



## Critical Election Approaches

### ***TAB's BACPAC Makes Endorsements.***

Not only will Texans decide on a new list of statewide candidates this November, Texans also will have a major say on how we deal with the state's escalating traffic problems.

While there are many familiar names on the statewide ballot, almost all of them are running for different offices.

In the Governor's race, TAB's Business and Commerce PAC (BACPAC) endorses longtime Attorney General Greg Abbott. "We feel that Attorney General Abbott is by far the best choice to keep our economy strong and our business climate at the top," said TAB CEO Bill Hammond. "Attorney General Abbott has a bright vision of where Texas needs to be regarding taxes, spending and education. Deciding to endorse him was an easy choice for the BACPAC Board to make."

Hammond said another easy choice was the question of who to back in the U.S. Senate Race. "Sen. John Cornyn has been a strong representative for the people of Texas," said Hammond. "He is a true voice of reason at our Nation's Capital. Texas and the nation need John Cornyn to remain in the U.S. Senate for a long time to come."



*BACPAC endorses Attorney General  
Greg Abbott for Governor*

Another major issue on the ballot is state Proposition One, which will provide a new revenue source for transportation projects, by using some of the future tax revenue that would have gone into the Economic Stabilization Fund, or Rainy Day Fund as most people call it. "It is critical that we find new sources of revenue to help ease our transportation congestion in this state," said Hammond. "Our traffic problems increase the cost of doing business, make it harder for employees to get to work and degrade the quality of life for all Texans. This is something we must pass to help deal with

## WORKFORCE Q&A

*I heard that a failure to respond to an unemployment claim that results in improper benefit payments will result in penalties over time. My company does not want to dispute the claim, but I think they should still respond — what do you recommend?*

(see page 2)

## TAB EVENT

### ***TAB Higher Education Conference***

***November 19, 2014***

***Sheraton Austin at the Capitol***  
701 East 11<sup>th</sup> Street  
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*Join us for TAB's annual review  
of the legislation and issues  
affecting Texas higher education.*

*Go to [www.txbiz.org](http://www.txbiz.org) to register*

## TAB MISSION

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

# WORKFORCE Q&A



Tommy Simmons, Legal  
Counsel to Commissioner  
Hope Andrade, Texas  
Workforce Commission

*I heard that a failure to respond to an unemployment claim that results in improper benefit payments will result in penalties over time. My company does not want to dispute the claim, but I think they should still respond — what do you recommend?*

That involves the new law on chargeback penalties in the event of inadequate claim responses. Texas Workforce Commission (TWC) Rule §815.1(3) interprets the new law by defining “adequate notification” as “notification of adverse facts ... directly related to the allegation raised regarding the claimant’s right to benefits.” The rule includes examples of adequate claim responses, such as “The claimant was discharged for misconduct connected with his work because he was fighting on the job in violation of written company policy,” and “The claimant abandoned her job when she failed to contact her supervisor in violation of written company policy and previous warnings.” The rule also notes that a “notification is not adequate if it provides only a general conclusion without substantiating facts. A general statement that a worker has been discharged for misconduct connected with the work is inadequate.” Basically, the response has to be detailed enough to put the agency on reasonable notice of why the claimant stopped working for the employer. Of course, an employer with a complicated case will want to provide more information than suggested in the examples.

The new law applies only if the employer is a base period employer (i.e., has potential chargeback liability); does a poor job of responding to the claim; loses the first round; and then files an appeal and wins. Even then, the chargeback penalty is not applied the first two times it happens. Only if the employer gets three such “strikes” does it get a chargeback. There is no strike in a no-protest situation, since getting a strike depends upon losing first and winning later, and with no protest, the employer has no appeal rights. There is also no strike if the employer gives up after filing a poor response and does not appeal the initial ruling in favor of the claimant.

Thus, if your company has no problem with the claimant drawing Unemployment Insurance (UI) benefits, it will not get a penalty simply for not responding to the claim notice.

