

A REPORT OF THE ECONOMIC IMPACT OF THE TEXOMA COUNCIL OF GOVERNMENTS DURING FISCAL YEAR 2011

June 20, 2012

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EXECUTIVE SUMMARY

Introduction

This report presents the results of an economic impact analysis performed by Impact DataSource, Austin, Texas. The analysis estimates the annual impact that the Texoma Council of Governments (TCOG) on the state and local economy during fiscal year 2011. The report also estimates local tax revenues supported by Texoma Council of Governments activities.

Economic Impact of Texoma Council of Governments Regular Operations in FY 2011

The Texoma Council of Governments directly employs 82 workers. The total salaries and benefits paid to these individuals in FY 2011 was approximately \$3.86 million. The organization's operating expenditure during the year totaled approximately \$18.03 million. This direct economic activity supported indirect and induced economic impacts during the year, as shown below.

Estimated Economic Impact of the Texoma Council of Governments During FY 2011		
	Three-County Region*	State of Texas
Revenues for Businesses:		
Direct	\$16,061,892	\$18,028,492
Indirect & Induced	\$7,737,251	\$20,507,688
Total Revenues	\$23,799,143	\$38,536,180
Jobs:		
Direct	82	82
Indirect & Induced	92	175
Total Permanent Jobs	174	257
Workers' Earnings:		
Direct	\$3,863,033	\$3,863,033
Indirect & Induced	\$2,293,264	\$6,946,781
Total Workers' Earnings	\$6,156,297	\$10,809,814

* Cooke, Fannin and Grayson Counties

As shown above, the organization's annual expenditures and salaries in the Texoma Area of \$16.06 million supported another \$7.74 million in sales in businesses and other organizations in the region. In total, TCOG supported \$23.80 million in economic output or revenues for businesses in the region.

The organization directly supports a total of 82 direct jobs and an additional 92 indirect and induced jobs in the region. In total, TCOG supported 174 employees in the region.

Similarly, while compensation for the organization's employees totaled \$3.86 million, the organization's spending and spending of its employees supported another \$2.29 million in compensation for workers in spin-off jobs in the region. Therefore, TCOG supports annual salaries of \$6.16 million in the region.

Economic Impact of 2011 ARRA Stimulus

The impacts shown above include the additional impact of the one-time ARRA Stimulus expenditures. The 2011 ARRA Stimulus expenditures of \$3.48 million increase TCOG's typical annual economic impact on economic output, employment and workers' earnings. The additional stimulus expenditures in 2011 increased total economic output by \$2.42 million, supported 12 additional jobs in total and increased total workers' earnings by \$841,330 in the three-county area.

EXECUTIVE SUMMARY

Value of Volunteers

The Texoma Council of Governments coordinates many volunteers in conjunction with the Aging Services Department. These volunteers counsel the elderly, assist residents with administrative tasks and provide mentors to school children. During 2011, Texoma Council of Governments volunteers provided 182,850 hours of service, valued at more than \$4 million.

Value of Volunteer Hours	
Total Volunteer Hours During FY 2011	182,850
Value of volunteer time per hour	\$21.91
Value of Volunteer Hours	\$4,006,244

Tax Revenues for Local Taxing Districts Supported by TCOG in FY 2011

The Texoma Council of Governments supports economic impacts in the region which result in tax revenues for local taxing districts in Cooke, Fannin and Grayson counties. The taxable spending by workers generates local sales tax collections. Also, direct, indirect and induced workers that own or occupy residential property support property taxes to cities, counties schools and other taxing districts in the area. Housing vouchers also indirectly support a portion of residential property in the area.

Tax Revenues for Local Taxing Districts Supported by the Texoma Council of Governments Regular Operations During FY 2011	
	Three-County Region*
Local sales taxes collected by cities, transit authorities and others	\$16,219
<i>Itemized Local Property Taxes:</i>	
<i>Cities</i>	\$161,619
<i>Counties</i>	\$127,373
<i>School District</i>	\$322,991
<i>Other Entities</i>	\$29,811
Total residential property taxes*	\$641,793
Total Local Tax Revenues	\$658,012

* Property taxes collected on residential property owned or occupied by the direct and indirect workers supported by the organization or supported by housing vouchers.

The Texoma Council of Governments supports annual local tax revenues of \$658,012 in the region which are generated by worker spending as well as residential property taxes.

In total, the Texoma Council of Governments supports total annual revenues of \$708,697 for the State of Texas and local taxing districts such as cities, counties and school districts in the region.

