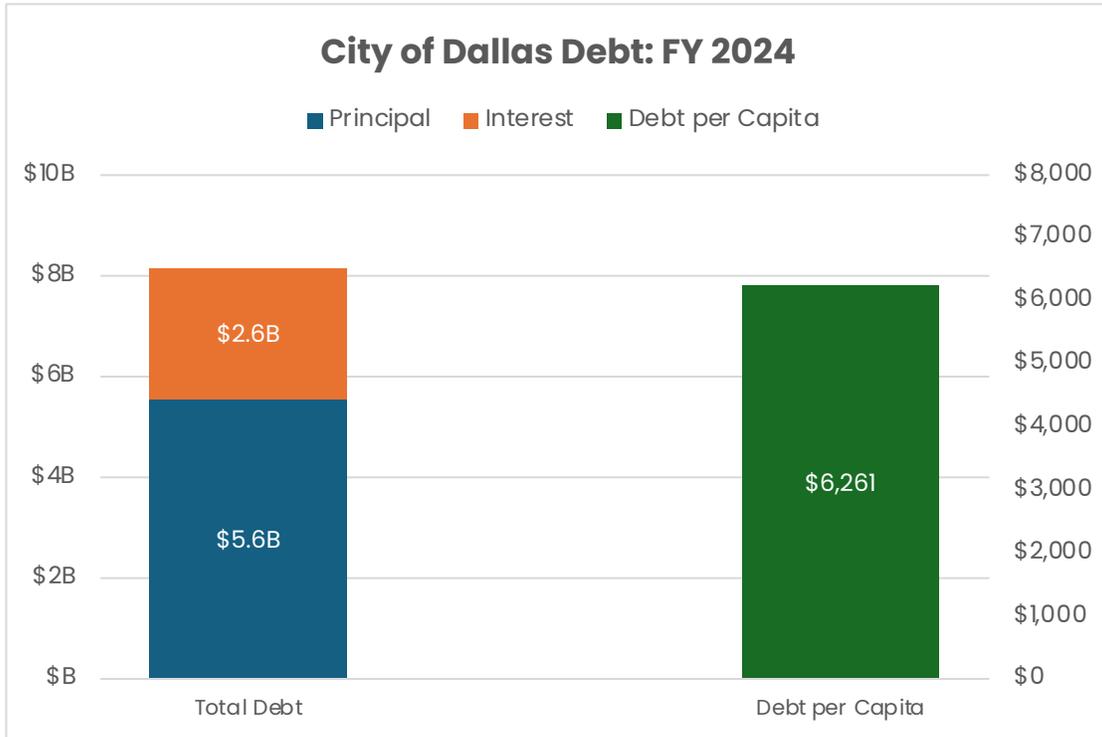


## CITY OF DALLAS

In FY 2024, the city of Dallas' debt totaled \$8.2 billion. This total includes an outstanding principal of \$5.6 billion and \$2.6 billion in interest owed. One year prior, in FY 2023, the city's debt totaled \$7.2 billion.

In 2023, the number of people residing within Dallas proper was 1,302,868.

On a per capita basis, the city has borrowed \$6,261 per resident.

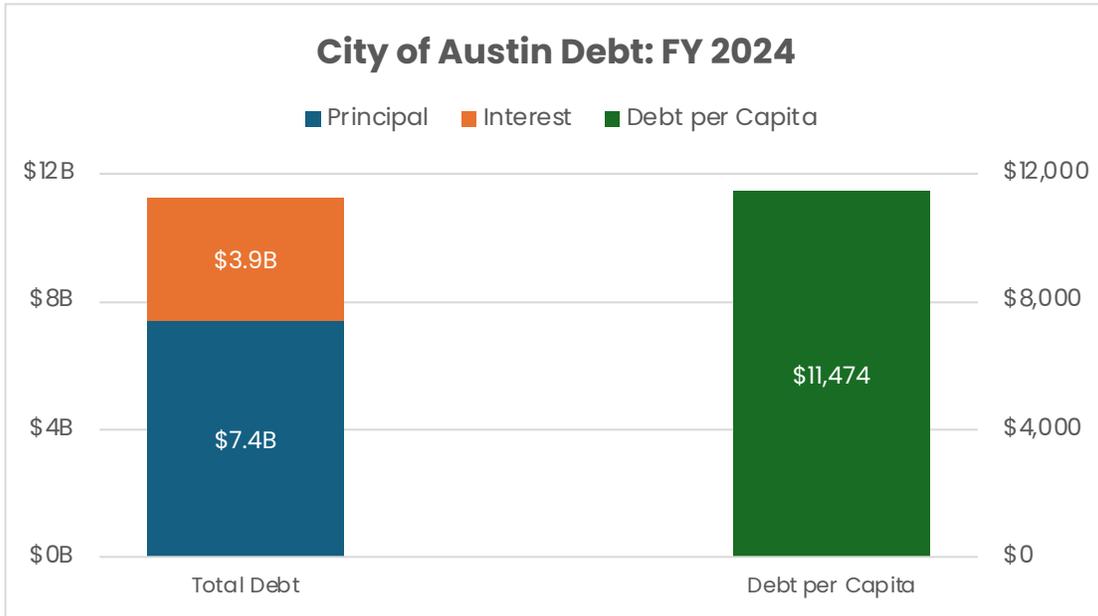


## CITY OF AUSTIN

In FY 2024, the city of Austin's debt totaled \$11.2 billion. This total includes an outstanding principal of \$7.4 billion and \$3.9 billion in interest owed. One year prior, in FY 2023, the city's debt totaled \$11.1 billion.

In 2023, the number of people residing within Austin proper was 979,882.

On a per capita basis, the city has borrowed \$11,474 per resident.

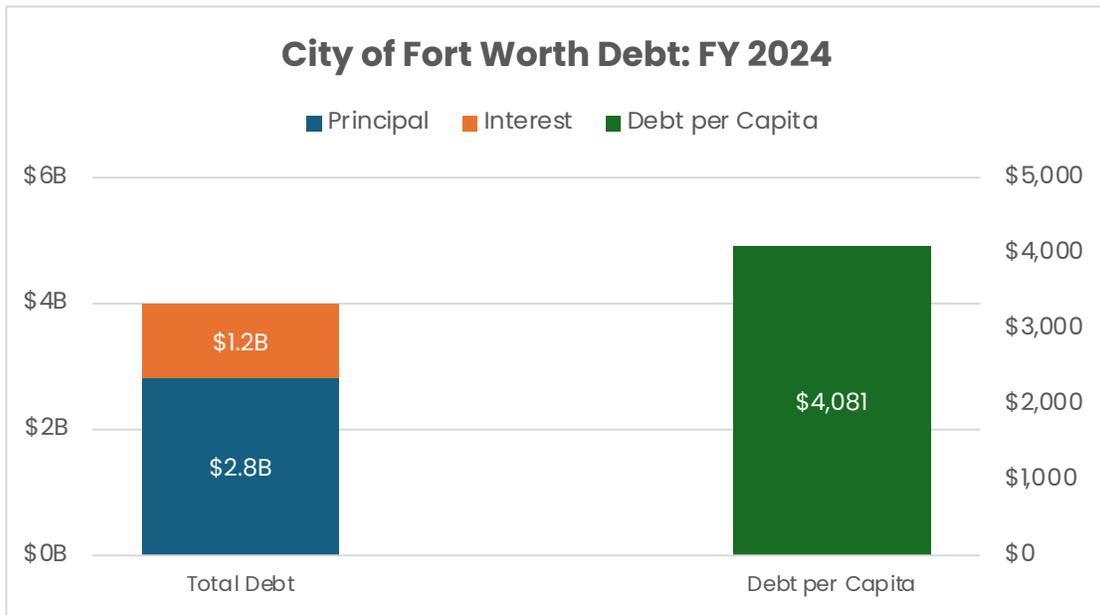


## CITY OF FORT WORTH

In FY 2024, the city of Fort Worth's debt totaled \$4 billion. This total includes an outstanding principal of \$2.8 billion and \$1.2 billion in interest owed. One year prior, in FY 2023, the city's debt totaled \$3.6 billion.

In 2023, the number of people residing within Fort Worth proper was 978,468.

On a per capita basis, the city has borrowed \$4,081 per resident.

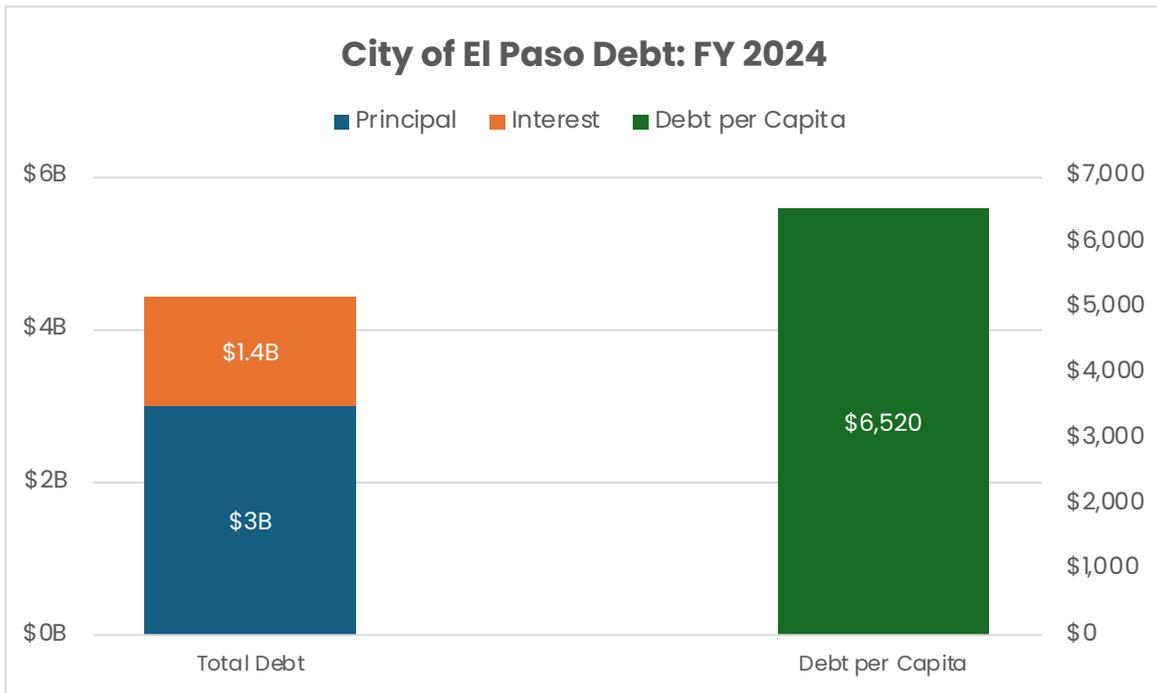


## CITY OF EL PASO

In FY 2024, the city of El Paso’s debt totaled \$4.4 billion. This total includes an outstanding principal of \$3 billion and \$1.4 billion in interest owed. One year prior, in FY 2023, the city’s debt totaled \$4.5 billion.

