



Recommendations

Building Prosperity

This report traces historical trends along with current developments in 10 broad public policy arenas including economic development, education, transportation, housing, health, environment, crime, and immigration. In addition to looking at how government and the private sector contribute to growth and change in the region, the report concludes by examining the governing structures available to the region's residents to help direct and manage their future.

In the course of these discussions a number of avenues for new or better public involvement became evident, touching on several common cross-cutting themes.

Higher-Wage Jobs

The overarching need in the region is to raise incomes. This will require both fostering the growth of higher-wage jobs and the training of the workforce to fill these positions. These efforts need to build on strategic industries for which the region has some natural advantages such as in serving a growing population or particular niche markets in U.S.-Mexico trade.

Importantly, the federal and state governments should move to recognize the need to increase incomes in this region and begin to extend to the entire region the tools to attract and develop new jobs:

- **The federal government should extend the empowerment zone designation and funding to all 43 Texas Border counties.**
- **The State Strategic Economic Planning Commission should recognize the goal of raising per-capita**

income in the Border region as part of its new Strategic Economic Development Plan for Texas.

Other actions can help retain and grow high-skilled jobs in other sectors of the region's economy. Specifically:

- **Within the 43 Border counties, the U.S. Department of Defense should provide a special weighting in its assessment process of the impacts of base closings to reflect the extreme importance of high-skill, high-wage defense jobs to the region.**
- **The 1999 Texas Legislature should require all state agencies to develop a plan for increasing their presence in the region, and to include the plans in every five-year strategic plan.**

Particularly promising for the growth of high-skilled jobs in the Border region is increasing health care services. The region needs additional health care workers, and this industry includes many highly-skilled and highly-paid professionals.

- **State law should be amended to create the Border Health Institute, a center for Border health services coordination, education, and research serving the West Texas, northern Chihuahua, and southern New Mexico area.**

The proposed Border Health Institute (BHI) would be a partnership among exist-

ing Border health education institutions and service providers located in West Texas, northern Chihuahua, and southern New Mexico. The BHI would concentrate on pressing border issues, including Hispanic and environmental health.

The Texas-Mexico Border region faces some of the most dire health conditions in the Western world. In the past, Texas has repeatedly shown a commitment to improving health conditions in the Border area. However, the region's health care institutions developed over the years through separate agencies and systems. Enhanced coordination—especially with institutions in Mexico and New Mexico—could dramatically improve the effectiveness of the state's efforts.

Member agencies would include Texas Tech University, Texas Tech Health Sciences Center at El Paso, University of Texas at El Paso, El Paso Community College, New Mexico State University, colleges and universities in Chihuahua, and health service providers in West Texas, southern New Mexico, and northern Chihuahua.

The BHI would be ideally suited to coordinate health activities with Mexico and adjacent border states.

- **The Legislature should convene a symposium of doctors, Texas Department of Health, Texas Department of Economic Development, hospitals, university health centers, and county health officials to determine the best ways to identify and serve Mexican nationals at Border health care facilities.**
- **The Texas Higher Education Coordinating Board should review medical training needs in the Border region and make recommendations to the Legislature addressing any deficiencies.**

These two actions will help identify and tap new markets for health care in the region. In addition, the growth of the health care industry will be promoted by improving access to health care insurance.

- **The Texas Insurance Purchasing Alliance (TIPA) should establish two pilot programs in selected Border sites to increase private health insurance coverage for small business employees. TIPA should contract directly with one or more provider networks to cover enrollees and TIPA should develop one or more local pools of small business employees whose employers are unable to offer health coverage because they cannot meet minimum participation requirements.**

The Legislature should give TIPA statutory authority to assume risk for purposes of implementing these pilot tests, as well as any other statutory changes that are needed.

Better Workforce Skills

The goal of increasing the number of higher-wage jobs in the Border region will quickly collide with the reality of the Border's workforce unless significant efforts are made to upgrade workforce skills. These efforts must be directed not only at today's workers, but at tomorrow's as well. This means developing our youth into the workforce of tomorrow through improvements in public education, providing appropriate higher educational facilities and experiences for those coming out of the public school system, and addressing the continuing problem of upgrading the skills of those currently in the workforce. Crucial to these efforts at all stages—public education, higher education and worker training—is improving the level of Border workforce trainers' skills.

- **State law should be amended to help Texas school districts, including Border districts, with facilities needs by dedicating \$200 million out of each annual tobacco payment to Texas' existing Instructional Facilities Allotment (IFA) program, in which the state joins with local districts in repaying bond debt.**

The extension of this program would benefit all Texas districts requiring additional facilities assistance, but a special, enhanced program could meet the extraordinary needs of school districts that are both high-growth and low-wealth. The enhanced program also would apply to all areas of the state, but it would be invaluable along the border. Using the tobacco settlement funds for school facilities would go a long way toward getting Border children out of portable buildings and into permanent ones. At a minimum, an effort should be made to recognize that the high growth and low property wealth in the Border region prevent access to the revenue necessary to build facilities, and assistance should be made available in this regard to districts in the Border region.

