



# TEXAS

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# BUSINESS REPORT



## Work In Washington

### *Hammond trip pushes Texas business agenda, lays foundation for conference*

Texas Association of Business President and CEO Bill Hammond and TAB National Affairs lobbyist Wayne Franke met with 31 members of the Texas congressional delegation this month. Those meetings focused on issues that directly impact Texas business and set in place the groundwork for TAB's National Affairs Conference in June.

The major focus of the meetings were federal spending, the deficit and entitlement reform. TAB supports the Ryan plan from Congressman Paul Ryan. It calls for a major overhaul of Medicaid, Medicare and Social Security, making those programs permanently solvent.

"We must do something about entitlements," said Hammond. "That is the issue that is driving the budget and driving spending both at the federal and state levels. Neither Washington nor Austin can afford these programs in their current form."

When it comes to entitlement reform and cutting federal spending the answers aren't easy. "First of all this is an election year, which means a major reform



*Congressman Paul Ryan will speak at National Affairs Conference on June 6*

push for entitlement programs like Medicaid, Medicare and Social Security won't happen," said Hammond. "Our hope is to lay the groundwork for 2013."

Hammond and Franke also talked to the Texas delegation about the important issues of the EPA and the Endangered Species Act.

"I'm very happy that the State and the federal government have worked out an agreement that will keep west Texas oil fields up and running while still protecting the dunes-sagebrush lizard," said Hammond. "We still have our work cut out for us in dealing with the Endangered Species

## WORKFORCE Q&A

*My company received an unemployment claim notice on a former employee who quit after his pay was cut as part of a company-wide reduction to save costs. Do we even need to respond, since he quit? Employees who quit are automatically disqualified, correct?*

(see page 2)

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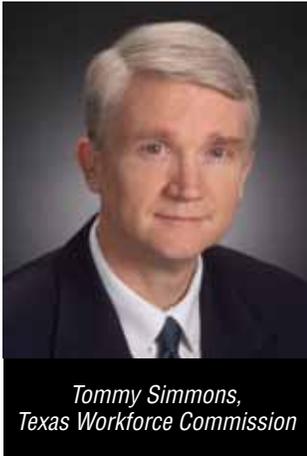
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## TAB MISSION

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

# WORKFORCE Q&A



Tommy Simmons,  
Texas Workforce Commission

***My company received an unemployment claim notice on a former employee who quit after his pay was cut as part of a company-wide reduction to save costs. Do we even need to respond, since he quit? Employees who quit are automatically disqualified, correct?***

It is a good idea to respond in a timely manner to any unemployment claim, especially if the company believes that benefits should be denied for one reason or another. A timely claim response makes the employer a party of interest to the claim with appeal rights. Failure to respond in a timely manner means that the employer

will not have the right to appeal any adverse ruling that Texas Workforce Commission (TWC) may issue. Disqualification is not automatic simply because an employee resigns. If the claimant proves that he or she had good cause connected with the work to quit, no disqualification will occur. "Good cause connected with the work to quit" is a work-connected problem or issue that is so substantial and so adverse that any reasonable employee would quit, rather than remain on the job. In the area of pay cuts, TWC applies a principle known as the "20% rule", i.e., a pay cut of 20% or more is generally considered good cause connected with the work to resign. Thus, in your case, the amount of the pay cut will be important. An exception to the general rule is for pay cuts resulting from a disciplinary cut in hours. In such cases, a claimant does not have good work-connected cause to resign if the cut is not more than 25% and the employer proves that the cut was due to work-connected misconduct on the claimant's part. As with any case involving misconduct, the employer needs to show that the cut in hours was due to a specific final act of misconduct connected with the work and that the claimant either knew or should have known that the pay cut would result from the final incident. You can find more information on these and other important issues with unemployment claims by reading Chapter 17 of *TAB's Employment Law Handbook* (online at <http://www.elhtexas.com/home/chapter17.aspx>).

## ***Employment Relations questions?***

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# TEXAS BUSINESS REPORT

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# Texas Employment Law Handbook



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on-line only, so no matter where you are or what you are doing you can have the answers through your computer, tablet or smart phone.

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The Texas Employment Law Handbook is available exclusively on-line at [www.txbiz.org](http://www.txbiz.org).

## Work In Washington *continued from page one*

Act, however. There are dozens more species that could potentially be added to the list, and each will have to be dealt with in a similar way that won't cost the state jobs."

"There are some other issues in Congress that will directly affect Texas business," said Hammond. "One of them is the Export-Import (Ex-Im) Bank reauthorization that could have a big impact on trade. We all know how important trade is for Texas business." Congress must reauthorize Ex-Im by the end of May. If that doesn't happen financial support for exports and imports could be severely limited, which could cost jobs.

