A REVIEW OF THE TEXAS ECONOMY FROM THE OFFICE OF **GLENN HEGAR**, TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

May 2018

FISCAL NOTES

Transportation Infrastructure

By Kevin McPherson, Jessica Donald and Bruce Wright

KEEPING TEXAS MOVING

Transportation is essential to any economy, and especially so in a state as large and as fast-growing as Texas.

According to the Texas Office of the State Demographer, Texas' population may *double* by 2050, to more than 54 million. Such growth implies the need for significant expansion and improvement of the state's transportation infrastructure, its roads, rail lines, airports, marine ports and waterways. Yet the price tag for such work is daunting.

The Texas Department of Transportation's (TxDOT's) most recent long-range plan, *Texas Transportation Plan 2040*, estimates that keeping Texas' various transportation modes "in a good state of repair" will require $547 billion in state and federal funding through 2040 (**Exhibit 1**). That equates to about $21 billion annually, or more than twice as much transportation funding as the state currently anticipates.

ROADS AND HIGHWAYS

Texas has nearly 314,000 miles of roads and highways, more than any other state. About a quarter of the total represents the state highway system, with the remainder maintained by local governments.

Both passenger and commercial users cause wear to our roads and highways, and the state's growth increases the damage. The total daily vehicle miles traveled, a common measure of road use, rose by 15.5 percent between 2010 and 2016 (**Exhibit 2**), due largely to population growth and increased economic activity following the Great Recession. In other words, drivers in Texas drove about 100 million more miles in 2016 than in 2010.

Texas cities in particular are coping with increased congestion and lengthier travel times. The Texas A&M Transportation Institute (TTI) tracks the costs of traffic

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EXHIBIT 1

TEXAS FUNDING NEEDS BY TRANSPORTATION MODE THROUGH 2040

(IN BILLIONS OF DOLLARS*)

MODE	NEEDS THROUGH 2040	NEEDS PER YEAR
Highways - Expansion	$239.2	$9.2
Highways - Pavement	103.7	4.0
Highways - Bridges/Culverts	40.0	1.5
Transit Systems (Excluding Passenger Rail)	101.2	3.9
Passenger Rail	21.6	0.8
Aviation	20.4	0.8
Intelligent Transportation Systems**	13.0	0.5
Non-Highway Freight***	5.7	0.2
Bicycle and Pedestrian	2.2	0.1
Total	**$547.0**	**$21.0**

* In constant 2014 dollars.
** Equipment and software used to improve traffic safety and mobility, such as dynamic messaging signs, "smart" signals, video cameras, traffic detection devices, etc.
*** Includes freight rail, air cargo, pipelines and ports and waterways.
Source: Texas Department of Transportation

A Message from the Comptroller

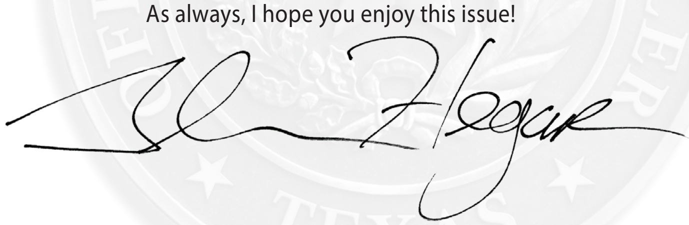
Texas' economy requires enormous local, state and federal resources to keep people and goods moving. And given that demographers expect our population to double within a few decades, our needs for efficient transportation are only increasing.

In this issue of *Fiscal Notes*, we examine Texas' transportation infrastructure — the funding and needs associated with the roads, rail lines, airports and seaports that connect our economy with customers and suppliers all over the world.

Maintaining and expanding this infrastructure is a tremendous task. The Texas Department of Transportation estimates that keeping it all in good repair and adequate to meet the state's needs may require more than a half-trillion dollars in additional state and federal funding over the next few decades. Yet the expenditure may be necessary if we want to keep the state's prosperity growing.

We also discuss the issue of state employee turnover. Newspaper headlines have highlighted understaffing in some of the most critical areas of state responsibility, such as correctional officers and Child Protective Services caseworkers. Yet Texas state government as a whole is in similar straits; nearly a fifth of all agency workers left state employment last year. A fast-growing economy providing a spate of high-paying jobs, particularly in the reviving energy sector, has left many state openings unfilled. It's an issue that could threaten the state's ability to deliver services efficiently and cost-effectively.

As always, I hope you enjoy this issue!



GLENN HEGAR
Texas Comptroller of Public Accounts

TEXAS WOMEN IN TRADE, TRANSPORTATION AND UTILITIES

The trade, transportation and utilities industry sells merchandise at wholesale and retail, transports passengers and cargo and provides utility services. In 2016, it contributed $317.3 billion to the Texas economy and 2.4 million jobs, 40 percent of them held by women.

