

# **ECONOMIC IMPACT OF THE TEXOMA COUNCIL OF GOVERNMENTS DURING FISCAL YEAR 2013 (May 1, 2012 – Apr 30, 2013)**

October 17, 2013



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## INTRODUCTION

This report presents the results of an economic impact analysis estimating the annual impact that Texoma Council of Governments (TCOG) had on the state and local economy during fiscal year 2013. 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

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 organization's four departments include several subprograms that span over 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 provides support & free consultation on long-term care choices. This program helped over 15,000 clients, spent over \$2.6 million in the region and generated over \$150,000 worth of in-kind donations during the fiscal year.

#### *Benefits Counseling Program*

The Benefits Counseling Program provides personal assistance to older individuals and helps with 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. Last year, over 2,800 hours of counseling were provided for clients.

#### *Ombudsman Program*

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.

Over 1,500 hours of service were spent advocating for seniors in nursing and assisted care facilities last year.

#### *Caregiver Program*

The Caregiver Program Supports caregivers and care recipients by planning, arranging, coordinating and providing Caregiver Support Groups, Community Outreach, Respite Care, and Education and Training for Alzheimer's, Parkinson's Disease and other caregivers.

Over 3,400 hours of service provided last year in the Caregiver Program.

#### *Senior Corps*

Foster Grandparents and RSVP are the Senior Corps programs which mobilize senior volunteers through service in the community. Foster Grandparents tutor/mentor children in public settings, and RSVP volunteers serve in numerous capacities.

Combined, these programs provided over 145,800 volunteer hours last year which amounts to a value of over \$2.2 million for Texoma region.

#### *Care Coordination*

TCOG provides a coordinated, community-based home care program administered by case managers and registered nurses. Services are available to persons 60+ years of age who are homebound, unable to care for themselves and/or recently discharged from area hospitals requiring temporary in-home care.

This program provided 2,700 hours of service to seniors to prolong independent living.

Nearly 95,000 meals were provided at a cost of \$450,000; minor home repairs to 31 homes in the region; 394 one-way rides for medical purposes; around \$112,000 spent including dental assistance, dentures, medication alert systems, hearing aids and eye glasses; and \$4,500 in housekeeping services.

### Planning and Development Department

#### *Community & Economic Development*

TCOG's Community & Economic Development program is designated as Economic Development District (EDD) by Economic Development Administration (EDA) for Texoma region. The EDD engages in the full range of economic development activities listed and described in Texoma's EDA-approved Comprehensive Economic Development Strategy (CEDS). Activities include coordinating and implementing community & economic development activities in the district, carrying out economic development research, planning, implementation and advisory functions identified in the CEDS, and coordinating the development and implementation of the CEDS with a region's respective local, state, federal, and private organizations.

#### *GIS Services*

The GIS (Geographic Information Systems) program creates, analyzes and manages geographic datasets and applications like 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.

The program has developed a regional 9-1-1 map that is used at Public Safety Answering Points (PSAP) to plot correct locations and quick transfer of the call to other PSAPs. Working together with Texoma Housing Partners and TCOG's Public Housing staff, a powerful online web map application is being developed which will allow staff and first responders to identify critical assets and infrastructure located in properties in 18 cities throughout the region. Water lines, meters and fire hydrants, as well as electrical shutoff locations on each of the properties are being collected using a GPS system and then imported into the GIS mapping database.

#### *Public Safety*

The Public Safety program provides support and administrative services for 9-1-1, Homeland Security and Criminal Justice Programs within the region.

The 9-1-1 program successfully delivered 99,627 emergency calls for service of which 87.4% were from wireless devices to 6 PSAPs and provided 1,496 hours in training to call takers on how to properly handle emergency calls.

TCOG Homeland Security Advisory Committee works to facilitate Homeland Security Funding when awarded to the region, managing almost \$1.25 million grant dollars for regional security enhancement last year. Last year, TCOG assisted with the FEMA Safe Room Rebate Program to add over 200 in-ground storm shelters to the region and facilitated the National Incident Management System (NIMS) training of over 50 first responders for efficient and effective emergency situation response.

Criminal Justice Program works with law enforcement and victim advocacy communities to make best use of local, state and federal resources. In 2012, the program worked with local District Attorneys to bring regional attention to the Criminal History Reporting and have maintained above 90% completeness rate.

