



## Community Action Network Board of Directors 01/14/2011 Meeting Minutes

**Present:** Josie Barrett (Vice President, St. Edward's University), Sylvia Blanco (CAN Community Council), Debbie Bresette (Executive Director, United Way Capital Area), Terry Cowan (CAN Community Council), Judge Elizabeth Earle (Community Justice Council), Commissioner Sarah Eckhardt (Travis County), Travis County Attorney David Escamilla (Travis County Community Justice Council), Mary Faria (Operations Chief, Seton), Joene Grissom (Workforce Solutions Board Member), Debbie Johnson (Austin Chamber of Commerce), Tim Mahoney (ACC Board Member), Alan Miller (Executive Director of Workforce Solutions-Capital Area), Councilmember Laura Morrison (City of Austin), Jim Reed (Chair, CAN Community Council), Councilmember Randi Shade (City of Austin), Tom Spencer (Executive Director, Interfaith Action of Central Texas), Suki Steinhauser (2010 Vice Chair, One Voice Central Texas), Mark Williams (President, AISD Board), Michael Wilson (for Bobbie Barker, St. David's Foundation), Trish Young Brown (President and CEO, Central Health), Walter Moureau (2011 Vice-Chair, One Voice Central Texas). **Guests:** Congressman Lloyd Doggett and State Representatives Dawna Dukes, Donna Howard, Elliott Naishtat, Mark Strama, and Paul Workman **Staff:** Chantel Bottoms, Mary Dodd, Cristell Laurel, and Vanessa Sarria

**Unable to Attend:** Judge Sam Biscoe (Travis County), Christine Brister (AISD Board Member), John-Michael Cortez (for Dianne Mendoza, Capital Metro), David Evans (Executive Director, ATCIC), Mary Hensley (Vice President, ACC), Martha Martinez (Trustee, ATCIC), Dr. Gregory Vincent (Vice President, University of Texas).

**Call to Order and Announcements:** Sarah Eckhardt, Chair, called the meeting to order at 1:32 p.m. She welcomed everyone to her first meeting as Chair of the CAN Board of Directors. Tim Mahoney announced that he was asked to present a statement on unfunded mandates written by president of El Paso Community College: "Community colleges are having developmental education challenges. Unfunded mandates should not come out of the legislature this session."

**Overview of Travis County Demographics and Poverty:** Sarah Eckhardt prefaced the presentation with an explanation that CAN wanted to provide facts related to issues that we will be collectively addressing this year. From 2000-2009 the Travis County population grew by 26%. Meanwhile the population in poverty in Travis County grew by 65% and the low-income population grew by 56%. The Hispanic and Asian populations grew at the fastest rate over that same time period in Travis County. Children and youth make up about a quarter of our population. From 2000-2009 the under five population and the population ages 45-64 grew at the fastest rate. More than 18% of Travis County residents live in poverty. Hispanics and African Americans are more likely to be living in poverty in our community. Nearly one in four children and youth in Travis County live in poverty. Childhood poverty has negative impact such as an increased likelihood of boys being incarcerated as adults, an increased likelihood of a girl having a child out of wedlock before the age of 21, completing two fewer years of schooling on average, and as adults earning half as much as adults from non-poor households. While median household income seems to have been increasing in Travis County, if adjusted for inflation one can determine that it has actually been relatively stagnant. Most researchers and policymakers agree that a household must earn twice the federal poverty level to meet their basic needs. Households living at or below 200% of the federal poverty level are low-income. More than one-third of Travis County residents are low-income. One half on all children in the City of Austin are low-income. People who are low-income are: less likely to graduate in four years, less likely to be college-ready, more likely to smoke, more likely to be obese, less likely to have health insurance, more likely to report "poor mental health days," and less likely to find housing that they can afford. To see the presentation, visit [http://www.caction.org/councils/Board\\_of\\_Directors/presentations/Jan2011\\_CommunityOverviewPresentationTravisCoDelegation.pdf](http://www.caction.org/councils/Board_of_Directors/presentations/Jan2011_CommunityOverviewPresentationTravisCoDelegation.pdf).

Mary Dodd stated that much of the data is from the American Community Survey which includes data reported by the U.S. Census Bureau on a more frequent basis than the decennial census. Elliott Naistat

stated that he wonders how many people are surprised to learn that one in four kids in Travis County live in poverty and that one in two are low-income. Mark Strama stated that he would be interested in getting further data comparisons for similar counties, metros, and cities in Texas and some other large States such as New York, Illinois, California, and Florida. Tim Mahoney stated that such data comparison analysis would be good to post on the CAN website as well.

