

# Texas Revenue and Economic Update 2023 TTARA Annual Meeting

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GLENN HEGAR, TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

The Comptroller issues the Biennial Revenue Estimate before the regular legislative session convenes in January to project the amount of revenue available for lawmakers to spend on state programs through the following biennium. The Certification Revenue Estimate — provided after the session ends, and this year after two special sessions — revises projections to reflect legislative activity and current economic information.

**IN THE 2023 CRE**, after accounting for statutory transfers, balances on hand at the close of the 2022-23 biennium and expected revenue collections and adjustments, the state will have a total of \$194.57 billion in General Revenue-related funds available. This revenue will support general-purpose spending of \$176.28 billion for the 2024-25 biennium, resulting in an expected ending General Revenue-related certification balance of \$18.29 billion. In view of the significant risks to the economic outlook, revenue is estimated conservatively for the 2024-25 biennium.

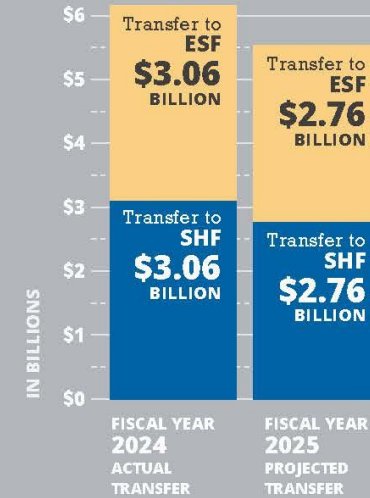
## Revenue Available for General-Purpose Spending in the 2024-25 Biennium

		2022-23 ACTUAL	2024-25 PROJECTED	
General Revenue-Related (GR-R) Tax Collections	+	\$138.63	\$147.11	In Billions
Other GR-R Revenues	+	\$20.68	\$19.91	
<b>Total GR-R Revenues</b>	=	<b>\$159.31</b>	<b>\$167.02</b>	<b>SUBTOTAL</b>
Beginning Balance (Funds carried forward from previous biennium)	+	\$12.56	\$38.65	
<b>Total GR-R Revenue &amp; Fund Balances</b>	=	<b>\$171.87</b>	<b>\$205.67</b>	<b>SUBTOTAL</b>
Revenue Reserved for Transfer of Unencumbered and Unobligated General Revenue Fund Balance to the Economic Stabilization Fund	-	\$2.52	\$0	
Revenue Reserved for Transfers to the Economic Stabilization Fund	-	\$6.69	\$5.26	
Revenue Reserved for Transfers to the State Highway Fund	-	\$6.69	\$5.84	
<b>Total Revenue Available for General-Purpose Spending</b>	=	<b>\$155.96</b>	<b>\$194.57</b>	<b>TOTAL</b>

Note: Totals may not sum because of rounding.

