

**Governor's Committee to Support the Military  
Initiative / Issues Update - 2024**

## GOVERNOR'S COMMITTEE TO SUPPORT THE MILITARY

### 2024 REPORT

#### Background

On September 5, 2018, Governor Abbott issued an Executive Order establishing the Governor's Committee to Support the Military (Committee) because Texas is intricately linked to the U.S. military forces. With 15 military installations, over \$151.2 billion in economic output and almost \$48.4 billion in disposable personal income, the U.S. military is one of Texas' largest industries. Additionally, many Texans serve in the military both at home and abroad, plus a significant number of veterans choose to call Texas home. A 2020 study by the Council on Foreign Relations showed Texas had the second-largest number of enlisted recruits. Statistics from the U.S. Department of Veterans Affairs showed over 1.5 million veterans resided in Texas as of September 2023 and is now the state with the largest population of veterans in the United States. As such, it is important the state collaborates with the U.S. military to ensure the mutually beneficial partnership continues.

On December 16, 2024 the Committee issued its report with findings and nine (9) recommendations across three categories of Education, Healthcare, and Quality of Life; Workforce Development; and Encroachment and Infrastructure.

Over the years, the Committee's recommendations resulted in a combination of policy, legislative, and executive actions designed to maintain and enhance the military value of Texas' installations and improve the quality of life and opportunities for military families. Through the partnership of the Governor and the Legislature, the state made tremendous progress on the recommendations in previous reports. For example, several recommendations from the report were passed by the Legislature and signed into law by the Governor over the last three sessions:

- SB 1200 allows a military spouse to practice in the state if they hold a license that is substantially equivalent in another state.
- HB 1597 established residency for purposes of enrolling in an open enrollment school for children of military members upon the military member receiving a transfer order to an installation in the school's attendance zone.
- SB 1008 extended the residence verification suspense from 10 days to 90 days after arrival for military children enrolling in school.
- HB 2530 created an online repository of information of use to active-duty military families relocating to Texas.
- HB 3399 allows TXDOT to perform federally funded road maintenance work on military installations.
- SB 1524 further expanded the TXDOT agreement to allow TXDOT to perform federally funded work on military installations for any TXDOT capability.
- HB 3932 modified state code to allow the Texas Education Agency to establish a State Advisory Council on Educational Opportunity for Military Children in support of the Military Interstate Children's Compact Commission (MIC3).

## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

- SB 149 prohibited operation of a non-military unmanned aircraft over military installations by adding the installation to the list of critical infrastructure facilities.

Other recommendations were enacted through policy actions:

- Displaying on the TEA homepage a prominent link to the agency's Military Family Resource page.
- In June 2023, the Texas Education Agency signed a Data Use Agreement with the Defense Manpower Data Center to exchange information in order to verify military enlistments for School Accountability ratings.

Texas' tremendous efforts have both enhanced the military value of military installations in the state and implemented changes to support servicemembers and their families. However, even with this momentum, Texas must remain aware of rapidly evolving defense, economic, political, and technological environments. The rapid pace of change driven by great power competition and the battlefield innovation observed in the Russian/Ukraine war will continue to put pressure on and create risk for our installations and the defense industry within Texas. Ongoing DoD and service modernization efforts will create opportunities to attract new military missions, capabilities, and units to Texas. These same opportunities also create risk of losing current military missions, capabilities, and units due to operational obsolescence or elimination. Through its proactive approach, the state of Texas will continue to turn risk into opportunity. This report serves as an update to the previous reports and makes the following observations and recommendations.

### **Committee Findings and Recommendations**

The Committee's findings and recommendations are grouped by the three categories of:

- 1 - Education, Healthcare, and Quality of Life;
- 2- Workforce Development; and
- 3 - Encroachment and Infrastructure.

The Auxiliary Military Spouse Task Force recommendations, a group also created by the Governor's September 5, 2018 Executive Order, are included within these categories but are not broken out separately. The Spouse Task Force enhances Committee recommendations by providing additional insight and specificity which is incorporated into and improves the overall recommendations. Each recommendation is meant to support the Committee's charter to maintain and enhance the military value of Texas' military installations; make Texas more attractive for future military missions; as well as enhance the lives of service members and their families. These actions will improve the state's position for any future stationing decisions for new missions or capabilities and/or future Base Realignment and Closure (BRAC) actions.

#### **Education, Health Care, and Quality of Life**

##### **1. Mitigate the Impact of Lost Property Tax Revenue Due to the Disabled Veterans Residence Homestead Exemption**

**Background:** In 2009 Texas enacted a 100% property tax exemption for Disabled Veterans with a 100% disability rating in recognition as tangible recognition of and a benefit for the service and sacrifice of disabled veterans. The discussion and recommendation do not seek to change that benefit. This discussion only seeks to address how communities are reimbursed for loss of ad valorem tax revenue to offset the unintended, negative consequences on the significantly impacted local communities. Over time, this mandate has

## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

created significant losses in city and county ad valorem tax revenue due to the substantial increase in disabled veteran tax exemptions. The initial 2023 ad valorem tax data indicates continued growth with increased impacts especially on significantly impacted local communities which are near military installations.

Under current law, municipalities that physically border a military installation may receive partial reimbursement from the state for the loss of ad valorem tax revenue. However, municipalities only receive partial reimbursement for the revenue losses with reimbursement rates historically less than one-third to one-quarter of lost ad valorem tax revenue. Municipalities with high disabled veteran populations but without a physical border to a military installation are not eligible for any reimbursement for the ad valorem tax revenue loss.

