JUNE/JULY 2023

FISCAL NOTES

Comptroller Analyzes State Workforce Challenges

By Brandon Vasquez

WORKING TO KEEP THE BEST EMPLOYEES WITH THE STATE OF TEXAS

We like to say Texas is the best state in the union, so it makes sense that state agencies want to hire and keep the best employees. State government is Texas' largest employer, with more than 137,000 full-time employees (FTEs) in state agencies and another 190,000 FTEs in institutions of higher learning — nearly a third of a million FTEs.

The Comptroller of Public Accounts analyzed the state government workforce and factors affecting state employee retention and turnover to create *A Report on the Texas State Employee Workforce*. This analysis, which used FTE data from fiscal 2019-2023, does not include FTEs at institutions of higher education, as they do not have the same wage structure and retirement system as state agencies.

The Comptroller's office used data from the Centralized Accounting and Payroll/Personnel System (CAPPS), which the agency developed and maintains, along with data from previous human resource/payroll systems in its analysis. The systems' data for 2019 through 2023 include demographic and payroll information providing unique insight into the state workforce. The state employee workforce report aligns with the findings from the Texas Workforce Commission's (TWC) *Current Employment Statistics Report* database showing the trend of private sector job growth outpacing state government employment growth.

This article offers a synopsis of the Comptroller's report and highlights some of the efforts underway to address the attrition issues in state government.

A Message from the Comptroller

School's out for the summer, and recent college graduates are job hunting. Our state's economy is thriving, in large part because our workforce is robust and diverse. Despite this abundance of opportunity, employers are sounding the alarm about hiring difficulties, in part because job seekers don't have the necessary skills to fill all the job openings.

Texas is experiencing record high employment, which is a credit to our state and its business-friendly policies. However, it's also important to acknowledge another side to the story. About 60 percent of more than 400 business executives surveyed by the Dallas Fed say their companies are understaffed. In this issue of *Fiscal Notes*, we shift our focus to Texas' numerous available but unfilled jobs and examine the widening gap between the skills sought by employers and the skills readily available in the hiring pool.

Institutions of higher education, particularly community and technical colleges (which both have much lower tuition costs than four-year universities), are at the forefront of statewide efforts to shrink the skills gap. And that fact isn't lost on lawmakers. During the Regular Session of the 88th Texas Legislature, they passed a bill to improve the state funding formula for community colleges, gearing it more toward student outcomes. In the heart of Texas' oil and gas economy — the Permian Basin — public-private partnerships are investing in the region's science, technology, engineering and math education programs to better equip the workforce for our energy future. This is just one of many examples of bold workforce development initiatives in Texas.

The state workforce also includes Texans employed by state government agencies, which over the past few years have been struggling with their own hiring challenges.

In this issue, we dive into the key findings from *A Report on the Texas State Employee Workforce*, an analysis from my office examining state government workforce characteristics and issues for fiscal 2019-2023. In that time, more than 5 percent of employees left our state agencies. That's a concern, especially because many of those losses come from "critical needs" positions like child protective services workers and prison staff, to name just two.

Most retention troubles come down to one thing — salary. To make state agencies more competitive in the job market, lawmakers approved a meaningful salary boost for all current state employees as part of the 2024-25 state budget. Learn more about salaries and employment retention in state government in this month's issue.

As always, I hope you enjoy the issue!

Glenn Hegar

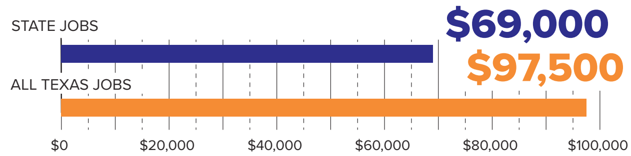
Texas Comptroller of Public Accounts

EVALUATING THE TEXAS STATE AGENCY WORKFORCE

The Texas Comptroller of Public Accounts released the **TEXAS STATE EMPLOYEE WORKFORCE REPORT** in July. The research shared highlights the challenges and strengths of state agencies in the employment market.

22.7%
STATE EMPLOYEE TURNOVER RATE
FOR CLASSIFIED, REGULAR FULL- AND PART-TIME POSITIONS, FISCAL 2022

SALARIES FOR OCCUPATIONS THAT TYPICALLY REQUIRE A BACHELOR'S DEGREE:



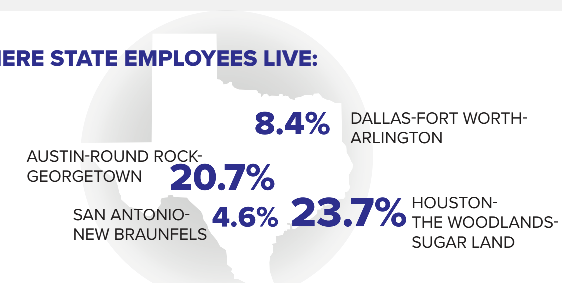
THE OVERALL EXPECTED JOB GROWTH IN TEXAS

for the next five years is slightly more than 7 percent, but that growth is anticipated to differ among employment categories.