In 2023, the number of people residing within El Paso proper was 678,958.

On a per capita basis, the city has borrowed \$6,520 per resident.

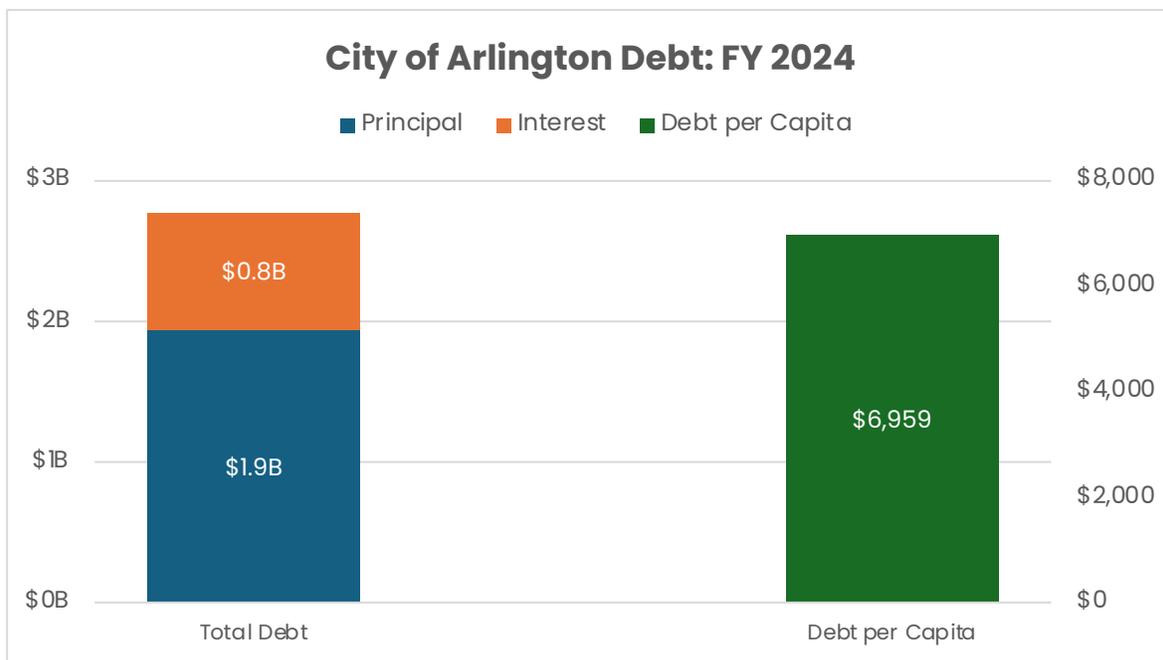


## CITY OF ARLINGTON

In FY 2024, the city of Arlington's debt totaled \$2.8 billion. This total includes an outstanding principal of \$1.9 billion and \$830 million in interest owed. One year prior, in FY 2023, the city's debt totaled \$2.7 billion.

In 2023, the number of people residing within Arlington proper was 398,431.

On a per capita basis, the city has borrowed \$6,959 per resident

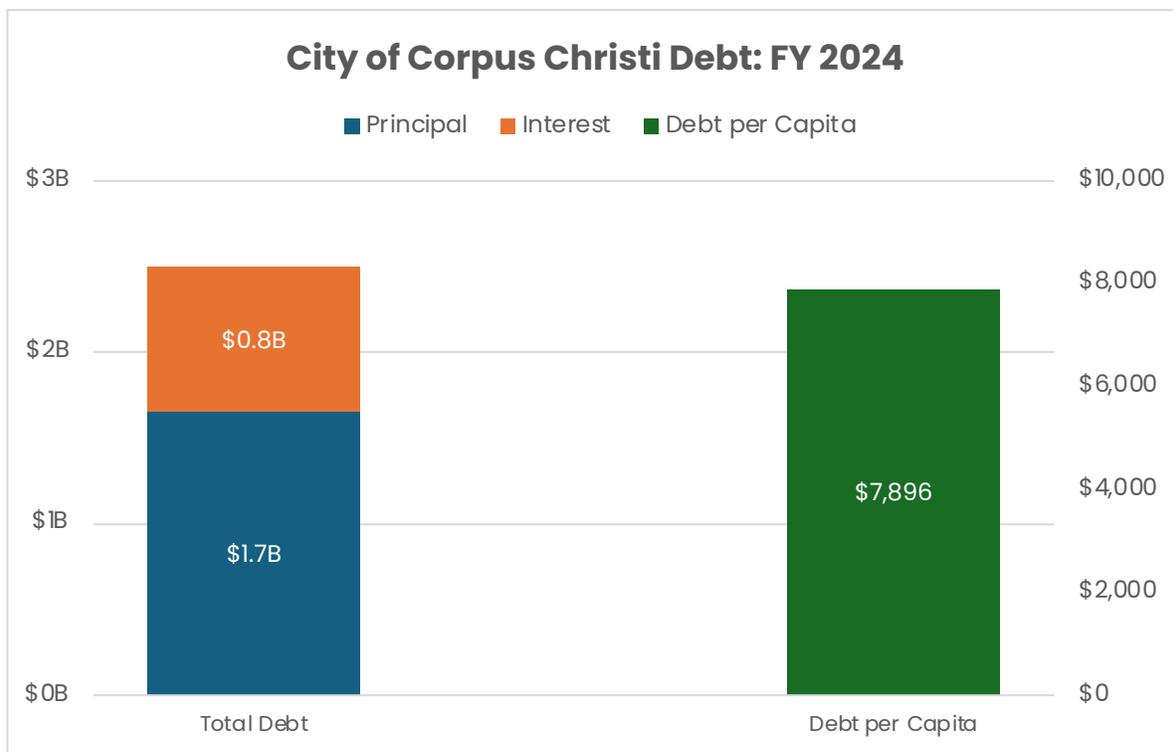


## CITY OF CORPUS CHRISTI

In FY 2024, the city of Corpus Christi’s debt totaled \$2.5 billion. This total includes an outstanding principal of \$1.7 billion and \$841.9 million in interest owed. One year prior, in FY 2023, the city’s debt totaled \$2.1 billion.

In 2023, the number of people residing within Corpus Christi proper was 316,595.

On a per capita basis, the city has borrowed \$7,896 per resident.

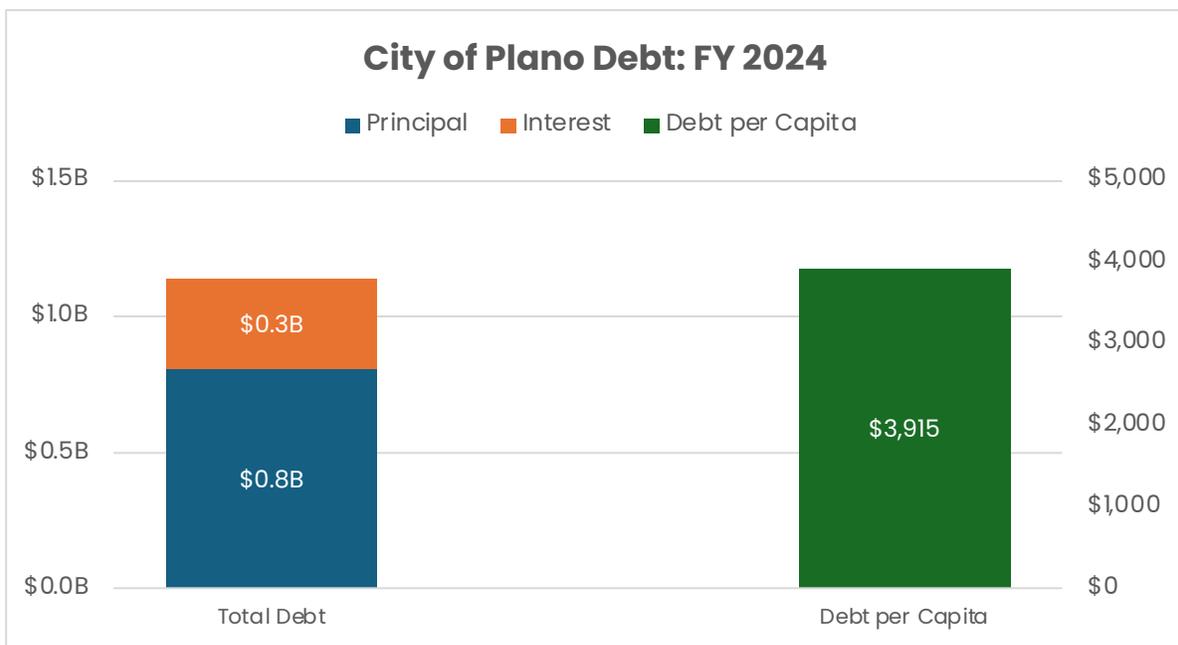


## CITY OF PLANO

In FY 2024, the city of Plano's debt totaled \$1.1 billion. This total includes an outstanding principal of \$808.1 million and \$328.1 million in interest owed. One year prior, in FY 2023, the city's debt totaled \$0.9 billion.

In 2023, the number of people residing within Plano proper was 290,190.

On a per capita basis, the city has borrowed \$3,915 per resident.

