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PRESIDENT'S MESSAGE

Hello chapter members and welcome to an exciting new year! We had a great year in 2017 and look forward to continuing to excel as a Chapter. I am more than excited to assume the role as Chapter President and want to extend a big THANK YOU to Bhakti Patel for fearlessly leading us for the past few years. Also, I want to thank the members and the Chapter Executive Committee (CEC) for their continued dedication and all their hard work that keep the chapter moving forward.

Second, I want to thank everyone who made it out to the September luncheon. We kicked off the year with a CPE event where Gwendolyn McDade presented "10 Ways to Prevent & Detect Fraud." The discussion was informative as well as enjoyable. We have an exciting lineup of new presenters for this year, as well as some old favorites, whom we are sure you will enjoy. I'd like to encourage you to attend and bring along a co-worker or friend to our next luncheon in October where we'll have a new speaker to AGA: Bret Adams.

Although we have experienced minor changes in our leadership structure, we plan on keeping with the pace that has been set in previous years. Last year's efforts yielded National attention. I am more than positive that we will continue to be a model Chapter.

Thank you for your continued support!

Aaron Dvorak, CGFM

President, AGA Austin Chapter



Upcoming Events

What: CPE Luncheon
“What’s Risk Got To Do With It?”

When: October 12, 2017
11:30 am – 1:00 pm

Where: Pappadeaux Seafood Kitchen
6319 N I Hwy 35 | Austin, TX |78752

Who: Bret Adams, Continuity of Operations Coordinator for the Texas Workforce Commission

Why: Earn 1 continuing professional education credit



Meet our presenter...



Bret Adams is the Continuity of Operations Coordinator for the Texas Workforce Commission (TWC). Bret has a varied background including personnel and project management, training design and instruction, accounting and finance, and records management, including both stateside and overseas. He is currently managing his agency’s continuity of operations program helping to ensure that organizational mission essential functions can be resumed and/or continued during and after an emergency or disaster. He garnered a BBA from North Texas State University (now known as University of North Texas) and an MSA from

Central Michigan University, and served in the Air Force including participation in Operation Desert Shield/Desert Storm. Bret is also a member of the National Board of Directors for the Association of Continuity Professionals (ACP).

Sign up at: <http://www.agaaustin.org/cpe-events/event2.html>

Members: \$27.00

Non-members: \$32.00



Highlights

Membership Anniversaries

Congratulations to the following members who reached their anniversary milestone in the month of September and October.



1 Year:

Shayla Prince
Ranada Williams



15 Years

Jennifer Childress



20 Years:

Dr. Carlton Hackett

Luncheon Gift Card Drawings!

Congratulations to Patty Hamm for winning the raffle during our September luncheon! She won a \$25 Gift card to Pappas Restaurants.



AGA 2016-2017 Chapter Year Awards

Congratulations Austin Chapter for bringing home the following awards for the 2016-2017 Chapter Year:

Chapter Recognition Award – Silver Chapter

Highest Overall Growth Award Group C



Treasurer's Report For the period ending 8/30/17

Beginning Bank Balance	7/31/2017	\$4,857.72
<i>Funds Received:</i>		
8/31/2017	ACH Square - September Luncheon Payment for February Luncheon -	\$25.92
8/24/2017	DFPS Payment for January Luncheon -	\$167.00
8/17/2017	DFPS	\$135.00
8/1/2017	Dividend through 7/31/2017	\$0.41
	Total Funds Received	\$328.33
Funds Available		\$5,186.05
<i>Funds Expended:</i>		
<i>Date</i>	<i>Check No./Credit Card.</i>	
8/12/2017	Debit Card Payment for PO Box	\$90.00
	Total Funds Expended	\$90.00
Ending Bank Balance	8/31/2017	\$5,096.05
Check Register Reconciliation:		
Ending Bank Balance	8/31/2017	\$5,096.05
<i>Outstanding Checks:</i>		
<i>Date</i>	<i>Check No.</i>	<i>Description</i>
	Total Outstanding Checks	\$0.00
<i>Outstanding Deposits:</i>		
<i>Date</i>	<i>Description</i>	
	Total Outstanding Deposits	\$0.00
Adjusted Ending Bank Balance	8/31/2017	\$5,096.05
Total Chapter Funds Available Per Check Register	8/31/2017	\$5,096.05
<i>Cash On Hand:</i>		
	CU Min Savings Balance	\$5.00
	Luncheon Bank	\$40.00



