

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** CS/HM 481                      NASA & John F. Kennedy Space Center Funding  
**SPONSOR(S):** Economic Development & Community Affairs Policy Council; Crisafulli and others  
**TIED BILLS:**                                      **IDEN./SIM. BILLS:**

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	<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR</b>
1)	Economic Development & Community Affairs Policy Council	15 Y, 0 N, As CS	Tecler	Tinker
2)	Rules & Calendar Council			
3)	Policy Council			
4)				
5)				

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**SUMMARY ANALYSIS**

For over 50 years, Cape Canaveral and the Kennedy Space Center have served as NASA’s launch pad for manned space missions. After a final mission in September of 2010, the Space Shuttle is scheduled for retirement. The shuttle program’s successor is Constellation. If funded, NASA expects cost and timing issues with the Constellation program to delay the operational launch of the Orion spacecraft until 2015. This five year gap in shuttle service is projected to cause significant reductions in employment and economic activity in Florida’s aerospace industry. However, if Congress cancels the Constellation program altogether as prescribed by the Obama Administration’s FY 2011 budget, additional job losses and reductions in economic output are expected.

CS/HM 481 urges Congress to provide sufficient funding to NASA and the John F. Kennedy Space Center and mitigate the economic impact of the 5 year gap in human space flight programs.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Present Situation**

Cape Canaveral has been a center for aerospace activity since the late 1950s when the area served as a missile test center affiliated with nearby Patrick Air Force Base. NASA established a presence in the area shortly after its creation in 1958. Authorized by Congress to expand operations for manned space flight, NASA acquired 80,000 acres of land on Merritt Island to construct the Kennedy Space Center (KSC) and the now iconic Vehicle Assembly Building. Over the next fifty years, the facility would serve as the launching hub for several lunar missions.

NASA's operations are a major economic driver in the State of Florida.<sup>1</sup> The total amount of NASA spending for KSC-related activities was \$1.96 billion, including \$1.1 billion in wages in FY 2008. Counting indirect spending, the total economic impact of NASA to Florida was estimated at \$4.1 billion in production output, \$2.1 billion in household income, 40,802 jobs, and \$103 million in state and local tax revenues.

##### A New Direction for NASA and the Impact on Florida

The Obama Administration proposes that NASA abandon its historic function of space exploration. The Space Shuttle program will retire this year and the President recommends that its replacement, the Constellation program, which was intended to return humans to the moon, be cancelled. The last mission for the Space Shuttle program is scheduled for September 2010. Constellation was scheduled to begin launches in 2015.<sup>2</sup> The intervening period is referred to as the "shuttle gap".

The Brevard Workforce Development Board (BWDB) estimates that shuttle-related activity in Florida supports a workforce level of approximately 9,235 employees. Due to the shuttle gap, BWDB initially

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<sup>1</sup> Information in the paragraph was obtained from the report, "Economic Impact of NASA in Florida, FY 2008." Available at [http://www.nasa.gov/centers/kennedy/pdf/318131main\\_economic-impact08.pdf](http://www.nasa.gov/centers/kennedy/pdf/318131main_economic-impact08.pdf). Last visited March 31, 2010.

<sup>2</sup> On January 14, 2004, then-President Bush announced a new mission for America's civil space program that calls for human and robotic missions to the moon, Mars, and beyond. See Report of the President's Commission on Implementation of United States Space Exploration Policy. Available at [http://www.nasa.gov/pdf/60736main\\_M2M\\_report\\_small.pdf](http://www.nasa.gov/pdf/60736main_M2M_report_small.pdf). Last visited March 31, 2010.

estimated that at least 3,500 aerospace workers would lose their current positions.<sup>3</sup> However, if the Administration's proposal to eliminate the Constellation program in FY 2011 were to occur, shuttle-related job losses are expected to be higher.

The Administration will direct NASA to concentrate on earth-science projects – principally, researching and monitoring climate change – and on research and development programs that will one day make human exploration of asteroids and the inner solar system possible. It is unclear if this shift in policy will make up for the expected future job losses and decreased economic activity in the state.

### **Effect of Proposed Changes**

CS/HM 481 urges Congress to provide sufficient funding to NASA and the John F. Kennedy Space Center and mitigate the economic impact of the 5 year gap in human space flight programs.

Copies of the memorial, if approved by the Legislature and the Governor, will be distributed to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Florida's Congressional delegation.

#### **B. SECTION DIRECTORY:**

Not applicable.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

None.

#### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

#### **C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

None.

#### **D. FISCAL COMMENTS:**

None.

## **III. COMMENTS**

#### **A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

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<sup>3</sup> Aerospace Workforce Transition Program Implementation Plan, July 17, 2008. Prepared by the BWDB. This estimate constitutes the direct job losses due to the retirement of the shuttle program. BWDB staff also estimate that the indirect job losses could be 2.5 times greater. On file with the Senate Commerce Committee.

Not applicable.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### **IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES**

On April 16, 2010, the Economic Development and Community Affairs Policy Council adopted an amendment, which:

- Revised the Whereas clauses to eliminate any non-factual assumptions.

The bill was reported favorably as a committee substitute and the analysis has been updated to reflect the amendment.