The Cost of Iraq and Afghanistan Veterans' Care to Texas

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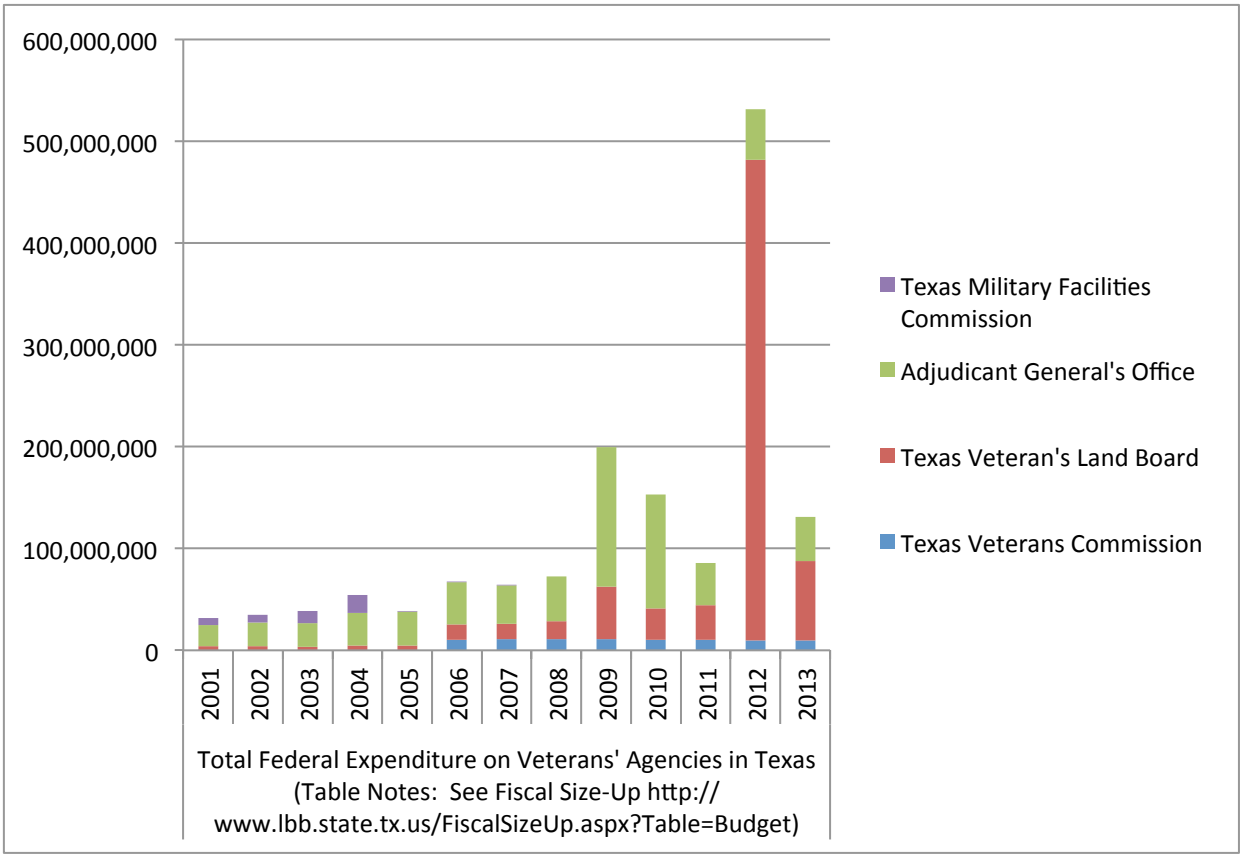
January 3, 2015

This study examines the monetary and social costs related to the wars in Iraq and Afghanistan incurred by the State of Texas, its city governments, and the non-profit agencies and charities that service veterans within its borders. Texas represents a compelling case study largely because of its size; it has the second largest veteran population (behind California), and it currently has roughly a quarter of a million veterans who have served in the Iraq and Afghanistan wars. Texas has borne a significant burden to care for its veterans—perhaps as much as **$786.4 million** from 2001 to 2014 (including some funds that have been appropriated for 2015). These monetary costs are summarized below in **Figure 1**. And, while it is difficult to quantify the non-monetary social costs, these have also been significant, as will be described later in this paper.

Figure 1: The Cost of Iraq and Afghanistan Veterans' Care to Texas, 2001-2014 :	**In millions of dollars (current, non-inflation controlled dollars)**
Texas Veterans Commission	80.1
Adjutant General's Office (now Texas Military Dept.)	94
Texas Veterans Land Board	110.8
Texas Military Facilities Commission	76
Texas Military Preparedness Commission	250
Veterans Health Initiative (2012)	13.6
Center for Rehabilitation Services (2011)	12.7
Travis County expenditure on Veterans Courts	(less than a million: 11,520)
Suicide (medical care)	1.9
Charities and Non-Profits	121.3 to 147.3
Total:	760.4 to 786.4

The federal government covers most veterans' care expenses. That is, over and above the state's **$786.4 million** expenditure, the federal government provides an additional **$1.5 billion** to state agencies for veteran care (which does not include VA funds)—for a combined federal, state, non-profit expenditure that is very close to **$2.29 billion** for the State of Texas. This is, however, a conservative figure. As citizens, Gulf War Era II veterans certainly take advantage of state agency support services, but, to my knowledge, they are not counted or tracked.[2] There is no way, therefore, to estimate what percentage of federal and state funds from the various agencies goes to Gulf War Era II veterans. In estimating federal and state spending on veterans for this paper, I have mainly looked at the four state agencies that work primarily with veterans: 1) the Texas Veterans Commission, which provides a number of services to veterans such as disability claims representation, employment services, and education programs. It also manages the Texas Veterans Commission Fund for Veterans' Assistance, which makes a variety of grants available to charities and state organizations; 2) the Texas Veterans Land Board offers land, home, and home improvement loans to veterans, and is responsible for managing the state veterans' retirement homes and cemeteries; 3) the Texas Military Facilities Commission (which, in 2007 was folded into the Adjutant General's Office) was responsible for the construction, repair, and maintenance of National Guard armories and facilities; and, finally, 4) the Texas Military Department (which, prior to September 1, 2013, was known as the Adjutant General's Office), is composed of the three branches of the military, including the Texas Army National Guard, the Texas Air National Guard, and the Texas State Guard. For the breakdown of federal spending for these agencies, see **Table 1** on the next page.

Table 1: Total Federal Expenditure on Veterans' Agencies in Texas



Texas State Expenditure

There are many state agencies whose funds go to assist Gulf War Era II veterans: the Department of State Health Services (DSHS), Health and Human Services Commission (HHSC), Department of Aging and Disability Services (DADS), and the Department of Assistive and Rehabilitative Services (DRS). While it is difficult to disaggregate exactly how much each of these agencies has spent on Gulf War Era II veterans, some partial estimates are available. For instance, we know that the Center for Rehabilitation Services, a sub-DRS agency that treats acute brain injury, serviced 28 veterans out of the 488 patients it met with in 2011; these 28 veterans received an estimated total of $12,699,712 in care.[3] Most, if not all, of these are likely Gulf War Era II veterans given the recent surge of veterans in

need of acute brain injury rehabilitation. We also know that in FY2012-2013, Texas began a Veterans Health Initiative: a collaborative project that allocated a total of $13,618,536 to the DSHS, HHSC, and DADS, funded out of the state's General Revenue (none of which, to my knowledge, was reimbursed by the federal government).[4]

