

July 20, 2020

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:

The economic contraction associated with the spread of COVID-19 and recent volatility in oil markets warrants an update to the *Certification Revenue Estimate* (CRE) we published in October 2019. We now estimate the state will have \$110.19 billion in General Revenue-related (GR-R) funds available for general-purpose spending for the 2020-21 biennium, down \$11.57 billion, or 9.5 percent, from our October estimate. This results in a projected fiscal 2021 ending deficit of \$4.58 billion, a substantial downward revision from our previously projected surplus of \$2.89 billion.

The \$7.47 billion reduction to the projected ending balance from the October CRE is \$4.1 billion less than the \$11.57 billion decline in estimated available GR-R, primarily due to revised projections of GR-R costs to fund the Foundation School Program (FSP). Estimates provided by the Texas Education Agency and the Legislative Budget Board reduced the GR-R costs for the FSP due to federal funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and increased projections of local funding from property tax revenues. GR-R costs for the FSP also were partly offset by our upward revision of estimated revenue accruing to the Tax Relief and Excellence in Education Fund from sales taxes collected by online marketplace providers.

The federal government has provided significant funding to help state and local governments cover costs associated with COVID-19, *but not to replace tax revenue lost* as businesses were forced to close or reduce capacity to help slow the virus's spread. As of this writing, no additional federal legislation has been enacted extending benefits or providing more flexible assistance to states, and therefore this forecast does not assume any such assistance.

In fiscal 2021, the Economic Stabilization Fund (ESF) and State Highway Fund (SHF) each will receive \$1.1 billion in transfers from the General Revenue Fund for severance taxes collected in fiscal 2020. After accounting for appropriations and investment and interest earnings, we project an ESF fiscal 2021 ending balance of \$8.79 billion. We expect severance tax collections in fiscal 2021 to drop significantly from fiscal 2020, resulting in smaller fiscal 2022 transfers to the ESF and SHF of about \$620 million each. The SHF also will receive \$2.5 billion from sales taxes collected in each year of the biennium, although the final transfer from fiscal 2021 collections will not occur until September 2021, the first month of fiscal 2022.



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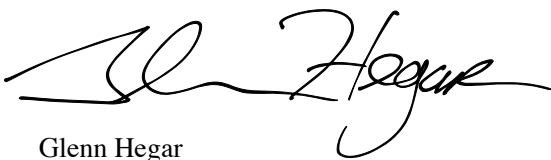
This revised estimate carries an unprecedented amount of uncertainty. We have had to make assumptions about the economic impact of COVID-19, the duration and effects of which remain largely unknown. Our forecast assumes restrictions will be lifted before the end of this calendar year, but that economic activity will not return to pre-pandemic levels by the end of this biennium. The state's economic output, employment and revenues will not return to pre-pandemic levels until consumers and businesses are confident the spread of the virus has been controlled. Even then, it likely will take some time to recover from the economic damage done by the deep recession.

Our outlook is clouded further by recent volatility in oil prices and production, which have been unpredictable even by the standards of the industry. Collapsing demand for oil, combined with a dispute between Saudi Arabia and Russia that led to an increase in supply, caused prices to plummet in March. Oil price futures even turned sharply negative on April 20, an unprecedented occurrence. Although prices have partially recovered from April lows, they remain well below where they were at the start of this year. It also is unclear when Texas producers might resume production that was recently reduced, and whether and how much bankruptcies, reductions in capital expenditures and business failures might hinder production in the coming months.

Nor do we yet know whether, and to what extent, further federal assistance might be provided to individuals, businesses and state and local governments. Federal legislation – including stimulus payments, expanded unemployment benefits and the Paycheck Protection Program – almost certainly prevented business and consumer spending from dropping even further, but many of these benefits have expired or will do so in the coming weeks.

Our office will, of course, provide a new estimate for this biennium, along with our forecast for the 2022-23 biennium, when we publish the *Biennial Revenue Estimate* in January, prior to the start of the 87th Regular Session of the Texas Legislature. In the meantime, I will continue to closely monitor the Texas economy and state revenues, and will keep you informed of any significant events as they arise.

Sincerely,



Glenn Hegar

Enclosure

cc: Jerry McGinty, Legislative Budget Board



# The 2020-2021 Certification Revenue Estimate

Revised July 2020



Every revenue forecast is clouded by uncertainty, but the current economic environment darkens this one further. This forecast, a substantial revision to our October 2019 *Certification Revenue Estimate*, relies on a series of assumptions about the future course of a virus that we are only beginning to understand and that surged in Texas in June, forcing a pause in the state's partial reopening. It remains unclear how long restrictions on gatherings and business activity will need to remain in place. Nor do we know whether there will be subsequent waves of positive cases causing economic activity to stop and start repeatedly. Further compounding this uncertainty are assumptions we must make about how consumers and businesses will respond to the spread of coronavirus in Texas, the U.S. and around the world, regardless of official restrictions on economic activity.

In addition to the pandemic, oil prices and production have been characterized by increased volatility in recent months. Demand collapsed as the virus spread across the globe, while at the same time, some prominent oil-producing nations ramped up supply, leading to futures market prices that fell well into negative territory for a day. Though oil prices have since recovered, they remain well below where they were at the start of this year, and production in Texas has declined in response.

The federal government responded in the early weeks of the pandemic, passing significant legislation that provided substantial aid to individuals, businesses and state and local governments. But some of that aid is set to expire in the coming weeks, and much of the federal support to state governments is restricted to costs associated with pandemic response. States are not allowed to use it to replace revenue lost as a result of actions taken

to slow the virus's spread. It remains unclear if or when further federal assistance might be forthcoming.

As a result of these and other uncertainties, there are substantial risks to this forecast, on both the upside and downside. If the spread of the virus slows or stops sooner than anticipated, if consumers and businesses return to pre-pandemic levels of economic activity more readily than assumed, or if the federal government provides more aid, we may finish the 2020-21 biennium with more revenue than projected here. On the other hand, if COVID-19 case counts continue to increase or accelerate, if there is a substantial new wave of infections nationally or in Texas in the fall or winter, or if consumers and businesses are slower to resume economic activity than we assumed, revenue collected this biennium could fall short, perhaps far short, of this forecast.

## Forecast Assumptions

The forecast assumes that most COVID-19-related restrictions on business will be lifted by fall and economic activity will begin to slowly return toward normal levels. It assumes that there will be no further government-mandated business closures or limitations once current restrictions are fully lifted. It also assumes another economic slowdown starting in July as a result of the recent surge in COVID-19 cases, but no further waves of infections sufficient to cause economic activity to stall as it did in the spring of this year. It instead projects a slow return toward normal economic activity starting this fall.

Nonetheless, economic output, employment and state revenues will not return to pre-pandemic levels before the end of this biennium. Individuals' lingering reticence to gather and the ongoing impact of unemployment, bankruptcies and other signs of economic

destruction associated with COVID-19 will remain a drag on the economy through the end of fiscal 2021. We think it is unlikely that economic activity in the state will return to pre-pandemic levels until people are confident that the virus’s spread has been contained. Low oil prices also will hinder economic growth in Texas.

