



TEXAS BUSINESS REPORT

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TAB Pushes Texas Solutions in Washington

Hammond pushes business agenda.

The TAB Board approved a new list of federal priorities in September, and TAB President Bill Hammond has taken those marching orders to Washington twice in the past month, holding meetings with almost every member of the Texas delegation.

“We must continue to push Washington to move more toward the Texas way of doing things,” said Hammond. “That means limiting federal regulations and policies that can limit economic expansion.” While in the Nation’s Capital, Hammond met with 30 of the 34 member Texas delegation.

There are a number of new threats that could hurt the state’s economy, including new carbon pollution standards for existing and new power plants from the Environmental Protection Agency (EPA).

A listening session on that proposal was held in Dallas on Nov. 7. TAB’s Vice President of Government Affairs, Stephen Minick was one of the people who addressed that listening session. He spoke against the proposal. “By targeting both new and existing power plants, this rule would cost jobs and make consumer

prices blow sky high,” said Minick. “This is another perfect example of how the federal government can do a great deal of damage to the Texas economy with new rules that will have very little, if any, impact on improving the environment.”

Texas businesses did get a victory in October when the federal government approved a conservation plan for the lesser prairie chicken that will not interfere with oil and gas drilling in West Texas. “This was only the latest endangered species battle,” said Hammond. “There will be more of these coming, and we must keep working to ensure Washington understands that we



TAB President Bill Hammond pushes business agenda under the dome.

WORKFORCE Q&A

We have an employee who keeps requesting military leave for Army reserve duty. He was off four weeks and now has brought in the necessary paper work to be off again. Can we put some type of restriction on time off for this type of leave?

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TAB EVENT

2014 TAB Annual Conference
February 5 and 6

New location: Sheraton Austin at the Capitol, 701 East 11th Street, Austin 78701

There are big changes coming in 2014, and you will want to attend to hear about them and to learn how you can get involved in the big issues facing Texas and the nation.

For more information visit www.txbiz.org

TAB MISSION

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

WORKFORCE Q&A



Dorian Bass Taibel,
Bracewell & Giuliani LLP

We have an employee who keeps requesting military leave for Army reserve duty. He was off four weeks and now has brought in the necessary paper work to be off again. Can we put some type of restriction on time off for this type of leave?

No. Generally, an employer cannot limit an employee's time off for military reserve duty as long as the employee, or an appropriate officer of the uniformed service, provides advance written or verbal notice of the military service, unless providing such advance notice is prevented by military necessity or is otherwise impossible or unreasonable.

The Uniformed Services Employment and Reemployment Rights Act ("USERRA"), 38 U.S.C. §§ 4301 et seq., and its interpretative regulations, 20 C.F.R. §§ 1002.1 et seq., provide that employees whose absence from a position of employment is necessitated by reason of service in the uniformed services are entitled to a leave of absence for military service and reemployment rights and benefits at the conclusion of the service, as long as the employee complies with the requirements for reinstatement. For example, if the period of military service is less than thirty-one (31) days, the employee must report back to work at the beginning of the first full regularly-scheduled work period on the next full day that is eight (8) hours after the employee has returned home.

USERRA is interpreted liberally in favor of the employee. An employer cannot discriminate or retaliate against an employee because of the employee's military service. The only limitation (with certain exceptions) on the amount of time an employee can be absent from work for military service is that the cumulative length of absences cannot exceed five (5) years. However, time spent in required National Guard and Reserve training duty (as well as certain other types of military service) does not count toward the five-year limit.

Additionally, under USERRA, an employee is not required to accommodate the employer's interests or concerns regarding the timing, frequency or duration of uniformed service. An employee is not required to obtain the employer's permission before leaving to perform military service.

However, an employer is permitted to bring its concerns over the timing, frequency or duration of the employee's military service to the attention of the appropriate military authority, e.g., the employee's commanding officer, who is required to consider the employer's requests to adjust an employee's scheduled absence from employment to perform service.

