

Proponent Testimony on House Bill 218

Joseph Boetsch, Johnson Controls

House State and Local Government Committee

May 20, 2020

Representative Wiggam, Ranking Member Kelly and members of the committee, thank you for the opportunity to testify today in support of HB 218 on behalf of Johnson Controls. My name is Joe Boetsch, Area General Manager for Johnson Controls, based here in Columbus, Ohio.

First, thank you to Representative Patton for his sponsorship of this legislation. Johnson Controls continues its strong support of public private partnerships as a model for procurement of public buildings and the authority granted under this bill.

Last June, my colleague and other industry proponents, testified in support of HB 218 before the committee. Since that time, I and others with Johnson Controls have engaged in several interested party conversations with multiple stakeholders including local government entities, organizations representing contractors, labor and industry stakeholders. The subbill before you today is a product of those interested party conversations with a diverse group of stakeholders.

The subbill improves upon the already strong framework under consideration, providing greater clarity and transparency to the P3 procurement process, while allowing public sector entities to take advantage of the benefits of P3 including guaranteed costs and schedule certainty for the construction and operation of the facilities.

P3s not only improve public sector assets, but serve as an economic stimulus through local job creation, getting people back to work in good paying jobs. In terms of efficiencies, value for money analyses have documented that a P3 approach can typically save a public agency between 10-25% of a facilities costs over the contract term as compared to a traditionally delivered building. All the while, risk for delivery is transferred to the project team so the public agency can stay focused on its primary mission – improving public service.

Furthermore, P3s can be a powerful and useful tool for public entities struggling to respond to needs and provide services while under financial constraints due to Covid-19. P3 leverages private capital into projects, helping alleviate the burden on cash-strapped government entities, delivering high-quality public. P3s can be structured so financing is not viewed as a debt service obligation for the public entity preserving its credit rating.

Johnson Controls is in full support of substitute HB 218 and we urge its swift passage as a new tool for public agencies to build or modernize their critical public infrastructure and stimulate economic activity. Public-private partnerships have a proven and growing track record of delivering projects faster, more cost efficiently, and with greater performance over the long-term.

Thank you, Members of the House State and Local Government Committee, for the opportunity to testify in support of HB 218. I would be happy to answer any questions at this time.