

OCTOBER 2022

# FISCAL NOTES

RURAL HOSPITAL CLOSURES

7

STATE REVENUE WATCH

11

## Agriculture Industry Grows Texas

By Lisa Minton and Astrid Alvarado



### FARMS, RANCHES CULTIVATE THE STATE'S ECONOMY

Agriculture is a big part of the Texas economy. Farming and ranching operations can be found in every corner of the state, from citrus crops in the Rio Grande Valley to cotton in the High Plains — and in between, there are rice paddies in the Coastal Plains, sheep and cattle ranches in West Texas and timber harvesting in the Piney Woods of East Texas.

Agriculture existed in Texas long before European settlers arrived. Caddo tribes in the eastern part of the state grew corn, beans and squash, as detailed by the Texas State Historical Association. Pueblo tribes in the west not only cultivated food crops but also grew cotton and developed irrigation techniques. Early Spanish settlers introduced hogs, goats, sheep and cattle. As other settlers arrived, they established a variety of farming and ranching operations, ranging from small family farms to large cotton plantations and cattle ranches.

Since those early days, Texas agriculture has changed significantly. Advanced cultivation practices, improved seed varieties, mechanization and the introduction of electricity and paved farm roads have contributed to the modernization and expansion of the state's agricultural industry, which produced \$24.9 billion in cash receipts in 2021 — about 5.7 percent of the U.S. total and the fourth highest among all states (**Exhibit 1**).

According to the U.S. Department of Agriculture (USDA), Texas has 247,000 farms — 12.3 percent of the U.S. total and by far the most of any state (**Exhibit 2**). (The USDA defines ranches as types of farms and includes them in the count.) Our 126 million acres of farmland is 14.1 percent of the U.S. total and more than twice that of second-ranked Montana.

(CONTINUED ON PAGE 3)

# A Message from the Comptroller



This month's edition of *Fiscal Notes* has its eye on rural Texas. When folks from different parts of the country, or the world for that matter, hear or read the word *Texas*, it's most likely that rural Texas comes to mind. And there's no shortage of reasons for that — rural Texas, its people and its industries have formed the backbone of this great state since its birth. Although much of the population currently resides in Texas'

rapidly growing urban and suburban centers, the vast majority of the state is, and will remain, rural. There's no getting around it: The success of our state, including those densely populated metro areas, is highly dependent on the success of our rural areas.

First, we take a close look at the Texas agriculture industry and its outsize impacts on the state (and national) economy. Faced with a myriad of challenges year round, Texas farmers and ranchers are the epitome of hard work and perseverance. I know from experience: I grew up on a farm in a tiny community northwest of Houston as the son and grandson of farmers.

Texas has about 247,000 farms and 126 million acres of farmland, more than any other state by a long shot. In 2021, Texas ranked No. 4 among states for total cash receipts for all agricultural commodities — including Texas' prominent cotton industry in the Panhandle, its cattle ranches in the west and its timber harvesting in the east. But growing crops and raising cattle is just one part of a massive supply chain between Texas farms and consumers that supports agricultural production, called the food and fiber system. This system — which includes any economic activity ranging from fertilizer production to clothing manufacturing — contributed a staggering \$159 billion to the Texas economy in 2019.

Next, we examine another critical component of rural Texas: health care availability. Rural Texans cannot thrive without access to doctors and other medical services. Yet there are 71 rural counties without a hospital, and others with, at best, limited options. That means too many rural Texans must travel great distances to receive medical care. And of the rural health care facilities currently in operation, many are facing immense challenges — notably, limited funding and staffing shortages. Unfortunately, these challenges are sometimes insurmountable, leading to hospital closures, which, in turn, cause job losses and further erosion of health care in rural communities.

Our state's policymakers and health experts are putting their heads together to improve health care access in rural areas. One way to do this is through the statewide expansion of high-speed internet, or broadband, which can provide virtual medical services to Texans who are separated from their nearest health care facility by many miles.

As always, I hope you find this issue informative!

  
**Glenn Hegar**

Texas Comptroller of Public Accounts

## WATER IS GOOD FOR TEXAS

**WATER PLANNING AND MANAGEMENT** in Texas is necessary to prepare for future weather events that affect water resources and to ensure enough water is available for future generations of families and businesses.

BETWEEN 2020 AND 2050, TEXAS' POPULATION IS ESTIMATED TO **INCREASE FROM 29 MILLION TO 47 MILLION PEOPLE**, ALL OF WHOM WILL NEED RELIABLE AND CLEAN WATER SOURCES TO LEAD HEALTHY AND PRODUCTIVE LIVES.

### TEXAS WATER PLANNING AND MANAGEMENT

Every five years the Texas Water Development Board (TWDB) releases an updated State Water Plan (SWP) designed to guide Texas water policy and assess regional water supplies and needs 50 years into the future.

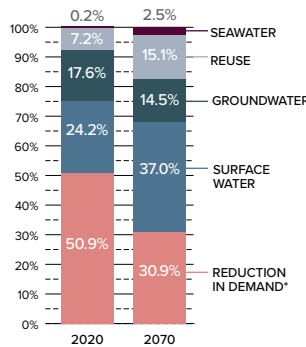
### WATER SUPPLY

The TWDB estimates that Texas' existing water supply — which consists of surface water, ground-water and water reuse (i.e., wastewater) —

**WILL DECLINE BY 18 PERCENT BETWEEN 2020 AND 2070.**

### WATER MANAGEMENT STRATEGIES

**PERCENT SHARE BY WATER RESOURCE, 2020-2070**

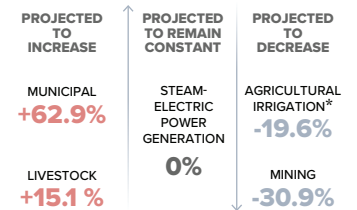


\*Reduction in demand is projected to come from agricultural, municipal and other conservation efforts.

More than two-thirds (69%) of the strategies recommended in the SWP rely on creating additional water.

### WATER DEMAND

The TWDB estimates that Texas' total water demand will increase by 8.5 percent between 2020 and 2070.



