



SEPTEMBER 2016

FISCAL NOTES

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The Texas Economic Stabilization Fund

By TJ Costello, David Green and Patrick Graves

SAVING FOR RAINY DAYS



As most Texans know by now, the decline in energy prices is weighing on the state economy — and the tax revenue it generates.

In October 2015, the Comptroller’s office lowered its biennial revenue estimate for fiscal 2016 and 2017 by \$2.7 billion, mostly due to legislative action and lower-than-expected collections of oil and gas production taxes and associated sales tax revenue.

But Texas does have a big budgetary backstop: one of the nation’s largest economic stabilization funds (ESFs), commonly called a “rainy day fund.” The state’s ESF balance at the close of fiscal 2016 is expected to be nearly \$9.7 billion. According to a recent study by the National Association of State Budget Officers (NASBO), that’s equivalent to nearly 20 percent of Texas’ annual general revenue expenditures (and compared to an average of 6 percent among states with similar funds).

If the next legislative session doesn’t tap the rainy day fund, it should contain more than \$10 billion by the end of fiscal 2017.

Forty-six states have some form of rainy day fund.

FUNDING THE FUND

The Pew Charitable Trusts report that 46 states have some form of rainy day fund.

Texas had the nation’s second-largest rainy day fund in fiscal 2015 and now has taken the top slot (**Exhibit 1**).

EXHIBIT 1

LARGEST STATE RAINY DAY FUNDS, FISCAL 2015 AND 2016

(Amounts in Millions)

STATE	FISCAL 2015 BALANCE	FISCAL 2016 BALANCE*
TEXAS	\$8,460	\$9,679
California	4,339	8,661
Alaska	10,314	6,881
Ohio	1,478	2,005
Georgia	1,431	N/A
Minnesota	1,344	1,947
New York	1,798	1,798
Florida	1,139	1,354
Indiana	1,254	1,317
Massachusetts	1,252	1,258

* Estimated.

Source: National Association of State Budget Officers, *The Fiscal Survey of States, Spring 2016*; and Texas Comptroller of Public Accounts, *2016-17 Certification Revenue Estimate*

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A Message from the Comptroller

Our state revenues reflect the state economy, and vary with its ups and downs. But Texas budget writers have a major advantage in the form of the Economic Stabilization Fund (ESF), often called the state's "rainy day fund." Most states have similar funds, but few can approach ours; at nearly \$9.7 billion in fiscal 2016, it's the nation's largest.



The Texas ESF was created in the 1980s, in the wake of a recession due in large part to a slump in energy prices. It derives most of its revenue from the state's oil and gas production taxes, and it rose along with those taxes during the shale boom. Now energy prices have fallen sharply again, but through the ESF we've put revenue aside for tighter times.

In this issue, we examine the rainy day fund and how it's been used over the years.

We also take a look at a study my office prepared on the economic impact of Texas military installations. We've found that our 15 major military installations generate more than \$136.6 billion in economic activity in our state each year, add about \$81.4 billion to our gross state product and support nearly 806,000 Texas jobs.

It's a staggering total that underlines the importance of the armed services to our state economy. I recently visited a number of these bases to talk about the study — and to show our gratitude. Our communities and our families owe a profound debt to the men and women of the armed services.

As always, I hope you enjoy this issue!

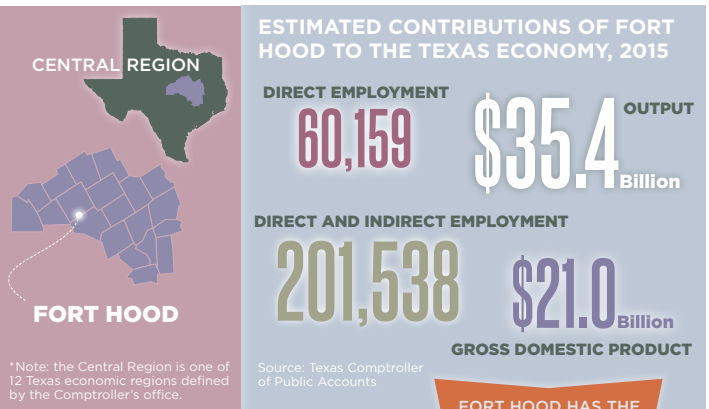

GLENN HEGAR
 Texas Comptroller of Public Accounts

MILITARY SNAPSHOT

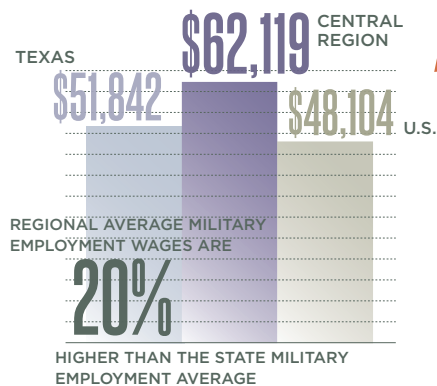
FORT HOOD

Texas has long been committed to our military bases and the personnel who call the Lone Star State home. As the state's chief financial officer, I appreciate the military's contribution to our economy: \$136.6 billion in total annual output, \$81.4 billion in gross state product and support for more than 806,000 Texas jobs. By detailing the economic impact of our military installations, we hope to emphasize their importance to strong, diverse and growing regional economies.

