

# **TEXAS METRO CHAMBERS**

## **2009 LEGISLATIVE AGENDA**

### **TRANSPORTATION**

#### **Stop Diversions**

The current biennial legislative diversion of transportation resources to other uses exceeds \$1.5 billion and increases each biennium. Diversions of transportation funds must be eliminated in order to provide adequate funding to maintain and expand Texas' transportation infrastructure.

#### **Index the Motor Fuels Tax**

The Metro Chambers support indexing the motor fuels tax to the CPI or another index, which would enable the revenue that funds transportation to grow with inflation. Any increase to the motor fuels tax should be directed 100 percent to transportation sources.

#### **Local Option Transportation Tax**

Authorize metropolitan regions the ability to call public referendums to consider transportation taxes and fees for regional transportation investments. This does not include exceeding the 8.25% sales tax cap.

#### **Texas Mobility Fund**

The Texas Mobility Fund (TMF) provides the state with a creative mechanism to substantially leverage transportation dollars. It is estimated that for every \$100 million allocated annually for the TMF, about \$1 billion in bonding authority is created. The Metro Chambers urge the Legislature to identify additional revenue sources during the 81st Texas Legislature and redirect them from General Revenue to the Texas Mobility Fund.

#### **Adopt enabling legislation for Proposition 12**

Proposition 12 was adopted by the voters of Texas in 2007 and allows the Legislature to authorize the Texas Transportation Commission to issue state general obligation bonds up to \$5 billion for highway improvements with repayment of the bonds from the State's General Revenue Fund. Enabling legislation is needed to implement this much needed bonding capacity. These funds should be directed to projects that will reduce congestion and improve air quality.

#### **Rail Relocation Fund**

The Metro Chambers support the appropriation of \$200 million per year for the Rail Relocation Fund. The 79th Texas Legislature passed legislation to create the Rail Relocation Fund. However, the program was not funded. Approved in November 2005 by citizen vote, the Rail Relocation Fund was designed as a creative mechanism for financing the relocation of dangerous freight rail lines in densely populated areas. The Metro Chambers are committed to working with the Texas Legislature and the Texas Transportation Commission on a feasible funding solution for rail relocation.

## **ECONOMIC DEVELOPMENT**

The Metro Chambers encourage the continuation and expansion of the following State economic development incentives and protection of local incentive tools to ensure the long-term economic vitality and competitiveness of Texas.

### **Texas Enterprise Fund**

The Metro Chambers support the continued funding and structure for the Texas Enterprise Fund (TEF). The TEF has created thousands of jobs for Texans serving as a focused, deal-closing tool to help local communities secure high impact projects.

### **Emerging Technology Fund**

The Metro Chambers support the continued funding and structure for the Emerging Technology Fund and associated Regional Centers for Innovation and Commercialization. The Fund and RCICs act as a catalyst for technology research, development and commercialization throughout Texas.

### **HB 1200 – Economic Development Act**

The Metro Chambers recommend that project eligibility under the Economic Development Act be fully expanded to include any project meeting current capital investment requirements.

### **Texas Enterprise Zone**

The Metro Chambers support continuation of the Texas Enterprise Zone program, providing an additional and invaluable tool for the State and local communities to promote economic development in distressed areas of the state.

### **Skills Development Fund**

The Metro Chambers support continued funding of the State's primary workforce training initiative, the Skills Development Fund, at or exceeding current the current level. Streamline the process, rethink the measures for employers to access TWC and local workforce investment board funds and align the system with employer needs.

### **Local Property and Sales Tax Incentives**

The Metro Chambers support continuation of local government authority to enter into sales and property tax abatement and rebate agreements to support economic development projects.

### **Tax Credits**

The Metro Chambers recommend that research and development, job creation and capital investment credits previously available under the franchise tax be incorporated into the margins tax. These credits will enhance our competitiveness for major projects. These credits were important to the growth in Texas of large employers such as Texas Instruments, Toyota, and 3M.

## **PUBLIC AND HIGHER EDUCATION**

Business growth is fueled and sustained by talent. Central Texas has a lot of talent. We need many more entrepreneurs, managers and innovators with a technical edge. Between 2005 and 2015, Central Texas needs to increase higher education enrollment from 67,000 to 100,000. Adoption of the Competitiveness Principles below makes that more likely:

### **Align K12 state education accountability with college/workplace readiness rates:**

- Measure, provide diagnostic information and disclose whether students are acquiring knowledge and skills, grade by grade, in sync with standards necessary and on the path to college/good job readiness.
- Reflect growth and improvement that districts, schools and students have made.
- Recognize and have consequences which promote and ensure minimum levels of student performance against a college and workforce ready standard.
- Provide data transparency and accuracy for areas of success and improvement.
- Create a state PK-20 education information system to provide real-time student-level data related to improve education management.

### **Standardize state “college and workplace readiness” definition.**

- THECB ensure allowable college placement tests (ACT, SAT, THEA, TAKS, ACCUPLACER, ASSET, COMPASS) are rationalized to one “college ready” standard.
- Legislature funds high school student ACT and/or SAT test-taking.
- Legislature expects college placement student performance information to be more quickly reported back to the student, the school district and the TEA.

### **Coordinate state college scholarship programs.**

- Legislature aligns primary state-funded scholarships with academic and financial eligibility of TEXAS Grant and appropriates \$600 million in net new funding. Eligible students who graduate ‘college ready’ by state definition receive first priority.
- Convert state financial aid forms to electronic format and standardize their collection/ dissemination and acceptance by Texas higher education.