JOBS IN TEXAS REQUIRING A POSTGRADUATE DEGREE (FORECASTED)

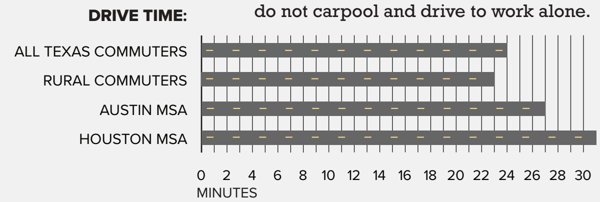
PUBLIC AND PRIVATE SECTOR **9.8%** PUBLIC SECTOR **11.3%**

WHERE STATE EMPLOYEES LIVE:



TEXAS AVERAGE EMPLOYEE COMMUTING

More than 80 percent of Texas residents do not carpool and drive to work alone.



Sources: Texas Comptroller of Public Accounts and CAPPS data, *2023 Texas State Employee Workforce Report*; U.S. Bureau of Labor Statistics; U.S. Bureau of Transportation Statistics

TO LEARN MORE about the Comptroller's workforce report, please visit comptroller.texas.gov/economy/in-depth/special-reports and read "Comptroller Analyzes State Workforce Challenges" starting on page 1 of this issue of *Fiscal Notes*.

If you would like to receive a paper copy of ***Fiscal Notes****, contact us at* ***fiscal.notes@cpa.texas.gov****.*

REDUCTION IN STATE GOVERNMENT WORKFORCE

To maintain their competitiveness in the job market, Texas state agencies must vie with other employers, both private and public, in terms of salary, benefits and work environment. Some key findings in our research:

- *The state lags in median salary by almost 12 percent compared with the overall job market. The gap between state government positions' average salaries and the total Texas workforce widens with greater education requirements.*
- *The state remains highly competitive when it comes to benefits such as retirement, health insurance, paid leave and longevity pay.*
- *Telework and hybrid work options vary from agency to agency and are dependent on the occupation.*
- *Employee turnover rates remained highest among social services and criminal justice-categorized occupations in 2022.*
- *The state lost more than 5 percent of its workforce between Sept. 1, 2018, and Sept. 1, 2022.*

The workforce report confirms what has been reported and reiterates that turnover in critical needs positions in both social services and criminal justice agencies must be addressed. Specifically, the Health and Human Services Commission and the Texas Department of Criminal Justice experienced the greatest losses with more than 9,500 employees combined (**Exhibit 1**).

The gap between state government positions' average salaries and the total Texas workforce widens with greater education requirements.

EXHIBIT 1

LARGEST TEXAS STATE AGENCIES BY NUMBER OF EMPLOYEES, FISCAL 2019-2023

	FISCAL 2019	FISCAL 2023 *	TOTAL CHANGE, 2019-2023	PERCENT CHANGE, 2019-2023
HEALTH AND HUMAN SERVICES COMMISSION	35,173	32,345	-2,828	-8.0%
TEXAS DEPARTMENT OF CRIMINAL JUSTICE	36,960	30,277	-6,683	-18.1%
TEXAS DEPARTMENT OF TRANSPORTATION	11,741	12,375	634	5.4%
DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES	12,163	11,984	-179	-1.5%
TEXAS DEPARTMENT OF PUBLIC SAFETY	9,612	10,210	598	6.2%
TEXAS WORKFORCE COMMISSION	4,370	4,366	-4	-0.1%
OFFICE OF THE ATTORNEY GENERAL	3,922	3,761	-161	-4.1%
DEPARTMENT OF STATE HEALTH SERVICES	2,950	3,447	497	16.8%
TEXAS PARKS AND WILDLIFE DEPARTMENT	2,984	2,951	-33	-1.1%
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY	2,624	2,569	-55	-2.1%
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS	2,720	2,465	-255	-9.4%
TOTAL - ALL STATE AGENCIES	144,993	137,114	-7,879	-5.4%

-20% -15% -10% -5% 0% 5% 10% 15% 20%

Notes: Fiscal years begin Sept. 1. Departments of Family and Protective Services and State Health Services are administratively attached to the Health and Human Services Commission.
** Effective Sept. 1, 2022 (first day of fiscal 2023)*
Source: Texas Comptroller of Public Accounts and CAPPS data

