National Conference of State Legislatures

The Forum for America's Ideas

Supporting Defense Communities

State and Military Lessons Learned

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By
Christina L. Nelson
and
Larry Morandi

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William T. Pound
Executive Director

7700 East First Place
Denver, CO 80230
(303) 364-7700

444 North Capitol Street, N.W., Suite 515
Washington, D.C. 20001
(202) 624-5400
www.ncsl.org

July 2007

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The Conference operates from offices in Denver, Colorado, and Washington, D.C.

Cover photo: U.S. Marines photo of MGEN Henry C. Stockpole III speaking with civilian officials. DoD Media.

Printed on recycled paper.

ISBN 978-1-58024-488-6

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Preface and Acknowledgments

The National Conference of State Legislatures (NCSL) published *Strengthening Military-Community Partnerships: Land Use, Clean Energy and Mission Change* in January 2007.[1] That report described the concept of defense community sustainability in terms of compatible land use, clean energy policies and practices, and state support for military-community partnerships. It provided background and summarized state legislation designed to encourage sustainable practices, at both state and local government levels and on military installations.

NCSL followed up that report with a site visit for state legislators and local government officials to three military installations in the Puget Sound, Washington, area, April 26-27, 2007—Naval Base Kitsap, Fort Lewis Army Base and McChord Air Force Base. The purpose of the site visit was to view first-hand how land use, clean energy and community-military partnership policies are being implemented. The site visit was followed by a discussion among state legislators, legislative staff, state agency officials, local government representatives and Department of Defense employees of state and local policy options to strengthen community-military partnerships in each of the three policy areas.

This report is the final component of NCSL's Community-Military Partnership project prepared under a subcontract (#88124DBS55) with Booz Allen Hamilton (Booz Allen). The U.S. Department of Defense (DoD) provided funding for the subcontract. NCSL would like to thank Booz Allen and DoD for their support in preparing the report. Any opinions, findings or conclusions contained in the report are those of NCSL staff and do not necessarily reflect the views of Booz Allen or DoD.

INTRODUCTION

This report reassesses the information presented in NCSL's previous report, *Strengthening Military-Community Partnerships: Land Use, Clean Energy and Mission Change*, and the subsequent experience gained through the site visit and policy option discussions to draw conclusions about trends in state legislation. It includes case studies and lessons learned from the implementation of that legislation. It is divided into three categories where significant legislative action has occurred during the past few years:

- *Compatible Land Use*—State, local, and military planning to avoid encroaching development and the rapid urban growth of communities into the rural buffer areas around military installations and ranges;

- *Clean Energy*—Incorporating energy efficiency practices and renewable energy generation into the power mix to enhance energy security, support environmental health and reduce costs; and

- *Military-Community Partnerships*—Strengthening defense communities by bringing together the host state, local community and military base to plan and share the costs of mission needs and changes.

This report is not intended to provide a detailed analysis of how effective legislation in each category has been in achieving its objectives. That is a subject for a more thorough assessment that goes beyond the scope of this effort. The authors hope that the observations presented in this report, however, will provide state legislators, local government officials and military personnel with some initial ideas of the most successful methods to strengthen community-military partnerships.

1. Compatible Land Use

Legislative Trends

At least 20 states have enacted laws to ensure that land development activities near military installations are compatible with the military mission and, at the same time, meet community growth needs. The rationale for such legislation is twofold: 1) to ensure that the military can continue to train in a way that meets national and state homeland security needs; and 2) to sustain the positive economic development benefits that military installations frequently bring to communities. The majority of this legislation was adopted during the 2004 and 2005 legislative sessions. The trends in compatible land use laws have been to:

- Encourage or require local governments to ensure that incompatible development does not occur near military installations;

- Notify base commanders of proposed changes in planning and zoning regulations that may affect the military and seek the military's input before final decisions are made; and

- Provide funding to purchase title or development rights to land adjacent to military installations as buffers to protect them from incompatible development.

An earlier report published by the National Conference of State Legislatures, *Strengthening Military-Community Partnerships: Land Use, Clean Energy and Mission Change*, summarized compatible development and land conservation laws adopted through the 2006 legislative sessions. The limited number of bills considered in 2007—none of which have passed to date but will carry over to the 2008 sessions—have followed the same trends as earlier legislation.

