

Welcome

Virginia Military Advisory Council

22 July 2021

1300 – 1500

Virginia War Memorial

The Honorable Kathleen T. Jabs
Acting Secretary of Veterans & Defense Affairs

Agenda

- 1300 – 1310** **Welcome / Opening Remarks**
The Honorable Kathleen Jobs
Acting Secretary of Veterans and Defense Affairs
- 1310 – 1330** **Update: Blueprint Virginia 2030**
Barry DuVal, President & CEO
Virginia Chamber of Commerce
- 1330 – 1350** **Virginia Department of Veterans Services: Your Port of Entry**
John M. Maxwell, Commissioner
Virginia Department of Veterans Services
- 1350 – 1410** **Federal Update & Grow the Military Mission**
John Simmons, Managing Partner, The Roosevelt Group
Charlie Perham, Vice President, Matrix Design Group
- 1420 – 1450** **Commanders' Updates**
- 1450 – 1500** **Closing Remarks**
The Honorable Kathleen Jobs

Opening Remarks

The Honorable Kathleen T. Jabs

Acting Secretary of Veterans & Defense Affairs

Blueprint Virginia 2030

Barry DuVal

President & CEO

Virginia Chamber of Commerce

VIRGINIA CHAMBER

THE VOICE of BUSINESS



Blueprint Virginia 2030 Overview **Virginia Military Advisory Council** Barry DuVal, President & CEO

OUR VISION

Our **VISION** is to be the **voice of the Virginia business** community and the most influential business advocacy organization in the Commonwealth.

OUR MISSION

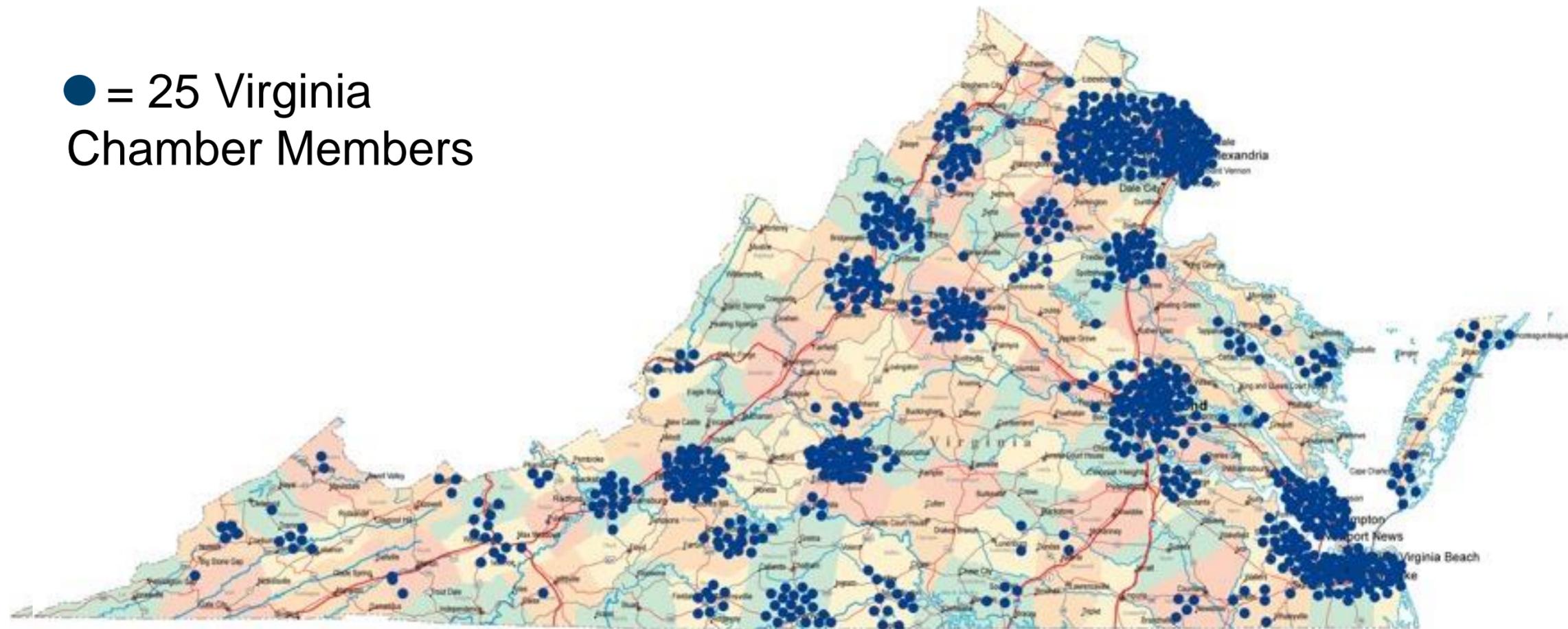
Our **MISSION** is to be the leading **non-partisan** business advocacy organization that works in the **legislative, regulatory, civic and judicial** arenas at the state and federal level to be a force for long-term economic growth in the Commonwealth.

VIRGINIA CHAMBER MEMBERS

2010
1,000

2021
27,821

● = 25 Virginia Chamber Members





STRATEGIC PLAN

- Strengthen Virginia's reputation as the **best state** in which to do business.

WHY VIRGINIA?: TOP STATE FOR BUSINESS

2021



AMERICA'S **TOP STATES** FOR BUSINESS

Richmond Times-Dispatch

Top this! Virginia still No. 1 state for business in CNBC survey – first state to win coveted title twice in a row

virginia
BUSINESS

Virginia ranked CNBC's Top State for Business again

State is the first to be awarded No. 1 ranking five times

WHY VIRGINIA?

#1  **WalletHub** 2020
Best Public
Schools in
the South

#2  **smartasset** 2020
Best State
for Higher
Education



2020 NATIONAL RANKINGS

Cybersecurity Leaders	
1	VIRGINIA
2	TEXAS
3	MARYLAND
4	COLORADO
5	LOUISIANA
6	NEW YORK
7	GEORGIA
8	CALIFORNIA
9	MICHIGAN
10	UTAH

Workforce Development/Talent Attraction	
1	LOUISIANA
2	ALABAMA
3	VIRGINIA
4	GEORGIA
5	TENNESSEE
6	TEXAS
7	FLORIDA
8	NORTH CAROLINA
9	NEW MEXICO
10	COLORADO

Best Business Climate	
1	TEXAS
2	VIRGINIA
3	TENNESSEE
4	ALABAMA
5	NORTH CAROLINA
6	INDIANA
7	GEORGIA
8	FLORIDA
9	UTAH
10	MISSISSIPPI

Digital Infrastructure	
1	VIRGINIA
2	TEXAS
3	ARIZONA
4	ILLINOIS
5	NEVADA
6	WASHINGTON
7	CALIFORNIA
8	MARYLAND
9	COLORADO
10	NEW YORK

VIRGINIA RANKED 5th MOST INNOVATIVE STATE - 2021

W

WalletHub®

Overall Rank* ⚡	State	WalletHub State Innovation Index ⚡	Human Capital ⚡	Innovation Environment ⚡
1	Massachusetts	78.58	2	1
2	District of Columbia	75.16	1	5
3	Washington	69.83	6	3
4	Maryland	69.80	4	4
5	Virginia	66.88	3	9
6	Colorado	66.43	5	7
7	California	65.54	7	2

VIRGINIA RANKED #1 STATE FOR MILITARY RETIREES



WalletHub[®]

2021 Best States for Military Retirees

Overall Rank ↕	State	Total Score ↕	Economic Environment ↕	Quality of Life ↕	Health Care ↕
1	Virginia	61.05	5	5	12
2	South Carolina	59.88	14	2	16
3	Florida	59.87	15	4	13
4	South Dakota	59.79	3	24	4
5	Alaska	58.27	1	7	33

U.S. NEWS RANKS BEST STATES FOR 2021

10 Best States in America:



1. Washington
2. Minnesota
3. Utah
4. New Hampshire
5. Idaho
6. Nebraska
7. Virginia
8. Wisconsin
9. Massachusetts
10. Florida

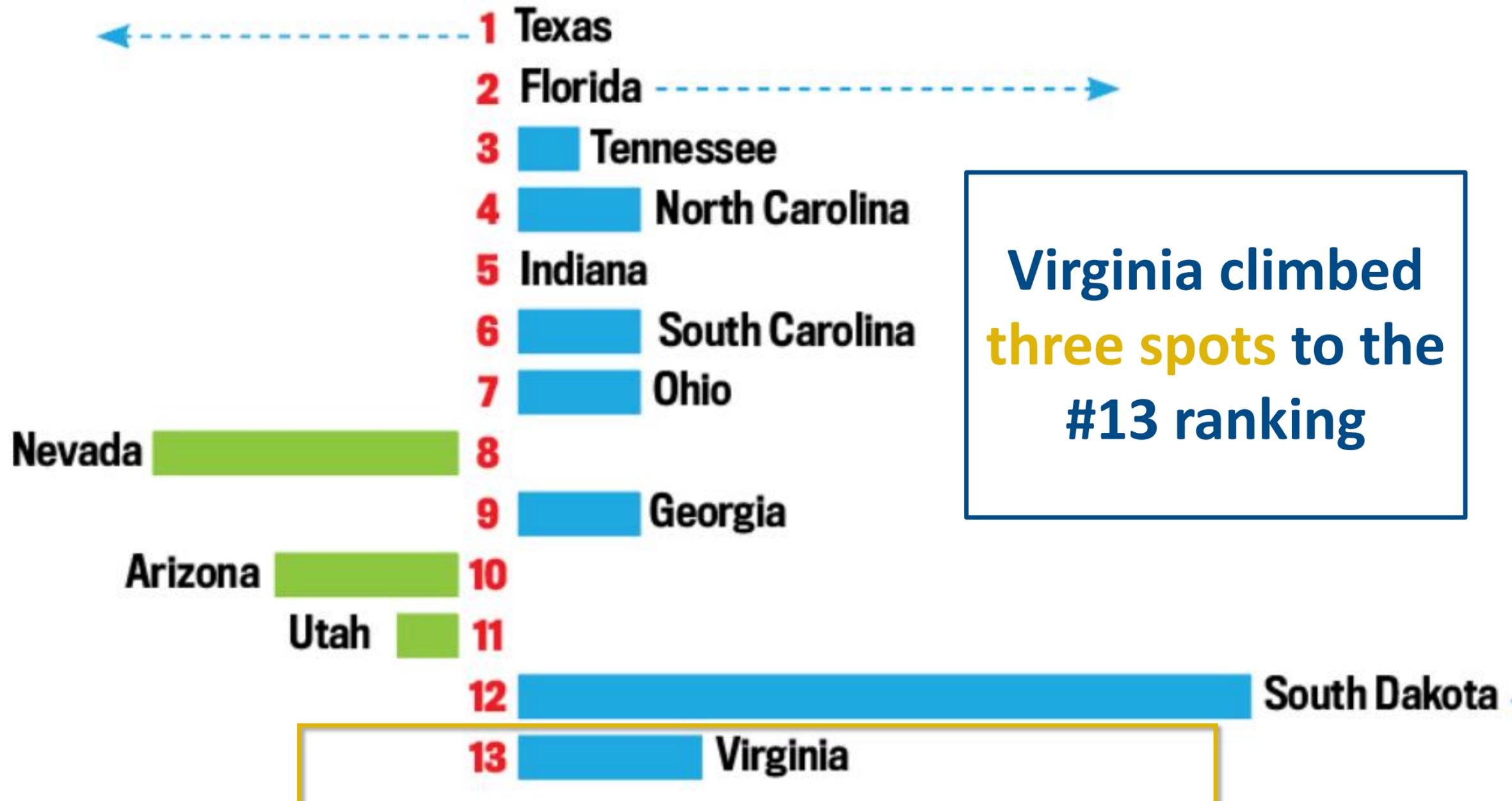
On Equality, Virginia Ranks #5 in The Nation:

- Education Gap by Race
- Employment Gap by Disability Status
- Employment Gap by Race
- Income Gap by Gender
- Income Gap by Race
- Labor Force Participation Gap by Gender

2021 CHIEF EXECUTIVE RANKING - #13

Chief Executive **RANKING 2021 BEST & WORST STATES FOR BUSINESS**

<<LOSS FROM 2020 **RANK** GAIN FROM 2020>>



WHY VIRGINIA? – TECH ECOSYSTEM

A Large and Diverse Tech Ecosystem

Illustrative Examples of Tech Headquarters and Centers in Virginia

Technology businesses relocating or expanding into Virginia join world-class tech leaders like Amazon, Microsoft, Google, and Facebook, as well as companies in emerging sectors such as artificial intelligence/machine learning (AI/ML), FinTech, Manufacturing Tech, and Software-as-a-Service (SaaS). According to CyberSeek, Virginia is also home to the second largest cybersecurity sector in the country.



