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## FISCAL NOTES

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STATE REVENUE WATCH 11

## Higher Education Enrollment Decline Spurs Reform Proposals

By Peggy Fikac



NUMBER FALLS BY 66,000 SINCE 2019; DRIVEN BY COMMUNITY COLLEGE DROP

Texas' booming economy requires highly skilled workers, but higher education enrollment is lagging as the state works to supply qualified employees: About 66,000 fewer students were enrolled in Texas higher education institutions in fall 2022 than before the COVID-19 pandemic, according to the Texas Higher Education Coordinating Board (THECB). The enrollment drop — which occurred as the census showed an increase in the estimated number of high school graduates in Texas' 18- to 24-year-old population from 2019 to 2021 — is driven by a 10.4 percent decline at public two-year colleges since 2019. Preliminary figures show small increases at public and private four-year universities and a 5 percent increase at health-related institutions (**Exhibit 1**). As a result, state higher education leaders are recommending significant reforms to increase educational attainment.

The Texas Commission on Community College Finance, created by the 87th Legislature in 2021, has proposed dramatic changes for consideration by the 88th Legislature, like tying state funding for the 50 community college districts to student outcomes (such as earning "credentials of value" or transferring to four-year universities) and substantially increasing student financial aid. For universities, THECB in its *Building a Talent Strong Texas* strategic plan set a goal of increasing federal and private research funding and increasing the number of research doctorates awarded.

At both two- and four-year institutions, THECB is focused on promoting credentials of value in line with workforce demands and higher salaries. The board also has expanded its educational attainment goals, aiming for 60 percent of Texans ages 25-64 to have a degree, certificate or other postsecondary credential of value by 2030. In 2020, 44.9 percent held degrees (**Exhibit 2**). Its previous goal covered ages 25-34.

# A Message from the Comptroller



Many people move to Texas each day for a variety of reasons, and our state's top-tier colleges and universities are undoubtedly one factor. But since the onset of the coronavirus pandemic, higher education enrollment, especially at community colleges, is down. Between 2019 and 2022, total enrollment in Texas institutions of higher education (IHEs) dropped by about 66,000, or more than 4 percent.

Economists and policymakers have taken notice. A decline in Texans receiving degrees or certificates could put the state at risk of losing its strong economic footing, as more businesses — whether they're expanding in or moving to Texas — are requiring highly skilled and educated workers.

In this issue of *Fiscal Notes*, we examine proposals aimed at improving IHE enrollment numbers. The Texas Commission on Community College Finance recommends that the 88th Legislature strengthen financial aid programs as well as modernize the state funding formula so that it's geared toward student outcomes, among other sweeping changes. At universities, the Texas Higher Education Coordinating Board is pushing for major increases in research dollars to spark innovation and boost entrepreneurship.

You also can read about how schools are making bold moves to fill employment gaps caused by high demand and low supply of qualified workers. Three situations are playing out at the same time to create a unique workforce challenge: Our state's population is growing by leaps and bounds; baby boomers are leaving the labor force in droves; and hiring managers are tightening education and job skill requirements for prospective employees.

All told, today's employers are on the lookout for more workers but have their eyes fixed on those who have more skills, experience and education compared with past years. We examine two occupations in which employment gaps are nearing crisis-level proportions.

Texas A&M University — my alma mater — is looking to solutions, with two newly established programs in its strategic toolkit. One program incentivizes former students to return to the university to finish their degree or certificate, greatly benefiting military service members and others who had to put a pin in their studies. Another program encourages students such as wait-listed freshmen to enroll in underfilled majors.

This isn't the first time my office has delved into workforce shortages, and it likely won't be the last.

As always, I hope you enjoy this issue!

  
**Glenn Hegar**

Texas Comptroller of Public Accounts

# BIENNIAL REVENUE ESTIMATE

The Texas Comptroller issues the Biennial Revenue Estimate before every regular legislative session, projecting the amount that lawmakers have available for state programs and services through the upcoming biennium.

January 2023

Total Revenue Available for General-Purpose Spending

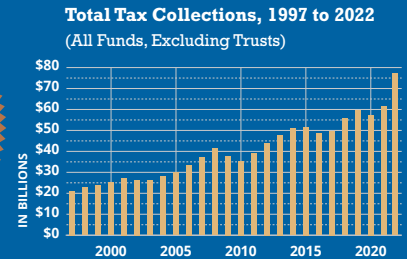
**\$188.23** Billion

PROJECTED

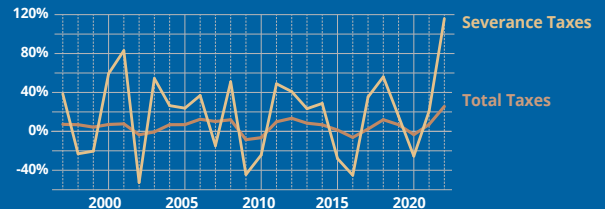
## COLLECTIONS AND VOLATILITY

Texas has seen record growth in All Funds tax collections due to the vigorous economic rebound after pandemic restrictions were lifted, high energy prices and inflation. Overall, there is some volatility in all tax collections; severance tax collections in particular have seen big swings over the past two decades.

THE MAXIMUM CHANGE IN TOTAL TAX COLLECTIONS IN YEARS PRIOR TO 2022: **13%**  
 CHANGE IN 2022: **26%**



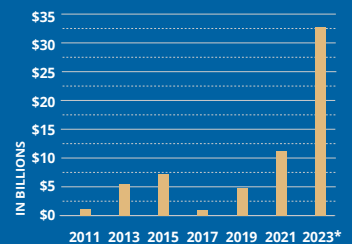
## Percent Change in Severance Taxes and Total Taxes 1997 to 2022 (All Funds, Excluding Trusts)



## ENDING BALANCE

There is a projected 2022-23 ending balance of \$32.69 billion. Part is unencumbered (not committed for future liabilities). Without legislative action, half (\$5.7 billion) of the unencumbered balance must constitutionally go to the Economic Stabilization Fund.

