

TEXAS A Publication of the Texas Association of Business Volume 30 | Issue 1 | January 2015 | www.TXBIZ.org BUSINESS REPORT



Transportation, Education, Health Care Top Legislative Priorities

The Legislative Session is underway, and the Texas Association of Business is hard at work to pass the priorities that will make our economy stronger and improve on our already excellent business climate.

"One of our highest priorities is ensuring that transportation projects are fully funded in the new state budget," said TAB CEO Bill Hammond. "I think we have an opportunity here to get that done

given the strong revenue estimate from

the Comptroller."

Transportation System Needs and Funding Options

Our transportation system can no longer sustain being underfunded. A constant, sufficient revenue source must be implemented to meet the needs of our growing state.

For Texas to continue to be an economic hub, and for our citizens to prosper, we must support and fund improved highways, ports of entry and other infrastructure that facilitate trade, increase the effective flow of goods and services, promote tourism and increase public safety.



In addition, local options for funding transportation must continue to be available to local governments and local transportation users. These options include Comprehensive Development Agreements, tax increment financing and toll roads where they are appropriate, have local support and do not reduce transportation options.

TAB's policy for transportation funding has been characterized as an "all of the above" strategy, meaning that no reasonable and effective source of funds to meet our critical transportation system needs should

WORKFORCE O&A

Can we discipline an employee who is using Twitter or Facebook to incite other employees to disobey company policy?

(see page 2)

REGISTER TODAY

2015 TAB Annual Conference Feb. 17 – 18 Hyatt Regency Austin

If you are in business in Texas and want the latest insights on the people, trends and policies that will impact you in 2015 and beyond, this is the one event you must attend.

Visit www.txbiz.org to register.

TAB MISSION

To make the Texas business climate the best in the world.

continued on page 5

WORKFORCE Q&A



Can we discipline an employee who is using Twitter or Facebook to incite other employees to disobey company policy?

Common sense may say "yes," but the answer is "it depends."

As a practical matter and by way of background, the National Labor Relations Act ("NLRA") applies to most private sector employers with a workplace in the United States. Covered employers include businesses with non-unionized workforces in "Right to Work" states like Texas. This means that most private sector employees have the statutory right to act

together to improve the terms and conditions of their employment. This right protects, among other things, employees' ability to use social media to "improve their lot as employees." In other words, the NLRA allows covered employees to voice workplace concerns publicly on Twitter, Facebook and other social media channels without fear of workplace reprisal.

Notwithstanding this statutory right, an employer may discipline an employee for his or her social media activity in certain circumstances. For example, an employer may discipline an employee if he or she repeatedly makes detailed social media posts that incite other employees to disobey company policy. According to the National Labor Relations Board (the federal agency charged with enforcing the NLRA), unprotected posts must call for serious and specific action and must advocate insubordination according to a "reasonable" or "objective" standard. The Board has found, for instance, that the NLRA does not protect employees who encourage work slowdowns or advocate the disavowal of job duties and company policy. Nevertheless, the Board also has found that the NLRA protects employees' brief comments, jokes, exaggerations divorced from any action, use of profanity, and even disparaging characterizations of managerial personnel, if such conduct is job related.

The takeaway: carefully consider disciplining an employee because of his or her tweets or Facebook posts. Likewise, thoughtfully draft any workplace policies relating to social media. According to the Board, company policies generally should not prohibit employees from making negative comments about the workplace.

This article does not substitute for legal advice. If you would like further information about this topic, please contact a Littler attorney at 1.888.Littler or Aundrea Gamble Holt at aholt@littler.com.

Employment Relations questions?