- Hawaii, for example, is considering legislation (HB 1433) that would require local governments that propose zoning changes or boundary amendments within 3,000 feet or 2 miles of a military installation (depending on the county's size) to notify the base commander of such changes and the date of a public hearing on such changes. The legislation has passed the House without opposition and is in a Senate committee.

- North Carolina has proposed additional land conservation funding (HB 1518) that would appropriate to the Natural Heritage Trust Fund $1 million in each of fiscal years 2008 and 2009 to acquire title or conservation easements to lands near military installations "in order to prevent encroachment by incompatible development."

- South Carolina is considering a comprehensive Military Preparedness and Enhancement Act (HB 3016) that would, among other provisions, establish a Military Value Revolving Loan Account to provide loans to defense communities to prepare comprehensive defense installation and community strategic plans. Objectives of such plans would include "…controlling negative effects of future growth of the defense community on the defense base and minimizing encroachment on military exercises or training activities connected to the base." Each plan must include a land use element, an open space conservation element and a restricted airspace element.

Hawaii's bill, if enacted, would be the first successful compatible land use legislation in that state. North Carolina and South Carolina, however, would be building on previous land use laws. North Carolina passed legislation in 2004 authorizing the state to issue $20 million in bonds to acquire title or conservation easements to up to 17,000 acres of land near military bases. South Carolina passed legislation the same year requiring prior notification of military base commanders before changes could occur in land use planning and zoning regulations that might affect the military.

Lessons Learned

Why was so much compatible development legislation enacted in 2004 and 2005 and very little introduced since then? A major reason appears to be state concerns about potential base closings—and the loss of economic development associated with nearby military instal-

lations—under the Base Realignment and Closure (BRAC) round of 2005. Although it is being considered in the post-BRAC period, Hawaii's legislation clearly makes that point. The bill notes in its statement of findings that, "In the past, certain base closings resulted because of the loss of effectiveness of a military installation that was caused by the encroachment on the installation by nearby civilian urban growth." The bill attempts to prevent such land use-related closures in the future—if, in fact, that was a cause—by providing a means for the military to provide comments about the effects of local development patterns on the military's mission.

Virginia provides an example of how BRAC concerns can affect compatible land use legislation. The commonwealth passed legislation in 2004 that authorizes municipalities and counties to include in their comprehensive plans the location of military installations and adjacent safety areas. It also requires them to notify the base commander of any proposed changes to a local government's comprehensive plan or zoning regulations that would affect land use within 3,000 feet of the military installation and to invite comments. Despite this legislation, Virginia was faced with the potential closure of a large naval jet base unless additional land use policies were adopted to curb incompatible development. In response to BRAC, a 2006 law requires a municipality or county in which a U.S. Navy Master Jet Base is located to:

- Adopt zoning ordinances that follow Navy Air Installation Compatible Use Zone (AICUZ) guidelines in considering land development applications in high-noise level areas;

- Evaluate undeveloped land in such areas to determine if they should be rezoned to comply with AICUZ guidelines;

- Adopt land use actions recommended in any Joint Land Use Study approved by the local government;

- Purchase title or conservation easements to land beneath the flight path between the base and the auxiliary landing field; and

- Acquire property in the Accident Potential Zone 1 and Clear Zone areas to prevent incompatible development.

This action suggests how compatible development legislation may be driven by base closing concerns. Tying land use legislation to a single event such as BRAC, however, may not be the most effective way to

sustain and strengthen community-military relationships. The focus of such policy deliberations should be prospective, not defensive, because future financial and infrastructure investments that communities and the military make will require thoughtful consideration of policy options and the likelihood of success in implementing them. Establishing a statewide policy, regardless of the motivation, is an essential first step toward strengthening community-military partnerships. As one observer who has monitored state, local and federal policy developments closely notes, however, "It would be helpful that such partnerships stay strong throughout the decade and not just in response to BRAC."[2]

How effective have the laws adopted in recent years been in strengthening community-military partnerships? The results will vary from state to state, depending upon the maturity of community-military relationships and the current extent of local governments' land use planning. Although sufficient time may not have elapsed to accurately measure change (as noted earlier, the majority of laws have been adopted in the last three years), several initial observations are apparent.

One concern expressed with state compatible land use laws is that they may not be enforceable. Although it raises the visibility of military training needs and the potential effects of development on military installations, such legislation typically does not require local governments to take action to prevent incompatible development. The laws attempt to balance a state policy objective—preventing incompatible development that may adversely affect the military mission—by recognizing that land use planning and siting decisions are the purview of local governments.