**CAN Partner Policy Statement for Upcoming Legislative Session:** Guests at the meeting were provided with a packet that included all of the legislative agendas of CAN partners. The legislative agendas are also available on the CAN website: [http://www.caction.org/leg\\_agenda/index.php](http://www.caction.org/leg_agenda/index.php). The packet also included a statement related to common legislative themes and priorities shared by CAN partners: [http://www.caction.org/leg\\_agenda/agendas\\_2011/CANPartnerCommonLegislativeThemes.pdf](http://www.caction.org/leg_agenda/agendas_2011/CANPartnerCommonLegislativeThemes.pdf). Guests were informed that CAN convenes an intergovernmental public policy committee on an on-going basis that will continue to meet on a monthly basis as the session is proceeding. Issues cited by CAN partners as key concerns included: sustaining and developing community infrastructure to meet the challenges of growth, accessible and efficient healthcare networks, public safety, investing in community infrastructure even in tough economic times, allowing for control at the local level, community alternatives to institutionalization such as community-based mental health programs, opposition to unfunded mandates, etc. CAN will update its website with information on the local impacts of State budget cuts as they occur. Guests were also provided with a list of legislative liaisons from all of CAN's partner organizations who can assist our local delegation with statistics, witnesses, etc. Many of the CAN partners have planning shops that are available to assist the local delegation with information.

**Key Issues and Bills for 82<sup>nd</sup> Legislative Session:** Representative Elliott Naishtat stated that in 2003 Texas had a \$9.9 billion shortfall. Leaders said that we would live within our means with no new taxes. That was at a time when every other State in the nation was increasing their enrollment in children's health insurance. In Texas we kicked more than 200,000 children off of the program, discontinued benefits, made our TANF program one of the most punitive in the country, and passed severe cuts to health and human services across the board. Now the State is looking at a shortfall at least twice as big as 2003. Leaders are now saying the same thing about living within our means and no tax increases. Naishtat stated that he is afraid that this will mean that the very programs being advocated for in the CAN agenda are now at-risk. Leadership has talked about opting out of the Medicaid program with the thinking being that if we opt out then we don't have to put up a funding match for the program. Naishtat stated that he is very concerned about what will happen this session for health and human services, especially programs for the poor and the low-income. It is more important than ever that people communicate to their legislators how such actions would hurt people in their community or in their own families. People should work to act as constituents and share their views.

Sarah Eckhardt stated that CAN has developed a dashboard of community well-being and wonders if it would be helpful to take the dashboard and share it with others to help them think about how they fare on these indicators in their own communities and how budget cut changes will affect their communities' well-being. Naishtat responded that many representatives need to be educated on the impacts that such changes will have. David Escamilla stated that those with experience with the legislature remember times such as 2003, and recognize that such context is important. Escamilla asked if Naishtat thinks that our State recovered since the cuts in 2003. Naishtat stated that we did recover back to the service levels of 2003, but at this time our service levels should actually be much higher. Tim Mahoney stated that funding levels may have gone up since 2003, but when a program is decreased, the impacts on its cohorts really never go away.

Representative Dawna Dukes reiterated Representative Elliott Naishtat's words stating that in her role on the Appropriations and Health and Human Services Subcommittee she has noted that the budget shortfall is compounded greatly compared to 2003. Dukes stated that the legislature worked very hard in 2009 to restore funding levels from 2003 and finally got them back up. As a result of the budget shortfall recommendations, there could be greater than 80% cuts in prevention and intervention budgets, especially in foster care and other so-called entitlement programs. Funding for adoption and foster care programs could be greatly hit. There is already disproportionality of the racial representation of children

in these systems, and cutting funding for these children will disproportionately impact those that are already most likely to be poor or low-income. Even if our State continues CHIP and Medicaid programs, there is no guarantee that there will be adequate networks of care or enough doctors that accept these programs. Dukes stated that she is hopeful that data will be provided for each member's district. It is helpful to be able to present data and get testimony from people on what the impacts of budget cuts will be, especially due to population growth. It has been helpful when we are able to recite the district-to-district impact that a certain bill will have. In the past such information has allowed us to create coalitions in the legislature that can make change.

City Councilmember Laura Morrison stated that cuts to foster care and other prevention services will potentially be more expensive in the long-term. She questioned how this can be communicated in session. Representative Dukes stated that representatives often create scenarios that illustrate the impacts of cuts or how money can be saved. We need to have as much data and analysis on the impacts on children as possible. We have to remember that everything we do when we decrease budgets for children and youth could result in something dire happening to them.