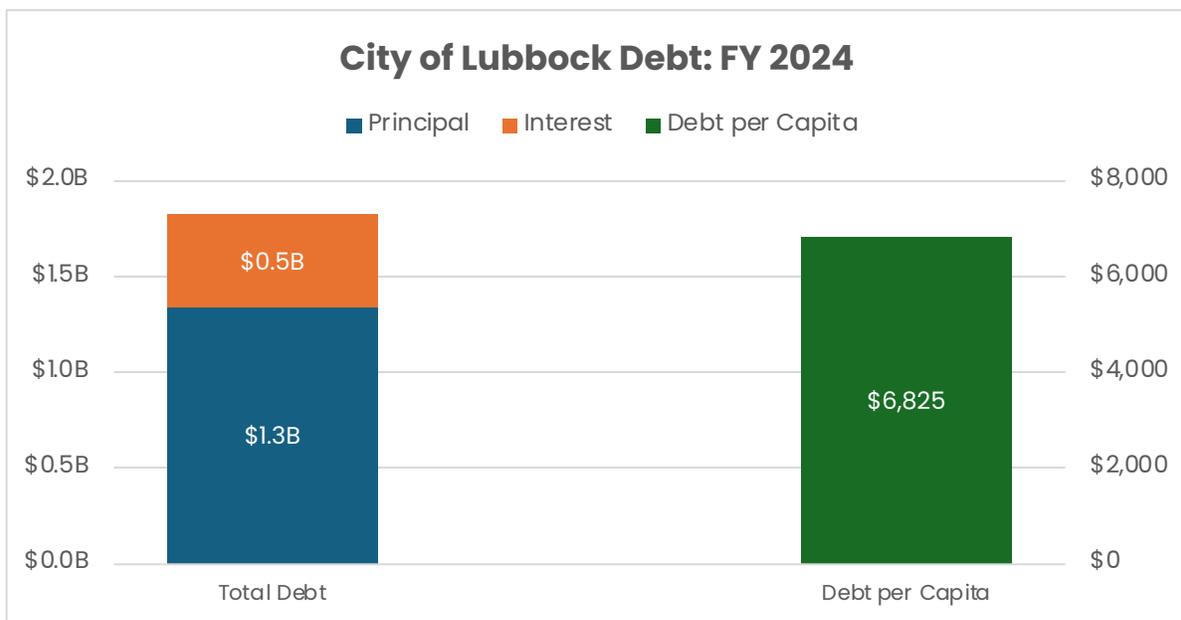


## CITY OF LUBBOCK

In FY 2024, the city of Lubbock's debt totaled \$1.8 billion. This total includes an outstanding principal of \$1.3 billion and \$482 million in interest owed. One year prior, in FY 2023, the city's debt totaled \$1.7 billion.

In 2023, the number of people residing within Lubbock proper was 266,878.

On a per capita basis, the city has borrowed \$6,825 per resident.



## COUNTY GOVERNMENTS

In FY 2024, the 10 most populous counties accumulated a total of \$18.3 billion in debt. Of those, Harris County owed the greatest amount overall, at \$8 billion. That was followed by Bexar County (+\$3.7 billion), Travis County (+\$1.5 billion), and Fort Bend County (+\$1.4 billion). On a per capita basis, Bexar County's debt was the highest at \$1,732 owed per resident followed by Harris County (+\$1,606/resident) and Fort Bend County (\$1,447/resident). Total debt in 5 of the 10 largest counties exceeded the \$1 billion mark.

**Table 2**

*Local Debt in Texas' Largest Counties*

COUNTY GOVERNMENT DEBT: FY 2024					
County	Principal	Interest	Total Repayment	2023 Population*	County Debt Per Capita
Harris	\$5,038,954,039	\$3,005,434,953	\$8,044,388,992	5,009,302	\$1,606
Dallas	\$198,645,000	\$70,010,000	\$268,655,000	2,656,028	\$101
Tarrant	\$345,130,000	\$138,755,795	\$483,885,795	2,230,708	\$217
Bexar	\$2,549,360,000	\$1,135,578,199	\$3,684,938,199	2,127,737	\$1,732
Travis	\$1,099,010,000	\$374,557,771	\$1,473,567,771	1,363,767	\$1,081
Collin	\$841,715,000	\$326,325,625	\$1,167,950,625	1,254,658	\$931
Denton	\$688,505,000	\$239,347,052	\$927,852,052	1,045,120	\$888
Fort Bend	\$976,880,455	\$409,861,809	\$1,386,742,264	958,434	\$1,447
Hidalgo	\$379,475,000	\$168,657,087	\$548,132,087	914,820	\$599
El Paso	\$230,077,188	\$51,485,572	\$281,535,760	875,784	\$321
<b>Total</b>	<b>\$12,347,751,682</b>	<b>\$5,920,013,863</b>	<b>\$18,267,648,545</b>	<b>18,436,358</b>	<b>\$991</b>

\* 2023 population figures are the latest data available.

### DID YOU KNOW?

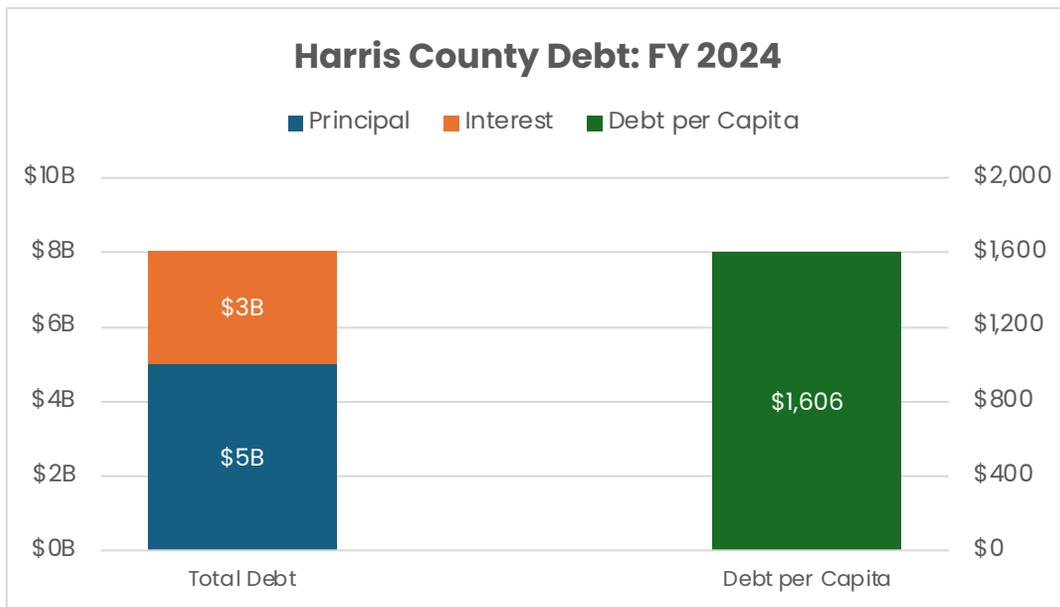
Several bills have been introduced for bond reform in Texas. SB 409 (2025) limits a political subdivision's ability to propose the issuance of general obligation bonds for a purpose previously rejected by voters within the past five years. County governments will be restricted from repeatedly asking voters to approve bond issues for the same purpose if it was rejected in the last five years, potentially reducing the frequency of unsuccessful bond proposals. SB 414 (2025) requires political subdivisions to provide detailed information on ballot propositions for bond elections, including specific debt obligations, estimated interest, and potential tax impacts. County governments will need to clearly present the financial details of proposed bond issues, ensuring voters have comprehensive information before making decisions. SB 533 (2025) requires elections for bond issuance or tax increases to be held on the November uniform election date and prohibits such elections from being held as emergency elections. County governments will need to schedule bond or tax increase elections for November and ensure compliance with this timing requirement.

## HARRIS COUNTY

In FY 2024, Harris County's debt totaled \$8 billion. This total includes an outstanding principal of \$5 billion and \$3 billion in interest owed. One year prior, in FY 2023, the county's debt totaled \$5.4 billion (BRB, n.d.).

In 2024, the number of people residing in Harris County was 5,009,302 (U.S. Census Bureau, n.d.-b).

On a per capita basis, the county has borrowed \$1,606 per resident.

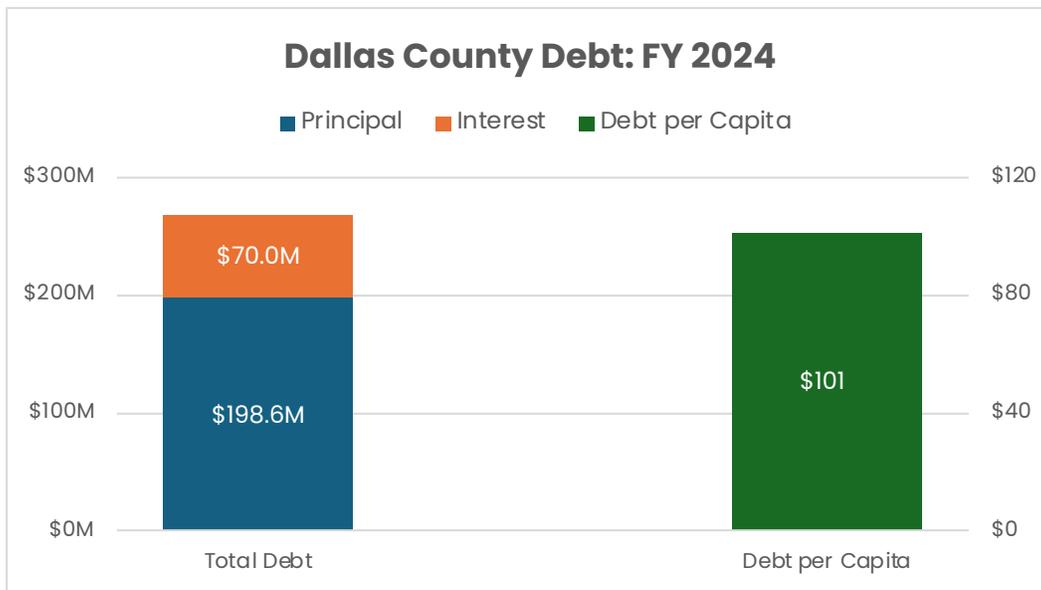


## DALLAS COUNTY

In FY 2024, Dallas County’s debt totaled \$268.7 million. This total includes an outstanding principal of \$198.6 million and \$70 million in interest owed. One year prior, in FY 2023, the county’s debt totaled \$298 million.

In 2024, the number of people residing in Dallas County was 2,656,028.

On a per capita basis, the county has borrowed \$101 per resident.

