



October 10, 2019

The Honorable Greg Abbott, Governor
The Honorable Dan Patrick, Lieutenant Governor
The Honorable Dennis Bonnen, Speaker of the House
Members of the 86th Legislature

Ladies and Gentlemen:

In accordance with Texas Government Code Section 403.0131, I hereby present the detailed tables for the revenue estimate I used to certify the General Appropriations Act for the 2020-21 biennium and other appropriations bills approved by the 86th Legislature. The estimates in this document include actual revenue collections and disbursements through August 31, 2019, and the estimated fiscal impact of all legislation passed by the 86th Legislature.

After accounting for statutory transfers, balances on hand at the close of the 2018-19 biennium and expected revenue collections and adjustments, the state will have a total of \$121.76 billion in General Revenue-related funds available for the 2020-21 biennium. This revenue will support general-purpose spending of \$118.86 billion for the 2020-21 biennium, resulting in an expected ending General Revenue-related certification balance of \$2.89 billion.

In fiscal 2020, the Economic Stabilization Fund (ESF) and State Highway Fund (SHF) each will receive \$1.67 billion in transfers from the General Revenue Fund from severance taxes collected in fiscal 2019 and a transfer of \$1.59 billion in fiscal 2021 from severance taxes collected in fiscal 2020. After accounting for interest and investment earnings by the ESF, along with expenditures authorized by appropriations made in recent legislative sessions, we project a fiscal 2021 ending ESF balance of \$9.35 billion.

In 2015, the Legislature passed and voters approved a constitutional amendment that requires a transfer of sales tax revenue to the SHF. As a result, \$2.5 billion of state sales tax revenue will be deposited to the SHF in each year of the 2020-21 biennium. That same constitutional amendment also stipulated that a portion of motor vehicle sales tax revenue in excess of \$5 billion collected in any fiscal year also be transferred to the SHF. We project that the threshold will be met for the first time in fiscal 2020 and that \$35 million will be transferred to the SHF from motor vehicle sales tax collections in the 2020-21 biennium.



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In fiscal 2019, the Texas economy continued to grow at rates among the highest in the nation. We are projecting continued expansion of the Texas economy in this biennium. The most likely scenario is one of steady expansion at a pace below that of the 2018-19 biennium. Risks to this estimate include ongoing uncertainty about trade and national economic policy, slowing global economic growth, and volatility in energy prices resulting from instability and potential conflict in the Middle East.

I will continue to monitor the Texas economy and state revenues closely, and will keep you informed of any significant events as they arise.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Hegar". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Glenn Hegar

Enclosure

cc: Legislative Budget Board





The 2020-21 Certification Revenue Estimate

The state of Texas will have an estimated \$121.76 billion available for general-purpose spending in the 2020-21 biennium, 9.6 percent more than in 2018-19. This figure represents the sum of the 2018-19 ending balance and tax and non-tax revenue collections in 2020-21, less revenue set aside for transfers to the Economic Stabilization Fund (ESF) and State Highway Fund (SHF) and adjustments to General Revenue-dedicated account balances. In all, the state is expected to collect \$259.70 billion for all state funds in 2020-21.

The state's tax system is the main source of General Revenue-related (GR-R) funding. Tax collections in 2020-21 will generate \$108.14 billion, while non-tax revenue sources will produce an additional \$14.99 billion. Factoring in the estimated \$4.72 billion ending balance carried forward from 2018-19, these three sources will total \$127.85 billion. Against this amount, \$6.48 billion must be placed in reserve for future transfers to the ESF and the SHF, and \$388 million must be added for various adjustments to General Revenue-dedicated account balances (**Table 1**).

GR-R spending is expected to total \$118.86 billion in the 2020-21 biennium (**Table 2**). Subtracting this amount from the projected \$121.76 billion available for general-purpose spending leaves an estimated 2020-21 ending balance of \$2.89 billion (**Table 3**).

Texas Economic Outlook

The Texas economy added 303,500 nonfarm jobs from August 2018 to August 2019, an increase of 2.4 percent, to reach 12,856,100 at the end of fiscal 2019. Texas added more new jobs than any other state except California over those 12 months. Private-sector employment rose by 2.8 percent while government employment (federal, state and local) grew by 0.4 percent. The state's rate of job growth was the second highest among the 10 most populous states (after Florida) and the sixth highest among all states. Employment growth is expected to be 1.9 percent in fiscal 2020 and 1.4 percent in 2021.

Texas real gross state product (GSP), after increasing by 2.8 percent in fiscal 2018, grew by an estimated 4.4 percent in 2019, led by increases in *the mining and logging, information services, and trade, transportation, and utilities* industries. Real GSP is expected to grow by 2.6 percent in 2020 and by another 2.5 percent in 2021.

Texas nominal (current dollar) GSP increased by 7.1 percent in 2018, the fastest rate of growth since 2011 (7.4 percent). Nominal GSP growth slowed somewhat in 2019, to an estimated 5.4 percent. Note that changes in the prices of natural gas and, especially, oil can have significant effects on the growth rates of Texas nominal GSP. Removing the value of mining industry output, the Texas economy grew by 6.2 percent in 2018 and by an estimated 4.0 percent in

2019. Nominal GSP is expected to grow by 5.1 percent in 2020 and by 5.4 in 2021.

Texas personal income increased by an estimated 4.7 percent in fiscal 2019 following 5.0 percent growth in 2018. Personal income is projected to grow by 4.7 percent in 2020 and 5.2 percent in 2021.

The Texas unemployment rate was relatively constant over the fiscal year, averaging 3.6 percent and ranging from a low of 3.4 percent to a high of 3.8 percent. The unemployment rate is expected to remain low over the next two years, at an average of 3.4 percent in 2020 and 3.6 percent in 2021.

In sum, after two years of relatively slow growth, the Texas economy grew at a faster rate than the U.S. as a whole in 2019. In 2020 and 2021, we expect the Texas economy to continue to outpace the nation's economy.

The 2018-19 Ending Balance

The ending GR-R certification balance for 2018-19 was \$4.72 billion, after setting aside \$3.33 billion for constitutionally required transfers to the ESF and SHF from fiscal 2019 oil and natural gas severance tax collections. The ending balance, in addition to estimated net revenue collections in the 2020-21 biennium, will be used to fund 2020-21 appropriations (**Table 3**).

Transfers to the Economic Stabilization Fund and State Highway Fund

The constitutionally required transfers of fiscal 2019 oil and natural gas production tax collections reserved for deposit to the ESF and the SHF in fiscal 2020 will total \$3.33 billion, an amount that will be divided equally between the two funds. These transfer amounts have been deducted from revenues and balances available for the 2020-21 biennium.

In fiscal 2021, the two funds will receive equal shares from an estimated \$3.18 billion reserved from

oil and natural gas production taxes collected in fiscal 2020. An estimated \$3.30 billion will be reserved from those tax collections in fiscal 2021 for transfers to the two funds in fiscal 2022, in the next biennium.

Beginning in fiscal 2018, the SHF also started to receive transfers of state sales tax revenue. Article VIII, Section 7-c (a) of the Texas Constitution provides that annual state sales tax revenue in excess of \$28 billion, up to a maximum of \$2.5 billion, is dedicated for public roadways other than toll roads. In both fiscal 2020 and 2021, \$2.5 billion is expected to be transferred to the SHF.

Beginning in fiscal 2020, we project the SHF also will receive transfers of state motor vehicle sales and use tax revenue. Article VIII, Section 7-c (b) of the Texas Constitution directs that 35 percent of motor vehicle sales, rental, and use tax revenue exceeding \$5 billion be transferred to the SHF. In fiscal 2020 the transfer is projected to be \$5.69 million, with a transfer of \$29.16 million expected in fiscal 2021.

After the fiscal 2021 transfers, and accounting for interest and other investment earnings, the total ESF balance — cash and the invested balance — is projected to reach \$9.35 billion at the end of the 2020-21 biennium, absent any additional appropriations from the fund. The constitutional limit on the ESF balance, \$18.8 billion during the 2020-21 biennium, will not be reached.

Tax Revenue

The state's tax system is the main source of GR-R funding. Tax collections in the 2020-21 biennium are expected to total \$108.14 billion, a 7.8 percent increase from 2018-19 collections of \$100.30 billion. In 2020-21, tax collections are expected to be 88 percent of total net general revenues (**Table 1**).

