



# TEXAS

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# BUSINESS REPORT



## Road-Tested Solutions

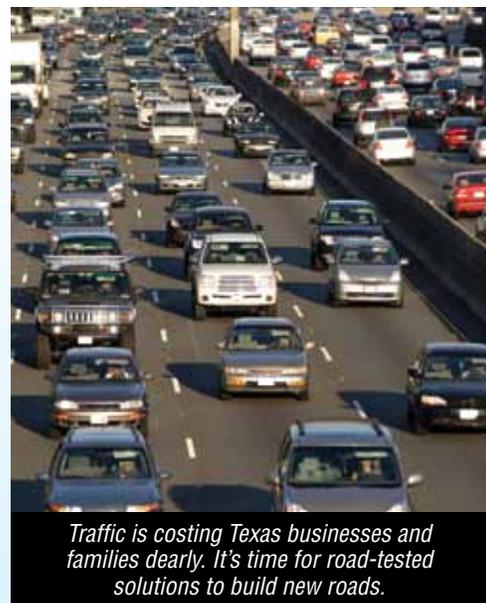
***State must commit to a world-class transportation system.***

Ensuring Texas has sufficient transportation infrastructure to accommodate the state's current and future needs is critical to the state's long-term prosperity and ability to attract new jobs to the state.

Texas Association of Business (TAB) President/CEO Bill Hammond recently called on Texas lawmakers to address the state's transportation crisis by approving innovative solutions to meet Texas' transportation infrastructure needs.

TAB recently surveyed our members on transportation issues and found that eight out of ten Texas businesses believe the state's current transportation system fails to meet the needs of our state's business community and economic development.

"When I visit with Texas employers about our state's transportation system, they all say the same thing: we need more roads to keep Texas moving forward," said Hammond. "Our ability to remain competitive, attract new business investment and create more jobs hinges on a safe, reliable transportation system."



*Traffic is costing Texas businesses and families dearly. It's time for road-tested solutions to build new roads.*

In March, Hammond provided testimony before the House and Senate Transportation Committees, making the case for strategic state investments in roads and for advancing innovative public-private partnerships to meet demands for new roadways.

A number of bills being considered in the House and Senate were cited as "crucial to expanding road capacity," including, but not limited to, Senate Bill 1007, SB 1017, SB 1144, SB 1145, House Bill 1941, HB 2186, HB 2255, HB 2388, and HB 2985.

## WORKFORCE Q&A

*I heard there is a new law that requires employers to provide employees who are nursing mothers with breaks and a private location to express breast milk. I am a small business and do not have space for this. Is there an exception that might apply to me?*

(see page 2)

## WHEN DOES 6 = 429?

*Need proof that President Obama's health care reform has resulted in thousands of new and costly regulations?*

*Section 3022 of the law with its focus on Medicare shared savings programs takes just six pages in the 907-page Patient Protection and Affordable Care Act, but HHS has turned six pages into 429 new regulations.*

*Regulations increase the costs of doing business. And, only in Washington could 6 equal 429.*

Source: U.S. News & World Report (April 7, 2011)

## TAB MISSION

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

# WORKFORCE Q&A



Courtney M. Smith  
Ogletree, Deakins, Nash,  
Smoak & Stewart, P.C.

*I heard there is a new law that requires employers to provide employees who are nursing mothers with breaks and a private location to express breast milk. I am a small business and do not have space for this. Is there an exception that might apply to me?*

The recently-enacted healthcare reform bill, the Patient Protection and Affordable Care Act, includes a requirement that employers provide “reasonable break time for an employee to express breast milk for her nursing child for 1 year after the child’s birth each time such employee has need to express the milk.” Employers are also required to provide “a place, other than a bathroom, that is shielded from view

and free from intrusion from coworkers and the public, which may be used by an employee to express breast milk.” These requirements apply to “non-exempt” employees only, i.e., employees who are subject to the overtime pay requirements of the Fair Labor Standards Act.

Employers with fewer than 50 employees are not required to comply with these requirements if compliance would impose an undue hardship. Whether compliance would impose an undue hardship is determined by looking at the difficulty or expense of compliance for a specific employer in comparison to the size, financial resources, nature, and structure of the employer’s business.

For those employers who are required to comply, they must provide a reasonable amount of break time to express milk as frequently as needed by the nursing mother. Consequently, the duration and frequency of breaks will likely vary based on individual circumstances. Employers are generally not required to compensate employees for these breaks. However, if the employer already provides paid breaks, an employee who uses her break time to express milk must be compensated in the same way as other employees.

Providing a bathroom to express milk, even if private, is not a permissible location. The location must be functional as a space for expressing breast milk. A temporarily created or converted space is acceptable provided the space is shielded from view and free from any intrusion from co-workers or the public.

