

January 2009

Texas **MERIT** **SHOP** **Journal**

Defending the Rights of Merit Shop Contractors

**Texas Governor
Rick Perry
Discusses His
Time In Office and
the Challenges
That Lie Ahead
This Legislative
Session**

Also In This Issue:

*Election Review: What's In
Store for Texas Contractors*

ABC of Texas

Legislative Initiatives

*ABC Members Set Their Sights
on the State Capitol*

*Hot Bills to Follow and What
May Be Under the Radar*





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January 2009

Texas MERIT SHOP Journal

Defending the Rights of Merit Shop Contractors

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Recently, the ABC of Texas Board convened and agreed on four Legislative Initiatives which have become priorities for the State Chapter. Learn about Alternative Delivery Systems, Contingent Pay, Trust Funds and Prevailing Wage and how you can work with your local chapter to support each initiative.

10 ABC Members Set Their Sights on the Texas Capitol

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BERRY

Dear Reader,

Wow, time flies when you're having fun. Where did 2008 go? I hope this year was a good year for you and your business and that 2009 brings the same results. In talking with many friends and business associates, everyone is optimistic about what 2009 lends itself to be and what the work and political climate will be in 2010.

The political environment in our country and state will also be one of change and optimism. We are seeing things that we never could have dreamed of, including financial struggles dealing with mortgages, loans, government pay-outs, and stock market swings. On the state level, there are issues with immigration, contractor licensing, alternative delivery systems, trust fund legislation, prevailing wages, and certain trades legislation.

The State ABC and local ABC Chapters have scheduled a Legislative day on February 3, 2009 and I would like to invite all readers to join us and take the opportunity to talk to our legislators. This is our opportunity to reinforce the ABC philosophy and promote our agenda dealing with issues mentioned.

I would also like to recognize Jon Fisher for his efforts as President of the State ABC chapter. Jon has been with us less than a year, and what an impact he has made. His knowledge of state politics has greatly helped our ABC presence at the State Capital.

Remember - Get into Politics or Get out of Business!

Roger Berry
SpawGlass Construction Corp.
2009 ABC of Texas Chairman

For information about ABC of Texas go
to www.abctexas.org





ELECTION UPDATE

by Mike Toomey, ABC of Texas Lobbyist

The big news in the November election in Texas was not that McCain carried the state - that was a given. Of more concern to business interests in Texas was the potential upheaval in the Texas House and Texas Senate. The Governor and Lt. Governor positions were not up this year, however, a great deal of attention was focused on the down ballot Texas House and Senate races. The results were mixed, and currently the Texas House is split almost evenly with 76 Republicans and 74 Democrats.

The Texas Senate narrowed its Republican lead as well, with Senator Kim Brimer's loss to former Fort Worth City Council woman, Wendy Davis. This puts the Senate at 20 Republicans, 11 Democrats, now that the race between Joan Huffman (R) and Chris Bell (D) for Kyle Janek's former Senate seat has been decided and Joan Huffman is the new Senator from Houston.

House Incumbent Changes

- Juan Garcia (D) of District 32 who lost to Todd Hunter (R)
- Bill Zedler (R) of District 96 who lost to Chris Turner (D)
- Dan Barrett (D) of District 97 who lost to Mark Shelton (R)
- Tony Goolsby (R) of District 102 who lost to Carol Kent (D)
- Jim Murphy (R) of District 133 who lost to Kristi Thibaut (D)

The list of members who have now officially declared to run for speaker continues to grow. Declared candidates thus far include current Speaker Tom Craddick (R), Pete Gallego (D), Scott Hochberg (D), Delwin Jones (R), Jim Keffer (R), Tommy Merritt (R), Allan Ritter (D), Burt Solomons (R), Senfronia Thompson (D), Sylvester Turner (D), Byron Cook (R), and Edmund Kuempel (R).