Meeting Minutes



Meeting: September Luncheon Planning Call

Date: August 31, 2017

Members Present on Call:

Sharita Jefferson, Aaron Dvorak, Lorna Schwimmer-Staggs, Priscilla Suggs , Kieran Coe, Shayla Prince, and Stanton Martin

Minutes:

September Luncheon –

- No speaker confirmed
- Sharita Jefferson e-mailed Gwen McDade to confirm her availability for the September luncheon
- Kieran Coe may have a backup if Ms. McDade is unavailable – Brett Adams works for Texas Workforce and does risk management.
- Lorna Schwimmer- Staggs has called and emailed Pappadeaux Seafood Kitchen but has been unable to confirm the space. She will continue calling to reserve the space and update the board.

Other Matters –

- Kieran Coe scheduled the first CEC meeting for September 21, 2017.

Community Events

National Night Out at the Dittmar Recreation Center

When: Tue Oct 03, 2017, 07:00 PM - 10:00 PM

Where: 1009 W. Dittmar Rd., Austin, TX78745

Sign-up: All interested parties should contact Simone Pollard at simone.pollard@austintexas.gov

This opportunity will allow volunteers to interact with the community by facilitating carnival games in OUR outdoor parking lot. The Dittmar Center will set up tables, and provide the materials for the games. We simply need the manpower to run the games.



Volunteer for **Manos Fundraising Event: Beer, Wine & Swine**

When: Thu Oct 19, 2017, 05:00 PM - 11:00 PM

Where: 615 Cardinal Ln, Austin, TX78704

Sign-up: Please email apuckett@manosdecristo.org

Volunteers will be expected to arrive by 5:00 pm and be in position ready by 6:00 pm.

<http://www.manosdecristo.org/beerwineswine>

Manos de Cristo is holding our 3rd annual fall fundraiser called Beer, Wine & Swine held on October 19 at Mercury Hall. The event will feature live music, samplings from local craft breweries, wine, and BBQ. Proceeds from the event will benefit over 25,000 local children, adults, and seniors with access to low-cost dental care, adult education classes, and emergency food and clothing relief.

Volunteers are needed to help with multiple tasks throughout the evening to help make sure the event runs smoothly. The mission of Manos de Cristo is to empower low-income individuals with a loving hand of assistance and without regard to age, gender, race, or religious preference. Manos de Cristo promotes dignity and self-reliance by meeting basic needs with food and clothing, providing essential oral care, and furthering educational development.



Volunteer at the **Austin Heart Walk**

When: Sat Oct 21, 2017, 7:15am- 11:30am

Where: The Long Center, 701 W Riverside Dr., Austin, TX 78704

Sign-up: <https://www.volunteermatch.org/search/opp2758939.jsp>



We have a great opportunity to grow our **You're the Cure** advocacy network at our upcoming **Austin Heart Walk** and we need your help. Please join us as we advocate for healthier lives and communities throughout Texas!

We are looking for volunteers that will help us talk with Heart Walk participants and ask them to support our heart healthy and stroke smart policies. Please note that advocacy training will be provided prior to the start of the Heart Walk.

Doves Spring Recreation Center Halloween and Community Fall Festival Hosted by Austin Parks & Recreation Dept.

When: Tue Oct 31, 2017, 05:30 PM - 09:30 PM

Where: 5801 Ainez Dr., Austin, TX78744

Sign-up: Call: (512) 974-3840

The center's Halloween Fall Festival is designed to offer kids and parents an additional fun and safe way to bring in the fall season on October 31st. The Austin Parks and Recreation Department is in need of volunteers to help with setting up and tearing down the event before and following the activities. We also need support with the various games and volunteers to be booth attendants. Volunteers are needed from 5:30pm to 9:30pm. You can volunteer the entire time or, you may contact us and sign up for any two hour time block. The event starts at 6:30 and ends at 8:30.



Research Article

The State of Employer-Sponsored Health Care and How Washington Could Change It

By Michael Belarmino

For decades, state and local governments have worked diligently — sometimes within severe budget constraints — to provide benefits that will attract and retain a quality workforce. In general, health insurance remains one of the primary tools that public employers use to remain competitive with private-sector wages and salaries. But in recent years, the rising cost of health care has caused public employers to evaluate benefit offerings and potential changes.