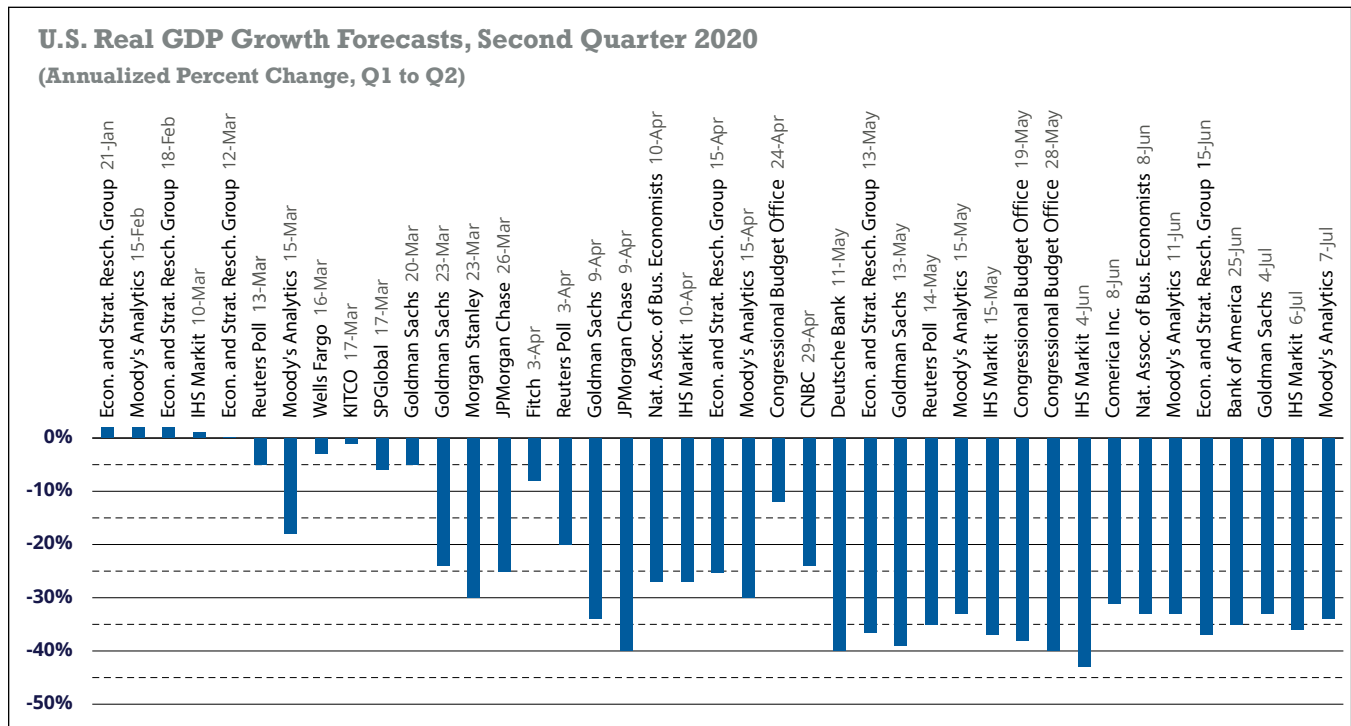
### An Uncertain Outlook

Economic output in the U.S. and Texas likely fell by historically large amounts in the second quarter of calendar 2020. Given the unprecedented nature of the economic contraction associated with actions taken to slow the spread of COVID-19, forecasting services have made numerous significant revisions to their forecasts

of economic growth for this year and next. The ever-worsening updates to second quarter 2020 real GDP growth forecasts exemplify the uncertainty surrounding projections made during the pandemic.

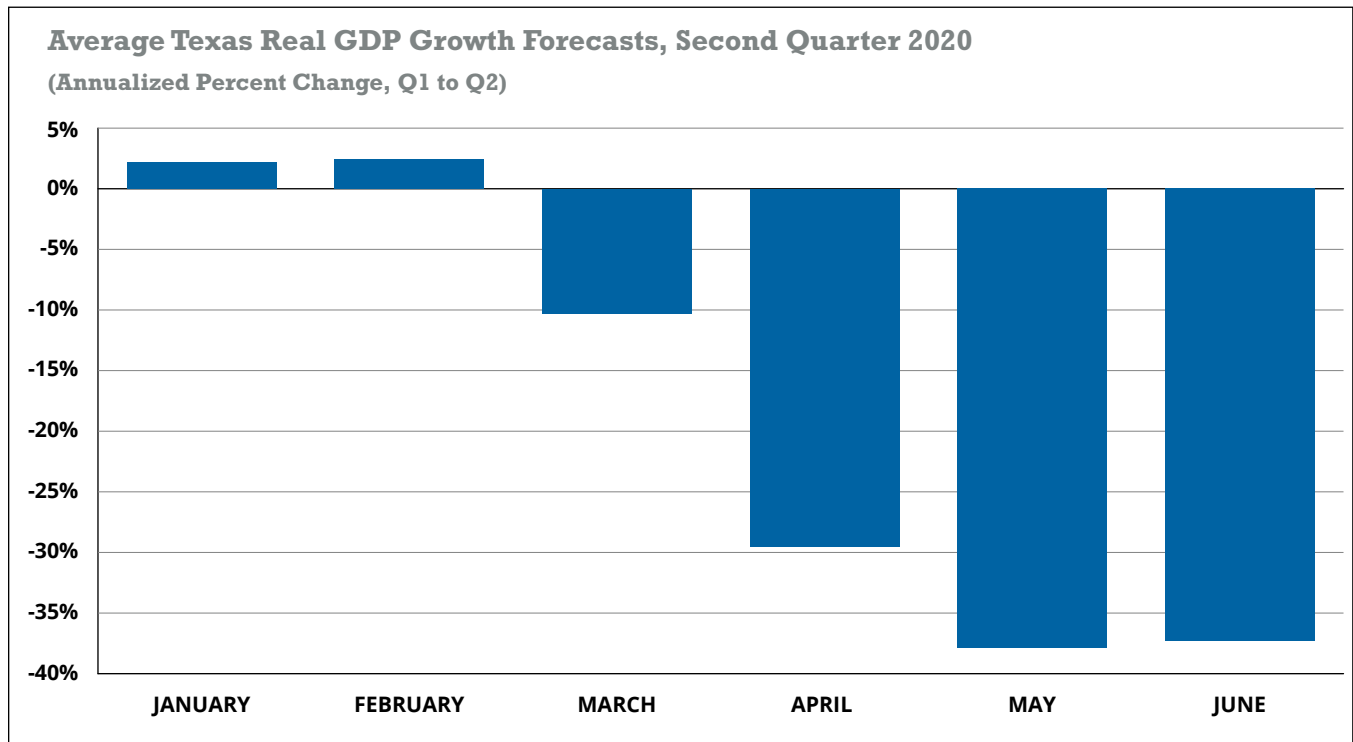
**Exhibit 1** shows forecasts for second quarter annualized U.S. real GDP growth from several sources. As the pandemic’s spread in the U.S. became apparent and states began to shut down much economic activity in an attempt to contain it, forecasts in the second quarter moved from projections of modest positive growth to modest decline, then to record-breaking contraction. By April, most forecasts pointed to a historic quarterly decline in economic output, and projections continued to deteriorate as more economic data came in through the end of May.

**Exhibit 1**



Note: The Texas Comptroller of Public Accounts would like to thank the New Jersey State Treasurer’s Office of Revenue and Economic Analysis for providing sources for many of the estimates in Exhibit 1, which is similar to a chart in its May 2020 Report on the Financial Condition of the State Budget for the Years 2020 and 2021. (<https://www.nj.gov/treasury/omb/publications/NJ-Financial-Condition.pdf>)

**Exhibit 2**



SOURCES: IHS Markit, Moody’s Analytics and Texas Comptroller of Public Accounts.

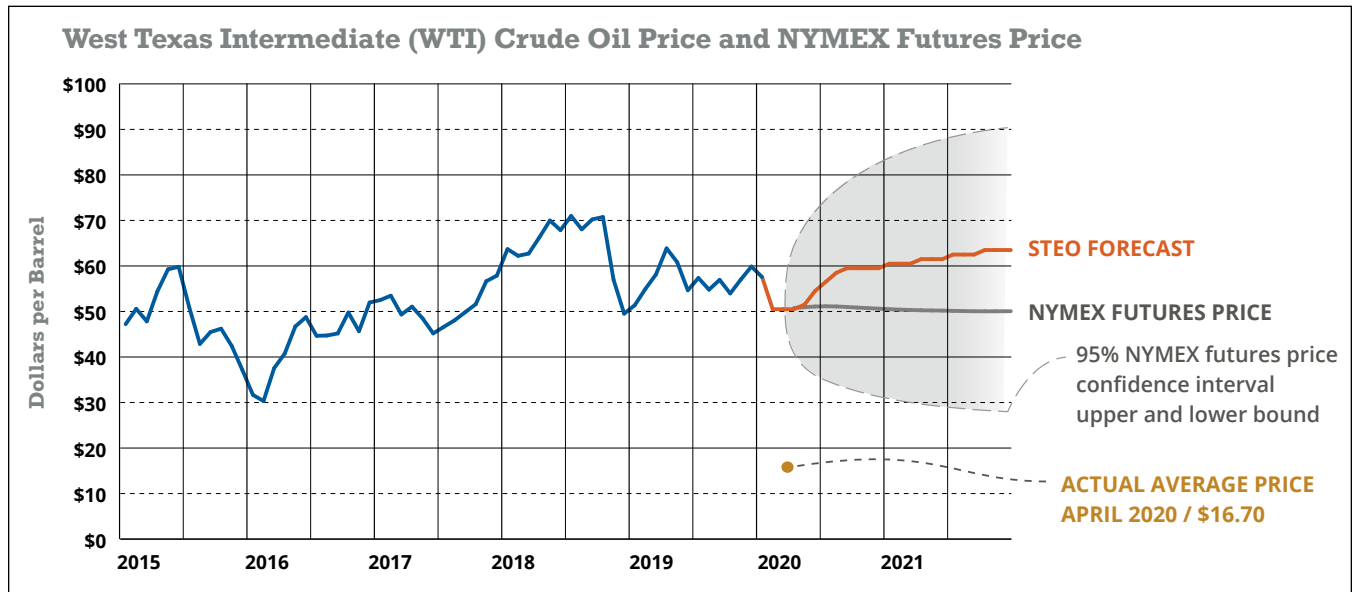
**Exhibit 2** shows the average forecast for Texas real GDP growth in the second quarter, taken from two forecasting services to which we subscribe. These follow a similar pattern to the U.S. forecasts, with estimates in January and February projecting modest growth, followed by successive downward revisions in the following months before improving slightly in June.