Legislation requiring local governments to notify military base commanders of changes in planning or zoning provisions also may lack enforcement tools. These laws usually require a municipality or county to request the facility commander to submit comments on the proposed changes and, if comments are received, require the local government to consider the comments before making a final decision. Responsibility for implementing the intent of these laws—enhanced collaboration between the community and the military—rests with the base and the local government, but neither may have to commit to anything beyond compliance with a process. The base commander may or may not provide input, and the laws typically state that a lack of response presumes there will be no adverse impact

from the decision. The local government must consider only the comments, not necessarily incorporate them into its final decision.

Washington Compatible Land Use Legislation

Washington, where NCSL recently conducted a site visit of three military installations, has had comprehensive growth management laws in place since 1990 that require counties and cities with large populations and high growth rates to prepare comprehensive plans. The state complemented this law with compatible development legislation in 2004, stipulating that, "A comprehensive plan, amendment to a plan, a development regulation or amendment to a development regulation, should not allow development in the vicinity of a military installation that is incompatible with the installation's ability to carry out its mission requirements." It further provided that, "A city or county may find that an existing comprehensive plan or development regulations are compatible with the installation's ability to carry out its mission requirements."

In addition, cities and counties that have a military installation within or adjacent to its boundaries must "…notify the commander of the military installation of the county's or city's intent to amend its comprehensive plan or development regulations to address lands adjacent to military installations to ensure those lands are protected from incompatible development." As part of the notification, the city or county must "…request from the commander of the military installation a written recommendation and supporting facts relating to the use of land being considered in the adoption of a comprehensive plan or an amendment to a plan."

The legislation has not significantly affected the city of Lakewood, which borders McChord Air Force base on the north and is probably most affected by—and affects—the military installation. The city had already completed its comprehensive plan before the new law passed and included land use provisions related to development in the air corridor. City planning staff also had provided notification of proposed changes to its comprehensive plan and development regulations to the military installation's public works staff. Thus, providing formal notification to the base commander may not have had much effect in this case, since a peer staff relationship between the city and base already existed.

So long as local governments comply with the process—considering development impacts on the military, notifying the base commander of proposed planning changes and regulations, and considering any suggestions received—they have complied with the statute. They do not have to change their plans or regulations or accept the military's input. Conversations with state and local government staff suggest that it may help the process if the military better understands current state land use planning laws and how the military, as land owners, can use those laws. Military installations also can help state and local governments in land use planning if they convey their long-term needs for future missions as early and clearly as possible before growth decisions—which may require significant investments in costly infrastructure—are made.

Despite these observations, compatible land use laws have encouraged greater collaboration between the military and local governments as they balance military training needs with community growth needs. One participant in the Arizona policymaking process—a state with longstanding compatible land use, notification and land conservation laws—who has tracked state legislation nationally and represented military clients before legislative committee hearings noted that:

> Compatible land use legislation has been instrumental in providing the necessary information for the military to better engage in state and local government planning processes. In the past, the military may not have known how and when to communicate on planning issues. Such laws have been beneficial for state and local governments because they now know more of what the military needs in order to continue their operations.[3]

State legislation also can be important in providing a regional framework for consideration of local land use decisions and military activities that may affect the entire state. Often, a military installation operates within and across many city and county jurisdictions. Base contracts with multiple entities throughout the state can have an economic effect on many jurisdictions. Thus, the military installation may be viewed as a state asset, requiring greater state intervention to bring to the table all involved to address military impacts and needs and to provide a single set of rules for all jurisdictions. State legislation that encourages local governments to collaborate in

land use planning that affects military installations—in a manner similar to state laws that require coordination of local activities that have statewide or regional environmental impacts—is more likely to achieve economic benefits for the entire state. This issue is discussed in greater detail in the last section of the report.

2. Clean Energy

As demonstrated in the Compatible Land Use analysis, states often are very eager to support sustainable practices at the military installations they host to ensure that affected defense communities maintain strength and progress through periods of change or uncertainty. One issue area that currently is receiving attention in legislative bodies and governor's offices across the country is clean energy, particularly the ability of states to promote energy security and environmental and human health through law. At this point in time, the generation of electricity from renewable energy resources is often more expensive than using traditional fossil fuels, prompting many states to pass legislation and provide financial incentives to encourage renewable energy development.