\*Due to a variety of factors such as precision agriculture tools that save water and the reduced availability of groundwater.

### WATER PROJECT FUNDING

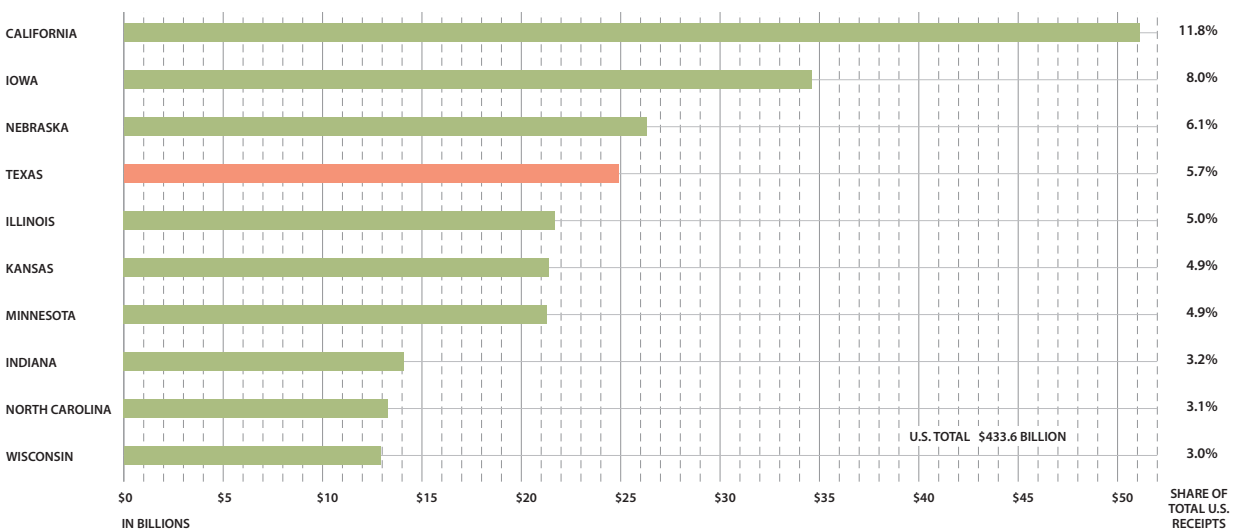
The TWDB estimates that implementing the recommended water management strategy projects (i.e., new infrastructure) will require **\$80 BILLION IN CAPITAL COSTS OVER THE NEXT 50 YEARS.**