## **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)**

# TEXAS BUSINESS REPORT

Volume 29 | Issue 10  
October 2014

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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:

Texas Business Report,  
1209 Nueces Street, Austin, TX 78701

# BACPAC Endorsements for Texas State House

## Listed in order by District

1 Mr. Gary VanDeaver  
 2 The Honorable Dan Flynn  
 3 The Honorable Cecil Bell  
 4 Dr. Stuart Spitzer  
 5 The Honorable Bryan Hughes  
 6 The Honorable Matt Schaefer  
 7 The Honorable David Simpson  
 8 The Honorable Byron Cook  
 9 The Honorable Chris Paddie  
 10 Mr. John Wray  
 11 The Honorable Travis Clardy  
 12 The Honorable Kyle Kacal  
 13 The Honorable Lois Kolkhorst  
 14 The Honorable John Raney  
 15 Mr. Mark Keough  
 16 Mr. William Metcalf  
 17 The Honorable Tim Kleinschmidt  
 18 The Honorable John Otto  
 19 The Honorable James White  
 20 The Honorable Marsha Farney  
 21 Mr. Dade Phelan  
 22 The Honorable Joe Deshotel  
 23 Mr. Wayne Faircloth  
 24 The Honorable Greg Bonnen  
 25 The Honorable Dennis Bonnen  
 26 The Honorable Rick Miller  
 28 The Honorable John Zerwas  
 29 The Honorable Ed Thompson  
 30 The Honorable Geanie Morrison  
 31 The Honorable Ryan Guillen  
 32 The Honorable Todd Hunter  
 33 The Honorable Scott Turner  
 35 The Honorable Oscar Longoria  
 36 The Honorable Sergio Munoz Jr.  
 41 The Honorable Bobby Guerra  
 42 The Honorable Richard Raymond  
 43 The Honorable Jose Lozano  
 44 The Honorable John Kuempel  
 45 The Honorable Jason Isaac  
 47 The Honorable Paul Workman  
 48 The Honorable Donna Howard  
 50 Dr. Mike VanDeWalle  
 52 The Honorable Larry Gonzales  
 53 The Honorable Andrew Murr  
 54 The Honorable Jimmie Don Aycock  
 55 Ms. Molly White  
 56 The Honorable Charles "Doc" Anderson  
 57 The Honorable Trent Ashby  
 58 Mr. DeWayne Burns  
 59 The Honorable J.D. Sheffield  
 60 The Honorable James Keffer  
 61 The Honorable Phil King  
 62 The Honorable Larry Phillips  
 63 The Honorable Tan Parker  
 64 The Honorable Myra Crownover

65 The Honorable Ron Simmons  
 66 Mr. Matt Shaheen  
 67 The Honorable Jeff Leach  
 68 The Honorable Drew Springer  
 69 The Honorable James Frank  
 70 The Honorable Scott Sanford  
 71 The Honorable Susan King  
 72 The Honorable Drew Darby  
 73 The Honorable Doug Miller  
 77 The Honorable Marisa Marquez  
 79 The Honorable Joe Pickett  
 80 The Honorable Tracy O King  
 81 Mr. Brooks Landgraf  
 82 The Honorable Tom Craddick  
 83 Mr. Dustin Burrows  
 84 The Honorable John Frullo  
 85 The Honorable Phil Stephenson  
 86 The Honorable John Smithee  
 87 The Honorable Four Price  
 88 The Honorable Ken King  
 89 The Honorable Jodie Laubenberg  
 90 Mr. Ramon Romero  
 91 The Honorable Stephanie Klick  
 92 The Honorable Jonathan Stickland  
 93 The Honorable Matt Krause  
 94 Mr. Tony Tinderholt  
 96 The Honorable Bill Zedler  
 97 The Honorable Craig Goldman  
 98 The Honorable Giovanni Capriglione  
 99 The Honorable Charlie Geren  
 102 Ms. Linda Koop  
 105 The Honorable Rodney Anderson  
 106 The Honorable Patrick Fallon  
 107 The Honorable Kenneth Sheets  
 108 Mr. Morgan Meyer  
 112 The Honorable Angie Chen Button  
 113 The Honorable Cindy Burkett  
 114 The Honorable Jason Villalba  
 115 Mr. Matt Rinaldi  
 117 Mr. Rick Galindo  
 121 The Honorable Joe Straus  
 122 The Honorable Lyle Larson  
 126 The Honorable Patricia Harless  
 127 The Honorable Dan Huberty  
 128 The Honorable Wayne Smith  
 129 Mr. Dennis Paul  
 130 The Honorable Allen Fletcher  
 132 Mr. Mike Schofield  
 133 The Honorable Jim Murphy  
 134 The Honorable Sarah Davis  
 135 The Honorable Gary Elkins  
 136 The Honorable Tony Dale  
 138 The Honorable Dwayne Bohac  
 144 The Honorable Mary Ann Perez  
 145 The Honorable Carol Alvarado  
 149 Mr. Al Hoang  
 150 The Honorable Debbie Riddle

