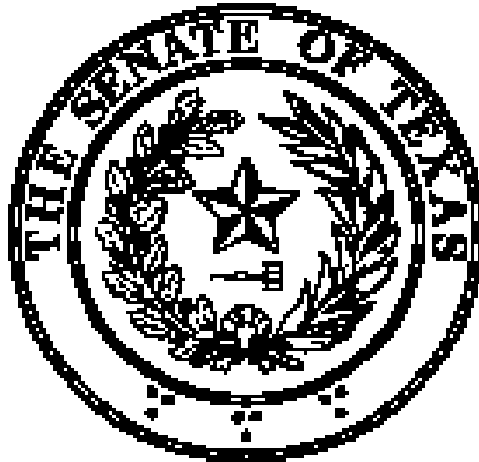


**INTERIM REPORT
SENATE COMMITTEE ON
VETERAN AFFAIRS AND MILITARY INSTALLATIONS**

**The Honorable Carlos F. Truan, Chairman
(D-Corpus Christi)**

**In Memoriam
The Honorable Gregory Luna
(D-San Antonio)
(b. November 17, 1932-d. November 6, 1999)**



MEMBERS

**The Honorable Troy Fraser
(R-Marble Falls)**

**The Honorable Eliot Shapleigh
(D-El Paso)**

**The Honorable Steve Ogden
(R-Bryan)**

**The Honorable Leticia Van de Putte
(D-San Antonio)**

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November 1, 2000

The Honorable Rick Perry
Lieutenant Governor of Texas
P. O. Box 12068
Austin, Texas 78711

Dear Governor Perry:

Pursuant to your charges to the Senate Committee on Veteran Affairs and Military Installations, we appreciate the opportunity to advise you and the Senate regarding our findings. You directed the Committee to:

1. Develop strategies to extend the operational usefulness of Texas military facilities and attract new military missions. The Committee shall limit its recommendations to what Texas government and business, together with localities, are capable of offering without the need for federal action or approval, including increasing the number of public/private economic development partnerships involving active military bases in Texas;
2. Assess the effectiveness of state benefits currently available to Texas veterans and make recommendations to improve their delivery. The Committee shall consider, but is not limited, to veterans' workforce and job search assistance; state agency compliance with veterans' preference laws; and the state's educational assistance for veterans, especially any need to modify Section 54.203 of the Education Code (the Hazlewood Act).

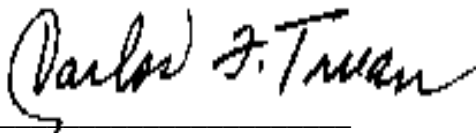
The Committee held public hearings as follows: Austin, November 22, 1999; Austin, January 26, 2000; San Antonio, February 23, 2000; Killeen, March 21, 2000; Edinburg, April 26, 2000; El Paso, May 23, 2000; Ingleside, July 28, 2000; and Austin, August 22, 2000.

Texas is home to 1,550,000 veterans who add over \$3.3 billion to the Texas economy through their federal entitlements. Furthermore, their skills and training are essential for the continued health and growth of Texas' industrial base. Of the 336,679 persons employed by the State of Texas, 27,775 are veterans. Of Texas' 1.5 million veterans, 500,000 are over the age of 65, and are facing increased medical needs and the need for additional services.

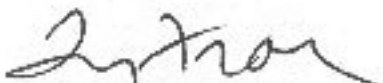
The defense community has an economic impact of \$41.3 billion annually on the Texas economy and is the largest employer in the State of Texas. However, the Department of Defense has closed or realigned eight bases since 1988 and stands to lose more unless our Texas Congressional delegation and State legislature take decisive steps to protect its interests. The recommendations in this report are based on testimony collected from six public hearings held statewide, several informal meetings with state agency and veterans' organizations and work sessions with interested private citizens.

The Committee wishes to express heartfelt thanks to the collective efforts and input on the part of the individuals and organizations that assisted in developing these recommendations to you and the Texas Senate.

Sincerely,



Senator Carlos F. Truan
Chairman


Senator Troy Fraser
Senator Steve Ogden
Senator Eliot Shapleigh
Senator Leticia Van de Putte

**CHARGES TO THE
SENATE COMMITTEE
ON
VETERAN AFFAIRS AND MILITARY INSTALLATIONS**



L to R: Major General Daniel James, III, Texas Adjutant General; Senator Troy Fraser, Senator Carlos F. Truan, Committee Chairman; Senator Eliot Shapleigh, Major General Wayne Marty, Assistant Adjutant General, Army Guard; and Brigadier General Michael B. Smith, Assistant Adjutant General, Air Guard.



Senator Van de Putte and Senator Truan with Admiral T. M. Bucchi, Chief of Naval Aviation Training.



Senator Truan presents a Texas Flag to Gold Star parents Mr. and Mrs. Paul Alaniz, Sr., whose son Paul, Jr., USMC, was killed in Vietnam, 1968.

CHARGES TO THE SENATE COMMITTEE ON VETERAN AFFAIRS AND MILITARY INSTALLATIONS

The Senate Committee on Veteran Affairs and Military Installations shall:

1. *Develop strategies to extend the operational usefulness of Texas military facilities and attract new military missions. The Committee shall limit its recommendations to what Texas government and business, together with localities, are capable of offering without the need for federal action or approval, including increasing the number of public/private economic development partnerships involving active military bases in Texas.*
2. *Assess the effectiveness of state benefits currently available to veterans and make recommendations to improve their delivery. The Committee shall consider, but is not limited to veterans workforce and job search assistance; state agency compliance with veterans preference laws; and the state's educational assistance for veterans, especially any need to modify Section 54.203 of the Education Code (the Hazlewood Act).*

RECOMMENDATIONS



L to R: Senators Van de Putte, Truan, Ogden, and Shapleigh on board the USS Inchon, Ingleside Naval Station, July 28, 2000.



Veterans and private citizens attended all the public hearings of the Senate Committee on Veteran Affairs and Military Installations.

RECOMMENDATIONS

The Senate Committee on Veteran Affairs and Military Installations shall:

Charge: 1. Develop strategies to extend the operational usefulness of Texas military facilities and attract new military missions. The Committee shall limit its recommendations to what Texas government and business, together with localities, are capable of offering without the need for federal action or approval, including increasing the number of public/private economic development partnerships involving active military bases in Texas.

Recommendations:

1. The Committee recommends that the Office of Defense Affairs be elevated within the Department of Economic Development, directly under the Executive Director to increase its visibility due to the increasing importance of the defense industry to the Texas economy. ODA shall: maintain and update annually the statewide defense master plan; *The Defense Community in Texas: A Master Plan for the Future*; include a list of privatization projects aimed at controlling costs at military installations in the master plan; continue to quarterly update the legislature, Office of the Governor and the Senate Committee on Veterans Affairs and Military Installations on the economic trends of the defense industry. The Committee also recommends that the Texas Strategic Military Planning Commission be elevated so that it reports to the Office of the Governor.
2. The Committee recommends that the Office of Defense Affairs (ODA) increase its Full Time Employee count to employ a military affairs specialist(s) to assist ODA with initiatives of the Texas Strategic Military Planning Commission, Texas base communities and the Texas defense industrial base. The Committee further recommends that funds be appropriated as needed, and that the military affairs specialist(s) be stationed in the Texas Office of State-Federal Relations in Washington, D.C.
3. The Committee recommends that the Office of Defense Affairs ask each of the state's military bases to conduct and publish a five-year strategic infrastructure plan, specifying state investments that could serve to reduce the long-term cost to the state while increasing the potential for selective private sector investment and use. These strategic plans would allow for a comprehensive review of the state's many military functions and to more efficiently distinguish between essential and non-essential functions.
4. The legislature should direct creation of a Defense Infrastructure Revolving Loan Fund to assist active military installations and adjacent communities with infrastructure shortfalls.

5. The Committee recommends that the legislature consider appropriating funds to the Texas Department of Transportation or seek alternative funding to complete State Highway 195 as a four-lane, divided highway from Killeen to Interstate Highway 35 to facilitate surface road deployment of equipment and troops from Fort Hood to the strategic coastal ports. Prioritization of construction, as necessary, along the entire deployment route to the ports to meet the completion time-line should be considered integral to the State Highway 195 expansion plan. The legislature should require the Texas Department of Transportation to complete a comprehensive study of the state's strategic deployment routes and place the improvement of such routes at a higher priority than other state road projects.
6. The Committee recommends that the legislature establish a new \$20 million Strategic Defense Investment Program during 2003 to mitigate future military installation closures and assist affected communities in attracting other industry.
7. The Committee recommends modification to the Texas Insurance Code to discount automobile insurance for military members similar, to Article 503-3 and Article 503-5 of the Texas Insurance Code (**Appendix A**).
8. The Committee recommends that members of the United States armed forces on active duty and not seeking a degree be exempted from the TASP.

The Senate Committee on Veteran Affairs and Military Installations shall:

Charge: 2. Assess the effectiveness of state benefits currently available to veterans and make recommendations to improve their delivery. The Committee shall consider, but is not limited to veterans workforce and job search assistance; state agency compliance with veterans preference laws; and the state's educational assistance for veterans, especially any need to modify Section 54.203 of the Education Code (the Hazlewood Act).

Recommendations:

1. The legislature should consider legislation to allow the citizens of Texas to vote on a Constitutional amendment on November 6, 2001, that would increase the bond authority for the Veterans Home Loan Program.
2. To improve visibility and delivery of veterans services, the legislature should consider directing the agencies that administer veterans programs to adopt a Memorandum of Understanding to coordinate delivery of veterans' benefits.
3. The legislature should continue to support locating veterans' homes in areas of the state that are not served by Veterans Administration hospitals and have a significant veteran population.
4. The Committee recommends funding for maintenance and operations for state veteran cemeteries in perpetuity. Due to the lack of national cemeteries in the Rio Grande Valley, Central Texas, East Texas, and the Panhandle, these areas should be especially considered for veteran cemeteries.
5. The legislature should consider supplemental funding for an enhanced Texas Veterans Transportation Network for existing networks to assist in the transportation of veterans to Veterans Administration hospitals and other veteran service facilities.
6. The legislature should be aware of the potential constitutionality of the residency requirement of Section 54.203 of the Texas Education Code (**the Hazlewood Act, Appendix B**).

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American Ex-POW & Purple Hearts, with Senator Truan, prior to the hearing on the USS Inchon.

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The Senate Committee on Veteran Affairs and Military Installations shall:

CHARGE 1: Develop strategies to:

- A. extend the operational usefulness of Texas military facilities;
 - 1. Texas Military Master Plan
 - a. Texas Strategic Military Planning Commission
 - b. Office of Defense Affairs
 - c. BRAC Office (attached to State-Federal Office)
 - 2. Military Deployment Highway
 - 3. Military Strategic Deployment Ports
 - a. Port of Corpus Christi
 - b. Port of Beaumont
 - 4. Naval Air Station Corpus Christi Runway
 - 5. Renovation of Military Facilities
 - 6. Environmental Concerns--Base Closures

- B. attract new military missions:
 - 1. Texas National Guard Training Facilities
 - 2. HM-14
 - 3. Spaceport
 - 4. Joint Strike Fighter

The Committee shall:

- C. limit its recommendations to what Texas government and business, together with localities, are capable of offering without the need for federal action or approval;
 - 1. Automobile Insurance Assistance for Military Personnel
 - 2. Military Educational Issues

- D. increase the number of public/private economic development partnerships involving active military bases in Texas (Military & Community Partnerships).

1. Public/Private Housing Projects
2. Brooks AFB
3. Facilities/Historical Commission
4. Educational Institutions

CHARGE 2: Assess the effectiveness of state benefits currently available to veterans and make recommendations to improve their delivery. The Committee shall consider, but is not limited to veterans workforce and job search assistance; state agency compliance with veterans preference laws; and the state's educational assistance for veterans, especially any need to modify Section 54.203 of the Education Code (the Hazlewood Act).

A. Assess the effectiveness of state benefits currently available to veterans;

1. veterans workforce;
2. job search assistance;
3. the state agency compliance with veterans preference laws;

B. make recommendations to improve their delivery;

1. State Veteran Homes
2. State Veterans Cemetery System
3. State Veteran Transportation System

C. The Committee shall consider the state's educational assistance for veterans, especially any need to modify Section 54.203 of the Education Code (the Hazlewood Act).

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EXECUTIVE SUMMARY



The Senate Committee on Veteran Affairs and Military Installations at Fort Hood, Killeen, Texas.



Admiral Bucchi briefs Senator Carlos F. Truan, Gary Bushell, member of the South Texas Military Task Force, and James Christerferson, Director of the Office of Defense Affairs.

Executive Summary

At the request of Lieutenant Governor Rick Perry, the Texas Senate created the Senate Committee on Veteran Affairs and Military Installations as a full standing Committee during the 76th Legislature (1999-2000). Both Governor Perry and the Senate recognized the need for the Texas Legislature to address the issues facing military installations, veterans, and the defense community of our state.

The Committee held hearings throughout Texas to address the interim charges that gave the Committee a greater understanding of the vast impact and importance of veterans and our military installations and the defense community on the Texas economy. During these hearings, we heard from our military commanders, veterans' organizations, public officials and private citizens on their concerns for veterans living in our state and for the military installations in our communities. Texas has always held the military and veterans interest to be a high priority. The principal constraint on the committee was to stay within the bounds of what Texas could accomplish as a state. The most important finding of our Committee was that Texas has many effective options to meet the needs of both veterans and military installations.

Texas is home to some of the nation's premier military installations and offers unsurpassed opportunities for land, sea, and air training. For example, Fort Bliss near El Paso consists of 1.1 million acres, an area larger than the state of Rhode Island. San Antonio has a cluster of active military installations and is the home of "Kelly USA," a showcase for life after base closure. Fort Hood is the largest employer in the State of Texas and home to 37 percent of the nation's active military ground combat power. The Coastal Bend area is home to 85 percent of the Navy's surface mine countermeasures fleet, 50 percent of the Navy's airborne mine countermeasure helicopter force, and under the Chief of Naval Air Training, 40 percent of naval aviation training.

Defense is the largest industrial employer in the state of Texas consequently, it has an enormous economic impact on our State. However, defense investment has diminished (**Table 1**) and is likely to decrease again. In Fiscal Year 1998, the defense community in Texas employed 241,082 active duty, civilian, Armed Forces Reserve and National Guard personnel (**Table 2**). This number does not include indirect jobs. During Fiscal Year 1998 total expenditures and contracts related to the defense community had an estimated economic impact of \$38.7 billion (**Table 3**), increasing to \$41.3 billion in Fiscal Year 1999 (**Table 4**), on the Texas economy. **Table 5** compares the economic impact of Texas with the control group of five other states with the most significant defense investment. **Appendix C** lists the economic impact of defense and defense related industries by county in Texas. Texas government and business must vigorously commit to maintaining and enhancing our defense facilities.

