

Senate Bill 257 Proponent Testimony
Senate Community Revitalization Committee
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Chairman Landis, Vice Chair Chavez, Ranking Member Sykes, and members of the Senate Education Committee, thank you for the opportunity to speak with you today about Senate Bill 257. My name is Steve Tugend, I chair the Central Ohio Defense Group and am an attorney at Kegler Brown Hill + Ritter. In my capacity of the Chair of the Defense Group, I offer this testimony as a proponent of Senate Bill 257 sponsored by Senators Chavez and Johnson.

The Central Ohio Defense Group is an organization comprised of government, nonprofit and corporate members that is concerned about preserving and growing defense-related jobs in the Central Ohio Region. The members of the group include Columbus 2020, the City of Columbus, the Columbus Partnership, the Columbus Regional Airport Authority, the City of Canal Winchester, Battelle, the Columbus Chamber of Commerce, the City of Whitehall, the Mid-Ohio Regional Planning Commission, The Ohio State University, Franklin County, the Heath-Newark-Licking County Port Authority, and Kegler, Brown, Hill + Ritter.

The impact of Ohio's Department of Defense (DoD) employers in our region is significant. The DoD payroll for about 14,000 jobs is just under \$800 million annually and this yields an economic impact of about \$3 billion.

And we need to be vigilant in our protection of these jobs and resulting economic impact. Every few years, the Department of Defense undertakes a process known as Base Realignment and Closure (or "BRAC") where the country's military installations are evaluated using a cost benefit analysis. Those installations that score well are kept open or even expanded. Those that score poorly are closed. It has been since 2005 since the Pentagon last went through a BRAC process, so we believe that the next one is long overdue.

Increasingly, the Pentagon has indicated that one of the key evaluation criteria that will be considered in the next round of BRAC will be how military-friendly the installation's state laws are. Moreover, basing decisions are increasingly influenced by these criteria as well. It is for this reason that the Central Ohio Defense Group is interested in Senate Bill 257. In short, the legislation, if it becomes law, will make Ohio a more military-friendly state and, as a result, a more attractive site for military missions and jobs.

Senate Bill 257 modifies the Ohio Homebuyer Plus program by expanding eligibility for the savings program to include active-duty military members who reside in another state but are stationed in Ohio. This program was implemented in January of this year in collaboration between the offices of Governor DeWine and Treasurer Sprague to create specialized, tax-advantaged savings accounts to assist Ohioans with buying a home. Already, the program has resulted in nearly 7,700 accounts opened with over 30 financial institutions. It would send the

message that Ohio is a military-friendly state if active-duty military service members stationed here could participate in this program even if they reside in another state.

We appreciate the commendable sacrifices that our brave service men and women make, as well as their family members, having to move around the country and military bases around the world on a frequent basis. According to the Pentagon, military families relocate every 2 to 4 years, which can be very disruptive to these families and especially school age children who must adjust to new homes, new schools, new teachers, and new classmates. Passing Senate Bill 257 will encourage active-duty military service members and their families by providing an incentive to purchase a home in Ohio.

The Central Ohio Defense Group joins the U.S. Department of Defense in support of this legislation as good public policy to help make Ohio a more military friendly state. To the best of my knowledge it was never the intent of the Ohio Homebuyer Plus program to exclude active-duty military members in Ohio who reside in a different state, but closing this loophole will further strengthen this program in addition to encouraging military families to purchase homes in Ohio.

From my experience, the importance of the BRAC process necessitates that our state ensure that its military facilities have both the physical and legal infrastructure that is supportive of military missions. This proposed legislation advances that goal. The U.S. Department of Defense is more likely to locate military installations and maintain them in states that are supportive of those who have worn our country's uniform.

This bill helps over 6,700 active-duty military members who reside in Ohio and would like to stay in Ohio to raise their families and contribute to the workforce. It sends the message that military families are welcome here. When active-duty military members feel welcome in a state they will often want to stay in Ohio when they retire where they can use their military training and skills to benefit Ohio employers as taxpaying civilians. The least Ohio can do is to ease this barrier to help make our military families more welcome in this state and to better position us to attract and retain military jobs.

Chairman Landis and members of the committee, I thank you for the opportunity to provide this testimony.