Senate Incumbent Changes

- Kim Brimer (R) of District 10 who lost to Wendy Davis (D)

The Texas Senate rule requires 21 of 31 members to move any bill. Last session the Senate was composed of 20 Republican and 11 Democrats. Senator Brimer's loss creates an advantage for the Democrats. The Senate will be slightly more liberal (19 R's vs. 12 D's) and will give Democrats a greater possibility of blocking

legislation. The final race in play was for the seat vacated by Kyle Janek (R). Joan Huffman is a former judge and well known in her district. The Democratic candidate was Chris Bell, a former Congressman and Houston City council member. Joan Huffman won with a healthy margin of 56% - 43%.

“The Texas Senate rule requires 21 of 31 members to move any bill. Last session the Senate was composed of 20 Republican and 11 Democrats. Senator Brimer's loss creates an advantage for the Democrats.”

Additional Outcomes of Interest

In Judicial Races, the Supreme Court remained wholly Republican. In the Third Court of Appeals, Chief Justice Ken Law lost, evenly dividing the court at 3 Republicans and 3 Democrats. In the Texas Congressional Delegation, the Republicans gained one seat when Olsen beat Democrat Nick Lampson in Delay's old Seat.

Associated Builders and Contractor's Political Action Committees, both locally and statewide, actively participated in various successful races across the state. Your support and participation in the PAC process is essential to make sure that pro-business candidates continue to be elected! ABC had a very high rate of success in their supported candidates and this success will continue with your help. Stay committed, stay active and stay informed!

ABOUT THE AUTHOR:

Mike Toomey is the longtime ABC of Texas lobbyist and has the distinction of being the only individual in Texas history to have served as chief of Staff for two Texas Governors. He is a former State Representative from Houston and was voted in Texas Monthly magazines "Top Ten Legislators". Mr. Toomey is a strong supporter of Tort Reform in Texas and is widely acknowledged as one of the most respected and effective lobbyists in the State of Texas.



Hot Bills to Follow and What May be Under the Radar

by Jon Fisher, ABC Texas President

This places conscientious employers in a conundrum. Do they risk legal liability for hiring illegal workers or for employment discrimination? The lines are not clear.

It's a good thing the Texas Legislature meets only 140 days every 2 years. ABC of Texas' top priorities are preventing unfavorable bills from passing, and like most business groups, we play defense in the Legislature most of the time.

The playing field was designed by those who were suspicious of government in a post-reconstruction Texas that saw little need for a powerful state government. In fact, many of us frequently joke that the writers of our Constitution of 1876 actually meant for the Texas Legislature to meet 2 days every 140 years!

Based on the ABC of Texas Board's ranking, our top two priorities are avoiding the passage of harmful immigration and contractor licensing legislation. Other "defensive" priorities include avoiding the passage of legislation negatively affecting the status of statutory employer (Workers' Compensation) and avoiding the passage of legislation further regulating trades or crafts. We've also outlined some initiatives which are covered in the next article.

We must be prepared for challenges yet to be identified, including both positive and negative initiatives of others such as workforce development, changes to the margins tax, and other issues affecting the construction industry.

Our number one issue—Immigration—is a federal issue that should be dealt with at the federal level. States have increasingly attempted to deal with immigration issues in ways that hurt their own economies. Since 2006, several states have passed legislation dealing with employers. It is estimated that the Oklahoma legislation will likely reduce its Gross State Product by \$1.8 billion or 1.32% in the short run, with subsequent annual reductions of almost one percent. This is hardly something that is welcome in a down economy.

One of the inadvertent consequences of any employee verification requirements beyond those required by federal law is likely to be unintentional employment discrimination to escape legal liability.

“Based on the ABC of Texas Board’s ranking, our top two priorities are avoiding the passage of harmful immigration and contractor licensing legislation.”

Certainly, if the State of Texas chooses to place more burdens on employers, it should be clear that if an employer does what the state asks, he is given “safe harbor” if an employee is subsequently found to have engaged in fraud. Employers are currently responsible for verifying the legal status of workers under federal law, but are given no “safe harbor” even if they do everything required by law. This should not be repeated if the state decides to further regulate. Jack Baxley, Vice President for Government Affairs of the new combined North Texas Chapter, is the issue leader on Immigration.