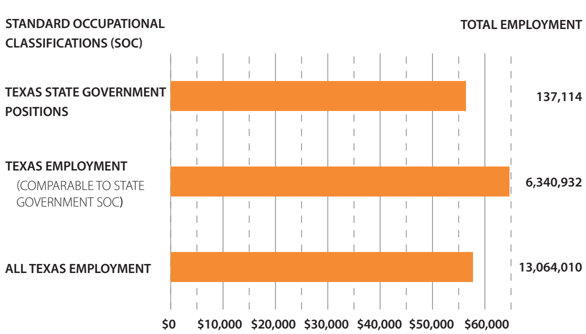
STATE SALARIES LAG BEHIND PRIVATE SECTOR SALARIES

This downward trend among all state government agencies' employment when compared with the growth of the private-sector job market reported in TWC's report highlights the inequity between the two. According to the *Texas State Auditor's Annual Report on Classified Employee Turnover for Fiscal Year 2022*, more than a quarter of exit surveys completed by state government employees indicated the top reason for leaving was "better pay/benefits," the first time since 2008 that compensation was the No. 1 reason listed on completed exit surveys. Slightly more than 44 percent said they either were headed for a private-sector job or looking for other employment.

The state employee workforce report corroborated that average state government positions' salaries fell short of those for all Texas jobs. As of September 2022, state government positions' salaries averaged slightly more than $56,000 annually. The average annual salary of comparable occupations among all Texas employees was $64,700. The state government average salary was also slightly less than the $57,700 average wage for all 867 occupations in the Texas labor force (**Exhibit 2**).

EXHIBIT 2

TOTAL TEXAS EMPLOYEE VS. STATE GOVERNMENT EMPLOYEE AVERAGE ANNUAL SALARY



Notes: State government occupation data as of fiscal 2023. Texas employment occupation comparable Standard Occupational Classifications data from July 1 to Sept. 30, 2022.
Sources: Texas Comptroller of Public Accounts; U.S. Bureau of Labor Statistics; JobsEQ

The disparity in salaries of state government employees and the comparable Texas employment market also revealed that state government employees largely work in metropolitan statistical areas (MSAs) with cost-of-living expenses that exceed the state average. This relatively reduced purchasing power affects state government employees' ability to pay for goods, services and housing. Housing cost is a key factor for many state government employees, as about 30 percent live in the Austin and Dallas MSAs, both of which have a higher cost of living than many other parts of the state. If employees cannot afford housing close to their employing agency, they often are either forced to move farther away (and have longer commutes) or find another job that pays more.

WORKING CONDITIONS

State agencies must not only address salary concerns but also workplace conditions. Of the fiscal 2022 exit survey respondents, 14.2 percent gave "poor working conditions/ environment" as a contributing factor in their decision to leave. This covers a variety of items such as heavy workloads, the inability to take time off due to staffing shortages, inadequate training and the lack of resources needed for job performance.

But agencies can implement measures to mitigate these concerns. For example, prior to 2020, the Comptroller's office leadership met with frontline workers to hear what employees wanted their leaders to do better. This led to changes such as expanded telework, improved training opportunities, better communication and outreach events; the Comptroller's office was named a top place to work in the *Austin American-Stateman*'s 2020 survey. Agencies can reduce employee dissatisfaction and turnover by demonstrating that leadership is listening and responding to employees' ideas and concerns in a proactive manner.

From fiscal 2020 through fiscal 2022, an average of 32,729 employees left state government agencies each fiscal year. These separations included retirements and voluntary (e.g., resignations) and involuntary (e.g., dismissal for cause, reduction of workforce) separations. These total job separations do not equal a net loss for the state, because new employees came into state government employment during this time as well.

Social services and criminal justice agencies had some of the highest rates of job separation from fiscal 2020 through fiscal 2022. These jobs frequently are referred to as "critical needs" positions and experience the highest rate of job separations compared with non-critical needs positions. The Texas Juvenile Justice Department led all Texas agencies in the average rate of total separations, with an annual average of 43 employees per every 100 employees leaving the agency during this period (**Exhibit 3**).

Michael Estrada, Texas Comptroller of Public Accounts

REMOVING BARRIERS

To combat the loss of employees, especially in these "critical needs" agencies, the state must address the reasons listed for their departure. The state must also work to improve its competitiveness with the private sector to attract new employees. Michael Estrada, Talent Acquisition Team supervisor at the Comptroller's office, estimated 50 to 60 percent of applicants who initially use the Indeed.com "easy apply" option to apply for a position with the Comptroller's office do not follow through with the

EXHIBIT 3

STATE AGENCIES WITH HIGHEST NUMBER OF SEPARATIONS PER 100 EMPLOYEES, FISCAL 2020-2022

	AVERAGE ANNUAL SEPARATIONS, FISCAL 2020-2022	TOTAL AGENCY EMPLOYEES, FISCAL 2022	AVERAGE MONTHLY SALARY OF TOTAL SEPARATIONS, FISCAL 2022	AVERAGE ANNUAL RATE OF SEPARATIONS, FISCAL 2020-2022
TEXAS JUVENILE JUSTICE DEPARTMENT	855	1,731	$3,644	43.3%
TEXAS DEPARTMENT OF CRIMINAL JUSTICE	10,862	31,595	$3,351	31.1%
HEALTH AND HUMAN SERVICES COMMISSION	9,403	33,175	$3,070	26.8%
DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES	2,961	12,355	$3,921	24.0%
TEXAS MILITARY DEPARTMENT	109	574	$4,219	20.3%
TEXAS DEPARTMENT OF TRANSPORTATION	2,322	12,110	$4,033	19.3%
SCHOOL FOR THE DEAF	105	527	$3,166	19.1%
SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED	100	531	$2,713	18.7%