# BACPAC Statewide Endorsements

this situation.” Read more about Bill’s thoughts on transportation in this month’s “Talk About Business” on the back cover.

Here is the full list of BACPAC endorsements for statewide office:

- ★ U.S. Senate – John Cornyn
- ★ Governor – Greg Abbott
- ★ Lt. Governor – Dan Patrick
- ★ Attorney General – Ken Paxton
- ★ Comptroller – Glenn Hegar
- ★ Land Commissioner – George P. Bush
- ★ Agriculture Commissioner – Sid Miller
- ★ Railroad Commissioner – Ryan Sitton



*BACPAC endorses  
Sen. Dan Patrick for Lt. Gov.*



*BACPAC endorses  
U.S. Sen. John Cornyn for re-election*



# MEMBER PROFILE

## SEARCH Homeless Services

SEARCH Homeless Services is an interfaith, nonprofit organization founded in 1989 to respond to the growing number of people experiencing homelessness in Houston.

A coalition of congregations representing diverse ethnic, social, and spiritual backgrounds offered critical support for individuals and families who were homeless and concentrated on one question: How do you empower an individual to focus beyond mere survival, and work toward a happy, healthy, and most importantly, independent life?

SEARCH is a leading homeless service provider in the Greater Houston community, committed to providing quality services to our program participants, and being good neighbors to our community and responsible stewards of their resources.

As president and CEO of SEARCH Homeless Services, Thao Costis oversees programs that last year assisted nearly 9,000 homeless individuals obtain everything from hot showers to jobs to healthcare.

For nearly two decades, she's worked as director of the nonprofit SEARCH, which serves Houston's homeless. Her terrific educational background - a degree in accounting from the University of Texas, an MBA from the University of Houston - offered her wide choices in selecting a career.

But as a young college graduate considering her future, she realized how much her past had shaped her. Traditional finance jobs "didn't thrill me," she recalls. She wanted to help others.

Thao Costis' journey to Houston began with a seat on the hard metal floor of U.S. military cargo plane airlifting refugees out of Vietnam in 1975. Traveling with her mother, grandmothers, siblings, cousins and an aunt, Costis traded the chaos of Saigon for the unknown. Her father would not be able to join them for three years. Her mom - an elementary school teacher in Vietnam - would become a manicurist to support the family.

"When I started this job, I didn't know anything about homelessness," she says. Now, after nearly two decades, she's expanding a program designed to break the cycle of homelessness. SEARCH's House of Tiny Treasures day care program provides stability and pre-school education to homeless children, so that they are not doomed to follow their parents' path.

A recent Rice University study showed that Houston has become the most diverse metropolitan area in the country, surpassing New York City as home to the most varied ethnic population. To Rice University Professor Michael Emerson, who co-authored the study demonstrating Houston's ethnic diversity, Costis' life story provides the narrative behind his numbers.