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***

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TAB STATEWIDE OFFICERS

John Bass, *State Chairman*
Dale Young, *Chair Elect*
Terri Ricketts, *Treasurer*
Sara Tays, *Secretary*
Bill Hammond, *President*

TAB TEAM CONTACTS

Sandra McGee, *Senior Vice President*
Employment Services & Finance
smcgee@txbiz.org

Dan Cahalen, *Senior Vice President*
Membership Development
dcahalen@txbiz.org

Aaron Cox, *Vice President*
Chamber Relations
acox@txbiz.org

Cathy DeWitt, *Vice President*
Workers' Compensation, Tort Reform and
Employment Relations
cdewitt@txbiz.org

Stephen Minick, *Vice President*
Environmental Quality and Energy
sminick@txbiz.org

Nelson Salinas, *Governmental Affairs Manager*
Education
nsalinas@txbiz.org

Robert Wood, *Communications Director*
rwood@txbiz.org

Jennifer Clarke, *Events Director*
jclarke@txbiz.org

TAB REGIONAL OFFICES

Central Texas Area - Beau Berlin
bberlin@txbiz.org - (512) 769-2915

Coastal Texas Area - Daryl Davis
ddavis@txbiz.org - (816) 582-3311

North Texas Area - Mark Sadowski
msadowski@txbiz.org - (214) 906-3361

Northwest Texas Area - Marshall Jeffus
mjeffus@txbiz.org - (940) 642-5428

Southeast Texas Area - Miles Resnick
mresnick@txbiz.org - (409) 363-1481

Southeast Texas Area - Russ Penson
rpenon@txbiz.org - (816) 286-9122

West Texas Area - K C Emery
kemery@txbiz.org - (806) 620-3611

Director of Corporate Development
Hoyt Strain
hstrain@txbiz.org - (225) 205-2541

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TAB Board Ballot

For the election of Directors-at Large nominated to serve January 1, 2014 through December 31, 2016.

As prescribed by the Constitution of Texas Association of Business (TAB), the following active TAB members in good standing have been nominated to serve on the TAB Board of Directors for a three-year term. According to the TAB Constitution, any member, upon receiving the ballot, shall have six (6) days from the date on the ballot or date of mailing (whichever is later) within which to offer substitute nominations for one or more of the nominees for whom substitution is suggested. If no substitute nominations are made as prescribed within ten (10) calendar days from the date of mailing, the list of nominees shall automatically be elected as members of the Board for the specified term indicated on the ballot.

Mr. Slate Babineaux

Beaumont, Air Comfort Incorporated

Ms. Nancy Bellows

Refugio, Oak Lease Services

Mr. Richard Bothe

Keene, General Insurance Service

Ms. Jenny Cox

San Marcos, Alert Services, Inc.

Mr. Richard Evans

Austin, Texas Lobby Solutions

Mr. Todd Gorman

Perryton, Gorman-Phillips Construction

Ms. Diane Griffin

Victoria, Pegasus Operating Inc.

Mr. Don Henderson

Houston, FabEnCo, Inc.

Mr. Daniel Jeanes

Temple, Compass Bank - Temple

Ms. Tracey Kirsch

Mineral Wells, Electromedical Products Intl., Inc.

Ms. Tammy Larson

Temple, Scott & White Health Plan

Mr. Kevin Lashus

Austin, Jackson Lewis

Ms. Barbara Legler

South Houston, Houston Wire Works

Mr. Bert Marshall

Richardson, Blue Cross Blue Shield

Mr. Trey Meador

Houston, Manchester Sling Company

Mr. Weldon Montgomery

Dallas, Employee Leasing Service

Mr. Adrian Murray

Fort Worth, Painless Performance

Dr. Timothy Planty

Baytown, Vision Max

Mr. Scott Plowman

Wichita Falls, Parkway Grill/Pelican's

Mr. Tom Rumney

Houston, T & C Construction, LTD

Mr. Jay Saad

Plano, CIGNA Plano

Dr. Bob Sanborn

Houston, Children at Risk

Mr. Jay Schlichting

Dallas, The Schlichting Group

Mr. David Scott

Tomball, DeVasco International, Inc

Mr. Brad Shields

Austin, Texas Legislative Associates

Mr. Sam Spradlin

Amarillo, Merrick Pet Care

Mr. David Talbert

Yoakum, Hochheim Prairie Insurance

Ms. Lady Theresa Thombs

Haltom City, The Rockaway Company

Mr. John Wood

Houston, The Ocean Corporation

Ms. Vandra Wright

Wichita Falls, MSU-SBDC

Washington

continued from page one

do not have to endanger business to preserve endangered species.”

TAB's updated federal priorities (available to read on the www.txbiz.org website) cover familiar topics that are critically important to our members:

- Taxes & Spending
- Regulatory Environment
- Education
- Health Care

“My first trip to Washington following the TAB Board meeting was during the government shut down,” said Hammond. “While that shut down was a primary concern for our Texas delegation, we did have time to sit down with almost all of them and work on the issues that are important to all of us. Our delegation, for the most part, is very receptive to the needs and concerns of Texas businesses, no matter their party affiliation.”