Glenn Hegar
 Texas Comptroller of Public Accounts



AVERAGE MILITARY WAGES, 2014



FORT HOOD HAS THE MOST EMPLOYEES ON A SINGLE SITE IN THE STATE OF TEXAS

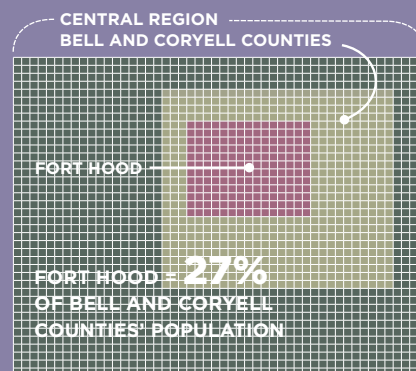
Source: Fort Hood

From 2004 to 2014, Central Region military average wages grew by:

\$19,865
 OR
47.0%

Source: Texas Comptroller of Public Accounts

POPULATION ASSOCIATED WITH FORT HOOD



ONE OUT OF EVERY FOUR PEOPLE IN BELL AND CORYELL COUNTIES IS ASSOCIATED WITH FORT HOOD.

THEY ARE EMPLOYEES (MILITARY, CIVILIAN AND CONTRACTOR), FEDERAL TENANTS, RETIREES AND FAMILY MEMBERS.

Sources: U.S. Census Bureau and Texas Comptroller of Public Accounts

Source: Fort Hood and U.S. Census Bureau

FORT HOOD IS ONE OF 15 MAJOR TEXAS MILITARY INSTALLATIONS.

To see a complete list of these installations, plus more in-depth regional and county-by-county data, visit:

TEXASAHEAD.ORG/ECONOMIC-DATA/MILITARY

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

Texans approved a constitutional amendment creating the ESF in 1988, following an oil price plunge and economic recession that forced lawmakers to raise taxes to keep state government in the black. The Legislature structured the fund to automatically set aside some tax revenues in boom years to help the state during downturns. Subsequent legislation and another constitutional amendment made further changes to its funding mechanisms.

The crude oil and natural gas production taxes are by far the most important funding sources for the fund, contributing more than 85 percent of its revenue over time. Ironically, the state has amassed its substantial cushion by tapping the same volatile revenue stream that has caused it financial difficulties in the past.

Historically, the rainy day fund received 75 percent of each year's oil and natural gas production tax revenues in excess of the amounts they yielded in fiscal 1987 — \$531.9 million for oil and \$599.8 million for gas. In fiscal 2015, by contrast, despite faltering energy prices and production, these taxes yielded nearly \$2.9 billion and \$1.3 billion, respectively.

A November 2014 constitutional amendment shifted half of the ESF's share of oil and gas tax revenue to the State Highway Fund to address urgent transportation needs. Without further legislative action, this arrangement will end after fiscal 2025, and the fund's share will return to 75 percent of oil and gas tax collections above the fiscal 1987 thresholds.



**In fiscal 2015,
oil and natural gas production
tax revenues yielded nearly
\$2.9 billion and \$1.3 billion,
respectively.**

**Only one appropriation —
\$3.2 billion in 2011,
representing 34 percent of
the fund balance —
was made to cover
a budget gap.**

Other rainy-day revenue includes half of any unencumbered balance in general revenue (that is, revenue not reserved for any specific purpose) at the end of each biennium, and all interest earned on the fund balance and investments made with it. The Legislature also may make direct appropriations to the fund, although it has never done so.

MONEY ROLLS IN ... AND OUT

Since its inception through July 2016, the rainy day fund has received deposits of \$19.5 billion and earned \$789.9 million in interest.

The Comptroller's office has up to 90 days after the end of each fiscal year to transfer revenue to the fund; typically, these transfers are made in late November.

The agency's next transfer, in November 2016, will total more than \$439.5 million, with an identical sum transferred on the same day to the State Highway Fund.

The Texas Constitution authorizes the Legislature to make appropriations from the ESF in response to three circumstances:

- a budget deficit during a biennium;
- a projected revenue shortfall in an ensuing biennium; or
- any other purpose the Legislature chooses at any time.

Appropriations for the first two circumstances require approval by three-fifths of the Legislature, while a general-purpose appropriation needs a two-thirds majority for passage.

