

Linda Jordens Galayda, #7
TALL XIII
Session 3 – Austin
January 22 – 25, 2013

Day 1 – Tuesday – January 22, 2013

The 83rd session of the Texas Legislature had begun January 8, 2013. 150 representatives and 31 senators were already hard at work.

Mr. Joe Cox gave us a brief overview. Our constitution still reflects the interests of a rural state. Texas has made it difficult to make laws because the framers of our constitution felt an inherent distrust of government. The Texas constitution actually uses the term “citizen-legislators” to prohibit our elected officials from “acting” like professional politicians. Therefore, our sessions are only 140 days every 2 years with a biennial budget. And our legislators only get \$7200 a year plus a per diem during session. So people who run for office better truly want to serve their constituents and represent their issues and concerns. The issues are usually big and there is a small amount of time to deal with them. Of course, personalities – especially Texas personalities – play a huge part in getting something done. No theater shows a person’s weakness or strength like politics – it is timing and instinct. Staffers are very important – they are the gatekeepers.

Mr. Cox is the Assistant Vice Chancellor for External Relations for Texas A&M AgriLife. His job is to educate not lobby. It is most relevant to communicate to the Legislature how AgriLife spends their money. They are not there to be for or against a piece of legislation, but they might be asked to provide expert testimony. It is Joe’s job to keep out bias. There is no substitute for credible information. It is very important to continue and build relationships after the session ends.

We were treated to a photo op with the Honorable Joe Straus III – our current Speaker of the House, Texas House of Representatives and then a photo op with Lieutenant Governor David Dewhurst. Both men were amazing and took time out of their busy schedules to visit with us.

Dr. Matt Wagner is the Deputy Director, Wildlife Division for Texas Parks and Wildlife. His responsibility is to care for and maintain the parks – oversee the game wardens – and oversee the wild life division which is primarily funded thru taxes on gun sales and hunting licenses. In the last year his office has had to find cost effective ways to deal with the drought and its diminishing effects on lakes and reservoirs which in turn hurt the whooping crane, fish, and wildlife. Not to mention the cost related to the fires in Bastrop.

Of course, we would hear repeatedly (and rightfully so) about water issues and the need to allocate to farmers and 22 million Texas residents. This is one of the priority issues for the Texas Legislature this session. Not only must there be solutions for today but planning must be implemented with the expectation that Texas will double its population in the next 40 years. Since the land in Texas is 95% privately owned, it is imperative to engage the land owners.

Mr. Coby Shorter III – Deputy Secretary of State talked to us about the duties and responsibilities of the office of the Secretary of State. The office is responsible for business, international protocol and the election office; voter registration. John Steen is our current Secretary of State. The good and bad news is the State of Texas is growing rapidly – businesses want to move here – other countries want to do business here. Texas has created a formula that works – less spending – less regulations and taxes on businesses – more jobs. But whereas it has been this “Texas” mentality that has created the opportunities – the more movement of people in from other states or countries changes the demographics of Texas.

One thing being looked at is trying to improve voter turnout. They have come up with the super precinct where the voter can vote anywhere in their county. This is to decrease lines and increase participation. Of course, there is no formula to get voters to get out and vote. Texas does have an impressive partnership between state and county. And our election process as well as much of our State government is driven by volunteers.

Well as you might readily conclude - one of my most favorite speakers is Todd Staples, Texas Agriculture Commissioner. Commissioner Staples is a true Texan defending Texas agriculture on every front. From personal experience, I was most grateful for his efforts during the drought – setting up hay hotlines – relaxing hay hauling restrictions not only in Texas but with our neighboring states – setting up donation sights for those ranchers who lost everything to fire. The drought cost Texas \$8.3 billion in ag loss. Commissioner Staples cares and is willing to speak out. Since we are working to become advocates – he advised us to pay special attention to what we say – and what people hear. It is important to listen – consumers are the ones that drive debate – polling – what are consumers telling us – how will we respond?

Texas communities have to really decide where the money comes from to fund their needs. Don't wait on the State. The State should be looked at as planning – research – the deal closer – bringing the communities together and adding dollars to finish a deal. The issues at hand are water – border security (ranchers can't be chased off their land – Mexico is our #1 trading partner so we need to preserve legal trade) – immigration (need the skilled work force – obviously need immigration law reform) – highway construction (bonds to take advantage of low interest rates). It is all economics. We can't spend more than we take in or there most definitely will be a day of reckoning. We are a State that encourages ag research and development – we encourage business.