THIS INDUSTRY CONTRIBUTED

$317.3 BILLION

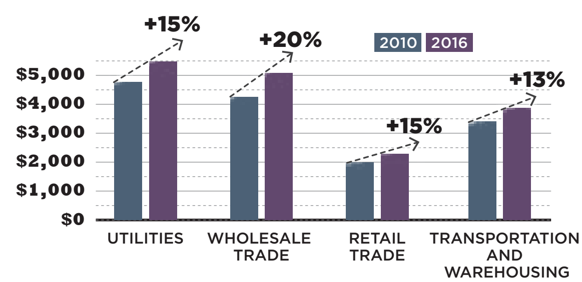
JOBS HELD BY TEXAS WOMEN IN THIS INDUSTRY

985,000

These jobs generate additional business activities that ultimately support nearly 1.8 million jobs in other industries of the Texas economy.

Sources: BEA, U.S. Census Bureau, Emsi, Texas Comptroller of Public Accounts

AVERAGE MONTHLY EARNINGS OF WOMEN



Source: Emsi

67% OF WOMEN IN TRADE, TRANSPORTATION AND UTILITIES WORK IN RETAIL TRADE.

Source: Emsi

IN THE TRADE, TRANSPORTATION AND UTILITIES INDUSTRY, FOR EVERY...

- 100 JOBS CREATED, AN ADDITIONAL 178 JOBS ARE SUPPORTED
- $1 MILLION IN SALES, AN ADDITIONAL $1.32 MILLION IN SALES ARE GENERATED
- $1 MILLION IN EARNINGS GENERATED, AN ADDITIONAL $1.39 MILLION IN EARNINGS ARE GENERATED

...IN ALL OTHER INDUSTRIES OF THE TEXAS ECONOMY

Sources: Emsi, Texas Comptroller of Public Accounts

CONCLUSION

Texas women working in trade, transportation and utilities generate additional business activities that ultimately support about 1.8 million other jobs throughout the state economy. Texas has a higher concentration of women working in these sectors than the nation as a whole. Retail trade has the highest number of women-held jobs.

To see more in-depth data on women in the workforce, visit: comptroller.texas.gov/economy/economic-data/women/

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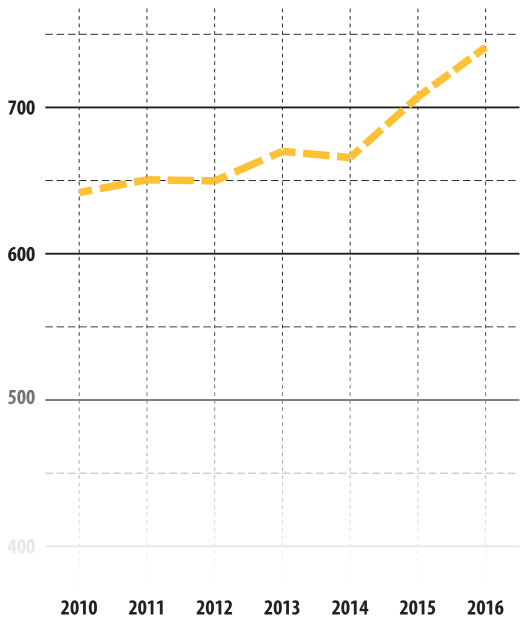
EXHIBIT 2

AVERAGE TEXAS DAILY VEHICLE MILES TRAVELED, 2010-2016



Source: Texas Department of Transportation

congestion in the nation's urban areas, due to delays and wasted fuel, in its *Urban Mobility Scorecard* reports. The most recent edition, for 2015, found traffic congestion cost Texas city drivers from $494 to almost $1,500 each in 2014 (**Exhibit 3**).

A fully loaded tractor-trailer truck causes *10,000 times* as much damage to the road surface as a passenger vehicle.

But Texas' cities aren't alone in needing road work. In rural areas with significant new oil and gas production, truck fleets carry heavy equipment, "fracking" water and other supplies on aging farm-to-market roads. TTI reports such roads are carrying from 20 to 50 times the amount of truck traffic for which they were designed. According to TxDOT, a fully loaded tractor-trailer truck causes *10,000 times* as much damage to the road surface as a passenger vehicle.

Texas' State Highway Fund (SHF) receives nearly half of its funding from the federal Highway Trust Fund (HTF), which supports transportation projects across the nation. The federal taxes on gasoline and diesel fuel, at 18.4 cents and 24.4 cents per gallon respectively, haven't changed since 1993 — while the buying power of the dollar has fallen by 40 percent due to inflation. According to a 2016 estimate by the Congressional Budget Office, the HTF will be insufficient to meet its obligations by 2021.

The remainder of the SHF is funded largely with state fuel taxes and auto registration fees. As with the federal taxes, Texas state tax rates on motor fuels haven't changed since 1991, despite a significant decline in the purchasing power of each tax dollar. Furthermore, the

EXHIBIT 3

THE COST OF TRAFFIC CONGESTION IN MAJOR TEXAS METROPOLITAN AREAS, 2014

	Annual Delay per Auto Commuter (HOURS)	Annual Excess Fuel Consumed per Auto Commuter (GALLONS)	Annual Congestion Cost per Auto Commuter (IN DOLLARS)
BROWNSVILLE	21	11	$494
LAREDO	18	10	$496
MCALLEN	30	13	$649
CORPUS CHRISTI	31	16	$697
EL PASO	33	16	$760
BEAUMONT	34	15	$800
SAN ANTONIO	44	20	$1,002
AUSTIN	52	22	$1,159
DALLAS-FORT WORTH-ARLINGTON	53	22	$1,185
HOUSTON	61	29	$1,490

Source: Texas A&M Transportation Institute

TxDOT has recommended that Texas invest $396 billion to maintain, repair and expand the state's roadways.

relatively small but rapidly growing number of all-electric vehicles in Texas pay no fuel taxes at all.

