



## **Economic Development Council hosts panel discussion on the 84<sup>th</sup> Legislative Session, focuses on economic development incentives**

The Partnership held its quarterly Economic Development Council on July 6 in the Partnership board room. Council Host Dawn Landry, Vice President of Business Acquisition, Balfour Beatty Construction, moderated a lively panel discussion including:

- Lilyanne McClean, Executive Vice President, Public Policy and Communications, Greater Houston Partnership
- Bob Pertierra, Senior Vice President, Chief Economic Development Officer, Greater Houston Partnership
- Jenny Philip, Senior Manager, Economic Research, Greater Houston Partnership

The discussion featured an update on Houston's economy and a recap of the Partnership's top priorities during the 84th Legislative Session: pre-K education funding, transportation funding, and economic development incentives.

Jenny Philip gave an update on the economy. So far this year, the energy industry has experienced difficulties servicing debt, significant layoffs in the oil patch, and wells being drilled but not completed. Potential game changers for the energy industry in the near future include the U.S. taking on the role as swing producer, continued mergers and consolidations, the lifting of Iran sanctions and global climate change protocol. Given Houston's strong ties to energy, total employment has fallen 7,300 jobs below its previous peak. However, the Partnership expects to see net positive job growth through the end of the year given historical job creation trends.

Lilyanne McClean provided an overview of the Partnership's activity during the Legislative Session. Legislation addressing all three of the Partnership's top priorities for Houston passed the legislature and were signed by Governor Greg Abbott. On May 29, Governor Greg Abbott signed into law HB 4, the pre-K investment bill that preserves the current \$1.7 billion half-day program, increases funding by \$118 million, establishes a foundation for new quality standards and requires school districts to increase their data collection reporting to the Texas Education Agency.

The Partnership also worked with legislators and the Governor's office to secure permanent funding for transportation this session. Ultimately, the House and Senate passed a widely publicized transportation funding deal which will ensure almost \$4 billion additional per year for transportation starting in 2017. The package requires another voter referendum this November and the Partnership will again mount a grassroots effort to ensure passage of the referendum.

Bob Pertierra addressed the Partnership legislative priority of particular interest to the audience: economic development incentives. The Partnership worked through the session to preserve the Texas Enterprise Fund (TEF) and to identify a new program to aid medical/scientific research in Texas. The bills also expand the benefits of Chapter 313, establishing a new university research fund and preserves special event incentives.

The final package of economic development bills reflects the Partnership's priorities and will be an asset for both Houston and the state of Texas as they recruit new businesses and talent.