In a split with another construction trade association, ABC of Texas opposes contractor licensing in any form. Representatives of ABC have seen presentations, been given outlines and been invited to attend a briefing on research in support of the passage of a Contractor Registration or Workforce Development Bill, the title being dependent on the time the presentation was initiated. All of these have one common theme opposed by ABC of Texas—the requirement that contractors be registered or licensed. Actually, ABC of Texas could support most if not all of the Workers' Compensation elements of the outlined bill. Additionally, many of our members are interested in workforce development, just not by creating a new government bureaucracy to hand out money collected from contractors. Buck Blevins, an ABC of Texas Board member from the Texas Gulf Coast Chapter, is the issue leader on Contractor Licensing.

Another issue where ABC of Texas will be working to avoid passage of negative legislation will be in the Workers' Compensation arena. The Texas Supreme Court has upheld the principle of "statutory employer" which makes the exclusive nature of Workers' Compensation apply to the employees of subcontractors when they are covered by the general contractor's Workers' Compensation policy. There will be attempts in the Texas Legislature to undo this helpful court decision which stabilizes the risk for employers. Christina Stone, the ABC of Texas Treasurer from the Greater Houston Chapter, is the issue leader for Indemnification/Workers' Compensation/Third Party Liability.

We also expect the usual number of bills that would restrict entry into a trade or craft by initiating or tightening regulation. ABC of Texas has been resolute in opposing these initiatives which are not consistent with free enterprise principles. Steven Schultz of the South Texas Chapter is the issue leader on Trades Legislation.

One of the issues outside the Board priorities which seems to have gained traction with ABC members, especially those in industrial areas, is workforce development. One of the priorities of the new ABC state office is to seek opportunities to form coalitions and work with other groups to better establish ABC of Texas as a point of contact for the construction industry in Austin. ABC of Texas has aligned itself with an industrial-based coalition seeking to positively influence public education policy by emphasizing the need to allow applied science and math courses, such as those designed by the National Center for Construction Education and Research (NCCER), to apply toward high school graduation.

The need for more flexibility in high school curriculum has been brought to the forefront by the new "4 X 4" requirements which begin applying to 9th graders this academic year. Under this system, it appears that relevance could easily give way to rigor, eliminating flexibility in curriculum, and even inadvertently increasing our inappropriately high dropout rate. Groups such as the Texas Association of Manufacturers and Texas Chemical Council are leading this effort. Participating with this coalition, ABC of Texas has already provided testimony to the Senate Education Committee, secured participation by an NCCER advocate in a Senate Education Committee workshop on Career and Technical Education (CTE), and exposed the coalition to NCCER programs and their existing use within Texas secondary schools by helping arrange an NCCER presentation to the coalition.

As you can tell, we have significant challenges before us in the 81st Texas Legislature. Your ABC of Texas office will be reminding you of the need to "Get Into Politics or Get Out of Business." - JF

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ABC of Texas Legislative Initiatives

by Jon Fisher, ABC of Texas President

The ABC of Texas Board named four legislative initiatives in its priorities for the 81st Texas Legislature. These priorities are Alternate Delivery Systems, Contingent Pay, Trust Funds and Prevailing Wage.

Alternative Delivery Systems

When representatives of ABC of Texas went to visit with the Associated General Contractors—Building Branch (AGC) in September, we learned that AGC was willing to take the lead in seeking Alternative Delivery System legislation in 2009. At that meeting, ABC representatives expressed the desire to help craft legislation that would remove the objections of the Governor that had resulted in vetoes the last two sessions. Following the meetings held by AGC with other interested groups in attendance, including ABC of Texas and the Texas Society of Architects, legislation was drafted with the intention of removing those objectionable passages that resulted in prior vetoes.

ABC of Texas continues to believe that when contracts are granted by public entities under systems other than competitive bid, the rankings should be disclosed to promote accountability and provide transparency to the process. Steven Schultz, President of the South Texas Chapter of ABC, is the issue leader on Alternate Delivery Systems. Kathleen Acock, an ABC of Texas Board member from the South Texas Chapter, has been involved in early discussions.