Uncertainty about how future economic activity might be affected by the spread of COVID-19 is exacerbated by inherent oil price volatility and its consequences in Texas, which is far and away the nation’s leading oil-producing state. Oil and natural gas prices can be unpredictable even when the overall economy is growing steadily. Recent events have only added to the uncertainty surrounding energy prices. This year, we have already seen unprecedented price swings even by the volatile standards of oil price changes. Thanks to a sudden collapse in global demand for oil, coupled with

a disagreement between Saudi Arabia and Russia about production cuts that led to an anticipated increase in supply, oil prices fell sharply in March and then again in April. As NYMEX futures contracts for May delivery were about to roll over to June contracts, NYMEX prices turned negative, falling to about -\$40 per barrel on April 20.

**Exhibit 3** shows the February oil price forecast from the U.S. Energy Information Administration’s (EIA) Short-Term Energy Outlook (STEO). The NYMEX price history for March through June, compared with the EIA February forecast, shows how substantially actual oil prices may deviate from forecasts, even in the short run. EIA’s February forecast had a 95 percent confidence interval, based on NYMEX futures prices, with lower and upper bounds for average April prices of \$39.95 and \$64.50, respectively. The average NYMEX price for April was \$16.70.

**Exhibit 3**



Note: Confidence interval derived from options market information for the five trading days ending February 6, 2020. Intervals not calculated for months with sparse trading in near-the-money options contracts.

SOURCES: U.S. Energy Information Administration Short-Term Energy Outlook, February 2020, and CME Group.

Our forecast assumes average prices in fiscal 2021 of about \$41 per barrel and lower average production than in fiscal 2020, leading to a 36 percent drop in oil production tax revenues from the first to the second year of this biennium. Natural gas production is now closely tied to oil production in Texas, given the prevalence of associated gas produced by oil wells. We thus expect natural gas production and tax revenue to decline in fiscal 2021.

Many sources of revenue in Texas, especially tax revenue, are correlated with various indicators of economic growth, but those correlations may not be as strong as in the past. While we expect economic growth will return – and likely already has – after a historic contraction during the second quarter of this calendar year, some tax revenues may be slower to respond than has been the case in the wake of previous recessions or natural disasters. We anticipate, for example, that travel, particularly business travel, is likely to remain curtailed at least through the end of this biennium, which could affect

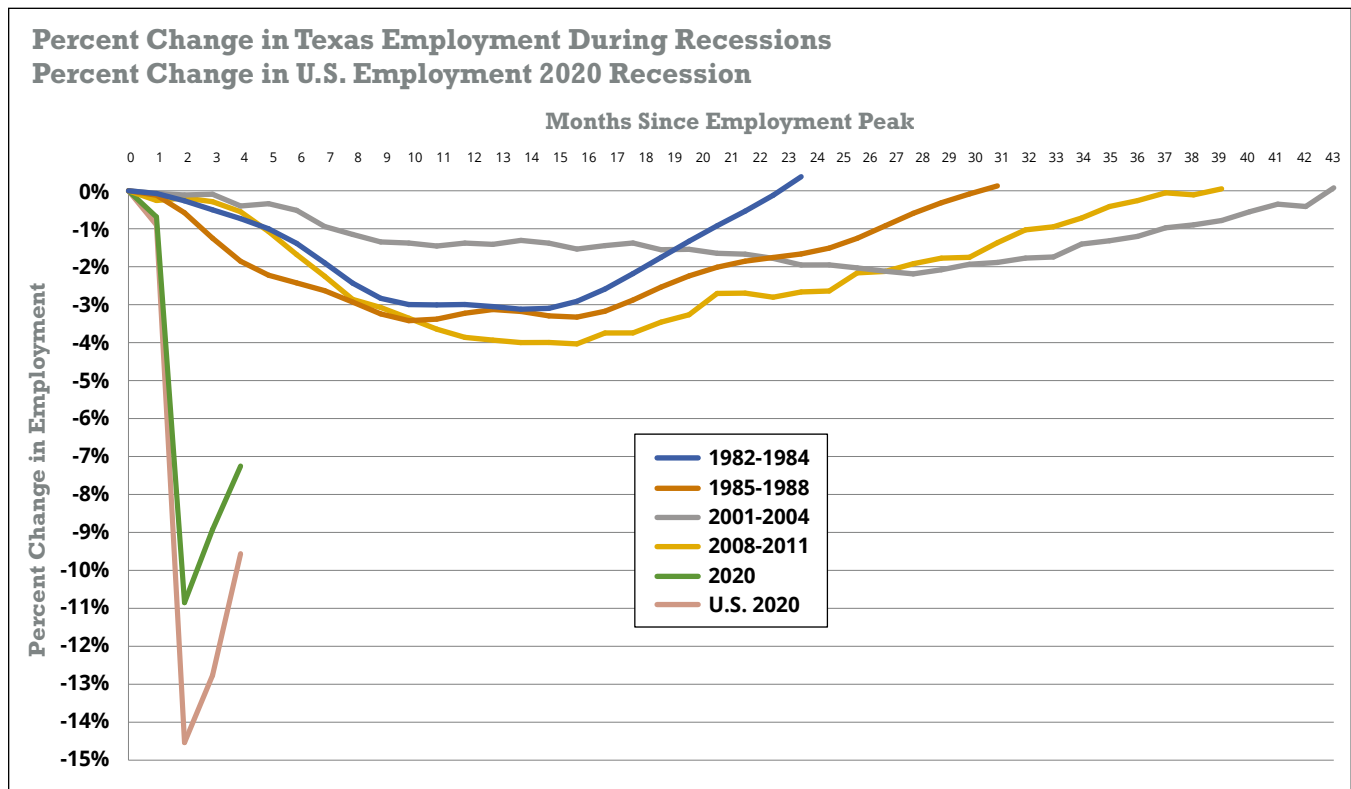
collections of hotel taxes, motor vehicle rental taxes, mixed beverage taxes and even sales taxes, particularly if events that draw out-of-state visitors are canceled.

To the extent people are reluctant to resume activities where crowds may be present, tax revenue from restaurants, bars, sporting events, concerts, festivals and the like will continue to fall short of prior expectations. We do not anticipate such activity to return to pre-pandemic levels this biennium, and our forecast reflects that assumption.

**A Word of Caution About Economic Data**

In the coming months, some economic indicators will establish new records for rates of growth. Those records, however, will be made possible by the unprecedented declines earlier this year, and the rebound will still leave many measures of economic health below their pre-pandemic levels. This already has happened, for example, with U.S. and Texas employment, as can be

**Exhibit 4**



SOURCES: Texas Workforce Commission, U.S. Department of Labor, Moody’s Analytics and Texas Comptroller of Public Accounts.

seen in **Exhibit 4**. Texas added a record-high 250,100 jobs in May, an increase of more than 2 percent from April. But this followed a loss of more than 1.4 million jobs in March and April, a drop of nearly 11 percent from peak employment in February. Despite the record increase in May employment, there were nearly 1.2 million fewer Texans employed than just three months earlier. U.S. employment has followed a similar pattern.

**Exhibit 4** also demonstrates how much more quickly Texas and U.S. employment fell compared to previous recessions. Texas lost far more jobs in just two months than were cumulatively lost over the many months it took to get from peak to trough in prior recessions. During the recession caused by the 2007-09 financial crisis, it took Texas employment 16 months to bottom out, at 4 percent below its pre-recession peak. This year, employment fell by nearly 11 percent in just two

months. Thus, even if this turns out to be easily the shortest recession on record with robust growth going forward, there will still be a long march before enough Texans have found jobs for total employment to match February of this year.

**Revenue**

The state of Texas will have an estimated \$110.19 billion available for general-purpose spending in the 2020-21 biennium, 0.8 percent less than in 2018-19 and down \$11.57 billion, or 9.5 percent, from our October 2019 estimate. 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 \$265.84 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 \$94.12 billion, while non-tax revenue sources will produce an additional \$14.71 billion. Factoring in the estimated \$4.72 billion ending balance carried forward from 2018-19, these three sources will total \$113.55 billion. Against this amount, \$3.44 billion must be placed in reserve for future transfers to the ESF and the SHF, and \$68 million must be added for various adjustments to General Revenue-dedicated account balances (**Table 1**). GR-R spending is expected to total \$114.77 billion in the 2020-21 biennium (**Table 2**). Subtracting this amount from the projected \$110.19 billion available for general-purpose spending leaves an estimated 2020-21 ending deficit of \$4.58 billion (**Table 3**).

The expected drop in the GR-R ending balance is mitigated by significant reductions in projected state costs associated with the Foundation School Program (FSP), based on estimates provided by the Texas Education Agency and the Legislative Budget Board. Some of the reduction is attributable to more than \$1 billion in increased federal funding used in lieu of general revenue, and some is from lower state costs associated with higher property values than previously forecast and other

adjustments to factors that determine state funding for public schools. Revenue from sales taxes collected by online marketplace providers, dedicated to the Tax Relief and Excellence in Education Fund, also has exceeded previous expectations, reducing the draw on general revenue funds for the FSP.

