



# TEXAS BUSINESS REPORT

A Publication of the Texas Association of Business  
Volume 24 | Issue 5 | May 2009 | [www.TXBIZ.org](http://www.TXBIZ.org)



## TAB Legislative Goals Closer To Reality *Progress on Education Reform, Career & Technology*

With only two weeks remaining in the 81<sup>st</sup> Legislative Session, the Texas Association of Business is now engaged in a full-court press to ensure that public school accountability and career and technology education legislation will be signed into law by Governor Rick Perry.

"TAB has made education accountability and creating a trained workforce top priorities during this session," TAB President Bill Hammond, said. "We are eager to see our state address public school accountability, aligning our curriculum and standards to meet the goal of preparing our students to be ready to enter the workforce or post-secondary education, and ending social promotion."

In a recent joint-press conference, Hammond joined Paul Ruiz, PhD of the Education Trust to offer their support of Senate Bill 3. The joint press conference marked a unique coming-together of TAB, the state's oldest and most influential business association, and the Education Trust, an education group that has had a profound impact in the advancement of civil rights.

SB 3, authored by Senator Shapiro, places greater emphasis on accountability than its House counterpart, HB 3.

"Senator Shapiro, Representative Eissler, and the rest of the Legislature deserve praise for recognizing the importance of preparing our students for college and the workplace," said Paul Ruiz, PhD. "While HB 3 made some notable improvements, it is vital that the final version

*Career and technology education prepares students to excel in competitive, high-tech industries that call Texas home.*

### WORKFORCE Q&A

*We are a growing business currently with 50 employees. We've heard a lot about the Lilly Ledbetter Fair Pay Act. What is its significance and what practices should we adopt going forward to ensure compliance?*

(see page 2)

### DID YOU KNOW?

*In its recent list developed by Forbes Magazine of the Best Cities for Job Growth in America for 2009, Texas cities accounted for seven of the top ten cities overall. All the local chambers of commerce of those cities were members of the Texas Association of Business.*

### TAB MISSION

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

# WORKFORCE Q&A



C.B. Burns  
Kemp Smith LLP

**We are a growing business currently with 50 employees. We've heard a lot about the Lilly Ledbetter Fair Pay Act. What is its significance and what practices should we adopt going forward to ensure compliance?**

The Lilly Ledbetter Fair Pay Act represents a significant change to employment discrimination laws, including Title VII, the Age Discrimination in Employment Act and the Americans with Disabilities Act, with respect to pay discrimination. In a nutshell, the Act eliminates the time limit within which an employee must file a charge of pay discrimination. For example, if an employer in

1990 makes a discriminatory decision to pay an equally qualified/experienced female employee less than a male employee in the same job and as a result, the female employee continues to earn less than the comparable male employee in 2009, the female employee can file a discrimination charge based on a paycheck issued in 2009, even though the actual decision was made in 1990. Under the law before the Act, a charge and resulting lawsuit filed in 2009 would be untimely if the discriminatory decision were made in 1990.

**What does this mean to employers such as you?** The Act will make it more difficult to defend pay discrimination lawsuits, particularly where the decision was made years in the past, since the supervisor who made the decision may no longer be employed, or even if the supervisor is employed, memories fade over time. To avoid problems going forward, your business may want to consider adopting a formalized pay administration program that relies upon measurable objectives uniformly and consistently applied within job classifications. Your business also needs to train supervisors on the impact of the Act and on the need to document carefully and thoroughly pay decisions and why they are made, e.g., evaluations, experience levels, qualifications. You also need to put in place a record retention program that maintains pay records and supporting documentation for longer time periods, since lawsuits might not result until years after a pay decision is actually made.

## **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](mailto:smcgee@txbiz.org)**

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**Volume 24 | Issue 5  
May 2009**

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*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**

# TAB Team Makes Impact at the Capitol

Every legislative session, the TAB Governmental Affairs Division gears up for the hard work necessary to improve the Texas business climate.

"When the Legislature is in session, we get the privilege of taking on labor unions, personal injury trial lawyers, education establishment and any other group that wants to hurt the business community," said TAB President Bill Hammond.

"When we engage, we win. And I'm proud that our legislative impact has helped Texas emerge as the best state economy in America."



With increased polarization in the Legislature, the challenges facing the business community are even more urgent. Although Gov. Rick Perry declined the money, efforts are underway to accept federal dollars for the unemployment insurance fund. When DC's money dries up, Texas employers will be left with a permanent \$75 million annual tax.

In addition, despite enacting groundbreaking tort reform since 1995, the Senate passed a bill to lower the causation standard in mesothelioma cases. Lowering the standard opens the door to lawsuit abuse, and lines the pockets of trial lawyers, who pushed for this bill.

Other tort bills like "paid-and-incurred" remain on the intent calendar but TAB is cautiously optimistic that they will not become law.

Under new leadership, the legislative process has been open to a broader range of legislation. This has led to more anti-business bills to be heard in committee. TAB used this opportunity to detail why it stands against the bills that had not previously gained traction.