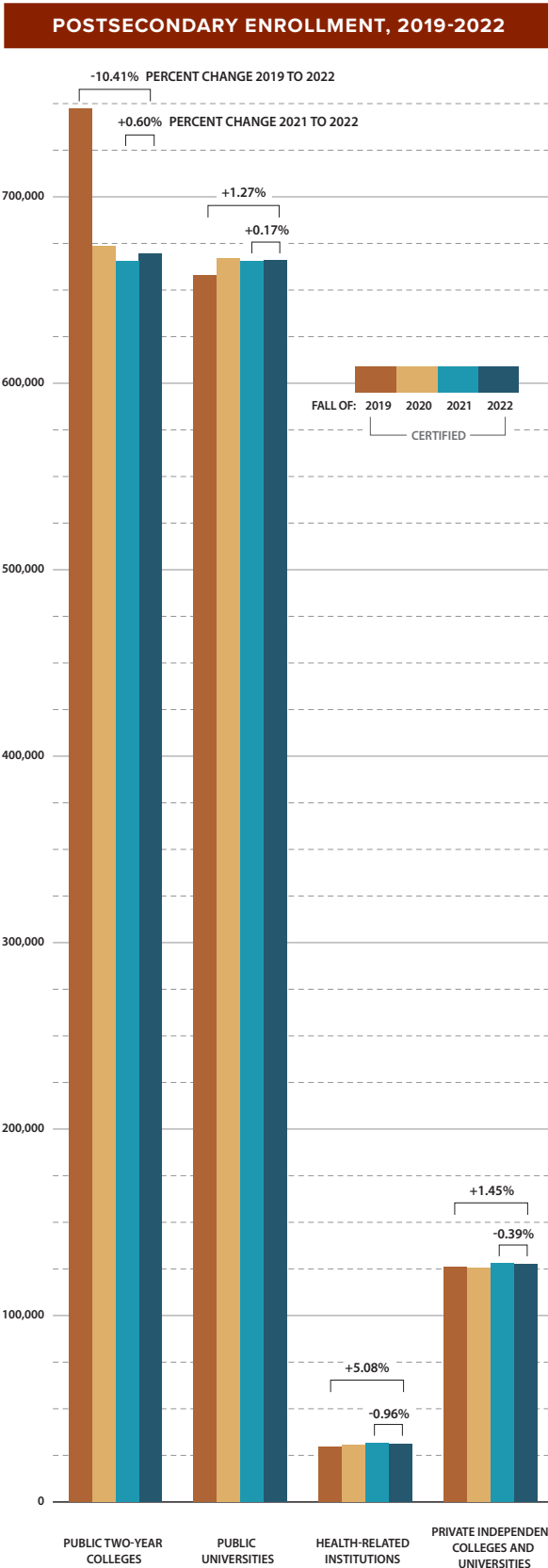
## Ending Balance as of Aug. 31, 2011 to 2023



\*Amount is estimated in 2024-25 Biennial Revenue Estimate

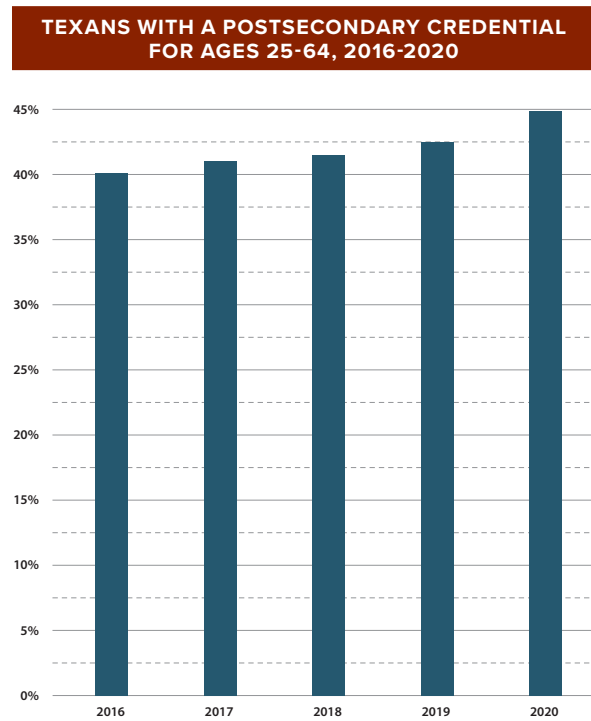
If you would like to receive a paper copy of *Fiscal Notes*, contact us at [fiscal.notes@cpa.texas.gov](mailto:fiscal.notes@cpa.texas.gov).

**EXHIBIT 1**



Source: Texas Higher Education Coordinating Board

**EXHIBIT 2**



Sources: American Community Survey 1-Year Estimates, U.S. Census Bureau; Texas Higher Education Coordinating Board analysis

Texas Higher Education Commissioner Harrison Keller, who serves at THECB and worked with the community college commission, compares the reform effort following the pandemic’s disruption to the G.I. Bill that expanded educational opportunity for veterans after World War II.

“Here’s a once-in-a-generation opportunity to do something that could be transformative for our institutions but, more importantly, for our state,” Keller says.