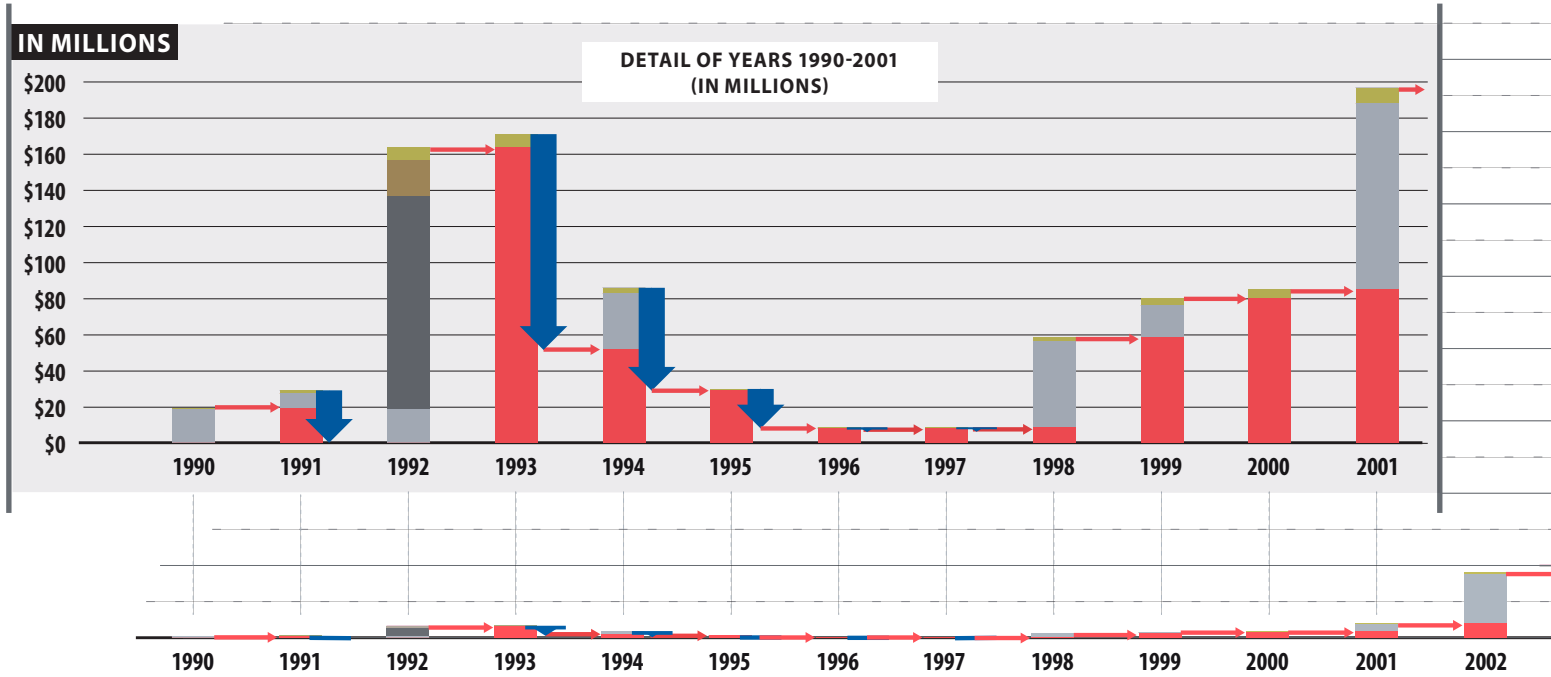
The Legislature has made seven appropriations totaling \$10.6 billion from the ESF since its inception, most recently in 2013. All were approved by two-thirds votes.

The purposes for these appropriations have included water projects, disaster relief, public education, economic development and health and human services. Only one appropriation — \$3.2 billion in 2011, representing 34 percent of the fund balance at that time — was made to cover a budget gap (for fiscal 2011).

CONTINUED ON PAGE 4

EXHIBIT 2

ECONOMIC STABILIZATION FUND REVENUE AND EXPENDITURE HISTORY WITH ENDING BALANCES



HISTORY IN THE BALANCE

In the 1990s, the fund’s year-end balance exceeded \$100 million only once. The Legislature tapped the rainy day fund three times during that decade, each time exhausting almost the entire balance. After an appropriation to address school finance in 2005, the fund balance was reduced to \$7 million.

The ESF’s huge balance today is due mainly to extraordinary growth in oil and gas tax collections during the recent shale boom. In 2006, it received its first revenue transfer based on the oil production tax since 1992; natural gas taxes also skyrocketed that year, responding to the surge in production based on hydraulic fracturing (“fracking”) technology. Oil and gas taxes have contributed to the rainy day fund every year since 2006, though oil and gas production taxes will not reach the transfer threshold in fiscal 2016 (Exhibit 2).

MAXIMUM, MINIMUM

The state’s constitution limits the ESF’s maximum balance in each biennium to no more than 10 percent of the amount of general revenue deposited during the preceding biennium. (Interest and investment income

and interfund borrowing are excluded from this cap.)

In practice, maximum ESF balances have never come close to the cap amount. The cap for the current biennium (fiscal 2016 and 2017) is \$16.2 billion.

The November 2014 constitutional amendment that redirected a portion of oil and gas tax revenue to the State Highway Fund also included a requirement that the ESF retain a “sufficient” amount on hand. This requirement protects the ESF by reducing or eliminating State Highway Fund transfers if the ESF dips below a certain threshold. Neither the state constitution nor state law specify this amount, however.

