

May 14, 2019

The Honorable Greg Abbott, Governor
The Honorable Dan Patrick, Lieutenant Governor
The Honorable Dennis Bonnen, Speaker of the House
Members of the 86th Legislature

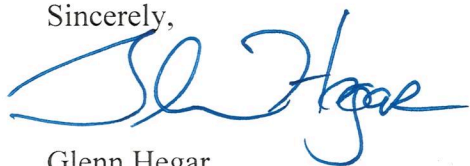
Ladies and Gentlemen:

Based on changes in estimated revenue collections for this fiscal year, I am revising my projected ending balance of revenue available for general-purpose spending in the current biennium. I now expect the 2018-19 ending balance to be slightly more than \$4.7 billion — an increase of \$518 million from the January 2019 *Biennial Revenue Estimate*.

This estimate does not account for any appropriations made by the 86th Legislature; nor does it make any adjustments for legislation that may affect revenue collections. Passage of House Bill 1525, for example, would make another \$550 million available for general-purpose spending in the 2020-21 biennium, unless it were dedicated to a specific purpose.

Some of the increased revenue projected for fiscal 2019 is attributable to upwardly revised estimates of oil and natural gas production tax collections. Consequently, I now expect to transfer \$1.67 billion each to the State Highway and Economic Stabilization funds in fiscal 2020, an increase of \$266 million per fund from my previous estimate. Not counting any appropriations from the Economic Stabilization Fund by the 86th Legislature, I now expect its balance to be \$15.62 billion at the end of the 2020-21 biennium.

Sincerely,



Glenn Hegar

cc: Legislative Budget Board