0% 5% 10% 15% 20% 25% 30% 35% 40% 45%

Note: Exhibit includes agencies with at least 100 FTEs in fiscal 2022.
Source: Texas Comptroller of Public Accounts and CAPPS data

state application process. Reducing this type of applicant drop-off by simplifying the state application could in turn increase the potential applicant pool.

Removing barriers of entry into certain critical needs professions, such as streamlining the application process or implementing credential programs, would potentially increase the job pool for those positions. For example, the 88th Legislature this year approved House Bill 584, which creates an information technology credential program for state agencies that can be accessed at a junior college or public technical school instead of a four-year university. The legislation would allow the credential program, which includes a one-year apprenticeship, in combination with an associate degree to be substituted for a four-year degree for certain positions.

MAKING PROGRESS

As mentioned, the factor that stands out above the rest when it comes to employee retention is salary. With state government employees making less than their private-sector counterparts, salaries must become competitive. Recognizing this need, the Texas Legislature this year approved two 5-percent salary adjustments for current state government employees. The first raise will take effect July 1 (ahead of the Sept. 1 start of fiscal 2024), with a minimum increase of $250 per month. The second raise will occur in fiscal 2025.

The 88th Legislature also recognized the need to offer incentives when it passed Senate Bill 222 in the Regular Session that offers paid parental leave for state agency employees for the birth or adoption of a child. In addition, the Legislature allocated funds to address unfunded liabilities in the Employees Retirement System, providing stability in the pension plan available to employees hired before Sept. 1, 2022, and potentially incentivizing employees to stay with state government. Even if state government's edge in retirement no longer has the hold it once did, benefits can be important when considered in conjunction with the salary adjustments. With these moves, Texas is working to attract and keep the best people working for state government and the people of Texas. **FN**

Fiscal Notes *reported on high turnover among state employees in 2018 as well. Read about the economy's effect on jobs and how state agencies were adapting at the time at comptroller.texas.gov/economy/fiscal-notes/2018/may/turnover.php#article.*

An Economic Argument for Affordable Higher Education

By Jess Donald and Devin Monk

CLOSING THE SKILLS GAP BY EXPANDING ACCESS

Texas has one of the strongest economies in the U.S., driven by industries such as energy, health care and technology. However, the skills of the state's workforce don't always match the needs of employers, creating a gap that hinders economic growth. Industry leaders across the state are struggling to fill job vacancies due to a lack of applicants with the necessary education and technical competencies. According to a January 2023 survey by the Federal Reserve Bank of Dallas (Dallas Fed), more than half of Texas business executives who responded identified this as an impediment to their hiring process.

Bryan Daniel, Texas Workforce Commission (TWC) chairman, says the length of time it takes an employer to fill a job depends on the job sector.

"Texas still has a need for more registered nurses, and the expansion in the food and entertainment sector continues," Daniel explains. "Overall, the Texas labor market remains tight."

Appropriately credentialed applicants are vital, but the cost burden of higher education compounds the skills deficit in the workforce. An April 2022 report by the Educational Data Initiative stated the average student debt in Texas was $32,920.

Bryan Daniel, Texas Workforce Commission

TWC's partnership with the Texas Higher Education Coordinating Board (THECB) and the Texas Education Agency through the Tri-Agency Workforce Initiative "provides a forum for all three agencies to maximize our efforts to ensure Texas has the best workforce," Daniel says.

THECB, in its strategic education plan *Building a Talent Strong Texas*, says an increasing number of jobs going forward will require postsecondary credentials. This strategic plan aims to address the skills gap by expanding access to postsecondary credentials for all communities, including people of color, women and those who fall outside of the traditional demographics of a college student.

"Texas still has a need for more registered nurses, and the expansion in the food and entertainment sector continues. Overall, the Texas labor market remains tight."

- Bryan Daniel

SKILLS GAP

Texas boasts the largest civilian workforce and the highest number of employed individuals in its history, adding 49,000 positions in May 2023 and surpassing 15 million in total. According to the U.S. Bureau of Labor Statistics, in April 2023 Texas had the second highest number of job openings, behind California, at 845,000 and 1,005,000, respectively. Additionally, Texas has more than two jobs available for every unemployed resident.