STAY TUNED FOR NEXT MONTH'S FISCAL NOTES HIGHLIGHTING THE COMPTROLLER'S GOOD FOR TEXAS TOUR: WATER EDITION

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

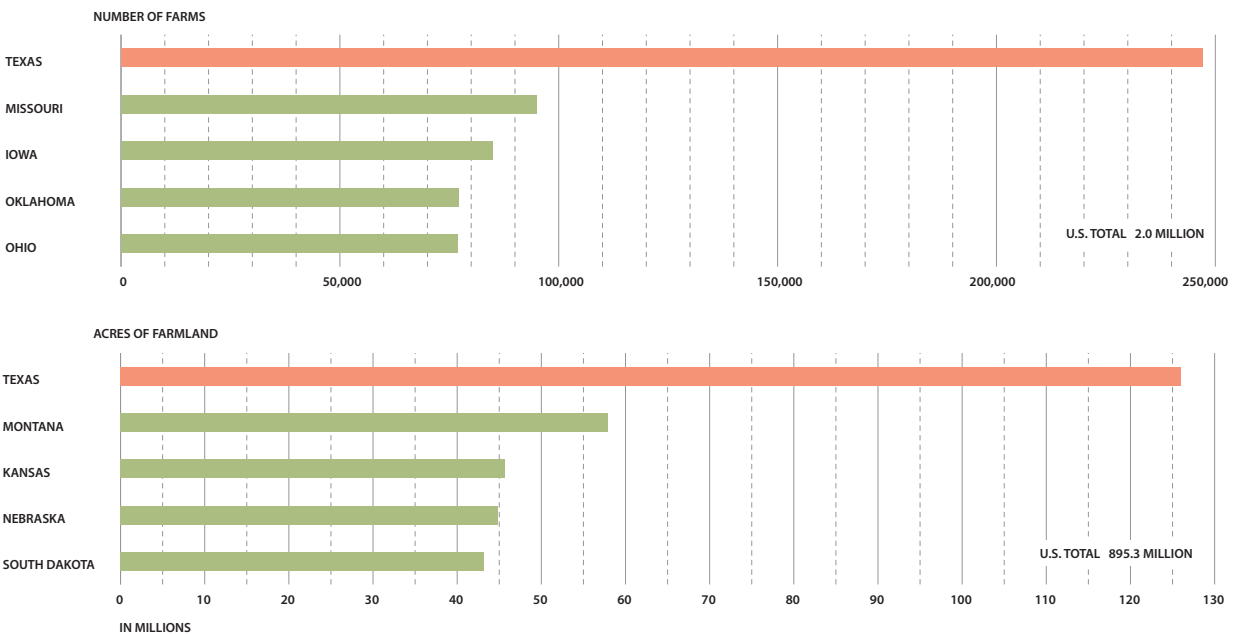
### TOP 10 AGRICULTURAL PRODUCING STATES BY CASH RECEIPTS, 2021



Source: U.S. Department of Agriculture, Economic Research Service

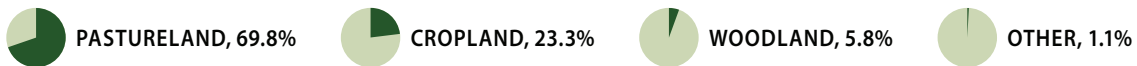
## EXHIBIT 2

### FARMS AND ACRES OF FARMLAND IN THE U.S., TOP 5 STATES, 2021



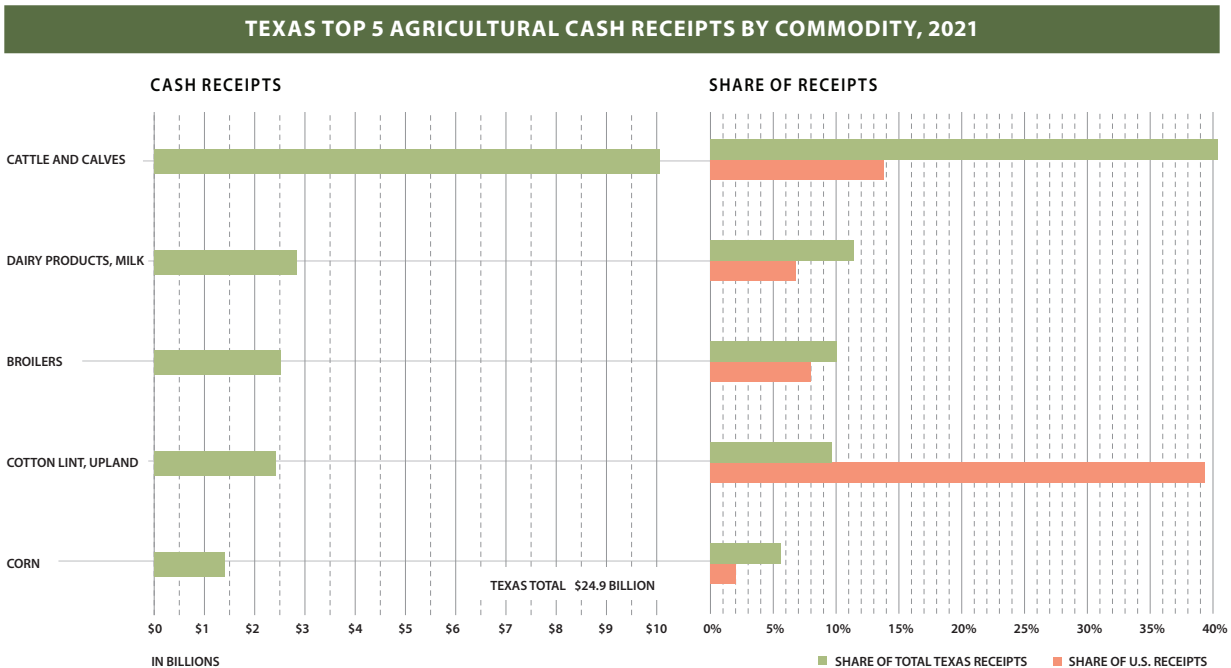
Source: U.S. Department of Agriculture, Economic Research Service

One of the reasons that Texas has so much more farmland than other states is that the USDA defines ranches as farmland — nearly 70 percent of Texas’ farmland belongs to our state’s ranches. The USDA’s 2017 *Census of Agriculture*, a survey conducted every five years, estimates the percentage of Texas farmland acreage by use:



California has bigger receipts than the top five, despite fewer farms, mainly because its top crops — including grapes, tomatoes, lettuce, citrus fruits, nuts and berries — tend to be very profitable per acre, and California is one of the few states in the U.S. with suitable conditions to grow them.

EXHIBIT 3



Source: U.S. Department of Agriculture, Economic Research Service

The 2017 USDA census also estimates that of the 408,506 Texas agriculture producers, 61.8 percent were male, and 38.2 percent were female. The average age of all Texas agriculture producers is 59.2 years old, 1.7 years older than the national average.

## TOP COMMODITIES AND EXPORTS

As might be expected, cattle are Texas' top agricultural commodity with a 40.4 percent share of cash receipts — more than three times that of milk, the second highest. Texas' top three agricultural commodities — cattle, milk and broilers — represented nearly two-thirds of the state's total agricultural cash receipts in 2021 (**Exhibit 3**).

The USDA valued Texas agricultural exports at \$5.8 billion in 2020, the sixth highest total in the U.S., following California, Iowa, Illinois, Minnesota and Nebraska (ranked first through fifth, respectively). Texas' top five agricultural exports were:

1. Cotton (\$1.7 billion; ranked No. 1 among all states).
2. Beef and veal (\$1.0 billion; ranked No. 2).
3. Other plant products (\$520.9 million; ranked No. 7).
4. Dairy products (\$437.8 million; ranked No. 4).
5. Feeds (corn, sorghum, barley and oats) and other feed grains (such as hay and alfalfa) (\$320.1 million; ranked No. 9).

According to a 2019 study by the Center for North American Studies at Texas A&M University, Canada and Mexico were the

top foreign markets for Texas agricultural products in 2018. Total economic activity for Texas agricultural exports to Canada and Mexico was valued at more than \$3.7 billion and supported 22,972 jobs.

Texas agricultural exports to Canada in 2018 totaled \$903.3 million (\$234.0 million in animal products and \$669.3 million in plant products). The top three agricultural exports from Texas to Canada were:

1. Other horticultural products, such as cut flowers, live trees and other ornamental plants (\$266.6 million).
2. Beef and veal (\$97.7 million).
3. Food preparation products, such as cake mixes, gravy packets and dried pasta (\$69.0 million).

In 2018, Texas exports to Mexico totaled \$863.3 million (\$344.1 million in animal products and \$519.2 million in plant products). The top three agricultural exports from Texas to Mexico were:

1. Cotton (\$139.4 million).
2. Beef and veal (\$138.7 million).
3. Other horticultural products (\$82.8 million).

## ECONOMIC IMPACT

The agriculture industry in Texas involves more than just growing crops and raising animals; it includes many other



# Agriculture Industry Grows Texas

economic activities that form the supply chain between farm and consumers. Called the “food and fiber system,” it is the sector of the U.S. economy that comprises all economic activities supporting or utilizing agricultural production.

The food and fiber system includes machinery repair, fertilizer production, food processing and manufacturing, transportation, wholesale distribution, retail sales and eating establishments. It also includes fabric, clothing and footwear that are produced from plant and animal fibers or hides. Certain financial, real estate, warehouse, transportation and other services related to agriculture, as well as labor, also are included in the wide array of inputs used to measure agriculture’s contribution to the economy.