Contingent Pay

Whenever one tries to amend a bill that was the result of intense negotiations, a high threshold for change is expected. That certainly was the case with trying to make some changes in the Contingent Pay bill that was passed last session. In trying to get some flexibility, ABC of Texas soon recognized that some of its suggestions would be opposed by other construction interests that had a major role in the passage of the previous legislation. Thus, following discussions with representatives of AGC and the Texas

Construction Association (TCA), the ABC of Texas issue leader, Sam Kumar (a member of the Central Texas Chapter) agreed to scale back the initiative to a very specific change. That change provides an alternative of furnishing a copy of the contract, instead of waiting for assurances that funding is available, when dealing with public entities. Since public entities cannot sign contracts without funding in place, this would eliminate the potential of a 30 day delay. Recent communications from both TCA and AGC indicate both groups will oppose even this scaled back ABC initiative.

Trust Funds

Ben Westcott of the Greater Houston Chapter is the issue leader on another ABC of Texas initiative—Trust Funds. After initial peer review within ABC and discussions with both AGC and TCA leaders, the bill has been streamlined to focus on protecting contractors, subcontractors and suppliers rights to Trust Funds even when their customers file for bankruptcy protection.

Prevailing Wage

Our last initiative is Prevailing Wage—specifically, repeal of the state’s prevailing wage statute. This has been a longtime pursuit of ABC of Texas and is strongly opposed by organized labor interests. The issue leaders are Russell Hamley, President of the Greater Houston Chapter, and Jack Baxley, Vice President of Government Affairs for the new combined North Texas Chapter.

As the previous article on the upcoming 81st Texas Legislature states in the beginning, our Legislature is designed specifically NOT to pass bills. The only piece of legislation that has to pass is the biennial appropriations bill. Anything else that passes must compete for attention and consideration with not only the appropriations bill, but emergency measures and initiatives of both legislative and executive leaders. The “funnel”, as those in the business refer to it, narrows quickly since almost all legislation is considered in committee and passed well within the last 80 days of the session.

Any initiative, no matter how simple and noncontroversial, faces competition for attention within a short period of time. There are no “easy” bills to pass. - JF



2009 Legislative Day*

February 3, 2009

7:00am Breakfast

7:30am Program

9:00am Visits with Legislators

Doubletree Guest Suites

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Welcome Reception*

February 2, 2009

4:30-8:00 p.m.

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**Program and Reception are free for members*



Join fellow members of Associated Builders and Contractors from around the State as we meet with our elected officials to discuss issues important to the construction industry and Free Enterprise on Tuesday, February 3rd. Also, make plans to attend the February 2nd Welcome Reception, where you will have the opportunity to visit with state lawmakers in an open and casual environment!

To RSVP for the 2009 ABC Legislative Day or learn more about the event, please contact your local chapter at the corresponding number below.

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ABC Members Set Their Sights on the Texas Capitol

By Meghan Stephens, Assistant Editor



Every other year, members of Associated Builders and Contractors from across Texas join together for ABC Legislative Day and journey to the State Capitol. ABC members speak with Texas legislators about issues that are relevant to the construction industry as part of an organized effort to promote the ABC agenda to the State lawmakers. ABC Legislative Day is an all-day event that gives constituents a rare opportunity to discuss political concerns face-to-face with decision-makers in an eye-opening experience that impacts the governing process. This year, the ABC Legislative Day will be held on Tuesday, February 3rd, with a pre-event reception on Monday, February 2nd. All ABC members are encouraged to attend. The following article discusses what you can expect and will experience as an ABC Legislative Day participant.

Grouped into small teams by chapter, participants will spend the day delivering small boxes of chocolate with the ABC of Texas logo and educating legislators on the ABC Agenda. The ABC agenda includes hot-button issues such as Immigration, Contractor Licensing and Workers' Compensation. "These visits allow Legislators to realize the passion that ABC members have for the issues at hand, and the potential effects that the passage of a bill could have on our industry. Elected officials give far more weight to a group of people who make a trip to raise their voices, and this process gets their attention," says Bob Parker, longtime ABC of Texas Board member and Chairman of the Legislative Day Committee. Legislative Day attendees visit legislators from across Texas, even those without ABC Chapters in the area, and cultivate lasting relationships with both State lawmakers and other ABC members. "You don't need to know anything about politics to participate in this event. You can choose to talk, or simply listen and learn," says Parker. "Legislative Day is a valuable educational experience that supports the ABC cause. The more members that

participate, the greater our impact."

