

LEGISLATIVE AGENDA 89TH LEGISLATIVE SESSION

Aerospace Industry

Support for the Texas Space Commission growth and Texas Aerospace Research and Space Energy Consortium (TARSEC) and its projects.
Support for Texas Aerospace Scholars (TAS) and Space Alliance Technology Outreach Program (SATOP).

Defense Economic Adjustment Assistance Grant (DEAAG)

Support a \$1.5M DEAAG Grant, specifically support for a running track and athletic facility at Ellington Field Joint Reserve Base.

Education and Workforce Development

Support funding for K-12 to meet Texas's business needs, student growth, and teacher retention.
Support Community College requests to support the successful outcomes- based funding model.
Support the unique needs of each university.

Energy

Support legislation to stabilize the grid by prioritizing natural gas usage concurrent with renewable sources of electricity.
Support legislation to expand the use and development of nuclear energy.

Healthcare Services

Support expansion of Texas' mental healthcare funding for prevention and intervention.
Support medical research at Texas' universities and academic health centers.
Support backup emergency systems.

Public Safety

Support the Regional Training and Emergency Coordination Center.

Small Business

Support legislation to allow collective insurance coverage for all liability including flooding and continuity costs. The legislation would be similar to the healthcare small business legislation.
Support to establish an alternative insurance program, modeled after the FAIR Plan.

Storm Surge Suppression and Flood Mitigation

Support for Gulf Coast Protection District.
Support for the Gulf Coast Protection Account HB1089.
Support for the state flood plan. Encourage continuing efforts to focus on flood mitigation.

Transportation and Infrastructure

Support of essential roads and bridges (hurricane evacuation routes and freight transportation).
Support legislation to create a fund to maintain port waterways and dredging.

BAHEP's legislative agenda for the 89th Legislative Session was developed collaboratively and iteratively among its 300+ regional member organizations and partners. To be included on the priority agenda, a proposal must contribute in all the following domains: sustained regional economic growth, improved quality-of-life, enhanced resilience and risk mitigation, and a positive return-on-investment to the State of Texas.



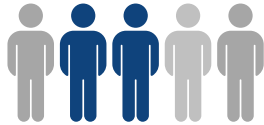
Bay Area Houston 89th Legislative Agenda Fact Sheet

Comprised of 19 cities, Harris and Galveston counties, the Bay Area Houston region is the home of:

- NASA Johnson Space Center
- Space Center Houston
- Houston Spaceport at Ellington Airport
- Bayport Industrial Complex
- Port Houston
- 3 Colleges & 3 Universities
- 6 Major Healthcare Systems
- 11 School Districts

The People of Bay Area Houston

Median Age of
Residents:
36.4



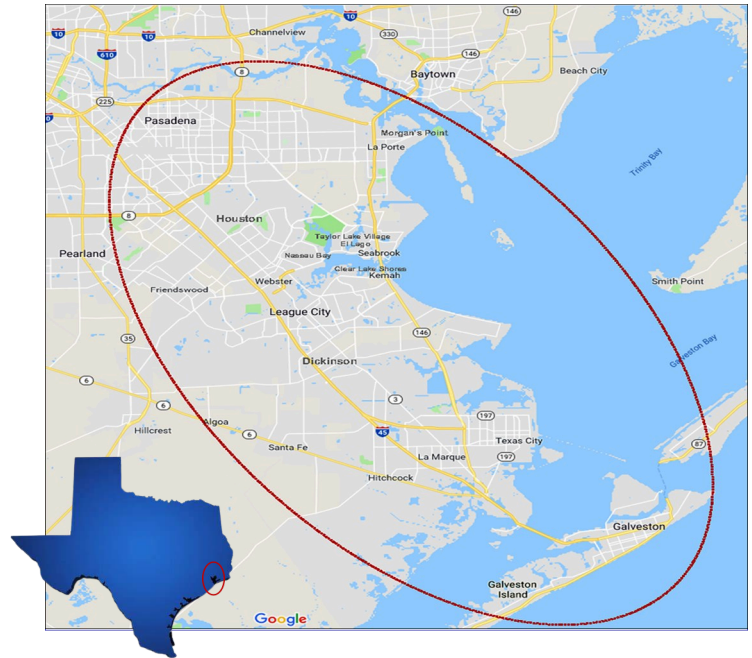
Average Household
Income:
\$103,876

Median Household
Income:
\$82,198

Education of Population 25+

Bachelor's Degree
19.7%

Graduate Degree
10%



The 940,000 people who live and work in Bay Area Houston enjoy a low-cost business climate, affordable and diverse housing options, and year-round activities with more than 3,000 acres of parks and recreational space.

Houston ranks first among U.S. cities in *Fortune 500* headquarters.

Bay Area Houston features:

- The largest concentration of specialty chemical processors in the world.
- Industry leaders from the aerospace / aviation, healthcare, maritime, specialty chemical, and tourism/recreation sectors.