In both situations, the loss of tax revenue has a negative impact on the ability of the affected communities to adequately fund municipal operations. Local jurisdictions only recourse is to either increase taxes, impose fees, or reduce services. For example, Cibolo, Harker Heights, Killeen, and others have lost significant amounts of revenue due to do this exemption. The annual impact has a growing cumulative effect on the affected municipalities. As Texas continues to grow economically and in population more veterans will choose to reside here along with the many other recent arrivals who come for all that Texas offers. The loss of ad valorem tax revenue negatively affects local services and infrastructure within municipalities subsequently impacting operations and quality of life in these jurisdictions. Recent Department of Defense stationing decisions include evaluation criteria for quality of life.

Past Base Realignment and Closure (BRAC) actions eliminated weaker installations with the surviving installations scoring well on traditional military value and training criteria. The result is that previously lesser valued criteria will have greater impacts on future installation scores for stationing decisions.

Looking ahead, future stationing decisions for new missions or capabilities and/or future Base Realignment and Closure (BRAC) actions, Quality of Life and similar criteria will weigh higher in those decisions which makes these important metrics that should be maintained and not ignored. The disabled veterans' tax exemption impact on local services and infrastructure potentially negatively affects the installation scores for new mission and capability stationing decisions as well as future BRAC actions.

**Findings:** We recognize the disabled veterans' tax exemption is a tangible recognition and a benefit for the service and sacrifice of disabled veterans. This discussion does not seek to change that benefit. The discussion only seeks to address how communities are reimbursed for loss of ad valorem tax revenue to offset the unintended, negative consequences on the significantly impacted local communities. Mitigation of the negative impacts achieves two objectives. First mitigation continues to ensure military installations and the surrounding communities score well and remain competitive in future stationing decisions or BRAC actions. Second mitigation ensures all citizens share the cost equally while ensuring municipalities are compensated equitably which allows them to provide the services and quality of life all their citizens deserve.

This issue becomes more significant with the ongoing modernization efforts across all military services. These modernization efforts produce new operational doctrine, new equipment, new military capabilities, and units that may need to be created or restationed. Traditionally, the services use evaluation criteria similar to BRAC criteria for these stationing decisions. We must ensure that Texas' military installations remain highly competitive options during the services' stationing decisions for all criteria including Quality of Life.

## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

Efforts to highlight, educate, and discuss the topic in search of a solution should continue. We must work to mitigate the resource impact to communities around military installations to prevent negative effects to municipal services including Quality of Life, which is a DoD evaluation criterion for stationing decisions for missions and units. DoD stationing decisions are highly competitive processes. Installations and their communities must put their best face forward to successfully compete, which requires resources and effort. The impacts affect not only the municipalities but also impact the veterans and active-duty servicemembers residing in the community. The potential negative resource impact on community Quality of Life may disadvantage communities during these competitions.

**Recommendation:** The Legislature should explore options to mitigate the negative resource impact on significantly impacted communities and take action to ensure Texas military installations and the surrounding communities remain competitive for future mission and stationing decisions as well as future BRAC actions. This cost of the disabled veteran tax exemption should be distributed equitably with each Texan and Texas community bearing a fair share of the benefit's cost. The state should provide equitable reimbursement to communities significantly affected by this state benefit which allows those communities to provide the services, resources, and quality of life to citizens, veterans, and active-duty servicemembers in the community deserve.

### **2. Concurrent Jurisdiction for Juvenile Crime**

**Background:** On military installations subject to exclusive federal jurisdiction, investigation and adjudication of juvenile offenses is limited because cases may only be adjudicated in the federal system by Department of Justice US Attorneys. This creates challenges including juveniles processing through the adult federal judicial system due to the exclusive federal jurisdiction on military installations. Access to state juvenile and family courts may allow for more suitable outcomes for juveniles. Concurrent jurisdiction for juvenile crime is one of the top ten priorities for the Department of Defense State Liaison Office.

**Finding:** The State may adopt concurrent jurisdiction policies to ensure access to state resources and juvenile courts for appropriate adjudication options to better respond to juvenile needs. Military families often face challenges that can affect the mental health and well-being of children. Providing the ability to adjudicate juvenile offenses through state courts and access to state juvenile resources will help address the issue. This allows adjudication of juvenile misbehavior before it becomes more serious behavior.

Texas's Concurrent Jurisdiction Laws – Although Texas has a statutory framework consenting to transfer jurisdiction from the State to the United States. There is not a statutory framework to transfer jurisdiction from the United States to Texas. The State Legislature has not established jurisdiction over juveniles at military installations within its borders by statute. Adoption of a new legislative provision that delegates and defines the conditions for the transfer of power on military installations owned by the United States from one entity to another and establishes permission to pursue concurrent jurisdiction is appropriate to ensure the ability to establish concurrent juvenile jurisdiction at military installations in Texas.

Transfer of Jurisdiction - The United States and the State of Texas may negotiate and authorize jurisdiction on a federal enclave. Absent clear legislative authority establishing concurrent jurisdiction over juvenile matters, there is a risk jurisdiction can be challenged in the courts if based solely on a Memorandum of Understanding (MOU) without supporting legislation.

## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

In early U.S. history, the jurisdiction to govern over land was presumed to automatically pass to the United States whenever state land was to be used for a military installation. However, by 1937, states were given the right to bargain for how much and what kind of jurisdiction they gave up to the United States in these transfers. These transfers of jurisdiction were known as cession when passing from the state to the United States. Later, it became necessary for some or all of the jurisdiction to be transferred back to the state. These transfers are known as retrocession.