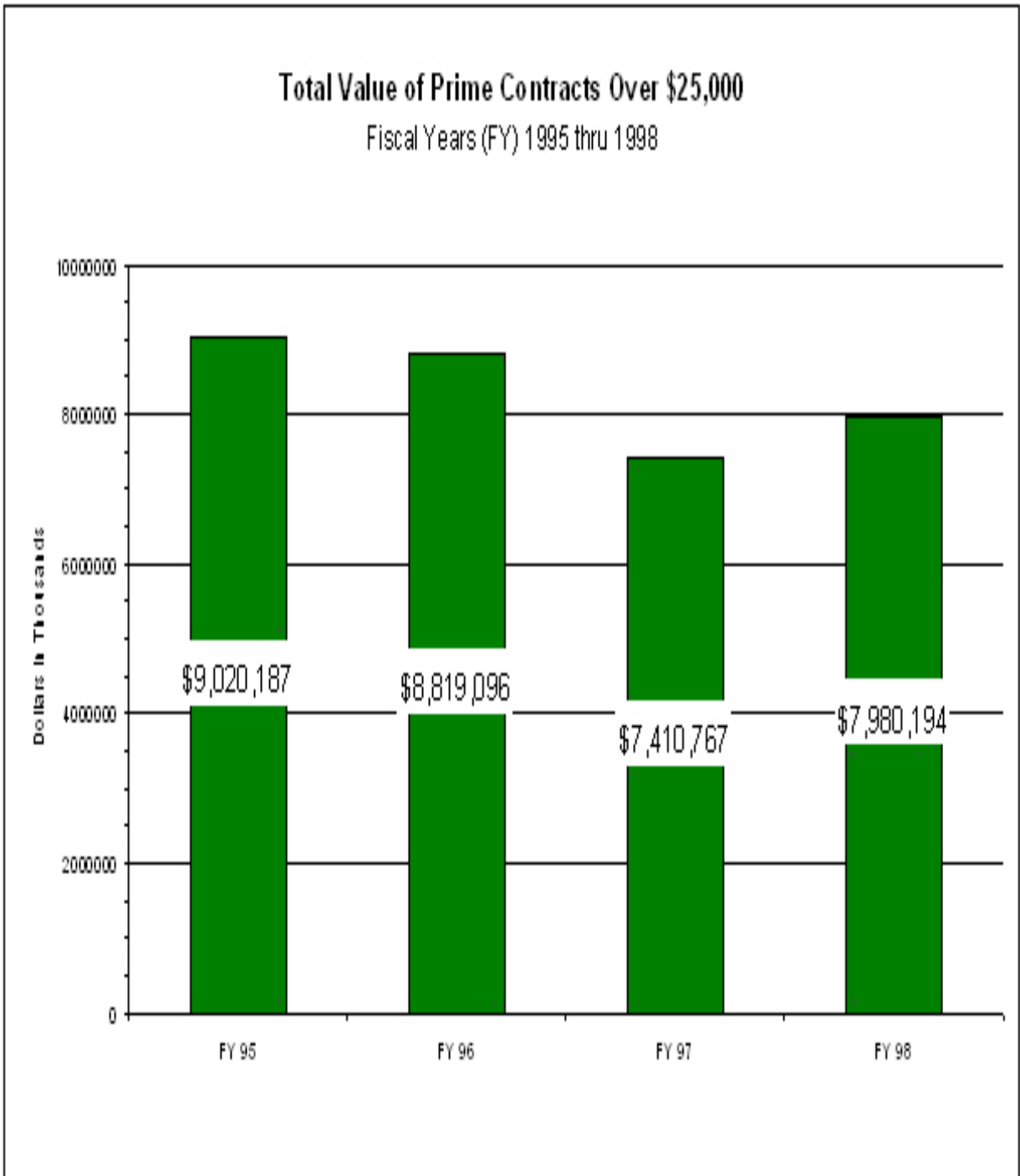
One of the state's most important resources is its military veteran population. Texas is home to 1.5 million veterans, the third highest population in the nation. As the age of our veterans increases, so must our

focus on health care issues. In Fiscal Year 1999, Texas was second in the nation in per capita federal Veteran Administration expenditures (**Table 6**).

Texas has long recognized the important sacrifices made by veterans and has implemented generous programs to provide veterans with economic, educational, employment and training opportunities. Legislation passed in the last legislative session enhanced several of these programs. During one hearing, it was suggested that a portion of the proceeds from the Texas Tobacco Settlement be used to establish a trust to fund veterans' programs. This initiative has merit, however it is one of many worthy initiatives seeking funding through this revenue source.

Texas' support for both the defense industry and the veteran population is strong. At the same time future military base closure and realignment remains a real threat. This committee is charged with developing strategies to extend the operational usefulness of Texas military facilities while attracting new military missions through cooperative efforts of state and local governments with the business community. The committee has also assessed the effectiveness of state benefits currently available to veterans and will make recommendations to improve their delivery and implement new programs to the 77th Legislature.

TABLE 1



DoD- September 30, 2000

TABLE 2

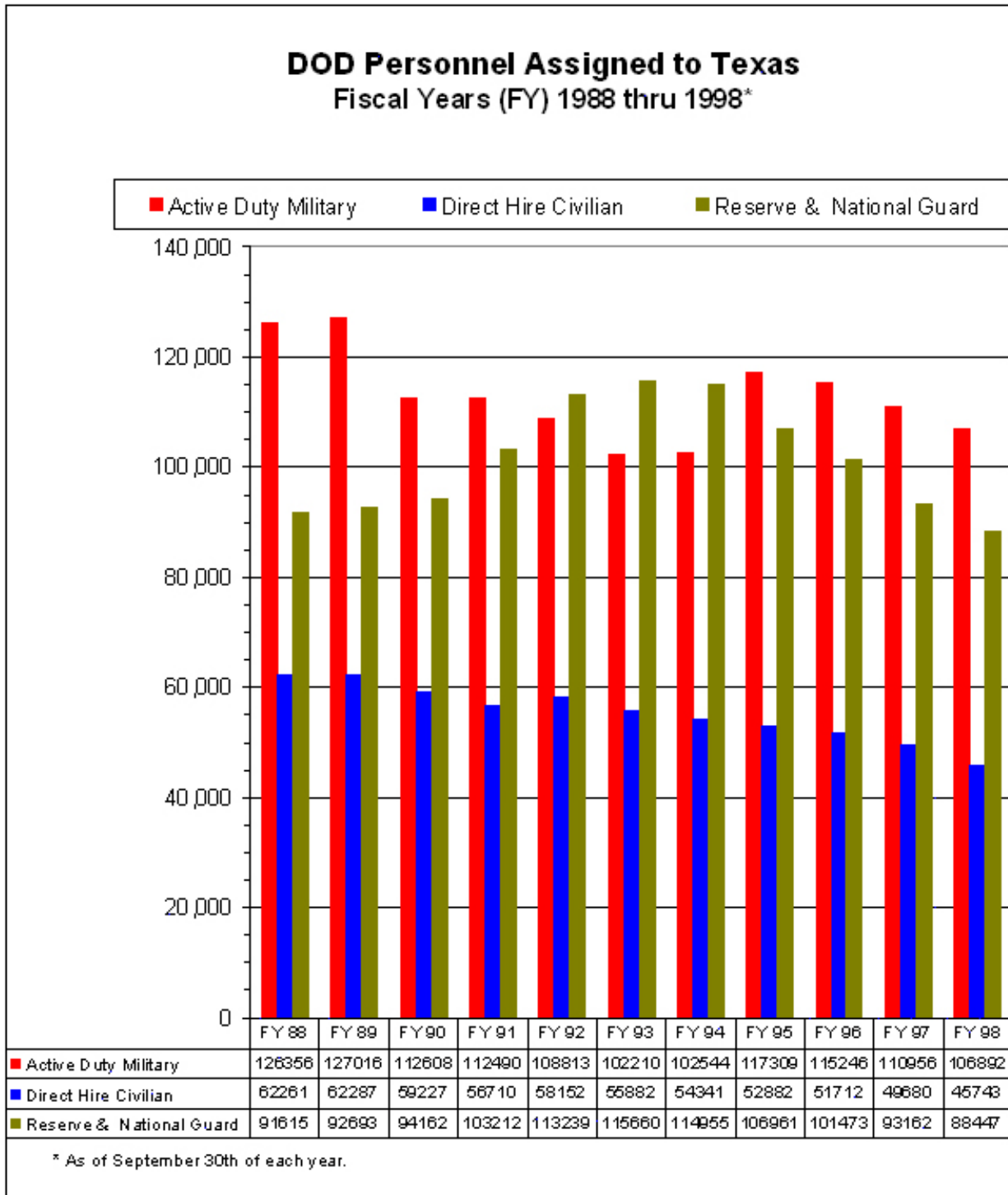


TABLE 3

Using a 2.36 multiplier given by the State Comptroller's Office

Defense Community Total Economic Impact by State - Fiscal Year 1998

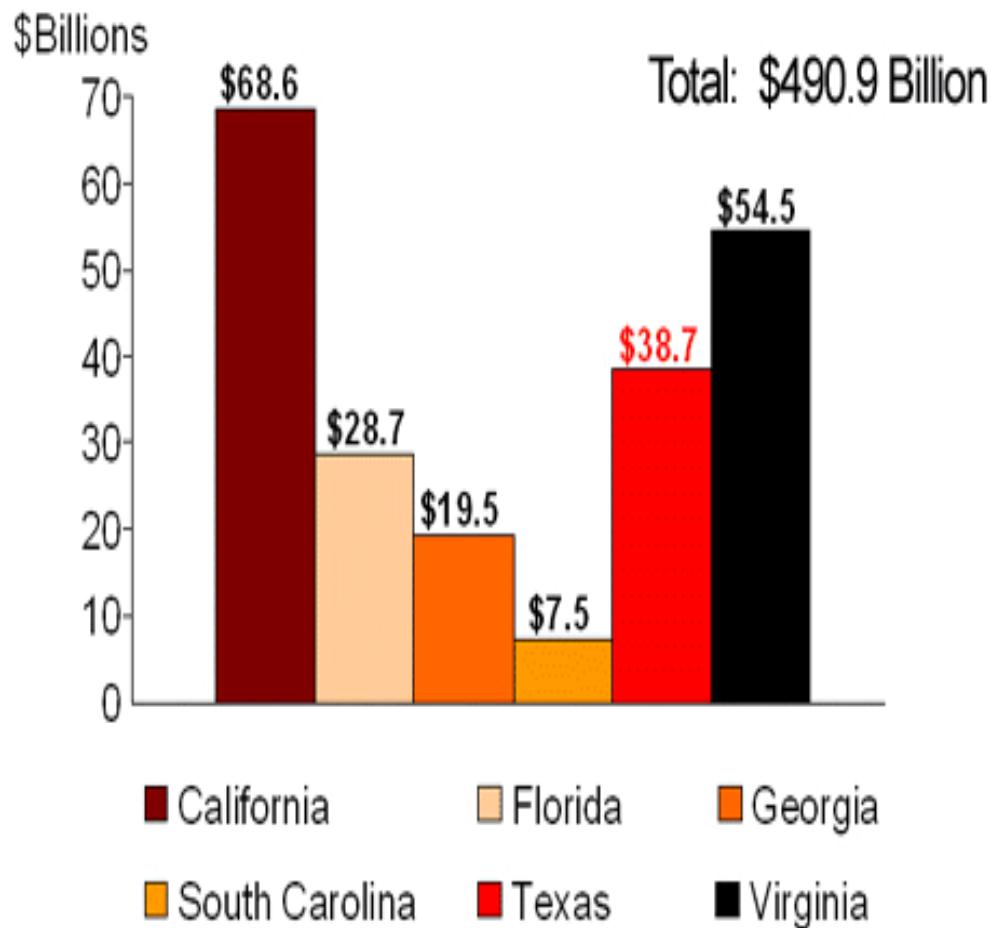
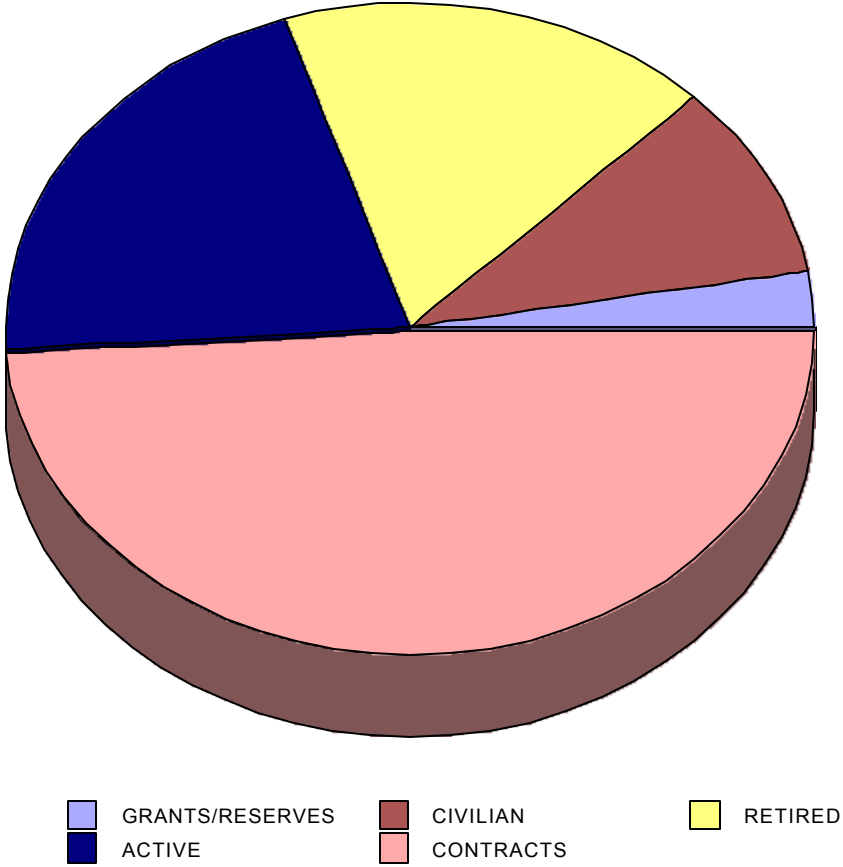


TABLE 4

ECONOMIC IMPACT FY 1999

TOTAL \$41.3 BILLION



Using a 2.36 economic multiplier

TABLE 5

Defense Community*

STATE	# MILITARY INSTALLATIONS	TOTAL ECONOMY IMPACT	MILITARY PERSONNEL	CIVILIAN PERSONNEL
California	62	\$68.6 billion	199,342	106,695
Florida	24	\$28.7 billion	55,771	25,220
Georgia	17	\$19.5 billion	66,905	28,207
South Carolina	11	\$ 7.5 billion	51,101	13,352
Texas	31	\$38.7 billion**	103,633	47,686
Virginia	27	\$54.5 billion	179,214	60,863
NATIONAL TOTAL	519	\$490.9 billion		

*Defense Link - 1998

**Using a 2.36 multiplier given by the State Comptroller's Office.

TABLE 6

Veteran Expenditures*

STATE	Veterans	EXPENDITURES	EXPEND. PER CAPITA	TOTAL MEDICAL	MEDICAL PER CAPITA
California	2,623,500	\$3,901,500,000	\$1,487	\$1,794,192,000	\$683.89
Florida	1,632,400	\$2,858,394,000	\$1,751	\$983,975,000	\$602.78
Georgia	654,400	\$1,234,202,000	\$1,886	\$438,065,000	\$669.41
South Carolina	362,8000	\$822,019,000	\$2,266	\$376,649,000	\$1,038.17
Texas	1,553,900	\$3,351,583,000	\$2,185	\$1,379,063,000	\$899.06
Virginia	668,400	\$1,156,494,000	\$1,730	\$364,527,000	\$545.37
NATIONAL TOTAL	24,289,500	\$43,641,197,000	Average \$1,797	\$19,024,024,000	Average \$782.22

*1999 U. S. Department of Veterans' Affairs Per Capita Expenditures

Interstate Competition

Georgia, Virginia, South Carolina, California, and Florida are Texas' greatest competitors in retaining military installations and attracting new missions and scarce defense dollars. These states have considerable influence in Washington, D.C. and have a number of military installations and defense contractors that contribute to the state's economy. Texas should evaluate the programs of its competitors and further develop its own strategies to better compete for shrinking defense dollars and to maintain and attract new defense contractors.

California:

The California State Senate has a standing committee on Veterans Affairs. Unlike Texas, California also has a select House committee on Defense Conversion, Retention, and Space Flight Industries. It has a program, active since 1993, that appropriates \$6 million of general revenue¹ annually to assist communities with closed military installations. In 1997 the Texas legislature granted a one-time grant of \$20 million to the Texas Defense Economic Adjustment Assistance Grant Program which assisted local communities with their military installation closures.

Florida:

Florida has taken the initiative to develop a program that not only assists communities that have lost bases and missions, but also supports infrastructure shortfalls of active bases with a \$7 million annual² appropriations program. This program allows defense dependant communities to work with their bases to develop infrastructure that will benefit the base as well as the community.

Georgia:

The State of Georgia has been a leader in leveraging national defense dollars for its state's benefit and its Texas Strategic Military Commission like commission is co-located with the Georgia State Chamber of Commerce and reports directly to the Governor's office. The Georgia Commission also contracts with a consulting firm in Washington, D.C. to advise them of the latest information coming from the Department of Defense and Congress regarding Base Realignment Closure Commission (BRAC) and possible defense industry relocations. This is an extremely valuable tool for conducting economic development in communities that are adjacent to military bases and to prepare the state for the upcoming BRAC rounds. The Commission is able to plan and implement strategies to protect Georgia military installations during the next BRAC rounds. It also tends to assure defense contractors that Georgia is indeed friendly to the defense industry.

¹State of California Web Site, 2000; www.commerce.ca.gov/business

²The Fiscal Impacts of Florida's Military Installation, February 1998; www.florida.defense.org/grants

South Carolina

South Carolina has a Redevelopment Authority that oversees the disposition of base property that has been transferred to the state. Funding is made available through a special tax fund for the redevelopment project costs to communities directly affected by BRAC.

Virginia:

The Virginia Defense Conversion Revolving Loan Fund Program³ provides loans up to one million dollars to assist defense dependent companies expand into civilian markets if they are affected by BRAC. The program reportedly has had limited success because it is difficult for companies to meet its qualifications. However, it does send a strong message that Virginia will be a major participant in attracting the next generation of defense industry.

³Virginia Defense Conversion Revolving Loan Fund; www.dba.state.va.us/fsdmore

OVERVIEW



Senator Truan, Chairman of Senate Committee on Veteran Affairs and Military Installations during a military briefing with Admiral T. M. Bucchi, Chief of Naval Aviation Training.