In fiscal 2021, the ESF and SHF each will receive \$1.1 billion in transfers from the General Revenue Fund for severance taxes collected in fiscal 2020. After accounting for appropriations and investment and interest earnings, we project an ESF fiscal 2021 ending balance of \$8.79 billion. We expect severance tax collections in fiscal 2021 to drop significantly from fiscal 2020, resulting in smaller fiscal 2022 transfers to the ESF and SHF of about \$620 million each. The SHF also will receive \$2.5 billion from sales tax collections both years of the biennium, though the final transfer from fiscal 2021 collections will not occur until September 2021, the first month of fiscal 2022.

In projecting the ending balance of GR-R funds, we have not included the impact of instructions from the Governor, Lieutenant Governor and Speaker of the House that most agencies reduce spending by 5 percent of 2020-21 GR-R appropriations. To the extent those savings are realized, the projected ending balance shortfall will be reduced.

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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.

The spreadsheets in this report are available in accessible data form (Excel) at <https://comptroller.texas.gov/transparency/reports/certification-revenue-estimate/2020-21-update/docs/cre-2020-21-update.xlsx>.



TABLE 1  
**General Revenue-Related Funds, by Source and Biennium**

(In Millions of Dollars)

	2018-19	2020-21	Percent Change
<b>TAX COLLECTIONS</b>			
Sales Taxes	\$ 60,727	\$ 60,585	(0.2) %
Motor Vehicle Sales and Rental Taxes	9,898	8,609	(13.0)
Motor Fuel Taxes	1,989	1,829	(8.0)
Franchise Tax	5,792	5,704	(1.5)
Oil Production Tax	7,278	5,030	(30.9)
Insurance Taxes	5,105	5,377	5.3
Cigarette and Tobacco Taxes	1,156	1,093	(5.4)
Natural Gas Production Tax	3,117	1,815	(41.8)
Alcoholic Beverages Taxes	2,661	2,135	(19.8)
Hotel Occupancy Tax	1,237	837	(32.4)
Utility Taxes	924	927	0.3
Other Taxes	419	182	(56.6)
<b>TOTAL TAX COLLECTIONS</b>	<b>\$ 100,304</b>	<b>\$ 94,124</b>	<b>(6.2) %</b>
<b>NON-TAX COLLECTIONS</b>			
Licenses, Fees, Fines, and Penalties	2,827	2,560	(9.5) %
State Health Service Fees and Rebates	2,317	1,957	(15.5)
Net Lottery Proceeds	2,908	3,071	5.6
Land Income	4	17	339.2
Interest and Investment Income	2,934	3,434	17.1
Settlements of Claims	1,135	1,077	(5.1)
Escheated Estates	1,330	1,380	3.8
Sales of Goods and Services	261	264	1.2
Other Revenue	1,003	949	(5.4)
<b>TOTAL NON-TAX COLLECTIONS</b>	<b>\$ 14,718</b>	<b>\$ 14,709</b>	<b>(0.1) %</b>
<b>TOTAL NET REVENUE</b>	<b>\$ 115,022</b>	<b>\$ 108,833</b>	<b>(5.4) %</b>
<b>BALANCES AND ADJUSTMENTS</b>			
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	68	
Reserve for Transfers to Economic Stabilization and State Highway Funds	(6,099)	(3,437)	
<b>TOTAL BALANCES AND ADJUSTMENTS</b>	<b>\$ (3,927)</b>	<b>\$ 1,352</b>	
<b>TOTAL GENERAL REVENUE-RELATED FUNDS AVAILABLE FOR CERTIFICATION</b>	<b>\$ 111,095</b>	<b>\$ 110,186</b>	<b>(0.8) %</b>

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**	(4,271)
Emergency Appropriations and Reductions, and Other Legislation Making Appropriations, net***	<u>180</u>
<b>TOTAL</b>	<b><u><u>\$ 114,769</u></u></b>

\* 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 a reduction in General Revenue costs as a result of: (1) a revised estimate of local property tax revenue, (2) federal relief funds used in lieu of state funds, (3) revisions of estimated revenue to the Property Tax Relief and Tax Reduction and Excellence in Education Funds and (4) adjustments to fiscal year end settle-up payments to the Texas Retirement System 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)

<b>FISCAL 2020 BALANCES</b>		
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 Oil Spill Fund Account	(0)	
Less: Reserve for Economic Stabilization and State Highway Funds Transfer	(3,331)	
Beginning Balances in Funds 2 and 3	431	
<b>BALANCES AVAILABLE FOR CERTIFICATION</b>		<b>\$ 4,721</b>
<b>FISCAL 2020-21 REVENUES</b>		
Estimated Tax Collections	\$ 94,124	
Estimated Other Revenue	14,709	
<b>TOTAL ESTIMATED NET REVENUE</b>		<b>\$ 108,833</b>
<b>FISCAL 2020-21 OTHER ADJUSTMENTS</b>		
Change in Dedicated General Revenue Account Balances	\$ 68	
Reserve for Economic Stabilization and State Highway Funds Transfers	(3,437)	
		<b>\$ (3,368)</b>
<b>TOTAL FISCAL 2020-21 ESTIMATED AVAILABLE REVENUE AND BALANCES</b>		<b>\$ 110,186</b>
Less: Fiscal 2020-21 Estimated Expenditures		(114,769)
<b>FISCAL 2020-21 ENDING CERTIFICATION BALANCE</b>		<b>\$ (4,583)</b>

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 2012-2021**

Summer 2020 Forecast

	2012	2013	2014	2015	2016	2017	2018	2019	2020*	2021*
<b>TEXAS ECONOMY</b>										
Real Gross Domestic Product (Billion 2012 \$)	1,395	1,460	1,505	1,586	1,599	1,631	1,695	1,770	1,703	1,693
<i>Annual percent change</i>	4.9	4.7	3.1	5.4	0.8	2.0	3.9	4.4	(3.8)	(0.6)
Gross Domestic Product (Billion Current \$)	1,390	1,482	1,559	1,574	1,557	1,636	1,770	1,868	1,787	1,789
<i>Annual percent change</i>	6.4	6.6	5.2	1.0	(1.1)	5.1	8.2	5.5	(4.3)	0.1
Personal Income (Billion Current \$)	1,110	1,156	1,225	1,280	1,270	1,333	1,426	1,503	1,560	1,543
<i>Annual percent change</i>	7.0	4.1	6.0	4.5	(0.7)	5.0	7.0	5.4	3.8	(1.1)
Nonfarm Employment (Thousands)	10,825	11,163	11,493	11,821	11,975	12,168	12,437	12,733	12,434	12,437
<i>Annual percent change</i>	2.6	3.1	3.0	2.9	1.3	1.6	2.2	2.4	(2.3)	0.0
Resident Population (Thousands)	26,027	26,436	26,905	27,403	27,855	28,245	28,589	28,950	29,293	29,631
<i>Annual percent change</i>	1.7	1.6	1.8	1.9	1.6	1.4	1.2	1.3	1.2	1.2
Unemployment Rate (Percent)	7.0	6.4	5.4	4.5	4.5	4.5	3.9	3.6	7.3	7.9
Oil Price (NYMEX; \$ per Barrel)	\$ 94.28	\$ 93.65	\$ 101.05	\$ 64.94	\$ 41.40	\$ 48.77	\$ 60.58	\$ 59.62	\$ 45.00	\$ 41.00
Natural Gas Price (NYMEX; \$ per MCF)	\$ 3.10	\$ 3.48	\$ 4.18	\$ 3.34	\$ 2.30	\$ 3.04	\$ 2.88	\$ 2.99	\$ 2.10	\$ 2.45
<b>U.S. ECONOMY</b>										
Real Gross Domestic Product (Billion 2012 \$)	16,138	16,389	16,792	17,322	17,600	17,984	18,523	18,963	17,962	18,115
<i>Annual percent change</i>	2.3	1.6	2.5	3.2	1.6	2.2	3.0	2.4	(5.3)	0.8
Consumer Price Index (1982-84=100)	228.5	232.3	236.0	236.8	238.9	243.8	249.7	254.4	257.5	260.7
<i>Annual percent change</i>	2.4	1.6	1.6	0.3	0.9	2.1	2.4	1.9	1.2	1.2
Personal Consumption Expenditures Index (2012=100)	99.6	101.0	102.6	103.0	103.7	105.4	107.6	109.3	110.3	111.0
<i>Annual percent change</i>	2.1	1.5	1.5	0.4	0.7	1.7	2.1	1.5	0.9	0.7
Prime Interest Rate (Percent)	3.3	3.3	3.3	3.3	3.4	3.9	4.7	5.4	3.9	3.3