Central Virginia



Shenandoah Valley



Greater Richmond



Roanoke Region

New River Valley



Southwest Virginia

181-177 Crossroads

Southern Virginia

Lynchburg Region

Lynchburg Region



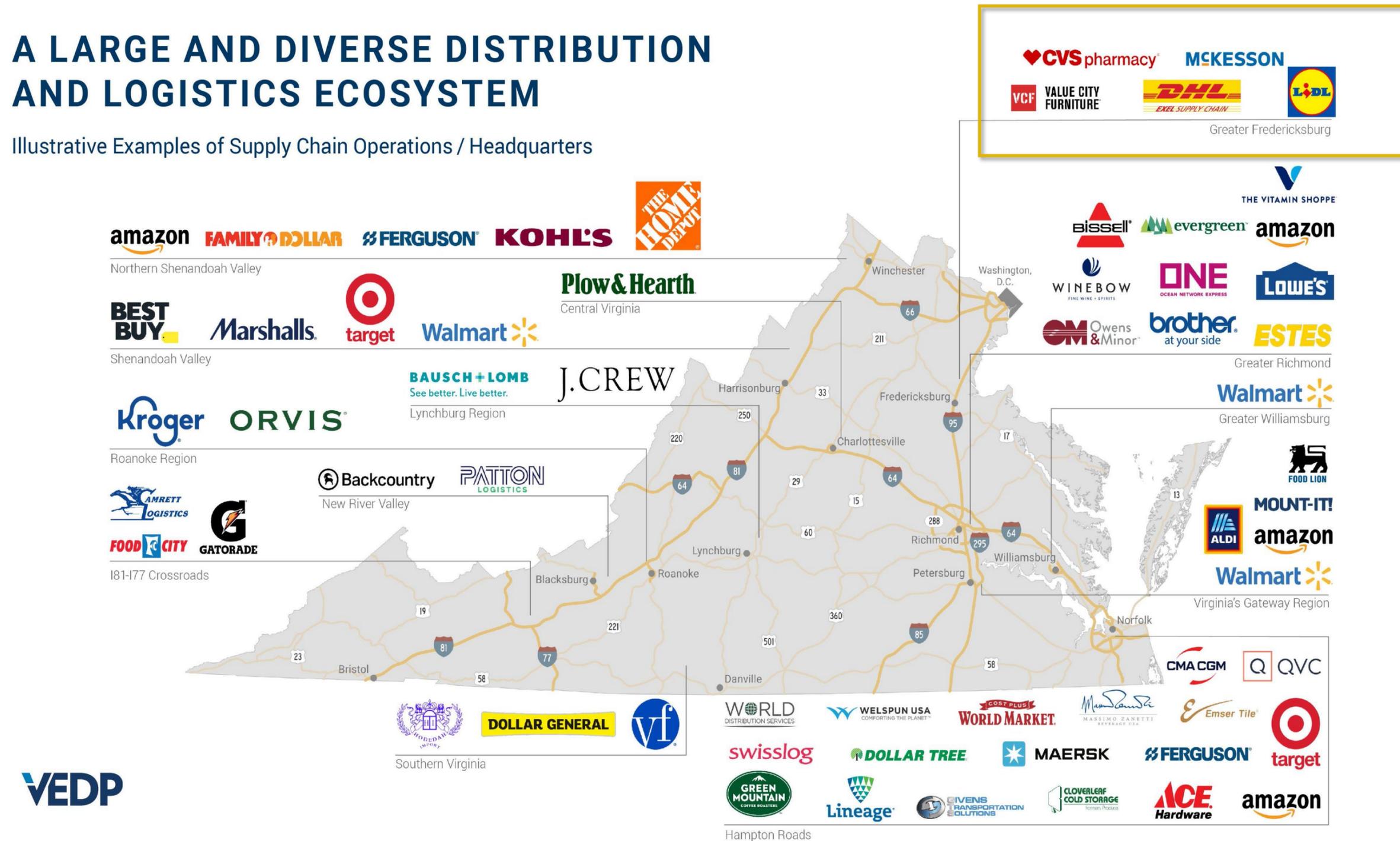
I-95 I-85 Intersection

Hampton Roads

WHY VIRGINIA? – DISTRIBUTION & LOGISTICS ECOSYSTEM

A LARGE AND DIVERSE DISTRIBUTION AND LOGISTICS ECOSYSTEM

Illustrative Examples of Supply Chain Operations / Headquarters



VA CHAMBER FOUNDATION

BLUEPRINT VIRGINIA

BLUEPRINT VIRGINIA



2013 Virginia Economic Summit | November 29, 2013

BLUEPRINT VIRGINIA 2025



2017 Virginia Economic Summit | December 1, 2017

BLUEPRINT VIRGINIA 2025

COMPETITIVE AREAS OF FOCUS



WORKFORCE AND EDUCATION

Ensure Virginia has a highly-skilled and well-trained workforce for the short- and long-term needs of employers



BUSINESS CLIMATE

Strengthen and secure a competitive business climate and foster economic development throughout Virginia and its diverse regions



TRANSPORTATION

Improve how Virginia moves its people and goods throughout the state by embracing all modes of transportation



HEALTH CARE

Build a world class system of health care that addresses access, quality, and cost for Virginia's employers



ENERGY

Ensure access to affordable, reliable, and secure energy in the Commonwealth



INNOVATION AND TECHNOLOGY

Create an ecosystem that fosters new business formation through innovation, research, commercialization, and investment



ADVANCED MANUFACTURING

Grow Virginia's advanced manufacturing industry



CORPORATE SUSTAINABILITY AND ENVIRONMENT

Champion a framework that balances economic growth and stewardship of Virginia's natural resources



MILITARY AND VETERANS AFFAIRS

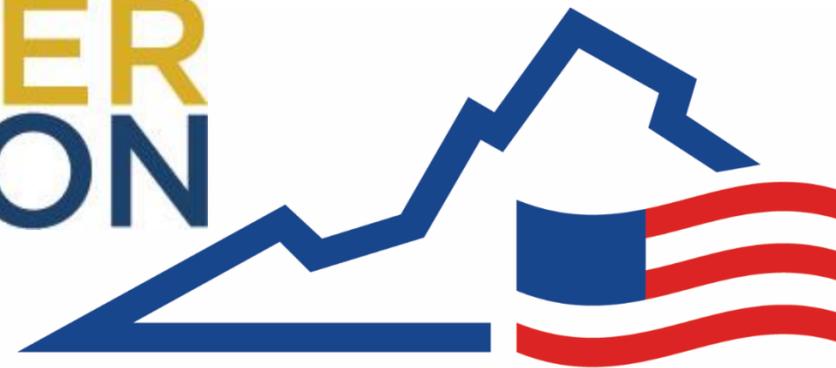
Strengthen Virginia's veteran talent pipeline and protect our military assets

VETERANS PROGRAMMING



A JOINT INITIATIVE BETWEEN:

VA → **CHAMBER**
FOUNDATION



Virginia Department of Veterans Services
Virginia Transition Assistance Program

VETERANS PROGRAMMING



- Brings together transitioning service members, veterans, military spouses and business representatives for professional development and career networking
- Connects service members to V3 companies and Chamber members seeking to hire veterans and spouses
- Monthly networking events held in partnership with military installations

VETERANS PROGRAMMING



PARTNER INSTALLATIONS

FORT LEE
MARINE CORPS BASE QUANTICO
FORT BELVOIR
JB LANGLEY-EUSTIS
JB MYER-HENDERSON HALL
NAVAL STATION NORFOLK
NAS OCEANA

VETERANS PROGRAMMING



FALL 2021 SCHEDULE

September 30th - FORT LEE

October 27th - JB LANGLEY-EUSTIS

November 4th - JB MYER-HENDERSON HALL

November - NAVAL STATION NORFOLK

VETERANS PROGRAMMING

HIRE VETS NOW 2018 – 2020 SUMMARY

Expanding Employment Opportunities for Virginia's Military Community



2900

TRANSITIONING
SERVICE MEMBERS



600

VIRGINIA
EMPLOYERS



28

EVENTS

ECONOMIC CHALLENGES

COVID-19 IMPACT ON UNEMPLOYMENT

The U.S. is **8 million jobs** short of the number before the pandemic erupted.

Nationwide, with over **\$12.2 billion** in benefits paid:

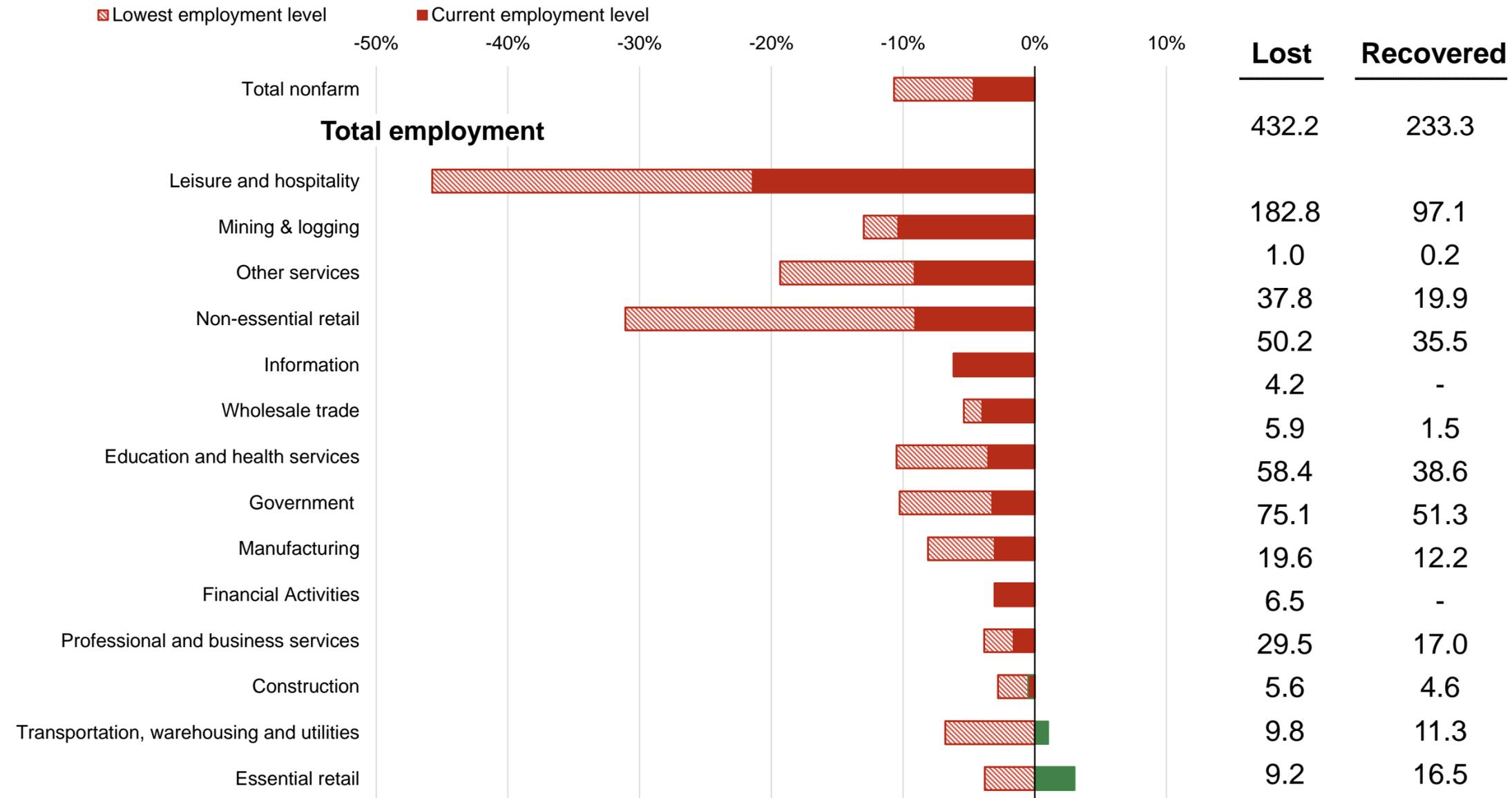
- **1.5 million Virginians** filed for unemployment because of COVID.
- That's almost **20%** of Virginia's total population
- and over **1000% increase** in claims filed from the previous year.

The number of small businesses open in Virginia
decreased by 31.2%

DESPITE IMPROVEMENTS SINCE APRIL 2020, VA EMPLOYMENT REMAINS BELOW FEBRUARY 2020 LEVELS IN MOST MAJOR SECTORS

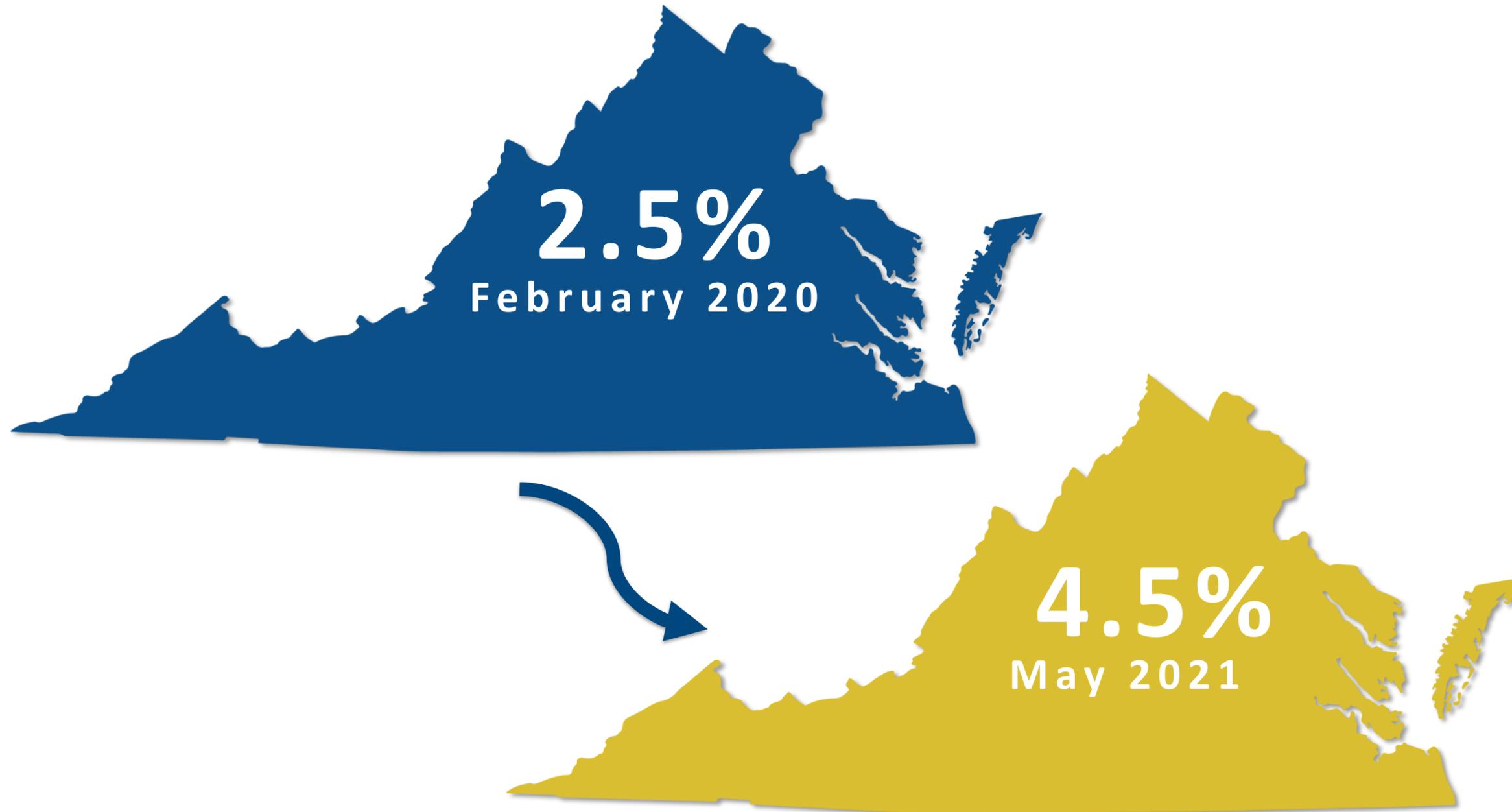
Virginia employment change since January 2020 by major sector
 % non-farm payroll employment change from Jan '20 – Feb '21, not seasonally adjusted

Change in # jobs since Jan.
 Thousands of jobs



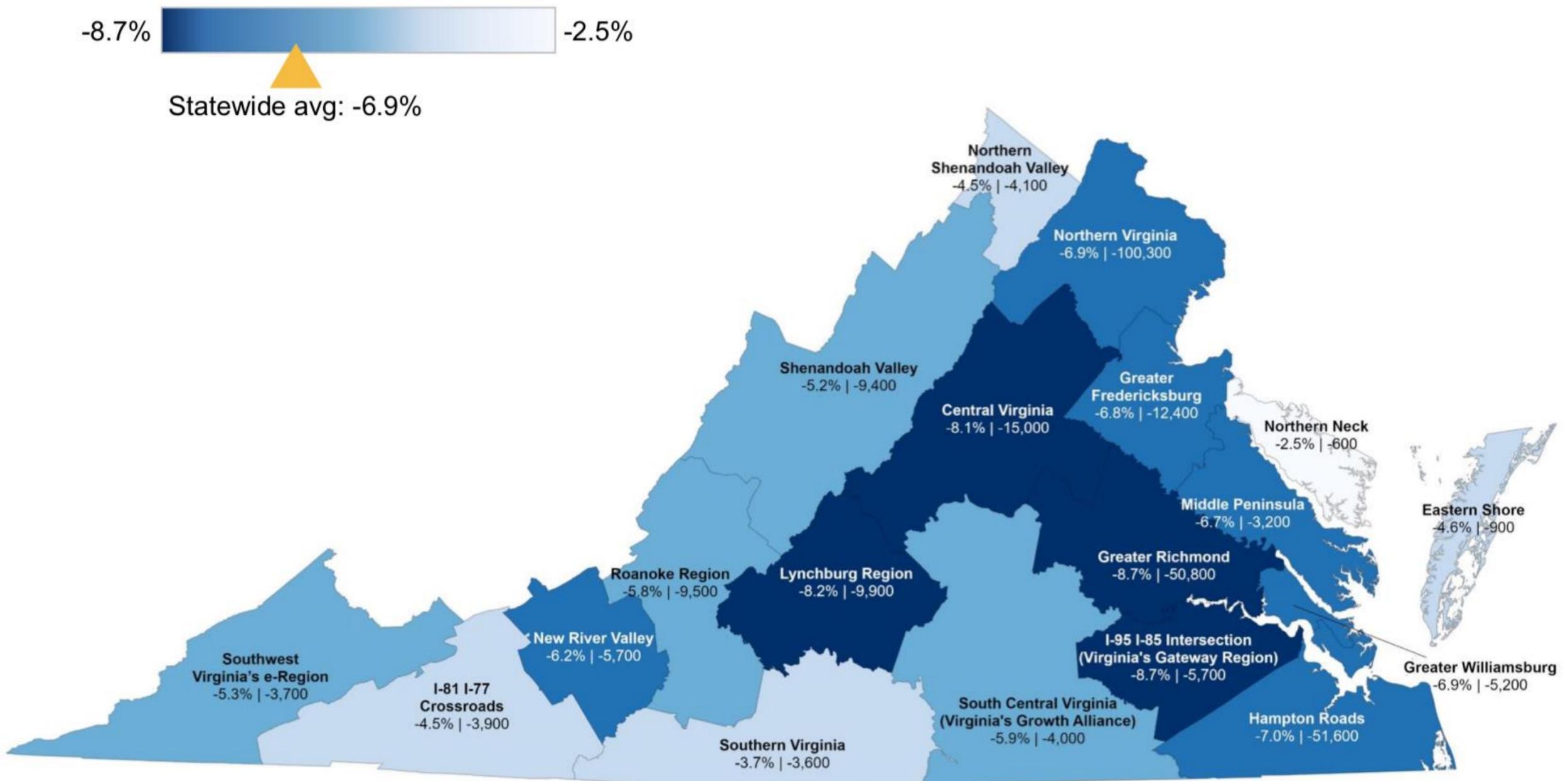
¹Essential / non-essential retail employment change based on assumptions from national trends due to lack of data at state level
 Source: Current Employment Statistics

COVID-19 IMPACT ON VIRGINIA UNEMPLOYMENT



VIRGINIA HAS SEEN PROGRESSIVE RECOVERY OF JOBS LOST, BUT NOT ALL REGIONS HAVE RECOVERED TO THE SAME EXTENT

Employment change from Feb '20 - April '21
 % | absolute employment change, not seasonally adjusted



BLUEPRINT
VIRGINIA

A Business Plan for the Commonwealth

NEXT STEP:

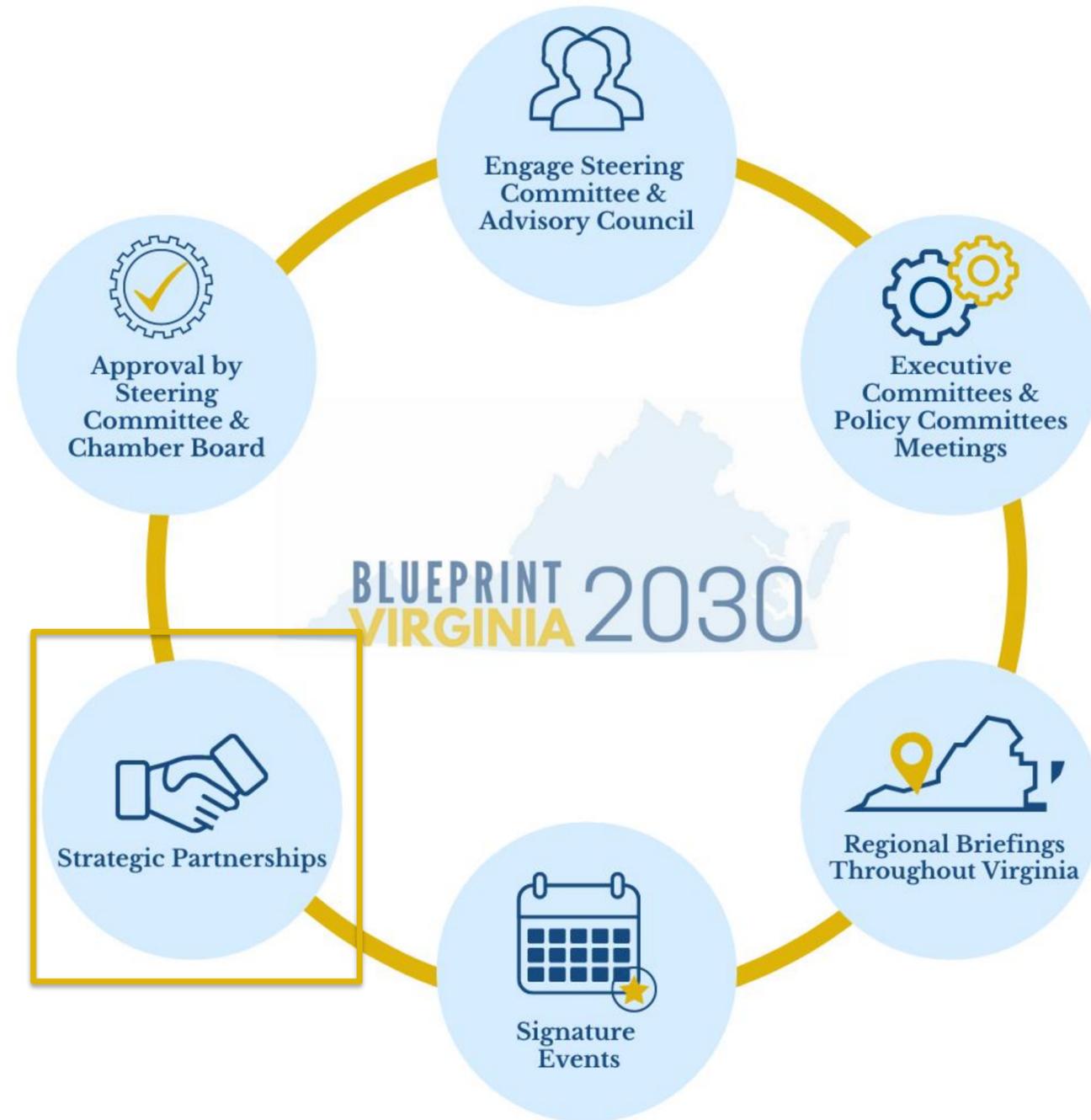
BLUEPRINT VIRGINIA 2030

*A Business Plan for
the Commonwealth*

VIRGINIA
CHAMBER

THE VOICE of BUSINESS

BLUEPRINT VIRGINIA 2030: THE PROCESS



BLUEPRINT VIRGINIA 2030 SIGNATURE EVENTS

SIGNATURE EVENT SCHEDULE

Virginia Conference on Corporate Sustainability & Energy Diversity

May 20, 2021

VIRTUAL

Virginia Health Care Conference

June 3, 2021

VIRTUAL

Virginia Veterans and Military Affairs Conference

September 15, 2021

VIRTUAL

Virginia Education and Workforce Conference

October 2021

LOCATION TBD

12th Annual Virginia Economic Summit

December 3, 2021

LOCATION TBD



BLUEPRINT
VIRGINIA 2030

EXPANDING ECONOMIC OPPORTUNITY FOR MILITARY
FAMILIES THROUGH THE POWER OF PARTNERSHIPS

2021 **VIRGINIA** VETERANS AND
MILITARY AFFAIRS CONFERENCE

JUNE 3, 2021 | VIRTUAL | WWW.VACHAMBER.COM

Panel Presentations

Innovating the Workplace for Military Spouses

As we navigate a changing workplace following the pandemic, Virginia is doubling down on its efforts to support our military spouses. Our panel of spouses will share their experiences in the workforce and how the business community can make a difference in transforming career opportunities for this deserving population.

Virginia: The Best State for Military Families

Through the power of partnerships, Virginia is strengthening its reputation as the best state in the nation for military families. Hear from leading employers on how the Commonwealth can support our military families through the challenges of transition with top-ranked schools, a robust economy, strong communities and a high quality of life.



BLUEPRINT VIRGINIA 2030
Military and Veterans Affairs

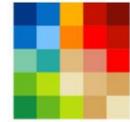
MILITARY AND VETERANS AFFAIRS EXECUTIVE COMMITTEE

IN PARTNERSHIP WITH



CHRIS DOSS, SENIOR DIRECTOR OF OPERATIONS, US CARD, ENTERPRISE SPECIALTY SERVICING, CAPITAL ONE
CO-CHAIR, MILITARY AND VETERANS AFFAIRS EXECUTIVE COMMITTEE

SULTAN CAMP, MILITARY LIAISON STRATEGIC RECRUITER, NEWPORT NEWS SHIPBUILDING
CO-CHAIR, MILITARY AND VETERANS AFFAIRS EXECUTIVE COMMITTEE



Altria



BANK OF AMERICA



Dominion Energy



JPMORGAN CHASE & CO.



BLUEPRINT VIRGINIA 2030 MAJOR THEMES

- **Protecting and Leveraging Our Military Assets and Communities**
- **Connecting Veterans and Their Spouses to Jobs**
- **Preparing Veterans and Spouses for Civilian Careers**
- **Serving Our Military Families**

EXECUTIVE COMMITTEE SURVEY KEY TAKEAWAYS

- Establish the Commonwealth as the lead state in the country in **reducing military spouse unemployment** and underemployment
- Address barriers to spouse employment - affordable **childcare**, **flexible working arrangements** and **discrimination** in hiring
- Support efforts to improve childcare options for military and veteran families including a **potential tax credit for employers** that hire military spouses and/or provide childcare benefits

EXECUTIVE COMMITTEE SURVEY KEY TAKEAWAYS

- Support the **transition journey** for all military families
- Continue to educate business leaders and hiring managers on the **value of employing members of the military community**
- **Provide clearly defined and easy to use pathways** for TSMs, veterans, and spouses to prepare for and seek employment
(navigate sea of goodwill)

EXECUTIVE COMMITTEE SURVEY KEY TAKEAWAYS

Strengthen Support to Military Families

- Improve **access to quality health care**, including mental and behavioral health services
- **Raise mental health awareness** and make Virginia a model state for mental health issue advocacy and action for veterans and the civilian community

EXECUTIVE COMMITTEE SURVEY KEY TAKEAWAYS

Strengthen Support to Military Families

- Target strategies to improve **affordable housing** and home ownership options for military families
- Expand opportunities for veterans and spouses to gain access to **training and education for careers** in high demand fields

MILITARY & VETERANS AFFAIRS

BLUEPRINT OUTREACH TO STAKEHOLDER GROUPS

PARTICIPATE IN THE BLUEPRINT VIRGINIA SURVEY PROCESS

FOR MORE INFORMATION, CONTACT
CYNDI MIRACLE AT C.MIRACLE@VACHAMBER.COM

MILITARY & VETERANS AFFAIRS

ACTION ITEM: HOW CAN BUSINESS COMMUNITY HELP?

OPTIONS FOR ENGAGING MILITARY LEADERSHIP:

- Convene small groups to gather input on needs of military community (virtual or in-person)
- Schedule visits to installations
- Designated Points of Contact

VIRGINIA CHAMBER

THE VOICE of BUSINESS



Blueprint Virginia 2030 Overview **Virginia Military Advisory Council** Barry DuVal, President & CEO

Virginia Department of Veterans Services: Your Port of Entry

John Maxwell

Commissioner

Virginia Department of Veterans Services



Virginia Department of Veterans Services

Your Port of Entry

Presentation to the:

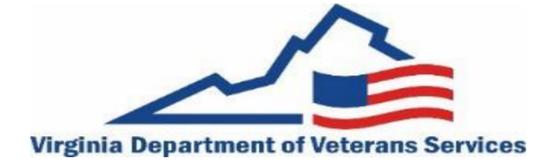
Virginia Military Advisory Council

July 22, 2021

Commissioner John Maxwell



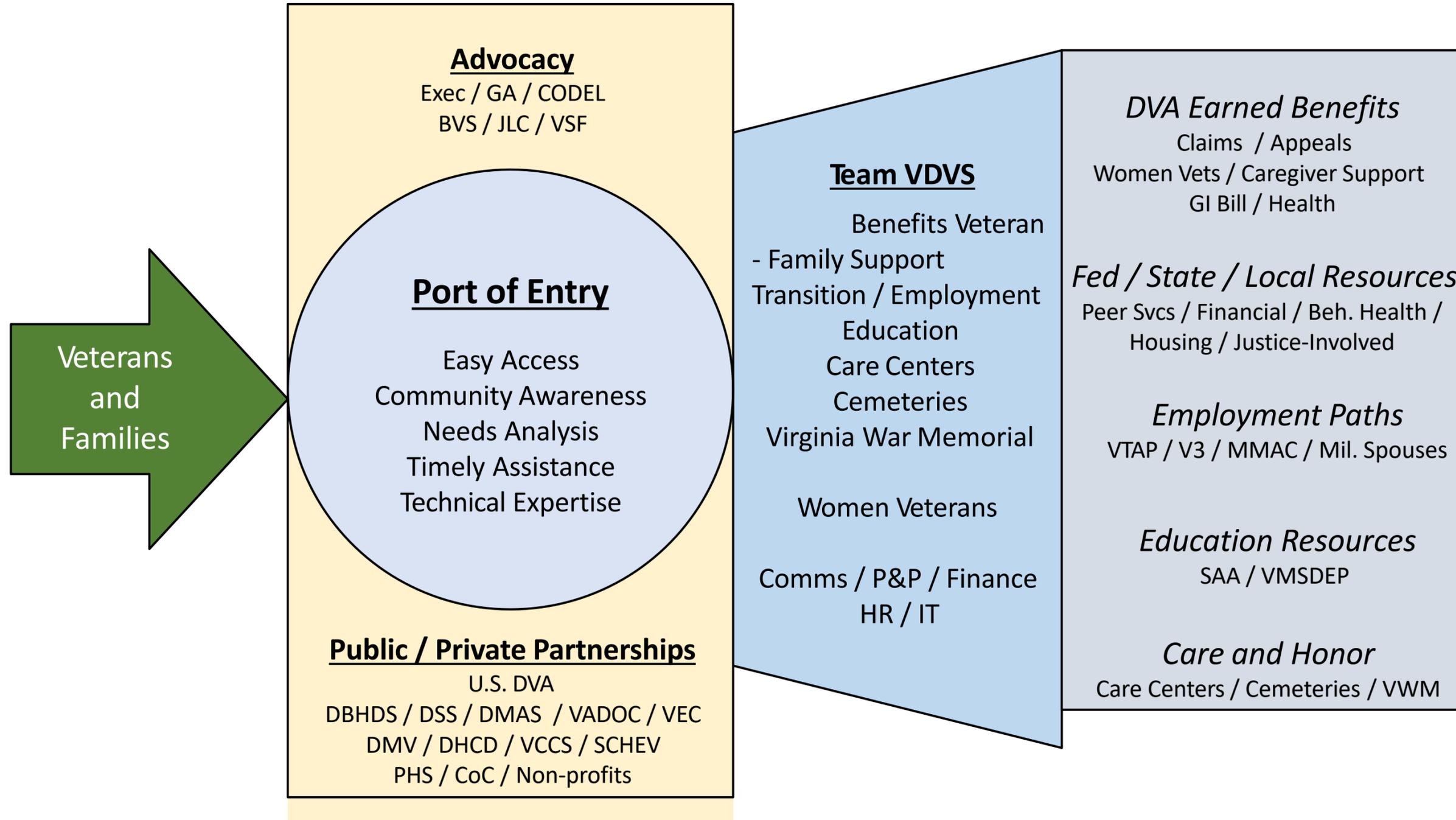
Serving Virginia's Veterans and Families