L to R: Admiral Jose L. Betancourt, Mine Warfare Command and Lt. General Leon J. LaPorte review testimony during public hearing on board the USS Inchon, Ingleside.

OVERVIEW

Military Installations in Texas

Texas ranks third only to California and Virginia in military infrastructure and impact (**Table7**). Throughout the report the same five states will be used as a measure to gauge Texas' performance.

Table 7

Military Installations

STATE	TOTAL INSTALLATIONS	US ARMY	US AIR FORCE	US NAVY	US MARINE CORPS	NG
California	62	12	12	29	6	3
Florida	24	0	9	13	0	2
Georgia	17	6	5	4	1	1
South Carolina	11	1	3	4	2	1
Texas	31	8	15	5	0	3
Virginia	27	12	2	11	2	0

Defense Link - US Department of Defense 1996 (After the 1995 and 1993 BRAC Commission)

Fort Hood, Killeen, Texas

Central Texas is the home of the free world's largest ground combat maneuver installation, 214,351 acres, the U.S. Army III Corps, comprising 37% of our nations combat power. The 41,000 combat troops stationed at Ft. Hood and the military community contribute \$3.7 billion annually⁴ to the Texas economy. The Killeen area houses 39,016 family members, 8,194 civilian employees and 33,987 local retirees. Deployment of the U.S. Army III Corps in a time of national emergency is through the newly expanded Robert Gray Airport and the railway and highway systems leading to the ports of Corpus Christi and Beaumont.

Port of Corpus Christi, Texas:

- , Located 20 miles from the Gulf of Mexico with 3 deep water berths
- , Has 47 acres of staging area
- , Needs southern convoy route highway improvements to meet the strategic deployment time line

Port of Beaumont, Texas

- , 40 Miles from the Gulf of Mexico with 3 deep water berths.

⁴Killeen Chamber of Commerce, 3rd Quarter Report FY 1999

- , 56 acres of staging area with 80 acres of expansion and parking area for 400 railcars within the confines of the port

Naval Air Station, Corpus Christi, Texas

An integral part of the South Texas community since 1941, NAS Corpus Christi contributes \$340 million⁵ annually to the economy. With two remote training fields, it covers over 4,400 acres. The base is the home of 53 tenant commands, and employs 5,300 civilians and more than 3,500 military personnel.

MAJOR TENANTS:

- , Chief of Naval Air Training (CNATRA) commands five aviation training wings responsible for training Naval, Air Force, Coast Guard, and foreign military aviators. Additionally, CNATRA is designated the South Texas Regional Commander.
- , Commander Mine Warfare Command directs the Navy's entire mining/countermining capabilities. It includes two helicopter squadrons and 23 ships with areas of responsibilities including the Gulf of Mexico, Atlantic and Pacific Oceans and the Persian Gulf.
- , Corpus Christi Army Depot (CCAD) is the largest helicopter repair and rework facility in the world. It employs more than 3,000 civilian workers. In Fiscal Year 1997, CCAD generated an annual payroll of \$162 million and purchased \$27 million⁶ in supplies, utilities and construction projects.
- , Training Air Wing FOUR is comprised of two primary and two advance maritime aviation squadrons and is responsible for training nearly 1,000 aviators per year.
- , U.S. Coast Guard commands air and sea search and rescue assets to the central and western Gulf of Mexico.
- , U.S. Customs coordinates the interdiction of airborne drug carriers into the United States.

⁵Navaltx.navy.mil/nascc/statistics

⁶www.ccad.army.mil/brochure/history

Mine Warfare Command, Ingleside, Texas

Naval Station Ingleside, a relatively new facility, is located on the northern shore of Corpus Christi Bay, 12 miles northeast of the City of Corpus Christi. The Naval Station is ideally situated astride the Corpus Christi ship channel which links the Port of Corpus Christi with the Gulf of Mexico. Ingleside is the homeport to the nation's entire surface mining fleet, 23 ships, and home of the Navy's Mine Warfare Center of Excellence. The funding to acquire land and construct the naval station include \$50 million in Nueces Country bonds and \$25 million in state bonds, plus \$92.7 million federal dollars. There are 3,500 personnel assigned to the base with an annual payroll more than \$72 million⁷.

Naval Air Station, Kingsville, Texas

Naval Air Station Kingsville is one of the U.S. Navy's two locations for jet aviation training in the nation. Located 30 miles southwest of Corpus Christi, it is the home to Training Air Wing TWO as well as several tenant commands. The base contributes \$64 million⁸ to the Coastal Bend economy and employs approximately 2,000 military and civilian personnel.

Fort Bliss, El Paso, Texas

The U.S. Army Air Defense Artillery Center at Fort Bliss, Texas, is the Army's center for the education and training of Air Defense Artillery soldiers and units. It also hosts the Army's Sergeants Major Academy. The post comprises 1.1 million acres stretching across the far western tip of Texas north into New Mexico. The headquarters and cantonment are located in El Paso, Texas. The Main Post Historic District encompasses buildings and landscape areas in the cantonment that date from 1891 to the 1950s. Home of 12,047 soldiers and 4,879 civilian employees, the installation contributes \$1.3 billion⁹ annually to the West Texas economy. In addition to the El Paso's military population, 59,000 military retirees and their families add to the local population.

Lackland Air Force Base

A sprawling installation in the southwest quadrant of San Antonio, the base has a diverse set of missions, including basic training in excess of 35,000 enlisted recruits. With the absorption of 11,000 personnel from the Kelly AFB closure there are now 17,890 military and 4,677 civilian base personnel at Lackland. The base contributes \$500 million¹⁰ annually to the San Antonio economy.

⁷www.nsi.navy.mil/nsi_home

⁸Kingsville Economic Development Corporation, September 2000;
www.nask.navyh.mil/nas.ntml

⁹Greater El Paso Chamber of Commerce; www.elpaso.org/mil

¹⁰www..SACHAMBER.ORG/MILITARY

Brooks Air Force Base

A 1,310 acre research and development facility located southeast of San Antonio, Brooks AFB is the leading aerospace research center. Although having a relatively small base population of 1,740 military and 1,472 civilian personnel, it has a significant economic impact on the local community of more than \$247 million¹¹ annually.

Randolph Air Force Base

Randolph AFB, located between Interstate Highway 35 and Interstate Highway 10, is part of the San Antonio Metrocom. Just northeast of San Antonio, Randolph houses several headquarters including Air Education & Training Command, Air Force Personnel Center, Air Force Headquarters Recruiting Services, and the Nineteenth Air Force (19AF). Randolph is one of the few bases in the Air Force that does instructor and pilot training. The home of more than 10,000 service members and 8,000 civilian employees, the base contributes \$510 million¹² annually to the local economy.

Fort Sam Houston

Fort Sam Houston is a major military installation comprising 3,150 acres in the northeast San Antonio. Home of the Army's Medical Command and Brooke Army Medical Center, the installation has more than 100 tenant and satellite activities. The facility has the largest military and civilian population of any installation in the San Antonio area, 10,000 and 8,000 respectively. Correspondingly it has the most significant economic impact in the region contributing nearly \$700 million annually¹³ to the economy.

The Red River Army Depot (RRAD)

The Red River Army Depot is a 19,000-acre industrial complex located in northeast Texas, eighteen miles west of the Texas-Arkansas border. In the *1998-1999 Texas Defense Master Plan*, it was identified as a potential BRAC target. The Lone Star Army Ammunition Plant (LSAAP) is contiguous and shares common services with the RRAD. Consolidating RRAD's ground combat depot maintenance missions and moving common missions to LSAAP, has made RRAD a primary BRAC candidate. There are only 5 military personnel and 1,300 civilians working at RRAD which contributes \$80 million¹⁴ to the local economy.

¹¹www..SACHAMBER.ORG/MILITARY

¹²www..SACHAMBER.ORG/MILITARY

¹³www..SACHAMBER.ORG/MILITARY

¹⁴Red River Army Depot, September 2000, Office of the Commander and www.redriver.arimy.mil

Lone Star Army Ammunition Plant (LSAAP)

The LSAAP is a 15,546 acre industrial complex located in northeast Texas, 12 miles west of the Texas/Arkansas state line. LSAAP is contiguous and shares some common services with the RRAD. LSAAP has the Army's only production line for M67 hand grenades, detonators, and self-destruct fuses. With only 350 civilian employees and one military person, it still has a significant impact on the local community contributing more than \$15.5 million annually¹⁵.

Sheppard Air Force Base

Sheppard Air Force Base is the home to the 82nd Training Wing and the 80th Flying Training Wing, which conducts the Euro-NATO Joint Jet Pilot Training Program for 13 member nations. It is the largest employer in the Wichita Falls area, with 11,000 military and 1,500 civilian personnel. The annual estimated combined economic impact of the base on the community is \$609 million¹⁶.

NAS Fort Worth, Joint Reserve Base (JRB)

JRB Fort Worth, the former Carswell Air Force Base, was created as part of the 1993 BRAC process. The Navy invested more than \$100 million to modernize the base and prepare for new tenants, many from the closure of NAS Dallas. It is home for three Naval aviation squadrons, two Marine aviation squadrons, one Air Force Fighter Wing, and the Texas Air National Guard C-130 Air Wing. There are 1,646 civilian employees and 287 full-time military personnel plus approximately 6,000 reserves that drill at this facility. The economic impact on the Dallas-Fort Worth area is \$72 million annually¹⁷.

Dyess AFB

This base houses the 7th Bomb Wing, which operates the B1 bomber and the 317th Airlift Group, which operates the C130H aircraft. The base is favorably situated on the west side of Abilene on 6,432 acres and has 5,300 government employees. The total estimated economic impact to the Abilene area is more than \$307 million annually¹⁸.

¹⁵Information provided from Lone Star Ammunition Plant

¹⁶Sheppard AFB, Economic Impact Report; www.wichitafallsmmerce.com/economy

¹⁷NASFTW.DNRF.NOLA.NAVY.MIL

¹⁸FY'99 Economic Impact Analysis-Dyess Air Force Base 7th Comptroller Squadron

Goodfellow AFB

Goodfellow AFB is located on 1,132 acres east of San Angelo. The 17th Training Wing trains students in intelligence and intelligence-related career fields, fire protection and related career fields and special instrument operations. The Joint Service Fire Training school was constructed with BRAC funding from the closure of Chanute AFB. A total of 4,639 active duty, reserve, National Guard and 1,200 civilian personnel work at the base. The estimated annual economic impact is \$255 million¹⁹.

Laughlin AFB

The installation covers approximately 5,226 acres six miles east of Del Rio. It is the home of the 47th Flying Training Wing which provides undergraduate pilot training to Air Force pilots. There are a total of 4,629 government employees working at the base which has an estimated \$174 million annual²⁰ impact on the local community.

¹⁹Economic Impact Analysis-FY 99; www.goodfellow.af.mil

²⁰47th Flying Training Wing Economic Impact Statement FY 99;laughlin.af.mil

CHARGES AND RECOMMENDATIONS



L to R: Senator Van de Putte, Captain Hartman, Commanding Officer of the USS Inchon, Senator Carlos F. Truan, Chairman of Committee on Veteran Affairs and Military Installations.

Lt. General Leon J. LaPorte, III Corps Commander, testifies before the Committee on Veteran Affairs and Military Installations at the public hearing in Killeen, Texas on March 21, 2000.



Charges and Recommendations

CHARGE 1: The Senate Committee on Veteran Affairs and Military Installations shall develop strategies to

- A. extend the operational usefulness of Texas military facilities;
- B. attract new military missions;

The Committee shall

- C. limit its recommendations to what Texas government and business, together with localities, are capable of offering without the need for federal action or approval;
- D. increase the number of public/private economic development partnerships involving active military bases in Texas

- A. extend the operational usefulness of Texas military facilities;

Texas Strategic Military Planning Commission (TSMPC)

The 75th Texas Legislature directed the establishment of the Office of Defense Affairs (ODA) and the Texas Strategic Military Planning Commission (TSMPC) as an advisory group to the ODA. The TSMPC is composed of nine Commissioners appointed by the Governor. Their charter is to develop strategies to prevent further erosion of defense investment in Texas; provide information to defense dependent communities regarding intentions and actions affecting military installations and missions; support and promote the military in connection with base realignment and closure (BRAC); and assist defense dependent communities to prepare for future BRAC initiatives.

The TSMPC actively educates and energizes the defense industry and community leaders. They serve as the primary conduit for promoting legislation that supports Texas' military installations and will be integral to Texas' efforts in the upcoming BRAC efforts. The Committee considers the TSMPC's functions to be vital to Texas' defense community.

Texas Military Master Plan

The Strategic Military Planning Commission's 1998 study²¹ represents a comprehensive review of the state's entire defense community: its assets, challenges, opportunities and areas of shortfall. In adding to this recommendation, the Veteran Affairs and Military Installations Committee further validates the Commission's report as the base point from which further research and study can occur.

The defense community in Texas is big business (more than \$41 billion annually). Department of Defense (DoD) is the state's largest employer. When looking at defense from these perspectives, the state's first order of business should be to sustain, promote and expand the military installations and missions it already has. Much of what Texas has today is not only threatened by future BRAC rounds, but also by non-BRAC cutbacks caused by operational and budgetary decisions made by the military services and DoD. Texas has had eight installations closed since 1988. The impact on the Texas economy can be seen in **Table 5**. As illustrated, Texas is making a steady comeback by attracting new missions to existing facilities.

Preparing for both future BRAC and non-BRAC actions is an economic development issue every bit as important as enticing other technology-based employers to come, to stay or expand in Texas. Even though defense community is facing nationwide cutbacks and closures, there will be winners and losers. Texas needs a strategic plan to be a winner.

Having first established an aggressive statewide support structure that is friendly to defense industries, Texas is on its way to properly preparing for future cuts, whether caused by BRAC or non-BRAC decisions. Statewide coordinated preparation for future BRACs is important. But such preparations need to be accomplished within the larger context of Texas sustaining, promoting and expanding its defense sector as the largest single slice of the state's economy.

Active and Reserve military installations and units are emphasized and assessed in the Texas master plan, *The Defense Community in Texas: A Master for the Future*. However, the role, mission and contribution of the Texas National Guard is not addressed, but needs recognition. The role of the National Guard has evolved over recent years, becoming more active and essential to the National Command Authority in execution of national defense. Fiscal Year 2000 brought a number of hallmark missions to the Texas National Guard. In a deployment that brought national attention, the Texas Guard's 49th Armored Division completed a successful deployment to Bosnia-Herzegovina where it served as the first National Guard division headquarters to lead the American peacekeeping contingent. The Texas National Guard provided command and control for the Multi-national Peacekeeping Forces, including 800 to 1,000 Texans in Bosnia from February through September.

²¹The Defense Community in Texas: A Master Plan for the Future, November 1998

Office of Defense Affairs (ODA)

- 1. The Committee recommends that the Office of Defense Affairs be elevated within the Department of Economic Development, directly under the Executive Director to increase its visibility due to the increasing importance of the defense industry to the Texas economy. ODA shall: maintain and update annually the statewide defense master plan; *The Defense Community in Texas: A Master Plan for the Future*; include a list of privatization projects aimed at controlling costs at military installations in the master plan; continue to quarterly update the legislature, Office of the Governor and the Senate Committee on Veterans Affairs and Military Installations on the economic trends of the defense industry. The Committee also recommends that the Texas Strategic Military Planning Commission be elevated so that it reports to the Office of the Governor.**

The 76th Texas Legislature changed the charter of ODA to make it the single point for coordination on issues, discussions, decisions and policies that relate to the defense community.

During the past few years, due to personnel turnover and inadequate staffing, ODA has not been as effective as necessary in the execution of its charter. Over the last six months, a significant improvement has occurred with renewed emphasis on energizing the defense industry and local communities throughout Texas. The military industry brings in excess of \$41 billion annually to the Texas economic engine. The requirement to support existing military facilities as well as actively seeking new military missions is paramount to continued growth of the Texas economy. Additionally, the ODA needs to include public/private ventures that are ongoing or possible in the master plan. Privatization candidates should focus on keeping the cost down for our military installations.

The Office of Defense Affairs plays a critical role to the economic stability in Texas. The unique requirement to cultivate Texas defense industry; educate and coordinate efforts of Texas defense dependent communities; promote and seek additional military missions in coordination with our Congressional Texas delegation and promote new industry in areas targeted for base closures transcend several Department responsibilities.

2. **The Committee recommends that the Office of Defense Affairs (ODA) increase its Full Time Employee count to employ a military affairs specialist(s) to assist ODA with initiatives of the Texas Strategic Military Planning Commission, Texas base communities and the Texas defense industrial base. The Committee further recommends that funds be appropriated as needed, and that the military affairs specialist(s) be stationed in the Texas Office of State-Federal Relations in Washington, D.C.**

Texas Office Of State-Federal Relations (OSFR)

The Texas Office of State-Federal Relations (OSFR) serves as the Washington clearing house for issues affecting Texas. The staff is comprised of 8 to 11 full-time employees, and has state agency personnel in a temporary capacity for specific policy issues. OSFR's responsibility includes coordination with Senate and House staffs in both the State legislature and the Texas delegations to Congress. The Office of Defense Affairs coordinates with the OSFR on defense appropriations and other economic issues affecting Texas.