Hammond's most recent visit was part of an immigration reform effort supported by businesses and religious leaders from across America. “This effort is supported by major business groups, like the U.S. Chamber of Commerce,” said Hammond. “There were more than 600 of us there to talk to our elected officials about, in my case, the economic need for immigration reform.”

“It is the right thing to do for business, and Congress needs to get to work and resolve this issue. We should not have to deal with the current broken system anymore.”

Hammond said business groups need to do a better job communicating the economic value of comprehensive immigration reform.

MEMBER PROFILE

Business Bank of Texas, N.A. – Focused on Providing Service to the Business Community

The executive team of Business Bank of Texas, N.A. has more than a century of combined banking and financial services experience. Established in 2007, Business Bank of Texas is dedicated to meeting the needs of businesses and entrepreneurs across the state of Texas. Founder, President and Chief Executive Officer Ed Lette, has become founding president of four national bank charters, including Business Bank of Texas, and has served as Chief Financial Officer for five national banks over the course of his 45-year career. Ed also has served as a licensed CPA since 1983.

Ed is very active in the business community. He serves as director of the Texas Bankers Association District 4, chairman of the Executive Advisory Council to the School of Business at Texas Lutheran University, and is a life member of the Texas Association of Business (TAB). He is a member of many professional associations including The Texas Society of CPAs (TSCPA) and San Antonio Manufacturing Association (SAMA). Business Bank of Texas is a Cornerstone Founder of Austin Regional Manufacturing Association (ARMA).

When asked about his TAB life membership, Ed shared, “I joined TAB early in my career because the association offered a voice to Texas employers. Throughout my membership I have witnessed the impact of TAB’s educational and advocacy resources.”

Entrepreneurs and businesses benefit from the fundamental stability, business-to-business expertise, innovative virtual banking model and superior customer service offered by Business Bank of Texas. The bank focuses exclusively on banking services for businesses, bringing the full and broad experience of its management team to take on the challenges specific to business customers. In addition to traditional banking services, Business Bank of Texas offers commercial lending options, cash management and concierge services, along with lower service rates and fees resulting from its lower overhead costs.

Business Bank of Texas serves its customers through a completely virtual banking model – no physical branches, no tellers and, most importantly, low to no fees. It has one headquarters location in Austin and operates with a staff of 12 employees. This unique business model enables Business Bank of Texas to pass the savings on to its customers.

The bank utilizes cutting-edge technology and processes to enable 24/7 online banking, remote deposit, next-day availability on full amount of deposited funds, ACH processing and a four-hour post-event disaster recovery plan. Business Bank of Texas understands the demands placed upon business owners and managers, and continuously works hard to deliver banking solutions that allow the most seamless banking experience possible.

Perhaps most important to the success of Business Bank of Texas, N.A., however, is its commitment to building and maintaining strong relationships with its customers. The management team works closely with each customer to educate and provide the best possible banking experience, aid in important banking decisions, and ensure an always-open line of communication. “We really work hard to develop a strong individual bond with each of our customers, as no two situations are ever the same. And given the drop in customer service among large institutions, we realize the competitive advantage that we have,” Lette said.

“I joined TAB early in my career because the association offered a voice to Texas employers. Throughout my membership I have witnessed the impact of TAB’s educational and advocacy resources.”

*- Ed Lette, CEO
Business Bank of Texas, N.A.*



Business Bank of Texas, N.A. Austin, Texas

New Affinity Program Offers Life Insurance Help

We are always working at TAB to find new programs that will benefit our members. The new life insurance program from Lincoln Financial Group meets that definition.

Life insurance can play a significant role in helping create the financial security to support employees' experiences in everyday life and their plans for the future. This is a benefit your employees will value and appreciate.

What's life all about?

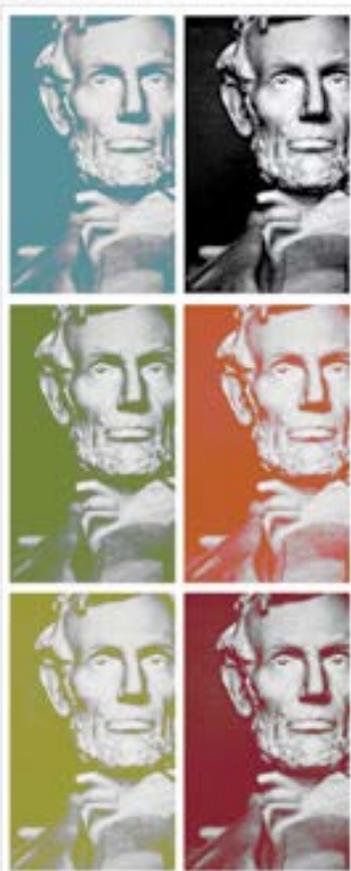
For employees, the answer will depend on how they live—and the insurance needs generated by those lifestyle choices. Including life insurance options as part of your benefits portfolio can help support employees' needs, from

the building years, through their plans for retirement and beyond.

