



Lawmakers Fund Transportation

One of the Texas Association of Business' top priorities was ensuring that more money would flow into transportation projects to keep up with our growing gridlock across the state. We have taken a big step toward that goal, but there is still work to do to get a referendum passed by the voters in November.

"Our lawmakers should be commended for taking a step toward addressing our transportation problems," said Bill Hammond, CEO of the Texas Association of Business.

"I am very pleased and grateful that we have the opportunity to pump more money into the system to at least keep up with today's level of congestion. It's not a perfect solution, but it is one that will keep our state moving."

In November, you will be asked to approve a plan that will mean an additional \$2.5 billion for transportation by transferring funds from both the general sales tax and the sales tax on the sale of motor vehicles. The goal going into the session was to add an additional \$5 billion to the mix for transportation funding. If the proposition passes in November, combined with the proposition that passed last November, we will be close to that goal.

"When it's all said and done this will be the largest single funding increase for transportation in the history of Texas," said Hammond. "That sends a message that we recognize the problem and are willing to take steps to address it. That is a very strong message to send to the business community. It will help Texas to attract more business here and to expand businesses that are already in the state."

Transportation was such a high priority for TAB that lawmakers were greeted with a TAB billboard on the opening day of the session, urging that they do something about our growing traffic problems. "It appears that they listened to that message, and we are very happy that they did," said Hammond.



The Legislature took steps to keep up with traffic congestion.

WORKFORCE Q&A

I have over 50 employees, and I offer health insurance to my full-time employees. Have I done all I need to do to avoid the employer penalties under the Affordable Care Act?

(see page 2)

UPCOMING EVENTS

The TAB Employment Relations Symposium is a high-quality learning opportunity for HR professionals, business owners and others tasked with staying informed on human resources issues.

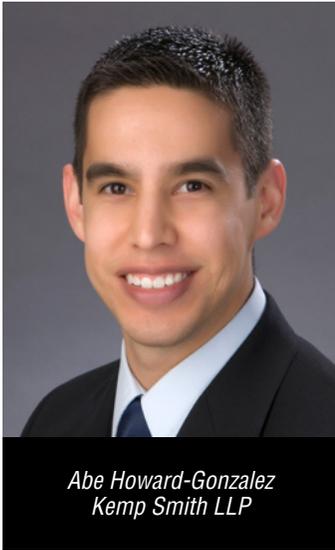
*Wednesday, July 8 - Friday, July 10
Hyatt Regency Hotel
San Antonio*

Go to www.txbiz.org to register.

TAB MISSION

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

WORKFORCE Q&A



Abe Howard-Gonzalez
Kemp Smith LLP

I have over 50 employees, and I offer health insurance to my full-time employees. Have I done all I need to do to avoid the employer penalties under the Affordable Care Act?

No. Under the ACA, employers with 50 or more full-time and full-time equivalent employees (FTEs) are required to provide health insurance to their full-time employees. But, like all major laws, details matter. First, offering health insurance to your full-time employees is not, by itself, enough to avoid the penalties. You also have to offer that insurance to the full-time employees' dependents, which includes children up to the age of 26. Second, the cost to the employee for self-only coverage cannot exceed 9.5% of that employee's household income. If the employee is required to pay too much for the insurance, you may be hit with a penalty. Keep in mind though that the 9.5% criterion only applies to the cost for self-only coverage—not for dependents. Lastly, to avoid the penalties, the health insurance you offer must meet certain standards. To determine if your plan does so, the Department of Health and Human Services provides a useful "minimum value" calculator at its website. If your plan does not provide "minimum value," you will be subject to the penalties.

It is also useful to keep in mind that there is some transition relief. Employers with less than 100 FTE will not be subject to the penalties for 2015, so long as they meet certain criteria, including not reducing their workforce, hours of service or coverage they already offer. Also, for the first year the penalties apply, an employer only has to offer affordable coverage that provides minimum value to 70% of its full-time employees and their dependents (that number goes up to 95% for the other years).