Legislative Trends

States are taking the reins in engineering landmark clean energy policies. State laws touch on every area of clean energy action, including generating renewable energy (from non-fossil fuels), purchasing renewable energy credits, reporting/capping greenhouse gas emissions, establishing climate change commissions, and creating incentives for energy efficiency practices. Although this issue is being heavily promoted both in the states and at the Department of Defense (DoD), it is in the early stages of policy innovation in terms of connecting state assistance for clean energy practices to military installation sustainability.

The Kansas Legislature passed House Bill 2169 this year. The bill allows the state's finance authority to issue bonds for energy conservation projects, including those of federal entities in the state, such as military installations. A key part of HB 2169 is the new Section 4, which reads, in part:

- The Kansas development finance authority is hereby authorized to issue revenue bonds in amounts sufficient to pay the costs of energy conservation measures ... for or on behalf of federal entities for facilities located in the state.

- Any political subdivision, state agency or federal entity is authorized to contract or enter into a finance, pledge, loan or lease-purchase agreement with the Kansas development finance authority for an energy conservation measure ... in order to facilitate the financing thereof or to provide security for the repayment of bonds.

Kansas State Representative Tom Sloan sponsored the bill, and the minutes from his testimony before the Senate Commerce Committee explain that, "He met with Fort Riley's Commanding General, Installation Commander and staff on how the state and the Department of Defense could best partner to help Fort Riley, Fort Leavenworth, and McConnell Airbase meet requirements of the Federal Energy Act of 2005. The meeting prompted this bill to be introduced this session."[4] It was signed into law in April 2007.

Case Studies

As explained in regard to the innovative work of the Kansas Legislature, the connection between state policies and military installation practices in the area of clean energy has yet to be fully realized. The efforts of states and installations, therefore, are analyzed with separate case studies, although each entity's study will likely be found instructive and relevant to the other.

State Policy

Renewable portfolio standards, which require utilities to generate a certain percentage of their energy capacity from renewable resources, have been adopted in 24 states and the District of Columbia (see Figure 1 and Table 1). Percentage requirements and goal dates for implementation vary significantly, as do the definitions of what constitutes a "renewable" source of energy.

Table 1. Renewable Portfolio Standards		
State/Jurisdiction	**Percentage Requirement**	**Goal Date**
Arizona	15%	2025
California	20%	2018
Colorado	20%	2020
Connecticut	27%	2020
Delaware	20%	2019
Hawaii	20%	2020
Illinois*	8%	2013
Iowa	105 MW	
Maine	30%	2000
Maryland	9.5%	2022
Massachusetts	4%	2009
Minnesota	25%	2025
Missouri*	11%	2020
Montana	15%	2015
Nevada	20%	2015
New Hampshire	25%	2025
New Jersey	22.5%	2021
New Mexico	20%	2020
New York	25%	2013
Oregon	25%	2025
Pennsylvania	18.5%	2020
Rhode Island	16%	2020
Texas	5,880 MW	2015
Vermont	Equal to load growth	2005-2012
Virginia*	12%	2022
Washington	15%	2020
Wisconsin	10%	2015
District of Columbia	11%	2022

*Implements its RPS through voluntary utility commitments.

Source: Pew Center on Global Climate Change, July 2007.[5]

Figure 1. Renewable Portfolio Standards

Source: Pew Center on Global Climate Change, July 2007.

Nevada has shown leadership and commitment to clean energy policy with its Renewable Portfolio Standard (RPS). In 1997, Nevada passed its first RPS legislation, requiring electricity providers to generate or purchase renewable energy credits totaling 1 percent of the power consumed in the state each year. In 2001, the RPS was raised to 15 percent by 2013, the most aggressive standard at the time. To phase in the renewable energy infrastructure needed to meet this standard, Nevada chose to raise renewable requirements in stages. Starting with 5 percent in 2003, renewable requirements were to increase by 2 percentage points every two years to reach the eventual RPS goal of 15 percent in 2013.[6]

These biennial increases grew to 3 percent when Nevada's RPS law was modified in 2005 to meet 20 percent of electricity sales with renewable energy by 2015. Credits allowing for recognition of energy efficiency measures (at a maximum of one-quarter of the total standard, requiring 50 percent to come from residential energy savings) also were incorporated to increase the means by which the ultimate goal—lowering fossil fuel consumption—could be met.[7]