Legislative Day events begin with an open-house networking reception on the evening of February 2nd, held at the Offices of the Texas Lobby Group on Congress Avenue. All State lawmakers will be invited. After breakfast the following morning, a briefing

"ABC Legislative Day is an all-day event that gives constituents a rare opportunity to discuss political concerns face-to-face with decision-makers in an eye-opening experience that impacts the governing process."

session will be held prior to ABC members going to the Capitol to deliver the ABC chocolate and briefing materials. This session covers the agenda for the day, including an explanation of ABC of Texas' priority issues and how to effectively deliver the ABC message. "An important thing to remember is that the lawmakers are normal folks with businesses like ours. They have a day-to-day income just like everybody else, and they want people to know that they are here to help and willing to listen. This is a great opportunity to get to know these men and women on a personal level, while sharing an understanding of what issues are important," says Wes Johnson of The Gardner Law Firm, a returning participant in ABC Legislative Day. The interaction between ABC members and lawmakers promotes awareness of ABC of Texas

issues, which benefits ABC's goals when fighting to keep specific issues in check. Tony Rader of AUI Contractors encourages first-time participants to "shadow" a more experienced Legislative Day veteran in order to gain familiarity with the process and build confidence in the experience as the day goes on. "Networking with the other companies that participate is a huge plus. Interacting with industry professionals outside of the office and having partners with the same vision allows for lasting relationships to be built that will continue to grow," says Rader.

"Overall, it's an educational experience," says Russell Hamley, President of the Greater Houston Chapter. "Lobbying is not pushing someone into a corner, it's educating them on the benefits and consequences of each piece of legislation. If you've never seen the political process live, you won't understand it until you witness it firsthand. It is a positive experience that not only benefits our industry and our companies, but it benefits each individual who takes part."

All ABC members are invited to attend the 2009 Legislative Day event-attendance is free. However, it is critical for ABC to know who is attending in order to prepare nametags for the reception and provide an accurate count for breakfast. To attend and learn more about the event, please contact your local chapter. We look forward to seeing you at the 2009 ABC Legislative Day event!

- MS



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One on One With... **GOVERNOR RICK PERRY**

A fifth generation Texan, Governor Rick Perry has taken an extraordinary Texas journey, from a tenant farm on the rolling plains of West Texas to the governor's office of our nation's second largest state.

As 47th governor (and second-longest serving), and the first Texas A&M graduate to occupy the Governor's Mansion, Rick Perry has led a life of public service, starting in the United States Air Force and continuing over two decades in elected office.

Governor Perry's administration has focused on creating a Texas of unlimited opportunity and prosperity by improving education, securing the border and increasing economic development.

Under Gov. Perry's leadership, Texas has consistently been ranked as one of the best places for economic development and expansion in the nation due to our low taxes, reasonable regulatory structure and sensible legal system. In the past five years, Texas has created 1.2 million net new jobs and reigned as the nation's number one exporting state.

Additionally, Gov. Perry has directed millions of dollars to enhance border security through operations integrating local, state and federal law enforcement equipped with enhanced technology and is leading the charge to eradicate transnational gangs.

Gov. Perry has also led the effort to greatly improve the education system in Texas by increasing standards and accountability, raising teacher pay and overhauling the states school finance structure. Since 2001, Gov. Perry has presided over \$17 billion in tax cuts and the largest lawsuit reforms in the nation.

Perry was sworn in as the 47th governor of Texas on December 21, 2000, and was elected to four-year terms in 2002 and 2006.

From 1985 to 1991, he served in the Texas House of Representatives. Perry was elected commissioner of agriculture in 1990, and served two terms. As lieutenant governor, Perry worked with legislators to pass a balanced budget that included record tax cuts, teacher pay raises, and a historic school funding increase.