Despite the transition relief, employers with 50 or more FTE need to start preparing for the ACA penalties now because complying with the ACA is complicated and time consuming.

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**

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Solving the Talent Dilemma

By Veronica Stidvent, Chancellor, WGU Texas

Texas employers know that the good news of a strong economy is tempered by the challenges businesses face finding workers who are skilled, educated and ready to succeed in some of the state's high-demand fields such as health care, high tech and STEM fields.

Many existing jobs are evolving and changing, too, with employers needing to keep their workers' skill sets in technology, engineering and health care current and on pace with new advancements in these fields.

In short, Texas is experiencing a "talent dilemma."

There are an estimated 3.7 million Texans with some college, but no degree.

Without a doubt, our state needs to graduate more Texans with post-secondary degrees, certificates or credentials.

But, to meet our workforce solutions, Texas employers must look beyond the 18-21 year old "traditional student" cohort. In the U.S. in 2011, only 29 percent of students enrolled in a four-year public or non-profit colleges were full-time students of standard college age.

We need a broader solution, one that provides ample opportunity for non-traditional students—Texans who work full-time and cannot logistically or financially afford to leave careers to enroll in college full-time.

Many Texans may have started, but were unable to complete, their undergraduate or graduate degrees for a variety of personal or professional reasons. It's not feasible for many of these potential students to stop working to pursue additional education.

Focusing on the needs of these non-traditional students is how we'll solve the talent dilemma and keep Texas competitive. So, what does a broader solution to our workforce shortage really mean?

At WGU Texas, we leverage innovative, competency-based, mentor-guided education that requires students to demonstrate their knowledge rather than simply spending time in a seat in a classroom.

The net result is Texas employers hire and express greater satisfaction with our highly skilled, exceptionally qualified graduates.

According to a recent Harris Poll, 99 percent of employers surveyed said that WGU graduates meet or exceed expectations. And, 94 percent rated WGU graduates' job performance as good as or better than the job performance of other graduates.

“ Keeping the cost of a higher education affordable for working families is something that is very important to the Texas business community. WGU Texas is doing just that by keeping tuition costs steady for the past four years. I congratulate WGU Texas for helping to keep the dream of a college education affordable and achievable for all Texans. ”

***– Bill Hammond on TAB
Member & Partner WGU Texas***

Affordability is always a concern – whether students are paying for their degrees or employers are looking to invest in on-the-job training and tuition reimbursement for their employees.

WGU Texas has held tuition flat since it launched in 2011, bucking the trend of annual increases by other colleges and universities across the country. WGU Texas' tuition is charged at a flat rate of \$2,890 per six-month term for most programs, regardless of the number of courses completed, putting college within reach for more Texans.

Texas employers and our state leaders should continue to look for ways to provide workers an opportunity to advance their careers and prepare for today's workforce with more online learning,

competency-based education, greater flexibility and affordability.

For our part, WGU Texas will continue to innovate and lead the way as we work together to address the talent dilemma in our state. We're all in this together, and the future of Texas rests on our state getting this right.

To learn more about WGU Texas' partnership with TAB, visit: <http://texas.wgu.edu/tab>.

MEMBER PROFILE

Seton Healthcare Family and Providence Healthcare Network

One of TAB's newest members is a Texas healthcare leader.

Seton and Providence, make up the Texas Ministry of Ascension, the nation's largest faith-based non-profit health care system. Called to be a sign of God's unconditional love for all, Seton and Providence strive to expand access to high-quality, low-cost, person-centered care and services.

Seton operates more than 100 clinical locations in Greater Austin, including four teaching hospitals that will be training sites for Dell Medical School at The University of Texas starting in 2016. One of those training sites is Dell Children's Medical Center of Central Texas, a world-class pediatric medical center with the region's only Level I trauma center for children. Another will be Dell Seton Medical Center at The University of Texas, now under construction next to UT's Dell Medical School in downtown Austin. It will be a Level I trauma center for adults and replace University Medical Center Brackenridge in early 2017.

