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# TEXAS 2000 COMMISSION REPORT AND RECOMMENDATIONS

March 1982

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Governor

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Lieutenant Governor

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Speaker, Texas House of  
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## TEXAS 2000 COMMISSION

March 15, 1982

The Honorable William P. Clements, Jr.  
Governor of Texas  
State Capitol  
Austin, Texas 78711

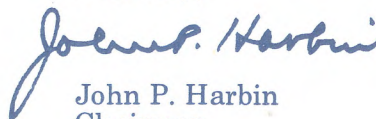
Dear Governor:

On behalf of the members of the Texas 2000 Commission, we are pleased to present you and the Texas 2000 Project Steering Committee with the Commission's report and recommendations as approved at its meeting on January 21, 1982.

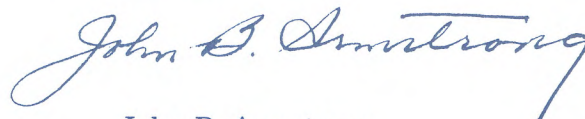
The Commission has addressed the critical issues identified in your Executive Order WPC-22, which established the Commission on April 10, 1981. The ability of Texas to effectively address these critical issues will largely influence the State of Texas' future economic growth and development. The Commission established committees to study each of the issue areas in depth and to develop appropriate recommendations. The Commission and its committees have received valuable input from members of the public, private, academic and government sectors of the State and such input has been helpful in formulating the report and recommendations. This report contains our recommendations for handling the critical issues.

We are grateful for the opportunity to participate as members of the Texas 2000 Commission, and we sincerely hope that our report and recommendations will be of benefit to the Texas 2000 Project Steering Committee and to the State of Texas.

Sincerely,



John P. Harbin  
Chairman



John B. Armstrong  
Vice Chairman

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## PREFACE

The future of Texas will be influenced greatly by the rich legacy of the past, by changing conditions of the present, and by national and international factors — many of which are beyond the control of the State and its people. 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. The work of the Texas 2000 Commission has been dedicated to understanding how Texas State government, in carrying forward its basic functions, can contribute to this self-determination. The Commission is also dedicated to serving as a catalyst to galvanize the energies of the Texas community as a whole. Texas, clear about its goals and acting to achieve them, will play a significant role in setting constructive national policies.

The pervasive, self-confident optimism and can-do attitude of Texans, the good fortune of a rich endowment of natural resources, and an expanding technological base provided by the universities and the private sector together create the ideal conditions for sustained progress in the State. Progress is the combined result of many individuals' efforts — of the private decisions made at home, in business, and in other organizations. The role of Texas State government in this process is to provide the basic services that support and permit progress. In reviewing the State role, the Commission faced the challenge of protecting the freedom of the individual Texan while guarding the common interest of all Texans.

“In these times of momentous change,” Governor Clements said, early in his administration, “it is imperative that Texas State government look to the future and map a wise course for the years ahead. The dramatic population and economic growth experienced in Texas during the 1970s is expected to continue throughout the rest of the century. We will be increasingly challenged to use our natural resources productively and carefully, provide government services that are essential and economical, and maintain and improve our quality of life.”

The Texas 2000 Commission agrees with that assessment. Our first task was to identify and study issues critical to the continued health and vitality of the Texas economy and quality of life. Then, we focused on determining recommendations for action that are consistent with the appropriate roles of Texas State government. While the responsibility for implementing these recommendations will rest with others, we offer a suggestion: Implementation should begin with the widespread dissemination of this report to Texans. It is crucial that individuals have the opportunity to respond to it. These are issues and recommendations which require statewide understanding and support.

We have accepted population growth and changes in the Texas economy as driving forces that will, to a large degree, influence Texas' future; and in that context, we examined issues related to water, energy, agriculture, transportation, research and development (R&D), State and local finance, and relations with Mexico. These seven areas of concern have constituted the agenda of this Commission. There are other issues important to the future; for example, education, health, housing, human services, and recreation. The State's capacity to deal with these human resource issues will depend on its success in meeting the economic development challenges presented in this report.

Because we are talking about the future, our work has inevitably involved the examination of projections. The Commission has recognized the inherent uncertainty of projections, including some used to develop this report. The Commission believes projections are valuable indicators that should be used cautiously in determining actions and setting goals. 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.

The Texas 2000 Project (Executive Order WPC-16, Appendix A) was guided originally by a Steering Committee that included the Governor, Lieutenant Governor, and Speaker of the House. In April 1981, Governor Clements created the Texas 2000 Commission (Executive Order WPC-22, Appendix B). The Commission, composed of citizens from all regions of the State, was charged with continuing and expanding the work begun by the Steering Committee. Its 30 members, who were organized into functional committees, contributed a broad cross-section of knowledge and experience relevant to its task (Committee Membership, Appendix C).

The Commission benefited from volunteer assistance from business, education, and state and local government. We have had many meetings with individuals and groups to discuss our efforts and to obtain insight and suggestions. We have encouraged the creation of regional Texas 2000 projects and are gratified with the response. The East Texas and West Texas Chambers of Commerce created task forces which focused on the seven areas of concern as well as on population and the State's economy. They provided us with significant regional perspectives and recommendations which we have used in this report. All four regional Chambers of Commerce have initiated Texas 2000 efforts within their organizations. Also, a number of communities are considering or have created projects focused on the year 2000. Among these are Amarillo, Austin, Fort Worth, Houston, Laredo, and San Antonio. Bryan-College Station presented its project report to the Commission.

The work of the Texas 2000 Commission was greatly strengthened by two reference volumes. The first, *Texas Trends, 1980*, is a unique collection of historical data prepared by the Texas 2000 staff. The second, *Texas*

*Past and Future - a Survey*, was authored by experts in the fields that formed the Commission agenda. In addition to providing a foundation for our work, these volumes have been widely distributed on request, and they form a permanent addition to our knowledge of the State and its concerns. Information pertaining to these documents may be obtained from the Texas 2000 Commission, Office of the Governor.

Because the State can expect to face a constant stream of challenges to human resource and economic development, statewide long-range planning has become a necessity. We hope, therefore, that the Texas 2000 Commission has begun a continuing process of looking ahead and adjusting State actions and policies as circumstances change and knowledge increases. With the assistance, insight, experience, and expertise of the citizens of Texas, we can maintain a Texas State government that will preserve our heritage and enhance individual opportunity for advancement.

## INTRODUCTION

### Scope and Purposes

The Commission's report addresses critically important areas of concern which, in measure, will determine the future of the Texas economy. How we deal, or fail to deal, with the issues developed in this report also will affect the quality of life in the State over the next generation and beyond.

The vitality of an economy determines the number of men and women enjoying the dignity of stable employment, the level of income they derive from their work, educational opportunities open to them and their children, and the quality of public services their government can provide, including the protection of the physical environment. In certain parts of the United States, it is not difficult to observe the human and social costs of economic stagnation or low growth: high unemployment, reduced police and fire protection, unrepaired roads and bridges, diminished educational, cultural and library budgets — i.e., deterioration of the quality of life over a wide front.

The Commission concentrated on the topics of water, energy, agriculture, transportation, research and development, government finance, and relations with Mexico. However, in formulating its recommendations, the Commission never lost sight of the larger implication of this planning effort: Steady economic growth will be required to maintain and enhance the quality of life in Texas.

### The Setting for the 1980s and 1990s

In the 1970s Texas enjoyed a surge of economic growth which has at last brought personal income per capita in the State to the national average.

- As of 1980 personal income per capita in Texas was \$9,513, which was 100.5% of the national average of \$9,458 (Figure 1). In 1960 Texas' income per capita was only 87% of the national average.
- Over the period of 1959-1978 Texas' rate of growth in real Gross State Product was 4.8% compared with the nation's growth rate in real Gross National Product of 3.6%. Mainly the surge in Texas' growth rate after 1974 accounts for this difference. Between 1974 and 1979 real Gross State Product increased in Texas to an average annual rate of 6.1%, compared with the national rate of 3.6% (Figure 2).
- Population in Texas increased at an annual rate of 2.7% between 1970 and 1980, compared with the national rate of 1.0% (Figure 3).