While TAB remains vigilant against dangerous bills, the Association has already been successful in shepherding good bills through the process, and killing those that are detrimental to our state's economy.

Fighting health benefit insurance mandates has been an early success, as TAB led efforts to stop the majority of mandated benefits bills in their respective committees. Stopping mandate proposals from becoming law saves employers and employees from shouldering the financial burden associated with specific, mandated coverage. New mandates greatly increase health care costs, which are passed down to businesses. Employees ultimately pay the high-price for mandated health care benefits through higher health care premiums, co-pays, reduced wages, or benefit reductions.

Many environmental and energy bills introduced that would be bad for business have died, but select bills on which TAB could find common ground with the author have been shaped into legislation that protect the state's natural resources and also protects taxpayers from over-regulation.

To date, TAB lobbyists have offered testimony and comments on over 300 bills, and are tracking thousands.

# Texas Dominates *Forbes* List

In a recent survey conducted by *Forbes* magazine of the top American cities for job growth, the Lone Star State led the pack with twenty cities and regions placing in the top hundred of the list.

Austin, Houston, San Antonio, Fort Worth and Dallas claimed spots one through five for the Largest Cities for job growth.

Based on a weighted scale per population, Odessa tops the overall list. The city experienced an unprecedented 5.5% job growth in 2008 in the face of a mounting financial crisis. Longview ranks third and the Killeen-Temple-Fort Hood corridor ranks fifth.

"It's not a coincidence or luck that Texas leads the pack in job creation in America," said TAB President Bill Hammond. "Our state has been fortunate to have the most conducive business climate in the nation. TAB has championed the legislation that has helped spur first-class economic development in Texas."

"Our chamber community has been a valuable partner in our state's success," said Art Roberts, TAB Senior Vice-President. "Much of TAB's impact at the Capitol can be attributed to our chamber partners throughout Texas. The Association relies upon the counsel of our member chambers to develop our legislative priorities."

The *Forbes* methodology emphasizes the robustness of a region's growth and allows the rankings to include all of the metropolitan statistical areas for which the Bureau of Labor Statistics reports monthly employment data."

# MEMBER PROFILE

## United Supermarkets Uniting Community and Consumers

Out of Sayre, Oklahoma in 1916 to the panhandle of Texas in 1948, among the gusty winds and dust sprang a thriving, family-owned, retail grocery store.

The first of its kind was based in Oklahoma, and was then known as United Cash Store. The successful store was founded by H. D. "Jack" Snell, Jr. and spurred growth in an organization that now has chains of three distinct grocery stores. The United brand now accounts for 38 stores in 24 markets across North and West Texas.

Among the three unique stores is United Supermarkets, the core United model that meets the basic food and retail needs of everyday Texans.

The second brand is Market Street, a world-class concept store that stocks gourmet products, take-home cuisine, and specialty items not available in traditional stores.

The third is Amigos United, which launched in June 2000, providing a unique international flavor and increased focus on cultural diversity in the retail experience.

The innovative Snell family, which is now in its fourth generation of management, has evolved significantly in order to maintain success over the years. They have

aggressively marketed and sought new ways to attract and retain customers in an incredibly competitive industry.

The family attributes much of its success to maintaining ties to the community, which has been essential to the company and has been throughout its 93 years of existence. United Supermarkets is an active member of the local chamber of commerce in every community in which it operates. The organization believes that local chambers are a vital part of every community and that providing support not only through membership, but also through active involvement and board participation is a must.

"The family success story of United Supermarkets is an inspiration to business owners, small and large alike," said Dan Cahalen, TAB's Senior Vice President of Membership Development. "By putting consumers and community first, they have been able to thrive and flourish across Texas."

"My grandfather used to say that we did not come to communities to tear them down, we come to build them up," said Robert Snell, United's Chairman of the Board.

"If our state prospers, we all prosper. I'm proud of the work United has done in the community, and we take that same philosophy with our increased involvement in Austin to work against the tax increases and union intrusion that can tear down local business," Snell continued. "Being a member of TAB gives us a voice at the Legislature to represent the needs of United and businesses like us."



*People: The Heart and Soul of United*

## FASTSTATS

Member Name ..... United Supermarkets

Region ..... Throughout North and West Texas

Reason for Joining TAB “Being a member of the Texas Association of Business gives us a voice at the Legislature the Legislature to represent the needs of United and businesses like us.”

Year Business was Founded..... 1916

TAB Member Since..... 2006

Website ..... [www.UnitedTexas.com](http://www.UnitedTexas.com)

Phone Number ..... (806) 791-0220

# CTE Education Helps Develop Workforce

**continued from page one**

include SB 3's provisions that require students to master core subjects, hold schools accountable for social promotion, tie school and district distinctions to college and career readiness, and promote a relevant and rigorous career and technology education (CTE) program."

Under the current broken system, Texas public schools can be assigned an "Academically Acceptable" rating if they have a forty-five percent passing rate under certain TAKS testing criteria; the federally mandated dropout rate has been ignored for two consecutive years; and loopholes that allowed students who failed the TAKS test to be promoted have not been closed.