## ENROLLMENT DECLINES BY ETHNICITY, GENDER

As Texas higher education enrollments stabilize compared with 2021, differences in ethnicity and gender persist as measured by preliminary enrollment figures for fall 2022 (**Exhibit 3**):

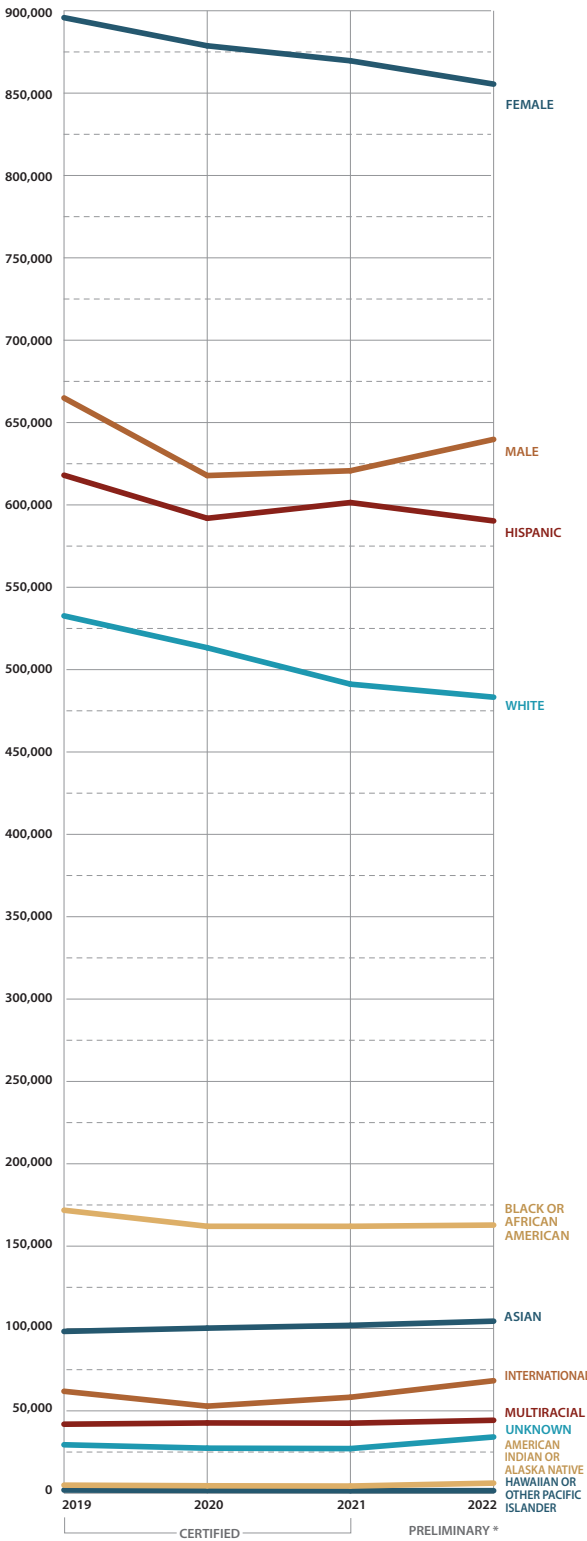
- Female enrollment continues to exceed male enrollment. But male enrollment has risen since 2020, while female enrollment has continued to drop. Neither has returned to 2019 levels.
- Compared with 2019, enrollment is down among students who are Black, Hispanic, white and identified as Hawaiian or other Pacific Islander.
- Some student groups have seen increases since 2019, including students identified as American Indian or Alaska Native; Asian; international; and multiracial.

(Preliminary enrollment figures, the most recent available for this data at this writing, typically are higher than certified figures.)

# Higher Education Enrollment Decline Spurs Reform Proposals

**EXHIBIT 3**

**STATEWIDE ENROLLMENT BY RACE/ETHNICITY AND GENDER**



Source: Texas Higher Education Coordinating Board  
 \*Preliminary numbers, the latest available at time of writing, typically are higher than certified numbers.

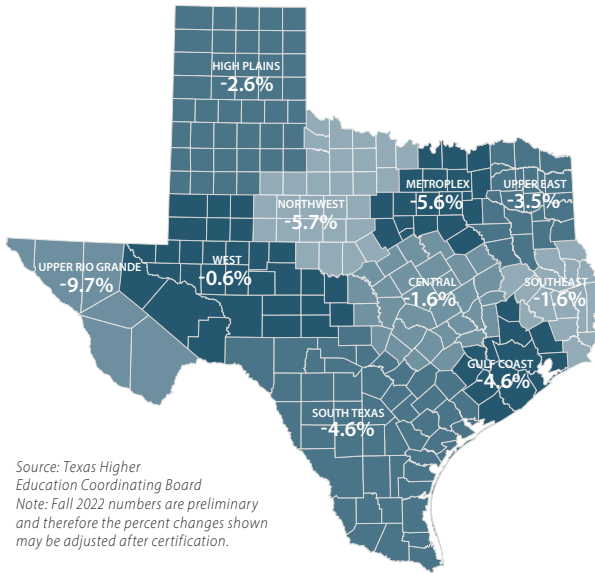
It's important to expand equity as the state works to improve higher education, Keller says. "Over the past decade, Texas added more residents than any other state — nearly 4 million people — and 95 percent of that growth was in communities of color," he says. "If we do not advance our goals equitably, we cannot achieve our goals."

**SPOTLIGHT ON COMMUNITY COLLEGES**

Besides differences in ethnicity and gender, enrollment varies by region (Exhibit 4) and type of institution; the drop in community college enrollment has drawn particular attention from leaders.

**EXHIBIT 4**

**ENROLLMENT CHANGES BY REGION, 2019-2022**



Source: Texas Higher Education Coordinating Board  
 Note: Fall 2022 numbers are preliminary and therefore the percent changes shown may be adjusted after certification.

Reforms recommended by the community college commission — which is composed of lawmakers, community college leaders and experts in policy and workforce issues — would cost an estimated \$650 million in state funding over the 2024-25 biennium, Keller says. In the 2022-23 biennium, state formula funding for community colleges is about \$1.8 billion, according to the commission report. This funding is composed of state dollars distributed "through an allocation methodology that considers how colleges perform in relation to one another," the report notes. The formula is based primarily on contact hours (instruction) and is linked to enrollment and the type of courses offered. Another, smaller portion of this state funding, is based on achievement, such as students obtaining certificates; there is a uniform amount that goes to each college, the report states.

