

TO: Chamber's Board of Directors
FROM: Chamber's Executive Committee
SUBJECT: 2019 State Legislative Agenda



STATUS: APPROVED **DATE: October 25, 2018**

RECOMMENDATION: Support the following state legislative priorities:

STATEMENT: The Chamber –

1. Supports the statutory authority of compensation and wages remains at the state and federal levels.
2. Supports reauthorization of Chapter 312 of the Texas State Tax Code to continue allowing local property taxing entities to enter into temporary tax abatement agreements encouraging private investment.
3. Supports accelerating and increasing funding for programs such as Texas Emissions Reduction Plan (TERP) and Congestion Mitigation and Air Quality Improvement Program (CMAQ) that allows for continued collaboration between the public and private sector to address regional air quality issues.
4. Supports substantially increasing state funding for a strong Texas public education system that sustains the Texas economy, workforce needs, and equity in educational excellence for all Texas students:
 - Update the formula funding system to distribute money to the specific needs of children;
 - Fund inflationary cost pressures and student enrollment growth in PK-12 public education;
 - Increase wealth equalization levels to reduce recapture;
 - Increase the Instructional Materials Allotment (IMA);
 - Fund innovative partnerships; and
 - Drop-out prevention programming.
5. Supports continued full funding and extension of Proposition 1, the state's dedicated portion of oil and gas severance tax revenue to the State's Highway Fund, which expires in six years.
6. Supports allowing local elected officials to make decisions regarding revenue needed to serve the priorities in the communities they represent and opposes legislation that imposes unnecessary burdens on the ability of a public entity or school district to issue debt in any way, including the ability to develop bond programs that will continue to improve the quality of life for citizens.

GENERAL BUSINESS

- Supports priorities that keep Texas competitive in economic development through job growth, business expansion, workforce development, and capital investment.
 - Support legislation to invest a portion of the state's Economic Stabilization Fund (Rainy Day Fund) and dedicate a portion of the returns to an infrastructure revolving fund.
 - Supports increased funding for the protection of critical infrastructure sectors, including chemical; communications; commercial facilities; critical manufacturing; dams; defense industrial base; emergency services; energy; financial services; food and agriculture; government facilities; healthcare and public health; information technology; nuclear reactors, materials, and waste; transportation; and water and wastewater.
- Opposes state and local infringement on private employer rights and hiring practices under federal law.
 - Supports the statutory authority of compensation and wages remain at the state and federal levels.
- Opposes legislation that would limit and undermine the authorities of municipalities and government entities.
 - Supports allowing local elected officials to make decisions regarding revenue needed to serve the priorities in the communities they represent.
 - Opposes legislation that imposes unnecessary burdens on the ability of a public entity or school district to issue debt in any way, including the ability to develop bond programs that will continue to improve the quality of life for citizens.
- Supports monitoring and defending eminent domain authority to allow the planning and development of private and public infrastructure for energy, water, transportation, and expanded multi-modal transportation corridors.
- Opposes any law, statute, ordinance or rule that discriminates against any individual or group of individuals.
- Supports transparency and public access within the Public Information Act that does not threaten private sector proprietary information or competitiveness.

AEROSPACE

- Legislation that makes the Texas business tax structure more competitive and attractive to capital intensive businesses seeking to relocate or expand, particularly:
 - Efforts to create parity in Franchise taxation on Aerospace & Defense companies contracting with the Department of Defense
 - Efforts to reduce Property and Inventory tax burdens to support capital and personnel intensive industries in Texas.
- Efforts to establish funding mechanisms for transportation infrastructure related to Texas' inland ports, including industrial airport facilities such as Kelly Field that serve as critical and strategic assets for industry, trade, and our military, as well as for disaster response and emergency management.

CYBERSECURITY

- Supports continued and funded implementation of the Texas Cybersecurity Act, including the security of state government agencies and educational institutions.
- Supports statewide efforts to strengthen the cybersecurity posture of industry, government, and community partners, including:
 - The creation and funding of the Texas Information Sharing and Analysis Center (ISAC).
 - The development and funding of the Community-Based Information Sharing and Analysis Organization (CBI).
 - The implementation of the Community Cyber Security Maturity Model (CCSMM) across the state of Texas.
 - The funding and construction of the National Security Collaboration Center at UTSA's downtown campus.
- Supports strengthening the Texas' supply chain security through increased funding of cybersecurity training for small and medium-sized businesses.
- Supports statewide collaboration and solutions for incident response, fraud, and expenses resulting from data breaches, including:
 - A study of the impact of breaches on the financial services industry in Texas, and;

- How to punish individuals and organizations that attack small businesses.
- Supports strengthening the integrity, resiliency, and infrastructure surrounding elections in Texas.