Perry graduated from Texas A&M University in 1972, where he was a member of the corps of cadets, a junior and senior yell leader, and an animal science major. Between 1972 and 1977, he served in the U.S. Air Force flying C-130 tactical airlift aircraft.

Perry is an Eagle Scout and a lifetime member of American Legion Post #75. Perry and his wife, Anita, have two children.

In December, you will have been governor for 10 years, longer than any governor in Texas history. What do you consider a major accomplishment for the State?

I think after ten years in office, working alongside other strong leaders, Texas has seen some of its brightest days yet. In the last five years, due to efforts to maintain low taxes and a predictable regulatory environment, Texas has created more than half the jobs out of the entire nation; we are home to more Fortune 500 companies than any other state; and we have been the largest exporting state for six years, sending \$168 billion in goods across the nation and world in 2007.

Texas also made some hard decisions back in 2003 as we looked into the eyes of a \$10 billion deficit. But by tightening our belts and cutting spending, we reaped the rewards and by 2007, achieved a multi-billion dollar surplus. This surplus, combined with continued responsible spending, is what Texas will depend upon as it faces the economic downturn that is plaguing our nation.

I am also proud of the progress made in supporting the sanctity of life. I strongly advocated and signed laws that require parental notification and consent, keeping parents involved in their minor daughters' major decisions. I also worked hard to accomplish a ban on the use of tax dollars to support abortion facilities.

I'm very proud of what has been done, but there is more to do. As I approach the upcoming session I will continue to embrace the same principles I have always stood for. I look forward to accomplishing much more for our state and putting the interests of Texans at the forefront of our state's policies.

Business is concerned with the national climate and economic downturn. How do you view the situation in Texas and do you think we are prepared to weather the storm?

Recent national economic events are certain to affect our financial landscape in one way or another, but Texans need to know that our economy is better prepared than any other state to weather this storm. The same elements that have made us the leading job-producing state in the nation, the top exporting state in the nation, and the number-one place to start, expand or move a business have not changed all that much.

Texas laid the foundation for the economic success we are seeing today back in 2003. That year, when faced with a \$10 billion shortfall, we sent a signal to the rest of the country that when Texas falls on hard times we aren't going to raise taxes - we're going to do what families do - tighten our belts and cut back.

We've also created a business friendly environment with a fair and predictable regulatory structure, low taxes, educated workforce, and high standard of living which draw businesses to move to Texas, creating jobs and strengthening our economy. Texas also has a diversified economy, boasting industries such as energy, technology, and biomedical all of which involve a robust construction

industry. This ensures that the state is not dependant on the success of one single industry to remain economically stable.

Additionally, we still have the healthiest default rate of any large-population state. We have traditionally higher standards for home equity borrowing that has kept people from over-extending themselves like many have across the country. Our Texas-based banks and credit unions are still financially healthy and lending into their communities. Our unemployment rate is still well below the national average, and we are still creating jobs.

The business community can ensure our economy continues to thrive by doing what they do best: innovating and creating jobs. With hard work and dedication, this attitude will breed the same success it has in years past and create the jobs we need to keep our state at the front of the pack.

The 81st Legislative session will begin on Jan. 13. What do you think the challenges will be this session and do you have any priorities that could potentially impact the business community?

Every legislative session brings its own challenges and priorities and I look forward to working with our state's leadership in 2009 to ensure the issues most important to Texans are thoroughly and adequately addressed. Among the many things I hope our

state accomplishes, I will lay a heavy focus on curbing government spending to prepare for the economic toll already affecting our national economy, promoting increased budget transparency, and strengthening border security where our federal government has failed.

All of these issues will impact the business community in one way or another. Initiating responsible spending will allow us to keep taxes low, allowing business owners to spend money the way that's best for their companies. Strengthening border security will keep Texas safe and secure, allowing families and businesses to thrive.

This session I will also keep watch over what legislation is proposed to ensure that the laws we have put in place to protect the interests of business owners stay in place – laws that transformed our tort system, established a low tax structure and provided a reasonable regulatory climate. These are all successes that, as governor, I will fight to maintain.