Despite ample job openings, many industry leaders state they are having trouble filling open positions, indicating that the skills gap remains a critical issue. The Texas Business Outlook Survey conducted by the Dallas Fed in January indicated that 46.4 percent of respondents were understaffed and looking to hire replacements or fill new positions. Of those, 69.9 percent found the main impediment to hiring was a lack of applicants, and 50.5 percent cited a lack of technical competencies or hard skills.

A booming economy poses challenges for even the oil and gas companies in the abundant Permian Basin. According to the Texas Independent Producers and Royalty Owners Association, the state in April had gained 17,600 jobs in upstream employment year over year. Among those positions, 1,700 were in oil and natural gas extraction, and 15,900 were in the services sector. However, the region will need an estimated 190,913 new workers by 2040 (from both growth and replacement needs) who are better prepared for an increasing number of technical jobs, according to a 2023 report provided by The Perryman Group.

Tracee Bentley, Permian Strategic Partnership

An assessment by Permian Strategic Partnership (PSP) found a lack of STEM (science, technology, engineering and math) and career technical education in the Permian Basin. PSP acted on those findings by investing more than $130 million over the last four years in education, workforce development, health care and infrastructure — a commitment that has led to more than $1 billion in collaborative investments in the region, through public-private partnerships with federal and state governments, businesses and nonprofits.

"We know that the Permian Basin is going to continue to be the most strategic and prolific energy basin in the world, and certainly the most secure for a hundred years," says Tracee Bentley, PSP's president and CEO. "We need to make sure that we have the talent and the workforce in order to keep that vision."

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TECHNICAL COLLEGES, COMMUNITY COLLEGES AND STATE PROGRAMS

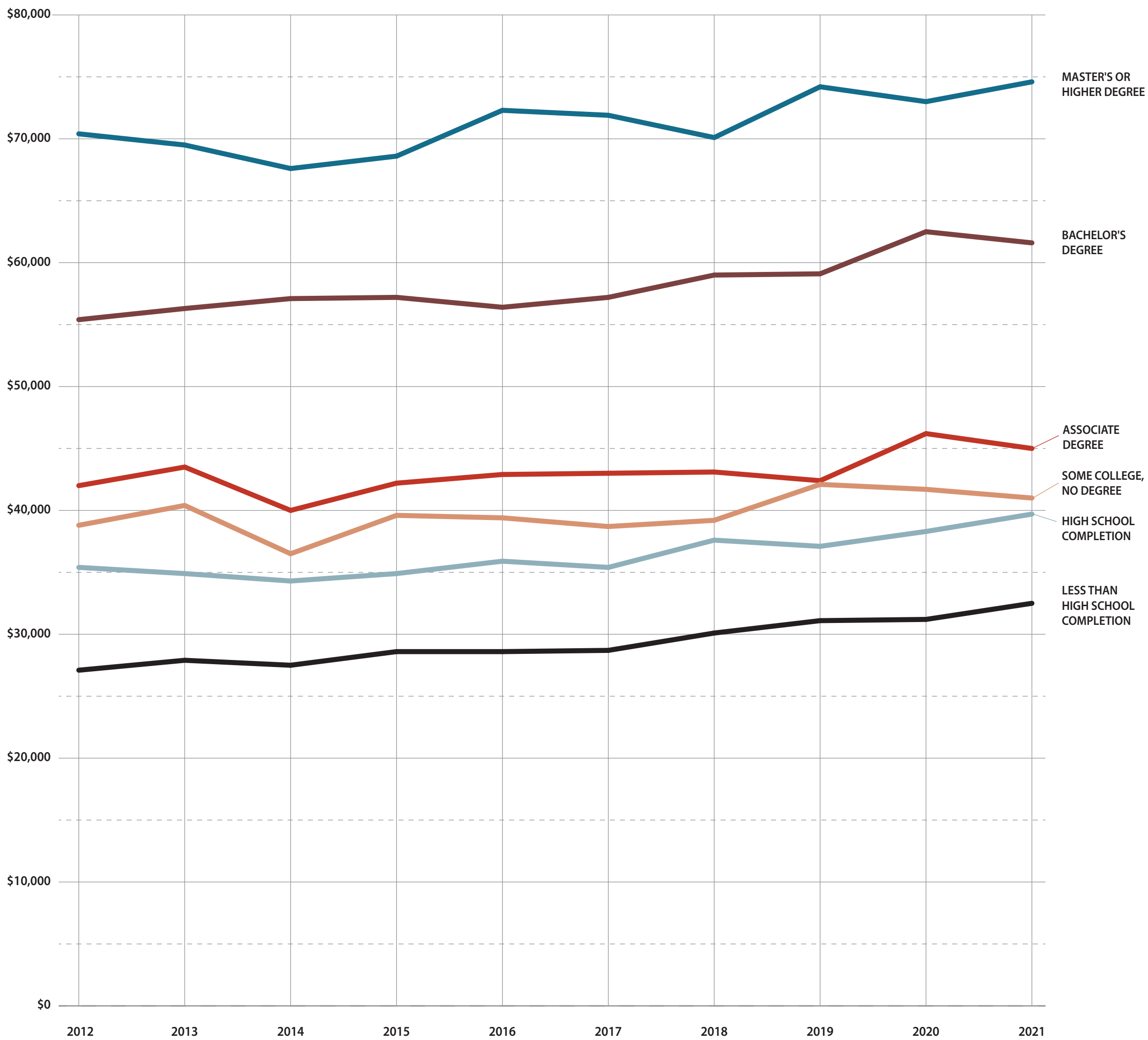
While many job openings in Texas require a four-year college degree, many don't, according to *All Eyes on Texas: Community Colleges Focus on Preparing the Workforce of Tomorrow*, a study published in 2023 by the Dallas Fed. These "middle-skill" jobs, those that need more credentials than a high school diploma but less than a bachelor's degree, are often "good jobs" — meaning well-paid, with benefits and advancement opportunities.