Since 1988, state sales tax revenues have accounted for more than half of all state GR-R tax collections. In the 2020-21 biennium, GR-R sales tax collections,

net of transfers to the SHF, are expected to be \$66.69 billion, accounting for 62 percent of all GR-R tax collections. The motor vehicle sales and rental taxes, at \$10.07 billion, and the oil production tax, at \$7.84 billion, are the next largest sources of GR-R revenue for 2020-21.

Sales and Use Taxes: GR-R collections from the state sales tax were \$60.73 billion in the 2018-19 biennium, an increase of 6.7 percent from 2016-17 collections of \$56.93 billion. The GR-R amount for 2018-19 is net of \$5 billion allocated to the SHF, as required by the Texas Constitution. On an All Funds basis, 2018-19 state sales tax collections grew by 15.4 percent from the previous biennium, a vigorous rate of growth propelled by a rebound in spending for oil and gas exploration and production from depressed levels in 2016-17.

The passage of House Bill 1525 by the 86th Legislature, which will require online marketplace providers to collect taxes on sales made through their platforms, will result in an estimated additional \$550 million in 2020-21 sales tax collections. This revenue will be deposited outside of the General Revenue Fund (GR), to the newly created Tax Reduction and Excellence in Education Fund.

The outlook is for moderate growth in sales tax revenue in the 2020-21 biennium, as taxable spending for oil and natural gas production plateaus while expansion in the broader economy continues. GR-R sales tax revenue is forecast to grow by 9.8 percent for the biennium, to \$66.69 billion.

Franchise Tax: Franchise tax collections grew rapidly in fiscal 2019, to \$4.22 billion at an annual rate of 14.4 percent. For the 2018-19 biennium, total franchise tax collections were \$7.9 billion, 11.0 percent above 2016-17 collections. The revenue outlook for the 2020-21 biennium is for moderate average annual growth of 3.2 percent. This will push biennial

collections to an estimated \$8.84 billion, 11.8 percent above 2018-19 collections.

Franchise tax collections are allocated to GR and to the Property Tax Relief Fund (PTRF). The GR amount is based on the Comptroller's estimate of the amount of revenue that would have accrued if the tax as it existed in fiscal 2007 had remained in effect. Any collections in excess of the estimate for the old tax are credited to the PTRF and used to help fund the Foundation School Program. For the 2020-21 biennium, the estimated GR-R amount is \$6.21 billion and the estimated amount for the PTRF is \$2.62 billion.

Motor Vehicle Sales and Rental Taxes: The Texas motor vehicle sales and use tax (including seller-financed sales) applies to the retail sales of new and used motor vehicles at a rate of 6.25 percent of the sale's total consideration. Also included in this group of related taxes are the motor vehicle rental tax (10 percent of gross receipts on rentals of 30 days or less, or 6.25 percent of gross receipts on rentals of 31 to 180 days) and the manufactured housing sales and use tax (5 percent of 65 percent of the sales price of a new manufactured home). Together, the GR-R collections from this entire group of motor vehicle-related taxes are expected to reach \$10.07 billion in the 2020-21 biennium, an increase of 1.7 percent from 2018-19 collections of \$9.9 billion.

The GR-R amount for 2020-21 is net of revenue allocated to the SHF as required by the Texas Constitution, which dedicates 35 percent of the portion of annual motor vehicle sales tax revenue collections in excess of \$5 billion to the SHF. We project that \$35 million will be deposited to the SHF during the 2020-21 biennium. An estimated additional \$91 million from 2020-21 collections will be deposited outside of GR-R, to the PTRF and the Emissions Reduction Plan Account.

Oil and Natural Gas Production Taxes: The taxes in this group consist of the oil production tax, levied at 4.6 percent of market value, and the natural gas production tax, levied at 7.5 percent of market value. Condensate from natural gas production is taxed at the oil tax rate, with the resulting tax receipts included in natural gas tax revenues. During fiscal 2019, oil prices fluctuated between \$40 and \$75 per barrel. The 2019 average NYMEX market price was \$59.62 per barrel, about 2 percent less than the 2018 average of \$60.58. Taxable production, however, increased and consequently 2019 oil tax collections of \$3.89 billion were 14.6 percent higher than 2018 collections of \$3.39 billion. Texas oil production is expected to increase in 2020 and continue growing through 2021, albeit at a slower pace. Market prices are expected to average \$58 in 2020 and \$54 in 2021. Despite slightly lower average prices than the previous biennium, growing production means that oil tax collections are expected to increase, generating \$7.84 billion in the 2020-21 biennium, 7.7 percent more than the \$7.28 billion collected in 2018-19.

Natural gas production in Texas hit peak levels in 2015, modestly declined in 2016, and has grown considerably in the last three years to surpass the 2015 peak. Production is expected to continue near current levels in 2020 and 2021 due to the influx of casinghead gas from oil production in the Permian Basin and the Eagle Ford regions.

The market price for natural gas averaged \$2.99 per million BTUs in fiscal 2019, 3.8 percent above the \$2.88 average in 2018. This was largely the result of a short price spike due to low winter inventory concerns in mid fiscal 2019. Prices briefly exceeded \$4.00, the highest they had been since fiscal 2015. They subsequently fell sharply, and by August the monthly average was just \$2.17. Prices are expected to average \$2.50 in 2020 and \$2.55 in 2021. Natural gas tax

collections in the 2020-21 biennium are expected to be \$3.07 billion, 1.6 percent below 2018-19 collections of \$3.12 billion.

Insurance Taxes: GR-R insurance tax collections are projected to be \$5.48 billion in the 2020-21 biennium, up 7.4 percent from the \$5.11 billion collected in 2018-19. The tax base is expected to display modest growth throughout the biennium, as a result of increases in population, property values, and the volume of real estate sales. In recent years, the expansion of Medicaid managed care (which is subject to insurance premium and maintenance taxes, while Medicaid on a fee-for-service basis is not) has led to significant year-over-year growth in insurance tax collections, averaging 8.6 percent from fiscal 2012 through 2019. That expansion, however, is largely complete and future growth in insurance tax collections is not expected to differ significantly from the rate of growth of the Texas economy.

Tobacco and Alcoholic Beverages Taxes: Collections to all funds in the 2020-21 biennium from the taxes on cigarettes (at a tax rate of \$1.41 per pack), cigars (from 1 cent per 10 cigars to \$15 per 1,000 cigars) and other tobacco products (\$1.22 per ounce for snuff, chewing tobacco, roll-your-own tobacco and pipe tobacco) are expected to decline by 7.6 percent to \$2.52 billion from 2018-19 collections of \$2.73 billion, a trend that is consistent with recent fiscal periods. A small part of the decline is a result of Senate Bill 21 from the 86th legislative session that, effective September 1, 2019, increased the legal age of use and purchase of cigarettes and tobacco products from 18 to 21. From 2020-21 collections, \$1.07 billion is expected to be deposited to GR and \$1.45 billion to the PTRF.

Texas levies six alcoholic beverage taxes: the mixed beverage gross receipts tax (6.7 percent of the vendor's gross receipts); the mixed beverage sales tax (8.25 percent of the consumer's payment); and excise taxes

on liquor (\$2.40 per gallon), beer (\$6 per barrel, or 19.4 cents per gallon), wine (from 20.4 to 51.6 cents per gallon), and ale (19.8 cents per gallon). Alcoholic beverage tax collections are deposited to GR. In 2020-21, collections are expected to grow by 9.4 percent to \$2.91 billion, compared to \$2.66 billion in 2018-19.

Motor Fuel Taxes: Taxes on motor fuels are levied at a rate of 20 cents per gallon for gasoline and diesel fuel, and on liquefied and compressed natural gas at a rate of 15 cents per gallon. Approximately 75 percent of collections from these taxes are deposited to the SHF, with the remaining 25 percent deposited to GR-R funds. GR-R collections from these taxes are estimated to be \$2.06 billion in the 2020-21 biennium, an increase of 3.8 percent from 2018-19 collections of \$1.99 billion. The revenue growth is primarily due to continued population increases and a stable and growing economy.

Hotel Occupancy Tax: The hotel occupancy tax is imposed on a person who pays for a hotel, motel, or a similar facility, at a state tax rate of 6 percent of the price paid for the room. All collections from this tax are deposited to GR. Fiscal 2019 was a year of solid growth in hotel tax collections, reaching \$636 million, an increase of 5.8 percent from 2018. For the 2018-19 biennium, collections were \$1.24 billion, 17.6 percent more than in 2016-17. In 2020-21, collections are expected to reach \$1.35 billion, a 9.3 percent increase from 2018-19. Local taxing authorities are authorized to impose an additional hotel tax that is collected at the local level and is used for local governmental purposes.