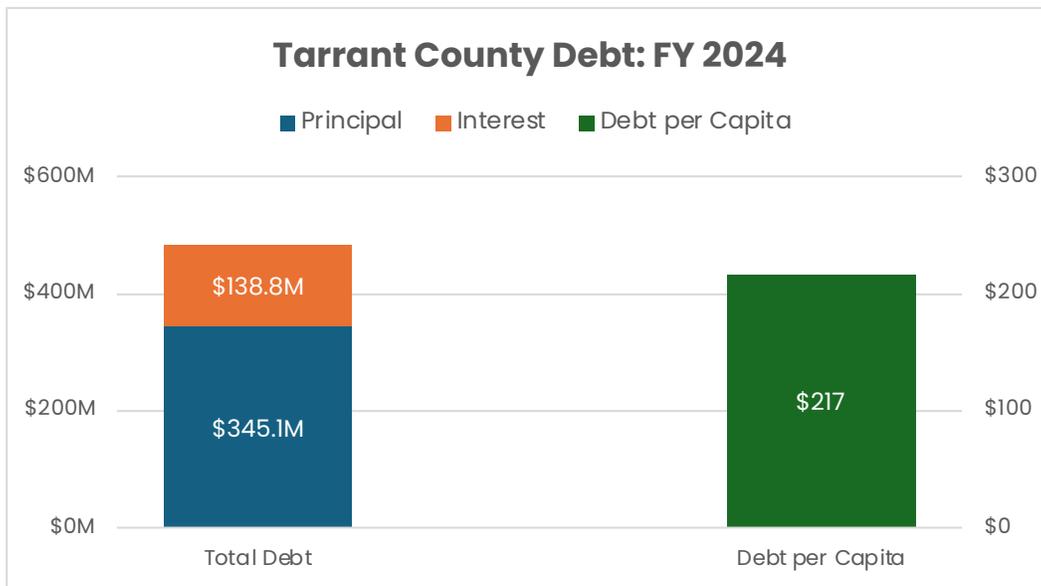


## TARRANT COUNTY

In FY 2024, Tarrant County's debt totaled \$483.9 million. This total includes an outstanding principal of \$345.1 million and \$138.8 million in interest owed. One year prior, in FY 2023, the county's debt totaled \$528 million.

In 2024, the number of people residing in Tarrant County was 2,230,708.

On a per capita basis, the county has borrowed \$217 per resident.

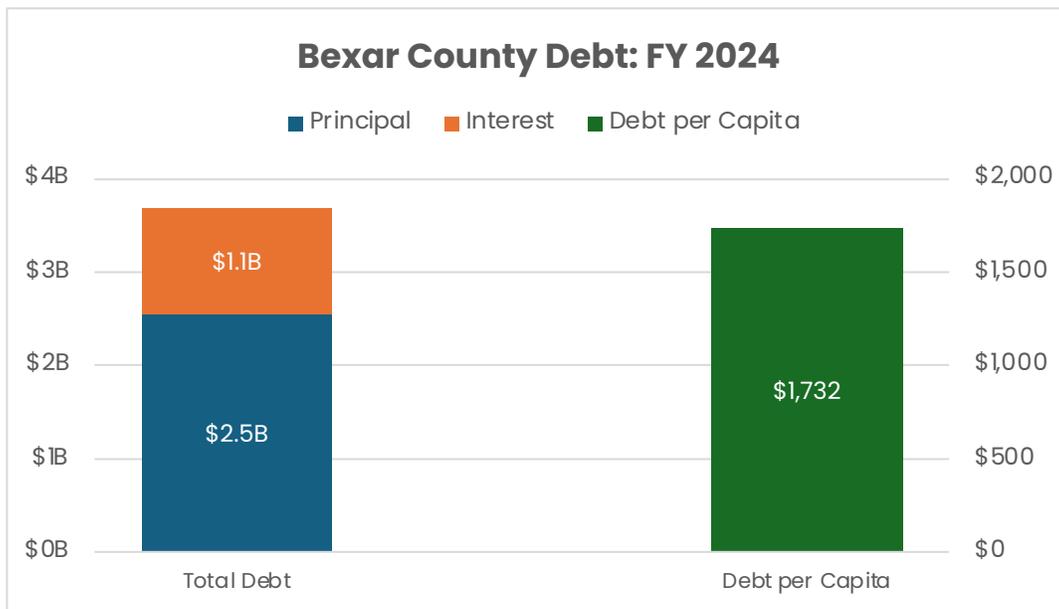


## BEXAR COUNTY

In FY 2024, Bexar County's debt totaled \$3.7 billion. This total includes an outstanding principal of \$2.5 billion and \$1.1 billion in interest owed. One year prior, in FY 2023, the county's debt totaled \$3.5 billion.

In 2024, the number of people residing in Bexar County was 2,127,737.

On a per capita basis, the county has borrowed \$1,732 per resident.

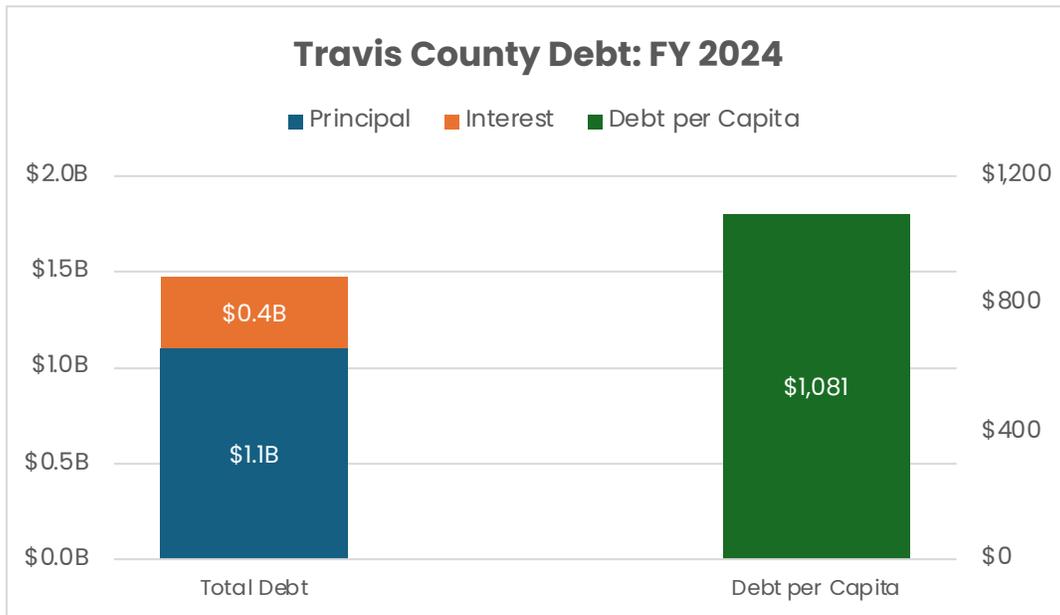


## TRAVIS COUNTY

In FY 2024, Travis County's debt totaled \$1.5 billion. This total includes an outstanding principal of \$1.1 billion and \$374.6 million in interest owed. One year prior, in FY 2023, the county's debt totaled \$1.1 billion.

In 2024, the number of people residing in Travis County was 1,363,767.

On a per capita basis, the county has borrowed \$1,081 per resident.

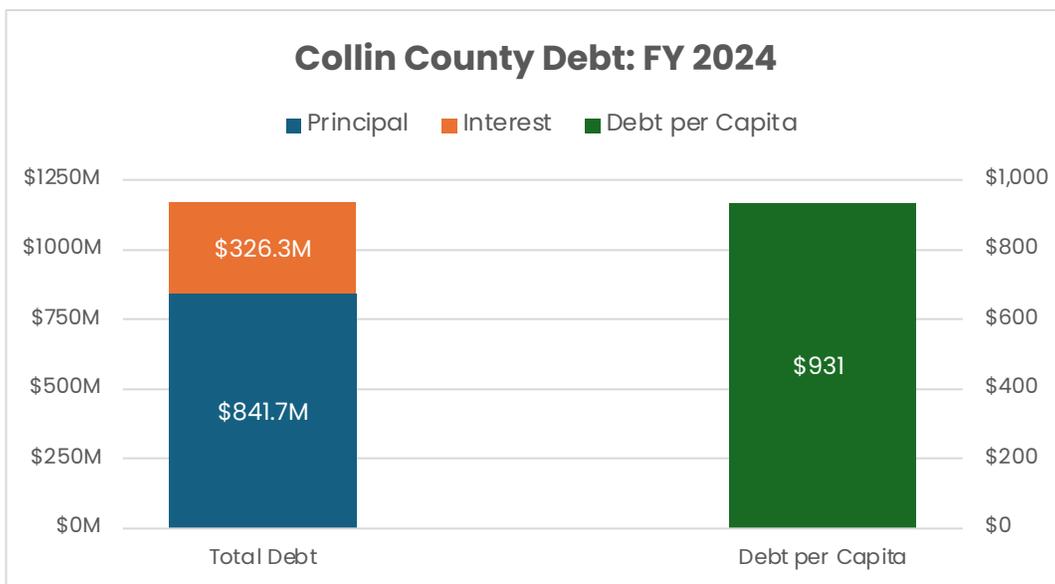


## COLLIN COUNTY

In FY 2024, Collin County's debt totaled \$1.2 billion. This total includes an outstanding principal of \$841.7 million and \$326.3 million in interest owed. One year prior, in FY 2023, the county's debt totaled \$985 million.

In 2024, the number of people residing in Collin County was 1,254,658.

On a per capita basis, the county has borrowed \$931 per resident.

