

**From:** The Roosevelt Group <Jpatton@rooseveltdc.com>  
**Sent:** Friday, July 14, 2023 8:00 AM  
**To:** Stephan, Lindsey  
**Subject:** [EXTERNAL] Executive Insight Brief



# Executive Insight Brief

July 13, 2023

Headlines - Aerospace & Defense - Budget & Approps - Advanced Tech - Military Installations & Communities -  
Homeland Security - Transportation & Infrastructure - Biotech & Healthcare - Climate & Development

Received this as a forwarded email? [Sign up](#) to be on the official distribution list!

## Notable Headlines

- [Biden vows U.S. and allies 'will not waver' in defense of Ukraine](#)
- [Russia Detained Several Senior Military Officers in Wake of Wagner Mutiny](#)
- [New York Is Ordered by Appeals Court to Redraw House Map](#)
- [Arizona escalates probe into alleged efforts to swing election for Trump](#)
- [Biden signs order to call up 3,000 troops for Operation Atlantic Resolve in Europe](#)

**Worth reading:** [Europe's Defense Dilemma: To Buy, or Not to Buy American](#)

## View From The Hill



Congress returned to DC this week with a monumental to-do list of passing NDAA and an ominous number of appropriations bills. Over the last few days, House GOP leadership has struggled to corral the votes to pass NDAA, as far-right Members of the House Freedom Caucus have sought amendment votes on a number of hot-button issues like Ukraine funding, abortion, gender, as well as diversity, equity, and inclusion measures. The tight-rope Speaker McCarthy has been walking is a familiar one: whether to protect his more moderate Members from controversial votes and preserve hope for a bipartisan bill or to cave to his right flank who have consistently threatened both his agenda and speakership.

Ultimately, McCarthy opted to accommodate conservatives by allowing a number of those controversial [amendments](#) to receive votes. Two of those amendments were adopted to restrict abortion access and gender affirming treatment for servicemembers, throwing up a significant barrier to House passage as Democrats seem poised to now vote against the bill. Speaker McCarthy will likely need to pass NDAA using only votes from his very slim Republican majority, although whether he has full GOP support is unclear. Leadership will attempt to pass the bill out of the House today. On the Senate side of the Capitol, Armed Services Chairman Jack Reed (D-RI) and Ranking Member Roger Wicker (R-MS) [filed](#) their version of this year's NDAA, which Majority Leader Chuck Schumer (D-NY) hopes to pass before the start of the August recess.

The big test in the coming weeks between now and the end of the federal fiscal year on September 30<sup>th</sup> will be whether Congress can pass all 12 appropriations bills or be forced

into a continuing resolution or even a government shutdown.

## Aerospace & Defense

### [Pentagon seeks to shuffle \\$4B in defense budget \(Politico Pro\)](#)

The Pentagon is pushing for congressional approval to shift roughly \$4.1 billion within its budget to boost funding for priority programs, including more money for weapons, personnel costs and a new Space Command project in Colorado. The 64-page omnibus reprogramming [request](#), obtained by POLITICO, must be approved by the House and Senate Appropriations and Armed Services committees. The panels' leaders can reject all or part of the request. The proposal was approved by Pentagon Comptroller Mike McCord and sent to Congress on June 30. The unified reprogramming request is an annual practice for the Pentagon as it assesses its financial needs in the middle of each fiscal year, in addition to separate requests to move money sent to Congress throughout the year.

### [F-16s for Turkey aren't a done deal until these lawmakers say it's OK. And they're not sold yet.](#)

### [Defense Innovation Unit joins Navy's hunt for a new large undersea drone \(Breaking Defense\)](#)

The Pentagon agency known for its ability to quickly tap into Silicon Valley's rapid technology development has joined the Navy in its renewed hunt for a commercially available large unmanned undersea vehicle. "The U.S. Navy lacks the ability to have dispersed, long-range, persistent underwater sensing and payload delivery in contested environments without utilizing sailors aboard strategic submarine assets," the Defense Innovation Unit wrote in a [new online solicitation](#). It's not clear when exactly DIU's request was published, but the agency is seeking responses no later than July 28, a deadline that speaks to the speed at which the Navy is looking to move following the cancellation of its previous plans to develop and build an exquisite Large Displacement Unmanned Undersea Vehicle. In its request, DIU provides a glimpse into the minimum capabilities the Navy is seeking from any UUV purchased off the shelf, including the ability to reach 2500 meters in depth and transit 200 nautical miles in open ocean. DIU also states submissions should be capable of "easily" integrating payloads for autonomous control as well as "modular communication payloads with subsea, surface and aerial platforms as needed."