It seems that many of these state agencies were only beginning to systematically respond to the influx of Gulf War Era II veterans by 2006, and even then in a somewhat ad hoc manner, relying mostly on federal funds.[5] **Table 2** shows the Texas Veterans Commission's (TVC) yearly total expenditures, from 2001-2015 (those for 2015 are allocated funds). This graph is revealing for several reasons. First, it again shows that 2006 was really a pivotal year in terms of state response to veteran care. This was the first year the federal government provided its now recurring annual installment of more than $10 million dollars a year to Texas for veteran support. These added federal funds also appeared to stimulate additional state expenditure on veterans. State spending from its General Revenues more than tripled from 2001 ($3,095,542) to 2014 ($10,014,564). With the consolidation of veterans' services that began in 2006, the TVC began taking on a much more active role in addressing the needs of what was by then a more highly publicized inflow of mentally and physically disabled Gulf War Era II veterans. The national problem of Iraq and Afghanistan veteran suicide, for instance, had reached such a pitch of publicity in 2006 that H.R. 327, the Joshua Omvig Veterans Suicide Prevention Act, was introduced to Congress in January of 2007.[6] And in this respect, it is very likely that all of these state spending increases after 2006 can be attributed to the influx of this highly vulnerable veteran population, not to mention renewed political attention. What this means is that if we maintain the average yearly state allocation of $3.3 million dollars as a baseline

allotment for the Texas Veterans Commission (this was the average expenditure of the TVC for the years 2001 to 2005), Texas likely spent $32 million over this baseline expenditure from 2006 to 2014 (including the allocations for 2015). I believe all of these additional state funds can be characterized as aid to Gulf War Era II veterans. All of the "Other" funding sources, totaling $48,135,510 from 2001 to 2015 (funds generated from the Texas State Lottery, DMV donations, and private donations), also go to Iraq and Afghanistan veterans services in the form of mental health research grants, and donations to the Fund for Veterans' Assistance and Veterans' Courts (more on these later). The accounted for spending of the TVC on Gulf War Ear II veterans, from 2001-2015, is an estimated $80,135,510.

Table 2: Total Expenditure for the Texas Veterans Commission by Year

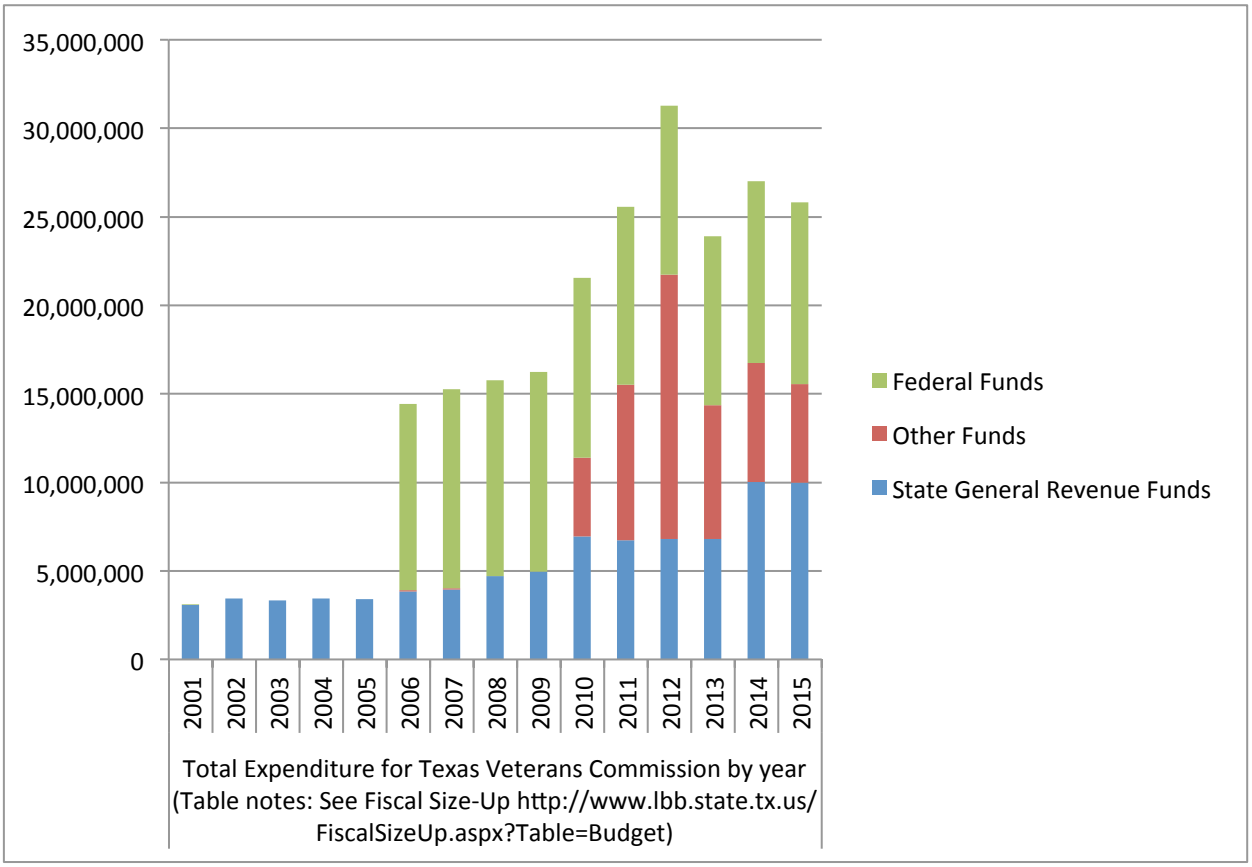


Table 3 shows the yearly expenditure for the Adjutant General's Office (AGO), which is now the Texas Military Department (TMD). While this department does not exactly deal with veteran care, it does oversee the Texas Army National Guard, the Texas Air National Guard (both of which have been deployed to Iraq and Afghanistan) and the Texas State Guard (which handles statewide emergencies and other homeland security-related services).[7] The contribution made by the Texas National Guard to the two wars has been significant; Christenson explains that "In the last decade, the Texas Guard, the nation's largest at 22,710 troops, has been an A-team player. It has sent 32,127 soldiers and airmen overseas, and in that time, 16 soldiers have died in combat. The last killed was Staff Sgt. Nelson David Trent, 37, of Round Rock, who died in December in a roadside bombing near Kandahar."[8] All of the money the state allocates to this department from its General Revenue fund goes to the state's National Guard (the State Guard is supported exclusively through federal funds). The "Other Funds" Texas has allocated to the TMD have come from General Obligation Bond proceeds through the Military Value Revolving Loan Fund. The federal government has provided most (perhaps even all) of the combat-related funds to the TMD; but it is also clear that Texas increased its state contributions to this agency as the wars progressed. This is because Texas is required to match some of the Federal funds provided to its National Guard. The amount the state is required to pay modulates from year to year. As a 2010 publication from the Texas State Budget Board explains: "State matching amounts [for the National Guard] vary from zero to 25 percent in each cooperative agreement."[9] What I think this shows is that even if Texas did not spend directly on combat-related expenses, state funds were still spent on the war effort in Iraq and Afghanistan, which has not been fully accounted for in national spending totals: from

2001 to 2013 Texas spent $270,853,114 (which does not include interest from the General Obligation Bonds). Much of the money from the General Revenue fund would have probably been allocated even if the US was not involved in international conflicts. In fact, state expenditure remained relatively consistent from 2001-2013—around $13.5 million per year. Nevertheless, I believe that the revenue generated from the General Obligation Bonds reflect the additional strain placed on the state's infrastructure and the need to match federal funds dedicated to overseas deployment. These funds total almost $94 million.