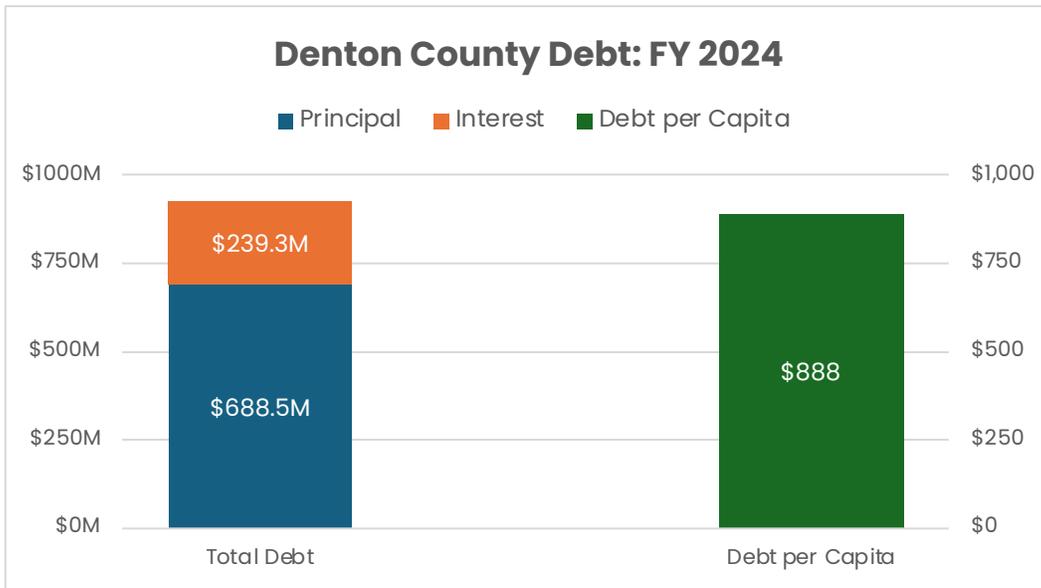


## DENTON COUNTY

In FY 2024, Denton County’s debt totaled \$927.9 million. This total includes an outstanding principal of \$688.5 million and \$239.3 million in interest owed. One year prior, in FY 2023, the county’s debt totaled \$810 million.

In 2024, the number of people residing in Denton County was 1,045,120.

On a per capita basis, the county has borrowed \$888 per resident.

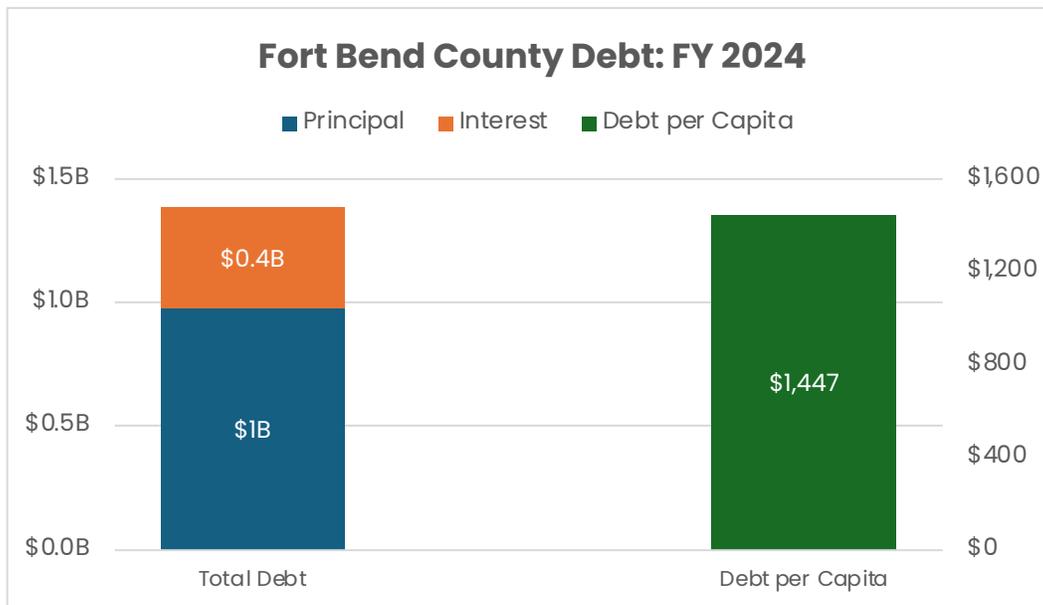


## FORT BEND COUNTY

In FY 2024, Fort Bend County's debt totaled \$1.4 billion. This total includes an outstanding principal of \$976.9 million and \$409.9 million in interest owed. One year prior, in FY 2023, the county's debt totaled \$1.1 billion.

In 2024, the number of people residing in Fort Bend County was 958,434.

On a per capita basis, the county has borrowed \$1,447 per resident.

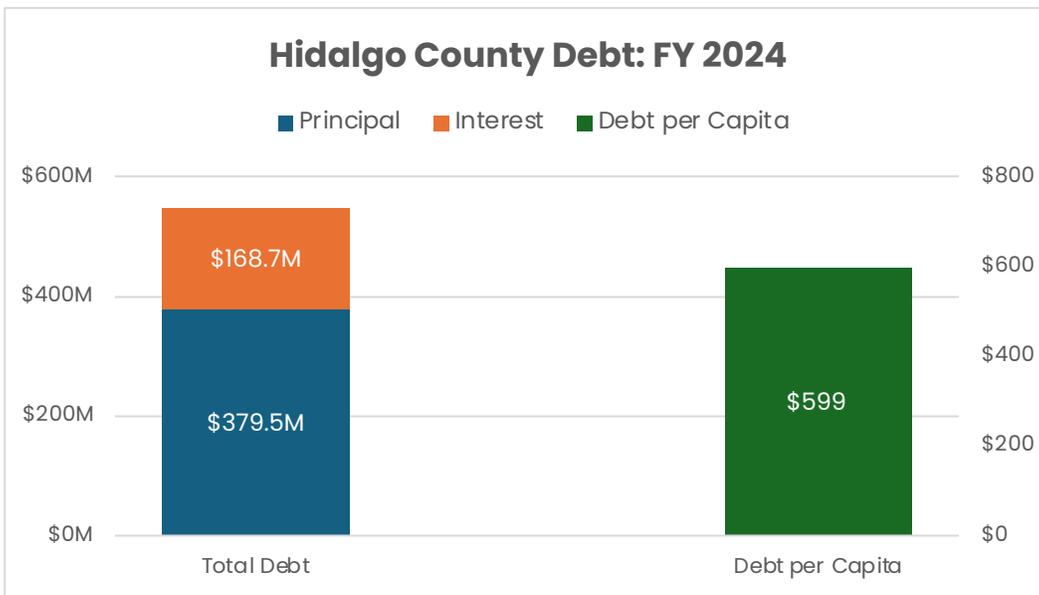


## HIDALGO COUNTY

In FY 2024, Hidalgo County's debt totaled \$548.1 million. This total includes an outstanding principal of \$379.5 million and \$168.7 million in interest owed. One year prior, in FY 2023, the county's debt totaled \$503 million.

In 2024, the number of people residing in Hidalgo County was 914,820.

On a per capita basis, the county has borrowed \$599 per resident.

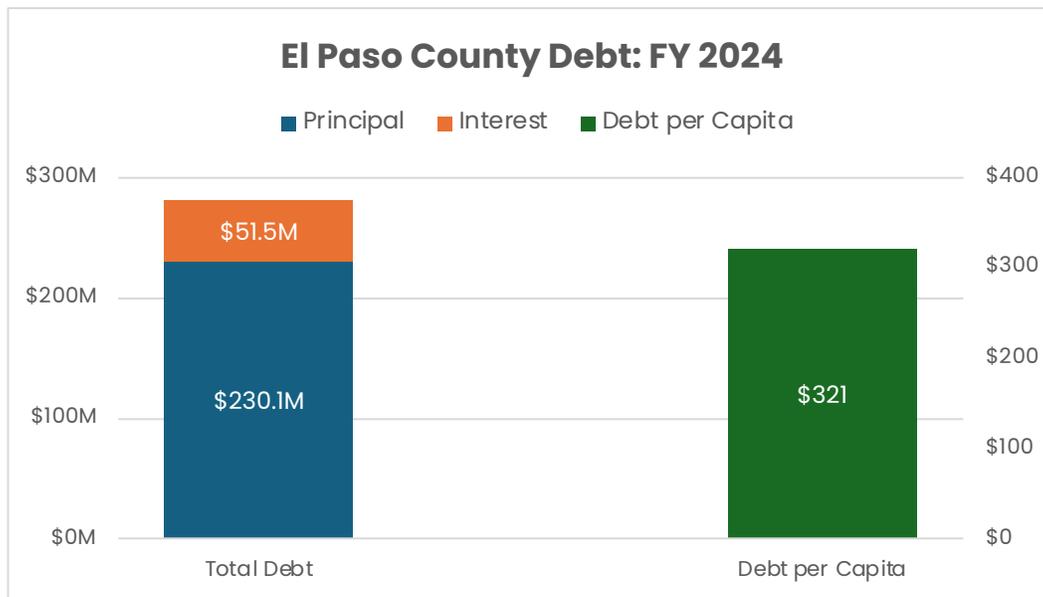


## EL PASO COUNTY

In FY 2024, El Paso County's debt totaled \$281.5 million. This total includes an outstanding principal of \$230.1 million and \$51.5 million in interest owed. One year prior, in FY 2023, the county's debt totaled \$315 million.

In 2024, the number of people residing in El Paso County was 875,784.

On a per capita basis, the county has borrowed \$321 per resident.



## INDEPENDENT SCHOOL DISTRICTS

In FY 2024, Texas' 10 largest ISDs owed more than \$36.2 billion or \$35,885 for every student enrolled in a k-12 institution. The district with the most amount of debt was Dallas ISD, with an estimated burden of \$5.9 billion. They were followed by Cypress-Fairbanks ISD (+\$4.8 billion), Northside ISD (+\$4.1 billion), and Katy ISD (+\$3.7 billion). On a per capita basis, Austin ISD's debt was the highest, at \$50,179 owed per student, followed by Frisco ISD (+\$49,206/student), Dallas ISD (+\$42,355/student), and Conroe ISD (+\$41,506/student). Every district analyzed owed more than \$2 billion in debt and 7 of the 10 districts owed more than \$3 billion.

