

Testimony Submitted by: Matthew Herrmann
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On House Bill 98 Before the Maryland House of Delegates
Appropriations Committee
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Chairwoman MacIntosh and distinguished members of the Appropriations Committee, I appreciate the opportunity to submit testimony in support of House Bill 98 introduced by Delegate Brian Crosby. I am testifying today as a resident of Montgomery County Maryland but my employer does represent the Southern Maryland Navy Alliance (SMNA) on federal advocacy matters.

In short, the bill offered by Delegate Crosby would provide the State of Maryland with a powerful tool to support both the communities that surround our distinguished military installations and various military components throughout the state. His bill is modeled off similar legislation passed in the Commonwealth of Massachusetts in 2014. Then Governor Deval Patrick supported passage of a \$177 million military bond bill to support the 6 military installations in the Commonwealth and their surrounding communities. The impetus for his legislation in Massachusetts was a result of repeated loss of military missions and bases during previous base realignment and closure (BRAC) rounds coupled with dissatisfaction by the U.S. Air Force over state support for missions at Hanscom Air Force Base. Simply put, the Governor wanted a dedicated tool to address a range of issues needed to better support military installations across the Commonwealth. House Bill 98 seeks to establish a similar and important mechanism for the State of Maryland.

Maryland is home to many strategically important military installations and components of the Department of Defense (DoD). Our state benefited greatly from the last BRAC round in 2005 but, in the years since, Congress has resisted additional BRAC rounds. As result, DoD has adopted the use of what are referred to “stealth BRAC actions”. That phrase refers to efforts by the Department, as well as local communities, to attract new missions to military installations in their respective areas. Instead of one large and public process, there have been smaller efforts to realign missions across the country. This has created a sometimes fierce competition amongst communities country-wide to support their military installations and fortify, or grow, their missions because those missions promise jobs and economic development. I fear that we sometimes are complacent in Maryland due, in part, to our proximity to the National Capital Region as well as from our successes in 2005. However, we need to remain vigilant and we must remain aggressive in sustaining our current presence and look for targeted opportunities to grow missions where it makes sense. State leadership needs the tools to remain competitive and leverage opportunities for partnership.

The military bond bill legislation in Massachusetts offers insights into the potential benefits of House Bill 98 to Maryland. Massachusetts has leveraged its bond bill to fund efforts that range from energy audits to supporting renewable energy projects to addressing workforce development needs to constructing a new gate at Barnes Air National Guard Base as well as expansion of the APRON to support future fighter aircraft missions. The Massachusetts military bond bill has been successful in addressing a number of issues and given the Commonwealth an edge in attracting new missions. This point is never more evident than in the growth of Program Executive Office (PEOs) and missions at Hanscom AFB. Massachusetts’ Hanscom AFB went from being viewed as a liability to an installation valued by the U.S. Air Force due to its recognized potential to grow and support the new strategic needs. That turnaround

is due in large part to the use of the bond bill to address workforce development issues but also the proactive nature of the response from Massachusetts.

Over the past several years there has been a growing recognition that military installations do not just operate on their own but are part of the broader community surrounding them. Congress has continued to give authorities to DoD, as well as local communities, that encourage greater partnerships in number of ways. Specifically, Congress has authorized and funded two innovative programs that directly benefit local communities – the Defense Community Infrastructure Program (DCIP) and the Defense Manufacturing Community Support Program (DMCSP). In the case of DCIP, it's a program that can help local communities address infrastructure outside the gate but helps to support military mission and base value. But DCIP requires a local match. The bond bill could be a tool that helps local communities provide that match to the program and potentially even seek out regional infrastructure solutions. The Readiness and Environmental Protection Integration Program (REPI) is another tool that DoD uses to protect against encroachment at military installations and DoD training ranges all the while encourage environmental conservation. The Sentinel Landscape Program has a similar purpose but has recently been broadened to address climate resilience concerns. In order to be successful, these programs require partners that are willing to invest in specific actions. The military bond bill will give the state and local communities across Maryland an innovative tool to leverage these new helpful authorities.

Maryland is well positioned to avail itself of benefiting from the military presence. According to a 2016 report by the Maryland Department of Commerce and Towson University, the military has a total impact of over \$55 billion in economic activity in the State of Maryland and supports a total of nearly 400,000 jobs statewide. The Office of Local Defense and Community Cooperation in their 2020 Defense spending by state report - which takes into account additional factors - showcased Maryland as the number 4 state, nationwide, that benefits from defense spending. It also showcased that defense spending in the state accounts for 7% of the state's GDP. Overall, Maryland directly benefits from nearly 5.1% of all US defense spending in 2020. Those figures are powerful in highlighting the economic importance of the military presence in Maryland. Our military installations support a very important part of our state's economy and we must take all necessary steps to protect those assets.

Beyond protecting what we have now, we should also view this legislation as a tool to grow new missions that complement our state's broader economic development goals and initiatives. Maryland is widely recognized as a leader in research, development, test and evaluation. We have many DoD labs and many private sector companies that support cutting edge innovation that benefits our national security, and in many cases has dual use capabilities. The bond bill could be a tool for Maryland to harness its leadership in quantum and ensure we are the place DoD looks to for how quantum can be used responsibly in our national defense. It can be a tool that helps us to attract the intellectual talent and capital needed to support the new strategic guidance from DoD. House Bill 98 allows us to go on the offense instead of hoping and praying that we will attract these new missions.

Finally, House bill 98 would establish a clear process for determining priorities for utilizing the bond bill, which is different from many states' hodgepodge approach to addressing DoD needs. The bill would also solidify the importance and grow the role of the Maryland Military Installation Council (MMIC). We cannot lose focus that there may be a future BRAC round and Maryland should harness a range of tools to protect its military equities while positioning itself to hopefully grow its missions, solidifying economic opportunity across the state. I applaud Delegate Crosby for taking a best practice in Massachusetts and

adopting it for Maryland. We must keep pace and we must remain aggressive in protecting and looking to grow military missions in the state. The economic impact is significant and cannot be ignored.

I appreciate your consideration of my testimony and urge swift passage of House bill 98.