Additional Fiscal Impact of 2011 ARRA Stimulus

If the one-time ARRA Stimulus impacts are included, the total fiscal impacts are slightly higher. The total annual local tax revenues generated by TCOG's regular operations and ARRA Stimulus expenditures were estimated to be \$664,122 in 2011. In total, tax revenues for local taxing districts and the State of Texas were estimated to be \$733,897 in 2011.

While the above is a summary of the results of this analysis, details are on the following pages.

PROJECT SUMMARY

Introduction

This report presents the results of an economic impact analysis performed by Impact DataSource, Austin, Texas. The analysis estimates the annual impact that the Texoma Council of Governments (TCOG) on the state and local economy during fiscal year 2011. The report also estimates local tax revenues supported by Texoma Council of Governments activities.

The report presents the following information:

- A description of the Texoma Council of Governments,
- Types of economic impacts resulting from the organization,
- The economic impact of the organization, its programs and its employees and workers in spin-off jobs,
- Annual revenues for the local taxing districts, and
- An explanation of how the analysis was conducted and the RIMS II model.

A description of the Texoma Council of Governments is next.

Texoma Council of Governments (TCOG)

The Texoma Council of Governments is a voluntary organization of local governmental units in Cooke, Grayson, and Fannin Counties organized under the authority of Chapter 391 of the Texas Local Government Code.

With the goals of developing better cooperation, reducing duplication of efforts, and increasing efficiencies by taking advantage of the economies of scale, TCOG is organized into four departments: Administration & Finance, Aging Services, Client Services, and Government Services.

The Texoma Council of Governments employed 84 workers and paid \$3.6 million in salaries and benefits. The organization's four departments include several subprograms which span a range of regional services. A summary of the Aging Services, Government Services and Client Services Departments and subprograms is provided below.

Aging Services Department

Area Agency on Aging Administration

The Area Agency on Aging is responsible for the development & coordination of a comprehensive system of services for citizens over the age of 60 or with a disability. Professionally trained staff provide support & free consultation on long-term care choices. This program helped 14,000 clients navigate complex service delivery systems resulting in over \$1 million spent in our region last year.

Money Management Program

The Money Management Program provides bill payer and representative payee services to individuals in danger of losing their independence because of their inability to manage their finances.

Guardianship Program

The Guardianship Program provides guardianship services to individuals that have been judged to be incapacitated by the courts; these individuals have no other family or friends to provide these services.

Benefits Counseling Program

The Benefits Counseling Program provides personal assistance to older individuals which helps the preparation of necessary documents relating to public entitlements, health care/long term care, individual rights, planning/protection options, and housing and consumer needs. The dissemination of accurate, timely, and relevant information, eligibility criteria, requirements, and procedures to older individuals about public entitlements, health/long-term care services, individual rights, planning/protection options, and housing and consumer needs.

PROJECT SUMMARY

Aging Services Department -Continued

Ombudsman

The Ombudsman manages volunteers and identifies, investigates, and resolves complaints made by, or on behalf of, residents of nursing facilities and assisted living facilities. These complaints relate to action, inaction, or decisions, which may adversely affect the health, safety, welfare, or rights of the residents, providers, or representatives of providers, of long-term care services, public agencies, or health and social service agencies.

Nutrition Program

The Nutrition Program is for congregate and home delivered meals. Over 100,000 meals were provided to local seniors last year. Payments are made locally to Tri-County for services rendered.

Care Management Program

The Care Management Program is a coordinated, community-based home care program administered by registered nurses. Services are available to persons 60+ years of age who are homebound, unable to care for themselves, or recently discharged from area hospitals who require temporary in-home care. Over 125,000 hours of service last year helped provide and prolong independent living. Payments are made to local contractors to provide various in home services.

Information, Referral, & Assistance

This program consists of activities such as assessing the needs of the inquirer, evaluating appropriate resources, assessing appropriate response modes, indicating organizations capable of meeting those needs, and providing enough information about each organization to help inquirers make an informed choice. Also assists inquirers for whom services are unavailable by locating alternative resources, when necessary and actively participating in linking the inquirer to needed services, and following up on referrals to ensure the service was provided. Last year over 6,800 area Texomans were assisted.

Caregiver Support Program

Caregiver Service is an ongoing process that assesses the needs of a caregiver and care recipient by planning, arranging, coordinating and providing services. Programs include Support Groups, Community Outreach, Respite Care, & Caregiver Education and Training for Alzheimer's, Parkinson's, and other diseases. Last year, this program provided over 5,800 hours of service.

Data Management Program

The Data Management Program is responsible for reporting and maintaining financial records for the Aging Services Department. This includes activities directly related to reporting for non-direct services, purchase and maintenance of required tracking and reporting software. Included are activities directly related to direct purchase of service, service authorization and document verification to support the provision, tracking and reporting of vendored Congregate Meals, Home Delivered meals and Transportation services.