## [US, NATO weapons stockpile 'dangerously low': USAF General](#)

### [Will Rocket Maker Deal Mean More Stingers, Javelins for Ukraine? \(The Wall Street Journal\)](#)

How big is too big in defense? Lawmakers and industry executives are wrestling with this question as they consider whether a decadeslong wave of consolidation has left the sector incapable of producing weapons fast enough to keep up with the demand stemming from the war in Ukraine. At the forefront of the debate is the proposed sale of a company that makes the rocket engines for the Javelin and Stinger missiles widely used in the conflict. Sen. Elizabeth Warren (D., Mass.) and three other lawmakers say L3HarrisTechnologies' proposed \$4.7 billion purchase of Aerojet Rocketdyne would harm national security, and have asked the Pentagon to block the deal, saying it would undermine competition and erode innovation. A much larger group of lawmakers, including House Armed Services Committee vice chairman Rep. Rob Wittman (R., Va.) has urged the Pentagon to support the transaction, which is currently under review by the Federal Trade Commission, with input from the Defense Department. A long string of mergers and acquisitions has left the U.S. defense industry concentrated among about 10 main contractors, compared with more than 50 three decades ago. Defense contractors say the consolidation has improved efficiency, limiting increases in the cost of ever-more sophisticated weapons now produced through methods akin to those in the auto industry.

## **Budget & Appropriations**

### [House Dems bail on defense bill as GOP votes to repeal abortion policy \(Defense News\)](#)

House Democrats are jumping ship on the traditionally bipartisan defense authorization bill after Republicans passed amendments overturning the Pentagon's new abortion travel policy and restricting transgender medical care. Republican leaders put the amendments to the fiscal 2024 National Defense Authorization Act on the floor to placate the Freedom Caucus, which had threatened to stall procedural votes on the \$874 billion bill. An amendment from Rep. Ronny Jackson, R-Texas, passed 221-213 to ban the military from providing troops with paid travel leave to receive abortions in states where it's no longer legal. Another amendment from Rep. Matt Rosendale, R-Mont., passed 222-211 to ban sex reassignment surgery and hormone therapy for transgender troops. After the amendments passed, Democrats who usually support the defense bill announced that they would now vote against final passage. The loss of Democratic support means Republicans can only afford a few defections within their party for final passage and rely on fiscal

conservatives who typically oppose the defense bill. The House Appropriations Committee advanced a separate defense spending bill in June over Democratic objections to similar language that would overturn the Pentagon's abortion and transgender medical care policies. Should the House pass defense legislation overturning those policies, it will run into opposition from the Democratic-held Senate and the White House.

### [House GOP pressures Pentagon on lack of financial accountability](#)

#### [New NDAA amendment would add two more F-15EXs for Air Guard in 2025 \(Defense News\)](#)

The Air National Guard Base would receive two additional F-15EX Eagle II fighters under a proposed amendment to the National Defense Authorization Act for fiscal 2024. The amendment, proposed by Rep. John James, R-Mich., and accepted by voice vote on the floor of the House Wednesday, would increase the Air Force's advance funding for the F-15EX by \$30.6 million. This would allow the Air Force to buy two more Boeing-made F-15EXs, James said in a Tuesday House Rules Committee hearing. And the amendment would require the Air Force to send these two F-15EXs to an Air National Guard base that has A-10 Warthogs, but are without an identified aircraft to replace them after the Air Force retires the A-10 by the end of this decade. The proposed \$30.6 million would be in addition to the \$92 million increase in advance F-15EX funding the House Armed Services Committee included in the NDAA in June, James said. That \$92 million increase would allow the Air Force to buy six more fighters in 2025. Those two increases, on top of the \$228 million the Air Force originally requested, would bring the service's total advance procurement spending for the F-15EX to \$350 million in 2024. The two amendments together would mean the Air Force would buy 32 F-15EXs total in 2025, and would increase the service's total planned procurement from 104 to 112, Noah Sadlier, who is James's communication director, told Defense News.