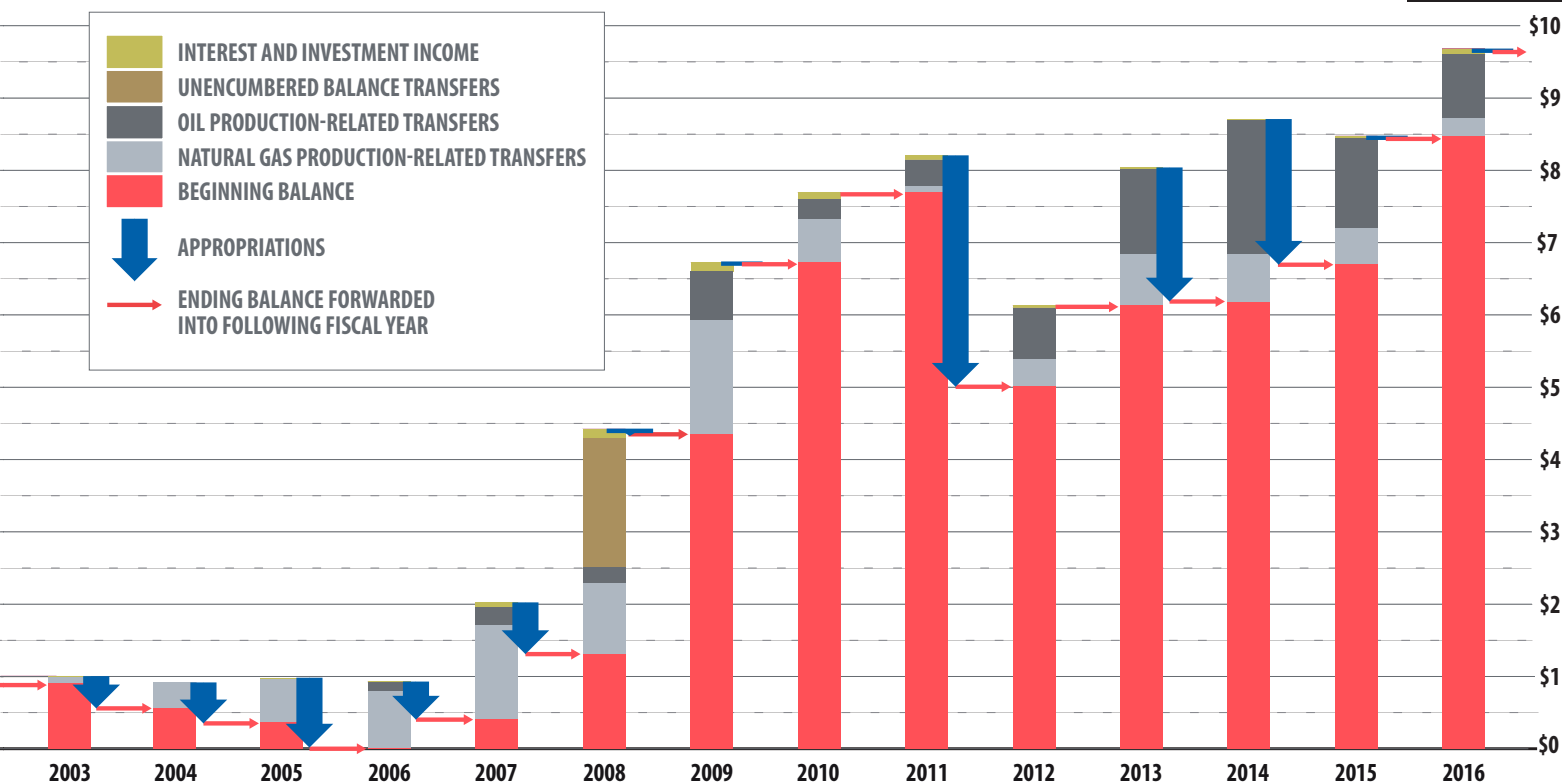
Instead, this “sufficient fund balance” is determined prior to each regular legislative session by a joint select committee and submitted to the Legislature. The Legislature may set a different number, but otherwise the committee’s figure takes effect.

The sufficient fund balance is set at \$7 billion through the end of the 2016-17 biennium.

INVESTMENTS

Throughout most of its history, the Texas Treasury Safekeeping Trust Company, an entity chaired by the

IN BILLIONS



Source: Texas Comptroller of Public Accounts

comptroller, has invested rainy day fund revenue in short-term, low-yield, highly liquid instruments, to keep the funds readily available if needed.

To maintain the ESF's purchasing power in an era of historically low interest rates, however, the 2015 Legislature authorized the Trust Company to invest the portion of the ESF balance above the sufficient fund balance through its Texas Economic Stabilization Investment Fund.

This investment fund is intended to provide safe and steady returns and prevent the erosion of the ESF balance due to inflation. It's subject to a "prudent investor standard" and must be maintained so the balance is adequate to meet cash-flow requirements. Currently, the Trust Company is investing a majority of ESF revenue above the sufficient fund balance through this fund. This enhanced investment authority expires on Dec. 31, 2024.

At the end of July 2016, the Trust Company had invested about \$2.6 billion in this way, producing a net return of about \$56.4 million for the ESF since its September 2015 inception.

PAYING IT (OR SAVING IT) FORWARD

The Texas economy has proven its resilience after the recent fall in oil prices, a situation much improved from the 1980s oil and real estate busts that spurred the rainy day fund's creation. Texas is faring far better financially than other states with large mining and energy sectors, such as Oklahoma, Louisiana and North Dakota.

Our state still faces challenges, however. State revenue growth has slowed, while financial strains on our infrastructure persist. In preparation for the upcoming legislative session, state leaders have identified some programs facing funding challenges, specifically foster care and health benefits for retired teachers. Texas legislators also could face more pressure to use the rainy day fund in light of other ongoing obligations, such as employee pensions and deferred maintenance.

The size of the rainy day fund, coupled with the state's latest funding challenges, could cause the fund to be a topic of debate in the 2017 legislative session. **FN**

Military Installations Worth Billions for Texas By Bruce Wright

COMPTROLLER STUDY WEIGHS ECONOMIC IMPACTS



B-1 flight prep: Flight preparation begins for a B-1B Lancer at Dyess Air Force Base.