- By the numbers
 - 721,000+ veterans; 108,000 women veterans
 - 158,000+ military retirees
 - 4th highest % of veterans in the labor force
 - 4th highest in veteran working age population
 - 4.5% poverty rate, which makes Virginia the lowest in the Nation
- 21,210 transitioning service members annually
 - 15,544 TSMs - Hampton Roads
 - 954 TSMs - Central Virginia
 - 4867 TSMs - NORVA

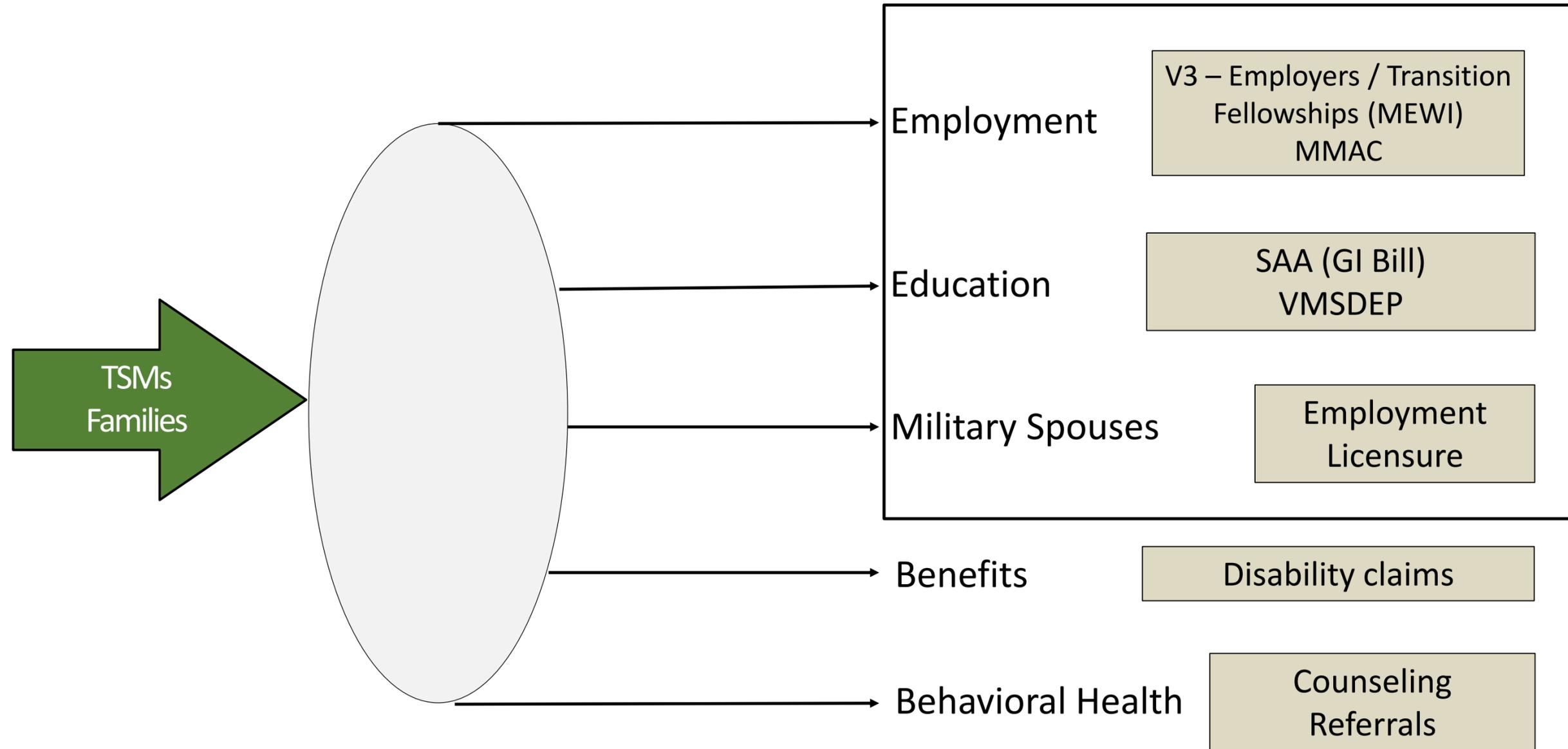


Port of Entry to Services





Transition & Employment



V3 – Virginia Values Veterans

MEWI – Military Education Workforce Initiative

MMAC – Military Medics and Corpsmen



Transition & Employment



- Virginia Women Veterans Program
- Military Spouse Liaison
- Transition & Employment Directorate
 - Serves Virginia's Transitioning Service Members (TSM), veterans and their families
 - Programs
 - Virginia Values Veterans (V3) Transition Program
 - Virginia Values Veterans (V3) Program
 - Military Education Workforce Initiative (MEWI)
 - Military Medics and Corpsmen (MMAC) Program



Virginia Women Veterans Program



Services

- Referrals and access to community resources
 - Educate, unify, and empower Virginia's women veterans
 - Timely and appropriate transition and benefits support
 - Employment and education outreach
 - Health and community advocacy

Activities

- Develop and maintain strong partnerships with advocates
- Networking, resource connections, peer groups, info sharing
 - Monthly News You Can Use (NYCU)
 - Monthly Virtual Office Hours
 - Women Veteran focused Peer Groups
- Women Veteran Week during Women History Month (March)
- Statewide Virginia Women Veteran Virtual Summit (June)
- Health and Wellness Forums
- Pitch contests



Virginia Military Spouses



Virginia Military Spouse Liaison

- Over 75,000 military spouses in Virginia
- Outreach to and advocate for military spouses in Virginia
- Military Spouse Licensure
 - Expedited issuance of credentials
 - Spouses of military service members
 - Spouses of veterans who left AD within one year of an application to a Board



Virginia Values Veterans Program



Services

- Educate employers on the value of hiring veterans
- Train organizations on how to effectively recruit, hire and retain veterans
- Connect engaged companies with qualified veterans

Results

- 81,870 veterans hired
- 1455 V3-certified companies
- 889 V3-enrolled companies
- V3 companies include both private and public sector
- V3 Grant provides \$100k annually to small and medium sized organizations directly for hiring and retaining veterans



Virginia Values Veterans (V3) Transition Program



Services

- Resume Writing
- Targeted Job Search
- Interview Preparation
- GIBill[®] Education and Training Information – State Approving Agency
- Veteran Business Outreach
- Introduction to State & Federal Benefits for Veterans

Port of Entry for all programs – VVFS/Benefits/VMSDEP/SAA



HireVetsNow Fellowship Program



About the program

- DoD approved; MOU between VDVS and Navy Region Mid-Atlantic
- Eligibility:
 - Active Duty service members
 - At least 180 days of AD time with 180 days remaining
- Employer location is place of duty during the internship
- Must not be involved in any UCMJ issues

Advantages of the Hire Vets Now Fellowship Program

- No cohorts – start anytime
- Employer and Command flexibility
- 1 v. 1 counseling throughout the transition process

Examples of currently approved employers



intellectechs



www.dvs.virginia.gov





Military Education & Workforce Initiative



Services

- DoD Skillbridge Program– Fellowships/Internships
- Assist institutions with creating internship opportunities for military and veteran affiliated students
- Employment credentialing pathways through community partnerships
- Community College Workforce Alliance (CCWA)
 - Active duty service members, veterans, and spouses are eligible to enroll with the CCWA in order to obtain the following certifications:

MT1	Lean Practitioner	Manufacturing Specialist	Comptia A+	Comptia Network +	Comptia Security +
AWS Certified Cloud Practitioner	AWS Certified Solutions Architect	Logistics Associate	Logistics Technician	OSHA Training	

Virginia Community College System/Veteran Technology Initiative

- Distributed laptops to veterans and spouses
- 65 laptops at J. Tyler Community College
- 60 laptops at Reynolds Community College



Military Medics and Corpsmen Program



Services

- Assist SMVF
 - Federal and civilian resume preparation
 - Career coaching
 - Company referrals and introductions
 - Interview preparation
- Collaborate with employers and Veterans Services Organizations

Partner Healthcare Systems





Education Services



State Approving Agency

- Promotes and safeguards quality education and training programs for veterans and their families
- Works hand-in-hand with other organizations to make the GI Bill® the best possible educational assistance program
- Works with government agencies, Congress, schools, and employers to ensure that veterans have access to well-managed, ethical program
- Protects GI Bill from fraud, waste, and abuse

Virginia Military Spouse and Dependent Education Program (VMSDEP)

- Education benefits to spouses, children of military service members KIA, MIA, POW, rated by USDVA at 90% or more disabled
- VDVS manages the program
- Collaborates with the State Council of Higher Education for Virginia (SCHEV) and Virginia's public colleges and universities
- Eight semesters of benefits; average savings = \$13K/yr

60% of veterans plan on continuing education or training



Why Virginia?



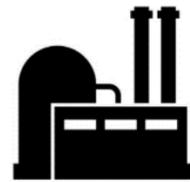
Skilled veteran
workforce



Affordable
education &
training



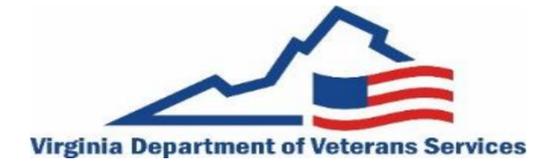
Statewide benefits
for veterans &
dependents



Industries &
In-demand jobs



Veteran talent
pipeline



Thank you!

