
**HOUSE COMMITTEE ON STATE, FEDERAL, AND INTERNATIONAL RELATIONS
TEXAS HOUSE OF REPRESENTATIVES
INTERIM REPORT 2002**

**A REPORT TO THE
HOUSE OF REPRESENTATIVES
78TH TEXAS LEGISLATURE**

**BOB HUNTER
CHAIRMAN**

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Committee On
State, Federal, and International Relations

January 17, 2003

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The Honorable James E. "Pete" Laney
Speaker, Texas House of Representatives
Members of the Texas House of Representatives
Texas State Capitol, Rm. 2W.13
Austin, Texas 78701

Dear Mr. Speaker and Fellow Members:

The Committee on State, Federal, and International Relations of the Seventy-Seventh Legislature hereby submits its interim report including recommendations and drafted legislation for consideration by the Seventy-Eighth Legislature.

Respectfully submitted,

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INTRODUCTION

At the beginning of the 77th Legislature, the Honorable James E. “Pete” Laney, Speaker of the Texas House of Representatives, appointed nine members to the House Committee on State, Federal, and International Relations. The committee membership included the following: Bob Hunter, Chairman; Paul Moreno, Vice-Chairman; Leo Berman; Norma Chavez; Gary Elkins; Sid Miller; Richard Raymond; Jerry Madden; and Manny Najera.

During the Interim, the Speaker assigned charges to the Committee. The Committee has completed its hearings, investigations, and oversight duties and has adopted all sections of the following report.

The Committee wishes to express appreciation to the staff of the following state agencies, commissions, committees, and offices who assisted with portions of this report: Historical Commission, Department of Economic Development, Commission on the Arts, Veterans Commission, Strategic Military Planning Commission, Department of Transportation, Military Facilities Commission, State Library and Archives Commission, Office of State-Federal Relations, Adjutant General’s Department, State Cemetery Committee, Office of Rural Community Affairs, Senate Committee on Veteran Affairs and Military Installations, and the Governor’s Texas Music Office.

The Committee also thanks Jake Hogan, Keith Dzygun, Annette Glass, and Ambrose Gonzalez for their invaluable assistance in developing this report, as well as the many individuals and organizations who provided public testimony and offered assistance to the Committee staff during the interim. Thank you all for your time, effort, and interest in the important issues studied by this Committee.

HOUSE COMMITTEE ON STATE, FEDERAL, & INTERNATIONAL RELATIONS

INTERIM STUDY CHARGES

CHARGE 1: Review the readiness of military installations and communities for possible base closings and realignment. Assess opportunities to attract new military units because of base closings in other states.

CHARGE 2: Review the state of tourism in rural Texas. Consider tourism products that are successful in rural Texas and those that hold the promise of greater success. Collaborate with local officials and state agencies involved in promoting tourism to design strategies for communities and entrepreneurs to increase tourist business.

CHARGE 3: Consult with and monitor state and federal agencies with duties related to commercial and personal traffic across the international border with Mexico. Make suggestions to improve the efficiency of border crossings without compromising security or crime detection operations.

CHARGE 4: Develop options for creating a museum of Texas music and music history.

CHARGE 5: Review the laws and procedures concerning the Texas Legislative Medal of Honor to assure that the award will remain an appropriate symbol of extraordinary merit for Texas veterans.

CHARGE 6: Actively monitor agencies and programs under the committee's oversight jurisdiction, including the state veterans medical facilities and, upon passage, implementation of the state veterans cemetery system.

CHARGE 1:
**DEVELOPING A MILITARY PARTNERSHIP
FOR THE FUTURE**

SPEAKER'S CHARGE

Review the readiness of military installations and communities for possible base closings and realignment. Assess opportunities to attract new military units because of base closings in other states.

BACKGROUND

Military Base Realignment and Closure (BRAC) has played a major role in our militaries post-Cold War reformation effort.¹ Not only has BRAC reaped significant savings in operations and maintenance costs, it has also allowed the military to replace aging, ill-configured infrastructure with efficient, state-of-the-art facilities designed to support our 21st century military.² The year 2002 is the 14th year of BRAC implementation that included four separate rounds: 1988, 1991, 1993, and 1995. Throughout these rounds 10 major Texas installations and 11 smaller installations and military activities were either closed or realigned, directly affecting 18 Texas communities.³

During the interim Speaker James E. "Pete" Laney charged the State, Federal, and International Relations (SFIR) Committee to assess our state's level of preparedness to face the upcoming round of BRAC. The Department of Defense (DOD) will begin its next round of closures in 2005; therefore, it is imperative that the Texas Legislature undertake initiatives during the upcoming session to insulate our communities against possible closures and realignments, while also prudently preparing for the potential that our great state might lose one or more of its treasured military bases. A complete time-line for the BRAC process can be found under *Appendix 1* to this report.

On January 15th the Committee held a public hearing in Austin where testimony was offered in this regard. On August 21st and 22nd a joint public hearing took place involving the Senate Committee on Veteran Affairs and Military Installations (VAMI), the Texas Strategic Military Planning Commission (TSMPC), and the SFIR Committee where more testimony was offered. On October 1, 2002 Chairman Bob Hunter of the SFIR Committee, along with Chairman Elliot Shapleigh of the VAMI Committee and Chairman Bill Ehrie of TSMPC, met with various city officials, military representatives, state officials, and private consultants in order to better develop a master plan for Texas to develop a military partnership for the future.

DEFENSE BUSINESS

The defense industry is crucial to our state's economy. In 2000, the military employed 228,790 personnel within the state of Texas. Included in this number is 107,532 active duty; 38,455 direct hire civilian; and 82,803 Reserve and National Guard members with a combined payroll of about \$5.5 billion, and the state's retired military personnel increases this total to \$8.7 billion.⁴ Texas accounts for about 7% of United States (US) active and civilian military personnel.⁵ In 2000, total military contracts in Texas reached a value of \$12.45 billion, which equaled to almost 10% of all US military contracts and employs over 100,000 additional Texans.⁶ California and Virginia were the only states to boast higher numbers of military personnel and higher levels of

military contracts than Texas.⁷ Ultimately, the total impact of fiscal year (FY) 2000 defense dollars on our Texas economy was \$49.3 billion.⁸

Texas enjoys an outstanding relationship with its many installations and defense contractors; however, it should not take this for granted. The state needs to become more proactive in developing programs and initiatives, while also adequately funding existing programs so that it can stay ahead of the curve of BRAC and the continual relocation of defense contractors throughout the nation.⁹

PAST BRAC ROUNDS¹⁰

Between 1988 and 1998 the defense community in Texas lost almost 35,000 active duty and direct hire civilian jobs; some of which were due to the downsizing of the military after the fall of the Soviet Union and others were due to operational and budgetary decisions made by the military services and DOD.¹¹

Since FY 1988, the following ten major Texas military installations and activities have been closed or realigned:

● Naval Station Galveston (Galveston):	CLOSED	1988
● Fort Bliss (El Paso):	REALIGNED	1988
● Bergstrom Air Force Base (Austin):	CLOSED	1991
● Carswell Air Force Base (Fort Worth):	CLOSED	1991
● Goodfellow Air Force Base (San Angelo):	REALIGNED	1991
● Naval Air Station Chase Field (Beeville):	CLOSED	1991
● Naval Air Station Dallas (Dallas):	CLOSED	1993
● Kelly Air Force Base (San Antonio):	CLOSED	1995
● Reese Air Force Base (Lubbock):	CLOSED	1995
● Red River Army Depot (Texarkana):	REALIGNED	1995

The following smaller installations and activities were also adversely affected:

● Air Force Data Processing Center (San Antonio):	CLOSED	1993
● Carswell Air Force Base (Fabrication function of the 436th Training Squadron redirected from Dyess AFB to Luke AFB; maintenance training function redirected from Dyess AFB to Hill AFB) (Fort Worth, Abilene):	REDIRECT	1993
● Data Processing Center Air Force Military Personnel Center, Randolph AFB (San Antonio):	CLOSED	1993
● Data Processing Center Navy Data Automation Facility (Corpus Christi):	CLOSED	1993
● Abilene Navy/Marine Reserve Center (Abilene):	CLOSED	1993
● Bergstrom Air Reserve Station (Austin):	CLOSED	1995
● El Dorado Air Force Station (El Dorado):	CLOSED	1995
● Laredo Naval Reserve Facility (Laredo):	CLOSED	1995
● Longhorn Ammunition Plant (Jefferson, Marshall):	CLOSED	1995
● Midland Naval Reserve Facility (Midland):	CLOSED	1993
● Naval Weapons Industrial Reserve Plant (McGregor):	CLOSED	1995

STATE'S ACTIVITY

During the 75th Legislative Session the Office of Defense Affairs (ODA) was created within the Texas Department of Economic Development (TxED) to better coordinate the state's efforts in assisting our defense communities.¹² The TSMPC was also established during the 75th session as an advisory group to the ODA.¹³ The common themes in the charters of ODA and TSMPC¹⁴ are to develop a pro-active statewide strategy to assist in the prevention of future base closures and realignments and to assist defense-dependent communities in their preparation for the future of military involvement in Texas.¹⁵

The 75th Legislature appropriated \$20 million for the defense economic adjustment assistance grant program and for six defense economic readjustment zones to assist installations that have been closed or realigned during the 1988, 1991, 1993, and 1995 BRAC rounds.¹⁶ During the 76th Legislative Session, an additional \$1 million was appropriated for the defense economic adjustment assistance grant program.¹⁷

These legislative actions have been helpful in defraying the adverse affects of past BRAC rounds, and it is imperative that the Legislature continues to appropriate funds supporting such programs. Additionally, the state is currently in a unique position to institute prophylactic measures to prevent future closures and realignments. By planning ahead and investing in defense communities the state will form a better partnership with DOD and our military installations, and our great state will avoid the devastating effects of base closures in the future.

INTERSTATE COMPETITION¹⁸

There are a number of key military related states that have an important influence on the nation's economy. These states compete with each other to retain military installations, attract new missions, secure scarce defense appropriations, and entice new defense related industries to their respective regions. Out state's chief competitors are Georgia, Florida, California, Virginia, Mississippi, and Arizona. If Texas is going to compete, our Legislature must evaluate competing state programs in order to better develop a master plan to continually improve our state's position in vying for more defense appropriations and to insulate our defense communities against BRAC.

Georgia

Georgia has a military planning commission similar to the TSMPC. It also utilizes a consulting firm in Washington, DC to advise the commission of the latest information coming from the Pentagon and the Capitol regarding 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. With this information source the commission is able to plan and implement strategies that will protect the military installations from the next BRAC round, and it also insures the local defense contractors that Georgia is indeed a defense industry friendly state.

Florida

Florida has taken the initiative to develop the *Florida Defense Infrastructure Grant Program* that not only assists communities that have lost bases and missions, but also assists existing active bases as well. The state appropriates \$6.9 million annually into the program that allows communities with existing bases to make up for infrastructure shortfalls. This program provides funds to qualified applicants for the purpose of supporting local infrastructure projects deemed to have a positive impact on the likelihood of retaining or expanding United States military bases, installations, and/or missions in the state of Florida.

This state also offers a *Community Defense Grant Program* that encourages communities to analyze their economic reliance on military and defense expenditures and to formulate specific plans for responding to future defense-spending cutbacks. This program also assists communities that have been adversely affected by BRAC in creating reuse plans, identifying and implementing development of infrastructure needed to facilitate reuse, and marketing the closed facility to potential new users.

In order to embed military value into every appropriations decision, Florida also employs the Florida Defense Infrastructure Assessment Request for Proposal. This state initiative allows for consultant services to evaluate the present and future infrastructure requirements of Florida military bases in order to provide a baseline and order of priority for state assistance with the improvement or upgrade of infrastructure (e.g. roads, water supply, power grids, communications nets, etc.) around the state's military bases which will be measured in the next round of base closures.

California

California has a program similar to the Texas Defense Economic Adjustment Assistance Grant Program, except that it appropriates \$6 million of general revenue annually to assist communities with closed military installations. This program has been active since 1993. The California State Senate has a standing Committee on Veteran Affairs, much like the Texas version. California also has a select House Committee on Defense Conversion, Retention, and Space Flight Industries to help channel their legislature to become more military friendly.

The state also employs the *Local Agency Military Base Recovery Area Zone Program* (LAMBRA) that allows businesses in LAMBRA zones to receive incentives similar to those of enterprise zones.

Arizona

Arizona has a *Defense Restructuring Program* that provides tax credits to defense companies relocating to the state, creating new jobs, shifting to commercial production, and/or moving to designated military reuse zones. The tax credits apply against corporate income taxes for up to 40% of the real and personal property taxes paid, they are based on the number of jobs retained or created, and credits for each new employee can total \$7,500 over five years.

Arizona has also designated one of its closed bases as a *Military Reuse Zone*. Companies that begin operation within this zone have their personal property classified as “class B” for five years, representing an 80% property tax savings. In addition there is a transaction privilege tax exemption for construction performed for an eligible company located in a military reuse zone.

Eligible companies are manufacturers, assemblers, or fabricators of aviation or aerospace products and providers of aviation or aerospace services.

Virginia

Virginia implements the *Virginia Defense Revolving Loan Fund*, which provides loans of up to \$1 million to assist defense-dependent companies seeking to expand into commercial markets and diversify their operations. Funding is available for fixed assets and working capital.

CHANGES IN THE BRAC PROCESS¹⁹

During the 2005 BRAC round the BRAC Commission (Commission) will follow similar procedures and standards to that of the 1995 round, but there will be several significant changes. “Military value” will now be the primary factor in determining BRAC decisions. Military value has been defined in detail to protect valuable assets and protect readiness. The DOD and the Commission must consider the extent of savings, environmental remediation costs, and impact on surrounding communities. The DOD may place closed facilities in “care-taker” status for possible future use rather than disposing of them. The Commission cannot add bases to the DOD closure list without at least seven of nine members voting in favor of the action, but the Commission can remove bases from the list by a simple majority vote. In addition, many loopholes in past federal legislation that allowed the decisions to be politicized have been eliminated.

It is important to realize that the BRAC 2005 process has already begun, and more bases will be realigned and closed than during any other round to date. Local communities can make a huge difference in an installation’s ability to survive, but the competition will be very intense, and the state must take an aggressive, proactive role.

Military Value

According to the current statute authorizing BRAC 2005,²⁰ military value shall--at a minimum--include the following:

- Preservation for training areas suitable for maneuver by ground, naval, or air forces to guarantee future availability of such areas to ensure the readiness of the armed forces
- Preservation of military installations in the US as staging areas for the use of the armed forces in Homeland Defense missions
- Preservation of military installations throughout a diversity of climate and terrain areas in the US for training purposes
- The impact of joint war-fighting, training, and readiness
- Contingency, mobilization, and future total force requirements at both potential and existing receiving locations to support operations and training

CUTTING COSTS

It is imperative that our state assist its bases in helping them to become more efficient and cost effective. Many of our bases need to reduce their costs of operation by up to 25% in order to survive the next BRAC round. Utility costs amount to be one of the military's largest expenditures, and it is in this arena that the state can certainly aid its installations.

ELECTRIC COSTS SAVINGS OPTIONS FOR THE MILITARY²¹

The Public Utility Commission of Texas (PUC) has varying degrees of regulation over different utilities in the state based on the nature of the utility as well as the location. Below is a discussion of opportunities for military bases to reduce their costs of acquiring electricity in various areas of the state under current law and PUC rules, as well as possible options for the Legislature to consider.

Investor-owned Utilities (IOUs) *Inside* ERCOT

All IOUs inside the Electric Reliability Council of Texas (ERCOT) have been opened to customer choice and the utilities have been unbundled into power generation companies (PGC), transmission and distribution utilities (TDU), and retail electric providers (REP). TDUs remain fully regulated by the PUC, while PGCs and REPs are mostly unregulated. The PUC has limited authority over the REP affiliated with the old bundled utility, which is obligated to offer regulated "price to beat" rates until 2007 for customers with a peak demand below 1 megawatt (MW).

Opportunities for Bases *Inside* ERCOT

Under existing law and PUC rules, bases can individually negotiate with REPs. Customers appear to have achieved the best savings earlier this year when natural gas and purchased power costs were very low. Bases can individually or jointly find an aggregator that will represent them as a single purchasing unit and negotiate with REPs for service. Any "person" can form an aggregator. There does not appear to be anything in PUC rules or PURA that would prohibit military bases in areas open to competition from joining together as an association, and forming an aggregator. As an aggregator, the association would be able to join all bases together and shop their load to REPs as a single purchasing entity, potentially lowering their electricity costs.

Any "person" can form a REP. As a REP, an association of bases could negotiate with generation companies to supply power to the bases. REPs can be certified under less stringent requirements to serve specific customers if the customers are all over 1 MW of peak demand. Military bases may have the ability to save on energy purchases by installing cogeneration projects, combined heat and power, or other mechanisms for making more efficient use of energy.²² Such projects are likely to require capital investments, but there may be REPs or energy service companies that would participate in such investments for a share of the benefits. Additionally, there are energy efficiency programs and incentives that are administered by the TDUs that large customers can access that will lower the costs of implementing these investments. All of these options provide the potential for cost savings, but the absolute level of savings will depend on market conditions.

Investor-owned Utilities *Outside* ERCOT

These areas include of El Paso, Beaumont, the Panhandle, and East Texas. All Investor-owned Utilities (IOU) outside of ERCOT are still bundled and retail service remains regulated by the PUC. Full customer choice has been delayed either by the Legislature or the PUC for these areas.

Opportunities for Bases *Outside* ERCOT

Existing law and PUC rules have established pilot programs that are ongoing in the SWEPCO (northeast Texas) and Entergy (southeast Texas) utility service areas. Bases in these areas could pursue the options listed above for areas open to full competition and attempt to achieve savings beyond current rates. However, REPs have experienced difficulty competing in these areas. In addition, SWEPCO and Entergy's rates are among the lowest in the state, so it may be difficult to find additional significant savings. El Paso will be open to competition in 2005, unless delayed by the PUC or legislature. Competition in the Panhandle was delayed until 2007 by the Legislature. The Legislature must keep in mind that, as state above, all of these options provide the potential for cost savings, but the absolute level of savings will depend on market conditions.

Municipally-owned Utilities and Electric Cooperatives

These companies are exempt from customer choice unless they affirmatively "opt-in." The PUC has no jurisdiction over the retail rates charged by cooperatives, and only appellate jurisdiction over the rates charged by municipally owned utilities. Municipalities and cooperatives today have authority to reduce rates to certain customers, and may be willing to do so to retain these customers.

TELECOMMUNICATIONS INFRASTRUCTURE IMPROVEMENTS

In the global economy of the 21st Century, state-of-the-art telecommunications capabilities have become necessities in the realms of education, business, government, and most certainly the military. The Legislature has made a commitment to improve the telecommunications infrastructure of our state in order to better meet these needs. Under one program, the *Telecommunications Infrastructure Fund* (TIF),²³ the state has designated public schools, public libraries, public and not-for-profit healthcare facilities, and institutions of higher education as recipients of state programs to improve this infrastructure. Considering that our military institutions provide such a large benefit to the state as well as the nation, the Legislature could also extend similar benefits to bases.

RECOMMENDATIONS

- 1. The Legislature should prioritize military value when making appropriations through existing funding streams. The Legislature should require that all state agencies prioritize military value when adopting rules and when expending funds through their existing funding streams.**
- 2. The Legislature should change the existing charter of the Office of Defense Affairs to make it the state's single focal point for the coordination of all issues, discussions, and policies that would affect the state's defense community.**

The Legislature should maintain the Office of Defense Affairs (ODA) as a separate entity within the Texas Department of Economic Development and staff it appropriately to meet the challenges faced by the state in preparing for BRAC 2005. The Texas Strategic Military Planning Commission should retain its responsibility to advise the ODA.

3. The Legislature should provide funds--between \$20 and \$50 million--and define loan rates and terms to support SB 1815, which was passed during the 77th Legislative Session. This bill allows the Office of Defense Affairs to establish a revolving loan fund to assist BRAC impacted communities.

The federal government has passed legislation authorizing additional rounds of military base closures throughout the United States. Texas needs to be prepared should any of its bases be closed or realigned. SB 1815 authorizes the Office of Defense Affairs to administer a revolving loan program to help an eligible community develop infrastructure to minimize the possibility of or the negative effects of a base closure on that community.²⁴

4. The Legislature should establish a Strategic Defense Investment Program for grants to communities that are not authorized to access SB 1815.

Some communities would not be able to afford a loan program due to constraints (like potentially Del Rio, Kingsville, and Texarkana). In order to assist all bases--large and small--a grant program should be established in addition to the loan program. Loan programs usually involve lead times and lots of paper work when in reality grants are quick and more direct. Having both options will allow each community more latitude in finding an option that best fits its needs.

Texas should model this program after Florida's Defense Infrastructure Grant program; however, Texas has more installations than Florida and its own unique problems so the program will need to be tailored this state. The Florida program assists communities that have lost bases and missions, but also assists existing active bases as well. Florida appropriates \$6.9 million annually into the program, which allows communities with existing bases to make up for infrastructure shortfalls. This program provides funds to qualified applicants for the purpose of supporting local infrastructure projects deemed to have a positive impact on the likelihood of retaining or expanding military bases, installations, and/or missions. This is a very pro-active position and should be considered by the state of Texas.²⁵

5. The Legislature should review the Texas Department of Transportation Report on Strategic Deployment Routes, Highways, and Intermodal Facilities used by the Military and assign a priority funding code for recommendations that will benefit installations during the upcoming BRAC round.

6. The Legislature should consider legislation that will provide the Texas Veterans Land Board the authority to develop housing on land available as a result of BRAC.

7. The Legislature should require the Texas Education Agency to review current policies for the transfer of military dependent students within, into, and out of the state; and ensure that the current policies adequately meet the needs of all students.

Students of military families are often transferred with their families numerous times over the course of their school careers. Graduation requirements vary from state to state and district to district, and these military students usually attend at least two high schools in different school systems. Varying graduation requirements, prerequisite requirements, and grading variations may pose a challenge to a student in transition from one school to another. House Bill 2125 authorizes the Texas Education Agency to pursue reciprocity agreements with other states to facilitate the transfer of military students.²⁶

8. The Legislature should aid Texas military bases in their pursuit of future missions in order to improve their military value under BRAC 2005. The Legislature should also consider options for meeting Homeland Security needs within the state

The future of the military is unclear. With innovations in technology and a new focus on Homeland Security, the state should assist Texas bases and defense contractors in their efforts to remain on the cutting-edge in order to attract new missions and new contracts.

9. The Legislature should consider legislative options that would assist in the reduction of electrical energy costs born by military installations.

Subchapter D of Chapter 35 of the Public Utility Regulatory Act (PURA) permits the General Land Office (GLO) to sell power generated from in-kind natural gas royalties to state agencies, institutes of higher education, public school districts, and political subdivisions. The Legislature could also permit the GLO to sell to military installations. The level of savings this could provide will depend on market conditions.

The Legislature could also expand the energy efficiency requirements in SB 7 and establish additional incentives that would apply specifically to military bases.

SB 7 §63 (non-codified) requires the affiliated REP to continue to offer rates that include the 20% discount for certain institutions of higher education listed in PURA §36.351 until 2007. In order to assist bases *inside* ERCOT, the Legislature could expand this requirement or create similar requirement with respect to military bases and require the affiliated REP to serve these institutions at a discounted rate.

PURA §36.251 provides that all utilities must reduce base rates for four-year state-universities, upper-level institutions, Texas State Technical Colleges, or colleges by 20%. The Legislature could expand this requirement, or create a similar requirement for military bases *outside* ERCOT.

PURA §36.007 permits (but does not require) electric utilities to request retail rates that are discounted, provided that they are not less than the utilities' marginal cost. In the case of SWEPCO and SPS, it is possible that marginal cost will be above the current cost due to these

utilities' low cost generation resources. In the case of Entergy and El Paso, it is possible that a marginal cost rate could provide additional savings beyond current rates. In order to assist military bases *outside* of ERCOT, the Legislature could require the creation of discounted rates for military bases.

10. The Legislature should consider legislation that establishes programs to assist in the upgrade of telecommunications infrastructure for our military installations, and/or allow these installations to benefit from existing programs that meet that end.

The Legislature could develop a working group to explore options available to military installations for obtaining telecommunications infrastructure in the state. These parties could then report their findings and recommendations to the Office of Defense Affairs and the Texas Strategic Military Planning Commission.

The Legislature could explore the inclusion of military bases in programs with existing funding sources that improve public entity telecommunications infrastructure. Statutory changes could be made to allow the military installations to be authorized recipients of grants, discounts, and/or loans through the Telecommunications Infrastructure Fund²⁷ (TIF) and/or the TEX-AN program.²⁸

Any installation located in a rural area that is served by local exchange telephone companies such as Southwestern Bell Telephone Co., Verizon, Sprint, or Valor could obtain high-speed Internet access through the PUC's Rural Area Advance Services Rule. In order to qualify, the base could either be located in a community that is not included within a Metropolitan Statistical Area (MSA), or in a community within an MSA with a population of 20,000 or fewer people not adjacent to the primary MSA city.²⁹ The rule provides a mechanism for the posting of the advanced services request on the PUC's website for a period of 50 days for potential service providers to consider. If a service provider does not voluntarily come forward to provide the service, the community could then make a bona fide retail request for service that would result in the selection of a provider by the PUC. The selected provider would be required to begin providing high-speed internet access within 15 months.

CHARGE 2:
RURAL TOURISM

SPEAKER'S CHARGE

Review the state of tourism in rural Texas. Consider tourism products that are successful in rural Texas and those that hold the promise of greater success. Collaborate with local officials and state agencies involved in promoting tourism to design strategies for communities and entrepreneurs to increase tourist business.

BACKGROUND

The Committee held a public hearing on January 15, 2002 and heard invited testimony regarding this issue. The Committee solicited information from the Texas Department of Economic Development, the Texas Historical Commission, and the Office of Rural Community Affairs.