**Recommendation:** The Legislature explore options to implement legislation allowing the federal government to transfer jurisdiction of juvenile misbehavior to the state on a subject matter, case-by-case, or installation by installation basis allowing concurrent jurisdiction for juvenile crimes. Once these changes are lawfully established, a memorandum of understanding (MOU) may be negotiated and implemented between each military installation and the respective local jurisdictions to establish coordination and processes for implementation.

A detailed discussion of Concurrent Jurisdiction for Juvenile Crime in Texas with recommendations is available from the DOD State Liaison Office and will be made available upon request.

### **3. Military Child Education Coalition**

**Background:** The Coalition is a national non-profit organization whose goal is to ensure quality educational opportunities for all military-connected children affected by mobility, family separation, and transition. The Coalition provides many services and connections to services for military families and is an important addition to serving military families in Texas.

**Finding:** Appropriated funding for the Military Child Education Coalition is not currently included in the base appropriation budget for TEA. Instead, it is added through annual emergency funding. During the last legislative session, funding was included in the TEA Budget.

**Recommendation:** Moving forward continue to ensure the funding is appropriated by the legislature to the TEA budget for the current \$500,000 biennium funding for the Military Child Education Coalition in the TEA's base appropriation request.

### **4. Temporary Work Licensure for Military Spouses**

**Background:** In 2019, the 86<sup>th</sup> Texas Legislature passed and the Governor signed SB1200 that allows a military spouse to practice in the state if they hold a license that is substantially equivalent in another state. Implementation of SB1200 requires the applicant's license or certification to be in good standing from the issuing state or authority which enables the issuance of a Texas letter to operate with the transferring license or the issuance of a Texas license to the applicant.

**Finding:** Obtaining the letter in good standing from the issuing authority in other states is often not easy or agile enough to support military servicemember and spouse mobility when moving to Texas. Some states may take as long as 6 months to issue a letter in good standing for a license or certification. This lack of timeliness prohibits military spouse applicants from being able to easily transfer their license or certification when assigned to Texas military installations while depriving the applicant of the ability to pursue their profession and inhibiting their contribution to the Texas economy. Testimony during

## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

hearings before the Texas House Committee for Defense & Veterans Affairs highlighted this issue.

**Recommendation:** Texas implement a 6-month temporary licensing and certification process for military spouses assigned to Texas military installations that are simply awaiting the letter of good standing from another issuing authority to either receive their Texas license or letter of authority to operate in Texas in accordance with SB1200. The temporary license or certification will allow military spouses to pursue their professions, contribute to the Texas economy, and mitigates the lack of urgency by non-Texas licensing authorities in providing letters in good standing.

### **5. Enhanced Employment Support for Military Spouses**

**Background:** Military spouses make critical contributions to the personal and financial success of our military families. Military service, however, often impairs the spouse's ability to obtain and maintain employment, and to achieve career goals. Multiple and frequent relocations make it challenging for military spouses to maintain stability at home and to comply with licensure and other job requirements.

In 2022, the U.S. Military Spouse Chamber of Commerce cited that 21 percent of all military spouses are primarily self-employed business owners. The report calls military spouses “a mighty force,” reporting some 26,000 military spouse-owned businesses around the world. The same report also noted that 22% of military spouses are unemployed (five times the national average), ranking this group among the top unemployment rates in the country, without national recognition as a protected class.

**Finding:** Several benefits already exist to support the employment of military spouses in Texas. Perhaps the greatest financial benefit for all Texas residents, including active duty servicemembers, veterans and military dependents, is the fact that the Texas Constitution prohibits a state income tax. At the federal level, legislation such as the Military Spouses Residency Relief Act of 2009 allows military spouses to declare the same state of legal residency as that of their spouse, even if they move to a new state for military orders; making them eligible for state income tax exemption even when assigned to another state. Executive Order (EO) 13832 of 2018 “Enhancing Noncompetitive Civil Service Appointments of Military Spouses”, strongly encourages all Federal agencies to provide greater opportunities for military spouses to be considered for Federal jobs in the competitive service through the use of a noncompetitive hiring authority for military spouses.

The Military Spouse Hiring Act (H.R. 1277 and S.596), introduced in 2023, sought to expand the Work Opportunity Tax Credit (WOTC) to include the hiring of a qualified military spouse. The WOTC permits employers who hire individuals who are members of a targeted group such as qualified veterans, ex-felons, or long-term unemployment recipients to claim a tax credit equal to a portion of the wages paid to those individuals. Both the House and Senate versions of the bill failed to advance through Congress.

**Recommendation:** The State of Texas take action to enhance employment support for military spouses. Increasing support for this talented pool will promote the interest of the State of Texas, provide economic benefits to the state, and the well-being of our military families. It will also help retain members of the Armed Forces enhancing military readiness while recognizing the sacrifices and service of the members of our Armed Forces and their families.

We recommend developing policies and legislation to promote hiring of military spouses at the State-level that mirrors Executive Order 13832 at the Federal-level. Namely, to the

## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

greatest extent possible, and consistent with hiring needs, agencies should, when filling vacant positions in the competitive service, indicate in job announcements that they will consider candidates under a military spouse hiring authority in addition to candidates identified competitively or through merit promotion for the position. Further, the head of an agency should have the authority to appoint noncompetitively: a spouse of a member of the Armed Forces on active-duty or a spouse of a disabled or deceased member of the Armed Forces.

Finally, our committee recommends advocacy for future Federal legislation such as the Military Spouse Hiring Act or other legislation that would expand the Work Opportunity Tax Credit (WOTC) to include the hiring of a qualified military spouse.

