November 13, 2017

"Rather than yield the future to a course of events imposed from outside, we are confident that Texans will choose to rely on a great, long-standing asset: the determination to shape their own destinies." – Preface, Texas 2000 Commission Report

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TEXAS 2000 COMMISSION REPORT AND RECOMMENDATIONS

March 1982

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Governor

William P. Hobby,
Lieutenant Governor

Bill Clayton,
Speaker, Texas House of
Representatives

TEXAS 2000 COMMISSION

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STAFF

Victor Arnold,
Executive Director
Texas 2000 Project

Leslie Geballe   Meg Wilson

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Texas 2036 Strategic Goals

	Goal	Objectives
Human Capital	Elevate our education and healthcare systems to enable all Texans to participate fully in their lives and in the economy	▪ Develop an education system that prepares the workforce for the 21st century economy and provides every Texan the opportunity to fulfill their full potential ▪ Create a high-quality, accessible and affordable healthcare system that improves the well-being of the people it serves
Government	Promote an accountable, fiscally responsible and efficient government which is responsive to the Texans it represents	▪ Ensure the government is accountable by using best practices, smart contracting and data to measure and achieve results ▪ Improve government operations, maintain sound fiscal conditions, and decrease long-term costs of government for taxpayers
Sustainable Resource Use	Support the water, energy and food needs of the current generation while sustaining our natural resources and environment for future generations	▪ Ensure that Texas has enough water and other natural resources in the future to sustain our communities, agriculture and businesses ▪ Meet the energy needs of a growing state in a sustainable and environmentally conscious manner
Infra-structure (physical and digital)	Cultivate an efficient physical and digital infrastructure in which people, goods and information can move freely across our state	▪ Build and maintain a reliable, safe, and integrated physical infrastructure that facilitates the efficient movement of people and goods across our state ▪ Advance a modern digital infrastructure which meets the information needs of a growing and increasingly technologically reliant economy
Economic Vitality	Foster a growing, innovative and diverse economy with increasing economic mobility	▪ Cultivate a tax and regulatory environment that promotes sound business practices and the growth and competitiveness of the Texas economy ▪ Foster and financially support innovation and entrepreneurship to maintain a thriving economy

Overall goal: Raise Median Household Income

After rising by nearly $6,300 since 1995, median incomes will fall back in the next twenty years if current trends continue

"If Texans find that projections describe an unwanted future, they can change it if – but only if the State and its people get down to the serious business of thinking about the future and doing something about it." – Preface, Texas 2000 Commission Report

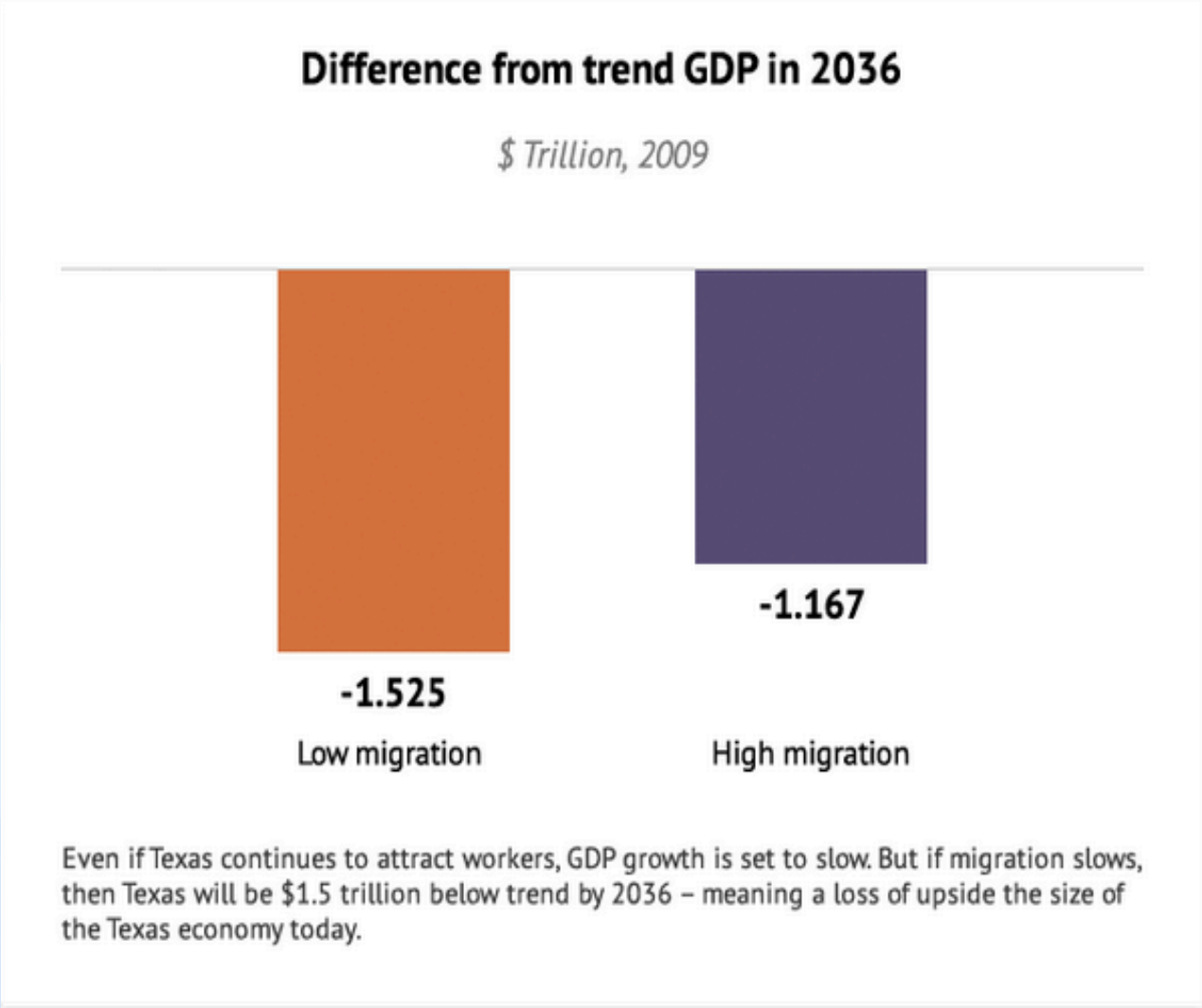## Changes in real median household income, 1996-2036