Senior Corps Program

The Senior Corps Program is composed of two programs, Foster Grandparents and RSVP, both mobilizing senior volunteers to serve their community's schools, senior centers, & other social service agencies. Together, these programs provided over 180,000 volunteer hours last year amounting to a value of nearly \$4 million for our region. Stipends/payments were made to low-income seniors for volunteering totaling \$45,852. Public transportation vouchers were provided totaling \$2,195.

PROJECT SUMMARY

Government Services Department

Community & Economic Development

The Community & Economic Development program helps communities achieve long-term competitive development through investments in human, information, and natural resources, with the ultimate goal of improving quality of life.

GIS Services

The GIS (Geographic Information Systems) Program creates, analyzes and manages geographic datasets and applications. These datasets include political jurisdictions, transportation networks, emergency management and environmental resources. Local governments and citizens rely on maps and data created by the TCOG GIS Program to make well informed and often life saving decisions. The GIS Program helps promote geographic education in the region and provides a coordinating resource for GIS professionals in the region.

Criminal Justice & Emergency Planning

Criminal Justice Program promotes and helps to develop coordinated, collaborative prevention and justice-oriented initiatives across Texoma. Partners on these projects include grantees, volunteers, community-based organizations, faith-based organizations, government agencies, the private sector and others. Through a contract with the Criminal Justice Division of the Office of the Governor, TCOG administers the local process for grant distribution to the region.

Criminal Justice (ARRA)

Through a contract with the Office of the Governor's Criminal Justice Division, TCOG administered the grant distribution process for additional ARRA funds for eligible law enforcement agencies in the Texoma region.

Emergency Planning

TCOG staff and the TCOG Homeland Security Advisory Committee facilitate and execute the Homeland Security Funding Process with the Texas Department of Public Safety, Texas Homeland Security Administrative Agency.

Municipal Solid Waste

The Municipal Solid Waste (MSW) Grant Program provides financial and technical assistance to city and county governments, school districts, and law enforcement districts in their efforts to combat illegal dumping, promote recycling, and ultimately reduce the amount of waste introduced to local landfills. The MSW program is overseen by the Natural Resources Advisory Committee (NRAC) which consists of members who represent a broad range of interests, including a representative of the Texas Commission on Environmental Quality (TCEQ), public officials, private operators, citizen groups, and interested individuals.

Regional Transportation Plan

The Regional Transportation Plan oversees the effort to develop a regionally coordinated transportation plan which helps identify all of the publicly-funded transit programs and plans for ways to streamline the services to ensure that the maximum number of people is being served, even with limited resources.

Sherman-Denison MPO

The Sherman-Denison Metropolitan Planning Organization is responsible for planning transportation investments to meet mobility needs within the urbanized area.

PROJECT SUMMARY

Client Services Department

2-1-1 Information and Referral Program

The 2-1-1 Texas Information & Referral Program connects citizens in the Texoma Region to health and human services and other supportive agencies in the most efficient and understandable way by incorporating the use of new technology and other communication advances.

Energy Assistance Program

The Energy Services Program includes utility payment assistance, direct supportive services and individual case management as well as installation of energy saving weatherization applications that reduce utility consumption.

Weatherization Program & ARRA Weatherization Program

The weatherization program weatherized more than 300 homes during the year. Additional funds from the American Recovery and Reinvestment Act supported the weatherization of an additional 600 homes.

Public Housing Program

The Public Housing Program maintains 476 units across 17 cities.

Section 8 Choice Voucher Program

The Section 8 Housing Choice Voucher Program is a low rent housing voucher program which provides over 600 families with rental subsidy and includes a self-sufficiency program available in Fannin and Grayson counties.

Texoma Housing Partners

The Texoma Housing Partners is a consortium of 18 small public housing authorities that provides over 500 families with affordable housing and also includes a social services program available in Fannin, Grayson, Collin and Hunt counties.

Information about the Texoma Council of Government's expenditures in fiscal year 2011 is provided next.

PROJECT SUMMARY

Texoma Council of Governments Expenditures & Employment

The organization's annual operating expenditures during fiscal year 2011 was approximately estimated to be \$14.17 million along with salaries and benefits of \$3.86 million. In total, TCOG's spending in 2011 totaled \$18.03 million. These totals include some one-time expenditures related to the ARRA Stimulus Program. The following tables present summaries of the regular operating and payroll expenditures and the ARRA Stimulus expenditures for the Texoma Council of Governments during fiscal year 2011.