No two employees are the same.

Likewise, neither are their life insurance needs. As employees experience different stages of life, along with significant events and changes, their insurance requirements evolve. Offering a selection of life insurance options to your employees allows you to help them plan for and protect their lifestyles—and their futures—with varying levels of coverage for a range of circumstances and time periods.

For more information on this new benefit of membership please contact Sandra McGee at smcgee@txbiz.org.



YOU CAN'T PREDICT
THE FUTURE.
BUT YOU CAN
PLAN FOR IT.

Take charge of your future with a company that has made a business out of thinking long-term.



LIFE • INCOME • RETIREMENT • GROUP BENEFITS • ADVICE

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QUOTES

“They are louder and more shrill and we need to do a better job. That’s why 600 of us flew in from all over the country to make the case.”

– Bill Hammond speaking on the argument for immigration reform in the *Longview News-Journal*

“Now, because of our healthy economy and booming oil and gas business, we have the resources to fund that plan and ensure that we have water to meet our current and future needs.”

– Bill Hammond in the *Dallas Morning News* in favor of Prop. 6

“I hope that he will turn his guns on making certain that my grandchildren have Social Security and Medicare, by reforming them without raising taxes.”

– Bill Hammond in the *Dallas Morning News* on what he hopes Sen. Cruz will do following the government shutdown.



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

Talk **About** Business

Federal Budget Solution Must Include Entitlement Reform



Bill Hammond, TAB President

The good news for the federal budget: there is finally a conference committee that is looking at the issue. The bad news: it is hard to get Congress to agree on anything these days, let alone the budget.

The big issue is sequestration. Do we, once again, allow huge automatic cuts to take place to control spending?

Sequestration will cause a 2.7 percent reduction in spending beginning in January of next year. Because of the last sequestration, federal spending has actually gone down from year to year for the first time. While that sounds good, these across the board cuts without considering the need for individual programs, is not a good way to do business.

Democrats aren't a fan of another sequestration because it makes huge cuts to social programs. Republicans aren't a fan because of the big cuts to defense spending. Yes, the issue is more complicated, but that is the basic problem.

So what is the alternative to another sequestration? The answer is long-term entitlement reform.

Bank robber Willie Sutton was quoted as answering the question of why he robbed banks by saying, "because that's where the money is." He denied ever

actually saying that, but his quote is also the answer of why we need long-term entitlement reform: because that's where the money is.

The vast majority of our future new spending, about 80 percent of it, will be on Medicare and Social Security.

If a trade could be made to do away with the sequestration and instead pass substantial, long-term entitlement reform, everyone would be better off. I am concerned that Medicare and Social Security won't be there for my grandchildren, and quite frankly that scares me. We need to fix the financial health of these programs now to ensure their viability for our future generations.

It is not that hard, but it will generate controversy, which makes it hard. For both programs, you could simply raise the age of retirement and eligibility to 70. People close to retirement age, down to age 50 or 55, could be grandfathered and everyone else would be under the new rules. When these programs were first started, life expectancy was in the 60's. Now it's in the 80's. My guess is it will be well into the 90's for my grandchildren. People are working well beyond 65 and the current programs don't match current reality.

There could also be changes in the cost of living calculation adjustments in Social Security using a more modern method that looks at consumer spending based on price changes.

Because of the concern of losing Social Security, many people are now saving for their own retirement. That is a good thing, and we need to encourage and incentivize more retirement savings so that Social Security becomes a safety net and not the primary retirement income for Americans. After all, that is what it was designed to be in the first place.

For Medicare, other than increasing the age of eligibility, we should consider bringing some private competition into the mix. Give people a choice: Traditional Medicare or a private full service plan that is comparable in benefits and coverage. We should allow those private plans the flexibility to innovate and offer a real choice to a one-size-fits-all government run plan.

We can do all of these things while still protecting the safety net for low income Americans, which is critical. What Congress must remember is, if we don't make changes, the safety net for those who need it most won't exist, because the programs won't exist.

It is an opportunity that we should not pass up.