### [Hill battle over SPACECOM HQ seeps into Pentagon's annual \\$4.1B reprogramming request](#)

#### [Republicans take aim at climate funds in spending bills \(Roll Call\)](#)

Nearly a year after passage of the budget reconciliation law known as the Inflation Reduction Act, federal money is pouring into Biden administration programs to address climate change while congressional Republicans are doing what they can to stem the tide.

At least four of the fiscal 2024 House Appropriations bills released so far propose to rescind some funding included in the IRA, including a big chunk of a \$27 billion Greenhouse Gas Reduction Fund established at the EPA. The rescissions, targeted at the administration's landmark effort to spend nearly \$370 billion to address climate change, have drawn the ire of environmentalists. Republicans have defended them as part of their no-holds-barred campaign to reduce federal spending. Republicans have argued that some programs funded through the IRA are wasteful and subject to little oversight. Because Congress would have a more difficult time rescinding funds that are already obligated in the budget, the EPA is racing to distribute as much money as possible from the IRA before cuts could be made. Late last month, the EPA announced a competitive process for issuing \$7 billion in grants for residential solar projects as part of the \$27 billion Greenhouse Gas Reduction Fund in the budget reconciliation law. The EPA also proposed an implementation framework in May that outlined plans to establish two other programs that would account for the remaining \$20 billion in the fund.

## Advanced Technologies

### [Elon Musk announces a new AI company \(CNN\)](#)

Elon Musk on Wednesday announced the formation of a new company focused on artificial intelligence, after months of teasing plans to build a rival to ChatGPT. The company, called xAI, unveiled a website and a team of a dozen staffers. The new company will be led by Musk, according to the website, and "will work closely with X (Twitter), Tesla, and other companies to make progress towards our mission." "The goal of xAI is to understand the true nature of the universe," the website states, echoing language Musk has used before to describe his AI ambitions. Musk was an early backer of ChatGPT-creator OpenAI, but later criticized the company for inputting safeguards that aim to prevent the viral chatbot from spewing biased or sexist responses. "The danger of training AI to be woke – in other words, lie – is deadly," Musk tweeted in December, responding to a Twitter user who asked OpenAI's CEO if it was possible to "turn off the woke settings" on ChatGPT. Musk's announcement of the new company comes months after he warned in an interview that he thinks AI could cause "civilization destruction" and joined other tech leaders in calling for a pause in an "out of control" AI race. Few other details on the company's mission were immediately available, but the website indicates it is actively recruiting staff. At the moment, all of the dozen staffers on the website appear to be men.

### [‘Tech Watchlist’ reveals Pentagon vision of future digital battlefield](#)

### [F.T.C. Opens Investigation Into ChatGPT Maker Over Technology's Potential Harms \(The New York Times\)](#)

The Federal Trade Commission has opened an investigation into OpenAI, the artificial intelligence start-up that makes ChatGPT, over whether the chatbot has harmed consumers through its collection of data and its publication of false information on individuals. In a 20-page letter sent to the San Francisco company this week, the agency said it was also looking into OpenAI's security practices. The F.T.C. asked OpenAI dozens of questions in its letter, including how the start-up trains its A.I. models and treats personal data, and said the company should provide the agency with documents and details. The F.T.C. is examining whether OpenAI "engaged in unfair or deceptive privacy or data security practices or engaged in unfair or deceptive practices relating to risks of harm to consumers," the letter said. The F.T.C. investigation poses the first major U.S. regulatory threat to OpenAI, one of the highest-profile A.I. companies, and signals that the technology may increasingly come under scrutiny as people, businesses and governments use more A.I.-powered products. The rapidly evolving technology has raised alarms as chatbots, which can generate answers in response to prompts, have the potential to replace people in their jobs and spread disinformation.

