



## Minutes from 14 December 2023 HRMFFA Board of Directors Meeting

1. HRMFFA's Quarterly Board of Directors meeting was held at the Regional Building on 14 December 2023. Public Board members present were Mayors Alexander, Cutchins, Dyer, Jones, Glover, Tuck, West; Supervisors Cornwell, Hipple, Rosie, Shepperd and Councilman Southall. Private Board members present were Buckless, Chiazor, Faulkner, Garcia, Klett, McKenna, Monaco, Ross, Stephens, and Warren. Mr. Bill Brown represented ECPI University. Executive Director Dwyer and Deputy Executive Director Nichols were present, along with Treasurer Wilson. A quorum was achieved.
2. Board Chair Dyer called the meeting to order at 10:39 a.m. and made a call for public comments. There were no public comments.
3. Chairman Dyer introduced keynote speakers: RADM Scotty Gray, US Navy Quality of Service Cross Functional Team Lead and Prospective Commander, Navy Installations Command; Ms. Erica H. Plath, Deputy Assistant Secretary of the Navy (Sustainment), Office of the Assistant Secretary of the Navy Research, Development and Acquisition and Craig Crenshaw, Virginia Secretary of Veterans and Defense Affairs. Chairman Dyer invited the speakers to provide remarks.
4. In opening remarks, RADM Gray described himself and Ms. Plath as key components of the CNO's Quality of Service Initiative, communicating the direction and holistic efforts across the spectrum to address Sailor Quality of Service, which is the combination Quality of Life and Quality of Work. In a prolonged financially constrained environment, RADM Gray recounted a series of Navy decisions which added risk to shore installations at the expense of executing ever-increasing operational demands. For decades, Installation Commanders grappled with consequences as facility dereliction and degradation developed, a deviation which became normalized. With accelerating dilapidation, facility and infrastructure conditions have become imperiled unless dramatic action is undertaken.

Before the culminating USS George Washington (CVN 73) and MARMC series of suicides, Navy leadership acknowledged installation decay and began taking corrective steps. RADM Gray acknowledged the circumstances that led to Sailor self-destruction exposed inexcusable quality of life conditions and distressing quality of work issues to Navy leadership, and their need to accelerate corrective efforts.

The Navy developed a '*Get Real, Get Better*' approach which includes identifying things broken, determining what is needed to correct it, measuring changes in performance to ensure investments are making the expected difference. The Navy is focusing efforts on Huntington Ingalls Newport News which has more Sailors than many installations. However, unlike installations, the Supervisor of Shipbuilding does not have the command structure nor





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supporting services. From the subsequent investigation of these personnel losses, 51 tasks were identified. RADM Gray reported the Navy had made progress on approximately half of these, and on track to get most done before the investigations first anniversary.

Eight lines of effort were formulated from the investigation, centered on Navy culture. These concentrate on mentally strengthening Sailors to avoid destructive behaviors; improving medical care access and mental health resources; providing off-ship crew living accommodations during shipyard maintenance availabilities; and providing readily accessible affordable food in an industrial environment. Other lines of effort addressed Sailor's remaining shipboard performing mundane duties for extended availabilities and not having sea-going opportunities before their enlistment contract expires; lacking internet access inside shipyards with 5G black holes; correcting overloaded and unmanageable distribution of Limited Duty Sailor's burdening shore commands which are inappropriately staffed to provide support for Sailors not performing normal duties. The last line of effort involves developing a strategic communication plan.

Describing near-term efforts, RADM Gray announced parking expansion at Huntington Ingalls and Newport News for shipyard workers and Sailors. The Navy received appropriations for \$130 million to build a 2,800-parking space garage with an anticipated 2024 groundbreaking. Other efforts include expanding medical services, non-medical mental health, women's health, pharmacy, virtual mental health, and targeted increases of mental health providers. The Navy is assigning providers to ships where Sailors get prompt help before issue escalation. Additionally, the Navy added 24 mental health providers on carriers with an additional 113 mental health professionals distributed across Navy commands. Also, there is additional installed parking space lighting with increased police patrols, and a pilot program providing free Wi-Fi for Sailors in barracks at twelve facilities among Naval Station Norfolk, Norfolk Naval Shipyard and Portsmouth Medical Center.

RADM Gray stressed funding efforts needed for investment, specifically requesting \$400 million from Congress, and a \$160 million priority request recently discussed with appropriations committees. These funds are needed to continue berthing barge investments, quality-of-life facilities, improving gyms and furniture replacement. Ms. Plath's team committed \$55 million towards a multi-use facility to alleviate administrative facility and workspace shortages and expanding a centrally located canteen with fresh food options.

