

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Policy and Steering Committee on Ways and Means

BILL: CS/CS/SB 2322

INTRODUCER: Commerce Committee, Military Affairs and Domestic Security Committee, Senator Gaetz and others

SUBJECT: Military Base Closures

DATE: April 17, 2009 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Pardue	Skelton	MS	Fav/CS
2.	Pugh	Cooper	SM	Fav/CS
3.	Hawkins	Kelly	WPSC	Pre-meeting
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

At \$52 billion statewide, military and defense spending is among the top contributors to Florida's overall economy.¹ The economic impact of military and defense spending on communities is one reason competition among states is intense during the federal government's periodic base realignment and closure (BRAC) reviews.

CS/CS/SB 2322 creates the 9-member Florida Council on Military Base and Mission Support (council). The council is created to provide oversight of the initiatives, claims, and actions taken on behalf of the state relating to future federal BRAC activities, and submit a report each January 1 to the Governor and the Legislature on its activities and any recommendations.

CS/CS/SB 2322 creates s. 288.984, F.S.

¹Florida Defense Industry – Economic Impact Analysis. Volumes 1-3. Prepared by the Haas Center for Business and Economic Development at the University of West Florida. Published January 2008. Available at: http://www.floridadefense.org/documents/HAAS%202008/FLdefense_Volume_1_2008.pdf.

II. Present Situation:

The Department of Defense (DoD) currently is engaged in completing the 2005 round of base realignments and closures, commonly referred to as “BRAC.”² The BRAC process reflects a desire to eliminate excess capacity, experience the savings from that reduction in capacity, and fund higher priority weapon platforms and troop training. There have been four BRAC rounds between 1988 and 1995. During the 1993 round, four Florida bases were closed.³

Based on decisions made in the current 2005 BRAC round, a U. S. Army Special Forces Group of approximately 3,000 soldiers is scheduled to move from Fort Bragg, N.C., to Eglin Air Force Base in Northwest Florida in the 2010-2011 timeframe. Also, Eglin is scheduled to establish multi-service/multi-nation training facilities for the F-35 Joint Strike Fighter aircraft in 2011. Eglin is slated to become the principal training facility for this latest generation of military aircraft.

The U. S. Navy, in a decision unrelated to the BRAC process, has recently announced its intention to homeport one of its nuclear powered aircraft carriers to Naval Station Mayport in Jacksonville. This basing decision is expected to have a significant positive economic impact on the Jacksonville area, such as bringing at least 1,390 military personnel to the area.⁴

Based on a 2007 economic analysis performed by The Haas Center for Business and Economic Development at the University of West Florida, the 21 military installations and three unified commands that are located in 13 counties throughout Florida, in addition to associated defense projects, generate an estimated \$52 billion in economic impact to the state.⁵ That compares with the estimated \$62 billion in expenditures made by visitors to Florida in 2005,⁶ and the direct sales of at least \$59 billion in sales of agribusiness products in 2006.⁷

In 2003, then-Governor Bush created an advisory council comprised of 18 members of the private sector, including retired military officers, and state government to advise him on the BRAC 2005 round. The specific mission of that advisory council included:

- Keeping Florida’s military installations off the base closure list;
- Knowing the capabilities of Florida’s military installations for realignment potential from other locations; and
- Supporting Florida’s local community BRAC efforts by acting as a coordinator to the Governor’s office and the state’s efforts.

² See the Defense Base Closure and Realignment Act of 1990, Pub. L. 101-510, as amended through the National Defense Authorization Act of Fiscal Year 2003.

³ Florida lost the Naval Aviation Depot Pensacola, the Naval Aviation Station Cecil Field Jacksonville, the Naval Training Center Orlando, and Homestead Air Force Base.

⁴ See http://www.navytimes.com/news/2008/11/navy_mayport_111708/.

⁵ Florida Defense Industry – Economic Impact Analysis. Volume 1, page 18. Prepared by the Haas Center for Business and Economic Development at the University of West Florida. Published January 2008. Available at: http://www.floridadefense.org/documents/HAAS%202008/FLdefense_Volume_1_2008.pdf.

⁶ Road Map to Florida’s Future, 2007-2012. Page 40. Prepared by Enterprise Florida, Inc. Available at http://www.eflora.com/uploadedFiles/Florida_Knowledge_Center/My_eFlorida_Basic/Floridas_Future/2007-2012_Roadmap_to_Floridas_Future/2007_2012_Priority_Recommendations.pdf.

⁷ http://www.florida-agriculture.com/economic_impact.htm.

That advisory council's responsibilities were divided into four committees: Intra State Activities, Federal Activities, Public Communications, and Competitive Advantages.

No future BRAC rounds are scheduled at this time.

However, a recent U.S. Government Accountability Office (GAO)⁸ report highlighted problems being encountered during the current BRAC round implementation, including:

- Increased risk that some BRAC recommendations may not be completed by the statutory deadline of September 15, 2011; and
- BRAC implementation cost estimates are higher and savings estimates are lower compared to the previous fiscal year. The GAO estimates that the total 20-year savings estimate for the current BRAC round at \$13.7 billion. This is a 62-percent reduction from the BRAC Commission's original estimate of \$36 billion in savings.⁹

III. Effect of Proposed Changes:

Section 1 creates s. 289.984, F.S., to establish the Florida Council on Military Base and Mission Support (council).

The council is created to provide oversight of the initiatives, claims, and actions taken on behalf of the state relating to BRAC with the mission to:

- Support and strengthen all U. S. Department of Defense (DoD) missions and bases located in Florida;
- Know the capabilities of Florida's military installations in order to support future military growth opportunities;
- Support community efforts relating to BRAC by acting as a liaison between the local communities and the Legislature; and
- Enhance Florida's defense economy.