Texas A&M University’s AgriLife Extension Service measures the economic impact of agriculture by determining its contribution to the state’s total gross domestic product

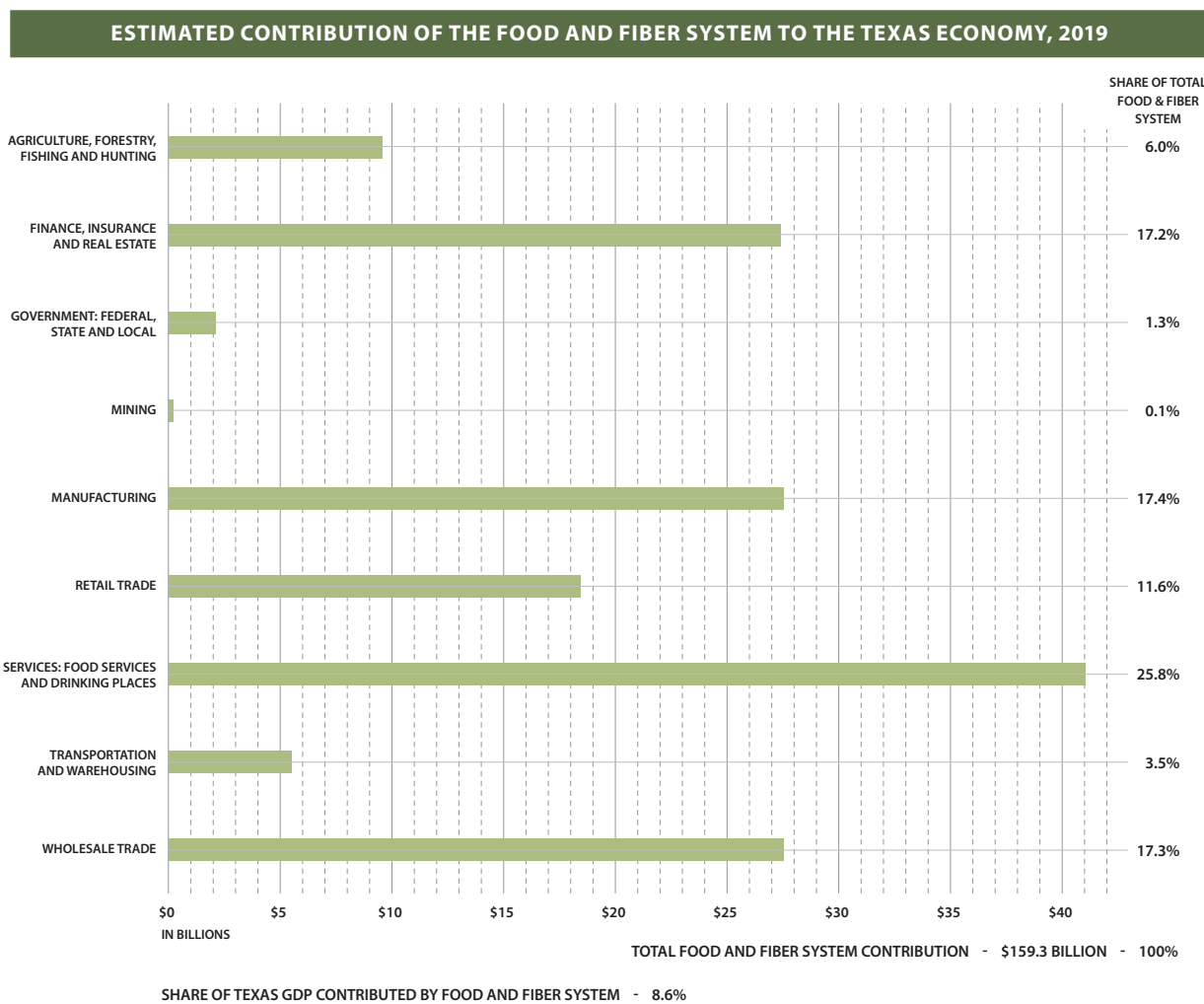
(GDP). AgriLife estimated that in 2019 the Texas food and fiber system contributed \$159.3 billion, about 8.6 percent of the state’s total GDP (**Exhibit 4**).

Nationwide, the food and fiber system’s share of the economy is less than in Texas. According to SelectUSA, agriculture, food and related industries contributed \$1.1 trillion — a 5.2 percent share — to the U.S. GDP in 2019.

## CHALLENGES AND OPPORTUNITIES

Agriculture once required an enormous amount of labor to sustain production, but with modern capital-intensive practices and the increasing use of technology, agriculture has become much more productive while requiring a much smaller share of the labor force. While this economic transformation has resulted in greater food security and improved nutrition, today’s farmers and ranchers still face many challenges.

EXHIBIT 4



Note: Manufacturing includes the following industries: Food, beverage and tobacco products; Petroleum and coal products; Wood products; Paper products; Chemical products; Furniture and related products; Nonmetallic mineral products; Textiles and textile product mills; Apparel, leather and allied products; and Machinery. Totals may not add due to rounding.

Source: Texas A&M University AgriLife Extension Service

# Agriculture Industry Grows Texas

## Broadband Access

Agriculture increasingly relies on technology in its business operations, and in today's high-tech world, having access to broadband connections is more important than ever. Broadband is essential to the practice of "precision agriculture," in which farmers use technology such as variable-rate input applications, GPS systems and remote sensors to perform soil mapping; operate irrigation systems; run autonomous machinery; and assist with data collection. These innovative techniques allow higher quality yields and increased efficiency of production.

Technology also helps some farmers reduce fuel and water usage, allowing for more sustainable operations. Additionally, an increasing number of farmers and ranchers are using wireless trackers to manage cattle and other livestock. This use of technology in agriculture, however, depends on access to a reliable broadband connection, and much of rural Texas remains without access.

