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Hampton Roads Military and Federal Facilities Alliance Virginia Legislative Priorities for 2026

Virginia Military Community Infrastructure Grant Program (VMCIGP): The military presence in Virginia is a vital component of our economy with a Commonwealth-wide impact of \$115.9 billion accounting for 16% of the economic output and 945,684 direct, indirect, and induced jobs. In 2022, the General Assembly created the VMCIGP with \$5 million to support local infrastructure projects that enhance the value of military installations which benefit both the local community and the installations. The entire \$5 million was obligated within the first year of the two-year budget cycle, demonstrating a clear need and continuing demand for these funds. The initial investment resulted in \$24 million in DoD grants, demonstrating an incredible return on Virginia's investment. Defense communities can currently apply for these funds to help offset the non-federal share costs of Department of Defense (DoD) grants with the locality providing a 100% match for the state grant funds. **We request your support for continuing the VMCIGP in the next biennial budget and increasing annual funding to \$5 million. We also request support for altering the program requirements, so grants can be directly awarded to defense communities instead of being limited to only the non-federal match offsets of DoD grants.**

Military Spouse Employment: Military spouse careers are often interrupted by the frequent moves required of military members. Military spouses have a 20% unemployment rate which can lead to retention and readiness issues as military members choose to leave the military to support their spouse employment and family's financial needs. A common barrier is the license or certification transfer across states. Consequently, service members are more likely to stay in Virginia when leaving the military if their spouse is well-employed. We thank the General Assembly for expanding eligibility for the Virginia Values Veterans grant program to employers who hire military spouses. But there is more to be done to make Virginia the most military spouse friendly state in the country.

- **Request increasing V3 grant funding to \$200,000/year. The V3 program was created in 2015, funded at \$100,000, and has not increased in 12 years. The General Assembly added military spouses to the program in 2025, and this funding will prevent negatively impacting veteran employment incentives.**
- **Request support for Virginia joining the six remaining interstate licensure compacts for Teachers, Advanced Practice Registered Nurses, Dietitians, School Psychologists, Respiratory Care, and Athletic Trainers.**
- **Request support for allowing military spouses to be offered hiring preferences in Virginia for state and local positions.**





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Improving Childcare Access for Military Families: Securing access to high quality childcare is critical to military families where both parents work, and if the military member is a single parent. In fact, lack of childcare access in a dual-military family often leads to one of the military members separating from the service. On-base child development centers (CDCs) cannot accommodate all military children requiring care. For example, Joint Base Langley-Eustis has the Air Force's largest waitlist for CDC care with approximately 400 families listed. Similarly, Navy Region Mid-Atlantic has approximately 2,000 families on Hampton Roads CDC waitlists. While the military is working to increase base childcare capacity, they extensively rely on off-base care. **Request your support for legislation and funding to increase capacity and access for affordable, high-quality childcare in Virginia.**

Wind Farm Permitting Deconfliction with DoD Operations: Virginia's Wind energy production is one of several sources. However, localities issuing windfarm construction permits could have unintended consequences on military missions in Virginia. It is imperative that developers coordinate with the FAA and DoD prior to a locality issuing permits and allowing wind farm construction. This issue was identified in the Virginia Regional Joint Land Use Study as potentially having detrimental effects to military missions. **Request your support for codifying the requirement for wind farm developers to obtain coordination from the DoD Military Aviation and Installation Assurance Siting Clearinghouse prior to a locality issuing permits to construct a wind energy facility.**

Recurrent Flooding: One needs only to look at a map of the Hampton Roads Federal installations to realize most are susceptible to sea level rise, storm surge, and recurrent flooding. DoD leaders are aware of these environmental risks to installations. While the installations are working to improve resiliency, 70 – 80% of military personnel reside off base in the surrounding communities. Even if a base is flood protected, the mission will be negatively impacted if personnel cannot get there due to impassable roads or critical off-base utility systems are off-line due to flooding. **Virginia and Hampton Roads must collectively address these concerns to ensure the future viability of our military and federal installations.**

- **Request the Commonwealth provide \$200 million per year through the Commonwealth Flood Protection Program to assist localities with flood prevention efforts.**

Inflationary Adjustment to Virginia Military Retiree Pension Tax Relief: As of 2024, 38 states (75%) fully exempt military retirement pay from state income taxes, including states with no income tax and those with targeted exemptions. Virginia, by contrast, offers a partial exemption capped at \$40,000, which is not indexed to inflation. In 2024, the General Assembly removed the previous age 55 eligibility requirement, making the





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subtraction available to all military retirees regardless of age. For 2025 and beyond, retirees may exclude up to \$40,000 of their military pension. Virginia has made commendable progress in expanding military pension tax relief. However, without an inflationary adjustment, the real value of the partial exemption will erode over time, diminishing its intended impact. By tying the adjustment to the same CPI-W index used for federal military COLAs, the Commonwealth can ensure its tax policy remains aligned with the economic realities faced by its veteran population. **Request your support for codifying the requirement proposing that beginning in tax year 2027, the \$40,000 cap on the partial exemption be annually adjusted for inflation, using the same Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) used to calculate federal military retirement Cost-of-Living Adjustments (COLAs).** This adjustment would ensure the real value of Virginia's tax relief keeps pace with inflation and continues to provide meaningful financial support to military retirees.