This would not affect funds from the settlement proposed to be used for health care purposes.

- **State law should be amended to establish a Texas State Technical College (TSTC) in El Paso similar to the facilities at TSTC campuses in Waco, Harlingen and Sweetwater.**

El Paso, with the fastest growing labor force in the region, has a greater demand for skills training than it can supply. TSTC's mission provides an ideal fit for the growth occupations in the region and would not create an additional drain on an already stressed local tax base.

- **State law should be amended to create a state grant fund for facilities and equipment of community and technical colleges in Border counties.**

A special program to provide facilities funding could be developed, using the South Texas/Border Initiative as a precedent. This initiative, in response to a lawsuit on higher education in South Texas, provided substantial funds to enhance programs and expand universities in the Border region. Universities were autho-

rized to issue tuition revenue bonds to fund expanded facilities. Under the proposal for a new fund, the formula could base state assistance—for equity purposes—on the amount of local property wealth per-capita available for each district and take into account enrollment levels, unemployment and per-capita incomes. This formula would recognize that some districts have greater property wealth and are better able to provide for these needs using local revenue.

In applying for funds, the local district would demonstrate: how the funds would be used, the local demand for education and training, and partnerships with local businesses to meet training and educational needs.

- **State law should be amended to require public university regents and presidents to improve educator preparation programs and coordinate these plans with the State Board of Educator Certification's (SBEC) intervention and assistance strategy.**
- **All colleges of education at Texas universities should develop or provide review courses using both pre and post-test methodology for students about to take the Examination for the Certification of Educators in Texas (ExCET).**

Stricter accountability measures imposed by the State Board of Educator Certification (SBEC) on educator preparation will take effect in September 1998. That month, SBEC plans to place universities with too many students failing to pass the state's teacher certification exam on "Accredited—Under Review" status. The Board plans to send intervention teams composed of faculty volunteers to recommend improvements and provide technical assistance to help universities improve student scores rather than risk loss of accreditation or even the possible elimination of approved teacher educator programs.

The regents of Texas' public universities, working with individual university presidents, should develop action plans spelling out how the institutions will improve student performance on the ExCET. The Partnership for Texas Public Schools—a liaison office in the Texas Education Agency established by the Texas A&M University System—is developing a plan to work with the system's institutions and improve test performance, which could serve as an early model for assistance.

College and university administrators faced with unacceptably poor performance on the state's teacher certification exam should advise their academic deans to devise pre-tests that identify student weaknesses and prepare them for passing the certification exam on their first try.

Offering test preview classes in a university is not without precedent. Accounting faculty in Texas universities regularly develop and offer review classes for students who take the national certified public accountants examination. Sam Houston State University is developing a program that uses the university's student education profiles to identify weaknesses in students' preparation, which can be applied when students are being advised.

Similar approaches would be to buy practice ExCET exams, administer a pre-test, provide workshops to improve identified weaknesses, and test again to assess improvements. The SBEC has developed practice tests for elementary comprehensive, elementary and secondary professional development, and secondary history and math, with additional tests planned. Universities that want to use the practice tests pay for them on a sliding scale, based on their ability to pay and the number of teacher candidates taking the practice tests. Students preparing for the ExCET exams in this manner improved their test scores significantly.

- **Improve funding for adult education programs and basic workplace literacy training.**

State funding for basic education can support training for just over 200,000 adults statewide. The Border alone has 800,000 adults in need of literacy training—a third of the Border's workforce and a fourth of total statewide need. Competency in basic reading and math is essential before a worker can benefit from, or in many cases enter, vocational training to improve job skills.

- **Congress should amend the North American Free Trade Agreement-Trade Adjustment Assistance (NAFTA-TAA) act relaxing inflexible requirements linking benefits and training. Lacking this, Texas leaders should secure waivers that will transform NAFTA-TAA into an effective program for the Border.**

The U.S. Department of Labor has failed to recognize the unique situation in the Border and to adapt its programs accordingly. The NAFTA-TAA program does not meet the most critical needs of displaced workers in the Border because it does not allow them the time to assess their skills needs and find the most appropriate training to move them back into the workforce. Over 75 percent of the displaced workers need long term training to bring their literacy skills to a level that then allows them to move into more specific skills training.

- **State law should be amended so that school districts with low-performing schools employ aggressive measures to increase academic achievement.**

Experience and research have shown that methods such as open enrollment—as has been the practice in the Ysleta Independent School District—reorganization of school leadership and staff, and monetary incentives for campus improvement are successful approaches for turning around low-performing schools. Students in low-performing schools along the border deserve an aggressive

approach to ensuring that they are educated in a quality learning environment.

