



The Metro 8 Chambers of Commerce represent the business sectors of the eight largest metropolitan cities in Texas: Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston, and San Antonio.

Collectively, the Metro 8 Chambers of Commerce serve more than **20,000** businesses across the great State of Texas.

While each of the Metro 8 Chambers of Commerce operates individually, serving the interests of unique constituents and come together during each legislative year to address issues that will affect all of their members and their communities.

This document represents the issue priorities for the 83rd Legislative Session that each of the Metro 8 Chamber Boards have independently adopted.

ECONOMIC DEVELOPMENT

Highest Priority Position:

- Support extending the Texas Economic Development Act sunset date; Tax Code, Chapter 313

Priority Positions:

- Support Legislative Appropriations Request to appropriate the unexpended balance of the Texas Enterprise Fund, a Trusteed Program within the office of the Governor, in Article I – General Government of the 2014-2015 biennial budget
- Support Legislative Appropriations Request to appropriate the unexpended balance of the Texas Emerging Technology Fund, a Trusteed Program within the office of the Governor, in Article I – General Government of the 2014-2015 biennial budget

Standing Positions:

- Support eliminating the current effective date of, thus making permanent, the exemption from franchise tax obligations of certain small businesses with total revenue less than or equal to \$1 million; Franchise Tax-Tax Code, Chapter 171; Section 171.002 (d) Rates; Computation of Tax
- Support legislation that enhances the state's competitiveness for high-growth industries including but not limited to:
 - Cloud computing and data centers
 - Cancer prevention and research
- Support continued appropriations for existing economic development programs such as:
 - Texas Moving Image Industry Grant Program
 - Skills Development Fund

- Oppose legislation that weakens the effectiveness of existing economic development statutes including but not limited to:
 - Tax Increment Financing Act; Tax Code, Chapter 311
 - Property Redevelopment and Tax Abatement Act; Tax Code, Chapter 312
 - Miscellaneous Provisions Relating to Municipal Planning and Development; Local Government Code, Chapter 380
 - County Development and Growth; Local Government Code, Chapter 381
 - Enterprise Zones; Government Code, Chapter 2303
 - Sales and Use Tax Exemptions; Tax Code, Chapter 151

EDUCATION, WORKFORCE & TALENT DEVELOPMENT

PUBLIC EDUCATION

The Chambers believe a strong and effective Pre-Kindergarten through 12th grade public education system for all student populations in Texas is critical to ensuring our state's economic competitiveness and sustaining a diverse educated and competitive workforce. We recommend the Texas Legislature take these actions to equip the Texas public education system to produce graduates who are college and career ready with 21st Century skills:

Funding

Additional loss of education resources and underfunding could threaten fulfillment of state public education constitutional and legal requirements. Texas Legislature should provide sufficient state funding and resources to exceed required student achievement standards and programs for unique student populations.

- Restore public education funding to at least FY 10 per pupil funding levels
- Adjust long-term formula deficiencies: update the Cost of Education Index, funding for students learning English, and include formula funding for quality full-day pre-K (pre-K program must utilize developmentally appropriate assessments, leverage available resources, coordinate with other early childhood providers, and offer teachers professional development)
- Consider use of Texas Economic Stabilization Fund (Rainy Day Fund) to supplement education funding during revenue shortfalls

Local District Operational and Managerial Control

Return permanent authority to accredited school organizations to operate without state intervention in organizational and managerial affairs, human capital and financial resource management.