Good jobs are more precisely defined as positions with annual salaries at a minimum of $35,000 and a median of $57,000 for workers ages 25-35. They can be found in industries such as manufacturing, construction, transportation, information technology and health care.

According to the National Center for Education Statistics, in 2021 obtaining an associate degree increased the median annual earnings for a full-time worker by nearly 40 percent (**Exhibit 1**).

EXHIBIT 1

MEDIAN ANNUAL EARNINGS OF FULL-TIME, YEAR-ROUND WORKERS AGE 25-34, BY EDUCATIONAL ATTAINMENT, 2012-2021 (IN CONSTANT 2021 DOLLARS)



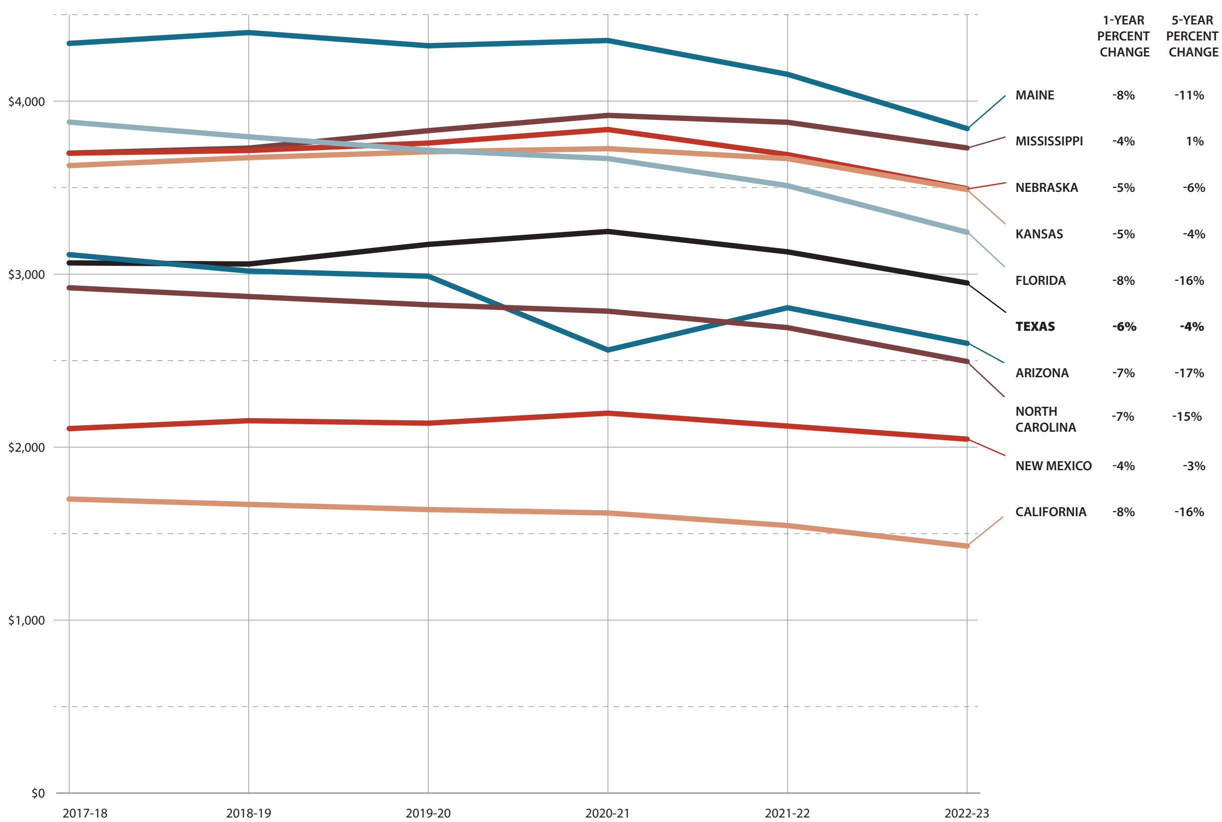
Source: National Center for Education Statistics

The more than 50 community colleges and technical schools across the state are well-positioned to provide students from all walks of life the job-focused education, skills and credentials to access the state's abundance of good jobs.