The Secretary of Defense reported in 1998²² that even after four rounds of BRAC, there is more infrastructure available than needed to support our military forces. The "*Quadrennial Defense Review*" estimated that the Department of Defense (DoD) has 23% excess in base capacity and infrastructure which would justify two additional rounds of base closures. The Joint Chiefs of Staff were unanimous in their view that two additional base closure rounds were urgently needed. The Secretary of Defense requested Congressional approval for BRAC rounds in 2001 and 2005 in the "Defense Base Closure and Realignment Act of 1998". Based on the Services' and DoD positions, a BRAC initiative should be anticipated shortly after the 2000 national election. All things being equal, the Secretary of Defense stated he would like to identify the list of military installations recommended for closure or realignment no later than May 15, 2001. However due to delay in Congressional approval for the next BRAC, this time line will most likely slip. Two additional BRAC rounds, roughly the size of BRAC 93 or BRAC 95 will generate an estimated annual savings of \$3 billion to the federal government once fully implemented.

Texas has 17 large military installations and 14 smaller facilities. If the Services take the infrastructure reduction proportionally across the board, Texas could anticipate 3-4 large installation closures over the next 5 years. This may have as much as a \$700 million impact on the Texas economy and to those defense dependent communities. However, what is important for Texas is to increase the total number of employees and dollars infused into our economy. By attracting additional missions to the remaining installations, an increase in employment, defense industry contracts and defense dollars is possible; making Texas a winner despite the loss of bases.

²²The Report of the Department of Defense on Base Realignment and Closure, April 1998

TABLE 8

Likely Candidates	Potential Candidates	Strategically Secure
<p>Red River Army Depot Brooks Air Force Base Goodfellow Air Force Base Lone Star Army Ammunition</p>	<p>Fort Bliss Fort Sam Houston NAS Corpus Christi Corpus Christi Army Depot NAS Kingsville Laughlin Air Force Base</p>	<p>Fort Hood Naval Station Ingleside Fort Worth, Joint Reserve Base Dyess Air Force Base Randolph Air Force Base Sheppard Air Force Base Lackland Air Force Base</p>

Based on BRACs 1993 and 1995

The legislature should take an active role in promoting creative redevelopment models for bases that may be subject to closing. For example, the state should promote the transformation of military facilities on key trade corridors to intermodal transportation centers. The Office of Defense Affairs (ODA) and the Texas Strategic Military Planning Commission (TSMPC) need to prioritize and continually update a list of potential BRAC facilities. With more than \$44 billion dollars flowing into Texas by active, reserve, National Guard, veterans and the defense industry, protecting the economic contributions will be a challenge. **Table 8** is an estimate of bases seriously considered for closure during BRAC 1993 and 1995 and of installations that may be considered in the next BRAC round. “*The Defense Community in Texas: A Master Plan For The Future*” outlines installation missions and capacities. Using this information a list of facilities at risk to the next BRAC rounds can be derived. The ODA and the TSMPC should identify strategies that reduce base closure possibilities and increase base expansion opportunities in Texas. Once the next BRAC is approved by Congress, ODA and the TSMPC should schedule the BRAC Commissioners to brief the legislative leadership and defense-related communities. The method to determine military value for installations and potential BRAC infrastructure funds to assist affected communities should be included in topics addressed.

3. The Committee recommends that the Office of Defense Affairs ask each of the state’s military bases to conduct and publish a five-year strategic infrastructure plan, specifying state investments that could serve to reduce the long-term cost to the state while increasing the potential for selective private sector investment and use. These strategic plans would allow for a comprehensive review of the state’s many military functions and to more efficiently distinguish between essential and non-essential functions.

The Office of Defense Affairs in gathering information on infrastructure requirements Texas military installations and defense related communities. This initiative is the first step in the process to identify requirements that the state may assist in fulfilling. The Committee recommends that the Office of Defense Affairs ask each of the state’s military bases to conduct and publish a five-year strategic infrastructure plan, specifying state investments that could serve to reduce the long-term cost to the state while increasing the potential for selective private sector investment and use. These strategic plans would allow for a

comprehensive review of the state's many military functions and to more efficiently distinguish between essential and non-essential functions.

Defense Infrastructure Grant Program

- 4. The legislature should direct creation of a Defense Infrastructure Revolving Loan Fund to assist active military installations and adjacent communities with infrastructure shortfalls.**

Florida has established a military infrastructure grant program which contributes \$7 million annually to defense communities to assist in increasing base support. During Fiscal Year 2001, this amount could increase to \$22.8 million²³ to help increase their military installations preparing for the next BRAC. Texas should consider establishing an infrastructure grant program. To minimize the impact on the budget and increase funds available, recommend a defense infrastructure revolving loan fund to provide similar assistance to Texas military communities with support shortfalls. Assisting bases with their infrastructure needs may help when military value is evaluated in the next BRAC round

Military Deployment Highway

- 5. The Committee recommends that the legislature consider appropriating funds to the Texas Department of Transportation or seek alternative funding to complete State Highway 195 as a four-lane, divided highway from Killeen to Interstate Highway 35 to facilitate surface road deployment of equipment and troops from Fort Hood to the strategic coastal ports. Prioritization of construction, as necessary, along the entire deployment route to the ports to meet the completion time line should be considered integral to the State Highway 195 expansion plan. The legislature should require the Texas Department of Transportation to complete a comprehensive study of the state's strategic deployment routes and place the improvement of such routes at a higher priority than other state road projects.**

The U.S. military operates under a policy document, the *Defense Planning Guidance 1999-2003*, that mandates a strategic deployment of forces from Fort Hood to any crisis theater must be completed within 30 days. To meet this operational requirement, deployment to the two primary strategic ports of Corpus Christi and Beaumont must be as expeditious as possible. Improvement to the rail system and upgrades to the airfield have already been funded, completion due by the Spring of 2003. To meet the stated deployment schedule, the southern convoy route to the Port of Corpus Christi must be expanded. Hwy 195 construction needs to be completed by the end of 2005 for the III Corps to meet its deployment schedule.

²³Tallahassee Daily News, April 27, 1999



Saudi Abha
Port of Corpus Christi
5 Feb 2005

Military vehicle being loaded on a ship



Train unloading at a strategic port



**49th
Armored
Division
helicopters
preparing for
deployment**

The improvement of HWY195 for deployment of the military units in a national defense emergency is not only for our national interest, but also favorably impacts the economy of Texas. The Texas Department of Transportation should also study the road infrastructure along the entire deployment routes to Beaumont and Corpus Christi. Infrastructure repair along these routes should be prioritized to meet the same time line as HWY 195 construction completion.

Deployment Time Chart

<u>DESERT STORM 1991</u>	<u>INTERIM 2000</u>	<u>SPRING 2003</u>
Houston primary port One ship load at a time	Corpus Christi designated a Strategic Seaport 1 of 13 ... 3 ship capability	Corpus Christi (3) & Beaumont (3) ports... 6 ship capability; ships at port
1998 rail cars to port Max car/day...157 Div = 14 days	185 prepo DODX/ASMP railcars authorized at Fort Hood	12 Spur Railroad (\$32.6M) Div = 6-7 days ~ 360/day
No Super - HETs.	Super-HETs.... 148 ea.	Airfield Upgrade (\$31M) MOG of 7; 2 pass. Term
4003 veh. Convoy to port Veh convoy/day...453	State approved Super-HET route to port (Beaumont) Corpus Christi route approved (July 2000)	Infrastructure (\$8M) DRFF; routes to rail; etc
204 air missions RGAAF MOG 5 Wide-body A/C Max missions/day...12 25,627 soldiers deployed	Validated Army Strategic Mobility Program projects Rail Airfield Infrastructure	<i>NEED SOUTHERN CONVOY ROUTE TO CORPUS CHRISTI... HWY. 195</i>

U. S. Army III Corps Briefing Information

Naval Air Station Corpus Christi Runway

Several runway expansions at NAS Corpus Christi and remote landing fields will be necessary to meet military training and operational requirements. Failure to respond to this need may mean loss of primary naval air training to Florida. Training Air Wing Four (TW4) at NAS Corpus Christi trains 50% of the Navy and Marine Corps primary pilot requirement, approximately 500 student aviators annually. In 2009, TW4 is scheduled to begin receiving the T-6 Texan II aircraft to replace the T34C aircraft as the Navy's primary trainer. Currently the Navy uses Waldron Field with a 4,600 foot runway, Aransas County with 4,000 foot. (displaced threshold) runways and NAS Corpus Christi with dual runways, one 8,000 foot. and one 4,990 foot. as training fields for primary flight students. The T6 requires a minimum of a 5,000 foot. runway to conduct many training evolutions.

The runway extension requirement at NAS Corpus Christi already has been identified and was an unfunded requirement in 1999. The dual 4,990 foot. runway needs extending due to the increased U.S. Customs need (reportedly 10 additional P-3 aircraft) and the increase in production at the Corpus Christi Army Depot (CCAD) requiring C-5 and C-141 logistical aircraft. With the arrival of the T-6, the need to extend the main runway at NAS Corpus Christi becomes even more essential.



Waldron Field, TW4's primary training field, does not have sufficient runway length for certain training missions by the T-6. Since there is insufficient land currently owned by the federal government to extend the runways, the Navy must look for alternatives to accommodate the arrival of the T-6. One option would be to purchase additional land from the private sector to facilitate runway extension. A second option would be to find an existing airport facility that could accept greatly increased traffic and that has at least a 5,000 foot runway stressed for the T-6, such as T.P. McCampbell. Another option would be to limit the type of primary training evolutions at Waldron Field.

Florida has lobbied to move all primary training to NAS Whiting Field in Florida. The Navy's first T-6 Texan II squadron is scheduled to be introduced at NAS Whiting Field in 2003. NAS Whiting Field, Florida has several outlying fields that will require runway extensions, a problem currently being addressed. By 2003, all required infrastructure for the T-6 Texan II will be in place at NAS Whiting Field, Florida. Another effort can be anticipated by Florida to absorb the primary squadrons from NAS Corpus Christi, Texas. Texas needs to support the Navy's initiatives and develop a plan prior to the next BRAC hearings. The legislature should direct the Texas Strategic Military Planning Commission and Office of Defense Affairs to coordinate with the Navy to identify infrastructure requirements necessary prior to the arrival of the T-6 Texan II aircraft.

Defense Economic Adjustment Assistance Grant Program

- 6. The Committee recommends that the legislature establish a new \$20 million Strategic Defense Investment Program during 2003 to mitigate future military installation closures and assist affected communities in attracting other industry.**

Since 1993 California has allocated \$6 million annually from general revenue to support communities and industries affected by base closures. In 1997 the Texas legislature granted a one-time grant of \$20 million to the Texas Defense Economic Adjustment Assistance Grant Program which assisted local communities with their military installations closure. Texas should prepare to support communities that may be affected by future BRAC rounds by appropriating a fund to attract new industries and develop needed infrastructure for commercial enterprises.

The Texas Defense Coalition is composed of representatives from defense-dependent communities and defense-related industries. Its mission is to gain and retain business opportunities for the defense, aerospace and commercial aviation industry in Texas. The defense coalition's objective is to advocate for, expand and focus government attention on what it can do to foster the state's defense, aerospace and commercial aviation industry. Their goals are to capitalize on new civilian uses at closed military facilities; create new military missions at threatened facilities; identify new marketing possibilities; promote commercial uses for defense and aerospace technologies; and develop and maintain commercial airline maintenance facilities. By organizing a defense, aerospace and commercial coalition, they hope to promote its legislative agenda. In the past BRAC rounds, each community and industry individually promoted their own agenda at considerable expense. The coalition would like the State to establish an office that would serve as a conduit between local, state and national level to provide timely and accurate information on military and defense-related matters affecting Texas. This could either be a state contracted public relations firm or a BRAC office under the Texas Office of State-Federal Relations. This office would focus the efforts of defense-dependent communities and Texas defense industries.

Texas Military Facilities Commission (TMFC)

Since 1935, the Texas Military Facilities Commission (formally the Texas National Guard Armory Board) has been responsible for purchasing, leasing, constructing and maintaining Texas owed military facilities throughout the state. Today, TMFC is responsible for managing 337 state facilities, including 101 state owned armories (7 additional armories in the state are federally owed). In coordination with the Texas National Guard, a five-year strategic plan is published biannually. The strategic plan for construction, renovation, maintenance and disposal of facilities is designed to assist the Texas National Guard in determining priorities and allocating resources.

The TMFC budget fluctuates annually depending on the number of projects scheduled. General Revenue is the primary source of funding, with local bond proceeds and disposal or lease of excess property supplementing projects as necessary. In addition, armory additions/renovations are funded 75% by the federal government and 25% by the state. Army Aviation Support Facility (AASF),

Organizational Maintenance Shop (OMS) and Joint Forces Reserve Centers (JFRCs) are 100% federally-funded.

The average age of armories throughout Texas is 35 years, with some facilities approaching the half century mark. The strategic plan calls for the modernize of a limited number of facilities over the next five years, but a significant shortfall in maintenance and repair resources exists. Numerous facilities and training ranges are currently not utilized to the full capacity. With initiatives similar to the Joint Forces Reserve Center at Austin-Bergstrom International Airport, consolidation of guard and air guard units should be possible to reduce the required number of facilities. The TMFC should continue to aggressively pursue disposal or lease of excess property. Additional efforts should be made to accelerate consolidation of armories that are in close proximity into one facility.

Environmental Concerns in Base Closures

The majority of U.S. military bases in Texas were active for several generations before the effects of their pollution on human health and the environment became a major concern. The conversion of active bases to civilian use through Congressionally mandated base closure and realignment has the potential to expose civilians directly to hazardous or toxic materials that contaminate military bases. At the same time, delays in decontaminating closed bases in the first BRAC rounds in 1988 (BRAC I) and 1991 (BRAC II), slowed the efforts of communities to make productive use of the base assets. An accelerated cleanup program, instituted in 1993, was intended to end unnecessary delays. Unfortunately, accelerating the program may have been accomplished at the cost of the environment and citizen input.

Texas has six bases undergoing environmental cleanup which were realignment or closed: Bergstrom AFB, Austin; Carswell AFB, Ft. Worth; Kelly AFB, San Antonio; Reese AFB, Lubbock; Navy Air Station - Dallas; Red River Army Depot, Texarkana. **Table 9** shows the number of contaminated sites, the Cleanup status of the sties and the acreage affected.

TABLE 9**MILITARY BASE CLOSURE AND REUSE STATUS**

FACILITY	TOTAL NUMBER OF SITES	CLEANUP STATUS OF SITES (%)	PROPERTY STATUS (% ACREAGE)
Bergstrom Air Force Base (BRAC'91)	481 459 Complete	Under Investigation : 5% Closed: 95%	Leased: 62% Transferred: 38%
Carswell AF Base (Joint Naval Reserve Station)(BRAC'91)	24	No Further Action: 29% Under Investigation: 58% Closed: 13%	Realigned: 73% Transferred: <1% Leased: 18% DoD Control: 9%
Kelly AF Base (BRAC'95)	653	No Further Action: 7% Under Investigation: 63% Remedy selected: 4% Closed:<1% Investigation Rending: 25%	Leased: 30% DoD Control: 70%
Naval Air Station Dallas (BRAC'93)	258	No Further Action: 43% Under Investigation: 57%	Transferred: 90% Realigned: 5% DoD Control: 5%
Naval Air Station Chase Field (BRAC'95)(112	Closed: 100%	Transferred: 100%
Red River Army Depot (BRAC'95)	12	Under Investigation: 100%	Leased: 18% Transferred: 82%
Reese AF Base (BRAC'95)	129	Closed: 98%	Leased: 42% DoD Control: 58%

State/Federal Remediation Activities at Active and Closed/Realigning Military Installations in Texas

An unintended consequence of the accelerated cleanup program may have been less adequate restoration, damage to adjacent landowners, and loss of community confidence in the military. Both the State and local governments face losses of revenue through reduced property values surrounding closed bases. Residents of the surrounding communities may face various economic and health threats.

In the case of Kelly AFB in San Antonio,²⁴ Air Force operations have contaminated a shallow aquifer that could yield as much water as Canyon Reservoir.²⁵ The owners of the 17,000 residential properties

²⁴See the *San Antonio Express News*, October 17 - 24, 2000 for extensive coverage of the controversy surrounding environmental cleanup at Kelly AFB.

