

SUBJECT: Creation of Bureau for Economic Development of the Border Region

COMMITTEE: Border and Intergovernmental Affairs — favorable, without amendment

VOTE: 8 ayes — V. Gonzales, Weber, Alonzo, Farrar, L. Gonzales, Hardcastle,  
Phillips, Riddle

0 nays

1 absent — Simpson

WITNESSES: For — Steve Ahlenius, McAllen Chamber of Commerce; Dr. B.J. Lee;  
(*Registered, but did not testify*: Kathy Barber, National Federation of  
Independent Business (NFIB); Luis Figueroa, Mexican American Legal  
Defense and Educational Fund (MALDEF); Paul Jimenez, San Antonio  
Hispanic Chamber of Commerce; Elizabeth Lippincott, Texas Border  
Coalition; Steve Nivin, SABER Institute St. Mary's University and San  
Antonio Hispanic Chamber)

Against — None

DIGEST: HB 397 would create the Bureau for Economic Development of the  
Border Region, which would be administered by a public or private higher  
education institution to facilitate research and provide recommendations  
on economic opportunities to the Legislature through public-private  
partnerships.

The bureau would have a steering committee of seven members serving  
staggered two-year terms. The members would include the chair of the  
House Committee on Border and Intergovernmental Affairs and the chair  
of the corresponding border affairs committee in the Senate, as well as  
members appointed by the lieutenant governor (one member who would  
have to be a border region resident), the House speaker (one member who  
would have to be a border region resident), and a higher education  
institution (three members). As soon as practicable after being appointed  
or designated, the initial members of the steering committee would have to  
designate the higher education institution that would administer the bureau  
and could provide facilities and other assistance.

The bureau would have to:

- facilitate research in fields of study affecting the economy in the border region;
- make recommendations to the Legislature regarding the provision of economic and financial education to people in the border region;
- draft and submit reports to advise the Legislature about economic development opportunities in the border region;
- provide evaluation of specific proposals for use of economic development funds in the border region, including tax abatement agreements;
- consult with the Texas Economic Development and Tourism Office within the Governor's Office on issues related to the border region;
- study and report on opportunities to improve trade across the international border; and
- make recommendations to the Legislature about the establishment of infrastructure projects to assist multiple counties in the border region.

The steering committee would have to meet at least once a year. In addition to any amount appropriated by the Legislature, the bureau could apply for and accept funds from the federal government or any other public or private entity to advance its duties, and would have to actively seek gifts from businesses and organizations that represented businesses to support its functions.

The bill would take effect September 1, 2011.

**SUPPORTERS  
SAY:**

HB 397 would facilitate much-needed research to foster meaningful economic development for the border region. The Texas border region is faced with unique and growing challenges that require further study and analysis to effectively promote economic growth. Without proper analysis, communities often base economic development strategies on flawed anecdotal evidence, leading to wasted resources and inefficiencies.

The Bureau for Economic Development of the Border Region would coordinate the efforts of employers, educational institutions, and the public sector for maximum workforce training and economic development, which would attract employers and drive growth. According to the fiscal note, it would not cost the state because any costs would be

absorbed by the higher education institution chosen to administer the bureau.

The border region is critical to the state's trading practices, but is adversely affected by poverty and drug cartel-related violence. The bureau could study these issues and make recommendations to address these problems.

The bureau would focus on economic development opportunities more than human services issues, but would recognize that sometimes the two issues can be linked, such as with workforce development issues.

**OPPONENTS  
SAY:**

HB 397 has the right intent, but it would be important for the bureau to stay focused on economic development strategies and opportunities, not human services issues.

**NOTES:**

The companion bill, SB 965 by Uresti, was considered in a public hearing and left pending by the Senate International Relations and Trade Committee on April 11. The bill was scheduled for another public hearing on April 18, but no action was taken.