



TEXAS

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BUSINESS REPORT

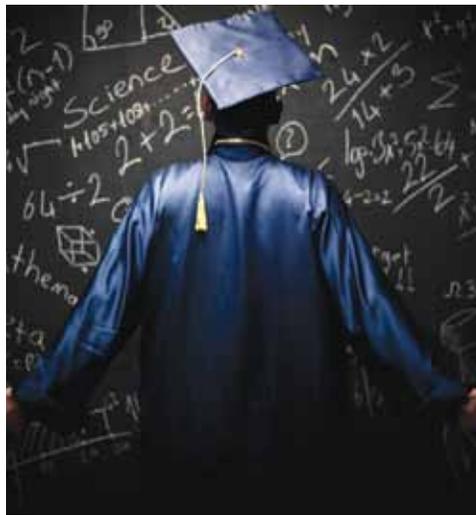


New TAB Foundation Formed to Advance Quality Education in Texas

Higher Education Reform Summit Planned For Nov. 30 in Austin.

The Texas Association of Business recently announced its newly developed 501c(3) Education Foundation to advance quality, efficiency and accountability at every level of education from Pre-Kindergarten to post-secondary higher education.

“Every level of education in Texas must be revamped and there must be a refocus to implement meaningful reforms,” said TAB President Bill Hammond. “Texas students are unprepared to enter a globally competitive workforce as Texas falls short in producing enough workers with post-secondary degrees or certificates.”



The hard truth is that although the national unemployment rate is approaching 10 percent, the United States and Texas are struggling to fill 2.6 million jobs. There are jobs for the taking, but because Texas' education system is failing to effectively produce high school graduates who are positioned to be college-ready or career-

WORKFORCE Q&A

Are private agreements to arbitrate employment-related disputes still enforceable in Texas?

- Steve McCown,
Littler Mendelson

(see page 2)

TEXAS TAXES

Texas ranks 13th in the Washington D.C.-based Tax Foundation report as one of the friendliest states in the nation. Rankings were based on various categories including corporate taxes, income taxes, sales taxes, unemployment and property taxes. **Despite being one of the top friendliest states overall, Texas ranked 46th, among the worst, in overall corporate taxes.**

Log onto www.taxfoundation.org for the full report.

MAKE A DIFFERENCE

To make a difference and improve our education system, please consider a donation either through your company's foundation, your corporation, or through a personal contribution. All donations are tax deductible.

One-hundred percent of the Education Foundation's funds will be used to educate the public and advocate for change.

TAB MISSION

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

WORKFORCE Q&A



Steve McCown
Little Mendelson, Dallas

Are private agreements to arbitrate employment-related disputes still enforceable in Texas?

Generally yes; but as always, stay tuned to future national legislation. Arbitration agreements are enforceable under Texas Law if they satisfy general principles of contract law. The agreement must be prospective, have valid consideration (mutual promises to arbitrate by the employer and employee are generally adequate) and does not have terms that would otherwise restrict rights and remedies available by law or regulation, such as the right to file a charge of discrimination with the Equal Employment Opportunity Commission and/or the Texas Workforce Commission. Waiver of a right to trial by jury has been held to be valid by Texas courts.

However, there is legislation pending in Congress that could ban mandatory arbitration of employment disputes. And recently, embedded in the Fiscal Year 2010 Department of Defense Appropriations Act (the "Act"), is a measure that prohibits federal contractors receiving Defense Department funds for contracts in excess of \$1,000,000 from requiring their employers or independent contractors to arbitrate certain employment and related claims. Covered contractors must also certify that their subcontractors agree to these same restrictions, which apply to contracts awarded after February 17, 2010. The language of the Act and its scope raise many questions that have yet to be addressed and resolved.

All employers who have arbitration agreements should take note of this development. Whether it is a precursor to the passage of the proposed Arbitration Fairness Act (S. 931/H.R. 1020), which would prohibit mandatory arbitration agreements, or the end of Congressional efforts to limit employment arbitration remains to be seen. What is clear is that Congress is taking a critical look at mandatory arbitration agreements in the employment context.

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

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Texas Voters Cast Votes for Job Creation

TAB Political Arm Wrap-Up



While the media and political insiders analyze the probable outcome of the biggest Republican sweep in modern history, the Texas Association of Business (TAB) is more focused on the number of pro-business candidates elected to state and federal seats.

The Business and Commerce Political Action Committee (BACPAC), TAB's political arm, endorsed in 156 races, winning 152 seats. Thanks to all TAB members who supported candidates endorsed by BACPAC.

A TAB BACPAC endorsement isn't about supporting the status quo, but about endorsing candidates who believe in job creation, less government and creating the best business climate in Texas.