Don't forget to call TAB's Employment Relations Hotline for your next HR Question
1.800.856.6721, ext. 164 or E-mail smcgee@txbiz.org

TEXAS BUSINESS REPORT

Volume 30 | Issue 1 January 2015

TAB STATEWIDE OFFICERS

Chair, Terri Ricketts
Progressive Waste Solutions (IESI)
Chair-Elect, Sara Tays
TenPoints Consulting
Treasurer, Gary Gibson
Star Furniture Company
Secretary, A.J. Rodriguez
Zachry Group
CEO, Bill Hammond
President, Chris Wallace
Texas Association of Business

TAB TEAM CONTACTS

Sandra McGee, Senior Vice President Employment Services & Finance smcgee@txbiz.org Aaron Cox, Vice President Chamber Relations acox@txbiz.org

Brad Napp, Senior, Vice President Corporate Development bnapp@txbiz.org

Cathy DeWitt, Vice President
Workers' Compensation, Tort Reform and

Employment Relations cdewitt@txbiz.org Stephen Minick, Vice President

Environmental Quality and Energy sminick@txbiz.org

Nelson Salinas, Governmental Affairs Manager Education

nsalinas@txbiz.org Amanda Martin, Governmental Affairs Manager Insurance & Health Care amartin@txbiz.org

Robert Wood, Communications Director rwood@txbiz.org Jennifer Clarke, Events Director

jclarke@txbiz.org Randall Chase, Marketing/Social Media Director

rchase@xbiz.org Sharon Berger, Member Services Manager sberger@txbiz.org

TAB REGIONAL OFFICES

Central Texas Area
Belinda Matingou
bmatingou@xxbiz.org ~ (404) 219-3686
Emily Waite
ewaite@txbiz.org ~ (409) 363-1481
Coastal Texas Area ~ Daryl Davis
ddavis@xxbiz.org ~ (816) 582-3311
North Texas Area ~ Mark Sadowski
msadowski@txbiz.org ~ (214) 906-3361
Northwest Texas Area ~ Marshall Jeffus
mjeffus@txbiz.org ~ (940) 642-5428
Southeast Texas Area
Miles Resnick
mresnick@txbiz.org ~ (409) 363-1481
Russ Penson
rpenson@txbiz.org ~ (816) 286-9122
Gulf Coast Area

Gulf Coast Area -Chelsie Kramer, Regional Executive Director ckramer@txbiz.org ~ (713) 591-9751

North Texas Area -Emma Niewald, Regional Executive Director

Emma Niewald, Regional Executive Directo eniewald@txbiz.org ~ (817) 917-5322

Texas Business Report (ISSN0892-6816) is published on the 15th of every month by Texas Association of Business, located at: 1209 Nueces Street, Austin, TX 78701. Subscriptions are available at a rate of \$2.00, which is deducted from TAB members' annual dues. Articles may be reprinted with permission. Legislative advertising paid by TAB.

Periodicals Postage Paid at Austin, Texas. POSTMASTER – Send address changes to: Texas Business Report, 1209 Nueces Street, Austin, TX 78701

Chairman's Letter:

It is a tremendous honor to be your new chairman. Together we will take the Texas Association of Business to new levels of excellence in 2015 and continue to build the strongest voice for business in Texas and beyond.

I have to begin by thanking the past chairs who have gotten us to this point. People like John Bass, Gray Mayes, Rudy Oeftering, Brett Graham and our immediate past chairman Dale Young have all done tremendous work in strengthening our organization, which in turn has made the Texas business climate the envy of the nation.

There are new challenges facing us in 2015. This is, of course, a Legislative Session year, and there are some tough issues facing all Texans. Having one of the strongest economies in the world is good for business because it means growth, but with that growth comes huge challenges. Businesses need tax relief, but we also need a better transportation system. We will have to work to meet a happy medium between the taxes and fees we all pay and the need to expand our infrastructure to meet the needs of business.

Businesses also need to know that when they want to expand or upgrade that the government will not put undue burdens on that expansion. We must work with lawmakers to streamline the permitting process in Texas. What takes months in other states can take years in Texas. That is not competitive.

Rest assured that our TAB team is well prepared to meet these and other challenges that face our state, but you also can help. I ask that you keep updated on the issues that affect your business this session and get involved. That could mean sending

an email to your elected officials. It also could mean contacting the TAB Austin team to find out how you can get involved, and it could mean the team contacting you and asking for your support on an issue.

Texas business is a powerful force in this state. Together we are strong, and growing our numbers is paramount. I would encourage you to recommend joining TAB to your friends and fellow business owners. It is an investment in their future and yours.