Nevada's RPS is implemented by administrative regulations, which require that providers not only meet the minimum renewable standard, but also prove their compliance. Providers must submit annual reports to the Nevada Public Utilities Commission, after which the commission issues an order determining compliance. If a provider meets the RPS standard, the commission ascertains whether excess renewable energy was generated, acquired or saved that may be carried over to the following year. If the commission determines a provider failed to meet the RPS standard, it schedules a hearing at which the provider must prove compliance or face administrative fines or other corrective actions.[8]

Energy personnel at military installations across the nation are likewise in the midst of understanding and planning to meet their own DoD-encouraged "RPS" of 25 percent renewable energy by 2025.

Nevada's RPS Experience

Mark Harris, resource planning engineer with the Nevada Public Utility Commission, described some of the hurdles his state is overcoming to attain its clean energy goals. Nevada law requires that at least 5 percent of its RPS come from *solar* renewable energy systems, which the two main utility companies, Sierra Pacific Power and Nevada Power, have yet to meet. Southern Nevada has ample solar sources for electricity generation, but the north is more suited to geothermal- and wind-generated power. (There is no percentage requirement for hydroelectric power generation.) A significant discrepancy also exists between the amount of solar energy potential in the summer and winter months.[9] Public utility commissioners nationwide may face similar constraints in dealing with their own state's promotion of a specific sector within renewable energy. Nevada has found that collaboration with industry and flexibility in state policy are helping it to meet its RPS challenges.

With the support of the Nevada Legislature and governor, several national and international companies recently embarked on a solar energy project in the desert outside of Las Vegas. Known as Nevada Solar One, the project includes 350 acres of mirrored troughs that convert sunlight into thermal energy, creating steam for power generation.[10] When producing at full capacity, the 64 megawatt plant will bring Nevada's power companies into compliance with the solar requirements of the RPS. Legislators this session also amended Nevada's 2005 law by passing Assembly Bill 1, which allows geothermal energy systems that provide heated water (such as those functioning in the north) to count toward the overall RPS.[11]

Mr. Harris noted an important side benefit of Nevada's commitment to clean energy generation, particularly in the west. The amount of water needed to produce electricity from renewable energy systems generally is lower than that for traditional fossil fuel generating facilities.[12]

Military Installation Practices

The Department of Defense also is committed to incorporating clean energy practices into its mission by undergoing infrastructure improvements, reducing energy demand, and using renewable resources—all where these practices are cost effective on a life-cycle basis. A 2005 memo from Deputy Under Secretary of Defense for Installations and Environment Philip Grone encourages a long-term goal of meeting 25 percent of installation energy needs with renewable resources by 2025.[13] Minnesota, New Hampshire and Oregon have similar "25x25" goals.

A decline in the projected growth of energy consumption, both through decreased demand and increased efficiency, will help the Defense Department meet this 25 percent goal. President Bush signed Executive Order 13423 in January 2007, laying out clean energy goals for all federal agencies. A key component was consumption cutbacks: 30 percent energy use reduction and 16 percent water use reduction by fiscal year 2015.[14]

The Office of the Secretary of Defense manages an Energy Conservation Investment Program (ECIP), which allocates funds—approximately $50 million per year across all military installations—to its components for energy projects with a high savings-to-investment ratio and for projects that reduce energy consumption and greenhouse gas emissions and increase the use of renewable energy. Because ECIP is not funded at the level necessary to bring the services into full compliance with the Defense Department's 25x25 goal, the department is exploring new options for financing clean energy projects. The military services are using congressionally appropriated military construction funds for high-performance buildings and are taking advantage of private-sector interest in clean energy investments. Two private-sector tools for funding energy projects include Energy Savings Performance Contracts (10-year to 25-year payback through energy savings) and Enhanced Use Leasing (leasing underutilized land, natural infrastructure, equipment and/or buildings to finance projects).[15]

Naval installations in the Puget Sound area of Washington have received national acclaim in recent years for clean energy practices that not only benefit the local environment but also provide considerable life-cycle monetary savings. Naval Base Kitsap (Bangor and Bremerton) and the Puget Sound Naval Shipyard and Intermediate Maintenance Facility have undertaken a successful energy reduction program, based on three key elements:[16]

- Energy Awareness and Training (promotion of energy efficiency practices);
- Operations and Maintenance (building tune-ups, temperature adjustments, etc.); and
- Project Development (lighting and heating/cooling system retrofits, clean energy generation, etc.).