Hammond and Franke also handed out personal invitations to members of the Texas delegation, who in turn are working on getting more of the congressional leadership to attend the TAB National Affairs Conference on June 6 - 7. All of the major issues that Hammond and Franke talked about to the Texas delegation will be discussed during that conference

"What we want to do is expand the Texas model of low taxes and sensible regulation. We think that will bring thousands more jobs to Texas. The problem comes when you have a federal government that works as an adversary and not as a partner," said Hammond. "I am also very pleased and excited that the members attending our National Affairs Conference will get to hear from Congressman Paul Ryan in person. I am a big supporter of his ideas on entitlement reform and I think our members will benefit hearing about that plan first hand from the man who developed it."

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# MEMBER PROFILE

## JHL Company

### *Leading the way in public affairs, fundraising and event management*

In 2004, Jennifer (Lustina) Stevens founded JHL Company, a full-service consulting firm serving corporate, non-profit, and association clients. What began as a solo operation has since grown to a successful, 18-person team that specializes in public affairs, fundraising, and event management. In addition to launching strategic communication plans, orchestrating high-level events, and raising millions of dollars for their clients, JHL Company can, and often does, serve as an outsourced executive director, finance director, or extension of the client's current staff. JHL has carved a niche for itself in public affairs, often acting as a center point to coordinate lobby efforts for major corporations or initiatives.

***“JHL knows that a reliable business climate is key to effective growth and company culture – for everyone. In Texas, TAB has helped maintain that climate...”***

The team at JHL Company is able to achieve long-term victories for their clients by utilizing their vast networks to create innovative opportunities for cultivating relationships. Including Jennifer, many at JHL have made strong connections throughout state leadership, and have previously worked with statewide elected officials and business leaders in a variety of capacities. Jennifer's own expertise began as a kid growing up in a political family, and continued professionally in her last political campaign in 2002 at the age of 27, serving as the youngest female Campaign Manager in Texas history for United States Senator John Cornyn. The 18-month campaign was praised by the *Dallas Morning News* as, “nearly perfect.”

That same drive for perfection is ever-present at JHL Company, whose headquarters are based in Austin. Because every business has a unique set of resources, challenges, and goals, JHL steers clear of the “one size fits all” mantra. Instead, JHL molds strategies and tactics to fit the specific needs of each project. All clients want to succeed, but how to get there requires a

unique approach for everyone – and JHL knows how to clear the right path to victory.

JHL Company recognizes the immense benefits of being a part of the Texas Association of Business. As a business that serves other businesses, Jennifer and the team at JHL value the voice that TAB gives their small company, as well as the large corporations and associations they serve. In developing strategic plans for clients that run the gamut in size, JHL knows that a reliable business climate is key to effective growth

and company culture – for everyone. In Texas, TAB has helped maintain that climate, and in turn, not only have JHL clients been able to flourish, but JHL has been able to grow, to meet the demands of those clients.

What our clients say:

“You want Jennifer (Lustina) Stevens in your corner. There is no greater advocate, strategic thinker, leader and committed proponent for your cause, company or campaign than Jennifer. She consciously selects projects that serve a need and contributes her time and talents into

making sure they are successful.”

--Steve Hicks, Chairman of the Rise Across Texas Foundation.



*JHL Company at the “Friends of Mack” press conference for the surprise unveiling of the Sally and Mack Brown Rise School of Austin*

*[From left to right: Sally Brown, Mack Brown, Jennifer Stevens, Emily Hardt, Rachel Stanbery, Jaimie Lenhardt, Jennifer Harris, R. Steven Hicks]*

# We Have A Primary

The Texas primary will go forward, but more than two months late. May 29 is the date set by a San Antonio federal court after resolving differences over redistricting.

The constant delays have meant many organizations, including TAB's political arm BACPAC, have delayed endorsements in key legislative and congressional races.

"Now with the date set and the late candidate filing over, the PAC committee can get together and consider which candidates to endorse in these races," said TAB President and CEO Bill Hammond. "We hope to have all of those endorsements made in time for the next issue of the *Texas Business Report* to let our members know which candidates we feel will best represent the business interests of Texas in Congress and the Legislature."

There is one endorsement that BACPAC didn't wait to make. That was in the U.S. Senate race. Lt. Governor David Dewhurst is the candidate of choice among the major contenders in that race.

"During his time as Lieutenant Governor, David Dewhurst worked tirelessly to make Texas the best state in the country for business, and it has no doubt paid off with new companies moving here every day," said Hammond. "By reducing spending, lowering taxes and balancing our budget, Lt. Governor Dewhurst has helped to grow Texas' economy even in the worst of times. He has stood up and fought for pro-business values again and again, from refusing any new taxes to stopping reckless spending, and his leadership has made it possible for thousands of businesses across the State to flourish."

