

Testimony

Senate State Government Committee

House State Government Committee

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Department of Military and Veterans Affairs

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Good morning Chairman Folmer, Chairman Williams, Chairman Everett, Chairman Boyle and the members of the Senate and House State Government Committees

Thank you for allowing me the opportunity to speak with you and to explain how this legislation, proposed by the Department of General Services (DGS), will positively impact the Department of Military and Veterans Affairs (DMVA). I would also like to thank Secretary Topper and his team for their support of DMVA's real estate operations and partnering with us in providing the most cost efficient and effective solution.

DMVA manages a robust portfolio of facilities and properties throughout the commonwealth. In addition to our six Veteran Homes, Fort Indiantown Gap and six Air National Guard facilities, we also manage 86 readiness centers and 18 maintenance facilities for the Army National Guard, which are located in 57 counties. Since 2013, DMVA has sold 24 obsolete facilities, which has generated \$6.8 million in gross revenue for DMVA. The proceeds of these sales are returned to the State Armory Treasury Fund and used to offset maintenance costs associated with our facilities. On average, it took in excess of 26 months to get legislation passed authorizing the sale of the facilities, resulting in a cost to carry of \$1.1 million. This cost resulted in a net revenue of only \$5.7 million for DMVA. This cost to carry represents approximately 48% of what is required to conduct maintenance at our readiness centers. With the minimal funding DMVA receives for maintenance, proceeds from the sale of armories are critical for DMVA to meet federal maintenance requirements on our remaining facilities.

This cost to carry creates an extra burden on DMVA not just in dollars but also in manpower. These empty facilities must be maintained if we hope to sell them. Among other things, we must divert our employees to maintain these vacant buildings, cut grass, remove snow, and continually check the security and mechanical systems of the facilities. As a result, we must delay maintenance in operational facilities that are occupied to take care of empty buildings.

Once legislation authorizing the sale of an armory finally passes, on average it takes another ten months to list and close on the property, which further increases the cost to carry.

To reiterate Secretary Topper's statement: Time is in fact money.

Lifting these antiquated and unduly burdensome statutory requirements will allow DMVA to conduct business in a more efficient manner and better support the communities across the commonwealth. I would like to cite a current unresolved issue that exists due to the restrictions

currently in place. The Borough of Plymouth has requested an agreement with DMVA to improve their storm water management system. This system crosses the property of one of our readiness centers. After analysis by our engineers, I approved this request. The only way to proceed with granting the Borough's request is to allow a conveyance of a permanent easement, which will require legislation. The Borough has a grant for the project that must be executed by the end of the year or they lose the funding. DMVA values the relationships that we have with the communities we reside in, and we do everything within our power to ensure these relationships stay positive. This example is unfortunately another situation lacking resolution due to the current laws.

DMVA frequently needs to convey facilities to municipalities, work with utility companies for public line service agreements and lease facilities to organizations. With the current rules in place, these seemingly simple tasks take an inordinate amount of time to complete due to the restrictions placed on DMVA and DGS. In many cases, these requirements add additional costs for DMVA. By approving the proposed legislation, it will allow DMVA to work more efficiently with DGS in supporting our mission requirements, supporting our local communities, but most of all, being better stewards of the public's money.

I again want to thank you for allowing me to testify today and look forward to answering any questions you may have.