## **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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## TAB STATEWIDE OFFICERS

Brett Graham, *State Chairman*  
Rudy Oeftering, *Chair Elect*  
Carl Erhart, *Treasurer*  
John Bass, *Secretary*  
Bill Hammond, *President*

## TAB TEAM CONTACTS

Sandra McGee, *Senior Vice President*  
Employment Services & Finance  
[smcgee@txbiz.org](mailto:smcgee@txbiz.org)

Dan Cahalen, *Senior Vice President*  
Membership Development  
[dcahalen@txbiz.org](mailto:dcahalen@txbiz.org)

Phyllis Snodgrass, *Vice President*  
Chamber Relations  
[psnodgrass@txbiz.org](mailto:psnodgrass@txbiz.org)

Cathy DeWitt, *Vice President*  
Workers' Compensation, Tort Reform and  
Employment Relations  
[cdewitt@txbiz.org](mailto:cdewitt@txbiz.org)

Stephen Minick, *Vice President*  
Environmental Quality and Energy  
[sminick@txbiz.org](mailto:sminick@txbiz.org)

Kandice Sanaie, *Governmental Affairs Manager*  
Insurance & Health Care  
[ksanaie@txbiz.org](mailto:ksanaie@txbiz.org)

Nelson Salinas, *Governmental Affairs Manager*  
Education  
[nsalinas@txbiz.org](mailto:nsalinas@txbiz.org)

## TAB REGIONAL OFFICES

**Central Texas Area**  
Ron McGill  
[rmcgill@txbiz.org](mailto:rmcgill@txbiz.org) - (254) 913-0752

**North Texas Area**  
Mark Sadowski  
[msadowski@txbiz.org](mailto:msadowski@txbiz.org) - (214) 906-3361

**Northeast Texas Area**  
Larry Long  
[llong@txbiz.org](mailto:llong@txbiz.org) - (903) 277-1084

**Northwest Texas Area**  
Marshall Jeffus  
[mjeffus@txbiz.org](mailto:mjeffus@txbiz.org) - (940) 642-5428

**Southeast Texas Area**  
Miles Resnick  
[mresnick@txbiz.org](mailto:mresnick@txbiz.org) - (409) 363-1481  
Russ Penson  
[rpenon@txbiz.org](mailto:rpenon@txbiz.org) - (816) 286-9122

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## **Nelson Salinas: TAB's Education Lobbyist** *Newest TAB staffer dedicated to promoting an educated Texas workforce.*

Think what you may of Cesar Chavez, his plight or his policies, and you still will not be able to dispute the accuracy of his words, "Once social change begins, it cannot be reversed. You cannot un-educate the person who has learned to read."

These words have provided great inspiration and influence to the newest member of the Texas Association of Business' team, Nelson Salinas.

Since a small child, the importance of education has been instilled in him. His mother and all six of her siblings grew up in the fields, moving from town to town as migrant farm workers. Yet, their situation was not a deterrent to pursuing their educational goals. Not only did all seven children graduate from high school, but they also obtained both graduate and post-graduate degrees – each and every one of them – a feat almost unheard of at the time, especially within their community.

So, it is no surprise that Nelson not only graduated from college himself, but following graduation, strived to give back to his community through education. And it is through Nelson's experiences as an eighth grade English teacher in an economically distressed area and as a tutor for migrant workers, that he acquired first-hand knowledge of the challenges our state is faced with ensuring that each Texas child obtain a quality education.

Following his stint as a teacher, Nelson moved to Austin, bringing his experiences to the state capitol. For more than a decade he worked for several state representatives, pushing educational reforms in the pink building.

And now, TAB is pleased to welcome him aboard. As a member of our governmental affairs team, Nelson's main area of focus is education-related issues.

Recognizing the importance of what an educated workforce means to our state's economic development, Nelson's top priority is the children – specifically protecting the accountability standards, such as end-of-course exams, that ensure Texas students are receiving a quality education while at the same time holding our educators accountable for them. Nelson also promises to work tirelessly on behalf of TAB for increased access to quality pre-k programs and helping students obtain college degrees.

Nelson looks forward to working with all our members to push TAB legislative priorities and had this to say about our organization:

"I look forward to working on behalf of TAB, a unique group which represents a broader, better business prospective and has a long history of positively impacting business issues in the state," Salinas said.

"The strong name of TAB, along with the positive position the association has taken on public and higher education, are representative of the priorities I have supported for a very long time."