Representative Mark Strama stated that we budget biennially in Texas because the constitution was written at a time when people traveled to the legislature by horse. Now legislators are still trying to manage the budget on a biennial basis. The Comptroller's projection that was made in 2003 was for a time period 30 months after the budget was made by the legislature. Nobody can forecast revenues that far in advance accurately. That budget forecast was off by five billion in additional revenue which could have prevented budget cuts. Because the legislature was out of session for a year and a half, there was no authority to make changes with the funds that came in. It is processes such as these that have created a structural deficit. We are fortunate in this State to have a \$9 billion rainy day fund. There is a reasonable probability that the economy will continue to improve and the deficit gap will narrow over the next couple of years. Texas will probably take in more revenue than estimated. There are opportunities for the legislature to appropriate funds with a stipulation on cuts that can be restored when legislators are out of session if additional dollars come in. The legislature will also have to have a serious conversation about the rainy day fund. Legislators don't want to create a dependence that encourages further deficit, but they also don't want to make cuts that they don't have to make. Strama stated that economic development bills are of interest. Early childhood education falls under this arena. There will be legislation to address quality and access. There is a decision to be made between quality and access in this session. Strama also stated that he is interested in the role of energy in the State's economic development. While Austin has had impressive economic development in spite of the recession, what has helped our State in economic development is the price of oil. Texas needs to shift to be a leader in emerging energy technologies as our country reduces its dependence on oil. Strama closed saying that the legislature will inevitably make deep cuts and that there will need to be dialogue on what can be avoided and how we can mitigate the damage.

Commissioner Sarah Eckhardt asked how CAN partner organizations with planning shops can be helpful in these procedural debates. Strama stated that Dawna Dukes is in a better position to know about what we need to inform the process. He reiterated that the legislature meeting every two years creates a process that is just irrational. CAN can help by providing contacts who can speak to the budget issues that we face. In debate with one representative, they said that their community didn't have an issue with a low-income population, but they were proved wrong with data. Things like that can be helpful. Sarah Eckhardt stated that many entities are asking for preferential tax treatment to locate in Travis County, including energy technologies. With an increasingly burdened tax base, she asked what approach representatives would you suggest? Mark Strama stated that there is a big distinction between direct subsidies and tax abatement. The Enterprise Fund is a big subsidy to big businesses that is non-competitive and gives tax funds to businesses to base here in Texas. If the State doesn't do it, then we lose businesses and jobs. Strama stated that he supports funds like this for strategic reasons. Companies should fit into an economic development strategy in strategically selected industries where the whole is greater than the sum of its parts. Energy is Strama's priority with this type of funding. Naishtat reiterated Mark Strama's statement that Texas needs annual sessions of the legislature.

Representative Donna Howard stated that she recognizes that many people in the room are looking at what happens in the legislature and how it will impact them. "What you have been hearing so far is that there is going to be an impact felt by just about everybody in this room," Howard stated and then indicated that she is not sure how much the general community understands that the choice local partners make are, in part, due to the decisions that are made at the legislative level. Unfunded mandates are unfortunately the way that the legislature has operated in lot of instances. Based on the Texas budget and what the Legislative Budget Board proposes for our State budget, Texas ranks 50<sup>th</sup> in expenditures per capita. We are expending the least of any state in the nation on our citizens to get basic services delivered. Howard stated that one could say this is because we are doing a better job, but when you look at the overall tax burden in Texas, we are a fairly low tax burden state. At this particular time, the State is not looking at new sources of revenue. Legislators can consider whether there are some exemptions that have outlived their purposes. Expanding the gaming industry in our State requires a two-thirds vote and a change to a State amendment. It might bring in a billion in a year, but it would not address the whole deficit issue. Howard believes that State Representatives need to have more discussions about what they want the government to provide, how much it should cost, and how our State is going to pay for it. Howard stated that she knows that we need to have a strong economic base, need to support growth and development, and be economically diverse. "How do we create this environment with low taxes and low regulation?" Howard asked. She indicated that if the infrastructure is not provided for the community, eventually businesses won't come here anyway because Texas doesn't have the infrastructure in place for their families. She asked how to create a business environment that still invests in the infrastructure of our communities. Unfunded mandates may be taken away, in part, because the legislature does not have money for people anyway. This frees people up to take care of their own budgets, but it also leaves people open to do layoffs. There are 8,000 proposed state layoffs. Most of those come from the Austin community. There needs to be time to build relationships and figure out how we can help one another. We can only navigate budget cuts successfully by figuring out ways to work together.