Over three dozen new freshmen Texas House of Representative members will be coming to Austin in January to tackle some of the toughest issues such as the budgetary shortfall and redistricting. BACPAC endorsed in 35 Texas House of Representative races and 31 of those candidates were elected on November 2, 2010.

Three Texas House of Representatives freshmen are coming to Austin, but weren't endorsed by the PAC because the incumbent had been supportive of TAB on a key issue or the PAC decided to stay out of the race for other reasons. Through our interviews of these candidates, we believe that they do support a

pro-business and pro-job creation agenda. As a result, although these races are officially not wins as far as endorsements, their victories can be considered wins for business owners, small and large, across the state. These new freshmen include:

- ★ George Lavender (HD-1)—a small businessman from Bowie County
- ★ Raul Torres (HD-33)—accountant and financial consultant from Corpus Christi
- ★ Jason Isaac (HD-45)—a transportation consultant from Hays County



Every Vote Counts!

We also welcome back to the Texas House of Representatives, Bill Zedler (HD-96) and Jim Murphy (HD-133) who were both defeated in the 2008 General Elections. They are now back to represent their respective districts this Legislative Session. Both have strong voting records for business and their experience will be needed come January.

continued on page 5

TAB Education Foundation

continued from page one

ready, opportunities for many Texans looking for employment are lost.

“Employers are being forced to recruit workers from countries who successfully educate their students,” said Hammond. “Change in our education system can no longer just be a campaign slogan— it has to happen, and it needs to happen now.”

TAB's Education Foundation will advocate for change on the legislative level, but also will educate business leaders and the public by hosting forums across the state focused on some of the state's most challenging and significant education topics.

Reforming Higher Education: Prerequisite for Continued Prosperity, the foundation's first event, will be held **Nov. 30, 2010**, in Austin. For more details, see page five.

Hammond also recently announced a broad-based, diverse coalition of business, educators and school administrators focused on early childhood education that is also supported by the new TAB Education Foundation.

Many influential groups such as Raise Your Hand Texas, Texas Association of School Administrators, Texas Association of School Boards, Texas Early Childhood Education Coalition, Texas Institute for Education Reform, National Childcare Coalition and TAB are part of the new pre-K education coalition that will urge for

continued on page 5

MEMBER PROFILE

University Title Company – Quality Service With a Personal Touch

Most people's experience with a title company is a visit to an office to sign mountains of paperwork for a new home or real estate purchase. The work of a title company just might be among the most misunderstood or underappreciated.

University Title Company in College Station sees it differently and have an inspiring perspective to share. What started as a mom-and-pop shop to aid in the law practice of Phillip B. Goode has become the largest title company in Brazos County and one of the Best Companies to Work for in Texas for four consecutive years.

The secret recipe: hard work, commitment to excellence, exceptional service and fun. Celia Goode-Haddock started working for her father in 1973 and has performed every function of a title company from the mundane to the most complex. Ingrained in her being is the outstanding work ethic handed down by her parents to provide accurate, timely work and to treat clients exceptionally well. In a time when successful business careers belonged overwhelmingly to men, Celia Goode-Haddock worked harder, longer and smarter to earn the respect of her clients, her community and her industry. Hard work is a common characteristic amongst University Title Company personnel, and Ms. Goode-Haddock credits her team members for the company's success.

Title insurance is highly regulated in the state of Texas, so companies do not compete on price or product. Instead, accuracy and service are the defining characteristic between title companies.

Accuracy is key to providing title insurance. Any missed easement, heir, encroachment or restriction could easily become a claim. University Title Company prides itself on extremely low claim rates. The responsible title work and closings performed by University Title make it a hot commodity for underwriters.

To further set UTC apart from its competitors, team members are encouraged to seek ways to accomplish

tasks better, easier and more efficiently. The customer-first culture is constantly communicated and enriched, leading to UTC's 59 percent market share in Brazos County.

Along the way, Celia Goode-Haddock believes that in order to provide exceptional service to her clients, a company must treat its employees well. UTC staff members work hard, but they play hard, too, and remain committed to the community they serve.

Celia Goode-Haddock and her team of title professionals credit the Texas Association of Business for its commitment to small business.

Together and individually, UTC employees give time and energy to a wide variety of charities, including support for Habitat for Humanity and adopting Child Protective Services children during the holidays. The cohesive group shares affinities for many of the same values, including faith, family and fantastic service. Away from the office, the UTC team sticks together, too, enjoying football tailgating and hosting baby showers, providing home cooked meals for families with illness and also playing softball together.

Celia Goode-Haddock and her team of title professionals credit Texas Association of Business for its commitment to small businesses like UTC. She also challenges other TAB members and employers across the state to strengthen and grow their business in much the same way University Title Company has done in Brazos County with conviction, integrity, quality service and a personal touch.