**Table 3**  
*Local Debt in Texas' Largest School Districts*

ISD DEBT: FY 2024					
Independent School District	Principal	Interest	Total Payment	2024 Enrollment	ISD Debt Per Student
Houston ISD	\$1,915,450,000	\$657,752,694	\$2,573,202,694	189,934	\$13,548
Dallas ISD	\$4,064,130,000	\$1,833,592,031	\$5,897,722,031	139,246	\$42,355
Cypress-Fairbanks ISD	\$3,376,585,000	\$1,387,876,549	\$4,764,461,549	118,057	\$40,357
Northside ISD	\$2,453,820,000	\$1,599,048,887	\$4,052,868,887	102,918	\$39,380
Katy ISD	\$2,389,810,000	\$1,359,384,192	\$3,749,194,192	92,667	\$40,459
Fort Bend ISD	\$1,670,170,000	\$1,039,641,538	\$2,709,811,538	80,572	\$33,632
Austin ISD	\$2,455,033,000	\$1,221,856,911	\$3,687,889,911	73,495	\$50,179
Conroe ISD	\$2,024,510,000	\$1,021,787,065	\$3,046,297,065	73,394	\$41,506
Forth Worth ISD	\$1,692,620,000	\$776,204,288	\$2,468,824,288	72,783	\$33,920
Frisco ISD	\$2,191,990,935	\$1,100,649,893	\$3,292,640,828	66,916	\$49,206
<b>TOTAL</b>	<b>\$24,234,118,935</b>	<b>\$11,997,794,048</b>	<b>\$36,242,912,983</b>	<b>1,009,982</b>	<b>\$35,885</b>

### DID YOU KNOW?

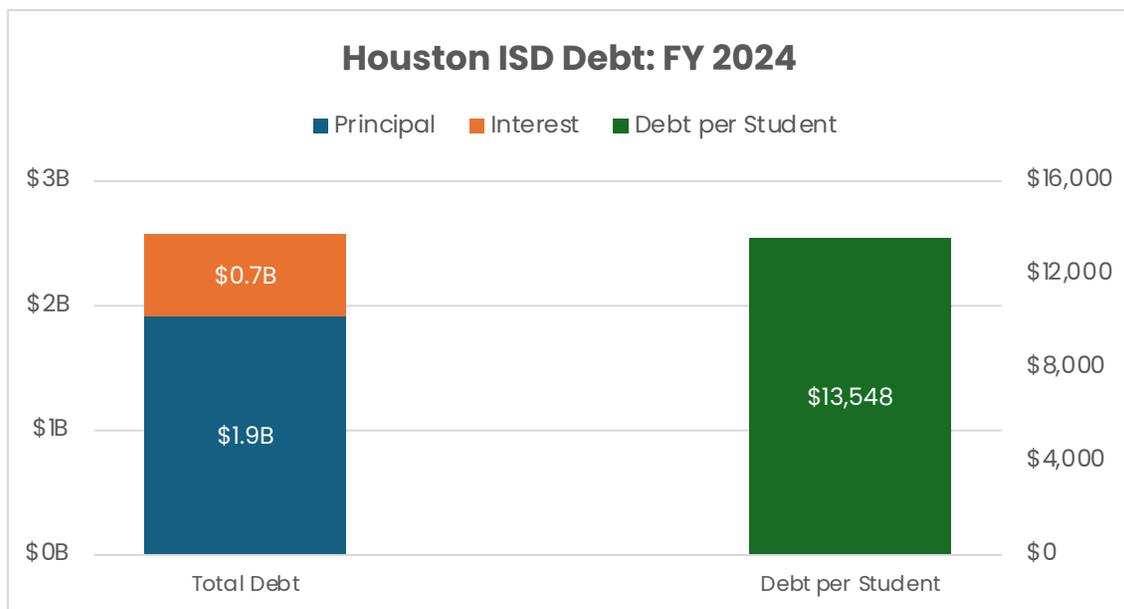
In Texas, a significant portion of public education funding is being misallocated, with only about 40% of the nearly \$93 billion spent annually reaching classrooms for direct instruction. The remainder is diverted to administrative costs, lobbyists, consultants, contractors, and school district debt, which results in inefficient resource distribution and diminished educational outcomes. For example, administrative spending has escalated, outpacing both teacher growth and student enrollment, while many superintendents earn salaries exceeding those of state officials, despite poor academic performance in their districts. Additionally, funds are directed toward unnecessary and extravagant expenditures, such as multimillion-dollar football stadiums, virtual school contracts, and non-essential items like aircraft for educational purposes. This financial mismanagement, coupled with conflicts of interest and a lack of accountability, perpetuates a system that prioritizes the interests of the education industry over the needs of students, exacerbating the decline in educational quality and increasing the financial burden on taxpayers.

## HOUSTON ISD

In FY 2024, Houston ISD's debt totaled \$2.6 billion. This total includes an outstanding principal of \$1.9 billion and \$657.8 million in interest owed. One year prior, in FY 2023, the school district's debt totaled \$2.8 billion (BRB, n.d.).

In the 2024-25 school year, the number of students attending Houston ISD was 189,934 (TEA, 2024).

The district has borrowed approximately \$13,548 per student.

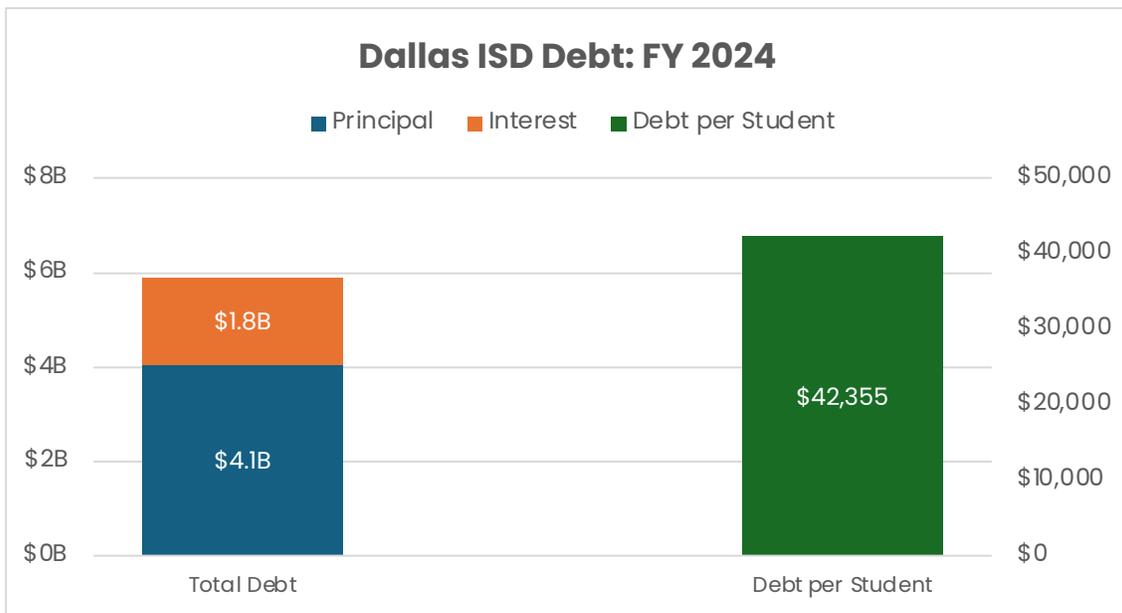


## DALLAS ISD

In FY 2024, Dallas ISD's debt totaled \$5.9 billion. This total includes an outstanding principal of \$4.1 billion and \$1.8 billion in interest owed. One year prior, in FY 2023, the school district's debt totaled \$5.3 billion.

In the 2024-25 school year, the number of students attending Dallas ISD was 139,246.

The district has borrowed approximately \$42,355 per student.

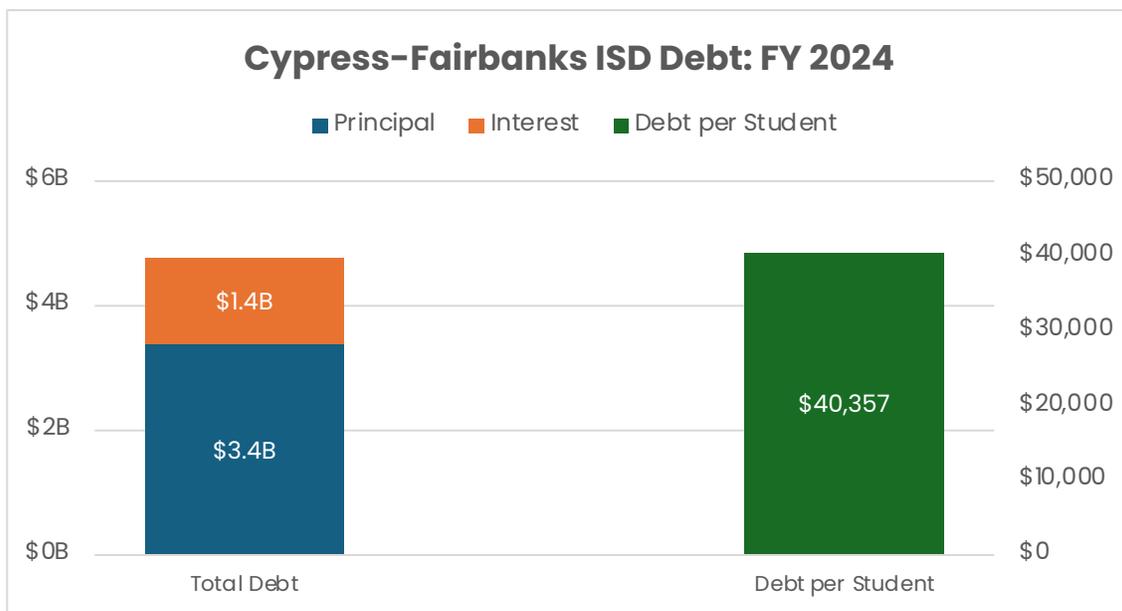


## CYPRESS-FAIRBANKS ISD

In FY 2024, Cypress-Fairbanks ISD's debt totaled \$4.8 billion. This total includes an outstanding principal of \$3.4 billion and \$1.4 billion in interest owed. One year prior, in FY 2023, the school district's debt totaled \$5 billion.

In the 2024-25 school year, the number of students attending Cypress-Fairbanks ISD was 118,057.

The district has borrowed approximately \$40,357 per student.