\* 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
<b>REVENUE AND BEGINNING FUND BALANCES</b>		
General Revenue-Related Adjusted Fund Balance*	\$ 4,720,816	\$ (679,132)
General Revenue-Related Revenue**	55,846,136	52,987,023
Adjustment to Dedicated Account Balances	34,092	34,092
<b>TOTAL REVENUE AND BEGINNING FUND BALANCES</b>	<b>\$ 60,601,043</b>	<b>\$ 52,341,982</b>
<b>PROBABLE DISBURSEMENTS AND OTHER ADJUSTMENTS</b>		
Disbursements for Foundation School Programs	\$ 19,492,230	\$ 18,653,232
State Technology and Instructional Materials Disbursements	1,091,430	10,000
Other Probable Disbursements	38,500,243	37,021,551
Reserve for Transfers to the Economic Stabilization and State Highway Funds	2,196,272	1,240,322
<b>TOTAL PROBABLE DISBURSEMENTS AND OTHER ADJUSTMENTS</b>	<b>\$ 61,280,176</b>	<b>\$ 56,925,105</b>
<b>ESTIMATED ENDING CERTIFICATION BALANCE, AUGUST 31</b>	<b>\$ (679,132)</b>	<b>\$ (4,583,122)</b>
<b>APPROPRIATION AUTHORITY</b>		
Prior-Year Authority	\$ 2,642,040	
Current-Year Authority	59,083,903	
<b>TOTAL APPROPRIATION AUTHORITY</b>	<b>\$ 61,725,943</b>	

\* 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 vehicle 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
<b>BEGINNING FUND BALANCES</b>		
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	236,617	372,930
<b>TOTAL BEGINNING FUND BALANCES</b>	<b>\$ 883,438</b>	<b>\$ 4,720,816</b>
<b>REVENUE</b>		
General Revenue Fund	\$ 109,175,823	\$ 102,148,502
Available School Fund*	2,778,223	3,416,706
State Technology and Instructional Materials Fund	29,315	25,026
Foundation School Account	3,038,825	3,242,925
<b>TOTAL REVENUE</b>	<b>\$ 115,022,185</b>	<b>\$ 108,833,159</b>
<b>OTHER ADJUSTMENTS</b>		
Change in General Revenue-Dedicated Account Balances	\$ 1,288,263	\$ 68,183
Reserve for Transfers to the Economic Stabilization and State Highway Funds	(6,098,871)	(3,436,594)
<b>TOTAL OTHER ADJUSTMENTS</b>	<b>\$ (4,810,608)</b>	<b>\$ (3,368,411)</b>
<b>TOTAL GENERAL REVENUE-RELATED REVENUE AND BALANCES</b>	<b>\$ 111,095,016</b>	<b>\$ 110,185,564</b>

\* Assumes a supplemental distribution of \$300 million to the Available School Fund in each year of the 2020-21 biennium, contingent on 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
<b>GENERAL REVENUE FUND</b>		
3004 Motor Vehicle Sales and Use Tax	\$ 4,039,097	\$ 3,753,968
3005 Motor Vehicle Rental Tax	267,416	196,066
3007 Gasoline Tax	2,527,601	2,518,561
3008 Diesel Fuel Tax	912,870	907,289
3016 Motor Vehicle Sales and Use Tax—Seller Financed Motor Vehicles	154,117	157,092
3024 Driver's License Point Surcharges	0	0
3027 Driver Record Information Fees	3,006	2,384
3102 Limited Sales and Use Tax	32,861,520	31,242,700
3111 Boat and Boat Motor Sales and Use Tax	66,200	66,400
3114 Escheated Estates	681,199	698,823
3130 Franchise/Business Margins Tax	3,053,600	2,648,900
3139 Hotel Occupancy Tax	449,332	387,674
3175 Professional Fees	62,503	61,955
3186 Securities Fees	159,190	140,000
3201 Insurance Premium Taxes	2,558,691	2,526,774
3219 Insurance Maintenance Tax—Workers' Compensation Division and OIEC	57,251	57,089
3230 Public Utility Gross Receipts Assessment	57,041	52,016
3233 Gas, Electric and Water Utility Tax	378,991	375,201
3250 Mixed Beverage Gross Receipts Tax	389,866	361,902
3251 Mixed Beverage Sales Tax	479,214	441,764
3253 Liquor Tax	94,538	96,714
3258 Beer Tax	104,657	102,700
3275 Cigarette Tax	331,200	339,000
3278 Cigar and Tobacco Products Tax	215,524	207,411
3290 Oil Production Tax	3,075,897	1,954,222
3291 Natural Gas Production Tax	984,114	831,188
3849 Tobacco Suit Settlement Receipts	438,528	437,800
3854 Interest Other - General, Non-Program	1,125	1,125
3950 Allocations to General Revenue from Special Funds	33,313	21,322
3952 Allocation of Uncompensated Care and Disproportionate Share Revenues	237,615	199,310
Other General Revenue Fund Revenue	2,790,399	2,597,126
3901 Less: Motor Fuel Taxes Allocation to State Highway Fund	(2,539,176)	(2,510,696)
3925 Less: Sales Taxes Allocation to State Highway Fund	(2,500,000)	(1,151,717)
3928 Less: Motor Vehicle Sales Taxes Allocation to State Highway Fund	0	0
<b>SUBTOTAL, GENERAL REVENUE FUND</b>	<b>\$ 52,426,439</b>	<b>\$ 49,722,063</b>
<b>SCHOOL FUNDS*</b>		
3851 Interest on State Deposits/Investments - General, Non-Program	\$ 3,634	\$ 1,128
3910 Allocation from Permanent School Fund to Available School Fund**	1,705,972	1,705,972
3922 State Gain from Lottery Proceeds	1,606,000	1,465,045
Other School Funds Revenue	104,091	92,815
<b>SUBTOTAL, SCHOOL FUNDS</b>	<b>\$ 3,419,697</b>	<b>\$ 3,264,960</b>
<b>TOTAL ESTIMATED NET GENERAL REVENUE-RELATED FUNDS</b>	<b>\$ 55,846,136</b>	<b>\$ 52,987,023</b>

\* 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 2020-21 biennium, contingent on 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	\$ 146,261	\$ 146,275
27 Coastal Protection	497	11,107
64 State Parks	46,946	51,401
151 Clean Air	64,139	73,445
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	14,311	14,928
469 Compensation to Victims of Crime	66,510	67,794
549 Waste Management	37,713	38,321
550 Hazardous and Solid Waste Remediation Fees	29,065	29,224
655 Petroleum Storage Tank Remediation	16,449	16,379
5000 Solid Waste Disposal Fees	11,631	11,863
5007 Commission on State Emergency Communications	19,350	19,350
5025 Lottery*	538,772	529,658
5050 9-1-1 Service Fees	42,200	42,200
5064 Volunteer Fire Department Assistance	21,198	21,192
5071 Emissions Reduction Plan**	109,283	101,495
5073 Fair Defense	26,417	35,377
5080 Quality Assurance	69,008	69,008
5094 Operating Permit Fees	40,548	39,850
5111 Designated Trauma Facility and EMS	93,545	112,954
5155 Oil and Gas Regulation and Cleanup	75,670	73,704
Other Accounts	889,128	906,335
<b>TOTAL ESTIMATED GENERAL REVENUE-DEDICATED ACCOUNTS</b>	<b><u>\$ 3,135,134</u></b>	<b><u>\$ 3,193,593</u></b>

\* 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	\$ 29,762,937	\$ 32,649,105
6	State Highway Fund	5,811,323	5,097,456
9	Game, Fish, and Water Safety Account	51,208	51,208
37	Federal Child Welfare Service Account	471,179	501,325
92	Federal Disaster Account	543,423	394,023
127	Community Affairs Federal Account	219,928	219,928
148	Federal Health, Education and Welfare Account	2,952,375	3,370,293
171	Federal School Lunch Account	1,712,339	2,246,334
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	262,472	262,472
325	Coronavirus Relief Fund	12,467,256	2,376,643
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	1,528,482	1,586,914
5091	Office of Rural Community Affairs Federal Account	67,600	67,600
	Other Funds and Accounts	185,961	185,089
<b>TOTAL ESTIMATED FEDERAL INCOME</b>		<b>\$ 56,382,561</b>	<b>\$ 49,355,025</b>

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	\$ 6,841,791	\$ 5,669,808
11	Available University Fund	1,171,454	1,207,888
193	Foundation School Account/Local Recapture – Attendance Credits	2,279,161	2,533,107
304	Property Tax Relief Fund	2,068,409	1,909,461
365	Texas Mobility Fund	444,417	540,910
573	Judicial Fund	69,574	59,020
	Disproportionate Share Revenue/State & Local Hospitals	5,460,039	5,174,976
	Appropriated Receipts	665,555	667,133
	Other Funds	3,902,812	4,271,135
<b>TOTAL ESTIMATED OTHER FUNDS REVENUE</b>		<b>\$ 22,903,212</b>	<b>\$ 22,033,438</b>

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	\$ 55,846,136	\$ 52,987,023
General Revenue-Dedicated	3,135,134	3,193,593
Federal Income	56,382,561	49,355,025
Other Funds	22,903,212	22,033,438
<b>TOTAL ESTIMATED ALL FUNDS REVENUE</b>	<b><u>\$ 138,267,043</u></b>	<b><u>\$ 127,569,079</u></b>