Summary of TCOG Regular Expenditures for FY 2011	
<i>Operating Expenditures, excluding Payroll</i>	
Aging Services Department	\$1,044,538
Government Services Department	\$2,780,338
Client Services Department	\$6,868,241
General Government	\$622,720
Total Operating Expenditures	\$11,315,837
<i>Payroll Expenditures</i>	
Salaries	\$2,209,758
Employee Benefits	\$1,019,054
Total Payroll Expenditures	\$3,228,812
Total Expenditures	\$14,544,649

Summary of TCOG ARRA Stimulus Expenditures for FY 2011	
<i>ARRA Stimulus Operations Expenditures, excluding Payroll</i>	
Weatherization Program (Cooke, Fannin Grayson)	\$883,022
Weatherization Program (Elsewhere in Texas)	\$1,966,600
Total ARRA Stimulus Operating Expenditures	\$2,849,622
<i>ARRA Payroll Expenditures</i>	
Salaries	\$434,050
Employee Benefits	\$200,171
Total ARRA Stimulus Payroll Expenditures	\$634,221
Total ARRA Stimulus Expenditures	\$3,483,843

The following table summarizes the number of employees within each department as well as the number of volunteer hours reported with various programs within each department.

Summary of Employment & Volunteer Hours FY 2011		
	Employment	Volunteer Hrs.
Administration & Finance	5	0
Aging Services Department	19	182,850
Government Services Department	13	0
Client Services Department	45	0
Total	82	182,850

PROJECT SUMMARY

Types of Impacts Resulting from the Texoma Council of Governments

The Texoma Council of Government, through its wide-ranging services, supports economic and fiscal impacts in the state and region. This report estimates the impact of the organization during Fiscal Year 2011 which ran from May 1, 2010 to April 30, 2011. Broadly speaking, the economic impacts estimated in this report can be categorized into two main types of impacts described below.

1. Direct economic impacts are the immediate economic activities generated by the organization. These impacts include the organization's employees, compensation paid to these workers as well as the expenditures made by TCOG. These expenditures include the general supplies, utilities and operating costs of the organization as well as the payments made by TCOG. Payments by TCOG include payments to contractors providing meals, in-home services, weatherization improvements, building maintenance services, as well as rent payments to landlords and stipends paid to some low-income senior volunteers.
2. Indirect and induced economic impacts represent the additional economic activity that is supported by the organization's expenditures, employment and compensation. Indirect jobs and salaries are supported in area businesses that supply goods and services to the organization or its contractors, such as maintenance companies and service firms. In addition, induced jobs and salaries are supported in area businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to workers and their families. This report labels the combined indirect and induced impacts as simply "Indirect".

This report estimates the economic impact of the organization on the State of Texas and Texoma region (Cooke, Fannin, Grayson counties) using impact multipliers from the US Department of Commerce's Regional Input-Output Modeling System (RIMS II). Additional information about the RIMS II model is provided in the Methodology section.

In addition, this report quantifies the value of the volunteer work coordinated by the Texoma Council of Governments during the year.

The economic impacts result in fiscal impacts for local and state governments.

ECONOMIC IMPACT OF TEXOMA COUNCIL OF GOVERNMENTS

Economic Impact of Texoma Council of Governments Regular Operations in FY 2011

The Texoma Council of Governments directly employs 82 workers. The total salaries and benefits paid to these individuals is approximately \$3.2 million. The organization's operating expenditure during FY 2011 totaled approximately \$14.54 million. This direct economic activity supported indirect and induced economic impacts during the year, as shown below.

Estimated Economic Impact of TCOG Regular Operations During FY 2011		
	Three-County Region*	State of Texas
Revenues for Businesses:		
Direct	\$14,544,649	\$14,544,649
Indirect & Induced	\$6,830,303	\$15,401,545
Total Revenues	\$21,374,952	\$29,946,194
Jobs:		
Direct	82	82
Indirect & Induced	80	135
Total Permanent Jobs	162	217
Workers' Earnings:		
Direct	\$3,228,812	\$3,228,812
Indirect & Induced	\$2,086,155	\$5,338,624
Total Workers' Earnings	\$5,314,967	\$8,567,436

* Cooke, Fannin and Grayson Counties

As shown above, the organization's annual expenditures and salaries in the Texoma Area of \$14.54 million supported another \$6.83 million in sales in businesses and other organizations in the region. In total, TCOG supported \$21.37 million in economic output or revenues for businesses in the region.

The organization directly supports a total of 82 direct jobs and an additional 80 indirect and induced jobs in the region. In total, TCOG supported 162 employees in the region.