Table 3: Total Expenditure for the Adjutant General's Office by Year

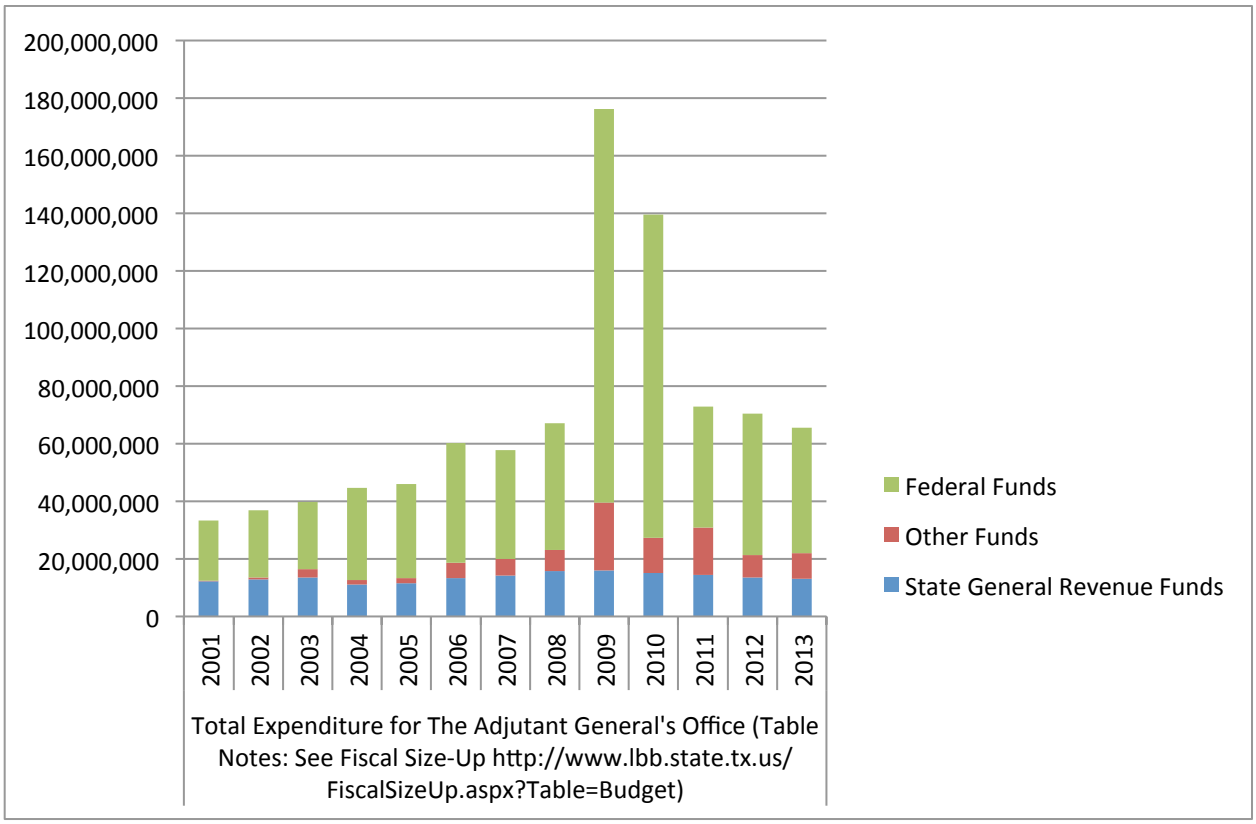


Table 4 looks at the yearly expenditure of the Texas Military Facilities Commission (TMFC). In 2008, this agency was folded into the Adjutant General's Office. In partnership with the Federal government, this commission was responsible for the maintenance of

military facilities used by the Texas National and State Guard. One notices that in 2003 state spending on state military installations dramatically increased; indeed, state spending tripled from 2001 ($9.2 million) to 2003 ($30 million).[10] This funding jump is clearly related to increased strain placed on the Texas National Guard due to military action in Iraq and Afghanistan. Some small percentage of what is listed as "Other Funding" came from rent to the AGO paid for use of National and State Guard facilities. The vast majority of the $76 million in Other Funding comes from state Revenue Bonds (the interest due from these bonds has not been included in the total cost to the State of Texas). If we exclude state General Revenue funds as money that would have been spent on this agency even if there was no overseas conflict, then Texas very likely spent upwards of $76 million on managing the facilities infrastructure that was under great strain throughout the wars.