Texas recently attempted to shore up highway funding with Proposition 1 (2014) and Proposition 7 (2015), constitutional amendments that direct portions of severance and sales tax revenues to the SHF. These measures should provide up to $2.5 billion in sales tax revenue annually, and severance tax revenues estimated at more than $700 million annually during the next two years. These sums, however, will fund only part of the current maintenance backlog.

TxDOT's *Texas Transportation Plan 2040* recommended that Texas invest $396 billion in state and federal funds to maintain, repair and expand the state's roadways, or about $15 billion annually through 2040.

MOVING GOODS: FREIGHT RAIL

Texas also has the largest share of rail lines among states, with more than 10,400 miles of track. According to TxDOT, 49 railroad operators move freight in Texas, including three of the nation's largest ("Class 1") rail companies.

Freight rail is a remarkably efficient way to transport cargo, as a 100-car train unit can carry about 10,000 tons of goods, the same amount as 385 semi-trailer trucks. According to the Association of American Railroads, in 2016 rail could move a ton of freight an average of 486 miles per gallon of fuel.

In contrast to roads and highways, most costs associated with freight rail are borne by the private sector, although the Federal Railroad Administration provides a variety of grants to operators. TxDOT's 2016 *Texas Rail Plan Update* noted that, "Texas, like many states, has a constitutional limitation that prohibits most direct state transportation fund expenditures from being used for rail projects." The state does, however, provide some funding for purposes such as rail crossing safety and emissions reduction.

In 2005, Texas voters approved the creation of a Rail Relocation and Improvement Fund, but it has yet to receive appropriations or a dedicated revenue source.

The "non-highway freight" category in **Exhibit 1** includes freight rail as well as seaports and waterways, air cargo facilities and pipelines. Freight rail makes up the largest portion of this category by far, with $3.9 billion in spending needs through 2040.

MOVING PEOPLE: TRANSIT SYSTEMS AND PASSENGER RAIL

The federally funded Amtrak system provides limited passenger service in Texas. Other public passenger transport is provided by dozens of urban and rural transit systems and eight metropolitan transit authorities, which derive operational funding from fees and local sources and capital funding (for vehicles, construction, etc.) primarily from bond issues and other financing as well as federal grants.

These systems rely on buses, although light rail services also move people in Austin, Dallas, Fort Worth and Houston and between Denton and Carrollton in the Metroplex area. Ridership generally ebbs and surges in relation to gasoline prices; TxDOT reports transit services provided more than 291 million passenger trips in fiscal 2016, at an operating cost of nearly $2.4 billion. TxDOT estimates that keeping public light rail lines and transit services efficient will require nearly $123 billion in funding through 2040, or about $4.7 billion annually.

MOVING PEOPLE: AVIATION

Texas has nearly 400 airports, including 24 commercial service airports, which offer regularly scheduled flights and serve at least 2,500 passengers annually. Among these are two of the nation's largest and busiest, Dallas-Fort Worth International Airport and George Bush Intercontinental Airport in Houston. The remainder are general aviation airports, serving a variety of private aircraft and small charter operations.

Between 2010 and 2015, Texas' airports saw an 8 percent increase in the number of passengers they serve each year, slightly higher than the nationwide increase of 7 percent. According to the Federal Aviation Administration, civil (nonmilitary) aviation contributed more than $110 billion to Texas' economy and supported nearly 644,000 Texas jobs in 2014 (most recent available data).

Commercial airports receive most of their funding from federal grants and local sources, as well as terminal concessions, car rentals and parking services. General aviation airports receive both state and federal funding but rely primarily on hangar rents and fuel sales.

While many Texas airports have aging infrastructure, overall runway conditions are considered good. Current funding for both general and commercial airports, however, is inadequate to meet growing demand and rising maintenance needs. Federal and state revenues contribute about $140 million a year to aviation projects in Texas, but TxDOT estimates that Texas needs about $21.6 billion by 2040, or $800 million a year, to add capacity and keep existing airports in good condition.

Three Texas ports, those of Houston, Beaumont and Corpus Christi, are among the nation's 10 busiest.

MARINE PORTS AND THE INTRACOASTAL WATERWAY

Texas has 21 seaports that handled more than 563 million tons of cargo in 2015, or about 22 percent of the national total. These contribute nearly $369 billion to the Texas economy annually. Three Texas ports, those of Houston, Beaumont and Corpus Christi, are among the nation's 10 busiest in terms of tonnage handled (**Exhibit 4**).

The state's largest ports typically receive about half their funding from public sources (federal grants and local bond issues) and half from user fees; smaller ports often depend on tax subsidies as well.

In addition to continued maintenance, Texas' major ports have expansion needs spurred by factors including the recent widening of the Panama Canal, which provides larger ships with ready access to Texas ports, as well as fast growth in U.S. exports of liquefied natural gas, which quadrupled in 2017. These trends have created the need for deeper and wider channels, specialized terminals and additional rail and road links.