Utility Taxes: The utility taxes group has three separate taxes: the gas, electric, and water utility tax, which accounted for 83 percent of the group's tax collections in fiscal 2019; the public utility gross receipts assessment; and the gas utility pipeline tax. Collections from the utility taxes are deposited to GR, and in the 2018-19 biennium total collections were

\$923.75 million, an increase of 5.7 percent from 2016-17. Higher than normal summer temperatures in 2018, a slight increase in electricity demand, and higher retail electricity and natural gas prices led to an increase in taxable receipts in the 2018-19 biennium. In the 2020-21 biennium revenue collections are expected to grow by 3.8 percent, to reach \$959.3 million.

Other Taxes: This category includes the taxes on oil well services, coin-operated amusement machines, cement, and combative sports admissions, as well as tax refunds to employers of certain welfare recipients. Total GR-R collections for the category are estimated to be \$417.48 million in the 2020-21 biennium, slightly less than 2018-19 collections of \$419 million.

Non-Tax Revenue

In the 2020-21 biennium, the state's GR-R funds are expected to receive \$14.99 billion in non-tax revenue, 1.9 percent more than the \$14.72 billion collected in 2018-19. The major revenue sources are interest and investment income; licenses, fees, fines and penalties; state health service fees and rebates; net lottery proceeds; escheated estates; and settlements of claims.

Interest and Investment Income: GR-R interest and investment income in the 2020-21 biennium is expected to be \$3.54 billion, an increase of 20.6 percent from the \$2.93 billion collected in 2018-19. This revenue category includes interest earnings on state deposits. The Permanent School Fund (PSF) traditionally produces most of the investment income accruing to GR-R funds. The substantial increase in estimated revenue is due to a larger PSF corpus balance and distributions from the PSF to the Available School Fund (ASF) adopted by the State Board of Education and the School Land Board for 2020-21. In addition, the total assumes a supplemental distribution of \$300 million to the ASF in each year of the biennium; this supplemental distribution, however, is contingent on

passage of a constitutional amendment on November 5, 2019, as well as approval by the School Land Board.

Licenses, Fees, Fines, and Penalties: Texas collects revenue from charges levied on a wide variety of business and personal activities. Examples include transportation (vehicle registrations and inspections, drivers licenses); business regulation (securities fees, professional licenses); natural resources (environmental permits); parks and wildlife (parks fees, fishing/hunting licenses); education (university tuition); and court charges. GR-R collections in the 2020-21 biennium are expected to reach \$2.84 billion, an increase of 0.4 percent from the \$2.83 billion collected in 2018-19.

State Health Service Fees and Rebates: For 2020-21, GR-R collections in this category are expected to be \$2.05 billion, 11.7 percent less than the \$2.32 billion received in 2018-19. Most of the category's revenue comes from the federally mandated and state-supplemental Medicaid vendor drug programs that consist of rebates the state collects from manufacturers of drugs that are covered by state Medicaid programs. Based on estimates provided by the Texas Health and Human Services Commission and the Legislative Budget Board, in 2020-21 the GR portion of these rebates is expected to total \$1.58 billion, 14.7 percent less than the \$1.86 billion received in 2018-19.

Net Lottery Proceeds: This category primarily comprises revenue received from the sale of all Texas lottery games, less prize payouts administered by lottery retailers, a retailer commission of 5 percent, and other items. Approximately 60 percent of net lottery proceeds are transferred to the Foundation School Account in GR to support public education in Texas. These transfers in the 2020-21 biennium are expected to total \$2.89 billion, a decrease of 0.8 percent from the \$2.91 billion transferred in 2018-19. The estimate assumes average jackpot levels in 2020-21, along with continued growth in scratch-off

games. While large jackpots on multi-state draw games (i.e., games in which customers select numbers for play such as Powerball and Mega Millions) can result in substantially increased game sales and transfers for public education, their occurrence is random and unpredictable.

Unclaimed Property and Escheated Estates:

For this revenue category, which includes unclaimed property submitted to the state, GR-R collections are expected to be \$1.49 billion in the 2020-21 biennium, 12.2 percent more than 2018-19 collections of \$1.33 billion. The increase is partly due to an anticipated sale of approximately \$100 million in abandoned stock. The category's revenues are the proceeds from abandoned personal property such as checking accounts, savings accounts, certificates of deposit, safe deposit boxes, stocks, bonds, mutual funds, mineral proceeds, and other types of property.

Tobacco Suit Settlement Claims: In fiscal 1999, Texas began receiving regularly scheduled court settlement payments from tobacco product manufacturers. In the 2020-21 biennium, Texas tobacco settlement receipts are expected to total \$884.2 million, a 5.7 percent decline from the \$938.1 million collected in 2018-19. Tobacco settlement payments have been affected negatively by the declining trend in national cigarette consumption, which has reduced the sales volume of the settling cigarette manufacturers and thereby lowered settlement payments.

Revenue to All Funds

Revenue collections deposited to all funds are expected to total \$259.70 billion in the 2020-21 biennium, 4.7 percent more than the \$248.11 billion collected in 2018-19. In 2020-21, GR-R receipts are projected to total \$123.13 billion, 7.0 percent more than the 2018-19 total of \$115.02 billion.

Dedicated federal income in 2020-21 is expected to account for \$87.89 billion, 7.8 percent more than the

\$81.52 billion received in 2018-19. Most federal funds received will be used for health and human services, highway construction and maintenance, and public education.

A second large source of all-funds revenue is the SHF share of motor fuel tax revenues; this fund is constitutionally dedicated to activities associated with the state highway system.

Total estimated revenues do not include certain local funds appropriated but not deposited into the State Treasury, but do include certain revenues deposited in the State Treasury but not appropriated, such as royalties deposited to the PSF.

Note: This report contains estimates and projections that are based on available information, assumptions and estimates as of the date of the forecasts upon which they are based. Assumptions involve judgments about future economic and market conditions and events that are difficult to predict. Actual results could differ from those predicted, and the difference could be material.

TABLE 1
General Revenue-Related Funds, by Source and Biennium
 (in millions of dollars)

Tax Collections	2018-19	2020-21	Percent Change
Sales Taxes	\$ 60,727	\$ 66,690	9.8%
Motor Vehicle Sales and Rental Taxes	9,898	10,067	1.7
Motor Fuel Taxes	1,989	2,065	3.8
Franchise Tax	5,792	6,215	7.3
Oil Production Tax	7,278	7,838	7.7
Insurance Taxes	5,105	5,483	7.4
Cigarette and Tobacco Taxes	1,156	1,071	(7.4)
Natural Gas Production Tax	3,117	3,067	(1.6)
Alcoholic Beverages Taxes	2,661	2,911	9.4
Hotel Occupancy Tax	1,237	1,352	9.3
Utility Taxes	924	959	3.8
Other Taxes	419	417	(0.4)
Total Tax Collections	\$ 100,304	\$ 108,136	7.8%
Non-Tax Collections			
Licenses, Fees, Fines, and Penalties	\$ 2,827	\$ 2,839	0.4%
State Health Service Fees and Rebates	2,317	2,047	(11.7)
Net Lottery Proceeds	2,908	2,885	(0.8)
Land Income	4	17	339.2
Interest and Investment Income	2,934	3,539	20.6
Settlements of Claims	1,135	1,016	(10.5)
Escheated Estates	1,330	1,491	12.2
Sales of Goods and Services	261	264	1.2
Other Revenue	1,003	896	(10.7)
Total Non-Tax Collections	\$ 14,718	\$ 14,994	1.9%
Total Net Revenue	\$ 115,022	\$ 123,130	7.0%
Balances and Adjustments			
Beginning Balance in Fund 1	\$ 618	\$ 4,290	
Beginning Balances in Funds 2 and 3	266	431	
Change in GR-Dedicated Account Balances	1,288	388	
Reserve for Transfers to Economic Stabilization and State Highway Funds	(6,099)	(6,481)	
Total Balances and Adjustments	\$ (3,927)	\$ (1,373)	
Total General Revenue-Related Funds Available for Certification	\$ 111,095	\$ 121,757	9.6%

Note: Totals may not sum because of rounding.
 SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE 2
General Revenue-Related Spending in the 2020-21 Biennium
 (in millions of dollars)

General Appropriations Act*	\$118,859
Method of Finance Reclassifications and Other Adjustments, net**	(176)
Emergency Appropriations and Reductions, and Other Legislation Making Appropriations, net ***	<u>180</u>
Total	<u><u>\$ 118,864</u></u>

* Conference Committee Report for HB 1, 86th Legislature, Regular Session.