CURRENT STATE OF RURAL TOURISM IN TEXAS

Texas Department of Economic Development³⁰

The Texas Department of Economic Development (TxED) is the state's lead agency in promoting tourism across the state. It's goal is to help Texas communities spur economic development and create jobs. TxED focuses special effort in aiding these communities in their efforts to adjust to the new global economy.

Texas tourism has enjoyed great success, and the state has played a major role in marketing the state's tourism industry. The award winning advertising campaign is driven by the theme: *Texas. It's Like A Whole Other Country*[®]. This positioning statement is showcased in the domestic markets. In Mexico, Texas' largest international market, and other parts of Latin America, the positioning statement is *Texas. De Todo Un Poco. Y Mas*[®] (loosely translated Texas. A little of everything. And more). Both highlight the variety of travel and leisure opportunities available. The advertising campaign is designed to promote Texas as a premier travel destination.³¹

Tourism proved to be Texas' largest industry over the last decade, and Texas is the second most visited state in the nation. The tourism industry generated \$40.4 billion for the state's economy in 2001, which in turn generated \$2.6 billion in state taxes. Texas' rural areas are greatly responsible for this great success. Rural Texas is the state's number one leisure destination. Even though the total spending of tourist dollars is less in rural areas, each dollar has a much larger impact on rural community economies. When you consider travel spending as a percentage of total gross retail sales, the top five counties with the highest percentage are rural. Even though San Antonio is the state's top city for leisure travel, only six cents of every dollar is spent on tourism, while in Borden County it is 53 cents per dollar and in Jeff Davis County it is 42 cents per dollar. The Tourism Division of TxED spends over half of its budget in supporting rural-based tourism.

Activities are the number one reason people travel to certain destinations, and Texas' rural destinations have an experiential quality unlike any other place. Tourists seem to flock to unique rural shopping and dining establishments, and small communities that offer the basic amenities to which travelers are accustomed. Rural vacations are also seen as more relaxing and have

more intangible results. Vacations to destinations less than 250 miles away are becoming more common. The key to improving this industry is to convince travelers to stay longer, because if they are spending time in the community, they are spending money.

TxED offers a comprehensive outreach program to assist these communities that includes a series of workshops held each year to help the community leaders identify, market, and package their tourism products. The agency also makes assessments of these tourism products and makes recommendations on how to strengthen the community's tourism efforts. Of chief importance is TxED's internet-based programs, which offer assistance to community leaders through question-and-answer sessions as well as downloadable information.³²

The *Rediscover Texas Campaign* was launched in October 2001 to stimulate travel after the September 11th tragedies in New York; Washington, D.C.; and Pennsylvania. It is a state public awareness campaign with the goal of encouraging Texans to take advantage of tourist destinations within the state, and markets Texas tourism through radio, television, and promotional materials.

The *Howdy Neighbor Campaign* was created to stimulate travelers originating from Mexico and neighboring states. It makes travelers aware of a wide variety of events throughout the state, and directs travelers to on-line discounts at www.traveltexas.com.

Post-911 surveys reveal that the recent drop in tourism is a result of the drop in our nation's economy. Many tourists are choosing to travel shorter distances for shorter durations, and more are traveling by automobile rather than the airlines. However, these trends affect rural communities to a much lesser degree than that of their urban counterparts; rural tourism is most often accomplished by way of a car rather than a plane. The state is well positioned for people traveling by car; 70-80% of people traveling to rural destinations are driving.³³ Many rural events in Texas have boasted record numbers this year, and it seems as though the rural tourism industry will recover quickly from the adverse effects of 911. The agency is cautiously optimistic about the industry's future.

Texas Historical Commission³⁴

The agency's mission is to protect and preserve the state's historical resources for present and future generations' use, education, enjoyment, and economic benefit. The Texas Historical Commission (THC) focuses on "heritage" in promoting rural tourism. Every community has a heritage--a story to tell. THC simply helps communities to tell their stories. One out of every ten tourists in Texas is a heritage tourist, which means that they are visiting a museum or some other sort of historic site. Heritage tourism is a lucrative market. Heritage tourists spend an average of \$114 per day as compared to \$85 per day by other tourists, which equals to larger than a 25% increase. Heritage tourists also tend to spend more time--3.2 nights compared to 2.7 nights for the average traveler. Spending time equals spending money.

In 1998 the state adopted the *Texas Heritage Trails Program*, which was designed to promote tourism visitation to historical and cultural sites and included ten Texas travel trails.³⁵ The program provides technical, educational, and financial assistance to selected trail region programs that help community leaders and volunteers promote and enhance their heritage

tourism attractions.³⁶ THC is currently working with three of these trails: the Forts Trail, Independence Trail, and Forest Trail. During the last three years these trails have produced a cumulative economic impact of \$95 million spent, and the historic sites along these trails have seen a 50% increase in attendance each year. The state has enjoyed a return of 50 dollars for every one dollar spent in its financial investment in heritage tourism. The *Texas Heritage Trails* program recently received a four-year, \$1.3 million T-21 reimbursement grant from the Texas Department of Transportation.³⁷

In addition to this program, THC also created the *Texas Heritage Corridors Program*, which promotes regions of the state that are based on a single theme as opposed to a specific geography. A heritage corridor may be located within one of the regional trails or stretch across multiple trails. The first two heritage corridors promoted were the Los Caminos Del Rio Corridor in the Rio Grande Valley and the Red River War Corridor in the Panhandle. This program assists county commissions, convention and visitors bureaus, chambers of commerce, and other interested groups to identify and promote historic corridors in order to increase tourist visitation and preserve historic sites. THC provides technical assistance to local preservation and tourism partners who are interested in developing the cultural and economic significance of the corridor.³⁸

THC partners with many state agencies and private associations in its effort to promote Texas tourism, including the Texas Department of Economic Development, Tourism Division; Texas A&M University System, Department of Recreation, Park, and Tourism Sciences; Texas Commission on the Arts; Texas Department of Transportation, Travel Division; Texas Parks and Wildlife; and the Texas Travel Industry Association.³⁹

OTHER EXISTING STATE PROGRAMS⁴⁰

Historic Courthouse Preservation Program

In 1999, the 76th Legislature established a \$50 million grant program to restore Texas' county courthouses to their original splendor and make them safe, functional, and a source of pride for Texas communities. Because of the favorable response to the program, the 77th Legislature appropriated an additional \$50 million for use during the 2002-2003 biennium.⁴¹

Historic One-Room Schoolhouses

In 2001, the 77th Legislature adopted SJR 2 and SB 116 to allow boards of trustees in school districts to donate historic one-room schoolhouses in the interest of preservation. The board of trustees can donate excess real property and improvements previously used as a school campus to a municipality, county, or nonprofit organization. Voters approved the constitutional amendment allowing the donation of such property on November 6, 2001, and the enabling legislation became effective January 1, 2002.

World Birding Center

In 1997, the Texas Legislature appropriated \$6 million for the creation of the World Birding Center in the Lower Rio Grande Valley. The target date for opening the center is 2003. When completed, the center will provide educational and recreational programs and protect almost 600

additional acres of wildlife and restorable land. This is an example of the state aiding local economies by adding value to a natural resource.⁴²

Great Texas Coastal Birding Trail

The award-winning, one-of-a-kind birding trail is a \$1.5 million project for the Texas Parks and Wildlife Department that is funded through federal highway dollars and produced in partnership with dozens of coastal communities. It stretches through 41 Texas counties and offers 308 premiere bird-watching sites along the Gulf Coast.⁴³

RECOMMENDATIONS

1. The Legislature should continue to support the budgets of the Texas Department of Economic Development and the Texas Historical Commission, as well as other state agencies that promote tourism in our great state.

Tourism was the state's largest industry during the last decade, and Texas has enjoyed a huge return on its investment in helping to develop tourism throughout the state.

2. The Legislature should continue to offer its support for the *Texas Heritage Trails Program* and the *Texas Heritage Corridors Program*, and consider designating other categories of Texas heritage to be honored and promoted. The state would be greatly benefitted by the establishment of a Texas Music History Corridor.

These programs have proven to be a great success, and this system of marketing could easily be applied to the state's existing music preservation community. This community is spread across the entire state; therefore, the corridor would likely spread across every heritage trail. The music history corridor would not represent merely one particular region, but rather the entire state as a whole.

Music museums and other music preservation organizations are great tools of economic stimulus in many of our rural communities, but they suffer from a lack of connectedness and coordination. The music community is very supportive of this idea, and the state would certainly continue to see a great return on its investment in this program. Further discussion of this topic can be found under *Charge 4* of this report.

3. The state should continue to support programs that capitalize on one our of state's most prized possessions--rural Texas--including the *Historic Courthouse Preservation Program*, *Historic One-Room Schoolhouses Program*, *World Birding Center Program*, *Great Texas Coastal Birding Trail Program*, *Howdy Neighbor Campaign*, *Rediscover Texas Campaign*, and the *Texas. It's Like A Whole Other Country*[®] *Campaign*.

CHARGE 3:
BORDER CROSSING TRAFFIC

SPEAKER'S CHARGE

Consult with and monitor state and federal agencies with duties related to commercial and personal traffic across the international border with Mexico. Make suggestions to improve the efficiency of border crossings without compromising security or crime detection operations.

BACKGROUND

The House Committee on State, Federal, and International Relations (SFIR) held public hearings in Austin on January 15, 2002 and in El Paso on February 25, 2002 in order to hear testimony regarding this issue. Testimony was taken from state agencies, federal agencies, local officials, and private organizations that are directly affected by border traffic and are keenly interested in the state's future course of action in assisting the federal government in protecting our borders while allowing for efficient trade and ease of traffic flow.

POST-NAFTA TRADE: OUR NEEDS HAVE CHANGED⁴⁴

The North American Free Trade Agreement (NAFTA) has fundamentally reoriented our economy.⁴⁵ Following World War II, trade in the United States flowed along an east-west axis. That trade resulted from our country's heavy investment in Germany and Japan through the Marshall Plan. We established a national highway system to support east-west trade and created trust funds at the congressional level to fund investment in the system and ports on the West and East coasts.

Since the implementation of NAFTA in 1994,⁴⁶ the majority of trade has shifted to a north-south orientation.⁴⁷ Port cities such as Detroit, Laredo, El Paso, and Brownsville have joined the ranks of Houston, Boston, Los Angeles, and Seattle as critical junctures in the United States (US) overland trade. This shift has had a profound effect on infrastructure needs along the Texas border--now a key player in NAFTA trade.

Today, nearly \$250 billion in trade moves across our border with Mexico annually, a 191% increase in the decade following the signing of the NAFTA.⁴⁸ In its first decade, truck traffic across the border increased approximately 400%.⁴⁹ By 2000, trucks were responsible for transporting an estimated 75% of the goods moved between the two nations.⁵⁰ Five million trucks cross the border each year.⁵¹ Considering that more than 80% of US-Mexico commerce crosses the border in Texas,⁵² it is clear that Texas ports-of-entry have become the ports of our future.

Grinding to a Halt⁵³

With this great influx of traffic through our southern border, the degree of unrelenting congestion rose to unbearable levels as we moved into a new century. Furthermore, after the events of September 11, 2001, those seeking passage through Texas ports-of-entry and movement along trade corridors have experienced even greater hardships and longer delays due to increased security measures. Both commercial and personal traffic have grinded to a halt, yielding wait times of up to six hours for vehicles at some border crossings, while those individuals opting to cross by foot have encountered wait-times as long as two-hours. Last fall, a

13 year old girl and her six year old brother tragically died of carbon monoxide inhalation while waiting almost two hours to cross the Zaragoza Bridge in El Paso.⁵⁴

The current situation of unbearable delays not only affects those people crossing the border and the surrounding communities, but it also affects those people on the other end of the trade route. For example, Dallas stands as the city that receives the most economic benefit from Mexican trade.⁵⁵ Therefore, when trade routes slow, the entire nation is affected.

Mexican Truck Traffic⁵⁶

The use of commercial trucks to carry goods across the border is vital to the success of NAFTA. Commercial trucks transport 80% of trade value between the US and Mexico, and 70% of US and Canada trade is transported with trucks.⁵⁷ Unlike Canada, however, Mexico has yet to harmonize any of its standards with those of the US, such as the requirement for periodic inspections.⁵⁸ Despite the disparity in standards,⁵⁹ the U.S. has allowed Mexican commercial trucking companies to come across the US-Mexico border by different methods.

Under the Motor Carrier Safety Act of 1994, Mexican commercial vehicles have been able to pass into and operate in “commercial zones” within the US border-states.⁶⁰ Over 8,000 Mexican trucking companies have authority to operate in these twenty-mile zones.⁶¹ The most commonly used method involves the use of drayage trucks.⁶² In order to carry a single load of international freight across the border, this process necessitates that a minimum of three drivers and three trucks be used.⁶³ A shipment from the US to Mexico requires a US truck to carry the shipment to a warehouse near the border where it is picked up and carried by the drayage hauler.⁶⁴ The hauler, operated by a Mexican company, carries the shipment across the border to a storage facility, where the trailer will be picked up and delivered to the final destination within Mexico.⁶⁵

This method is problematic because it increases the traffic and congestion along the border by requiring exchanges between three trucks in order to complete the shipment’s delivery.⁶⁶ Furthermore, many more negative externalities develop, such as increased insurance costs, wages for three drivers, maintenance costs for all three trucks, and certainly increased pollution.

The President’s Push for Change⁶⁷

In July 2001 the Bush administration released a plan with “four core principles” to aid in the implementation of NAFTA trucking provisions.⁶⁸ The first stated that safety of cross-border trucking “will not be sacrifice[d]” for the implementation of the provisions.⁶⁹ The second principle required that all drivers, trucks, and companies from Mexico that wish to operate in the US will have to satisfy “identical safety and operating standards that apply to US and Canadian carriers,” regardless of whether they operate only within a border zone or not.⁷⁰ President Bush’s third principle recognized the need for the US to fulfill its legal obligations to Mexico under NAFTA. If the US upholds its end of the treaty, Mexico will reciprocate and permit US trucks into Mexico.⁷¹ Lastly, the fourth principle called for equal opportunity and fairness to Mexican carriers that operate lawfully within the US.⁷²

President Bush's safety implementation plan was divided into five parts. The Administration first proposed a safety review of all trucking companies before allowing operations in the US.⁷³ The Federal Motor Carrier Safety Administration proposed rules governing the applications of

Mexican carriers for cross-border operations within the US.⁷⁴ Additionally, the Administration wished to expand safety inspections of commercial vehicles at the border and increase the number of inspectors.⁷⁵ Driver audits were also proposed to insure compliance with driver requirements, such as number of hours the driver has been in service and licensing.⁷⁶ Finally, the Administration proposed to improve border infrastructure and implement educational programs for drivers.⁷⁷

However, it should be noted that Secretary Norman Mineta released this plan before the events of September 11th.

Congress Steps In⁷⁸

Congress passed a fairly restrictive bill in December 2001 that will permit Mexican carriers to move past the commercial zones and into the rest of the continental US.⁷⁹ President Bush, most likely due to the heightened safety concerns after September 11, relaxed his position on the strictness of the measures and signed the bill into law.⁸⁰ He called the passing of the bill “an important victory for safety and free trade,” and went on to state that the US “must promote the highest level of safety and security on American highways while meeting our commitments to our friends to the south.”⁸¹

The legislation calls for: (1) safety inspections of every Mexican trucking company’s fleet if the fleet is larger than four trucks, (2) physical inspections every 90 days for every Mexican truck operating in the US, (3) electronic verification of most Mexican truck driver's licenses, (4) proof that the trucking companies have insurance and drug testing programs, and (5) it limits the entry of the trucks to only 10 border crossings.⁸² Given the stringent requirements, few Mexican carriers are expected to begin full cross-border operations once the US highways are completely open and all the restrictions can be fully enforced.⁸³ Currently, only about 60 trucking companies have submitted applications to begin full cross-border operations.⁸⁴

Although this legislation has been passed into law, the federal government is yet to explain how it will fund and implement these requirements. The federal Department of Transportation (DOT) has not even adopted an operational plan between it and the border states to ensure that Mexican-domiciled carriers comply with US safety standards.⁸⁵

LEGAL ISSUES ARISING FROM AN OPEN BORDER WITH MEXICO⁸⁶

The opening of the US-Mexico border will bear a tremendous impact on the US legal system. The number of civil suits between citizens of Mexico and the US are likely to rise in the arena of auto negligence at a substantial rate once cross-border traffic rises in the NAFTA countries. This section will explain the potential impact an open border will have on our judiciary, while also highlighting tools that our legal system possesses to prevent or deal with resulting problems.

Jurisdiction and Venue⁸⁷

The possibility of a personal injury claim arising in a US court as a direct result of trade with Mexico was likely not in the minds of the drafters of NAFTA. The dispute resolution provisions of NAFTA relate only to the areas of investment, financial services, unfair trade actions, failure

to enforce labor laws, environmental violations, and the interpretation and application of NAFTA.⁸⁸ The issue is not whether a foreign citizen, or alien, can bring suit in the US, but rather where the suit can be brought and whether that court has the power to exercise jurisdiction over the parties.

*Subject Matter Jurisdiction*⁸⁹ - In the US, jurisdiction is governed by federal or state constitutions, as well as the relevant federal or state statute.⁹⁰ US federal courts have jurisdiction over cases between US citizens and citizens or subjects of a foreign state, as long as the amount in controversy is greater than \$75,000.⁹¹ However, our courts do not have jurisdiction over suits between two aliens.⁹² In addition to subject matter jurisdiction, courts must also have personal jurisdiction over the defendant.⁹³

*Personal Jurisdiction*⁹⁴ - The requirement of personal jurisdiction, however, does not appear to be as easily established as that of subject matter jurisdiction. In order for the court to exercise jurisdiction over the defendant, he or she must either be present in the court's state or "have certain minimum contacts with it such that the maintenance of the suit does not offend traditional notions of fair play and substantial justice."⁹⁵ If a defendant from Mexico regularly travels into the US, the court could easily establish general jurisdiction over him and have jurisdiction over him for all purposes. If the defendant's contacts with the US were minimal, the US plaintiff would have to show that the contacts were sufficiently related to the auto negligence claim.⁹⁶

*Venue*⁹⁷ - Venue statutes are designed to provide a convenient forum for an action's resolution, and can vary from state to state. The federal court system has its own separate statutes for determining the proper forum for an action. In federal cases where jurisdiction is based on diversity of citizenship, the action may be brought in "a judicial district where any defendant resides," where "a substantial part of the events or omission" that lead to the claim occurred, or if no other venue is proper the action may be brought where "any defendant is subject to personal jurisdiction at the time the action is commenced."⁹⁸ An action against a foreign citizen may be brought in any US district court.⁹⁹

With the opening of the border, citizens of Mexico injured in auto accidents with US citizens are likely to bring suit in the US. Texas is a popular jurisdiction for plaintiffs to bring suit, so it is sure to invite Mexican plaintiffs injured by US drivers. US drivers will also likely bring suit against Mexican citizens who have crossed over the border in Texas. The open US-Mexico border will likely lead to increased traffic in both countries, with the chances of a person being injured and suing for that injury increasing with every truck passing through the border unimpeded by a thorough inspection. This could potentially bring a flood of litigation to our state.¹⁰⁰

The doctrine of forum non conveniens, which may be utilized in situations where an alternative forum exists in Mexico, could prove to be an invaluable tool for federal and state courts to squelch this potential problem.¹⁰¹ Forum non conveniens can be used to dismiss an action when the choice of forum is burdensome on the defendant or the court, or in situations where the plaintiff does not have any specific reasons to support his choice.¹⁰² However, the district court may conclude the interests of justice require not dismissing the case, if the laws of the alternative forum are inadequate in providing a remedy for the plaintiff.¹⁰³ The Supreme Court has also

stated, “there is a local interest in having localized controversies decided at home.”¹⁰⁴ Ultimately, the doctrine will help to dismiss actions brought by Mexican citizens in the US that have little connection with the US. However, if a Mexican plaintiff has no adequate remedy in Mexico, the interests of justice will likely keep the action in the US courts.¹⁰⁵

Enforcement of Foreign Judgments¹⁰⁶

Enforcement of a judgment is key to an injured party being able to receive the compensation awarded by a court of law. If the party cannot enforce the judgment upon the adversary, the entire legal process preceding the judgment has no true merit. Just as NAFTA does not include forum provisions for a civil suit, the trade agreement also is void of any provisions for the recognition or enforcement of civil judgments.¹⁰⁷ US courts do have a history of enforcing judgments of Mexican courts upon U.S. citizens.¹⁰⁸ Despite provisions in the Mexican Federal Code of Civil Procedure establishing guidelines for the recognition of foreign judgments in Mexico, courts in the country have been reluctant to enforce US civil judgments.

Foreign judgments are not entitled to full faith and credit under the laws and US Constitution.¹⁰⁹ The doctrine of comity--when one court defers to the jurisdiction of another in a case in which both would have the right to handle the case--has been used to recognize the judgments of other nations for enforcement in the US, but will not be used when public policy and national interests are at stake. Texas courts have held judgments in Mexican courts to violate Texas public policy in the past, choosing to apply Texas law instead.¹¹⁰ Judgments of foreign courts are also not entitled to recognition if the foreign judicial system does not have procedures compatible with due process or provide impartial tribunals.¹¹¹ However, Texas law requires that foreign judgments that award monetary damages must be recognized unless the defendant “establishes one of ten specific grounds for nonrecognition.”¹¹²

Nonrecognition does carry with it many dangerous consequences. If Texas refuses to enforce a Mexican court’s judgment, Mexico will reciprocate by declining to recognize US judgments against Mexican citizens. The result would be that neither country’s injured parties would have remedies available through the courts.

PREPARING FOR THE FUTURE¹¹³

The US government has recently announced that it will appropriate \$54 million in grants to “ensure safe operation of Mexico-domiciled commercial motor vehicles in the States and improve traffic flow at border crossings in the four border states.”¹¹⁴ \$40.8 million will be allocated to meet Texas’ border needs.¹¹⁵ However, the manner in which this money is to be spent is still hotly debated.

We will not know the true implications of an open border with Mexico until the long-haul trucks begin rolling down our interstates. Plans were in place to allow these trucks to begin operation this past summer, but the federal government is yet to give them the authorization.¹¹⁶ Although the US has fulfilled its obligations under NAFTA, the proper steps to ensure roadway safety have not yet been taken. Even though the US will benefit greatly from increased trade with Mexico, our courts are not ready to handle the potential flood of litigation, and our state and local governments have not developed the necessary infrastructure and safety measures to

accommodate the influx of even more traffic. There is much work yet to be done, and with each passing day trade increases across our international border with Mexico. Up to this point, our government has yet to prove that it can keep up the pace.

MAJOR STATE AGENCY INVOLVEMENT

Department of Public Safety¹¹⁷

The Licensing and Weight Service of the Traffic Enforcement Division of the Department of Public Safety (DPS) is charged with the enforcement of commercial vehicle compliance with safety standards. The service employs 371 commissioned officers and 30 noncommissioned inspectors to conduct commercial vehicle weight enforcement; 37 troopers and five inspectors are located in our border region. DPS also has two commissioned troopers and two civilians that conduct compliance reviews along the border.

DPS serves two basic functions in regard to the inspection of commercial vehicles. DPS officers conduct road-side inspections of commercial vehicles. The Legislature gave DPS the power under Chapter 644 of the Transportation Code to enforce all appropriate federal motor safety regulations that apply to interstate traffic. Thus, DPS officers can conduct the same inspection as a federal motor carrier safety inspector. However, federal inspectors are often bound by statute or agency policy to issue specific penalties for violations, but DPS officers are often allowed to use their own judgment and award lesser penalties if the situation calls for it. Secondly, DPS conducts motor carrier compliance audits. There are over 30,000 commercial carriers registered to do business in the state of Texas. DPS administers audits of these carriers based on performance reviews related to the carrier's safety records resulting from road-side inspections. These audits study the carrier's management practices in relation to compiling drivers' records, enforcing driver qualification requirements, facilitating random drug and alcohol testing, and diligence in performing appropriate maintenance checks.

DPS supports the one-stop concept for building future truck-checking facilities, but it is not convinced that the concept can be implemented at all eight major border crossings. Texas currently has seven of the ten largest border crossings with Mexico. According to statistics released by the US Customs Service, Laredo boasts the largest crossing, but the Ote Mesa crossing in California has exceeded El Paso as the second largest crossing--El Paso remains the second largest crossing within the state, and third overall. Ote Mesa has a stand-alone inspection facility that operates similarly to the system that TxDOT is currently proposing. Since 1996, the number of vehicles crossing at this point, which is located between San Diego and Tijuana, has continued to increase. It has experienced an increase from 400,000 vehicles in 1996 to 700,000 vehicles during federal FY 2001. Trucks have continued to move efficiently through this crossing's system despite the increase in traffic, and the stand-alone truck inspection facility has not hampered the efficiency of this crossing. If Texas is unable to implement one-stop facilities and we have to construct stand-alone facilities, it is likely that Texas could enjoy the same positive results as California.

The Federal Motor Carrier Safety Administration (FMCSA) has stated that long-haul Mexican carriers will be required to establish procedures that ensure that drivers are not driving too many hours, appropriate driver training is being administered, random drug and alcohol checks are

being administered, and that the carriers conduct regular maintenance checks. These carriers will be required to meet these standards before they can operate outside of the commercial zones. The FMCSA also has proposed rules in place that require all drayage carriers to reapply for US operating authority even within the commercial zone, requiring these operators to conform to similar standards applying to long-haul carriers; however, rules applying these requirements to drayage trucks have not been put into effect.