- **Both the written and oral usage and comprehension portions of the Examination for the Certification of Educators in Texas (ExCET) for bilingual educators who will be teaching Spanish-speaking students should include sections administered in Spanish to better assess knowledge of Spanish grammar and Spanish reading ability.**

Nearly all of the current ExCET exam for bilingual teachers of Spanish involves demonstrating proficiency in instructional methods. Oral comprehension is measured by a separate test, the Texas Oral Proficiency Test. None of the ExCET test currently focuses on proper Spanish grammar, reading or writing.

- **A study should be conducted to identify best practices in bilingual education, and the findings should be disseminated to all Border school districts.**

The federally funded Southwest Educational Development Laboratory, which has explored opportunities for joint U.S.-Mexico endeavors in public education, has expressed a willingness to survey best practices along the border.

Maintaining Growth

Although the highest priority in the Border is to upgrade both worker skills and the number of skilled jobs available, solving the region’s long run unemployment problems also involves fostering the growth in industries which have historical roots and strength in the region to absorb the growing labor force. Instead of “writing off” some of these jobs as casualties of international competition, the region needs to seek niche markets to preserve, and even expand, job opportunities.

- **The U.S. Department of Agriculture should work with agricultural pro-**

cessing firms to develop a plan for increased agricultural product inspections along the border. The goal of this program is to ensure the safety of agricultural products from Mexico. The U.S. president could designate areas in the region as part of a special zone for processing Mexican foodstuffs to ensure a safe and continuing flow of Mexican products into the U.S. market.

One of the results of the increasing internationalization of the Texas-Mexico marketplace is a shift of some agricultural production southward. But, preserving this trade into the future is important. Food safety is an increasing concern to U.S. consumers and more agricultural inspections of imported foodstuffs would not only serve to reassure these consumers of safety, but it could add another assurance of quality. If such inspections occurred in the Border region, this would also prove an ideal point to further process some of the imported foodstuffs.

- **The Texas Department of Economic Development should convene a summit with apparel industry leaders in Texas to identify niche production markets that can be developed in the Texas Border region.**

Although it may not be possible to preserve all the jobs in the apparel industry along the border, some parts of apparel production may be best suited to higher valued-added processes, or have unique connections to the consumer market, making their retention in the region more feasible. Before current producers leave the region entirely, these niche markets deserve to be explored.

- **The Texas Department of Economic Development should fund a feasibility study of Major League Baseball spring training in the Rio Grande Valley. This study should consider both short-term econom-**

ics and longer term development effects that baseball training camps would have on tourism.

- **The permanent home for artifacts from Gulf Coast and Border historical sites should remain in the Border region to support the development of tourism.**

Tourism is an important job-generator in the Border region whose growth should be fostered. New possibilities which would add to the region's increasing set of attractions should be carefully investigated.

Relieving Congestion

In several areas of life along the border, physical facilities are strained to the limit and beyond. As demonstrated by the long lines of trucks sitting at border crossing points, this is true of many parts of the region's transportation system. There is a similar lack of capacity in the affordable housing market as well. To address these needs:

- **The U.S. government should require U.S. Customs facilities at major international border crossings to be open around the clock to ease congestion.**

Possibly requiring a treaty or other agreement with the Mexican government, such a step would alleviate multiple rush hours at border crossings, which contribute to costly delays and detours.

Staffing patterns for federal customs officials could also be improved. Hours, manpower, and the distribution of staff are all factors. From Laredo to El Paso, trucks are already backed up on the U.S. side. Key factors appear to be the limited hours of U.S. Customs offices and a shortfall of needed staff.

One way of improving the staffing problem at the border is to "deputize" Texas paid agents such as DPS troopers who can also perform inspections. A 24-hour customs operation would alleviate the

traffic gridlock between 3 and 9 p.m. A federal agreement between the U.S. officials and Mexican officials would need to be reached. According to Laredo customs brokers, it is the Mexican side that is unwilling to open the customs operations 24 hours. Both sides need to find a middle course that will benefit trade as a whole.

- **The U.S. government should implement and promote technology improvements at U.S.-Mexico border crossings to ease U.S. Customs inspections and reduce traffic congestion.**

Automated Export System Post-departure Authorized Special Status equipment is available. U.S. Customs officials could promote this new technology to importers/exporters and trucking companies. Benefits include one-stop export filing, the savings inherent in a paperless system, and the improved accuracy of trade statistics.

- **State law should be amended to provide for one-stop border inspection stations on the Texas-Mexico border, improving state and federal tax collections and traffic flow, while enhancing safety inspections.**

As in California, one-stop multi-agency border inspection facilities on major arteries of commercial trucking would benefit federal, state, and municipal agencies with the statutory responsibility to regulate commercial vehicle traffic at the border.