Travis County Attorney David Escamilla stated that other threats that local governments have seen are things such as revenue caps and asked whether there had been any discussion on this? Donna Howard stated that legislators need to understand the impacts on local governments and insure that our colleagues are understanding these impacts as well. Revenue caps will come up. We need real life situations and real life stories on how these things impact the people that we serve. Real stories have the biggest impact in the legislature. Tim Mahoney stated that institutional collaboration across silos can be where people can find common solutions that can help our community save dollars. Joene Grissom asked if anyone at the Capitol ever emphasizes that education is a priority because it is our future. Howard replied that this discussion is happening. More people than you might think do recognize that. Our budget shortfall makes it very hard to avoid cutting into those things that are our priorities. Until we get to additional sources of revenue, then there is no choice but to cut. Dawna Dukes stated that the overall biennial budget only has \$72 billion in general revenue that the legislature can work with. The vast majority of our budget is federal funding that is being matched. When we cut these programs, we often lose government funding too. Mark Strama stated that what will be interesting as budget cuts happen is whether we will redefine our objectives as a State or will we continue to fund what we have historically funded. Strama stated that he doesn't see how legislators can balance the budget without tapping into the rainy day fund. Joene Grissom stated that Texas may have come back from 2003, but now we are talking about going back to the dark ages when there was lower quality. We are talking about having to retrain everyone. If we start translating the impacts of budget cuts and how they will affect the general public and not talk in big state dollars, then people will begin to realize their impacts. Alan Miller stated that the budget process is complicated to understand and that the average citizen does not get it. He asked if there is anything being done to increase transparency with the budget process to help citizens help legislators. Elliott Naishtat stated that increasing transparency would be up to the Speaker and the Lieutenant Governor. Alan Miller stated that without increased transparency, we will continue coming back to the same conversation. Mark Strama stated that there is budget information online, but it is still so difficult to understand. The odds of creating transparency in this cycle are probably not good in this session.

Representative Paul Workman stated that he wanted to attend this legislative forum to learn. He stated that he is interested in water issues and is concerned about maintaining the quality of our lakes. He is also interested in transportation infrastructure. He questioned how our State is going to pay for infrastructure in the future. Such consideration probably won't happen in this session, but perhaps in the end of the session legislators will have the opportunity to look forward to how to pay for transportation infrastructure in the future. Workman stated that legislators will be cutting so much in the budget that he doubts that revenue caps will be passed that will limit local governments from raising the money that they need. The budget is a complex document and making it more transparent for the community would be a good thing.

Congressman Lloyd Doggett stated that our community is really jeopardized by the discussions in our State legislature, but we have to watch out for what may be coming down from Washington as well. People came together in 2009 just after the American Recovery and Reinvestment Act (ARRA) was passed, and one area that came out well from that was the State. Our State got close to \$20 billion and it is amazing how we can be in hole this big, especially with our relatively positive economic situation. Most of our wasteful expenditures came from the over \$3 billion given to the State in education stabilization funds that were redirected to other areas and not our public schools. Doggett emphasized that we need to make sure that money is being spent on what we actually thought it was intended to do. Doggett stated that he is alarmed by the talk of closing down schools. It undermines our neighborhoods. The State is cutting support from schools, but there is nothing in the budget that identifies waste, fraud, and misuse. All it would take to get money here from the federal government is for the governor to sign a document from the feds to accept some of the revenue that was offered to us through ARRA. In the last congress, we did not get any appropriations bills in. We have the opportunity to change appropriations for this year, as well as for the upcoming biennium. We are really in limbo between now and Texas Independence Day. Part of the agreement of the continuing resolution in the Senate is that Pell grants would be preserved. This is now being brought into question. They are safe for the year we are currently in, but we don't know beyond that. There are no painless cuts. Next week we will be talking about the health reform repeal bill. It is a symbolic vote. The real battle of health will happen in the appropriations process. On transportation, we have complete agreement on need for an increase in funding, but cannot get everyone to agree to actually fund it.

Jim Reed stated that from a historical perspective, the more affluent have been taxed more in hard times. If that won't happen, what are the alternatives? It may be important to consider policy that will inevitably cost us more in the long-term. Lloyd Doggett stated that there will be an attempt to cut some things that will have long-term impacts. Last year there was talk by the majority party to slice funds from the federal budget. Legislators can try to see that the most vital of these programs are not eliminated. We cannot look at cuts alone, but have to also look at revenues. Jim Reed asked with jobs moving overseas, what is the stability of our economy when the middle class is shrinking. Doggett said that it's very troubling. If we lived in other parts of the country, we'd be feeling the pain much more. We need to incentivize growing industries such as clean industry. Mark Strama stated that the U.S. has done so much to produce efficiently in environmentally sound ways, and is much more sustainable than countries such as China. The real question is how do we have a knowledge based economy where benefits translate across the system. The things that make us more competitive are a higher standard of living. The solution is creating a level playing field through education. Lloyd Doggett stated that we are not keeping up with our need to grow clean energy industries. Mark Strama stated that China is not able to fix their own energy and environmental crisis, but they are still able to bring energy products to our region cheaper than we are able to produce them. Tom Spencer thanked all of the legislators for taking the time to be at the board meeting and for dedicating their lives to making our region a better place to live. It is an American strength that our parties can live together and make things work for as many people as we have. We need not be polarized in the way we approach things.

**Adjournment:** Commissioner Eckhardt adjourned the meeting with Tom Spencer's closing comments at 3:20 p.m. The next CAN Board of Directors meeting is scheduled for Friday, February 11<sup>th</sup> from 1:00-3:00 p.m. at City Hall.