



TEXAS BUSINESS REPORT

A Publication of the Texas Association of Business
Volume 28 | Issue 1 | January 2013 | www.TXBIZ.org



Brighter Money Picture Greet Lawmakers

But not enough money for everything

While State Comptroller Susan Combs told lawmakers that they have more than \$101 billion in state dollars to spend this legislative session, there is also a warning that Texas can't go on a spending spree.

"It is very encouraging that the economy has turned around to the extent that the state has this kind of money," said TAB President and CEO Bill Hammond. "But when you look at the extraordinary needs of this state caused by growth and its own economic vitality, we still can't meet every single need fully. We must ensure that this money is invested to benefit our economic future."

TAB's Board has approved a legislative agenda that prioritizes spending into several important areas. One area, of course, is education. Once state lawmakers determine the future of the state's accountability system then TAB would favor consideration of increased public school spending. "Schools say they need more money to improve achievement, so we want to make sure there is a system to measure that achievement," said Hammond.

Our legislative agenda also supports tying spending on higher education to increasing their completion rates at our community colleges and universities. TAB supports the idea at least 10 percent of higher education funding be tied to higher completion rates, a concept with which a growing number of community colleges and lawmakers agree.



Lawmakers convene to begin 83rd Legislative Session

Another major spending priority this session must be the state's water plan. TAB supports an idea, first proposed by Lt. Gov. David Dewhurst, to use at least one billion dollars of the Rainy Day Fund money as principal in an investment fund that would help pay for future water projects. With higher revenue projections, it may be possible to get that money from another source, but either way that

WORKFORCE Q&A

We have an employee leaving to go to work for a competitor. What steps should we take to protect our confidential information and trade secrets?

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TAB MISSION

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

WORKFORCE Q&A

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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:
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1209 Nueces Street, Austin, TX 78701



Jacqueline Johnson,
Littler, Dallas

We have an employee leaving to go to work for a competitor. What steps should we take to protect our confidential information and trade secrets?

Initially, your company should make sure that the employee's ability to access the company's computer systems and email is suspended immediately. Furthermore, if the employee provided an anticipated last day sometime in the future, the company should consider accelerating the termination date to make sure the employee's ongoing access to confidential information and trade secrets is curtailed. It is good practice to suspend any

measures that might automatically overwrite or delete information contained on the employee's computer. Likewise, the employee's computer, phone and any other devices should not be cleaned and put back into circulation until the company is comfortable that no disputes over use or disclosure of confidential information will arise with the employee. The company should preserve "hard" documents relating to the employee, such as building and security logs, copier access records, expense records, and phone records. If the employee executed a confidentiality agreement, the employee should be reminded of such in the exit interview. It has become a common practice to send a "reminder" letter to the employee (and often the new employer) as well. The employee should be asked to return all company property at the exit interview. In this regard, simply asking the employee to return confidential information may not be sufficient. After all, the employee may have a different take than you do regarding what is confidential. It is important to inquire whether the employee has any company files or data stored on home computers or equipment. And, it should be noted that certain proactive measures help too. For instance, your company should consider implementing a policy that allows any materials removed from the workplace to be inspected. Likewise, it should be clear from the company's policies that the company's electronic resources (such as computers) belong exclusively to the company and that the company reserves the right to examine these devices and the data contained within them. Some companies go as far as requiring that any external storage devices used with computers be company-issued. Such a provision allows a company to demand return of the devices upon termination and helps avoid disputes over ownership.

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***

Our Work Has Just Begun

The TAB Lobby Team prepares for the session.

Your TAB Lobby Team is preparing for another busy and challenging legislative session, and the team wants to ensure that you are informed and part of the process every step of the way.

“Our legislative priorities come from our members,” said TAB President and CEO Bill Hammond. “It is our job to represent all of our members at the State Capitol, and to ensure that lawmakers pass bills that will keep the business climate in Texas strong and they don’t pass legislation that could add new burdens on our members.”

There are several ways that you can get involved in the process.

Lobby Committee Calls:

These calls will start in early February at 9:00 a.m. on Thursday mornings. If you are in Austin and want to come to these updates in person, we would love to see you. For everyone else, there is a conference call to listen to the latest updates from our TAB Lobby Team and what you can do to help push our priorities with your local lawmakers. Any member can be on the Lobby Committee. Please email Sharon Berger, sberger@txbiz.org, and she will get you added to the committee if you are not already a member. Only committee members will get meeting notices.

VoterVoice: This system sends an email notice asking you to send a message to your local senator or representative about a particular piece of legislation. The great thing about VoterVoice is the system takes care of everything for you with just a couple of mouse clicks. There is

usually an option to add your own personal message, but that is not required. VoterVoice is one of the most effective tools we use to show grass-roots support, or a lack of support for pieces of legislation.

Individual Communication: On page five, you will find a contact list for all of our TAB Lobby Team with the areas in which they specialize. Please feel free to use this information at any time to address any questions or concerns that you may have. If you have heard about something that concerns you, we want to know about it, so that we can help you, take action. Since our lobbyists are in the field most of



TAB's push for legislative priorities begins.

the time during the session, we ask that you try an email first and then follow-up with a phone call.

