



LEGISLATIVE BUDGET BOARD

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MEMORANDUM

TO: Lt. Governor Dan Patrick
Senator Kelly Hancock
Senator Joan Huffman
Senator Bryan Hughes
Senator Jane Nelson
Speaker Dennis Bonnen
Representative Drew Darby
Representative Ken King
Representative Oscar Longoria
Representative John Zerwas

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Stewart Shallow, Senior Analyst and Counselor

DATE: January 11, 2019

SUBJECT: Growth Rate Update

The Legislative Budget Board is scheduled to meet on January 11, 2019 at 1:00 PM in the House Appropriations Committee Hearing Room, Capitol Extension Room E1.030. During this meeting, the Board will review and adopt the items of information necessary to establish the Article VIII spending limit on appropriations from tax revenue not dedicated by the Constitution for the 2020-21 biennium.

In preparation of the meeting, listed alphabetically below is updated information prepared by our staff on growth rates of the state's economy. As required by Section 316.002 of the Government Code, estimates of Texas personal income growth are used to establish the following growth rates.

<u>Source of Forecast</u>	<u>Estimated Growth Rate in Texas Personal Income from the 2018-19 Biennium to the 2020-21 Biennium</u>	<u>Date of Forecast</u>
IHS Markit Philadelphia, Pennsylvania	10.78%	December 2018
Moody's Analytics West Chester, Pennsylvania	11.52%	December 2018
Perryman Group Waco, Texas	13.06%	January 2019
Texas A&M University, Department of Economics College Station, Texas	8.11%	January 2019
Texas Comptroller of Public Accounts Austin, Texas	10.29%	January 2019

Additionally, listed below are estimated population and inflation growth rates from those forecasters that provided them. Texas A&M historically develops only a Texas personal income forecast for the Board's consideration.

<u>Source of Forecast</u>	<u>Estimated Growth Rate in Population and Inflation from the 2018-19 Biennium to the 2020-21 Biennium</u>	<u>Date of Forecast</u>
IHS Markit Philadelphia, Pennsylvania	7.82%	December 2018
Moody's Analytics West Chester, Pennsylvania	7.54%	December 2018
Perryman Group Waco, Texas	8.39%	January 2019
Texas Comptroller of Public Accounts Austin, Texas	7.89%	January 2019

If you have any questions or would like to schedule a briefing for you or your staff, please call us at (512) 463-1200.

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cc: Mike Morrissey
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