In California, the inspection stations at Otay Mesa and Calexico allow commercial vehicle motor carriers from Mexico to purchase insurance and file appropriate paperwork, register vehicles, and buy fuel permits. Vehicles are inspected for compliance with federal and state regulations, and taxes and tariffs are collected on freight. California, according to the U.S. General Accounting Office, has the nation's most rigorous border state truck inspection program.

Planning of the inspection facilities should meet state and local government needs. Where possible, land should be purchased for a facility that accommodates all relevant agencies, especially since more than 65 percent of all Mexican truck traffic entering the U.S. crosses through Texas. California, with two state-of-the-art inspection stations, handles only 24 percent of Mexican truck traffic.

The availability of ample land at a reasonable cost near the border crossing may be a Texas challenge. California had enough space to build the facilities with a race track-type structure in part because the border cities were rural without significant growth-related crowding.

A Texas alternative might be to build one-stop facilities that would accommodate all agencies responsible for regulating commercial vehicle traffic away from the border. Some 90 percent of trucks enter the U.S. at seven of the 23 crossing points for commercial trucks. Four of them are in Texas (El Paso, Laredo, McAllen, and Brownsville). Facilities could be limited to the major commercial vehicle crossings.

- **State law should be amended to require the Texas Department of Transportation (TxDOT) to encourage private investment in transportation infrastructure in the Texas-Mexico Border region.**

While Camino Colombia, a privately funded toll road around Laredo to Interstate 35, demonstrates the possibilities of private sector investment in Border infrastructure, future opportunities merit state encouragement. California, for instance, has entered into a franchise agreement with a private consortium to build and operate a major highway giving access to the Otay Mesa port of entry at the California-Baja California border.

TxDOT should spur private investment in transportation infrastructure along the border by identifying the best possible projects for public-private partnerships. Projects with a high probability of provid-

ing enough return of revenue to pay for themselves should be targeted. TxDOT should, within the planning process, place a priority on Border projects with some private funding. These private entities could staff facilities in accordance with state and federal specifications for training and knowledge in license and weight inspection and safety.

- **State law should be amended to direct the Texas Department of Housing and Community Affairs (TDHCA) and the Texas State Affordable Housing Corporation (TSAHC) to implement a program promoting for-profit construction of homes that are affordable to Border workers.**

TDHCA and the Affordable Housing Corporation should be instructed to develop and operate a builder incentive partnership with Texas builders. The partnership would make it profitable for builders to construct homes in the \$30,000 to \$50,000 range that Border workers need, by minimizing the builder's risk and incorporating reasonable profits.

The builder incentive partnership would feature a guaranteed purchase ("assured take-out") agreement with a "cost-plus" profit structure. TDHCA or TSAHC should guarantee a percentage of the purchase price for a certain number of homes at specific prices in the \$30,000 to \$50,000 range. The cost-plus structure would provide the profit incentive builders need to work in the lowest end of the market, while the guaranteed purchase arrangement would minimize the builder's risk.

The homes purchased through the builder incentive partnership should conform to a set of quality and design criteria developed by TDHCA. The houses should be laid out to accommodate room and amenity additions easily if families want to add on in future years. In short, the houses should be classic "starter" homes, built to appreciate in value but flexible enough to be the only home a family ever needs to own.

Builders would continue to market their product to buyers as they do currently. Qualifying buyers would meet typical “first-time home buyer” criteria, with income eligibility tightened and locally structured to ensure that the homes go to low-wage workers.

TSAHC could assume title to any homes that did not yet have qualified buyers within 30 days of completion, and sell them to individuals, non-profits, or local housing agencies. Alternatively, the state could simply put up the guarantee fund and have cooperative agreements with local agencies and non-profits to buy the unsold units. In any case, the builder’s warranty should convey to the first owner-occupant.

TDHCA should continue to make down-payment assistance available to individuals purchasing homes through the builder incentive partnership. TDHCA and TSAHC should work together to identify sources of funds that would be appropriate for the partnership. The agencies should consider issuing taxable bonds and using market-rate financing. Because the new homes would be truly affordable, buyers would not need low-interest loans.

Most buyers in the program should try to go through traditional lenders. TSAHC, in its role as lender of last resort, should develop an alternative financing program for buyers who, while they have stable income, can’t obtain conventional loans because of lack of credit history or other problems that many low-wage workers face.

- **State law should be amended to direct the Texas Department of Housing and Community Affairs (TDHCA) to establish an owner-builder interim construction loan program in partnership with construction supply companies.**

The state should work with one or more construction supply companies to administer an interim construction loan for owner-builders. TDHCA should guar-

antee a percentage of the value of loans made through the program.

Along with administering the loan, the supplier would agree to provide technical assistance to the owner-builder and to facilitate the inspection process or to perform inspections for projects outside city limits. TDHCA should develop the program in consultation with local building inspectors so that the program can include an incremental inspection process. The interim construction loan should be available to those individuals and families who need to expand or rehabilitate homes, as well as those who are starting from scratch.