** Includes net amounts associated with the method of finance reclassification in HB 1 and also includes adjustments to General Revenue costs as a result of the revised estimate of revenue to the Property Tax Relief Fund, Teacher Retirement System fiscal year end settle-up and other fiscal year end payments.

*** Includes appropriations made in SB 500 and HB 4071, 86th Legislature, Regular Session.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE 3

General Revenue-Related Balances and Available Revenue

(in millions of dollars)

Fiscal 2020 Cash Balances		
Beginning General Revenue Fund Cash	\$ 8,412	
Less: Dedicated Oil Overcharge Account	(80)	
Less: Dedicated Lottery Account	(239)	
Less: Texas Enterprise Account	(269)	
Less: Statewide Electronic Filing Account	(17)	
Less: Governor's University Research Initiative Account	(84)	
Less: Constitutionally Dedicated Victims of Crime Accounts	(72)	
Less: Texas Military Revolving Account	(0)	
Less: Federal Elections Improvement Account	(24)	
Less: Judicial and Court Personnel Training Fund Account	(5)	
Less: BP Spill Oil Fund Account	(0)	
Less: Reserve for Economic Stabilization and State Highway Funds Transfer	(3,331)	
Beginning Balances in Funds 2 and 3	431	
Balances Available for Certification		\$ 4,721
Fiscal 2020-21 Revenue		
Estimated Tax Collections	\$108,136	
Estimated Other Revenue	14,994	
Total Estimated Net Revenue		\$ 123,130
Fiscal 2020-21 Other Adjustments		
Change in Dedicated General Revenue Account Balances	\$ 388	
Reserve for Economic Stabilization and State Highway Funds Transfers	(6,481)	
		\$ (6,093)
Total Fiscal 2020-21 Estimated Available Revenue and Balances		\$ 121,757
Less: Fiscal 2020-21 Estimated Expenditures		<u>(118,864)</u>
Fiscal 2020-21 Ending Certification Balance		<u>\$ 2,893</u>

Note: Totals may not sum because of rounding.
 SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE 4

Texas Economic History and Outlook for Fiscal Years 2012 to 2021

Fall 2019 Forecast

TEXAS ECONOMY	2012	2013	2014	2015	2016	2017	2018	2019*	2020*	2021*
Real Gross State Product (Billion 2012 \$)	1,395	1,460	1,497	1,578	1,593	1,614	1,660	1,732	1,778	1,822
<i>Annual percent change</i>	4.9	4.7	2.6	5.4	1.0	1.3	2.8	4.4	2.6	2.5
Gross State Product (Billion Current \$)	1,390	1,482	1,553	1,572	1,557	1,629	1,745	1,840	1,933	2,037
<i>Annual percent change</i>	6.4	6.6	4.8	1.2	(0.9)	4.6	7.1	5.4	5.1	5.4
Personal Income (Billion Current \$)	1,111	1,156	1,228	1,280	1,283	1,326	1,392	1,457	1,525	1,604
<i>Annual percent change</i>	7.1	4.1	6.1	4.3	0.2	3.4	5.0	4.7	4.7	5.2
Nonfarm Employment (Thousands)	10,825	11,163	11,493	11,821	11,975	12,168	12,431	12,713	12,958	13,139
<i>Annual percent change</i>	2.6	3.1	3.0	2.8	1.3	1.6	2.2	2.3	1.9	1.4
Resident Population (Thousands)	26,031	26,445	26,918	27,419	27,877	28,274	28,655	29,041	29,437	29,836
<i>Annual percent change</i>	1.7	1.6	1.8	1.9	1.7	1.4	1.3	1.3	1.4	1.4
Unemployment Rate (Percent)	7.0	6.4	5.4	4.5	4.6	4.5	3.9	3.6	3.4	3.6
NYMEX Oil Price (\$ per Barrel)	94.28	93.65	101.05	64.94	41.40	48.77	60.58	59.62	58.00	54.00
NYMEX Natural Gas Price (\$ per Million BTUs)	3.10	3.48	4.18	3.34	2.30	3.04	2.88	2.99	2.50	2.55
U.S. ECONOMY										
Real Gross Domestic Product (Billion 2012 \$)	16,138	16,389	16,792	17,322	17,600	17,984	18,523	18,962	19,397	19,824
<i>Annual percent change</i>	2.3	1.6	2.5	3.2	1.6	2.2	3.0	2.4	2.3	2.2
Consumer Price Index (1982-84=100)	228.5	232.3	236.0	236.8	238.9	243.9	249.7	254.5	260.0	265.0
<i>Annual percent change</i>	2.4	1.6	1.6	0.3	0.9	2.1	2.4	1.9	2.2	1.9
Personal Consumption Expenditures Deflator (2012=100)	99.6	101.0	102.6	103.0	103.7	105.4	107.6	109.3	111.5	113.6
<i>Annual percent change</i>	2.1	1.5	1.5	0.4	0.7	1.7	2.1	1.6	2.0	1.9
Prime Interest Rate (Percent)	3.3	3.3	3.3	3.3	3.4	3.9	4.7	5.4	5.3	5.5

* Estimated or projected

SOURCES: Glenn Hegar, Texas Comptroller of Public Accounts; and IHS Markit.

TABLE A-1

Estimated General Revenue-Related Balances, Revenue, Disbursements, and Appropriation Authority

	Thousands of Dollars	
	2020	2021
Revenue and Beginning Fund Balances		
General Revenue-Related Adjusted Fund Balance*	\$ 4,720,816	\$ 1,739,663
General Revenue-Related Revenue**	60,778,480	62,351,172
Adjustment to Dedicated Account Balances	<u>193,791</u>	<u>193,791</u>
Total Revenue and Beginning Fund Balances	<u>\$ 65,693,087</u>	<u>\$ 64,284,626</u>
Probable Disbursements and Other Adjustments		
Disbursements for Foundation School Programs	\$ 20,822,601	\$ 21,651,774
State Technology and Instructional Materials Disbursements	1,091,430	10,000
Other Probable Disbursements	38,860,551	36,427,350
Reserve for Transfers to the Economic Stabilization and State Highway Funds	<u>3,178,843</u>	<u>3,302,166</u>
Total Probable Disbursements and Other Adjustments	<u>\$ 63,953,424</u>	<u>\$ 61,391,290</u>
Estimated Ending Certification Balance, August 31	<u>\$ 1,739,663</u>	<u>\$ 2,893,336</u>
Appropriation Authority		
Prior-Year Authority	\$ 2,642,040	
Current-Year Authority	<u>60,774,582</u>	
Total Appropriation Authority	<u>\$ 63,416,622</u>	

* Excludes constitutionally restricted accounts, dedicated lottery proceeds, oil overcharge and other general revenue-dedicated account balances that are not available for certification.

** Excludes constitutionally restricted motor fuel, sales and motor vehicles sales taxes transfers to the State Highway Fund.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-2

Estimated General Revenue-Related Revenue and Balances Available for Certification

	Thousands of Dollars	
	2018-19	2020-21
Beginning Fund Balances		
Consolidated General Revenue Fund Adjusted Balance	\$ 617,699	\$ 4,289,697
Available School Fund Balance	29,122	58,188
State Technology and Instructional Materials Fund Balance	<u>236,617</u>	<u>372,930</u>
Total Beginning Fund Balances	<u>\$ 883,438</u>	<u>\$ 4,720,816</u>
Revenue		
General Revenue Fund	\$ 109,175,823	\$ 116,653,870
Available School Fund*	2,778,223	3,419,528
State Technology and Instructional Materials Fund	29,315	25,026
Foundation School Account	<u>3,038,825</u>	<u>3,031,228</u>
Total Revenue	<u>\$ 115,022,185</u>	<u>\$ 123,129,652</u>
Other Adjustments		
Change in General Revenue-Dedicated Account Balances	\$ 1,288,263	\$ 387,583
Reserve for Transfers to the Economic Stabilization and State Highway Funds	<u>(6,098,871)</u>	<u>(6,481,009)</u>
Total Other Adjustments	<u>\$ (4,810,608)</u>	<u>\$ (6,093,426)</u>
Total General Revenue-Related Revenue and Balances	<u>\$ 111,095,016</u>	<u>\$ 121,757,042</u>

* Assumes a supplemental distribution of \$300 million to the Available School Fund in each year of the 2020-21 biennium, contingent on passage of a constitutional amendment on November 5, 2019, as well as approval by the School Land Board.