Table 4: Total Expenditure by Texas Military Facilities Commission by Year

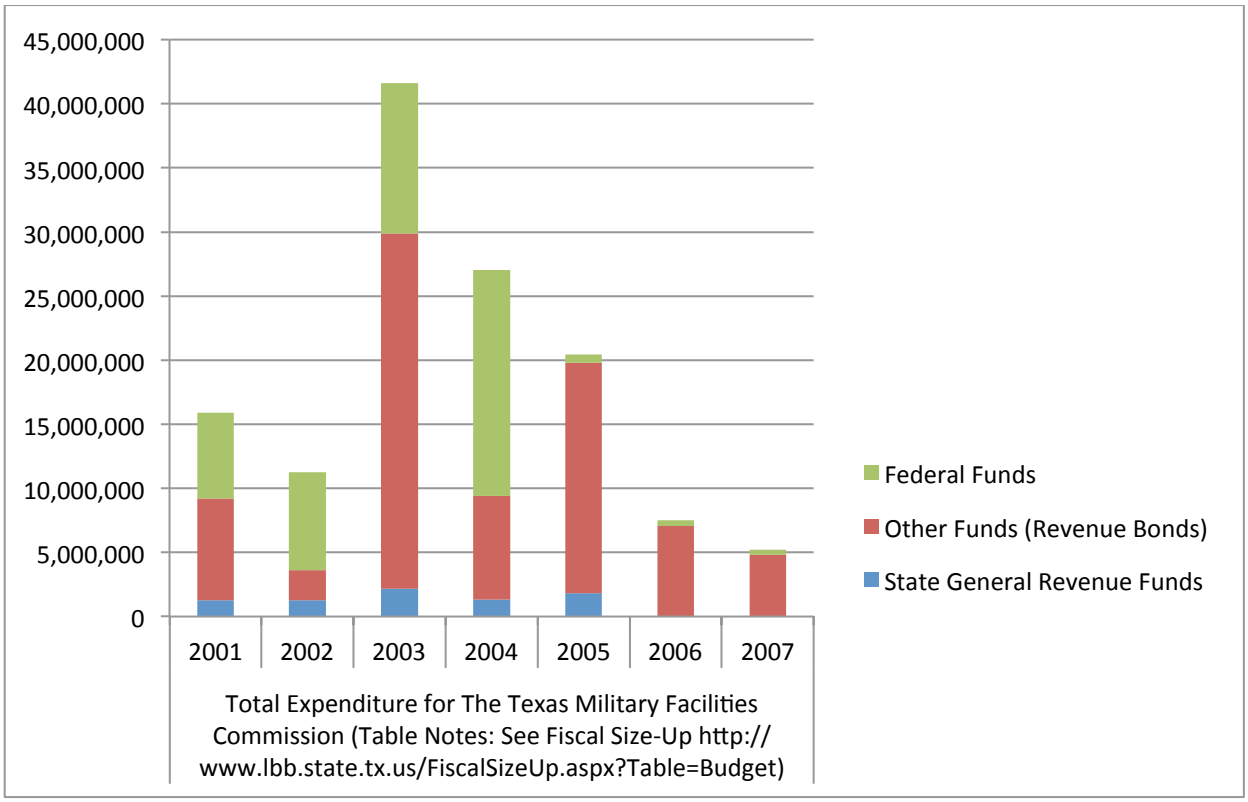
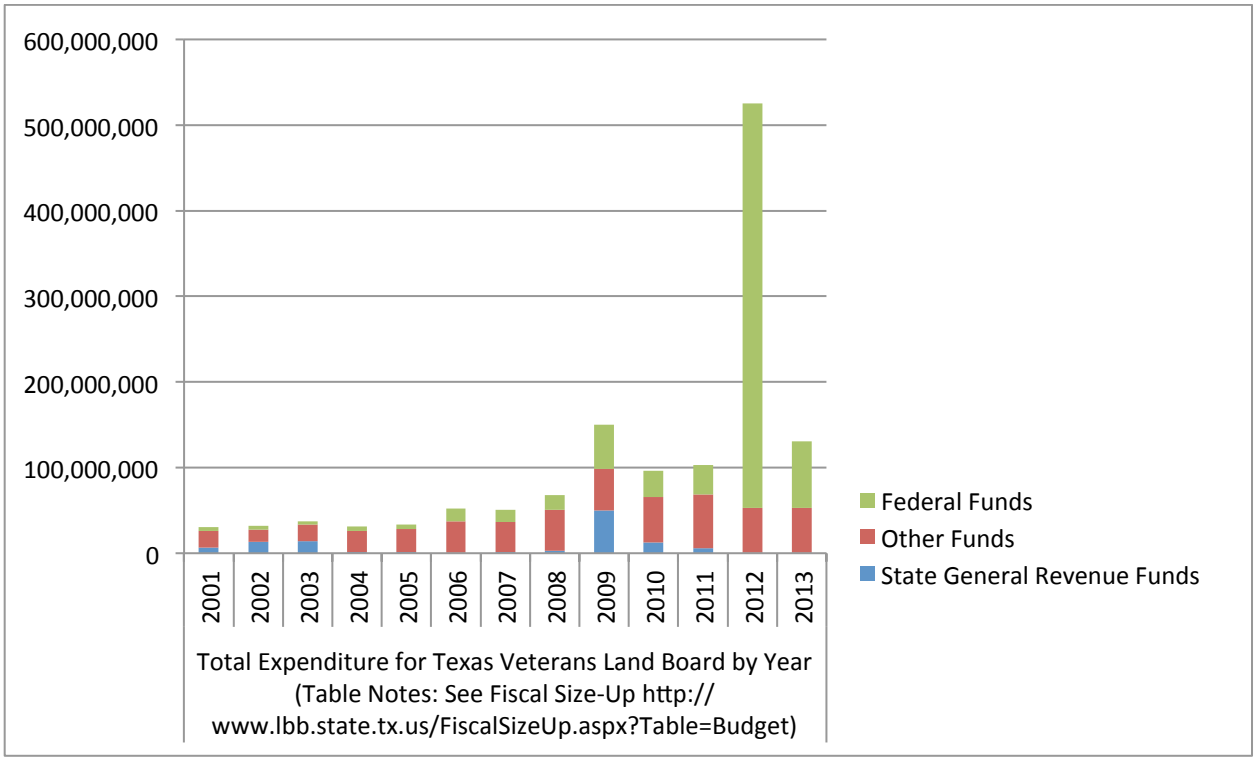


Table 5 looks at the total yearly expenditure of the Texas Veterans' Land Board (VLB), an agency that manages the State Veterans' Homes and Cemeteries, as well as offering a variety of land and home improvement loans to the state's veteran population.[11] The story this table tells is less clear than that of the TVC (or the TMD and TMFC, for that matter). For the most part, the VLB subsists off of federal funds and the revenue generated from interest on veteran loan repayment (which is largely what constitutes the "Other Funds"). Of the $1.1 billion that has been expended by this agency from 2001-2013, less than 10 percent has come from the state's General Revenues. While it is clear that some of the $110.8 million that the state has directly spent on the VLB has likely gone to Gulf War Era II veterans, given the nature of the support, it is not immediately clear how this should be counted (especially since the state appears to *make* money off of these funds). The counting difficulty continues with regard to long term care for Gulf War Era II veterans, in particular, the VLB money spent on retirement home upkeep. Many Texas veterans will rely on either VA benefits, other federal resources (e.g. Medicare), or private plans to pay for retirement housing. Some of Texas' 280,000 veterans of the wars in Iraq and Afghanistan will likely retire in State Veterans' Homes in the next 40-50 years. A majority of the funds needed to pay for retirement services will come from federal sources, but the veterans will be required to arrange for payment over and above that which the VA allots them for housing. According to the Veteran Land Board's (VLB) website, "the rate for a basic semi-private room at any Texas State Veterans Home is $146.00 per day. A private room costs $195.00 per day... For every eligible veteran, the federal Department of Veterans Affairs (VA) will cover up to $100.37 of this cost per day. For veterans receiving Aid & Attendance funding, an additional $12.00 per day is covered."[12] This leaves an

expense of at least $45.63-$94.63 per day to be paid by the retired veteran (through Medicare or some other source) in order to use state-supported veteran housing. Even though most of the $110.8 million in state funds that has gone to this agency in the last ten years has not served Gulf War Era II veterans directly, this total gives us a picture of what long term costs the veteran population will have on the state as they begin to age.

Table 5: Total Expenditure of the Texas Veterans Land Board by year:



Additional Avenues of State Funding

In 2003, the Texas State Legislature passed Senate Bill 652, which "created the Texas Military Preparedness Commission within the Trusteed Programs. The Legislature appropriated $250 million in general obligation bond proceeds to the Trusteed Programs within the Office of the Governor to provide loans for economic development projects in communities containing military installations."[13] The timing—and, indeed, the name—of

this bill suggests that it was in response to US military activity in Iraq. All of these funds can be attributed to war-time spending.

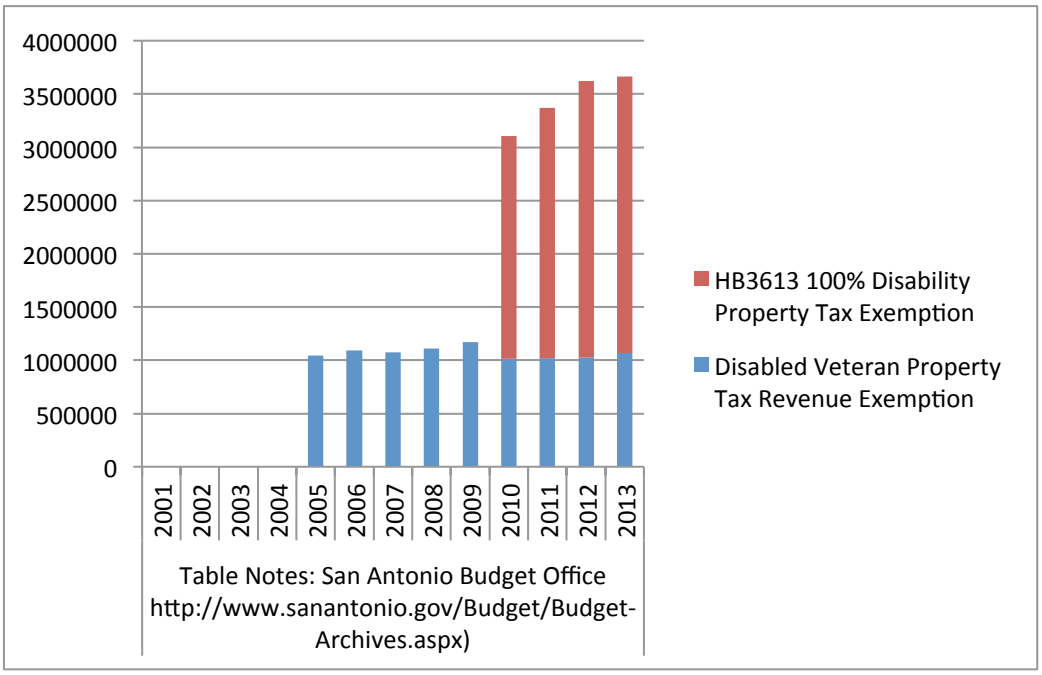
In April 2009, the Texas State Legislature passed House Bill 3613, which "provides an exemption of the total appraised value of homesteads for Texas veterans who have received a 100 percent disability rating or are considered unemployable by the US Department of Veterans Affairs."[14] Then, in November of 2013, Texas passed The Texas Disabled Veteran Residence Tax Exemption Amendment, Proposition 4 (HJR 24). The amendment provides property tax exemptions to disabled veterans or their surviving spouses on part of the market value of their residence homesteads (depending on the level of disability), if the homesteads were donated to the veteran by a charity.[15] Since property tax exemption is administered on the county level, it is unclear what the state-wide impact of these legislative acts will be. In the following section, I will look at the impact House Bill 3613 has had on Texas' second largest city: San Antonio.

