

## Education

### Higher Education

Waco depends on state support for capital and operating budgets at Texas State Technical College Waco and McLennan Community College, as well as, tuition support for Texas students attending Baylor University. The state's ability to compete for the businesses and knowledge-based jobs of the future is linked to the quality of our institutions of higher education.

### Tuition Equalization Grants

These state grants provide need-based scholarships to Texas resident students attending private universities including Baylor. More than 3,200 students received TEG awards in the 2010-2011 academic year. It is vital that Tuition Equalization Grants remain in place and fully funded.

### Community College Funding

McLennan Community College is expecting a record enrollment of nearly 11,00 during the spring 2011 semester and its University Center is growing with the addition of Texas Tech University. This growth will be slowed with the proposed 10 percent cut in formula funding for community colleges. State cuts of the magnitude proposed would choke off the economic engine fueled by MCC and the state's cost-effective community colleges.

### Texas State Technical College

Waco is home to the TSTC System offices and the TSTC Waco campus. TSTC Waco is a critical partner in technical training for industry, locally and statewide. Texas State Technical College is the only state-supported technical college system in Texas, with the Waco college offering associate's degree and certificate programs in critical and emerging technologies and has produced more than 28,000 graduates in its 42-year history. Continued steady funding from the State of Texas is a priority for Greater Waco.

### Public Schools

The Greater Waco Education Alliance has adopted 10 Assumptions upon which we are working to strengthen the quality of education in Greater Waco. The first assumption is: The most valuable and cost-effective time to invest in education is between birth and the age of five.

### Pre-kindergarten classes

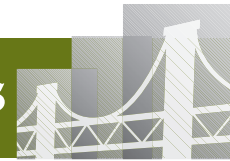
The proposed state budget includes eliminating pre-kindergarten grants. The Education Alliance favors requiring full day pre-K for early childhood development and we encourage expanding funding for the program.

### Career and Technology

We support comprehensive dual credit initiatives that maximize opportunities for high school students to earn transferable college credit. We recommend that the state support these initiatives while continuing to provide adequate funding at both the secondary and post secondary levels.



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**WACO DAY  
IN AUSTIN**

**ADDRESSING  
CHALLENGES  
FACING TEXAS**

**82<sup>ND</sup> TEXAS  
STATE  
LEGISLATURE  
2011**

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This document was produced by the Greater Waco Chamber to be representative of important priorities of the Chamber and the other public and private sector entities and institutions with whom we work. We believe that our prosperity in the future is dependent on continuing to invest in education, economic development, transportation and air and water quality. Participating in Waco Day in Austin does not imply that the entities and institutions represented in our delegation have endorsed any specific piece of legislation related to the areas cited nor that they share every conclusion contained herein.

**The 82<sup>nd</sup> Biennial Session of the Texas Legislature** promises challenges and opportunities for our legislators and the citizens they represent.

The biggest challenge is the result of a projected budget shortfall.

The opportunity is to capitalize on the state's growth and recognized pro-business environment to further improve our quality of life by investing in our future.

Reports that the Legislative Budget Board proposes to cut more than \$31 billion in federal and state funding out of the state budget during the 2012–2013 fiscal years should concern every Texan.

Public education—a priority in Greater Waco—stands to lose \$7 billion and school funding is still short nearly \$10 billion. Higher education would be sliced by \$1.7 billion. Health and Human Services stands to lose \$16 billion including cuts to the Children's Health Insurance Program.

Balancing the state's budget is a constitutional requirement so that's not at issue. How we balance the budget is. It is not reasonable to believe that we can balance the budget with cuts alone without damaging our economy and our future.

So what can we do?

- ★ Certainly opportunities exist to cut spending in non-essential areas;
- ★ Using the state's "Rainy Day Fund" is another option—especially since the State Comptroller forecasts a growing economy. Waco's Dr. Ray Perryman estimates state revenue growing in the next biennium.
- ★ Raising some taxes, including the state's gasoline tax should be given serious consideration. Texas has the lowest gasoline tax among the nation's five largest states.

## Economic Development

To continue strengthening economic opportunities for job growth, entrepreneurship and competitive capital expansions, Texas must preserve and expand critical economic development tools as detailed in priorities of the Texas Economic Development Council Legislative Agenda and the 2010 Analysis of Economic Development Incentives by Texas Comptroller Combs.