According to a 2019 USDA study, 24 million Americans live in households without access to broadband, and 80 percent of them live in rural areas. In Texas, 25 percent of farms don't have internet access. The USDA noted that adequate broadband infrastructure and other digital technologies in agriculture could add \$47 billion to \$65 billion annually to the U.S. economy.

The Texas Broadband Plan developed by the Broadband Development Office (BDO) includes the need to reach agriculture as an essential part of the effort to expand affordable, high-quality internet service statewide. The BDO, created by the Legislature in 2021, is in the Comptroller's office.

## Drought and Wildfire

Over the past year, most of Texas — 245 of its 254 counties at one point — has been struggling with the worst drought since 2011, significantly affecting agriculture. Cotton crops in the High Plains region, for example, have suffered tremendous losses: the entire production of dryland cotton and a significant portion of the irrigated crops. An August 2022 study by Texas Tech's International Center for Agricultural Competitiveness anticipates a 65 percent loss of total cotton production in the region, costing \$1.2 billion in losses in economic activity, even with crop insurance.

With so much of Texas under drought conditions, wildfires pose a serious threat to the state's farms and ranches, damaging or destroying crops, livestock, agriculture production facilities, barns and homes. Between December 2021 and August 2022, Texas A&M Forest Service crews responded to 1,725 wildfires burning nearly 600,000 acres.

At time of writing, 118 counties have implemented burn bans, according to the Texas A&M Forest Service.

## Food Security

Roughly one in every eight Texans faces food insecurity (limited or uncertain access to adequate food, as defined by the USDA), and the growth of Texas' population highlights the need to address this issue. The state is expected to reach a population approaching 50 million people by 2050, and farmers will continue to play a crucial role in providing affordable and accessible food to Texans.

Over that timeframe, the USDA estimates that the global demand for food will increase by 70 to 100 percent, taking into account growth in population and a rise in incomes.

## TRADITION OF AGRICULTURE

Thousands of Texans run farms and ranches that have been in their families for generations. The 2017 *Census of Agriculture* found that 97 percent of Texas farms were family farms.

In 2021, the Texas Department of Agriculture honored 57 family farms and ranches that have been in continuous agricultural production for a century or more. Many Texas families who have owned their farms for generations cite dedication to their community as a driving factor for their perseverance.

While farming can be demanding, Texas farmers cite resilience, responsibility and humility as values of working in agriculture. Additionally, some Texas farmers say farming has given them a greater appreciation for the land and the labor that provide crops and resources year round. Farmers with these values and work ethic will continue expanding and adapting their businesses to meet the changing needs of the public.

## OUTLOOK FOR TEXAS AGRICULTURE

Today's farmers and ranchers must be adaptable to changing conditions, including droughts, new technologies and the demand for more food as our population grows. They work hard to boost production (using often-limited resources) while meeting consumers' changing tastes and expectations — and it is not an easy balancing act.

Farmers face many challenges. As more of the population moves to urban areas, affordable farm labor becomes more difficult to find. Water availability and soil conservation remain ongoing issues as do issues related to property rights and eminent domain. Texas farmers have remained resilient through it all, however, and their hard work as stewards of our land has made Texas a leader in agriculture and food exports. **FN**

---

*Water management is essential to agriculture. Learn more about where your water comes from and how the state is ensuring there's always enough at [comptroller.texas.gov/economy/economic-data/water](https://comptroller.texas.gov/economy/economic-data/water).*



## THE ECONOMICS OF MEDICAL CARE OUTSIDE OF CITIES

Hospitals, alongside other health care facilities, are the backbone of medical care for our population. They are the places people go when things go wrong. But what happens when residents need help and there is no hospital nearby? Or, when there is a hospital, but the nearest specialty care is in the neighboring county?

This is the reality for many rural Texans, with 71 rural counties lacking hospitals. In addition, the Health Resources and Services Administration (HRSA) reports 11 counties have no health care facilities, and seven have limited options. (Some of these rely on home health agencies for local nursing and therapeutic care.)

The U.S. health care industry is a vast network of hospitals, general and specialized clinics, insurers, government organizations, private and/or religious care providers, interest groups and patients themselves. All are connected via a financial system driven by questions with a single focus: Who gets money, when and for what? Rural health care facilities face particular financial difficulties: They don't have highly insured populations to charge for services, and they are more vulnerable to systemic economic pressures and policy changes.

Addressing these issues requires an innovative approach toward health care in rural areas, says Dr. Kristie Loescher, academic director of the Healthcare Innovation Initiative

at the McCombs School of Business at the University of Texas at Austin (UT).

"Until the bigger problems in American health care are fixed, getting care to rural areas will have to be augmented by changes in technology, such as improving access to telehealth and replacing emergency rooms with better medical transport infrastructure," she says.

### TEXAS RURAL HEALTH CARE FACILITIES

Hospitals and clinics are broadly focused health care facilities and typically the most-used sources of primary care. Hospitals can offer inpatient and outpatient care and can house primary care providers as well as provide a large variety of other services. Clinics are smaller, offering only outpatient services, but they also provide a wide variety of services that a primary provider in a hospital might not. The Texas Organization of Rural & Community Hospitals defines a rural hospital as one that exists in a county of 60,000 people or less.

Typical categories of hospitals and clinics found in rural Texas are critical access hospitals, rural health clinics, federally qualified health centers and short-term/prospective payment system (PPS) hospitals, according to the Rural Health Information Hub supported by HRSA and the U.S. Department of Health and Human Services. The PPS is the primary method of Medicare reimbursement (**Exhibit 1**).