With a relatively affordable average annual tuition of $2,949 for the 2022-23 school year (**Exhibit 2**), Texas has the fifth most affordable community college tuition in the country, well below the national average of $3,860.

EXHIBIT 2

LOWEST 10 AVERAGE PUBLISHED TUITION AND FEES AT PUBLIC, TWO-YEAR INSTITUTIONS IN 2022 DOLLARS, 2017-18 TO 2022-23



Note: Average tuition and fee prices are weighted by full-time enrollment.
Source: College Board

The *All Eyes on Texas* study points to three distinct advantages of Texas community colleges:

- *Although the state's community college system is overseen by THECB, it is under local governance. This allows for the guidance of a central authority with innovation down to the campus level.*
- *Texas community colleges are funded in large part by local property taxes, and local businesses frequently collaborate with local colleges to meet community workforce needs.*
- *Texas initiatives are recognized nationwide, such as funding mechanisms that reward outcomes and programs that respond to changing employer needs.*

The Texas State Technical College System provides students with technical skills and hands-on training that prepare them for specialized jobs in industries tailored to meet the demands of the job market. Its outcomes-based funding formula is dependent on student success and their postgraduation wages.

The 88th Legislature approved, and Gov. Greg Abbott signed, House Bill 8 this year to expand outcomes-based funding to community colleges, encouraging such accomplishments as students getting a degree, certificate or other credential or transferring to a general academic institution.

State programs such as the Jobs and Education for Texans Grant Program help fund the purchase of equipment and provide workforce training programs in high-demand occupations for eligible institutions.

An Economic Argument for Affordable Higher Education

Despite historically high numbers of employees, the skills gap and higher education affordability issues remain critical issues for Texas employers who are unable to fill positions.

In another example, PSP partnered with the Cal Ripken Sr. Foundation on a $7.5 million initiative to provide 134 elementary schools in the Permian Basin with fully equipped STEM centers, reaching more than 60,000 students and 2,000 teachers in 22 counties.

Another $4.5 million investment from PSP went to energy education and workforce curriculum that will impact all K-12 districts, along with colleges, in the region. The curriculum will feature innovative industry practices, courses offering dual credit for high school and college, and credential options for students. This provides an opportunity to improve student achievement, strengthen interest in the energy industry, build a workforce pipeline and enhance the economic vitality of the Permian Basin. A $2.6 million partnership with the Skillpoint Alliance provided fast-paced, no-cost job training in skilled trades to lower income, underserved populations of the community.

STUDENT DEBT

The affordability of post secondary education or certification also determines our state's ability to find and retain qualified workers. Student debt represents a significant financial burden for Texas graduates. According to a study by Southern Methodist University published in 2019, the average student cumulative debt for a bachelor's degree in Texas was $25,794 at graduation. The same study found that students earn approximately $34,132 their first year after graduating, meaning their median debt-to-income ratio is an astounding 74 percent.

One major contributor to the increasing burden of student debt is the increasing cost of higher education. According to THECB, between 2014 and 2021, the average cost of a semester's tuition and fees for a full-time student at a public university in Texas increased by 11.1 percent when adjusted for inflation, leaving students and families with a significant financial burden.

In addition to tuition, costs for textbooks, housing, transportation and other associated expenses can contribute to student debt. According to THECB projections for 2023-24, average resident tuition costs at Texas four-year public institutions come in at $10,323 per year, with total expenses of $27,820. Notably, tuition is less of a burden than the cost of associated expenses.

BUILDING A WORKFORCE FOR THE FUTURE

Despite historically high numbers of employees, the skills gap and higher education affordability remain critical issues for Texas employers who are unable to fill positions. According to THECB, less than 41 percent of Texans age 25 to 34 held an associate degree or higher as of 2021, placing Texas 36th in the nation. This is insufficient to fulfill the state's needs for skilled workers and poses a challenge to the state's economy, hindering innovation and putting Texas' competitive edge at risk.

To help address this challenge, THECB's strategic plan sets an ambitious target of 60 percent of Texans (age 25 to 64) receiving a degree, certificate or other postsecondary credential of value by 2030. The strategic plan emphasizes access to earning credentials that allow students to pursue meaningful careers, aligning academic programs with workforce needs. It also sets a goal of no undergraduate debt, or only manageable debt, for 95 percent of graduates, helping them pursue their career goals without this financial burden.

Technical colleges, community colleges, state programs and industry efforts all play crucial roles in providing students with job-focused education and credentials to secure good jobs without accumulating unmanageable student debt.