Note: Totals may not sum because of rounding.
 SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-3

Estimated General Revenue-Related Funds Revenue

Object Code	Description	Thousands of Dollars	
		2020	2021
General Revenue Fund			
3004	Motor Vehicle Sales and Use Tax	\$ 4,483,421	\$ 4,532,739
3005	Motor Vehicle Rental Tax	341,559	356,516
3007	Gasoline Tax	2,825,645	2,862,566
3008	Diesel Fuel Tax	972,700	996,831
3016	Motor Vehicle Sales and Use Tax—Seller Financed Motor Vehicles	165,724	168,209
3024	Driver's License Point Surcharges	53,287	53,287
3027	Driver Record Information Fees	2,942	2,986
3102	Limited Sales and Use Tax	35,200,800	36,328,800
3111	Boat and Boat Motor Sales and Use Tax	78,057	82,073
3114	Escheated Estates	785,219	706,103
3130	Franchise/Business Margins Tax	3,054,000	3,160,900
3139	Hotel Occupancy Tax	661,481	690,942
3175	Professional Fees	63,066	62,327
3186	Securities Fees	140,000	140,000
3201	Insurance Premium Taxes	2,523,561	2,659,341
3219	Insurance Maintenance Tax—Workers' Compensation Division and OIEC	57,089	57,089
3230	Public Utility Gross Receipts Assessment	54,700	55,500
3233	Gas, Electric and Water Utility Tax	389,800	395,600
3250	Mixed Beverage Gross Receipts Tax	535,300	563,100
3251	Mixed Beverage Sales Tax	653,400	687,400
3253	Liquor Tax	100,600	102,000
3258	Beer Tax	102,700	102,700
3275	Cigarette Tax	316,100	339,000
3278	Cigar and Tobacco Products Tax	208,209	207,411
3290	Oil Production Tax	3,887,273	3,950,229
3291	Natural Gas Production Tax	1,482,832	1,584,307
3849	Tobacco Suit Settlement Receipts	446,400	437,800
3854	Interest Other - General, Non-Program	1,125	1,125
3950	Allocations to General Revenue from Special Funds	43,697	36,045
3952	Allocation of Uncompensated Care and Disproportionate Share Revenues	237,333	225,822
	Other General Revenue Fund Revenue	2,970,740	2,906,777
3901	Less: Motor Fuel Taxes Allocation to State Highway Fund	(2,780,215)	(2,825,354)
3925	Less: Sales Taxes Allocation to State Highway Fund	(2,500,000)	(2,500,000)
3928	Less: Motor Vehicle Sales Taxes Allocation to State Highway Fund	(5,691)	(29,155)
	Subtotal, General Revenue Fund	\$ 57,552,854	\$ 59,101,016
School Funds*			
3851	Interest on State Deposits/Investments, General Non-Program	\$ 3,924	\$ 3,660
3910	Allocation from Permanent School Fund to Available School Fund**	1,705,972	1,705,972
3922	State Gain from Lottery Proceeds	1,431,293	1,454,194
	Other School Funds Revenue	84,437	86,330
	Subtotal, School Funds	\$ 3,225,626	\$ 3,250,156
	Total Estimated Net General Revenue-Related Funds	\$ 60,778,480	\$ 62,351,172

* Includes net revenue for the Available School Fund, the State Technology and Instructional Materials Fund, and the Foundation School Account.

** Assumes a supplemental distribution of \$300 million to the Available School Fund in each year of the biennium, contingent on passage of a constitutional amendment on November 5, 2019, as well as approval by the School Land Board.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-4
Estimated General Revenue-Dedicated Accounts Revenue

Account Number	Account	Thousands of Dollars	
		2020	2021
9	Game, Fish, and Water Safety	\$ 147,978	\$ 148,185
27	Coastal Protection	2,096	19,476
64	State Parks	56,427	57,027
151	Clean Air	70,850	72,668
153	Water Resource Management	80,315	80,595
225	University of Houston Current	88,078	89,078
238	University of Texas at Dallas Current	60,751	61,347
242	Texas A&M University Current	116,734	116,734
244	University of Texas at Arlington Current	78,429	79,976
248	University of Texas at Austin Current	122,436	123,627
249	University of Texas at San Antonio Current	52,128	52,913
250	University of Texas at El Paso Current	33,138	33,630
255	Texas Tech University Current	61,562	62,845
258	University of North Texas Current	54,663	52,178
259	Sam Houston State University Current	28,259	28,810
421	Criminal Justice Planning	18,890	18,398
469	Compensation to Victims of Crime	78,687	77,775
549	Waste Management	37,713	38,321
550	Hazardous and Solid Waste Remediation Fees	29,065	29,224
655	Petroleum Storage Tank Remediation	18,160	18,452
5000	Solid Waste Disposal Fees	11,631	11,863
5007	Commission on State Emergency Communications	19,350	19,350
5025	Lottery*	468,351	480,606
5050	9-1-1 Service Fees	42,200	42,200
5064	Volunteer Fire Department Assistance	21,198	21,192
5071	Emissions Reduction Plan**	121,703	124,067
5073	Fair Defense	43,550	42,613
5080	Quality Assurance	69,008	69,008
5094	Operating Permit Fees	40,548	39,850
5111	Designated Trauma Facility and EMS	131,399	132,252
5155	Oil and Gas Regulation and Cleanup	76,116	78,398
	Other Accounts	919,329	927,195
Total Estimated General Revenue-Dedicated Accounts		\$ 3,200,742	\$ 3,249,853

* Net of proceeds to the Foundation School Account and other dedicated accounts.

** Revenue collections do not include transfers from the State Highway Fund.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-5
Estimated Federal Income, by Fund or Account

Fund/Account Number	Fund or Account	Thousands of Dollars	
		2020	2021
1	General Revenue Fund	\$ 28,711,805	\$ 28,446,533
6	State Highway Fund	5,619,546	5,246,579
9	Game, Fish, and Water Safety Account	51,208	51,208
37	Federal Child Welfare Service Account	494,862	499,554
92	Federal Disaster Account	1,294,821	1,452,757
127	Community Affairs Federal Account	219,928	219,928
148	Federal Health, Education and Welfare Account	3,161,800	3,161,800
171	Federal School Lunch Account	2,156,300	2,209,400
222	Department of Public Safety Federal Account	1,600	1,550
224	Governor's Office Federal Projects Account	104,418	104,693
273	Federal Health and Health Lab Funding Excess Revenue Account	265,374	265,374
369	Federal American Recovery & Reinvestment Act Fund	5,000	5,000
421	Criminal Justice Planning Account	145,000	145,000
449	Texas Military Federal Account	56,000	56,000
469	Compensation to Victims of Crime Account	31,116	31,448
549	Waste Management Account	7,944	7,944
5026	Workforce Commission Federal Account	1,548,891	1,615,003
5091	Office of Rural Community Affairs Federal Account	67,600	67,600
	Other Funds and Accounts	180,179	179,890
Total Estimated Federal Income		\$ 44,123,392	\$ 43,767,261

Note: Totals may not sum because of rounding.
 SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-6
Estimated Other Funds Revenue, by Fund or Account

Fund/Account Number	Fund or Account	Thousands of Dollars	
		2020	2021
6	State Highway Fund	\$ 7,362,627	\$ 7,422,608
11	Available University Fund	1,169,097	1,217,150
193	Foundation School Account/Local Recapture - Attendance Credits	1,937,866	2,176,880
304	Property Tax Relief Fund	2,020,150	2,111,169
365	Texas Mobility Fund	488,091	521,926
573	Judicial Fund	66,849	59,020
	Disproportionate Share Revenue/State & Local Hospitals	3,488,636	3,499,244
	Appropriated Receipts	654,735	643,493
	Other Funds	<u>3,523,530</u>	<u>3,869,576</u>
Total Estimated Other Funds Revenue		<u>\$ 20,711,581</u>	<u>\$ 21,521,066</u>

Note: Excludes certain local funds that are appropriated but not deposited in the State Treasury, and deposits by semi-independent agencies. Includes certain state revenue deposited in the State Treasury but not appropriated. Excludes federal income.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-7
Estimated All Funds Revenue, Excluding Trust Funds

Source	Thousands of Dollars	
	2020	2021
General Revenue-Related	\$ 60,778,480	\$ 62,351,172
General Revenue-Dedicated	3,200,742	3,249,853
Federal Income	44,123,392	43,767,261
Other Funds	20,711,581	21,521,066
Total Estimated All Funds Revenue	<u>\$ 128,814,195</u>	<u>\$ 130,889,352</u>

