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Dear Client:

As you might imagine, there has been quite a “to-do” after the Austin City Council voted to make Austin the first city in Texas to mandate/require that *private* businesses provide their employees *paid* sick leave. It wasn’t even close. After much debate, the vote was 9-2 to implement the policy. Now what? Let’s examine what is likely to happen now.

First of all, start with the fact the **Council’s controversial action is not slated to go into effect until October 1, 2018**. Private businesses with five or fewer employees were *not* exempted from the ordinance, but they won’t be required to provide paid sick leave until October, 2020.

How much paid sick leave is required? **A worker can accrue up to 64 hours, or eight days, of paid sick leave per year**. Small businesses, with 15 or fewer employees, get a slight break. **Workers at small businesses can accrue up to 48 hours, or six work days, of paid sick leave per year.**

When we mentioned there has been a “to-do” since the controversial decision, criticism came from several quarters. Check our Archives for the 2.2.18 edition where we **detailed the opposition position from the Austin Chamber of Commerce**. Additionally it asked the vote be delayed 90 days – didn’t happen.

A TV station from Houston jumped on this story. It interviewed Austin business owner, **Peter Morales**, who told KHOU “I have several friends in the construction industry, several companies, that are **“specifically saying they are going to move outside the city limits.”** A conservative policy group weighed in saying the City of Austin **“should ease regulations that prevent businesses from locating here, staying here and expanding here. Instead, they add new ones.”**

The most significant opposition came from a local State Senator (**Donna Campbell**) and a local State Representative (**Paul Workman**). They can do more than simply wring their hands and express dissatisfaction – **they can get it overturned in the State Legislature**. And, they indicated they will do just that, having already lined up support to overturn Austin’s action.

While the Legislature has regularly overturned what it terms “Austin overreach,” the problem is the **Legislature doesn’t meet until January 2019**, three months after Austin’s paid sick leave ordinance goes into effect. No one has yet publicly stated what might happen during this interim. **Don’t be surprised, though, to see some sort of legal delaying action take place**. Stay tuned.

“If you think your car will be driving you anytime in the near future, think again” claims *USNews&World Report* this week. However, under a huge partnership program, you may see vehicles on Austin streets within the next month that will be “talking” to each other. It is part of a full-speed ahead program involving UTAustin, TexasA&M and TxDOT, as well as other Texas institutions.

USNews, in a lengthy report authored by veteran Austin reporter **Sharon Jayson**, notes **“the push toward autonomous vehicles is strong in the Lone Star State**, home of the Texas Automated Vehicle Proving Grounds Partnership.” The partnership places Texas among the nation’s leaders as automation advances. As we have reported previously, it is one of ten pilots designated in 2017 by the US Department of Transportation “to encourage testing and information sharing around automated vehicle technologies.”

All this will be legal on Texas roadways. The Texas Legislature passed a law allowing automakers and others to **test automated vehicles on the state’s roads and highways without a driver inside**. But, if you have several driverless vehicles on the roadways, they must be able to **“talk” to each other and/or a basic infrastructure system to avoid accidents**.

This is where the test comes in that will start within a month on Austin streets. Jayson said the local test is aimed at pedestrian safety. “The eight-week pilot will use DSRC – Dedicated Short Range Communications – installed at **different Austin intersections on the same six-lane divided road with high pedestrian activity and on 10 buses serving that route**,” she reported.

“If a pedestrian goes to a button to cross at the crosswalk, that button will be linked to the DSRC equipment and send a message to the approaching Capital Metro bus that a pedestrian is about to cross in the crosswalk,” the Austin Transportation Department’s **Karla Taylor** told Jayson. “The buses will have tablets that send the message to the driver.”

This Austin test is one small aspect of the wide-ranging effort. Safety is cited as the overriding reason for the massive financial and research investments in automated vehicles. Of course, in addition to safety, automation offers additional benefits. **“If you reduce the number of crashes, it will reduce congestion due to crashes,”** **Darren Anderson** the TxDOT director of strategy and innovation, told *USNews*.