- Unemployment in Texas has been below the national average. For example, over the period of 1974-1980 it averaged 5%, compared with the national average of 6.8% (Figure 4).

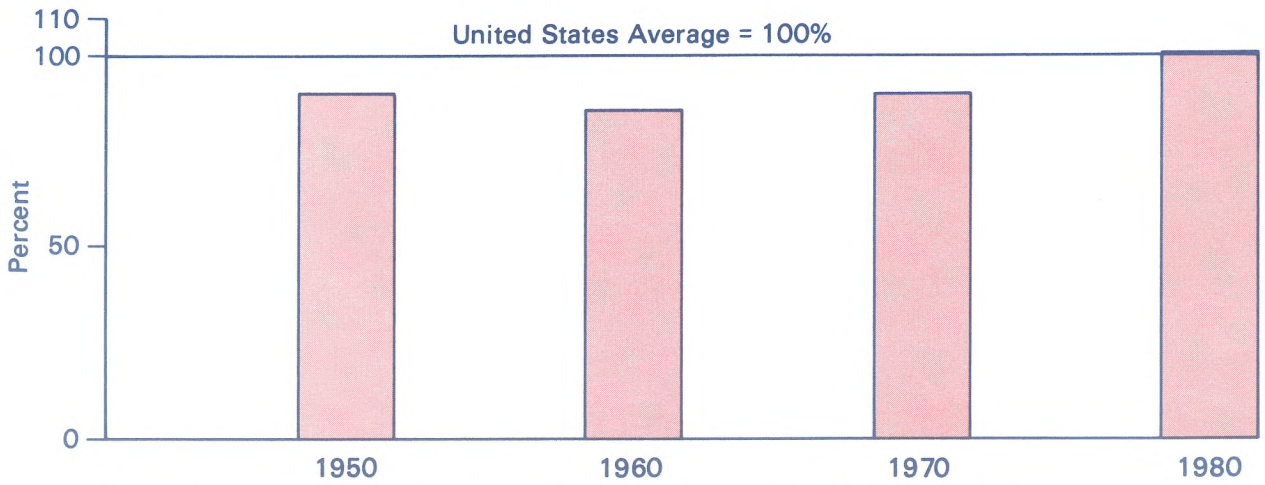
Texas' extraordinary momentum in recent years is the product of special circumstances, among them the rapid rise in energy prices, the State's generally warm climate, extensive job opportunities, and a favorable environment for private enterprise. Despite the historical record, however, we cannot count on the automatic persistence of the high growth rates we have recently experienced.

We estimate that the population of Texas by the year 2000 will be approximately 22 million. The projected age structure of this population is such that 170,000 new jobs must be created each year to keep the growing work force employed. This is a formidable challenge.

The seven topics that formed the Commission's agenda are areas of concern that, if not well handled, are virtually certain to slow down the State's economic growth — making it difficult to provide the jobs required by an expanding work force and jeopardizing the public services demanded by our common desire for a high quality of life. These areas of concern are:

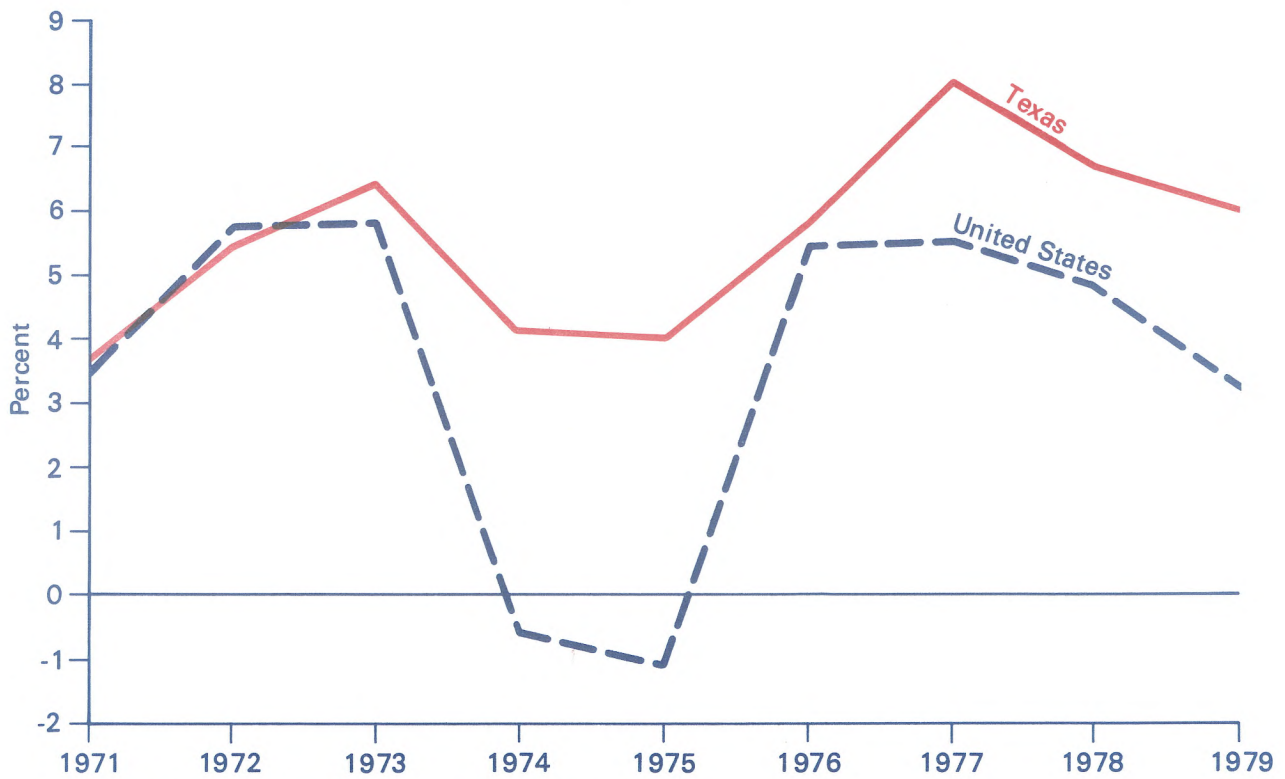
- *Water.* Present and foreseeable acute water shortages affecting urban life, agriculture, and industry. Water use in the year 2000 is projected to be 21.6 million acre-feet. This exceeds dependable supplies in that year by 2.5 million acre-feet — even with cutbacks in irrigation, and by 8.5 million acre-feet, if irrigation demand is to be met.
- *Energy.* A declining trend in Texas' oil and gas production, which has significant implications for State revenues as well as for every sector of the Texas economy. Texas energy production from present conventional sources is projected to decline at an annual rate of 1.4%, despite the projected substantial increase in lignite production.
- *Agriculture.* A slowdown in the rate of increase of Texas' agricultural productivity and a lack of access to markets. The rate of increase in agricultural productivity was halved between 1973 and 1978. If present trends are not reversed, agricultural production and productivity will decline in Texas as a result of the increasing cost of inputs.
- *Transportation.* Inadequacies in transportation in both urban and rural areas as we enter a period of rapidly increasing requirements. Vehicle traffic, for example, is expected to more than double in Texas between now and 2000. Highway, rail and waterway maintenance, and improvements are not keeping pace with increasing use and need.
- *Research and Development.* A lack of understanding of the value of R&D and an inadequate level of investment in R&D focused on the

Figure 1  
 Texas Per Capita Income  
 as a Percent of  
 United States Per Capita Income  
 1950-1980