Note: Excludes local funds and deposits by semi-independent agencies. Includes certain state revenue deposited in the State Treasury but not appropriated.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-8

Estimated Allocations and Transfers from the General Revenue Fund

	Thousands of Dollars	
	2020	2021
Allocations and Transfers to Other Funds		
Available School Fund–Motor Fuel Taxes	\$ 933,000	\$ 948,098
State Highway Fund–Motor Fuel Taxes	2,780,215	2,825,354
State Highway Fund–Severance Taxes	1,665,321	1,589,421
State Highway Fund–Sales Taxes	2,500,000	2,500,000
State Highway Fund–Motor Vehicle Sales Taxes	5,691	29,155
County and Road District Highway Fund–Motor Fuel Taxes	7,300	7,300
Economic Stabilization Fund–Severance Taxes	1,665,321	1,589,421
Teacher Retirement System Trust Fund (excl. health insurance)	2,017,787	2,097,819
Total Allocations and Transfers to Other Funds	\$ 11,574,634	\$ 11,586,569
Allocations and Transfers to General Revenue–Dedicated Accounts		
Motor Fuel Allocation to Parks and Wildlife	\$ 20,110	\$ 20,373
Motor Fuel Enforcement Allocation	34,166	34,735
State Parks Account–Sporting Goods Sales Tax (SGST)	100,730	101,207
Texas Recreation and Parks Account–SGST	8,296	8,455
Parks and Wildlife Conservation Capital Account–SGST	45,215	46,086
Large County & Municipal Recreation and Parks Account–SGST	4,044	4,120
Texas Historical Commission–SGST	11,914	12,033
Foundation School Account–Occupation Taxes	2,121,437	2,201,027
Hotel Occupancy Tax –Economic Development	55,123	57,578
Texas Department of Insurance Operating Account–Insurance Maintenance Taxes	149,161	149,161
Rural Volunteer Fire Department Insurance Account–Sales Tax	2,160	2,260
Total Allocations and Transfers to General Revenue–Dedicated Accounts	\$ 2,552,357	\$ 2,637,034
Total Allocations and Transfers from General Revenue	\$ 14,126,991	\$ 14,223,603
Details of the Economic Stabilization Fund - Cash Basis Reporting		
Total Beginning Balance*	\$ 10,089,467	\$ 7,829,932
Transfers, Interest and Investment Income		
Oil Production Tax Transfer	1,258,107	1,258,276
Natural Gas Production Tax Transfer	407,214	331,146
Unencumbered Balance Transfer	0	0
Interest Income	51,845	44,886
Investment Income	118,479	151,172
Total Transfers and Interest Income	\$ 1,835,645	\$ 1,785,480
Appropriations	\$ 4,095,180	\$ 262,500
Total Ending Balance of ESF	\$ 7,829,932	\$ 9,352,911

*The total beginning balance includes cash balance in the State Treasury and invested balance with Texas Treasury Safekeeping Trust Company. Invested balance and gain on those investments are based on the projected earnings as of September 18, 2019.

Note: Totals may not sum because of rounding.
SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-9

Available School Fund and State Technology and Instructional Materials Fund Estimated Balances, Revenue and Expenditures

	Thousands of Dollars	
	2020	2021
Beginning Cash Balances		
Available School Fund	\$ 58,188	\$ 56,321
State Technology and Instructional Materials Fund	372,930	331,497
Total Beginning Cash Balances	\$ 431,118	\$ 387,818
Estimated Revenue		
Available School Fund		
Total Return Allocation from Permanent School Fund*	\$ 1,705,972	\$ 1,705,972
Interest on State Deposits/Investments, General Non-Program	3,924	3,660
Allocation from General Revenue Fund	933,000	948,098
Total Estimated Available School Fund Revenue	\$ 2,642,896	\$ 2,657,730
State Technology and Instructional Materials Fund		
Sale of Textbooks	\$ 0	\$ 0
Interest on State Deposits/Investments, General Non-Program	12,513	12,513
Other Revenue	0	0
Total Estimated State Technology and Instructional Materials Fund Revenue	\$ 12,513	\$ 12,513
Total Estimated Revenue and Beginning Cash Balances	\$ 3,086,527	\$ 3,058,061
Estimated Expenditures		
State Technology and Instructional Materials**	\$ 1,091,430	\$ 10,000
Administration–State Technology and Instructional Materials Fund	2,271	2,271
Administration–Available School Fund	0	0
Per Capita Apportionment*		
5,021,940 (prior year ADA) @ \$320	1,605,008	
5,108,989 (prior year ADA) @ \$533		2,720,684
Total Estimated Expenditures	\$ 2,698,709	\$ 2,732,955
Ending Cash Balance	\$ 387,818	\$ 325,106

* Assumes a supplemental distribution of \$300 million to the Available School Fund in each year of the biennium, contingent on passage of a constitutional amendment on November 5, 2019, as well as approval by the School Land Board.

** Represents only state revenue.

Note: Totals may not sum because of rounding.

SOURCE: Legislative Budget Board and Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-10

Foundation School Program and Other School Programs Funded Through State General Revenue-Related Funds, the Property Tax Relief and the Tax Reduction and Excellence in Education Funds, the Economic Stabilization Fund, and Local Funds

	Thousands of Dollars	
	2020	2021
Cost of Public School Programs		
State Share of the Foundation School Program*	\$ 23,704,115	\$ 24,053,306
State Share of Other School Programs	17,136	17,138
Local Recapture—Attendance Credits*	1,937,866	2,176,688
Local Funds Assignment and Other Local Funds*	26,682,346	30,060,425
Total Cost of Public School Programs	\$ 52,341,463	\$ 56,307,556
Funding		
State Funds		
Available School Fund**	\$ 1,605,008	\$ 2,720,684
Foundation School Account—Opening Balance	29,038	0
Foundation School Account—Occupation Taxes	2,121,437	2,201,027
Foundation School Account—Lottery Proceeds	1,431,293	1,454,194
General Revenue	15,635,824	15,275,869
Property Tax Relief Fund	2,020,150	2,111,169
Tax Reduction and Excellence in Education Fund	242,500	307,500
Economic Stabilization Fund	636,000	0
Total State Funds	\$ 23,721,251	\$ 24,070,443
Local Funds		
Local Recapture—Attendance Credits*	1,937,866	2,176,688
Local Funds Assignment and Other Local Funds	26,682,346	30,060,425
Total Local Funds	\$ 28,620,212	\$ 32,237,113
Total State and Local Funding	\$ 52,341,463	\$ 56,307,556

Sources of Property Tax Relief Fund Revenue

	Thousands of Dollars	
	2020	2021
Beginning Cash Balance	\$ 0	\$ 0
Revenue		
3004 Motor Vehicle Sales and Use Tax	25,556	25,837
3130 Franchise/Business Margins Tax	1,290,400	1,331,500
3275 Cigarette Tax	683,800	733,200
3278 Cigar and Tobacco Products Tax	17,990	18,279
3851 Interest on State Deposits/Investments, General Non-Program	2,404	2,353
Total Revenue	2,020,150	2,111,169
Net Transfers	0	0
Appropriations	2,020,150	2,111,169
Ending Cash Balance	\$ 0	\$ 0

*As appropriated in HB 1, 86th Legislature, Regular Session.

** Assumes a supplemental distribution of \$300 million to the Available School Fund in each year of the biennium, contingent on passage of a constitutional amendment on November 5, 2019, as well as approval by the School Land Board.

Note: Totals may not sum because of rounding.

