

- SUBJECT:** Expanding the role of the Office of Defense Affairs
- COMMITTEE:** State, Federal and International Relations — committee substitute recommended
- VOTE:** 7 ayes — Hunter, Berman, Elkins, Isett, C. Jones, Madden, Juan Solis
0 nays
2 absent — P. Moreno, Chavez
- WITNESSES:** For — Garry Bradford, South Texas Military Facilities Task Force and Greater Corpus Christi Business Alliance; Tristan Casteneda, Jr., Greater San Antonio Chamber of Commerce; Susan Rocha, City of San Antonio and City of Lubbock
Against — None
On — Steve Ray, Texas Department of Economic Development
- BACKGROUND:** In 1997, the 75th Legislature established the Office of Defense Affairs (ODA) and the Texas Strategic Military Planning Commission within the Texas Department of Economic Development (TDED). These two offices were required to work together to develop long-term strategies to prepare for base realignments and closures, to develop information on federal actions that would affect defense-dependent communities, and to develop recommendations to enhance the survivability and economic health of the defense community in Texas.
- ODA is charged with developing a master plan and updating it annually with advice from the planning commission. The plan addresses actions that the governor, the Legislature, and defense-dependent communities can take so that Texas will speak with a single voice on defense matters. Other items include actions to enhance the attractiveness of bases by maintaining their military value, reducing their operating costs, and enhancing the quality of life of military personnel and their families. The plan also identifies ways that the state can encourage defense-related businesses to locate to Texas.

ODA administers two readjustment programs that help defense-dependent communities affected by military base closures and realignments.

DIGEST: CSHB 1286 would expand the powers and duties of ODA and the Texas Strategic Military Planning Commission. It would direct TDED to appoint a director to manage ODA.

The bill would add the following to ODA's responsibilities:

- serve as a clearinghouse for information about the operating costs and strategic value of federal military installations in Texas;
- serve as a clearinghouse for information about jobs lost in defense-dependent communities and defense-related businesses;
- help defense-dependent communities design and execute programs to enhance their relationships with military installations and defense-related businesses;
- help communities retain and recruit defense-related businesses; and
- administer all state and federal funds appropriate to assist defense-related communities, businesses, or economic development efforts.

CSHB 1286 would require ODA to prepare an annual report about active military installations, defense-dependent communities, and defense-related businesses in Texas. The report would have to be delivered to the governor and the Legislature by July 1 each year and would have to include:

- a detailed statement on the economic impact of the military in Texas;
- a statewide assessment of active military installations and missions;
- a statewide strategy to attract defense-related business and to prevent future defense closures and realignments;
- a list of state and federal activities with significant impact on active military installations and missions;
- an evaluation of initiatives to retain existing defense-related businesses; and
- a list of agencies with regulations, policies, programs, or services that affect the operating costs or strategic value of federal military installations and activities in Texas.

The report also would have to include a statement identifying:

- state and federal programs and services that assist defense-dependent communities affected by military base closures or realignments; and
- efforts to coordinate state agency programs and services that help defense-dependent communities retain active military installations and current missions.

ODA would have to coordinate an annual meeting to begin implementing the recommendations in the report. The meeting would have to include the head of each state agency, members of the planning commission, and members of the Legislature whose districts contain active, closed, or realigned military installations.

The bill would authorize ODA to hire a consulting firm to help track federal government information and decisions affecting the military and defense-related businesses in Texas.

CSHB 1286 would direct the planning commission to recommend the development of methods to help defense-dependent communities design and execute programs to enhance their relationships with military installations and defense-related businesses. The commission also would have to make recommendations about compiling information for ODA's annual report.

This bill would take effect September 1, 1999.

**SUPPORTERS
SAY:**

CSHB 1286 would implement the recommendations in the master plan developed by the Texas Strategic Military Planning Commission. The bill would focus greater attention on Texas' defense community by increasing ODA's responsibilities. It would make ODA the focal point for the coordination of all issues, discussions, decisions, and policies affecting the \$5.3 billion defense community in Texas.

CSHB 1286 would make Texas the leading state in supporting military and defense-related industries. Expanding the scope of ODA and the commission is especially vital if Texas communities are faced with another round of base closures and realignments. From 1989 to 1995, Texas lost 7,000 jobs and nine military installations to base closures and realignments. The state lost 29,000 jobs because of defense budget cuts. Today, the defense industry provides a \$37 billion economic impact and 350,000 jobs to Texas.

This bill would give Texas communities a one-stop shop of resources for defense-related information. Communities fighting the possibility of base closure or realignment would have a place to go for help. If a base was closed, ODA would have the resources to help that community make a smoother economic transition. Communities wanting to attract business would have access to ODA as well.

OPPONENTS
SAY:

No apparent opposition.

NOTES:

The Senate companion bill, SB 495 by Truan, passed the Senate on April 20 and was reported favorably, without amendment, by the House State, Federal, and International Relations Committee on April 29. SB 495 does not include the provision in CSHB 1286 that would direct ODA to administer all state and federal funds appropriated to assist defense-related communities, businesses, and economic development efforts. Otherwise, the House and Senate bills are identical

An item in the Article 11 wish list in the House-passed version of HB 1 by Junell, the general appropriations bill for fiscal 2000-01, would appropriate about \$425,000 to TDED each year of the biennium, contingent upon enactment of legislation expanding ODA's duties.