Legislative sessions are always challenging, but TAB has never failed to meet that challenge. We hope that you will want to become an active member during the legislative session to help shape Texas economic future. We look forward to working with you and seeing you during the session.

Session

continued from page one

fund should be created. “Initially we were supportive of a tap fee to raise the money for the statewide water plan, but our current revenue makes it possible to begin to fund the water plan without any new fee,” said Hammond. “We also realize that passing such a fee would have been a very hard uphill battle.”

The third major spending priority for TAB this session is transportation. Good roads with more capacity are vital to moving goods and people. Good roads with more capacity, however, are also extremely expensive. TAB supports the idea of raising the yearly registration fee by \$50. This proposal would leverage billions in bond money that the state could use to get started on new projects to get traffic moving. “This will be a hard sell, and there are competing ideas on raising money for transportation projects,” said Hammond. “We feel that this is the only idea that won’t leave a recurring, long-term hole in the state budget. While we can afford to take that budget hit now, we won’t be able to do that in the future.”

TAB also supports more truth in budgeting. For years, the state has collected billions of dollars in fees, but those fees haven’t been spent for their designated purpose. In fact, many haven’t been spent at all and instead have been used as a budget balancing accounting trick. “We want to put an end to those tricks, lower or eliminate the fees where applicable, and ensure that when we pay a fee to support a program, that is actually where the money is going,” said Hammond.

MEMBER PROFILE

Brenham National Bank – Their People, Their Service, Their Best

In 1933, Farmer's National Bank was founded in Brenham at the corner of Main and S. Baylor. In order to meet the needs of the community, the bank grew and evolved into what is now Brenham National Bank, with locations in Brenham, College Station, and Chappell Hill.

Brenham National Bank has many points of pride, but arguably the greatest is its longstanding reputation for serving the community by way of its mission: Our People, Our Service, Our Best. Through this mission, Brenham National Bank sets out to provide the best in financial services to all of its customers all of the time. The bank's decisions are made locally by local bankers.

A large part of the bank's acclaim comes from its gift for providing the kind of customer service where the customer always comes first. Brenham National Bank employees truly care about their customers and strive daily to exceed their expectations.

Although Brenham National Bank's services rely on old-fashioned notions, which many individuals are missing from their banking experiences, it also employs the latest in technological advances for both consumers and businesses. The bank has very robust mobile and Internet banking capabilities. Brenham National Bank's banking solutions rival that of any large financial institution, and still all of the bank's calls are answered by a warm, human voice.

In April, the bank will celebrate its 80th anniversary. Tieman H. Dippel, Sr. was a transcending figure in the history of the bank. He was well known as a man of strong character and impeccable integrity. Mr. Dippel was sheriff of Washington County for 20 years before transitioning into banking. He led the bank during the late 1950s, the 1960s and early 1970s, and his legacy lives on in the bank today. More than 40 years after his passing, customers and employees still tell stories about how Mr. Dippel always treated them fairly and with respect.

Tieman "Skipper" Dippel, Jr. is the current Chairman of the Board of the bank and has carried the torch of leadership passed on from his father. Skipper has been a long-time supporter of the Texas Association of Business (TAB) and has been very instrumental in many strategic planning initiatives for TAB.

The bank has been a member of TAB for nearly 25 years. Brenham National Bank CEO, Ron Alfred, is a former TAB Board Member. In addition, Tieman "Tee" Dippel, III, Vice President of the bank, currently sits on TAB's

Board of Directors. According to Alfred, "The mere fact that we now have a second generation board member from our independent community bank displays our faith in and our commitment to TAB."

Brenham National Bank also realizes the value of being a TAB member. Dippel (III) states, "The Bank appreciates TAB's well-reasoned and substantive approach to issues. TAB has been the leading voice in promoting and developing a business-friendly culture across the state."

Similarly, TAB both recognizes and appreciates the role Brenham National Bank has played in its many years as a TAB member. TAB President and CEO Bill Hammond explains, "It is the support, encouragement and work of long-standing members like Brenham National Bank that allow our organization to move forward in the fight for Texas business."

"TAB has been the leading voice in promoting and developing a business-friendly culture across the state."

*- Tee Dippel,
Vice President
Brenham National Bank*



Brenham National Bank, Brenham Branch

A Message From The Chair

I would like to wish our entire membership a somewhat belated, safe and prosperous New Year!

There will be a great number of challenges for each of us to face this year. We will need to use every available resource to turn these challenges into opportunities for success. The Texas Association of Business (TAB) is one of those resources. We have a Strategic Initiative Plan in place that outlines a strategy for us to continue to grow and provide value to our membership. TAB will continue to be a leading advocate (in both state and federal arenas) for our membership in three prominent areas – education (workforce development), transportation and water. Two additional areas of equal importance that we will continue to focus on this year will be health care and energy.