SOURCE: Legislative Budget Board and Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-11
Sources of State Highway Fund Revenue

Object Code	Description	Thousands of Dollars	
		2020	2021
State Revenue			
3010	Motor Fuel Lubricants Sales Tax	\$ 43,900	\$ 44,400
3014	Motor Vehicle Registration Fees	1,592,744	1,632,563
3018	Special Vehicle Permits Fees	126,106	128,588
3752	Sale of Publications/Advertising	5,295	5,243
3767	Supplies/Equipment/Services–Federal/Other	40,000	40,000
3851	Interest on State Deposits/Investments, General Non-Program	140,670	86,175
3901	Motor Fuel Taxes Allocation	2,780,215	2,825,354
3969	Severance Taxes Allocation	1,665,321	1,589,421
3925	Sales Taxes Allocation	2,500,000	2,500,000
3928	Motor Vehicle Sales Taxes Allocation	5,691	29,155
	Other Revenue	128,006	131,130
	Total State Revenue	\$ 9,027,948	\$ 9,012,029
Federal Income			
3001	Federal Receipts Matched–Transportation Programs	\$ 5,619,546	\$ 5,246,579
3701	Federal Receipts Not Matched–Other Programs	0	0
	Total Federal Income	\$ 5,619,546	\$ 5,246,579
	Total State Highway Fund Revenue	\$ 14,647,494	\$ 14,258,608

Note: Totals may not sum because of rounding.
 SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-12
State Revenue, by Source and Fiscal Year
General Revenue-Related

	Thousands of Dollars			
	2018 Actual	2019 Actual	2020 Estimated	2021 Estimated
Tax Collections				
Sales Taxes	\$ 30,888,783	\$ 29,838,536	\$ 32,778,857	\$ 33,910,873
Motor Vehicle Sales and Rental Taxes	4,931,010	4,966,892	5,011,995	5,055,291
Motor Fuel Taxes	980,704	1,008,293	1,024,382	1,040,613
Franchise Tax	2,829,812	2,962,146	3,054,000	3,160,900
Oil Production Tax	3,391,518	3,886,824	3,887,273	3,950,229
Insurance Taxes	2,507,283	2,597,819	2,673,747	2,809,527
Cigarette and Tobacco Taxes	561,826	594,145	524,309	546,411
Natural Gas Production Tax	1,431,106	1,685,681	1,482,832	1,584,307
Alcoholic Beverages Taxes	1,291,989	1,369,402	1,423,800	1,487,200
Hotel Occupancy Tax	601,244	636,110	661,481	690,942
Utility Taxes	452,391	471,362	476,100	483,200
Other Taxes	205,611	213,394	202,615	214,860
Total Tax Collections	\$ 50,073,275	\$ 50,230,605	\$ 53,201,391	\$ 54,934,353
Revenue By Source				
Tax Collections	\$ 50,073,275	\$ 50,230,605	\$ 53,201,391	\$ 54,934,353
Licenses, Fees, Fines, and Penalties	1,411,665	1,415,528	1,424,708	1,413,807
State Health Service Fees and Rebates	1,258,879	1,058,497	1,036,767	1,010,324
Net Lottery Proceeds	1,384,932	1,522,704	1,431,293	1,454,194
Land Income	(4,018)	7,852	8,705	8,134
Interest and Investment Income	1,246,684	1,687,060	1,771,723	1,767,321
Settlements of Claims	517,459	617,692	537,267	478,667
Escheated Estates	636,257	693,355	785,219	706,103
Sales of Goods and Services	127,962	132,841	130,679	133,156
Other Revenue	501,553	501,405	450,728	445,113
Total Net Revenue	\$ 57,154,648	\$ 57,867,538	\$ 60,778,480	\$ 62,351,172

Note: Totals may not sum because of rounding.
 SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-13

**Percent Change in State Revenue, by Source and Fiscal Year
General Revenue-Related**

	2018 Actual	2019 Actual	2020 Estimated	2021 Estimated
Tax Collections				
Sales Taxes	7.3 %	(3.4) %	9.9 %	3.5 %
Motor Vehicle Sales and Rental Taxes	9.7	0.7	0.9	0.9
Motor Fuel Taxes	2.8	2.8	1.6	1.6
Franchise Tax	3.6	4.7	3.1	3.5
Oil Production Tax	60.9	14.6	0.0	1.6
Insurance Taxes	5.6	3.6	2.9	5.1
Cigarette and Tobacco Taxes	(10.1)	5.8	(11.8)	4.2
Natural Gas Production Tax	45.6	17.8	(12.0)	6.8
Alcoholic Beverages Taxes	6.1	6.0	4.0	4.5
Hotel Occupancy Tax	13.3	5.8	4.0	4.5
Utility Taxes	3.0	4.2	1.0	1.5
Other Taxes	108.2	3.8	(5.1)	6.0
Total Tax Collections	10.4 %	0.3 %	5.9 %	3.3 %
Revenue By Source				
Tax Collections	10.4 %	0.3 %	5.9 %	3.3 %
Licenses, Fees, Fines, and Penalties	0.5	0.3	0.6	(0.8)
State Health Service Fees and Rebates	1.9	(15.9)	(2.1)	(2.6)
Net Lottery Proceeds	15.3	9.9	(6.0)	1.6
Land Income	(127.4)	(295.4)	10.9	(6.6)
Interest and Investment Income	17.5	35.3	5.0	(0.2)
Settlements of Claims	2.6	19.4	(13.0)	(10.9)
Escheated Estates	(35.0)	9.0	13.2	(10.1)
Sales of Goods and Services	4.1	3.8	(1.6)	1.9
Other Revenue	22.7	(0.0)	(10.1)	(1.2)
Total Net Revenue	9.3 %	1.2 %	5.0 %	2.6 %

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-14
State Revenue, by Source and Biennium
General Revenue-Related

	Thousands of Dollars		
	2016-17 Actual	2018-19 Actual	2020-21 Estimated
Tax Collections			
Sales Taxes	\$ 56,933,284	\$ 60,727,319	\$ 66,689,730
Motor Vehicle Sales and Rental Taxes	9,071,666	9,897,902	10,067,286
Motor Fuel Taxes	1,886,573	1,988,997	2,064,995
Franchise Tax	5,576,770	5,791,958	6,214,900
Oil Production Tax	3,811,618	7,278,341	7,837,502
Insurance Taxes	4,600,582	5,105,102	5,483,274
Cigarette and Tobacco Taxes	1,186,809	1,155,971	1,070,720
Natural Gas Production Tax	1,561,562	3,116,787	3,067,139
Alcoholic Beverages Taxes	2,400,259	2,661,391	2,911,000
Hotel Occupancy Tax	1,051,868	1,237,354	1,352,423
Utility Taxes	874,030	923,753	959,300
Other Taxes	177,955	419,005	417,475
Total Tax Collections	\$ 89,132,977	\$ 100,303,880	\$ 108,135,744
Revenue By Source			
Tax Collections	\$ 89,132,977	\$ 100,303,880	\$ 108,135,744
Licenses, Fees, Fines, and Penalties	2,881,542	2,827,193	2,838,515
State Health Service Fees and Rebates	2,652,472	2,317,376	2,047,091
Net Lottery Proceeds	2,505,352	2,907,636	2,885,487
Land Income	29,038	3,834	16,839
Interest and Investment Income	2,168,619	2,933,745	3,539,044
Settlements of Claims	1,098,828	1,135,150	1,015,934
Escheated Estates	1,527,208	1,329,612	1,491,322
Sales of Goods and Services	245,571	260,803	263,835
Other Revenue	826,774	1,002,958	895,841
Total Net Revenue	\$ 103,068,381	\$ 115,022,186	\$ 123,129,652

Note: Totals may not sum because of rounding.
 SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-15
**Percent Change in State Revenue, by Source and Biennium
 General Revenue-Related**

	2016-17 Actual	2018-19 Actual	2020-21 Estimated
Tax Collections			
Sales Taxes	1.6 %	6.7 %	9.8 %
Motor Vehicle Sales and Rental Taxes	4.9	9.1	1.7
Motor Fuel Taxes	3.7	5.4	3.8
Franchise Tax	(2.2)	3.9	7.3
Oil Production Tax	(43.6)	91.0	7.7
Insurance Taxes	15.1	11.0	7.4
Cigarette and Tobacco Taxes	3.8	(2.6)	(7.4)
Natural Gas Production Tax	(50.9)	99.6	(1.6)
Alcoholic Beverages Taxes	9.5	10.9	9.4
Hotel Occupancy Tax	4.0	17.6	9.3
Utility Taxes	(8.9)	5.7	3.8
Other Taxes	(46.4)	135.5	(0.4)
Total Tax Collections	(2.9) %	12.5 %	7.8 %
Revenue By Source			
Tax Collections	(2.9) %	12.5 %	7.8 %
Licenses, Fees, Fines, and Penalties	(7.2)	(1.9)	0.4
State Health Service Fees and Rebates	27.8	(12.6)	(11.7)
Net Lottery Proceeds	8.8	16.1	(0.8)
Land Income	(64.3)	(86.8)	339.2
Interest and Investment Income	25.3	35.3	20.6
Settlements of Claims	2.0	3.3	(10.5)
Escheated Estates	51.4	(12.9)	12.2
Sales of Goods and Services	0.9	6.2	1.2
Other Revenue	(4.7)	21.3	(10.7)
Total Net Revenue	(1.2) %	11.6 %	7.0 %

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-16
State Revenue, by Source and Fiscal Year
All Funds, Excluding Trust Funds

