



Texas Association of  
Regional Councils

# Strategic Directions for Texas Regions

Executive Summary with  
Conclusions and Recommendations



July 2005

A Report of the Strategic Directions Committee

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North Central Texas Council of Governments  
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# Strategic Directions Committee

## Texas Association of Regional Councils

### 2003-2005

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Alamo Area Council of Governments

**Jack Steele, Vice Chair**

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Texas Association of Regional Councils



# Foreword

“Strategic Directions for Texas Regions” is a policy report of the Texas Association of Regional Councils (TARC). It was prepared by a select Strategic Directions Committee, appointed by 2003 TARC President John Hull, County Judge of Coryell County.



The committee functioned from early July 2003 through August 2005. It was composed of elected local officials and councils of governments’ executives. The committee worked with guidance from its Chair Patrick Heath, Mayor of the City of Boerne and representative of the Alamo Area Council of Governments, and Vice-Chair Jack Steele, Executive Director of the Houston-Galveston Area Council.

In its report, the committee issues a wake-up call for Texas local governments and councils of governments regarding the substantial demographic, economic, and political changes underway in Texas during the early years of the 21st Century. “Strategic Directions for Texas Regions” looks ahead at the pace and magnitude of these changes as they are expected to impact local governments, regional councils of governments, and the State of Texas.

After extensive consultations with national and state researchers, public executive leaders, and state and local policy officials, the committee lays out its conclusions and recommendations for consideration by Texas’ 24 regional councils of governments and by the Texas Association of Regional Councils.

Taken as a whole, the committee’s recommendations address ways that councils of governments can hone their skills as change leaders. Specific recommendations address regional policy leadership, advocacy, increased value to local government members and to state and federal leaders, and revamped priorities for the new century. These recommendations are followed by suggestions regarding ways the Texas Association of Regional Councils can enhance its support of member councils of governments as they adapt to new challenges and opportunities.

Members of the Strategic Directions Committee contributed individually to the content of various sections of the report. In addition, special thanks go to Al Notzon of the Alamo Area Council of Governments for his thoughtful advice and support of committee leaders; to those persons who provided professional support to the committee including Cristina Ramos, Erin McCormack, and Eric Brown of the TARC staff, and Katherine Ray, Sheila Jennings, Karol Middleton, and Troy Hicks of Ray Associates, Inc. Creative work on publication design, layout, and editorial content was provided by Kat Cannon. Cover design was by Ms. Cannon and the graphics staff of the North Central Texas Council of Governments.

**James F. (Jim) Ray, Editor**  
**July 29, 2005**  
**Austin, Texas**



# Introduction



This report of the Strategic Directions Committee of the Texas Association of Regional Councils (TARC) is the culmination of a two-year examination of future trends, trend drivers, and impacts on Texas councils of governments and their local government members during the first two decades of the 21st Century.

The project was initiated by Judge John Hull, TARC President in the year 2003, after discussion among the association's local elected officials and executive directors. This group reached a consensus that there was a need to better understand the rapid changes already observed in the opening years of the new century in demographic, economic, and political trends impacting all Texas regions.

The working premises for the project were that: 1) local elected officials and regional leaders, as well as appointed public professionals, are change leaders; 2) understanding the nature of impending demographic, economic, and political changes is critical to the formulation of good public policies; and 3) knowledge of trends, what drives the trends, and the expected impacts on Texas and its regions makes for better management of change.

The Strategic Directions Committee was structured to include association board members, additional representatives from regional councils of governments' governing bodies, and regional chief executive officers and staff professionals. The group initially focused on developing a better understanding of new social, economic, and political trends and the forces driving those trends. Committee members then turned to the anticipated impacts of major trends on the various regions of the state. Finally, the committee developed findings and recommendations to assist local and regional leaders in positioning regional councils of governments to serve the needs of member local governments and the public better.

In the course of this work, the Strategic Directions Committee, Board of Directors, and Executive Directors' Council benefited from special presentations by leading experts and practitioners versed in the nature and magnitude of change in Texas. Individuals who generously gave of their time and expertise are listed on the following page. Much of the data and many of the charts and graphs in the report were provided by these individuals.