Congestion is a big deal to those who travel Austin roadways. Will automated vehicles reduce the amount of vehicles? **“A lot of those questions have not yet reached a point anybody can answer,”** observed **Anderson**. **“It may increase the number of vehicles, but they may fit more in the same width of highway and may have the same rate of flow.”** And, of course, this is what the Texas Automated Vehicle Proving Ground Partnership is all about. Testing and proving. So, it will be awhile before automated vehicles become a common sight.

Air quality is rising across the nation, according to the Energy Information Administration (EIA). This has happened gradually, so it probably hasn't received the big headlines it may deserve: Overall, emission levels have lowered since 2005. And remarkably, improved air quality is occurring at a time of ever-increasing population, using more energy and more automobiles roaring down the road. How is this occurring?

EIA estimates US energy-related carbon dioxide emissions declined by 14% from 2005 to 2017. The underlying energy consumption trends leading to this change, are mainly a result of **more electricity being generated from natural gas, than from other fossil fuels such as coal or petroleum.** Natural gas is a less carbon-intrusive fuel than either coal or petroleum. And, renewable energy sources are not as responsible for these improvements as natural gas, EIA reported.

Bill Peacock, with the conservative think tank Texas Public Policy Foundation in Austin, said “even as some politicians continue to call for more mandates and carbon taxes and subsidies for renewable, **the increased use of natural gas – abundant and cheap, due to the shale revolution – has made our air cleaner and our environment more livable.**”

He concluded “this shows what Americans who are free to innovate can do.”

Speaking of the Shale Revolution that dominates two energy producing regions of Texas (the Eagle Ford near Austin/San Antonio in South Texas, and the Permian Basin near Midland/Odessa in West Texas), how's it doing now that prices have plummeted from the boom years about five years ago? Quite well, thank you.

The Wall Street Journal reported “**US shale production is growing faster in 2018 than it did even during the boom years of \$100 a barrel oil prices from 2011 to 2014,** said the International Energy Agency in its closely-watched monthly report. The difference this time: **oil prices are about 40% lower.**”

Whoa. Wait a minute. How can this be? Producers are extracting far more from the oil patch than these prices would seem to justify. **This is because producers can continue to make money, even at prices close to \$60 per barrel.**

It's called American (or Texas) Innovation. **The nature of the energy market has truly been changed because of the technological advances developed during the fracking revolution.** Ever since Houston oilman **George Mitchell** pioneered fracking, it's been Katy-bar-the-door. And it is paying dividends.

These innovations have made the US the energy powerhouse of the world.

Two national rankings for Austin were split. One ranked Austin #1 and another totally different ranking had Austin as #97. Austin topped WalletHub's list of 2018's best state capitals, but Lending Tree said Austin is the 4th worst city for first time homebuyers.

Millennials are migrating to Austin in huge numbers. In fact, the most recent report says Austin is the #2 city in the nation where millennials make up the largest percentage of the population. Look around you. More than one in four of those living in Austin are part of the millennial generation. Not only that, Austin was ranked #6 in the percentage of millennial population growth from 2010 to 2015. Looks like the trend will continue.

Those in the millennial generation were born between the early 1980s and 1990s. **Another more precise definition specifies the millennial birth years as between 1982 and 2004.** Millennials are also known as Generation Y, following Generation X -- those born between the early 1960s and the 1980s. Be that as it may, it's an important population cohort.

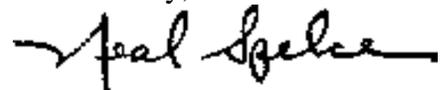
Austin is without question a millennial magnet, especially in the "older" portion of the definition. According to the Brookings Institution, **27.2% of Austin's population is millennial. This percentage is #2 in the nation** to much-smaller #1 Provo-Orem, Utah that clocked in with 30.4%.

And as far as the fastest millennial growth, here is what Brookings found:
Colorado Springs (14.7%) ... San Antonio (14.4%) ... Denver (12.8%) ... Orlando (12.7%) ... Honolulu (12.2%) ... AUSTIN (11.8%) ... Cape Coral, FL (11.7%) ... Houston (11.7%) ... Sarasota, FL (11.1%) and Seattle (10.8%).

It's interesting San Antonio, Austin and Houston all made the nation's Top Ten.

Dr. Louis Overholster reminds his millennial patients that growing older is hard work – the mind says "yes," but the body says "what the hell are you thinking!"

Sincerely,



Editor/Publisher