Accountability and Assessment

Direct the Commissioner to fully and timely implement the current accountability law while continuing review of that system to ensure it supports preparation of students who graduate college and career ready with 21st century skills. Engage education and business stakeholders and regional metro Chambers in the implementation, design, development and review of an accountability system that is clear, fair, transparent, predictable, effective and understandable to educators, students, parents and the community. The system must:

- Progressively increase five-year graduation rates to 90% by 2020 for districts and campuses to retain accreditation
- Provide appropriate multiple evaluations that measure progressive benchmarks which result in college/career readiness. Phase in assessment and accountability standards

- Progressive increase student college/career readiness attainment rates for districts and campuses to retain accreditation
- Recognize student academic improvement toward the state college and career readiness standard to delay school sanctions for academically underperforming schools
- Create clear, simple communication about the state's changing assessment, accountability and high school graduation expectations for educators and the public
- Determine passing and accountability standards for a three-year, predictable planning horizon
- Collect and report student performance data, disaggregated by ethnicity and income
- Seek equally rigorous, innovative and flexible assessment and accountability models that measure deeper learning and prepare students for the global workplace. Support the work of the Texas High Performance Schools Consortium to develop innovative, next-generation learning standards and assessment and accountability systems

HIGHER EDUCATION

A robust, diverse higher education system is critical to the advancement of technology development and economic activity in Texas. State funding and support for grant programs must be a priority for the Legislature.

- Texas should restore funding to FY10 levels for current and emerging Tier-One institutions, the Research Development Fund, the Competitive Knowledge Fund and the Texas Research Incentive Program for emerging research universities, and preserve options for universities to adjust tuition as necessary
- To protect college access and increase graduation rates for academically prepared, financially needy students, the Legislature must enhance TEXAS Grant appropriation to cover 100% of eligible students
- Texas should change existing formula funding to enhance efficiency and increase graduates from Texas universities and community colleges, especially in high-demand fields
- The Metro 8 supports the Legislature authorizing Tuition Revenue Bonds or their equivalent for capital improvements to address public higher education institutions capacity needs
- The state should establish a target amount for formula funding, community college base levels and adequate funds for enrollment growth
- For enrollment in college-level coursework, Texas should ensure all assessments used to determine whether students are academically prepared for higher education should have a comparable level of difficulty at the college-readiness level

WORKFORCE

Texas' employers are having difficulty finding a sufficient number of qualified, technical talent to power job growth. In many cases, these jobs require certification or associate degrees in technical fields. At the same time, 964,000 Texans are unemployed. Certification and associate degree programs can help fill this employment gap and provide an identifiable future for high-school students who do not see themselves university bound.

- Defend current K12 and higher education funding for dual credit courses. For CTE dual-credit courses, utilize funds efficiently by incentivizing institutions to offer dual-credit courses which fulfill industry demand and obtain a recognized industry certification with substantial labor market value or result in transferable college credit
- Advanced Technical Credit: By 2015 dual-credit and career/technical credit courses become certified as Advanced Technical Credit and grant Advanced Technical Credit courses the same access the state Instructional Materials Allotment as traditional academic courses

- Allow the Skills Development Funds to be more flexible in meeting industry needs in order to support their growth and development of a needed workforce

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.

Medicaid Expansion

The Chambers advocate for Medicaid Expansion in Texas through the Affordable Care Act.

Protect Healthcare Funding – Preserve and Increase

- Federal dollars supplement but do not supplant the total amount of state funding for healthcare under the 1115 Waiver
- Medicaid Expansion should protect and increase physicians' reimbursement through the Affordable Care Act

Mental Health

The Chambers advocate for continued funding and support for community-based mental health and intensive crisis services to allow individuals with severe and persistent mental illness to receive services in an appropriate setting and divert them from more expensive and inappropriate facilities such as emergency rooms or jails. In addition, substantial cuts during the last legislative session in programs for individuals with Intellectual and Developmental Disabilities resulted in the growth of already substantial interest list. It is imperative to restore funding for these programs to reduce wait times for essential services.

Since appropriate clinical intervention at a very early age is shown to decrease the need for intensive services later in life, Early Childhood Intervention programs (ages 0 -3) are also seeking to increase funding levels to those of the previous biennium. Also, programs such as Peer-to-Peer Outreach for veterans coping with mental illness and Jail Diversion initiatives aimed at individuals with a mental health diagnosis interacting with the Law Enforcement/Justice System are vital to these specialized populations.