## Revenue and Balance Transfers to the State Highway Fund and Rainy Day Fund

SEVERANCE TAX REVENUE TRANSFERS TO THE ESF AND SHF

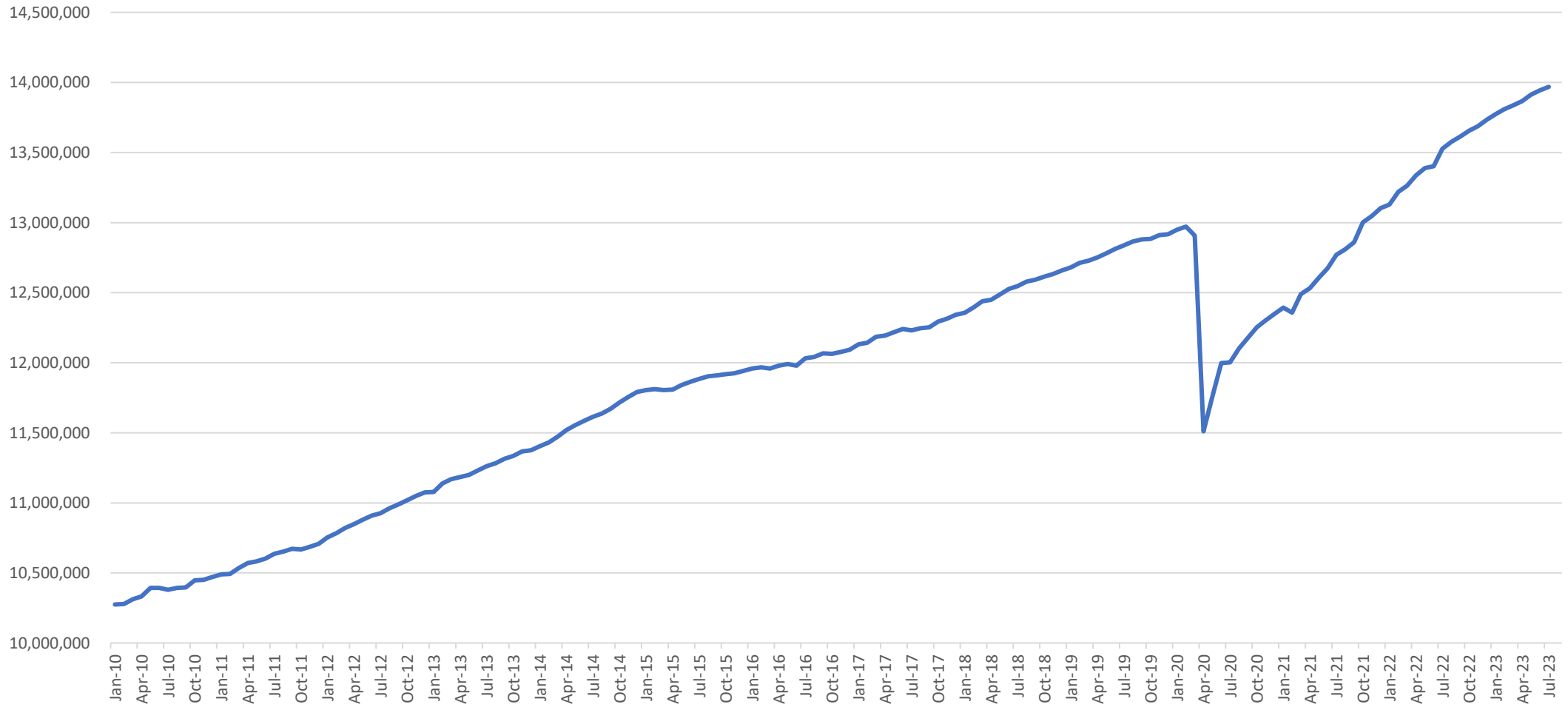


The State Highway Fund (SHF) and Economic Stabilization Fund (ESF or Rainy Day Fund) receive required transfers of tax revenue. In addition, the ESF will receive \$2.52 billion from the fiscal 2023 unencumbered and unobligated ending general revenue balance. Also, the SHF will receive:

- \$2.5 billion in sales tax revenue in each year of the 2024-25 biennium.
- An estimated \$674 million in fiscal 2024 and \$724 million in fiscal 2025 in motor vehicle sales tax revenue.