²⁵George Rice, groundwater hydrologist, San Antonio, telephone interview, October 25, 2000.

over the contaminated groundwater face loss of property values as well as future liability under both state and federal law for the contamination that they did not cause.²⁶

The Air Force has claimed that it will clean up the groundwater to drinking water standards, but will do so using a process called “natural attenuation” which means leaving the contamination in place until the contaminants (consisting largely of solvents) naturally degrade. This process may take several decades, and will produce several known carcinogens as the primary solvents undergo natural chemical reactions, including vinyl chloride, rated as the fourth most toxic substance by the federal Agency for Toxic Substances and Disease Registry, and trichloroethene (TEC), the 15th most toxic. Finally, there are several routes for human exposure to the contaminants (an assertion denied by the Air Force) including infiltration into drinking water mains. Finally, the federal Agency for Toxic Substances and Disease Registry (ATSDR) released a public health assessment of the Kelly AFB area, and reported, “Cancers that were elevated in at least one zip code included leukemia, liver, kidney, lung, bladder, and cervical cancers. Birth outcomes that were elevated included low birth weight and certain birth defects.”²⁷ However, the results were not clear cut.

Residents of communities affected by base contamination complain that the Texas Natural Resources Conservation Commission is not sufficiently aggressive in protecting the interests of Texas residents in relation to the military. In the case of Kelly AFB, residents have complained that the Air Force is in a powerful position to manipulate public input to the planning process by hand picking a technical advisory board. In the case of the Pantex (Amarillo) cleanup, the citizens advisory group was disbanded when its criticism became too pointed.

An additional problem is lack of state oversight for federal efforts. At Brooks AFB, San Antonio, where TNRCC approved use of natural attenuation instead of active cleanup, TNRCC does not require the Air Force to provide split test samples, but instead relies exclusively on the Air Force’s test results.

²⁶Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, also known as Superfund), 42 USC §107.113, allows for a landowner to be released from cleanup responsibilities if he can prove it predated his ownership, but the release does not run with the land.

²⁷Agency for Toxic Substances and Disease Control, “Kelly Air Force Base San Antonio, Bexar County, Texas”: CERCLIS NO. TX2571724333, September 9, 1999

The Fast Track Cleanup Program

To assist rapid redevelopment and job creation and to speed the economic recovery of communities near military bases scheduled for closure or realignment, President Clinton announced a program, commonly referred to as the "Five Point Plan " on July 2, 1993. The plan directs the United States Environmental Protection Agency (EPA), the Department of Defense (DoD), and the states to cooperate to implement a so-called "Fast Track Cleanup Program."

The objective of the Fast Track Cleanup Program is to quickly identify clean parcels for early reuse,²⁸ select parcels where cleanup is underway that can be leased appropriately,²⁹ and hasten cleanup for all parcels while complying with existing federal environmental laws. The Department of Defense is required to complete the assessment and planning process required by the National Environmental Policy Act (NEPA) within 12 months from the date a community submits its final reuse plan.

The DoD also has several responsibilities under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). DoD is responsible for cleanup at all facilities that it has owned or operated where hazardous substances from its operations have been released into the environment and at off-base facilities that have been contaminated by hazardous substances from DoD operations. When transferring or leasing property, DoD is required to provide notice regarding storage, disposal, or known release of hazardous substances. Furthermore, when transferring property, the United States must covenant that all remedial action necessary to protect human health and the environment has been taken prior to transfer, a covenant by the United States to undertake any further remedial action found to be necessary after transfer, and a clause granting access to the transferred property in case remedial action or corrective action is found to be necessary after transfer.³⁰

²⁸Community Environmental Response Facilitation Act (CERFA) amending Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) 42 USC § 120

²⁹CERFA amendments clarifies CERCLA §120(h)(3)

³⁰CERCLA section 120(h)(3)

Superfund Issues

Texas should use the resources of the Federal Superfund instead of the State Superfund whenever a base qualifies for federal designation to permit affected citizens to qualify for federal Technical Assistance Grants. Bases that require facility-wide cleanup are addressed under the Resource Conservation and Recovery Act (RCRA).³¹ The Texas Natural Resources Conservation Commission (TNRCC) in cooperation with the EPA is responsible for oversight and enforcement of corrective action. Ensuring compliance with RCRA is the State's primary responsibility in base closure, and compliance is one of the issues of greatest concern to base communities.

Under RCRA, a military facility that fails to achieve cleanup standards adequate to protect human health and the environment may become either a state or federal Superfund site. The Longhorn and Lone Star Army Depots near Texarkana and the Air Force Plant #4 (General Dynamics), Tarrant County are federal Superfund sites, and the costs are paid by the federal government, including a \$50,000 Technical Assistance Grant to assist citizens to obtain technical advice for evaluating cleanup plans.³² Technical Assistance Grants are available only for communities affected by facilities that are designated as federal Superfund projects. Communities affected by State Superfund projects do receive assistance. The choice is up to the governor whether to designate a site state or federal. Kelly USA is a RCRA site and the U.S. Air Force has complete financial responsibility for clean-up.

The BRAC Cleanup Team

A key element of the cleanup program is the cooperative relationship between environmental experts from EPA, DoD, and the State who comprise the BRAC cleanup team. This team approach is intended to reduce the time to establish and execute cleanup plans. The program also seeks better integration of cleanup efforts with community-planned base reuse, and it may also help to contain some environmental cleanup costs. DOD reports that over the past 3 years, the program, with DOD and regulators working together, has reduced 150 years of cleanup project work and avoided over \$150 million in costs.³³

The success of the Fast Track Cleanup Program is largely dependent on the BRAC Cleanup Team consisting of state and federal regulators and the installation restoration program manager (RPM). The BRAC Cleanup Team approach is a different way of doing business - it breaks the traditional model for site cleanup. The RPM and the EPA support team, along with the State counterparts, bring a cadre of in-house technical and legal experts to support the BRAC Cleanup Teams.

³¹40 CFA Parts 264 and 265.

³²EPA list of federal Superfund sites in Texas, www.epa.gov/superfund/sites/npl.

³³Military Bases: Lessons Learned From Prior Base Closure Rounds (Chapter Report, 07/25/97, GAO/NSIAD-97-151).

B. attract new military missions;

Texas National Guard Training Facilities

Texas is blessed with an abundant land area and air space ideal for military training. The Adjutant General of the Texas National Guard is actively exploring initiatives to attract reserve and guard units from other states to use our robust military training facilities. The Texas Army National Guard is in the process of positioning mechanized equipment at Fort Bliss, El Paso, which will be leased to mechanized units training there. A study authorized by the 76th Legislature is in final development that will report on training opportunities to increase the utilization of Fort Bliss.

HM-14 to Corpus Christi

Following Desert Storm, Congress enacted legislation that directed the Secretary of the Navy to establish a Mine Warfare Center of Excellence in Ingleside, Texas. In 1993, Commander of Mine Warfare Command began moving assets into South Texas, and the buildup began for the associated maintenance and training facilities. BRAC 93 language directed the closure of NAS Alameda, California, homeport of HM-15, one of two aviation mine countermeasure squadrons. Various force structure and BRAC 95 decisions resulted in HM-15 being directed to move to NAS Corpus Christi in 1996. Although BRAC money funded the relocation of HM-15, no funds were allocated for the movement of the second aviation mining squadron at Norfolk, Virginia, HM-14. In 1998, the Navy decided that since BRAC decisions did not provide any funds to relocate HM-14, that Congressional language did not require movement of ALL mine warfare forces to South Texas. HM 14 is comprised of 10 aircraft (active/reserve mix) with approximately 52 officers and 580 enlisted personnel. A coordinated effort could be made by the Texas Congressional delegation and the State of Texas to facilitate movement of HM-14 to NAS Corpus Christi. This will centralize ALL mine warfare assets in the Coastal Bend. Once this is accomplished, related defense industries should follow the customer and migrate to Texas.

Spaceport

The private sector has shown great interest in Reusable Launch Vehicles (RLV). Texas is in direct competition with California and Florida for private and federal funding investment in this initiative. Although a commercial venture, there will certainly be military investment and utilization of this unique capability. Additionally, Space Port will directly impact the airspace currently used by the military. The estimated economic impact is over \$250 million the first year, peaking at \$890 million the third year during construction, and stabilizing at approximately \$550 million annually. Texas should be proactive in seeking this mission which will become a milestone in the aerospace industry.

A Texas space port could produce 4,000 direct jobs and another 3,000 jobs as a result of the economic impact. Such industry fosters education in engineering and the sciences and would also serve to boost

the state's tourist industry. An interface into Kelly USA would potentially make Texas the world's inter-modal transportation center.

With the existing expertise in the vicinity of NASA/JSC, Texas is well poised to greatly expand current aerospace industry in Texas and recruit new business from other areas of the country and abroad. It is likewise important for the aerospace organizations and communities in Texas to secure new government contracts and budget authority of existing programs. Such government programs include the DOD's Joint Strike Fighter, NASA's International Space Stations, and DODs Airborne Laser.

Joint Strike Fighter

The Joint Strike Fighter is a \$500 billion program that may even expand depending on foreign sales. If the program is awarded to Lockheed Martin and it is built in Fort Worth, the potential economic impact is enormous. Lockheed Martin and Boeing are both competing for the Joint Strike Fighter contract. There is a slight possibility the contract will be awarded as a joint venture between the two companies. The Department of Defense will award the contract in 2001. If chosen as the prime contractor, Lockheed Martin will decide in the summer of 2001 where the Joint Strike Fighter will be produced. The industrial complex at Marietta, Georgia is one possibility. Fort Worth is another possibility that the management of Lockheed-Martin has publicly addressed. However, California has just recently requested DoD to contract a study on producing the Joint Strike Fighter in the northern part of the state.

Texas State Guard

The Texas Defense Guard was established in the early years of World War II. In 1943 its name was changed to the Texas State Guard. Established to provide civilian defense and assist in times of civil emergency, the Texas State Guard has a long record of community service.

The governor has full control and authority over the Texas State Guard as with the Texas National Guard. Unlike the Texas National Guard, the State Guard is exempt from federalization. This distinguishing feature limits the roles and missions in which the State Guard has the authority to participate, thus separating it from the National Guard.

The Texas State Guard is a voluntary military organization that can be activated by the governor in times of State crises to assist civil and military units as necessary. Appropriation of state funds must be in an amount designated in a line item in the General Appropriations Act. The governor may adopt rules and regulations governing enlistment, organization, administration, uniforms, equipment, maintenance, command, training and discipline of the Texas State Guard.

Due to the uniqueness of the Texas State Guard from other state militia organizations and its rich history since the 1940's, a separate/distinct unit identification marking should be authorized. This could be manifested as separate uniform or identifying badge, reflecting the organizations history and recognizing its many hours of community service to the state.

- C. The Committee shall limit its recommendations to what Texas government and business, together with localities, are capable of offering without the need for federal action or approval;**

Insurance Assistance for Military Personnel

- 7. The Committee recommends modification to the Texas Insurance Code to discount automobile insurance for military members similar to Article 503-3 and Article 503-5 of the Texas Insurance Code (Appendix A).**

One of the recommendations of the *1998-1999 The Defense Community in Texas: A Master Plan for the Future* and also in the 2000-2001 updated master plan is that insurance companies should be encouraged to grant discounts on automobile insurance for junior enlisted service members. During the Committee on Veteran Affairs and Military Installations hearings in Killeen and Corpus Christi, the issue was again highlighted. The cost of automobile insurance in Texas ranks 3rd highest among compared states (**Table 10**). The financial impact on junior enlisted service members is prohibitive. Provisions for “academic achievement” and youth group membership” currently exist (**Appendix A**) in the Texas Insurance Code, Article 503-3 and 503-5. A similar provision for military members residing in Texas, dependent on driving history, would help decrease the financial burden.

TABLE 10

Auto Insurance Average Expenditures Comparisons by State

State	Avg. Expenditure	Liability	Collision	Comprehensive
California	\$776.22	\$503.86	\$249.64	\$122.09
Florida	\$759.19	\$488.98	\$214.41	\$110.78
Georgia	\$652.71	\$348.17	\$305.32	\$134.04
South Carolina	\$629.06	\$401.11	\$227.01	\$104.80
Texas	\$740.09	\$506.76	\$180.79	\$137.13
Virginia	\$565.93	\$359.03	\$186.99	\$82.56



Source: The I.I.I Insurance Fact Book

Academic Skills Program

- 8. The Committee recommends that members of the United States armed forces on active duty and not seeking a degree be exempted from the TASP.**

Texas Academic Skills Program

The inconvenience of taking the Texas Academic Skills Program (TASP) test for military personnel was brought up during the Committee hearings held at Fort Hood and aboard the USS Inchon. It was suggested that military personnel should be exempted from testing. The Texas Academic Skills Program (TASP) provides basic information about the reading, mathematics and writing skills of students entering Texas public colleges and universities. These skills are considered by the Texas Higher Education Coordination Board to be the minimum needed to be successful in college-level curriculum. Every student, unless exempt, must be tested before enrolling in any college-level courses.

The military's concern is that continuing education is one of the prerequisites for promotion. In addition, the educational goal of many active duty personnel is to gain credit toward a degree to be granted by a college or university in another state. Legislation filed was filed in during the 76th Legislature; to exempt any active duty military personnel not seeking a degree from the requirements of the Texas Academic Skills Program. The legislation was not enacted, but was the catalyst for rule changes in July 1999 by the Texas Higher Education Coordinating Board that increased the flexibility in meeting TASP requirements. -As a result of these rule changes, several alternatives now exist to ensure that the active duty military student will be able to pursue course work. - Nevertheless, the bill filed during the 76th session should be reintroduced.

Resident Tuition

Texas permits active duty personnel, spouses and children who are assigned duty in Texas to pay resident tuition under Section 54.058 of the Texas Education Code. Texas has the second lowest tuition (**Table 11**) for the four year and two year public universities and the lowest cost for private four year program in our comparison states.

TABLE 11

Educational Data

State	Average	Tuition	Fees 1997-98	Expenditures	1995-96	1998-99
	Public 4-year	Public 2-year	Private 4-year	Public Institutions	Private Institutions	State Appropriations
California	\$2,709	\$379	\$13,469	\$14,284,348,000	\$7,385,479,000	\$7,309,377,000
Florida	\$1,909	\$1,252	\$11,687	\$3,714,984,000	\$1,835,413,000	\$2,498,665,000
Georgia	\$2,356	\$1,153	\$11,374	\$2,835,505,000	\$1,916,837,000	\$1,483,818,000
South Carolina	\$3,414	\$1,162	\$10,755	\$1,903,952,000	\$357,255,000	\$761,931,000
Texas	\$2,273	\$820	\$9,970	\$8,300,915,000	\$2,076,444,000	\$3,257,867,000
Virginia	\$4,045	\$1,475	\$11,809	\$3,515,201,000	\$900,487,000	\$1,296,078,000

Information: Chronicle Higher Education Almanac August 27, 1999

D. including increasing the number of public/private economic development partnerships involving active military bases in Texas.

INNOVATIVE COMMUNITY PARTNERSHIPS

Private-Public Ventures (Base Housing)

Over the past few years the government has partnered with private industry to modernize military housing. This initiative has increased the amount of available housing for military members at a fraction of the cost that the military otherwise would have had to expend. This year a \$300 million contract has been signed to upgrade the housing at Fort Hood

Brooks City-Base Concept: Promoting a Public/Private Partnership

The Brooks City-Base Project provides an opportunity to partner with the city to develop the current partnership into a dynamic partnership focused on cost-reduction, mission enhancement, and community economic development. Brooks AFB has been a long-time neighbor since 1917 and its contributions to the community in terms of economic benefit and as a solid anchor for San Antonio’s South Side have increased over the years. In 1999, the economic impact generated from Brooks AFB was \$ 430 million. Brooks’ 4,000 employees are highly educated professionals, homeowners and community leaders. Its missions are closely tied with San Antonio’s academic institutions and research entities throughout the area.

Implementation of the capital asset management opportunities of conveyance and leaseback that were authorized to enable the Brooks City-Base Project to produce more win-win opportunities for both the City of San Antonio and the Air Force. Base property will be transferred to the city at fair market value in exchange for the leaseback of mission facilities, municipal services, and a share of revenues generated from future private-sector development of base land and facilities. Both the city and the U.S. Air Force bring important elements of a partnership to the table. The city brings the aspect of economies of scale to the provision of municipal services and real property maintenance that can significantly reduce Air Force costs at the outset of the project. These initial, early savings should accumulate to significant taxpayer savings over time. By working together with the City of San Antonio, Brooks' undeveloped acreage can provide the basis for future development that can benefit both the community and the U.S. Air Force through revenue sharing and in mission enhancement. Benefits to the community can range from property available for new elementary schools, expansion of local college infrastructure and academic institutions to having available property to attract new high-tech, business development to the area. Enhancement of the U.S. Air Force missions by attracting these new partners to share in costs and product development opportunities is key to the Brooks City-Base Project.