**Create a state graduation assessment from higher education** and at the transition point between college entry level and college advanced level coursework.

### **Expand Metro Austin undergraduate higher education capacity:**

- Establish ACC autonomy for setting tuition for its courses.
- Include Texas State University-San Marcos as an emerging research institution.
- Allow ACC to establish 4 year Trustee terms.
- Dedicate higher education funding to increase number of nursing graduates.

### **Improve Student Math, Science and Technology Preparation**

- Continue to expect physics and math beyond algebra II – courses which can be taught in a hands-on approach – in the Recommended High School Program.

- Update K12 technical education course standards to meet industry expectations.
- In courses where technology rapidly changes, the State Board of Education should be allowed to review course standards every three years, with business input.
- Ensure sufficient state funding to increase the per pupil technology allotment and allow electronic instructional content to be purchased with state textbook funds.

### **Strengthen K12 education; help Austin taxpayers through funding formula changes**

Central Texas is particularly disadvantaged by a K12 funding formula system last updated in the mid-1980s and which “captures” nearly all appraised value growth.

- Utilize state K12 funding formulas to allow school districts to retain appraisal growth. The Legislature captured \$300 million from AISD taxpayers in the last two years.
- Incorporate school district Social Security payments into Cost of Education Index.
- Double student funding weight for middle and high school English Learners.
- Support high school allotment to increase college enrollment.
- Update the ‘Cost of Education Index’ to ensure school districts in more costly labor markets like Metro Austin receive accurate and appropriate formula funding.
- Phase in pre-kindergarten student enrollment as part of school finance formula.
- Allow school districts to bypass the \$1.17 tax cap by up to four cents if funding is dedicated to educator incentive pay. Allow local school districts flexibility in using all state incentive pay funds for state-approved school district designed plans.

### **Strengthen higher education through formula changes**

State higher education funding formulas are not sufficiently in line with regional employer need and do not keep pace with facility needs to educate higher enrollment counts.

- Direct incentive funding to higher education institutions who meet student course and degree completion targets in line with regional needs.
- Develop policy to award state incentive funding to higher education institutions that raise specific levels of private dollars.
- Fund facilities for TSU-Round Rock, TSU-San Marcos and UT-Austin sufficient to meet local enrollment/economic development needs.

## **HEALTH CARE**

A healthy, high quality health care system is important to our business community and our residents. Texas continues to rank #1 in the number of uninsured as our state’s health care costs continue to rise at an unsustainable rate.

The Texas Legislature needs to address issues related to making healthcare more accessible and affordable and implementing strategies to improve the quality of care with an emphasis on promoting wellness and personal responsibility. We believe the legislature can improve health care to the uninsured and under-insured by:

- Creating programs to expand primary and preventive health care
- Expanding the three-share program
- Ensuring for Medicaid and protecting for CHIP a 12-month eligibility process
- Maximizing the availability of federal funding

In order to maximize the effectiveness of the CHIP program, we believe the Legislature should support a CHIP buy-in program based on a family's ability to pay and implement policies for outreach and education to reach those eligible who are not currently enrolled.

The Metro Chambers believe the health of Texans would improve with the Legislature's support of the "medical home" concept through incentive-based strategies and developing strategies and implementing programs to promote wellness and prevention with an emphasis on tobacco cessation, obesity, diabetes, and immunizations.

Additionally, the Metro Chambers believe the health care system will greatly benefit with a focus on quality, trauma care and an expanded health care workforce. The Metro Chambers believe the State should: 1) Promote quality and patient safety through defining a common set of indicators for clinical quality for hospitals and physicians; 2) Distribute all of the uncompensated trauma and emergency health care designated account funds to designated trauma centers in a timely and appropriate manner and 3) Continue to prioritize funding increases for expansion of various health care professional education programs. We also believe that the legislature should restore Medicaid Graduate Medical Education to designated teaching hospitals for training and education of medical residents.

Lastly, the Metro Chambers are prepared to oppose unionization of any component of the health care workforce.

## **AIR QUALITY**

The Metro Chambers recognize cleaner air is a statewide challenge and accordingly, support the adoption of TCEQ's Legislative Appropriations Request for the next biennium for air quality planning activities.

The Metro Chambers also support programmatic adjustments to the Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP). LIRAP reduces emissions from older, high-emitting vehicles by allowing assistance to qualified owners of vehicles who fail the emissions test.

Additionally, the Metro Chambers recognize the Texas Emissions Reduction Plan (TERP) has proven to be a successful incentive program aimed at improving air quality, enhancing public health, and promoting economic prosperity. The Metro Chambers support programmatic adjustments to this program as necessary.

## **WATER**

The Metro Chambers support Texas' statewide water plan, adopted by the Texas Water Development Board in 2006, which includes the proposal submitted late by Region L. This plan was prepared by Texas' 16 regional planning groups and represents the state's plan to provide water to all Texans through 2060. The Metro Chambers support SB3 from the 80th Legislative Session and the strategies and elements of the statewide water plan.

## **IMMIGRATION**

Immigration issues continue to be a concern for Texas businesses, foreign governments and academic institutions as they engage talent from around the world to remain competitive in an increasingly global economy. The Metro Chambers have historically supported national employer-based immigration policies and we support immigration reform which will give employers access to a legal workforce to meet legitimate business needs in all sectors of the economy.

Given businesses needs to have nationally consistent, comprehensive immigration standards, the Metro Chambers encourage the Texas state legislators to defer from policymaking at the state level and promote continued debate and national policy development at the federal level.