ECONOMIC DEVELOPMENT

- Supports availability of Economic development incentives as a business recruitment tool that incentivizes significant jobs and capital investment, including the ability for local governments to leverage economic development tools to encourage growth tailored to their region, particularly:
 - Reauthorization of Chapter 312 of the Texas State Tax Code to continue allowing local property taxing entities to enter into temporary tax abatement agreements encouraging private investment.
 - Maintaining the Texas Economic Development Act incentive program, Chapter 313 of the Texas State Tax Code to attract large capital investment to Texas.
- Supports appropriating funding, additional transparency and oversight measures to the Texas Enterprise Fund to attract high-value companies to Texas.
- Supports appropriation of funds into the Events Trust Fund which assist in business and event attraction to the State.

EDUCATION AND WORKFORCE DEVELOPMENT

Workforce Development

- Supports legislation and appropriations for the expansion of STEM and CTE dual credit programs in Texas schools, including funding for necessary materials such as high tech and relevant machinery/equipment, curriculum, and hands on toolkits for the adaptation of this type of educational diversity in school classrooms and expanded student career readiness choices.
- Supports establishing a task force to review equity of access to quality dual credit programs statewide and determine method for expanding the Texas Education Opportunity Grant to high school students enrolled in dual credit courses.
- Supports moving all high school Technology Applications courses to Chapter 130 of the Texas Education Code, including Computer Science, to provide better alignment and funding of Career and Technical Education (CTE) courses and CTE dual credit courses.

Public Education

- Supports substantially increasing state funding for a strong Texas public education system that sustains the Texas economy, workforce needs, and equity in educational excellence for all Texas students:
 - Update the formula funding system to distribute money to the specific needs of children;
 - Fund inflationary cost pressures and student enrollment growth in PK-12 public education;
 - Increase wealth equalization levels to reduce recapture;
 - Increase the Instructional Materials Allotment (IMA);
 - Fund innovative partnerships; and
 - Drop-out prevention programming.
- Supports flexible funding for initial costs and continued operational costs of safety and security measures, such as facility improvements, hardware, personnel and mental health resources.

Higher Education

- Supports enhanced funding for Formula, Non-Formula, Capital Construction/TRB for Higher Education and Health-Related Institutions, Skills Development Fund, and Jobs/Education for Texans Grant and new special item; and reimbursement for revenue foregone due to the Hazelwood program.
- Supports statewide solutions that address improvement of transferability of credits toward a degree to enable students to complete and graduate more efficiently.
- Supports enhanced funding to the Texas Equalization Grant Program.

ENERGY & SUSTAINABILITY

- Supports maintaining provisions for CPS Energy within Texas' statutes as they relate to municipally owned electric utilities, including the local option to participate in retail competition.
- Supports accelerating and increasing funding for programs such as Texas Emissions Reduction Plan (TERP) and Congestion Mitigation and Air Quality Improvement Program (CMAQ) that allows for continued collaboration between the public and private sector to address regional air quality issues.
 - Restoring TCEQ Rider 7 funding for near non-attainment and non-attainment areas.

HEALTHCARE & BIOSCIENCE

- Supports capitalizing and securing state funding for the construction of a new San Antonio State Hospital.
- Supports increasing funding for prevention and treatment of substance use disorders, including opioids.
- Supports trauma funding through a funding mechanism dedicated to trauma facilities which would support the state's network of regional trauma facilities that currently provide more than \$254 million each year in uncompensated care for critical healthcare services.
- Supports use of available state funding to match federal funding requirements for maintaining and increasing physician graduate medical education (GME) residency positions, allowing us to keep our medical school graduates in Texas; and continued funding to address other healthcare workforce shortages including in nursing and other allied health professions.
- Supports Medicaid provider increase in reimbursement rates for primary care physicians and all healthcare providers to sustain the current provider network and ensure access to care for Medicaid patients.
- Supports allowing Texas school districts to choose and manage their healthcare benefits and costs that are locked into Teacher Retirement System (TRS) benefits.