Seton conducts clinical research in the prevention and treatment of stroke, traumatic injury, epilepsy and cardiovascular disease. Seton Medical Center Austin is the capital area's only transplant center and is now the only hospital in Central Texas to have earned Joint Commission certification for a Destination Therapy Ventricular Assist Device Program and Heart Transplant Certification from the Centers for Medicare and Medicaid Services.

Providence's 650-bed system encompasses the Providence Health Center; Providence Park, Waco's premier community for independent living, assisted living, long-term and sub-acute care; Providence DePaul Center, an inpatient psychiatric and behavioral health treatment facility; and a network of outpatient clinics and facilities across greater Waco, offering the most comprehensive continuum of care for the region's residents.

Known to many as "The Heart Hospital," Providence has a proud history of being first in heart health in the Waco area. The Heart Hospital combines research, education and clinical practices to provide innovative and scientifically based testing and treatments for heart, vascular and thoracic disease. Providence is nationally recognized for quality care; is a Joint Commission Certified Level II Primary Stroke Center; and an Accredited Chest Pain Center with percutaneous coronary intervention (PCI) designated by the Society of Chest Pain Centers.

Great people have made both Seton and Providence the successes they are today. Caring, dedicated, highly trained employees include thousands of physicians, nurses and other clinicians. A supportive Central Texas community includes thousands of donors, hundreds of volunteers, scores of public officials and civic leaders across about a dozen counties.

Over the past decade, Providence and Seton have donated almost \$3 billion in care for poor and vulnerable persons. Most of this care is in the form of inpatient stays or low-cost preventative services.

Providence and Seton advocate at the state and local levels for policies to improve public health and better manage health care costs.

TAB is proud to announce that Seton President of External Affairs Greg Hartman has agreed to be the newest member of the TAB Board of Directors.



Dell's Children Hospital, Austin Texas



Entrance to Seton's Largest Facility in Austin

Federal Update

Where we are on TPA and Ex-Im

Trade Promotion Authority (TPA) has passed, but it's not on the way to the President's desk because of another component of the issue, Trade Adjustment Assistance (TAA).

Trade Promotion Authority gives the President more power to fast track trade deals. Trade Adjustment Assistance is designed to offer aid to workers who are displaced as a result of international trade deals.

Because of the way the legislation is written, one can't happen without the other, but that may change in the near future. The House voted to extend the deadline for action on TAA until the end of July, and lawmakers are looking for procedural or legislative strategies to send TPA to the president even without the passage of TAA.

"Trade is critical to the Texas economy," said TAB CEO Bill Hammond. "Texas is the leading trade state and expanding trade means jobs. Anything Congress can do to expand trade is good for Texas business."

Trade, and the ability to compete in the export market, is behind renewal of the Export-Import Bank. There is support for the bank on Capitol Hill, but that may not be enough to save it. The bank easily won a procedural vote in the Senate earlier this month, but there is very little movement on getting the bank to a vote in the House, or a final vote in the Senate, before the bank's charter expires at

the end of June. The chairs of the committees in both the House and Senate say they do not intend to move the legislation.

"There are thousands of jobs in Texas that depend on the Export-Import Bank," said TAB CEO Bill Hammond. "We've been making that point every chance we get to members of Congress and the media."

TAB and the Texas Association of Manufacturers have sponsored Congressional Roundtable discussions in Dallas, Houston, Austin and San Antonio. While these roundtable discussions have included other issues, Ex-Im Bank has been one of the

major focuses.

The Export-Import Bank has been around since the Great Depression and easily won charter renewal every time except this time.

"Everyone talks about

government programs that don't work, but this is a program that does work," said Hammond. "The Ex-Im Bank not only supports jobs, but pays for itself. In fact, the bank makes money. Imagine a government program that not only pays for itself, but also makes a profit. That program should be lauded, not killed."