John Maxwell, Commissioner
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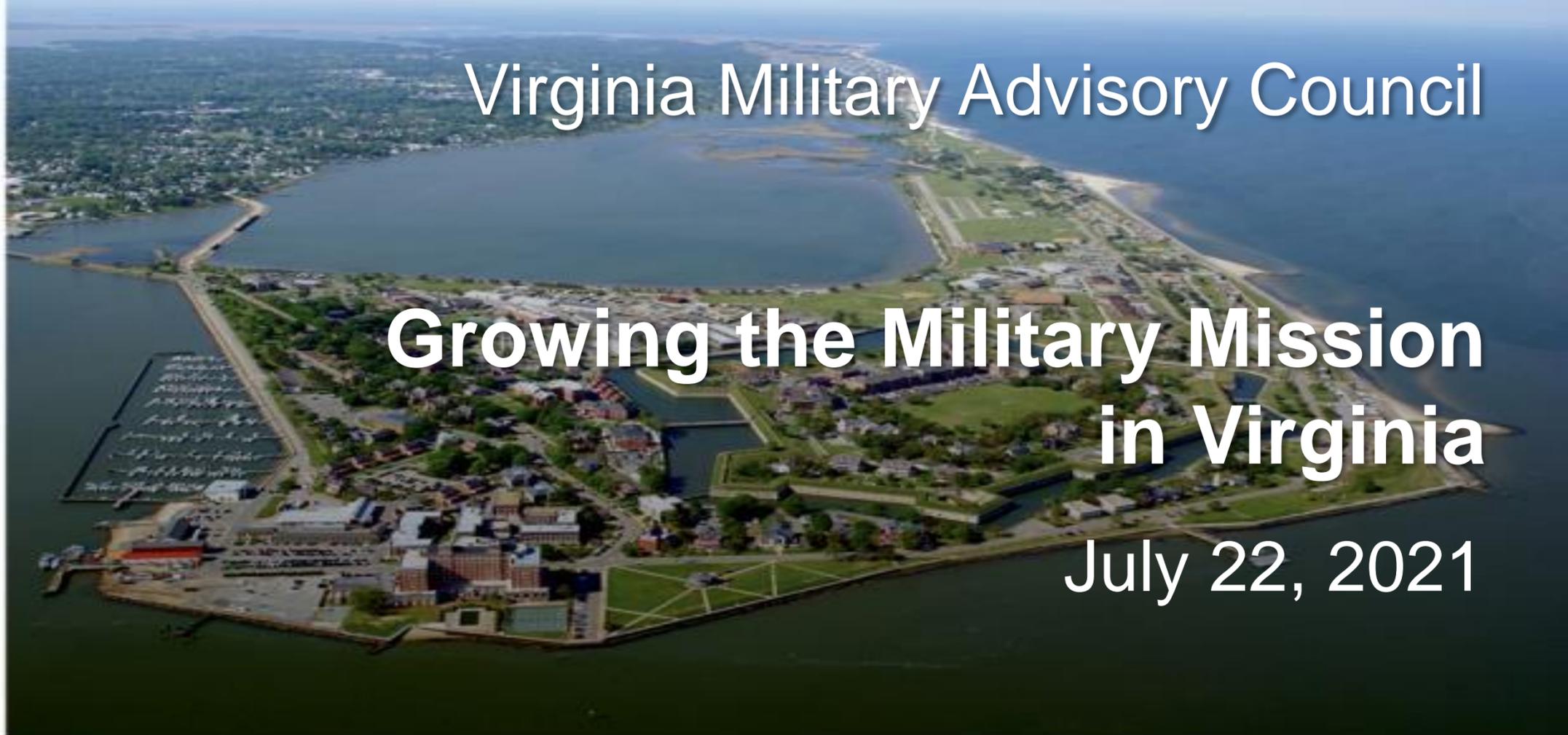
Growing the Military & Federal Update

Charlie Perham

Vice President, MATRIX Design Group

John Simmons

Managing Partner, Roosevelt Group



Virginia Military Advisory Council

Growing the Military Mission in Virginia

July 22, 2021





Current Initiatives

- Support Association of Defense Communities events
- Support DVS with demographics analysis & mapping
- Virginia Military Friendly Guide
- End of Administration Progress Report



Association of Defense Communities

- 🏢 ADC Reconnect
- 🏢 ADC Installation Innovation Forum
 - 1-3 November, San Antonio, TX
 - Panel opportunities for Virginia
- 🏢 DCIP – 2021 focus is military value (2020 was QoL)



Virginia Veterans Mapping Application

Virginia's Veterans Mapping Application



Home

Demographics

Economics

Service Access

Vulnerability Modeler

Demographics



Veteran Population

Veteran Minority Population

Veteran Gender

Aging Population

Younger Veterans

Military Retirees

Veteran's in Virginia

Virginia has one of the highest concentrations of veterans in the nation, where roughly 8% of the Commonwealth's population is a veteran. As this map indicates, much of the veteran population is clustered in communities around Hampton Roads and Northern Virginia. The adjacent map presents veteran population density in the Commonwealth. Understanding where the highest concentrations of veterans live is important to optimize service opportunities from DVS.

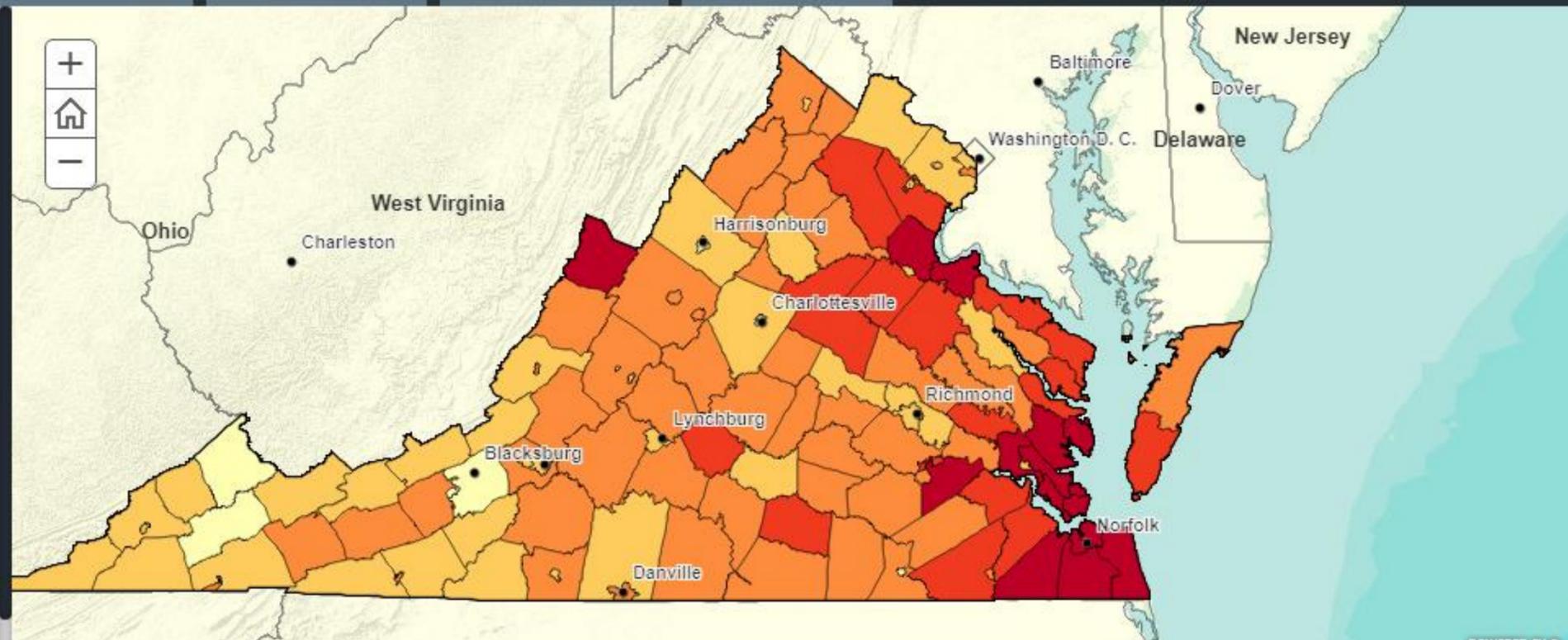
Veteran Population

Vets per 1,000 Residents

142 to 199

108 to 142

86 to 108





Virginia Military Friendly Guide

- 📖 One-stop brochure for military, veterans and dependents
- 📖 70+ unique Commonwealth programs
- 📖 Mobile-device friendly version on the horizon



Benchmark Transition Programs

Tri-County Community Partnership Initiative

Career Readiness Assistance Work Group

- Increase transitioning member's civilian career readiness
- Increase transitioning service members' awareness of civilian training and employment opportunities
- Increase tri-county area employers' awareness of available skillset pipeline
- Increase tri-county area employers' awareness of intern and apprenticeship programs
- Reduce unemployment of veterans and spouses



THE
Roosevelt
GROUP

**Commonwealth of Virginia
Legislative Update**

July 22, 2021

HONORED TO SERVE GREAT COMPANIES & COMMUNITIES

Biden Administration Nominations

Joe Biden has picked 262 nominees to fill key roles in his administration so far

We are tracking **796** government positions among about 1,200 that require Senate confirmation.

301

positions have no Biden nominee.

21

picks are awaiting formal nomination.

160

nominees are being considered by the Senate.

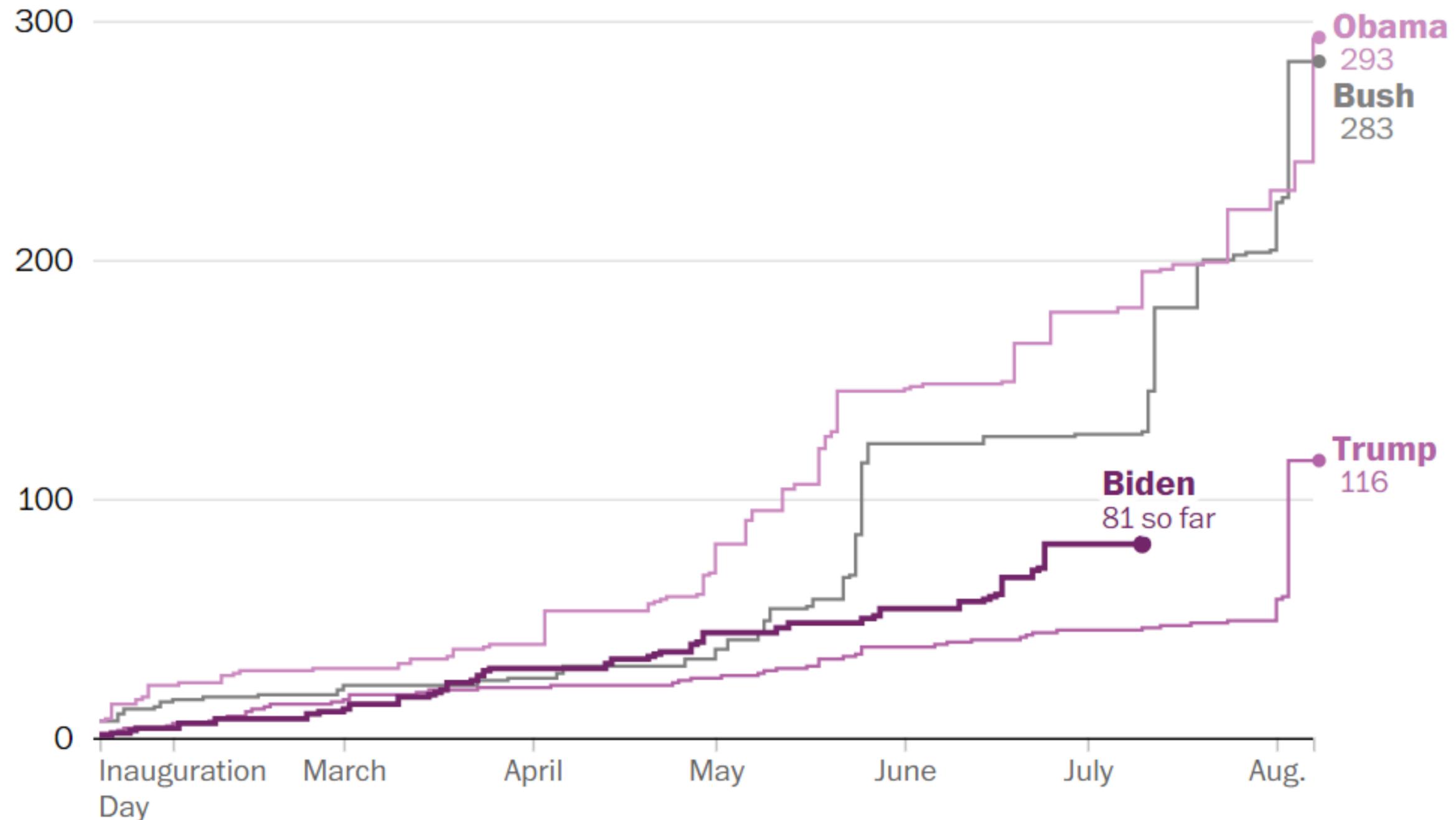
81

have been confirmed by the Senate.