One key recommendation from the community college commission would change state funding by providing money to community colleges based on student outcomes. Historic enrollment figures demonstrate the value of aligning funding with goals, Keller says. Dual credit enrollment (in which high



# Higher Education Enrollment Decline Spurs Reform Proposals

school students take college courses, earning credit for both high school and college) increased from 90,374 in fall 2011 to 175,282 in fall 2021 at public community and technical colleges, according to THECB figures. It's a big jump from 1999, when dual credit enrollment at community colleges totaled only 11,921. Keller says the increase shows the impact of a funding mechanism allowing public schools and higher education institutions to receive state money for students in the program. Enrollment in other community and technical college academic and workforce programs, while still much larger than dual credit enrollment, by comparison fell from 662,614 in fall 2011 to 490,082 in fall 2021, according to THECB. (As noted, both dual credit and non-dual credit enrollment fell when comparing 2019 with 2021.)

The commission's report additionally addresses property taxes, which with tuition provide the bulk of funding for community colleges. According to the Texas Association of Community Colleges (TACC), state funding made up 23 percent of community college funding in 2021. The commission recommends that the state guarantee that community colleges can raise enough revenue through tuition and an initial portion of their property tax effort to meet a basic funding threshold, which would be linked to the size of the college, needs of the student body and the cost of courses students take. This proposal, similar to a mechanism used in the public school system, would address disparities in property tax bases among colleges. Some colleges can raise as little as \$11 per full-time equivalent student per penny of tax effort (per \$100 of value), while others can raise more than \$1,100, according to the commission's report. In addition, the commission proposed support for shared services among institutions, such as allowing students at a community college to access other colleges' online courses.

For financially disadvantaged students, the commission recommends an increase in financial aid, advocating a state goal of serving at least 70 percent of qualified low-income students who are pursuing credentials of value at two- and four-year institutions. The Texas Educational Opportunity Grant program serves only an estimated 28 percent of eligible community college students this year, while the TEXAS (Toward EXcellence, Access, and Success) Grant program helps more than 68 percent of eligible low-income undergraduates at four-year universities.



Harrison Keller, Texas Higher Education Commissioner

The most recent drop in community college enrollment stems largely from the availability of entry-level jobs paying as much as \$18 an hour without requiring degrees or other credentials, Keller says. Many people put off college enrollment, he says, "especially given how devastating the pandemic was for a lot of families' financial situations." With the reforms outlined above, Keller says, "Texas would be in the vanguard

for an outcomes-based funding system for community colleges that includes an intentional focus on equity for taxpayers and for students."



Ray Martinez III, Texas Association of Community Colleges

TACC supports the commission's recommendations, states Ray Martinez III, president and CEO of the association.

"TACC leadership worked hand-in-hand with the commission members to ensure these recommendations equally voiced the concerns of our diverse institutions, big or small, rural or urban," he says.

## UNIVERSITIES: MORE RESEARCH DOLLARS AND MORE RESEARCHERS

Universities also are getting attention in the push for improvement. THECB aims to position all universities to receive an additional \$1 billion annually in federally and privately sponsored research funding by 2030. The board also has a goal of increasing the number of research doctorates to 7,500 annually, up from 3,927 in the 2021 academic year. Keller says it is important to look not only at the overall numbers of doctorates but at the diversity of recipients (**Exhibit 5**), adding, "We have a lot of room for progress." Strategies to draw the additional funding include recruitment of "world-class innovators" through the Governor's University Research Initiative and other programs.

The research investment, like other goals, is important not only for higher education institutions but for the communities surrounding them and the state as a whole, Keller says. Robust research universities foster startups and spur other economic activity: "There's a multiplier effect."

## STATEWIDE GOALS

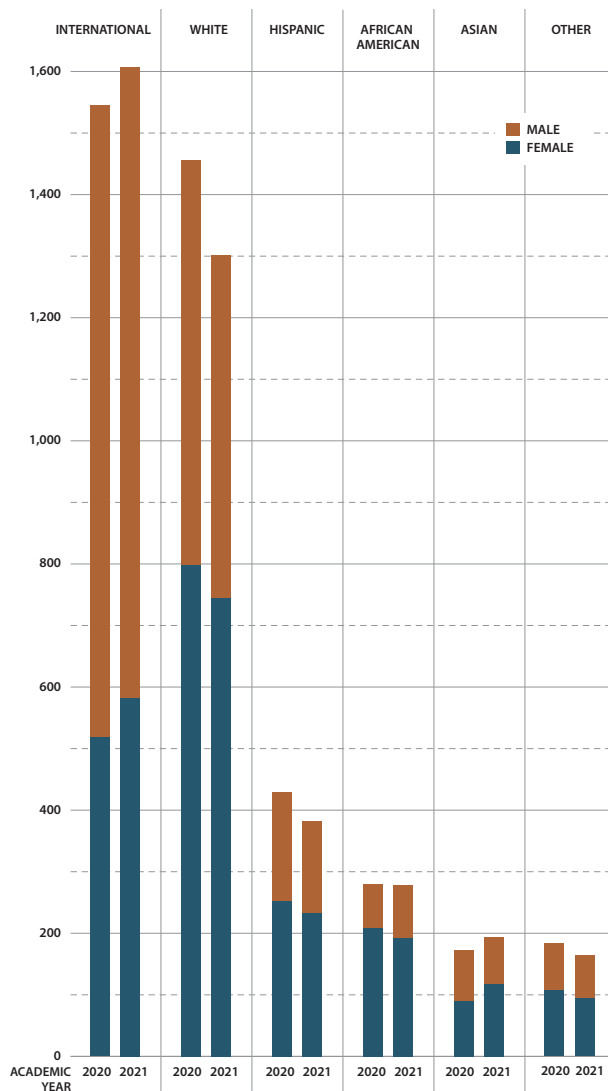
Along with expanding its targeted population age to 25-64 in its goal for postsecondary educational attainment, THECB aims to have 550,000 students earn postsecondary credentials of value annually. Texans in public and private postsecondary institutions completed 357,855 certificates and degrees in the 2020-21 academic year, as cited in the July 2022 report on the 60x30TX strategic plan, the precursor to *Building a Talent Strong Texas*. The new goal, however, is not directly comparable because it is focused on credentials of value and thus includes a calculation of long-term earnings weighed against the cost of higher education, according to THECB.