Day 2 – Wednesday – January 23, 2013

Ms. Carolyn Brittin reiterated the need for water planning for Texas as it relates to population growth and recent droughts. Her office works off information formed during the time period “drought of record”. The Water Board was formed in 1950 after the drought of record. This office must plan for adequate water supply for the growing population – oversee the

construction of reservoirs. Two cities literally ran out of water this last year. That got people's attention. Local and regional planning was implemented. It is most difficult to plan and allocate to satisfy agriculture farming and watering of livestock – the public municipalities – environment – business – river authorities – electrical power plants – manufacturing – mining of sand, gravel – oil and gas exploration, recovery, and delivery. Ground water management must take in existing rules and laws. Ag has historically used over half the water but for the first time the increase in urbanization drove the public water use to equal agriculture. We are about to post another drought of record – worse than the one in 1950. The drought has severely cut our water supply. And yet we are looking to double our population so planning must be immediate – innovative – implementable. Action must be taken to add new surface water supplies (reservoirs) – add ground water sources – municipal conservation – treat waste water for reuse (run through wet lands before putting in water supply) – desalination of brackish water or salt water – aquifer storage (pumping ground water back into the aquifer). San Antonio is leading the way in conservation – using the same water as it did 20 years ago. The greatest lesson from the 2011 drought was that we need more than one source of water. 53 billion dollars will be needed over the next 60 years to meet the needs and implement plans – that number does not take into account all the infrastructure needs. It is important to use the dry years and drought of record to make projections. Water is the most critical issue before us all.

Representative John Raney gave us a good overview of some of the budget dynamics. Texas is in a very good fiscal position. The oil and gas industry and good retail sales have contributed to that healthy position. Although the media has reported a surplus – Texas worked a little math magic in 2012 – postponing some payments that now have to be paid back. So we are actually right on budget. Our constitution requires a balanced budget. What a novel idea!! Hats off to Texas!! We should be so proud of our State.

Besides water, our State must face public education and health care issues. Right now 31% of our budget is marked for Medicaid and that does not address Obama care. Public education will require additional funding to meet population growth. There is a real need for vocational training to be added to our educational process to meet the needs in welding and other oil field related skill sets.

Ms. Ashley Kaden went over some of the responsibilities of the Speaker's office. One of the most important responsibilities is to set the "calendars". A bill has to be put on the calendar – scheduled - before anything can even begin to happen. It is vital that they listen to the public in deciding what the priorities are before finalizing the calendar.

The budget is worked on 1 year before it is presented. Our legislature comes in every other year for our budget so our budget has to work for two years. The Legislative appropriation requests must also come in. These requests are gone over line by line. And questions must be answered as to why money was spent the way it was. Funding must be justified. Right now funding for education is under the gun because there are lawsuits against the State saying the

funding is not currently equitable. Funding decisions are delayed waiting on court rulings. But all are in agreement that career tech education must be added.

Of course, there is a bill referencing guns - HB553 is being presented to say that it is a crime to expand gun laws since that would be in violation of our 2nd amendment rights. Texas succession was also mentioned. We were informed that we should read petitions carefully and know the law before we sign. Texas is required to send in 51% of our collected taxes to the Federal government and even if we succeed, that money is still required. My guess is that Texas is the cash cow – no pun intended – and succession is not in the Federal government's best interest.

Our photo op with Governor Perry was most impressive – he is most impressive!! He took the time to talk with us – making connections with families in our group – reflecting on his rural Texas. This man studies Texas – knows Texas – loves Texas. He wants to do the right thing – the honorable thing by all Texans. He took valuable time with us – talked of honesty and ethics.

Mr. Mike Morrissey followed with responsibilities and duties of the Governor's office on budget, planning and policy. Our governor is our chief executive. His traditional role is to work with the legislature to shape bills. Governor Perry does not like vetoes so he works productively all year to know the components of the bills and the people involved so he does not get drawn into a veto position. Governor Perry has worked fiercely on the State's economic development. He is not afraid to shake things up. His position is strong on emerging technology – increased jobs. The Governor has power. 1) Veto. 2) Bully pulpit – he draws attention when he goes about the state talking to people about issues – conversing with local people – being the eyes and ears of the State. Naturally the media will cover his speeches – his very presence at an event. That coverage gets the Governor's message out. 3) State appointments. Governor Perry has a set of principles that he has in writing and he hands this out to all who work with him. He is not ashamed of his principles. Governor Perry is a hard worker. He reads every bill. He is always trying to find better ways to do things. Even though Texas is set up for a strong legislature – not a strong Governor - the governor's office is what you make of it. Our Governor believes that all our elected representatives that we have entrusted should be open and transparent – there should be truth in budgeting. Texas still wants limited government. There are even proposed tax cuts. The issue is where we cut – where would you cut? – voice your opinion to your representative – he is listening!!