### **Workforce Development**

#### **6. Increase Integration Between Texas Educational Providers and Military Installation/Industry Skill Requirements**

**Background:** Military installations (bases, depots, training facilities) and military related industries (manufacturing, maintenance, operations support) in Texas frequently struggle to maintain civilian workforces with required skills in advanced manufacturing and technology. One study stated overall turnover in aerospace and defense related business is 7.1% - a 2% increase since 2020. <sup>1</sup>

Additionally, as members of the military transition to civilian life, finding ways to integrate their military experience into the private sector can be challenging and rewarding for both veterans and Texas based military industries.

**Finding:** Texas has a shortage of individuals with the skills and experience urgently needed in advanced manufacturing and technology-based industries that support the military. DoD Installations and Military related industry bring a \$151 billion-dollar annual economic impact to Texas<sup>2</sup> and employ thousands of Texas civilians in well-paying jobs. Annual salaries and benefits often exceed \$100K/year, but in many cases these jobs remain unfilled, due to a scarcity of candidates with the required skills such as engineering, analysis, and automation. Due to the fast-changing nature of defense-related industry many companies develop workforce planning 18 months into the future, causing a mismatch with the time required to prepare curriculum in public high schools, colleges and trade schools.

**Recommendation:** Develop legislation to encourage Texas high schools, technical and community colleges, and universities to invest in programs which support the growing demands in Texas for advanced manufacturing and technology skills. Increase awareness of this state-wide skill deficit by improving communication between our military installations, Texas based military industry, and Texas educational institutions.

Require TEA to consider the needs of Texas military bases and military industry in their discussions on programs of study for the purpose of Federal Perkins Alignment. Require the agency to consider the impact of programs of study on the needs of Texas military related employers and align educational programs with these needs. Encourage TEA to review the option of requiring school districts near military bases and defense industries to offer courses of study that could lead to employment in these entities at graduation. In addition,

---

<sup>1</sup> 2022 Aerospace and Defense Workforce Study, Aerospace Industries Association

<sup>2</sup> <https://comptroller.texas.gov/economy/economic-data/military/2023/statewide.php>

## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

encourage the Texas Higher Education Coordinating Board to conduct a similar process within their current rulemaking authority with local institutions of higher education.

### **Encroachment and Infrastructure**

#### **7. Defense Economic Adjustment Assistance Grant (DEAAG) Program**

**Background:** The DEAAG program is an invaluable resource to Texas' military installations and communities. It provides cost share funding to improve the military value of military installations while setting the conditions to prepare for future BRAC actions. It also has a significant return on investment for the state. Over the last five biennia, \$129.2 million was appropriated to the Texas Military Preparedness Commission for the purposes of providing DEAAG grants. Those funds were awarded to a total of fifty-five (55) projects benefitting the fifteen (15) Texas military installations and surrounding communities with a combined return on investment of \$422.5M to the state.

**Findings:** The DEAAG program is a proactive effort by the Governor and Legislature to enhance the military value of military installations in Texas, and that program has proven very successful. The assistance provided is translated into greater military value, which ultimately provides significant positive economic effects on local communities and the state. Furthermore, the DEAAG program is a helpful tool as Texas prepares for future stationing decisions for new missions and capabilities and/or a future round of Base Realignment and Closure (BRAC).

**Recommendation:** Fully fund the DEAAG program to \$75M to help enhance military installations in Texas while improving and protecting those installations and surrounding communities from potential negative impacts of a future BRAC or stationing decision. The DEAAG program's 227% Return on Investment (ROI) demonstrates its efficacy and contributions to the communities, the installations, and the state. It is a small investment in a \$151.2B industry.

#### **8. Encroachment on Military Installations and Training Areas**

**Background:** Military training capabilities remain particularly susceptible to encroachment from off-base developments which may negatively impact training including aviation, ground maneuver, and electromagnetic spectrum capabilities. Encroachment may occur in many forms including electromagnetic, urban development, and infrastructure development including renewable energy projects around the installation.

To illustrate this point, military aviation training capabilities for both fixed-wing and rotary-wing aircraft are particularly susceptible to encroachment from wind energy developments. Military aviation training requires the ability to conduct low-level flights down to 200 feet above ground level flight training during periods of limited visibility with night vision systems. The next generation of military rotary-wing aircraft in development will require at least the same capability for training at low-level at speeds that are 2-3 times faster than current rotary-wing aircraft. The negative impacts to military training areas and aviation routes are a concern because units unable to train as they fight will impact our national security. For Texas military installations, the inability to conduct required training would put missions and capabilities at risk of restationing to locations that can support required training.

Military installations in Texas not only secure the nation; they are also a benefit to the state and the state economy. Historically five (5) rounds of BRAC have closed or realigned eleven (11) installations in Texas (8 closed and 3 realigned) with the last round in 2005. The



## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

previous BRAC round heavily weighted training capability as part of each installation evaluation. Future mission alignment and stationing decisions in addition to any future BRAC evaluations will continue to emphasize training capabilities along with other criteria used in past BRAC actions. The 85th Texas Legislature enacted the last encroachment protection with Senate Bill 277 which expired when Chapter 313 tax subsidies and abatements sunset.

**Finding:** Failure to protect military installation and aviation training areas from encroachment creates a risk to retaining current military missions and may negatively impact actions to attract future missions during military stationing decisions. For example, if an aviation training area is deemed unusable due to encroachment, the military installation may also be deemed unusable by DoD and potentially lead to restationing of units outside of Texas. The State must take a critical look at current encroachment provisions to ensure military training areas remain viable or risk potential loss of missions and associated units. Texas needs to remain competitive with other states including adjacent states that have enacted legislation to protect military aviation training areas and routes from encroachment. This enables positive consideration of Texas as a location for future mission realignment and stationing decisions.

