

SUBJECT: Continuing and revising the Texas Military Preparedness Commission

COMMITTEE: Defense and Veterans' Affairs — favorable, without amendment

VOTE: 9 ayes — Corte, Vaught, Chavez, Edwards, Farias, Maldonado, Ortiz,
Pickett, C. Turner

0 nays

WITNESSES: For — Alan Clark, Port San Antonio

Against — None

On — John Jarvis, Red River Redevelopment Authority; Faye Rencher,
Sunset Advisory Commission

BACKGROUND: The Texas Military Preparedness Commission (TMPC) was created in 2003 within the Governor's Office to assist military communities facing base closures and other reductions in personnel. The TMPC provides financial assistance through the administration of the Defense Economic Adjustment Assistance Grant (DEAAG) and Texas Military Value Revolving Loan Fund programs. The DEAAG program was established in 1997 in response to the 1993 Department of Defense Base Realignment and Closure (BRAC) process. The commission also provides state officials with information and recommendations regarding Texas military installations and increasing the number of defense missions within the state.

The TMPC consists of 13 public members appointed by the governor and two ex-officio members — the chairs of the House Defense and Veterans' Affairs Committee and the Senate Veteran Affairs & Military Installations Committee. The commission has a staff of two and an annual budget of about \$250,000, though the commission received a \$5 million appropriation for fiscal 2008-2009 for the DEAAG program.

If not continued by the 81st Legislature, the commission will be abolished September 1, 2009.

DIGEST: HB 2546 would continue the Texas Military Preparedness Commission (TMPC) and place it within the Texas Economic Development and Tourism Office in the Governor's Office. The TMPC would operate as an independent board that reported to the office's executive director rather than directly to the governor. The bill would add advocacy for the preservation and expansion of military reservist missions to the commission's duties. Staffing decisions would be made by the governor's chief of staff, as they are for other programs within the Governor's Office.

The TMPC would be allowed to consider job retention goals in addition to job creation when evaluating DEAG applications. The Economic Development and Tourism Office could assist local governments in applying for the grants.

Administration of the Texas Military Value Revolving Loan Fund would be transferred to the Economic Development and Tourism Office. However, the commission still would evaluate applications and advise the office on whether a loan would add military value to the applying facility.

The bill would prohibit employees of, those who own or control more than a 10 percent interest in, or other participants in businesses receiving money from the commission, or their spouses, from serving as public members of the commission. Before taking part in the commission's activities, public members would be required to participate in a training program containing information regarding the commission's legislative and financial history, as well as information regarding state open government and ethics laws. Public members would be eligible for reimbursement of travel expenses incurred while attending the training program.

The TMPC's sunset date would be removed, but the commission would be included in any subsequent Sunset Advisory Commission reviews of the Texas Economic Development and Tourism Office.

The bill would take effect September 1, 2009.

**SUPPORTERS
SAY:**

HB 2546 appropriately would continue the Texas Military Preparedness Commission and make needed changes in its organization and mission. The military plays a large role in the state economy, and Texas benefits from having an entity devoted to informing key decision makers about the

state's military capabilities and assisting military communities facing base closures and other personnel reductions in maintaining economic viability.

The TMPC's current administrative structure is ill-suited to perform some of its duties. For example, there is no one on staff with the financial expertise to administer properly the revolving loan program. The Texas Economic Development and Tourism Office has existing staff with experience in evaluating loan applications and creditworthiness and in assisting communities in leveraging private capital from state funds, so giving the office responsibility for the loan program would take advantage of existing state resources and help streamline the application process.

Many state military communities have struggled to meet the DEAAG program's job creation goals, but have made a positive impact through retaining local jobs. Making job retention an eligible goal for grant applications would allow these communities to continue the good work they currently are doing.

Many of the TMPC's functions were carried out under the Texas Economic Development Office prior to the commission's creation in 2003. The ability to leverage the office's financial expertise and ease the application process for those military communities seeking assistance should outweigh any concerns over the change in structure. The TMPC would remain an independent board with decision-making authority over the DEAAG program.

OPPONENTS
SAY:

Moving the TMPC so that it no longer reports directly to the governor potentially could signal a reduced interest in the state's military installations and defense industries. Additionally, the past relationship between the TMPC and the Economic Development and Tourism Office was not always constructive, as there was not always a clear point of contact within the office.

By placing the TMPC in a strictly advisory role for the Texas Military Value Revolving Loan Fund and asking that it only "confirm" that a loan application added military value, the bill effectively would make the commission a "rubber stamp" for projects already nearing approval, and would ignore the commissioners' unique expertise and knowledge of the state's military communities.

NOTES:

The companion bill, SB 1014 by Hinojosa, was considered in a public hearing by the Senate Government Organization Committee on April 6 and left pending.