Healthcare Professional Shortages/Telemedicine

The Chambers support maintaining the funding source(s) of healthcare professional shortage programs and an expanded health care workforce. The Chambers believe the state should continue to prioritize funding increases for expansion of various health care professional education programs. More specifically, the Chambers support amending the Texas Administrative Code to add an option to the 75 mile physician presence reimbursement for telemedicine supervision/support that meets all other requirements of the Texas Administrative Code for mid-level providers.

TRANSPORTATION

Highest Priority Position: Increasing Vehicle Registration Fees

The vehicle registration fee was last increased in 1985. The Chambers urge the Legislature to raise the vehicle registration fee so that it more accurately reflects the current economic reality and restores the value of the fees to a level that will better fund transportation infrastructure throughout our state. Local governments should also be empowered by the Legislature to levy an additional local vehicle registration fee to fund local transportation projects.

Priority Position: Motor Vehicle Sales Tax Allocation

The Chambers support the allocation of motor vehicle sales tax revenue to the state highway trust fund to ensure that the state can better fund transportation infrastructure.

Standing Positions:

Eliminating Diversions

Every year \$700 million is diverted from the State Highway Trust Fund to non-transportation related purposes. These diversions combined with the \$1.3 billion in debt service that TXDOT pays every year, is further slowing our state's ability to build and maintain roadway infrastructure. The Chambers support the elimination of diversion for all non-transportation programs that are not directly associated with the maintenance and expansion of the state highway system, except for the 25 percent diversion to education required by the Texas Constitution. *(Please discuss with transportation committees if DPS funding, like education funding, should continue as a diversion.)*

Increased funding for Texas Roadways

The Chambers support the development of new transportation funding mechanisms and an increase in sustainable revenue for the state highway fund to pay for maintenance and expansion of the state highway system.

WATER

The Chambers support and request the legislature to fully fund the Texas 2011 Statewide Water Plan through new and existing revenue sources.

Without financing, the state water plan will increase in cost each year and inhibit the State of Texas to attract new businesses and jobs. It is estimated that failure to meet our future water needs could result in a reduction in income of nearly \$116 billion annually by 2060.

The Chambers will oppose any legislation that would unreasonably prevent the State or water providers from exercising their ability to follow water management strategies in the upcoming State Water Plan.

BACKGROUND

ECONOMIC DEVELOPMENT

Texas Economic Development Act: Chapter 313, Texas Tax Code

Created by the Texas Legislature in 2001, the Texas Economic Development Act enhances the state's economic development efforts especially with securing large-scale capital investment. The Chambers support maintaining and strengthening this program to promote continued investment in large-scale projects such as manufacturing, research & development, and energy.

Emerging Technology Fund (ETF)

The Texas Legislature created the ETF in 2005 and appropriated funding in every subsequent session. The Chambers support continued appropriations to the ETF to continue investment in high-impact, high-growth economic development for the future.

Texas Enterprise Fund (TEF)

The Texas Legislature created the TEF in 2003 and appropriated funding in every subsequent session. The Chambers support continued appropriations to maintain the TEF as a vitally important economic development tool.

Together, the ETF and TEF maintain Texas as a national leader for business success especially in the following targeted industry clusters: Advanced Technologies and Manufacturing; Aerospace and Defense; Biotechnology and Life Sciences; Information and Computer Technology; Petroleum Refining and Chemical Products; and Energy.

Texas Franchise Tax

Small business success is important to the long-term economic health of the state. Maintaining a lower tax burden for these businesses is vital to their survival. The Chambers support maintaining the no tax due threshold amount of \$1,000,000 in all future years.

EDUCATION, WORKFORCE & TALENT DEVELOPMENT

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WATER

Texas will prepare a revised State Water Plan with input from 16 regional water planning groups. With population projected to double in Texas by 2050, each region has been tasked with the continuous process of developing a balanced plan every five years, responding to changing climate, environmental, socioeconomic and demographic conditions.

Although much of Texas is no longer in drought conditions, we are still dealing with the effects of the worst drought in decades. Failure to provide an adequate water supply could inhibit businesses from attracting quality employment and deter businesses from locating within our state.