Photo courtesy of the U.S. Air Force

Texans have a long and proud military tradition, and have distinguished themselves in every conflict since there *was* a Texas. But for many communities throughout the state, the military isn't just a focus for pride.

Texas Comptroller Glenn Hegar recently visited a number of Texas military installations to announce the results of a new study that quantifies the economic benefits Texas derives from the presence of these facilities in our state.

The Comptroller study found that the 15 major military installations located in Texas generate more than \$136.6 billion in economic activity here each year, and add \$81.4 billion to our gross state product (**Exhibit 1**). They also generate \$48.1 billion in annual personal income and support, directly and indirectly, nearly 806,000 Texas jobs.

In many areas, the installation is an essential part of the local economy — and of the community.

Texas' military installations aren't just barracks, mess halls and firing ranges. They're more like cities, and in some cases like *large* cities. Modern military installations include machine shops, garages, water treatment plants, hospitals, wellness centers, hotels, stores, restaurants, day-care centers, movie theaters and more, employing civilians and military contractors as well as service members.

"We owe a huge debt to those who serve, and we reap the benefits of their presence every day," says Hegar.

Let's take a look at some of the detailed findings of the Comptroller study.

EXHIBIT 1

ECONOMIC IMPACT OF MILITARY INSTALLATIONS IN TEXAS, 2015

INSTALLATION	2015 CONTRIBUTION				
	DIRECT EMPLOYMENT	DIRECT AND INDIRECT EMPLOYMENT	OUTPUT	GROSS STATE PRODUCT	DISPOSABLE PERSONAL INCOME
CORPUS CHRISTI ARMY DEPOT	4,097	18,083	\$2,483,528,000	\$1,579,541,000	\$1,027,347,000
DYESS AIR FORCE BASE	5,369	20,208	3,654,130,000	2,131,217,000	1,218,833,000
ELLINGTON FIELD JOINT RESERVE BASE	1,144	4,155	777,245,000	452,059,000	259,880,000
FORT BLISS	40,844	135,610	24,134,743,000	14,186,385,000	8,171,598,000
FORT HOOD	60,159	201,538	35,351,234,000	21,025,080,000	12,237,052,000
GOODFELLOW AIR FORCE BASE	4,995	16,605	3,003,318,000	1,750,277,000	975,677,000
JOINT BASE SAN ANTONIO (FORT SAM HOUSTON, LACKLAND AIR FORCE BASE AND RANDOLPH AIR FORCE BASE)	77,659	282,995	48,701,573,000	28,799,441,000	17,081,991,000
LAUGHLIN AIR FORCE BASE	2,432	7,835	1,375,475,000	808,890,000	458,209,000
NAVAL AIR STATION CORPUS CHRISTI	4,386	12,949	2,136,273,000	1,284,181,000	798,824,000
NAVAL AIR STATION JOINT RESERVE BASE FORT WORTH	17,466	47,256	6,575,894,000	4,266,811,000	2,681,192,000
NAVAL AIR STATION KINGSVILLE	1,330	4,545	712,109,000	435,211,000	288,656,000
RED RIVER ARMY DEPOT	4,472	16,936	2,133,067,000	1,308,481,000	898,101,000
SHEPPARD AIR FORCE BASE	8,452	36,970	5,609,124,000	3,360,811,000	1,997,267,000
STATEWIDE TOTALS	232,984	805,685	\$136,648,713,000	\$81,388,385,000	\$48,094,627,000

Source: Texas Comptroller of Public Accounts

FORT BLISS

Fort Bliss, the U.S. Army's second-largest post in geographic terms, sprawls across 1.1 million acres of Texas and New Mexico, with residential and headquarters facilities in El Paso County.

Established in 1848 to defend the nation's new border after the Mexican War, today Fort Bliss is one of the Army's fastest-growing bases, with \$6 billion in new

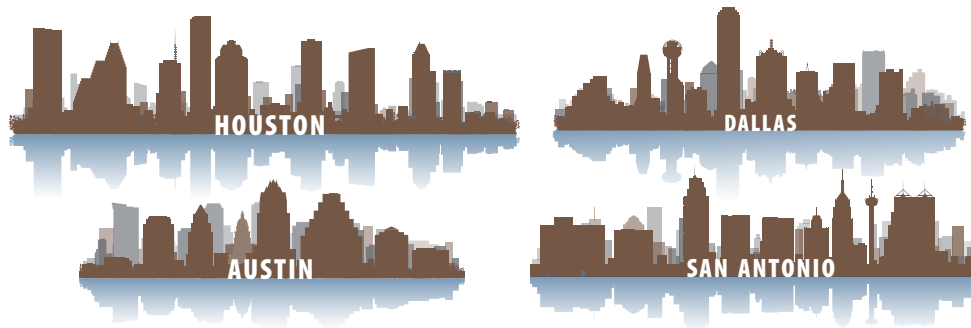
construction in recent years. It's a major soldier training center and, since 2011, home to the First Armored Division, also known as "Old Ironsides."

Fort Bliss is also a prime example of cooperation with the community. The base partnered with the city of El Paso to create the world's largest inland desalination plant,

which now provides fresh water for the city and the base.