TxDOT is currently in the process of building temporary truck-checking facilities along the border, and DPS has recently hired additional personnel with federal funds to help staff these facilities.¹¹⁸

Texas Department of Transportation

The Texas Department of Transportation (TxDOT) provides a wide range of mobility-related services to the border region. TxDOT is currently conducting two important studies on border transportation matters. One study examines a prototype border truck processing system and the other study evaluates border efficiencies from the perspective of improving cooperation and coordination. The two studies are detailed below:

Model Border Crossing Facility - The focus of this study is to expedite the movement of trade through port-of-entry systems, while maintaining adequate federal and state interdiction for traditional missions (like tax collection and drug enforcement) and new missions (such as maintaining national security and vehicle safety standards). University researchers under contract with TxDOT believe that a prototype one-stop or no-stop system is feasible. It would use existing technologies and would not add substantial costs to existing port-of-entry designs. Initial estimates suggest an additional cost of between 5-10% over existing port construction costs according to the US General Services Administration. Currently, the design team is conducting environmental assessments in accordance with the National Environmental Policy Act and Federal Highway Administration requirements. The researchers are completing the second phase of the one-stop *Model Border Crossing Facility* study, which involves a determination of the applicability of the model border crossing facility concept to each of the eight busiest bridge crossings along the border. A final report will be presented to TxDOT in December 2002.

Interagency Cooperation - This study is being managed by the Transportation Planning and Programming Division of TxDOT for the Bi-National Joint Working Committee and is being conducted by a team led by the Texas Transportation Institute.¹¹⁹ This team is studying the US ports-of-entries, while another team in Mexico managed by the Mexican Secretary of Transport and Communications is undertaking the same project from the Mexican government's perspective. This study is focused on examining the cooperation and coordination between federal and state agencies operating along the border, and will offer suggestions to improve our border crossing process. Researchers have already visited a number of ports-of-entry to discuss this subject with the private sector and will later follow up with the federal agencies. Improvements in cooperation could lead to a more stream-lined process and perhaps lower administrative costs for brokers and shippers.

Texas Transportation Plan - TxDOT is currently updating this plan, which is a state-wide effort to comprehensively evaluate Texas' transportation system and address all viable transportation modes. It is a long-range plan that will encompass a 25-year time frame and identify multimodal improvements necessary and/or desired to serve the traveling public. TxDOT is currently holding public meetings on the drafted plan in 17 cities throughout the state. The last public meeting is scheduled for November 21, 2002, then revisions will be made and the plan will be presented to the Texas Transportation Commission for final approval. In conjunction with this effort, TxDOT is also conducting a *Texas State Rail Plan* that is following the same schedule.

Statewide Analysis Model - TxDOT is currently overseeing the development of this initiative, which will be capable of providing freight and commodity flow information.

Containerized Freight - Similarly, TxDOT has also just begun its second year of a two-year study tracking the movement of containerized freight across the Texas highway system.¹²⁰

Border Safety Inspection Facilities

In 1999, the 76th Legislature passed SB 913, which directed TxDOT to develop a "one-stop" border inspection station for commercial traffic. This facility would streamline federal inspections such as customs, agriculture, and immigration, and state inspections targeting safety and weight aspects. These state inspections are carried out by DPS and require modern facilities and equipment, including scales and inspection bays.

In August 1999, the Texas Secretary of State Elton Bomer established and chaired a task force to oversee the implementation of SB 913. The task force consisted of both state and federal representatives. Due to the fact that some federal agencies did not wish to move into a one-stop inspection facility, the task force determined that it was impossible to implement SB 913.⁷

On December 16, 1999, the Texas Transportation Commission approved a Minute Order (MO) that complimented SB 913's intent and general objective in the development and establishment of Border Safety Inspection Facilities (BSIF) at commercial port-of-entries. The MO provided for equal progress to the extent possible at each major commercial bridge crossing in the state. This allowed TxDOT to use allocated state funds to officially initiate the planning and design development process. These facilities will help the DPS and other government agencies to significantly improve compliance with statutory provisions of law regulating weight and motor carrier safety without creating any traffic impact, disruption, or trip delays for commercial vehicles operating legally.

On January 8, 2000, a professional consultant services contract was executed with the architectural firm of Ashley, Humphries, & Sanchez from Laredo. The firm is leading a design team that will begin the planning and preliminary design of the Columbia Solidarity Bridge and the World Trade Bridge BSIFs. The Laredo locations were selected to be implemented first by DPS because they have the highest levels of traffic. As mandated by SB 913, the design team's scope of work also required the research and development of an optimum "prototype" BSIF with minimal site-related modifications to be utilized at proposed locations. The scope of work included a site selection study for the two bridge locations.

On June 12, 2000, work authorization was issued to the design team to perform a site-selection study and assist TxDOT and DPS in the evaluation of candidate sites at each of the remaining six locations. The remaining locations were the Bridge of the Americas and Zaragosa/Ysleta in El Paso, Camino Real International bridge in the Eagle Pass, Pharr-Reynosa International Bridge in Pharr, Veterans International Bridge at Los Tomates in Brownsville, and Free Trade Bridge at Los Indios in Camaron County. The sites were to be strategically located such that they functioned efficiently and managed traffic without adverse impact to the environment or near-by existing roadways. Furthermore, these sites were to interface with current truck processing operations conducted at US Customs Border Inspection Facilities. Workshops were conducted as part of the site selection study to solicit input from landowners; federal, state, county, and city officials; and other interested stakeholders.

On April 23, 2001, a work authorization was issued to the design team to conduct an Environmental Assessment, in accordance with the National Environmental Policy Act and Federal Highway Administration requirements, of all the recommended sites at each of the eight locations.

“AT” VS. “AWAY” FROM THE BRIDGE

Two general schools of thought have developed regarding the positioning of any future border crossing facilities.¹²¹ One camp argues that all future facilities should be constructed “away” from the bridge with proposals ranging from 5 to 28 miles inland from the actual border.¹²² The other camp disagrees, and wishes to establish any future facilities “at” the bridge in the same manner in which border crossing facilities have almost exclusively been positioned in the past. Their respective arguments are outlined below.

“Away” from the Bridge¹²³

This position is openly supported by Rep. Richard Raymond, Senator Elliott Shapleigh, Senator Judith Zaffirini, the Honorable Elizabeth G. Flores (Mayor of Laredo), as well as many other individuals, entities, and community leaders. They argue that placing more facilities “at” the border would be detrimental to the community in many ways. Their chief concern is that local interests be served, and to ensure that, they believe local officials and businessmen should play a large role in the decision making process regarding the location of future facilities. Building the facilities “away” from the border, they argue, would preclude congestion and pollution at our bridges, allow DPS personnel to inspect long-haul trucks instead of only local drayage trucks, and cut the state’s construction costs in half when two adjacent port-of-entries can be serviced by a single BSIF.

In addition, they contend that legislative intent is clearly on their side. Senator Zaffirini authored an appropriations rider that was unanimously adopted by the Appropriations Conference Committee and the Texas Legislature--which ensured that before funds were expended for the purpose of building several types of facilities (BSIFs were included), TxDOT would be required to sign an agreement with the governing body of the municipality in which the facility is to be located. This camp also urges TxDOT to analyze each location independently and carefully considering the unique characteristics of the traffic issues associated with each city.

Additionally, they reason that their local police department, which is funded through local tax dollars, will continue to stop commercial trucks and inspect them as a component of ordinary traffic law enforcement. Ultimately, they contend that if the facilities are built “away” from the border to relieve the problems stated above--and chief among those is traffic congestion on the bridges--DPS will retain the ability to adequately enforce traffic laws.

“At” the Bridge¹²⁴

This position is openly supported by TxDOT, DPS, Rep. Joe Pickett, as well as many other individuals, entities, and community leaders. This group’s contention is that BSIFs should be built “at” the border in order to maintain security and crime detection operations associated with processing trucks, coordinate with existing federal facilities that are already operating at bridges, and to ensure that all Mexican trucks entering the US will be processed through an inspection facility. Like their opponents above, this camp wants the state to consult with local officials, businessmen, and citizens before they begin construction of any facilities in order to ensure that local interests are being honored.

If facilities were built “away” from the bridge, proponents for building the BSIFs at the bridge contend that truck drivers could easily circumvent the BSIFs by detouring around major thoroughfares. Their opponents claim that drivers would not waste time trying to avoid the BSIFs and that TxDOT could build smaller facilities on smaller roads if the need arose; however, considering that DPS is already underfunded and understaffed in its attempt to inspect trucks, “at”the bridge proponents argue that the agency would not be able to adequately patrol alternate routes.

Proponents of building the facilities away from the bridge assert that BSIFs located at the bridge will never inspect the long-haul trucks that will soon be traveling across our entire country. This may be true; however, their opponents counter that only 60 Mexican companies have applied for an application for long-hauls, as compared to over 8,000 Mexican trucking companies that have the authority to operate within the commercial zones.¹²⁵ According to the statutory authorization, Texans have less to fear from long-haulers because they will be subject to many more safety requirements and restrictions than drayage trucks that are only allowed to operate within the commercial zones. Ultimately, it seems as though drayage truck companies are the most benefitted by “away” from the border BSIFs. If the facility is located more than 20 miles inland, then drayage trucks would never be required to pass through an inspection facility. These trucks, which constitute the majority of commercial traffic at our port-of-entries, could go unchecked indefinitely.

Currently, DPS is conducting random inspections at the bridge through the use of a mobile inspection facility. Due to limited staffing and funding, this mobile inspection facility only processes a very small number of Mexican trucks that enter through our port-of-entries. However, proponents of building BSIFs “at” the bridge claim that these inspections have proven to be effective. With commercial traffic entering by way of the Bridge of the Americas from July 26, 2001 through August 31, 2002, DPS visually checked 5,504 trucks; conducted more involved inspections of 1,545 trucks; placed 771 trucks out of service; placed 69 drivers out of service; issued 1,755 citations; and issued 14,890 warnings. Uncollected fines associated with 568 citations issued at this bridge during June 1 through September 16, 2002 totaled \$62,815.¹²⁶

In operations conducted at the Zaragosa Bridge from June 1, 2001 through August 31, 2002, DPS visually checked 2,673 trucks; conducted more involved inspections of 1,691 trucks; placed 755 trucks out of service; placed 73 drivers out of service; issued 1,587 citations; and issued 15,435 warnings. Uncollected fines associated with 604 citations issued at this bridge during June 1 through September 27, 2002 totaled \$87,580.¹²⁷

During roughly 15 months of random inspections at merely these two port-of-entries, DPS placed 1,526 trucks and 142 drivers out of service. Proponents of “at” the bridge inspections argue that but for a mobile inspection facility being located at the border, even though it was being administered randomly at locations up and down the border, 1,526 more dangerous trucks and 142 more dangerous drivers would have been allowed to operate within the neighborhoods of Texas’ border communities.¹²⁸

Proponents of “at” the bridge facilities assert that local police cannot adequately guard against the overwhelming threat of unsafe Mexican trucks in the absence of DPS inspections. Therefore, if future BSIFs are located away from the bridge, border communities will pay the price for having unsafe trucks traveling down their roads and through their neighborhoods.

RECOMMENDATIONS

1. The Legislature should direct the Texas Department of Transportation to construct permanent commercial truck inspection facilities at all major commercial port-of-entries along our international border with Mexico. The Legislature should also fund this measure appropriately in order to allow for adequate staffing and 24-hour operation.

During the first decade of the NAFTA implementation, truck traffic across the border increased approximately 400%.¹²⁹ By 2000, trucks were responsible for transporting an estimated 75% of the goods moved between Mexico and the US.¹³⁰ Five million trucks cross the border each year,¹³¹ and more than 80% of US-Mexico commerce crosses the border in Texas.¹³²

Mexico has yet to harmonize any of its standards with those of the US, such as the requirement for periodic inspections,¹³³ however, over 8,000 Mexican trucking companies have authority to operate within the US.¹³⁴

The state should invest in “one-stop” border-crossing facilities at port-of-entries to minimize wait times.¹³⁵ In the event that adequate funding does not exist to build these massive facilities, Texas should build permanent stand-alone truck-processing facilities at every border crossing that enable DPS to conduct inspections of Mexican trucks.¹³⁶

2. When determining where to build truck inspection facilities, the Legislature should honor local interests by allowing local officials, businessmen, and citizens to be included in the policy-making process.

Advocates for both “at” the bridge facilities and “away” from the bridge facilities agree that local interests should be respected when considering the placement of future inspection facilities.

3. The Legislature should direct state agencies to establish memorandums of understanding with federal agencies in order to better communicate and to ensure that all state and federal agencies are working towards the same goal--improving border efficiency while maintaining security and crime detection.

TxDOT is currently studying the coordination and cooperation of the various state and federal agencies operating along the border. The Legislature should review their findings and consider options to better equip our state agencies to better interrelate with federal agencies in order to streamline the border crossing processes.

4. The Legislature should continue to invest in new technologies that will streamline the border crossing process. It should allow for the construction of more Designated Commuter Lanes at port-of-entries to relieve non-commercial traffic congestion.

El Paso boasts the only operational Designated Commuter Lane (DCL) located on the US border with Mexico. This system allows for the rapid yet secure processing of thousands of non-commercial travelers every day. The state should issue many more “smart cards” to citizens who frequently cross the border and have passed strenuous security checks, allowing them to use DCLs that relieve traffic congestion at regular crossings.¹³⁷ The state should establish a goal of constructing DCLs along-side every major bridge, and start by equipping our most congested port-of-entries.

5. The Legislature should invest in improved border rail infrastructure to shift cargo from commercial vehicles to trains.

This initiative would not only ease the burden placed on DPS to inspect the growing number of trucks and TxDOT’s burden to create a massive infrastructure to support them, but it will also diminish the number of vehicle operators that must be processed by the Immigration and Naturalization Service (INS). Each train, which can transport goods equivalent to over 100 individual trucks, is only manned by about five personnel. Therefore, by shifting the freight to rail the state can greatly diminish the number of drivers that must be processed by INS, which will ultimately ease the burden placed on INS personnel and speed up the border crossing process.¹³⁸

CHARGE 4:

MUSEUM OF TEXAS MUSIC AND MUSIC HISTORY

SPEAKER'S CHARGE

Develop options for creating a museum of Texas music and music history.

BACKGROUND

The Committee heard testimony regarding this issue during public hearings in Austin on January 15, 2002 and April 8, 2002. In addition, many organizations and individuals devoted to the promotion and preservation of Texas music history contacted the Committee during the interim to offer their views regarding this charge. In total, the Committee conferred with representatives from over 1500 Texas-based museums, archives, schools, and other organizations that are keenly interested in this issue.

In responding to public testimony as well as suggestions from the music preservation community, the Committee broadened its focus beyond Speaker Laney's charge. The Committee solicited information from private organizations, public universities, and state offices regarding the best approach for the Texas Legislature to take in assisting the music preservation community in its passionate efforts. The Committee reviewed suggestions such as improving the interconnectedness of music preservation organizations, marketing existing museums and exhibits, developing better web-based applications, acquiring music-related artifacts, establishing a centralized music history archive, establishing a centralized music museum and events center, and many more.

The Committee solicited input from the following state entities during this process: Governor's Texas Music Office, Texas Commission on the Arts, State Library and Archives Commission, Texas Historical Commission, University of Texas at Austin, and Southwest Texas State University.

TEXAS MUSIC¹³⁹

"You can't hear American music without hearing Texas!" This is the slogan of merely one organization that is attempting to promote our state's wonderful heritage of music,¹⁴⁰ but its message is shared by all. Texas music and music history are truly Texas treasures, and the list of famous musicians that have a significant connection to the Lone Star State is as long as Willie Nelson's list of number-one songs. Along with Willie, Texas also boasts such artists as Buddy Holly and the Crickets, Bob Wills, Leadbelly, Destiny's Child, Lydia Mendoza, Don Henley, Barry White, Barbara Mandrell, ZZ Top, Flanco Jimenez, T-Bone Walker, George Strait, Fredy Fender, The Dixie Chicks, Stevie Ray Vaughan, Gene Autry, Waylon Jennings, Charlie Chirstian, Tanya Tucker, Erykah Badu, Big Mama Thornton, Tex Ritter, Selena, Townes Van Zandt, The Sir Douglas Quintet, Sippie Wallace, Meat Loaf, George Jones, Arnett Cobb, Sly Stone, LeAnn Rimes, Lyle Lovett, Scott Joplin, and countless more.

Music is the dominating art form in Texas, and Texas has dominated the art form. No other geographic area has ever produced such a variety of musical talent. Texas music is acclaimed throughout the industry--and around the world--for its diversity, independence, and soul. Woven into the musical fabric of Texas are such varied threads as Country, Blues, Jazz, Pop, Gospel,

Polka, Rock ‘n’ Roll, Pop, TexMex, Ragtime, Tejano, Rockabilly, Western Swing, Rythym & Blues, Mariachi, just to name a few. These musical forms have not only coexisted in Texas, they have also evolved and cross-pollinated effecting not only the Texas music scene, but rather the entire face of modern popular music.

The story of Texas Music is ultimately the story of people. People from all over the world have contributed to our state's rich music history: Native American, Spanish conquistadors, hunters from France, ranchers from Germany, Czech farmers, Mexican caballeros, and cowboys of English origin all helped to create Texas and its amazing variety of sounds. Central to the story of Texas music history are those who were brought here against their will; their voices gave birth to American music and burned soul into the very heart of Texas. After the Civil War, Texans were exposed to musical entertainment through traveling tent and medicine shows, where they heard comedians and popular songs of the day. Of course, African Americans continued to wield great influence over Texas music. Though most worship was segregated, many whites were first exposed to African-American music in the form of religious worship. The uniquely American musical forms of Blues and Jazz have many roots in Texas.

The confluence of Anglo and Hispanic cultures along our international border with Mexico produced an original blend of Mariachi, Country, Polka, and Pop: Tejano. The evolution of Hispanic influence in Texas music began with the early conjunto sounds of South Texas, moved on to traditional Mexican folk, then yielded cross-over success for Mexican-American pop stars and country artists, and has culminated with the eruption of Tejano music not only throughout the state, but also throughout the nation. The importance and potential of this entirely new music style was underscored by the impact of Selena's musical success and her eventual death in 1995. Tejano has become one of America's fastest growing popular music styles.

These examples offer merely a snapshot into the broader picture of how Texans and their music have played an integral part and far reaching role in the evolution of popular culture in America and around the world. Texas artists have embraced and helped define nearly every genre of American music, while the commanding influence of Texas songwriters can be heard throughout contemporary music. True to its own spirit, Texas produces musical trailblazers and pioneers.

ANALYSIS

Texans enjoy a rich and diverse musical heritage, and many Texans believe that our state would be greatly benefitted by coordinating its interests in music history. Whether they be brought chiefly under one roof, or whether they merely be joined by association, the need exists to pool our efforts with hopes of maximizing our potential. There are over forty institutions across the state that serve as music libraries, archives, and museums. Texas is also home to more than 10,000 songwriters; 100,000 music business professionals; and 6,800 music businesses.¹⁴¹

If the state were to create a Texas music and music history museum, it would be establishing an international tourist attraction that would draw fans of all genres of music, musicians, members of the recording industry, members of the entertainment industry, historians, scholars, students of all ages, and collectors of music memorabilia--the opportunities are endless.¹⁴²

THE NEED FOR A CENTRALIZED EFFORT

There are many existing organizations across the state that specialize in the preservation and promotion of our state's great music history; however, as independent entities they face many impediments that hinder them in their effort to compete in the current marketplace. Many of our state's treasured music artifacts are currently being harvested by organizations (both private and public) from other states. The state should aid its music preservation community in combating this problem--not only to retain our historical treasures, but also to boost tourism throughout the state.

Impediments to Existing Private Preservation Efforts¹⁴³

- Lack of connectedness and cooperation between existing museums
- Lack of resources and expertise in the areas of finance, administration, and governance
- History of limited support from the state
- Competition from other arts organizations for donations, performance dates, and board members
- Proclivity for local private funds to flow toward more established art forms such as the opera, symphony, and children's projects
- Need to secure and maintain adequate storage space
- Lack of visibility, overcoming a history of little publicity and marketing
- Lack of funds to acquire music memorabilia placed on the open market, which are often bought by out-of-state museums

Texas State Library¹⁴⁴

The Texas State Library and Archives Commission (TSLAC) oversees the Texas State Library. The State Library only houses documents related to Texas state government. Even though the collection of music-related documents is allowed under TSLAC's current enabling legislation, the Library's music-related collection is very small. The Library currently does not possess the necessary audio-visual equipment, excess capacity, and staffing to adequately preserve Texas music history. If TSLAC was asked to meet the state's needs in preserving Texas music and music history, the Legislature would need to provide the Commission with much more staffing, equipment, and building space in order for TSLAC to adequately accomplish its mission. Furthermore, the State Library's general scope is to collect written documents, and much of the music memorabilia would fall outside of this scope. Therefore, the State Library is not the appropriate place for Texas to house a Texas music and music history museum.

Texas Commission on the Arts¹⁴⁵

The Texas Commission on the Arts (TCA) is very supportive of the state's effort to better preserve and promote our music heritage. TCA believes that it can play a large role in this effort. The Commission contains an existing mechanism to conduct archival work, as well as information resource specialists that maintain complex websites and web-based applications. TCA is connected to the Texas music community, and it has the ability to accomplish efforts such as this without reinventing the wheel. However, TCA does feel that it would need an additional full-time employee (FTE) as well as additional resources for travel and increased archival work in order to accomplish this task. TCA has an existing state-of-the-art website that

would be a great platform on which to construct an on-line music archive, or virtual archive. TCA's technological services are detailed below.

Governor's Texas Music Office

The Governor's Texas Music Office (TMO) is already working very closely with private efforts to better connect the music preservation community. TMO also maintains a website and publishes a directory that offers useful information to these organizations. The music community is well served by having a voice this voice in Governor's office, and state should continue to support the budget of this office. TMO should play a lead role in helping to coordinate the music preservation community.

CURRENT EFFORTS THROUGH TECHNOLOGY¹⁴⁶

In early 1995, TCA began to position itself as a leader in technology for the Texas arts industry. Plans were created for the development of a state-wide, internet-based cultural and arts network known today as, the *Texas Cultural and Arts Network (TCAnet)*.

TCAnet is a comprehensive arts network, and TCA is the only agency in state government to have all of their grant applications processed over the web. The agency has realized tremendous cost savings and will continue to reap more benefits in years to come. TCA is considered to be the leading state arts agency in terms of technology in the entire nation.

Simply Solutions

TCA is launching *Simply Solutions* based on a program called the "Arts Stabilization Toolbox" established by the Metropolitan Atlanta Arts Fund.¹⁴⁷ With *Simply Solutions* community arts organizations in Texas will be invited to apply for a "solution." Applicants define a problem they have identified in their organization and apply for a solution to that problem. They do not request a dollar amount.

An assessment will be made of the organization to determine whether the problem they identified is part of a greater problem that needs to be addressed first. They will then be turned over to the closest nonprofit center who will assist in the selection of a consultant. Organizations with similar problems will be encouraged to work together. The consultant will work with them until the problem is resolved.

TCA will examine the problems submitted to identify trends. In cases where the Commission see a number of organizations having similar problems, it will publish related technical assistance information online.

Another aspect of *Simply Solutions* will be the establishment of support groups for professionals with similar jobs within different organizations. Community arts organizations will be invited to participate in support groups. TCA believes many will discover that other people in the field have already found solutions to the same problems with which they are faced.

Hands-on Experiential Learning Project (HELP)

HELP is a new initiative designed to provide effective museum training for small and mid-sized museums in Texas. A recent survey shows 75% of all small and mid-sized museums in Texas have not received training within the last three years in the basic areas of museum work. Small and mid-sized museums spend an average of less than \$1,000 annually on training for their entire staff.

This program will provide hands-on real life museum experiences supplemented with sound museum theory to train professionals in the museum field. *HELP* will assist professionals in improving their museum skills in areas of public programming, marketing and public relations, fund-raising, exhibition development, volunteerism, and earned income opportunities.

HELP is a collaborative project of TCA and the Houston Endowment, and is under the leadership of the Texas Association of Museums in partnership with the Mid-America Arts Alliance's Exhibits USA division. Exhibits USA will provide participant museums with affordable temporary exhibitions that feature strong arts and humanities content, universal appeal, and local relevance.

The benefits of *HELP* to Texas communities are tremendous. 91% of these museums offer formal tours for school children and 82% present public programs in addition to their exhibitions. Many of these museums serve rural areas and some provide the only arts education in their region or district. The community and educational services they provide will improve as these organizations are strengthened.

Governor's Texas Music Office Website¹⁴⁸

The TMO website receives approximately 1,500 visits per day and contains 293 pages of text. It is an anchor component of TMO's effort to serve as a clearinghouse for Texas music industry information. The website includes contact information for TMO's Business Referral Network: Texas Music Industry (7,481 Texas music businesses in 96 music business categories); Texas Music Events (564 Texas music events); Texas Talent Register (4,878 Texas recording artists); Texas Radio Stations (800 Texas stations); and US and International music contacts.

Through its on-line services, TMO advises new businesses and musicians through several educational "how to" webpages which teach skills related to the following: sales and use tax exemptions, copyrights, publishing, trademarks, and how to obtain permission to use copyrighted works for commercial purposes. *Getting Started in the Music Business* is a web publication designed to serve as a music-industry "frequently asked questions," short-answer reference guide to the basic legal and business practices associated with the Texas music industry.

The TMO website also serves as a resource for further music research through references including lists of music industry books, periodicals, associations and organizations, Texas music libraries and archives, and a *Texas Music Bibliography*. Four pages are dedicated to Texas law relating to music.

Historically, TMO has included a section recognizing Texas music pioneers, now deceased, who made significant contributions to the art or business of music.

TMO attempts to make it easy (or easier) to do music business in Texas by researching our state's music industry, then publishing its research in the *Texas Music Industry Directory* and on its website.

RECOMMENDATIONS

1. Create a *Texas Music History Trail* in order to coordinate the marketing efforts of our existing music museums and archives across the state, and to begin a structured system of coordination of which the state can be a partner. The Legislature should consider providing the Governor's Texas Music office with an additional full-time employee (FTE) with the charge of coordinating the music preservation community in this effort.

There are over forty institutions across the state that serve as music libraries, archives, and museums.¹⁴⁹ These organizations draw many tourists to their respective communities, which has a large economic impact not only on individual communities, but on the entire state as well.

The Governor's Texas Music Office, Texas Commission on the Arts, Texas Department of Economic Development, and the Texas Historical Commission should partner together to accomplish the goal of creating this music trail.