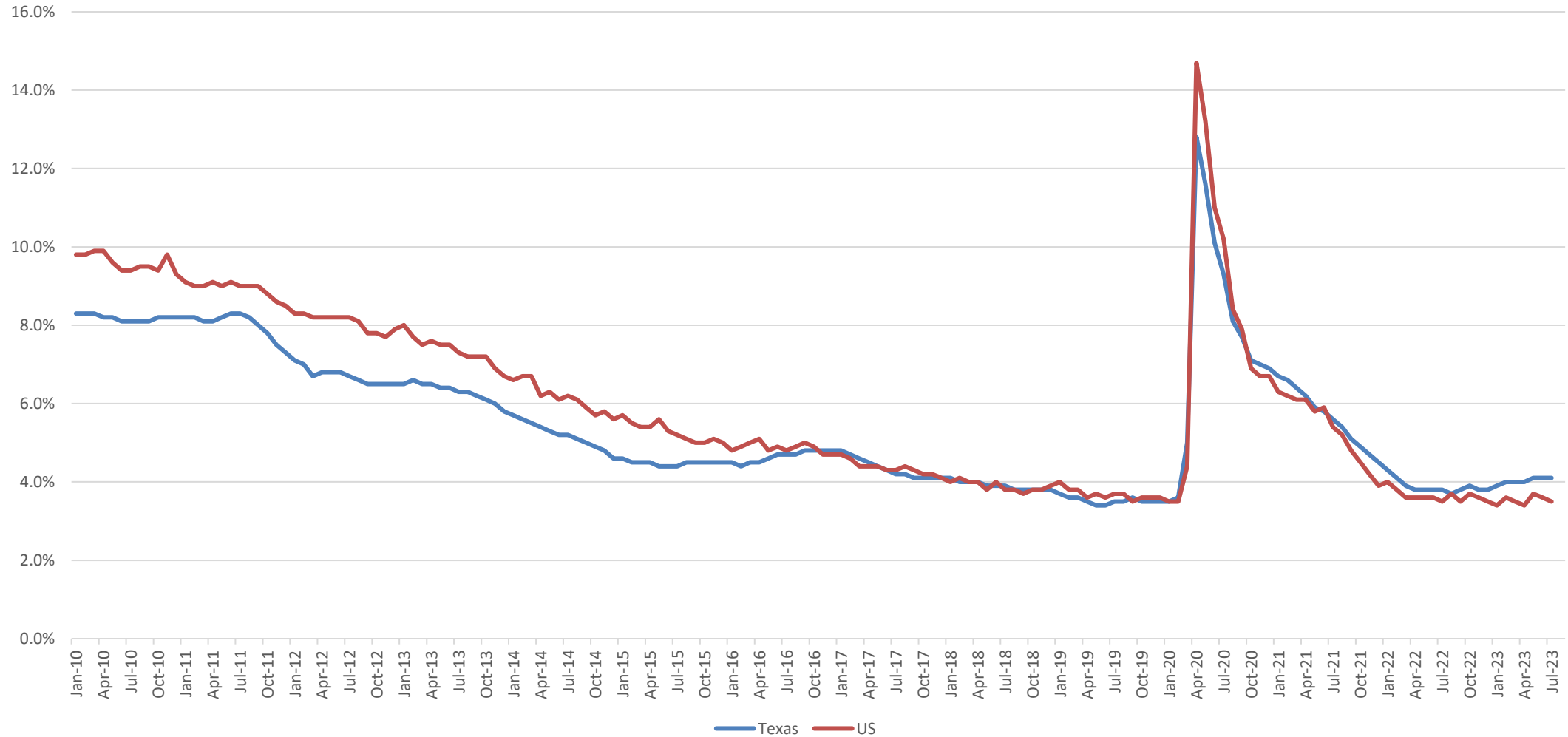
**THE RAINY DAY FUND WILL HAVE A PROJECTED BALANCE OF \$23.77 BILLION AT THE END OF FISCAL 2025, TAKING INTO ACCOUNT INTEREST AND INVESTMENT EARNINGS, AND ABSENT ANY ADDITIONAL LEGISLATIVE APPROPRIATIONS.**