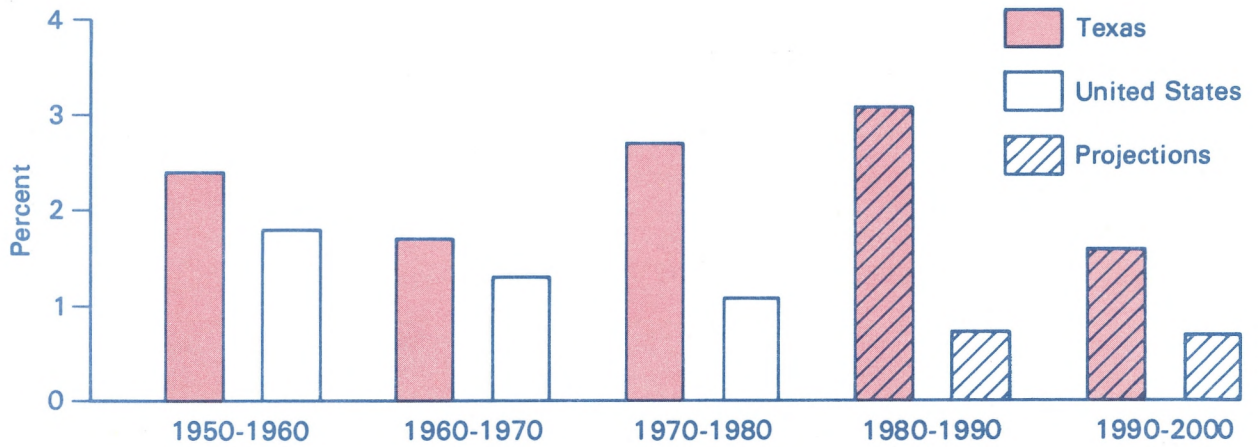
Source: U.S. Bureau of Economics, Survey of Current Business, October 1978 and April 1981

Figure 2  
 National and State Gross Products  
 Real Annual Growth Rates  
 1971-1979



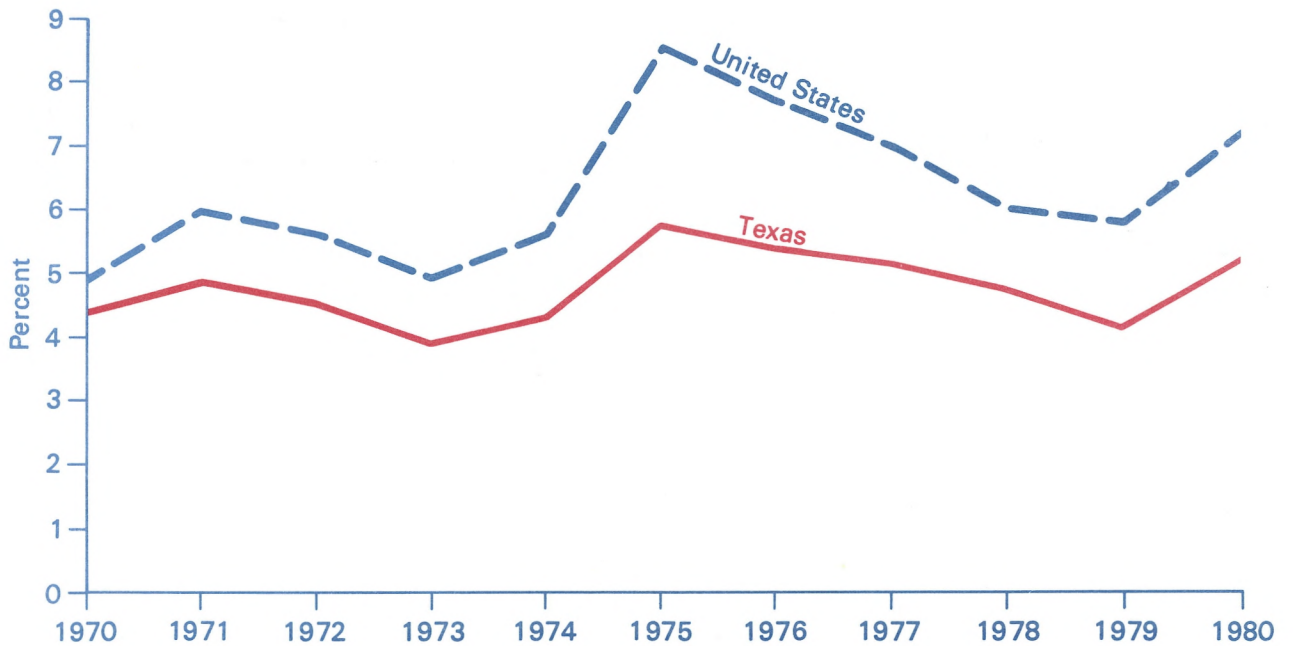
Source: Bureau of Business Research, U.T. Austin

Figure 3  
Average Annual Rate of Population Growth  
Texas and United States  
by Decade



Sources: Texas 2000 (Texas projections); U.S. Census Bureau

Figure 4  
Unemployment Rates  
Texas and United States  
1970-80



Sources: Texas Employment Commission; U. S. Department of Labor

key areas of concern of the State. United States expenditures for R&D (private and public) are \$216 per capita, but Texas expenditures are only \$126 per capita.

- *Government Finance.* The uncertain outlook for State and local revenues which will be determined largely by the degree of success in dealing with the five preceding topics.
- *Relations with Mexico.* Important relations that depend greatly on national rather than State policy. However, Texas can both influence national policy and initiate certain actions on its own.

### Four General Conclusions

Following are four general conclusions which transcend the specific areas of concern we have examined:

First, basic issues in each area are closely interwoven. For example, agricultural productivity in the future is heavily dependent on what Texans do about water and energy supplies and transportation facilities, as well as on the new technologies that agricultural R&D may yield. Achieving the diversified energy base that Texas needs will not only require R&D, but also solutions to water and transportation problems. Similar interdependencies exist in the other areas.

Second, the Commission believes that an increased and strategically focused R&D effort is fundamental to Texas' future. This effort is needed for two rather different purposes:

- 1) to help solve water, energy, agriculture and transportation problems and
- 2) to assure that Texas becomes a leader in the new technology-based industries rapidly emerging throughout the world — industries which inevitably will constitute the new leading sectors in future economic growth.

We recognize that R&D is a complex process, stretching from fundamental scientific research through multiple phases of experiment, development, and application. A successful R&D program requires close cooperation among creative scientists, engineers, and private entrepreneurs, as well as management by people who understand the crucial role of R&D.

Third, we recognize that federal resources available to help finance activities of state and local government are being cut severely. Looking ahead, we expect the policies of future national administrations and Congress to vary on this matter. Our judgment is that the citizens of Texas would be wise to assume that states will have to rely increasingly on their own resources. For example, it is up to Texans to solve Texas'

water, energy, agricultural, and transportation problems and to build the R&D capacity necessary to solve such problems. No one else is going to do these things for us.

Fourth, the Commission's report should be regarded as the beginning of a sustained process. It is important that Texas commit itself to an active and permanent long-range planning process, with the resulting information made available to the public and private decision-makers around the State.

## General Principles

In studying the seven areas of concern and developing recommendations, the Commission adhered to three broad principles as a foundation for its work:

- To keep the role of government at a minimum. Our recommendations are focused primarily on improving the performance of State government as it is presently organized. Thus, any recommendation suggesting a new governmental entity was examined very critically.
- To assure that the favorable business climate, which has been a major factor in the growth of Texas' economy, is preserved and enhanced.
- To preserve to the greatest extent possible the tradition of local autonomy and responsibility.

We turn now to specific recommendations. Our charge was to define the major issues the State faces and to lay before its officials and citizens concrete proposals to begin moving us from where we are to where we need to be by the year 2000. Members of the Commission have gone about this task diligently. We have been supported by an excellent staff and by information, analyses, and recommendations from many quarters. However, our recommendations for action should be the occasion for critical scrutiny. Decisions, resource allocations, and implementation will be required of political leaders and public and private institutions if these recommendations are accepted. Action assignments need to be made and carried out in a timely manner. Our report thus constitutes the beginning — not the end — of a continuing process.

## **ISSUES AND RECOMMENDATIONS**

## WATER

Ensuring an adequate supply of usable water in the next 20 years is one of the most important challenges facing Texas. The State's healthy economic condition and recent rapid growth have been possible because there usually has been enough water for all sectors. If immediate action is not taken, that will not be the case in the future. Forecasted increases in demand for water and lead times of 15 to 30 years to complete major water projects make immediate action necessary.