In 2015, Fort Bliss directly employed nearly 41,000 service members and civilians and supported more than 135,600 Texas jobs. It generated nearly \$8.2 billion in disposable personal income and contributed \$24.1 billion in Texas economic activity, raising the gross state product (GSP) by \$14.2 billion.

Located in El Paso County, Fort Bliss is the nation's second-largest Army installation geographically, with **1.12 MILLION ACRES** in Texas and New Mexico. It would encompass the following cities:



**FORT BLISS COVERS
MORE GROUND
THAN THE STATE OF
RHODE ISLAND.**

Source: Fort Bliss

Source: U.S. Census Bureau

FORT HOOD

Originally created to train tank destroyer battalions in World War II, Fort Hood has become the Army's largest active-duty armored post, home to III Corps Command Group and subordinate units including the much-decorated 1st Cavalry Division, "America's First Team." Occupying more

than 217,000 acres in Bell and Coryell counties, Fort Hood has deployed and redeployed more than 852,000 soldiers overseas since 2003.

It's also a testbed for the military's commitment to alternative energy sources. In January 2016, Fort Hood began the Army's largest renewable energy project, an on-post solar farm with 63,000 solar panels as well as an off-site wind turbine

farm that together will supply about 40 percent of the post's energy needs.

Fort Hood is the state's largest single-site employer, with nearly 60,200 military and civilian personnel on staff. In 2015, it supported nearly 202,000 Texas jobs and generated \$12.2 billion in disposable personal income. In all, the installation was responsible for about \$35.4 billion in economic activity and contributed \$21 billion to the 2015 GSP.

**FORT HOOD SUPPORTS
THE ARMY'S LARGEST
CONCENTRATION OF
ARMORED MILITARY
CAPABILITIES.**

Source: Fort Hood

Soldiers with the 3rd Cavalry Regiment participate in a combined live-fire exercise at Fort Hood.



U.S. Army photo by Sgt. Marcus Floyd

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JOINT BASE SAN ANTONIO

Joint Base San Antonio (JBSA), the nation's largest joint base (serving multiple branches of the military), was created in 2010 by the administrative merger of Lackland Air Force Base, Randolph Air Force Base and the Army's Fort Sam Houston.

JBSA occupies about 46,500 acres on 11 sites in the San Antonio area. Its multiple missions include flight training, cyber operations and military intelligence. It trains more students than any other Department

of Defense installation, and is home to the Brooke Army Medical Center, the military's largest hospital, with its only level-one trauma center and burn center.

JBSA's various components employ nearly 78,000 military personnel and civilians and support about 283,000 Texas jobs. It generated \$17.1 billion in disposable personal income and \$48.7 billion in economic activity in 2015, adding \$28.8 billion to GSP.

JBSA RESEARCH DEVELOPED TECHNOLOGY TO DETECT INTERNAL BLEEDING AND HEAT INJURY.

Source: JBSA

LEFT: Trauma care at San Antonio Military Medical Center, part of the Brooke Army Medical Center.

BELOW: Brooke Army Medical Center is the nation's largest military healthcare center.



U.S. Army photos by Robert A. Whetstone



NAVAL AIR STATION CORPUS CHRISTI

NAS Corpus Christi, located six miles southeast of the coastal city, is home to the U.S. Navy's Naval Air Training Command, serving student pilots from the Navy, Marine Corps and Coast Guard as well as foreign nations. The base began turning out freshly minted pilots in 1941 and produced more than 35,000 naval aviators during World War II.

Today, the base also hosts other units, including the U.S. Customs and Border Protection Service, Coast Guard civilian search and rescue and maritime surveillance operations and the Army's Corpus Christi Army Depot (see below).

In 2015, NAS Corpus Christi directly employed nearly 4,400 and supported more than 12,900 Texas jobs, generating about \$799 million in personal income. The installation was responsible for \$2.1 billion in economic activity and nearly \$1.3 billion in GSP.

CORPUS CHRISTI ARMY DEPOT

Also located at NAS Corpus Christi is the Corpus Christi Army Depot, the world's largest helicopter repair facility and the nation's primary maintenance site for military helicopters, engines and components.

The depot employs nearly 4,100 and supports more than 18,000 Texas jobs. To ensure a steady pool of qualified

technicians, the depot maintains a strategic partnership with Del Mar College's aviation maintenance technician program.

In 2015, Corpus Christi Army Depot generated \$1 billion in disposable personal income, \$2.5 billion in economic activity and nearly \$1.6 billion in GSP.

ONE OUT OF EVERY 10 PEOPLE IN NUECES COUNTY IS ASSOCIATED WITH NAS CORPUS CHRISTI OR ITS TENANTS, INCLUDING CORPUS CHRISTI ARMY DEPOT.



Sources: NAS Corpus Christi/Corpus Christi Army Depot and U.S. Census Bureau

NAVAL AIR STATION JOINT RESERVE BASE FORT WORTH

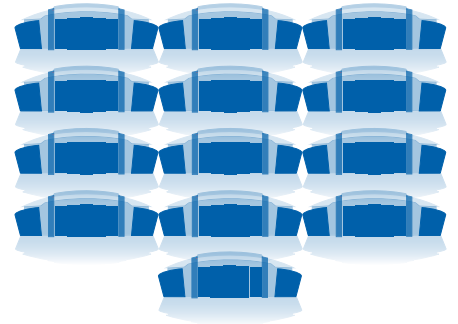
Naval Air Station Joint Reserve Base Fort Worth (NAS Fort Worth JRB) occupies the site of the former Carswell Air Force Base, one of the nation's most important Strategic Air Command bases during the Cold War. It became the nation's first joint reserve base in 1994, created through the relocation of numerous Navy Reserve, Marine Corps, Air Force Reserve and Air National Guard units following a recommendation by the U.S. Base Realignment and Closure Commission.