In the longer term, RADM Gray described three courses of action. One option is adding accommodation to a nearby installation to house Sailors and add necessary facilities. The second option is to construct services, facilities, and housing accommodations in downtown Newport News in close shipyard proximity. The third option is a hybrid. Speaking on behalf of Mayor Jones and Secretary Crenshaw, RADM Gray expressed the Navy has garnered the support of Newport News and the Commonwealth. Ms. Plath conveyed the Secretary of the Navy's commitment. Secretary Crenshaw viewed the Navy's effort as a great initiative in making the investment in Newport News, providing opportunities for the Commonwealth to assist. The Secretary remarked he visualizes the bigger value, supporting the Navy mission within the state enhances future mission growth. Secretary Crenshaw reiterated Virginia wants to provide the Navy the state of choice where investments are drawn to support





communities. The Commonwealth will continue to work with Newport News and the Navy so together, we can identify gaps and provide needed shoring from the state.

Chairman Dyer recognized Newport News Mayor Jones, who reiterated his city's support of Navy initiatives and that he understands the urgency. Mayor Jones also believes this local and Navy investment would produce win-win outcomes and help Newport News to thrive.

Chairman Dyer recognized City of Portsmouth Mayor Glover, who explained HRMFFA learned in its October 2023 Pentagon visit of a potential new DoD authority to support community infrastructure and revitalization efforts outside the Navy's four public shipyards. Mayor Glover asked RADM Gray to expound on this potential new authority and if he envisioned future utilization by communities to support Navy shipyards, as well as potential authority expansion to communities hosting private shipyards. In response, RADM Gray assured the Board of his commitment to expand and find new ways to use authorities to maximize the Navy's ability to address significant infrastructure challenges.

Chairman Dyer recognized Mr. Shawn Avery, Hampton Roads Workforce Council. Mr. Avery remarked the Navy is significantly investing in the workforce pipeline and regional infrastructure to deliver ships out of shipyards sooner and his organization is working closely with the Navy to achieve this. Comparatively, tens of millions of dollars is being invested in the education system, workforce system, and Navy support mechanisms. Along with challenges in maintaining the shipyard, RADM Gray recognized the workforce as a critical constraint due to high-demand trade skill workers having lucrative options between benefits and salary differences making for high workforce turnover.

Chairman Dyer recognized Dr. Lisa Monaco, who asked RADM Gray to expound upon the barriers to expanding mental health capacity within the Navy and off-base providers. RADM Gray explained money was not the issue; rather, outsized demand for mental health services skyrocketed in a post-pandemic environment with a small set of professionals compared to the larger population, with every patient competing for treatment. The problem continues to be attracting, hiring, and retaining providers to serve Navy patients under strenuous military working conditions to include six-month deployments. The Navy mental health provider market is more challenging because of the arduous Navy work conditions demanded of these mental health professionals.

Chairman Dyer recognized Bob Crum, Hampton Roads Planning District Commission (PDC) Executive Director. Mr. Crum cited PDC's priority to support investments outside installations. These include self-funding \$6 billion for interstate highway improvements and widening the 29-mile stretch to Richmond to relieve traffic congestion. Mr. Crum recalled during the Pentagon visit, HRMFFA was briefed on the national off-base housing insufficiency; acknowledging Hampton Roads faces similar housing issues. The mayors created a Regional Housing Committee to develop strategies to assess and determine housing solutions. Another regional priority involves building a regional fiber network with over 3,000 linear miles to connect with the subsea fiber cables coming ashore in Virginia Beach. Mr. Crum invited RADM Gray to share thoughts on other measures the region might consider. RADM Gray commented Ms. Plath's team has begun to endorse projects in





Newport News to provide a higher level of visibility and concurred with Mr. Crum's opportunity assessment of improving Hampton Roads critical infrastructure including Huntington Ingalls, Norfolk Naval Shipyard, Master Jet Base at Oceana, and Norfolk Naval Station.

Chairman Dyer recognized Mr. Dwyer, who noted the draft NDAA released from conference committee contained an FY24 DOD authority to invest in piers and dry docks and training programs at private shipyards. He asked if they had information on the authority and provide any insights on implementation. RADM Gray explained the Navy would undertake a critical node analysis and determine priority shortfalls. Where constrained areas exist, the Navy will make economically sound investments to improve throughput on ship maintenance.

On behalf of the HRMFFA Board of Directors, Chairman Dyer thanked RADM Gray and Ms. Plath for their remarks and invited Secretary Crenshaw to provide comments. Secretary Crenshaw illustrated in Richmond, focus over previous months was dedicated to preparing for the General Assembly session and working on the Governor's budget proposal. The Secretary's office is considering several initiatives in support of the military and veteran community, including SWOT analysis follow-on actions conducted across Virginia bases and installations. Similar concerns were expressed by RADM Gray, these issues and challenges can be collectively tackled as a state partner.