The legislative session this year will be a challenge for our elected officials, too. They will be working to address the state's needs in each of the above mentioned issue areas. TAB has been one of the most influential business

groups during previous legislative sessions by providing valuable guidance and direction to help sustain Texas' top ranking as a place to do business. That will not change this session, but we will need help and support from you and members of your business or organization by way of time, ideas and feedback in each of these policy areas that can help you and our state.



John Bass, Nucor Steel

It should not go without saying that the successes of our association are due to the efforts and dedication of our members, our outstanding staff and the leadership of our President and CEO Bill Hammond. I am humbled to be given the opportunity to serve you in the role of Chairman for 2013. Let me also mention

that it will be no small task to follow in the footsteps provided by our outgoing chairman, Rudy Oeftering.

Help us help you. Please do not hesitate to let us know how we can continue to bring value to your business or organization through your membership in the Texas Association of Business.

YOUR TAB LEGISLATIVE TEAM

Feel free to contact your TAB Legislative Team anytime with any questions that you might have during the legislative session. Since they spend much of their time away from the office and at the Capitol, the best method of contact is email, but please feel free to leave a voice mail.

Bill Hammond: TAB President and CEO, who specializes in the budget, taxes, immigration and education. Phone 512.637.7701. Direct email, bhammond@txbiz.org.

Steve Minick: TAB Vice President of Government Affairs, who specializes in energy, environmental regulation, water policy and transportation. Phone 512.637.7707. Direct email, sminick@txbiz.org

Cathy DeWitt: TAB Vice President of Government Affairs, who specializes in workers compensation insurance, employment relations, tort reform and privacy. Phone 512.637.7704. Direct email, cdewitt@txbiz.org

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Nelson Salinas: Government Affairs Manager specializing in public and higher education. Phone 512.637.7714. Direct email, nsalinas@txbiz.org.

QUOTES

“Given the criticism, we’ve come up with something that will meet the needs of employers in the future.”

– TAB President and CEO Bill Hammond in the Ft. Worth Star Telegram speaking in support of accountability system modifications.

“Without an adequate water supply, our Texas economy will dry up, (These bills) put in place a funding mechanism for the statewide water plan.”

– TAB President and CEO Bill Hammond in the Texas Tribune speaking in support of house bills to fund the statewide water plan.

“Clearly not having an adequate water supply will harm us in terms of bringing jobs to Texas and is doing so now, already.”

– TAB President and CEO Bill Hammond in the New York Times speaking about funding Texas water projects.



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Talk **About** Business

The Right Time To Fight



Bill Hammond, TAB President

Recently, Texas Senior U.S. Senator John Cornyn argued that a partial government shutdown might be justified to try to restore some fiscal sanity to Washington, D.C. I tend to agree with him if it is done at the right time.

There is a belief that Republicans should fight the President tooth and nail on every budget issue between now and the new deadlines in March. I, however, don't think that another fight over raising the debt ceiling is worth it. The President and media have led us to believe that the debt ceiling is the "be all end all" of fiscal cliffs. If it's not raised, all kinds of financial Armageddon will envelope this country. That is overblown. The government would still have money coming in, just not enough to meet every spending obligation, and they wouldn't be able to borrow to make up the difference.

I think that we need a new focus on what's really going to make a difference; the continuing resolution. Unfortunately, the continuing resolution has, by default, become the federal budget. That is where the spending decisions are made and that is where the fight should be focused.

Our first priority must be controlling federal spending. Without that control, we can't get to anything else. The future

of our tax structure and entitlement programs all rest on controlling federal spending and vice versa.

I would urge the President and the new Congress to start working together now to avoid such a draconian measure as a partial government shut-down. Unfortunately, given the history of this administration, that's not too likely to happen. We can't tax our way out of this dilemma. We need serious spending cuts, future spending restraint and real long-term reform of our entitlement programs.

President Obama should be looking at this second term as a way to cement his legacy. I would think saving entitlement programs, like Social Security, Medicare and Medicaid, for generations to come, by making the hard decisions now to make those programs fiscally sound would be a legacy anyone would be proud of.

These programs can be saved and our government spending can be controlled, and we can do it without new taxes. There are leaders in Congress who have good ideas on how to prioritize spending that will bring fiscal restraint, keep taxes in line and still save these entitlement programs, and the federal government in general, from financial ruin.

I would say this to members on both sides of the aisle: it can no longer be "my way or the highway." We have run out of money, and the American people are running out of patients. We need to solve these problems. I have to believe there are still some people with the political courage to do the right thing over the politically easy thing.

While I'm saying that we should increase the debt ceiling and focus the fight on the continuing resolutions, I am not in favor of an unlimited debt ceiling increase. I think that we should move to cut the budget by the same dollar amount that we increase the debt ceiling this time. That will mean significant budget cuts over time, and the only way to achieve that kind of savings will be long-term, permanent changes in how our entitlement programs are funded and managed.

Is getting this kind of long-term change worth a partial government shut down? Yes, but the point is that it doesn't, and shouldn't, have to come to that point. All sides must realize that the economy can't support the current spending levels of the federal government: This recovery will end very quickly if spending isn't controlled, or if taxes are continually being raised.