Texas City Expenditure: San Antonio

One direct financial impact the wars and Iraq and Afghanistan have had on cities is in terms of property tax exemption. **Table 6** shows the amount of property tax revenue that San Antonio has lost in the years following the implementation of House Bill 3613, which was passed in November, 2009. From 2010 to 2013, the city lost nearly $10 million in property tax revenue. Some indeterminate percentage of this sum can be attributed to Gulf War Era II veterans. This, of course, would be the subset of veterans with the 100 percent disability rating, who own property and live in the San Antonio area (see **Table 11** below). Given the presence of large rehabilitation centers at the San Antonio Military Medical Center (which includes Brooke Army Medical Center), it stands to reason that San

Antonio may become home to many disabled Gulf War Era II veterans. It is also compelling that the steady increase of San Antonio's lost HB 3613 revenue largely tracks with the influx of Gulf War Era II veterans into Bexar and Comal Counties (the counties which make up San Antonio, see **Table 9** below). Though, it is difficult to say for certain how many of these veterans are eligible for this tax exemption, it is quite possible that the increased attention given to disabled veterans returning from the wars in Iraq and Afghanistan served as the impetus for the passing of this state bill in the first place.

Table 6: San Antonio Lost Revenues from HB 3613 Property Tax Exemption



To be clear, the above analysis does not take into consideration the other veteran disability related property tax exemptions that Gulf War Era II veterans are eligible to take advantage of. According to the city budget "The City also provides the State-mandated Disabled Veterans Exemption offering eligible veterans an exemption ranging from $5,000 to $12,000 depending on the percentage of service-connected disability."[16] These funds are represented in blue on **Table 6**. If one could pinpoint exactly how much of this nearly $10

million (from 2005-2013) comes from Iraq and Afghanistan veterans, this too should be factored into the cost of the wars. It stands to reason that as the young veteran population begins to age and settle into their lives (and the economy continues to recover), more of them will begin to own homes and will then be in a position to take advantage of these tax exemptions. It also bears remembering that this is the financial impact on *one* city.

Texas City Expenditure: Austin

A recent report by the Veterans Intervention Project of Travis County (Austin) found that, on average, 170 veterans are arrested each month. About 21 percent of those arrested had served in Iraq or Afghanistan, which means that roughly 36 Gulf War Era II veterans are arrested each month in Travis County alone.[17] It was very likely in response to statistics like this that, in 2009, the 81st Texas Legislature passed SB 1940, a bill that created a statewide Veteran Court system to adjudicate misdemeanor cases in which the veteran suffers from PTSD.[18] Currently, there are 12 Veterans Courts throughout Texas, including one in Travis County, and three more are scheduled to open this year.[19] Funding for these courts is sporadic and uncertain; most of it comes from federal sources, and some of it comes from The Texas Veterans Commission budget (mentioned above). A recent article from the *Texas Observer* explains that "Despite their success, the veterans' courts do not receive funds from the state's general revenue. Their funds come from counties and grants from the Texas Veterans Commission and the Office of the Governor's Criminal Justice Division. Many counties established veterans' courts with the understanding that the programs would not cost them anything. The majority of veterans' court judges and lawyers fold their work for the courts into their existing workload and forgo compensation."[20] From 2012 to 2013, Travis Country spent the relatively modest figure of

$11,520 on its Veteran Courts.[21] Depending on the growing need and success of these courts, at some point in the future Texas may begin to dedicate General Revenue funds to this program. Of course, it is worth mentioning that some portion of these men would have been arrested anyway, and in this respect the veterans' courts simply take some of the burden off other courts. What is so compelling about these courts, however, is that they give us a small glimpse into the overall impact Gulf War Era II veterans have had on the judicial system.

Texas City Expenditure: Ft. Worth

On a single night in January, 2013, Texas reportedly had 3,878 homeless veterans.[22] We have very little information about the demographic makeup of the homeless veteran population in Texas, so it would be difficult to express with any accuracy how many of these homeless veterans served in Iraq and Afghanistan (if any of them did). A 2009 report from Travis County (Austin) indicated that 22 percent of veterans in its jails had experienced homelessness at some point in their lives (the rates were much higher for older veterans).[23] Furthermore, it may be difficult to demonstrate the degree to which their homelessness is directly related to their military service.[24] Assuming there are some homeless Gulf War Era II veterans in Texas, it is worth looking at the kind of impact veteran homelessness has on state and local infrastructure.

In FY2007, it was estimated that Tarrant County (Forth Worth, TX), through both public and private contributions, exceeded 30 million dollars in response to homelessness—this in a county which reported to have merely 203 documented unsheltered individuals.[25] The point of Tarrant County's homelessness study was not that it costs roughly $150,000 a year to take care of each homeless person, but rather that since

cities are ad hoc and bureaucratically redundant in addressing this problem, they end up spending much more than is necessary. For instance, a University of Texas two-year survey of homeless individuals showed that the average homeless person cost taxpayers $14,480 per year just in overnight jail visits.[26]

The Tarrant Country report shows that, in fact, only a little more than $10 million of the $30 million spent on homelessness actually went directly to proactive services to prevent homelessness (which still represents a remarkable sum of roughly $50,000 spent per unsheltered individual).[27] It would be a mistake, however, to conclude from this figure that each homeless person costs Texas' cities between $50,000 and $150,000 a year; but what this does show is that cities like Fort Worth are bearing very real (if not fully understood) costs associated with Gulf War Era II homeless veteran care. And these costs will likely increase as this veteran population ages.