Additionally, we have identified **233** appointees so far who are serving in termed positions or who were held over from previous administrations.

Biden Administration Nominations

How Biden's confirmations compare with recent presidents



President Biden's Pentagon Picks



Christine Wormuth
Confirmed
Secretary of the Army



Carlos Del Toro
Nominated
Secretary of the Navy



Frank Kendall
Nominated
Secretary of the Air Force

President Biden's Pentagon Picks



Michael J. McCord
Confirmed
Undersecretary of Defense
(Comptroller)



Meredith Berger
Nominated
Assistant Secretary of the
Navy for energy,
installations and
environment



Gina Ortiz Jones
Nominated
Undersecretary of the
Air Force

FY22 Defense Budget Topline Request

The FY22 PBR is \$715 billion for the Department of Defense in discretionary spending accounts, which is a 1.6% increase over the previous fiscal year.

- Supports **2.7% pay raise** for military servicemembers and civilians
- **\$8.6 billion** in family support initiatives
- **\$112 billion** in RDT&E accounts – largest in history and an increase of 5.1% from FY21
- **\$14.7 billion** in Science & Technology accounts – a 4.1% increase over FY21
- **\$874 million** for Artificial Intelligence; \$398 million for 5G; \$2.3 billion for micro-electronics
- **\$341 million** for Defense Production Act funding to boost the Defense Industrial Base and bring back critical supply chains to the U.S. including rare earth materials and microelectronics
- Essentially **increases RDT&E accounts by 5% and decreases Procurement by same amount**
- **No BRAC round requested...**
- **Pacific Deterrence Initiative merits attention**

Defense Budget Insight and Predictions

- **Timeline**

- May 28th is the latest a President's Budget Request has been delivered to Congress.
- NDAA Markups occur in July and September with a Conference no earlier than December.
- Congress will likely pass a Continuing Resolution to fund the government after September 30.

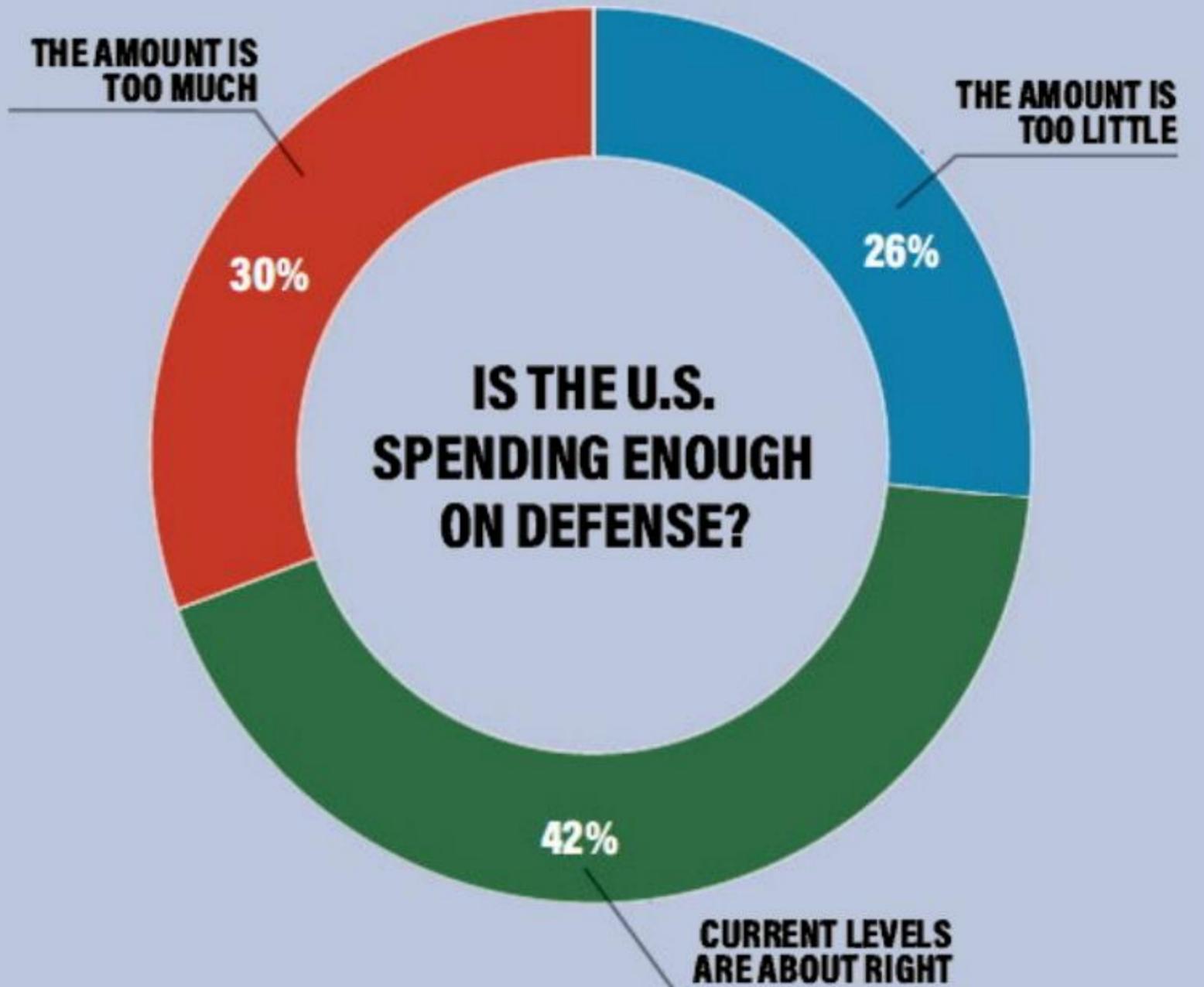
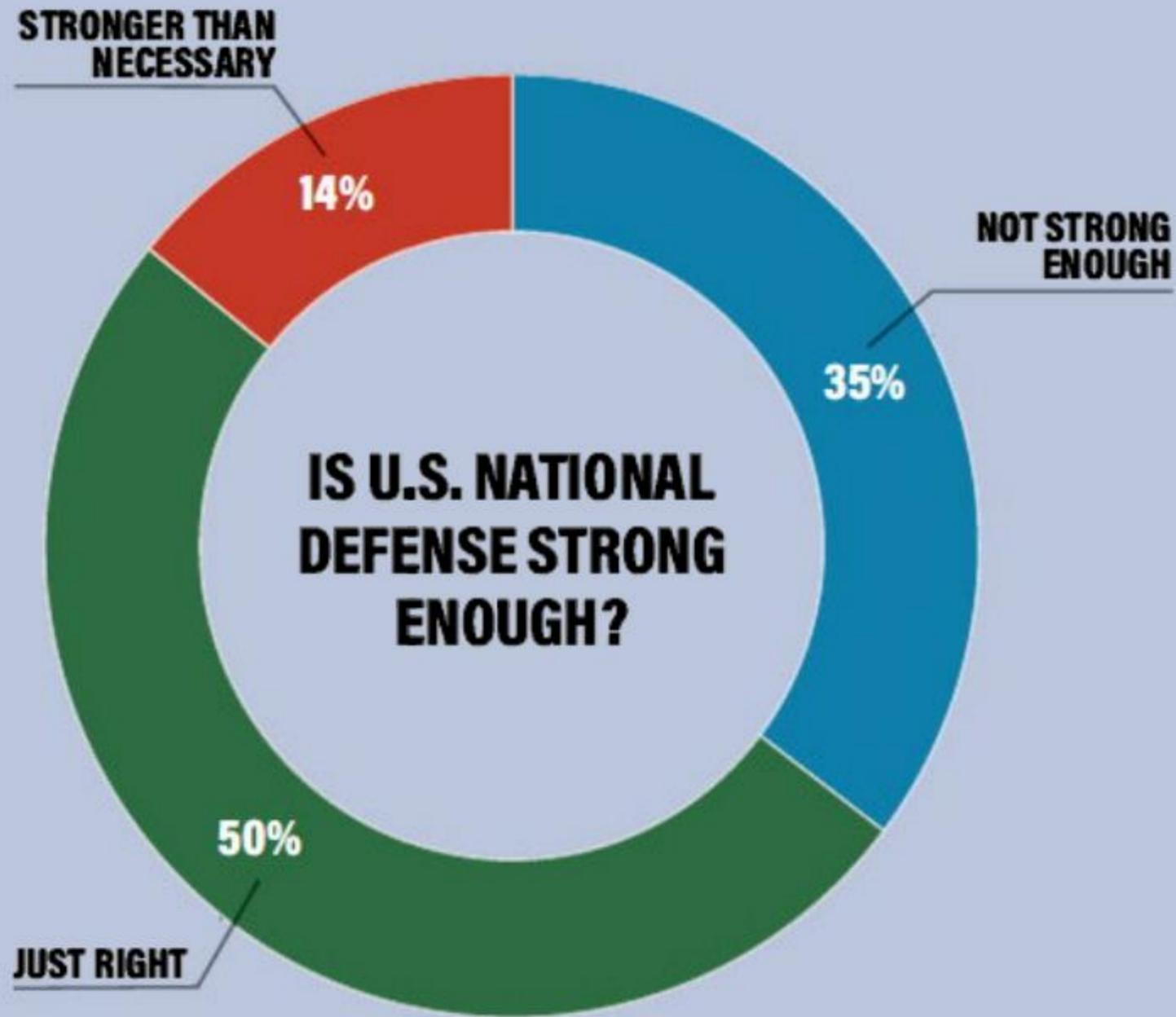
- **Future Years Defense Plan**

- The Biden Administration's FY22 budget would be graded as an "incomplete".
- Flat budget won't cut it – no challenge to Peers – causing a food fight between the Services.
- Army taking biggest cuts because of the drawdown and leaving Afghanistan/Syria/Iraq.
- Flat budgets mean eventual cuts in force structure – BRAC? Army would take the largest cut.

- **Base Realignment and Closure**

- The Pentagon has had a long term interest since the end of the 2005 BRAC round as it didn't close enough Air Force and Army installations. It was primarily a re-alignment.
- Multiple DoD requests since then have been rejected by Congress.
- Likely to be rejected in near future as it doesn't produce savings quickly.