TDHCA should work with non-profit groups that have already begun testing rehabilitation loans and “self-help” owner-construction approaches. Local groups and housing agencies could also put up loan guarantee pools using their own funds if they chose.

As part of the owner-builder loan program, TDHCA should refinance or facilitate refinancing of lots purchased through contract for deed where the buyer wants to apply for an owner-builder loan.

Guaranteeing owner-builder loans would improve the quality of owner-built homes, decrease the cost of financing, and ensure that the end result is a valuable piece of real estate in which the builder has money equity, not just “sweat equity.”

- **State law should be amended to direct the Texas Department of Housing and Community Affairs (TDHCA) to find ways of improving the profitability of serving low-income home buyers in the state’s bond programs.**

Serving low-income buyers would be more profitable for lenders and real estate agents if the profit margin on low-value sales was higher than usual, or if the amount of time necessary to serve a low-income family was reduced. The former goal could be accomplished by targeting payments to those involved in the real

estate transaction while some of the administrative burden of serving low-income households could be addressed by non-profit organizations and home-buyer assistance programs. TDHCA should evaluate both approaches and report to the Bond Review Board and the Legislature on the effectiveness of incentives in improving service for low-income clients.

- **State law should be amended directing the Texas General Land Office and the Texas Department of Housing and Community Affairs to identify state-owned property, including lots and structures, that could be used effectively for affordable housing.**

The two agencies should estimate the total value of state property that could be used effectively for affordable housing, the total value of housing that could be built on the identified state property, alternative uses of the property, and property tax implications of using state property for affordable housing.

National Problems on Texas Soil

Federal and state agencies must accept some responsibility for the problems facing the Texas Border region. Certainly the trade adjustment issues of NAFTA, such as the loss of jobs in import-competing industries and any subsequent retraining needs, stem from national policies designed to aid U.S. and Mexican consumers and producers. Unfortunately, the bulk of the adjustment problems in the apparel industry, in food processing, and in the congestion from increased traffic are played out not on a national stage, but in the Border region. Moreover, federal immigration policies have resulted in a large supply of people ill-prepared to participate in the economy.

Washington can and should address many Border problems it has long ignored, or even helped create, through federal trade and immigration policies. Among practical steps:

- **The federal government should establish a Border Regional Commission for the four U.S. states bordering Mexico. This Commission would have a national voice in Washington, D.C., for the Border region, while each state would remain responsible for developing its own plan for lifting per-capita income in the region and for directing federal funds to important projects.**

In establishing the Appalachian Regional Commission in 1965, the federal government recognized the need for intervention in one poverty-plagued part of the nation. In some ways, this type of intervention and other examples of federal recognition of regional economic problems resemble a domestic "Marshall Plan." Indeed, goals later established to help the Appalachian region improve its living standard could be adopted wholesale by the Border counties not only of Texas, but also the three other U.S. states bordering Mexico. But instead of providing this recognition and support, the federal government, except for designating 0.3 percent of the region as a federal empowerment zone, has been silent about the poverty of the Border.

This Commission should be established with the goal of helping the Border region raise itself out of poverty. Like the Appalachian Regional Commission, each state should be responsible for developing its own plan and Commission actions should only be the result of unanimous consent by the governors of the four states.

- **The U.S. government should fund high-tech X-ray capabilities at all major seaports of entry to minimize drug smuggling.**

As suggested by the U.S.-Mexico Chamber of Commerce, additional X-ray inspections complement other anti-smuggling activities. In particular, such an effort could assist the Business Anti-Smuggling and Interdiction Coalition, a

voluntary group of businesses that work on reducing international drug smuggling.

- **The state should encourage U.S. Department of Justice officials to find adequate, stable funding sources to reimburse Texas Border counties for costs incurred to house and prosecute federal drug suspects.**

In October 1997, after Webb County's district attorney estimated the local cost of jailing and prosecuting federal drug suspects, federal officials began reimbursing Border counties for the costs of jailing the federal offenders. The federal government also hired additional prosecutors to address drug cases. But there was no guarantee the reimbursements or additional prosecutorial assistance would continue.

Furthermore, increased enforcement in the Border region as a result of additional customs and Border Patrol officers is certain to increase apprehensions of drug smugglers and undocumented workers. Since the Southern District of Texas does not have a federal detention center, the number of federal detainees in county jails will increase. The number of drug case prosecutions will also rise.

Federal authorities regulate commerce, trade, and narcotics interdiction along the border with local collaboration and cooperation. A stable federal funding source for continuing local and federal prosecutorial collaboration would ensure that cooperation not only continues, but expands.

- **State law should be amended to change drug sentencing laws so they make trafficking drugs in large quantities a crime for which the death penalty is a possible sentence.**

Drug smugglers continue to see the border as a wide-open door through which to ship drugs into the U.S. On May 13, 1998, the U.S. Customs Service in Laredo discovered more than two tons of cocaine con-

cealed in a tanker attempting to enter at the Columbia Bridge. The cocaine has an estimated street value of nearly \$200 million.