Despite the long-term debate about health-care reform, lawmakers in Washington, D.C., have yet to find a unifying plan that provides broad access to health care while also lowering its cost. The way this debate has developed during the first half of 2017 shows just how difficult it can be to reach a consensus, even with one political party in control of both branches.

Between the public and private sectors, employer-provided health insurance covers more than 177 million individuals in the United States, according to U.S. Census data. The stakes are high, since most people in the United States receive health insurance through their employers.

This article will first take a brief look at the current state of employer-provided health-care insurance and how public employers have responded to increasing costs, followed by an overview of where the issue falls in the debates in Congress and how this could affect state and local governments.

THE CURRENT LANDSCAPE

A recent survey showed some of the strategies governments are using to mitigate increased health-care costs. For example, 99 percent of respondents offered health insurance to their employees in 2016.¹ Of that group, 89 percent paid for some or all of the benefit, and on average, nearly 20 percent of individuals receiving coverage are retirees. The number of local government respondents that provides a higher-deductible medical plan has nearly doubled since 2011, the last year the survey was conducted. And of those local governments that don't already provide a high-deductible plan, more than 75 percent will do so within the next one or two years. Auditing or reviewing health plan eligibility or enrollment is another common method for reducing employers' costs, as well as integrating employee participation in wellness programs with health plan data.

CONGRESS AND HEALTH CARE

As providers of health-care benefits, state and local governments have unresolved concerns. For example, the National Association of Counties came out against the recent reform bills because the changes to Medicaid would substantially shift costs from the federal to state and local governments, largely because counties act as the local safety net for many rural and low income residents.²

One of the more pressing issues for public employers that was not fully addressed by the most recent healthcare reform

bills is the 40 percent excise tax on employer-provided health benefits, also known as the Cadillac Tax. As a refresher, the Cadillac Tax is a 40 percent tax (which will likely ultimately be paid by employers) on the value of employer-sponsored health coverage that exceeds certain benefit thresholds — approximately \$10,800 for individuals and \$29,100 for a family — starting in 2020. Unfortunately, the formula used to calculate the value of a plan's benefit coverage, which is then used to determine an employer's tax liability, is fairly broad. For example, the benefit coverage calculation includes both the portion of the premium paid by employers and any contributions by employees. But it also includes other benefits like wellness and employee assistance plans, health savings account contributions, and health reimbursement arrangements — many of which are used to help decrease the cost of health care.

The design of the Cadillac Tax is flawed in that 75 percent of its estimated revenue was expected to come from increased taxable wages — it was predicted that employers would reduce health benefits in an attempt to avoid the tax, while simultaneously increasing wages to make up for the reductions. But there isn't any data that wages are increasing in conjunction with reductions or changes in employer-sponsored health benefits. Public-sector budgets would probably not be able to absorb the wage increase required as a result of reduced health coverage.

The Cadillac Tax, which is part of the Affordable Care Act (ACA), was initially set to go into effect in 2018, but the implementation date was delayed to 2020. None of the recent House or Senate health-care reform proposals permanently repeals the Cadillac Tax; instead, the tax is delayed another five years, through the end of 2025. Since the tax has already been delayed a few times, there's a possibility that it will never go into effect — although the projected revenue is still being counted as one of the ways to pay for health care reform. Employers are still reacting to the tax because it is still part of the law, and they will continue to change their health care benefits in an attempt to avoid future tax liability unless it the tax fully repealed.

GFOA opposes the Cadillac Tax because it would negatively affect the ability of state and local governments to manage their workforces. The tax is flawed in design and does not actually address rising health-care costs. Instead, it penalizes the very initiatives employers have implemented to ensure adequate health-care benefits while also attempting to mitigate health care costs. GFOA will continue working to repeal this burdensome tax and urges members to continue reaching out to their respective delegations on this issue.