Poll: Taxpayers on American's Defense - 2021



Defense Budget - Congress

- **Proposed \$715 Billion defense budget is a 1.6% increase.** Topline will likely increase to secure 60 Senate votes in exchange for a 16% increase to the non-defense budget of \$769 Billion.
- DoD must be funded using “**threat-based-approach,**” to address the spiralling China threat.
- Achieving **~355 manned/battle force Navy fleet by ~2035** is critical to deterring potential China seizure of Taiwan.
- Congress should fund DoD, **without regard to ~\$6 Trillion of planned 2022-2029 domestic funding,** (\$1.9 Trillion Stimulus/“American Rescue Plan”; \$2.3 Trillion Infrastructure/“American Jobs Plan”; \$1.8 Trillion Family/“American Family Plan”).
- Need to alter traditional “**one-third/one-third/one-third**” **budgeting,** because China fight is primarily Navy, Air Force, and Space Force fight.
- Each Military Service must at least **partially self-fund modernization by cutting low-value missions & divesting low-value legacy platforms.** *Rep. Wittman: strong supporter of ~400 ship Navy; opposes retirement of increasingly-fragile CG-47s, (because of “missile-tube-loss”).*

Defense Budget Highlights - Army

- Army to **retain current \$59B ~485K Active-duty force structure** - same size as pre-9/11.
- Armored Brigade Combat Teams, **(10 Army ABCTs)**, are required for large-scale urban fights.

“CCP President Xi will likely launch a major ground-war, (with ~1M+ Soldier PLA Army), as US Forces beat-back any attempted Chinese seizure of Taiwan. That is when Russia would also presumably engage in an opportunistic land-grab in NATO/EUCOM.”



- **Fund combat-readiness - it is fragile -\$57B FY21 O&M.** Focus must be on small-unit training, to build unit cohesion - remedy for suicide, sexual assault, extremism.
- Modernize to retain **combat overmatch for the next ~40 years.** Modernization is: Speed; Range; and Convergence. **Army** has already **cut ~-\$45B of programs during 2019-2021 “Night Court.”**

Defense Budget Highlights - Air Force

- Must modernize now, because **USAF will have to fight in highly-contested Chinese airspace**, right off the Chinese coast.
- Must balance risk-over-time, with **phased divestment of un-survivable legacy platforms**. “Legacy platforms” are those that: (1) can only survive in permissive-environments; or (2) are highly-capable, but too expensive to operate.
- USAF must **neck-down from seven** current fighter fleets, to **future “4 + 1” fleets** of: (1) F-35 for ground-attack; (2) Next-Generation Air Dominance for air-superiority, (begin phase-out of then ~30-year-old F-22 in ~2030); (3) F-15EX, (replacing F-15C/D); (4) F-16 “post-Block 40” aircraft; and (v) re-winged A-10 for several more years. USAF 2022-2026 POM is planning to divest ~234 F-15C/D; ~124 “pre-Block 40” F-16; ~63 A-10. It will buy ~84 F-15EX, (~17/year); ~220 F-35 CTOL, (~44/year); **accelerate NGAD development, (to begin initial phase-out of F-22 in ~2030)**; development of new multi-role “MR-X” permissive-environment fighter, (to replace low-end F-16 missions).
- ***F-22 FTU Record of Decision announced in June 2021 and could translate to NGAD FTU.***

Defense Budget Highlights - Navy

- CNO ADM Gilday: “**American prosperity floats on seawater...People feel the value of the Navy in their checkbooks...Look at the Suez Canal.**”
- Naval power is driven by capability/lethality, overall capacity, and operational availability. Navy **must order ~10 ships/year, just to sustain ~300 current ship fleet.**
- Four Navy priorities are: **(1) Maintenance;** (2) Lethality, (hypersonic-strike & laser-defense), (fielding DDG-1000 Conventional Prompt Strike by ~2025); (3) training; (4) Distributed Maritime Operations capacity.
- Seeking ~+4.1% topline funding increase, (2.1% inflation + 2% real growth), for: (1) sea-control; (2) power projection; (3) forward presence to deter the kinetic fight; and (4) forward presence to compete below-the-level-of-war.
- **Current ~\$161B/year of Navy funding,** (excluding ~\$46B/year USMC funding), will only build/train/equip ~300-305 ships. [~293 ships today]
- Navy’s goal is to build/train/equip ~355 manned/battle force ships, (excluding unmanned), by ~2031-2033.

Defense Budget Highlights - Navy

- Three strategic Navy investments are: (1) 1st Columbia SSBN submarine order in 2021, (2nd Columbia order in 2024); **(2) ~\$21B “Shipyard Infrastructure Optimization Plan”, (seeking inclusion of \$21B “once-in-a-generation” funding, in pending \$2.3T Infrastructure Bill)**; and (3) Strategic Sealift, (purchase of used commercial roll-on-roll-off ships, at \$.10-on-the-dollar).
- **If ~\$21B of “SIOP” funding is included in \$2.3T Infrastructure Bill, that relieves ~\$1B/year of pressure within Navy topline funding.**
- Navy cannot achieve three/year Virginia attack submarines orders in ~2025, (two/year now), as proposed by the outgoing Trump Administration. ADM Gilday: “Right now, we cannot produce three-per-year VCS.”
- Navy will **study potential use of “light aircraft carriers”**. Navy is not considering replacing Nimitz class & Ford class “super-carriers”, with light aircraft carriers. They are simply apples-&-oranges in capability.
- Very pleased with shake-out of CVN-78 Ford aircraft carrier.

Service Divestitures

Announced divestments help to pay for increases elsewhere; extent of Congressional pushback too early to tell:

- Divestitures total \$2.8 billion total and justified as older and less-capable platforms and programs that no longer meet mission and/or security needs
- **Army (\$47.8M):** Divests night vision imaging system, missile launcher, electronic warfare, and IT.
- **Navy (\$1.3B):** Decommission ships (CG, LSD, LCS) and divests aircraft (F/A-18 A-D, RQ-21).
- **Air Force (\$1.4B):** Divests a number of aircraft from the following fleets (A-10, F-15 C/D, F-16 C/D, KC-135, KC-10, C-130H, E-8, RQ-4); some fleets disappear entirely.
- **USSOCOM (\$117.9M):** Divests intelligence, surveillance, and reconnaissance (ISR) and continues to fund the Armed Overwatch Program, which funds 6 new aircraft and continued development.

Status of FY22 DoD Request on Capitol Hill

House and Senate Markup Schedule

June 30 – House Appropriations Full Committee for MilCon – Veterans Affairs

July 13 – House Appropriations Full Committee for Defense and Homeland Security

July 19/20 - Senate Armed Services Subcommittees

July 21 – Senate Armed Services Full Committee

July 28/29 - House Armed Services Subcommittees

September 1 - House Armed Services Full Committee

TBD – Senate Appropriations Committee



Commonwealth of Virginia FY22 MilCon

<u>SERVICE</u>	<u>INSTALLATION</u>	<u>PROJECT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Navy	Portsmouth NSY	Dry Dock Saltwater System for CVN-78	Replaces DD8's existing, undersized saltwater distribution hotel infrastructure needed to support the new hotel support requirements associated with the CVN-78 aircraft carriers.	\$156,380,000 <i>(\$30,000,00 FY22)</i>
Navy	Norfolk NS	Submarine Pier 3 (INCREMENTAL)	Constructs a new berthing pier and new berthing wharf to support the Los Angeles (LA) and Virginia (VA) Class submarines. An unoccupied utility services building will be constructed to support shore-to-ship services. Project will demolish two inadequate piers and includes dredging.	\$269,693,000 <i>(\$88,923,000 FY22)</i>
Navy	Portsmouth NSY	Ships Maintenance Facility	Converts the fifth and sixth floor in Building #510 to accommodate the relocation of the nuclear containment and life raft shops. This project was authorized and appropriated in FY19 NDAA and MilCon appropriations bill.	\$26,120,000 Funding returned from Border Wall

Commonwealth of Virginia FY22 MilCon

<u>SERVICE</u>	<u>INSTALLATION</u>	<u>PROJECT</u>	<u>AMOUNT</u>
Marine Corps	Quantico MCB	Vehicle Inspection Visitor Control Center	\$42,850,000
Marine Corps	Quantico MCB	Warfighting Center (Inc. 2)	\$30,500,000
Defense-wide	Fort Belvoir	Veterinary Treatment Facility	\$29,800,000
Defense-wide	Pentagon	Maintenance and Force Protection	\$50,543.00
Army National Guard	Troutville	Combined Support Shop Addition Readiness Center Addition	\$13,000,000

Commonwealth of Virginia MilCon - UPL

<u>SERVICE</u>	<u>INSTALLATION</u>	<u>PROJECT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Army	JB Langley Eustis	AIT Barracks Complex Phase 4	FY20 project already awarded. Estimated cost to complete is higher than originally requested. Project will not be able to be completed without additional funds. 456 Soldiers will remain in barracks (1953, 1958).	\$16,000,000
Air Force	JB Langley Eustis	Fuel Systems Maintenance Dock	2,800 SM steel hangar facility will accommodate two F-22A aircraft with adjoining support spaces. The project will also relocate a liquid oxygen storage building (159 SM) and demolish the existing fuel system maintenance building (1,570 SM). #1 Air Force UPL Milcon Priority.	\$24,000,000
Navy	Yorktown NWS	NMC Ordnance Facilities Recap, Phase 2	Constructs 9 Type D munitions magazines to replace small, inefficient igloo magazines built from 1953 to 1979 that are not configured for storage of modern containerized ordnance. New construction will increase capacity for ready issue inventory of weapons supporting warfighter requirements.	\$93,500,000
Navy	Norfolk NS	CMV-22 Aircraft Maintenance	Enables the transition from C-2A to CMV-22B aircraft in the carrier air wing. Constructs a new hangar for 12 CMV-22B aircraft and 400 officers and enlisted	\$75,100,000

Pacific Deterrence Initiative

- **All about China**
- \$5.1B subset to the FY22 Defense Request
- Driven by Congress - NDAA
- Not a separate fund
- Focused investments in Joint Force Lethality
 - Long Range Munitions
 - Advance Strike
 - Expanded forward force presence w/resiliency
 - Targeted security cooperation program
 - Innovative exercises and experimentation
 - Advanced C4ISR



Defense Community Infrastructure Program: \$60 Million Available for 2021

Eligible Projects

Must be complete and usable transportations, school, hospital, police, fire, emergency response, community support facility or utility infrastructure project.

- Support military installation
- Owned by state or local government or non-profit
- Will enhance mil-value, installation resilience, or quality of life
- Endorsed by local installation commander
- Are construction ready

Order of Prioritization

1. Enhancement of military value
2. Enhancement of military installation resilience
3. Enhancement of military family quality of life

Key Dates

July 12, 2021 PDT	Proposals due by 5PM
August 13, 2021 applicants	OLD CC invites DCIP grant
August 27, 2021 submitted	Grant applications prepared and

FY21 DCIP Scoring Criteria

- 1. Consideration of Military Value (5-25 points)**
- 2. What is the Enhancement proposed? (0-45 points)**
 - a. Identification of military value, military installation resiliency, or military family quality of life project proposed to enhance local installation resiliency
- 3. Is the Project “Construction Ready” (0-20 points)**
 - a. Final design and planning
 - b. Development and bid solicitation documentation
 - c. Federal and state/local environmental planning
 - d. Site control
 - e. Confirmation that non-Federal project funding is firmly committed and immediately available for expensing
 - f. Local permitting actions
- 4. Why is the Enhancement Project Needed? (0-10 points)**
 - a. Installation commander endorsement letter providing context for the enhancement need

COMMANDERS' UPDATES



Closing Remarks

The Honorable Kathleen T. Jabs

Acting Secretary of Veterans & Defense Affairs