The Merit Shop Celebration Starts Here Join us in Honolulu!

You are invited to join thousands of construction executives from across the country at the **2009 ABC National Convention, February 25-March 1, in Honolulu**. The luxurious Hilton Hawaiian Village provides a premier setting to participate in four days of convention activities, including targeted networking, education and much more!

www.abc.org/convention



CHAPTER INITIATIVES AROUND THE STATE

Coastal Bend Chapter

The Texas Coastal Bend Chapter is gearing up for the upcoming session and several local issues. The Chapter is celebrating Todd Hunter's victorious race for State Representative District 32. Todd is a former State Representative and will bring eight years of seniority back to the Coastal Bend, and more importantly, Todd is an ABC member. Todd has previously authored bills for ABC and will take his merit shop philosophies back with him to the Capitol. In addition to a big win for ABC at the State level, for the first time ever there will be a Republican majority on the Nueces County Commissioners Court with the election of Mike Pusley. Mike is another ABC member; he is a fiscal conservative, supports lower taxes, and is a proponent of the free enterprise system. Both of these wins should spell a brighter future for merit shops in the Coastal Bend.

In recent years, the Chapter has become a prominent voice in local politics. Developers, local school districts, City of Corpus Christi officials, Nueces County officials, and several non-profit organizations actively solicit ABC's support to pass local initiatives. In response to the Chapter's growing clout in local politics, a new committee was formed - Government and Political Affairs. This newly formed committee will address local bonds, city redevelopment, educational issues, and other local activities. This committee will help engage more members and continue to increase local political involvement.

In the meantime, the Legislative Committee is preparing for the State Legislative Day in February. The committee has been studying State and National issues in an effort to develop Chapter legislative priorities. In the coming month the Chapter will fine tune priorities and educate legislators on issues important to the Coastal Bend construction industry.

Beyond the Government Affairs and Legislative fronts, 2008 has been a very successful year for the Chapter. The year began with the celebration of the memberships accomplishments from 2007; the Chapter will finish the year with over 200 members (19% increase from 2007). This milestone accomplishment sets the Chapter on track to receive the prestigious Charles A. Mullan award for the second year in a row and an additional representative on the State and National Board of Directors. With the help of several successful events and the local Port Industries the Chapter raised over \$18,000 in scholarships for students perusing careers in construction. The membership also increased their Chapter and National PAC contributions by over 200% and finished this year as a top Free Enterprise Alliance contributor. The Chapter is also proud to have elected a new Chairman, Curtis Miller, who has some high expectations for the Chapter in 2009.

Greater Houston Chapter

The dust has settled from the November 4th Election and Greater Houston is working on establishing a successful future with elected officials. 85% of Houston endorsed candidates were elected into office. In Texas Congressional District 22, Pete Olson defeated incumbent Nick Lampson, who in the past supported legislation that went against merit shop construction. Other new faces in Houston politics are Randy Weber in Texas House District 29 and Ken Legler in Texas House District 144. Both were actively supported by ABC and Houston is optimistic about great representation. Unfortunately, in Texas House District 133, long time supporter of ABC Jim Murphy was defeated by Kristi Thibaut.

Greater Houston wishes Mr. Murphy well in future endeavors and hope for his quick return to an elected position.

With new faces in Texas politics, Greater Houston is reaching out to all officials in hopes to educate them about the free enterprise system and merit shop principles. On the horizon is the contentious Employee Free Choice Act, which allows unionization of employees by merely signing a card. This legislation eliminates the secret ballot process and the rights of employees that want a choice. Greater Houston is hosting complimentary seminars to address the best ways to take precautionary measures for employers against this legislation. Recently, many newly elected officials have hosted receptions and opened the invitation to members of ABC. The membership discussed EFCA, Davis Bacon, Immigration and other threats to the construction livelihood. Greater Houston co-hosted a fundraiser for the re-elected Ed Emmett, Harris County Judge. In Texas Senate District 17, ABC strongly supported Joan Huffman in the runoff against Chris Bell. At a woman's luncheon in support of Ms. Huffman, women members of ABC Greater Houston were invited to attend and listen to remarks by Senator Kay Bailey Hutchison and State Representative Beverly Woolley who spoke of the economic bailout programs and the upcoming 2009 legislative session.