*Building a Talent Strong Texas* also sets a goal of 95 percent of graduates having either no undergraduate loan debt or only debt that's manageable due to the graduates' potential earnings. According to the 60x30TX report, 43.2 percent of students had debt when they graduated in 2021, a decline from 44.1 percent in 2020.

# Higher Education Enrollment Decline Spurs Reform Proposals

EXHIBIT 5

## RESEARCH DOCTORATES AWARDED AT PUBLIC UNIVERSITIES BY GENDER, RACE/ETHNICITY, 2020 AND 2021



Source: Texas Higher Education Coordinating Board Accountability System, 2020 and 2021

## NATIONAL PERSPECTIVE

Nationwide, enrollment declined by 0.7 percent in fall 2022 compared with fall 2021, looking at all sectors, and it remains far below pre-pandemic levels, according to the National Student Clearinghouse Research Center. Public four-year university enrollment fell by 1.2 percent in fall 2022, after rising 0.4 percent in 2020 and declining 0.9 percent in 2021. Community college growth was “essentially flat” at 0.4 percent in 2022, after dropping 10.5 percent in 2020 and falling 6.7 percent in 2021.

Compared with fall 2019, total postsecondary enrollment was about 1.1 million lower nationally in fall 2022. Doug Shapiro, executive director of the research center, says “a path back to pre-pandemic enrollment levels is growing further out of reach.” He cites challenges nationally including affordability and access among low-income, disadvantaged and middle-income students, as well as the challenge of engaging with those who either didn’t enroll in college after graduating from high school in 2020 and 2021 or who left college without a credential during the pandemic. A number of the recommendations in Texas, such as revamping funding to

reward positive student outcomes, also are being discussed around the nation, Shapiro says, emphasizing the high stakes.



Doug Shapiro, National Student Clearinghouse Research Center

“If undergraduate numbers do not improve, it is likely that larger shares of adults will be left in low-skill, low-wage jobs, and the U.S. will be unable to supply the high-skilled workforce needed to sustain the economy of the future,” he says.

## HIGH STAKES

Leaders also see the high stakes in Texas, which attracted businesses even during the pandemic; a state’s workforce is among important factors executives cite in making location decisions, and the opportunity to pursue higher education can give Texans more opportunities to take part in and contribute to an expanding economy.

“As strong as our economy is right now, the two major factors holding the Texas economy back are inflation — hopefully for the short term — and, longer term, educational attainment. So we need to have many, many more people educated to higher standards with more credentials. Those credentials need to be aligned with our current and emerging workforce needs,” Keller says.

The 88th Legislature has an enormous amount of money at its disposal as it writes a budget for the next two years, but advocates seeking additional funding for programs and services will have to advance their causes amid a chorus of other requests and demands. Keller is confident the case can be made for higher education reforms.

“There’s a return on this investment,” he says. “Historically, one of the questions has always been, ‘Well, what’s the return? What does that mean for us in terms of economic opportunity, in terms of what kinds of jobs we’re going to be able to attract and retain?’ There’s a clear line of sight from these recommendations to expanded opportunity.” **FN**

Learn about saving for a child’s future with the state’s prepaid college savings plan, the Texas Tuition Promise Fund, at [TuitionPromise.org](http://TuitionPromise.org).

# Higher Ed Tackles Workforce Shortages

By Devin Monk



Texas A&M University-College Station students participate in a geosciences field camp. Photo courtesy of Texas A&M University-College Station.

The labor pool in Texas is as deep as it is wide, but the demands of a growing population expose shortages in key occupations where the number of available, educated workers is showing signs of receding.

Jobs requiring postsecondary education and specific technical skill training will form a significant component of a Texas labor force anticipated to grow 13.3 percent by 2030, far above the 3.7 percent estimated increase for the U.S., according to an annual report by Projections Managing Partnership for the Texas Workforce Commission (TWC).

The report notes the hardships employers are enduring as more baby boomers retire — a generation that saturated many industries for decades. Those exits, combined with enhanced employment requirements, are leading to not only increased demand but also higher standards for hiring educated and skilled workers.

These trends have prompted institutions of higher education (IHEs) to develop innovative strategies to continue to supply graduates qualified to work in the industries within their field of study.

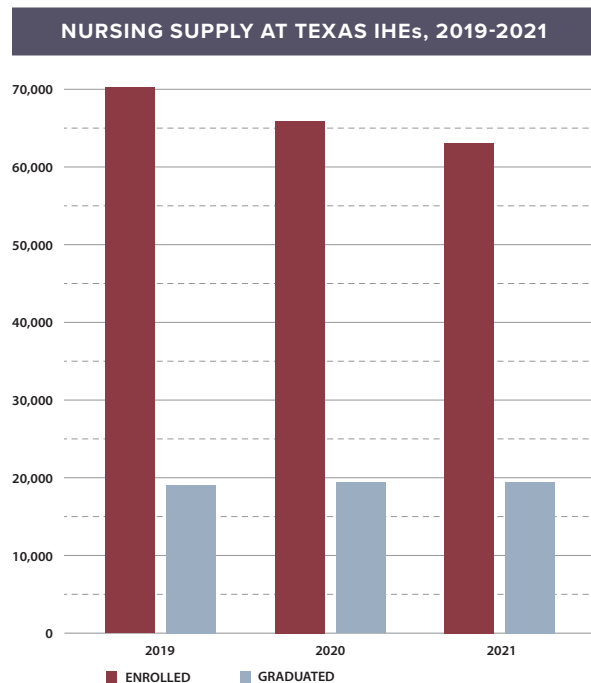
## LABORS OF LOVE

In fields such as teaching and nursing, fewer students are enrolling and graduating from the state's IHEs or completing their degrees at levels that keep pace with projected demand. Yet an immediate need exists for qualified registered nurses (RNs) and teachers in the state's workforce.