The Texas Historical Commission (THC) has produced Chisholm Trail brochures through its existing programs, which have been very effective. THC is currently in the process of developing the new Civil War brochure which should be ready in January, and it is investigating the creation of "commerce" trails. The Commission could honor Texas music history in a similar manner.¹⁵⁰

2. Continue to pursue the goal of establishing a centralized *Texas Music History Museum and Archive* that would act as a hub facility in association with existing music history organizations.

The concept of developing a wheel-and-spoke structure in order to better coordinate our state's music preservation efforts is largely supported by the music community. Many existing music museums need assistance in marketing, collection of memorabilia, proper storage of artifacts, exhibit space, and in communicating with other related organizations across the state. The hub facility which would act as the epicenter for Texas music preservation and promotion would cooperate with existing museums through exchange of exhibits,¹⁵¹ offering to store and archive excess artifacts, catalog our state's collective holdings and artifacts, host events, educate archivists, and much more.

3. Improve existing efforts by the Commission on the Arts and the Governor's Music Office to coordinate our music community through internet websites and applications. The state should develop an on-line virtual archive in order to better coordinate music preservation efforts in order for the state to begin assessing the collective value and economic impact of our great music history treasures.

The Commission wants to develop a wholistic approach to accomplishing this goal, and it already has the mechanisms in place to accomplish these archival efforts. The Commission is the only state arts agency in the nation that maintains a full-service website, and a virtual archive could easily be added to this website without reinventing the wheel.¹⁵²

4. Authorize the Commission on the Arts to undertake feasibility studies to (1) ascertain the potential economic impact of Texas music history on our state's economy and the potential economic loss of allowing these artifacts to be harvested by other states; (2) develop a report on the number of museums, archives, collections, and related educational programs in the state; (3) evaluate and develop a report on current efforts to coordinate the music museum community; (4) ascertain the existing needs of these organizations; and (5) evaluate the viability and potential economic impact of creating a centralized museum and archive.

The Commission has expressed its support for these endeavors, but it also feels that it would need an FTE in order to accomplish these goals.¹⁵³

5. The Legislature should encourage the Governor's Texas Music Office and the Texas Commission on the Arts to partner with local and private efforts to better coordinate the music community in order to achieve the above goals. The Legislature should authorize these agencies to pursue public-private partnerships that aid in the development of the above goals, and that present funding options for the accomplishment of these goals.

CHARGE 5:
TEXAS LEGISLATIVE MEDAL OF HONOR

SPEAKER'S CHARGE

Review the laws and procedures concerning the Texas Legislative Medal of Honor to assure that the award will remain an appropriate symbol of extraordinary merit for Texas veterans.

BACKGROUND

The Committee held a public hearing in Austin on January 15, 2002 to discuss the Committee's fifth charge relating to the Texas Legislative Medal of Honor. The committee heard testimony from John Stanford, Legislative Liaison for the Texas Adjutant General's Office. Mr. Stanford described the current statute regarding the Texas Legislative Medal of Honor, past recipients, and past legislation affecting the statute.

STATUTORY AUTHORITY

The Texas Legislative Medal of Honor (TLMH) is codified in Government Code §431.131 under the Texas statutes for the Executive Branch's State Military Forces and Veterans. The statute currently states that:

(a) The Texas Legislative Medal of Honor shall be awarded to a member of the state military forces who voluntarily performs a deed of personal bravery or self-sacrifice involving risk of life that is so conspicuous as to clearly distinguish the person for gallantry and intrepidity above the person's comrades. Awarding of the medal shall be considered on the standard of extraordinary merit. The medal may be awarded only on incontestable proof of performance of the deed.

(b) The Texas Legislative Medal of Honor may be awarded to any person who has been awarded the Congressional Medal of Honor.

There are no limitations on who recommends an individual to receive the TLMH. Once an individual is recommended for the TLMH, the Adjutant General's Office reviews and certifies the candidate. By statute, The Adjutant General's office will provide an endorsement for a candidate that meets all of the qualifications.¹⁵⁴

The medal can be awarded only upon approval by the Legislature by current resolution.¹⁵⁵ Once an individual has been chosen to receive the TLMH, the medal will be presented by the Governor of Texas or his representative to the honorary individual or his or her family. The Adjutant General shall design and have manufactured this medal as well as all awards listed below.¹⁵⁶

Recent Legislation in Relation to TLMH

In 1999, Representative Manny Najera (El Paso) authored HB 3425 which amended the Texas Legislative Medal of Honor to allow recipients of the U.S. Congressional Medal of Honor to receive the TLMH if chosen for it.

PAST RECIPIENTS OF THE TLMH

1997 - The 75th Legislature presented the first TLMH to **Sergeant James M. Logan** on May 30, 1997. He served during World War II as a part of the U.S. Army's 36th Infantry Division. He was rewarded “for conspicuous gallantry and intrepidity at risk of life above and beyond the call of duty in action involving actual conflict on September 9, 1943, in the vicinity of Salerno, Italy.”

1999 - The 76th Legislature awarded the TLMH to **Lt. Jack Knight**. He served during World War II as a part of Troop F, 124th Cavalry, Texas National Guard. He gave his life for his country on February 2, 1945, near Loi-Kang, Burma. His “gallantry was responsible for the elimination of most of the enemy opposition” in the area he was fighting in.

2001 - The 77th Legislature awarded the TLMH to **Master Sergeant Roy P. Benavidez** on May 1, 2001. He served during the Vietnam War as a part of the U.S. Army. He fought through enemy fire to rescue many comrades during the “six hours of hell” that occurred at Loc Ninh, Vietnam, on May 2, 1968.

OTHER STATE MILITARY AWARDS

Lone Star Medal of Honor¹⁵⁷

This medal shall be awarded to a member of the military forces of this state, another state, to the United States who performs acts of bravery or outstanding courage, or who performs within an exceptionally short period a closely related series of heroic acts, if the acts involved personal hazard or danger and the voluntary risk of life and result in an accomplishment so exceptional and outstanding as to clearly set the person apart from the person’s comrades or from other persons in similar circumstances. Awarding the medal requires a lesser degree of gallantry than awarding the Texas Legislative Medal of Honor, but requires that the acts be performed with marked distinction.

Lone Star Distinguished Service Medal¹⁵⁸

This medal shall be awarded to a member of the military forces of this state, another state, or the United States for exceptionally outstanding achievement or service to the state in performance of a duty of great responsibility while serving with the state military forces.

Other Awards¹⁵⁹

Texas Faithful Service Medal - shall be awarded to a member of the state military forces who has complete five years of honorable service during which the person has shown fidelity to duty, efficient service, and great loyalty to the state.

Federal Service Medal - shall be awarded to a person who was inducted into federal service from the state military forces between June 15, 1940, and January 1, 1946, or after June 1, 1950, if the service was for more than 90 days.

Texas Medal of Merit - may be presented to a member of the military forces of this state, another state, or the United States who performs outstanding service or attains extraordinary achievement in behalf of the state or United States.

Texas Outstanding Service Medal - may be presented to a member of the military forces of this state, another state, or the United States who has performed service in a superior and clearly outstanding manner.

Texas State Guard Service Medal - shall be awarded to a person who completes three consecutive years of honorable service in the Texas State Guard during which the person has shown fidelity to duty, efficient service, and great loyalty to the state.

Texas Desert Shield/Desert Storm Campaign Medal - shall be awarded to a person who was inducted into federal service from the Texas National Guard after August 1, 1990, in support of Operation Desert Shield or Operation Desert Storm, without regard to the place that the person was deployed while serving on active federal military duty.

Texas Humanitarian Service Medal - shall be awarded to a person who: (a) does not meet the criteria for an award of the federal Humanitarian Service Medal; (b) is a member of the state military forces; and (C) while serving under state active duty orders, participates satisfactorily in the accomplishment of missions to protect life or property during or soon after a natural disaster or civil unrest.

RECOMMENDATIONS

1. Section (b) of the existing statute should be reworded to acknowledge that a nominee will not be precluded from the award if he or she has received a federal award for military service. The current language, which specifically signifies the “Congressional Medal of Honor” should be removed from the statute.

The federal government has changed the name of the “Congressional Medal of Honor” to the “Medal of Honor,” and the intent of this section should be to allow those nominees that meet the requirements of section (a) to not be excluded from consideration if they have previously received a federal award. Section (b) of the statute should not negate the express requirements of section (a) of this statute.

2. The statute should be clarified to allow the Legislature to award this medal to a nominee that meets the requirements of section (a) and satisfies at least one of the following requirements: (1) is a current Texas resident, (2) was born in Texas, (3) was a resident of Texas upon the nominee’s death, or (4) entered military service as a Texas resident.

Government Code §431.137 instructs that any of the above mentioned military service medals can be awarded posthumously in the same manner as that of a living person, except that the orders and citations must indicate that the award is made posthumously.

3. Government Code §431.136 should be changed to include express language that all “other awards” described under §431.134 can be awarded without legislative action.

The current statutes are ambiguous as to which awards require legislative action. The Texas Legislative Medal of Honor is the only military award requiring legislative action. The Governor or his representative awards the Texas Legislative Medal of Honor, the Lone Star Medal of Valor, and the Lone Star Distinguished Service Medal. All “other awards” listed under §431.134 can be awarded according to rules adopted by the Adjutant General.

4. The Legislature should add a provision to the existing statute signifying that the Texas Legislative Medal of Honor is to be awarded during the regular Legislative Session, and to only “one” recipient per session.

CHARGE 6:
OVERSIGHT JURISDICTION

SPEAKER'S CHARGE

Actively monitor agencies and programs under the committee's oversight jurisdiction, including the state veterans medical facilities and, upon passage, implementation of the state veterans cemetery system.

BACKGROUND

The House Committee on State, Federal, and International Relations (SFIR) is required by statute to conduct oversight over certain agencies.¹⁶⁰ The Committee held numerous public hearings during the interim to study issues regarding the actions of these agencies. This section of the report offers background information relating to each of these agencies as well as updates as to their respective on-going programs and initiatives.

OFFICE OF STATE-FEDERAL RELATIONS¹⁶¹

The Texas Office of State-Federal Relations (OSFR) has worked since 1965 to advance the interests of the people of the state of Texas through promoting communication and building relationships between the state and federal governments. Federal funds are now one of the largest segments of the Texas state budget accounting for more than 30% of the fiscal year (FY) 2002-03 appropriations. Compared with the FY 2000-01 biennium, budgeted federal funds rose by more than \$5.1 billion, an increase of over 17%. The primary function of OSFR is to monitor federal activities, assess their potential impact on state issues, and promote dialogue between state and national policy makers. To fulfill this function, OSFR maintains offices in Austin and Washington, DC.

On June 10, 2002, Governor Rick Perry appointed Ed Pérez as Executive Director of the agency. Mr. Pérez's appointment is subject to Senate confirmation.

During his short tenure as Executive Director, Mr. Pérez has worked hard to streamline the agency, making it more effective, while continuing to provide timely updates and information to local, state, congressional and federal leaders. OSFR is a small state agency with an authorized cap of 17 full-time employees (FTE).

One example of OSFR's efforts to operate effectively while also reducing costs is the agency's use of a new electronic format for the agency's newsletter, *News from Washington*. Produced each week while Congress is in session, *News from Washington* provides weekly summations of congressional and administration actions. On September 16, 2002, OSFR began to issue an enhanced newsletter that will be offered exclusively in electronic format that contains live Internet links to bill summaries, reports, and much more. The newsletter is issued to over 1,400 state and federal officials, businesses, local chambers of commerce, and individuals. The success of the newsletter is due in large part to the combined effort of the agency's three policy teams.

OSFR's three policy teams, located in the Washington office, are the primary functional unit of the agency. Under the direction of the Executive Director, the Economic Development, Health

and Human Services, and Natural Resources policy teams monitor pending federal action, identify and make recommendations for state action priorities. The teams then implement action plans as directed by the office's Advisory Policy Board, which consists of the Governor, the Lieutenant Governor, and the Speaker of the Texas House of Representatives. Additionally, assignees from the Legislative Budget Board and six Texas agencies (Health and Human Services Commission, Department of Housing and Community Affairs, Department of Agriculture, Education Agency, Department of Transportation, and Workforce Commission) in the Washington office coordinate with OSFR policy teams in areas of concern to their agency.

OSFR's State Director and Legislative Liaison serve as liaisons with the Office of the Governor, Texas Legislature, and state agency officials.

OSFR prides itself in responding to all inquires in a timely manner and has consistently worked to advocate, in coordination with the Texas Congressional Delegation, legislative and regulatory priorities of the state. Of primary interest are those issues that would be of benefit to the state's budget.

OSFR's three key performance measures provide a useful method of evaluating the effectiveness of OSFR. During FY 2002, OSFR expects to meet or exceed its targets for these performance measures. Importantly, OSFR has consistently exceeded its target throughout the past year for the percentage of responses to requests for information fulfilled within two days. Upon completion of our customer satisfaction survey in October, we expect that at least 85% of customers surveyed in FY 2002 were satisfied with OSFR's services.

OSFR recognizes that federal funding and flexibility are the states highest priorities. This year, staff is focused and actively engaged with both Congress and the administration in pursuing for Texas the following issues of particular significance to the state: working to secure temporary fiscal assistance for the state's Medicaid program; ensuring that federal funding for safety net hospitals is not reduced; pursuing Texas' ability to retain federal Children's Health Insurance Program (CHIP) funding allotments; seeking continued funding of the State Criminal Alien Assistance Program (SCAAP) for costs associated with the incarceration of criminal aliens; ensuring that transportation project funds are restored for FY 2003; preparing for reauthorization of the transportation bill (TEA-21); tracking base closure legislation and related planning; monitoring defense authorization and appropriations, including military construction; seeking continued and increased funding for the Clean Water State Revolving Fund and water infrastructure projects; and securing adequate funding and federal assistance for homeland security and preparedness activities.

In 2020, OSFR worked closely with the Texas Congressional Delegation to pursue and secure an extension of the Temporary Assistance for Needy Families (TANF) supplemental grant through FY 2003 (providing the state with an additional \$52 million) and the accelerated Reed Act distribution providing \$596.4 million to the state's unemployment trust fund. Other significant areas of success where OSFR played a role include the following: restoration of Texas' ability to put federal funds in a revolving loan fund called the State Infrastructure Bank, a provision that would allow Texas to advance much-needed transportation projects statewide; \$54 million in FY 2002 for the construction and improvements to motor carrier inspection facilities along the US-

Texas border, of which Texas will receive \$40.8 million; and helping to secure \$34.1 million in reimbursement funds to the state in FY 2002 under SCAAP.

TEXAS STRATEGIC MILITARY PLANNING COMMISSION¹⁶²

During the 75th Legislative Session the Office of Defense Affairs (ODA) was created within the Texas Department of Economic Development (TxED) to better coordinate the state's efforts in assisting our defense communities.¹⁶³ The Texas Strategic Military Planning Commission (TSMPC) was also established during the 75th session as an advisory group to the ODA.¹⁶⁴ The common themes in the charters of ODA and TSMPC are to develop a proactive statewide strategy to assist in the prevention of future base and realignments closures (BRAC) and to assist defense-dependent communities in their preparation for the future of military involvement in Texas.¹⁶⁵

During the interim, there was a complete turnover in TSMPC commissioners. The current Commission, whose members are appointed by the Governor and work as volunteers, consists of William J. "Bill" Ehrie, Chairman, Abilene; Ralph C. Gauer, Vice-Chairman, Harker Heights (Killeen area); Judge Jose Aliseda, Jr., Bee County Judge; Honorable Dora G. Alcala, Mayor of Del Rio; Honorable Loyd Neal, Mayor of Corpus Christi; Johnny C. Fender, San Angelo; Josue "Joe" Robles, Jr., San Antonio; Ronald D. Henson, Texarkana; James P. Maloney, El Paso.

TSMPC has published its updated copy of the Master Plan for 2002-03.¹⁶⁶ The revised plan contains recommendations for both the state legislature and the federal delegation to consider implementing as we approach the next round of BRAC. Copies can be requested from the ODA.

TSMPC in cooperation with the Senate Committee on Veteran Affairs and Military Installations (VAMI) and the House SFIR Committee held a public meeting of the military communities throughout the state in Austin on August 20th and 21st. The focus of the meeting was to inform the attendees of BRAC 2005 procedures and discuss actions needed to be taken in the near term.

TSMPC is very active in the state's pursuit of new missions for our installations. The state's most recent success in this regard was the movement of the Army South mission from an out-of-state location to the Forst Sam Houston base in San Antonio. This was a big step in assisting the San Antonio area in their preparations for BRAC. TSMPPC gives large credit to Senator Kay Bailey Hutchison, Congressmen Henry Bonilla, Charley Gonzales, and Ciro Rodriguez and the other members of our state's congressional delegation for helping Texas to secure this mission, which will produce great economic stimulus for the San Antonio economy.

TEXAS NATIONAL GUARD¹⁶⁷

Texas civilians first volunteered to serve as a part of a Texas military force at the Battle of Gonzales in 1835. Since the statehood of Texas in 1845, Texas military forces have actively served in every major United States war, conflict, or emergency situation. A map of all current Texas military installations can be viewed under *Appendix 2* of this report.

The prominent military force in Texas is the Texas National Guard (TXNG). TXNG consists of four organizations: the Adjutant General's Department, Texas Army National Guard, Texas Air National Guard, and Texas State Guard.

The Adjutant General, currently Major General Wayne D. Marty, is the directing officer of the TXNG. The Adjutant General has roles to play at both the state and federal levels. The federal role consists of commanding federally funded military forces, managing federal resources, and supervising federal personnel and programs. The state role consists of serving as Chief of military forces of TXNG, managing state resources, being the Supervisor of State employees and programs, and being the Director of this state agency. TXNG headquarters is located at Camp Mabry in Austin.

The vision of TXNG is to be *a continually evolving "world class" organization, that accomplishes the mission and takes care of its people*. Its mission is *to provide mission-ready forces, responsive to the needs of the community, state, and nation*. To uphold their vision and mission, TXNG emphasizes instilling the values of integrity, courage, honesty, loyalty, respect, and service.

According to the most recently tabulated statistics from 1999, there are currently 22,940 people working as a part of TXNG including both military and civilian personnel. This number consists of 19,425 part-time Guard soldiers of both the Texas Air National Guard and the Texas Army National Guard; 1,076 active Guard and Reservists; 290 active duty special work military personnel; 1,744 federal civilian technicians; and 405 state civilian employees.

Mobilizations Unrelated to Terrorist Attacks

TXNG has deployed several units to overseas bases for deployment training to many countries including Guyana, El Salvador, Germany, Korea, and Australia. The Texas Air National Guard has deployments at bases in Puerto Rico, Panama, Honduras, Columbia, Venezuela, Italy, Bosnia, Tuzla, Sarajevo, Saudi Arabia, Korea, and the state of Alaska.

One of TXNG's most significant unit mobilizations was *Operation Joint Endeavor*. This mission included the 100th Mobile Public Affairs Unit detachment to Hungary and Bosnia. *Operation Joint Guard* is an ongoing follow-up mission which includes the 111th Area Support Group, 49th Finance Battalion, 136th Signal Battalion, and several specialty detachments to Germany, Hungary, and Bosnia.

Mobilizations since September 11, 2001

Taskforce Confidence - On September 25, 2001, President George W. Bush granted permission for states to utilize National Guard soldiers in airport security missions. Texas was the first state to deploy soldiers to its 26 airports; the mission was named *Taskforce Confidence*. At the maximum, Texas had 685 soldiers on duty protecting its airports. Some airports were manned by four military personnel compared to some like Dallas/Fort Worth Airport with a total of 175. In October 2001, the 1st Battalion, 141st Infantry combined with the 2nd Battalion, 142 Infantry and the Information Operations Field Service Team to form a deployment of 516 personnel from nine areas. In November, the 3rd Battalion, 141st Infantry deployed 146 personnel. In December the 1st Battalion, 141st Infantry, the 5th Army Liaison Cell, and the US Army Special

Operations Mobilization Cell deployed 34 additional personnel. In January 2002, this mission's final deployment of two personnel was made from the Unit Ministry Team from San Antonio.

Operation Enduring Freedom - This mission is a nationwide effort conducted by all military branches, and TXNG has been called upon for assistance. Texas military personnel have been deployed overseas to Afghanistan, Kosovo, and Guantanamo Bay.

Operation Noble Eagle - This mission included major deployments in 2001-02 with the task of protecting military facilities as a part of the *5th Army Area Noble Eagle Force Protection*. Since October 2001, within 30 days of the terrorist attacks, many TXNG soldiers and airmen have been placed on active duty to support the war against world-wide terrorism. Initially this involved mobilizing military personnel to sites in border states. These personnel provided interior security at five US Army installations including: Red River Army Depot, Texas; McAllister Army Depot, Oklahoma; Pueblo Army Depot, Colorado; White Sands Missile Range, New Mexico; and Pine Bluff Army Ammunition Plant, Arizona. Over the past year it has evolved into *Noble Eagle-II Force Protection*, which has military personnel stationed in a majority of the central and western states. *Noble Eagle-II* helped to replace the soldiers of *Noble Eagle I*, who demobilized from active duty after almost a year of service.

Border Control - In April 2002, TXNG mobilized 411 military personnel to assist in monitoring the Texas-Mexico border check points from El Paso to Brownsville. Soldiers were mobilized from the 3rd Battalion, 133 Field Artillery (US Custom Office), the State Area Command Immigration and Naturalization Service Support, and the Border Mission Command and Control Cell.

Current Mobilization Report

The total number of soldiers mobilized as of May 2002 was 1,423. There were an additional 1,248 soldiers mobilized beginning in August 2002 to add to the forces already deployed and to replace some of those who would be relieved of duty. Additional mobilizations are planned for early 2003 that will deploy fresh personnel to relieve active soldiers in Bosnia; the 49th Armored Division will be supporting the Stabilization Force 13 and 14 missions in Bosnia.

State and Community Service

TXNG spends time assisting local law enforcement agencies in seizing illegal drug distributions under the *Counterdrug Program*. With the help of TXNG, Texas officials have seized several billion dollars worth of illegal drugs since 1989. The task force that assists in seizing the substances is made up of both Army and Air National Guard personnel.

The *Counterdrug Program* also includes work such as the *Adopt-a-School Program*, the *Mentoring Program*, *Operations Crackdown: Crack-house Demolition*, and *Drug Abuse Resistance Education (DARE)* activities. Texas *STARBASE* is an additional program involving TXNG in which personnel work with 4th-6th graders at Ellington Field, Houston in a five-week academic session. The purpose of *STARBASE* is to get students excited about math, science, and technology. The military personnel also teach goal setting and problem solving skills, stress having a drug-free lifestyle, and assists teachers in maintaining student interests in education.

Other community service activities include charity support, border health services, wildlife rabies vaccines, and Special Olympics.

TEXAS MILITARY FACILITIES COMMISSION¹⁶⁸

The Texas Military Facilities Commission (TMFC) has the exclusive authority for the construction, repair, and maintenance of facilities and improvements, owned by the state and located on Commission property. The primary functions of the Commission are to acquire property and construct, maintain, operate, and dispose of facilities for the TXNG. The Commission acquires property by gift, donation, or purchase. Construction of facilities is usually a joint funding effort between the state and federal governments. The state is responsible for funding of maintenance for armories and storage facilities. The funding for maintenance of training and support facilities is a joint state and federal responsibility.

Public Law 783 has been the basis for the federal government's participation in the construction of National Guard facilities. While there is currently an increased focus on our military forces, the long-range trend under the US Army Redesign System will be a reduction of personnel with an increased use of technology. Demographics will dictate the need for larger joint reserve centers located in metropolitan areas, while the number of single unit facilities in the smaller cities will decrease. Even with the redesign of the US military, this law will continue to be used to obtain federal participation for facility construction.

TMFC provides new facilities in geographic areas determined by the Adjutant General's Department to be appropriate for the strategic mission of the TXNG. Due to the significant investment in facilities and to reduce facility maintenance costs, effective preventive and routine maintenance programs are required. All of these services are provided using a combination of traveling maintenance teams and local contractors on a statewide basis. The only exception being the special project in Grand Prairie between the Commission, the TXNG, and the Republic of Singapore. This project is 100% funded by the Republic of Singapore through a Foreign Military Sales Contract with our federal government.

Current Commission Members

R. Garry McClure, Chairman, San Angelo; C. Tammy Linbeck Casey, Treasurer, Houston; Sandra Paret, Dallas; Jorge Perez, McAllen; Maj. Gen. Michael Taylor, Lufkin; and Delores "D'Ann" Harper, San Antonio.

The Commission consists of six appointed commissioners with terms staggered to expire two every other year. In FY 2002, two new members joined the Commission: Maj. Gen. Taylor in September 2001 and Ms. Harper in November 2001. The diverse business experience and expertise of the Commission in law, architecture, engineering, construction management, human resources, and real estate is a significant benefit to the state and vital for the successful planning and oversight of facilities construction and maintenance. The Commission met five times in FY 2002 and the next meeting is set for December 2002. During FY 2002, TMFC approved actions including: refinancing current bond, which saved the state funds; issuance, sale, and delivery of bonds for the purchase of property in Houston; authorized a memorandum of understanding with Dyess Air Force Base for the use of Camp Barkeley for some of their training needs; adoption of

Texas Administrative Code, Chapter 377 prevailing wage rates rule; and sale of excess properties in Ballinger, Brownfield, Crockett, Cuero, Sherman, Carthage, Mt. Pleasant, and Gonzales.

Organizational Aspects, Operations, and Surveys

TMFC headquarters is, by law, located in Travis County and is currently at Camp Mabry in Austin. There are 32 employees in Austin. The Commission operates two field offices, one in Lubbock, which has four employees; and one in Grand Prairie, which has four employees. Property owned or controlled by the Commission is located throughout the state.

The agency is authorized a workforce of 38 FTEs, and has added two 100% federally reimbursed positions in FY 2001-02 under its Rider 12 authorization. The most important staff personnel changes TMFC experienced during the the current biennium have been the hiring of a new Executive Director on October 9, 2001 and the recruiting and hiring of our first female building maintenance technician.