Similarly, while compensation for the organization's employees totaled \$3.2 million, the organization's spending and spending of its employees supported another \$2.1 million in compensation for workers in spin-off jobs in the region. Therefore, TCOG supports annual salaries of \$5.3 million in the region.

Additional Economic Impact of 2011 ARRA Stimulus

The impacts shown above exclude the additional impact of the one-time ARRA Stimulus expenditures. The 2011 ARRA Stimulus expenditures of \$3.48 million increase TCOG's total economic impact on economic output, employment and workers' earnings. The additional stimulus expenditures in 2011 increased total economic output by \$2.42 million, supported 12 additional jobs in total and increased total workers' earnings by \$841,330 in the three-county area.

In total, the Texoma Council of Governments regular operations and stimulus expenditures supported the following total impacts in the three-county region:

- \$23,799,143 in revenues for businesses,
- 174 jobs, and
- \$6,156,297 workers' earnings.

A detailed table of the additional economic impacts related to the ARRA Stimulus is provided in the Appendix on page 20.

ECONOMIC IMPACT OF TEXOMA COUNCIL OF GOVERNMENTS

Value of Volunteers

The Texoma Council of Governments coordinates many volunteers in conjunction with the Aging Services Department. These volunteers counsel the elderly, assist residents with administrative tasks and provide mentors to school children. During 2011, Texoma Council of Governments volunteers provided 182,850 hours of service, valued at more than \$4 million.

In order to value the significant contributions of these volunteers, it is common to value the volunteer time at an hourly rate. The hourly rate used in this analysis was obtained from the Independent Sector, a leadership network for nonprofits, foundations, and corporate giving programs committed to advancing the common good in America and around the world. The hourly rate for volunteer time is \$21.91 per hour which is based on the average hourly earnings of all private workers in the state.

Value of Volunteer Hours	
Total Volunteer Hours During FY 2011	182,850
Value of volunteer time per hour	\$21.91
Value of Volunteer Hours	\$4,006,244

Additional Economic Impacts

The Texoma Council of Governments supports taxable sales and taxable residential property in the area that generate tax revenue for local taxing districts. The spending by workers is summarized next, followed by a summary of residential property supported by the organization's activities as well as its direct, indirect and induced workers.

Taxable Worker Spending and Total Taxable Spending Supported by TCOG

The total taxable spending supported by workers was estimated to be \$1.1 million as shown below. Workers spend approximately 25% of salaries on taxable goods. It is assumed that approximately 90% of this spending takes place in the region.

Total Taxable Spending Supported by the Texoma Council of Governments During FY 2011		Three-County Region*
Total Workers' Wages excluding benefits	\$3,604,240	
Percent of wages spent on taxable goods and services	25%	
Percent of taxable shopping by workers within the region	90%	
Taxable spending by direct, indirect and induced workers		\$810,954

* Cooke, Fannin and Grayson Counties

Residential Property on Tax Rolls

Although TCOG's property is not on local tax rolls, direct and spin-off workers in the community own or occupy residential property on which they directly or indirectly pay property taxes. In addition the housing vouchers paid by TCOG contribute to rent payments which indirectly supports a portion property taxes on these residential properties. In total, Texoma Council of Governments supports \$25.76 million in residential property in the region.

Taxable Value of Residential Property Supported by TCOG	
Property supported by direct and indirect workers	\$15,943,328
Property supported by housing vouchers	\$8,693,650
Total Value of Taxable Property	\$24,636,978

ECONOMIC IMPACT OF TEXOMA COUNCIL OF GOVERNMENTS

Property supported by direct and indirect workers

The table below summarizes the taxable value of residential property supported on local tax rolls by direct and indirect workers in the area.

Taxable Value of Residential Property Owned or Occupied by TCOG Workers and Indirect Workers During FY 2011	
	Three-County Region*
Total number of workers supported by TCOG residing in area	174
Market value of residential property owned/occupied by workers <i>Median Home Value, U.S. Census 2010 American Community Survey</i>	\$101,599
Taxable Value of residential property (90% of market value)	\$91,439.10
Total taxable value of residential property owned or occupied in area by the TCOG's direct and indirect workers	\$15,943,328

Property supported by housing vouchers

In addition to the residential property owned or occupied by workers supported by the Texoma Council of Governments, the organization supports residential property taxes through the housing voucher payments. The average taxable value of an apartment in the area is approximately \$22,500 but the vouchers only support a portion of this value. The average housing voucher during 2011 represented approximately 64% of the total rent. Therefore we estimate the total taxable value of residential property supported by vouchers as 64% of the total taxable value of rental properties supported by the 600 families receiving vouchers.