### [Viasat plunges toward worst day ever after new satellite malfunctions](#)

### [Meta's Threads Now Has to Keep Its Millions of Users Engaged \(The Wall Street Journal\)](#)

Threads, the new text-first social app from Meta Platforms META 1.72%increase; green up pointing triangle, made a splash after its release last week. Now the Instagram-dependent platform has to prove it can carve out a unique identity and persuade users to stay. Threads hit 100 million users within the first five days. Twitter has roughly 500 million, by one measure, and it has been around for more than a decade. Threads' early success was buoyed in part by turmoil at rival Twitter and some structural advantages: Threads requires users to have an Instagram account, which makes signing up somewhat seamless, and Instagram has more than two billion users to draw from. Still, it's early days for the new app, and Threads can expect to face some of the same challenges other platforms have, including Twitter. Meta thinks the audience for Threads could far exceed Twitter's. Instagram has more than two billion users, Zuckerberg said on an earnings call in October—that is nearly four times as many monthly active users as Twitter, according to a presentation the company gave to advertisers in June. Threads has passed the initial test: capturing the attention of social-media users. But the real test will be whether they stay on the app long-term, says Rich Greenfield, co-founder at Lightshed Partners, a tech and research firm.

## Military Installations & Communities

### [US Military's Recruiting Woes Are a National Security Crisis \(Military.com\)](#)

America's armed services are failing to meet their recruiting goals, with the Army in particular suffering the worst shortfalls in five decades. There are many reasons behind this, but one is very surprising: veterans themselves. Recent reporting and anecdotal evidence indicate the likelihood that children of service members will sign up, or be urged to do so by their families, is at a nadir. Given that 80% of new recruits have a relative who served in uniform, there is no understating the crisis. The first step is to understand why recruiting is down. The biggest factor is probably today's very strong civilian job market. In so many ways, life is "compared to what?" If someone can make a starter wage of \$20-plus an hour, perhaps with a decent healthcare plan and a 401K, it is simply much harder to convince them to shave their head, report to a steaming Parris Island boot camp, meet rigorous physical standards, get up before dawn every day, and prepare for long separations from their friends and family, often in risky conditions. Another factor, counterintuitively to many, is the withdrawal of the U.S. from large-scale, active war. Some young people have always been drawn to what they see as the enormous life-test of combat, as well as the adventure of deploying to distant lands. The dispiriting images of the chaotic withdrawal from Afghanistan in 2021 shattered that image for many.

### [DOD's Kathleen Hicks tours Navy shipyard prior to slated \\$6B military construction](#)

### [Gen. Randy George, once admonished, is now Army chief in waiting \(Defense News\)](#)

"What the hell are we doing here?" That was the question then-Col. [Randy George](#) asked then-Lt. Col. Brad Brown when he first visited Combat Outpost Keating in Afghanistan in late 2008. Ahead of their official deployment to Afghanistan, the two were attending a memorial service for the most recent commander of the base, who had been killed by a roadside bomb that exploded nearby, Brown recalled in an interview with Defense News. Now George, the vice chief of staff of the U.S. Army, is nominated to become the service's top uniformed officer and the principal military adviser to Army Secretary Christine Wormuth. It is not the first time Wormuth and George have worked together, which will be beneficial, Brown said. George collaborated on the 2014 Quadrennial Defense Review Wormuth led as under secretary of defense for strategy, plans and forces. At the time, George was deputy director for regional operations and force management in the J-3.

## [Army's network and advanced tech office gets a new leader](#)

### [Biden nominates Space Force's Whiting to lead U.S. Space Command \(Defense News\)](#)

The White House nominated Lt. Gen. Stephen Whiting to take the helm of U.S. Space Command, succeeding Gen. James Dickinson as the U.S. Defense Department's top military space operations leader. The nomination was sent to the Senate on July 11. Since 2020, Whiting has served as the head of Space Operations Command, one of the Space Force's three field commands. He has previously held positions at U.S. Air Force and Space Force headquarters, SPACECOM and the Office of the Secretary of Defense. Dickinson, who has been in the SPACECOM commander role since August of 2020, is an Army officer who previously led the land service's Space and Missile Defense Command. He also held senior positions at U.S. Strategic Command and the Missile Defense Agency. Along with Whiting's nomination, the Biden administration selected Lt. Gen. Michael Guetlein — the head of the Space Systems Command, the Space Force's acquisition arm — to serve as the next Vice Chief of Space Operations.