MILITARY AFFAIRS

- Supports increased funding for the Texas Military Preparedness Commission's Defense Economic Adjustment Assistance Grant (DEAAG) to sufficiently continue supporting base redevelopment as well as enhancing military value of active installations. Strengthen the Military Value Revolving Loan Program and assess further aid to our federal military installations to increase military value and to minimize negative consequences of a potential round of BRAC.
- Supports facilitating military spouses in continuing their work in a new place of residence without delays or extra expense and supporting legislation that will expedite transference and/or equivalency of licensing for military spouses in licensed fields including but not limited to medical, legal, engineering, education, teaching, accounting, or cosmetic arts. Eliminate or mitigate barriers and ease the burden of reciprocity of licenses to improve the quality of life for our military families.

- Supports utilizing the Military Student Identifier (MSI) to provide educators with critical information to personalize attention to military dependent children, effectively recognizing with the adoption of the Every Student Succeeds Act (ESSA) that all military-connected students will be supported while the military service member parent or guardian is on Active Duty.
- Supports actively participating in the Military Interstate Compact Commission (MIC3), whereby the State of Texas will allow specific considerations for military connected students and will directly support the military family due to moves outside of state boundaries, encouraging a smooth transition and assimilation into a new school district or system.
- Supports leveraging recent military mission growth with recognized invaluable research capacity in area Universities to position the San Antonio-Austin Corridor as a Regional Innovation Hub, thereby creating an industry wide investment zone for future innovation opportunities across a wide variety of industries to include: Military, Cybersecurity, Information Technology, Healthcare, Bioscience, and Manufacturing.
- Supports legislation that will continue to assist the participation, education, and training of Veterans transitioning to the civilian workforce in Texas.
- Supports enforcement of the provision of the Every Student Succeeds Act (ESSA) that ensures military recruiters have the same access to secondary school students as is provided generally to institute of higher education (IHE) or to prospective employers of those same students.

TOURISM & HOSPITALITY

- Supports restoration of full funding for state tourism promotion.
- Supports protecting the integrity of Hotel Occupancy Tax and the legislative mandate to utilize those funds to drive and promote tourism and conventions.
- Supports the continued viability of San Antonio to compete for major sports events and conventions.
- Supports maintaining the fourth Monday in August as the uniform state-wide school start date.

TRANSPORTATION

- Supports continued full funding and extension of Proposition 1 and 7.
 - Working to ensure equitable distribution among the districts and that sufficient funding is reserved for engineering, ROW, and other project development costs.
 - Language to clarify the Proposition 1 “sufficient balance” provision.

- Supports continued policy of non-diversion of revenue from the dedicated State Highway Fund to non-transportation programs.
 - Urging consideration of a Constitutional Amendment to prevent such diversions in the future.
- Supports continued availability of all financing mechanisms to finance current and future transportation projects that will increase mobility and push public dollars further.
- Supports increasing funding for implementation and operation of regional multi-modal transportation priorities.
- Supports efforts by the Legislature and/or TxDOT to assess the magnitude of the statewide transportation funding gap over the next 10 to 25 years through a renewal of the 2030 Commission effort or similar initiative.
- Supports an interim legislative study to explore the impacts of modernizing the state's motor fuels taxes and registration fees including providing a fee in lieu of the motor fuels taxes for non-gasoline, non-diesel powered vehicles to prevent further erosion in the value of the revenues generated.

WATER

- Supports a State Flood Plan that includes river authorities in watershed flood planning and communication activities.
- Supports legislation that seeks to identify additional funding sources to help address the proper closure of abandoned and deteriorated groundwater wells in order to prevent potential health and environmental risks these wells may present.
- Supports legislation and additional budget appropriations to enhance existing programs and enforcement to mitigate illegal dumping as well as waterborne and airborne trash.
- Supports regulatory consistency in local groundwater district laws and regulations, including the automatic extension of an expired export permit to conform to the related operating permit.
- Supports favorable and distinct laws and regulations to encourage the development and use of brackish groundwater.