In a survey of organizational excellence, TMFC exceeded all other state agencies in four out of five major categories of employee satisfaction and in the remaining category the Commission equaled the percentage of satisfaction of other state agencies. TMFC employees see its strengths as Strategic, Job Satisfaction, Burnout, Time and Stress, and Quality. They see its weaknesses as Fair Pay, Employment Development, Diversity, Availability, and Internal Communication, with Fair Pay being the only issue to be rated in the “significant source of concern” category.

TMFC’s Customer Satisfaction Survey, conducted by an independent organization (the University of Texas at Austin), indicated a 74% customer satisfaction rate.

Legislative Proposals and Recommendations

Major areas of change will focus upon increased use of electronic and automation technology. Another major area for change will be in the analysis and redesign of existing business processes. Improvements in these two areas alone should lead to significant improvements in the provision of efficient and effective services, as well as customer satisfaction.

TMFC has incorporated an automation process for all functions of the maintenance and warehouse programs, along with a tracking program for the major maintenance backlog. The new automation process has an Online Request System for modifications, maintenance, security, and supplies with an immediate feedback to the requestor indicating their assigned request number. All requests for supplies are direct shipped to the location within seven working days after receipt of the request at the Austin warehouse.

TMFC has a computer assisted design system (AutoCAD) so sharing project design information is possible. The Commission is in the process of converting its repair and maintenance request program, supply requisitioning and warehouse inventory from a manual system to a web-based program. This new process will allow TMFC to manage its assets more efficiently and improve customer satisfaction through a more timely response. TMFC is currently analyzing a program, which will allow it to digitize all construction, facility and real property records. This initiative will allow for more efficient operations and support the agency’s Disaster Recovery Plan.

The Commission has struggled to keep pace with continually changing automation technology. The small size of TMFC staff, lack of funding, and lack of a FTE responsible for Information Resources have hampered the Commission's ability to keep up with technological advances.

Facilities are being renovated and expanded on a priority schedule when funding is available. A number of buildings are deteriorating due to structural problems. TMFC's inventory of facilities continues to need repairs and the backlog of maintenance projects continues to grow. The Commission's inventory of land, buildings, and infrastructures used by the TXNG exceeds that of most other states. The widespread location of these facilities and the Commission's unique mission requires extensive in-state travel by agency personnel. TMFC cannot go below the current activity level in maintenance and administrative activities without causing a negative impact on the accomplishment of our mission.

A chart outlining the Commission's capital asset strengths and weaknesses, capital improvement needs, and a prioritization of those needs can be viewed under *Appendix 3* to this report.

Fiscal Aspects

The size of the TMFC's budget fluctuates year to year with the number of construction and renovation projects that are funded (both federal and state). Appropriations from general revenue (GR) will always be the main source of funding operation and maintenance for our inventory of facilities. TMFC believes that its overall budget does not meet its current needs, particularly in the areas of information resources and facility maintenance and repair.

Other sources of funding include interagency contracts, local funds, and bond proceeds. TMFC relies on its local funds to fund part of its operating costs; however, if the Commission cannot increase its local funds revenue then eventually it will deplete its local funds and rely completely on GR to fund its operating budget for routine maintenance and administrative activities.

TMFC has not received an increase in GR for its normal operating expenditures since the 1992-93 biennium. While staff workload requirements have significantly increased, the GR funding for staff has not been proportionally increased.

Funding of major maintenance projects is critical to the agency because the backlog of major maintenance projects is approximately \$50 million. The legislature appropriated \$3,251,430 in bond proceeds to fund major maintenance projects at various armories. The last time the legislature appropriated bond proceeds for any type of major maintenance project was in the 1996-97 biennium.

During the last two bienniums the legislature has appropriated funds for major maintenance projects. If the legislature continues to appropriate funds each biennium then TMFC will steadily reduce its backlog of maintenance. TMFC believes that if the legislature is unable to appropriate funds each biennium then the backlog will increase and the TMFC will not be in compliance with its bond covenant.

During the 2002-03 biennium, the Commission received \$1,549,760 in GR funds for major maintenance projects and several environmental projects at various armories and \$179,992 in

GR funds to match \$539,973 in federal funds to fund major maintenance projects at various organizational maintenance shops (OMS). This is the first biennium that the agency has received GR funds for these types of OMS projects.

The legislature also appropriated \$1.4 million in bond proceeds during the current biennium for the purchase of a tract of land in the Houston area. Because of the migration of the population to the metropolitan areas of the state, TMFC needs to construct additional joint forces facilities in these areas to better serve its customer--the TXNG. The construction of these joint forces facilities should be 100% federally funded; however, the state must provide the land. The legislature realized that the funding of the land purchase was a good investment for Texas considering that it will assist in securing federal funds for the construction of joint forces facilities.

Federal funds continue to be a very important component of the agency's construction program. During the current biennium TMFC received funding for the Austin Bergstrom (ABIA) Army Aviation Support Facility. The estimated \$24 million that has been appropriated for this project will have a positive economic impact on this region. During the next five years, TMFC will actively seek funding for two other projects at ABIA, the OMS and the Joint Forces Reserve Center. Both of the projects will be 100% federally funded for a total of approximately \$40 million.

Additional requirements for state agencies without related funding is a major obstacle for the operation of state agencies. Requirements for reporting, internet accessibility, information resource training, state purchasing certifications, and various audits--to name just a few--have directly affected the Commission's abilities to achieve success. While many of the new requirements are justifiably necessary, lack of FTEs and funding for salaries and training directly affects the agency's ability to perform.

Audits and Findings

During FY 1997 the Commission contracted with a certified public accountant (CPA) firm; Garza, Gonzales and Associates; to perform internal audit functions. TMFC staff has either partially or fully implemented the auditor's recommendations that were approved by the Commission. Each year the CPA firm performs the Public Funds Investment Act (PFIA) review. For the past three years TMFC has been in compliance with the PFIA. Based on the results of one audit, the Commission has made several changes in its maintenance department that will assist TMFC in determining its maintenance requirements and documenting its costs by facility. One area in which TMFC still needs improvement is its documentation and communication of policies and procedures.

The Commission's audit by the Texas Commission on Human Rights had no negative findings in TMFC's hiring and promotions process.

TEXAS VETERANS COMMISSION¹⁶⁹

The Texas Veterans Commission (TVC) was established in 1927 as the State Service Office to assist veterans of the Indian Wars, Spanish-American War, and World War I. After World War

II (1947) the Commission was renamed and restructured as the Veterans Affairs Commission by act of the Texas Legislature. This legislation also established a system of Veterans County Service Officers. The Commission was renamed the Texas Veterans Commission in 1985.

Highlights of Operations during FY 2002

TVC, which marked its seventy-five years of serving Texas veterans in 2002, is the focal point for veterans' assistance in the state. It is an agency whose functions are an outgrowth of demands for help by Texas veterans who were experiencing difficulties in dealing with the United States Department of Veterans Affairs (USDVA).

The Commission has set a goal to inform veterans during this biennium of TVC assistance programs by all means possible. To this end TVC participates in veterans' town hall meetings and has booths at veterans' organization conventions and venues such as the Texas State Fair, where the Commission and Veterans Land Board (VLB) share a booth. TVC participates in numerous events with the VLB and other agencies. The agency has expanded the cooperative relationship with the VLB and has instituted memoranda of understanding with other state and federal agencies serving veterans. A significant development in 2002 was establishing, in partnership with the VLB, a jointly operated statewide toll-free phone number: 1-800-252-VETS. By the end of FY 2002 the Commission was receiving more than six hundred inquiries per month from veterans on this toll-free line.

The Commission has also produced and distributed three public service announcements for television. The TVC website is continuously upgraded and is a resource regarding veterans programs for over 12,000 visitors to the site each month. To expand outreach agency counselors, headquarters personnel, and Commissioners are regular guests on radio talk shows. TVC continues to expand participation in community events and gives briefings to veterans at such diverse locations as Dell Computer, the Texas Workforce Commission (TWC), and many other agencies and organizations.

Because TVC accomplishes so much for its target population there is a collateral effect that benefits the economy of Texas. The most obvious economic effect is that TVC programs generate a recovery of hundreds of millions of dollars in payments to Texas veterans and their families. In FY 2002, payments to the 113,314 veterans and survivors for whom the Commission provided representation before the VA totaled \$885 million.

The Commission operates 30 offices throughout the state and coordinates the efforts of 220 Veterans County Service Offices. As part of its mandate to coordinate a statewide veterans assistance program, TVC provides training to the Veterans County Service Officers and Assistants. Currently, only about 80 of the Offices are equipped with computers.¹⁷⁰

The combined purpose of all TVC programs is to provide veterans with information regarding their rights and entitlements, to provide training to the Veterans County Service Officers and Assistants, and to provide veterans with effective claims representation and counseling. This coordinated effort of the Commission and the Veterans County Service Officers, coupled with the agency's expanded marketing and outreach services, makes TVC's programs extremely effective.

VETERANS'S HOMES¹⁷¹

The state *Veterans' Homes* program is a partnership between the USDVA and the states to construct nursing home facilities approved by the USDVA to provide for veterans disabled by age, disease, or otherwise who by reason of such disability are incapable of earning a living. The homes provide skilled nursing care to veterans and eligible family members. The USDVA supports the program through two grant-in-aid programs. Under these programs, the USDVA participates in up to 65% of the costs of construction or acquisition of the homes and provides per diem payments to states for care of veterans in the homes. Federal law requires that the homes be owned and operated by the states, and the USDVA conditions the award of grants on the state's ownership of the land to be used.

The 75th Legislature created the Texas program, authorizing the VLB to construct, acquire, own, maintain, enlarge, improve, or furnish or equip homes to provide nursing home care to eligible Texas veterans. Currently the state owns and operates four homes located in Temple, Big Spring, Bonham, and Floresville that provide skilled nursing care to veterans, veterans's spouses, and Gold Star parents.

Each Home has 160 beds in spacious private and semi-private rooms, and provides a broad spectrum of health care services, a comprehensive rehabilitation program, special diets, recreational activities, social services, a library, a gift shop, and a secure 32-bed Alzheimer's unit with its own secure outdoor courtyard.¹⁷² Each home means real economic development for the community in which it is located, providing approximately \$3 million in payroll each year, and over 150 direct and indirect jobs. There are still some beds available in the existing homes, but the homes are already approximately 70% occupied.¹⁷³ The homes are the most affordable option for skilled nursing care for most veterans in Texas, and they accept medicare and medicaid patients.¹⁷⁴

Establishing New Homes

The USDVA has committed \$15.5 million for the construction of up to two additional Texas Veterans Homes,¹⁷⁵ and the state has pending applications with the USDVA for the construction of another five additional homes in future federal fiscal years. The VLB must conform to USDVA standards and guidelines for seeking construction funds and for operating the new homes¹⁷⁶

Texas Land Commissioner David Dewhurst has announced that 40 proposals for hosting one of the two new Veterans Homes were received by the application deadline, which was October 1, 2002. The Commissioner believes it will take a number of months to thoroughly evaluate the applications due to the high level of interest. An internal review team of GLO and VLB staffers will be appointed to review each proposal, and if necessary, visit some of the proposed sites for further evaluation. This team will formulate recommendations for the locations of the two new homes and submit them to the VLB, which will then make the final decisions. The VLB is composed of Commissioner Dewhurst, Chairman; Col. Ladd Pattillo; and Mike Ussery.¹⁷⁷

VETERANS STATE CEMETERY SYSTEM¹⁷⁸

In the November 2001 statewide elections, voters overwhelmingly approved Proposition 7, a constitutional amendment that authorized the creation of up to seven state cemeteries for veterans and their eligible dependents. Working in conjunction with the USDVA through its *State Cemetery Grants* program, the VLB will make application for cemetery construction grants beginning fiscal year 2003.

All interested communities in Texas had the opportunity to submit detailed proposals in response to the Request for Proposals (RFP) that was issued February 1, 2002. The deadline for submission was May 1, 2002.

The Texas State Veterans Cemetery (TSVC) Committee has selected two locations for submission to the USDVA as proposed TSVC sites. They are (1) Mission in Hidalgo County of the Rio Grande Valley and (2) Killeen in Bell County of Central Texas. The Committee has submitted these locations to the USDVA, which will ultimately make the decision as to which proposed locations nation-wide will be awarded a cemetery.¹⁷⁹

TEXAS HISTORICAL COMMISSION¹⁸⁰

The Texas Historical Commission (THC) is the state agency responsible for historic preservation. THC staff consults with citizens and organizations to preserve Texas' architectural, archeological, and cultural landmarks. The agency is recognized nationally for its preservation programs.

The Legislature established the agency in 1953 as the Texas State Historical Survey Committee with the task to identify important historic sites across the state. The Legislature changed the agency's name to the Texas Historical Commission in 1973. Along with the name change came more protective powers, an expanded leadership role, and broader educational responsibilities.

THC is composed of 18 citizen members appointed by the governor to staggered six-year terms. The agency employs about 100 people who work in various fields including archeology, architecture, history, economic development, heritage tourism, public administration, and urban planning.

Significant New Initiatives¹⁸¹

During the last biennium THC carried out a major assessment of the condition of the historic preservation community in Texas. THC held 23 public meetings around the state attended by more than 2,000 preservationists and conducted a comprehensive survey of all of its diverse partners. This was done in order to determine the current program's effectiveness, ascertain critical needs not being met, and receive input from local preservationists and others on how to protect yet use Texas' historic resources. This initiative has developed an aggressive agenda for a new-shared vision for preservation in the 21st century. The vision is being accomplished by implementing the new *Texas Statewide Comprehensive Historic Preservation Plan* and it will be the centerpiece of the celebration of THC's 50th Anniversary in 2003.

The overriding goal of THC in the first decade of the 21st century will be the re-establishment of its roots at the local level. The Commission proposes undertaking a major effort during the 2004-05 biennium to use information gained from the statewide assessment to significantly enhance the ability of local preservationists and decision makers to plan for, protect, and sensitively use the state's valuable historic resources. The initiative is called *Visionaries in Preservation* and will radically change preservation in Texas for the better.

With the help of state and local partners, THC will continue to identify historic resources, determine those that are most important and develop strategies to save them. One of the most successful approaches is to utilize these resources for economic development. Already, many of the Commission's strategies are accomplishing this goal. For example, during the last biennium the legislature recognized the vast potential of *Heritage Tourism*. In response, THC has undertaken a major initiative to create regional heritage tourism networks. The Commission feels this "Main Street" approach, centered on the state's 10 travel trails,¹⁸² can bring about a quantum leap in THC's ability to attract tourists and their dollars. This will result in the preservation of resources while stimulating economic growth; it will allow our state to take pride in sharing the uniqueness of Texas. THC was also able to design, print, and launch the *Chisholm Trail* brochure. This brochure; under the direct oversight of the House Committee on State, Federal, and International Relations (SFIR); has already generated a great amount of publicity and enthusiasm.

One of Texas' most unique historical treasures is its outstanding collection of historic courthouses. The Commission is committed to preserving these important, tangible reminders of our collective past. In the program's three rounds, 112 counties have made a commitment to the initiative by producing comprehensive master plans to refurbish their historic courthouse buildings. This has been done at considerable local expense and effort. 26 counties have received grants from this program that will lead to the restoration of their historic courthouses, but 78 stand ready with master plans and no funding. These counties are ready to move forward with their worthy projects.

The *Texas Preservation Trust Fund (Fund)* was created by the 71st Legislature to provide a stable source of funding for preservation of historic landmarks throughout the state. THC's goal is to build a \$25 million endowment to fund an annual matching grants program. More than 50 applications were received for the FY 2002 round of grants made possible by the *Fund*. The *Fund* needs to grow in order to meet the minimal funding of critically important Texas landmarks. Development and management of the *Fund* and its grant program will be essential during the coming biennium.

THC continues to operate highly successful programs that contribute enormously to the state's economic vitality. Examples include the following:

- The *Texas Main Street Program* operates in 82 Texas communities and has produced an economic return that is unmatched by any other effort when measured on a dollar invested, dollar returned basis. Requests for participation in this program remain high and its potential for favorably impacting Texans' quality of life remains significant. THC is seeking a line item appropriation to meet the needs of graduate cities in this highly effective and popular economic development strategy.

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- The *La Salle Project* to conserve and interpret the Ship of La Salle and Fort St. Louis artifacts will continue. These historic resources are a significant part of Texas history and are a critical part of the agency's investment of time, funds, and expertise.
 - The *Texas Historic Sites Atlas Phase 1* has been completed. It makes information available over the internet on more than 280,000 historic properties and sites across the state. *Phase 2* is currently under way and will make this information more useful to state and local decision makers. It will particularly speed the review of economic development projects around the state for both state and federal projects. The goal is to assure better consideration for historic resources earlier in the planning process.
 - The agency's website, which describes THC's various services and programs, continues to be enormously successful and is receiving over 2 million hits per quarter.¹⁸³
 - The *Military Sites Program* is locating and preserving monuments related to the state's rich military history. In FY 1999, as part of the agency's heritage tourism effort, the THC introduced a Civil War map and brochure, which proved to be extremely popular. It will be reprinted in FY 2003 and will also become available via the internet.
 - The *Historical Markers Program* continues to grow and expand. Almost all of the state's 12,000 historical markers were surveyed for inclusion in the *Texas Historic Sites Atlas* and many were cleaned and repaired. THC continues to expand the inventory of interpretive historic markers. A special program to identify and protect more than 50,000 historic cemeteries was introduced in FY 1998.
 - Efforts continue agency-wide, through a series of initiatives and special activities, to save both historic structures and archeological sites across the state. THC also administers the National Historic Preservation Act of 1966 throughout Texas.

THC partners with many organizations and agencies to accomplish its goals. For example, the Commission continues to work with the Texas Parks and Wildlife Department (TPWD) to improve the condition of historic sites within the state's park system. THC has issued a report to TPWD and the legislature making specific recommendations for how to improve these facilities and their operations. THC has continued to work with the Sunset Advisory Commission and TPWD to assure their implementation. THC is committed to working in a constructive and cooperative manner with TPWD in order to implement these findings, and it encourages the allocation of resources for necessary improvements.

THC is responsible for the proper cyclical maintenance of seven historic buildings--including the Sam Rayburn House in Bonham, the Governor's Mansion, and the THC's five adapted buildings in the Capitol Complex. Structural repairs and regular maintenance desperately need to be carried out in the coming biennium. THC has also assessed its employee office needs and has identified possible solutions to its housing problem.

The Commission commits itself to excellence in developing and implementing a vision for preservation in Texas during the next "50 Years of Preserving our Texas Heritage."

TEXAS STATE CEMETERY COMMITTEE

The Texas State Cemetery (TSC) is located approximately one mile east of the State Capitol between Navasota and Comal streets and consists of 18 acres. The Cemetery provides a final resting-place for individuals who have made a significant contribution to Texas. Stephen F. Austin, 11 governors, numerous legislators, judges, and unique individuals throughout Texas' history are some of the people buried at the Texas State Cemetery.¹⁸⁴

The TSC Committee members are Martin L. Allday, Chairman; George Christian; and Ralph Wayne. The Advisory members are the Texas Building and Procurement Commission, the Texas Parks and Wildlife Department, and the Texas Historical Commission.¹⁸⁵

Since the close of the legislature in 2001, the Texas State Cemetery has celebrated its 150th anniversary, constructed a new family room, made progress toward completion of the Cemetery Annex at 45th Street and Bull Creek Road, and has overseen 27 funerals. In July 2002, Governor Rick Perry initiated a statewide competition for a September 11th Memorial, which will be constructed and dedicated at the Cemetery in 2003. A new monument dedicated to nine men who lost their lives in World War II will be dedicated on Veterans Day, November 11, 2002. In addition, the Cemetery staff continuously gives tours to more than 5,000 school children and adult groups throughout the year.¹⁸⁶

150th Anniversary¹⁸⁷

Throughout 2001, TSCC commemorated the 150th anniversary of the Cemetery with an exhibit opening, Texas Independence Day celebration, and a lecture series. The biggest events were the Gold Star Mother's monument dedication ceremony and a stopover by the traveling Vietnam Wall--*The Wall That Heals*.

Family Room¹⁸⁸

To better serve its patrons, TSCC has constructed a room for families to gather and greet guests before and after funerals at the State Cemetery in Austin.

Cemetery Annex¹⁸⁹

TSCC is moving forward with the preliminary designs for the Annex. A water well, well house, and an irrigation system are in the immediate plans to begin making the property ready for future burials. Once those items are in place, trees donated by the Texas Forestry Service will be planted to further create a more pleasant atmosphere for the cemetery.

Funerals¹⁹⁰

Since June 2001, TSCC and its staff have overseen 27 funerals of former public officials and/or their spouses.

September 11th Memorial¹⁹¹

On July 31, 2002, Governor Perry announced plans for a September 11th Memorial to be placed in the Texas State Cemetery. The Memorial was to utilize two beams salvaged from the wreckage of the World Trade Center. A statewide request for architects and artists to submit

design plans was narrowed down to three finalists. On the morning of September 11, 2002, TSCC chose the winning design, which was unveiled later that morning by Governor Perry. The Austin firm of O'Connell Robertson and Associates was the winning firm.¹⁹² The firm's design can be viewed under *Appendix 4* of this report. Private funds will be allocated to construct the monument, which will be completed by September 11, 2003, when the monument will be formally dedicated.

Praha - World War II Memorial¹⁹³

On Monday, November 11, 2002, at 11 a.m., TSCC and US Senator Kay Bailey Hutchison will dedicate a monument to nine men from Praha, Fayette County, Texas, who died during World War II between February 3, 1944 and February 12, 1945. The community, whose population had fewer than 100 people, lost nearly 10% of its youth when these men died. The monument will be made of Capitol pink granite and will be paid for by private donations.

Tours¹⁹⁴

The Texas State Cemetery is a favorite site for Texas schoolchildren and teachers. Throughout the past two years more than 15,000 children and adult groups have received guided tours, while more than 5,000 have visited the Cemetery on their own.

TEXAS COMMISSION ON THE ARTS¹⁹⁵

The Texas Commission on the Arts (TCA) was established in 1965. This agency is charged with the development of a receptive climate for the arts in Texas. TCA serves constituents in each of the six artistic disciplines (visual arts, theatre, dance, music, media, and literature) as well as local arts agencies. TCA provides grants, information, and technical assistance to artists, arts organizations, and the general public.

The TCA is committed to keeping itself accessible, accountable for public investment, efficient in the delivery of services, reflective of the diverse population and geography of Texas, and responsive to the needs of state government and the people of Texas. The Commission approaches its activities with a deep sense of purpose and responsibility. The arts and cultural heritage of Texas are a public trust that must be preserved. The following are current programs and initiatives implemented by TCA.

Arts Education Initiative

TCA and its partners; including the TEA, Center for Educator Development in the Fine Arts (CEDFA), Region 20 Education Service Center, and many others; have embarked on an effort known as the *Professional Development Initiative For Fine Arts Education In Texas*.

During *Phase I*, the program provided grants to the CEDFA. These grants were used to continue work successfully piloted at the Texas Fine Arts Summits of 2000 and 2001. Summit participants were trained in content areas related to understanding and implementation of the Texas Essential Knowledge and Skills (TEKS). Participants received a comprehensive Fine Arts Curriculum Framework and left the conference with implementation plans for replicating the conference model in their local area.

Partial funding for *Phase I* was provided by the Coca-Cola Foundation¹⁹⁶ in combination with support from the partner organizations listed above. Thousands of Texas teachers and administrators were impacted during *Phase I*.

Phase II, scheduled for 2002-03, will concentrate on web-based method courses in the disciplines of dance, music, theater, and visual arts. These courses will allow teachers to receive graduate credit towards their professional development. This effort will be especially beneficial to small districts which do not have arts education specialists on their faculty. TCA has been invited by a Texas-based foundation to apply for funding to continue this effort for a period of up to three years.

State of the Arts License Plate¹⁹⁷

With approximately 117 specialty Texas license plate designs now available, the *State of the Arts* license plate remains a top seller. The plate has generated more than \$2.9 million in revenue since sales began in October of 1995. For the second year in a row, TCA will place an additional \$1 million from the sales of the *State of the Arts* license plate into its grants budget for FY 2003. Total grants distributed by TCA will exceed \$4.8 million for the year.

TCA has approved 592 project applications (not including decentralized grants) for FY 2003 at an average of \$4,382. Without the \$1 million in license plate revenues, the amount available for project grant funding would decrease by 38.5%. *State of the Arts* license plate funds are a vital part of TCA's grants funding.

License plate revenue comes from three sources: license plate sales, renewals, and interest earned. The economic slowdown combined with the reduction of license plate funds in the account have resulted in a reduced amount of interest income earned. Last year only 6% of specialty license plate designs (including the *State of the Arts* license plate) sold more than 1,000 plates.

TCA has developed relationships with businesses through the *Partners for the Plate* program. These businesses actively promote the *State of the Arts* license plate at their facilities through direct mailings, marketing materials, and other creative means. *Partners for the Plate* make it possible for TCA to market the plate to a broader audience without expending limited agency dollars.

In addition to these businesses, all TCA grant recipients are provided with *State of the Arts* promotional materials so that they may also promote the plate at their venues and in their programs and newsletters.

TCA and Technology

In early 1995, TCA began to position itself as a leader in technology for the Texas arts industry. Plans were created for the development of a state-wide, internet-based cultural and arts network known today as, the *Texas Cultural and Arts Network (TCAnet)*.

TCAnet is a comprehensive arts network, and TCA is the only agency in state government to have all of their grant applications processed over the web. The agency has realized tremendous

cost savings and will continue to reap more benefits in years to come. TCA is considered to be the leading state arts agency in terms of technology in the entire nation.

TCAnet is also home to *Art-on-Art*, an online calendar of events used as a source for major magazine listings such as *Texas Monthly* and *Texas Highways*.

Since the fall of 2000, TCA has actively participated with the Electronic Grants Technical Assistance Workgroup organized by the Office of the Governor. TCA has shared information with the workgroup on developing and implementing an online grant system.

FY 2002-03 Grant Overview

TCA provides approximately 1,500 grants each year. Approximately half of the grants go through TCA's competitive peer review panel process. The other half are mini-grants that go through an executive review process. Each year the TCA reviews panel grants from over 100 different Texas cities and over 300 different arts and cultural organizations.