5. Futures Committee Update: Chairman Dyer invited Mayor Tuck to discuss the Futures Committee Update. Due to his demanding travel schedule and committee co-chair vacancy, Mayor Tuck turned the discussion over to Mr. Dwyer, who presented the following highlights:
  - Sea Level Rise and Persistent Flooding. Continued work through the Roosevelt Group and Congressional delegation to change the Corps of Engineers' authority to include federal installations when conducting Coastal Storm Risk Management Studies. HRMFFA is garnering support and needs a bigger coalition beyond our region. HRMFFA enlisted the American Flood Coalition, who is working nationally with their membership and members of Congress to advocate for these changes.
  - Childcare. For the January 2024 General Assembly session, staff began conducting meetings with legislators requesting support and sponsoring bills.
  - Health Care, Mental Health Access Capacity. Representative Kiggins carried language from FY24 priorities, which made it into the House report language regarding TriCare reimbursement rates. This continues to be an impediment for service members and families accessing mental health care because more providers are opting out of TriCare due to unviable reimbursement rates and cumbersome processes. Defense Health Agency should explain why rates continue to be uncompetitive and whether policy or legislative changes are needed.
  - Future Mission Opportunities. The recent Jefferson Lab announcement for the high-



performance data facility was a significant regional victory. Other efforts include advocating for future mission opportunities with homeporting Constellation Class frigates at JEB Little Creek, and NGAD fighter beddowns at NAS Oceana and Langley Air Force Base.

- Community Partnerships. The Region was awarded two of 17 DCIP grants, one for Hampton Boulevard storm water improvements in the vicinity of Naval Station, NSA, and the Port Terminal. The second funded a Virginia Beach joint law enforcement training facility. These totaled nearly \$11 million of the \$100 million available.
  - Mr. Dwyer invited the Board to comment or questions. Supervisor Shepherd voiced frustrations over mental health access regarding TriCare and if HRMFFA could do more to alleviate these issues. Mr. Dwyer explained Supervisor Shepherd aptly described the excessive accounts receivable turnaround time as one of the challenges of working with TriCare, along with the burdensome credentialing process. These factors combine to disincentivize providers from participating in TriCare. Supervisor Shepherd addressed RADM Gray, expressing concerns these TriCare issues impact active-duty personnel and their families. RADM Gray clarified the Navy is primarily focused on Newport News, but acknowledged the issue is widespread across the Navy, particularly with outsourced referrals. RADM Gray attributed some raised issues pertaining to Navy medical consolidation and additional issues pertain to Defense Health Agency medical consolidation. Overall, RADM Gray expressed growing concerns on servicemember retention over frustrations involving lack of medical care access and the cumbersome processes. Supervisor Shepherd recommended further discussions.
6. Mr. Matt Hermann of The Roosevelt Group provided a Washington Update. Highlights included:
- 2024 National Defense Authorization Act: Passed while Board meeting in progress.
  - FY24 Appropriations: Federal Government operating under Continuing Resolution
    - Government funding for military construction, veterans, transportation, agriculture, and energy programs will expire January 19, 2024.
    - Funding for the rest of government, including military and domestic programs, will expire February 2, 2024.
  - \$106B Security/War Supplemental: Funding for Israel, Ukraine, Taiwan, and Border Security tied up over Homeland Security issues, may be a compromise ahead.
  - Senator Tuberville lifted his hold on nearly 400 Flag officers after nearly 8 months; twelve 4-Star nominees still affected.

#### 2024 NDAA:

- House/Senate unveiled ~\$900 billion compromise NDAA Conference Report.
- Compromise language provides a 5.2% servicemembers pay raise and includes a short-term extension of Section 702 federal surveillance authorities (FISA).







- Final text dropped controversial culture war provisions related to Pentagon abortion and transgender healthcare policies.
- Rejects an Air Force request to retire combat relevant F-22 Block 20 aircraft early.
- Provides for AUKUS agreement implementation between United States, United Kingdom, and Australia and authorizes eventual transfer and sale of Virginia-class attack submarines to Australia.
- Authorizes mental health professional license portability for those who provide non-medical counseling services.
- Establishes grants to expand capacity at private shipyards repairing Navy ships.
- 2024 NDAA MilCon: Authorizes ~\$462m for Hampton Roads area projects.

#### FY24 Appropriations Highlights:

- House Speaker Johnson intends to complete remaining appropriations bills before January 19<sup>th</sup> and February 2<sup>nd</sup> deadlines.
- The House will not consider any other short term CRs.
- Security Supplemental: Senators resumed bipartisan talks in hopes of reaching a border security compromise critical to passing the Israel/Ukraine package.