The 1994 crime bill made trafficking in large quantities of drugs a federal crime punishable by death. Texas should add the death penalty as a sentencing alternative to use against major drug traffickers.

- **State law should be amended to increase manpower and funding to the Texas Department of Public Safety (DPS) Narcotics Service and allow the service to replace vehicles sooner.**

DPS reports that drug traffickers have become more brazen and are storing their smuggled goods in residential neighborhoods. Keeping up with the drug traffickers' activities requires around-the-clock vigilance and investigation. Enforcement of narcotics laws is dangerous work—armed encounters are frequent—and requires that officers have safe and dependable equipment. Some of the automobiles used by the officers have excessive mileage on them and are often in the shop.

The Texas asset forfeiture law allows DPS to use confiscated automobiles in their drug operations. However, DPS maintains that confiscated autos are not always a dependable source of vehicles. Furthermore, DPS autos are driven until they have 70,000 to 90,000 miles on them, and pick-ups are driven until they have 100,000 miles.

Narcotics officers often work drug operations with federal drug enforcement officers. In some instances, DPS officers take the lead. Yet, the pay of DPS officers is less than the federal officers with whom they work.

Improve Cooperation

While many instances of cooperation between the U.S. and Mexico, or among states and local governments were noted in this report, more needs to be done. There is no ongoing connection between either the executive branch or the legisla-

tive branch of Texas government with our neighboring states in Mexico. Focus group participants decried the lack of coordinated economic planning among the cities and counties in the Texas border region. Even at the local level, agreements to form cooperative workforce boards have not been forthcoming in some cases.

To remedy these problems:

- **State law should be amended to create an Office of Texas-Mexico Relations in the Texas Governor's Office.**

An Office of Texas-Mexico Relations (OT-MR), in the Governor's Office would establish more formal and sustained lines of communication between the governments of Texas, Mexico, and the states of Chihuahua, Coahuila, Nuevo Leon, and Tamaulipas. The OT-MR should develop economic and cultural relations between Texas and Mexico by working with public and private sector organizations to initiate, coordinate, and implement projects that improve the quality of life on the border.

An important function of the OT-MR should be to develop innovative ways for funding development in the Border region, such as attracting U.S. aid programs for Mexico and working for the creation of a Border Regional Commission, patterned after the Appalachian Regional Commission. In addition, the OT-MR should be the central source of all information pertaining to Texas-Mexico initiatives.

- **The Texas Legislature should initiate sessions with the legislatures of Chihuahua, Coahuila, Nuevo Leon, and Tamaulipas to establish communications between these legislative bodies and begin discussions on issues pertinent to the region.**

Texas and the Mexican states of Chihuahua, Coahuila, Nuevo Leon, and

Tamaulipas face common challenges to infrastructure, environment, and health along the border. While collaboration on common issues between the U.S. and Mexican governments has been part of the area's governing tradition, collaboration between the states' legislative bodies is less frequent.

One goal of these sessions would be to establish a multilevel governmental framework through which the states of Texas, Chihuahua, Coahuila, Nuevo Leon, and Tamaulipas could initiate, coordinate, and complete projects to develop the Border region and improve the quality of life for residents in both countries.

- **Form operational local workforce development boards and promote cooperation among boards representing different parts of the Border Region.**

The Texas Workforce Commission's (TWC) difficulties in implementing the massive reforms that created the agency and the local boards, and the reluctance of local officials to shift their focus to regional concerns are two fundamental factors that keep some boards from forming and from becoming quickly operational. The key reason to form a local board is to get input from business. Unless there are strategic local conversations with businesses who can provide the jobs to workers, then job training programs will have difficulty succeeding—a prime purpose behind reforms enacted in 1995. While formation of a local workforce development board is not required, if a region fails to do so, it forfeits local control of the programs administered by TWC.

Because the Border counties are divided into nine workforce regions, efforts to develop a coordinated strategy for combating unemployment and improving economic development may be stymied. Leaders of each of the boards should form a special group to draw up solutions for the entire region. By coming together to address the unique needs of Border

workers, local workforce board leaders can create an even more powerful force in Austin. The Texas Workforce Commission should designate staff to support and assist this Border working group and provide it with the research and technical assistance the group needs to succeed in its mission.

- **State law should be amended to require the Texas Department of Transportation (TxDOT) to negotiate streamlined safety and operating standards between Texas and Mexico, reducing barriers to efficient free trade without hindering safety.**

U.S. Department of Transportation (USDOT) goals foster a “compliance mind set” among the NAFTA countries to achieve continuous improvement in adhering to U.S. truck safety standards. TxDOT should develop an assessment program to determine the extent to which Mexican operators understand their obligations and U.S. truck safety expectations.