## **Homeland Security**

### [Pentagon will create office to monitor users and insider threats in wake of leaks \(Defense One\)](#)

The Defense Department says it will improve how it monitors people who handle classified information, based on the findings of a 45-day security review conducted after the leak of dozens of classified documents. The changes include creating a new office—the Joint Management Office for Insider Threat and Cyber Capabilities—to oversee user activity and improve “threat monitoring,” as well as building a centralized tracking system for the department's secret facilities, and beefing up accountability and security for top secret information, according to a June 30 memo from Defense Secretary Lloyd Austin. “What we're doing right now is to make sure that those types of [user activity monitoring] tools are used appropriately within the department and that we've appropriately resourced that program given its applicable uses,” a senior defense official told reporters Wednesday. The review was announced in April, after a trove of classified documents—including assessments of the war in Ukraine—were posted on a Discord server.

## [US Defense Secretary says Tuberville holds are "national security issue"](#)

### [DHS Sec. Mayorkas to testify before House Judiciary Committee amid GOP scrutiny over border crisis \(Fox News\)](#)

Homeland Security Secretary Alejandro Mayorkas will appear to testify before the House Judiciary Committee later this month, Fox News Digital confirmed on Wednesday – in a hearing that is likely to see fiery questions from Republicans on the border crisis and other hot-button issues. Mayorkas will appear before the GOP-led committee on July 26. The hearing is called "Oversight of the U.S. Department of Homeland Security." In an official invite, Chairman Jim Jordan asks that Mayorkas be ready to discuss policies and programs, including those related to Customs and Border Protection "encounters, gotaways, paroles, and releases" at the southern border since Jan. 20, 2021, as well as Immigration and Customs Enforcement (ICE) arrests, removals, releases and detention, and adjudication of immigration benefits. Mayorkas has made a number of appearances before committees in both the House and the Senate this year, where he has faced a number of intense lines of questioning over the ongoing crisis at the southern border.

## [Migrant crossings along U.S.-Mexico border plummeted in June amid stricter asylum rules](#)

### [Chinese hackers breach email of Commerce Secretary Raimondo and State Department officials \(The Washington Post\)](#)

Chinese cyberspies, exploiting a fundamental gap in Microsoft's cloud, hacked email accounts at the Commerce and State departments, including that of Commerce Secretary Gina Raimondo — whose agency has imposed stiff export controls on Chinese technologies that Beijing has denounced as a malicious attempt to suppress its companies. Raimondo is the only known Cabinet-level official to have their account compromised in the targeted cyberespionage campaign, according to U.S. officials familiar with the matter, who spoke on the condition of anonymity due to the matter's sensitivity. The breaches have been mitigated, officials said, but an FBI investigation continues. The Microsoft vulnerability was discovered last month by the State Department. Also targeted were the email accounts of a congressional staffer, a U.S. human rights advocate and U.S. think tanks, officials and security professionals said. State and Commerce were the only two executive branch agencies known to be breached, officials said. A senior FBI official said that no classified information was taken and that there was no evidence that the hackers got anywhere except the inboxes. He said the government was not yet attributing

the attack to any country or group but would seek to “impose costs” on the adversary.