*Nelson can be contacted via email at [nsalinas@txbiz.org](mailto:nsalinas@txbiz.org) or phone at (512) 637-7714.*



*Nelson Salinas joins TAB as its education lobbyist.*

## **Road-Tested Solutions** *continued from page one*

The private sector can and must be part of our transportation solution. Hammond urged lawmakers to give the state the tools and flexibility it needs to leverage Comprehensive Development Agreements and public-private partnerships to build more roads.

"Today, Texas is unable to keep pace with demands for transportation infrastructure brought on by population growth and our state's strong, pro-business economic climate," said Hammond. "Our road capacity in the past 25 years only increased by 10.6 percent while our population grew by 53 percent and use of our existing roadways increased by 103 percent. We need to build more roads and build them fast if we're to attract and retain jobs."

TAB also noted that public-private partnerships for road-building spur additional economic growth and private investment, while creating good paying jobs for Texans.

"More than 175,000 direct and indirect jobs for Texans can be attributed to these innovative public-private partnerships for building Texas roads," Hammond noted.

# MEMBER PROFILE

## Market Basket Foods Stores – Nederland, Texas *Celebrating 50 Years*



In 1961, the first Market Basket grocery store opened in Groves, Texas.

Today, as the company celebrates its 50<sup>th</sup> year in business, Market Basket remains a privately-owned grocer serving the East Texas and Louisiana region with 30 full-service

supermarkets. Market Basket is also a proud Texas Association of Business member.

Market Basket supermarket stores offer outstanding value on grocery foods including fresh produce, quality meats, delicious bakery goods and beautiful floral arrangements. We also provide pharmacy services in select grocery store locations.

Currently, Market Basket employs more than 2,000 supermarket associates. To serve our valued customers well, Market Basket provides innovative supermarket solutions and a full assortment of grocery products to keep pace with their customers' varied needs.

What makes Market Basket Food Stores unique, is the service they offer in the store and online through their website. All Market Basket stores feature a wide variety of the freshest meats, a top-notch deli counter, a mouth-watering bakery department and some of the freshest produce you will find in Texas.

What started out as one store in Groves some fifty years ago, Market Basket today is embracing the latest technology to connect with consumers and grow their business. How would you like to make your grocery shopping a pleasant experience and spend less time doing it? With Market Basket's website, [www.marketbasketfoods.com](http://www.marketbasketfoods.com), customers can go online to find out what is currently on sale, make a convenient, printable shopping list and print any coupons that they need in a short period of time.

Market Basket Food Stores started out with owners Johnnie Alford, Ed Hughes, Howard Hatfield, Roy Theriot and Bruce Thompson. Each were independent grocers, owning one store each, but joined together to lower advertising costs and to pool their purchasing power.

Bruce Thompson's son, Skylar, started working for his father in 1970. He graduated from Texas Christian University and moved up in the family business becoming President of Market Basket Stores in 1992.

Skylar Thompson was named the 2010 Citizen of the Year by the Neches River Festival. He has held leadership positions for many organizations, such as the Muscular Dystrophy Association, American Cancer Society, Young Men's Business League and the Greater Beaumont Chamber of Commerce.

"Market Basket has been a strong supporter of the local Chambers of Commerce in the communities we serve since the inception of our business," said Skylar Thompson. "Likewise we have been a big supporter of the TAB and we have done our best to be a good corporate citizen to Southeast Texas throughout the years."

Market Basket has not only survived, but also thrived, in an increasingly competitive environment dominated by national and regional grocery store chains.

In 2009, the Beaumont Chamber honored Market Basket with its Spindletop Award, recognizing a business with an outstanding track record in Corporate Citizenship and Economic Development.

"It's no surprise that Market Basket is such a success," said TAB President and CEO Bill Hammond. "They understand the value of their employees and the importance of their customers, and they work tirelessly giving back to the communities where they are located."



# Education: A TAB Priority

Recognizing that an educated workforce of tomorrow is critical to continued economic prosperity for our state, the Texas Association of Business remains exceedingly involved in promoting education reforms that will aid our Texas schoolchildren and educators alike. Among the reforms we're pressing lawmakers to adopt:

## ★ **Efficiency & Flexibility for Schools**

House Bill 400 would provide local school districts with the tools and flexibility that they need to protect students from the brunt of deep budget cuts. The bill is making its way through the Texas legislative process. This bill will provide for streamlined human resource management, recognize and reward effective teaching, eliminate unnecessary mandates and inefficiencies with school board elections and hearings and offer class size flexibility.