In 2019, the Texas Military Preparedness Commission funded development of a collaborative process in coordination with the Texas A&M Natural Resources Institute called the Texas Early Notification Tool (TENT). TENT exists to assist with the siting of wind-powered generation facilities and is run by the Texas A&M Natural Resources Institute. TENT includes the points of contact at the installation to contact to discuss proposed projects. With TENT, military installations and wind developers can use the tool to see current projects, affected military training areas, etc. enabling de-confliction on a voluntary, collaborative basis. The TENT tool and collaborative process has seen success but does not have a supporting enforcement mechanism to protect military installations, training areas, and military aviation routes. If a developer decides to proceed, there is nothing in state law to protect military installations or prohibit development. A legislative mechanism that requires civil-military concurrence could ensure military installations, training areas, and aviation routes are protected from encroachment.

**Recommendation:** The State of Texas ensure through legislative action and/or policy that military installations, training areas, and aviation routes are protected from encroachment using an enforcement mechanism to prohibit development if necessary.

Ensure potential legislation considers encroachment effects on military installations, training areas, and aviation routes while including provisions to protect the military installations. Ideally, this would include a requirement to obtain the local military installation commander's concurrence for projects that potentially impact the installation, training area, or a military aviation route.

Protections must balance individual property rights and the need for legislation or policy changes which strengthens the state's protections against encroachment, including commercial development. This includes adding prohibitions against tax abatements or subsidies for projects that may impact military aviation training areas and military training routes located outside military installation boundaries.

**Additional Considerations:** add the following language in Sec. 397 of Texas Local Government Code: Sec. 397.001 Definitions.

"Compatible use area" means an area or district in close enough proximity to affect the operations associated with a military base, defense facility, or military training or operating

## **Governor’s Committee to Support the Military Initiative / Issues Update - 2024**

area including military aviation routes and airspace designated by the most recent compatible use studies, plans, and applicable regulations.

“Military operating area” means an area where military operations are present and include but are not limited to training areas, aviation routes, and airspace.

### Section 397.005

#### **COORDINATION WITH MILITARY BASE OR DEFENSE FACILITY OR MILITARY AUTHORITIES.**

To help ensure the safety of Texans and the conduct of safe military operations in the state, any entity planning to develop or use land or airspace in a compatible use area shall contact the defense community, as defined in Sec. 397.001(2), to coordinate compatibility prior to beginning development or use. Defense communities shall facilitate compatible use between the requesting entity and military officials responsible for the military base, defense facility, military training or operating area in question. The military installation commanders must concur in writing with any development that impacts the installation, training area, or aviation route.

### **Section 2**

#### **COORDINATION WITH OTHER PLANS, STUDIES, AND REGULATIONS.**

The defense community shall consider the most recent compatible use studies or plans, joint land use studies, plans and studies related to compatible use, development standards, and regulations recognized by the military base or defense facility, the Department of Defense, and Federal Aviation Administration when considering zoning and regulatory changes, new land use ordinances, and when preparing county or municipal comprehensive plans.

## **9. Countering Foreign Adversary Ownership of Texas Public or Private Property to Protect Military Installations/Missions**

**Background:** Recent events in Texas and in the United States have illustrated efforts by foreign companies and/or governments to acquire land or facilities near military installations that may appear benign on the surface but actually present significant risk for exploitation by foreign adversaries. Collectively, these actions create the impression of a deliberate effort focused on US military installations. Foreign adversaries with proximity close to US military bases potentially could be used for monitoring and intelligence collection of installation activities especially in times of crisis or in extreme circumstances a source of active disruption to installation activities. This issue creates a complex challenge for defense community leaders as they seek to balance economic development, national security and support for their military installation.

Examples of foreign investment include:

- In a June 20, 2024 article, the New York Post reported Chinese companies had acquired land near 19 US military bases across the United States.  
<https://nypost.com/2024/06/20/us-news/chinese-owned-farmland-next-to-19-us-military-bases/>
- In Texas, a Chinese company, GH America Energy - a subsidiary of Guanghui Energy Company owned by a former Chinese army officer, acquired 130,000 acres surrounding Laughlin Air Force Base intending to build a wind farm on 15,000 acres near the base. Laughlin Air Force Base serves as the US Air Force’s largest undergraduate pilot training installation. If allowed to go forward, the project will

## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

significantly impair USAF pilot training efforts. Through efforts at the local, regional, and state level, the project remains in limbo. Subsequently, GH America Energy sold the project to a Spanish company – Greenalia. Regardless of the ownership, the project will still impact USAF military pilot training.

- MineOne – a Chinese cryptocurrency firm, purchased land within a mile of a Wyoming USAF base containing nuclear weapons. The company is being forced to divest from the land.
- Fufeng Group – a Chinese food company, acquired a mill near Grand Forks Air Force Base in North Dakota which is responsible for USAF long endurance, high altitude intelligence, surveillance, and reconnaissance assets as well the High Frequency Global Communications System for national defense. This project was ultimately cancelled.

**Finding:** While the above examples focus on Chinese actions, other foreign entities and nations likely pursue similar efforts that are not as well documented. Foreign investment in Texas is welcome but presents unique challenges. Foreign entities will employ “legal” methods, such as land acquisition, to physically position themselves, or their surrogates, in the vicinity of military installations or military training areas. Foreign investment near military installations should be carefully considered and scrutinized for potential impacts and risk to the military installation’s mission and operations. Any threat to national security interests within the state of Texas must be identified and deterred.