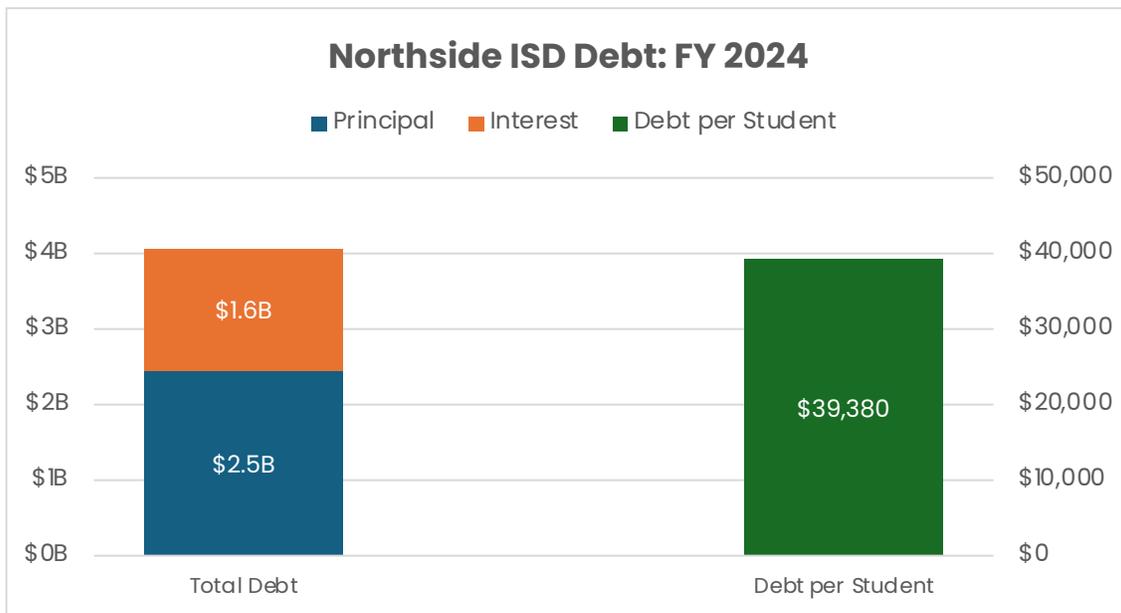


## NORTHSIDE ISD

In FY 2024, Northside ISD's debt totaled \$4.1 billion. This total includes an outstanding principal of \$2.5 billion and \$1.6 billion in interest owed. One year prior, in FY 2023, the school district's debt totaled \$3.9 billion.

In the 2024-25 school year, the number of students attending Northside ISD was 102,918.

The district has borrowed approximately \$39,380 per student.

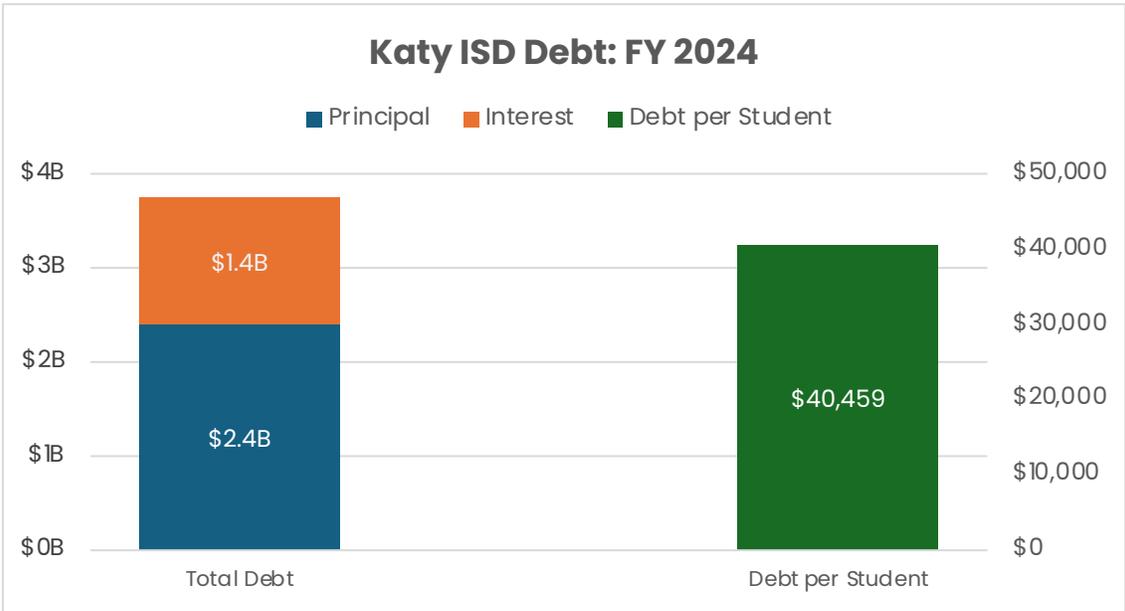


**KATY ISD**

In FY 2024, Katy ISD’s debt totaled \$3.8 billion. This total includes an outstanding principal of \$2.4 billion and \$1.4 billion in interest owed. One year prior, in FY 2023, the school district’s debt totaled \$3.6 billion.

In the 2024–25 school year, the number of students attending Katy ISD was 92,667.

The district has borrowed approximately \$40,459 per student.

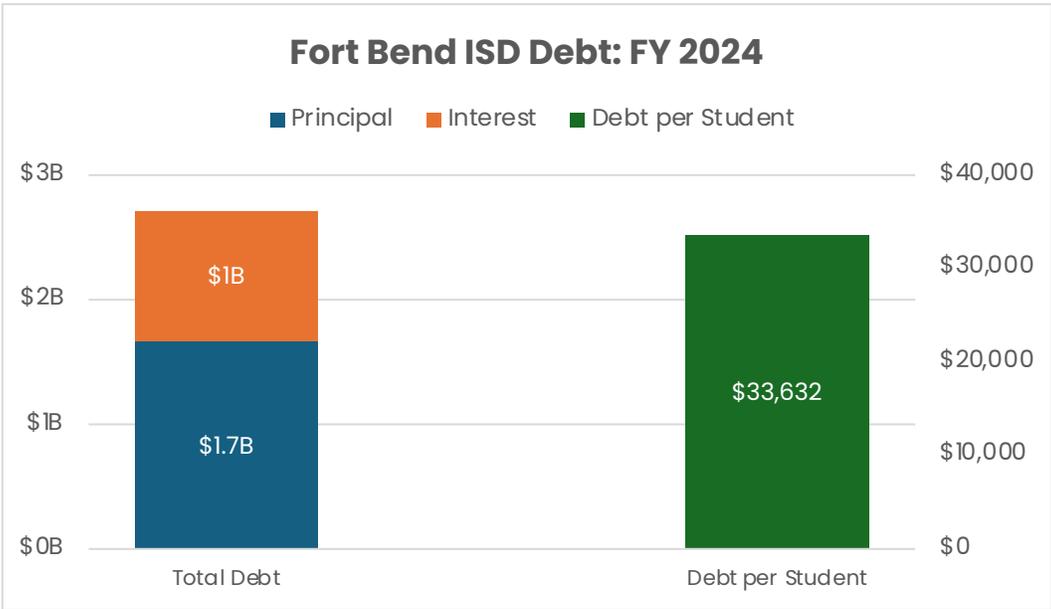


**FORT BEND ISD**

In FY 2024, Fort Bend ISD’s debt totaled \$2.7 billion. This total includes an outstanding principal of \$1.7 billion and \$1 billion in interest owed. One year prior, in FY 2023, the school district’s debt totaled \$2.4 billion.

In the 2024–25 school year, the number of students attending Fort Bend ISD was 80,572.

The district has borrowed approximately \$33,632 per student.

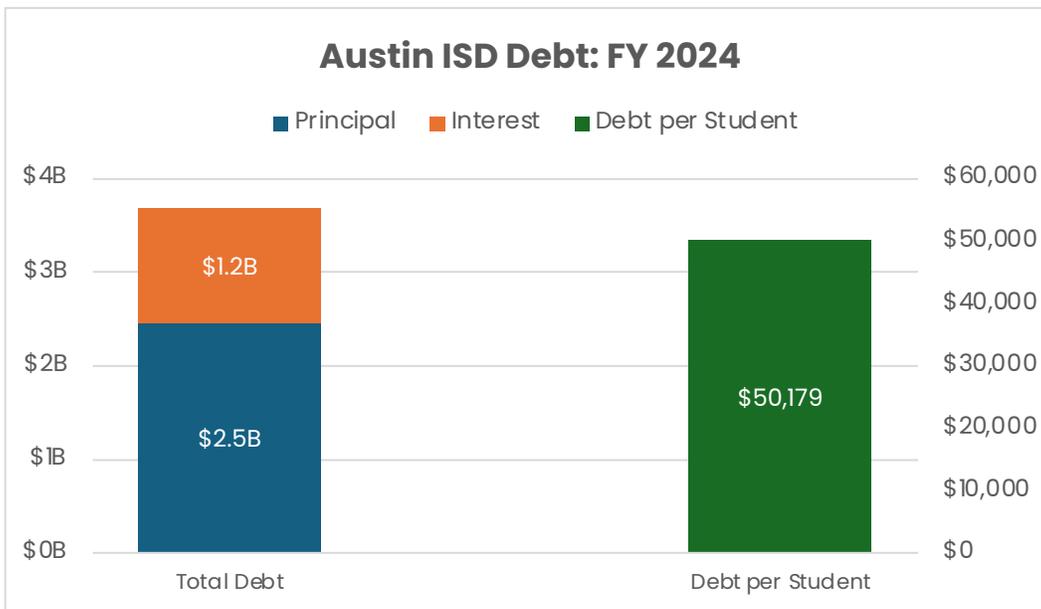


## AUSTIN ISD

In FY 2024, Austin ISD's debt totaled \$3.7 billion. This total includes an outstanding principal of \$2.5 billion and \$1.2 billion in interest owed. One year prior, in FY 2023, the school district's debt totaled \$2.7 billion.

In the 2024-25 school year, the number of students attending Austin ISD was 73,495.

The district has borrowed approximately \$50,179 per student.