$ 2009

$6,297

-$3,905

-$2,544

Low

High

1996-2016

2016-2036
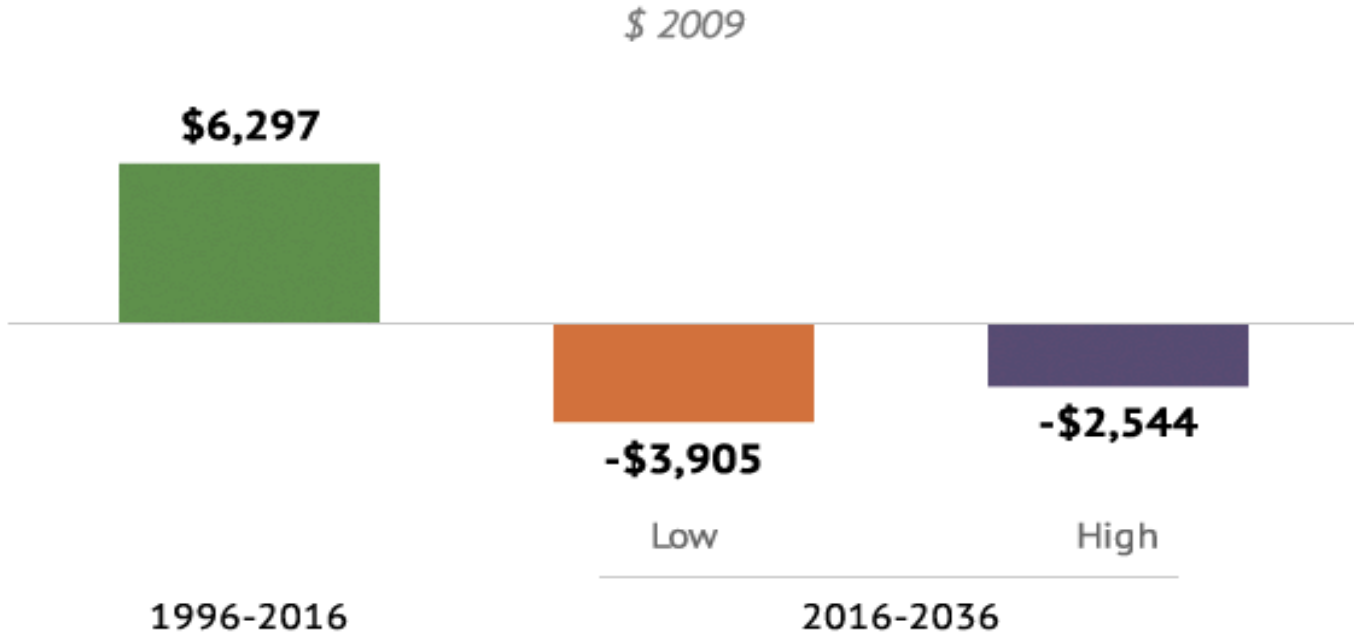
Real median household income rose by $6,300 over the past 20 years. Unless something changes, we risk giving back half of that by 2036.

