



LEGISLATIVE BUDGET BOARD

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January 15, 2025

Jerry McGinty
Director, Legislative Budget Board
Robert E. Johnson Building, Fifth Floor
1501 North Congress
Austin, Texas 78701

Dear Mr. McGinty,

As the directed by the Board in a memo dated November 4, 2024, your office held a public hearing on November 18, 2024 pursuant to Texas Government Code, Section 316.004 to solicit testimony regarding the proposed items of information and the methodology used in making the calculations to establish the Article VIII constitutional tax spending limit on appropriations from tax revenue not dedicated by the Constitution and the Government Code Chapter 316 statutory consolidated general revenue spending limit for the 2026-27 biennium. After the hearing, in a memo dated November 18, 2024, you reported the discussion at the meeting to the Board for our consideration.

Prior to the hearing, consistent with the requirements in Government Code, Section 316.003, LBB staff filed the methodology used in making the calculations to establish the Article VIII constitutional tax spending limit on appropriations from tax revenue not dedicated by the Constitution and the Government Code, Chapter 316 statutory consolidated general revenue spending limit for the 2026-27 biennium for public inspection with the Secretary of State on November 6, 2024. The methodology was published in the *Texas Register* on November 15, 2024.

After reviewing all relevant information, pursuant to Government Code, Section 316.002, the Board adopts the following:

- (1) The estimated rate of growth of:
 - a. the Texas economy from the 2024-25 biennium to the 2026-27 biennium is 8.93%;
 - b. the estimated average biennial rate of growth of this state's population during 2024-25 and during 2026-27, adjusted by the estimated average biennial rate of monetary inflation in this state during the same period is 8.93%;

- (2) the level of appropriations for the 2024-25 biennium from
 - a. state tax revenue not dedicated by the Constitution is \$110,262,478,661;
 - b. Consolidated General Revenue is \$134,934,162,262;

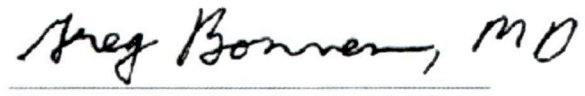
- c. These amounts are subject to adjustments resulting from revenue forecast revisions or subsequent appropriations certified by the Comptroller of Public Accounts; and therefore,
- (3) the amount of appropriations that can be made for the 2026-27 biennium, without special concurrent resolution, from
- a. state tax revenue not dedicated by the Constitution is \$120,108,918,005;
 - b. Consolidated General Revenue is \$146,983,782,952;
 - c. These are subject to adjustments to 2024-25 biennial appropriations referenced in (2) above.

Respectfully,

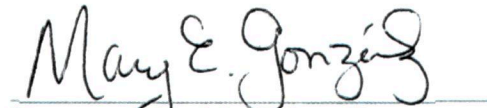

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