Having all grants online has greatly expanded outreach to K-12 schools, public libraries, and our rural community organizations that use the mini-grant program to bring in storytellers, musicians, dancers, and theatrical groups. These application forms are simple, quick, and very helpful to constituents.

TCA saw a 5% increase in panel grants requested for FY 2003 as opposed to FY 2002, and the amount of funds requested rose by 9%.¹⁹⁸ For FY 2002 the Commission granted 563 grants, but this number rose 7% to 602 grants for FY 2003. The total amount awarded for FY 2003 was \$3,857,800; this was a small increase from the previous year, yet the average award decreased 6% and the percentage of dollars requested dropped 4%.¹⁹⁹

983 min-grants were requested for FY 2002 and 938 were awarded for a total of \$443,711. 96% of applications and 54% of dollars requested were awarded. TCA has experienced approximately a 40% increase in demand for mini-grants since 1999.

Texas Cultural Endowment Fund

In 1993 Texas became the first state in the nation to have a state-created and operated endowment for the arts. To date at least seventeen other states have followed our lead. Plans call for the *Texas Cultural Endowment Fund (Endowment)* to be actualized in 2005 with a corpus of \$200 million.

While TCA is responsible for the distribution of funds from the *Endowment*, it maintains a contractual relationship with the Texas Cultural Trust Council, a not-for-profit 501(c)(3) corporation, to raise additional money for the *Endowment*. To date, the Texas Cultural Trust Council has contributed \$1.9 million to the fund.

The bill authorizing the *Endowment* provided a \$2.2 million down-payment. Since that time, the *Endowment* has received lump sum appropriations of approximately \$1 million for each fiscal year. In the meantime, TCA has pursued numerous avenues for generating financial support for the *Endowment*.

The *Endowment* falls far short of the \$200 million mark. In the coming legislative session, TCA will again seek public funds to bolster the *Endowment*. TCA believes that these dollars are necessary to reach the agency's goal of sustainability in 2005, and that they can be derived from a percentage of state taxes generated from amusements, museums, and motion pictures. Upon reaching the \$200 million goal, TCA will be able to double its annual grants budget and sustain its operating budget, all on the interest from the *Endowment*.

Young Masters Program

In 2002, TCA launched the *Young Masters* program to provide scholarships to outstanding Texas arts students in grades 8-12. These scholarships; in the amount of \$2,500 for up to three years; support advanced study in a student's specified arts discipline. *Young Masters* was made possible by a restricted gift from the South Western Bell Foundation²⁰⁰ to the *Endowment*. The gift provides \$200,000 in three biennial installments with interest earnings used to fund the program.

The inaugural years saw 84 applicants in the disciplines of music, dance, theater, musical theater, media, and visual arts. Additional donations from Land Commissioner David Dewhurst (\$25,000) and the Plum Foundation²⁰¹ (\$10,000) afforded TCA the opportunity to provide fourteen scholarships.

Recipients of *Young Masters* awards have utilized their funds to attend prestigious summer programs such as the School of Visual Arts in New York City, Debbie Allen Dance Institute, the Joffrey, Jose Limon Dance Company, Paul Taylor Dance Company, the Chicago Art Institute, Julliard, and Boston University's Tanglewood. Others will attend a variety of other camps and festivals or engage in advanced study with individual instructors.

Texas State Artists, Poet Laureate, and Musician

TCA is administering the solicitation and selection process for the Poet Laureate, State Musician, Two-Dimensional Visual Artist, and Three-Dimensional Visual Artist. TCA is working in coordination with the Governor's Texas Music Office to implement this process.

Nominations were accepted through September 16, 2002 and Commission staff are conducting an initial review to ensure compliance with the review criteria. Panels will be convened in late October to select a list of artists in each category to be sent to a legislative committee for final determination. Committee members include: Donna Stockton-Hicks, Aaronetta Pierce, Dolores Barzune, Sarah Greene, Ragan Gennusa, the Honorable Layton Black, and State Representative Bob Hunter.²⁰²

Simply Solutions

TCA is launching *Simply Solutions* based on a program called the "Arts Stabilization Toolbox" established by the Metropolitan Atlanta Arts Fund.²⁰³ With *Simply Solutions* community arts organizations in Texas will be invited to apply for a "solution." Applicants define a problem they have identified in their organization and apply for a solution to that problem. They do not request a dollar amount.

An assessment will be made of the organization to determine whether the problem they identified is part of a greater problem that needs to be addressed first. They will then be referred

to to the closest nonprofit center that will assist in the selection of a consultant. Organizations with similar problems will be encouraged to work together. The consultant will work with them until the problem is resolved.

TCA will examine the problems submitted to identify trends. In cases where the Commission finds a number of organizations having similar problems, it will publish related technical assistance information online.

Another aspect of *Simply Solutions* will be the establishment of support groups for professionals with similar jobs within different organizations. Community arts organizations will be invited to participate in support groups. TCA believes many will discover that other people in the field have already found solutions to the same problems with which they are faced.

Hands-on Experiential Learning Project (HELP)

HELP is a new initiative designed to provide effective museum training for small and mid-sized museums in Texas. A recent survey shows 75% of all small and mid-sized museums in Texas have not received training within the last three years in the basic areas of museum work. Small and mid-sized museums spend an average of less than \$1,000 annually on training for their entire staff.

This program will provide hands-on real life museum experiences supplemented with sound museum theory to train professionals in the museum field. *HELP* will assist professionals in improving their museum skills in areas of public programming, marketing and public relations, fund-raising, exhibition development, volunteerism, and earned income opportunities.

HELP is a collaborative project of TCA and the Houston Endowment,²⁰⁴ and is under the leadership of the Texas Association of Museums²⁰⁵ in partnership with the Mid-America Arts Alliance's Exhibits USA division.²⁰⁶ Exhibits USA will provide participant museums with affordable temporary exhibitions that feature strong arts and humanities content, universal appeal, and local relevance.

The benefits of *HELP* to Texas communities are tremendous. 91% of these museums offer formal tours for school children and 82% present public programs in addition to their exhibitions. Many of these museums serve rural areas and some provide the only arts education in their region or district. The community and educational services they provide will improve as these organizations are strengthened.

Bi-national Exchange

In May 2002 regional arts organizations from the United States and Mexico met in Chicago for the first Bi-national Congress of US/Mexico Regional Arts Organizations. The intent of the gathering was to gain a better understanding of possibilities for bi-national exchange between Mexico and the US.

For six years TCA has supported and participated in the "Encuentro," an annual gathering of artists, arts administrators, scholars, and governmental representatives from Texas and the three

Mexican states that border Texas: Tamaulipas, Coahuila, and Nuevo Leon. The 2002 Encuentro was held in Del Rio in June.

The Encuentro resulted in the development of “La Red,” a coalition of presenters on both sides of the border dedicated to annual exchanges between the four states. Recently, artists and presenters from Mexico and the Director of the State Arts Agency in Nuevo Leon participated in the Borders pre-conference and other activities of TCA’s Texas Touring Conference.

TCA will open a satellite office in the Rio Grande Valley in FY 2003. Creation of this new satellite office will allow a TCA staff person to serve as liaison to La Red, the Encuentro, and other bi-national projects with Mexico. A minimum of six exchanges will be supported through TCA’s *Cultural Connections* program as part of this ongoing effort.

Donor Recognition Project

Donor recognition is a principal element in successful private fund-raising. Because TCA does not own a piece of property where major contributors to the *Endowment* can be recognized, an effort has been put in place to secure a location upon which to locate a work of art for this purpose.

TCA is partnering with the City of Austin,²⁰⁷ the Downtown Alliance,²⁰⁸ and the Austin Parks Foundation²⁰⁹ to install a large-scale sculpture in Republic Square. This sculpture will be paid for with private donations and a portion of interest earned from the *Endowment* targeted for its promotion.

The design, by Texas artist Jesus Moroles, will include a water feature and an amphitheater with appropriate technical apparatus to support performance activities. Ultimately, the sculpture will provide a place to publicly acknowledge contributors to the *Endowment* while providing a public venue featuring artistic performances, natural elements, and a gathering place for all Texans. It is anticipated that the project will take two to three years to complete.

Stabilization and Continuity Plan

TCA has adopted a Stabilization and Continuity Plan. The plan emanated from the impending resignation of John Paul Batiste as Executive Director of the Commission, effective July 31, 2002.

The goal of the plan is to ensure an efficient and responsible leadership transition that is consistent with the agency's career ladder practices. The plan encompasses a five-year period and takes into consideration the extended tenure and retirement thresholds of the agency's current executive staff.

Mr. Batiste reached his retirement threshold and the new Executive Director, Ricardo Hernandez, will reach his in September of 2004.

The plan takes into consideration key agency goals and objectives and includes Mr. Batiste’s ongoing involvement through a third party contract with the Mid-America Arts Alliance.²¹⁰ The

contract is performance-based and requires Mr. Batiste to develop and conduct a statewide "Public Awareness and Partnership" campaign.

Ricardo Hernandez became TCA's Executive Director on August 1, 2002. The plan calls for the hiring of a Deputy Director in FY 2005 to assume the role of Executive Director upon Mr. Hernandez's retirement. That individual will work with Mr. Hernandez for a period of 2-3 years in a training capacity.

FY 2004-05 LAR

All agencies are required to make a "Base Request" which is equal to the amount appropriated in the previous biennium. The Commission is requesting \$6.5 million for each year of the biennium and \$2 million in FY 2004 for the *Endowment*, which increases the total FY 2004 base request to \$8.5 million.

Agencies are also allowed to make a "Supplemental Request" which is an addition to the funds appropriated for the previous biennium. TCA is requesting an additional \$5 million per year for grants; \$25 million per year for the *Endowment*; and three additional FTEs, two in FY 2004 and a third in FY 2005. These requests total to \$30 million for both FY 2004 and FY 2005.

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

The Texas State Library and Archives Commission (TSLAC) is both the official name of the agency and the name of its governing board. The six members of the Commission are appointed by the Governor, who also designates a chair, and are confirmed by the Texas Senate. Commissioners serve staggered six-year terms; terms begin September 1st of odd-numbered years following each session of the Texas Legislature.²¹¹

The Commission has existed for none decades, and its members have included celebrated Texas political and civic leaders as well as other citizens who are simply distinguished by their commitment to libraries. Duties of TSLAC include: (1) appointment and supervision of the Director, Librarian, and Assistant State Librarian; (2) review and approval of the State Library's strategic plans, appropriations requests, operating budgets, internal audit documents, and employment and management policies; and (3) review and adoption of rules for administering the State Library's legislative mandates.²¹²

The Commission members are Sandra J. Pickett, Chairman; Chris A. Brisack; Kenneth R. Carr; Diana Rae Hester Cox; Sandra G. Holland; and Elizabeth Sanders.²¹³

New Program: *Loan Star Libraries*²¹⁴

The 77th Legislature appropriated \$2.9 million for each year of the 2002-03 biennium for a new public library grant program, *Loan Star Libraries*, the first of its kind in Texas. In FY 2002, 517 public libraries were eligible for grants under this program. This year the number of eligible libraries has grown to 525. *Loan Star Libraries* rewards those public libraries that eliminate non-resident fees or join the *TexShare Card* program. Libraries used *Loan Star Libraries* funds to purchase materials for literacy, english as a second language (ESL), and General Educational Development (GED). The funds were also used to establish homework help centers; deliver

books to the homebound; establish or enhance programs for target groups such as preschoolers, teens, and senior citizens; to purchase computers and networking equipment; and to increase hours of operation. This program has enjoyed great success. The Texas State Library and Archives Commission (TSLAC) is asking for an additional \$7.25 million from the 78th Legislature in order to expand this program.

Gubernatorial Records²¹⁵

In May of this year, Attorney General John Cornyn rendered an opinion that reaffirmed the agency's responsibility for administering the provisions of the Texas Public Information Act²¹⁶ (Act) for gubernatorial records. The opinion specifically related to the records of former Governor George W. Bush. The Commission requested the opinion from the Attorney General to clarify issues related to the records and the extent to which the Act applied. The opinion affirmed TSLAC's position that the records of former Governor Bush, though they resided in a non-state agency (in this case, the Bush Presidential Library in College Station), were still the property of the state of Texas, that the provisions of the Act applied in every respect to the records, and that TSLAC has responsibility for the provisions of the Act for these records.

Based on this determination and in consultation with all parties, an agreement was reached that the records of Governor Bush would be returned to TSLAC for processing in order to meet the provisions of the Act more effectively. More than 2,000 boxes of records arrived at TSLAC in July 2002, and staff have begun the arduous process of arranging and describing records, as well as responding to an increasing number of open records requests.²¹⁷ This archival processing will take 3-4 years to complete with the current level of archival staffing.²¹⁸ TSLAC's legislative appropriations request (LAR) includes an Exceptional Item of \$250,000 for the support of archival processing. These historically significant documents constitute the essential evidence of Texas government and history. Thorough archival processing of these records ensures that the public has open access to our government.

***TexShare* and Library of Texas²¹⁹**

The Library of Texas is made possible by a partnership between the Telecommunications Infrastructure Fund (TIF) Board and TSLAC. The project includes four components: (1) a digital archive of state publications in electronic format, (2) a resource discovery tool which will enable users to retrieve combined search results from a variety of electronic resources, (3) an expansion of the electronic databases available to Texans through *TexShare* member libraries, and (4) extensive training in using electronic resources for librarians and the public. Significant progress has been made in all four components.

One exciting new Library of Texas accomplishment is the installation of videoconferencing equipment in 11 locations throughout the state, including the Texas State Library. The equipment will be used to deliver library and technology training, which reduces travel costs for local communities as well as allows more people to benefit from training. In addition, when the equipment is not being used for library training, it will be available for anyone in the community to use. TSLAC expects all the equipment to be installed and functioning by summer 2003.

TSLAC requested a \$40 million grant from TIF over four years for the Library of Texas, and with the anticipation of receiving another grant this fall, have received a total of \$28,019,736.

Much of the funds were used for one-time purchases of equipment, and the State Library will absorb the maintenance and program costs. However, TIF granted approximately \$8 million to greatly expand the *TexShare* databases. Funding went from \$2.9 million to almost \$11 million a year, and TSLAC negotiated statewide subscriptions to 60 databases, at a cost savings of more than \$602 million for member libraries. In addition, the 77th Legislature replaced the original \$2.9 million of general revenue for *TexShare* with a direct appropriation from TIF; thus, all of the components of *TexShare* are funded through TIF now.²²⁰ TSLAC cannot absorb those costs when TIF expires in 2005. TSLAC is requesting approximately \$7.4 million for the second year of the coming biennium from the 78th Legislature to maintain these critical resources.

Talking Book Program²²¹

The 77th Legislature appropriated a special one-time \$20,000 for an outreach campaign for our *Talking Book* program. The program serves approximately 20,000 Texans who have a disability that prevents them from reading standard print. The Library of Congress estimates that 300,000 Texans are eligible for the service. Our public awareness coordinator traveled the state extensively training school, hospital, public library, and nursing home personnel and physicians about the program. TSLAC also updated its program literature and distributed it to 546 Texas communities. The Commission has recently concluded its second annual *Talking Book Week*, and more than 60 community organizations hosted events or exhibits focusing on the services of the *Talking Book* program. It is still too early to tell what impact these activities will have on program enrollment figures. Due to the obstacles TSLAC faces in reaching this particular, sometimes isolated, Texas population; the Commission anticipates that it will require sustained outreach to ensure that all Texans who could benefit from TSLAC services are aware of them.

Additional Accomplishments and Initiatives²²²

TSLAC is working through a demonstration project with the Texas Education Agency (TEA) and high school, public, and academic libraries in Hidalgo County to analyze the impact of including schools in *TexShare*. TSLAC has also partnered with the TEA to jointly train school and public librarians to effectively use electronic resources appropriate for school age children. Training will focus on appropriate *TexShare* databases and the *Texas Library Connection* (TLC).²²³ TSLAC hopes this training will provide a stronger educational link between the school library and the public library, and foster more community collaboration between these groups.

The agency received a grant of \$200,850 from the Bill & Melinda Gates Foundation²²⁴ to deliver extensive technology training to librarians and staff serving small and medium-sized Texas communities. Small community libraries constitute approximately 60% of Texas' libraries. TSLAC expects about 400 people to participate in the year-long training program.

Additional Key Issues²²⁵

One of TSLAC's primary mandates is to preserve the state's heritage; however, it lacks the space and resources for the robust preservation and conservation programs that are needed to address this mandate. Secure space for the storage of archival state records no longer exists at the Lorenzo de Zavala State Archives and Library building. As a result, approximately 15,600 cubic feet of archival records are being stored at TSLAC's State Records Center on Shoal Creek Boulevard in Austin at a cost of more than \$34,000 per year. An estimated 1,350 cubic feet of

additional archival state records each year will have to be stored at the State Records Center, which was not designed for archival storage.

The state's historically valuable archives are subject to frequent unacceptable fluctuations in temperature and relative humidity, both in the State Archives and especially at the State Records Center. TSLAC's 2004-05 LAR includes an exceptional item to fund a cost-benefit study of expanding and renovating the current State Archives and Library building and for building a new facility. It is critical to determine the best direction to take with respect to bringing our physical facility in line with the programs and services we deliver, both currently and in the future.

This winter, TSLAC will contract with a consulting and research firm to study public library development in Texas. This ambitious study will lay the foundation for important dialogue with the library community about strategic directions and services needed. The study may indicate the need for substantial changes to State Library services and the Texas Library Systems Act for the legislature to consider during the upcoming session..²²⁶

TIF has made a tremendous impact on Texas libraries, enabling them to move light years ahead in the deployment of innovative technology and advanced telecommunications services. Since the inception of the TIF assessment and the telecommunications discounts made possible by HB 2128,²²⁷ the number of public and academic libraries with direct digital connections has increased exponentially. TIF grants to libraries have allowed them to purchase the necessary hardware to bring technology to more Texas communities. The expansion of *TexShare* databases and e-books has had an enormous impact statewide because there is a TIF-enabled telecommunications infrastructure in place to deliver digital resources to every corner of the state. TSLAC believes that TIF's continuation beyond its sunset date of 2005 is critical.

Texas Libraries and TIF²²⁸

The Texas House of Representatives passed HB 2128, the Public Utility Regulatory Act of 1995 (PURA '95), to overhaul the telecommunications industry and provide for economic growth in the state of Texas. Governor George W. Bush signed the legislation into law on May 26, 1995. PURA '95 § 3.606 created TIF and the TIF Board.

The TIF Board designs and provides grants in order to prepare Texas' children for the knowledge-based economy of the 21st century while spurring economic growth for all Texans and enriching the lives of all citizens through their public schools, public libraries, institutions of higher education, and healthcare facilities. TIF was created to fulfill the information technology and applications access needs of the four TIF-eligible constituents. TIF intends to take this unique, unprecedented opportunity to assist all of the citizens of Texas in achieving equitable access to information and education resources, irrespective of their socioeconomic condition or geographic location.

TIF monies are derived from two sources: (1) annual assessments from telecommunications utilities, and (2) annual assessments from commercial mobile service providers. These funds are stored in two separate accounts--the Public Schools Account and the Qualifying Entities Account. Both funds have average collections of \$75 million per year. Through these two accounts funds are granted to Texas K-12 public school districts and campuses, public and

private institutions of higher education, public libraries, and public and not-for-profit healthcare facilities. Under current law, TIF is set to expire at the end of its 10-year duration, which will occur in 2005.

Grants distributed to the four main recipients listed above (not including grants for the TEA, Community Networking, Operations, and other projects) from TIF's beginning in 1995 through FY 2002 amass to an estimated total of \$848 million.

Texas public libraries have received an estimated \$92 million of the total \$1.075 billion that has been generated by TIF since its creation. There are both competitive and non-competitive grants available for qualifying libraries. A list of the current types of grant available to Texas libraries can be viewed under *Appendix 5* of this report.

Texshare²²⁹

TexShare is a library resource-sharing project that greatly expands the range of library materials available to students and faculty of Texas colleges, universities, and community colleges. Through a variety of projects--shared purchase of full-text databases, reciprocal borrowing between institutions, and a courier service to ship materials--*TexShare* levels the playing field between schools that are rich or poor, large or small, urban or rural. This model program of interagency collaboration and cooperation makes resources available to students and faculty that would never have been affordable otherwise.

Funded by an appropriations rider from 1994 to 1997, *TexShare* was established in statute during the 75th Legislative Session and eligibility extended to the state's community colleges and independent colleges and universities. The 76th Session broadened *TexShare* to include all public libraries. This program has since become Texas' premier library resource sharing consortium. It has been very successful, and TSLAC has improved and expanded its services considerably since the last legislative session.

Usage statistics for the *TexShare* databases, the largest and most visible component of the program, have increased exponentially. The number of searches increased from 6,856,443 during 2001 to 16,595,747 during 2002--a 142% increase.²³⁰ 643 libraries are currently *TexShare* members. *TexShare* services include:

- Interlibrary loan - customers can borrow materials unavailable in their local libraries
- Online databases - provide desktop access to subscription-based databases; two of them offer full-text articles from 1,000 magazines
- *TExpress* - courier service that affords two-day delivery among libraries statewide. Participating libraries pay a reduced rate, and enjoy quicker, more reliable delivery than conventional methods
- *TexTreasures* - grants for digitizing specialized collections
- *TexShare Card* - permits students and faculty to directly borrow materials from participating *TexShare* libraries across Texas

Cost Savings of *Texshare*²³¹

TexShare provides considerable cost savings for its members. For example, if members purchased their own subscriptions to the databases available from *TexShare* they would pay a

considerable amount more than they pay for their *TexShare* subscription. TSLAC's *TExpress* courier service saves money as well, and provides faster more reliable delivery than conventional delivery methods.

Libraries of Clinical Medicine join *TexShare*²³²

During the 77th Texas Legislature, libraries with extensive collections in clinical medicine and the history of medicine became eligible to participate in *TexShare*, and three medical libraries have since joined including: Scott and White, Temple; Texas Medical Association, Austin; and, the Baylor Health Science Center, Dallas. A \$1 million grant from TIF allowed TSLAC to purchase two additional medical databases and medical e-books.

RECOMMENDATIONS

1. The Legislature should continue to support the budgets of all state agencies falling under the oversight of the House Committee on State, Federal, and International Relations.

2. The Legislature should encourage the Texas National Guard and the Texas Military Facilities Commission to increase their coordination with the state's federal military installations.

TXNG should take advantage of every feasible opportunity to improve the military value of these bases in situations where the Guard is also benefited. When considering the sale or lease of land TMFC oversees, the agency should consider potential implications of that decision in regard to the base realignment and closure process. TXNG should pursue joint missions that benefit both the Guard and the federal military in Texas.

3. The Legislature should adopt legislation that offers protection to National Guard soldiers activated under Title 32 in accordance with protective measures outlined in the Soldiers' and Sailors' Civil Relief Act of 1940.

TXNG Soldiers called to active duty under Title 10--as opposed to Title 32--are protected by this Act, which offers protection in the form of (1) reduced interest rate on mortgage payments and credit card debt; (2) protection from eviction if the soldier's rent is \$1,200 or less; and (3) delay of all civil court actions involving the soldier.²³³

There is currently a joint resolution making its way through Congress that would bring these soldiers under the Act's protection. Fearing that this resolution will fail, other states have chosen not to wait on the federal government and have passed laws to offer similar protection at the state level.²³⁴ Considering that such a significant portion of the nation's National Guard troops live in Texas, the Legislature should take steps to honor these brave individuals and provide them with this protection.

4. The Legislature should consider measures to ensure the readiness of the Texas National Guard to meet the evolving needs of our 21st Century military, and to adapt to its growing role in Homeland Security as well as its increasing involvement in international missions.

TXNG has recently deployed personnel to countries around the world, including Guyana, El Salvador, Germany, Korea, Australia, Puerto Rico, Panama, Honduras, Columbia, Venezuela, Italy, Bosnia, Tuzla, Sarajevo, Saudi Arabia, Korea, Hungary, Kosovo, Guantanamo Bay, and Afghanistan.²³⁵

Within the US and mostly for the purpose of Homeland Security, TXNG has conducted missions in Alaska, Oklahoma, Colorado, New Mexico, Arizona, and of course Texas. In Texas alone, soldiers were deployed to 26 airports to bolster purpose of airport security and check-points stretching from El Paso to Brownsville to monitor and secure the Texas-Mexico border.²³⁶

5. The Legislature should continue to support the Texas *Heritage Trails* program.

This program has brought the state a great return on its investment. Heritage tourists tend to spend more money than regular tourists, and the Trails have been a great success for the state. The Legislature should also consider bringing this program directly under the perview of the Texas Historical Commission.

The state should create a *Texas Music History Corridor* in order to coordinate the marketing efforts of our existing music museums and archives across the state, and to begin a structured system of coordination of which the state can be a partner. There are over forty institutions across the state that serve as music libraries, archives, and museums.²³⁷ These organizations draw many tourists to their respective communities, which has a large economic impact not only on individual communities, but on the entire state as well. This recommendation is discussed further under *Charge 4* of this report.

6. The Legislature should continue to support the Veterans Homes program and establish these homes around the state where it is feasible to do so according to demand and funding.

The USDVA contributes up to 65% of the costs of construction or acquisition of the homes and provides per diem payments to the state for care of veterans in the homes.²³⁸

7. The Legislature should amend §192.002 of the Local Government Code to close a loop-hole that makes military veterans easy targets of stolen identity crimes.

8. The Legislature should consider initiatives that will equip every Veterans County Service Office with computers and internet access.

The Veterans Commission and the Veterans Land Board have gone to great lengths to establish web based applications that will allow veterans to not only access helpful information over the internet, but also to applications for various programs. Currently only about 80 of the state's 220 Veterans Service Offices are equipped with computers.²³⁹ The Legislature's goal should be to properly equip 100% of these Offices with adequate equipment.