Working with the Department of Public Safety (DPS), TxDOT officials should conduct a continuing education campaign on U.S. safety standards by giving training seminars and leaflets to Mexican trucking companies and drivers. A 1993-95 pilot project for greater inspection presence at the border by USDOT provided nearly \$300,000 to train 285 Mexican truck inspectors in a two-week certification course. By 1996, about 50 of the trained inspectors were still employed by the Mexican truck inspection agency.

Despite the significant turnover, USDOT is prepared to provide additional funding of about \$96,000 left from the pilot project toward truck inspector training in Mexico. To overcome flaws in the pilot project, future training could focus on Mexico’s federal highway patrol officers, described by USDOT as working for the most stable agency in Mexico.

If more federal funds are provided for training and DPS officers aid in continued training classes for Mexican Federal Highway officers, the streamlining effect

of compliance with U.S. safety regulations will increase because the compliance mind set will start in Mexico and continue into Texas.

This training should continue to be provided by DPS officers until Mexican highway patrol officers can conduct the inspection program in Mexico. USDOT should also be involved in funding because the program benefits both the U.S. and Mexico. A resulting willingness to enforce safety regulations on the Mexican side of the border could decrease infrastructure damage and increase safety on both sides of the border.

- **Remove barriers to binational exchanges of information on disease and epidemiological reporting through the exchange of laboratory/diagnostic and computer equipment.**

The U.S.-Mexico Border Health Association and the Border Governors’ Conference should ask the federal governments of the U.S. and Mexico to commission a comprehensive analysis of federal laws inhibiting the cross-border exchange of equipment and personnel for technical assistance and capacity building. A Texas legislative committee should conduct an interim study of state laws inhibiting cross-border cooperation following the 1999 session.

- **State law should be amended to require the Texas Water Development Board (TWDB) to hold quarterly summits to report the status of each Economically Distressed Areas Program (EDAP) project pending before the board and the reason for any delays.**

The summits should bring together local officials, taxpayers, and *colonia* residents.

For various reasons, some water projects slated for underserved *colonias* have been pending before the TWDB since 1992 or longer. But *colonia* resi-

dents—the Texans most affected by such delays—have had no regular opportunities to monitor applications or hear explanations for slow progress. The TWDB should conduct the quarterly meetings in an informal setting to inform participants about the status of their particular *colonia* EDAP application and the reasons for delays. Local residents informed about government delays will be better able to influence decision-makers to move forward with the application process.

- **To help raise the standard of living for Border residents, the 1999 Legislature should develop a collaborative economic development strategy for the Border region, with special emphasis on solving regional planning, resource allocation, and accountability problems. The Texas Department of Economic Development (TDED) should form task forces comprising government, business, and community leaders from the Border region to collaborate in developing local plans to create an environment and infrastructure to sustain higher standards of living.**

A clear and often repeated need expressed by community leaders in interviews with the Comptroller's staff is to develop a shared vision for the Border region into the next century.

TDED and the task forces should hold summit meetings to identify problem areas and changes necessary in workforce preparation, in public and higher education, and in planning, coordinating, and implementing infrastructure projects to better foster economic development in the region.

These task forces should include representatives of business, government, and the greater Border community, including representatives from Mexico, members of the Texas Regional Councils of Governments, and the affected Texas Workforce Commission regions. The task forces

should help develop regional development plans on behalf of the Office of Texas-Mexico Relations and Border regional communities, identifying constraints of and catalysts to development, as well as needed changes in government, business, and community economic development policies.

The issues the summits should identify include:

- How Texas' higher education institutions could ensure that training facilities are available in the Border region for needed medical professionals;
- How the region could capitalize on the bilingual skills of its residents;
- How the region could develop trade-facilitating jobs in the transportation and distribution industries to take advantage of binational trade increases;
- How the region could promote the further development of maquila operations in northern Mexico, while identifying higher-skilled, more capital-intensive companies that provide services to the maquila industry from plants on the Texas side of the border.

Equitable Allocations

That the border is at an economic disadvantage with respect to most parts of Texas and the nation is well-documented in this report. State funding formulas, in some cases, have considered the inequitable distribution of resources not only along the Border but wherever they exist in the state. But more widespread adoption of this principle would help this region catch up with the rest of Texas:

- **The 1999 Legislature should make more widespread use of measures of need and the inability to raise local revenues in designing state funding formulas, particularly those requiring local governments match state and federal dollars.**

In not requiring economically disadvantaged counties to provide a local share of

highway funding to receive state and federal highway funding, the 1997 Legislature made the important statement that the distribution of needs doesn't necessarily match the distribution of tax resources. The Legislature should extend this principle to other instances in which local matching funds are required to receive state or federal assistance.