## Nursing

The number of RN students enrolled in one of 146 IHEs in Texas dropped from 70,268 in 2019 to 65,914 in 2020 to 63,084 in 2021, according to TWC data. RN students who graduated from these programs rose by almost 400 during the same time (**Exhibit 1**).

EXHIBIT 1



Source: Texas Workforce Commission Labor Market and Career Information Department

# Higher Ed Tackles Workforce Shortages

Hospitals are reporting bleaker numbers in the nursing profession, as exhausting working conditions are leading to skyrocketing vacancies.

The RN vacancy rate rose from 5.9 percent in 2019 to a staggering 17.6 percent in 2022, according to a recent survey of hospitals conducted by the Texas Center for Nursing Workforce Studies. Of 84,817 full-time RN positions, hospitals reported 14,910 were vacant.

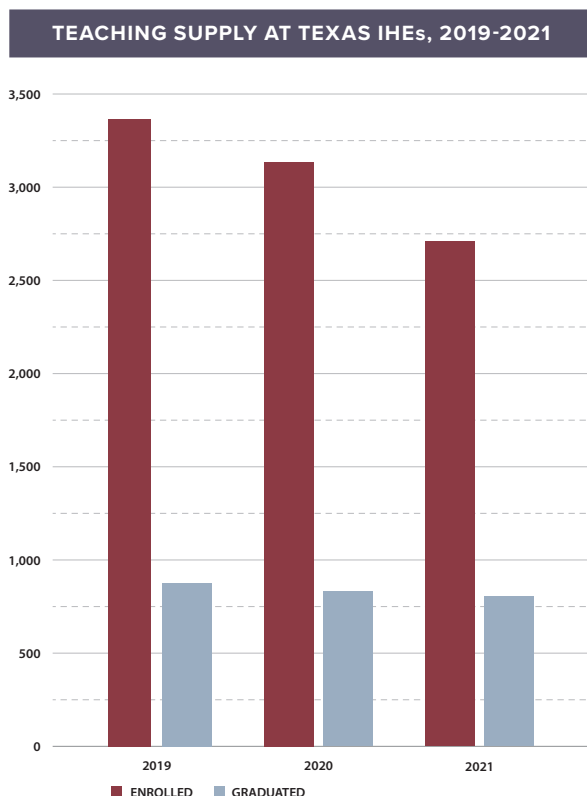
## Teaching

Enrollment and graduation rates for a combined 26 teaching categories, ranging from science teachers to language instructors to fine arts educators, saw a drop from 2019 to 2021, according to TWC data (Exhibit 2).

Attrition, too, has played a part in the changing labor landscape. A Texas Education Agency study released in August 2022 found that Texas lost 42,839 teachers to attrition in the 2021-22 academic year (11.57 percent) while it hired 42,973 (11.60 percent). Prior to that academic year, new hires outpaced departures by a much greater margin.

Educational services are no exception when it comes to the need for a better educated workforce. This demand is driven by the desire for a more “knowledge-based economy” and by a surging population resulting in more student enrollments.

EXHIBIT 2

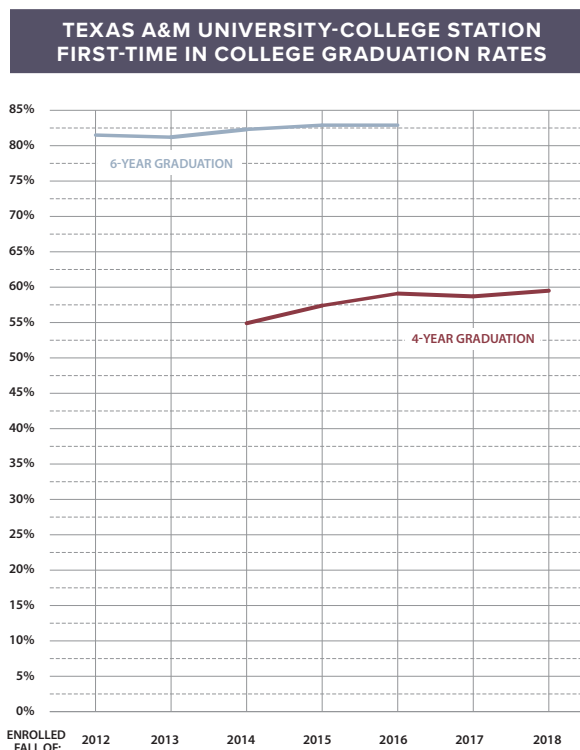


Source: Texas Workforce Commission Labor Market and Career Information Department

## ANSWERING THE CALL

Texas A&M University plays a significant role in supplying degreed and certified graduates for Texas’ workforce, as it is one of the largest universities in the nation. Its four-year graduation rate is approaching 60 percent, and its six-year graduation rate is closing in on 83 percent (Exhibit 3).

EXHIBIT 3



Source: Texas A&M Office of Academic and Business Performance Analytics

The College Station campus received 53,000 freshman applications for admission in the 2021-22 school year. Because of a set number of student slots and the competitiveness of several of its world-class programs, the admissions office was unable to accept all those students into their preferred schools, according to C.J. Woods, senior associate vice president for admissions and undergraduate recruitment and outreach at Texas A&M University.

