

Volume 23, Number 50

March 29, 2002

Dear Client:

**Texas employers, already hit heavily this past year because of a slowing economy, are going to be hit with big increases in fees paid to the state government this fall. Layoffs have helped a lot of companies cut costs, but now most Texas businesses will be paying the price for increased unemployment claims.**

The Texas Association of Business & Chambers of Commerce (TABCC) predicts that in October, when the current Unemployment Insurance Fund is measured, a significant shortfall will **force employers to pay weighty increases**. “When businesses are already hurting and trying to stay afloat, it is an **extreme hardship to dole out more money for more taxes**,” said **Bill Hammond**, TABCC president.

So, what does Hammond propose? “We must ensure that the **Texas Workforce Commission (TWC) is doing everything it can to keep costs at bay**,” he urges. And TABCC sees this as a golden opportunity, because TWC is right now going through an every-12-year “sunset” review, whereby the state agency must justify its existence or be “sunsetting” by the legislature. The TWC is in charge of collecting and divvying out unemployment insurance benefits.

Hammond has met with the Sunset Advisory Commission staff to urge the TWC “to get claimants back to work more quickly.” He said Texas ranks at the bottom of states in “**getting workers back on the job in a more timely manner**.” He’s also proposing to make it tougher on those who file for unemployment benefits.

TABCC is proposing the Legislature increase the number of job search contacts required of those drawing unemployment benefits and that they **maintain a complete record of job searches**. TABCC points out that currently “claimants need only to call a recorded machine and punch a one-digit number for ‘yes’ when asked if they have searched for jobs during that week.”

Another key initiative supported by TABCC is to cut down on fraud. TABCC says as many as **10% of claims are fraudulent**, whereby some claimants “double dip” by drawing benefits after taking on a new job. The estimated cost to the state: \$1.4 million. TWC currently runs on a \$2.4 billion biennium budget, which Hammond predicts may double next year because of the sluggish economy. If you would like to submit your concerns or insight on TWC, you can send them to Hammond at [bhammond@tabcc.org](mailto:bhammond@tabcc.org).

**All the noise generated this week regarding which candidates may or may not be qualified to run for the Austin City Council, is obscuring another very important fact: there are a number of issues on the 5/4/02 ballot that, if passed, will dramatically change the way the City is governed – no matter who is serving as mayor or on the council.**

First of all, campaign financing. A couple of propositions would **increase the current oft-criticized \$100 limit on campaign contributions to a \$200 limit** – with a twist. The twist is that a public financing system of city council campaigns would be set up to **use your tax dollars** to finance the efforts of those who want to govern the city. And, as part of the same proposition, “independent sovereign powers,” including the power to subpoena, would be conveyed to the City Ethics Review Commission.

The City Council did what legislative bodies do all over this country. It put a high-sounding name on this drastic change in the way city officials are elected. The council is calling the new proposal “The Austin Fair Elections Act.” Interestingly, if both propositions (#1 and #2 on your ballot) were defeated, it would revert the system back to no contribution limits, the way it was when **Kirk Watson** (a relatively-unknown candidate) first campaigned for mayor.

Proposition #3 on the 5/4/02 ballot would also drastically alter the way Austin is governed. Currently all seven members (including the mayor) are voted upon by each individual voter. Prop #3 would **expand the number of council seats to eleven, with only the mayor and two members voted upon by all the voters**. The other eight members would answer only to voters in their respective smaller districts. Voters in Austin have repeatedly rejected the concept of single-member districts, but this particular hybrid proposal has not been presented for approval.

The fourth proposition on the ballot would **allow council members to be elected time and time again, ad nauseum, by repealing term limits**. This is what caused all the flap the past couple of weeks. The current term limit ruling has a provision that allows council members (or the mayor for that matter) who have come to the end of the two-term limitation, to bypass the restriction by getting signatures of 5% of the qualified voters. That total is currently 18,243 registered voters. All three members up for re-election utilized that option (a couple of them just narrowly made it) to seek a third term in May.

There are other props on the ballot, including a requirement that municipal court judges and other council appointees must resign to run for elective office. But, you can see the far-reaching impact of the decisions voters are being asked to make. **Don't let the rhetoric of candidates seeking election divert your attention from these important ballot propositions that change the City Charter.**

Keep in mind the voters can be asked to consider changes to the City Charter only every few years. So, if any of these items pass or fail – and you don't like the outcome – you'll have to wait a while before you can do anything about it.