## Transportation & Infrastructure

### [Disability rights leaders meet with VP Harris to discuss transportation accessibility \(UPI News\)](#)

The Biden administration and disability rights leaders met in Washington, D.C., on Tuesday to discuss the Americans with Disabilities Act, which celebrates its 33rd year this month, and transportation accessibility. Vice President Kamala Harris, Secretary of Transportation Pete Buttigieg and Tony Coelho, a former Congressman who was the primary sponsor of the Americans with Disabilities Act in 1990, introduced themselves at the Eisenhower Executive Office Building by describing the color of their navy blue and lavender suits before previewing their discussion about access to polling stations, healthcare and transportation. The group was also expected to discuss ways to help people with disabilities run a small business while making sure artificial intelligence and new AI algorithms consider everyone. Harris also previewed plans to discuss access to polling stations to ensure people with disabilities can vote.

### [Newsom signs infrastructure package into law to streamline projects](#)

### [How Siemens and Alstom are preparing for a passenger rail boom in the U.S. \(CNBC\)](#)

Once a leader in passenger rail, the U.S. has since fallen behind many industrialized nations in rail funding and ridership — but investment is picking up. A significant boost to the rail industry comes from the Infrastructure Investment and Jobs Act (IIJA), which was passed in 2021 and designates \$66 billion to improve the nation’s rail system. Federal investment is also pushing companies to establish a domestic supply chain. At its facility in Hornell, New York, train maker Alstom is working on fulfilling an order for Amtrak, the federally owned U.S. passenger train operator, to upgrade its fleet of Acela trains. Aside from the government, private companies are also working on beefing up passenger rail in the country. Brightline has already built out its passenger rail service in Florida, and its sister company, Brightline West, is working on a high-speed passenger rail line between Las Vegas and Southern California.

## [How Pennsylvania plans to deploy 1.16B allocated for broadband expansion](#)

### [Balfour Beatty wins \\$36M North Carolina highway project \(Construction Dive\)](#)

Balfour Beatty has won an approximately \$36 million contract from the North Carolina DOT to reconstruct the junction of state Route 87 and Route 11, according to an announcement the company shared with Construction Dive this week. The project will take place near Sandyfield, which is northwest of Wilmington, in the state's southeast corner. Balfour Beatty will build a grade-separated interchange, which will carry Route 11 over Route 87 and improve safety and mobility in Columbus County by shifting traffic onto a newly constructed bridge, according to the release. The contractor will also build on and off ramps to connect the two highways. The improvement project will feature widened four lanes. This is at least the third project Balfour Beatty has won in North Carolina this year. In February, the company landed a \$242.35 million design-build contract to improve the U.S. Highway 70 corridor, the future Interstate 42, between Raleigh and the Port of Morehead City to interstate standards. And in April, a JV led by Balfour Beatty won a \$650 million contract for improvements to Raleigh-Durham International Airport. Construction is expected to begin this summer with anticipated completion by the summer of 2026.

## **Biotechnology & Healthcare**

### [FDA approves first over-the-counter birth control pill \(Politico\)](#)

The FDA on Thursday approved the country's first-ever daily hormonal contraceptive pill for sale without a prescription, a move that could dramatically expand access to birth control for the uninsured and reduce unwanted pregnancies at a time abortion access is evaporating in much of the country. Progressive reproductive rights advocates and some medical groups praised the Thursday announcement, saying it will meaningfully expand contraception access for the uninsured, teenagers and other groups who face barriers to obtaining a prescription. Several groups stressed, however, that while they're confident the pill's sale will help lower the number of unwanted pregnancies, they don't see it as a replacement for broad abortion access. According to the FDA, there are about 3 million unintended pregnancies in the U.S. annually. These pregnancies come with higher risks of negative health outcomes, including preterm birth. Welgryn said that Opill will be available in stores and online in early 2024. CVS, one of the nation's largest pharmacy chains, has already pledged to carry the drug in its 10,000 locations. Other retailers have not yet revealed whether they will stock the drug.