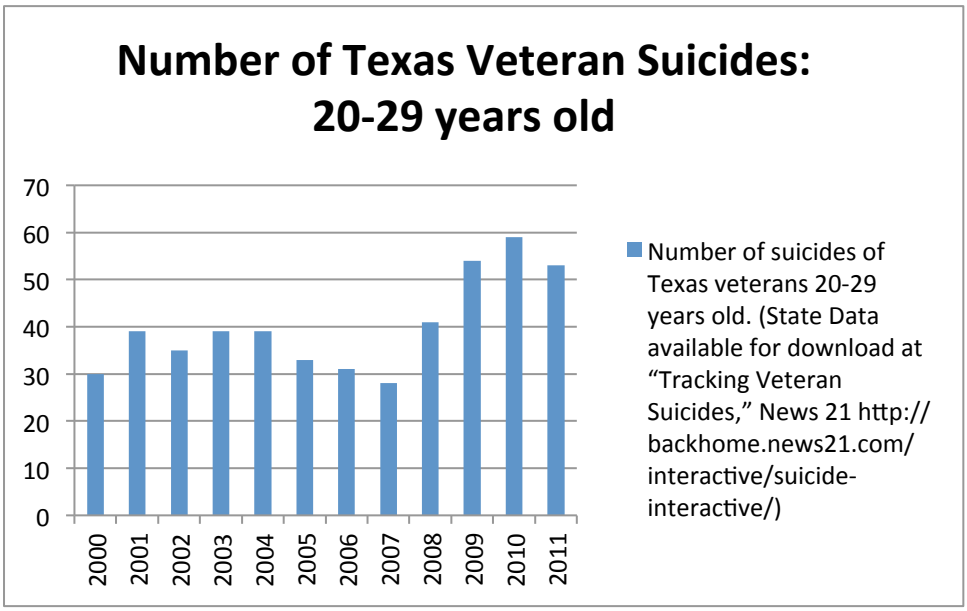
The Cost of Gulf War Era II Veteran Suicide

Table 7 shows that, between the years of 2001-2011, 481 veterans residing in Texas committed suicide. These figures may include veterans who never served in either Iraq or Afghanistan, and it clearly leaves out older veterans of these wars who have committed suicide. So this must represent a rough estimate of total Gulf War Era II suicides. The Suicide Prevention Resource Center (SPRC) estimates that "For each suicide prevented, the United States could save an average of $1,182,559 in medical expenses ($3,875) and lost productivity ($1,178,684)."[28] The Centers for Disease Control and Prevention puts the average suicide cost at the slightly lower amount of $1,061,170 (based on 2005 figures).[29] If most of the 20-29 year old veterans from 2001-2011 are Gulf War Era II veterans, this would represent a financial impact in the state of Texas of between $478,587,670 to

$531,586,484 (in lost productivity and medical care combined). In terms of the medical expenses that state and local infrastructure will bear for each suicide, this amounts to a total cost of $1,863,875, based on SPRC's estimate.

According to a recent VA report, which estimates a nationwide total of 22 veteran suicides per day, "suicides represent just 5 percent of all suicide 'events' (including attempts and ideations)."[30] The number of suicide attempts by veterans in Texas is currently unknown, and, as far as I have seen, there is no financial estimate as to how much a suicide attempt, on average, costs the state. Suicide attempts clearly have some impact on local emergency services. But it is also true that veterans who have considered or who have attempted suicide are relying on a wide array of support services (professional counselors, nonprofit support centers, suicide hotlines, church groups, friends and family, etc.), the extent and cost of which is not fully known. And, of course, this does not count the suicides and suicide attempts of private contractors who have served in Iraq and Afghanistan.

Table 7: Number of Texas Veteran Suicides: 20-29 years old



Charities and Non-profits

Beyond federal, state, and city governments, charities and non-profits fill in the gaps of veteran support. In what follows, I look at three charities which represent just a small part of a potentially much larger amount of money dedicated to veteran assistance by charities and non-profits in Texas. Indeed, there are hundreds (perhaps thousands) of charities and non-profits devoted to assisting Gulf War Era II veterans and their families in Texas, so, again, this must be considered a starting point.

In 2007, the Intrepid Fallen Hero Foundation (IFHF) completed a $55 million private-donation campaign to build a physical "rehabilitation center at Brooke Army Medical Center in San Antonio, Texas. This Center serves military personnel who have been catastrophically disabled in operations in Iraq and Afghanistan, and veterans severely injured in other operations and in the normal performance of their duty."[31] In June 2014, the IFHF broke ground on a new $11 million Intrepid Spirit Center … at Fort Hood, TX. When completed, the Intrepid Spirit Center will provide crucial treatment of Traumatic Brain Injury (TBI) and Post Traumatic Stress (PTS) to veterans.[32]

The Fisher House Foundation has raised millions of dollars through private donations to build affordable long term housing facilities near VA Medical Centers all across the country for the families of those veterans who need extended treatment and rehabilitation. It seems that this non-profit is largely responding to the massive influx of traumatically wounded veterans returning from Iraq and Afghanistan. In Texas alone the Fisher House Foundation has built thirteen homes in San Antonio, Fort Hood, Houston, Dallas, and El Paso.[33] According to the VA, who manages the properties after they are built,

for each Fisher House, the "total construction costs average $4-6 million (estimated in year 2012 dollars)."[34] By this estimate, the Fisher House Foundation has spent between $52 and $78 million in Texas alone.

Operation FINALLY HOME is a Texas non-profit that provides homes to wounded and disabled Veterans from the war on terror.[35] Founded in 2005, they have just finished their 57th home (and have another 10 planned for the remainder of 2014). The estimated cost per home is $50,000, which comes out to a total of $3,350,000 in private donations to be spent on veteran homes since 2005.[36] The three charities mentioned above make for a combined total of between $121,350,000 and $147,350,000 (from 2001-2014) in private contributions going to assist Texas Gulf War Era II veterans.

Quantifying and Qualifying the Budgetary and Social Costs of Veterans' Care

Alison Howell and Zoe Wool, in their compelling article "The War Comes Home: The Toll of War and the Shifting Burden of Care", identify many ways in which communities, and, in particular, families, bear costs that do not typically find their way into war spending ledgers. Howell and Wool point to the increase in violent crime, domestic violence, suicide (and suicide attempts), and divorce rates. While difficult to precisely quantify, each of these represent very real infrastructural costs.[37] Veterans do not live in a vacuum; the trauma they experience and disabilities they suffer are brought back to their homes and communities. So, for instance, if a veteran misses a counseling appointment with the VA, and the patient is deemed a suicide risk, this triggers an automatic wellness call by local law enforcement. When the estimated 50 percent of veterans who have been diagnosed with PTSD or combat-related depression engage in spousal or child abuse, the social services and law enforcement infrastructure is relied upon.[38] The law enforcement visits,

counseling sessions, incarceration, and legal (e.g., divorce) proceedings all count toward infrastructural costs that directly stem from the wars in Iraq and Afghanistan. Even those veterans who made it through these conflicts with no physical injuries or diagnosable ailments, state infrastructure comes into play when, upon being discharged, they find themselves competing for jobs in an unfavorable economy. In FY2011, "approximately 80 percent of the service members (178,957 individuals) separating ... were 34 years old or younger, a large percentage have not served long enough to qualify for retirement benefits and will have to seek civilian employment."[39] The job training and education benefits these veterans will need in order to find employment should also count toward war related costs. And then there are long term obligations to the veterans that the state will incur in the next 40-50 years, that is, when the Iraq and Afghanistan veteran population begins to retire and are looking for veteran-subsidized housing. Not to mention the fact that, in their later years, veterans will require more medical care for the diseases of aging that will be more severe or numerous as a result of war: at least one study shows "that combat veterans with PTSD were two to three times as likely to develop heart disease as those without and were in poorer overall health despite controlling for combat injuries."[40] Additionally, according to the VA, the threat of suicide increases as veterans age; "nearly 70 percent of all veterans who commit suicide are age 50 or older."[41]