**If you've flown through Austin's terminal this year, you know the crowds are smaller – as they are all over the US following 9/11/01. The latest figures (February) show a dramatic 16% drop in airline passenger traffic from the previous year. But that's not the end of the story.**

As if February's decline of 16% were not bad enough, the January & February numbers combined are still off by 16% compared to 2001. How big is that drop? Well, it is not only below last year, it is also well below the totals of two years ago – 2000. **In fact, you have to go back to 1999 to see passenger traffic as low as we're currently experiencing.** The January-February 2002 numbers are almost identical to the January-February 1999 tally.

As far as the airlines are concerned the **impact is being felt across the board.** In February, Southwest was down 16% in Austin, American was down 5%, Delta down 6%, Continental down 11%, United down 12%, America West down 35% and Northwest down 24% — from February the year before.

Southwest Airlines' Austin employees got a big boost in spite of the downturn. Out of 59 different airports served by Southwest, Austin was named Southwest's station of the year for 2001. The designation is based on a combined criteria that includes the highest percentage of compliments from customers, fewest customer complaints, best worker productivity and best performance overall in customer service, ramp service and operations.

**Mike Buckley**, Southwest's senior director of ground operations, said, "Austin showed us how it was done in 2001. Considering the new environment of air travel, the outstanding Austin employees **met each new challenge** with flexibility and patience keeping the Austin travelers informed and on-time." Southwest Austin operations processed 2,266,030 passengers in 2001.

**Travis County landowners in the City of Austin's extraterritorial jurisdiction (ETJ) will now be able to work with one office for subdivision applications, fees and review processes.**

Prior to 4/1/02, both government entities had their own separate processes for subdivision platting – doubling the paperwork and procedures for a landowner operating within Travis County and in the City's ETJ. **Now there will no longer be a need to submit separate applications to each jurisdiction.**

By the way, this new era of cooperation came about because the two jurisdictions were "forced" into it. The Texas Legislature passed House Bill 1445, signed by Governor **Rick Perry** 6/16/01, requiring most counties and cities with ETJ in those counties to enter into an agreement of cooperation.

In addition, the city and county promise to **consolidate and amend their subdivision regulations** on a regular basis for consistency and to avoid conflicts.

**Suffering through allergic reaction to the pollinating trees and plants? Texas bluebonnets, soon to grace our hillsides, make some of the misery worth it. They're late in blooming this year. Blame the weather. But, here's how to find the best display.**

The Texas Department of Transportation (TxDOT) maintains a wildflower hotline from 8am to 6pm through May. **The hotline will tell you where to find the best wildflower growth.** Of course, the Hill Country around Austin – and even certain areas to our East – traditionally has great expanses of wildflowers. The telephone number to call: 1-800-452-9292.

Now for some little-known facts: **Bluebonnets are, of course, the state flower.** And, as their name implies, most bluebonnets are blue. However, other varieties exist in nature – such as maroon, white, lavender and pink.

What about those pink bluebonnets? According to Texas legend, **the blood of Texas' defenders at the Alamo stained some bluebonnets pink.** In point of fact, TexasA&M researchers confirm that the only place in the state where the original wild pink bluebonnets were found was alongside the road – just south of the Alamo in the area that is now downtown San Antonio.

Just how expansive the crop of wildflowers will be this year is up to Mother Nature. If you'd like to talk to a real person, instead of listening to the TxDOT recording, you might find the folks at the **Lady Bird Johnson Wildflower Center** helpful with info about this normally brilliant rite of spring in Central Texas.

The wildflower season has an economic side to it as well. Because so many have discovered the **joys of this beautiful side of the Central Texas spring**, the folks in the tourism bureaus in the Hill Country say the traffic (and subsequent stops) rank right up there with deer season and the Christmas lights as business generators.

**Dr. Louis Overholster** wonders if it worries the Federal Government that the same people who couldn't figure out how to use voting machines in Florida are now filling out income tax returns!

NEAL SPELCE AUSTIN LETTER (ISSN 1071-0612) is published weekly, except last two weeks of the year, for \$150 (plus tax) per year or \$249 (plus tax) for two years. To subscribe, call 512-498-9495. Periodical Postage Paid at Austin, TX 78767 by Austin Letter, Inc., 1407 Wild Cat Hollow, Austin, TX 78746. POSTMASTER: Send address changes to: Neal Spelce Austin Letter, P.O. Box 1905, Austin, TX 78767-1905.

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