Taxable Value of Residential Property Supported by Vouchers Paid by Texoma Council of Governments During FY 2011	
	Three-County Region*
Taxable value of average apartment	\$22,552
Section 8 Choice Voucher Payments	\$2,671,470
Total number of families receiving housing subsidies	600
Average annual housing voucher	\$4,452
Average annual rent	\$6,930
Housing subsidy as a percent of annual rent	64.2%
Total taxable value of residential property supported by vouchers <i>(Average taxable value of apartment X Number of families X Housing voucher as percent of annual rent)</i>	\$8,693,650

ECONOMIC IMPACT OF TEXOMA COUNCIL OF GOVERNMENTS

U.S. Census information for Cooke, Fannin and Grayson counties indicates that worker households have approximately 2.63 residents on average and 0.5 school children on average. Based on the number of worker households, the following table summarizes the number of residents and school students supported by the organization.

Number of Worker Households, Residents and Public School Students Supported by the Texoma Council of Governments	
	Three-County Region*
Number of total worker households	174
Number of residents	459
Number of school students	80

The economic impacts listed above translate into fiscal impacts for the state and local taxing districts as discussed on the next page.

REVENUE FOR THE STATE AND LOCAL TAXING DISTRICTS

Types of Revenues for the State of Texas

The State of Texas may receive various revenues as a result of the employees and businesses supported by TCOG; however sales taxes is the largest and most significant source of revenue. The economic impacts estimated in this report will result in additional revenue for the State of Texas primarily through the state's 6.25% sales tax. Although purchases made by TCOG are not subject to sales taxes and many of the backward linked transactions will not be subject to sales taxes, some worker spending will be subject to sales taxes in Texas. The table below summarizes the sales taxes supported by TCOG the state may collect.

Tax Revenues for the State of Texas Supported by the Texoma Council of Governments During FY 2011	
	Tax Collections
State sales tax collections	\$50,685
<i>Total taxable spending by direct, indirect and induced workers workers well as taxable spending out-of-town visitors</i>	<i>\$810,954</i>
<i>State of Texas Sales Tax Rate</i>	<i>6.25%</i>

Types of Revenues for Local Taxing Districts

The following fiscal impact analysis estimates the tax revenue supported by the spending of workers in the region. Additionally, residential property owned or occupied by direct, indirect and induced workers supported by TCOG result in local property tax revenue for area taxing districts.

The table below summarizes the tax rates used in this analysis to calculate the tax revenues supported by TCOG. The tax rates used in this analysis and summarized below are intended to represent the average across the region.

Local Tax Rates Used in this Analysis	
	Three-County Region*
Local Sales Tax Rate	2.0%
<i>Average Itemized Local Property Tax Rates:</i>	
<i>Cities</i>	<i>0.656</i>
<i>Counties</i>	<i>0.517</i>
<i>School District</i>	<i>1.311</i>
<i>Other Entities</i>	<i>0.121</i>
Total Property Tax Rate	2.605

REVENUE FOR THE STATE AND LOCAL TAXING DISTRICTS

Tax Revenues for Local Taxing Districts Supported by TCOG in FY 2011

The Texoma Council of Governments supports economic impacts in the region which result in tax revenues for local taxing districts in Cooke, Fannin and Grayson counties. The taxable spending by workers generates local sales tax collections. Also, direct, indirect and induced workers that own or occupy residential property support property taxes to cities, counties schools and other taxing districts in the area. Housing vouchers also indirectly support a portion of residential property in the area.

Tax Revenues for Local Taxing Districts Supported by the Texoma Council of Governments Regular Operations During FY 2011	
	Three-County Region*
Local sales taxes collected by cities, transit authorities and others	\$16,219
<i>Itemized Local Property Taxes:</i>	
<i>Cities</i>	<i>\$161,619</i>
<i>Counties</i>	<i>\$127,373</i>
<i>School District</i>	<i>\$322,991</i>
<i>Other Entities</i>	<i>\$29,811</i>
Total residential property taxes*	\$641,793
Total Local Tax Revenues	\$658,012

* Property taxes collected on residential property owned or occupied by the direct and indirect workers supported by the organization or supported by housing vouchers.

The Texoma Council of Governments supports annual local tax revenues of \$658,012 in the region which are generated by worker spending as well as residential property taxes.

In total, the Texoma Council of Governments supports total annual revenues of \$708,697 for the State of Texas and local taxing districts such as cities, counties and school districts in the region.

Additional Fiscal Impact of 2011 ARRA Stimulus

If the one-time ARRA Stimulus impacts are included, the total fiscal impacts are slightly higher. The total annual local tax revenues generated by TCOG's regular operations and ARRA Stimulus expenditures were estimated to be \$664,122 in 2011. In total, tax revenues for local taxing districts and the State of Texas were estimated to be \$733,897 in 2011.