These intertwined initiatives will allow the state to create a strong Texas workforce for the global economy. **FN**

Read more on workforce shortages and what colleges and universities are doing to enroll more students in our February issue of Fiscal Notes *at comptroller.texas.gov/economy/fiscal-notes/2023/feb/workforce-shortages.php.*

State Revenue Watch

This table presents data on net state revenue collections by source. It includes most recent monthly collections, year-to-date (YTD) totals for the current fiscal year and a comparison of current YTD totals with those in the equivalent period of the previous fiscal year. These numbers were current at press time. For the most current data as well as downloadable files, visit **comptroller.texas.gov/transparency**.

Note: Texas' fiscal year begins on Sept. 1 and ends on Aug. 31.

NET STATE REVENUE – ALL FUNDS, EXCLUDING TRUST

Monthly and Year-to-Date Collections: Percent Change from Previous Year

(IN THOUSANDS)

TAX COLLECTIONS BY MAJOR TAX	JUNE 2023	YEAR TO DATE: *Total*	YEAR TO DATE: *Change from Previous Year*
SALES TAX	$3,924,027	$38,611,053	9.32%
Percent Change from June 2022	6.77%		
MOTOR VEHICLE SALES AND RENTAL TAXES	$597,278	$5,537,728	6.65%
Percent Change from June 2022	2.24%		
MOTOR FUEL TAXES	$324,218	$3,173,193	1.09%
Percent Change from June 2022	0.22%		
FRANCHISE TAX	$127,135	$6,349,423	20.00%
Percent Change from June 2022	-5.04%		
OIL PRODUCTION TAX	$455,558	$4,992,821	-1.30%
Percent Change from June 2022	-32.91%		
INSURANCE TAXES	$87,768	$2,581,740	34.25%
Percent Change from June 2022	11.03%		
CIGARETTE AND TOBACCO TAXES	$99,805	$962,170	-4.77%
Percent Change from June 2022	-13.44%		
NATURAL GAS PRODUCTION TAX	$183,584	$3,148,296	-7.74%
Percent Change from June 2022	-58.19%		
ALCOHOLIC BEVERAGES TAXES	$156,076	$1,474,864	9.24%
Percent Change from June 2022	4.20%		
HOTEL OCCUPANCY TAX	$71,052	$636,476	14.27%
Percent Change from June 2022	6.08%		
UTILITY TAXES[1]	$873	$440,231	19.55%
Percent Change from June 2022	89.88%		
OTHER TAXES[2]	$18,656	$296,433	35.18%
Percent Change from June 2022	30.88%		
TOTAL TAX COLLECTIONS	**$6,046,030**	**$68,204,428**	**8.53%**
Percent Change from June 2022	**-3.43%**		

REVENUE BY SOURCE	JUNE 2023	YEAR TO DATE: *Total*	YEAR TO DATE: *Change from Previous Year*
TOTAL TAX COLLECTIONS	$6,046,030	$68,204,428	8.53%
Percent Change from June 2022	-3.43%		
FEDERAL INCOME	$6,368,096	$59,418,354	-1.54%
Percent Change from June 2022	-14.78%		
LICENSES, FEES, FINES AND PENALTIES	$470,777	$5,406,411	1.39%
Percent Change from June 2022	-14.98%		
STATE HEALTH SERVICE FEES AND REBATES[3]	$2,286,333	$9,966,668	17.45%
Percent Change from June 2022	35.16%		
NET LOTTERY PROCEEDS[4]	$273,583	$2,692,349	9.82%
Percent Change from June 2022	-1.68%		
LAND INCOME	$282,198	$3,307,101	-2.50%
Percent Change from June 2022	-30.27%		
INTEREST AND INVESTMENT INCOME	$593,263	$3,224,123	69.81%
Percent Change from June 2022	28.71%		
SETTLEMENTS OF CLAIMS	$4,922	$566,943	-13.15%
Percent Change from June 2022	-65.88%		
ESCHEATED ESTATES	$557,640	$696,864	10.58%
Percent Change from June 2022	17.72%		
SALES OF GOODS AND SERVICES	$27,489	$255,503	0.38%
Percent Change from June 2022	51.77%		
OTHER REVENUE	$205,174	$1,499,610	-37.78%
Percent Change from June 2022	-73.17%		
TOTAL NET REVENUE	**$17,115,505**	**$155,238,354**	**4.40%**
Percent Change from June 2022	**-6.95%**		

1. Includes public utility gross receipts assessment, gas, electric and water utility tax and gas utility pipeline tax.

2. Includes taxes not separately listed, such as taxes on oil well services, coin-operated amusement machines, cement and combative sports admissions as well as refunds to employers of certain welfare recipients.

3. Includes various health-related service fees and rebates that were previously in "license, fees, fines and penalties" or in other non-tax revenue categories.

4. Gross sales less retailer commission and the smaller prizes paid by retailers.

Notes: Totals may not add due to rounding. Excludes local funds and deposits by certain semi-independent agencies. Includes certain state revenues that are deposited in the State Treasury but not appropriated.

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