9. The Legislature should improve existing efforts by the Commission on the Arts and the Governor's Music Office to coordinate our music community through internet websites and applications. The state should develop an on-line virtual archive in order to better

coordinate music preservation efforts so the state can begin to assess the collective value and economic impact of our great music history treasures.

The Commission currently operates a state-of-the-art website, and the Commission believes this service would be a great addition and could added without reinventing the wheel. TCA is the only state arts agency in the nation that maintains a full-service website, and a virtual archive could easily be added. The Commission also has an existing mechanism for performing archival efforts.²⁴⁰ This topic is further discussed under *Charge 4* of this report.

10. Authorize the Commission on the Arts to undertake feasibility studies to (1) ascertain the potential economic impact of Texas music history on our state's economy and the potential economic loss of allowing these artifacts to be harvested by other states; (2) develop a report on the number of museums, archives, collections, and related educational programs in the state; (3) evaluate and develop a report on current efforts to coordinate the music museum community; (4) ascertain the existing needs of these organizations; and (5) evaluate the viability and potential economic impact of creating a centralized museum and archive.

The Commission has expressed its support in these endeavors, but it also believes that it would need an additional FTE in order to accomplish these goals.²⁴¹ This topic is further discussed under *Charge 4* of this report.

11. The Legislature should consider the extension of the Telecommunications Infrastructure Fund that is currently set to expire in 2005, or develop new options to meet the state's telecommunications infrastructure needs.

TIF monies are derived from two sources: (1) annual assessments from telecommunications utilities, and (2) annual assessments from commercial mobile service providers. These funds are stored in two separate accounts--the Public Schools Account and the Qualifying Entities Account. Both funds have average collections of \$75 million per year. Through these two accounts funds are granted to Texas K-12 public school districts and campuses, public and private institutions of higher education, public libraries, and public and not-for-profit healthcare facilities. TIF has generated a total of \$1.075 billion since its creation.²⁴²

APPENDICES

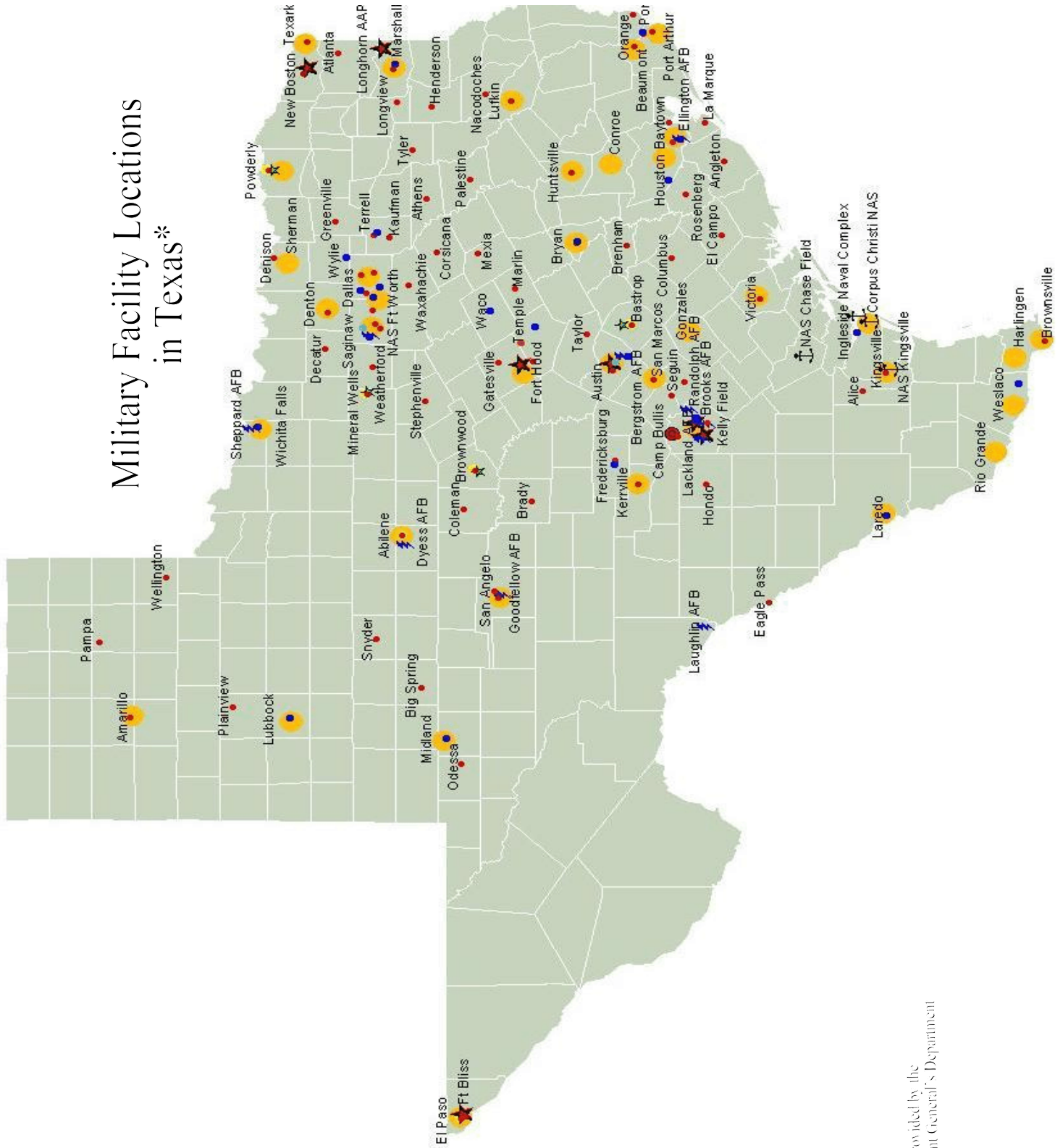
APPENDIX 1

BRAC 2005 TIME-LINE

December 2001	Congress passed the National Defense Authorization Act for FY 2002, authorizing an additional round of BRAC in 2005
January 2002	DOD begins the BRAC process by collecting and analyzing data
December 31, 2003	Secretary of Defense sends proposed selection criteria to the Congressional defense committees
February 2004	<ul style="list-style-type: none"> • Secretary of Defense publishes final selection criteria in Federal Register (February 16) • DOD submits to Congress detailed force structure plan and certification that BRAC 2005 will result in savings for each military service by 2011
March 15, 2004	Selection criteria final, unless disapproved by an Act of Congress
March 15, 2005	President appoints nine member BRAC Commission and sends nominees to the Senate for confirmation
May 16, 2005	DOD sends a closure/realignment list to the Commission and to Congress; adding other installations would require support from seven of the nine Commissioners
July 1, 2005	General Accounting Office reviews DOD's list and reports findings to the President
September 2005	<ul style="list-style-type: none"> • Commission sends its findings and recommendations to the President (September 8) • President reviews the list of recommendations and submits them to Congress for an up or down vote (September 23)
October 20, 2005	Commission may submit revised list in response to President's report
November 7, 2005	President certifies closure/realignment list and list is final
April 15, 2006	All work by the Commission must be terminated

APPENDIX 2

Military Facility Locations in Texas*



* Map provided by the Adjutant General's Department

APPENDIX 3

TYPES OF TIF LIBRARY GRANTS

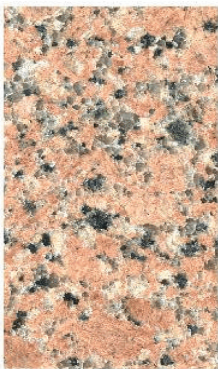
<p>LB14: TX Public School Libraries</p> <ul style="list-style-type: none"> • created July 5, 2002 • small schools 	<ul style="list-style-type: none"> • have enrollments of less than 500 students per district as reported through PEIMS to TEA • not currently an active member of TLC according to the TLC Information Center • have a basic library connection
<p>LB13: TX Public School Libraries</p> <ul style="list-style-type: none"> • created May 20, 2002 • small districts 	<ul style="list-style-type: none"> • have a basic library connection • non-competitive grant • must have one regular instructional campus in district • an enrollment of less than 500 in district • current membership in TLC
<p>LB12: TX Public School Libraries</p> <ul style="list-style-type: none"> • created May 10, 2002 • large districts 	<ul style="list-style-type: none"> • non-competitive grant • eligible districts are Houston ISD, Dallas ISD, Fort Worth ISD, Austin ISD, Cypress-Fairbanks ISD, Northside (San Antonio) ISD, and El Paso ISD
<p>LB11: TX Public Libraries</p> <ul style="list-style-type: none"> • created May 9, 2002 	<ul style="list-style-type: none"> • non-competitive grant • must have not benefitted from a previous grant • Program A: small public libraries with limited or no internet access for public; have one or more branch libraries that have not benefitted from a grant • Program B: public libraries that have resources to sustain at least a fractional T-1 (between 384 Kbs and 1.544 Mbs) or greater speed connection after grant period expires
<p>LB10: TX Public Libraries</p> <ul style="list-style-type: none"> • created 2002 	<ul style="list-style-type: none"> • competitive grant • have legal establishment papers on file at the Texas State Library • priority given to applicants that address cross-constituency collaborations
<p>LB 9: TX Academic Libraries</p> <ul style="list-style-type: none"> • created 2002 	<ul style="list-style-type: none"> • competitive grant • for general teaching institutions and institutions of higher education • priority given to applicants that address cross-constituency collaborations
<p>LB 8: TX Academic Libraries</p> <ul style="list-style-type: none"> • created July 30, 2001 	<ul style="list-style-type: none"> • non-competitive grant
<p>LB 7: TX Public Libraries</p> <ul style="list-style-type: none"> • created May 24, 2001 	<ul style="list-style-type: none"> • non-competitive grant • for small libraries with limited or no internet access for public
<p>LB 6: TX Public Libraries</p> <ul style="list-style-type: none"> • created June 2, 2000 	<ul style="list-style-type: none"> • non-competitive grant • cannot have received a previous grant • has inadequate internet connectivity as recognized by the Texas State Library or State Law Library

APPENDIX 4

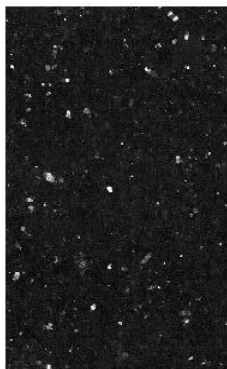
TMFC'S CAPITAL ASSET STRENGTHS AND WEAKNESSES, CAPITAL IMPROVMENT NEEDS, AND PRIORITIZATION OF THOSE NEEDS

Capital Asset Strengths:	<ul style="list-style-type: none"> • Authority to manage our own real property assets (buy, sell, lease, acquisition, and disposal) • Agency has exclusive authority to construct, repair, and maintain all facilities and improvements owned by the state on commission property
Capital Asset Weaknesses:	<ul style="list-style-type: none"> • Real property is widely dispersed over entire state • There are inadequate resources to maintain an accurate inventory of the status of facilities • Age of building assets • Lack of funding over the years to properly maintain facilities has left them in poor condition • Vehicles average 7 years of age and 78,900 miles of use but these numbers are continually increasing • There are 37 properties that do not have boundary surveys due to lack of funds
Capital Improvement Needs:	<ul style="list-style-type: none"> • Funds to reduce backlog of maintenance • Vehicles - The widespread location of the agencies facilities and our unique mission requires extensive in-state travel by agency personnel The extensive travel requirement necessitates scheduled replacement of vehicles as recommended by the Texas Building & Procurement Commission • Funding for property boundary surveys • Funding and an FTE to modernize and oversee IR and a network system
Prioritization of those Needs:	<ul style="list-style-type: none"> • Funds to reduce backlog of maintenance at facilities • Replace 2 hi-cube vans, one is a 1986 model with over 225,286 miles and one is a 1991 model with over 173,352 miles. Funding to replace these two vehicles (one each year) will be requested in the next budget cycle • Funds to create and maintain an information resource and network systems for the commission

APPENDIX 5



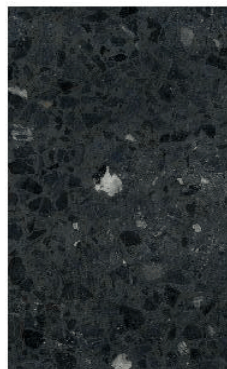
TEXAS PINK GRANITE



GALAXY BLACK GRANITE



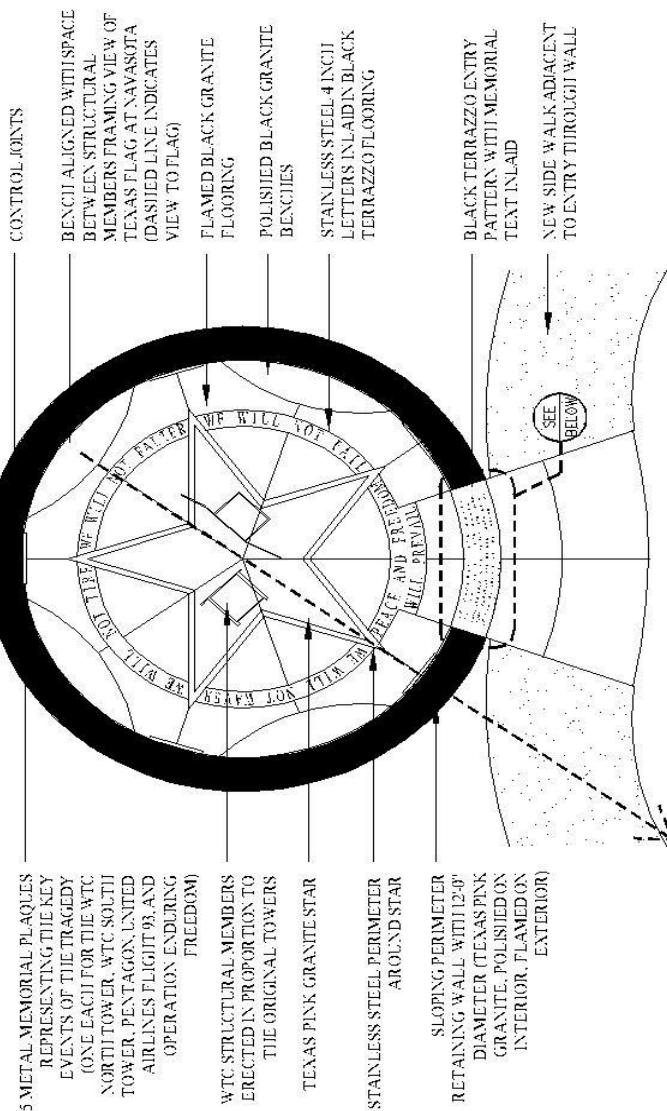
STAINLESS STEEL



BLACK TERRAZZO

September 11
Memorial
Texas State Cemetery
#10065

8/18/2002



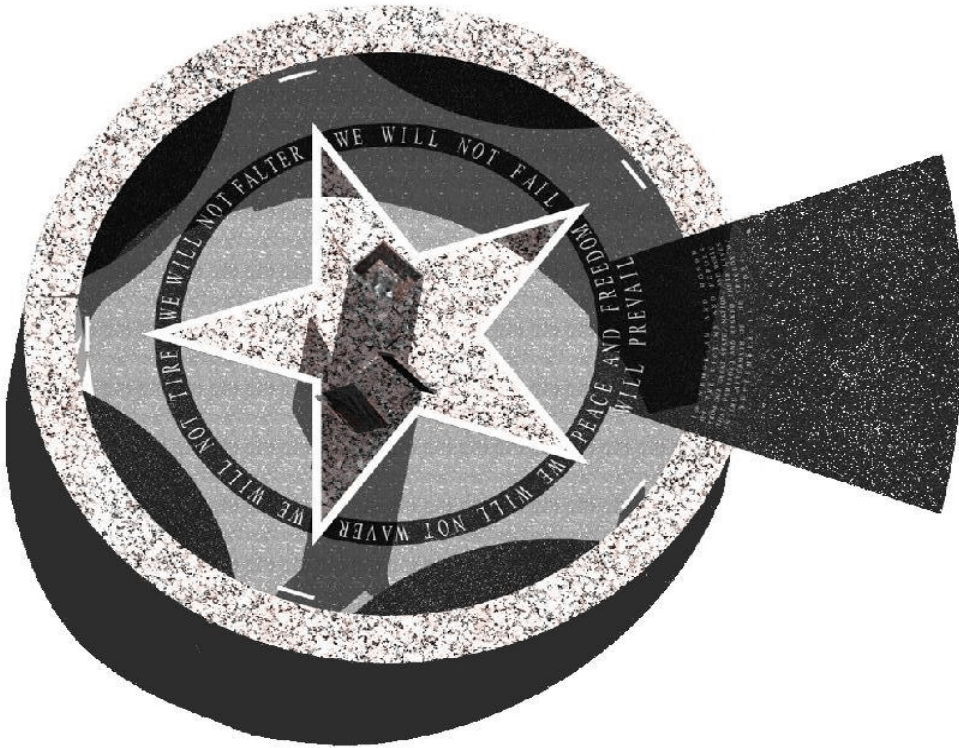
TECHNICAL SITE PLAN



IN MEMORIAM AND HONOR
 TO THE VICTIMS AND HEROES
 FROM OUR GREAT STATE, NATION, AND WORLD
 THAT PERISHED AND RISKED THEIR LIVES OF
 IN THE AFTERMATH OF THE TRAGEDY OF
 SEPTEMBER 11, 2001

TEXT ENLARGEMENT



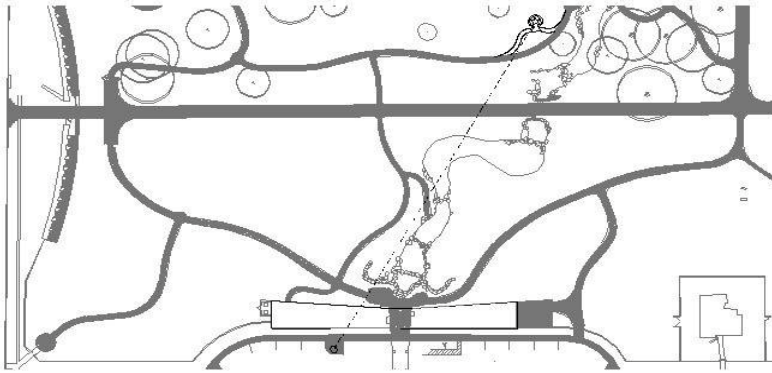
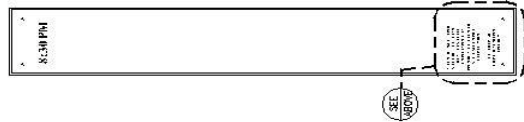
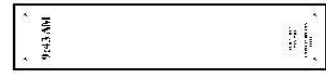


"THESE ACTS SHATTERED
STEEL, BUT THEY CANNOT
DENT THE STEEL OF
AMERICAN RESOLVE"
- PRESIDENT OF THE UNITED
STATES OF AMERICA,
GEORGE W. BUSH

PLAQUE TEXT

SITE PLAN

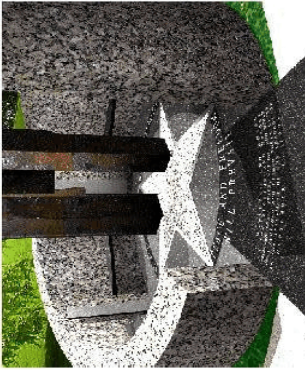
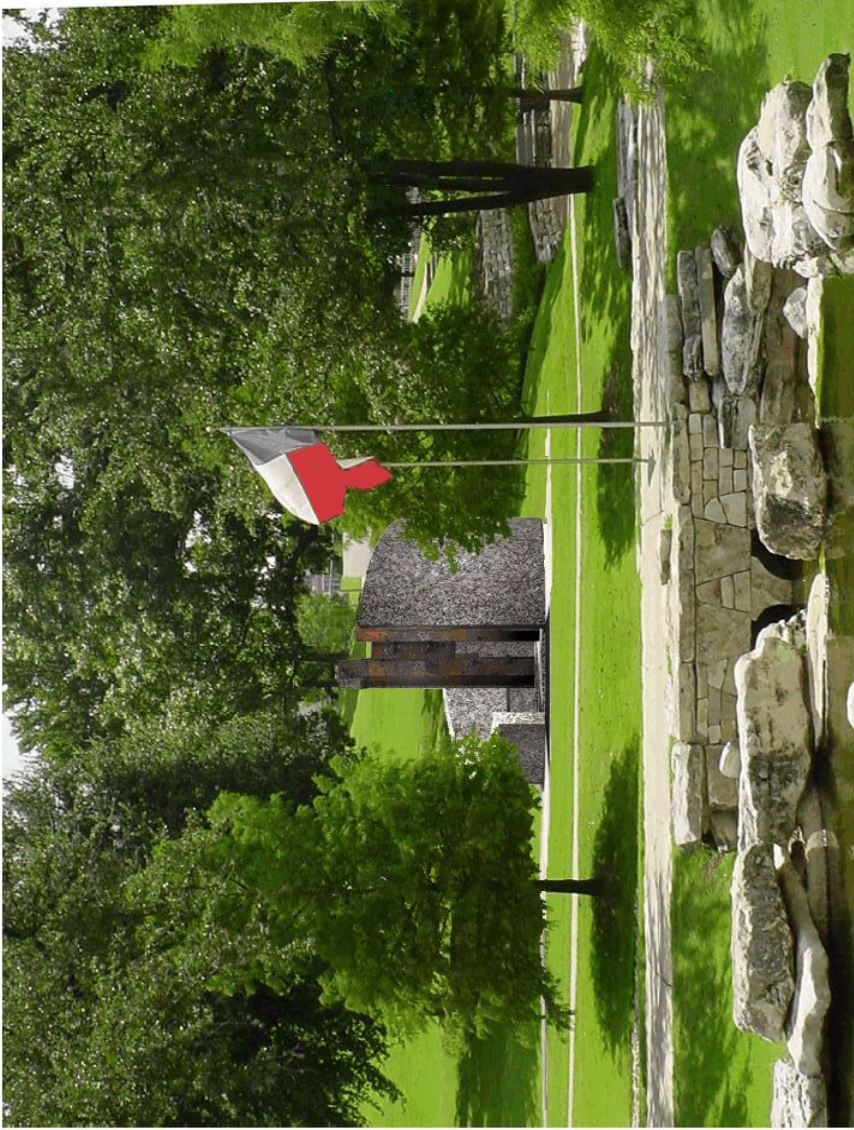
THE 5 PLAQUES



PARTIAL SITE PLAN

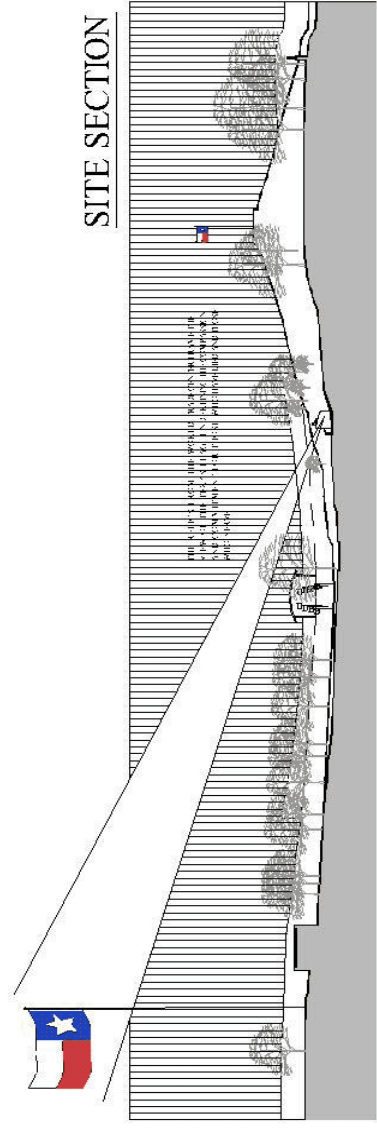
September 11
Memorial
Texas State Cemetery
#10065

8/18/2002



September 11
Memorial
Texas State Cemetery
#10065

8/19/2002



ENDNOTES

1. *BRAC Update, available at*
http://www.hqda.army.mil/acsimweb/brac/web/braco_update.htm.
2. *Id.*
3. *See* discussion *infra*.
4. Department of Defense [hereafter DOD], *Estimated Payroll, Contracts, and Grants by State/Area, FY00, available at* <http://webl.whs.osd.mil/mmids/103/fy00/00estp.htm>. *See also* Texas Department of Economic Development [hereafter TxED], *Economic Impact of Military Spending in Texas*, William J. “Bill” Ehrie, *The Defense Community in Texas: A Master Plan for the Future, 2002-2003 ANNUAL UPDATE* (Texas Strategic Military Planning Commission [hereafter TSMPC], Austin, TX), at 76.
5. *See TxED, id.* at 76.
6. *Id.* at 7. *See also id.*
7. *See TxED, supra* note 4 at 76.
8. 2.36 multiplier provided by the Texas Comptroller of Public Accounts.
9. *See Ehrie, supra* note 4, at 85.
10. *Id.* at 4-5.
11. DOD Directorate of Information, Operations, and Reports, Statistical Analysis Division Work Force Publications, *L03 Atlas/abstract for the United States and Selected Areas, Fiscal years 1988 through 1997*.
12. *See* S. B. 932, 75th Leg. (Tex. 1997).
13. *Id.*
14. For further discussion of TSMPC’s activities please see the *Oversight Jurisdiction* section under *Charge 6* of this report.
15. *See TxED, supra* note 4, at 1.
16. *Id.* at 2.
17. *Id.*

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18. *Id.* at 85-90.
 19. *Joint Hearing Before the House Comm. on State, Federal, and International Relations* [hereafter SFIR]; *Senate Comm. on Veteran Affairs and Military Installations* [hereafter VAMI]; and *TSMPC*, 77th Leg. (Tex. Aug. 22, 2002) (statement of Gary Bushell and Don Rodman, Base Realignment and Closure Update (their power-point presentation is available at <http://www.senate.state.tx.us/75r/senate/commit/c650/presentations.htm>)).
 20. National Defense Authorization Act for Fiscal Year 2002, H.R. 2586, 107th Cong., 1st Sess. (2001).
 21. Brian Lloyd, Director of Retail Market Oversight Division-Electric Division, *Analysis of Electric Cost Savings Options for Military Bases* (Texas Public Utility Commission [hereafter PUC], Austin, Tex.) Oct. 7, 2002.
 22. For example, a Texas-based company named Molecular Surface Technologies, LLC. has developed a product called PROATEQ (a polarized refrigerant oil additive), which was created to help solve the problem of higher electrical energy costs for consumers due to internal efficiency loss in air-conditioning and refrigeration systems. When added to an air conditioning or refrigeration system, its highly polar molecule electrostatically bonds to all metal surfaces displacing the insulative barrier of oil and organic residues with a thermally conductive molecular film, one molecule thick. This film layer prevents re-attachment of oil and other organic contaminants and its highly conductive nature attracts refrigerant to the surface of the coils, accelerating heat transfer and restoring lost efficiency. The restoration of heat transfer results in lower discharge temperatures, shorter compressor run times and less energy to maintain the desired level of cooling or refrigeration. See Stanley T. Weiner, President, *PROATEQ Executive Summary* (Molecular Surface Technologies, LLC., Wimberley, Tex.) Oct. 14, 2002.
 23. Public Utilities Regulatory Act of 1995 [hereafter PURA '95] § 3.606 created the Telecommunications Infrastructure Fund [hereafter TIF] and the TIF Board; see also <http://www.tifb.state.tx.us>. More information regarding this issue can be found under *Charge 6* of this report.
 24. S.B. 1815, 77th Leg. (Tex. 2001) (see the bill analysis).
 25. See Ehrie, *supra* note 4.
 26. H.B. 2125, 77th Leg. (Tex. 2001) (see the bill analysis).
 27. The intent of H.B. 2128, the PURA '95, was to overhaul the telecommunications industry and provide for economic growth in the state of Texas. TIF was designed to enrich the lives of all Texans by offering grants to improve the telecommunications infrastructure of public schools, public libraries, institutions of higher education, public and not-for-profit healthcare facilities. TIF monies are derived from two sources: (1) annual assessments from telecommunications utilities, and (2) annual assessments from commercial mobile

service providers. See further discussion under *Charge 6* of this report.