# Texas Monthly Employment (Jan. 2010 – Aug. 2023)



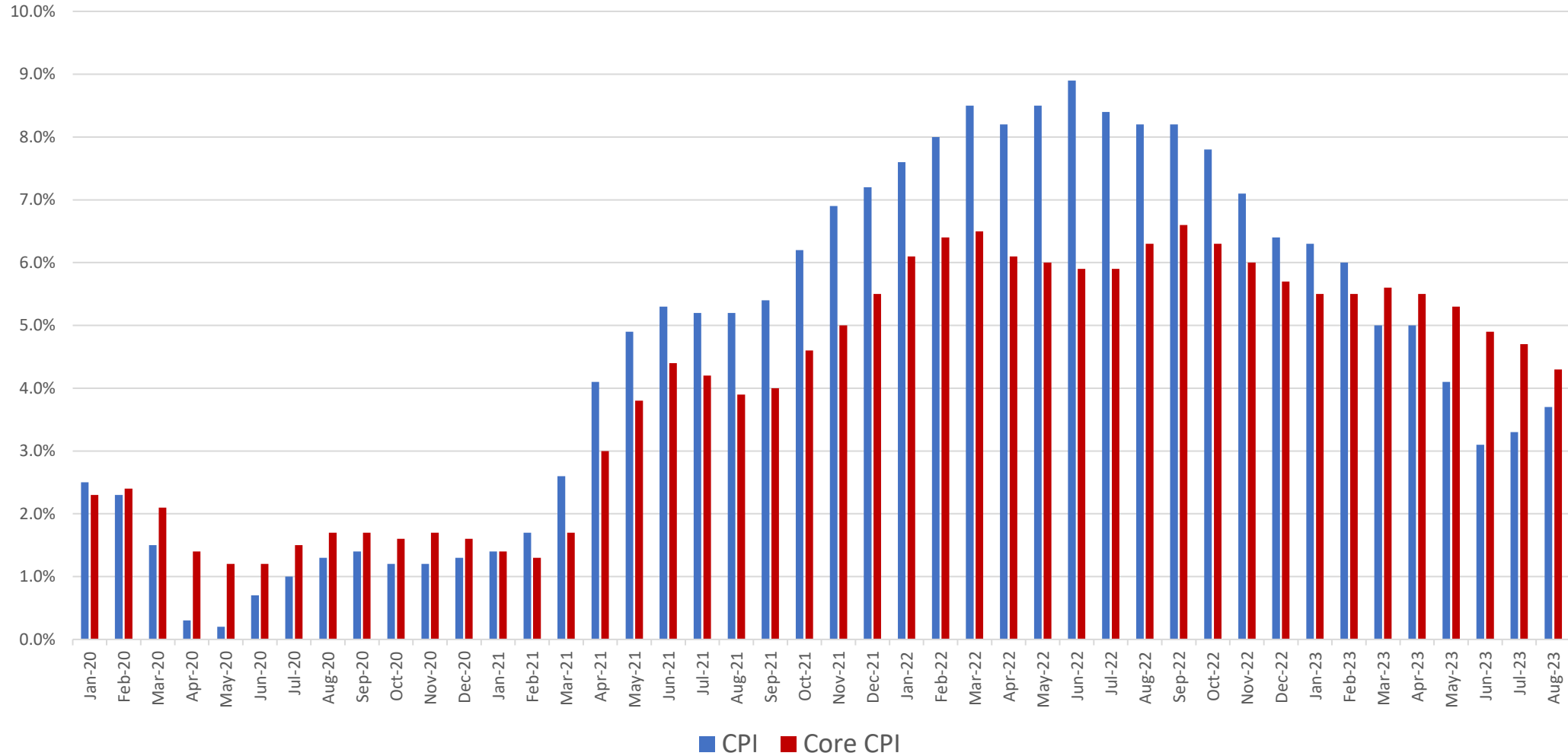
Source: Texas Workforce Commission

# Monthly Unemployment Rate, TX and US (Jan. 2010 – Aug. 2023)



Source: Texas Workforce Commission

# Year-over-Year Change in the Consumer Price Index



Source: US Bureau of Labor Statistics

# Texas Economic Forecast

From 2024-25 *Certification Revenue Estimate*

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023*	Fiscal Year 2024*	Fiscal Year 2025*
Employment (Annual Change)	0.9%	6.1%	4.1%	1.5%	0.3%
Unemployment Rate	6.2%	4.1%	4.0%	4.1%	4.5%
Real Gross State Product (Annual Change)	2.4%	3.2%	4.8%	2.3%	1.7%
NYMEX Oil Price (\$ per barrel)	\$54.49	\$89.90	\$79.08	\$79.00	\$85.00

\*projected

# West Texas Intermediate (WTI) crude oil price and NYMEX confidence intervals

dollars per barrel



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, November 2023, CME Group, Bloomberg, L.P., and Refinitiv an LSEG Business

Note: Confidence interval derived from options market information for the five trading days ending November 2, 2023. Intervals not calculated for months with sparse trading in near-the-money options contracts.