The Strategic Directions Committee is indebted to these scholars and professionals for their presentations and response to questions raised by TARC's local elected officials, executive directors, and staff professionals involved in the Strategic Directions Project. However, the information, findings, conclusions, and recommendations of this report are the responsibility of the Strategic Directions Committee.

**The Honorable Patrick Heath, Chair  
Mayor, City of Boerne  
Alamo Area Council of Governments**

**Mr. Jack Steele, Vice-Chair  
Executive Director  
Houston-Galveston Area Council**

# Texas Association of Regional Councils Strategic Directions Project

## Presenters to the Strategic Directions Committee and the Association

**Mr. Tim Brennan**

Pioneer Valley Planning Commission  
Springfield, Massachusetts

**Dr. James Carafano**

The Heritage Foundation  
Washington, D.C.

**Mr. Matthew Chase**

National Association of Development Organizations  
Washington D.C.

**Dr. Catherine Clark**

Texas Association of School Boards  
Austin, Texas

**Dr. Geoffrey W. Crabtree**

Methodist Healthcare System  
San Antonio, Texas

**Mr. Gary Gallegos**

San Diego Association of Governments  
San Diego, California

**Dr. Richard Gallis**

Gallis and Associates  
Charlotte, North Carolina

**Dr. Tucker Gibson**

Trinity University  
San Antonio, Texas

**Ms. Rosa Hernandez**

Texas Institute for Health Policy Research  
Austin, Texas

**Mr. Robert Huston**

Former Chair  
Texas Commission on Environmental Quality  
Austin, Texas

**Dr. Stephen Klineberg**

Rice University  
Houston, Texas

**Mr. Charles “Chick” Krautler**

The Atlanta Regional Commission  
Atlanta, Georgia

**Mr. Harvey Kronberg**

The Quorum Report  
Austin, Texas

**Mr. Ron Lindsey**

Lindsey and Associates  
Austin, Texas

**Ms. Joan Miller**

Bexar County Community Health Collaborative  
San Antonio, Texas

**Dr. Steve Murdock**

Texas State Demographer  
The University of Texas at San Antonio  
San Antonio, Texas

**Dr. Richard Murray**

Center for Public Policy  
The University of Houston  
Houston, Texas

**Dr. Keith Phillips**

Dallas Federal Reserve Bank  
San Antonio, Texas

**Ms. Penny Redington**

Texas Association of Counties  
Austin, Texas

**Mr. Robert Sokolowski**

National Association of Regional Councils  
Washington, D.C.

# Executive Summary

## With Conclusions and Recommendations



### Introduction

The early years of the 21st Century find Texas facing waves of change — unprecedented change. And the pace of that change presents local and state officials with clear choices. Leaders can wait to respond to future impacts of trends that threaten to swamp governmental and civic structures. Or, as change managers, they can anticipate the future impacts of emerging trends, identify major trend drivers, and move decisively with early actions to address the challenges that come with change.

The Texas Association of Regional Councils (TARC) acted in 2003 to create a Strategic Directions Committee charged with a two-year examination of major emerging trends of the new century. As leaders of the state's 24 councils of governments, the TARC Board of Directors commissioned this strategic look at major emerging trends of the new century in order to position councils of governments to serve the state's regions and their 2,000 local government members better.

### Questions for the Future

The Strategic Directions committee was charged with addressing questions of importance to local and regional leaders:

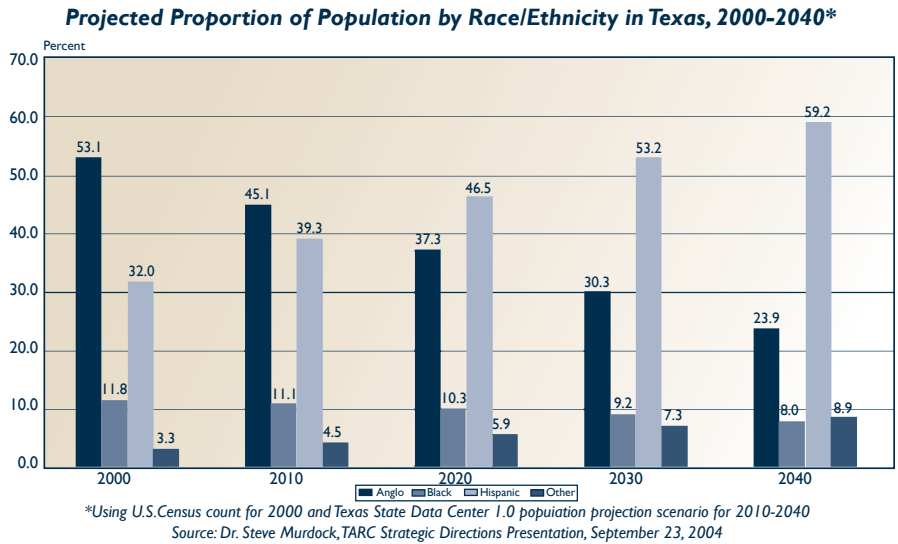
- What are the types and dimensions of fundamental change faced by Texas' local communities and multi-county regions?
- What opportunities, as well as challenges, come with these changes?
- How can regional organizations reposition and renew themselves in order to be relevant and effective in the new environments created by these changes?
- What actions should local and regional leaders take, as change managers, to utilize regional approaches to better plan, coordinate, and deliver public services better?
- How should the Texas Association of Regional Councils adjust its organization and activities to support future responsibilities of its member councils of governments?

The report of the committee addresses these questions as it also explores the extent to which regional leaders must expand their focus to include not only their region, state, and nation, but also the world.

# Fundamental Changes Ahead for Texas

After presentations from acknowledged experts and seasoned public professionals, the Strategic Directions Committee became convinced that the most fundamental changes at work in Texas, those changes out of which spin many secondary problems as well as opportunities, were three in number:

**Population Growth and Diversification.** Not only is the Texas population growing at twice the national rate with varying levels of increase in each of the 24 regions, but, already a majority minority state, Texas will be majority Hispanic not later than 2030. In addition, there will be an increase in older Texans, a youth wave not characteristic of most other states, a growing Asian population, and Black and Anglo segments which will either hold constant as a percentage of the Texas population or see declines.



**Economic Challenges.** While the Texas population is growing, economic trends precursor significant challenges for Texas. The state can expect slower economic growth than in the late 1990s; more susceptibility to national and world economic cycles than Texas has ever known before; economic dynamics requiring international regional economic competitiveness; and decades ahead when U.S. deficits are going to constrain federal domestic programs.

As in population growth, some Texas regions are expected to fare better than others, absent action by regional leaders.

Economic Region	COG Regions and Central Cities	1970-2000 Average Annual Growth Rate %	Descriptors of Expected Future Short-Term Growth
Alamo	Alamo Area COG (San Antonio)	3.5%	Strong
Capital	Capital Area COG (Austin)	6.6%	Stable then accelerating, but more subdued than in past
Central Texas	Central Texas COG, Brazos Valley COG, Heart of Texas COG (Killeen-Temple-Belton, Bryan-College Station, Waco)	3.4 %	More subdued in the future
Coastal Bend	Coastal Bend COG, Golden Crescent COG (Corpus Christi, Victoria)	3.2%	Stable

Economic Region	COG Regions and Central Cities	1970-2000 Average Annual Growth Rate %	Descriptors of Expected Future Short-Term Growth
Gulf Coast	Houston-Galveston Area Council (Houston-Galveston)	4.1%	Strong
High Plains	Panhandle Regional Planning Commission, South Plains Association of Governments (Amarillo, Lubbock)	3.3%	Improving
Metroplex	North Central Texas COG, Texoma COG (Dallas-Fort Worth, Sherman-Denison)	4.7%	Accelerating, but more subdued than in past
Northwest Texas	Nortex Regional Planning Commission, West Central Texas COG (Wichita Falls, Abilene)	1.8%	Stable
South Texas Border	South Texas Development Council, Middle Rio Grande Development Council, Lower Rio Grande Valley Development Council (Laredo, Del Rio, Brownsville-McAllen)	4.6%	Strong
Southeast Texas	Southeast Texas Regional Planning Commission, Deep East Texas Council of Governments (Beaumont-Pt. Arthur-Orange, Jasper-Lufkin-Nacogdoches)	3.2%	More stable
Upper East Texas	Ark-Tex COG, East Texas COG (Texarkana, Tyler-Longview-Marshall)	3.5%	Stable
Upper Rio Grande	Rio Grande Council of Governments (El Paso)	3.5%	Stable
West Texas	Permian Basin Regional Planning Commission, Concho Valley Council of Governments (Midland-Odessa, San Angelo)	1.6%	Improving

Source: Office of Comptroller, State of Texas

**Voter Preference and Participation.** Recent-day trends of voter preferences that reflect conservative philosophies are expected to continue in Texas for at least two decades. Those elected to govern in Texas and the governance structure in which they work are likely to remain dominated by philosophies of smaller government, lower taxes, and social conservatism.