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
<b>ALLOCATIONS AND TRANSFERS TO OTHER FUNDS</b>		
Available School Fund–Motor Fuel Taxes	\$ 852,841	\$ 843,323
State Highway Fund–Motor Fuel Taxes	2,539,176	2,510,696
State Highway Fund–Severance Taxes	1,665,321	1,098,136
State Highway Fund–Sales Taxes	2,500,000	1,151,717
State Highway Fund–Motor Vehicle Sales Taxes	0	0
County and Road District Highway Fund–Motor Fuel Taxes	7,300	7,300
Economic Stabilization Fund–Severance Taxes	1,665,321	1,098,136
Teacher Retirement System Trust Fund (excl. health insurance)	2,017,787	2,097,819
<b>TOTAL ALLOCATIONS AND TRANSFERS TO OTHER FUNDS</b>	<b>\$ 11,247,745</b>	<b>\$ 8,807,127</b>
<b>ALLOCATIONS AND TRANSFERS TO GENERAL REVENUE-DEDICATED ACCOUNTS</b>		
Motor Fuel Allocation to Parks and Wildlife	\$ 18,170	\$ 17,950
Motor Fuel Enforcement Allocation	31,287	30,942
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 and Municipal Recreation and Parks Account–SGST	4,044	4,120
Texas Historical Commission–SGST	11,914	12,033
Foundation School Account–Occupation Taxes	1,783,494	1,433,167
Hotel Occupancy Tax–Economic Development	37,444	32,306
Texas Department of Insurance Operating Account–Insurance Maintenance Taxes	147,219	140,625
Rural Volunteer Fire Department Insurance Account–Sales Tax	2,160	2,260
<b>TOTAL ALLOCATIONS AND TRANSFERS TO GENERAL REVENUE-DEDICATED ACCOUNTS</b>	<b>\$ 2,189,974</b>	<b>\$ 1,829,150</b>
<b>TOTAL ALLOCATIONS AND TRANSFERS FROM GENERAL REVENUE</b>	<b>\$ 13,437,719</b>	<b>\$ 10,636,277</b>

**Details of the Economic Stabilization Fund – Cash Basis Reporting**

	Thousands of Dollars	
	2020	2021
<b>TOTAL BEGINNING BALANCE*</b>	\$ 10,099,210	\$ 9,698,659
<b>TRANSFERS, INTEREST AND INVESTMENT INCOME</b>		
Oil Production Tax Transfer	1,258,107	954,010
Natural Gas Production Tax Transfer	407,214	144,127
Unencumbered Balance Transfer	0	0
Interest Income	115,570	17,887
Investment Income	81,243	65,302
<b>TOTAL TRANSFERS AND INTEREST INCOME</b>	<b>\$ 1,862,134</b>	<b>\$ 1,181,325</b>
<b>APPROPRIATIONS</b>	<b>2,262,684</b>	<b>2,091,996</b>
<b>TOTAL ENDING BALANCE OF ESF</b>	<b>\$ 9,698,659</b>	<b>\$ 8,787,988</b>

\* 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 June 26, 2020.

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, Revenues and Expenditures

	Thousands of Dollars	
	2020	2021
<b>BEGINNING CASH BALANCES</b>		
Available School Fund	\$ 58,188	\$ 56,321
State Technology and Instructional Materials Fund	372,930	251,048
<b>TOTAL BEGINNING CASH BALANCES</b>	<b>\$ 431,118</b>	<b>\$ 307,369</b>
<b>ESTIMATED REVENUE</b>		
<i>Available School Fund</i>		
Total Return Allocation from Permanent School Fund*	\$ 1,705,972	\$ 1,705,972
Interest on State Deposits/Investments - General, Non-Program	3,634	1,128
Allocation from General Revenue Fund	852,841	844,906
<b>TOTAL ESTIMATED AVAILABLE SCHOOL FUND REVENUE</b>	<b>\$ 2,562,447</b>	<b>\$ 2,552,006</b>
<i>State Technology and Instructional Materials Fund</i>		
Sale of Textbooks	\$ 0	\$ 0
Interest on State Deposits/Investments - General, Non-Program	12,513	12,513
Other Revenue	0	0
<b>TOTAL ESTIMATED STATE TECHNOLOGY AND INSTRUCTIONAL MATERIALS FUND REVENUE</b>	<b>\$ 12,513</b>	<b>\$ 12,513</b>
<b>TOTAL ESTIMATED REVENUE AND BEGINNING CASH BALANCES</b>	<b>\$ 3,006,078</b>	<b>\$ 2,871,888</b>
<b>ESTIMATED EXPENDITURES</b>		
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*		
5,034,453 (prior year ADA) @ \$319	1,605,008	
5,078,066 (prior year ADA) @ \$536		2,720,684
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>\$ 2,698,709</b>	<b>\$ 2,732,955</b>
<b>ENDING CASH BALANCE</b>	<b>\$ 307,369</b>	<b>\$ 138,933</b>

\* Assumes a supplemental distribution of \$300 million to the Available School Fund in each year of the biennium, contingent on approval by the School Land Board.

\*\* Represents only state revenue.

Note: Totals may not sum because of rounding.

SOURCE: 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
<b>COST OF PUBLIC SCHOOL PROGRAMS</b>		
State Share of the Foundation School Program*	\$ 22,634,503	\$ 21,587,555
State Share of Other School Programs	17,136	17,138
Elementary and Secondary School Emergency Relief (ESSER) Fund	0	1,157,297
Local Recapture–Attendance Credits*	2,279,161	2,533,107
Local Funds Assignment and Other Local Funds*	25,097,325	24,959,830
<b>TOTAL COST OF PUBLIC SCHOOL PROGRAMS</b>	<b>\$ 50,028,125</b>	<b>\$ 50,254,928</b>
<b>FUNDING</b>		
<i>State Funds</i>		
Available School Fund**	\$ 1,605,008	\$ 2,720,684
Foundation School Account–Opening Balance	29,038	0
Foundation School Account–Occupation Taxes	1,783,494	1,433,167
Foundation School Account–Lottery Proceeds	1,606,000	1,465,045
General Revenue	14,468,690	13,034,336
Property Tax Relief Fund	2,068,409	1,909,461
Tax Reduction and Excellence in Education Fund	667,000	830,000
Economic Stabilization Fund	424,000	212,000
Elementary and Secondary School Emergency Relief (ESSER) Fund***	0	1,157,297
Total State Funds	<b>\$ 22,651,639</b>	<b>\$ 22,761,990</b>
<i>Local Funds</i>		
Local Recapture–Attendance Credits*	\$ 2,279,161	\$ 2,533,107
Local Funds Assignment and Other Local Funds	25,097,325	24,959,830
Total Local Funds	<b>\$ 27,376,486</b>	<b>\$ 27,492,937</b>
<b>TOTAL STATE AND LOCAL FUNDING</b>	<b>\$ 50,028,125</b>	<b>\$ 50,254,928</b>

### Sources of Property Tax Relief Fund Revenue

	Thousands of Dollars	
	2020	2021
<b>BEGINNING CASH BALANCE</b>	\$ 0	\$ 0
<b>REVENUE</b>		
3004 Motor Vehicle Sales and Use Tax	23,023	21,398
3130 Franchise/Business Margins Tax	1,308,700	1,135,200
3275 Cigarette Tax	716,400	733,200
3278 Cigar and Tobacco Products Tax	18,676	18,279
3851 Interest on State Deposits/Investments - General, Non-Program	1,610	1,384
<b>TOTAL REVENUE</b>	<b>\$ 2,068,409</b>	<b>\$ 1,909,461</b>
<b>NET TRANSFERS</b>	0	0
<b>APPROPRIATIONS</b>	2,068,409	1,909,461
<b>ENDING CASH BALANCE</b>	<b>\$ 0</b>	<b>\$ 0</b>

\* As appropriated in HB 1, 86th Legislature, Regular Session, and adjusted based on revised estimates of Foundation School Program costs provided by the Texas Education Agency and Legislative Budget Board.

\*\* Assumes a supplemental distribution of \$300 million to the Available School Fund in each year of the biennium, contingent on approval by the School Land Board.

\*\*\* Includes federal revenue distributed to the Texas Education Agency as a result of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act deposited to Fund 325-Coronavirus Relief Fund.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-11  
**Sources of State Highway Fund Revenue**

Object Code	Description	Thousands of Dollars	
		2020	2021
<b>STATE REVENUE</b>			
3010	Motor Fuel Lubricants Sales Tax	\$ 38,000	\$ 37,000
3014	Motor Vehicle Registration Fees	1,347,621	1,643,275
3018	Special Vehicle Permits	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	117,484	22,159
3901	Motor Fuel Taxes Allocation	2,539,176	2,510,696
3969	Severance Taxes Allocation	1,665,321	1,098,136
3925	Sales Taxes Allocation	2,500,000	1,151,717
3928	Motor Vehicle Sales Taxes Allocation	0	0
	Other Revenue	128,109	131,130
	<b>TOTAL STATE REVENUE</b>	<b>\$ 8,507,112</b>	<b>\$ 6,767,944</b>
<b>FEDERAL INCOME</b>			
3001	Federal Receipts Matched–Transportation Programs*	\$ 5,811,323	\$ 5,097,456
3701	Federal Receipts Not Matched–Other Programs	0	0
	<b>TOTAL FEDERAL INCOME</b>	<b>\$ 5,811,323</b>	<b>\$ 5,097,456</b>
	<b>TOTAL STATE HIGHWAY FUND REVENUE</b>	<b>\$ 14,318,435</b>	<b>\$ 11,865,400</b>

\* The estimate for Federal Income is based on the Texas Department of Transportation's February 2020 Cash Forecast.