The Gulf Intracoastal Waterway, maintained by the U.S. Army Corps of Engineers, is a 1,100-mile long, man-made waterway that connects ports from Texas to Florida. Texas' 406-mile section of the waterway handles 63 percent of its traffic, much of it shipments of chemicals and petroleum-related products.

The federal government maintains the waterway and supplies half the funding needed to build new facilities and rehabilitate existing ones along the waterway. TxDOT's needs estimates include seaports and waterways in the "non-highway freight" category. The agency estimates seaports and waterways need $800 million in additional funding by 2040 to remain in good condition.

FEDERAL INFRASTRUCTURE PLANS?

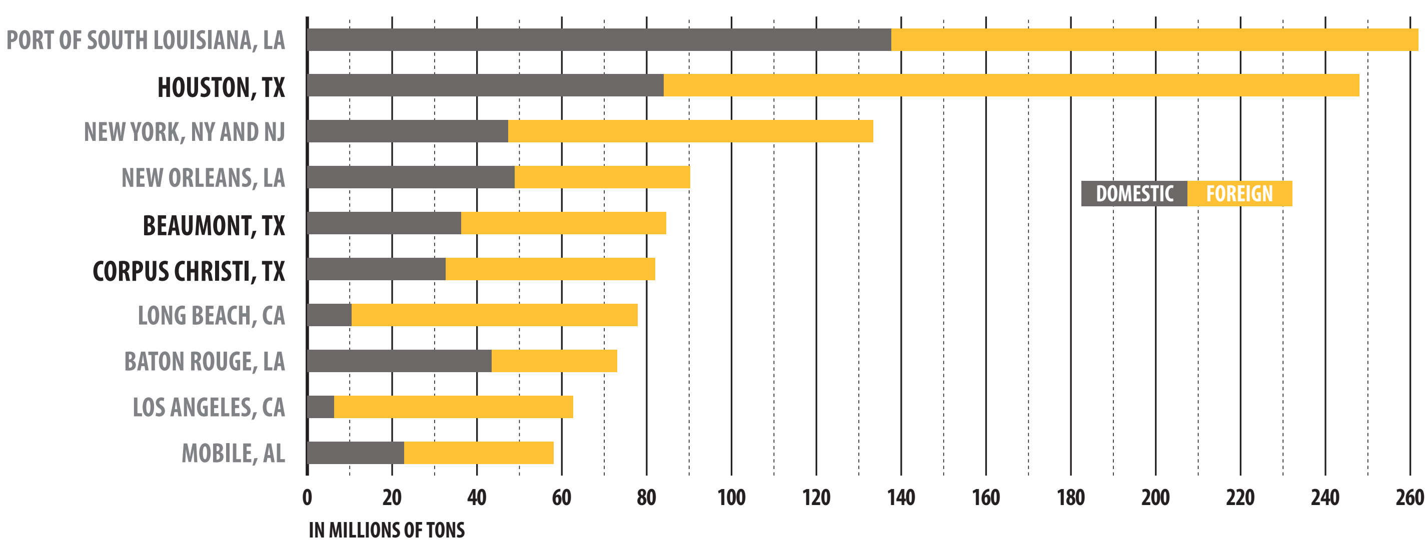
In February, the White House unveiled its plan to boost the nation's transportation infrastructure. As written, the plan would provide $200 billion in federal funding, with $50 billion reserved for rural communities, which is intended to spur $1.5 trillion in total investments, including contributions from state and local governments as well as the private sector. Its passage is by no means certain, however, and legislators have expressed doubts that the plan will be voted on, or even debated, in 2018.

Yet the money must come from somewhere. The state's transportation needs are booming along with its cities, and our economy depends heavily on the free flow of goods by truck, train, plane and ship. An efficient transportation infrastructure is essential to fostering economic growth and ensuring our citizens' lives are healthy and prosperous. **FN**

For much more information about Texas' port facilities, see comptroller.texas.gov/economy/economic-data/ports.