Under the leadership of James Sura, resource efficiency manager, these three Puget Sound Navy installations have significantly reduced energy demand and will reap the benefits of lower energy costs over the life of the mission. As Mr. Sura's 2006 Federal Energy and Water Management Award for Exceptional Service explains, the three installations under his purview consume approximately 80 percent of the Navy Northwest region's energy at a cost of $30 million per year. The initial 11 clean energy projects at these installations saved $2 million in energy costs. As of fiscal year 2005, the Puget Sound facility had reduced it energy use by more than 3 percent, NBK-Bremerton by about 27 percent, and NBK-Bangor by 30 percent.[17] Three noteworthy projects are highlighted in Table 2.[18]

Table 2. Puget Sound Navy Installation Energy Reduction Projects

Project	Construction Costs	Annual Savings
Geothermal Heat Pump, NBK-Bangor	$569,407	$43,691 3,885 MBtu
Gas Stack Heat Recovery, NBK-Bremerton	$1.2 million	$195,000 41,000 MBtu
High-Pressure Sodium Lighting Modifications, NBK-Bangor and Bremerton	$4 million	$417,350 47,360 MBtu

Source: James Sura, Resource Efficiency Manager, JA Energy Services, April 27, 2007.

Unresolved Issues

Uncertainty exists about who ultimately will be responsible for—and who will gain credit for—renewable energy generation and purchases at military installations. Aside from private industry versus DoD credit, which will affect calculations for all bases, uncertainty also remains about who among the services within the Defense Department will be credited when joint basing is realized. Although not all of the rules under joint basing have yet been established, it is understood that one service at each base will assume ultimate responsibility for energy issues. The services understand that the 25x25 goal is department-wide, allowing successful clean energy programs to average out those less capable of employing clean energy strategies. Generating renewable energy remains relatively expensive, however, and DoD expects most of its energy savings in the near term to result from reduced use (decreased demand and increased efficiency).[19]

3. Military-Community Partnerships

Because states recognize the tremendous economic and community benefits of hosting military installations, they often are willing to share the planning and investment costs to sustain them. Several state legislatures considered bills prior to the Base Realignment and Closure round of 2005 to enhance the military value of their facilities and avoid closure. In the wake of BRAC, states have sought to help coordinate the installation-community response to mission changes. In either case, state legislatures play a key role in supporting the endurance of their military installations as the Defense Department becomes more efficient and adjusts to a changing national security environment.

Legislative Trends

Recent state laws addressing installation sustainability have focused on the appropriation of public funds (grants, loans, etc.) to defense communities to improve infrastructure and help schools that are facing military dependent transfers and, more broadly, on the formation of military planning commissions.

Infrastructure and School Funding

State legislators often write bills to address a particular issue to quickly target immediate needs and provide assistance. Two bills introduced in 2007 are examples of this more direct assistance for the infrastructure and schooling needs of defense communities. Several states have considered such legislation during the past few years to sustain their installations through periods of expected mission change.

Members of the Virginia General Assembly introduced but did not pass legislation this year to create a Defense Facility and Transportation Improvement Program and Fund. In addition to standard

resources allocated to highway construction, the Improvement Fund would provide money to districts where federal defense facilities are located to:

- Expand transportation infrastructure;
- Construct or improve highways and commuter parking; and
- Expand or improve mass transit.

The Improvement Fund would consist of $36 million in annual collections from state recordation taxes and any other funds the General Assembly wished to appropriate. Localities chosen to benefit from this Improvement Program would be required to contribute matching funds for each project.

The Colorado General Assembly passed a bill in 2007 to provide supplemental funding to school districts that face increased student enrollment after the budget year commences due to an influx of active-duty service member dependents. The bill, HB 1232, directs the legislature to appropriate funds to the Department of Education, when available, for distribution to eligible districts based on a military-dependent pupil enrollment formula. Eligible school districts may begin applying for the aid in the 2007-2008 budget year and continue to do so through the 2010-2011 budget year.