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
<b>TAX COLLECTIONS</b>				
Sales Taxes	\$ 30,888,783	\$ 29,838,536	\$ 30,427,720	\$ 30,157,383
Motor Vehicle Sales and Rental Taxes	4,931,010	4,966,892	4,484,122	4,125,203
Motor Fuel Taxes	980,704	1,008,293	907,547	921,724
Franchise Tax	2,829,812	2,962,146	3,055,377	2,648,900
Oil Production Tax	3,391,518	3,886,824	3,075,901	1,954,222
Insurance Taxes	2,507,283	2,597,819	2,708,153	2,668,372
Cigarette and Tobacco Taxes	561,826	594,145	546,724	546,411
Natural Gas Production Tax	1,431,106	1,685,681	984,114	831,188
Alcoholic Beverages Taxes	1,291,989	1,369,402	1,099,653	1,035,080
Hotel Occupancy Tax	601,244	636,110	449,332	387,674
Utility Taxes	452,391	471,362	467,632	459,317
Other Taxes	205,611	213,394	136,514	45,506
<b>TOTAL TAX COLLECTIONS</b>	<b>\$ 50,073,275</b>	<b>\$ 50,230,605</b>	<b>\$ 48,342,789</b>	<b>\$ 45,780,980</b>
<b>REVENUE BY SOURCE</b>				
Tax Collections	\$ 50,073,275	\$ 50,230,605	\$ 48,342,789	\$ 45,780,980
Licenses, Fees, Fines, and Penalties	1,411,665	1,415,528	1,312,186	1,247,414
State Health Service Fees and Rebates	1,258,879	1,058,497	960,787	996,437
Net Lottery Proceeds	1,384,932	1,522,704	1,606,000	1,465,045
Land Income	(4,018)	7,852	8,705	8,134
Interest and Investment Income	1,246,684	1,687,060	1,722,548	1,711,812
Settlements of Claims	517,459	617,692	598,695	478,667
Escheated Estates	636,257	693,355	681,199	698,823
Sales of Goods and Services	127,962	132,841	130,679	133,156
Other Revenue	501,553	501,405	482,548	466,555
<b>TOTAL NET REVENUE</b>	<b>\$ 57,154,648</b>	<b>\$ 57,867,538</b>	<b>\$ 55,846,136</b>	<b>\$ 52,987,023</b>

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
<b>TAX COLLECTIONS</b>				
Sales Taxes	7.3 %	(3.4) %	2.0 %	(0.9) %
Motor Vehicle Sales and Rental Taxes	9.7	0.7	(9.7)	(8.0)
Motor Fuel Taxes	2.8	2.8	(10.0)	1.6
Franchise Tax	3.6	4.7	3.1	(13.3)
Oil Production Tax	60.9	14.6	(20.9)	(36.5)
Insurance Taxes	5.6	3.6	4.2	(1.5)
Cigarette and Tobacco Taxes	(10.1)	5.8	(8.0)	(0.1)
Natural Gas Production Tax	45.6	17.8	(41.6)	(15.5)
Alcoholic Beverages Taxes	6.1	6.0	(19.7)	(5.9)
Hotel Occupancy Tax	13.3	5.8	(29.4)	(13.7)
Utility Taxes	3.0	4.2	(0.8)	(1.8)
Other Taxes	<u>108.2</u>	<u>3.8</u>	<u>(36.0)</u>	<u>(66.7)</u>
<b>TOTAL TAX COLLECTIONS</b>	<b><u>10.4 %</u></b>	<b><u>0.3 %</u></b>	<b><u>(3.8) %</u></b>	<b><u>(5.3) %</u></b>
<b>REVENUE BY SOURCE</b>				
Tax Collections	10.4 %	0.3 %	(3.8) %	(5.3) %
Licenses, Fees, Fines, and Penalties	0.5	0.3	(7.3)	(4.9)
State Health Service Fees and Rebates	1.9	(15.9)	(9.2)	3.7
Net Lottery Proceeds	15.3	9.9	5.5	(8.8)
Land Income	(127.4)	(295.4)	10.9	(6.6)
Interest and Investment Income	17.5	35.3	2.1	(0.6)
Settlements of Claims	2.6	19.4	(3.1)	(20.0)
Escheated Estates	(35.0)	9.0	(1.8)	2.6
Sales of Goods and Services	4.1	3.8	(1.6)	1.9
Other Revenue	<u>22.7</u>	<u>(0.0)</u>	<u>(3.8)</u>	<u>(3.3)</u>
<b>TOTAL NET REVENUE</b>	<b><u>9.3 %</u></b>	<b><u>1.2 %</u></b>	<b><u>(3.5) %</u></b>	<b><u>(5.1) %</u></b>

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
<b>TAX COLLECTIONS</b>			
Sales Taxes	\$ 56,933,284	\$ 60,727,319	\$ 60,585,103
Motor Vehicle Sales and Rental Taxes	9,071,666	9,897,902	8,609,325
Motor Fuel Taxes	1,886,573	1,988,997	1,829,271
Franchise Tax	5,576,770	5,791,958	5,704,277
Oil Production Tax	3,811,618	7,278,341	5,030,123
Insurance Taxes	4,600,582	5,105,102	5,376,525
Cigarette and Tobacco Taxes	1,186,809	1,155,971	1,093,135
Natural Gas Production Tax	1,561,562	3,116,787	1,815,302
Alcoholic Beverages Taxes	2,400,259	2,661,391	2,134,733
Hotel Occupancy Tax	1,051,868	1,237,354	837,006
Utility Taxes	874,030	923,753	926,949
Other Taxes	177,955	419,005	182,020
<b>TOTAL TAX COLLECTIONS</b>	<b>\$ 89,132,977</b>	<b>\$ 100,303,880</b>	<b>\$ 94,123,769</b>
<b>REVENUE BY SOURCE</b>			
Tax Collections	\$ 89,132,977	\$ 100,303,880	\$ 94,123,769
Licenses, Fees, Fines, and Penalties	2,881,542	2,827,193	2,559,600
State Health Service Fees and Rebates	2,652,472	2,317,376	1,957,224
Net Lottery Proceeds	2,505,352	2,907,636	3,071,045
Land Income	29,038	3,834	16,839
Interest and Investment Income	2,168,619	2,933,745	3,434,360
Settlements of Claims	1,098,828	1,135,150	1,077,362
Escheated Estates	1,527,208	1,329,612	1,380,022
Sales of Goods and Services	245,571	260,803	263,835
Other Revenue	826,774	1,002,958	949,103
<b>TOTAL NET REVENUE</b>	<b>\$ 103,068,381</b>	<b>\$ 115,022,186</b>	<b>\$ 108,833,159</b>

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
<b>TAX COLLECTIONS</b>			
Sales Taxes	1.6 %	6.7 %	(0.2) %
Motor Vehicle Sales and Rental Taxes	4.9	9.1	(13.0)
Motor Fuel Taxes	3.7	5.4	(8.0)
Franchise Tax	(2.2)	3.9	(1.5)
Oil Production Tax	(43.6)	91.0	(30.9)
Insurance Taxes	15.1	11.0	5.3
Cigarette and Tobacco Taxes	3.8	(2.6)	(5.4)
Natural Gas Production Tax	(50.9)	99.6	(41.8)
Alcoholic Beverages Taxes	9.5	10.9	(19.8)
Hotel Occupancy Tax	4.0	17.6	(32.4)
Utility Taxes	(8.9)	5.7	0.3
Other Taxes	(46.4)	135.5	(56.6)
<b>TOTAL TAX COLLECTIONS</b>	<b><u>(2.9) %</u></b>	<b><u>12.5 %</u></b>	<b><u>(6.2) %</u></b>
<b>REVENUE BY SOURCE</b>			
Tax Collections	(2.9) %	12.5 %	(6.2) %
Licenses, Fees, Fines, and Penalties	(7.2)	(1.9)	(9.5)
State Health Service Fees and Rebates	27.8	(12.6)	(15.5)
Net Lottery Proceeds	8.8	16.1	5.6
Land Income	(64.3)	(86.8)	339.2
Interest and Investment Income	25.3	35.3	17.1
Settlements of Claims	2.0	3.3	(5.1)
Escheated Estates	51.4	(12.9)	3.8
Sales of Goods and Services	0.9	6.2	1.2
Other Revenue	(4.7)	21.3	(5.4)
<b>TOTAL NET REVENUE</b>	<b><u>(1.2) %</u></b>	<b><u>11.6 %</u></b>	<b><u>(5.4) %</u></b>