EXHIBIT 4

TOP 10 U.S. PORTS BY TONNAGE, 2016



Source: U.S. Army Corps of Engineers, Navigation Data Center

State Employees: Turnover Rises in Hot Economy

By Jackie Benton and Bruce Wright

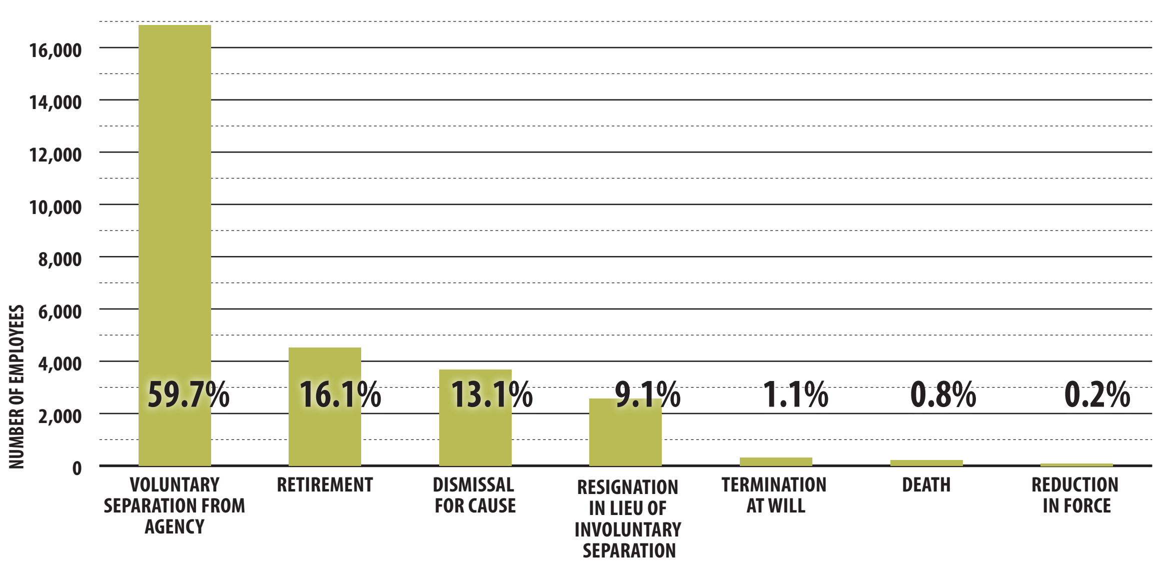
Texas continues to thrive as the leading state for population growth, the top exporting state and one of the best states for startup businesses. With more than seven years of annual job growth, Texas recently recorded its lowest unemployment rate in four decades.

But another record could have negative implications for the Lone Star State — the highest turnover rate for state employees in five years, according to a December 2017 report released by the Texas State Auditor's Office (SAO). (It should be noted that SAO's turnover reporting excludes public institutions of higher education.)

The "turnover rate" is simply the share of all state workers leaving their jobs in any given year, due to dismissal, layoffs, death, retirement or simply to seek job opportunities elsewhere. The statewide turnover rate for all classified regular employees reached 18.6 percent in fiscal 2017, a recent high. In other words, nearly a fifth of the entire state agency workforce of more than 150,000 left. Of those, nearly 60 percent voluntarily left state employment for a reason other than retirement (**Exhibit 1**).

EXHIBIT 1

STATE EMPLOYEE SEPARATIONS BY TYPE, FISCAL 2017*



* Excludes higher education employees.
Note: Percentage totals do not add due to rounding.
Source: State Auditor's Office

Turnover fell sharply during the Great Recession, when Texas unemployment was unusually high.

A REPEATING CYCLE

As might be expected, turnover generally is much higher in the private sector, where the days of lifelong employment with a single company are almost extinct. Governments have come to expect much lower turnover rates — and can find it difficult to cope when they rise.

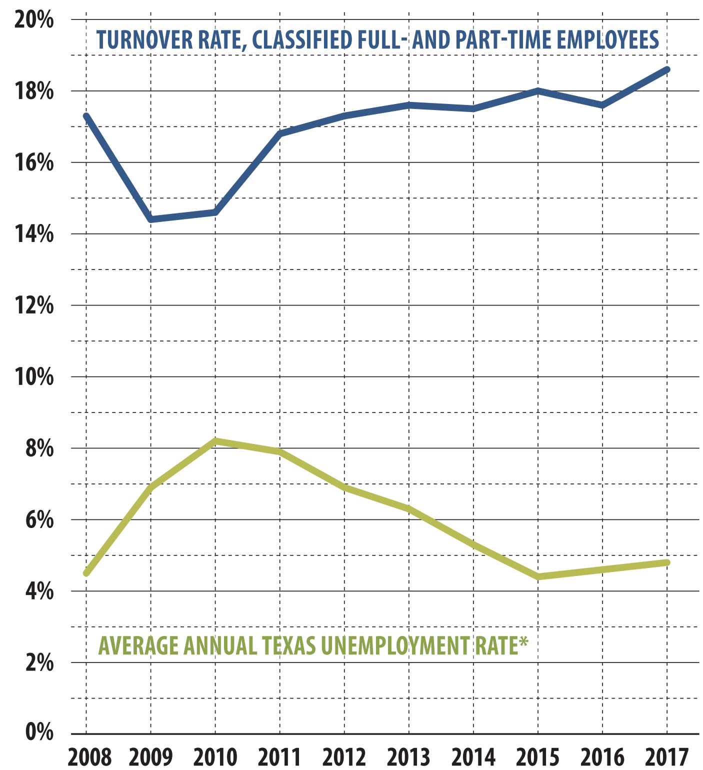
Comptroller Glenn Hegar believes the exodus of state employees is part of an economic cycle.

"There's definitely a trend at work here," says Hegar. "When the economy gets tough, you'll find more people remaining in their jobs. There are simply fewer opportunities elsewhere, and more people are competing for fewer jobs. But when we have an uptick in our state's economy, it becomes more difficult to recruit and retain state employees."

This pattern is easily demonstrated by comparing turnover with the state unemployment rate. Generally, when the latter rises the former falls, and vice versa. For instance, turnover fell sharply during the Great Recession, when Texas unemployment was unusually high (**Exhibit 2**).

EXHIBIT 2

TEXAS UNEMPLOYMENT VS. STATE EMPLOYEE TURNOVER, 2008 - 2017*



*Seasonally adjusted.
Source: State Auditor's Office

Criminal justice officer classifications had the highest turnover rates in 2017.