- ★ Continue funding and increase reporting requirements for the Texas Enterprise Fund and Emerging Technology Fund to attract job creation and high growth entrepreneurial investment.
- ★ Continue the crucial programs of Economic Development Refund and the Economic Development Act: Chapter 313 of the Texas Tax Code both with renewed focus on primary job and/or large scale investment projects.
- ★ Maintain expanded funding for Skills Development Fund and increase program efficiency.
- ★ Reinstate research and development tax credits, which were abolished in 2007 when the franchise tax was replaced with the margins tax.
- ★ Increase the allocations for Texas Enterprise Zone Program, the state's primary retention and expansion tool, to a minimum of 200 designations per biennium.
- ★ Remove tax disincentives for significant capital investment projects in cloud computing by reducing sales tax on equipment purchased for data centers and revising the franchise tax calculation for cloud computing centers to be based on the location of customers rather than location of data centers.

**Tax:** Changes in the Texas tax code can significantly impact the total cost of operation/production relative to total revenue of businesses. It is recognized that Sales Tax Exemptions, Property Tax and Margins Tax programs could see significant revisions. Careful watch should be noted on any new legislation to change or eliminate these taxing structures so as not to place undue burden on business.

**Sunset:** Critical State agencies are slated for sunset review, including Texas Commission on Environmental Quality (TCEQ), Texas Department of Transportation (TxDOT), Public Utility Commission (PUC) and Texas Railroad Commission (TRRC). Business participation in the hearings is critical to ensure a competitive business climate in Texas.

## Transportation

Continued economic success requires enhanced mobility. Critical programs include: local option transportation funding, Interstate 35 widening, creation of Transportation Reinvestment Zone, creation of Regional Mobility Authorities, new financing and debt issuance tools for highway financing, and rail transit funding.

Current funding for constructing and maintaining our interstate highways, freeways and state highways is inadequate to meet the needs of a growing state whose economy is increasingly dependent on transportation. The state gasoline tax has not been increased in 20 years! In fact, of the five most populous states, Texas has the lowest gasoline tax. (California 46.6¢, New York 44.6¢, Illinois 39.0¢, Florida 34.5¢ and Texas 20.0¢)

Even with additional funding, Texas may not be able to accommodate its growth if it continues to rely exclusively on an auto-centric transportation network. High-speed passenger rail and 21st century transit solutions present opportunities for moving people and goods more economically and more efficiently.

## Air and Water Quality

Greater Waco has water and air quality issues that are exacerbated by conditions outside our county. We are dependent on the Texas Commission on Environmental Quality to monitor our air and water and take action to ensure its quality.

### Air

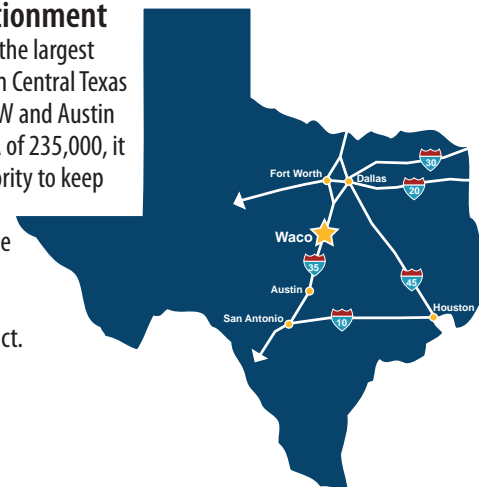
To protect the attainment status of our community and other growing Texas regions it is crucial to secure continued appropriation for programs aimed at reducing mobile source emissions, such as Texas Emissions Reduction Plan and Aircheck Program, formerly Low Income Vehicle Repair Assistance, Retrofit and Accelerated Vehicle Retirement Program.

### Water

Protection of water quality and existing water rights is critical. To further the reach of existing resources, programs to support conservation, reuse and recycling of water resources should be priorities

## Reapportionment

As one of the largest metro area in Central Texas between DFW and Austin with an MSA of 235,000, it is a high priority to keep McLennan County whole within a single State Senate District.



The individuals, businesses, organizations and institutions participating in this year's Waco Day in Austin have many priorities, but we are united in our desire to work with our legislators to find solutions to the state's budget demands.

Finding the right solutions will be critical in meeting the needs of our community, strengthening our economy while preparing us for a prosperous and sustainable future.



The leaders participating in the 2011 Waco Day in Austin event and the constituencies they represent believe in the bright future of Texas and are committed to supporting balanced and reasonable solutions to the budget challenge we face.