Military Planning Commissions

One of the most comprehensive policy options for ensuring the health of a state's defense communities is to create a military commission to study the unique needs of these communities and report to and advise the governor and state legislature on ways to assist and strengthen them. This is not a new concept. It is only recently, however (particularly around the 2005 Base Realignment and Closure round), that states have institutionalized such bodies and, in some cases, authorized them to disburse public funds for direct support.

At least 12 states have enacted laws creating military planning commissions or advisory councils. Some commissions are permanent (Missouri Military Preparedness and Enhancement Commission), housed within a cabinet or agency office of the administration (New Mexico Office of Military Base Planning and Support), or established for a limited period around mission change (Maryland Military In-

stallation Council). Most planning commissions involve a combination of the following stakeholders: state legislators whose districts contain defense communities or who are chosen by leadership, lieutenant governor or designee, adjunct-general, heads of relevant departments within the administration (departments of economic development, transportation, education, environmental management, etc.), city and county officials, local business leaders, and active duty and former military officials.

Utah Military Installation Development Authority

Some military commissions have the authority to consider—and may even grant—public or private funds to defense communities for such needs as infrastructure development or school construction related to an installation's mission growth. One such body, Utah's Military Installation Development Authority, was created this year with Senate Bill 232. The independent Authority Board will consist of seven members: five appointed by the governor (one upon recommendation of the Utah Defense Alliance, three mayors of municipalities adjacent to installations, and one from the Governor's Office of Economic Development); one appointed by the state Senate president; and one appointed by the speaker of the House of Representatives.

According to the new law, the Utah board is to prepare project area plans for defense communities where:

- There is a need to effectuate a public purpose;
- There is public benefit to the project;
- The project is economically sound and feasible; and
- Carrying out the project area plan will promote the welfare of the community.

To finance the implementation of such project area plans, Utah's Military Installation Development Authority may receive a portion of the property taxes collected from the community that will benefit from the project. If the board so chooses, it also may authorize the issuance of bonds to fund these plans. Since the law was enacted this year, there are no projects yet on which to report progress.

Case Study

Texas Military Preparedness Commission

The Texas Legislature created a Military Preparedness Commission in 2003 (Senate Bill 652, Tex. Gov. Code §§436.001 et seq.), by combining a number of former defense-related commissions into the Texas Military Preparedness Commission within the Office of the Governor. The legislation noted that:

- Texas' 18 major military installations are important economic contributors to the state, producing a combined fiscal impact of $43.4 billion in 2001 and employing some 220,000 Texans. The presence of these military bases is important not only economically but also for the increased level of security protection they offer as well as their vital historical and cultural significance.

- The Texas Military Preparedness Act of 2003 has been crafted by state government and defense community leaders working together as a proactive response to the evolving transformation of national defense strategies and the infrastructure changes required to support them.

- S.B. 652 assists local defense communities in identifying and resourcing cooperative economic development initiatives that enhance the real military value of their installations, provides important cost saving options (e.g., reduction of installation utility rates) to reduce overall base operating costs and increase funds for training and mission needs, and institutionalizes the process of investing in Texas' military bases.[20]

The act also created the Texas Military Value Revolving Loan Account, from which the commission was authorized to provide loans to defense communities for projects that enhanced their military value, if no state agency had an existing program to meet their needs. In addition to preparing military value enhancement statements, communities interested in loans were required to complete comprehensive strategic impact plans to detail expected effects of future growth on the community and ways to minimize encroachment. The act also directed the Texas Education Agency to engage in reciprocity agreements with other states to manage military dependent transfers.[21] At the municipal level, the act authorized (under certain circumstances) the exemption from taxation for owners of real prop-

erty housing military personnel and provided for discounted electric service rates to installations, paid for by a surcharge to retail customers in the state. The Public Utility Commission also was to establish an energy efficiency incentive program for military installations to reduce energy consumption and costs.[22]

The Texas Military Preparedness Commission currently is comprised of 13 public member commissioners (including a chair and vice chair), as well as ex-officio members: Texas's two U.S. senators and full congressional delegation, and the chairs of its state Senate Committee on Veterans Affairs and Military Installations, and House Committee on Defense Affairs and State-Federal Relations. The commission completes an annual report for the governor and Legislature about the status of active military installations, their communities, and defense-related businesses in the state. The commission also conducts annual meetings with the heads of state agencies and legislators who represent defense communities to discuss implementation strategies for recommendations specified in the report.