Members of the Greater Houston Chapter PAC meet to wrap up 2008 and discuss prospective issues, initiatives and goals for 2009.

In local politics, Meet & Greets with Council members Anne Clutterbuck and Mike Sullivan were held to discuss issues of prevailing wage and construction projects in Houston. The Annual PAC Holiday Party in December was attended by over 100 guests that included Council members Melissa Noriega, Pam Holm, Anne Clutterbuck, Toni Lawrence and Wanda Adams; State Representative Allen Fletcher, Harris County Commissioner Jerry Eversole and a regional representative for Senator Kay Bailey Hutchison. Greater Houston is scheduled to participate in the ABC of Texas Legislative Day in Austin February 2-3, 2009. Invitations have been sent to all elected officials and Houston is confident about a successful turnout.

North Texas Chapter

The North Texas Chapter had a very successful political year. The Chapter raised more money for the federal and local PAC than ever before. The Government Affairs Committee, chaired by Tony Rader of AUI Contractors, met with several candidates to help put on town hall meetings to assist ABC supported candidates in getting their message directly to the voters in our industry, and

CHAPTER INITIATIVES AROUND THE STATE



Former State Representative Bill Keffer addresses members of ABC North Texas at a town hall meeting hosted by KPost Roofing Company. Attendees also heard from U.S. Congressman Pete Sessions.

a wide array of safety courses, including monthly OSHA 10 Hour and OSHA 30 Hour classes.

The chapter's 2009 goals and action plans have been revised to include the increased emphasis on construction education, and a long term effort to address the growing chapter's facility needs and industry and community awareness of ABC. 2009 Chapter Chair Jerry Turman (Koontz-McCombs Construction) and his leadership team are working to ensure that everyone understands ABC is about **A**ction in politics, **B**usiness development opportunities, and **C**onstruction education.



South Texas Chapter leaders with Texas Supreme Court Chief Justice Jefferson and Justice Johnson, with Appeals Court Chief Justice Stone.

donated funds to key races in North Texas.

Most of the candidates supported by the North Texas Chapter were successful in seeking election or re-election with a few exceptions; however, our fortunes here were much better than in other areas around the state and around the nation. The one race that ABC North Texas is still currently involved in has turned out to be the most important State House race in Texas. Linda Harper Brown who represents the 105th District won re-election by less than 100 votes. Her opponent has asked for a recount and has filed multiple lawsuits seeking several remedies including possibly another election. ABC North Texas supported Brown's candidacy and has made additional contributions to assist in fighting any legal battles necessary to certify her hard won victory. With the results of the other state legislative races the determining factor of who will control the majority in the State House rests on the outcome of the election in the 105th District. ABC North Texas is proud to have supported Brown and will continue to stand by her.

It has been a very interesting year in politics all over the country and the North Texas region has been no exception. When all the dust settled the outcome in every race might not have turned out the way we'd hoped but one overall positive outcome was delivered, ABC members stepped up their commitment and raised their already considerable profile in politics of ABC North Texas.

South Texas Chapter

2008 was an outstanding year for the South Texas Chapter. Under the extraordinary leadership of the chapter chair, Michelle Seward Davis (Joeris General Contractors), the chapter exceed its membership goal and the chapter's retention goal. She also worked tirelessly to ensure the chapter not only met its PAC goal but exceeded it. In addition, the chapter's events were some of the most exciting networking business development opportunities for the construction community in South Texas.

Education is becoming a major priority for the chapter. For years, the main focus was on apprenticeship education programs. However, due to the changing nature and demands of the industry, education offerings have increased to now include New Hire Orientation, Construction 101 (designed to provide a comprehensive overview of the construction process from concept to completion), Basic and Advanced Print Reading, Superintendent Training, Project Management Courses, task specific training, and

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