### *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.

### Client Services Department

#### *2-1-1 Information and Referral Program*

The 2-1-1 Texoma Information & Referral system Network is funded through the Texas Health and Human Services Commission and is one of 25 call centers state-wide.

In addition to providing referrals to crucial social services, the 2-1-1 Program staff develops and produces unique information resources that are provided to the community including the annual Summertastic! publication and the Texoma Resource Book. As a result of their work this year, more than 49,000 callers received referrals through the 2-1-1 Texoma helpline.

#### *Energy Services Program*

Energy Services Program assists families with the payment of gas, propane and electric bills in addition to educating clients on how to conserve energy.

Additionally, the Weatherization Program provides for the installation of energy-saving measures which reduce utility consumption thereby lowering utility bills. The Case Management Program provides one-on-one support to families striving for self-sufficiency by providing assistance with the cost of training or education which will lead them up and out of poverty.

#### *Section 8 Choice Voucher Program*

With an annual budget of over \$2 million, Section 8 Housing Choice Voucher Program provides affordable housing for over 500 families in Fannin and Grayson Counties. Families may choose to also participate in the Family Self-Sufficiency/Homeownership Program to achieve a goal of financial independence through support services including employment & educational training, credit counseling and homeownership classes.

#### *Public Housing*

Through an administrative contract w/ Texoma Housing Partners (THP), TCOG operates a consortium of small Public Housing Authorities located across 18 cities in 4 counties (Fannin, Grayson, Collin & Hunt) and provides over 475 units of affordable housing as well as social and education programs to low-income families.

## TYPES OF IMPACTS RESULTING FROM THE TEXOMA COUNCIL OF GOVERNMENTS

The Texoma Council of Governments, 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 2013 which ran from **May 1, 2012 to April 30, 2013**. 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).

## TOTAL IMPACT ON TEXOMA REGION IN FY 2013

In FY 2013, Texoma Council of Governments' total economic impact on the region is estimated to be around \$23,819,569 including business revenues, workers' earnings, volunteer hours and total tax revenues.

## ECONOMIC IMPACT OF TEXOMA COUNCIL OF GOVERNMENTS REGULAR OPERATIONS IN FY 2013

The Texoma Council of Governments directly employs 60 workers. The total salaries and benefits paid to these individuals in FY 2013 was approximately \$2.92 million. The organization's operating expenditure during the year totaled approximately \$11.11 million. This direct economic activity supported indirect and induced economic impacts during the year, as shown below.

Estimated Economic Impact of TCOG Operations During FY 2013		
	Three-County Region*	State of Texas
<b>Revenues for Businesses:</b>		
Direct	\$11,111,927	\$11,111,927
Indirect & Induced	\$5,222,606	\$11,778,643
<b>Total Revenues</b>	<b>\$16,334,533</b>	<b>\$22,890,570</b>
<b>Jobs:</b>		
Direct	60	60
Indirect & Induced	59	99
<b>Total Permanent Jobs</b>	<b>119</b>	<b>159</b>
<b>Workers' Earnings:</b>		
Direct	\$2,922,407	\$2,922,407
Indirect & Induced	\$1,899,565	\$4,821,972
<b>Total Workers' Earnings</b>	<b>\$4,821,972</b>	<b>\$7,744,379</b>

\* Cooke, Fannin and Grayson Counties

As shown above, the organization's annual expenditures and salaries in the Texoma Area of \$11.11 million supported another \$5.22 million in sales in businesses and other organizations in the region. In total, TCOG supported \$16.33 million in economic output or revenues for businesses in the region.

The organization directly supports a total of 60 direct jobs and an additional 59 indirect and induced jobs in the region. In total, TCOG supported 119 employees in the region.

## TEXOMA COUNCIL OF GOVERNMENTS EXPENDITURES & EMPLOYMENT

The organization's annual operating expenditures during fiscal year 2013 were approximately estimated to be \$8.19 million along with salaries and benefits of \$2.92 million. The following table presents summaries of the regular operating and payroll expenditures for the Texoma Council of Governments during fiscal year 2013.