CONGRESS AND TAX REFORM

The rocky path of Congressional health-care reform efforts does not bode well for future efforts to reform the federal tax code. Some of the hurdles, like finding common ground between moderate and conservative members of the Republican Party, may be hard to overcome. But that will not stop lawmakers from trying, especially with the 2018 elections on the horizon. The focus of tax reform will be lowering the federal tax rates and simplifying the code — in other words, eliminating tax provisions like deductions and exclusions that cause the federal government to “spend” money, which will in turn be used to “offset” the revenue loss that would occur if federal income tax rates were lowered.

This is why employer-provided health care may be affected as a result of tax reform. Given that the Cadillac tax is delayed and not repealed in the health care reform bills, there's still a chance that it could resurface as lawmakers look for sources of revenue. For example, the tax could be fully repealed in exchange for another potential revenue raiser — the exclusion of employer provided health care benefits from an employee's gross income.

The exclusion is consistently one of the top ten federal tax expenditures, according to estimates by the Joint Committee on Taxation. According to estimates released earlier in 2017, the exclusion is estimated to cost the federal government

more than \$170 billion in 2018. It is not surprising that exclusion would be targeted for potential changes, and the revenue is more appealing now because House Ways and Means Chairman Kevin Brady (R-Texas) seems to have lost a significant amount of support for the border adjustment tax (BAT) proposal. The BAT, which essentially imposes a tax on all imports, was projected to raise over \$1 trillion over ten years and would have been a significant revenue raiser for the tax reform effort.

The exclusion for health benefits has origins dating back to the early 1940s, when employers were allowed to bypass wartime wage controls by offering benefits such as health insurance. But it was not until the 1954 Internal Revenue Code was enacted that the exclusion became permanent.

While it was not part of the House-passed Better Care Reconciliation Act of 2017 or subsequent drafts in the Senate, the idea of limiting the amount that could be excluded from taxes has drawn some attention in the healthcare reform discussion. It was included in a health-care reform proposal that was floated by now-Health and Human Services Secretary Tom Price when he was in Congress. Additionally, the exclusion was targeted in the healthcare section of the GOP's "A Better Way" Agenda, released in 2016 by House Speaker Paul Ryan (R-Wis.). The blueprint goes so far as to suggest that a cap on the exclusion is a more sensible reform than the Cadillac tax.

CONCLUSIONS

The uncertainty surrounding the fate of health-care and tax reform, two major GOP agenda items, makes it difficult to anticipate what public employers need to prepare for. If the Cadillac tax does go into effect, employers will undoubtedly face increased costs. Some may choose to further reduce benefits or to increase the employee's share of the cost. But if the tax is repealed and the exclusion is capped, many unknowns would need to be determined to begin understanding the effect it would have on employer-provided health benefits — which are vital for a healthy public workforce. Until then, GFOA members are urged to continue sharing with delegation members all the steps you are taking to ensure that employees are healthy, as well as the challenges you face as health-care costs continue to rise.



AGA Austin Chapter September Luncheon

Thank you to everyone who attended the September CPE luncheon. And a special thanks to Gwendolyn McDade for volunteering her time to the AGA.



FUN FACTS



Halloween is a time of celebration and superstition. It is thought to have originated with the ancient Celtic festival of Samhain, when people would light bonfires and wear costumes to ward off roaming ghosts. In the eighth century, Pope Gregory III designated November 1 as a time to honor all saints and martyrs; the holiday, All Saints' Day, incorporated some of the traditions of Samhain. The evening before was known as All Hallows' Eve and later Halloween. Over time, Halloween evolved into a secular, community-based event characterized by child-friendly activities such as trick-or-treating. In a number of countries around the world, as the days grow shorter and the nights get colder, people continue to usher in the winter season with gatherings, costumes and sweet treats. Halloween's origins date back to the ancient Celtic festival of Samhain (pronounced sow-in). The Celts, who lived 2,000 years ago in the area that is now Ireland, the United Kingdom and northern France, celebrated their new year on November 1. This day marked the end of summer and the harvest and the beginning of the dark, cold winter, a time of year that was often associated with human death. Celts believed that on the night before the new year, the boundary between the worlds of the living and the dead became blurred. On the night of October 31 they celebrated Samhain, when it was believed that the ghosts of the dead returned to earth. In addition to causing trouble and damaging crops, Celts thought that the presence of the otherworldly spirits made it easier for the Druids, or Celtic priests, to make predictions about the future. For a people entirely dependent on the volatile natural world, these prophecies were an important source of comfort and direction during the long, dark winter.