"I am incredibly honored to have the support of BACPAC," said Lt. Governor Dewhurst. "We all know that it's not government that creates jobs, but it is the hard-working men and women of the Texas business community who deserve credit for the 'Texas Miracle.' Without their dedication and commitment to growing their businesses, Texas would not be the example it is today for the rest of the country."

## QUOTES

**"It's unfair to the kids when they have little or no probability of graduating,"**

– TAB President and CEO Bill Hammond, *New York Times*, New Plans to Improve Performance at T.S.U.

**"We're disappointed," Hammond said. "But we feel that, given the fact that the (Scott's) agency didn't give nearly enough guidance, and superintendents did a significant job of scaring mom and dad ... that this was bound to happen."**

– TAB President and CEO Bill Hammond, *Houston Chronicle*, Texas defers STARR's effect on grades for a year.

**"We're not getting the return on investment that we're making in higher education, said Bill Hammond, the President of the Texas Association of Business, which advocates for education reform in Texas."**

– TAB President and CEO Bill Hammond, *Texas Tribune*, Four-Year Graduation Rates Lag, But Do They Matter?



### Texas Dreams★Washington Realities

HOW WASHINGTON REALITIES IMPACT TEXAS FUTURE

JUNE 6 & 7, 2012

AGENDA HIGHLIGHTS

- ★ REGULATORY OVERLOAD  
*EPA, Endangered Species, Energy*
- ★ BUDGET AND ECONOMICS  
*Entitlement Reform, Deficit Reduction*
- ★ AFFORDABLE HEALTH
- ★ CARE ACT
- ★ NATIONAL POLITICS
- ★ CONGRESSIONAL VISITS

INVITED GUESTS



- ★ House Speaker John Boehner
- ★ Senator Kay Bailey Hutchison
- ★ Senator John Cornyn
- ★ Senator Marco Rubio
- ★ Congressman Jeb Hensarling
- ★ Congressman Paul Ryan
- ★ Congressman Pete Sessions
- ★ Former House Majority Leader Dick Army





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# Talk **About** Business

## Texas Economic Independence



Bill Hammond, TAB President

What would the economy of Texas look like one year into being its own country? A Texas Independence Day project by NPR reporter John Burnett got me thinking about this exact question. I came to the conclusion that the new Republic of Texas could be extremely successful.

First off, let me be very clear. I am not in favor of the state seceding from the United States, and this is not meant to encourage that kind of movement. I just found it fascinating to be thinking about the prospect after the question was put to me by Mr. Burnett, and I thought that you might be too.

The new Republic of Texas would have a booming economy. That's because the new country would have common sense regulations and low taxes. It would be free of the federal regulations that it's currently dealing with and it would be free to set its own regulations that make sense for Texas as a country.

The new Republic of Texas would be energy independent. Having the largest oil reserves currently in the U.S. and being the number one refining state now would mean Texas wouldn't have to depend on oil imports as its own country and would be able to refine all of the petroleum

products we would need without help from other countries. We also would be able to expand those capabilities, because we are no longer under the command and control structure of Washington D.C. that is strangling the current economy. We have regulations that manage the need for clear air and water with the need for jobs.

Taxes would actually make sense using a flat tax system that rewards success and doesn't punish it, as the current U.S. system does. We have taken control of health care entitlement programs like Medicaid. The system is one that requires those who use the program to pay at least a small part of their own health expenses. This has helped us control the demand for medical services and actually improve quality.

We are the free-trade capital of the world. The Republic has established free-trade agreements with every nation that would have one. The old style of dictating local policies of our trading partners is no longer the model for Texas. We are interested in maintaining our position as a free trade partner with the world. As a result, both imports and exports are

way up, and everyone in Texas is benefitting.

For the first time Texas has been able to secure its own borders, at a much lower cost than the U.S. could do. Because of that we are able to have a truly effective guest worker program, which allows immigrants to come and go as the economy ebbs and flows. We also have new legal immigration policies that allow those immigrants trained at our universities to stay in Texas to benefit our economy, instead of being forced back home and working for our competitors.

Is everything in the new Republic of Texas perfect? Of course not. There are additional things to think about, like the problems that rapid growth would cause for our transportation and education systems. You have to wonder, however, if we would face these problems more effectively if we weren't sending so much money to Washington, and having such a small percentage returned with so many strings attached.

The truth is we could still do many of these things now, with no change in statehood status, if we could only get Washington to back off and let Texas innovate.