Our winning combination of talented professional staff, in partnership with leading business volunteers representing everything from the smallest mom and pop to



the largest Fortune 500 Corporation, is working to create an unparalleled force for business and carrying our message of economic strength to legislative leaders and the nation.

I am truly proud to be your team leader this year and I look forward to meeting as many of you as possible at our Annual Conference on Feb. 17 in Austin. Texas is great, but we can make it greater. Business is strong, but we can make it stronger.

QUOTES

We have a moral imperative in Texas to educate all of our children.

TAB CEO Bill
Hammond, Dallas
Morning News from a
DREAM Act rally at the
Capitol.

The voters spoke loud and clear in November by a 4-to-1 margin that they want new funding for transportation projects.

TAB CEO Bill
 Hammond in the
 Dallas Morning News,
 talking about the TAB
 Billboard.

Legislature is going to fund full-day (pre-K) for all who are eligible...For us, it would be tragic for nothing to happen.

TAB CEO Bill
 Hammond in the San Antonio Express-News.

New Money Should Fund Roads, Tax Cuts

The Texas Association of Business is in support of using money from the strong revenue estimate from the State Comptroller to invest in our future and to cut taxes. TAB is calling for a constitutional amendment that would dedicate 100 percent of the motor vehicle sales tax to the construction and maintenance of roads. TAB also supports ending all diversions from the highway trust fund and placing all of that money where it should go, toward funding transportation projects.

"It is vital that we take steps to reduce the traffic congestion that is choking our cities," said TAB CEO Bill Hammond.

In addition, TAB strongly supports a 50 percent cut in the Franchise Tax rate and the elimination of the business personal property tax.

"This plan would make a sound investment in the future of Texas," said Hammond. "We could create thousands of new jobs by mak-

ing these investments in transportation and strengthening our economy by cutting taxes. Currently, business pays a combined 63 percent in state and local taxes. It is time to reduce that share and make the tax burden between businesses and consumers more equitable."

The revenue estimate, released the day before the start of the Legislative Session, showed the state has \$113 billion in state funds to spend over the next two years. It also showed that the state ends the current biennium in August with a \$7.5 billion surplus. When you count federal funds the total amount lawmakers can budget to

spend is just short of \$221 billion.

"I believe the state will have the money to meet basic needs, but also has the money to make these critical investments in our future as far as transportation funding and a critical investment in our economy by cutting the tax burden placed on our business community," said Hammond.

Lt. Gov. Dan Patrick agrees that there is enough money to do all of these things.

In a statement he said the estimate "allows lawmakers adequate revenue to secure our border, provide property and business tax relief while focusing on education and infrastructure."



Tax Cuts

Jobs for Texas

2015 TAB Annual Conference



Save the Date!

February 17-18, 2015

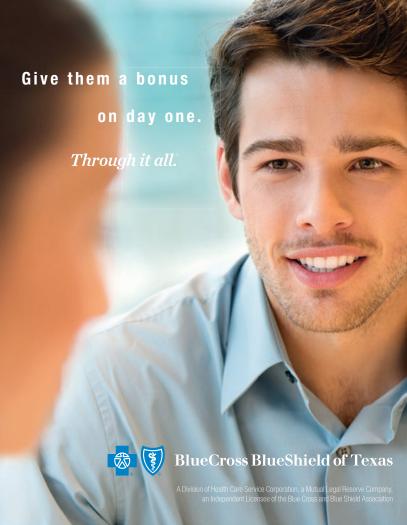
Hyatt Regency Austin • Zilker Ballroom • Austin, Texas

Topics Include:

- The Budget
- Criminal Justice Reform
- Health Care and Technology

Full schedule of events and online registration available at www.txbiz.org/events and/or contact Sharon Berger for questions at 512.637.7710.





Transportation, Education, Health Care Top Legislative Priorities continued from page one

be discarded. TAB and The Texas Legislature were successful in the 83rd session with the legislation that authorized the constitutional amendment election in November 2014 that dedicates a portion of oil and gas severance tax revenues to transportation infrastructure.