Important in these funding considerations are the joint effects of the Border region having both high service needs and diminished local revenue capacity. For example, anecdotal evidence indicates that Border students in community colleges may require more developmental courses than students coming from other parts of the state. But, if this increased burden were shifted to the local community college, this would mean imposing above-average costs on a system that has below average capacity to raise funds from their local property tax base.

- **The Texas Department of Housing and Community Affairs (TDHCA) should allocate Texas' low income housing tax credits to each Texas region based on the region's population.**

TDHCA divides the state into 10 planning regions called Comprehensive Housing Affordability Strategy (CHAS) regions. Each of these regions should create a Tax Credit Review Board responsible for administering the Low Income Housing Tax Credits (LIHTC) application process and making tax credit awards. Each region's recommendations would be sent to TDHCA board members for final approval.

The Tax Credit Review Board would be made up of city and county housing authority representatives. Developers would apply to the regional board. Each board would establish criteria for choosing tax credit projects. This would allow each Texas region to plan strategically in addressing housing needs.

If a regional Tax Credit Review Board failed to award all its federal tax credits within six months of the last program

cycle, the region would return those tax credits to the TDHCA and they would be redistributed to regions that can use them.

TDHCA should continue to monitor the property granted a tax credit for compliance with Internal Revenue Service rules.

- **Smart Jobs grants should be better targeted to companies in regions of the state with the highest unemployment rates and the lowest per-capita income.**

The Texas Department of Economic Development should create a formula for ranking Smart Jobs grant applications that includes a special weight for the per-capita income of the region in relation to the statewide average. Applications that would create jobs in regions with lower per-capita incomes should be given priority.

Quality of Life

Finally, several actions can be taken which will increase the overall quality of life for Border residents by improving the environment and providing needed—and unique— medical services

- **The Environmental Protection Agency (EPA) should provide funding and technical assistance, through its Border XXI initiative, to expand "sister city" agreements to include other areas of environmental concern as deemed appropriate by local residents.**

"Sister city" agreements regarding cooperative response to hazardous waste emergencies are already in place or being negotiated in cities along the U.S.-Mexico border. These agreements provide an excellent model for cross-border cooperation and "bottom-up" decision-making in setting environmental priorities. EPA currently provides funding and advice to support local decision-making during the negotiations for such agreements, but should expand its scope to include air and water quality and hazardous and solid waste disposal issues.

- **State law should be amended to authorize the Texas Natural Resource Conservation Commission (TNRCC) to develop a policy for the use of international Supplemental Environmental Projects (SEPs).**

The Environmental Protection Agency (EPA) and TNRCC have each wielded SEPs as enforcement tools, allowing pollution violators to pay reduced fines by investing in environmental projects that benefit the affected community. Last year, EPA allowed an El Paso company to invest in pollution controls in Mexico. State law is silent on whether the TNRCC can develop such arrangements across the border. To date, TNRCC has not determined whether it has such authority.

With a change in state law, TNRCC would have clear authority to develop international solutions by implementing SEPs on both sides of the border. A law authorizing such arrangements would erase any confusion and allow the agency to proceed with innovative approaches.

- **Urge the Texas Higher Education Coordinating Board (THECB) to focus research and technology funds on Border environmental issues.**

THECB should designate Border environmental needs, including water quality and water availability, as high-priority projects to be funded from the Advanced Research and Advanced Technology programs.

Population growth, the increasing scarcity of water, and problems with water quality, including increased salinity and fecal coliform in the Rio Grande, require new, affordable solutions. Texas public colleges and universities could apply existing resources to help find answers through innovation and technology, with funding directed by the coordinating board. Since 1987, the board's Advanced Research and Advanced Technology programs have provided \$60 million every two years to fund research

projects in 24 priority areas. The THECB should designate Border environment proposals, including research on water quality and water availability, as a top priority for funding.

- **State law should be amended to offer an optional, uniform promotora training and licensing program.**

The training program, to be used within health science centers, community colleges, and adult/continuing education programs, should include a curriculum building on the Border Vision project through the Health Education Training Centers Alliance of Texas (HETCAT). The curriculum should be developed in conjunction with the Texas Higher Education Coordinating Board and Texas Department of Health (TDH). HETCAT estimates \$500,000 would be needed to develop a curriculum and initiate a licensing or certification body for the first two years.

Furthermore, a licensing or certification body should be created, possibly housed within TDH, to oversee state *promotora* efforts. Licensing or certification fees could be charged on a sliding scale, depending on whether the *promotora* is paid or unpaid, or could be paid by the agency employing the *promotoras*.

- **State law should be amended to make promotora services an integral part of publicly funded health insurance programs along the border.**

By working with patients on follow-up care, providing house calls, and ensuring compliance, *promotoras* reduce acute care visits and increase prevention—both proven to be cost-cutting measures—in hard-to-reach communities in the Border region. Under a legislative directive, this concept could be required as a value-added service for health management organizations participating in health care delivery for Medicaid, Healthy Kids, or the federal Children's Health Insurance Program.