METHODOLOGY

Conduct Of The Analysis

This analysis was conducted by Impact DataSource and completed using community data, rates and information provided by the Texoma Council of Governments. In addition, the model uses certain estimates and assumptions.

Using this data, the economic impact of the Texoma Council of Governments was calculated for the Cooke-Fannin-Grayson County Region and the State of Texas. In addition, the analysis estimated local tax revenues supported by the organization in the three-county region during FY 2011.

Regional Input-Output Modeling System (RIMS II)

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. The RIMS II model is described in basic detail below.

Generally speaking, input-output modeling attempts to estimate the changes that occur in all industries based on a change in the demand for the output of an industry. An input-output model allows an analyst to identify the subsequent changes occurring in various industries within a regional economy in order to estimate the total impact on the economy. Total economic impact is the sum of three components: (1) direct, (2) indirect, and (3) induced impacts.

If the demand for the output of an industry, measured by industry sales or revenue, increases by \$1 million, total regional output increases by \$1 million. This initial change in output is called the change in direct economic output and also referred to as the direct expenditure effect. The change in total economic output in the region resulting from the initial change does not stop with the change in direct economic output. Businesses in a variety of industries within the region will be called upon to increase their production to meet the needs of the industry where the initial increase in demand occurs. Further, other suppliers must also increase production to meet the needs of the group of initial supplier firms to the industry. This increase in expenditures by regional suppliers is considered the indirect economic impact of the initial \$1 million in sales, and is classified as indirect expenditures of the total economic impact or the change in indirect economic output.

The total economic impact of the \$1 million in sales includes one more component, the *induced* impact. All economic activity, whether direct or indirect, that results from the initial increase in demand of \$1 million, requires workers, and these workers must be paid for their labor. This means that part of the direct and indirect expenditures is actually in the form of wages and salaries paid to workers in the various affected industries. These wages and salaries will in turn be spent in part on goods and services produced locally in the region. This spending is another part of the regional economic impacts referred to as induced impacts and is classified as induced expenditures or the change in induced economic output.

Based on the initial direct impact, the RIMS II model can be used to estimate the direct, indirect and induced impacts on economic output, value added, earnings and employment in a given region. Economic output is gross output and is the sum of the intermediate inputs and final use. This is a duplicative total in that goods and services will be counted multiple times if they are used in the production of other goods and services. Value added is defined as the value of gross output less intermediate inputs. Workers' earnings or earnings consist of wages and salaries, employer provided benefits and proprietors' income. Employment consists of a count of jobs that include both full-time and part-time workers.

The RIMS II model is based on regional multipliers, which are summary measures of economic impacts generated from changes in direct expenditures, earnings, or employment. Multipliers show the overall impact to a regional economy resulting from a change in demand in a particular industry. Multipliers can vary widely by region. Multipliers are higher for regions with a diverse industry mix. Industries that buy most of their materials from outside the state or region tend to have lower multipliers. Multipliers tend to be higher for industries located in larger areas because more of the spending by the industry stays within the area.

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The RIMS II model generates six types of multipliers for more than 400 industrial sectors for any region in the United States. The multipliers include four “final-demand” multipliers and two “direct-effect” multipliers. Final demand multipliers indicate the impact of changes in final demand for the output of a particular regional industry on total regional output, earnings, employment and value added. Direct-effect multipliers indicate the impact of changes in regional earnings or employment within a particular industry on total employment or earnings within a region.

Final-demand output multipliers indicate the total regional output (direct, indirect and induced expenditures) that results from an increase in direct expenditures for a good produced by a particular regional industry. For example, if an industry in a particular region is said to have a final demand output multiplier of 2, this tells us that a \$1 increase in final demand for the good produced by that industry results in a \$2 increase in total output or expenditures within the regional economy. Final-demand earnings multipliers indicate the impact of an increase in final demand for the good of a particular regional industry on the total earned income of households within the region. Final-demand employment multipliers indicate the increase in total regional employment that results from a \$1 million increase in final demand for the good produced by a particular regional industry. Final-demand value-added multipliers indicate the increase in total regional value added that results from a \$1 million increase in final demand for the good produced by a particular regional industry. Direct-effect earnings multipliers indicate the impact of a \$1 change in earnings within a particular regional industry on total earnings in all industries within a region. Direct-effect employment multipliers indicate the impact of a change in employment in a particular regional industry on total employment in all industries within a region.