The council shall be comprised of 9 members:

- Three members are appointed by the President of the Senate, one of whom must be a member of the Senate. Of the remaining two appointees, one shall be a representative from a community-based defense support organization, and one shall be either a retired military general or flag rank officer, or an executive officer of a defense contracting firm doing significant business in Florida.
- The Speaker of the House of Representatives shall appoint two members to the council representing the same private-sector constituency groups as mentioned above, plus one member of the House of Representatives.
- The remaining three council members are appointed by the Governor. These appointees shall be the director or designee of the Office of Tourism, Trade, and Economic Development (OTTED); the vice-chairperson or designee of Enterprise Florida, Inc.; and one discretionary appointee.

⁸ Military Base Realignment and Closures – DoD Faces Challenges in Implementing Recommendations on Time and Is Not Consistently Updating Savings Estimates. Report number GAO-09-217. Published in January 2009. Available at: <http://www.gao.gov/new.items/d09217.pdf>.

⁹ Ibid.

Legislative members of the council serve a term of 2 years, commencing on July 1 of each odd-numbered year. The remaining members are appointed to 4-year terms, with vacancies filled for any unexpired portion in the same manner as the initial appointment. All members of the council are eligible for reappointment.

CS/CS/SB 2322 provides that members of the council elect a chair and vice-chair. The chair and vice-chair serve terms of 2 years and are eligible to succeed themselves.

Council members serve without compensation but are entitled to reimbursement for expenses from the Executive Office of the Governor and the respective appointing legislative chambers in accordance with s. 112.061, F.S. OTTED will provide administrative support to the council.

Representatives of five other state agencies are directed to provide assistance, information, and support as requested by the council: the secretaries of the Department of Community Affairs, the Department of Environmental Protection, and the Department of Transportation; the adjutant general of the Department of Military Affairs; and the executive director of the Department of Veterans Affairs; or their designees.

The council is directed to establish the following workgroups:

- The Intrastate Activities Workgroup. The tasks of this workgroup are to:
 - Collect information regarding local communities' concerns, activities, and supporting their respective military bases;
 - Conduct an analysis of the strengths of each military base and share that evaluation with the council and each affected community;
 - Conduct an analysis, in partnership with the Florida Defense Alliance and local communities, of the current and any proposed changes to DoD missions, force structure, and alignment;
 - Collect and disseminate best-practices information from and to affected communities;
 - Ensure that all affected communities and stakeholders are informed of and invited to assist in efforts relating to statewide coordination of information gathering, strategy development, and best-practice sharing; and
 - Educate the Legislature regarding the importance of supporting the state's military bases.
- The Federal Activities Workgroup, which is tasked with ensuring a council presence at the Pentagon and an ongoing dialogue with key DoD officials.
- The Competitive Advantages Workgroup, which is tasked with researching and collecting best-practices and strategies used by other states in the BRAC process. The workgroup will use the knowledge gained by their efforts to leverage Florida's competitive advantage with respect to BRAC activities.
- The Public Communications Workgroup, which is tasked with increasing public awareness of BRAC activities and public investment in preserving the state's military bases.

CS/CS/SB 2322 directs the council to provide an annual report to the Governor and the Legislature by January 1 each year that summarizes its activities and the current status of the state's military bases, and any recommendations for legislative or gubernatorial action.

Section 2 provides an effective date of July 1, 2009.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The council's efforts may have an indeterminate but likely significant impact on the state's economy if the council is successful in keeping the state's current military base infrastructure intact, while promoting the transfer of additional military assets to the state.

C. Government Sector Impact:

The annual cost of council activities likely will be relatively small. Possible activity costs include travel to hold meetings with affected communities around the state as well as travel to Washington, D.C., to meet with key government officials. Payment of these travel and per-diem expenses to the council members will come from the budgets of the Executive Office of the Governor and the Legislature.

VI. Technical Deficiencies:

None.

VII. Related Issues:

CS/CS/SB 2322 has a linked bill, CS/SB 2324, that creates public records and public meetings exemptions for the Florida Council on Military Base and Mission Support. The proposed exemptions shield documentation and discussions on the strengths and weaknesses of the state's military bases, and on the state of Florida's strategies to protect those bases during the upcoming federal base realignment and closure (BRAC) process.

VIII. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Military Affairs and Domestic Security Committee on March 26, 2009:

- Changed the proposed council’s name from the “Legislative Oversight Council on United States Department of Defense Base Realignment and Closure Activities” to the “Florida Council on Military Base and Mission Support.”
- Increased the council membership to include 3 additional members appointed by the Governor and replacing two legislative member appointments with persons representing community-based defense organizations and retired senior military officers or executive officers of defense contracting firms.
- Deleted references to establishing council committees in favor of council workgroups.
- Directed EFI to provide administrative support.
- Required an annual activities report to the Governor and the Legislature.

CS by the Commerce Committee on April 14, 2009:

- Added to the new council’s mission the enhancement of Florida’s defense economy.
- Specified that OTTED, rather than Enterprise Florida, Inc., shall provide administrative support for the council.
- Directed the secretaries of the Department of Community Affairs, the Department of Environmental Protection, and the Department of Transportation; the adjutant general of the Department of Military Affairs; and the executive director of the Department of Veterans Affairs; or their designees to attend council meetings and provide information, assistance, and support.
- Required that the annual report be submitted by January 1 of each year.

- B. **Amendments:**

None.