Seaborne ChalleNGe

In 2001 the Texas National Guard will assume complete administrative and management responsibilities while Texas A&M-Galveston will retain a supporting role. The state funding will then be managed throughout the Texas National Guard budget. This state and federally funded program was a joint Texas A & M— Galveston and Texas National Guard initiative. Once established, \$2 million supplied by federal government and \$1 million by the state comprises the annual operating budget. The program targets 16 to 18 year old juveniles who are at risk, but have not been adjudicated.

One federally funded program was available for each state. Additional Seaborne ChalleNGe programs must be fully funded by private organizations and the state. Several cities, including El Paso and Dallas, have expressed an interest in establishing a Seaborne ChalleNGe program. Corpus Christi is in the process of seeking donations to renovate a building on NAS Corpus Christi for a Seaborne ChalleNGe program with a targeted opening date of October 2001.

Texas A&M- Naval Hospital Corpus Christi

The 76th legislature established the Coastal Bend Health Education Center. Family Nurse Practitioner students attending Texas A&M University in Corpus Christi complete portions of their clinical requirements in the ambulatory care clinics at the Naval Hospital. A Memorandum of Understanding was developed to enable these students to gain valuable educational experiences in pediatrics, internal medicine and family medicine. Additionally, family nurse practitioner students rotate through the radiology department to gain hands on x-ray interpretation skills, working side by side with the military radiologist.

Facilities-Historical Commission

Base commanders cited the difficulty in identifying and removing candidate structures from the Historical Register as a problem for federal facilities. If a structure meets the requisite criteria, the military assumes they are on the Historical Register until told differently. Military base commanders are concerned about the time lines of determining if building can be removed from the Historical Register. Although the Texas Historical Commission works closely with the military installation commanders throughout the state, the decision process is too lengthy in the opinion of the base commanders. Once the Texas Historical Commission makes a recommendation to the national commission, the response is a minimum of two months. Cost of inspection which determines if buildings or groups of building should be on the Historical Register is approximately \$5,000 per building. The Texas Historical Commission should be staffed sufficiently in order to be proactive and produce a list of building on military bases that should be listed in the Historical Register, exempting the remaining building not considered to be of significant historical value.

VETERAN AFFAIRS



Veterans throughout the state, testified during the Senate Committee on Veteran Affairs and Military Installations public hearings held during the Interim Study.



Senator Carlos F. Truan, Chairman of the Senate Committee on Veteran Affairs and Military Installations surrounded by Veterans during reception for the committee.

The Senate Committee on Veteran Affairs and Military Installations shall:

CHARGE 2: Assess the effectiveness of state benefits currently available to veterans and make recommendations to improve their delivery. The Committee shall consider, but is not limited to: veterans workforce and job search assistance; state agency compliance with veterans preference laws; and the state's educational assistance for veterans, especially any need to modify Section 54.203 of the Education Code (the Hazlewood Act).

- A. Assess the effectiveness of state benefits currently available to veterans;**
 - 1. veterans workforce;**
 - 2. job search assistance;**
 - 3. the state agency compliance with veterans preference laws;**

- B. make recommendations to improve their delivery;**
 - 1. State Veteran Homes**
 - 2. State Veterans Cemetery System**
 - 3. State Veteran Transportation System**

- C. The Committee shall consider the state's educational assistance for veterans, especially any need to modify Section 54.203 of the Education Code (the Hazlewood Act).**

A. Assess the effectiveness of state benefits currently available to veterans;

- 1. The legislature should consider legislation to allow the citizens of Texas to vote on a Constitutional amendment on November 6, 2001, that would increase the bond authority for the Veterans Home Loan Program.**

Texas provides for veteran home loans similar to those available through the Veterans Administration. In fact the Texas Veteran Housing Assistance Program (**Appendix D**) has been so active that the Texas Veterans Land Board is seeking authority to increase available funding. The current bond cap is insufficient to fund the Texas VHAP beyond 2002. The dramatic increase in veteran loans has occurred because the total loan amount was increase by the 76th legislature to \$203,000 (capped at \$150,000 by the Texas Veterans Land Board) from \$45,000, VHAP can now be used more than once, and VHAP has lower interest rates than the private sector.

- 2. To improve visibility and delivery of veterans services, the legislature should consider directing the agencies that administer veterans programs to adopt a Memorandum of Understanding to coordinate delivery of veterans' benefits.**

Texas has unique programs that well support our veteran population, however a better job of communicating the available benefits needs to be done. Texas does not have a clearinghouse informing service members of the veterans programs available. Of the six states compared throughout the report, Texas is the only one that has not consolidated veterans' programs for efficient delivery (**Table 12**). To improve services to our veteran population, the Committee recommends the legislature direct the agencies administering veterans programs to develop a memorandum of understanding to improve delivery of veterans benefits.

Veterans Workforce

Encouraging veterans to remain in Texas upon their release from active duty is another challenge. Well trained military personnel bring valuable skills that enhance Texas' industrial growth. The specialized skill sets these individuals bring to the Texas industrial base, especially the aerospace industry, are essential for continued growth. The robust array of veteran programs offered by Texas helps encourage service members to remain in the state

Veterans Preference

Immediately following World War II, the Texas Legislature passed a preference law that required at least 40% of all state employees be veterans. The last amendment in 1995, modified the language giving veterans preference until up to 40% percent of state jobs were filled by veterans. Additionally, this legislation also added preference in retaining employment if the public entity that employs the individual reduces its workforce, Sec 657.007. Government Code, Chapter 657, clarifies veterans employment preferences.

In 1999, 27,775³⁴ of 336,679 people employed by the State received veterans preference. Additionally, 120,000 veterans received some type of employment assistance. Slightly greater than 8% of state employees are veterans. There are over 20 million Texans of which 1.5 million are Texas veterans (7.5% of the general population). The number of veterans working for the state government is proportionate to the general population.

³⁴1999 Veteran Workforce Summary Report, Texas Comptroller of Public Accounts

TABLE 12

Veterans' Information on Six Different States

State	Number of Veterans	Total Expenditures	Primary State Veterans Agency	Employment and Training	State Facilities, Home and Loan Programs
California	2,623,500	\$3,901,500,000	Department of Veterans Affairs	Employment Development Department	Department of Veterans Affairs
Florida	1,632,400	\$2,858,394,000	Department of Veterans Affairs	Florida Agency for Workforce Innovation	Department of Veterans Affairs
Georgia	654,400	\$1,234,202,000	Department of Veterans Service	Georgia Department of Labor	Department of Veterans Service
South Carolina	362,800	\$822,019,000	Office of Veterans Affairs	Employment Security Commission	Office of Veterans Affairs
Texas	1,533,900	\$3,351,583,000	Texas Veterans Commission	Texas Workforce Commission	Texas Veterans Land Board
Virginia	668,400	\$1,156,494,000	Department of Veterans Affairs	Virginia Employment Commission	Department of Veterans Affairs

1999 U.S. Department of Veteran Affairs

B. make recommendations to improve their delivery;

3. The legislature should continue to support locating veterans' homes in areas of the state that are not served by Veterans Administration hospitals and have a significant veterans population.

State Veteran's Home



Frank Tejada State Veteran Home, Floresville, Texas

In 1998, the veteran population in Texas over the age of 65 exceeded 500,000. Based on the Veterans Administration formula an estimated 24 veteran's homes would be required in Texas to fully accommodate all veterans. Due to the predicted veteran death rate, the number of homes required will be less than 24, but certainly more than the four currently contracted. Florida (**Appendix E**) has approximately the same number of veterans as Texas with one domiciliary and three veterans' homes completed and two in various stages of construction. Texas has currently contracted for four veteran's homes. The Texas Veterans Land Board has applied for seven additional veterans homes to the U.S. Veterans Administration. The Veterans Administration (VA) funds 65% of construction cost while the state funds the remaining requirement. Cost of land, operating expense and infrastructure must be financed by the State. Another possibility mentioned during our hearings was to establish a Veterans' Health Care Fund to be used for the construction of a veterans homes.

Two of the Texas veterans homes are completed, but not open. The two remaining are estimated to be finished by the end of 2001. These homes have 160 beds each, including specialized care units. The first home completed, Temple, already has the 160 beds allotted and the second home, Floresville, has 100 of 160 beds allotted. Opening of these homes is dependent on finding an administrator for services. The primary care provider defaulted on the contract due to unexpected increased liability insurance cost.

The Texas Land Board has recently announced the signing of a contract to operate one facility with an estimated opening day of December 2000.

- 4. The Committee recommends funding for maintenance and operations for state veteran cemeteries in perpetuity. Due to the lack of national cemeteries in the Rio Grande Valley, Central Texas, East Texas, and the Panhandle, these areas should be especially considered for veteran cemeteries.**

State Veteran Cemeteries

Today there are approximately 25 million veterans nationwide with 1.5 million residing in Texas. The veteran population is declining rapidly, especially among the World War II veterans. Nationally, 550,000 veterans died in fiscal 1999--29,243 in Texas. Veterans deaths are estimated to continue to increase through 2008, peaking at 620,000. In 1987 and 1994 Congress directed the Veteran Administration to study the need to expand the national cemetery network to areas with populations of up to one million veterans. The National cemetery network is comprised of 119 national cemeteries in the continental United States and Puerto Rico.

Recognizing the need to ensure a place of proper dignity and respect for the veterans who gave so much for our nation, the Texas Legislature commissioned a study for State Veterans Cemeteries in 1998. Using simple calculations, Texas requires a minimum of eight cemeteries to provide for the needs of our veteran population. With only six national cemeteries, and only four with space available, Texas needs additional veteran cemeteries. Due to the lack of national cemeteries in the Rio Grande Valley, Central Texas, East Texas, and North Texas, these should be areas considered for State Veteran Cemeteries. The Rio Grande Valley and northern Mexico have a significant veteran population, therefore should have priority in obtaining a Veteran Cemetery.

In November 1998, the Veterans Benefits Enhancement Act, became Public Law 105-368. Section 404 of the bill improved the VA's State Cemetery Grants Program. Under this legislative change, federal funding is available for development and equipment. The November 1998 Texas State Veterans Cemetery Feasibility Study identified perpetual care, a cost borne by the state, as the single most difficult challenge.

The 1998 report examined four different levels of cemeteries, ranging from 75 to 1000 burials per year. **Appendix F** itemizes costs and gives estimates of the perpetual care operating funds required. The annual cost is as high as \$2 million to \$11 million depending on the level of the cemetery, although there are ways to mitigate it. One alternative is state/county partnerships. Given the number of veterans per county, a cost-sharing formula could be used to split perpetual care. Other possibilities include partnerships between veteran organizations such as VFW and American Legion for perpetual care arrangements at state cemeteries. The veteran organizations suggested a one dollar surcharge per special military license plates as a funding source for perpetual care. Due to the limited number of these plates issued, the surcharge would provide only \$58,000 annually. Another possibility mentioned during our

hearings was to establish of a Veterans' Health Care Fund to be used for the construction and perpetual care of a Veterans State Cemeteries.

The Veterans Administration developed a case study for a state cemetery for eight counties of the Rio Grande Valley (**Appendix G**). The study was based on a 29-acre cemetery and with a death rate of 1,224 annually through the year 2020. Surprisingly the annual operations and maintenance cost, assuming six full-time employees, was less than \$200,000.

Funding perpetual care out of the general funds would require budget approval each legislative session. If the legislative decision is to pursue state cemeteries, a more secure funding arrangement would be desirable.

Veteran Transportation System

5. The legislature should consider supplemental funding for an enhanced Texas Veterans Transportation Network for existing networks to assist in the transportation of veterans to Veterans Administration hospitals and other veteran service facilities.

Currently volunteers and veteran organizations provide transportation to help veterans to keep appointments at Veteran Administration Hospital. An example is the Disabled American Veterans (DAV) Transportation Network used in the Rio Grande Valley. The DAV Transportation Network is operated by the Disabled American Veterans Department of Texas in cooperation with the local DAV Chapters of the Rio Grande Valley counties. The drivers are all volunteers and the DAV or veteran's organizations provide funds for lodging and meals. The van(s) is schedule for two trips weekly, on Sunday and Wednesday, from designated pickup points such as the VA Outpatient Clinic or at county courthouse to the VA Hospital in San Antonio, Texas. The van is provided by the U. S. Department of Veterans Affairs; the expense to operate the van(s) is through the DAV or local veteran organizations contributions. The program has been successful because of the veteran organizations and local veteran volunteers saw the need for this service and implemented the program nationwide. Each year the organization projects it will cost at least \$6,000 to maintain each transportation area system.

The DAV system has several problems:

1. Hardship on veterans especially the senior veterans with serious medical problems.
2. The distance of 360 miles one-way (from the valley) is an inconvenience for many veterans and their families.
3. Limited capacity of 14 veterans per trip.
4. The veterans must be ambulatory to go on the van.
5. Financial obligation to continue the service for the year scheduled trips.
6. The van(s) does not allow the comfort that larger vehicles provide.

Due to the great distance veterans from the Rio Grande Valley must travel for medical care, the DAV program needs to be enhanced. Transportation should be made available every day of the week with vehicles equipped to transport disabled persons.

C. the state’s educational assistance for veterans, especially any need to modify Section 54.203 of the Education Code (the Hazlewood Act)

6. The legislature should be aware of the potential constitutionality of the residency requirement of Section 54.203 of the Texas Education Code (the Hazlewood Act, Appendix B).

Hazlewood Act

Section 54.203 of the Texas Education Code, better known as the Hazlewood Act, exempts qualified veterans and eligible dependent children of certain deceased veterans attending institutions of higher education in Texas from all tuition and fee charges, except property deposit fees and student services fees. After exhausting all federal educational benefits, including the GI Bill (**Appendix H**), Federal Pell Grant and Supplemental Educational Opportunity Grant (SEOG), the qualified veterans and certain dependents are exempt from tuition for up to 150 credit hours (adequate to complete both a Bachelors and Masters degree). The Act applies to for those who were citizens of Texas at the time they entered service and reside in Texas for at least 12 months prior to registration. This caveat is similar to Virginia’s educational programs. California Department of Veteran Affairs has a program tied to income levels; but has eliminated the requirement of state residency anticipating the unfavorable outcome of two court cases.

Dependent children of veterans who died in the line of duty or as a result of injury or illness directly related to military service are also eligible for Hazlewood Act benefits. In 1999, 13 dependents took advantage of the Hazlewood Act. Today, 20 dependents are using this benefit. Virginia War Orphans Education Program is similar, but limits the age of the children between 16 and 25.

Comparison (**Table 13**) of educational cost for higher learning in Texas is within the control group of five used throughout the report.

TABLE 13**Educational Data**

State	Average	Tuition	Fees 1997-98	Expenditures	1995-96	1998-99
	Public 4-year	Public 2-year	Private 4-year	Public Institutions	Private Institutions	State Appropriations
California	\$2,709	\$379	\$13,469	\$14,284,348,000	\$7,385,479,000	\$7,309,377,000
Florida	\$1,909	\$1,252	\$11,687	\$3,714,984,000	\$1,835,413,000	\$2,498,665,000
Georgia	\$2,356	\$1,153	\$11,374	\$2,835,505,000	\$1,916,837,000	\$1,483,818,000
South Carolina	\$3,414	\$1,162	\$10,755	\$1,903,952,000	\$357,255,000	\$761,931,000
Texas	\$2,273	\$820	\$9,970	\$8,300,915,000	\$2,076,444,000	\$3,257,867,000
Virginia	\$4,045	\$1,475	\$11,809	\$3,515,201,000	\$900,487,000	\$1,296,078,000

Information: Chronicle Higher Education Almanac August 27, 1999

There are varying federal veteran educational benefits depending on dates of service outlined in **Appendix H**. These benefits must be used prior to receiving Hazlewood educational subsidies.

Other states, such as California and New York, have programs similar to the Hazlewood Act which have been found unconstitutional. In a 1998 opinion, the Texas Attorney General stated³⁵ that if challenged on point of origin the Hazlewood Act would be found unconstitutional. The options available to the legislature are to wait for a challenge to the residency requirement of the Hazlewood Act and then allow the courts rule or to modify it, deleting the point of origin requirement. If challenged and declared unconstitutional and the Hazlewood Act remains unchanged the additional revenue required per year will be at approximately \$10³⁶ million.

³⁵Office of the Attorney General State of Texas Opinion DN-468, March 12, 1998

³⁶Legislative Budget Board Letter, October 9, 2000

APPENDICES



L to R: Senator Fraser, Alice Breard, Committee Clerk; James Droddy, Military Policy Analyst; Senator Truan, Chairman; Ram Chavez, Committee Director, and Senator Shapleigh. Photo by Senate Media



Committee Staff with Senator Truan, L to R: Alice Bread, Committee Clerk; Ram Chavez, Committee Director; James Droddy, Military Policy Analyst, and Senator Truan, Committee Chairman. Photo by Senate Media

APPENDICES

APPENDIX A

Article 503-3 and Article 503-5

Art. 5.03–3. Premium Discount for Academic Achievement

Definitions

Sec. 1. In this article:

(1) "Honor student" means an individual who, according to the official scholastic records for the preceding academic semester, quarter, or other grade reporting period, has a:

(A) "B" average or better; or

(B) 3.0 average or better on a 4.0 scale.