There is still work to be done though as the constitutional amendment falls far short of fully funding roads. TAB supports the approval of a new constitutional amendment that would dedicate all of the motor vehicle sales taxes to funding new transportation projects and to maintenance of existing roadways. We also must end all diversions from the state highway fund. One quarter of motor fuel taxes should continue to be dedicated to public education, but it is time to end all diversions of motor fuels

taxes from the highway fund that do not directly support transportation construction and maintenance.

Education: Teach our kids

Education remains a major priority of TAB. "We must take steps to see improvement in both public and higher education," said Hammond. "In higher education, we support at least 10 percent of state funds going to colleges and universities be based on improving completion rates. Community colleges already have agreed to this; it is time our four-year institutions follow."

TAB sponsored a recent report by Arthur Laffer on the issue of school choice. Dr. Laffer and his staff examined extensive research and found phenomenal economic benefits stemming from parental choice in education. For example, Dr. Laffer says that passage of the Taxpayer Savings Grant program, as filed by Sen. Donna Campbell, would have the effect of adding the economies of nine other states: Vermont, Wyoming, Montana, South Dakota, North Dakota, Rhode Island, Maine, Alaska and Idaho to the Texas economy.

In addition, TAB will work for quality Pre-K as outlined by Gov. Greg Abbott. The governor supports an increase in funding for programs that meet a Pre-K "Gold Standard" which includes all Pre-K teachers holding a bachelor's degree or above plus a Child Development Associate credential. Teachers and staff must develop a culture of inclusion to engage families and increase active parental involvement in their child's education.

TAB also will focus on passing an A-F accountability grading system for school campuses. "The phrase 'meets standards' can be left to many interpretations, "said Hammond. "Everyone knows what an 'A' means, and certainly we all know what an 'F' means. It is a way to better inform parents and the public on

> exactly how their schools are performing and which schools are making real improvement."

Health Care availability and affordability

TAB advocates for the highest quality health care at the best cost for both employers who provide insurance and employees and the state taxpayers who fund Medicaid. One of our highest priorities is addressing the primary care shortage in Texas.

"Texas has a serious shortage of health care providers and without taking steps now that

shortage will only get worse," said Hammond.

In order to address this problem, Texas must increase the number of residency positions to not only keep all of our doctors in Texas to complete their residency, but also to have positions available to attract out-of-state doctors. We know that the majority of doctors stay in the state where they complete their residency.

The other key to addressing the shortage is to increase the number of advanced practice registered nurses (APRNs), also known as nurse



The Billboard Says It All

There was a big message waiting for lawmakers on Interstate 35 when they returned to Austin to begin the Legislative Session. The Texas Association of Business posted a billboard for the day message asking that they fully fund transportation projects this session.

The billboard read: WELCOME BACK LAWMAKERS! DON'T YOU LOVE THIS TRAFFIC? PLEASE DO SOMETHING! TX ASSN OF BIZ.

"The voters spoke loud and clear in November by a four to one margin that they want new funding for transportation projects. The people of Texas are serious about it, and our lawmakers must be serious about it too," said TAB CEO Bill Hammond. "We must do something to improve traffic in Texas. The current gridlock in our major cities does nothing but hurt our economy."

TAB recognizes that the passage of Proposition 1 in November is only the start of what is needed to fund new transportation projects.

Given the comptroller's revenue estimate, TAB is calling for an end to

all diversions from the highway fund, with 100 percent of that money going toward transportation projects, and for a constitutional amendment that would dedicate 100 percent of the motor vehicle sales tax to construction and maintenance of our roads.

"We need at least \$4 billion per year in funding just to keep up with current congestion," said Hammond. "Obviously we need to do that, and more, to make an impact on our traffic mess in our major cities, and the growing traffic congestion that we are seeing in our rural areas, too."

The billboard was covered by the *Dallas Morning News* and was talked about on social media. This is the fourth such billboard TAB has taken out since 2012, and all have gotten good results. The initial two billboard messages in 2012, dealing with community college completion rates, played a significant role in bringing together TAB and community college officials that led to legislation to tie a percentage of state funding for those colleges to increasing completion rates.