Texas Plans for Mission Change

Texas currently is planning for major changes to its defense communities as the federal government implements its 2005 BRAC decisions during the next four to five years. Fort Bliss and Fort Sam Houston will nearly double their manpower by 2011, adding more than 20,000 and 9,000 new personnel and their families to each installation, respectively. Other communities, such as Corpus Christi and Wichita Falls, expect to lose thousands of employment positions either directly or indirectly related to mission changes at their military installations.[23]

Because Texas proactively crafted state legislation and other policies to respond to the changing needs of its defense communities, the foundation already exists to allow state agencies and the commission to work swiftly and effectively toward smooth transitions. An installation facing growth, for example, may receive state funding for additional infrastructure needs through the Texas Military Value Revolving Loan Account, and it can be assured of the timely transfer of student records through a 2005 state law to ease military dependent educational transition.[24]

On the other hand, a community facing a decreasing military presence can rely on state support for diversifying its economy. The Defense Economic Readjustment Zone Program will provide support to attract new businesses to such an area with tax credits and refunds.[25] The Defense

Economic Adjustment Assistance Grant Program also was established in Texas to provide funding to local governmental entities. The program will, for example, match a portion of federal funding assistance available to communities that are attempting to restructure following mission reduction. During the 2005-2006 session, Texas lawmakers amended the original bill to open grant eligibility to communities that are experiencing growth as well. The Legislature appropriated $5 million for the program in 2007; funds will not be available until September 1, with a deadline for funding applications set for November 1, 2007.[26]

The chairman of the Texas Military Preparedness Commission, William J. Ehrie, a retired U.S. Air Force colonel, noted that, "We intend to position the state to be a partner with DoD in meeting the needs of the men and women who serve this nation, and make Texas attractive to the Defense Department as they develop the future force structure for our nation." He emphasized that, "The governor, legislature, and federal congressional delegation work as one team."

Unresolved Issues

Military commissions established to advise the governor and state legislature about the needs of defense communities must involve all key stakeholders in their work. In-depth studies of a state's installations, policy recommendations and outreach, for example, benefit from the perspectives of all interested parties who are affected by mission changes. Occasionally, a state will heavily load its commission with political appointees, to the exclusion of the garrison commander or other military personnel.

Recognition of the importance of including all stakeholders in a military commission advising the governor can be seen in recent action undertaken in Washington State. The Office of Washington Governor Chris Gregoire includes a Military Department run by Major General Timothy Lowenberg. In addition to directing the Military Department, Lowenberg commands the Washington National Guard. The Military Department—and, indeed, previous advisory committees in the state set up around BRAC—have focused on National Guard issues due to their organization under the governor's purview.[27]

At a recent joint meeting of the National Conference of State Legislatures and the Defense Department in Tacoma,Washington, for strengthening military-community partnerships, several stakehold-

ers recommended reinstating a permanent military advisory committee with broad membership. The business and trade manager for the Tacoma-Pierce County Chamber of Commerce, Gary Brackett, suggested state legislative support for a joint DoD/governor effort to tackle such issues as land use, education and transportation needs near military installations. Washington State Senator Marilyn Rasmussen, a prime sponsor of her state's compatible land use legislation, seconded Mr. Brackett's call to form a broad-based standing committee or special commission and praised the structure and work of the Texas Military Preparedness Commission as a valuable blueprint. Senator Rasmussen clarified that such a commission should be established, "Not for reaction to BRAC, but for maintaining the presence of the military, meeting their needs and strengthening community-military relationships."[28]

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Supporting Defense Communities
State and Military Lessons Learned

State and local governments appreciate the numerous benefits defense communities bring and, therefore, often are willing to share in the planning and investment needed to sustain them. As a military installation and its surrounding community become more dependent upon one another for support during transitional periods (growth, realignment or closure), a durable partnership of open communication and cooperation is invaluable.

This report draws from a previous NCSL publication—*Strengthening Military-Community Partnerships: Land Use, Clean Energy and Mission Change*—and from the installation site visits and policy meeting conducted by NCSL and the Department of Defense for state legislators and local government officials. It analyzes trends in state legislation that support defense communities, including case studies from implementation of that legislation. The report is divided into three categories in which significant legislative action has occurred during the past few years:

- Compatible land use near military bases;
- Clean energy and environmental practices; and
- Overall development of installation/community partnerships.

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Item # 014361
Price: $10.00

ISBN 978-1-58024-488-6