#### Committee on Foreign Investment in the US (CFIUS):

- CFIUS is a group of cabinet agencies which determines whether or not to allow foreign acquisitions of sensitive U.S. businesses, to include real estate acquisitions within proximity to US military, law enforcement, and intelligence facilities. CFIUS may review the purchase or lease by, or a concession to, a foreign person in the US is located within, or will function as part of, certain air or maritime ports; or is in or within certain proximity ranges of identified military installations and areas.
- CFIUS can deny the deal, allow without any modification, or allow based on certain safety protocols such as US directors on the board to represent the US Government's interests and/or a wall between foreign management/personnel and the US business.

#### 7. Draft FY2025 Federal Legislative Priorities. Mr. Dwyer presented the proposed Federal legislative priorities which included:

- Public Shipyard Revitalization
- Continued Support for F-22 Formal Training Unit (FTU) Bed down at Joint Base Langley-Eustis and support \$85M FTU Dorm Project
- Authority for U.S. Army Corps of Engineers (USACE) to include Federal Lands in Holistic Coastal Resiliency Studies
- Hampton Roads area military construction projects.
- Homeporting Additional Manned and Unmanned Ships in Hampton Roads
- Future of NAS Oceana and Langley AFB
- Appropriated Funds for Military Child Development Centers (CDCs)





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- Military and Dependents Mental Health Care
- Increasing Military Mental Health Care Providers
- Army Watercraft Modernization
- Expanding Federal Tax Incentives for Hiring Military Spouses
- Defense Community Infrastructure Program Funding
- Establish DoD Grant Program for Industrial Base Modernization
- Establish an East Coast High Performance Data Facility at Jefferson Lab
- Consolidated Coast Guard (CG) Sector Virginia Headquarters (HQ) Facility
- Expand DoD Partnership Authorities Across the Coast Guard
- Future Coast Guard Cutter Homeporting
- SBIR Phase II Flexibility
- Civilian Commercialization Readiness Pilot Program (CCRPP) Authorization

Mr. Dwyer stressed this draft was a work in progress and time was available to make changes before discussions with the Congressional delegation in the March timeframe. He requested the Board let staff know if there were any other issues they think should be included. The Board had no further questions or comments.

8. Monthly Financial Statements: Mr. Dwyer presented the November 2023 financial reports noting current expenses were on track with the budget. The Board had no questions or comments.
9. Budget & Finance Committee: Chairman Dyer invited Mr. Buckless to present the Budget and Finance (B&F) Committee Report. Mr. Buckless conveyed the Committee reviewed the draft 2025 Budget and invited Mr. Dwyer to present budget details to the Board for initial review. Mr. Dwyer presented Labor expenses reflecting a notional 3% inflationary increase, which would be refined after researching municipal and other regional organization increases. Non-labor expenses mostly included a 3% inflationary increase with some other adjustments to HRPDC support and travel being slightly higher. Consulting and Lobbying expenses remaining fixed. Event sponsorship was increased by \$15,000 due to HRMFFA applying to host an Association of Defense Communities event in Norfolk in 2025/2026, which requires \$75,000 in sponsorship. Mr. Dwyer conveyed he had spoken with the Chambers of Commerce who committed to helping raise the required sponsorship funds. However, he thought it prudent to increase the sponsorship item in case HRMFFA funds were also required. The Board had no comments or questions regarding the draft 2025 budget.

The per capita rates were also presented for each municipality based upon the 2022 Weldon-Cooper Center population data. Private Sector dues remained fixed at \$5,000 per member, and investment income projections were estimated at 4% APY, HRMFFA's current guaranteed rate. This rate may change depending on market conditions at the end of FY24. The Board had no questions on revenue projections.





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10. HRMFFA Board Trip to Washington DC: Chairman Dyer opened the floor to the Board to discuss any items pertaining to the October 26<sup>th</sup>, 2023, Pentagon visit. The Board had no comments.
11. Association of Defense Communities (ADC) Installation Innovation Forum (IIF)  
Recap/Future ADC Host City Proposal: Mr. Dwyer reiterated HRMFFA applied to host an ADC Event in Norfolk in 2025/2026. He hopes to hear from ADC soon whether Hampton Roads is selected for a feasibility site visit. The Board had no comments or questions regarding the ADC IIF Proposal.
12. Letter to Congressional Delegation on FY24 Appropriations: Mr. Dwyer requested Board members review the FY24 Appropriations Letter that was provided in the read-aheads and upon adjournment, sign the letter.
13. Chairman Dyer adjourned the meeting at 12:03 p.m.