Summary of TCOG Expenditures	
Operating Expenditures, excluding Payroll	FY 2013
Aging Services Department	\$1,765,180
Government Services Department	\$611,104
Client Services Department	\$5,503,947
General Government	\$309,289
<b>Total Operating Expenditures</b>	<b>\$8,189,520</b>
Payroll Expenditures	
Salaries	\$1,885,560
Employee Benefits	\$1,036,847
<b>Total Payroll Expenditures</b>	<b>\$2,922,407</b>
<b>Total Expenditures</b>	<b>\$11,111,927</b>

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 2013		
	Employment	Volunteer Hours
Administration & Finance	5	0
Aging Services Department	14	145,800
Government Services Department	8	0
Client Services Department	33	0
<b>Total Employees</b>	<b>60</b>	<b>145,800</b>

## 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 2013, Texoma Council of Governments volunteers provided 145,800 hours of service, valued at around \$2.2 million.

Some volunteers were downsized this year in accordance with the budget. As per the new budget, the number is very likely to go up in 2014.

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 \$15 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 2013	145,800
Value of Volunteer time per hour	\$15.00
<b>Value of Volunteer Hours</b>	<b>\$2,187,000</b>

## ADDITIONAL ECONOMIC IMPACTS

The Texoma Council of Governments supports taxable sales and taxable residential property in the area that generates 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 by direct, indirect and induced workers was estimated to be \$602,308 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 2013	
	Three-County Region*
Total Workers' Wages excluding benefits	\$2,676,925
Percent of wages spent on taxable goods and services	25%
Percent of taxable shopping by workers within the region	90%
<b>Taxable spending by direct, indirect and induced workers</b>	<b>\$602,308</b>

\* 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 and indirectly supports a portion of property taxes on these residential properties. In total, Texoma Council of Governments supports \$17.81 million in residential property in the region.

Taxable Value of Residential Property Supported by TCOG	
Property supported by direct and indirect workers	\$10,652,880
Property supported by housing vouchers	\$7,159,719
<b>Total Value of Taxable Property</b>	<b>\$17,812,599</b>

### 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 2013	
	Three-County Region*
Total number of workers supported by TCOG residing in area	119
Market value of residential property owned/occupied by workers <i>Median Home Value, American Factfinder 2007-2011 3 year estimates</i>	\$99,467
Taxable Value of residential property (90% of market value)	\$89,520
<b>Total taxable value of residential property owned or occupied in area by the TCOG's direct and indirect workers</b>	<b>\$10,652,880</b>

\* Cooke, Fannin and Grayson Counties

### 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 2013 represented approximately 55.6% of the total rent. Therefore we estimate the total taxable value of residential property supported by vouchers as 55.6% of the total taxable value of rental properties supported by the 571 families receiving vouchers.

Taxable Value of Residential Property Supported by Vouchers Paid by Texoma Council of Governments During FY 2013	
	Three-County Region*
Taxable value of average apartment	\$22,552
Section 8 Choice Voucher Payments	\$2,724,768
Total number of families receiving housing subsidies	571
Average annual housing voucher	\$4,772
Average annual rent	\$8,580
Housing subsidy as a percent of annual rent	55.6%
<b>Total taxable value of residential property supported by vouchers</b> <i>(Average taxable value of apartment X Number of families X Housing voucher as percent of annual rent)</i>	<b>\$7,159,719</b>

\* Cooke, Fannin and Grayson Counties

## 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 are 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 2013	
	Tax Collections
<b>State sales tax collections</b>	<b>\$37,644</b>
Total taxable spending by direct, indirect and induced workers, as well as taxable spending out-of-town visitors	\$602,308
State of Texas Sales Tax Rate	6.25%

## 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%
Average Itemized Local Property Tax Rates:	
Cities	0.656
Counties	0.517
School Districts	1.311
Other Entities	0.121
Total Property Tax Rate	2.605

## TAX REVENUES FOR LOCAL TAXING DISTRICTS SUPPORTED BY TCOG IN FY 2013

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 properties 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.

The Texoma Council of Governments supports annual local tax revenues of \$476,064 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 \$513,708 for the State of Texas and local taxing districts such as cities, counties and school districts in the region.

Tax Revenues for Local Taxing Districts Supported by the Texoma Council of Governments Regular Operations During FY 2013	
	Three-County Region
Local sales taxes collected by cities, transit authorities and others	\$12,046
Itemized Local Property Taxes:	
Cities	\$116,851
Counties	\$92,091
School District	\$233,523
Other Entities	\$21,553
Total residential property taxes*	\$464,018
Total Local Tax Revenues	\$476,064

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