Ms. Linda Ryan then showed us a video of TALL XII's trip to India. So informative – well done!!

Representative Ryan Guillen was elected in 2002 with his biggest area in Laredo until the recent redistricting which expanded his district to 10 counties up to Bexar. He feels that he faces typical rural challenges. He is the Tourism and Recreation Chairman which oversees Texas Parks and Wildlife. One of his biggest concerns is the need for better roads in the Eagle Ford

Shale area. He has submitted a bill to repair the roads damaged by heavy equipment and expanded traffic. He has also become very involved in the education issues. He believes in vouchers. He believes parents should have the right to send their children where ever they want to have them educated. The voucher has no impact on the curriculum of a private school. The voucher goes to the parent – not the school. This is currently an issue being discussed.

Mr. Barry Smitherman is our Texas State Railroad Commissioner. He calls our current energy status the Texas energy revolution. Texas is producing 1.6 million barrels of crude oil a day. Just a few years ago, it was only 600-700 barrels. By 2020 we could double the 1.6 million. He credits this to new techniques in drilling – horizontal drilling that started in the gas industry – those same techniques are being applied to the oil industry. In 2012 - 22,479 permits were issued. This industry has contributed 297.5 billion to the Texas economy. The oil and gas industry has provided 1,982,140 jobs in Texas. Salaries range from \$47,610 to \$112,707 – a truck driver that can pass a drug test and get his CDL can make \$80,000 a year. How much oil and gas produced depends on commodity prices. Right now 80% of America's oil is being produced in the Permian Basin. And we don't want to dismiss the 12.4 trillion TCF gas recovered in the Barnett Shale. Texas currently has 366,274 miles of pipeline in Texas.

But having said all that – this was the most impressive tidbit of information:
If you ranked all the petroleum imports to the US – TEXAS WOULD RANK 3RD!!
It would be: Canada – Persian Gulf – TEXAS – Mexico – Venezuela – Russia – Nigeria

Our day ended at a fabulous reception at the Austin Club. It was a great time to have a chance to really talk to some of the great people we had met earlier and to meet new faces supporting agriculture. Just a few of our speakers were Dr. Mark Hussey (Vice Chancellor and Dean for Agriculture and Life Sciences) – Jim Schwertner (Texas A&M Regent and President CEO Capitol Land & Livestock) – John Sharp (Chancellor Texas A&M) – Todd Staple (Texas Commissioner of Agriculture). Truly a great evening!!

Day 3 – Thursday – January 24, 2013

Senator Charles Schwertner started off our third day with real pearls of wisdom – to be an effective advocate, we must be well informed. Senator Schwertner comes from a farming family – actually the 6th generation. Currently he is on the appropriations committee – believes it is their constitutional duty to pass a balanced budget – priorities are education, health care, and Texas infrastructure. It is a major concern that ¼ of the Texas population is uninsured – 6 million out of our 26 million Texans. 54% of births are Medicaid. Medicaid is currently 3.9 million and Obamacare will add 1.5 million more of eligibility requirements. Texas believes that this changes the philosophy to taking care of our needy to making health care an entitlement. The truth is that the dollars required to take on the additional requirements is not sustainable in our budget – robbing education and other Texas needs. Texas is pushing back on Federal encroachment. By design our Constitution set up a weak Federal government and a strong

State government. NOT now – the Federal government keeps taking more power by giving dollars but telling the States exactly how they will spend the money. Government health care was designed for the destitute – seniors in nursing homes. Health care was supposed to be an individual responsibility. Root cause of these issues – no personal responsibility.

Senator Duncan represents 51 counties over a great deal of rural Texas. He shares some of the same concerns as others. With Texas projected growth, we must address water – education – infrastructure issues. Our greatest challenge is water conservation. Metering is controversial and no one likes pumping limits. So how do we solve our issues? The other problem is rural Texas does not have the tax base to meet requirements. But oil and gas is generating lots of revenue with the severance tax that goes into the rainy day fund.

Texas is unique. Most Texans were raised on the dirt – not on the pavement!!

Mr. Mike Reissig is our Associate Deputy Comptroller. For someone who talks about numbers – his time with us was most educational as well as entertaining. Easy to say no to all – yes to all. The problem begins when you have to say yes to some and no to others. The comptroller is the revenue estimator – duty to inform the Legislature how much money they have to appropriate. The comptroller duties for the State include: chief tax collector – economist (revenue forecaster) – chief accountant – State treasurer – chief procurement officer, fleet management.

Texas is currently producing more jobs than any other state.