NAS Fort Worth JRB was established in 1932 as Tarrant Field. Today, its primary mission is providing training and support for reservists and guard members from all

branches of the armed services. The facility hosts units of the Navy, Marine Corps, Air Force, Army and Texas Air National Guard on 2,300 acres within the city limits of Fort Worth. Its Air National Guard 136th Airlift Wing participated in relief efforts after several major hurricanes, including Katrina, Rita and Ike.

NAS Fort Worth JRB employed nearly 17,700 civilian and military personnel in 2015, and supported more than 47,000 Texas jobs, generating almost \$2.7 billion in disposable personal income. Its operations accounted for nearly \$6.6 billion in economic activity and added \$4.3 billion to GSP.

NAS Fort Worth JRB's operating area includes **12,000 FEET OF RUNWAY.**



That's longer than **13 AT&T STADIUMS** placed end to end.

Sources: NAS Fort Worth JRB and Dallas Cowboys

DYESS AIR FORCE BASE

Dyess Air Force Base (AFB), located on 5,303 acres just west of Abilene, is the "home of the B-1 bomber," with the B1-B Lancer-equipped 7th Bomb Wing as well as the Air Force's only formal B-1 aircrew training unit.

Dyess AFB also hosts the nation's largest C-130 Hercules transporter group operations, staffing and maintenance functions. It provides medical care for more than 12,000 military retirees, military personnel

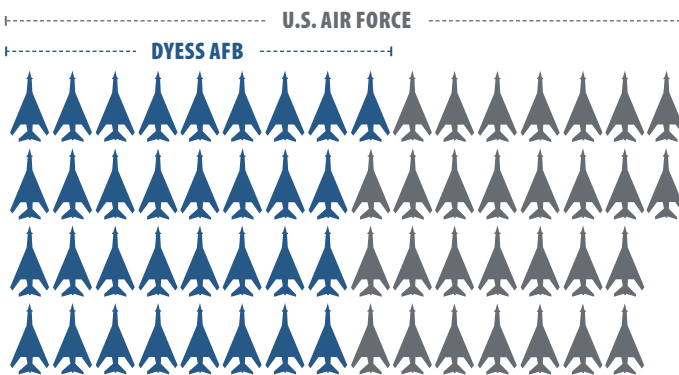
stationed at the base and their dependents. It's the largest single employer in Abilene, with nearly 5,400 military and civilian employees.

In 2015, Dyess supported about 20,200 Texas jobs and produced \$1.2 billion in personal income. It generated nearly \$3.7 billion in economic activity and added \$2.1 billion to the state's GSP.

DYESS AFB IS KNOWN AS "THE HOME OF THE B-1." IT BOASTS THE AIR FORCE'S ONLY FORMAL B-1 BOMBER AIR CREW TRAINING UNIT.

Source: Dyess AFB

Dyess AFB houses **MORE THAN HALF** of the nation's 62 active-force B1 bombers.



Source: Dyess AFB

An engine testing facility at Dyess Air Force Base.



Photo Courtesy of the U.S. Air Force

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NAVAL AIR STATION KINGSVILLE

NAS Kingsville opened its doors in 1942, as an auxiliary to NAS Corpus Christi that trained pilots in gunnery, dive bombing and anti-submarine warfare. Today, the 16,000-acre site produces half of all new Navy and Marine tactical pilots each year. The base also hosts several major contractors including L-3/Vertex, Rolls Royce, LB&B and Fidelity Technologies, which provide aviation maintenance and logistics support,

engine maintenance, flight simulator maintenance and simulator training, respectively. About 1,300 civilian, contractor and military personnel work at NAS Kingsville; in all, the base supports more than 4,500 Texas jobs and contributed nearly \$289 million in disposable personal income in 2015. In that year, the installation generated \$712.1 million in economic output and added \$435.2 million to Texas GSP.

NAS KINGSVILLE AIR TRAFFIC CONTROL OVERSAW NEARLY 207,000 AIR OPERATIONS IN 2015.

Source: NAS Kingsville

GOODFELLOW AIR FORCE BASE

Goodfellow AFB is the home of the 17th Training Wing, which provides advanced education in intelligence, surveillance and reconnaissance for Air Force, Army, Navy and Marine Corps personnel as well as students from civilian federal agencies and 40 allied countries. The base also provides fire protection training for multiservice personnel.

Established in 1940 on 1,002 acres near San Angelo, Goodfellow began as a flight training center but now focuses on security and intelligence training, as well as the nation's only military firefighting school, the

Louis F. Garland Department of Defense Fire Fighting Academy.

Goodfellow maintains close ties with San Angelo and Tom Green County. The city of San Angelo, for instance, provides ambulance services to the base, while Goodfellow helps the city maintain and repair its firetrucks and allows city firefighters to train at the base.

Goodfellow employs an estimated 16,605 Texans either directly or indirectly. It generated \$976 million in personal income and \$3 billion in economic activity in 2015. In all, the base added almost \$1.8 billion to Texas GSP in 2015.