(2) "Insurer" means an insurance company, inter-insurance exchange, mutual, capital stock company, fraternal benefit society, local mutual aid association, county mutual, reciprocal, association, Lloyd's plan, or other entity writing motor vehicle insurance in this state. The term includes a company affiliated with an insurer.

(3) "Motor vehicle" means any private passenger vehicle that:

(A) is registered in this state; and

(B) has a gross weight of 25,000 pounds or less.

(4) "Traffic safety regulation" means a law or ordinance of this state or a political subdivision of this state relating to the operation of motor vehicles other than a regulation relating to pedestrians or to the parking of motor vehicles.

Discount Authorized

Sec. 2. (a) An insurer who delivers or issues for delivery in this state a motor vehicle insurance policy, on receipt of written verification from the insured that the insured or a family member covered by the policy is eligible under Subsection (b), may grant a discount in the amount provided by Subsection (c) in the premiums charged for the liability, medical payments, personal injury protection, and collision coverage only for the motor vehicle designated to be driven by the honor student.

(b) To be eligible for a discount under this article, an applicant for a discount must file with the insurer annually the grade report issued by the school and other information that presents evidence satisfactory to establish that the person covered by the discount:

(1) is licensed to drive in this state;

(2) is under 25 years of age and qualifies as a youthful driver under the Texas Department of Insurance automobile classification plan; and

(3) is enrolled as a full-time student in:

(A) the junior or senior year of high school; or

(B) academic courses in an institution of higher education.

(c) The commissioner by rule shall set the amount of the discounts applicable under this article and may adopt other rules necessary for the implementation of this article.

Ineligibility; Revocation of Discount

Sec. 3. (a) A person may not continue to receive a discount under this article after the first date on which the person fails to satisfy the requirements of Section 2(b) unless the person reestablishes eligibility under this article.

(b) An insurer shall revoke a discount under this article if an applicant for the discount knowingly provides false information in or with the application.

Continuation of Discount

Sec. 4. Notwithstanding Section 2(b)(3), an insurer may continue to grant a discount under this article to a person who has graduated from an academic course of study at an institution of higher education if the person:

(1) attended an institution of higher education as a full-time student for at least two consecutive years and was an honor student for at least the last two years of the person's course of study; and

(2) is under 25 years of age.

Added by Acts 1995, 74th Leg., ch. 571, § 1, eff. Sept. 1, 1995.

Art. 5.03–5. Premium Discount for Certain Youth Group Members

Definitions

Sec. 1. In this article:

(1) "Applicant" means an individual who applies under this article for a discount in motor vehicle insurance premiums.

(2) "Driving record" means an individual's history of convictions of violations of traffic safety regulations.

(3) "Insurer" means an insurance company, interinsurance exchange, mutual, capital stock company, fraternal benefit society, local mutual aid association, county mutual, reciprocal, association, Lloyd's plan, or other entity writing motor vehicle insurance in this state. The term includes an affiliate, as defined by Section 2, Article 21.49–1, of this code.

(4) "Motor vehicle" means any private passenger vehicle that:

(A) is registered in this state; and

(B) has a gross weight of 25,000 pounds or less.

(5) "Traffic safety regulation" means a law or ordinance of a state or a political subdivision of a state relating to the operation of motor vehicles other than a regulation relating to pedestrians or to the parking of motor vehicles.

(6) "Youth group" means a nonprofit organization that:

(A) is chartered as a national or statewide organization;

(B) is organized and operated exclusively for youth recreational or educational purposes and that includes, as part of the group's program, components relating to:

(i) prevention of drug abuse;

(ii) character development;

(iii) citizenship training; and

(iv) physical and mental fitness;

(C) has been in existence for at least 10 years; and

(D) has a membership of which at least 65 percent is younger than 22 years of age.

Discount Authorized; Eligibility Conditions for Drivers

Sec. 2. (a) An insurer who delivers or issues for delivery in this state a motor vehicle insurance policy, on receipt of written verification from the insured that the insured or a family member covered by the policy is eligible under Subsection (b) of this section, may grant a discount in the amount provided by Subsection (f) of this section in the premiums charged for the liability, medical payments, personal injury protection, and collision coverage only for the motor vehicle designated to be driven by the eligible person.

(b) To be eligible for the discount authorized under Subsection (a) of this section, an applicant must:

(1) be licensed to drive in this state;

(2) be a member of a youth group, including an adult leader, board member, or officer of the group;

(3) be younger than 22 years of age or an adult leader, board member, or officer of the group;

(4) have held a driver's license for at least three years on the date the application is filed;

(5) have not, during the three years preceding the date of the application, been convicted of a violation of a traffic safety regulation that involves a moving vehicle; and

(6) have not, during the three years preceding the date of the application, been found at fault in a motor vehicle accident.

(c) An applicant is not eligible to receive a discount under this article if the applicant has been convicted of an offense relating to the operation of a motor vehicle under:

(1) Chapter 49, Penal Code;

(2) Article 67011-1, Revised Statutes, as that statute existed before repeal by Chapter 900, Acts of the 73rd Legislature, Regular Session, 1993, or Section 19.05, Penal Code, as that statute existed before amendment by Chapter 900, Acts of the 73rd Legislature, Regular Session, 1993; or

(3) another state's statute similar to a statute described by Subdivision (1) or (2) of this subsection.

(d) For purposes of Subsections (b) and (c) of this section, an applicant is considered to have been convicted in a case if:

(1) a sentence is imposed; or

(2) the applicant receives community supervision or analogous treatment under the law of another state.

(e) The commissioner by rule may establish additional requirements for receipt of a discount under this article.

(f) The commissioner by rule shall set the amount of the discount applicable under this article and may adopt other rules necessary for the implementation of this article, including rules identifying youth groups whose members are eligible for a discount under this article.

Ineligibility; Revocation of Discount

Sec. 3. (a) A person may not continue to receive a discount under this article after the first date on which the person fails to satisfy the requirements of Section 2 of this article unless the person reestablishes eligibility under this article.

(b) A person may not receive a discount under this article at the same time the person is receiving a discount under Article 5.03–3 of this code.

(c) An insurer shall revoke a discount under this article if an applicant for the discount knowingly provides false information in or with the application.

Added by Acts 1997, 75th Leg., ch. 757, § 1, eff. Sept. 1, 1997.

Appendix B

Hazlewood Act

54.203. Veterans, Dependents, etc.

(a) The governing board of each institution of higher education shall exempt the following persons from the payment of all dues, fees, and charges, including fees for correspondence courses but excluding property deposit fees, student services fees, and any fees or charges for lodging, board, or clothing, provided the persons seeking the exemptions were citizens of Texas at the time they entered the services indicated and have resided in Texas for at least the period of 12 months before the date of registration:

(1) all nurses and honorably discharged members of the armed forces of the United States who served during the Spanish-American War or during World War I;

(2) all nurses, members of the Women's Army Auxiliary Corps, members of the Women's Auxiliary Volunteer Emergency Service, and all honorably discharged members of the armed forces of the United States who served during World War II except those who were discharged from service because they were over the age of 38 or because of a personal request on the part of the person that he be discharged from service;

(3) all honorably discharged men and women of the armed forces of the United States who served during the national emergency which began on June 27, 1950, and which is referred to as the Korean War; and

(4) all persons who were honorably discharged from the armed forces of the United States after serving on active military duty, excluding training, for more than 180 days and who served a portion of their active duty during:

(A) the Cold War which began on the date of the termination of the national emergency cited in Subdivision (3) of this subsection;

(B) the Vietnam era which began on December 21, 1961, and ended on May 7, 1975;

(C) the Grenada and Lebanon era which began on August 24, 1982, and ended on July 31, 1984;

(D) the Panama era which began on December 20, 1989, and ended on January 21, 1990;

(E) the Persian Gulf War which began on August 2, 1990, and ends on the date thereafter prescribed by Presidential proclamation or September 1, 1997, whichever occurs first; or

(Hazlewood Act cont.)

(F) any future national emergency declared in accordance with federal law.

(b) The exemptions provided for in Subsection (a) of this section also apply and inure to the benefit of the children of members of the armed forces of the United States who are or were killed in action, who die or died while in service, who are missing in action, or whose death is documented to be directly caused by illness or injury connected with service in the armed forces of the United States, and to the benefit of orphans of members of the Texas National Guard and the Texas Air National Guard killed since January 1, 1946, while on active duty either in the service of their state or the United States. However, to qualify for this exemption a person must be a citizen of Texas and must have resided in the state for at least 12 months immediately preceding the date of the person's registration.

(c) The exemptions provided for in Subsection (a) of this section shall not exceed a cumulative total of 150 credit hours.

(d) The governing board of each institution of higher education granting exemptions shall require every applicant claiming the benefit of an exemption to submit satisfactory evidence that he fulfills the necessary citizenship and residency requirements.

(e) The exemption from fees provided for in Subsection (a) of this section does not apply to a person if at the time of his registration he is eligible for educational benefits under federal legislation in effect at the time of his registration if the value of those benefits is equal to or exceeds the value of the exemption, except that the person must first utilize the federal benefit for which he is eligible and the combined amount of the federal benefit plus the amount of this waiver shall not exceed the maximum value of the waiver. A person is covered by the exemptions if his right to benefits under federal legislation is extinguished at the time of his registration, except that a person is not eligible for an exemption from fees under this section if the person's right to benefits under federal legislation is extinguished because the person is in default of repayment of a loan made to the person under a federal program to provide or guarantee loans for educational purposes. A person is not eligible for the exemption if the person is in default on a loan made or guaranteed for educational purposes by the State of Texas.

(f) The governing board of each institution of higher education may enter into contracts with the United States government, or any of its agencies, to furnish instruction to ex-servicemen and ex-service women at a tuition rate which covers the estimated cost of the instruction or, in the alternative, at a tuition rate of \$100 a semester, as may be determined by the governing board. If the rates specified are prohibited by federal law for any particular class of ex-servicemen or ex-service women, the tuition rate shall be set by the governing board, but shall not be less than the established rate for civilian students. If federal law provides as to any class of veterans that the tuition payments are to be deducted from subsequent benefits to which the veteran may be entitled, the institution shall refund to any veteran who is a resident of Texas within the

(Hazlewood Act cont.)

meaning of this section the amount by which any adjusted compensation payment is actually reduced because of tuition payments made to the institution by the federal government for the veteran.

(g) The governing board of a junior college district may provide that the exemptions provided by Subsections (a) and (b) do not apply to a course fee or training fee charged a student by the junior college district to cover the flight time costs associated with a course in aircraft flight training, to the extent those costs are incurred by a student:

(1) who does not have a private pilot rating; or

(2) who has a private pilot rating but is not actively seeking to fulfill the requirements of the Federal Aviation Administration for an additional certification or rating.

Acts 1971, 62nd Leg., p. 3072, ch. 1024, art. 1, § 1, eff. Sept. 1, 1971. Amended by Acts 1993, 73rd Leg., ch. 435, §§ 1, 2, eff. June 6, 1993; Acts 1995, 74th Leg., ch. 159, § 1, eff. May 23, 1995; Acts 1995, 74th Leg., ch. 301, § 1, eff. June 5, 1995; Acts 1995, 74th Leg., ch. 840, § 1, eff. Aug. 28, 1995.

Amended by Acts 1997, 75th Leg., ch. 1102, § 1, eff. Sept. 1, 1997.

APPENDIX C

Procurement by Counties(DoD September 30, 2000)

Economic Impact---Defense and defense related industries (Dollars in Thousands)

County	TOTAL	Army	Navy	Air Force	Defense Logistics Agency	Civil Functions
Angelina	\$172	\$122	0	\$51	0	0
Aransas	\$629	\$39	0	0	0	\$590
Atascosa	\$494	0	0	0	\$494	0
Austin	\$176,055	\$175,751	0	0	\$304	0
Bastrop	\$180	\$92	0	0	\$88	0
Bee	\$372	0	\$372	0	0	0
Bell	\$219,017	\$188,219	0	\$9,199	\$18,560	\$816
Bexar	\$733,845	\$185,998	\$13,694	\$402,882	\$112,346	\$4,942
Bosque	\$219	\$187	0	0	0	\$32
Bowie	\$30,761	\$23,431	\$109	\$4,547	\$1,783	\$891
Brazoria	\$26,579	0	\$105	\$12,044	\$269	\$14,161
Brazos	\$4,936	\$2,783	\$552	\$1,350	\$251	0
Brewster	\$164	0	0	0	\$164	0
Brown	\$4,751	0	0	\$406	\$4,345	0
Burleson	\$620	\$299	0	0	0	\$321
Burnet	\$42	0	0	0	\$42	0
Caldwell	\$187	\$32	0	\$155	0	0
Calhoun	\$240	0	0	0	0	\$240
Cameron	\$27,898	\$5,887	\$70	0	\$978	\$20,963
Camp	\$232	0	0	\$232	0	0
Carson	\$440	\$440	0	0	0	0
Chambers	\$8,094	0	0	0	0	\$8,094
Coleman	\$252	\$182	0	0	0	\$70
Collin	\$454,878	\$138,494	\$150,447	\$105,017	\$3,811	\$81
Colorado	\$27	0	0	\$27	0	0
Comal	\$14,239	\$136	\$750	\$67	\$12,475	\$811
Comanche	\$597	\$597	0	0	0	0
Cooke	\$160	\$89	0	\$71	0	0
Coryell	\$4,371	\$4,132	0	\$202	0	0
Culberson	\$224	\$184	0	\$40	0	0
Dallas	\$1,197,566	\$911,436	\$52,909	\$176,901	\$41,806	\$299
Delta	\$174	0	0	0	0	\$174
Denton	\$387,497	\$191,784	\$177,391	\$3,959	\$230	\$2,523
Dimmit	\$156	\$156	0	0	0	0

County	TOTAL	Army	Navy	Air Force	Defense Logistics Agency	Civil Functions
Duval	\$283	0	0	0	\$283	0
Edwards	\$70	\$70	0	0	0	0
El Paso	\$263,038	\$150,489	\$7,325	\$376	\$94,761	\$9,303
Ellis	\$37	0	0	0	0	37
Erath	\$57	\$57	0	0	0	0
Falls	\$158	\$158	0	0	0	0
Fannin	\$38	\$38	0	0	0	0
Fayette	\$383	\$110	\$272	0	0	0
Fisher	\$52	0	\$52	0	0	0
Floyd	\$39	\$39	0	0	0	0
Fort Bend	\$7,464	\$1,067	\$2,593	\$2,847	\$541	\$417
Freestone	\$105	0	0	\$105	0	0
Galveston	\$88,188	\$38	\$46	\$100	\$81,579	\$6,500
Gillespie	\$966	0	0	\$300	\$666	0
Gray	\$1,396	\$1,396	0	0	0	0
Grayson	\$378	\$26	0	\$57	\$128	\$167
Gregg	\$959	\$323	0	\$237	\$400	0
Grimes	\$49	0	0	\$49	0	0
Guadalupe	\$625	\$123	\$42	\$429	0	0
Hale	\$361	\$361	0	0	0	0
Harris	\$965,219	\$107,890	\$304,496	\$37,699	\$484,003	\$24,361
Harrison	\$6,514	\$6,446	0	0	0	\$69
Hays	\$545	\$292	0	\$203	\$50	0
Henderson	\$80	\$80	0	0	0	0
Hidalgo	\$57,759	\$358	0	0	\$57,401	0
Hill	\$378	\$378	0	0	0	0
Houston	\$1,884	0	\$147	0	\$248	0
Howard	\$22,501	\$102	0	0	\$21,009	\$1,594
Hunt	\$139,984	\$2,378	\$38,523	\$99,083	0	0
Jasper	\$3,119	\$2,696	0	0	0	\$423
Jefferson	\$9,372	\$677	\$171	\$27	\$1,054	\$7,443
Jim Wells	\$40	\$59	0	\$99	0	0
Johnson	\$160	0	0	\$125	\$35	0
Jones	\$81,549	\$18,412	0	\$25,421	\$37,321	0
Kaufman	\$40	\$40	0	0	0	0
Kendall	\$1,942	\$1,154	0	\$150	\$639	0
Kerr	\$3,842	\$2,562	0	\$550	\$730	0
Kleberg	\$328,256	\$16,075	\$92,521	\$7,348	\$205,514	\$4,256
Knox	\$44	0	0	0	0	\$44
La Salle	\$138	\$138	0	0	0	0