Texas has a wide assortment of water and water-related problems: 1) frequent drought; 2) frequent flooding; 3) man-made pollution; 4) natural pollution and contamination from salt and mineral deposits; 5) excessive groundwater use causing land subsidence, salt water encroachment and aquifer depletion; 6) need for water purification, transportation, storage and distribution; 7) potentially insufficient water supplies for our growing industrial economy; 8) inadequate management of freshwater inflows; and 9) potentially insufficient water supplies for food and fiber production, and for energy production.

Extensive use of groundwater and increasing demand for surface water, along with the probabilities for major droughts and devastating floods, demonstrate that we must pay more attention to the development and protection of our water resource supplies as our population and economy grow.

Over the next two decades Texas cities and water authorities will need to invest in a wide range of facilities to supplement existing water supplies and meet the growing water needs of cities, business, and industry. According to the Texas Department of Water Resources estimates, the sewage treatment, flood protection, and water supply projects will cost approximately \$30.2 billion through the year 2000.

In addition, the future of Texas' important agricultural sector is dependent upon the availability of adequate water supplies for irrigation.

Thus, water conservation, quality protection and development financing activities need to be accelerated to avert a water crisis in Texas. An aggressive planning effort, backed by implementation authority, is a major first step.

### WATER RECOMMENDATIONS

*The Commission recommends that:*

1. A statewide water plan be developed, adopted, and implemented as soon as possible. A plan should include a priority list of surface water development and transfer projects, with options for interjurisdictional (including interstate and international) transfers; water-sharing

mechanisms within use categories for times of short- and long-term shortages; a mechanism for allocating water under the preference list in Section 11.024 of the Texas Water Code; conservation strategies; water quality protection strategies; and financing strategies for water development, conservation, treatment, and quality control.

*Rationale*

- The State needs a revised water plan developed with input from all regions and sectors of the State, so that water needs are met in an orderly and just manner.
  - Given the projected growth of Texas over the next 20 years, competition for water resources will increase greatly.
  - Major water projects require lead times of 15 to 30 years.
  - Meeting Texas' long-term requirements is likely to necessitate importing water. Importation is feasible only if a willing seller exists and if it receives the support of industrial and agricultural users.
2. The State design and implement a financing strategy for the plan called for in the preceding recommendation.

*Rationale*

- Very large investments in a wide range of water projects will be needed over the next two decades.
  - Local bonding arrangements and federal funding, currently the two main sources of funding, are inadequate.
3. Authority be granted to the Texas Department of Water Resources to initiate, sponsor, or undertake water development projects that involve interbasin transfers of floodwater, floodwater in storage, water in conservation storage and joint use of conveyance facilities and reservoirs in accordance with a State water plan.

*Rationale*

- If a local government is unable to undertake a needed major water project, there is currently no authority for the State to do so.
  - Population growth patterns and political jurisdictions do not always coincide with the location of water resources. New legal and institutional arrangements to overcome these differences are needed to meet the State's future water needs.
4. The Texas Department of Water Resources be authorized to develop and implement a statewide system for groundwater management. This should be done as part of the revised water plan in cooperation



with the special districts in Texas that currently have management responsibility for underground water.

*Rationale*

- Management of groundwater is necessary to prevent subsidence, saltwater intrusion, other mineral and pollutant intrusion, aquifer damage, and total aquifer depletion — all factors which affect more than each individual landholder.
  - Using aquifers to store floodwater and recharging aquifers with wastewater are actions which are needed, but are now outside the scope of traditional water law and thus require new management strategies.
  - Groundwater quality varies considerably, and proper groundwater management would ensure that the lowest quality groundwater be substituted where feasible. This would encourage the most appropriate use of potable groundwater.
5. The State increase financial support for research and assist in technology transfer in the areas of desalinization, weather modification, aquifer geology and mechanics, water quality enhancement, conservation methods, water reuse and recycling, economies in agricultural water use, and water treatment process improvements.

*Rationale*

- Water-related R&D can lead to increased water availability and new methods to protect and efficiently use current supplies.
- Long lead times needed to find solutions to many water problems require that investment in R&D be stepped up immediately.

## ENERGY

Historically, Texas energy resources have played a major role in the State as well as in the nation. A full quarter of all the energy ever produced in the United States, including 40% of the nation's historic production of oil, gas, and gas liquids, has been produced in Texas. The State's current contribution to the nation's energy output has declined somewhat from historic levels, but still stands at an impressive 21%. Through 1980 some 542 quads of energy (equivalent to 97.6 billion barrels of oil) have been produced in Texas.

There are four key facts which summarize Texas' energy situation:

- 1) conventional production of oil and gas is declining at a time when energy consumption in Texas continues to rise;
- 2) the important Texas refining and petrochemical industry has become dependent on imported oil;
- 3) thus far, State finances and Gross State Product have been shielded from the decline in energy production by the rapid rise of oil and gas prices since 1973. We simply do not know, however, what path oil and gas prices will follow over the next 20 years, and it would be unwise to count on continued price increases compensating fully and indefinitely for a continuing decline in Texas energy production; and
- 4) Texas' economic future will be dictated largely by how successful efforts are to stem the decline in conventional oil and gas production, to increase the production of surface lignite, uranium and synthetics, and to develop the State's submarginal energy resources — such as deep lignite and oil and gas produced by nonconventional recovery techniques, e.g. infill drilling.

### ENERGY RECOMMENDATIONS

*The Commission recommends that:*

1. The State pursue policies that promote exploration, development, and production of nonrenewable conventional energy sources, including lignite, and that encourage development of renewable energy sources.

#### *Rationale*

- Future levels of oil and gas production will affect State finances, as well as the overall level of economic activity.
- The character of Texas' energy reserves and resources makes production increasingly expensive.

- Expansion of lignite and uranium production and development of alternate energy sources will help to offset the effect of declining oil and gas production and the need for additional importation of oil and gas.
  - A large portion of the Gross State Product is derived from refinery, chemical, and petrochemical and metal processing industries — all high-energy consumption industries.
2. The State work with the federal government to develop measures which provide appropriate incentives to maximize efficient energy production and ensure that the State has equal geographic and price access to natural gas.

*Rationale*

- A number of current federal laws and regulations are disincentives or impediments to energy production and need to be amended or repealed.
  - Measures such as selective subsidies, free-market energy pricing, and permit-processing reform are needed to help expedite energy development.
  - Federal laws and regulations have created major gas price distortions and have led to a system of gas dedication that puts Texas intrastate consumers at a disadvantage.
3. Public and private energy R&D efforts be concentrated on development of subeconomic, marginal resources, chiefly nonconventional oil and gas and deep basin lignite, and renewable resources such as biomass, solar and wind energy.

*Rationale*

- Texas has the energy equivalent of about 250 billion barrels of oil of known energy resources which are not producible under existing economic and technological conditions. Bringing significant increments of this vast resource base to producible reserves is a challenge to both public and private R&D.
  - R&D will be an important factor in the State's ability to develop its potential energy resources.
4. The State in concert with the federal government pursue both the continued use of nuclear technology and the technical resolution of waste disposal issues, while devoting the highest priority to protection of public health and safety.

*Rationale*

- Nuclear power can provide energy from Texas uranium and supplement natural gas or lignite used as a boiler fuel.

- Texas has a major fusion research effort underway that should be supported, as should other R&D efforts to improve the efficiency, cost effectiveness, and safety of nuclear energy.
  - Nuclear power offers a potential for meeting Texas' long-term electricity needs until renewable sources become economically available.
5. The State seek to ensure an adequate supply of trained personnel and teachers to meet the demands of local energy industries for skilled and professional employees.

*Rationale*

- There is a national shortage of engineers, scientists, and engineering and science faculties.
  - An adequate supply of trained personnel will facilitate the continued operation and expansion of energy industries in Texas.
6. The State, in collaboration with the private sector and universities, develop and maintain a more accurate body of information and projections on energy production, consumption, and prices.

*Rationale*

- A systematically organized and accurate body of data is needed as a base from which accurate forecasts of the future may be made.
  - New or improved projection methods will be needed to interpret changing prices, technologies, tax policies, regulations, and other factors.
  - Accurate and timely forecasts are needed by the State in order for it to develop and act on well-founded policies.
7. Educational, financial, and technical programs that augment energy conservation be supported by the State.