People associated with **GOODFELLOW**

STUDENTS	2,446
PERMANENT-PARTY MILITARY	1,196
AF RESERVIST/ AIR NATIONAL GUARD	447
CIVILIANS	924
CONTRACTORS	429
DEPENDENTS	1,828
RETIRES	+4,399
<hr/>	
	= 11,669

Sources: Goodfellow AFB and U.S. Census Bureau

Students pose for a class picture with the large-frame aircraft trainer at Goodfellow Air Force Base's Louis F. Garland Department of Defense Fire Academy.



U.S. Air Force photo by Breonna Veal

The military installations based in Texas play multiple roles. They're vital to our national security. They train soldiers, sailors and airmen. They provide medical care and other essential services for those associated with the installations. And they represent a potent economic asset for our state.

"Each Texas installation plays a pivotal and strategic role in our nation's defense," says Comptroller Hegar. "But they also provide an enormous economic benefit to

our state. They employ thousands of Texans and spend millions for supplies and equipment, while forging close ties with their neighbors in everything from adopt-a-school programs to emergency aid." **FN**

For more information on the economic impact of Texas' military bases, visit texasahead.org/economic-data/military.

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 TexasTransparency.org.

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	JULY 2016	YEAR TO DATE: TOTAL	YEAR TO DATE: CHANGE FROM PREVIOUS YEAR
SALES TAX	\$2,376,335	\$25,742,916	-2.27%
PERCENT CHANGE FROM JULY 2015	-1.52%		
MOTOR VEHICLE SALES AND RENTAL TAXES	414,901	4,165,041	1.88%
PERCENT CHANGE FROM JULY 2015	0.97%		
MOTOR FUEL TAXES	297,368	3,206,979	2.15%
PERCENT CHANGE FROM JULY 2015	0.26%		
FRANCHISE TAX	4,926	3,788,002	-15.92%
PERCENT CHANGE FROM JULY 2015	-75.34%		
INSURANCE TAXES	571,778	1,939,008	6.06%
PERCENT CHANGE FROM JULY 2015	1.54%		
NATURAL GAS PRODUCTION TAX	47,301	514,655	-56.40%
PERCENT CHANGE FROM JULY 2015	-37.57%		
CIGARETTE AND TOBACCO TAXES	103,454	1,252,843	-7.19%
PERCENT CHANGE FROM JULY 2015	-22.18%		
ALCOHOLIC BEVERAGES TAXES	100,494	1,083,587	3.90%
PERCENT CHANGE FROM JULY 2015	-12.49%		
OIL PRODUCTION AND REGULATION TAXES	154,509	1,557,133	-41.85%
PERCENT CHANGE FROM JULY 2015	-32.64%		
UTILITY TAXES¹	34,544	334,618	-21.08%
PERCENT CHANGE FROM JULY 2015	-60.82%		
HOTEL OCCUPANCY TAX	48,389	473,116	-0.54%
PERCENT CHANGE FROM JULY 2015	-1.50%		
OTHER TAXES²	7,168	164,697	-36.62%
PERCENT CHANGE FROM JULY 2015	-70.89%		
TOTAL TAX COLLECTIONS	\$4,161,167	\$44,222,596	-6.52%
PERCENT CHANGE FROM JULY 2015	-5.82%		
Revenue By Source	JULY 2016	YEAR TO DATE: TOTAL	YEAR TO DATE: CHANGE FROM PREVIOUS YEAR
TOTAL TAX COLLECTIONS	\$4,161,167	\$44,222,596	-6.52%
PERCENT CHANGE FROM JULY 2015	-5.82%		
FEDERAL INCOME	2,869,749	36,431,929	7.18%
PERCENT CHANGE FROM JULY 2015	-10.40%		
LICENSES, FEES, FINES AND PENALTIES	783,748	10,830,528	20.28%
PERCENT CHANGE FROM JULY 2015	-13.16%		
INTEREST AND INVESTMENT INCOME	196,343	1,298,546	-3.80%
PERCENT CHANGE FROM JULY 2015	-22.14%		
NET LOTTERY PROCEEDS³	175,178	2,040,756	16.04%
PERCENT CHANGE FROM JULY 2015	1.26%		
SALES OF GOODS AND SERVICES	20,391	262,429	-34.77%
PERCENT CHANGE FROM JULY 2015	45.63%		
SETTLEMENTS OF CLAIMS	62,937	648,909	20.44%
PERCENT CHANGE FROM JULY 2015	1,183.26%		
LAND INCOME	184,790	1,023,681	-27.44%
PERCENT CHANGE FROM JULY 2015	154.73%		
CONTRIBUTIONS TO EMPLOYEE BENEFITS	5	50	-3.94%
PERCENT CHANGE FROM JULY 2015	11.24%		
OTHER REVENUE	854,100	5,530,219	7.00%
PERCENT CHANGE FROM JULY 2015	-3.83%		
TOTAL NET REVENUE	9,308,408	102,289,642	1.34%
PERCENT CHANGE FROM JULY 2015	-6.24%		

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

² Includes the cement and sulphur taxes and other occupation and gross receipts taxes not separately identified.

³ Gross sales less retailer commissions and the smaller prizes paid by retailers.

Note: Totals may not add due to rounding.



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