TURNOVER TROUBLE SPOTS

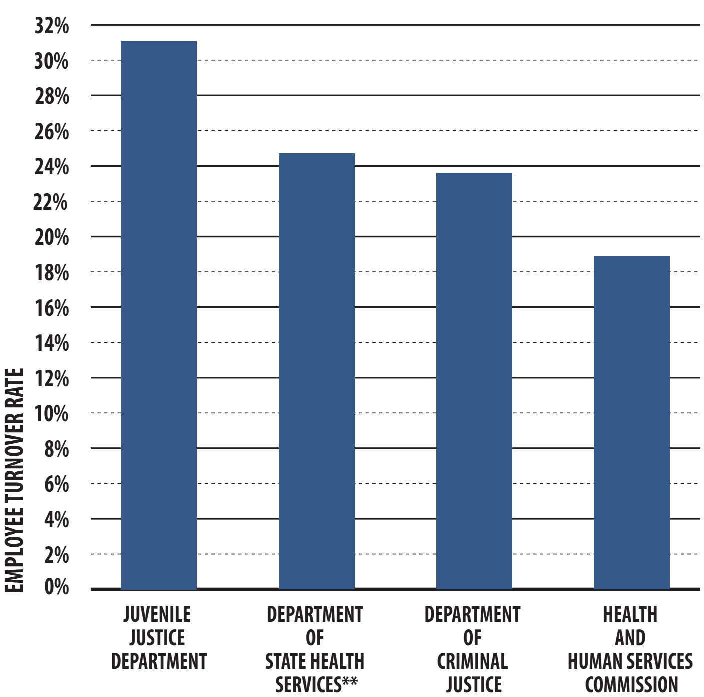
Among the largest Texas agencies (those with 1,000 employees or more), five had turnover rates exceeding the overall state rate of 18.6 percent in 2017. One of these, the Department of Aging and Disability Services, had artificially high turnover figures due to its abolition. Its services and employees were transferred to the Health and Human Services Commission as part of a major reorganization of these functions at the beginning of fiscal 2017.

The remaining four agencies represent significant "hotspots" for turnover (**Exhibit 3**).

Of these, the Texas Juvenile Justice Department (TJJD) experienced the highest turnover rate at 31.1 percent in fiscal 2017, up from 29.2 percent in fiscal 2016. TJJD was followed by the Texas Department of State Health Services, which had a 24.7 percent turnover rate, down from 28.4 percent in fiscal 2016; and the Texas Department of Criminal Justice (TDCJ), with a turnover rate of 23.6 percent, up significantly from 19.5 percent in 2016.

EXHIBIT 3

HIGHEST TURNOVER RATES AMONG STATE AGENCIES WITH 1,000 OR MORE EMPLOYEES, FISCAL 2017*



* Excludes the Department of Aging and Disability Services, which was abolished as of September 1, 2017, with its programs and services transferred to the Health and Human Services Commission (HHSC).
** Excludes transfers of programs and personnel to HHSC.
Source: State Auditor's Office

CORRECTIONS CRUNCH

BRYAN COLLIER
EXECUTIVE DIRECTOR, TEXAS DEPARTMENT OF CRIMINAL JUSTICE

SAO also reports turnover figures by occupational category. Perhaps unsurprisingly, given the stressful nature of the work, criminal justice officer classifications had the highest turnover rates in 2017. The Juvenile Correctional Officer and Correctional Officer job classifications had turnover rates of 40.8 percent and 28.0 percent, respectively.

Retaining correctional officers at TDCJ is a serious issue, says Bryan Collier, the agency's executive director. While TDCJ's overall 2017 turnover rate was 23.6 percent, the majority of the department's employees fall into the correctional officer classification, with 25,812 authorized positions.

"This is one of the more demanding jobs in all of state government," says Collier. "While the overall turnover rate for correctional officers in fiscal 2017 was 28 percent, the rate was significantly higher for new correctional officers. Nearly 42 percent of officers leave the department in their first year of employment."

To cope with losses of correctional officers, Collier says the agency uses a combination of overtime and prioritization based on basic security requirements. "TDCJ has always been and always will be dedicated to operating safe and secure correctional facilities," he says.

Collier notes, however, that "relying on overtime alone is not a long-term, sustainable strategy."

"In 2007, when correctional officer vacant positions were at an all-time high at 3,978, correctional officer overtime expenses totaled $82 million," he says. "Currently, fiscal 2018 overtime is projected to exceed $75 million. The correctional officer vacancy as of Jan. 31 was 3,647; just 12 months ago it was 1,913. While the use of overtime provides staff with additional income, it also imposes additional demands and burdens upon those employees."

Recruiting new officers is made more difficult, Collier says, by the fact that many Texas prisons are located in rural areas where shale oil production is strong, meaning TDCJ faces stiff, high-paying competition for employees. TDCJ's current beginning salary for correctional officers is well below what jobs in the oil patch pay (although those jobs also are prone to the layoffs that accompany the industry's boom-and-bust cycles).

"Competition from the oil and gas industry and the record low unemployment rate makes it more challenging to recruit and retain the most qualified applicants," Collier says. "Across the state, the department has seen a decrease in the number of applicants. In fiscal 2016, approximately 18,000 individuals applied for positions with TDCJ. In fiscal 2017, the number dropped to about 13,700."