WELCOME BACK LAWMAKERS! DON'T YOU LOVE THIS TRAFFIC P PLEASE DO SOMETHING! TX ASSN. OF BIZ TAB welcomes Lawmakers back with a transportation message high above Interstate 35 in Austin.

Transportation, Education, Health Care Top Legislative Priorities

continued from page five

practitioners. Primary care APRNs can be prepared to go into practice fairly rapidly and at a relatively low cost to the state. More APRNs will increase the public's access to routine primary care services, freeing physicians to concentrate on those patients requiring more complex diagnostic and treatment services.

Another top priority for TAB is to keep health care affordable. Texas plaintiff attorneys are aggressively filing hundreds of lawsuits against health plans in Texas under the prompt pay statues. It is estimated that there is almost \$1 billion in pending litigation. This high cost of litigation will ultimately be paid by Texas employers and consumers in the form of higher health insurance premiums. TAB will work toward a solution to this issue, because we believe it is unfair for health plans to have to pay within 180 days, yet providers have up to four years to contest the amount. The Legislature should lower the caps on the penalty amounts, as well as add a statute of limitations in order to address this critical affordability issue.

A full list of our legislative priorities can be found on the TAB website at www.txbiz.org.

MEMBER PROFILE

Teladoc

Teladoc is the premier provider of physician-based, 24/7 telemedicine services across the United States. Based in Dallas, Teladoc provides access to affordable, highquality medical care for adults and children experiencing non-emergency, uncomplicated medical issues such as colds, flu and sinus infections via phone with store and forward transmissions, secure online video or mobile

app. Teladoc, founded in 2002, is the first and largest provider of telemedicine consultations in the United States, as well as the first and only telehealth provider to receive certification from the National Committee for Quality Assurance (NCQA) for its physician credentialing process, scoring 100 percent.

In 2014, Teladoc performed over 300,000 consultations nationwide. Ninety percent of patient issues are resolved in just minutes, not hours. Being able to speak to a physician anytime, from anywhere, rather than spending time in waiting

rooms at the doctor's office or paying the additional costs associated with an urgent care or ER visit, are just a few of the obvious benefits that telemedicine provides. The savings opportunity can be measured in time and money. We value the clients we have in Texas as we work together to improve access to quality health care, reduce costs for patients and employers, and contribute to the overall solution of delivering convenient and quality care, particularly at a time when there is a shortage of primary care physicians in Texas.

Through a directly-managed network of U.S. based, board certified physicians, Teladoc delivers a 95 percent patient satisfaction rate with an average response time of 16 minutes. Further, Texas patients talk to boardcertified, state-licensed Texas physicians. Teladoc was recognized as "one of the World's Most Innovative Companies in Health Care" in 2013 by Fast Company. We partner with health plans, employers, hospitals and

patients seeking accessible and affordable high-quality medical care.

Teladoc believes that health care should be about continuity and not fragmentation. We believe Texans should have access to primary care regardless of their geographic location or technological sophistication. We will transform health care by providing patients with access to affordable, high quality care when, where and how they want it, working in partnership with - not

> supplanting – the role of the primary care physician.

VALUE OF TAB: TAB is the gold ribbon example of how advocacy for business should work in the state. Regardless of size, the staff at TAB makes a commitment to understand your business and the potential threats that could occur from over regulation of government into the private sector. They understand that "profit" is not a dirty word. They are member- oriented and work with a passion for what they do - and what they do is

work tirelessly to ensure that the business environment in Texas continues to be one that attracts and retains business in Texas.

"TAB is the gold ribbon example of how advocacy for business should work in the state. ""



A Choice for our Children

By TAB CEO Bill Hammond and Guest Columnist Kent Grusendorf, Senior Fellow & Director, Center for Education Freedom, Texas Public Policy Foundation

The goal for Texas is, and always has been, to be number one. Texans want and deserve a strong economy now and in the future. Texans want and deserve the best educational opportunities for every single child. Strong economies, however, are dependent on great educational results.