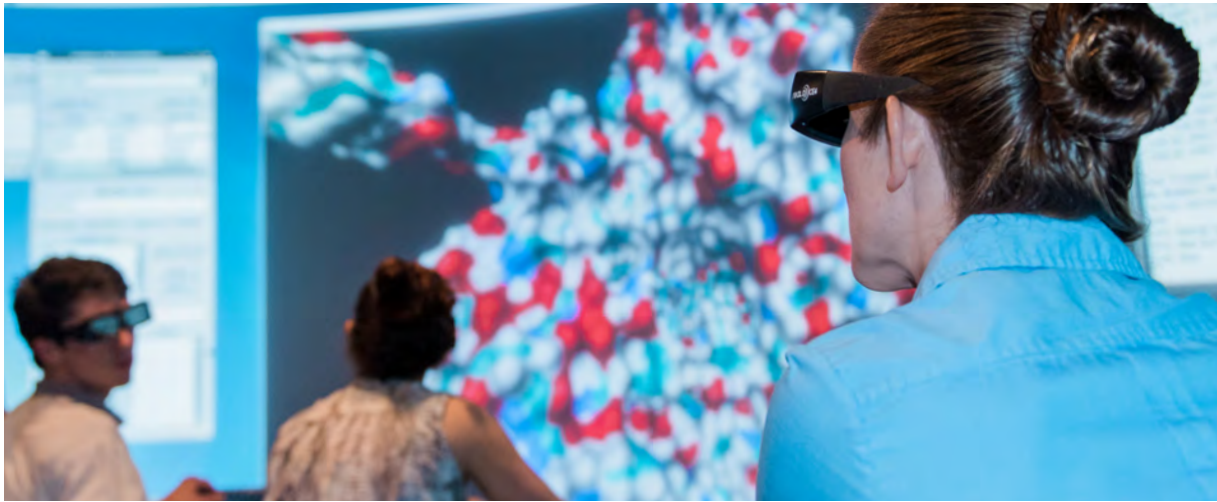


M. Katherine Banks, Texas A&M University-College Station

University President M. Katherine Banks and her staff connected with industries and communities and gathered feedback from applicant surveys to inform the development of two new College Station campus programs designed to address workforce shortages and boost applications to underfilled majors at Texas A&M without increasing school size, hiring additional faculty or incurring costs.



# Higher Ed Tackles Workforce Shortages



Students at Texas A&M University-College Station use data visualization technology. Photo courtesy of Texas A&M University-College Station.

Under Banks' direction, the newly formed Division of Academic Strategic Collaborations created the Completion Admissions and Opportunity Admissions programs, which will accept applications in early 2023 for the fall 2023 semester.

## **Completion Admissions Program**

The program encourages former Texas A&M students who did not earn a degree or certificate to return to campus and enroll in a "best-fit" major or appropriate certificate program. Eligible students must have completed a minimum of 90 credit hours toward a degree and be in good standing with the university.

Texas A&M leadership touted the benefits of additional degree or certified graduates entering or returning to the workforce.



Susan Ballabina, Texas A&M University-College Station

"Because of the workforce needs in our state, we wanted to put together a program with as little bureaucracy as possible to get those students back to our institution to finish a degree that works for both Texas A&M and the student," says Susan Ballabina, senior vice president and chief external affairs officer for Texas A&M University.

The university is targeting Texas residents who, for various reasons, ceased their studies before degree completion. Members of the military who had to suspend their studies to answer the call of duty are prime candidates for this program.

"We have a strong affinity for the military here due to the Corps of Cadets, and we want to provide maximum access and opportunity for those who serve our country," explains Woods. "We're looking at admissible students who have a love and affinity for Texas A&M."

## **Opportunity Admissions Program**

This program opens the door to wait-list freshmen or transfer students who are qualified to attend the university, but their first-choice major programs at the College Station campus are full.

Admissions officials will help these students select a program from about 40 "Opportunity Majors" across colleges and in a broad spectrum of disciplines, such as education, science and languages, that are below the average student-to-faculty ratios. The university plans to update this list yearly to reflect changes in demand and allow the maximum number of students to enroll.

"As the population in Texas continues to grow, Texas A&M University is committed to keeping pace and finding new ways to open its doors to qualified students," Banks says. "The Opportunity Admissions Program is a perfect example of this in action, where we will enable more qualified students to obtain a degree or certification from Texas A&M."



C.J. Woods, Texas A&M University-College Station

Woods underscores the value of attending a four-year land grant institution with a national reputation.

"We're hearing from some people that the return on investment in higher ed is not where it needs to be," he says. "These programs will emphasize getting the degree and then looking at the opportunities that will present themselves."

After the first cycle in fall 2023, university staff will assess participation and make necessary changes. If a previously underfilled school reaches maximum capacity, it will drop off the Opportunity Majors list to make room for another school with unfilled student slots.

## Texas Talent Isn't a Tall Tale

The Texas Higher Education Coordinating Board (THECB) is setting its sights on addressing workforce shortages by elevating the number of Texans who possess credentials of value over the next eight years.

Its strategic plan — *Building a Talent Strong Texas* — targets 60 percent attainment of a postsecondary credential of value by 2030 for Texans ages 25-64.

“The heart of the matter is that expectations for higher education have changed, faster than anyone expected,” Texas Higher Education Commissioner Harrison Keller says. “Now, there is a significant disconnect between the scale of our needs in each of these areas versus what our higher education institutions and policies were designed to do.”

Keller presented an overview of the strategic plan at the Texas Higher Education Leadership Conference on Dec. 8, 2022, in which he pointed to three challenges higher education is facing:

- **Educational attainment** — The COVID-19 pandemic quickly brought on radical shifts in working conditions, job supply and education requirements for employment.
- **Workforce education** — Texas’ economy is strong but not immune to change. Tougher hiring standards require advanced degrees above high school completion.
- **Research and development** — Boasting an educated workforce is not enough in these times. Texas’ industries must be on the cutting edge of technology and security.

To address these challenges, the strategic plan seeks to establish a statewide repository with information on all credentials offered by Texas institutions of higher education and modernize the state’s educational and workforce data infrastructure, including improved collection of occupation-specific data.

In addition, the plan will leverage the work of the THECB, Texas Workforce Commission and Texas Education Agency through the Tri-Agency Workforce Initiative to boost high-quality education and workforce training opportunities.

Texas A&M officials say their measure of success will be an increased number of students gaining access to the university’s programs and obtaining degrees or certificates that better prepare them to enter or return to the workforce.

## COLLISION COURSE

As the gulf between job vacancies and qualified workers threatens to widen, the demand for degreed and certified graduates intensifies.

The health care crisis has forced some hospitals and nursing homes to use contract labor at significantly higher costs or exhaust available staff who are working longer shifts and spiraling toward burnout.