MONEY TALKS?

Each year, SAO summarizes surveys provided to persons leaving state employment to determine their reasons for leaving. In 2017, the top reasons employees cited were retirement, the desire for better pay and poor working conditions. Among younger employees, however, seeking better pay was the most common reason by far (**Exhibit 4**).

Turnover statistics by salary range reinforce the results of these surveys. Simply put, the higher the salary, the more likely the employee is to stay (**Exhibit 5**).

In addition to causing significant spending for overtime, high employee turnover leads to a loss of institutional knowledge — and a steep learning curve for new workers. It "requires inordinate recruiting and retraining, which is expensive," says Gary Anderson, executive director of the Texas Public Employees Association. "These costs to the taxpayer 'walk out the door' when the economy picks up, and the new employees can find better paying jobs in the private sector."

An aging workforce only exacerbates the problem. Anderson says the Employees Retirement System estimates more than 16,000 state employees will be eligible for retirement at the end of fiscal 2018.

EXHIBIT 4

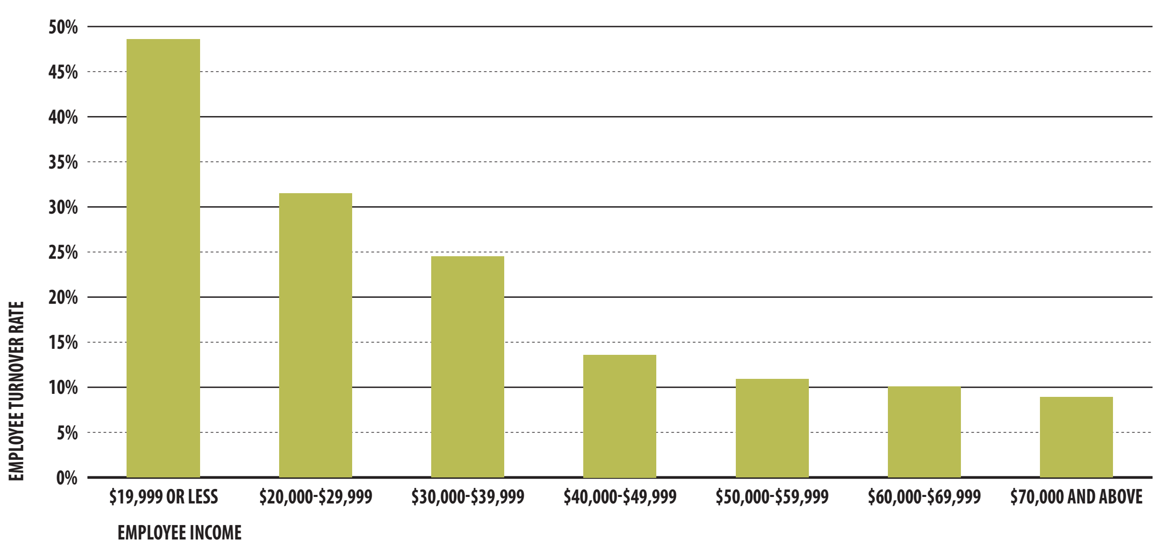
TOP REASONS CITED FOR LEAVING STATE EMPLOYMENT, FISCAL 2017, BY AGE GROUP

AGE GROUP	RETIREMENT	BETTER PAY/ BENEFITS	SCHOOL	POOR WORKING CONDITIONS/ ENVIRONMENT	PERSONAL HEALTH
Age 16 to 29		X	X		
Age 30 to 39		X		X	
Age 40 to 49		X		X	
Age 50 to 59	X	X			
Age 60 to 69	X				X
Age 70 Up	X				X

Source: State Auditor's Office

EXHIBIT 5

FISCAL 2017 STATE EMPLOYEE TURNOVER BY SALARY RANGE



Source: State Auditor's Office

State Employees: Turnover Rises in Hot Economy

TDCJ has upped its efforts to recruit and retain employees, with recent salary increases for new correctional officers.

"Considering the increasing number of employees eligible to retire, and dangerously high turnover among younger and newer employees, the trend doesn't bode well for the state to compete effectively [for employees], particularly when the Texas economy is expanding so rapidly," Anderson says. "People go where the better paying jobs exist." The subsequent brain drain may hurt the state's ability to discharge its missions.

"Throwing more money at the problem" is usually shorthand for a solution that won't work, and certainly salaries are only one factor in job satisfaction. Turnover probably will always be relatively high for difficult, stressful positions.

One recent example, however, concerning Child Protective Services (CPS), suggests that higher salaries can have a significant impact for agencies attempting to retain seasoned state workers in difficult roles.

The Texas Department of Family and Protective Services (DFPS), which administers CPS, has been the subject of multiple reports citing problems due in part to overworked and underpaid caseworkers. In December 2016, to meet what some called a "crisis," the Legislature approved $150 million in emergency funding for DFPS to hire 829 additional employees and provide $12,000 pay raises for 6,000 existing caseworkers and investigators.

The 2017 legislative session, in turn, granted DFPS a $4 billion budget for the 2018-19 biennium, $500 million more than the previous biennium, including $300 million to continue pay raises for caseworkers and $88 million to hire more caseworkers. After the increase in pay and staffing, the CPS turnover rate fell by nearly 23 percent between October 2016 and January 2017.