There is one way to assure Texas' dominance on the economic front in future years, a way to create hundreds of thousands of new jobs, a way to boost the overall economy by up to 30 percent and increase property values in Texas by 20 percent or more. In addition to those huge economic benefits, Texans at the same time can drive up teacher pay, improve working conditions for teachers and significantly improve the performance of our public schools.

A recent report by Arthur Laffer summarizes these findings. That report can be found at www.txbiz.org. Dr. Laffer and his staff examined extensive research and found phenomenal economic benefits stemming from parental choice in education. For example, Dr. Laffer says that passage of the Taxpayer Savings Grant program, as filed by Sen. Donna Campbell, would have the effect of adding the economies of nine other states: Vermont, Wyoming, Montana, South Dakota, North Dakota, Rhode Island, Maine, Alaska and Idaho to the Texas economy.

The positive economic impact would be the result of several factors. First, at present, Texas students drop out of high school at the alarming rate of 130,000 students each year. Based on research, it is estimated that at least 38,000 additional students would graduate each year if given additional choices of where to go to school. This improvement in the graduation rate alone would result in hundreds of millions in additional spending on automobiles, homes and other consumer items. It would increase the state's Gross Domestic Product by over \$650 million and create thousands of new jobs.

Second, this type of school choice program will significantly improve academic performance. In seven double-blind studies, academic performance of those students given a choice improved in math, reading or science by significant margins. But most importantly, the public schools, when faced with the risk of losing students to private schools, improved significantly.

Third, imagine the thousands of young professionals who would migrate to Texas from other states in order to take

advantage of the enhanced educational opportunities through choice. Additionally, imagine business relocations to Texas due to new educational options for their employees. Imagine the new investments



that would be made in declining urban areas, bringing those areas back to life. Imagine the huge economic benefits derived by the reductions in crime as well as the savings to our state criminal justice system.

Dr. Laffer estimates an increase in the current value of Texas GDP of \$10 trillion. That is huge. As indicated, the majority of these economic benefits would emanate from enhanced public school performance. We all know that no entity will ever be the best that it can be while holding a monopoly over its customers. Excellence in any endeavor

continued on page 10

The Most Respected Companies in North America Trust Ryan



Ryan provides the most innovative approach to tax consulting available in the industry today. We provide a comprehensive suite of tax services that improves our clients' tax performance, profitability, and cash flow. And, we help them develop a more strategic approach to tax that delivers outstanding value to their shareholders.

Please visit us at **ryan.com** or call **1.855.RYAN.TAX** to learn more about how our services can benefit your business.



Our Water Work Isn't Done Yet

Thanks to all of you who voted for the water constitutional amendment in 2013, there is now a funding mechanism that will help implement the State Water Plan. With the 84th Legislature beginning, it is time to take more steps to ensure that we have enough water to meet our growing needs.

TAB's policy focus must now include how the Texas

Water Development Board (TWDB) implements the constitutional amendment and the enabling legislation for that amendment (HB 4), and what future legislative actions are required to ensure that the state's goals for a more dependable water supply are

The addition of \$2 billion and the financial management tools available in HB 4, in conjunction with the existing bond authority of the TWDB, are designed to provide incentives to local and regional water providers to pursue water supply and conservation strategies. It will be incumbent on TAB to monitor the implementation of HB 4 and subsequent legislation to ensure that water providers in Texas are properly motivated to invest in water infrastructure. We must work to ensure that the state's financial

assistance programs produce sufficient revenues to ensure a viable future for economic development in Texas and distribute the costs fairly and equitably among all users and beneficiaries in the state.

Emergency allocations of water

TAB supports efforts to ensure that the allocation of water during drought or other emergency conditions to meet critical public health and welfare needs is conditioned on recipients of water implementing the most stringent water conservation measures and allows for compensation to those water rights holders who surrender water to meet public emergencies.

New Water Management Strategies

TAB's support of providing improvements in the ability to finance water infrastructure is only part of the task. The state must now look to what strategies offer the best options for the future to provide both an adequate supply of additional water resources and the most cost-effective supply. To that end, the Legislature will be examining new and evolving options, including desalination of brackish groundwater, aquifer storage and recovery and innovative reuse and conservation technologies. Full utilization of these strategies will require changes to the current legal, procedural and institutional water resource management framework, including the structure, function

> and authority of groundwater conservation districts. Although the specific changes cannot be identified, nor their timing predicted, TAB must monitor legislative consideration of these issues and participate in the legislative coordination to ensure that they result in an adequate supply of water at a cost that is fair and supportive of future economic growth.