*Rationale*

- Federal funds have constituted the principal financial support for conservation programs to date, but these funds are being reduced significantly.
- Even though market pricing of energy is the fundamental way to prompt efficient energy use, programs are needed to publicize methods of conserving energy.

## AGRICULTURE

Despite its 80% urban population, Texas is among the nation's leading agricultural states. Its \$9.9 billion cash receipts for 1980 ranked third in the country. The Texas Agricultural Experiment Station estimates that the total impact of these receipts on the Texas economy was \$33.7 billion. Export value of Texas agricultural products is approaching \$2.2 billion — an amount that emphasizes the importance of the State's agricultural production to the national economy as well as locally.

These impressive agricultural statistics should not disguise the fact that Texas farmers and ranchers are enduring difficult times. Some of the hardships are cyclical, some are the result of government policies, and some have been induced by resource constraints such as the escalating costs of energy and transportation and declining water supplies. In addition, trends indicate that the rate of increase of agricultural productivity is declining. This decline in the rate of growth is a sign that the limits of widely employed agricultural technologies are being reached. Recognizing these hardships, the Texas 2000 Commission examined the long-term threats to the State's agricultural industry, separating those that arise from national policy from those that can be mitigated by action within the State.

The Commission carefully examined the State's role in agriculture, seeking information and direction from a variety of State agencies, producer organizations and individuals. Sources contacted by the Commission responded with near unanimity on the need for the State to ensure an adequate water supply for agriculture, to revise or remove onerous transportation regulations; to support research and extension; and to promote Texas food and fiber outside the state. Respondents also indicated that inflation and high interest rates have created major problems for farmers and ranchers, but obviously these rates can be altered only at the national level.

Although long-range prospects for the agricultural sector depend on many factors beyond the State's control, the State does have responsibility in many areas crucial to the agricultural industry. The following recommendations reflect the Commission's consideration of how the State can best support, protect and meet its obligation to the Texas agricultural industry.

## AGRICULTURE RECOMMENDATIONS

*The Commission recommends that:*

1. The Texas Legislature support increased agricultural research and development with the express purpose of increasing productivity and developing and introducing new agricultural technologies.

*Rationale*

- Remarkable gains in productivity of U.S. and Texas agriculture can be attributed in large part to past R&D efforts.
  - Research provides more efficient ways to use water and energy resources for agricultural purposes.
  - Research and development in promising fields such as genetic engineering and tissue culture will lead to new plant strains and improved livestock which will increase productivity.
  - Continued R&D investments will be required to sustain productivity growth.
  - A time span of two to ten years is normal for research efforts to produce operational results.
  - R&D on the many uses for biomass is yielding economic benefits to the agricultural sector.
2. The State's promotional efforts be evaluated to determine if a more aggressive approach would improve export sales of Texas food and fiber.

*Rationale*

- The value of Texas agricultural exports has tripled since 1973, with agriculture continuing as a major contributor to the Gross State Product.
  - The Texas Department of Agriculture (TDA) is helpful particularly to small producers and processors who do not have the assistance of commodity organizations.
  - Producers and processors will continue to rely on TDA to support their foreign and domestic marketing efforts.
3. Regulations governing transportation of agricultural products within the State be evaluated for their economic impact on producers, processors, and transporters.

*Rationale*

- Transportation regulations may hurt Texas independent truckers.

- Controlled intrastate rates are alleged to put Texas products at a competitive disadvantage in the marketplace.
  - Controlled transport rates may be higher than market-determined rates.
  - Adjustments in weight allowances could assist farmers particularly during harvest.
4. The Texas Legislature and the Texas A&M Board of Regents direct the Agricultural Extension Service to prepare and implement a targeted educational campaign to provide up-to-date water conservation information to all farmers and ranchers.

*Rationale*

- Conservation of water will extend existing water resources and will lower energy consumption.
  - Effective water conservation techniques have been developed but are not widely in use.
  - The Texas Agricultural Extension Service has the network and resources to undertake this campaign.
5. The State legislature and Texas A&M Board of Regents direct the Texas Agricultural Extension Service to concentrate more of its resources on meeting critical needs of the agricultural sector. These needs include technical assistance on efficient agricultural production, efficient use of limited water and energy resources, and introduction of new technologies.

*Rationale*

- Much of the information and many of the services provided by the Agricultural Extension Service are available from other public agencies or the private sector.
  - General consumer information is widely available to rural populations through the media.
  - The Texas Agricultural Extension Service receives 70% of its funding from the State.
  - After fulfilling basic obligations to mandated programs, the Agricultural Extension Service should use the remainder of its appropriation for meeting these critical needs.
6. The agricultural sector participate in the development of a statewide water plan.

## TRANSPORTATION

Transportation, both personal and commercial, is a vital element in Texas' economic development. Transportation is not only an essential support service for business and personal use, it is an important industry in its own right. A complete transportation system encompasses six major modes: air, highway, rail, pipeline, waterway and mass transit. Governmental responsibility for the system varies by mode. In some cases, government supplies the service; in others it is responsible primarily for regulation, planning or financial authorization.

In Texas, highway, road, and street travel is and will continue to be the dominant mode. Texans traveled 8,026 vehicle miles per capita in 1980, compared with the national average of 6,715. The State budget reflects this emphasis on motor vehicle travel; over 99% of the transportation appropriation goes to providing highway services.

Changing economic and demographic conditions — the rising costs of inputs to our transportation system such as fuel and materials, pollution, expansion of freight service to meet the needs of a growing economy, eight million more Texans by the year 2000, and increased population densities — will severely tax the transportation system. This increased burden upon the transportation system, the aging of that system and the uncertainty of federal funds suggest that its future growth and maintenance be governed by a coherent transportation policy that recognizes both the transportation needs of Texas and the constraints that weigh upon the level of transportation service to which Texans have become accustomed. Funding alternatives, research and development and regulation reform are among necessary responses to these changing conditions.

### TRANSPORTATION RECOMMENDATIONS

*The Commission recommends that:*

1. All State agencies engaged in the provision of transportation services develop a 20-year needs assessment based on a common set of assumptions.

#### *Rationale*

- A 20-year needs assessment is essential to long-range planning for the State.
- Use of common economic and demographic assumptions assures that the results will be more easily compared and analyzed.
- Upon completion of the study the Governor and legislature will be able to make a realistic assessment of the total cost of con-



struction, maintenance, and improvement of needed transportation facilities and services.

2. A special Governor's task force on transportation be formed. Its duties would include:
  - a) development of a comprehensive State transportation plan based on the 20-year needs assessment;
  - b) development of transportation financing options for inclusion in the comprehensive plan; and
  - c) examination of the feasibility of consolidating State transportation responsibilities which are presently vested in several agencies.

*Rationale*

- Planning for long-term transportation projects is essential, especially since increased State expenditures will be required.
  - A large investment will be necessary to maintain a safe, useful transportation system.
  - There is currently no State mechanism for a multimodal transportation planning. Better planning, coordination and operation could arise from consolidation of State transportation functions.
3. Additional State funds be appropriated for highway improvements to cover currently defined short-term needs.

*Rationale*

- The State Department of Highways and Public Transportation has expressed concern that it will be unable to maintain and expand the State's highway system adequately with expected future funding.
4. The State to the extent possible shift the burden of paying for transportation systems to the users of those systems and ensure that all user fees be dedicated to the system that generated them.

*Rationale*

- Consumers of transportation services will be more likely to make efficient choices if they know and pay the costs of the services.
  - The greatest possible self-sufficiency on the part of every transportation mode is necessary in light of uncertain federal transportation funding and a heavy State funding burden.
5. The State commission an independent study of the economic impact of policies and regulations that govern transportation of freight in Texas.

*Rationale*

- Unnecessary government regulations that restrict competition in the freight transportation industry are detrimental to the economy.
6. The Governor, through the Texas congressional delegation, advocate improvements and continued maintenance of the ports and waterways of Texas by the federal government.

*Rationale*

- The current condition of sections of the Gulf Intracoastal Waterway prohibits its safe and efficient use. Because Texas ports and waterways are part of an interstate network, the federal government must remain active in maintaining those segments over which it has jurisdiction.
7. Public and private transportation R&D be increased to help meet the State's needs.