# Rural Counties Face Hospital Closures

## EXHIBIT 1

### CATEGORIES OF HOSPITALS, CLINICS IN RURAL TEXAS

TYPE	DESCRIPTION	# IN RURAL TEXAS
<i>Critical Access Hospital</i>	<i>Provides 24/7 emergency care services; 25 or fewer acute inpatient beds</i>	<b>83</b>
<i>Rural Health Clinic</i>	<i>50+ percent staff time: Nurse practitioner, physician assistant or certified nurse midwife (as opposed to physician staff) during work hours</i>	<b>310</b>
<i>Federally Qualified Health Center</i>	<i>Medicare/Medicaid-qualified outpatient clinic</i>	<b>167</b>
<i>Short Term/PPS Hospital</i>	<i>Provides short stay inpatient services; enrolled in Medicare/Medicaid PPS</i>	<b>83</b>

Sources: Rural Health Information Hub, Texas State Guide (for categorization); HRSA (updated as of Sept. 1, 2022)

Much of the state’s land is rural (83 percent), and the population outside of metros (14 percent) is highly dispersed. North and West Texas, especially, have longer travel times between incidents and health care due to larger-sized counties and a low number of health care facilities. There are 1,750 rural health care facilities (of all types, including nursing, psychiatric and rehabilitative) in Texas to serve 3 million rural residents versus 6,475 metropolitan health care facilities for 26.5 million urban residents. While this averages out favorably for rural areas, it is the distribution, distance and variety of services that are the primary issues.

### RURAL HEALTH CARE FACILITY FUNDING

Rural hospitals and clinics in Texas do not have a blanket funding model. Generally, they pay for the cost of their services by billing patients and insurance providers. Rural providers have limited ability to recoup costs from patients and insurers due to underinsurance and low incomes. Most health facilities seek a myriad of funding opportunities.

#### Federal Funding

A significant portion of rural health facility income comes from federal programs like Medicaid, Medicare and related supplemental assistance programs. Other costs can be covered by supplemental payments such as those created by Texas’ 1115 Medicaid waiver, which paved the way for payments for uncompensated care. This waiver must regularly be approved by the federal government.

#### State Funding

The County Indigent Health Care Program, funded by county taxes and state assistance, serves as a last resort for those who don’t qualify for Medicaid but are financially eligible.

Recipients must establish residency and prove an income at or below 21 percent of the federal poverty level. Counties pay up to \$30,000 per resident per year for qualifying services.

#### Hospital Districts

Some communities vote to form hospital districts to levy property taxes and fund health services within a specified boundary, with limits on the amount by which property tax levies can grow each year without voter approval. Hospital districts also may levy a local sales tax to reduce or buy down property taxes. These taxes cover some health care facility costs, but no district is fully covered from them alone. Also, population declines in some rural areas can reduce tax income. Hospital districts also may receive income from other political subdivisions.

In addition, counties and hospital districts benefit from the state’s Tobacco Settlement Distribution Program, which provides a percentage of proceeds from the state’s tobacco settlement based on reported unreimbursed health care expenses.

#### Hospital Partnerships

Some rural health facilities keep their doors open through partnerships with larger hospitals. Urban-based hospital systems may buy rural health centers and direct patients to hubs for specialized care. General health care costs are balanced through revenue for specialized care in the hub.

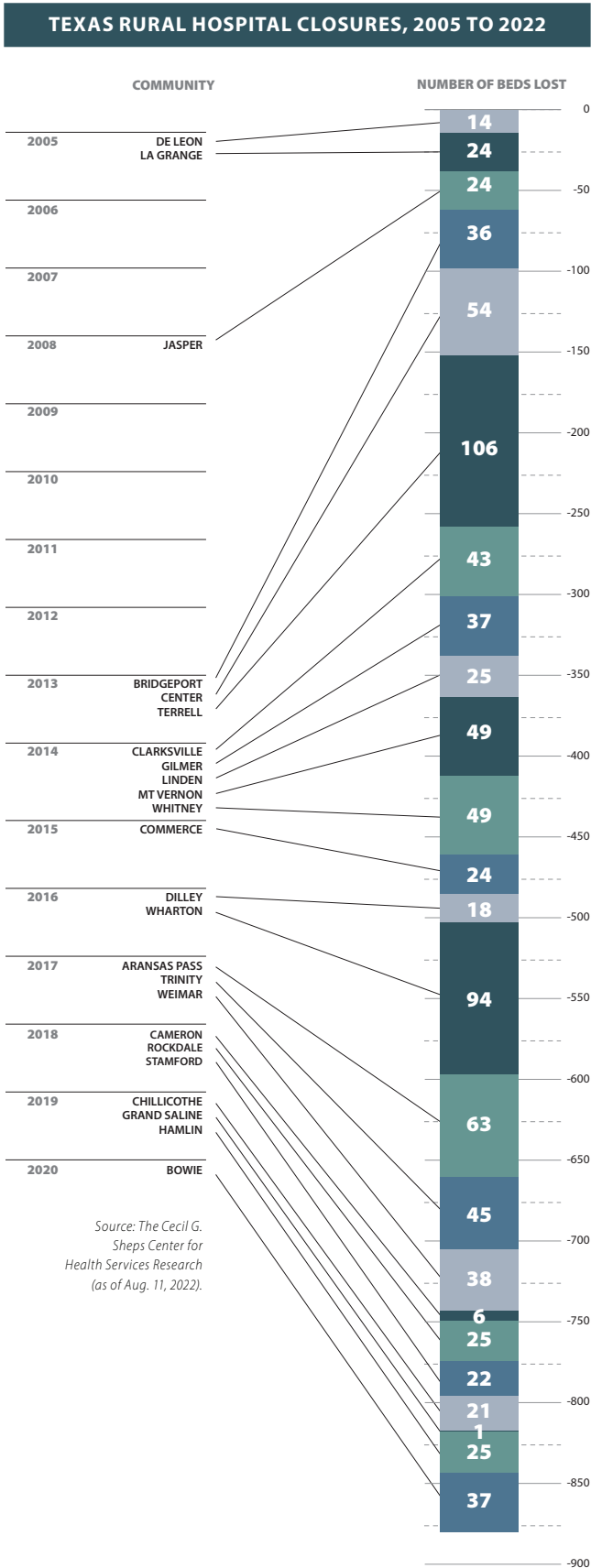
### ECONOMIC PRESSURES

Rural health systems face multiple challenges beyond funding sources. Overall, they have high operating costs, mostly due to the cost of mandatory “standby” services. An emergency



# Rural Counties Face Hospital Closures

EXHIBIT 2



Source: The Cecil G. Sheps Center for Health Services Research (as of Aug. 11, 2022).

room must be available even though rural areas may go days without needing one. Outside of hospital district property taxes and certain sources of supplemental funding, fees are charged when a service is provided.