SWEETENING THE DEAL

Other state agencies are making efforts to improve conditions for employees with stressful, low-paying jobs. The Health and Human Services Commission has beefed up its agency employee assistance programs, including counseling services to help employees deal with on-the-job stress as well as other life issues.

TDCJ, in turn, has upped its efforts to recruit and retain employees, with recent pay increases for new correctional officers that raised their salaries from $32,347 to $36,238. Hiring bonuses at 25 units rose from $2,000 to $4,000 in June 2017. Increased collaboration with workforce development boards across the state, expanded recruitment efforts in bordering states and a modified screening process for military veterans have helped improve recruiting.

Historically, Texas state agencies have offered job candidates security the private sector couldn't. Regardless of economic ups and downs, the state has offered stability and the opportunity for a long career. These traditional advantages, however, may not be enough if a booming state is to continue attracting and retaining talented workers. **FN**

State Revenue Watch

This table presents data on net state revenue collections by source. It includes the 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

(AMOUNTS IN THOUSANDS)

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

Tax Collections by Major Tax	APRIL 2018	YEAR TO DATE: TOTAL	YEAR TO DATE: CHANGE FROM PREVIOUS YEAR
SALES TAX	$2,766,470	$20,796,108	9.93%
PERCENT CHANGE FROM APRIL 2017	13.45%		
MOTOR VEHICLE SALES AND RENTAL TAXES	293,160	$3,192,378	8.78%
PERCENT CHANGE FROM APRIL 2017	32.05%		
MOTOR FUEL TAXES	322,618	$2,417,285	2.73%
PERCENT CHANGE FROM APRIL 2017	2.05%		
FRANCHISE TAX	393,076	$236,553	-440.03%
PERCENT CHANGE FROM APRIL 2017	49.86%		
OIL PRODUCTION TAX	316,138	$2,066,295	51.51%
PERCENT CHANGE FROM APRIL 2017	65.22%		
INSURANCE TAXES TAX	7,952	$1,462,787	4.84%
PERCENT CHANGE FROM APRIL 2017	-119.46%		
CIGARETTE AND TOBACCO TAXES	113,369	$825,876	-10.48%
PERCENT CHANGE FROM APRIL 2017	12.31%		
NATURAL GAS PRODUCTION TAX	129,042	$969,690	45.54%
PERCENT CHANGE FROM APRIL 2017	37.59%		
ALCOHOLIC BEVERAGES TAXES	122,792	$841,882	5.38%
PERCENT CHANGE FROM APRIL 2017	10.52%		
HOTEL OCCUPANCY TAX	62,322	$382,005	12.63%
PERCENT CHANGE FROM APRIL 2017	11.92%		
UTILITY TAXES[1]	95,815	$296,664	26.23%
PERCENT CHANGE FROM APRIL 2017	231.74%		
OTHER TAXES[2]	77,860	$212,998	139.20%
PERCENT CHANGE FROM APRIL 2017	372.99%		
TOTAL TAX COLLECTIONS	**$4,700,613**	**$33,700,522**	**12.54%**
PERCENT CHANGE FROM APRIL 2017	**23.82%**		

Revenue By Source	APRIL 2018	YEAR TO DATE: TOTAL	YEAR TO DATE: CHANGE FROM PREVIOUS YEAR
TOTAL TAX COLLECTIONS	$4,700,613	$33,700,522	12.54%
PERCENT CHANGE FROM APRIL 2017	23.82%		
FEDERAL INCOME	2,636,703	26,614,342	3.03%
PERCENT CHANGE FROM APRIL 2017	4.12%		
LICENSES, FEES, FINES, AND PENALTIES	477,668	4,270,405	2.43%
PERCENT CHANGE FROM APRIL 2017	8.46%		
STATE HEALTH SERVICE FEES AND REBATES[3]	503,029	5,454,687	10.25%
PERCENT CHANGE FROM APRIL 2017	-4.14%		
NET LOTTERY PROCEEDS[4]	185,009	1,464,142	14.33%
PERCENT CHANGE FROM APRIL 2017	21.16%		
LAND INCOME	227,179	1,332,399	20.39%
PERCENT CHANGE FROM APRIL 2017	103.19%		
INTEREST AND INVESTMENT INCOME	76,692	1,155,322	67.19%
PERCENT CHANGE FROM APRIL 2017	-71.24%		
SETTLEMENTS OF CLAIMS	4,464	493,847	-3.67%
PERCENT CHANGE FROM APRIL 2017	-85.41%		
ESCHEATED ESTATES	17,838	105,910	-77.58%
PERCENT CHANGE FROM APRIL 2017	-94.87%		
SALES OF GOODS AND SERVICES	24,043	187,180	-6.98%
PERCENT CHANGE FROM APRIL 2017	1.52%		
OTHER REVENUE	400,945	1,703,176	10.74%
PERCENT CHANGE FROM APRIL 2017	25.10%		
TOTAL NET REVENUE	**$9,254,184**	**$76,481,930**	**8.18%**
PERCENT CHANGE FROM APRIL 2017	**8.27%**		

[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.

FISCAL NOTES

Texas Comptroller of Public Accounts
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GLENN HEGAR

Texas Comptroller of Public Accounts

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