

- SUBJECT:** Creating a center for border economic development at UT-Brownsville
- COMMITTEE:** Economic Development — committee substitute recommended
- VOTE:** 7 ayes — Solis, Keffer, Clark, Homer, McClendon, Seaman, Yarbrough
0 nays
2 absent — Deshotel, Luna
- WITNESSES:** For — Frank Feild, Brownsville Chamber of Commerce; *Registered but did not testify:* Glenn Gadbois, Texas Citizen Fund; Bill Hammond, Texas Association of Business and Chambers of Commerce

Against — None

On — Dr. Antonio Zavaleta, University of Texas-Brownsville and Texas Southmost College; *Registered but did not testify:* Mary Rose Cardenas, University of Texas-Brownsville and Texas Southmost College
- BACKGROUND:** Education Code, secs. 69.22 and 77.36 require the creation of centers for border economic and enterprise development at UT-El Paso and UT-Pan American in Edinburg, respectively. Sec. 87.504 authorizes the creation of a center at Texas A&M International University in Laredo. These centers are authorized to:
- ! coordinate economic planning with state agencies to ensure that the needs of the Texas-Mexico border are addressed in a comprehensive state economic development plan;
 - ! provide technical assistance to industrial and governmental entities;
 - ! conduct economic development research and planning;
 - ! offer seminars, conduct conferences, and offer other educational programs concerning the border economy and economic development in the state; and
 - ! develop an economic database concerning the Texas-Mexico border.

DIGEST: CSHB 323 would require UT-Brownsville to establish a center for border economic and enterprise development at a time determined appropriate by the university's board of regents, considering the money available for that purpose and the best interests of the university. The center could perform the same functions authorized for the centers at UT-El Paso, UT-Pan American, and Texas A&M International and would have to cooperate fully with those programs.

The bill would not appropriate money for this purpose but would authorize the board to solicit and accept gifts, grants, and donations to help establish, maintain, and operate the center.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

SUPPORTERS SAY: CSHB 323 would promote economic development and job creation in the Brownsville area by requiring the creation of a center for economic and enterprise development at UT-Brownsville. By serving as a focal point for development in the area and by providing critical research and technical support for development, the center would enhance the coordination and analysis of local economic development issues.

The center would work with local chambers of commerce, government officials, economic development councils, industrial development corporations, and educational institutions, as well as with their Mexican counterparts, to research border economic issues and attract development to the area. The center also would promote the growth of small businesses by operating a small business incubator that would support new small businesses to ensure their success and growth. Although small businesses provide most jobs in local communities, about four of every five small businesses across the nation fail. Incubators reverse that statistic, helping four of every five small businesses succeed. Through this and other efforts, the center would promote development in the border region.

The center would complement the research and development efforts of the state's other centers on border economic development and enterprise, located in El Paso, Laredo, and Edinburg. The border is a diverse region with varied

needs, and these communities have unique problems and opportunities that require unique research and development agendas. Given its interdependence with the Mexican economy and its rapidly growing population, the Brownsville area is a prime location in which to locate an additional economic development and enterprise center.

The bill would appropriate no money to fund the creation or maintenance of the center, but it would allow university regents to solicit and accept grants or donations for those purposes. The center also would qualify for federal grant programs, such as the federal Housing and Urban Development Department's grant for Hispanic-serving institutions for projects in local communities.

OPPONENTS
SAY:

CSHB 323 could dilute the resources available to the existing border economic and enterprise development centers by creating another center that would compete for funding from individuals, foundations, and the federal government. A limited number of people and groups support these causes, and any grants that the new center received could reduce the funds available to the existing centers.

Rather than creating additional centers for border economic and enterprise development, it would be more efficient to expand the mandates and activities of the existing border centers. These centers ought to be resources for the entire border region, rather than for their respective localities, so that they could provide a comprehensive analysis of border issues and coordinate development in region. If Brownsville or other localities have local research and development needs, these should be addressed by other legislatively and locally authorized entities, such as industrial development corporations or economic development councils.

The bill's provision directing the UT board of regents to create the center at the time the board deemed appropriate "considering the money available for that purpose" is too vague and would not limit the board to using money raised specifically for the new center. Instead, that language could allow the board to use any money available, including money appropriated to the other border centers, particularly as those centers all have been established with the same purpose.

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NOTES:

The committee substitute modified the filed version of HB 323 by adding the requirement that the university establish the center at the time deemed appropriate by the board upon consideration of the money available for that purpose and the best interests of the university, rather than by January 1, 2002, as in the original bill.

The House-passed version of SB 1 by Ellis, the general appropriations bill for fiscal 2002-03, contains an exceptional item request in the Article 11 “wish list” for \$658,000 to establish the center at UT-Brownsville. A similar bill in the 76th Legislature, HB 1478 by Oliveira, was left pending by the House Economic Development Committee.