## ★ **A Prerequisite for Prosperity: Higher Ed Reforms**

Upon the recommendations of the Texas Association of Business and the Governor's Business Council, legislation (House Bill 9) has been presented which would ensure that Texas remains competitive for generations to come through a developmental education plan for students entering public institutions of higher education. To echo our recent higher education report, TAB supports:

- ★ Review and overhaul the higher education financing model to promote increased production and keep higher education affordable;
- ★ Continue to focus the TEXAS Grant Program on rewarding

needy students who complete a rigorous high school curriculum while adding a results-oriented feature to the TEXAS Grant Program, such as the Texas Higher Education Coordinating Board's priority model, which increases the likelihood of degree completion; and

- ★ Assign responsibility for developmental education to community colleges, and scale innovation to fundamentally reform developmental education throughout Texas.

## ★ **Advance, Not Retreat on Education Reforms**

Lastly, TAB reiterates its opposition of a recent move by the House Public Education Committee which unanimously approved House Bill 500, a bill that would roll back 2009 education reforms allowing students to graduate from high school even if they fail eight of the 12 course final exams. The bill also would eliminate requirements that these exam scores count for 15 percent of students' final grades. Texas must stop sending high school graduates to college or the workforce without at least a minimal grasp of key subject matter.

Business has a vested interest in a strong public education system, as it is the pipeline that will ensure our state has a workforce sufficient in both size and quality to meet the long-term needs of Texas business.

## TAB In The News

“A delegation of California state lawmakers and business leaders will travel to Austin in April on a “fact-finding” mission to understand why California businesses are leaving the state to seek “greener-pastures” such as Texas. While in town, the group will meet with Governor Rick Perry and will hear from Texas Association of Business President Bill Hammond.”

– California delegation coming to Austin to study Texas business climate April 6, 2011

“The changes [to the TEXAS Grants program] are supported by the Texas Association of Business, which says the state must produce more college graduates to remain economically competitive.”

– Senate approves academic priority for TEXAS Grants, April 6, 2011

“School districts have seized on the state's budget crisis to justify this change, but the districts' real worry is that student performance on the field tests of the end-of-course exams has been troubling.” Bill Hammond quoted in defense of HB 3 reforms that some are trying to roll back.”

– House to vote on loosening graduation testing requirements, April 5, 2011



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

# Talk **About** Business

## The Building Blocks For Texas' Future



Bill Hammond, TAB President

Tough decisions are going to have to be made to tackle the state's budget crisis, but the real question is determining which of those decisions will benefit or impair the future economy and workforce of our state.

There are competing, and worthy, demands on the state budget, including health care, transportation and criminal justice. But all of these interests benefit from and depend on an educated workforce if they are to function properly and to progress.

And more specifically, without a focus on the essentials of providing quality and effective early childhood educational opportunities, we are gravely at risk of losing the ability to address the biggest threat to our future business economy: our ability to provide an educated and productive employee base for the future.

This is why the initial decision by the House and Senate not to fund the instructional materials developed specifically for pre-kindergarten classrooms is particularly puzzling. These materials, which have not been updated in 10 years are a critical link in ensuring that the tax dollars we spend on pre-k will be effective.

New pre-k guidelines and instructional materials are based on groundbreaking

research and are designed to get young learners school ready.

During a recent discussion with Texas lawmakers, Steve Murdock, a sociology professor at Rice University and former state demographer, said census data shows that Texas public schools have more and more low-income kids and persistently high dropout rates. He also said, the future of Texas will contain more long-term unemployment, more poverty, more citizens depending on state assistance, and higher incarceration rates.

Murdock says the solution must include doing more to prepare preschoolers.

The State Board of Education, as manager of the Permanent School Fund, has transferred \$3 billion generated by that endowment to the legislature, money constitutionally mandated for the purchase of textbooks and for educational funding. In turn, the State Board pared down the price tag for instructional materials already ordered to go into classrooms next fall, with the entire 15-member board asking the legislature to spend about \$500 million of the \$3 billion on these instructional materials. The cost of the new pre-k materials is about \$38 million of the \$3 billion

transferred to the legislature by the State Board.

By comparison, Texas spent \$1.3 million every school day during 2008-09 re-educating students who had already attended kindergarten and first grade. Kindergarten and first graders are retained more often than students in any other grade except for ninth graders. Early grade retention costs the state of Texas almost a quarter of a billion dollars in re-education costs in 2008-09.

Lawmakers must hear from all of us that quality, early-childhood education is essential to the long-term prosperity of Texas. We must provide quality programs and instructional materials for our very youngest learners if we want to improve our workforce, increase the tax base and reduce the societal cost of high school dropouts. Without an investment now in our future workforce, new jobs will not come to Texas and current jobs will leave the state.

The very future of our economy in Texas is at risk.

**The message to lawmakers is simple: The Legislature must fund its obligation to purchase the new pre-k instructional materials.**