State water rights

In examining any new legislative proposals to promote alternative or innovative water supply strategies, TAB opposes efforts to alter the existing structure of water rights laws in Texas in any manner that would weaken the legal and property interest of existing holders of water rights. Also, TAB will monitor

the implementation of any programs to increase or enhance the enforcement of water rights, including new watermaster jurisdictions, to ensure that existing water rights are protected and that any costs of new enforcement programs clearly reflect the value of the resource, and the fair allocation of costs among water right holders.

Water conservation

TAB supports efforts to ensure that water users are required to develop and enforce stringent water conservation measures as a condition of receiving any state financial or technical assistance for water resource planning and development.

TAB Vice President of Governmental Affairs Stephen Minick is the lead TAB lobbyist on water, environmental and transportation issues and is in charge of TAB's efforts to secure the water supply needed to maintain Texas growing economy and population.

The Good News About Comp Rates

Workers' compensation insurance rates in Texas are going down again, partially due to the continued work by the Texas Association of Business to keep the system responsive to the needs of employers and employees alike.

Texas Workers' Compensation Commissioner Ryan Brannan has determined that the maintenance tax rate will be lowered to 1.533 percent of gross premiums collected by workers' compensation insurance carriers from Jan. 1, 2014, through Dec. 31, 2014.

The maintenance tax supports the operations of the Division of Workers' Compensation and the Office of Injured Employee Counsel. The tax rate has been lowered in four out of the last five years.

"This is a trend that we are certainly glad is continuing," said TAB CEO Bill Hammond. "TAB will be one of the groups looking to continue to fine tune the system this legislative session in order to keep rates dropping, while at the same time ensuring that workers who are injured on the job get the care they deserve."

"Texas' robust economy and stable workers' compensation system have resulted in significantly lower insurance rates for Texas employers, which encourages employers to purchase workers' compensation coverage for their employees," Commissioner Brannan said. "The Division of Workers' Compensation continues to do its part to keep insurance coverage affordable for employers while ensuring employees

receive the benefits they are entitled to under the Texas Workers' Compensation Act."

The maintenance tax rate applies to insurance companies writing workers' compensation policies in Texas and is capped at two percent of gross premiums collected by those companies. Certified self-insured and group self-insured employers also pay maintenance taxes based on the previous year's claim liabilities and expenses.

A full list of TAB's priorities for the workers' comp system can be found in TAB's 2015 Legislative Priorities on our website, www.txbiz.org.

A Choice for our Children continued from page eight

is a result of lessons learned. No team could win the Super Bowl without first competing with the other teams vying for the title. Likewise, no school will ever be as good as it can be if it is has a monopoly over its students.

We have gone through some three decades of school reform since the A Nation at Risk report was published in 1982. Each new reform passed with great fanfare. We have increased spending per student significantly in inflation-adjusted dollars. Yet, even with that huge investment almost 1,000 campuses in Texas are underperforming, not even meeting all of our own standards. About 25 percent of our ninth graders never graduate from high school. Almost half of those graduates who enroll in higher education must be remediated. Although we have some great schools, far too many Texas students are now being underserved. Yes, that hurts the economy and makes it difficult for employers to find qualified people to fill jobs, but the real tragedy is what this is doing to our children and grandchildren. They deserve better.



Building healthy communities is what we do.



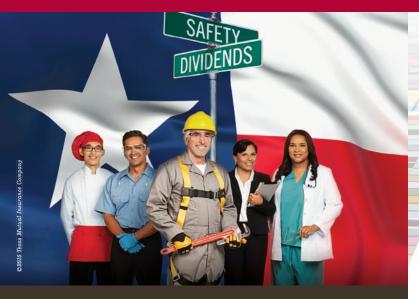
In Texas and across the country, the 105,000 caregivers and other employees at Tenet's 80 hospitals, 211 outpatient centers, 6 health plans and Conifer Health Solutions are dedicated to providing high-quality care, bettering their communities and creating a healthier future for all.