Heading into the 88th legislative session, the Texas Hospital Association (THA) prioritized support of state funding increases for training, retention and loan repayment programs that benefit Texas’ physicians, nurses, behavioral health professionals and allied health professionals. THA also sought support for continued workplace safety, retention and violence reduction strategies to maintain a strong health care workforce.

Texas school districts are resorting to employing uncertified instructors or raising their student-to-teacher ratios. Meanwhile, more teachers are leaving, or contemplating leaving, the profession. At a December 2022 meeting, several Texas Teacher Vacancy Task Force working groups focused on compensation, training and support, and working conditions as they shaped preliminary policy recommendations.

Mounting workforce shortages are placing the health and education of Texans at risk. Decisive action by state agencies and IHEs will help mitigate the consequences, with higher education playing a pivotal role in stemming the rising tide of workforce shortages now and in the future.

“Texas is leading the nation in job growth at a rate of 5.4 percent, and many of our former students stay and work here in Texas,” says John Sharp, chancellor of The Texas A&M University System. “With these new programs, Texas A&M will be preparing the workforce of the future to address this growth in a number of key areas.” **FN**

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To learn more about labor shortages in Texas, see our March-April 2022 edition of Fiscal Notes at [comptroller.texas.gov/economy/fiscal-notes/archive.php](http://comptroller.texas.gov/economy/fiscal-notes/archive.php).

## NET STATE REVENUE – ALL FUNDS, EXCLUDING TRUST

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

(IN THOUSANDS)

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](http://comptroller.texas.gov/transparency).

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

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.

TAX COLLECTIONS BY MAJOR TAX	JANUARY 2023	YEAR TO DATE: Total	YEAR TO DATE: Change from Previous Year
<b>SALES TAX</b>	\$4,105,235	\$19,500,136	11.27%
<i>Percent Change from January 2022</i>	6.59%		
<b>MOTOR VEHICLE SALES AND RENTAL TAXES</b>	\$566,090	\$2,861,260	9.25%
<i>Percent Change from January 2022</i>	17.93%		
<b>MOTOR FUEL TAXES</b>	\$311,052	\$1,599,627	0.94%
<i>Percent Change from January 2022</i>	4.98%		
<b>FRANCHISE TAX</b>	-\$37,605	\$118,562	-350.49%
<i>Percent Change from January 2022</i>	-62.77%		
<b>OIL PRODUCTION TAX</b>	\$486,252	\$2,668,701	23.65%
<i>Percent Change from January 2022</i>	13.84%		
<b>INSURANCE TAXES</b>	\$52,820	\$200,035	38.69%
<i>Percent Change from January 2022</i>	46.82%		
<b>CIGARETTE AND TOBACCO TAXES</b>	\$102,375	\$484,233	-0.78%
<i>Percent Change from January 2022</i>	5.86%		
<b>NATURAL GAS PRODUCTION TAX</b>	\$321,690	\$1,991,760	28.16%
<i>Percent Change from January 2022</i>	-12.92%		
<b>ALCOHOLIC BEVERAGES TAXES</b>	\$155,677	\$731,834	11.54%
<i>Percent Change from January 2022</i>	11.15%		
<b>HOTEL OCCUPANCY TAX</b>	\$54,670	\$307,673	21.53%
<i>Percent Change from January 2022</i>	11.03%		
<b>UTILITY TAXES<sup>1</sup></b>	\$121,525	\$290,034	23.89%
<i>Percent Change from January 2022</i>	23.42%		
<b>OTHER TAXES<sup>2</sup></b>	\$22,661	\$110,990	-478.70%
<i>Percent Change from January 2022</i>	48.06%		
<b>TOTAL TAX COLLECTIONS</b>	<b>\$6,262,443</b>	<b>\$30,864,846</b>	<b>13.73%</b>
<i>Percent Change from January 2022</i>	<b>8.74%</b>		
REVENUE BY SOURCE	JANUARY 2023	YEAR TO DATE: Total	YEAR TO DATE: Change from Previous Year
<b>TOTAL TAX COLLECTIONS</b>	\$6,262,443	\$30,864,846	13.73%
<i>Percent Change from January 2022</i>	8.74%		
<b>FEDERAL INCOME</b>	\$5,275,444	\$28,379,013	5.91%
<i>Percent Change from January 2022</i>	4.33%		
<b>LICENSES, FEES, FINES AND PENALTIES</b>	\$737,728	\$2,879,904	1.56%
<i>Percent Change from January 2022</i>	5.12%		
<b>STATE HEALTH SERVICE FEES AND REBATES<sup>3</sup></b>	\$563,543	\$5,511,349	88.58%
<i>Percent Change from January 2022</i>	2.23%		
<b>NET LOTTERY PROCEEDS<sup>4</sup></b>	\$326,628	\$1,401,172	12.52%
<i>Percent Change from January 2022</i>	26.87%		
<b>LAND INCOME</b>	\$274,626	\$1,897,594	19.87%
<i>Percent Change from January 2022</i>	2.04%		
<b>INTEREST AND INVESTMENT INCOME</b>	\$481,329	\$1,346,057	75.79%
<i>Percent Change from January 2022</i>	25.07%		
<b>SETTLEMENTS OF CLAIMS</b>	\$19,922	\$464,647	-4.20%
<i>Percent Change from January 2022</i>	269.32%		
<b>ESCHEATED ESTATES</b>	\$9,251	\$66,773	-20.33%
<i>Percent Change from January 2022</i>	-13.82%		
<b>SALES OF GOODS AND SERVICES</b>	\$32,881	\$121,281	-7.87%
<i>Percent Change from January 2022</i>	71.58%		
<b>OTHER REVENUE</b>	\$126,744	\$765,929	-29.97%
<i>Percent Change from January 2022</i>	0.48%		
<b>TOTAL NET REVENUE</b>	<b>\$14,110,538</b>	<b>\$73,698,564</b>	<b>13.24%</b>
<i>Percent Change from January 2022</i>	<b>7.37%</b>		



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Texas Comptroller of Public Accounts

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