Difference from trend GDP in 2036

Difference from trend GDP in 2036

$ Trillion, 2009

-1.525 — Low migration

-1.167 — High migration

Even if Texas continues to attract workers, GDP growth is set to slow. But if migration slows, then Texas will be $1.5 trillion below trend by 2036 – meaning a loss of upside the size of the Texas economy today.

Educational Attainment in Texas, 2010-2036

% of 24-year olds with higher education degree or certificate

27.2	25.6	25.0	24.7	24.0	23.9	23.2	24.1	23.4
	Low	High	Low	High	Low	High	Low	High
2010	2020		2025		2030		2036	
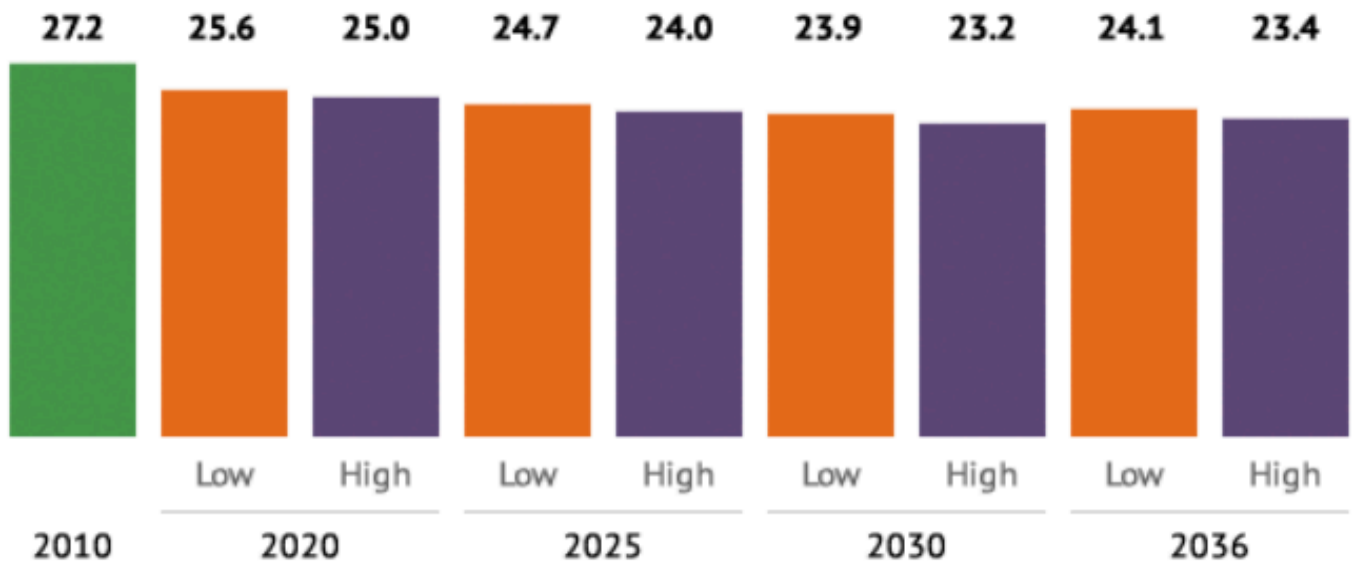
Educational attainment has steadily risen since 2000, but the expanding portion of our population with the lowest educational attainment rates is also the fastest growing. If educational attainment continues to increase at the current slow rates, a large part of our population will not be armed with the skills needed to succeed in the 21st century workforce.