Nonmandatory clinics provide services beyond general care, such as wound care, obstetrics and gynecology, but they also have upfront costs. If a health care facility can't pay the overhead, then these services close. According to the Texas Health and Human Services Commission, as of January 2020, at least 20 rural hospitals had stopped inpatient care, and three were down to emergency services only.

Facilities also face personnel strains due to staff shortages; without primary care providers, rural hospitals and clinics are in greater danger of closing.

Another cost trend is an increase in outpatient versus inpatient care. Outpatient care allows for greater patient turnover, but Medicare and Medicaid historically have subsidized inpatient care more generously.

## IMPACT OF CLOSURES

The Cecil G. Sheps Center for Health Services Research at the University of North Carolina tracked rural hospital closures from 2005 to 2022, and at 24, Texas logged more than any other state. It is comparable, however, to the national rate per capita (**Exhibit 2**).

Closures are devastating for communities' health. A 2019 study on hospital closures saw a rise in inpatient mortality rates of roughly 8.7 percent in rural areas (versus no impact in urban areas) due to an increase in transport time between incident and medical care and related effects.

Moreover, rural health care facilities, particularly hospitals, typically are the largest or second-largest employers in communities. A 2022 study on the economic effects of rural hospital closures found statistically significant downturns in both labor force size and overall population for rural counties when PPS-funded hospitals close.

There have been no Texas rural hospital closures since 2020, according to the Cecil G. Sheps Center (as of Aug. 11, 2022).

## COVID-19 RELIEF AND CHANGES TO MEDICARE

Congress passed legislation in 2020 and 2021 including aid to hospitals responding to COVID-19: the Families First Coronavirus Response Act (March 2020); the Coronavirus Aid, Relief, and Economic Security (CARES)

# Rural Counties Face Hospital Closures

## BROADBAND

The 2020 CARES Act included expansion of Medicare coverage for telehealth services so long as the public health emergency declaration remained in place. The latest extension at the time this article was written was through Oct. 13, 2022.

The Broadband Development Office (BDO), operated by the Texas Comptroller of Public Accounts, assists with funding and expanding broadband services for the state. Broadband connectivity refers to always-on, high-speed internet access that increasingly has become a requirement for modern life. The Federal Communications Commission's (FCC) benchmark for high-speed internet is at least 25 megabits per second (Mbps) for downloads and 3 Mbps for uploads. According to the 2022 Texas Rural Hospital Survey, one-quarter of rural Texas hospitals subscribe to internet service with download speeds slower than 100 Mbps, which is more common in single-family households. And over one in 20 subscribe to speeds lower than the FCC definition of residential broadband. Of rural Texas hospitals, more than 21 percent say their internet service is not meeting their needs.

More than 38 percent of rural Texas hospitals have said that they are aware of state and federal grants that would help them pay for broadband costs, which suggests the remaining hospitals are unaware of such opportunities. Expanding and educating more rural Texas hospitals on broadband and the grants available could increase download speeds and help expand the use of telehealth visits. Telehealth visits cut the transportation costs associated with doctor and hospital visits while increasing service through online patient portals for sharing test results or virtual meetings with a care provider.

Act (March 2020); and the American Rescue Plan Act (March 2021). These funding sources have been available for a limited time for specific expenses.

Albert Ruiz, rural health specialist at the State Office of Rural Health, explains that this funding came with its own set of challenges.

"Some areas received up to \$200,000 in federal grant money for COVID response, testing and mitigation. But the requirements for some funding sources involve substantial management, sometimes surpassing the staff's capacity, especially in rural health clinics," he says. "They can hire another person to complete the reporting requirements, but that person's salary will minimize the spending power of the stimuli." Still, the programs helped rural health clinics by providing funding to combat COVID during the public health emergency.

While pre-planned Medicare payment cuts were paused due to the pandemic, those cuts resumed as of April 2022. The effect on rural health care facilities remains to be seen.

**"Having a medical helicopter on standby is perhaps a better use of funds than supporting a brick-and-mortar emergency department since it is cheaper to transport patients quickly to a fully staffed facility."**

– Dr. Kristie Loescher

## WHAT IS THE FUTURE OF RURAL HEALTH IN TEXAS?

Loescher, at UT's McCombs School of Business, says Australia, with large swaths of rural land like Texas, has implemented telehealth community clinics staffed by nurses or emergency medical technicians who complete intake tasks before the patient meets virtually with a doctor.



Dr. Kristie Loescher  
McCombs School of Business

In addition, she cites a possible alternative to the infrastructure costs of establishing an emergency room or operating theaters in rural areas: "Having a medical helicopter on standby is perhaps a better use of funds than supporting a brick-and-mortar emergency department since it is cheaper to transport patients quickly to a fully staffed facility."

Efforts to expand broadband may allow rural hospital services to reach more Texans (see sidebar). But ultimately policymakers, health experts and rural health staff will play key roles in meeting ongoing challenges to continue providing health care in rural areas. These experts must strategize expansion of health access to areas that are lacking to maintain and sustain the health of rural Texans. **FN**