*Rationale*

- Improvements and innovations are needed in materials, construction, safety measures, and environmental protection.
  - R&D can contribute to improved efficiency in all aspects of transportation.
8. The State provide planning, technical and financial assistance to local governments seeking to establish or improve public transit systems.

*Rationale*

- Rising energy prices and uncertain supplies, traffic congestion, air pollution, and insufficient transportation options are all reasons to encourage the creation of public transit systems.
- The State has the responsibility, funds, and expertise to provide such assistance.

## RESEARCH AND DEVELOPMENT

A Congressional study points out that "Today's investment in research and innovation is at the core of economic well-being of the United States and is a major contributor to economic growth. Innovation influences inflation, stimulates productivity, employment and the ability of U.S. products to compete in both domestic and world markets." This statement applies directly to Texas.

As the argument of this report makes amply clear, increased commitment to research and development in Texas over the next generation is imperative for three basic reasons:

- 1) to improve the use of our current resource base;
- 2) to help provide Texas with a resilient, well-diversified industrial base to counter possible deceleration in basic resource-dependent sectors; and
- 3) to take advantage of the new round of emerging technologies on which Texas' industrial growth will be increasingly based.

Behind this argument is an underlying assessment: Steady economic growth will be required to accommodate the projected increase in population and to sustain a high quality of life in Texas. Traditional growth sectors — agriculture, oil and gas, and petrochemicals — must be supplemented by an expanding, diversified industrial base to create needed jobs and economic activity. Technological advances will stimulate both expansion and diversification; research and development will thus be the key to economic strength and development.

Specific requirements for R&D are identified in this report. They include, but are not limited to genetic engineering, especially as it applies to agriculture, animal husbandry, and forestry; techniques for improving recovery of conventional and nonconventional oil and gas reserves; energy alternatives such as nuclear fusion and in situ burning of lignite; biomass as an energy source and as an input to agricultural production; water conservation; additional advancements in aeronautics, communications, and microelectronics; and improvements in construction and maintenance methods such as those used for transportation systems.

In addition, the necessary expansion and diversification of industry will depend on an ample supply of highly qualified people. High technology industry is attracted to areas that have first-class technical competence and an adequate supply of educated, skilled people to take the jobs.

The majority of funds for R&D in Texas come from the federal government and go to industries and public universities. State government historically has played a minimal role in supporting R&D at its universi-

ties or through State agencies. Federal priorities, which may not adequately address Texas' needs and uncertainty about future federal R&D funding require that the Governor and legislature evaluate State research and development funding levels and programs. If Texas is to maintain a competitive position in the nation and sustain its own economy, it must expand R&D efforts and focus them on areas most important to the State. Development of strong R&D partnerships among Texas government, universities, foundations, and the private sector will foster this expansion and sharpening of focus.

## RESEARCH AND DEVELOPMENT RECOMMENDATIONS

*The Commission recommends that:*

1. The State in cooperation with the private sector design and implement communications programs to create greater awareness among corporations, universities, foundations, and the Texas legislature of the vital role of research and development.

### *Rationale*

- Improved communications are essential to make each entity more aware of the needs and capabilities of the others.
  - Better public/private sector understanding of investment needs for R&D will assist in generating and allocating research funds and making more productive use of research budgets.
2. The State establish a Science, Technology, and Research and Development Advisory Council composed of representatives from the public and private sectors.

### *Rationale*

- The council would advise the Governor and legislature on the priority of research needs in Texas and ways in which State resources could be focused on high priority research projects.
  - No entity in Texas currently serves this important function.
3. The State ensure that universities have sufficient financial, physical and human resources to conduct research and development in high priority areas beneficial to the public and private sectors.

### *Rationale*

- Improved support of major research efforts at colleges and universities will help attract and retain top quality professors and students.
- Industries, especially high technology firms, are drawn to states with ample professionally and technically trained personnel.

4. The State recognize that R&D is a legitimate and essential university responsibility and support these functions by adjusting current teaching load and compensation formulas.

*Rationale*

- Universities, which historically have been a focal point for R&D activities, must play a larger role in the expanded research effort recommended in this report.
  - Current teaching load and compensation formulas are disincentives to major research efforts.
5. The State evaluate ways in which State agencies, universities, and the private sector can develop and exploit communication technologies to further education and R&D activities.

*Rationale*

- Geographical locations of Texas' major research universities do not match those of the State's major industrial and commercial centers. Rapidly evolving advances in communications can provide better ways to link universities, State agencies, and the private sector.
  - Improved communications will facilitate the use of television teaching.
  - Many major R&D projects are conducted at the University of Texas at Austin and Texas A&M University. Use of the new communication technologies can effectively increase the pool of available talent that can be directed at priority research projects by allowing participation of experts from around the State.
6. The State develop programs that offer technical assistance to small businesses and individual entrepreneurs.

*Rationale*

- Many entrepreneurs do not have the resources to develop and evaluate new products and processes. Increased assistance through programs such as the Institute for Ventures in Technological Innovation (INVENT) in the Texas A&M System can greatly improve the productivity of small business.
7. The State work with the federal government to improve legal, regulatory, and financial incentives for private sector research and development.

*Rationale*

- Additional tax credits for R&D, improvements in the patent system, and changes in small business regulations are examples of ways to improve incentives for R&D.

## GOVERNMENT FINANCE

Texas is in better financial shape than most other states. This is a situation which can be attributed to a State government historically dedicated to fiscal responsibility, to a people interested in creating and maintaining economic opportunity, and to a strong natural resource base. Texas legislators must strive to hold spending to levels that will avoid painful reductions in expenditures or unconscionable tax burdens in the future.

Some major trends that will have significant long-term impact on government finance are:

*Oil and Gas Revenues:* Projections indicate that oil and gas tax revenues, from which the State presently derives 28% of its tax revenues and about 20% of its operating budget, will increase significantly through 1990. After 1990 these tax revenues will not increase as rapidly and may even decrease. Because the cost of government is not expected to decrease, some change in the tax structure eventually will be necessary.

*Federal Aid:* The current effort to reduce both the budget and the role of the federal government will place additional burdens on the states and may dramatically affect state government finance in the years to come. This trend toward decentralization will result in increased state decision-making on programs and expenditures, as well as increased state contributions to programs it chooses to support.

*Local-State Government:* Local government is strong in Texas. Local entities doubtless will continue to rely mainly upon property taxes, sales taxes, and user fees. Unfortunately, these sources may not be productive enough to sustain local governments throughout this century. Local officials, faced with the choice of raising taxes or deferring capital outlays, may find it untenable to choose the former. If such deferrals were sizable, they could have adverse impact on the State's economy.

*Education:* Education is a major consideration under government finance for two reasons:

- 1) It consumes 50% of the total State budget and is the single greatest local expense. The cost of education will continue to rise, imposing heavy demands on State and local funding sources.
- 2) Education is a vital link between the State's present and future economies.

Texas' economic development will become increasingly dependent on its ability to diversify its economic base as reliance on the natural

resource base declines. A strong public education system is essential to a diversified economy, for it will enable Texas to build its own highly skilled work force and to attract investors and innovators from outside the State.

The key word in the long-range view of government finance is *uncertainty*: uncertainty about future oil and gas revenues, uncertainty about the extent of federal cutbacks in a multitude of areas, and uncertainty about how heavily local government can rely upon property taxes without engendering substantial public resistance. These uncertainties and the dislocations they imply emphasize the need for state governments to be prepared to accommodate change.

## GOVERNMENT FINANCE RECOMMENDATIONS

*The Commission recommends that:*

1. The State establish an Economic Advisory Council composed of representatives from the public and private sectors. The council should be appointed by the Governor, the Lieutenant Governor and the Speaker of the House of Representatives. Its job should be to conduct short- and long-range analyses of State and local government finance; make special studies on its own initiative or upon the request of the Governor, Lieutenant Governor or Speaker of the House; and serve in an advisory capacity to the Governor and legislature.

