



Resolution on Key Legislative Positions 82nd Texas State Legislature 2011

WHEREAS, the mission of the Greater Waco Chamber is to advance the Greater Waco region as a center of excellence and community of choice; and

WHEREAS, the Chamber's first priority is a vibrant and sustainable economy and correspondingly high quality of life; and

WHEREAS, the Chamber recognizes the challenge facing our legislators in the 82nd Biennial Session resulting from a projected budget shortfall and supports the constitutional requirement of a balanced budget; and

WHEREAS, there are opportunities to cut spending in non-essential areas, using the state's "Rainy Day Fund" is an option given that the State Comptroller forecasts a growing economy and raising some taxes, for example the state's gasoline tax, should be given serious consideration; and

WHEREAS, the Chamber believes it is important opportunity to capitalize on the state's growth and recognized pro-business environment to further improve our quality of life by investing in our future; and

WHEREAS the Chamber's longstanding commitment to economic development, education, environmental protection, health care and transportation have led our Board of Directors to identify and support state policies in these critical areas even in this challenging session.

NOW, THEREFORE, BE IT RESOLVED, that the Greater Waco Chamber supports the following positions on issues to be addressed in the 82nd Biennial Session:

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 Susan 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.
- 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. Care should be taken in enacting any new legislation that changes or eliminates these taxes and exemptions so as not to make Texas less competitive for business.
- Several state agencies affecting business are slated for sunset review including Texas Commission on Environmental Quality, Texas Department of Transportation, Public Utility Commission and Texas Railroad Commission. Participation by business leaders in sunset hearings will help ensure that our state remains competitive for new businesses. Our Chamber will seek to represent our business members and the Greater Waco region by participating in these hearings.

Education, Public Schools—

To meet the staffing needs of our businesses and institutions and to prepare future generations to be productive citizens, the Chamber supports programs to ensure that every child is prepared for school and every student graduates. The first assumption of our Greater Waco Education Alliance is that the most valuable and cost-effective time to invest in education is between birth and the age of five.

- Instead of eliminating pre-kindergarten grants as in the proposed state budget, the Chamber and Education Alliance favor requiring full day pre-K for early childhood development.
- We support expansion and re-invigoration of career and technology coursework that includes dual credit CTE courses and entry-level certifications for high school graduates.
- We support of 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.

Education/Colleges and Universities—

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**
It is vital that Tuition Equalization Grants remain in place and fully funded. These state grants provide need-based scholarships to Texas resident students attending private universities including Baylor University. More than 3,200 students received TEG awards in the 2010-2011 academic year.
- **Community College Funding**
McLennan Community is expecting a record enrollment of nearly 11,000 during the spring 2011 semester and its University 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 and with it our ability to prepare young people in our region for the jobs we are creating. 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 producing more than 28,000 graduates in its 42-year history. Continued steady funding from the State of Texas is a priority for Greater Waco.

Environmental Protection/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.

Health Care—

The Chamber recognizes that health care costs are increasing—for businesses who provide health insurance for our employees, for communities who must respond at the point of need and for our state whose Department of State Health Services is one of the state's largest agencies with a staff of 11,500 and an annual budget of \$2.5 billion. Cuts in this critical area of human need will have many unintended consequences and ramifications for our state and our community.

- The Chamber supports our hospitals in asking you to direct the Texas Health and Human Services Commission to continue to carve-out hospital reimbursement from the capitated Health Maintenance Organization rate and reconsider and reduce the substantial cuts in Texas Medicaid.
- Requesting a block grant for Medicaid, while giving more flexibility to the state, will jeopardize federal funds, result in reductions in benefits and eligibility, leave more individuals uninsured and increase the burden on hospitals, local taxpayers and insured Texans.

Mental health services are especially at risk.

- Significant cuts are slated for comprehensive mental health services for adults, crisis care center beds, mental health services for children in juvenile justice programs and services for children with developmental delays age birth to 3 years. The projected cuts will impact private and not-for-profit providers including some who are not likely to survive.
- Cuts in state funding will compound problems for local governments including the McLennan County Sheriff's Office which could see costs to house and transport persons with mental illness increase to more than \$482,809 annually.

Transportation—

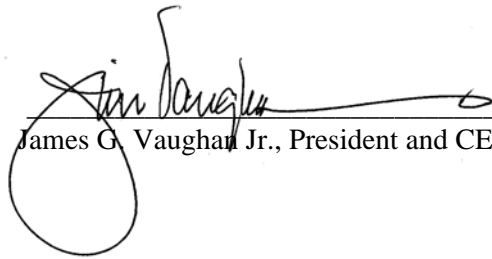
Continued economic success requires enhanced mobility. Critical programs include: local option transportation funding, Interstate 35 widening, creation of Transportation Reinvestment Zone, creation of Regional Mobility Authorities, new financing and debt issuance tools for highway financing, and rail 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.
- High-speed passenger rail and 21st century transit solutions present opportunities for moving people and goods more economically and more efficiently and funding should be allocated for planning.

ADOPTED by the Board of Directors of the Greater Waco Chamber on February 16, 2011 and confirmed with additions and revisions on March 9, 2011.



Donald G. Moes, Board Chair



James G. Vaughan Jr., President and CEO