Lamar	\$97	0	0	0	0	\$97
County	TOTAL	Army	Navy	Air Force	Defense Logistics Agency	Civil Functions
Lampasas	\$133	\$133	0	0	0	0
Lavaca	\$36	\$36	0	0	0	0
Leon	\$48	\$48	0	0	0	0
Liberty	\$143	0	0	0	0	143
Limestone	\$120	\$120	0	0	0	0
Live Oak	\$19,338	\$590	0	0	\$18,748	0
Lubbock	\$37,463	\$12,008	0	\$1,901	\$20,204	0
Marion	\$507	\$71	0	0	0	\$436
Martin	\$60	\$60	0	0	0	0
Matagorda	\$8,178	\$580	0	\$195	0	\$7,403
Maverick	\$321	\$321	0	0	0	0
McLennan	\$157,267	\$866	\$61,619	\$83,432	\$10,326	\$840
Medina	\$1,037	\$85	0	\$952	0	0
Midland	5,589	199	66	49	5,275	0
Milam	\$633	\$554	\$79	0	0	0
Mills	\$48	\$48	0	0	0	0
Montgomery	\$7,354	\$4,023	\$1,854	0	\$1,478	0
Nacogdoches	\$543	0	\$165	0	\$378	0
Navarro	\$225	\$191	0	0	\$34	0
Nueces	\$66	\$58	\$8	0	0	0
Orange	\$10,347	\$5,469	0	\$88	\$1,130	\$3,660
Palo Pinto	\$635	0	\$164	\$76	\$313	\$82
Parker	\$304	\$55	\$115	\$162	\$28	0
Potter	\$5,139	\$950	\$35	\$443	\$3,442	\$67
Presidio	\$2,475	\$517	0	0	0	\$1,959
Reeves	\$452	0	0	0	\$452	0
Refugio	\$90	0	0	0	0	\$90
Robertson	\$33	0	0	\$33	0	0
Rockwall	\$168	\$39	0	0	\$129	0
Runnels	\$27	\$27	0	0	0	0
San Patricio	\$42,889	0	\$40,193	0	\$2,697	0
San Saba	\$159	\$159	0	0	0	0
Schleicher	\$199	0	0	\$199	0	0
Shackelford	\$154	0	0	0	\$154	0
Shelby	\$284	\$284	0	0	0	0
Smith	\$28,389	\$121	0	\$30	\$28,134	\$70
Starr	\$565	\$195	0	0	0	\$371
Stephens	\$717	0	0	\$717	0	0
Tarrant	\$1,931,500	\$130,507	\$860,778	\$900,270	\$37,437	\$2,234
Taylor	\$297	\$297	0	0	0	0

Titus	\$93	0	0	0	\$93	0
Tom Green	\$14,973	\$321	0	\$12,546	\$1,526	\$291
Travis	\$147,359	\$28,704	\$53,198	\$57,007	\$4,329	\$348
County	TOTAL	Army	Navy	Air Force	Defense Logistics Agency	Civil Functions
Trinity	\$34	0	0	\$34	0	0
Tyler	\$104	0	0	0	0	\$104
Upshur	\$134	0	0	\$134	0	0
Uvalde	\$139	\$139	0	0	0	0
Val Verde	\$45,405	\$14,821	0	\$28,786	\$786	\$795
Victoria	\$10,352	\$48	\$42	\$205	0	\$10,467
Walker	\$758	\$28	0	0	\$202	\$528
Waller	\$2,457	\$164	0	\$758	\$1,535	0
Washington	\$1,205	\$669	\$327	\$28	\$53	\$128
Webb	\$8,033	\$6,878	0	0	\$915	\$240
Wichita	\$76,953	\$1,829	0	\$71,339	\$28	\$3,333
Wilbarger	\$1,558	\$1,558	0	0	0	0
Willacy	\$887	0	0	0	0	\$887
Williamson	\$121,824	\$24,477	\$28,960	\$43,498	\$16,258	\$1,238
Wise	\$1,452	0	0	\$712	\$740	0
Wood	\$89	\$89	0	0	0	0

Appendix D

TEXAS VETERANS LAND BOARD		
Housing Loans Funded by Fiscal Year		
	# Loans	\$ Value
FY96	755	\$32,640,848
FY97	1,830	\$80,721,733
FY98	1,335	\$59,066,600
FY99	663	\$29,606,096
FY00	4,759	\$520,335,888

(Thru 7/31/00)

Appendix E

State	Number of Veterans	Agency for Veterans	State Homes	State Cemetery
California	2,623,500	Department of Veterans' Affairs	3	1
Florida	1,632,400	Department of Veterans' Affairs	3 Vet Homes and 1 Domiciliary completed 2 additional homes to be built	none
Georgia	654,400	Department of Veterans' Services	2	none
South Carolina	362,8000	Office of Veterans' Affairs	2	none
Texas	1,553,900	Texas Veterans' Commission	2 Completed 2 Under Construction 7 Applications pending	none
Virginia	668,400	Department of Veterans' Affairs	1	1
NATIONAL TOTAL	24,289,500			

Appendix F

**Table 1.1a - Texas State Veterans Cemetery Funding
Income Applied to Build Perpetual Operating Fund**

Classification	Burials	Quantity	Construction	Equipment	Operations (Annual)	Required Perpetual Operation Fund (Per Level) for Returns Indicated(1)		
			Unit Cost	Unit Cost	Unit Cost	4%	5%	6%
Central Admin	-	1	\$0	\$35,000	\$183,145	\$4,578,625	\$3,662,900	\$3,052,417
Level I	1000	1	\$5,605,974	\$539,732	\$554,996	\$13,874,900	\$11,099,920	\$9,249,933
Level II	750	11	\$4,258,026	\$376,700	\$409,944	\$10,248,600	\$8,198,880	\$6,832,400
Level III	325	3	\$2,402,686	\$341,700	\$243,006	\$6,075,150	\$4,86,120	\$4,050,100
Level IV	75	3	\$1,388,911	\$305,900	\$142,008	\$3,550,200	\$2,840,160	\$2,366,800

**Table 1.1b - Texas State Veterans Cemetery Funding
Income Offset Operations Costs until Capacity of Costs of Operations
Based on VA Guidelines of Costs of Operations**

Classification	Burials	Quantity	Constructio n	Equipmen t	Multiplier	Operations Less Revenue (Annual) (3)	Operations Less Revenue (Annual) Factor applied (5)	Required Perpetual Operation Fund (Per Level) for Returns Indicated (1)		
			Unit Cost	Unit Cost		Unit Cost	Unit Cost	Unit Cost	4%	5%
Central Admin	-	1	\$0	\$35,000	1.0	\$183,145	\$183,145	\$4,578,625	\$3,662,900	\$3,052,417
Level I	1000	1	\$5,605,974	\$539,732	1.0	\$450,000	\$450,000	\$11,250,000	\$9,000,000	\$7,500,000
Level II	750	11	\$4,258,026	\$376,700	1.3	\$337,500	\$438,750	\$10,968,750	\$8,775,000	\$7,312,500
Level III	325	3	\$2,402,686	\$341,700	1.6	\$146,300	\$234,080	\$5,852,000	\$4,681,600	\$3,901,333
Level IV	75	3	\$1,388,911	\$305,900	2.0	\$33,750	\$67,500	\$1,687,500	\$1,350,000	\$1,125,000

Notes:

1. Income assumed to return to build Perpetual Fund Corpus.
2. General Revenue funding required for operations cost if income is applied as received to create a perpetual fund.
3. Income applied to offset operating expense until full capacity is reached.
4. State general revenue required to fund income short falls and operational costs beyond full capacity with no income generation.
5. Multiplier factor required due to inefficiencies inherent in smaller facility

Table 1.1c - Texas State Veterans Cemetery Funding Perpetual Fund Growth			
Classification	Annual Contribution from Income	Required Fund at Full Capacity	Years to Reach Perpetual Fund Required
Central Admin		\$3,662,900	
Level I	\$199,950	\$11, 099,920	27
Level II	\$150,000	\$8,198,880	26
Level III	\$64,950	\$4,860,120	31
Level IV	\$15,000	\$2,840,160	47

Texas Veterans Commission
 State Veterans Cemetery
 Feasibility Study
 November 4, 1998
 KOMATSU Architecture

Appendix G

Rio Grande Valley VETERANS CEMETERY		
Demographic Factors	Data	Notes
Veterans within 75-mile radius	39,670	Standard service area
Avg. annual death rate	1,224	2000-2020 VA figures
Usage factor	0.25	25% will choose veterans cemetery
Dependents factor	1.50	1 dependent per 2 veterans
Annual burial rate	459	[Death rate x usage] x dependents factor
Graves per acre (gross)	600	Rule of thumb
Min. gravesites needed (20 yr.)	6,885	[Annual burials x 0.75] x 20
		One of four is a "second interment"
Min. burial acreage needed	11.48	Min. gravesites/600
Gross acreage recommended	28.69	Burial acreage x 2.5
Personnel Factors	Data	
Admin. Workers (230 inter. Per FTE)	2	Based on NCA estimates
Field workers		Cumulative
Interments (250 per FTE)	1.84	Includes PT, temp., etc.
Gravesites (7,844.4 per FTE)	0.88	Rises over time
Acres Maint. (10.7 per FTE)	1.07	Burial acres used/developed acres may vary
Field Workers Subtotal	3.79	
Employees	5.78	Admin. & field workers
Cem. Director		NCA Costs
(GS 9--\$31.9 x 1.3 for fringes)	\$41,466.10	1.0 Full Time Equivalent Employee (FTEE)
Admin.		
(GS-5--\$21 x 1.3)	\$27,271.07	1.00 FTEE
Equip. Operator		
(WG-8--\$26.5 x 1.3)	\$34,421.40	1.0 FTEE

Grounds Keeper		
(WG-3--\$19.2 x 1.3)	\$69,610.52	2.79 FTEE
Total Salary	\$172,769.10	
Operations Factors	Data	
Utilities & communications	\$3,890.03	Phone, water, electricity, gas (\$339 x acres)
Supplies & materials	\$7,986.60	Fuel, fertilizer, etc. (\$696 x acres)
Contractual services	\$4,280.18	Janitorial, security, irrigation (\$373 x acres)
Subtotal	\$16,156.80	
Total Annual Operations	\$188,925.90	

**Maintenance and repair cost are extra; Bill Jayne, Director; State Cemetery Grants Service (401C); National Cemetery Administration, U.S. Department of Veterans Affairs
Washington, D. C. 20420**

**Rio Grande Valley
VETERAN POPULATION**

County	FY 2000	FY 2005	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
BROOKS	510	440	350	305	265	235	215
CAMERON	15965	14605	13140	11875	10635	9860	8900
HIDALGO	20365	19805	18920	18230	16515	14915	13640
JIM HOGG	390	350	290	250	215	190	170
KENEDY	15	15	10	10	10	10	10
STARR	840	730	630	555	505	440	375
WILLACY	740	665	580	510	465	430	380
ZAPATA	845	835	775	730	645	590	565
Totals	39670	37445	34695	32465	29255	26670	24255

Bill Jayne, Director
 State Cemetery Grants Service (401C)
 National Cemetery Administration
 U.S. Department of Veterans Affairs
 Washington, D. C. 20420

Rio Grande Valley Veteran Deaths

County	FY 2000	FY 2005	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030	FY 2035	FY2040
BROOKS	15	10	10	5	5	5	5	5	5
CAMERON	460	495	495	465	430	405	380	340	295
HIDALGO	585	675	725	720	670	635	600	535	465
JIM HOGG	10	10	5	5	5	5	5	5	5
KENEDY	0	0	0	0	0	0	0	0	0
STARR	15	10	10	10	5	5	5	5	5
WILLACY	20	25	20	20	20	20	15	15	15
ZAPATA	30	35	35	35	30	30	25	25	20
Totals	1135	1260	1300	1260	1165	1105	1035	930	810
Avg. 2000-2020	1224								
Avg. 2000-2030	1180								
Avg. 2000-2040	1111								

Bill Jayne, Director State Cemetery Grants Service (401C) National Cemetery Administration U.S. Department of Veterans Affairs
Washington, D. C. 20420

Appendix H

The GI Bill

Post Vietnam Era Veterans' Educational Assistance Program (VEAP)

VEAP was the first GI Bill program that required a contribution by the service member. Requirements and features of VEAP are:

- , veteran first entered on active duty after December 31, 1976, and before July 1, 1985;
- , contributed to VEAP while on active duty and before April 1, 1987;
- , maximum contribution of \$2700 by the service member;
- , government matches contribution \$2 for \$1;
- , maximum entitlement is 36 months;
- , benefit must be used within 10 years of discharge from the service;
- , unused contributions may be refunded;
- , additional "kickers" or contributions from the Department of Defense (DoD) under certain circumstances, and
- , current full-time VEAP rate is \$300 per month

Montgomery GI Bill - Active Duty (MGIB)

In 1996, Public Law 104-275 provided that certain VEAP participants who were on active duty on October 9, 1996, could elect Montgomery GI Bill (MGIB) benefits. The deadline for this election was October 8, 1997. Some 41,041 veterans and service members took advantage of this opportunity to elect MGIB. MGIB is a contributory program. The service member's pay is automatically reduced by \$100 per month for 12 months unless the service member declines to participate at the time of enlistment. Requirements and features of MGIB are:

- ! served on active duty after June 30, 1985;
- ! must fulfill one's basic service obligation;
- ! must have completed high school;
- ! must receive an honorable discharge;
- ! maximum entitlement is 36 months;
- ! additional "kicker" may be available as determined by DoD, and
- ! generally, must use benefits within 10 years following discharge

(GI Bill cont)

Montgomery GI Bill - Selected Reserve (MGIB-SR)

MGIB-SR is the first GI Bill to provide educational assistance to members of the Selected Reserve (including National Guard members). DoD funds this program and is responsible for determining eligibility to MGIB-SR., VA Administers the program. Requirements and features of MGIB-SR are:

- ! must agree to a six-year Selected Reserve obligation after July 1, 1985;
- ! must have completed high school education;
- ! remain a member in good standing of the Selected Reserve;
- ! maximum entitlement is 36 months, and
- ! generally, must use benefits within 10 years of date eligibility began

Dependents Educational Assistance Program (DEA)

DEA is the only VA educational assistance program designed for students who have never served in the Armed Forces. Features and requirements of DEA are:

- ! eligibility is based on the veteran's service-connected death, total service-connected disability, or MIA/POW/hostage status;
- ! maximum entitlement is 45 months;
- ! children generally have eight years in which to use benefit;
- ! with some exceptions, children must be between ages 18 and 26;
- ! spouses have 10 years in which to use benefits, and
- ! a spouse's remarriage bars further benefits - a child's marriage does not

Appendix I

Definitions

ACCUPLAYER	Actual Name of Test for College Admission
ACT	American College Test
ASMP	Army Strategic Mobility Program
ASSET	Actual Name of Test for College Admission
BRAC	Base Realignment Closure Commission
CCAD	Corpus Christi Army Depot
CNATRA	Chief of Naval Air Training
COMPASS	Computerized Placement Assessment and Support System
DAV	Disable American Veterans
DLA	Defense Logistics Agency
DOD	Department of Defense
DODX	Department of Defense Railcar
DRRF	Deployment Ready Reaction Field
FY	Fiscal Year
HET	Heavy Equipment Transport
HM 14	Helicopter Mine Squadron 14
JRB	Joint Reserve Base
LSAAP	Long Star Army Ammunition Plant
MAPS	Multiple Assessment Programs & Services
MMR	Military Munitions Rule
MOG	Maximum On Ground
ODA	Office of Defense Affairs
OSFR	Office State Federal Relations
Pell	Federal Pell Grant
RCRA	Resource Conservation and Recovery Act
RGAAF	Robert Gray Army Air Field

RLV	Reusable Launch Vehicle
RRAD	Red River Army Depot
SAT	Scholastic Assessment Test
TAAS	Texas Assessment of Academic Skills
TMFC	Texas Military Facilities Commission
TSAP	Texas Skills Academic Program
TSMPC	Texas Strategic Military Planning Commission
VFW	Veterans of Foreign Wars
VHAP	Veterans Housing Assistance Program

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L to R: Ram Chavez, Committee Director; Senator Truan, Chairman; Alice Breard, Committee Clerk, and Alex Morales, Veteran Affairs Policy Analyst.



Ram Chavez, Committee Director and Vick Hines, Policy and Research Analyst.



George Antuna from the Lt. Governor's office, listens to military briefing, NAS Corpus Christi.

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Admiral Jose L. Betancourt, Commanding Officer MineWarFare Command Captain Nancy Honey, Base Commander Naval Station Ingleside	Lt. Gen. Leon J. LaPorte, Commanding Officer US Army III Corps, Fort Hood, Texas Col Dave Hall, Garrison Commander, Fort Hood, Texas
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