### *Rationale*

- State and local revenues and expenditures will change over the next 20 years due to economic and population growth, changes in federal contributions, and the gradual depletion of the known natural resource base.
  - The State needs a representative advisory council to monitor and analyze these incremental shifts, recommend changes where needed, and develop a long-range financial strategy to accommodate State and local needs.
2. The Economic Advisory Council studies include the following issues:
    - a. Immediate and long-term financing of local government.
    - b. Long-term financing of State government.
    - c. Modification of uses of rapidly growing permanent educational funds.
    - d. Long-term financing of public education.

### *Rationale*

- The ability of local governments to raise revenues is circumscribed by State law. Since the State has an interest in ensuring that local governments are soundly financed, it should continually review the fiscal problems of local governments to be sure that they have the statutory tools to meet their responsibilities and solve their problems.
  - The gradual decline of oil and gas production will eventually affect State revenues. Texas should develop a long-range strategy that will provide adequate revenues without inhibiting economic growth and development.
  - The Permanent School Fund, in particular, will increase substantially in the next 10 to 20 years. Only the income from the fund and similar funds is now available for appropriation. This policy was established long before the magnitude of growth that now appears inevitable could be envisioned. The policy should be re-examined in light of the actual and projected growth of the Permanent School Fund.
3. The State provide continued support for the State economic and demographic projection efforts underway in the Governor's Office of Budget and Planning.

### *Rationale*

- The State can use such projections to make planning feasible beyond the biennium.
  - Projections are useful in reducing uncertainty in State and local financial decision-making.
  - Better State planning will result from the use of a common set of economic and demographic assumptions and projections.
4. Major State agencies submit biennially updated six-year plans outlining their anticipated program developments and funding requirements. Implementation of the six-year plan would have the following advantages:
- a. Comparison and overview of agency growth and development.
  - b. Greater legislative control over agency services and growth.
  - c. More orderly development of program areas and better anticipation of funding requirements, obviating dramatic biennial funding increases.

### *Rationale*

- A six-year plan is a practical step toward more efficient management of State resources.



## RELATIONS WITH MEXICO

Most Texas-Mexico issues must be resolved by federal policies of the two countries, but regional authorities do and should influence the outcome. Texas and other border states absorb most of the impact of these policies, reaping the benefits from success and bearing the costs of failure.

Along the border, U.S.-Mexico relations have become primarily Texas-Mexico relations. The fact that they share an international border does not relieve local populations of responsibility for conditions in the area.

Border issues arise that may readily be settled at the local level with the assistance or support of both federal governments. For example, water quality and availability, health and environment are regional problems for which regional solutions will be most effective.

Activities of international significance have local implications as well. Mexico is the U.S.'s third largest trading partner, while the U.S. consumes 70% of all Mexican exports. Yet along the border, intensive trade takes place when shoppers cross the border to satisfy their daily wants and needs. This trade, though not included in international trade statistics, is important to regional economic health and is supported by increasingly large populations on both sides. Economic well-being of the border region contributes to good relations between the two countries.

Population growth along the border has been encouraged by establishment of the twin-plants programs. In this program, factories produce articles in Mexico, primarily from U.S. components, which are given tax, duty and regulatory exemptions. Assembled goods are exported to the United States, subject only to duty on the value added abroad. Value added in these plants reached \$778 million in 1980. Frequently, companies operate plants on both sides of the border, providing needed employment.

Energy is another area which encourages a special international relationship between Texas and Mexico. Texas companies provide equipment and technical services to Mexico. The developing Mexican petrochemical industry is expected to both mirror and complement existing Texas industries. The growing Mexican oil industry is much more than a new source of energy for the U.S. or a way for Mexico to purchase goods on the international market. It provides the opportunity for the U.S. and Texas to invest in Mexico and stimulates the kind of economic development that will provide jobs and incomes for a growing Mexican population.

The importance of the illegal immigration problem is already well known in the State of Texas. Illegal Mexican workers presently play a

significant though unquantified role in the growing Texas economy. However, the relatively lax U.S. policies currently in force may provoke severe political and social problems over the next 20 years, particularly if the U.S. economy continues to grow at a slower pace than in previous years. Mexico's population, projected to double by the year 2000, will intensify immigration pressures. Texas, because of its long border with Mexico, will always bear the brunt of these pressures and must be able to identify immigration policies that will accommodate its long-range interests.

The recommendations that follow fall into three distinct but general areas of Texas-Mexico relations.

1. Texas influence on U.S.-Mexico relations.
2. Texas-Mexico relations.
3. Economic development in the border region.

## RELATIONS WITH MEXICO RECOMMENDATIONS

*The Commission recommends that:*

1. Texas encourage the United States government to engage in innovative joint ventures with Mexico for the exchange of technology, labor and resources for the benefit of both countries.

### *Rationale*

- The United States and Mexico have much to gain from an active joint venture and trading relationship. The strong possibility that growth in commerce can be coupled with the alleviation of mutual problems should spur both countries to negotiations in the broad and specific aspects of trade.
2. The State of Texas pursue studies of undocumented Mexican immigration into Texas that include the magnitude of this immigration as well as the following three areas: economic impact of immigration on Texas, Texans' attitudes toward immigration, and the demographic and sociopolitical implications of immigration to Texas.

### *Rationale*

- Without understanding the nature and magnitude of undocumented Mexican immigration into this country, it is virtually impossible to devise a long-range plan to deal with it.
- Texas and other border states bear the immediate and long-range impact of the Mexican immigration to the U.S. Any program to alter the status quo will have its greatest effect on these states. Texas should be in a position to respond knowledgeably to any federal proposal or to put forth one of its own.

3. Texas support the continuation of the current Southwest Border Governor's Conference or create a border states forum to support current and develop new economic, cultural, educational, and social programs of mutual benefit to U.S. border states and Mexico.

*Rationale*

- An organization which acts as a forum to air positive and negative aspects of international border issues provides an important and official means of communication between the two countries at the state level.
  - Solutions to aforementioned problems such as water quality, environment, and health, may be developed through this forum. The organization can support and advocate recommended solutions.
  - Currently, many Texas cities are benefiting from local economic, educational, and cultural exchange programs.
4. The State of Texas assign to an existing or new State agency the responsibility, authority, and funding to promote economic development of the southern Texas border region.

*Rationale*

- The ability of Texas to plan and promote economic development of the border region would be better coordinated if all such activities were concentrated as much as possible in one agency.
  - The agency could provide specialized information relating to the establishments of twin-plant industries and free-trade zones, as well as assistance in obtaining the necessary federal licenses and permits.
  - The agency could work to establish a border-area federal coordinator for federal agencies with jurisdiction over industrial trade and development.
  - The agency could explore and encourage in cooperation with private interests chartering a binational bank, which would facilitate efficient transfer of funds between the countries and simplify financing procedures for joint ventures.
5. The State designate an Office of Mexican Affairs that would serve the State and Governor in the following capacities:
    - a. Advocate of Texas-Mexico policy
    - b. Liaison between both federal governments
    - c. Coordinator of exchange programs
    - d. Provider of information and referrals

*Rationale*

- Currently, these functions are performed by several agencies whose responsibilities are unclear or overlapping.
- To have a strong role in influencing federal policies toward Mexico, the State must be organized and definite in its own approach.
- To enhance better relations with Mexico, an understanding of Mexican economic problems and development objectives is necessary.

## CONCLUSION

During the 1960s and 1970s Texas experienced a period of economic growth that greatly expanded the range and capacity of its industries, dramatically increased its per capita personal income, and brought the State to a position of national economic prominence. Business, industrial, and agricultural sectors flourished, supported by a plentiful supply of water, energy, land, and technology relatively unrestricted by government regulation.

The very existence of a Texas 2000 Commission is evidence of a widespread consensus that a new phase of Texas economic history is beginning. For this new era to be as productive as the one just past, new resources and an adequate infrastructure will be required. Growth during the next two decades and beyond will be achieved through innovation, efficient use of our resources, investment to maintain and improve permanent structures, and success in applying new technologies.

In examining sectors of the Texas economy, the Commission observed an intricate relationship of mutual dependence coupled with intense competition for the same resources: land, water, energy, and government services. Competition necessitates that both public and private choices be made. The broad implication of our report is that, to make informed choices, Texas must engage in planning. Planning is the process of defining goals and devising means to achieve them. The Commission has begun this process, setting as a goal "the continued health and vitality of the Texas economy and the quality of life." Specific recommendations have been directed toward achieving that end. What now must follow is the development of a number of individual plans, each related to the Commission's recommendations. Any plan, of course, should include the means of measuring progress toward reaching its goals.