Under the SB 3, the TAKS test would be replaced by end-of-course exams that measure student academic progress on a growth model, and schools that promoted failing students would be subject to stringent oversight to discourage them from letting struggling students fall even further behind with unwarranted grade-level advancement.

In addition to pushing for a dramatic overhaul to the state's accountability system, TAB has been active in promoting alterations to the current course curriculum to include CTE courses. Toward that end, the Association fully supports Senator Shapiro's SB 1313, which ensures that CTE courses meet the scholastic needs of students and future needs of industries dependent on a trained workforce.



*Senate Education Chair Florence Shapiro (R-Plano) has authored key education bills important to the Texas business community.*

The lasting effect of a trained workforce prompted Comptroller Susan Combs' to say that "Texas' educational policies must recognize the workforce challenges and diverse needs of tomorrow, and bolstering career-technical education will create a positive economic impact on our state."

Senator Shapiro, the bill's author, said "We must provide more opportunities for our students to have rigorous and relevant experiences in career and technical education that will make them ready to succeed in the 21st century Texas economy."

CTE courses provide the framework needed for our students to advance to schools that provide the manpower necessary to fill the gap in workforce readiness that is emerging as one of the issues the Texas business community faces.

The natural step for CTE students is to advance to these post-secondary schools. According to Texas Workforce Commission projections, our state will have approximately 44,000 job openings per year that require an associate degree.

Texas has been fortunate to have the greatest job growth of any state in the nation.

Maintaining a trained workforce is indispensable to our state's dominance in attracting elite industries from across the globe.

For more information about TAB's efforts on education reform and CTE, please contact Bill Hammond at [bhammond@txbiz.org](mailto:bhammond@txbiz.org).



The Texas Association of Business and the Society of Human Resource Management – Texas State Council proudly thank the dedicated men and women from the following law firms for their time and input in developing the **2009-2011 Employment Law Handbook:**

- ★ Ashcraft Law Firm
- ★ Baker Botts LLP
- ★ Bracewell & Giuliani LLP
- ★ Fulbright & Jaworski LLP
- ★ Haynes and Boone LLP
- ★ Jackson Lewis LLP
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TEXAS BUSINESS REPORT

# Talk About Business

## It's Time to Put Student Achievement First



Bill Hammond, TAB President

Much discussion about Senate Bill 3, by Sen. Florence Shapiro, and House Bill 3, by Rep. Rob Eissler, has focused on the sanctions for failing schools. While nobody wants schools to fail, focusing on the fate of a few schools diverts attention from where it must be—on preparing every student for college or a good job. Every child who drops out or graduates unprepared represents a failure of the system. If we put students first, we will not have to worry as much about closing schools.

SB 3 and HB 3 both contain excellent provisions to address this issue. They recognize college and career readiness as the goal of our education system. They also enhance financial accountability which should result in a much more efficient and effective school system.

However, SB 3 does more to ensure student success. It sets expectations at a meaningful level—proven readiness for college and the high-performance workplace. Students must master courses through English III and Algebra II—at a college-ready level. Unlike HB 3, where a student can fail 10 of the 12 required exams and still graduate under the recommended high school plan, SB 3 provides

students with a solid background in math, science, social studies, and English and requires them to demonstrate proficiency in each subject by passing at least 8 of the 12 exams.

Next, the bills address social promotion. While both require students who fail an assessment to receive accelerated instruction in order to move to the next grade, SB 3 holds schools accountable for promotion decisions. If a school repeatedly promotes failing students—and those students continue to fail in later grades—SB 3 allows the school's rating to be lowered. When a school promotes a failing student, they are asserting that the student is ready for more advanced work. SB 3 will cause schools to consider this decision more carefully, shine a light on schools that socially-promote unprepared students, and prevent schools from becoming “dropout factories”.

Third, while both bills allow schools to receive distinctions for program excellence, SB 3 reestablishes the “recognized” and “exemplary” distinctions. It promotes student achievement by tying these coveted distinctions to meeting career and college-readiness goals and excellence in teaching the core subjects.

Finally, SB 3 provides the flexibility needed for students who wish to pursue coherent sequences of career and technology education courses. Even with its strong core curriculum, the bill allows students to take up to 8 elective courses while ensuring that these courses will be relevant and rigorous. Students may even substitute advanced applied courses for 4th-year math and science courses. Such courses may provide students with college credit or help them earn an industry certificate or a state license in a high-paying, high-demand career field.

Sen. Shapiro, Rep. Eissler, and the rest of the Legislature deserve our thanks for recognizing the importance of preparing our high school students for college and the workplace. While HB 3 made some notable improvements, it is vital that the final version include SB 3’s provisions that require students to master core subjects, hold schools accountable for social promotion, tie school and district distinctions to college and career readiness, and promote a relevant and rigorous career and technology education program. These measures will ensure that every child—regardless of their background—will be prepared for a successful life.