Aerospace Industry

The Aerospace Industry has been a critical component of the Texas economy since the founding of NASA Johnson Space Center on November 1, 1961, in Houston, Texas. With the creation of the Texas Space Commission, it is critical to focus on reinforcing Texas's position as a national leader in the aerospace industry by ensuring robust support for strategic initiatives that bolster research, education, and technological development.

Recommendation:

- Support the Texas Space Commission growth and its projects.
- Support for Texas Aerospace Scholars and the Space Alliance Technology Outreach Program.
- Focus on Aerospace research and education initiatives.

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Defense Economic Adjustment Assistance Grant

More than 6,000 Texas National Guard reservists train each year at the Ellington Field Joint Reserve Base (JRB). The reservists, as part of their duty, need to run to maintain fitness. They run on local roads and streets and must contend with truck and automobile traffic. A controlled running track is needed for this activity.

A Defense Economic Assistance Adjustment Grant (DEAAG) would provide a pathway for building such a running track. The DEAAG grant, administered by the Texas Military Preparedness Commission, a job creation program, has been expanded to assist defense communities that have been positively affected with new or expanded military missions, such as Ellington Field JRB.

Ellington Field JRB has five of the six military branches of the U.S. Department of Defense – Army, Navy and Marine Reserve units, Army and Air National Guard – in addition to the Coast Guard under the Department of Homeland Security, and NASA operations – all located on one base.

Recommendation:

- Support for Defense Economic Assistance Adjustment Grant (DEAAG), specifically \$1.5 million for a running track at Ellington Field Joint Reserve Base.

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Education and Workforce Development

K-12

A good education provides young Texans with the skills and knowledge to be successful in the workforce. Support for the Texas education system is needed to meet our regions and the state's current and future workforce needs, and to help attract new workers to the area.

Recommendation:

- Support funding for public education to meet Texas' growing business needs, student achievement, and teacher retention.

Community College

Local community colleges are an important driving force for growing the region's workforce by collaborating and supporting area businesses and communities. Our community colleges provide the education and training students need and work to retain skilled workers in our region.

Recommendation:

- Community colleges request \$40 million in supplemental appropriations to support the successful outcomes-based funding model.
- Support transfer outcome data to include private institutions.
- Support fully funding the outcomes-based performance model for the next biennium.

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Education and Workforce Development

University

Texas A&M University at Galveston, The University of Texas Medical Branch, and the University of Houston-Clear Lake continue to be pillars of the State's institutions of higher education in the region by providing diverse and unique sets of capabilities ranging from hosting the only professional maritime academy on the Gulf Coast, to world class medical research and support for the multiple regional business sectors.

Recommendation:

- Support the unique needs of each university.
- Texas A&M University seeks \$8 million for each of the next two years to support its mission of preparing additional professional mariners to serve the U.S. in commercial and military vessels.
- University of Houston – Clear Lake seeks the reinstatement of the Institutional Enhancement Funding to meet the growing needs for engineers and related professions.
- The University of Texas Medical Branch requests support for formula funding for the Health-Related Institutions (HRIs).

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Energy

Reliable energy sources and a stable energy grid are fundamental to the prosperity of the region. Weather events continue to test the limitation of both; alternative power sources need to be expanded.

Recommendation:

- Support legislation to stabilize the grid by prioritizing natural gas usage concurrent with renewable sources of electricity.
- Support legislation to expand the use and development of nuclear energy.

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Supporting the Region's Healthcare System

Access to quality healthcare services is critical to our growing and vibrant region. Hospitals and healthcare providers not only contribute significantly to the state and regional economic viability through local spending, job creation, and research but also enhance the quality of life for the communities they serve. Today, hospitals and healthcare providers face numerous financial challenges centered on unbudgeted costs pertaining to workforce shortages, and increased supply costs due to inflation. In order to preserve and support the region's healthcare system, we recommend and support the following actions:

Recommendation:

- Support expansion of Texas's mental healthcare funding for prevention and intervention.
- Support medical research at Texas's universities and academic health centers.
- Support the assurance of back-up emergency systems for all healthcare facilities: electricity, water, and telecommunications.

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Public Safety

Regional Training and Emergency Coordination Center

A major public safety concern is the lack of efficient and coordinated communication channels during incident response. This issue is exacerbated by limited information sharing across entities, affecting resource allocation and emergency response efficiency.

Regional Training and Emergency Coordination Centers are needed along with standardized training to ensure coordinated and cost-effective responses. These centers should include advanced emergency coordination training, advanced radio communications systems, and administration facilities.

Recommendation:

- Recommend legislation that encourages public-private partnerships in incident management and enhances coordination between community partners and public safety entities.
- Recommend legislation that ensures local emergency response agencies have access to the necessary technology and advanced standardized training.
- Recommend facilitating collaboration between state agencies, BAHEP, and other strategic organizations to achieve targeted and sustainable outcomes for the development and ongoing operation of a Regional Training and Emergency Coordination Center.