The Texas 2000 Commission offers this report to the Governor of Texas, the Lieutenant Governor, the Speaker of the House and the people of Texas with the following sentiment:

In a republic no plan works unless those who carry it out participate in its creation. A plan which emerges by analysis, debate, and consensus should command the support of a substantial majority and it should be carried out not only through our existing public institutions, but also by private institutions and through public-private cooperation. It should, above all, be a dynamic and flexible process, changing as we experiment and learn what works and does not work.

## APPENDICES

APPENDIX A

THE STATE OF TEXAS  
EXECUTIVE DEPARTMENT  
OFFICE OF THE GOVERNOR

April 4, 1980

EXECUTIVE ORDER

WPC - 16

ESTABLISHING THE TEXAS 2000 PROJECT

WHEREAS, the State of Texas is currently experiencing a period of rapid and dynamic growth; and

WHEREAS, this growth has caused significant changes in the economic, demographic, social, and cultural patterns in the State; and

WHEREAS, these factors have placed additional demands upon the economic and natural resources of the State; and

WHEREAS, the existing data and information base for State policy planning is incomplete and underutilized; and

WHEREAS, State government must be able to anticipate and identify critical issues so that long-range solutions may be developed and implemented; and

WHEREAS, V.A.C.S., Article 4413 (32a) designates the Governor as the Chief Planning Officer of the State.

NOW, THEREFORE, I, William P. Clements, Jr., Governor of Texas, under the authority vested in me, do hereby create and establish the TEXAS 2000 PROJECT.

The objective of the TEXAS 2000 PROJECT shall be to:

1. identify and project changes in Texas' population, natural resources, economy and service infrastructure over the next twenty years,
2. develop and analyze alternative State policy response, and
3. propose solutions to long-range problems.

In order to ensure a coordinated and integrated effort, there is hereby created a "TEXAS 2000 PROJECT Steering Committee." This advisory committee will be chaired by the Governor and shall consist of the Lieutenant Governor, the Speaker of the House of Representatives and other members who shall be selected by the Governor. The members of the committee other than the Speaker and the Lt. Governor shall serve terms of one year and at the pleasure of the Governor.

The Steering Committee shall operate as a forum for the exchange of ideas relating to the TEXAS 2000 PROJECT, and shall include the following advisory duties:

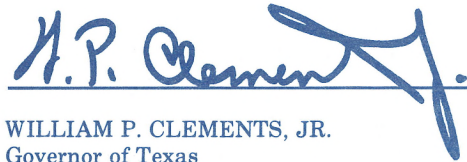
1. review and comment on PROJECT work;
2. advise the Governor, as the committee's chairman, on matters he should consider assigning to the PROJECT staff;
3. advise the Governor on action he should take based on the PROJECT's work; and
4. perform such other advisory duties relating to the PROJECT as may be assigned by the Governor.

The Governor's Office shall be responsible for providing staff support as necessary for the PROJECT and also for directing the staff activities.

This Executive Order shall be effective on the 4th day of April, 1980, and shall remain in effect until modified, amended or rescinded by me.

Given under my hand this 4th day of April, 1980.

(SEAL)

  
WILLIAM P. CLEMENTS, JR.  
Governor of Texas

ATTEST:





## APPENDIX B

### THE STATE OF TEXAS EXECUTIVE DEPARTMENT OFFICE OF THE GOVERNOR

April 10, 1981

#### EXECUTIVE ORDER

WPC - 22

#### ESTABLISHING THE TEXAS 2000 COMMISSION

WHEREAS, the Texas 2000 Project and the Texas 2000 Project Steering Committee were established by Executive Order WPC-16 on April 4, 1980; and

WHEREAS, the Texas 2000 Project Steering Committee has determined that a Commission is needed to address certain critical issues relating to the continued economic growth and development of the State of Texas, to examine various approaches for meeting these critical issues, and to propose to the Texas 2000 Project Steering Committee a long-range state development investment strategy; and

WHEREAS, Article 4413(32a), VACS, designates the Governor as the Chief Planning Officer of the State.

NOW, THEREFORE, I, William P. Clements, Jr., Governor of Texas, under the authority vested in me, do hereby create and establish the TEXAS 2000 COMMISSION.

The TEXAS 2000 COMMISSION shall assist and augment the Texas 2000 Project.

The TEXAS 2000 COMMISSION shall address the following critical issues related to the continued economic growth and development of the State of Texas:

- Population.
- Economy.
- Water.
- Energy.
- Transportation.
- Agriculture.
- State and local finance.
- Research and development.
- Future relations with Mexico.

The TEXAS 2000 COMMISSION shall examine various approaches for meeting these critical issues.

The TEXAS 2000 COMMISSION shall propose a long-range state development investment strategy for presentation to the Texas 2000 Project Steering Committee.

The TEXAS 2000 COMMISSION shall consist of not more than thirty members appointed by the Governor, including two members of the Texas State Senate and two members of the Texas State House of Representatives. Members shall serve terms of one year and at the pleasure of the Governor.

The Governor shall designate one member of the TEXAS 2000 COMMISSION to serve as Chairman and one member to serve as Vice-Chairman. Service by members of the TEXAS 2000 COMMISSION shall be an additional duty of their office and the members of the TEXAS 2000 COMMISSION shall serve without compensation but may be reimbursed for reasonable and necessary expenses incurred in the performance of their duties.

In addition to meetings of the TEXAS 2000 COMMISSION, members shall perform any other duties related to the Texas 2000 Project as assigned by the Governor. The TEXAS 2000 COMMISSION shall hold public hearings across the State to present the TEXAS 2000 COMMISSION's findings to the people of Texas and to receive comments from the public at large.

The Texas 2000 Project shall coordinate and direct the TEXAS 2000 COMMISSION in activities and shall provide necessary staff support.

All State agencies, boards and commissions are directed to assist fully the TEXAS 2000 COMMISSION.

This Executive Order shall be effective immediately and shall remain in full force until modified, amended or rescinded by me.

Given under my hand this 10th day of April, 1981.

(SEAL)

  
WILLIAM P. CLEMENTS, JR.  
Governor of Texas

ATTEST:

  
\_\_\_\_\_

APPENDIX C

TEXAS 2000 COMMISSION  
COMMITTEE MEMBERSHIP

**Water**

Louis Beecherl, Chair  
Lila Cockrell  
Preston Geren  
Doyle Rogers  
Arnold Peinado

**Agriculture**

Sen. Ray Farabee, Chair  
John Armstrong  
T. R. Fehrenbach  
T. Boone Pickens  
Sam Kane

**Transportation**

Andres Ramos, Chair  
Virginia Pearson  
Doug Pitcock  
William Seay

**Energy**

William Fisher, Chair  
Randall Meyer  
Walt Rostow  
John Harbin  
Rep. Frank Tejeda  
Lila Cockrell

**R&D**

Harvey McMains, Chair  
Steve Bartlett  
Ebby Halliday  
Paul Thayer  
Walt Rostow

**Relations with Mexico**

V. Lance Tarrance, Chair  
Rita Clements  
Sam Kane  
Rep. Frank Tejeda  
Rep. Ashley Smith  
T. R. Fehrenbach  
Andres Ramos

**Finance**

Sen. Grant Jones, Chair  
Bo Byers  
Frances Atkinson  
Rep. Ashley Smith  
Winston Webster

**Report**

**Drafting Committee**

Victor Arnold  
Bo Byers  
T. R. Fehrenbach  
Leslie Geballe  
Guy Marcus  
Harvey McMains  
Walt Rostow  
Freeman Smith  
Robert Weatherford  
Meg Wilson

## ACKNOWLEDGEMENTS

The Texas 2000 Commission received valuable assistance from many people, agencies and organizations throughout the State. To name some would inevitably neglect others whose contributions were of great significance to our work. Allow us to thank collectively the individuals who generously gave time, thought and information to the Commission during the preparation of this report. We wish particularly to thank the outstanding personnel of the many State agencies who were always available to help.