I have described the infrastructural impact only of returning veterans. Private contractors and dishonorably discharged soldiers also fall back on the support of their communities.[42] The difficulty with quantifying the extent of non-veteran impact on local infrastructure is that there is very little data about civilian contractors, especially when they return to the states (outside of a few noteworthy cases).[43] Furthermore, double

counting may also be a problem since a sizable number of civilian contractors are also veterans.[44] As would be expected of those who also participate in battlefield-related activity, civilian contractors return to the US with similar ailments and disabilities as their military counterparts. T. Christian Miller explains that "No agency tracks how many civilian workers have killed themselves after returning from the war zones. A small study in 2007 found that 24 percent of contract employees from DynCorp, a defense contractor, showed signs of depression or post-traumatic stress disorder, or PTSD, after returning home. The figure is roughly equivalent to those found in studies of returning soldiers."[45] According to a recent RAND report on civilian contractors serving in "conflict environments" (i.e. Iraq and Afghanistan), "Twenty-five percent of contractors met criteria for probably PTSD. Moreover, 18 percent screened positive for depression, and 10 percent reported high-risk drinking."[46] PTSD rates for transportation contractors are as high as 50 percent.[47] Plus, as Wool elaborates in great detail with regard to veteran families, contractor families go through similarly harrowing and expensive experiences in caring for wounded family members when they return stateside.[48] In another article, Miller describes the case of Linda Lane, who had to live out of a hotel in Houston for nine months in order to support and advocate for her husband Reggie, a KBR truck driver who had suffered severe trauma in Iraq.[49] Even though the estimated $8.9 million in medical care that Reggie needs will be picked up by the federal government, the expenses that spouses like Linda Lane, and the people who help her, incur are not counted.[50] It stands to reason that returning contractors, who are not typically provided with the kind of reintegration infrastructure that veterans receive, should also count when considering the externalized costs of war borne by Texas.

Furthermore, this does not count the influx of asylum seekers and refugees from

Iraq and Afghanistan. While most of the cost of refugee reassignment is borne by the US Department of Health and Human Services, the cities that eventually become home to this transplanted population bear certain externalized costs. **Figure 2** shows the number of refugees from Iraq and Afghanistan that have settled in Texas between 2010 and 2013; "Before 2008, there was barely a trickle of Iraqi refugees into the United States. Only 202 people out of the millions who flowed across Iraq's borders during the civil conflicts of 2006, had been allowed to resettle here."[51] In these four years alone, Texas received roughly 8,361 refugees from Iraq and Afghanistan. Local officials in the cities where these refugees have settled express concern that city infrastructure will be strained to meet the demands of this unique population, which includes the ability to respond to 911 callers who speak numerous languages, and the assistance needed to support refugee school children who will begin learning English and integrating into a new culture.[52] Indeed, this population faces unique hurdles with regard to integrating into American life; not only do they face the to-be-expected challenges of learning a new language and culture, but many of them also may be dealing with PTSD and depression. In other words, they too must find support to overcome the devastation they left behind.

Figure 2: Number of Iraqi and Afghani Refugees in Texas

	2010	2011	2012	2013	Total
Iraqi Refugees Admitted	2119	622	2245	2,897	7883
Afghani Refugees Admitted	96	69	98	215	478

(Figure notes: see Texas Department of State Health Services "Refugee Health Screening Program Reports": https://www.dshs.state.tx.us/idcu/health/refugee_health/)

Texas Veterans Population Statistics

In 2012 the US Census Bureau estimated that 278,126 veterans were living in

Texas.[53] This makes up roughly 15 percent of the Texas veteran population, which totals 1,593,072.[54] What's more, "over half (51 percent) of the state's veteran population resided in … 10 counties [out of 254]."[55] This shows, as would be expected, that there is a strong concentration of veterans in and around Texas' major cities, which would suggest a greater impact on those cities' support service infrastructure.

Table 8 shows the estimated number of Gulf War Era II veterans living in Texas since 2005. There are no figures available for 2001-2004, though presumably the numbers were relatively low (by August 2003 the US had little more than 10,000 troops in Afghanistan; from March to April 2003, the US had 148,000 troops in Iraq). It appears cities and states were simply not tracking this information. The Census Bureau's figures do not provide specific information about Gulf War Era II veterans for the years 2005-2006; it does, however, provide demographic information that can reasonably be deduced to represent a sizable portion of the Gulf War Era II veteran population for those years: the demographic group of 18-34 year old veterans.

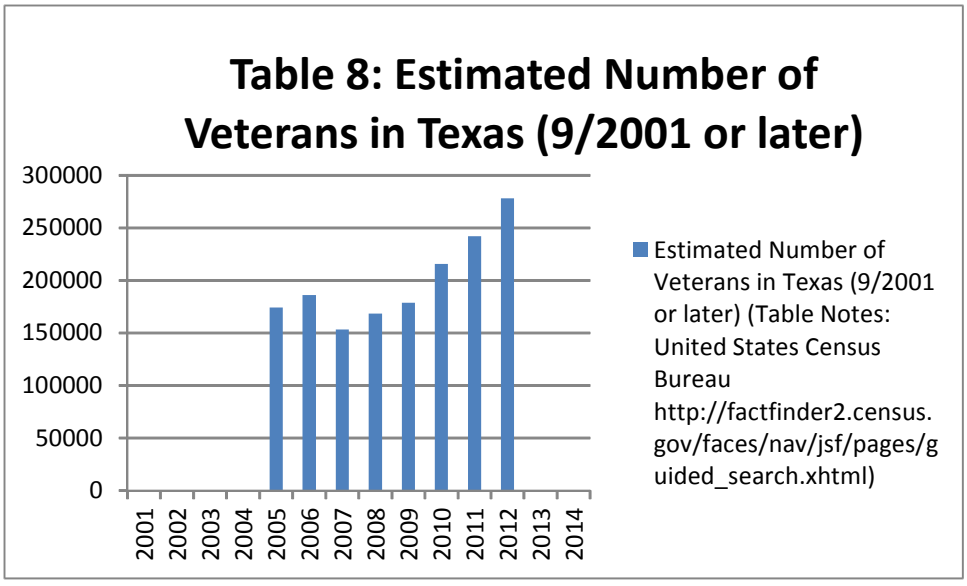


Table 9 looks at the influx of Gulf War Era II veterans in Bexar and Comal Counties (the two counties that make up the city of San Antonio). As was the case with **Table 8**, there are no figures available for the years 2001-2004. Likewise, for the years 2005-2006, the graph reflects the demographic group of 18-34 year old veterans. What this graph shows is the steady flow of veterans (more than 45,000 by 2012) reintegrating back into the second largest city in Texas. Many of these veterans will draw on not only federal and state infrastructure, but city support as well.

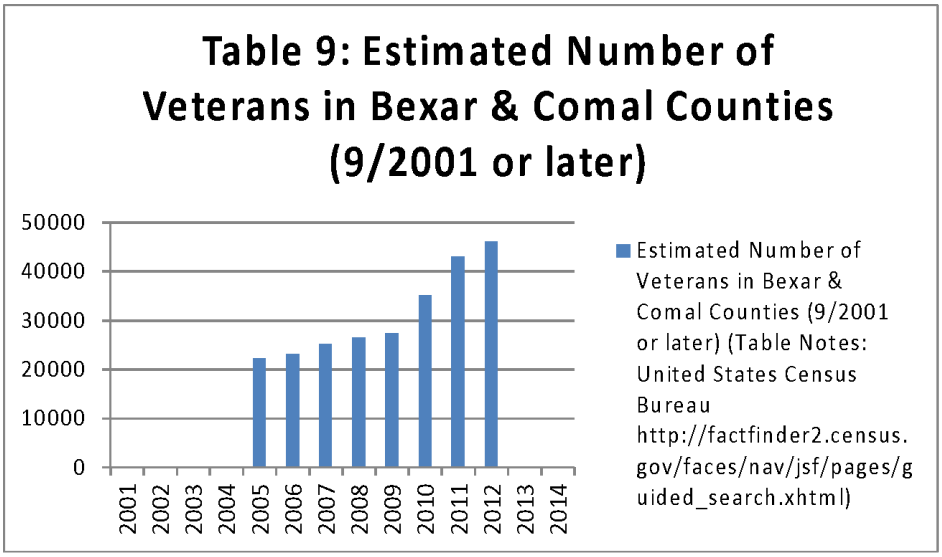


Table 10 shows the number of Gulf War Era II veterans who have reported a physical disability in 2011. This table does not indicate the number of veterans diagnosed with PTSD or combat-related depression. If this figure were included it would very likely exceed 70,000, that is, based on recent VA estimates which claim that nearly 30 percent of Iraq and Afghanistan veterans have been treated for PTSD.[56] Furthermore, the reported disability categories are not mutually exclusive. A veteran who suffers from a cognitive disability might have a hearing or vision difficulty as well. One final consideration about these figures is that they represent *reported* disabilities. One national survey of veterans