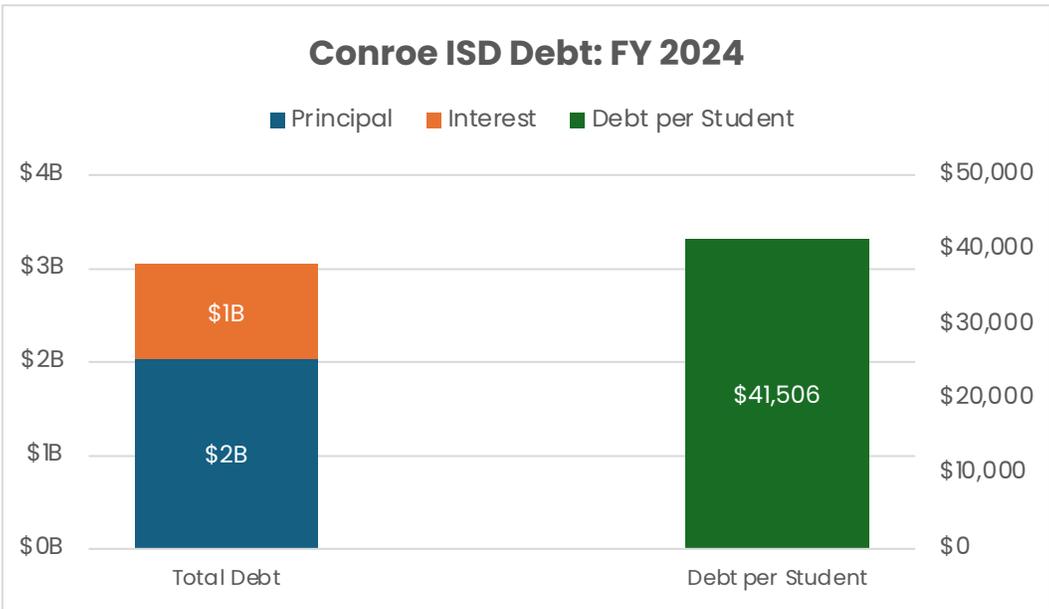


**CONROE ISD**

In FY 2024, Conroe ISD’s debt totaled \$3 billion. This total includes an outstanding principal of \$2 billion and \$1 billion in interest owed. One year prior, in FY 2023, the school district’s debt totaled \$2.1 billion.

In the 2024-25 school year, the number of students attending Conroe ISD was 73,394.

The district has borrowed approximately \$41,506 per student.

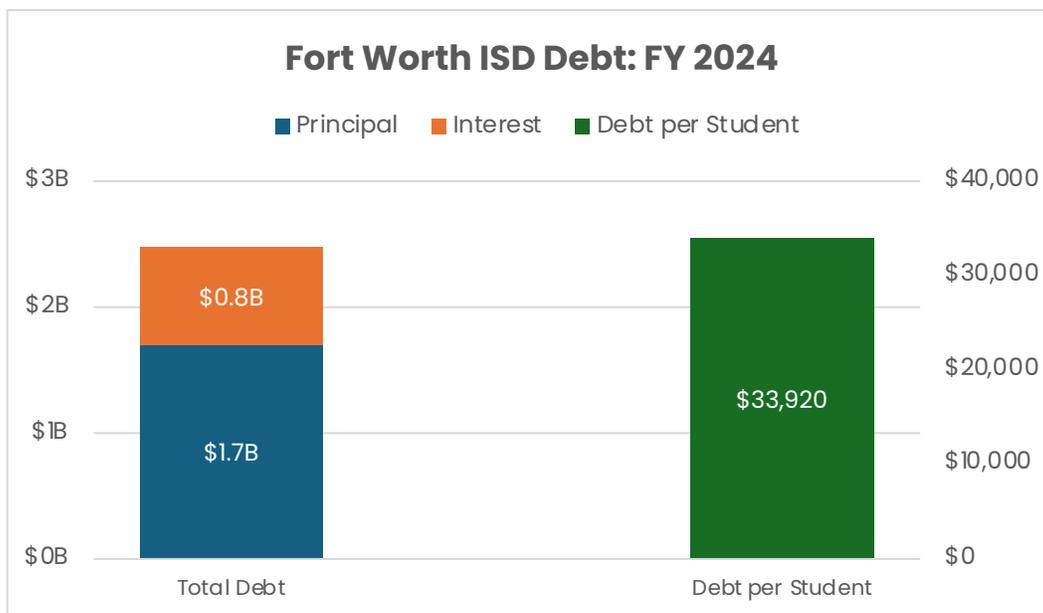


## FORT WORTH ISD

In FY 2024, Fort Worth ISD's debt totaled \$2.5 billion. This total includes an outstanding principal of \$1.7 billion and \$776.2 million in interest owed. One year prior, in FY 2023, the school district's debt totaled \$2.1 billion.

In the 2024-25 school year, the number of students attending Fort Worth ISD was 72,783.

The district has borrowed approximately \$33,920 per student.

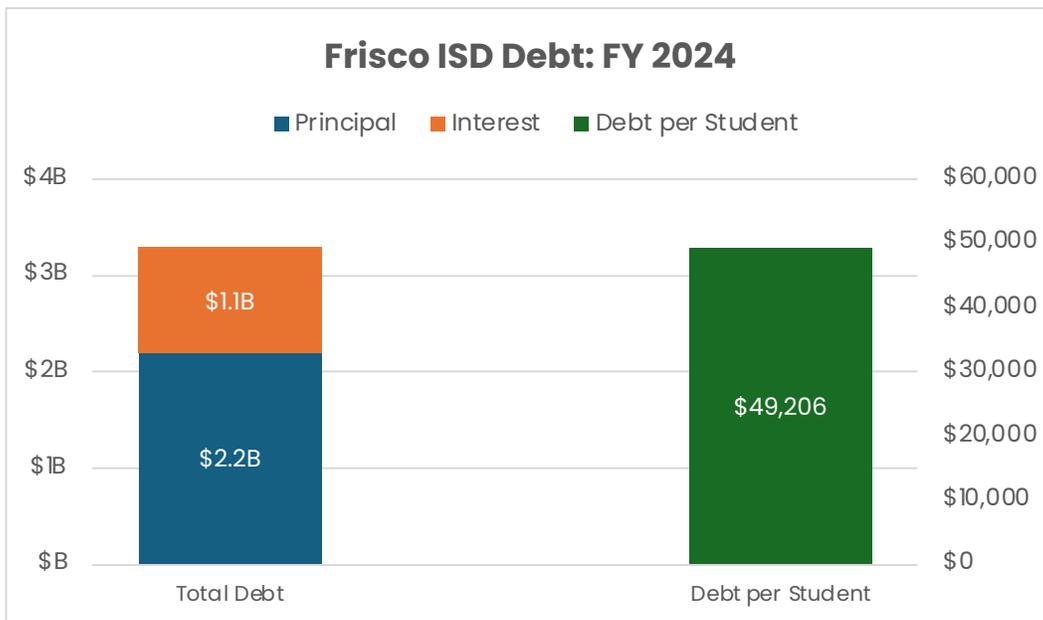


## FRISCO ISD

In FY 2024, Frisco ISD's debt totaled \$3.3 billion. This total includes an outstanding principal of \$2.2 billion and \$1.1 billion in interest owed. One year prior, in FY 2023, the school district's debt totaled \$3.4 billion.

In the 2024-25 school year, the number of students attending Frisco ISD was 66,916.

The district has borrowed approximately \$49,206 per student.



## RECOMMENDATIONS

Many of Texas' most populous cities, counties, and school districts have accumulated substantial public debt which, if left unchecked, poses a threat to the state's current low tax, limited government framework as well as its future economic potential. While there is no silver bullet solution, a host of reforms may incrementally improve the transparency, efficiency, and sustainability of Texas' local debt environment. Policymakers should give serious consideration to the changes briefly described below.

- 1. Require Supermajority Approval.** Policymakers can encourage fiscal responsibility by requiring that a supermajority of voters approve the issuance of general obligation bonds or a voter-approval tax rate election (VATRE).<sup>1</sup>
- 2. Consolidate Fiscal Matters in November.** The Texas Legislature should require political subdivisions to hold bond elections on the uniform election date in November. This change will ensure that local elected officials are soliciting the greatest number of voters and prevent a small minority of special interests from unduly influencing an election's outcome.
- 3. Establish Minimum Voter Turnout Requirements.** Bond elections are sometimes decided by low voter turnout, meaning that a relatively small percentage of eligible voters can successfully burden an entire community with new debt and higher taxes. One way to remedy this problem is to establish a minimum voter turnout threshold for an election to be successful. This safeguard will ensure that any election outcome better represents the actual will of the community and prevent the process from being dominated by a relative few.
- 4. Reform the Use of Certificates of Obligation.** Certificates of Obligation<sup>2</sup> (COs), or non-voter approved debt instruments, have become mired in controversy and abuse, suggesting an urgent need for good government reforms, like:
  - *Instituting a cooling-off period.* Political subdivisions should be prohibited from using COs to purchase or finance substantially similar public projects that were rejected at a public election.
  - *Achieving greater government transparency.* Require a lengthier notification period and make sure that the issuer has a website and that details related to the issuance are posted online in a timely manner.
  - *Making it easier for voters to appeal.* Reform the petition process so that 5% of the total number of voters who voted in the most recent gubernatorial election can compel a public vote.
  - *Using tighter restrictions.* Because these debt issuances are not approved by voters, the kind of capital improvement projects eligible to be funded with COs should be more tightly defined.

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1 The Texas Comptroller of Public Accounts ([n.d.](#)) stipulates that a VATRE is triggered when "the governing body of a taxing unit adopts a tax rate that exceeds the voter-approval tax rate, [then] in most cases it must automatically hold an election for voters to approve the tax increase."

2 The Texas Comptroller of Public Accounts explains that cities, counties, and hospital districts utilize COs to "fund the construction, demolition or restoration of structures; purchase materials, supplies, equipment, machinery, buildings, land and rights of way; and pay for related professional services...COs often are associated with emergency spending, but their use isn't restricted to such purposes. They can be used to fund public works as part of standard local government operations" ([Vela, 2017, paras. 4-5](#)).

**5. Establish a Debt Limitation.** Policymakers can restrict the overall rate of borrowing by instituting a reasonable debt limitation. One possible approach is to cap annual debt service at a certain percentage of property tax collections from the prior year or past several years. This would introduce strictness and stability into an otherwise largely uncontrolled environment.

These reforms, as well as others, promise to make important process changes that will bring about greater government transparency and accountability with the goal of reducing the burden of increased local government debt across Texas. ■

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Quintero received a B.A. from the University of Texas at Austin and an M.P.A. from Texas State University. He is currently seeking a Ph.D. in public policy from Liberty University. In 2022, he was appointed to serve a three-year term on the Commission for Lawyer Discipline.



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