Mr. Michael Williams - industry should be regulated in a common sense manner. Education is critical to the success of our businesses. Education should be where the child is. Technology has opened doors to students who need greater challenges – higher levels of education. If a student in Paint Creek needs a master math teacher that resides in Austin – computers now allow that student to access the teacher on line. STAR is a better program because it requires critical thinking – requires the student to analyze. Can't teach to test – have to teach the information. True education requires accountability. One of the biggest challenges is to close the racial gap. It requires even more focus with our population shift. Texas will not be Texas if we don't close the gap.

Representative Marsha Farney added that education requires collaboration between schools and industry. Not only from college prep and graduation, but it is critical to add the technical career for the ever increasing oil and gas industry.

Dr. Ellis is Executive Director/State Veterinarian – Texas Animal Health Commission. His office is responsible for dairy – feed lots – sale barns – beef cattle – exotic – horse – poultry – swine. This commission was formed in the 1890's to fight fever ticks. Now they work on everything in Texas and all along the Texas borders. Issues today are trich, brucellosis from Mexico, and TB.

Dr. Shaw Chairs Texas Commission on Environmental Quality. Most of her time is spent on air quality – water quality – and land fill. She believes that over all people and industry are trying to take care of our environment. She works toward everyone working toward a solution. The EPA is adversarial – not looking to problem solve – just want you to do what you are told to do even if their plan is not the best one. Sometimes their facts are not correct – especially when it comes to agriculture. When data is flawed – you won't get the expected results. Science needs to be rigorous – regulations need to be meaningful. Science is never settled – always question it.

The key to economic prosperity is transportation. Mr. Phil Wilson is our Executive Director, Texas Department of Transportation. Our challenges include the stresses of transportation with the oil industry – our population explosion in major cities – getting our expanded work force to new businesses. TxDot must also deal with “silly” issues that cost the Texas tax payer millions and don't really solve any real issue – the “extinct” spider that shut down a billion dollar bypass in San Antonio – a frog crossing in Bastrop – just to name a few.

Mr. Ben Taylor spoke to us about the responsibilities of the Attorney General's Office – the law firm for the State of Texas. Their duties include legal counsel – law enforcement – child support administration. Crimes change and so much the agency – cyber crimes – sex offenders – human trafficking – money laundering – drug cartels. Then there are business issues – consumer protection – business scams. Basically any legal issue goes to this office. They write the legal opinions on issues of the law that are not clear.

Day 4 – Friday – January 25, 2013

The most incredible session we have ever had was our morning with Dr. Chiodo. To be great advocates – to engage the people we need to engage – we need the skills Dr. Chiodo shared with us. We need skills – knowledge – character. We can teach skills but we must have character. Stand for what's right. A character “failure” may take years or even a lifetime to repair. Admit in truth – ask for forgiveness. Will not be a change in behavior without a significant emotional event. Your habits define your destiny. Praise and recognition are most important to employees, family, friends. #1 craving of the heart is praise and appreciation. Praise character not achievement. When you praise a person's character 1) they will follow you around wanting to hear more 2) others have a desire to make us successful – loyalty 3) others begin to incorporate character quality into his/her life (if you praise honesty, people don't want to violate that praise so they want to be honest). Be attentive – make eye contact – smile – nod your head – be aware of your posture. Have a welcoming face – embrace others with your heart.

When praising another person's character: 1) name the character quality - 2) define the quality - 3) give a specific example of how the person has demonstrated the character quality - 4) tell the individual how his/her life has benefited me personally.

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Approval is powerful. Be sure the character quality is really there – be sincere and genuine. Never compare character between individuals. Learn to deflect praise – be gracious and say thank you – then pass thanks to those who make us great.

Character is everything. Character can be repaired, restored, built – changing our culture – one real praise moment at a time.

Our tour of Capitol Land & Livestock and time with Jim Schwertner was absolutely amazing. Great man – great agricultural story!! His grandfather actually ran a mule auction. It was Jim's dad that started the public auctions for cattle in Austin. Everybody can make money – not everyone can keep it. Mr. Schwertner's family has created a business formula that works in the cattle industry. They buy cattle every day – all are sold by tomorrow. They are now full service – a weaning business (actually were the innovators of Vac 45 program) – brand – dehorn – castrate. Mr. Schwertner lives by the Code of the West and handed us all a copy so we might be better people – better advocates – live up to the standard that he lives by everyday.

Code of the West

1. Live each day with courage
2. Take pride in your work
3. Always finish what you start
4. Do what has to be done
5. Be tough, but fair
6. When you make a promise – keep it
7. Ride for the brand
8. Talk less and say more
9. Remember that some things aren't for sale
10. Know where to draw the line