This trend is, in large part, driven by the demographics of voter participation. Participation at the polls by new population majorities in Texas is expected to continue to lag behind that of groups which are more likely to be conservative in ballot choices — older, Anglo, and more educated Texans.

Looked at together, the three fundamental trends forecast times ahead for Texas when closely-held traditions and new economic restraints will collide with increasing service demands from a demographic majority dominated by young, minority, and low income populations.

## Impacts on Local Governments and Regional Councils of Governments

The Strategic Directions Committee is convinced that during the next two decades, local and regional leaders will be tested as change managers. Change is likely to accelerate while fiscal capacity, human resources, and political will to address change will be constrained.

A likely scenario facing general-purpose local governments and regional councils of governments will feature:

- Substantial reductions in federal domestic assistance;
- State government cost shifts to the local and regional levels;
- Taxpayer and state government-imposed limitations on local government revenue raising capacities;
- Loss of the “baby boom” generation of seasoned governmental executives and managers;
- Local and regional workforces with a high school education or less;
- Additional polarization among urban, suburban, and rural interests with suburban and rural interests more closely linked than in the past due to demographic and economic growth trends as well as several decades of redistricting of congressional and state representative districts; and
- A rise in service demand, more prominent in major urban areas, for social services, public-supported health care, and public transportation.

***Texas society is undergoing profound social, cultural, and economic transformations, which parties and candidates cannot even hope to control. Massive suburbanization, explosive growth of Latin and Asian populations, the general decline of mining and agriculture, the growth of technology, and the proliferation of autonomous grassroots organizations all contribute to a dynamic environment that continually challenges the political status quo.***

***While the type and timing of elections are important in understanding voter turnout, these factors seem to interact in complex ways with the demographic factors mentioned above. In other words, non-voters are not evenly distributed in the population: there are patterns of non-voting based on age, income, education and race/ethnicity. In general, citizens who are older, white, or more educated are more likely to vote than younger, non-white, or less educated citizens.***

*Excerpts from Texas Politics: 15 Feb 2005  
The University of Texas at Austin*

This scenario will require local government and regional leaders to be creative in their problem solving, efficient with their resources, and purposeful in their decision making.

## **New and Continuing Core Issues for Texas Regions**

Against the backdrop of fundamental demographic, economic, and political change, regional councils of governments and their local government members will need to address some new and some recurring issues for which regional solutions are underway now or will be expected in the future. These include:

- Transportation planning, public transit coordination, and transportation finance;
- Health care, especially emergency services; indigent care; and affordable care for workers, their dependents, and retiree generations;
- Water supply and usage, water quality, water affordability, and the environmental impacts of decisions on each of these dimensions of water policy;
- Air quality and public protection from airborne contaminants;
- Emergency preparedness and homeland security in the face of significant man-made and natural catastrophic events; and
- Regional economic competitiveness in a rapidly changing world economy.

## **Conclusions and Recommendations for Regional Councils of Governments**

**Texas communities and regions will see an increasing clash between rising service demands and economic-political realities.**

### **Councils of Governments Must Lead Strategic Change in the Region**

**Recommendation No. 1:** Focus the council of governments on region-wide strategic planning processes.

**Recommendation No. 2:** Act immediately to renew commitment to and shift resources toward critical region-wide core issues for which the council of governments already has regional policy responsibilities.

**Functional Areawide Service Programs of Councils of Governments Must Adapt to Serve a Changing Population Better and to Accommodate New Economic and Political Realities.**

**Recommendation No. 3:** Re-examine functional area planning/service programs of the council of governments to adapt each to new demographic, economic, and political realities.