WANT TO ADVERTISE IN THE TEXAS BUSINESS REPORT?

Get your message out to the members of the Texas Association of Business in the next edition of the Texas **Business Report Magazine in April.**

For more information contact Josie Calderon at jcalderon@txbiz.org



Safety Leads to Dividends in Work Safe, Texas.

Work Safe, Texas, isn't just our community—it's yours. We created it so that caring Texas employers would have a place to get real help protecting their people. At Texas Mutual, keeping Texans safe is our number

one commitment. That's why we've sent \$1.6 billion in dividends to safe employers all over Texas.

Learn more about the rewards of safety-focused workers' comp at WorkSafeTexas.com.

(800)859-5995

Your source for printing, direct marketing, and mailing services in Austin, Texas.

> Offset & Digital Printing **Fulfillment** Large Format **Promotional Products**

512-719-3535

www.thomasgraphicsinc.com 9501 N. IH 35 Austin, TX 78753

While we can't guarantee dividends every year, Texas Mutual Insurance Company has returned over \$1.6 billion to safety-conscious policyholder owners since 1999.



1209 Nueces Street Austin, Texas 78701 (512) 477-6721 phone (512) 477-0836 fax www.TXBIZ.org

Talk Business

The Legislative Priorities of Business Will Strengthen Texas



Bill Hammond, TAB CEO

Just a few months ago, it looked like the state's coffers would be overflowing with money thanks to high oil prices. That is no longer the case. We will have to work hard to ensure that priorities that will benefit all Texans, not just business, are funded.

At the top of that list must be transportation. Our cities have long been choking on traffic, and maintaining the funding status quo is not an option. As we all know, the money provided by the passage of Proposition 1 in November is only part of what we need to maintain our current level of congestion, let alone make things better. Given the new revenue estimate, we support ending all diversions from the state highway trust fund. We also would propose a new constitutional amendment that would dedicate 100 percent of the motor vehicle sales tax go toward transportation construction and maintenance, rather than into the general fund.

Education also must be a priority. The Legislature likely will not take up the school finance system until the Texas Supreme Court has ruled on the issue, and that probably won't happen until this session is over. What we need to focus on this session is strengthening our education system.

One way to do that is instituting an A-F grading system for each campus. No one really knows what "meeting expectations" is. Everyone knows what an "A" means, and certainly everyone knows what an "F" means.

Once our students graduate high school, we must help them achieve a college education. We should construct an affordable and efficient higher education system by fully funding the TEXAS Grants program, while also holding four-year institutions accountable by tying at least 10 percent of their funding to increasing the number of students who complete their degree program.

TAB also will oppose the repeal of in-state tuition for undocumented students who are attending institutions of higher education, are in the process of obtaining legal status and graduated from a Texas high school. It does nothing for this state to ensure that we put more people into poverty by denying them a higher education.

We also should advocate for additional incentives for quality Pre-K, as Governor Abbott has proposed. Another way to break the cycle of poverty is to ensure that our youngest get off to the best start possible, instilling a love of learning right from the beginning and ensuring that they start kindergarten ready to go on day one.

We must take steps to create a more affordable and accessible health care system. To do that, we should increase the number of primary care doctors and Advanced Practice Registered Nurses as well as increase utilization of telemedicine. We also must take steps to reduce prompt pay penalties that result in increased litigation and do nothing but raise insurance premiums, costing businesses and consumers alike.

It is my hope that lawmakers will consider ending the state's involvement with the Texas Mutual Insurance Company, allowing for a level playing field and letting the policyholder owners fully determine the direction of the company.

While we have an incredibly good business climate, we can always improve. We must streamline the environmental permitting process. What can take weeks and months in other states can take years in Texas. We also should maintain the state's economic incentive programs like the Texas Enterprise Fund and incentives for film and television productions.

There also are too many people serving time for minor, non-violent offenses. We should take a hard look at this issue and pass legislation that will give offenders the tools to get a job and employers the tools to hire them.