28. Chapter 2170 of the Texas Government Code directs the Telecommunications Services Division [hereafter TSD] of the Dep't of Information Resources [hereafter DIR] to plan, establish, and manage the operation of a system of telecommunications services for all state agencies. As the designated agent for obtaining all intercity telecommunications services, TSD is permitted to offer services to other political subdivisions such as cities, counties, councils of government, independent school districts, and institutions of higher education. In July 1999, TSD completed the procurement process for the new statewide network--*TEX-AN 2000*. The DIR awarded core network services to both AT&T and Southwestern Bell [hereafter SWB]. Both networks provide unified, scalable, flexible and extremely cost-effective networking solutions using ATM and frame relay technologies, along with state-of-the-art Cisco core switches. Users will benefit from the fully tested technology provided by the AT&T and SWB data networks, as well as the full array of features offered by AT&T and SWB voice networks. Information provided by Theresa M. Gage, Director of Governmental Relations, PUC.
29. PUC, Rural Area Advance Services Rule, Substantive Rule 26.143.
30. *Hearing Before the SFIR Comm.*, 77th Leg. (Tex. Jan. 15, 2002) (statement of Craig Morgan, Tourism Development Dir., Market Texas Tourism Division, TxED).
31. TxED website, *available at* <http://www.txed.state.tx.us/tourism>.
32. The Official Site of Texas Tourism, *available at* <http://traveltex.com>.
33. *Hearing Before the SFIR Comm.*, 77th Leg. (Tex. Jan. 15, 2002) (statement of Terry Colley, Deputy Exec. Dir., Texas Historical Commission [hereafter THC]).
34. *Id.*
35. Eric Beverly, Office of Rural Community Affairs.
36. *Id.*
37. Lawrence Oaks, Exec. Dir., THC, *available at* <http://www.thc.state.tx.us/faqs/faqht.html>.
38. *Interim Report to the 77th Texas Legislature*; SFIR Comm.; Rep. Bob Hunter, Chairman; Mark Shewmaker and Jarrett Smith, Comm. Clerks.
39. *Texas Independence Trail Region: An Interdisciplinary Evaluation for the Texas Heritage Trails Program* (THC, Austin, Tex.) 2001, at 95-96.
40. *See* Beverly, *supra* note 35.

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41. Lawrence Oaks, Exec. Dir., THC, *available at* <http://www.thc.state.tx.us/courthouses/chthcpp.html>.
 42. World Birding Center, *available at* <http://www.worldbirdcenter.com/world.htm>.
 43. Texas Parks and Wildlife Dep't, *available at* http://www.tpwd.state.tx.us/birdingtrails/coastal_trail.htm.
 44. This issue has been largely neglected by legal journals throughout the nation. One principle article; titled *Opening The U.S.-Mexico Border: Problems and Concerns for the Bush Administration, the Countries, and the Legal System to Consider*; was published this past spring that dealt with both the legal and political analysis of this issue. This article sparked many ideas for the formation and structure of this report, as well as offered many insights into the legal analysis. *See* Jason Messenger, *Opening The U.S.-Mexico Border: Problems and Concerns for the Bush Administration, the Countries, and the Legal System to Consider*, 9 TULSA J. OF COMP. AND INT'L. L. 607 (Spring 2002).
 45. *See* Jeffrey E. Garten, *The Changing Face of North America in the Global Economy, NAFTA*, LAW AND BUS. REV. OF THE AMERICAS (Winter 1995) (Between 1986 and 1993, U.S. exports to Mexico more than tripled, with Mexico surpassing Japan as the second largest market for U.S. industrial exports. Similarly, U.S. imports from Mexico doubled, with much of this growth in semi-manufactures and components that complement U.S. production. Two-way trade rose from \$30 billion to \$82 billion in just seven years. At the same time, U.S. portfolio investment soared, based on attractive real dollar returns on peso-denominated instruments and heavy foreign interest in Mexican stocks, reaching a cumulative level of an estimated \$45 billion in 1993. With the North American Free Trade Agreement's [hereafter NAFTA] imminent approach, U.S. foreign direct investment in Mexico increased \$5 billion in just the last three years preceding the treaty.).
 46. NAFTA, 32 I.L.M. 289, 32 I.L.M. 605 (1992); NAFTA Implementation Act, 19 U.S.C. § 3311 (1994).
 47. Michael R. Skahan, Comment, *The NAFTA Trucking Dispute With Mexico: Problem? What Problem?*, 5 NAFTA L. & BUS. REV. AM. 603 (1999) (NAFTA was designed to promote and expand free trade between the U.S., Canada, and Mexico.).
 48. *See Mexico's Truckers Detoured By Legal, Safety Barriers*, TULSA WORLD, Mar. 4, 2001. *See generally* 19 USC § 3301 et. seq. NAFTA became effective Jan. 1, 1994.
 49. *See* Alexandra Walker, *No Easy Solutions To Mexican Truck Safety Issue*, STATES NEWS SERV., Feb. 22, 2001.
 50. *See* Eunice Moscoso, *The Wheels of Progress: U.S. Roadways Soon Will Be Open to Trucks*, AUSTIN AM.-STATESMAN, Mar. 25, 2001, at A1.

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51. *See NAFTA Trucking Deadline Passes Over U.S. Inspection Concerns*, J. COM., Mar. 8, 2001, at WP.
 52. Karen Brooks, *Laredo, Texas, Mayor Blasts State Governor over Truck Inspection Sites*, FORT WORTH STAR-TELEGRAM, June 6, 2002 (available on *Westlaw* under citation 2002 WL 22156883).
 53. *See Messenger*, *supra* note 44.
 54. Louie Gilot, *2 children die after long wait at bridge*, EL PASO TIMES, Oct. 23, 2001, available at <http://www.elpasotimes.com/stories/borderland/20011023-147677.shtml>.
 55. *See Hearing Before the SFIR Comm.*, 77th Leg. (Tex. Feb. 25, 2002) (statement of Sen. Elliot Shapleigh).
 56. *See Messenger*, *supra* note 44.
 57. *Allowing Mexican Commercial Vehicles to Operate in U.S.*, *Hearings Before the House Transportation and Infrastructure Comm.* [hereafter TIC], 106th Cong. (July 18, 2001) (statement of Duane Acklie, Chairman of American Transportation Association), available at http://truckline.com/insideata/comments/071801_statement_acklie1.html.
 58. *Inspections*, available at <http://www.cvsa.org/Inspections/inspections.html>.
 59. Mexican truck drivers typically drive up to 20 hours per day, while the US limits its drivers to only 10 ours per day. *See NAFTA Will Be Slow to Change the Rules for Transportation Operations and Ownership*, INFO. ACCESS CO., Jan. 1994, at 26. *See also* Robert Collier, *Mexico's Trucks On Horizon; Long-Distance Haulers are Headed into U.S. Once Bush Opens Borders*, S.F. CHRON., Mar. 4, 2001, at A1.
 60. *Allowing Mexican Commercial Vehicles to Operate in U.S.*, *Hearings Before the House TIC*, 106th Cong. (July 18, 2001) (statement of Henry Cuellar, Sec. of State of Texas). These “commercial zones” are within 20 miles of the border.
 61. *Id.*
 62. *See Shapleigh*, *supra* note 55.
 63. *Id.*
 64. David Eaton, *Transformation of the Maquiladora Industry: The Driving Force Behind the Creation of a NAFTA Regional Economy*, 14 Ariz. J. Int'l & Comp. L. 747, 791 (1997).

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65. *See* Shapleigh, *supra* note 55.
66. *See* Eaton, *supra* note 64.
67. *See* Messenger, *supra* note 44.
68. Allowing Mexican Commercial Vehicles to Operate in U.S.: *Hearing Before the House Comm. on Commerce Science, and Transportation*, 106th Cong. (July 18, 2001) (statement of Norman Mineta, U.S. Sec. of Transportation).
69. *Id.*
70. *Id.*
71. *Id.*
72. *Id.*
73. Allowing Mexican Commercial Vehicles to Operate in U.S.: *Hearing Before the House Comm. on Commerce Science, and Transportation*, 106th Cong. (July 18, 2001) (statement of Norman Mineta, U.S. Sec. of Transportation).
74. *Id.*
75. *Id.*
76. *Id.*
77. *Id.*
78. *See* Messenger, *supra* note 44.
79. Lizette Alvarez, *Senate Votes to Let Mexican Trucks in U.S.*, N.Y. TIMES, Dec. 4, 2001, at A20.
80. *Congress Breaks Logjam on Mexican Truck Access: The Long Struggle Over Mexican Motor Carriers' Right to Operate in the States Has Ended*, Logistics Management & Distribution Report, no. 1, vol. 41, at 13 (Jan. 1, 2002).
81. Christopher Lee, *House Votes to Allow Mexican Trucks to Begin Deliveries Throughout U.S.*, DALLAS MORNING NEWS, Dec. 1, 2001, at 2F.
82. *Id.*

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83. U.S. General Accounting Office, *North American Free Trade Agreement: Coordinated Operational Plan Needed to Ensure Mexican Trucks' Compliance With U.S. Standards*, Report No. GAO-02-238 (Dec. 2001) at 2.
 84. Information provided by Rep. Richard Raymond.
 85. *Id.*
 86. Messenger, *supra* note 44.
 87. *Id.*
 88. David A. Gantz, *Dispute Settlement Under the NAFTA and the WTO: Choice of Forum Opportunities and Risks for the NAFTA Parties*, 14 AM. U. INT'L L. REV. 1025, 1030 (1999).
 89. Messenger, *supra* note 44.
 90. U.S. Const. art. III, § 2; see also 28 U.S.C. § 1332(a) (1994). Each state will have its own requirements for jurisdiction of its state courts. *See, e.g.*, Okla. Const. art. VII, § 1.
 91. U.S. Const. art. III, § 2.
 92. Michael C. McCutcheon, *Identity Theft, Computer Fraud and 18 U.S.C. § 1030(G): A Guide to Obtaining Jurisdiction in the States for a Civil Suit Against a Foreign National Defendant*, 13 LOY. CONSUMER L. REV. 48, 56 (2001). The Supreme Court upheld this language of the Constitution in 1809. *Hodgson et al. v. Bowerbank*, 9 U.S. 303 (1809).
 93. *International Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945).
 94. Messenger, *supra* note 44.
 95. *International Shoe Co.*, 326 U.S. at 316. The minimum contacts test is designed to allow a court to “subject a defendant to a judgment” and fulfill the constitutional right of due process of law. *Id.*
 96. *Id.* at 318. *See also* *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 476 (1985). The defendant will avail himself to the laws of the forum state if his contacts with the state allowed him to benefit from and be subject to the laws of that state. *Burger King*, 471 U.S. at 476. If the contacts the defendant has are substantially connected to the claims of the plaintiff, the contacts, though isolated or minimal, will be enough for the court to exercise jurisdiction.
 97. Messenger, *supra* note 44.

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98. 28 U.S.C. § 1391(a) (1994). Claims brought on the basis of federal law or where diversity of citizenship is not the only basis for jurisdiction, fall under the provisions of § 1391(b). The language of this clause is almost identical to that of clause (a). 28 U.S.C. § 1391(b) (1994).
 99. 28 U.S.C. § 1391(d) (1994).
 100. Although the courts do have many tools to dispose of fruitless litigation. *See*, Phillip F. Cramer, Note, *Constructing Alternative Avenues of Jurisdictional Protection: Bypassing Burnham's Roadblock Via § 1404(A)*, 53 VAND. L. REV. 311, 316 (2000). The doctrine of non conveniens is one originating from common law.
 101. *Id.* “The principle of forum non conveniens is simply that a court may resist imposition upon its jurisdiction even when jurisdiction is authorized by the letter of a general venue statute.” *Gulf Oil*, 330 U.S. at 507.
 102. *Piper Aircraft*, 454 U.S. at 247-48. The discretion to dismiss an action lies with the district court in the forum state.
 103. *Id.* at 254.
 104. *Id.* at 260.
 105. *Id.* at 249.
 106. Messenger, *supra* note 44.
 107. Roger R. Evans, *Enforcement of U.S. Judgments in Mexico: Illusion or Reality*, 64 TEX. B.J. 139, 140 (Feb. 2001).
 108. *See Southwest Livestock & Trucking, Inc. v. Ramon*, 169 F.3d 317 (5th Cir. 1999).
 109. U.S. Const. art. IV, § 1.
 110. *See Evans, supra* note 107.
 111. Restatement (Third) of Foreign Relations Law § 482(1) (1987).
 112. *Southwest Livestock*, 169 F.3d at 320.
 113. Messenger, *supra* note 44.
 114. *See* 2002 WL 11752497, *see also* 2002 WL 19555979.
 115. *Id.*
 116. *Hearing Before the SFIR Comm.*, 77th Leg. (Tex. Oct. 30, 2002) (statement of Major Coy Clanton, Traffic Law Enforcement Division, Texas Dep’t of Public Safety [hereafter

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- DPS] (the time-line for this authorization is uncertain, and could be tied to the ongoing debate over the Mexican water-debt).
117. *Hearing Before the SFIR Comm.*, 77th Leg. (Tex. Jan. 15, 2002) (statement of Major Coy Clanton, Traffic Law Enforcement Division, DPS).
118. *See* Clanton, *supra* note 116.
119. *Available at* <http://tti.tamu.edu/>
120. Jessica Pantano, Policy Analyst, Legislative Affairs Office, Texas Dep't of Transportation [hereafter TxDOT, information provided to the SFIR Comm., Oct.30, 2002.
121. *See, e.g.*, Sen. Elliot Shapleigh's letter addressed to President George W. Bush, signed Oct. 30, 2002 *and* Rep. Joe Pickett's letter addressed to Chuck Berry, signed July 24, 2002. These recommendations are included in testimony taken by the SFIR Comm. Video and audio version of this testimony is available at <http://www.house.state.tx.us/house/commit/commit.htm>.
122. *See, e.g., Hearing Before the Texas Transportation Commission* [hereafter TTC] (July 24, 2002) (statement of Sen. Judith Zaffirini) ("our community would best be served by one border inspection facility to be built at the 26 mile marker of IH-35 for both the World Trade Bridge and the Columbia Solidarity Bridge.").
123. *See id.*; *see also Hearing Before the TTC* (July 23, 2002) (statement of Sen. Judith Zaffirini); *Hearing Before the TTC*(July 30, 2002) (statement of Sen. Judith Zaffirini); *Hearing Before the SFIR Comm.* (Tex. Jan. 15, 2002) (statement of Sen. Elliot Shapleigh); *Hearing Before the SFIR Comm.* (Tex. Oct. 10, 2002) (statement of Rep. Richard Raymond); Karen Brooksstar, *Laredo mayor blasts Perry over truck inspection sites*, FORT WORTH STAR-TELEGRAM, June 6, 2002, p 5.
124. Rep. Joe Pickett, information provided to the SFIR Comm., Oct. 10, 2002.
125. *Id.*
126. Statistics provided by Repr. Joe Pickett, Oct. 11, 2002.
127. *Id.*
128. *Id.*
129. *See* Alexandra Walker, *No Easy Solutions To Mexican Truck Safety Issue*, STATES NEWS SERV., Feb. 22, 2001.
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130. See Eunice Moscoso, *The Wheels of Progress: U.S. Roadways Soon Will Be Open to Trucks*, AUSTIN AM.-STATESMAN, Mar. 25, 2001, at A1.
131. See *NAFTA Trucking Deadline Passes Over U.S. Inspection Concerns*, J. COM., Mar. 8, 2001, at WP.
132. See Brooks, *supra* note 52.
133. See *Inspections*, *supra* note 58.
134. *Id.*
135. *Criteria and Design for a Model Border Crossing*, available at <http://bordercross.tamu.edu> (this site contains a model for the one-stop concept).
136. Currently, these checks are only conducted randomly at points along the border due to inadequate staffing and budget constraints. Some people have argued that these facilities increase the traffic at our borders and increase pollution, but these concerns are unsubstantiated.
137. See Stuart Eskenazi, *Rush is on to get in fast lane at border*, SEATTLE TIMES, Jne 25, 2002, available at http://seattletimes.nwsourc.com/text/134481622_nexus25m.html (referring to a designated commuter lane in Washington state between the US and Canada..).
138. See Shapleigh. *supra* note 123.
139. *Hearing Before the SFIR Comm.* (Tex. Apr. 8, 2002) (statement by Wayne Miller, Dir., Texas Music Hall of Fame Foundation) (Mr. Miller also provided various written materials during the hearing).
140. This is the slogan for the Texas Music Hall of Fame Foundation.
141. Governor's Texas Music Office [hereafter TMO], available at <http://www.governor.state.tx.us/music>.
142. Dr. Clayton Shorkey, *Stategic Directions Startup, Interim, Launch*, Texas Music Museum (prepared by Bay Consulting Group, at www.bayconsulting.com) at 41.
143. See *id.*
144. Information provided by the Texas State Library and Archives Comm'n [hereafter TSLAC] staff.

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145. Ricardo Hernandez, Exec. Dir., Texas Commission on the Arts [hereafter TCA].
 146. Accomplishments, Current Projects, and Legislative Agenda, Submitted to the SFIR Committee on Oct. 4, 2002, by Ricardo Hernandez, Exec. Dir., TCA.
 147. *Available at* <http://www.metroatlantaartsfund.org>.
 148. Information provided by Casey Monahan, Dir., TMO.
 149. *See* TMO, *supra* note 141
 150. Terry Colley, Deputy Exec. Dir., THC.
 151. The Bob Bullock Museum does this currently.
 152. *See* Hernandez, *supra* note 145.
 153. *Id.*
 154. TEX. GOV'T CODE §431.135.
 155. TEX. GOV'T CODE §431.136.
 156. TEX. GOV'T CODE Code §431.138.
 157. TEX. GOV'T CODE §431.132.
 158. TEX. GOV'T CODE §431.133.
 159. TEX. GOV'T CODE §431.134.
 160. *See* H. R. 3 § 32, 77th Leg. (Tex. 2001).
 161. Ed Pérez, Exec. Dir., Texas Office of State-Federal Relations, *An oversight Report to the SFIR Comm.*, Oct. 2, 2002.
 162. *See* Ehrie, *supra* note 4.
 163. *See* S.B. 932, *supra* note 12.
 164. H.B. 2453, 75th Leg. (Tex. 1997).
 165. *See* Ehrie, *supra* note 4, at 1.
 166. *Id.*

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167. *See generally, Hearing Before the SFIR Comm. 77th Leg. (Tex. July 31, 2002).*
 168. Julie McCreary, Texas Military Facilities Comm'n, *FY 02/03 Biennium Overview*.
 169. Texas Veterans Comm'n, *Highlights of Operations FY 2002*.
 170. *Hearing Before the SFIR Comm., 77th Leg. (Tex. July 31, 2002) (statement by Doug Oldmixon, Deputy Comm'r & Exec. Sec., Veterans Land Board [hereafter VLB]).*
 171. Much of this information was gathered from a letter and attached materials received from David Dewhurst, Land Commissioner, General Land Office [hereafter GLO], dated June 3, 2002.
 172. David Dewhurst, *Press Release*, Oct. 2, 2002.
 173. *See Oldmixon, supra* note 170.
 174. *Id.*
 175. David Dewhurst, *Press Release*, Dec. 11, 2001.
 176. The standards and guidelines can be found on the GLO website, *available at* http://www.glo.state.tx.us/vlb/vethomes/rfp_info.html.
 177. *See Dewhurst, supra* note 172.
 178. This information can be found on the VLB, *available at* <http://www.glo.state.tx.us/vlb/cemetery/index.html>.
 179. Ruben Balle, Program Manager, VLB.
 180. THC website, *available at* <http://www.thc.state.tx.us/aboutus/abtdefault.html>.
 181. Information provided by Terry Colley, Deputy Exec. Dir., THC, on October 1, 2002.
 182. *See* THC website, *supra* note 180.
 183. *Id.*
 184. This information was gathered at the Texas State Cemetery [hereafter TSC] website, *available at* <http://www.cemetery.state.tx.us>.
 185. *Id.*
 186. *TSC Progress Report to the SFIR Comm., Oct. 1, 2002.*

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187. *Id.*
 188. *Id.*
 189. *Id.*
 190. *Id.*
 191. *TSC Progress Report to the SFIR Comm.*, Oct. 1, 2002.
 192. O'Connell Robertson & Associates, Inc., *available at* <http://www.oradesign.com>.
 193. *See Report, supra* note 186.
 194. *Id.*
 195. *See Hernandez, supra* note 146.
 196. *Available at* http://www2.coca-cola.com/citizenship/foundation_coke.html.
 197. Information regarding the *State of the Arts* license plate can be found on the agency's website, *available at* <http://www.arts.state.tx.us/lp/home.asp>.
 198. For FY 2002, there were 580 grants requests totaling \$8,584,120 and for FY 2003 there were 614 grants requested totaling \$9,376,939.
 199. For FY 2002 the average grant was \$6,835 with 97% of applications awarded and for FY 2003 the average grant was \$6,408 with 98% applications awarded.
 200. *Available at* http://www.sbc.com/corporate_citizenship/0,5931,1,00.html.
 201. *Available at* <http://www.plumcreek.com/company/foundation.cfm>.
 202. Rep. Bob Hunter from Abilene serves as Chairman of the SFIR Comm.
 203. *See Metropolitan, supra* note 147.
 204. *Available at* <http://www.houstonendowment.org>.
 205. *Available at* <http://www.io.com/~tam>.
 206. *Available at* <http://www.exhibitsusa.org>.
 207. *Available at* <http://www.ci.austin.tx.us>.

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208. Available at <http://www.downtownaustin.com/welcome.html>.
209. Available at <http://www.austinparks.org>.
210. Available at <http://www.maaa.org>.
211. This information was gathered from the TSLAC website, available at <http://www.tsl.state.tx.us/agency/index.html>.
212. *Id.*
213. *Id.*
214. TSLAC, *Interim Activities Report*, Oct. 4, 2002.
215. *Id.*
216. Tex. Gov't Code § 552.001-552.353.
217. Since June 30, 2001, forty-nine requests for thousands of documents from the records of former Governor George W. Bush have been submitted under the Texas Public Information Act.
218. Two archivists working full-time, three working part-time.
219. *See Report, supra* note 214.
220. H.B. 3591, 77th Leg. (Tex. 2001).
221. *See Report, supra* note 214.
222. *Id.*
223. The Texas Library Connection (TLC) is an educational technology initiative of the Texas Education Agency. The TLC Information Center supports the K-12 learning community in the effective use of the electronic resources provided through this statewide resource-sharing project. The TLC provides \$36,000 worth of online resources (per campus value) for teachers, students, and parents. Members include public, public school, private school, and academic libraries. More information regarding TLC is available at <http://tlcic.esc20.net/default.htm>.
224. Available at <http://www.gatesfoundation.org>.
225. *See Report, supra* note 214.

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226. Tex. Gov't Code Chapter 441.
227. H.B. 2128, 74th Leg. (Tex. 1995).
228. This information was gathered from the TIF Board website, *available at* <http://www.tifb.state.tx.us>, and from Whitney Sklar, Legislative Research Specialist, TIF Board.
229. Michael Piper, Dir., Library Resource Sharing Division, TSLAC, Sept. 28, 1999.
230. Erica McKewen, Communications Officer, TSLAC, *TexShare Report*, Oct. 18, 2002.
231. *See* Piper, *supra* note 230.
232. *See* McKewen, *supra* note 231.
233. U.S. Dep't of Defense, *Defense Link*, *available at* http://www.defenselink.mil/specials/Relief_Act_Revision.
234. Col. John Stanford, State Liaison, Texas Adjutant General's Dep't.
235. *See Hearing*, *supra* note 167.
236. *Id.*
237. *See* TMO website, *supra* note 141.
238. Letter and attached materials recieved from David Dewhurst, Texas Land Commissioner, GLO, dated June 3, 2002.
239. *See* Oldmixon, *supra* note 170.
240. *See* Hernandez, *supra* note 145.
241. *Id.*
242. *See* TIF Board website, *supra* note 228.