The Chinese company’s acquisition of the 130,000 acres near Laughlin Air Force Base outside Del Rio, Texas included 15,000 acres intended for a wind farm with 46 turbines each one 700-feet in height. The turbines would have presented a vertical obstruction hazard for brand-new pilots learning to fly at Laughlin AFB. There were also concerns that the turbines could serve as platforms for intelligence collection sensors. Despite the transfer of the project to a Spanish company, the flight hazard presented by the turbines will still impact pilot training if allowed to go forward.

The 87<sup>th</sup> legislature implemented SB2116 which prohibits designated countries (Russia, China, Iran, & North Korea) from accessing critical infrastructure defined as communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility within Texas. This is an excellent first step which contributed to halting the wind farm near Laughlin AFB. However, Texas must continue to exercise prudence and protect Texas military installations.

The State must maintain awareness and protect against efforts or projects undertaken by proxies on behalf of foreign national governments to acquire land and facilities or develop projects adjacent to military installations that could be used to impact the operations or used for intelligence collection against military installations.

The Department of Defense recognizes that the US homeland is no longer a protected sanctuary and expects foreign entities to attempt to disrupt mobilization, deployment operations, and infrastructure in a conflict. To this end, DoD is taking steps to provide resiliency to counter these disruptions. The 2021 ransomware attack on the Colonial Pipeline resulted in East Coast fuel shortages at gas stations and airports. The impact of ransomware attacks and cyberattacks on infrastructure serve as examples of what a dedicated disruption effort could achieve in times of crisis.

Recent updates to US Code 31 CFR Part 802 of US Code, identify installations that require a Committee on Foreign Investment in the United States (CFIUS) review of real estate transactions within one (1) mile of military installations listed in Part 1 and 100 miles of

## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

installations listed in Part 2 of the regulation. Not all Texas installations are included in the CFR rules.

**Recommendation:** The State of Texas either draft new legislation or amend existing law(s) for the purpose of countering foreign adversary investment/ownership of Texas public or private property near military installations. Currently the law targets acquisitions by China, Russia, Iran, and North Korea. However, the law should be expanded to include any foreign acquisition or project that potentially impacts a military installation or presents risk to the installation.

The State should ensure through legislative action and/or policy that military installations, training areas, and aviation routes are protected from foreign adversary ownership (via purchase or lease) of public or private property or infrastructure. Protection should include an enforcement mechanism to prohibit acquisition or development by foreign adversaries.

Enforcement should include a review of all real estate or infrastructure transactions involving foreign entities within a 25 nautical mile radius of the boundaries for a military installation, a military training area, or a military aviation route. Additionally, a requirement for a concur or non-concur recommendation from the local military installation commander on the acquisition, project, and/or proposal should be included if foreign entities are involved.

## **Appendix**

### **Efforts to Support the Military**

Texas' push to support the military is not a new endeavor. Over 20 years ago, the Texas Legislature was working to improve conditions in and around military installations and in the lives of military families.

### **Funding for Military Communities**

In 1997, via Senate Bill 227, the Legislature created a grant program to provide local governments with grants and low-interest loans that could be used to fund the local match requirement of federal grants for certain development projects in defense-dependent communities. This program was originally administered by the Texas Department of Commerce. In 2003 the program was moved to the Office of the Governor and administered by the Texas Military Preparedness Commission. The grant program, now called the Defense Economic Adjustment Assistance Grant (DEAAG), has awarded over \$129 million to local communities and leveraged over \$293 million since 2015. The original purpose of the grant program was to assist communities impacted by a federal round of Base Realignment and Closure (BRAC). During the 83rd Texas Legislature, Senate Bill 1200 was passed amending the DEAAG statute to expand by allowing grant funds to be used prior to a round of BRAC to add military value. Since 2015 DEAAG funds have been awarded to communities for infrastructure projects to add military value to their local military installation. Every defense community in the state has received at least one DEAAG award. One notable grant to Austin Community College District supported the buildout of facilities required to support the new Army Futures Command.

### **Licensure Processes for Military Members and Their Families**

Aside from funding community efforts to support the military, Texas has also made large strides to support members of the military and their families with regard to employment. As families

## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

move from state-to-state, if they wish to work in a particular field, they may be required to apply for an occupational license to practice their profession in the state. This can be overly burdensome as individuals have to meet the qualifications of the license, wait on the license application to be processed, and pay licensing and examination fees. For military families, this may be a biennial process as they move as often as every two years. Recognizing this, Texas has worked to streamline the licensing process for members of the military, veterans, and military spouses by expanding qualification timelines, providing alternative licensing procedures, providing for expedited licensure processes, and waiving examination and licensing fees for this population. Below are several examples of how Texas has reduced these burdens over the last 20 years.

In 1999, the 76<sup>th</sup> Texas Legislature passed House Bill 3155, which allowed extra time for an active-duty member of the U.S. Armed Forces who was serving abroad to renew an occupational license that had expired while on active duty. That extra renewal period was provided without penalty.

The 79<sup>th</sup> Texas Legislature passed Senate Bill 143, which gave a member of the state military forces or members of the reserve forces additional time to complete required continuing education components related to occupational licensing.

Senate Bill 1733, (82<sup>nd</sup> Texas Legislature), provided for alternative licensing procedures for military spouses. The bill required licensing agencies to adopt rules that would allow the issuance of licenses to military spouses if the spouse had a current license issued by another state which had substantially equivalent requirements to the Texas license.