Percentage of Texas state expenditures on health care

% of Texas state expenditures on health care

% of total expenditures

2015	2036	
34.2	74.7 (Low)	66.0 (High)
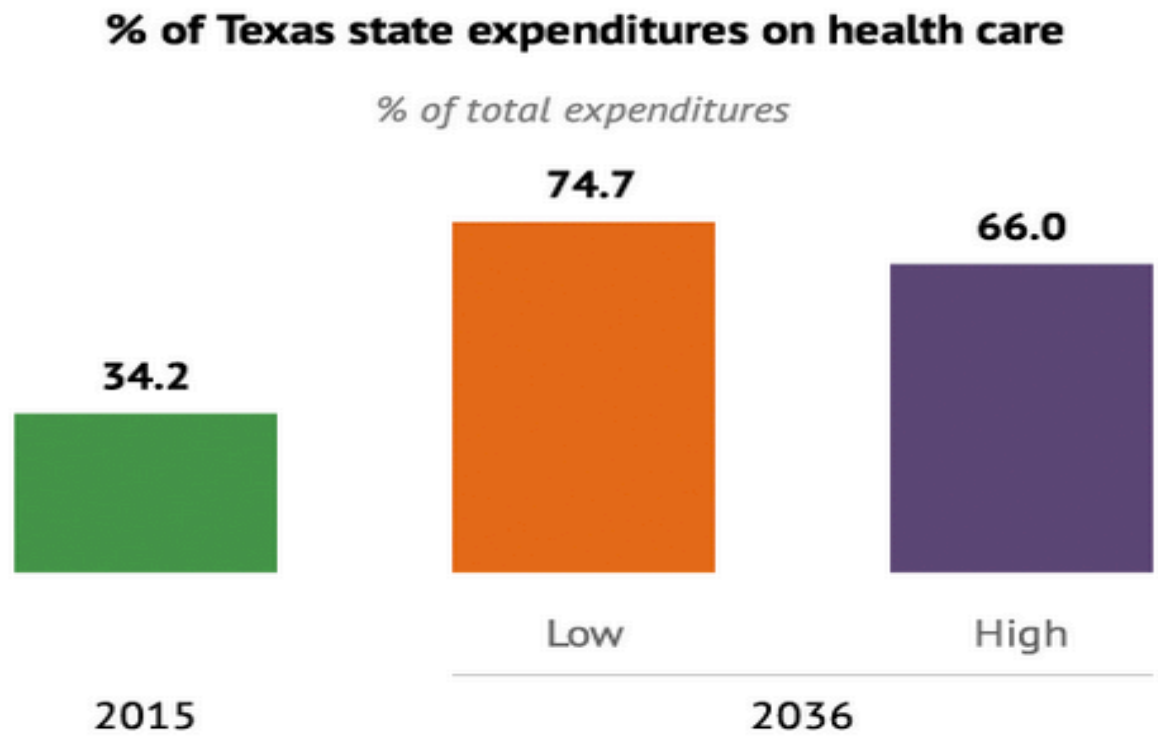
Rising health care costs threaten to monopolize government spending overall as well as Texans' pocketbooks.

Themes of the Strategic Plan – Evidence Based & Data Informed

- Evidence Based & Data Informed

  - Start with a base of vetted, unbiased, non-partisan data

  - Understand objectively through data where we are today and where we will be absent policy changes

  - Learn and leverage great work that has already been done in Texas and in other states and nations

  - Actionable policy solutions presented in the plan will be evidence based

Themes of the Strategic Plan – Accountability and Flexibility

- Accountability & Flexibility

  - Policies and systems at the state and local levels must align and so that there can be adequate accountability for outcomes and dollars spent as well as enough flexibility for each unique region of Texas to meet their specific needs

  - Each region of our state has unique challenges and opportunities; policies need to allow for flexibility while making clear who is responsible and accountable for what outcomes and provide the systems in which data can be collected so that there can be accountability and a continual improvement loop

- Aligned Incentives

  - Maximize the efficiency of state resources; state and federal resources will always be the largest pots of money – if they are incentivizing ineffective or detrimental activities on the ground, it is almost impossible for a community to reverse that without changing state policy

  - Bring more resources together by expanding collaboration

Themes of the Strategic Plan – Remove Barriers

- Remove Barriers

  - Empower the legislature and agencies to make decisions with data and using evidence based practices

  - Empower communities to come together and be rewarded for solving long term and cross system issues; remove policy and systemic barriers that keep communities from solving the problems they want to solve, the way that is best for them to solve it

Phases of Work

- ## Phase I
  (Nov. 2016 – Dec. 2017)

  - Construct a comprehensive database encompassing all major policy areas for each region of the State and the State as a whole
  - Project key indicators to 2036 to understand where we will be absent policy changes

- ## Phase II
  (Sept. 2017 – Dec. 2018)

  - Draft "Version 1.0" of the Strategic Plan with assistance of subject matter experts (ex. BCG)
  - Solicit feedback from communities and leaders across Texas

- ## Phase III
  (Jan. 2018 -)

  - Build wide-spread support for the Strategic Plan and institutionalize an organization to advocate for the implementation of the Strategic Plan through ongoing legislative action, as well as to continue to develop and analyze data sets as they become available over time until 2036