"This is why there is incredible strength in diversity. It brings more innovation, more energy, more output," he said. Immigrants "bring unique experiences" which help a city become "more competitive, more artistic."

A recent nominee to the TAB's board of directors, Thao believes that the success of SEARCH is due in large part to the strong business climate in Texas. TAB is critical to the success of the Texas business community. "Certainly, when we look at the great work that TAB has done, we should all feel very proud and grateful."

SEARCH Homeless Services continues to learn and evolve to strategically end the homeless experience. They are driven by a desire to help a greater number of clients, obtain permanent housing, increase their income and improve their health through long-term stability.

***"Certainly, when we look at the great work that TAB has done, we should all feel very proud and grateful."***

***- Thao Costis  
President and CEO  
SEARCH Homeless  
Services***



*SEARCH works to engage, stabilize, educate, employ and house individuals and families who are homeless.*

## TAB Staff Recognition



(L to R) TAB CEO Bill Hammond, Senior Vice President Sandra McGee and President Chris Wallace.



(L to R) TAB CEO Bill Hammond, Executive Assistant Theresa Drew and President Chris Wallace.

A few long serving TAB staff members were honored at the fall TAB Board meeting. TAB CEO Bill Hammond and TAB President Chris Wallace acknowledged TAB Vice President Sandra McGee for 15 years of service, TAB Executive Assistant Theresa Drew for 10 years of service and newly promoted TAB Member Services Manager Sharon Berger for five years of service.

## BACPAC U.S. Congressional Endorsements and Texas Senate.

### United States House

#### Listed in order by District

- 1 The Honorable Louie Gohmert
- 2 The Honorable Ted Poe
- 3 The Honorable Sam Johnson
- 4 The Honorable John Ratcliffe
- 5 The Honorable Jeb Hensarling
- 6 The Honorable Joe Barton
- 7 The Honorable John Culberson
- 8 The Honorable Kevin Brady
- 10 The Honorable Michael McCaul
- 11 The Honorable Michael Conaway
- 12 The Honorable Kay Granger
- 13 The Honorable Mac Thornberry
- 14 The Honorable Randy Weber
- 17 The Honorable Bill Flores
- 19 The Honorable Randy Neugebauer
- 20 The Honorable Joaquin Castro
- 21 The Honorable Lamar Smith
- 22 The Honorable Pete Olson
- 24 The Honorable Kenny Marchant
- 25 The Honorable Roger Williams
- 26 The Honorable Michael Burgess
- 27 The Honorable Blake Farenthold
- 28 The Honorable Henry Cuellar
- 29 The Honorable Gene Green
- 31 The Honorable John Carter
- 32 The Honorable Pete Sessions
- 36 Mr. Brian Babin

### Texas State Senate

- 2 Mr. Bob Hall
- 3 The Honorable Robert Nichols
- 4 The Honorable Brandon Creighton
- 5 The Honorable Charles Schwerther
- 7 Mr. Paul Bettencourt
- 8 The Honorable Van Taylor
- 9 The Honorable Kelly Hancock
- 10 Ms. Konni Burton
- 14 The Honorable Kirk Watson
- 15 The Honorable John Whitmire
- 16 Mr. Donald Huffines
- 17 The Honorable Joan Huffman
- 23 The Honorable Royce West
- 25 The Honorable Donna Campbell
- 28 The Honorable Charles Perry
- 30 The Honorable Craig Estes
- 31 The Honorable Kel Seliger



### Statement of Ownership, Management, and Circulation of the Texas Business Report as Required by the United States Postal Service.

The Texas Business Report, publication number 7761, is a monthly publication of the Texas Association of Business, with 12 issues published annually. The cost of annual subscriptions is \$2 of TAB member dues. The annually-required publication paperwork was filed with the USPS on **September 25, 2014**.

The Texas Association of Business is headquartered at 1209 Nueces Street; Austin, TX 78701, where the Texas Business Report is also published and edited. Texas Association of Business and Bill Hammond hold ownership of the Texas Business Report. Editor of the publication is Robert Wood, TAB Communications Director, who also serves as the publication contact person at 512-637-7709. There is no Managing Editor for the publication. There are no known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities for the Texas Business Report.