*Nursing shortages are being seen across all types of health care facilities. Read about some of the efforts to increase the number of nurses at [comptroller.texas.gov/economy/fiscal-notes/2022/apr/nursing.php](https://comptroller.texas.gov/economy/fiscal-notes/2022/apr/nursing.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	SEPTEMBER 2022	YEAR TO DATE: Total	YEAR TO DATE: Change from Previous Year
<b>SALES TAX</b>	\$3,686,623	\$3,686,623	17.21%
<i>Percent Change from September 2021</i>	17.21%		
<b>MOTOR VEHICLE SALES AND RENTAL TAXES</b>	\$615,901	\$615,901	12.51%
<i>Percent Change from September 2021</i>	12.51%		
<b>MOTOR FUEL TAXES</b>	\$328,482	\$328,482	2.25%
<i>Percent Change from September 2021</i>	2.25%		
<b>FRANCHISE TAX</b>	\$71,326	\$71,326	114.06%
<i>Percent Change from September 2021</i>	114.06%		
<b>OIL PRODUCTION TAX</b>	\$552,086	\$552,086	40.91%
<i>Percent Change from September 2021</i>	40.91%		
<b>INSURANCE TAXES</b>	\$45,942	\$45,942	47.88%
<i>Percent Change from September 2021</i>	47.88%		
<b>CIGARETTE AND TOBACCO TAXES</b>	\$101,656	\$101,656	66.23%
<i>Percent Change from September 2021</i>	66.23%		
<b>NATURAL GAS PRODUCTION TAX</b>	\$479,782	\$479,782	90.51%
<i>Percent Change from September 2021</i>	90.51%		
<b>ALCOHOLIC BEVERAGES TAXES</b>	\$138,343	\$138,343	13.41%
<i>Percent Change from September 2021</i>	13.41%		
<b>HOTEL OCCUPANCY TAX</b>	\$56,882	\$56,882	10.55%
<i>Percent Change from September 2021</i>	10.55%		
<b>UTILITY TAXES<sup>1</sup></b>	-\$235	-\$235	-108.97%
<i>Percent Change from September 2021</i>	-108.97%		
<b>OTHER TAXES<sup>2</sup></b>	\$16,814	\$16,814	-118.00%
<i>Percent Change from September 2021</i>	-118.00%		
<b>TOTAL TAX COLLECTIONS</b>	<b>\$6,093,602</b>	<b>\$6,093,602</b>	<b>25.24%</b>
<i>Percent Change from September 2021</i>	<b>25.24%</b>		

REVENUE BY SOURCE	SEPTEMBER 2022	YEAR TO DATE: Total	YEAR TO DATE: Change from Previous Year
<b>TOTAL TAX COLLECTIONS</b>	\$6,093,602	\$6,093,602	25.24%
<i>Percent Change from September 2021</i>	25.24%		
<b>FEDERAL INCOME</b>	\$6,531,045	\$6,531,045	43.05%
<i>Percent Change from September 2021</i>	43.05%		
<b>LICENSES, FEES, FINES AND PENALTIES</b>	\$660,127	\$660,127	-5.11%
<i>Percent Change from September 2021</i>	-5.11%		
<b>STATE HEALTH SERVICE FEES AND REBATES<sup>3</sup></b>	\$2,243,831	\$2,243,831	10245.92%
<i>Percent Change from September 2021</i>	10245.92%		
<b>NET LOTTERY PROCEEDS<sup>4</sup></b>	\$208,183	\$208,183	-26.81%
<i>Percent Change from September 2021</i>	-26.81%		
<b>LAND INCOME</b>	\$413,737	\$413,737	49.47%
<i>Percent Change from September 2021</i>	49.47%		
<b>INTEREST AND INVESTMENT INCOME</b>	\$194,308	\$194,308	515.44%
<i>Percent Change from September 2021</i>	515.44%		
<b>SETTLEMENTS OF CLAIMS</b>	\$2,948	\$2,948	-35.08%
<i>Percent Change from September 2021</i>	-35.08%		
<b>ESCHEATED ESTATES</b>	\$23,635	\$23,635	-14.83%
<i>Percent Change from September 2021</i>	-14.83%		
<b>SALES OF GOODS AND SERVICES</b>	\$17,136	\$17,136	-13.22%
<i>Percent Change from September 2021</i>	-13.22%		
<b>OTHER REVENUE</b>	\$128,643	\$128,643	24.02%
<i>Percent Change from September 2021</i>	24.02%		
<b>TOTAL NET REVENUE</b>	<b>\$16,517,195</b>	<b>\$16,517,195</b>	<b>51.58%</b>
<i>Percent Change from September 2021</i>	<b>51.58%</b>		



# FISCAL NOTES

FIRST-CLASS MAIL  
PRESORTED  
US POSTAGE PAID  
AUSTIN, TEXAS  
PERMIT NO. 1411

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS  
COMMUNICATIONS AND INFORMATION SERVICES DIVISION  
111 E. 17TH ST., SUITE 210A, AUSTIN, TEXAS 78774-0100



**Glenn Hegar**  
Texas Comptroller of Public Accounts

**Fiscal Notes** is one of the ways the Comptroller's office strives to assist taxpayers and the people of Texas. The newsletter is an extension of the Comptroller's constitutional responsibilities to monitor the state's economy and to estimate state government revenues.

**Fiscal Notes** also provides a periodic summary of the financial statements for the state of Texas. Articles and analysis appearing in **Fiscal Notes** do not necessarily represent the policy or endorsement of the Texas Comptroller of Public Accounts. Space is devoted to a wide variety of topics of Texas interest and general government concern.

**Fiscal Notes** is not copyrighted and may be reproduced. The Texas Comptroller of Public Accounts would appreciate credit for material used and a copy of the reprint.

**Online Subscriptions, Renewals, Cancellations**

Visit [comptroller.texas.gov/economy/fiscal-notes](http://comptroller.texas.gov/economy/fiscal-notes) to subscribe, renew or cancel. Send questions or comments to [fiscal.notes@cpa.texas.gov](mailto:fiscal.notes@cpa.texas.gov).

**How to Reach Us**

To contact the Comptroller of Public Accounts, Communications and Information Services Division:

**Call:** 800-252-5555 **Fax:** 512-463-4226

**Write:** 111 E. 17th St., Suite 210A, Austin, Texas 78774-0100

**Reader-Friendly Format**

In compliance with the Americans with Disabilities Act, this document is available in a reader-friendly format at [comptroller.texas.gov/economy/fiscal-notes](http://comptroller.texas.gov/economy/fiscal-notes).

**Field Offices**

Find a list of all Comptroller field offices at [comptroller.texas.gov/about/contact/locations.php](http://comptroller.texas.gov/about/contact/locations.php).