## **Councils of Governments Should Position Themselves to Help Ease the Increasing Fiscal Stress of Local Government Members.**

**Recommendation 4:** Organize and staff the council of governments to substantially ease the fiscal stresses of local government members.

## **Opportunities Exist for Councils of Governments to Lead Change Through Advocacy, Dispute Resolution, and Cooperation With Adjacent Regions.**

**Recommendation No. 5:** The governing body of each council of governments should examine and strengthen the COG's ability to resolve disputes within the region and to organize and deploy member governmental officials, as well as other regional groups, to advocate on behalf of the region.

**Recommendation No. 6:** Councils of governments should continue to advocate use of the 24 State Planning Regions designated by the governor when state or federal legislators, executives, or agency leaders seek to divide Texas into regions to be used for achieving local advice or local governance of programs or services.

**Recommendation No. 7:** Councils of governments should continue and expand the practice of joint planning, sharing of professional expertise, and sharing of costs with adjacent regions.

## **Positioning a Council of Governments to be More Credible and Relevant in the 21st Century Will Require Rethinking Old Ways and Building New Capacities to Serve the Region.**

**Recommendation No. 8:** Eliminate marginal or bureaucratic activities of the council of governments.

**Recommendation No. 9:** Make the development or improvement of core staff competencies for the 21st Century a regular, ongoing part of the work program of the council of governments.

**Recommendation No. 10:** Establish a strategic organizational renewal activity to periodically review and recommend adjustments, as necessary, to the council of governments' charter and bylaws, governance policies, management policies and practices, work program, and financial strategies to address regional change and to offer added value to member governments.

## **Conclusions and Recommendations for the Texas Association of Regional Councils (TARC)**

### **The Texas Association of Regional Councils Has Adapted to the Increased Responsibilities and Governance Capacities of Texas' 24 Regional Councils of Governments**

## Interim Strategic Directions Committee Recommendations Regarding the Texas Association of Regional Councils Were Implemented. These included:

- Creation of The Corporation for Texas Regionalism;
- Approval and Implementation of Management Structure Changes; and
- Adoption of Operating Policies.



## Adoption of Final Recommendations of the Strategic Directions Committee Will Increase Association Support to Councils of Governments.

**Recommendation No. 11:** Examine and reposition TARC to support new priorities and programs of regional councils of governments taking actions to:

- Restructure board and executive directors' meetings to focus on addressing policy and advocacy;
- Increase board members' involvement in advocacy;
- Strengthen the association's communications;
- Give priority to state government one-on-one relationships;
- Develop TARC staff expertise in emerging policy areas to augment regional councils' staff expertise;
- Enhance the association's education and training services; and
- Initiate and manage cooperative projects and programs.

Implementation of these recommendations by TARC's board, executive directors' council, and professional staff will be important to position the association to provide valued services to member councils of governments addressing new 21st Century challenges in their respective regions.