Theoretically, changes in final demand drive the total change in economic output, earnings, and employment. However, these multipliers relationships can be used to estimate impacts in other ways if only limited information is known about a project. For example, the multiplier relationships can be used to estimate the increase in direct economic output based on a given level of employment in a specific industry.

Additional Notes on RIMS II

RIMS II multipliers are based on the average relationships between the inputs and outputs produced in a local economy. The multipliers are a useful tool for studying the potential impacts of changes in economic activity. However, the relative simplicity of input-output multipliers comes at the cost of several limiting assumptions.

- Firms have no supply constraints—Input-output based multipliers assume that industries can increase their demand for inputs and labor as needed to meet additional demand.
- Firms have fixed patterns of purchases—Input-output based multipliers assume that an industry must double its inputs to double its output.
- Firms use local inputs when they are available—The method used by RIMS II to develop regional multipliers assumes that firms will purchase inputs from firms in the region before using imports.

RIMS II, like all input-output models, is a “static equilibrium” model. This means that there is no specific time dimension associated with the results using the model. For the RIMS II model, it is customary to assume that the impacts occur in one year because the model is based on annual data.

Fiscal Impacts

Fiscal impacts were calculated in this study based on taxable spending, taxable property and appropriate tax rates. The steps to calculate these tax revenues are described in the text of the report.

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About Impact DataSource

Impact DataSource is a 17-year-old Austin, Texas economic consulting, research and analysis firm. The company has conducted over 2,500 economic impact analyses of firms, projects and activities in most industry groups throughout the U.S.

In addition, Impact DataSource has prepared and customized over 50 economic impact models for its clients to perform their own analyses of economic development projects. These clients include the New Mexico Economic Development and the Metro Orlando (Florida) Economic Development Commission.

The New Mexico Department of Economic Development uses Impact DataSource's computer model to project the economic impact of new or expanding firms in the state and costs and benefits for the State of New Mexico and each local taxing district. The model also calculates the amount of eligible state and local incentives and calculates a rate of return and payback period for these incentives.

Impact DataSource's team includes the following members:

- Jerry Walker, principal/economist, and
- Paul Scheuren, economist

Jerry Walker is an economist and Impact DataSource's Principal. Over the past seventeen years, he has conducted economic and fiscal impact analyses and cost-benefit studies of a variety of firms, facilities, projects and activities. He has also developed several economic impact analysis computer programs for clients to do their own economic impact analyses of firms, projects, activities and organizations.

He also has a background in government accounting and auditing. Prior to his economic consulting career, he had a fifteen-year career as a supervisory auditor with two federal departments – the U.S. Department of Education and the U.S. Department of Health and Human Services. He reviewed federal programs operated by states, local governments, colleges and universities, local education agencies, and nonprofit organizations in a six state area from Austin, Texas. He performed financial audits and operational reviews. During the operational reviews, the operations of the federal programs were reviewed for economy, efficiency and effectiveness. The financial audits included analyzing costs incurred for federal programs and components of indirect cost rates. He has also served as a part-time accounting instructor at Austin Community College, Austin, Texas.

Jerry has Bachelor of Science and Master of Business Administration degrees in accounting and economics from Nicholls State University, Thibodaux, Louisiana.

Paul Scheuren is an Impact DataSource economist. Over the past three years, he has conducted economic and fiscal impact analyses and cost-benefit studies of a variety of firms, facilities, projects and activities. Recently, Paul analyzed more than 30 renewable energy projects funded by the Iowa Power Fund, Iowa's energy-related economic development fund.

Prior to joining Impact DataSource, Paul worked as a compensation analyst at the Texas Association of School Boards where he supported compensation consulting projects and helped streamline data analysis for a statewide salary survey.

Paul has a Master of Arts in Economics from Clemson University as well as a Bachelor of Business Administration in actuarial science from Temple University.

APPENDIX

Economic Impact of Texoma Council of Governments ARRA Stimulus in FY 2011

The Texoma Council of Governments' one-time expenditures related to the ARRA Stimulus support additional economic output, employment and earnings in the region and state as described below.

Estimated Additional Economic Impact of TCOG ARRA Stimulus Expenditures During FY 2011		
	Three-County Region*	State of Texas
Revenues for Businesses:		
Direct	\$1,517,243	\$3,483,843
Indirect & Induced	\$906,948	\$5,106,143
Total Revenues	\$2,424,191	\$8,589,986
Jobs:		
Direct	0	0
Indirect & Induced	12	40
Total Permanent Jobs	12	40
Workers' Earnings:		
Direct	\$634,221	\$634,221
Indirect & Induced	\$207,109	\$1,608,157
Total Workers' Earnings	\$841,330	\$2,242,378

* Cooke, Fannin and Grayson Counties