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
<b>TAX COLLECTIONS</b>				
Sales Taxes	\$ 31,937,235	\$ 34,023,916	\$ 33,711,138	\$ 32,247,302
Motor Vehicle Sales and Rental Taxes	4,973,441	5,010,592	4,524,142	4,162,844
Motor Fuel Taxes	3,674,997	3,743,004	3,446,723	3,432,420
Franchise Tax	3,685,940	4,217,869	4,364,077	3,784,100
Oil Production Tax	3,391,518	3,886,824	3,075,901	1,954,222
Insurance Taxes	2,508,434	2,599,025	2,709,200	2,669,433
Cigarette and Tobacco Taxes	1,320,540	1,410,391	1,281,800	1,297,890
Natural Gas Production Tax	1,431,106	1,685,681	984,114	831,188
Alcoholic Beverages Taxes	1,291,989	1,369,402	1,099,653	1,035,080
Hotel Occupancy Tax	601,244	636,110	449,332	387,674
Utility Taxes	452,391	471,362	467,632	459,317
Other Taxes	315,941	326,547	250,841	161,442
<b>TOTAL TAX COLLECTIONS</b>	<b>\$ 55,584,775</b>	<b>\$ 59,380,722</b>	<b>\$ 56,364,553</b>	<b>\$ 52,422,912</b>
<b>REVENUE BY SOURCE</b>				
Tax Collections	\$ 55,584,775	\$ 59,380,722	\$ 56,364,553	\$ 52,422,912
Federal Income	39,618,568	41,904,474	56,382,561	49,355,025
Licenses, Fees, Fines, and Penalties	6,477,380	6,542,087	6,088,724	6,507,227
State Health Service Fees and Rebates	7,598,886	7,087,932	7,674,876	7,351,666
Net Lottery Proceeds	2,228,779	2,510,143	2,368,917	2,363,352
Land Income	2,061,067	2,251,226	2,227,123	2,418,143
Interest and Investment Income	1,849,033	2,504,409	2,121,682	1,958,842
Settlements of Claims	544,138	646,535	620,965	501,145
Escheated Estates	636,257	693,355	681,199	698,823
Sales of Goods and Services	285,146	278,865	320,075	322,502
Other Revenue	3,281,588	4,141,655	3,416,368	3,669,442
<b>TOTAL NET REVENUE</b>	<b>\$ 120,165,619</b>	<b>\$ 127,941,402</b>	<b>\$ 138,267,043</b>	<b>\$ 127,569,079</b>

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**

	<b>2018 Actual</b>	<b>2019 Actual</b>	<b>2020 Estimated</b>	<b>2021 Estimated</b>
<b>TAX COLLECTIONS</b>				
Sales Taxes	10.5 %	6.5 %	(0.9) %	(4.3) %
Motor Vehicle Sales and Rental Taxes	9.7	0.7	(9.7)	(8.0)
Motor Fuel Taxes	2.5	1.9	(7.9)	(0.4)
Franchise Tax	13.7	14.4	3.5	(13.3)
Oil Production Tax	60.9	14.6	(20.9)	(36.5)
Insurance Taxes	5.6	3.6	4.2	(1.5)
Cigarette and Tobacco Taxes	(13.3)	6.8	(9.1)	1.3
Natural Gas Production Tax	45.6	17.8	(41.6)	(15.5)
Alcoholic Beverages Taxes	6.1	6.0	(19.7)	(5.9)
Hotel Occupancy Tax	13.3	5.8	(29.4)	(13.7)
Utility Taxes	3.0	4.2	(0.8)	(1.8)
Other Taxes	51.5	3.4	(23.2)	(35.6)
<b>TOTAL TAX COLLECTIONS</b>	<b><u>12.0 %</u></b>	<b><u>6.8 %</u></b>	<b><u>(5.1) %</u></b>	<b><u>(7.0) %</u></b>
<b>REVENUE BY SOURCE</b>				
Tax Collections	12.0 %	6.8 %	(5.1) %	(7.0) %
Federal Income	3.3	5.8	34.6	(12.5)
Licenses, Fees, Fines, and Penalties	3.5	1.0	(6.9)	6.9
State Health Service Fees and Rebates	13.4	(6.7)	8.3	(4.2)
Net Lottery Proceeds	8.5	12.6	(5.6)	(0.2)
Land Income	21.7	9.2	(1.1)	8.6
Interest and Investment Income	9.3	35.4	(15.3)	(7.7)
Settlements of Claims	3.2	18.8	(4.0)	(19.3)
Escheated Estates	(35.0)	9.0	(1.8)	2.6
Sales of Goods and Services	(7.5)	(2.2)	14.8	0.8
Other Revenue	10.4	26.2	(17.5)	7.4
<b>TOTAL NET REVENUE</b>	<b><u>8.1 %</u></b>	<b><u>6.5 %</u></b>	<b><u>8.1 %</u></b>	<b><u>(7.7) %</u></b>

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
<b>TAX COLLECTIONS</b>			
Sales Taxes	\$ 57,145,836	\$ 65,961,151	\$ 65,958,440
Motor Vehicle Sales and Rental Taxes	9,148,430	9,984,033	8,686,986
Motor Fuel Taxes	7,097,450	7,418,001	6,879,143
Franchise Tax	7,123,395	7,903,809	8,148,177
Oil Production Tax	3,811,618	7,278,341	5,030,123
Insurance Taxes	4,602,817	5,107,459	5,378,633
Cigarette and Tobacco Taxes	2,911,191	2,730,930	2,579,690
Natural Gas Production Tax	1,561,562	3,116,787	1,815,302
Alcoholic Beverages Taxes	2,400,259	2,661,391	2,134,733
Hotel Occupancy Tax	1,051,868	1,237,354	837,006
Utility Taxes	874,030	923,753	926,949
Other Taxes	391,191	642,488	412,283
<b>TOTAL TAX COLLECTIONS</b>	<b>\$ 98,119,648</b>	<b>\$ 114,965,497</b>	<b>\$ 108,787,465</b>
<b>REVENUE BY SOURCE</b>			
Tax Collections	\$ 98,119,648	\$ 114,965,497	\$ 108,787,465
Federal Income	77,839,465	81,523,043	105,737,586
Licenses, Fees, Fines, and Penalties	12,385,993	13,019,467	12,595,951
State Health Service Fees and Rebates	14,772,116	14,686,818	15,026,542
Net Lottery Proceeds	4,273,209	4,738,922	4,732,269
Land Income	2,833,603	4,312,293	4,645,266
Interest and Investment Income	3,053,487	4,353,442	4,080,524
Settlements of Claims	1,179,492	1,190,673	1,122,110
Escheated Estates	1,527,208	1,329,612	1,380,022
Sales of Goods and Services	601,277	564,011	642,577
Other Revenue	5,890,593	7,423,243	7,085,810
<b>TOTAL NET REVENUE</b>	<b>\$ 222,476,092</b>	<b>\$ 248,107,022</b>	<b>\$ 265,836,122</b>

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
<b>TAX COLLECTIONS</b>			
Sales Taxes	1.5 %	15.4 %	(0.0) %
Motor Vehicle Sales and Rental Taxes	4.9	9.1	(13.0)
Motor Fuel Taxes	5.0	4.5	(7.3)
Franchise Tax	(24.1)	11.0	3.1
Oil Production Tax	(43.6)	91.0	(30.9)
Insurance Taxes	15.1	11.0	5.3
Cigarette and Tobacco Taxes	1.3	(6.2)	(5.5)
Natural Gas Production Tax	(50.9)	99.6	(41.8)
Alcoholic Beverages Taxes	9.5	10.9	(19.8)
Hotel Occupancy Tax	4.0	17.6	(32.4)
Utility Taxes	(8.9)	5.7	0.3
Other Taxes	(27.1)	64.2	(35.8)
<b>TOTAL TAX COLLECTIONS</b>	<b><u>(4.4) %</u></b>	<b><u>17.2 %</u></b>	<b><u>(5.4) %</u></b>
<b>REVENUE BY SOURCE</b>			
Tax Collections	(4.4) %	17.2 %	(5.4) %
Federal Income	9.7	4.7	29.7
Licenses, Fees, Fines, and Penalties	3.6	5.1	(3.3)
State Health Service Fees and Rebates	38.6	(0.6)	2.3
Net Lottery Proceeds	13.3	10.9	(0.1)
Land Income	(16.9)	52.2	7.7
Interest and Investment Income	6.9	42.6	(6.3)
Settlements of Claims	5.7	0.9	(5.8)
Escheated Estates	51.4	(12.9)	3.8
Sales of Goods and Services	(13.0)	(6.2)	13.9
Other Revenue	11.9	26.0	(4.5)
<b>TOTAL NET REVENUE</b>	<b><u>3.8 %</u></b>	<b><u>11.5 %</u></b>	<b><u>7.1 %</u></b>

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.