UNIVERSITY TITLE COMPANY, COLLEGE STATION

REFORMING HIGHER EDUCATION *A Prerequisite for Continued Prosperity*

Last chance to register!
Hurry though as the event is almost sold out!

Join us for a candid and compelling discussion with some of the nation's most influential thought leaders and state policymakers on how we can increase the productivity of our post-secondary education system and increase completion rates.

9:30 a.m. - 2:30 p.m.
November 30, 2010

Hilton Austin Hotel
500 E. 4th Street
Austin, Texas 78701

For agenda, information and to register,
visit www.txbiz.org.

Texas Education Foundation

continued from page three

strategic investment and reforms to ensure that Texas students who enter public schools are prepared to succeed.

Hammond introduced the group and its legislative priorities during testimony he provided to the State Advisory Council on Early Childhood Education and Care on Nov. 3 in Austin.

TAB's Education Foundation is positioned to not only be the voice of business, but the voice of Texas students stuck in a system that has failed them.

For more information, please contact Bill.Hammond@txbiz.org.

Texas Voters

continued from page three

In the U.S. House of Representatives, two BACPAC endorsed candidates defeated longtime incumbent Chet Edwards (CD-17) and Ciro Rodriquez (CD-23) who held the San Antonio seat since he defeated Republican Henry Bonilla in 2006. Bill Flores of Bryan will represent CD-17 and "Quico" Canseco will take Rodriquez's spot for CD-23. These were key wins not only for Texas business, but for businesses across the nation that are facing the negative after-effects of the passage of Obama Care and other anti-business legislation that was fast tracked before the General Election.

The Texas Senate make-up remains the same although two BACPAC-endorsed candidates will be new to the Chamber—Brian Birdwell (SD-22) and Jose Rodriquez (SD-29).

While everyone is catching their breath after these hard-fought elections, there is no one who will disagree that it is now time to get to work. What the Texas Legislature does this session, will determine whether Texas succeeds or fails. It isn't a task to be taken lightly, but looking at the lineup, we believe this is a Legislature that can get the job done.



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Talk **About** Business

Historic Election Shows Great Promise For Business



Bill Hammond, TAB President

As far as winning percentages go, the .974 (152 wins out of 156 endorsed races) notched by the TAB Political Action Committee in our 2010 general election endorsements would be the envy of any sports team.

TAB members and business owners flexed our muscle this election cycle and played a key role in many of the significant electoral wins notched by conservative candidates on Nov. 2.

The 60-seat gain by the Republican Party in the U.S. Congress is the single largest victory by either party since 1938. And, equally impressive, was Texas Republicans' 22-seat pick up in the Texas House, further solidifying a strongly pro-business, fiscally conservative majority.

Texas Gov. Rick Perry, who won re-election to an historic third consecutive full term, rightly and early recognized that voters were fed up with politics as usual and that Washington's overreach was impeding states' rights and placing unreasonable burdens on taxpayers and businesses.

In no uncertain terms, the November elections were truly historic, proving to be a great night at the state and federal levels for pro-business candidates.

Voters signaled that it's time for Washington to get out of the way of a full-borne, sustained economic recovery. And, here in Texas, it's clear that the enviable position we hold in job creation and lower-than-most unemployment helped propel TAB-endorsed candidates to victory, too.

There's a real sense that Washington is failing us, and our leaders need to be more responsive to those who elected them. Only time will tell if the newly elected Congress will avoid a repeat of past mistakes, marked by a misguided stimulus plan, the costly and unpopular health care law, business-stifling regulatory overreach and skyrocketing deficit spending.

And, we will watch even more closely to see if the President's early overtures, suggesting he'll work across party lines, are sincere or if his harder-line ideology will drive us toward further divisiveness.

Now more than ever, conservatives must lead and act immediately to reduce the size and scope of government and make dramatic, significant spending cuts aimed at reducing the nation's debt.

But, at least in Washington, Republicans must recognize that it's

going to take courage, commitment and some degree of compromise to move the country forward since the Senate and White House are still controlled by the Democrats.

In other words, it's time to lead, not just oppose. It's time to get back to doing the people's business.

Here in Texas, Republican victories in statewide offices, the expanded majority in the Texas House and a solid hold on the Texas Senate by no means suggest that our leaders will not face a daunting task as they convene in January.

A budget shortfall that could run as high as \$21 billion will require strong leadership and even tougher conviction. Tempting as it may be to raise taxes or increase fees, we cannot afford to stifle the economic engine that has served our state so well in recent years, creating more private sector jobs and bringing us out of the recession faster than any other state.

Conservatives, who saw their own significant electoral setbacks the previous two election cycles, enjoy a rare second chance so soon again to govern and to lead. The eyes of Texas business will be on them. We can and will hold their feet to the fire.