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Small Business

Small businesses in Texas are facing significant challenges due to the rising costs of business insurance and limited coverage options. This issue is negatively impacting their ability to operate, grow, and remain competitive. Additionally, the lack of diverse and affordable insurance options further exacerbates the problem, leaving small businesses with few alternatives to manage their risk effectively. This issue has broader economic implications for Texas:

- It hampers small business growth and job creation
- It may discourage entrepreneurship and new business formation
- It potentially reduces the overall competitiveness of Texas's small business sector

Recommendation:

- Support recommendation to allow collective insurance coverage for all liability including flooding, and continuity costs. The legislation would be similar to the healthcare small business legislation.
- Establish an alternative insurance program, modeled after the FAIR Plan, to expand coverage options for small businesses that have been denied insurance by two or more carriers.

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Storm Surge Suppression & Flood Mitigation

Gulf Coast Protection District

The Gulf Coast Protection District (GCPD) was created in 2021 by the 87th Texas Legislature to be the non-federal sponsor of the Sabine Pass to Galveston Bay Coastal Storm Risk Management (S2G) and Coastal Texas Protection and Restoration Feasibility Study (Coastal Texas Project), known together as Coastal Texas Project and Sabine Pass to Galveston Bay Coastal Storm Risk Management Project. These projects are critical to safeguard the infrastructure, supply chain, and economy supported by the industries along the Texas coast.

Recommendation:

- Provide unexpended balance authority for funds previously appropriated to the GLO for use by the GCPD.
- Allow for \$5,000,000 in each year of the next biennium to be used for GCPD administration costs, from unobligated and unexpended amounts as of August 31, 2025.
- Provide an additional \$230,000,000 in General Revenue to be appropriated to the General Land Office (GLO) for the purpose of making a grant to GCPD in the 2026-27 biennium.
- Support the Gulf Coast Protection Account HB1089.

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State Flood Plan

The State Flood Plan brings together the findings of the 15 river-basin-based regional flood plans to make legislative and floodplain management recommendations to guide state, regional and local flood control policies.

Recommendation:

- Support the State Flood Plan and encourage continuing efforts that are focused on flood mitigation.
- Assure The Coastal Texas Project remains in the State Flood Plan.

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Transportation & Infrastructure



Priority projects and initiatives:

- **Coastal Texas Project** – BayTran supports legislation authorizing funding for design and construction of the storm surge protection system in the upper Texas Gulf Coast to protect the environment, industries, the national economy, and vulnerable communities within the region.
 - Support local partnerships to assess interior drainage benefits of the Clear Creek & Dickinson Bayou watershed components of the Coastal Texas Project.
 - Support any legislative efforts to ensure partnership agreements can be executed by GCPD and GLO for the Coastal Texas Project.
- **Grand Parkway** – Completion of segments A, B and C, and further expansion of the Grand Parkway is vital to connecting major freight corridors, port facilities, and to serve as a hurricane evacuation route for coastal communities.
- **Rural to Urban Connectivity** - Implement Transportation Demand Management strategies in planning that will improve connectivity and reduce congestion.
- **Port Infrastructure** – Increase funding for port transportation infrastructure needs, including channel improvements, to accommodate continued tonnage growth in exports and imports worldwide.
 - Support Proposed Deep-Draft Navigation Channel as evaluated by Cedar Port Navigation District consistent with Houston Ship Channel Depths.
 - Support Intermodal Investment in Chambers County to reduce congestion and improve air quality across Galveston and Harris County.

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- **Freight Infrastructure** – Increase funding for freight transportation infrastructure, including rail, and preserve and grow Legislative Rider funding for port connectivity.
 - Inclusion of the following projects into the 2045 Regional Transportation Plan: TxDOT SH 225 redevelopment, and the IH 610 Sidney Sherman Bridge replacement.

Keep existing funding tools:

- **Rail Relocation Fund** - Allocate substantial dollars to the Texas Railroad Relocation and Improvement Fund during the 2025 legislative session and continue funding each biennium.
- **Toll Roads** – Toll roads are an important funding mechanism in high growth regions, the ability to utilize a toll road could make a difference in keeping up with growth vs. falling behind. BayTran strongly opposes legislation restricting the use of this important tool.
- **No Diversions** – BayTran opposes diversions of funds from transportation dedicated resources to non-transportation uses.

Review of potential sources for new revenue:

- **Hybrid Vehicle Equity Fee** – Establish a fee to ensure that hybrid vehicle owners contribute a fair share of the cost to fund Texas roadways.

Recommendation:

- Increased funding for the Rail Relocation & Improvement Fund.
- Continue to fund and support coastal resilience.
- Continued investment into new infrastructure and maintenance of existing structures.
- Encourage the use of Transportation Demand Management strategies in planning.

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