indicated that "More than 42 percent of veterans ... have never used VA health care" because they were "not aware of VA health care benefits."[57] A similar survey found that 43 percent of veterans did not seek care for a mental health related injury due to the widespread belief that treatment would adversely affect their careers.[58] And finally, a recent RAND report shows that between 70 and 73 percent of veterans between the ages of 18 and 44 (ranging from no to high levels of disability) rely primarily on some form of private insurance.[59]

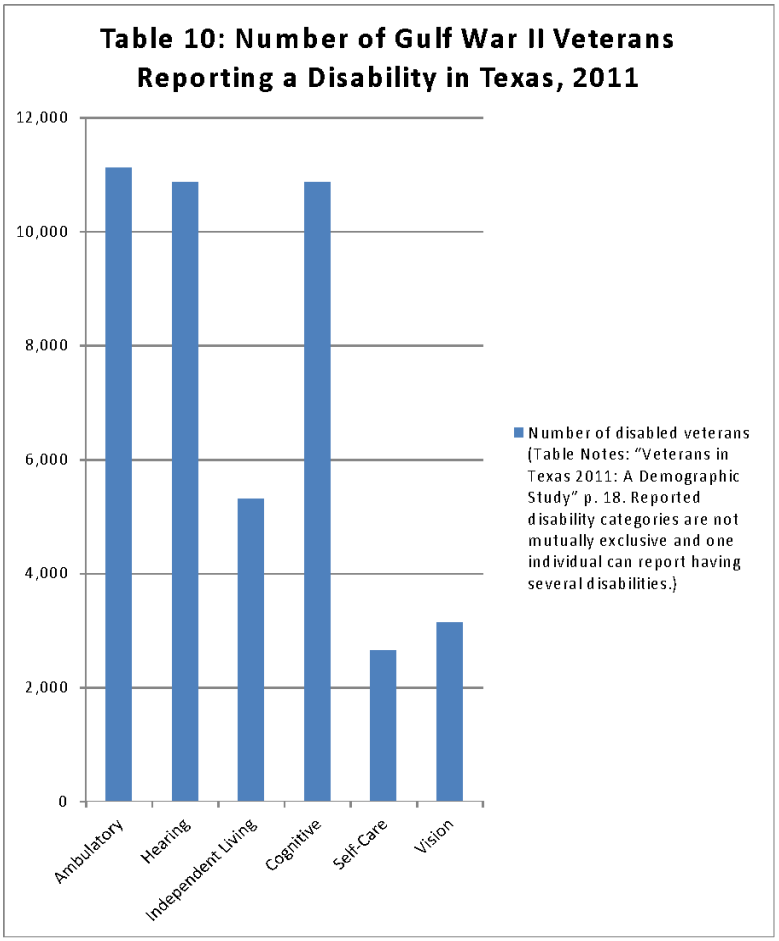
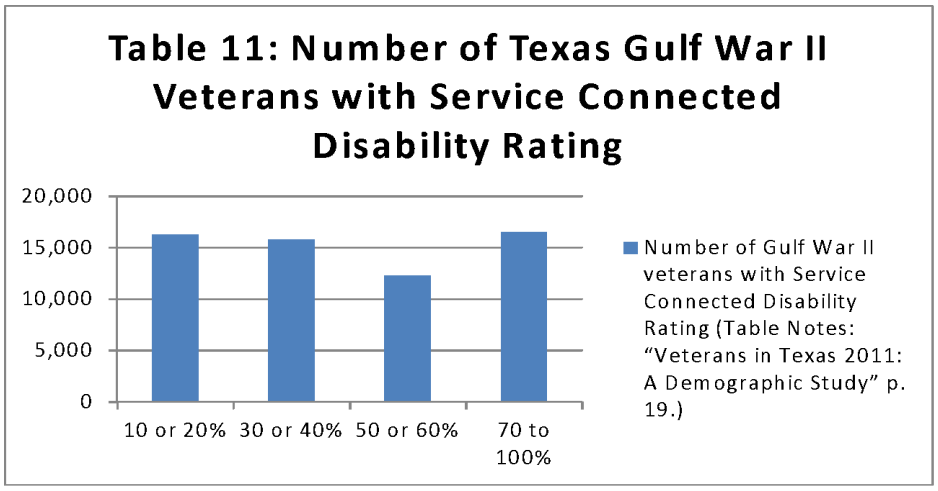


Table 11 shows that over 60,000 Texas veterans have been assessed to have a VA disability rating of 10 to 100 percent, which entitles them to some level of compensation.[60] As with **Table 10**, these figures only represent the number of veterans who have been

assessed by the VA. As indicated above, more than 42 percent of returning veterans have made no contact with the VA, which means that an untold number of veterans likely qualify for some level of disability rating.



Conclusion

There are many variables that make elusive a comprehensive estimated cost for the wars in Iraq and Afghanistan to the State of Texas—the long-terms cost of medical care and rehabilitation (which will likely balloon as veterans age), retirement costs, the annual lost revenue stemming from property tax exemptions, the long-term effects of PTSD which may lead to higher suicide and homelessness rates among veterans as they age, and the funds accumulated by all of the charities and non-profits that seek to address ongoing veteran need. We still know very little about the financial impact returning civilian contractors have on the state of Texas. Despite some small city-level expenses with regard to Veterans Courts, we also understand very little as to the impact Gulf War Era II veterans and contractors alike have on the judicial system and law enforcement agencies. This means that the roughly **$786.4 million** cost that this study has assessed for the State of Texas for its Gulf War Era II veterans must be seen as a minimum starting point.

1 Brian Smith is a PhD candidate in Boston University's Political Science Department.

2 According to the United States Census Bureau, this includes all the veterans who have served in both Afghanistan and Iraq from September 2001 to the present.

2 According to the United States Census Bureau, this includes all the veterans who have served in both Afghanistan and Iraq from September 2001 to the present.

3 This figure is the average cost per individual served by the agency. See "CRS Graphic Program Description for Fiscal year 2011" p. 2 http://www.dars.state.tx.us/drs/crs2011.pdf.

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5 In 2006, the Texas State Legislator transferred Veteran Employment Services (VES) to the Texas Veterans Commission (TVC). Later that same year, by executive order, Gov. Rick Perry transferred the Veterans' Education Program to the Texas Veterans' Commission. See Gov. Rick Perry's "Veterans' Policy Brief for 83rd Legislative Session." http://governor.state.tx.us/files/disabilities/Veterans_Policy_Brief_for_83rd_Legislative_Session.pdf.

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