During the 83<sup>rd</sup> Texas Legislature, six bills passed which dealt with occupational licenses for members of the military, veterans, or military spouses. Senate Bill 162 required state agencies which issue occupational licenses to provide an expedited licensure process for military members, their spouses, and veterans within one year of separation from the military. Licensing agencies were also required to issue licenses if applicants held a current license issued by another jurisdiction as long as that license had substantially equivalent requirements to Texas. Several other bills passed during this session which provided for military service, training, or education to be applied toward licensing requirements.

The 84<sup>th</sup> Texas Legislature saw a continued modification of licensing laws to ease restrictions of military members and their families. Two bills, SB 807 and SB 1307, passed to this end.

Senate Bill 807 waived examination fees for service members or veterans who have military service, training, or education substantially similar to the requirements of the license. SB 807 also waived examination fees for service members, military veterans, and military spouses who held a current license issued by another jurisdiction if the licensing requirements were substantially equivalent to Texas requirements. SB 1307 streamlined Chapter 55 of the Texas Occupations Code to ensure every military spouse, veteran, and active-duty service member would get credit for their skills and have their occupational licenses expedited.

### **Other Ways Texas is Supporting Service Members and their Families**

- **Military Family Support Pilot Program:** This pilot program is designed to better meet the needs of military spouses entering the job market at military installations in Texas.
- **Military National Dislocated Worker Board:** The board identifies individuals affected by Reductions in Force including civilian contractors, military spouses in need of assistance, and transitioning service members as populations with significant training needs.

## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

- **Texas Department of Public Safety:** The Texas Department of Public Safety (DPS) offers an active-duty military reintegration program. DPS is recognized for hiring more veterans than any state agency; of the 80 troopers in the most recent graduating class, 26 are military veterans.
- **Military Friendly Schools:** 45 public and private universities and community colleges in Texas are designated Military Friendly Schools.
- **Early Childhood Education for Military Dependents:** Texas school districts are required to offer a prekindergarten program if they identify 15 or more eligible children who are at least four years of age by Sep. 1 of the current school year and who are children of an active-duty member of the armed forces or are children of a member of the armed forces injured or killed while serving on active duty.
- **Free Fishing and Hunting Licenses:** Active-duty military and disabled veterans can receive hunting and fishing licenses at no fee.
- **Reduced or Waived Fees for License to Carry:** License to carry fees are waived or reduced for eligible members or veterans of the U.S. Armed Forces.

### **Efforts to Support Veterans**

Most of the efforts which have been outlined so far deal with active-duty service members or their families. However, Texas also has made significant progress in how it supports its large veteran community. For example, Texas is the only state with a smart phone app, called the Texas Veterans Portal, which allows active duty, veterans, their family members, and providers of services direct access to benefits, 211 Connect with Veterans, and Women Veteran Programs. The online portal and app provide links to veteran benefits and services provided by Texas. The portal can be accessed through [veterans.portal.texas.gov](https://veterans.portal.texas.gov). Some of the benefits and services to which the portal connects are offered through the Office of the Governor, Texas Veterans Commission, Texas Workforce Commission, Texas Health and Human Services Commission and other state agencies. Some of the programs below can be accessed through the app. Other programs are benefits offered to veterans and incentives for companies to support veterans.

### **Jobs/Economic Opportunity**

- **New Veteran Hiring Incentive:** Governor Abbott recently announced an additional incentive program for new Texas Enterprise Fund grantees designed to encourage the hiring of military veterans. New grantees, in addition to being eligible for funding on a per job created basis, are eligible for an additional \$1,000 per job filled by a veteran during the first year of job creation.
- **Texas Talent Connection Grants:** Governor Abbott recently awarded \$5.5 million in grants for education and workforce training programs in communities across the state designed to lead to successful job placement, increased wages, and improved job retention for workforce populations including veterans.
- **Veteran's Preference & Military Service Credit:** Veterans have preference in employment with State agencies or offices, as do widows/widowers and children of those killed on active duty.
- **WorkInTexas:** The state labor exchange/job matching system places a two-day hold on all new job postings to ensure veterans get first review.

## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

- **Texas Operation Welcome Home:** Governor Abbott requested the Texas Workforce Commission to work with Texas military installations to better meet the needs of transitioning service members and recently separated veterans. The program assists veterans in translating their military skills into civilian terms, finding employment, completing two- to four-year college programs, or obtaining the appropriate licensure or certifications to compete in the job market.
- **Skills for Transition:** Designed for separating service members who plan to remain in Texas, this program provides skills training for employment in high-growth, high-demand occupations.
- **Veterans Employment Services:** Assisting veterans in obtaining long-term meaningful employment through job matching and referrals, translating military skills to civilian jobs, resume assistance and interviewing techniques, employer outreach, and job development.
- **Red, White, and You Veteran Job Fair:** Veteran job fairs are held across the state on the same day during the week of Veterans Day.
- **We Hire Vets Campaign:** This campaign recognizes Texas employers whose workforce is comprised of 10% or more of veterans.
- **Texas Veterans Leadership Program:** A resource and referral network for veterans from Iraq and Afghanistan who are transitioning back into civilian life.
- **Veteran Entrepreneur Program:** The program assists veteran entrepreneurs in identifying funding sources, mentors, business opportunities and business education programs in a one-stop-shop.
- **Contract Preferences:** All state agencies when purchasing goods give first preference to goods produced or offered by a service-disabled Texas veteran.
- **Work Opportunity Tax Credits:** A tax incentive is offered for employers hiring individuals from specific populations with historically higher rates of unemployment, including veterans.
- **Troops to Teachers:** A federally funded program that assists military personnel and veterans with transitioning into a new career as public-school teachers in "high-needs" school districts. There are 25 state TTT support offices to help with certification requirements.
- **Women Veterans Program:** The mission of the program is to ensure that the women veterans in Texas have equitable access to federal and state veterans' benefits and services.
- **Texas Veterans Land Board:** The board offers land loans, home loans, and home improvement loans to veterans and surviving spouses that meet the eligibility requirements.