With regards to tax status, the purpose, function, and nonprofit status of this organization and the exempt status for federal income tax purposes has not changed during preceding 12 months.

Statement of Ownership of the Texas Business Report, as a general publication, is required to be published and is included in the October issue. The Statement was signed by Robert Wood and dated **09-25-14**, certifying that all information furnished on the form is true and complete and with the understanding that anyone who furnishes false or misleading information on the form or who omits material or information requested on the form may be subject to criminal sanctions (including fines and imprisonment) and/or civil sanctions (including civil penalties).

	Average number of copies since October 2013	Number of copies for September 2014 issue
Total Number of Copies	4500	4500
*Mailed Outside-County Paid Subscriptions	3765	3840
*Mailed In-County Paid Subscriptions	272	266
*Paid Distribution Outside the Mails Including Sales Through Dealers and Carriers, Street Vendors, Counter Sales, and Other Paid Distribution Outside USPS	0	0
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Total Free or Nominal Rate Distribution	155	154
Total Distribution	4192	4260
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# Talk **About** Business

## Why We Need Proposition One



Bill Hammond, TAB CEO

If you have tried to drive anywhere in any major city in Texas, and a lot of small towns too, you know why we need to invest more money into our transportation system.

The cost of congestion in dollars is staggering. The Washington D.C. based transportation study group TRIP estimates that driving on deficient roads costs Texans \$25.1 billion every year, and that number will only go up if we don't do something about easing that congestion.

Here are some facts and figures that will help you connect with this issue on a very personal level. The TRIP report estimates what traffic takes out of your pocket every year. When you hear these numbers think to yourself: What could I buy with that, or what could I do to help others with that? If you live in the Metroplex, the cost per year is \$1,740; in Houston it's \$1,850; San Antonio is \$1,780; and Austin is \$1,655. For many people that could be a house payment or rent payment or a couple of car payments. Imagine what good work could be done if that money were donated to the charity of your choice.

There also is a huge waste of time sitting in traffic. The TRIP report says

drivers in Houston lose 52 hours; Metroplex drivers lose 45 hours; Austin drivers lose 44 hours; and San Antonio drivers lose 38 hours each year just sitting in traffic. That's not only lost productivity but also lost time with family and friends. These are hours we will never get back, simply wasted behind the wheel.

Putting the monetary and time costs aside, there also is a human toll. Heavy traffic is dangerous. The TRIP report said that on average, 3,208 people were killed annually in Texas traffic crashes from 2009 to 2013. For that five-year period there were a total of 16,041 people killed in traffic crashes, roughly the size of Brenham.

Part of the answer to this problem is Proposition One on the statewide ballot this Election Day. In Texas, we are blessed with oil and natural gas tax revenue that is flowing at a record pace into our Economic Stabilization Fund (known by most people as the State's Rainy Day Fund). Proposition One would transfer \$1.7 billion from that fund to the State Highway Fund in the first year alone. The amount of money would vary depending on the amount of tax revenue flowing into the Economic Stabilization Fund.

There are restrictions on how that money may be used. It can only be used for new road construction, maintenance, and rehabilitation of roads or acquiring right-of-way for public roads. The money MAY NOT be used for toll roads.

While we are talking about a significant amount of money, this will not totally solve our transportation problem, but it is an important starting point. The Texas Department of Transportation believes it will take at least \$3 billion more per year, not counting the money from Proposition One, to maintain our current level of congestion. Combined with other measures that I believe the Legislature will consider in 2015, I believe we can reach that goal, and maybe find a few more dollars over that \$3 billion to start to ease our congestion in the coming years, but we cannot do any of those things unless Proposition One passes in November. Without that new revenue stream, we are doomed to keep sitting in traffic for many more hours at a time instead of being productive, sleeping in on the weekends or enjoying time with our children and grandchildren.