If the charter does lapse, that doesn't mean the issue is completely over. There is a chance the bank could be resurrected, but that fight will be no easier than the fight to get a vote done in the next few days before the bank expires.



Congressman Bill Flores is questioned by TAB CEO Bill Hammond at an Austin TAB Congressional Roundtable.

Lawmakers Fund Transportation

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Transportation improvement is critical to continuing the economic growth of Texas. People in our major metropolitan areas waste many productive hours in traffic. Heavy traffic also increases the price of delivering goods to market because traffic increases transportation costs. Not only does it waste time, but it also wastes fuel, and while fuel prices have been down most of this year, we know that won't last. In fact, those prices have been going up in the last few weeks.

"We are late to the game in providing this money for transportation projects," said Hammond. "We have fallen behind, and our traffic problems have just gotten worse. While this money won't build us out of the current traffic issues we have, it will ensure that it doesn't get worse over time. We still need to look at new alternatives, like ridesharing and a private high speed rail system, to cut the number of vehicles on the road and make trips between our major cities smoother, but at least this is a start."

Another key to funding future transportation projects is ending diversions from the state's highway fund. That money comes from the motor fuels tax that all of us pay. Some of that money goes to education, and that will not change. Another big chunk, almost \$1.5 billion per biennium, goes to fund the Department of Public Safety. Lawmakers took the major step this session of ending most of those diversions which is a good example that our elected leaders took this problem very seriously this session.



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Talk **About** Business

A Good Year for Business



Bill Hammond, TAB CEO

Whenever a legislative session begins, there is always some uncertainty about how it will end up. This session was no different with wholesale changes in leadership, but in the end, business had a very good session.

At the Texas Association of Business, our strength is our members. We are able to accomplish the goals that the board set out for us based on the people we represent, the risk takers, the job creators, the people who go to work every day building and maintaining their business.

Most people don't realize that the vast majority of our members are small business owners who must go out and create business, make products, ship products and collect payments. That is a hard job. It is even harder with government interference, and it is our job to help minimize government involvement in your business life.

We are proud to have represented all of our members before the Legislature this session, and we are proud of our accomplishments, none of which could have been done without your help and support.

We were successful in pushing for a 25 percent decrease in the business tax rate.

Every business in Texas that pays the franchise tax will save, and we also were successful in expanding the number of business that will be able to file using the easy form, doubling the limit from businesses who make \$10 million per year to businesses that make \$20 million per year.

The Legislature passed a very conservative budget that holds down spending but still meets the needs of the state. Mind you, it doesn't meet everyone's wants, but it does meet what everyone needs out of state government. It provides a good roadmap for the next two years of state spending.

One of the most important victories for Texas business came in the environmental arena with the passage of contested case reform. The environmental permitting process will now be far more simple and cost effective. It will add certainty to the process, and that will mean more economic development and more jobs.

Lawmakers also defeated another attempt to pass a so called "Lilly Ledbetter" act in Texas. The idea is to allow people to file wage discrimination claims with no limit on how far those claims could go back. That has the potential of costing businesses millions.

TAB also supported more consumer protection in health care billing by pushing for the passage of a new balance billing law, which will make it easier for consumers to mediate health care bills. TAB was instrumental in pushing legislation that passed that will provide increased transparency at freestanding emergency rooms

TAB worked against a plan that was ultimately defeated that would have increased the cost of non-ERISA health insurance plans by \$3.5 billion per year, allowing out-of-network doctors to be paid at exorbitant fees and causing more in-network doctors to go out-of-network just to collect more money.

One of our proudest accomplishments this session came in the area of education with the passage of a new accountability system that will grade schools on an A through F system. That system will give parents and communities an easy-to-understand grade for their local schools, spurring more community involvement to drive improvement.

Those are just a few of our legislative accomplishments, and I am always available to talk to members about specific issues. Feel free to call or email me with your questions.