	Thousands of Dollars			
	2018 Actual	2019 Actual	2020 Estimated	2021 Estimated
Tax Collections				
Sales Taxes	\$ 31,937,235	\$ 34,023,916	\$ 35,650,870	\$ 36,850,221
Motor Vehicle Sales and Rental Taxes	4,973,441	5,010,592	5,062,666	5,130,095
Motor Fuel Taxes	3,674,997	3,743,004	3,804,597	3,865,967
Franchise Tax	3,685,940	4,217,869	4,344,400	4,492,400
Oil Production Tax	3,391,518	3,886,824	3,887,273	3,950,229
Insurance Taxes	2,508,434	2,599,025	2,674,794	2,810,588
Cigarette and Tobacco Taxes	1,320,540	1,410,391	1,226,099	1,297,890
Natural Gas Production Tax	1,431,106	1,685,681	1,482,832	1,584,307
Alcoholic Beverages Taxes	1,291,989	1,369,402	1,423,800	1,487,200
Hotel Occupancy Tax	601,244	636,110	661,481	690,942
Utility Taxes	452,391	471,362	476,100	483,200
Other Taxes	315,941	326,547	316,942	330,796
Total Tax Collections	\$ 55,584,775	\$ 59,380,722	\$ 61,011,854	\$ 62,973,835
Revenue By Source				
Tax Collections	\$ 55,584,775	\$ 59,380,722	\$ 61,011,854	\$ 62,973,835
Federal Income	39,618,568	41,904,474	44,123,392	43,767,261
Licenses, Fees, Fines, and Penalties	6,477,380	6,542,087	6,598,265	6,693,533
State Health Service Fees and Rebates	7,598,886	7,087,932	5,653,201	5,663,809
Net Lottery Proceeds	2,228,779	2,510,143	2,285,700	2,345,503
Land Income	2,061,067	2,251,226	2,227,123	2,418,143
Interest and Investment Income	1,849,033	2,504,409	2,207,878	2,213,978
Settlements of Claims	544,138	646,535	559,542	501,150
Escheated Estates	636,257	693,355	785,219	706,103
Sales of Goods and Services	285,146	278,865	320,075	322,502
Other Revenue	3,281,588	4,141,655	3,041,946	3,283,535
Total Net Revenue	\$ 120,165,619	\$ 127,941,402	\$ 128,814,195	\$ 130,889,352

Note: Excludes local funds and deposits by semi-independent agencies. Includes certain state revenues deposited in the State Treasury but not appropriated.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-17

**Percent Change in State Revenue, by Source and Fiscal Year
All Funds, Excluding Trust Funds**

	2018 Actual	2019 Actual	2020 Estimated	2021 Estimated
Tax Collections				
Sales Taxes	10.5 %	6.5 %	4.8 %	3.4 %
Motor Vehicle Sales and Rental Taxes	9.7	0.7	1.0	1.3
Motor Fuel Taxes	2.5	1.9	1.6	1.6
Franchise Tax	13.7	14.4	3.0	3.4
Oil Production Tax	60.9	14.6	0.0	1.6
Insurance Taxes	5.6	3.6	2.9	5.1
Cigarette and Tobacco Taxes	(13.3)	6.8	(13.1)	5.9
Natural Gas Production Tax	45.6	17.8	(12.0)	6.8
Alcoholic Beverages Taxes	6.1	6.0	4.0	4.5
Hotel Occupancy Tax	13.3	5.8	4.0	4.5
Utility Taxes	3.0	4.2	1.0	1.5
Other Taxes	51.5	3.4	(2.9)	4.4
Total Tax Collections	12.0 %	6.8 %	2.7 %	3.2 %
Revenue By Source				
Tax Collections	12.0 %	6.8 %	2.7 %	3.2 %
Federal Income	3.3	5.8	5.3	(0.8)
Licenses, Fees, Fines, and Penalties	3.5	1.0	0.9	1.4
State Health Service Fees and Rebates	13.4	(6.7)	(20.2)	0.2
Net Lottery Proceeds	8.5	12.6	(8.9)	2.6
Land Income	21.7	9.2	(1.1)	8.6
Interest and Investment Income	9.3	35.4	(11.8)	0.3
Settlements of Claims	3.2	18.8	(13.5)	(10.4)
Escheated Estates	(35.0)	9.0	13.2	(10.1)
Sales of Goods and Services	(7.5)	(2.2)	14.8	0.8
Other Revenue	10.4	26.2	(26.6)	7.9
Total Net Revenue	8.1 %	6.5 %	0.7 %	1.6 %

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-18
State Revenue, by Source and Biennium
All Funds, Excluding Trust Funds

	Thousands of Dollars		
	2016-17 Actual	2018-19 Actual	2020-21 Estimated
Tax Collections			
Sales Taxes	\$ 57,145,836	\$ 65,961,151	\$ 72,501,091
Motor Vehicle Sales and Rental Taxes	9,148,430	9,984,033	10,192,761
Motor Fuel Taxes	7,097,450	7,418,001	7,670,564
Franchise Tax	7,123,395	7,903,809	8,836,800
Oil Production Tax	3,811,618	7,278,341	7,837,502
Insurance Taxes	4,602,817	5,107,459	5,485,382
Cigarette and Tobacco Taxes	2,911,191	2,730,930	2,523,989
Natural Gas Production Tax	1,561,562	3,116,787	3,067,139
Alcoholic Beverages Taxes	2,400,259	2,661,391	2,911,000
Hotel Occupancy Tax	1,051,868	1,237,354	1,352,423
Utility Taxes	874,030	923,753	959,300
Other Taxes	391,191	642,488	647,738
Total Tax Collections	\$ 98,119,648	\$ 114,965,497	\$ 123,985,689
Revenue By Source			
Tax Collections	\$ 98,119,648	\$ 114,965,497	\$ 123,985,689
Federal Income	77,839,465	81,523,043	87,890,653
Licenses, Fees, Fines, and Penalties	12,385,993	13,019,467	13,291,798
State Health Service Fees and Rebates	14,772,116	14,686,818	11,317,010
Net Lottery Proceeds	4,273,209	4,738,922	4,631,203
Land Income	2,833,603	4,312,293	4,645,266
Interest and Investment Income	3,053,487	4,353,442	4,421,856
Settlements of Claims	1,179,492	1,190,673	1,060,692
Escheated Estates	1,527,208	1,329,612	1,491,322
Sales of Goods and Services	601,277	564,011	642,577
Other Revenue	5,890,593	7,423,243	6,325,481
Total Net Revenue	\$ 222,476,092	\$ 248,107,022	\$ 259,703,547

Note: Excludes local funds and deposits by semi-independent agencies. Includes certain state revenues deposited in the State Treasury but not appropriated.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-19

**Percent Change in State Revenue, by Source and Biennium
All Funds, Excluding Trust Funds**

	2016-17 Actual	2018-19 Actual	2020-21 Estimated
Tax Collections			
Sales Taxes	1.5 %	15.4 %	9.9 %
Motor Vehicle Sales and Rental Taxes	4.9	9.1	2.1
Motor Fuel Taxes	5.0	4.5	3.4
Franchise Tax	(24.1)	11.0	11.8
Oil Production Tax	(43.6)	91.0	7.7
Insurance Taxes	15.1	11.0	7.4
Cigarette and Tobacco Taxes	1.3	(6.2)	(7.6)
Natural Gas Production Tax	(50.9)	99.6	(1.6)
Alcoholic Beverages Taxes	9.5	10.9	9.4
Hotel Occupancy Tax	4.0	17.6	9.3
Utility Taxes	(8.9)	5.7	3.8
Other Taxes	(27.1)	64.2	0.8
Total Tax Collections	(4.4) %	17.2 %	7.8 %
Revenue By Source			
Tax Collections	(4.4) %	17.2 %	7.8 %
Federal Income	9.7	4.7	7.8
Licenses, Fees, Fines, and Penalties	3.6	5.1	2.1
State Health Service Fees and Rebates	38.6	(0.6)	(22.9)
Net Lottery Proceeds	13.3	10.9	(2.3)
Land Income	(16.9)	52.2	7.7
Interest and Investment Income	6.9	42.6	1.6
Settlements of Claims	5.7	0.9	(10.9)
Escheated Estates	51.4	(12.9)	12.2
Sales of Goods and Services	(13.0)	(6.2)	13.9
Other Revenue	11.9	26.0	(14.8)
Total Net Revenue	3.8 %	11.5 %	4.7 %

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.