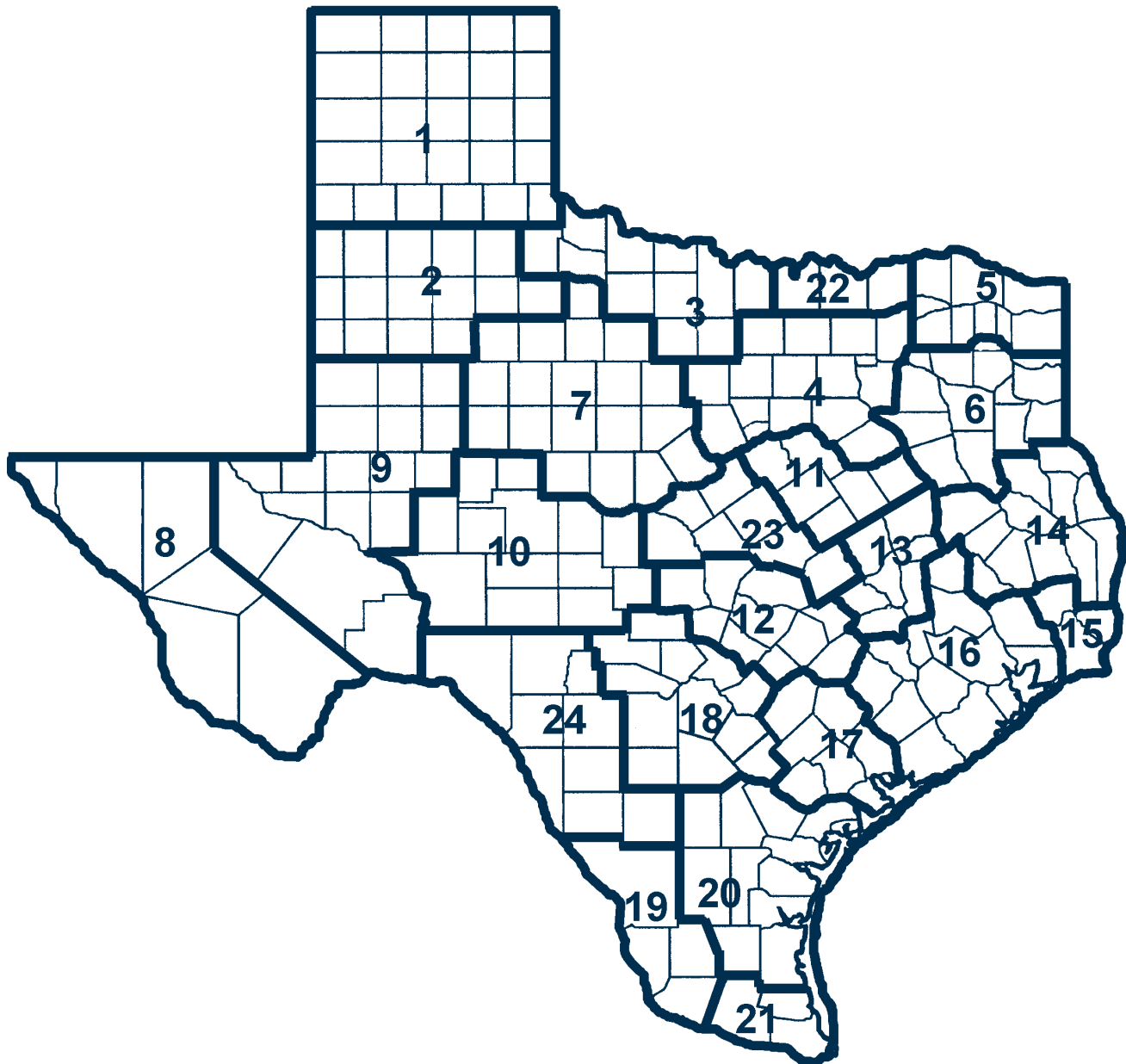
## Concluding Comments

The Strategic Directions Committee commends its recommendations to the governing bodies of the 24 regional councils of governments, the board of directors of the Texas Association of Regional Councils, and the professional staffs of these organizations. Careful examination and thoughtful adoption of the committee's recommendations by each of these organizations should lead to more proactive, credible, and competent councils of governments and to increased support for regionalism from the state association.



# Texas Regional Councils of Governments and State Planning Regions

<u>Region Name</u>	<u>Region No.</u>	<u>Region Name</u>	<u>Region No.</u>
Alamo Area Council of Governments	18	Lower Rio Grande Valley Development Council	21
Ark-Tex Council of Governments	5	Middle Rio Grande Development Council	24
Brazos Valley Council of Governments	13	Nortex Regional Planning Commission	3
Capital Area Council of Governments	12	North Central Texas Council of Governments	4
Central Texas Council of Governments	23	Panhandle Regional Planning Commission	1
Coastal Bend Council of Governments	20	Permian Basin Regional Planning Commission	9
Concho Valley Council of Governments	10	Rio Grande Council of Governments	8
Deep East Texas Council of Governments	14	South East Texas Regional Planning Commission	15
East Texas Council of Governments	6	South Plains Association of Governments	2
Golden Crescent Regional Planning Commission	17	South Texas Development Council	19
Heart of Texas Council of Governments	11	Texoma Council of Governments	22
Houston-Galveston Area Council	16	West Central Texas Council of Governments	7









**Texas Association of Regional Councils**

Austin Centre

701 Brazos, Suite 780

Austin, Texas 78701

(512) 478-4715

[www.txregionalcouncil.org](http://www.txregionalcouncil.org)