### **Education**

- **Hazlewood Act:** A Texas education benefit of up to 150 credits hours of exempted tuition at a state-supported college or university for eligible veterans and their spouses and dependents.

## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

- **College Credit for Heroes:** A program to maximize the amount of college credit for military training and occupational experience, reducing the amount of time a veteran spends in the classroom.
- **Accelerated Degree Programs:** Thirteen Texas colleges and universities have created a total of 76 acceleration curricula in fields such as emergency medical services, surgical technology, respiratory therapy, health information technology, nursing, cyber security, information technology, firefighting, advanced manufacturing, logistics, wind engineering, and oil field technology.

### **Healthcare**

- **Veterans + Family Alliance Grant Program:** The grant program seeks to improve the quality of life of veterans and family members through expanded availability, increased access, and enhanced delivery of mental health treatment and services.
- **Health Care Advocacy Program:** The program uses experienced advocates with close working relationships with the U.S. Department of Veterans Affairs to serve as liaisons for veterans and resolve access issues involving health care related services.
- **No Cost Medical Records:** Texas veterans are eligible for no cost medical records when they are obtained to file a claim for a disability with the U.S. Department of Veterans Affairs.
- **Claims Representation and Counseling:** The program assists Texas veterans, their families, and survivors in obtaining federal benefits and entitlements from the U.S. Department of Veterans Affairs.
- **Veterans Mental Health Program:** The program's mission is to train and provide technical assistance to service members, veterans, their families, and community- and faith-based organizations on peer-to-peer counseling. Peer-to-peer services help



## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

individuals who have been directly or indirectly impacted by military-related trauma. The program also helps individuals access treatment.

- **Veteran Suicide Prevention Action Plan:** The Texas Health and Human Services Commission (HHSC) is developing a comprehensive action plan with short- and long-term goals to increase access to, and availability of, professional veteran health services to prevent suicide among the population.
- **Integrated Care Study for Veterans with Post-Traumatic Stress Disorder:** HHSC, in collaboration with the University of Texas Health Science Center at Houston, is conducting a study related to the benefits of providing integrated care to veterans with post-traumatic stress disorder.
- **Veterans Treatment Court:** There are over 30 county-operated Veteran Court programs in Texas helping veterans with PTSD, substance-use disorders, and mental health issues avoid incarceration and rehabilitate themselves.

### **Quality of Life**

- **Toll Fees Waived:** Tolls are waived on several Texas toll roads for eligible veterans, who must be in a vehicle registered with the State of Texas and displaying a qualified specialty license plate.
- **Fund for Veterans' Assistance:** The program oversees six grant categories: General Assistance, Housing4TexasHeroes, Veterans Mental Health, Veterans Treatment Court, Highly Rural Transportation, and Veteran County Service Office Grants. These grants offer funding to non-profit and local government organizations to provide direct services to Texas veterans and their families.
- **Special Vehicle License Plates:** Disabled Veterans, Former Prisoners of War, Pearl Harbor Survivors, Purple Heart, and Medal of Honor plates are among the special vehicle license plates available for personal use on an automobile or light commercial vehicle.
- **Veteran Designation for Driver Licenses and Identification Cards:** Department of Public Safety offers a "veteran" designation printed on the face of driver licenses and identification cards for qualifying veterans.
- **Disabled Parking Placard & Registration of Vehicles for Disabled Veterans:** A disabled veteran may register two vehicles without payment of fees (with the exception of fees for specialty plates).
- **Free Driver License for Disabled Veterans:** Texas driver licenses are furnished free-of-charge to eligible disabled veterans of the U.S. Armed Forces.
- **Free Recording Charges:** The county clerk in each county is required to record, at no charge, the official discharge of a veteran who served in the U.S. Armed Forces.
- **Free State Park Admission for Disabled Veterans, Honorably Discharged Veterans, Gold Star Families, & Active Duty Servicemembers:** The State Parklands Passport provides free admission to Texas State parks for disabled veterans.

### **Other Support Services**

- **Texas State Veterans Home Program:** Currently, the Texas State Veterans Home Program operates nursing homes in Houston, Bonham, Floresville, Big Spring, McAllen, El Paso, Temple, Tyler, and Amarillo. It offers affordable nursing home care for Texas veterans, their spouses, and Gold Star Parents. **Texas State Veterans Cemetery**

## **Governor's Committee to Support the Military Initiative / Issues Update - 2024**

**Program:** Through a partnership with the VA, the Veterans Land Board builds and operates Texas State Veterans Cemeteries. Currently, there are four cemeteries in operation with more in the planning stage. These State Veterans Cemeteries are located in Abilene, Corpus Christi, Killeen, and Mission. There is no charge for internment of veterans, spouses, and eligible dependents.

- **Students Sounding Taps at Military Funerals:** The Texas Veterans Commission has established a program to encourage students in grades 6 through 12 or post-secondary educational institutions to sound "Taps" on a bugle, trumpet, or coronet as part of military honors funerals held in Texas for deceased veterans.
- **Unaccompanied Veteran Burials:** The Veterans Land Board works with local communities and veteran support groups to ensure that no veteran in Texas is ever buried without military honors.