### [Rupert Vessey, former Bristol Myers exec, to join Flagship as top scientist](#)

#### [Chamber of Commerce asks judge to block Medicare drug price negotiations before October \(CNBC\)](#)

The U.S. Chamber of Commerce on Wednesday asked a federal judge in Ohio to block Medicare's new powers to negotiate drug prices before Oct. 1. The motion for a preliminary injunction is a significant escalation in the pharmaceutical industry's legal battle against Medicare and would halt the talks before they begin this fall. Health and Human Services Secretary Xavier Becerra will publish a list of 10 high-cost drugs by Sept. 1 that are selected for the negotiations. Drugmakers then have to decide whether to sign agreements to participate in the talks by October. The U.S. Chamber and local chambers of commerce in Dayton, Ohio and Michigan sued Medicare in federal court in the southern district of Ohio in June. They argued that the drug negotiations violate the First and Fifth Amendments of the U.S. Constitution, as well as the separation of powers. The Chamber asked Judge Thomas Rose on Wednesday to block the negotiations before they get under way because they violate the due process clause.

### [One year after launch, 988 mental health crisis line still building awareness and staffing](#)

#### [Ongoing avian influenza outbreaks in animals pose risk to humans \(The World Health Organization\)](#)

The current outbreaks of avian influenza (also called "bird flu") have caused devastation in animal populations, including poultry, wild birds, and some mammals, and harmed farmers' livelihoods and the food trade. Although largely affecting animals, these outbreaks pose ongoing risks to humans. Avian influenza viruses normally spread among birds, but the increasing number of H5N1 avian influenza detections among mammals—which are biologically closer to humans than birds are—raises concern that the virus might adapt to infect humans more easily. In addition, some mammals may act as mixing vessels for influenza viruses, leading to the emergence of new viruses that could be more harmful to animals and humans. Recently, there have been increasing reports of deadly outbreaks among mammals also caused by influenza A(H5)—including influenza A(H5N1)—viruses. 10 countries across three continents have reported outbreaks in mammals to WOA since 2022. There are likely to be more countries where outbreaks have not yet been detected or reported. Both land and sea mammals have been affected, including outbreaks in farmed mink in Spain, seals in the United States of America, and sea lions in Peru and Chile, with

at least 26 species known to have been affected. H5N1 viruses have also been detected in domestic animals such as cats and dogs in several countries, with recent detections of H5N1 in cats announced by authorities in Poland.

## Climate & Development

### [Vermont storm exposes the strengths, and limits, of new flood defenses \(The New York Times\)](#)

A forceful storm walloped Vermont again this week, causing severe flooding, damaging thousands of homes and businesses, and revealing the effectiveness of some mitigation measures taken since Irene. At the same time, officials and experts said, the storm demonstrated the need for ongoing adaptation, as storms become more extreme and less predictable. No injuries or deaths have been reported, but state leaders said on Wednesday that the full scope of the damage from the latest storm was yet to be assessed, with lingering flooding in areas, dozens of closed roads and some communities almost completely cut off. More rain is forecast in the days ahead, raising concerns that some trouble spots could soon flood again. Yet even as the emergency response continued, some leaders called for more long-term planning to build on the lessons of the 2011 storm and face with more urgency the unpleasant likelihood that devastating floods will occur more frequently. State engineers studied the 34 bridges that Irene had destroyed, and replaced them with new ones that minimized the number of large support piers in the water, which had blocked debris flowing down the rivers and caused it to build up and damage roads and bridges. Only two bridges are known to have been destroyed in the storm this week, said Joe Flynn, state secretary of transportation.

### [Heat down below is making the ground shift under Chicago](#)

### [UN climate talks leader, who is the head of an oil company, calls for governments to cut down on emissions \(Fox News\)](#)

The head of this year's United Nations' climate talks called Thursday for governments and businesses to tackle global warming by reducing greenhouse gas emissions in all regions and sectors if they want to stop the planet from passing a key temperature limit agreed on more than seven years ago. Sultan al-Jaber of the United Arab Emirates, who also heads one of the country's state oil companies, told senior officials from Europe, Canada and China gathered in Brussels that record-breaking heat seen in parts of the world recently shows the need for urgent action to curb emissions. Laying out his strategy for the

upcoming COP28 global climate talks in Dubai this fall, al-Jaber said that leaders "must be brutally honest" about what has caused the sharp rise in temperatures since preindustrial times and how to stop them from climbing further. He also called for a sharp increase in renewable energy production and funds to help developing countries make the transition away from polluting fuels and cope with the impacts of climate change.

### [New research rooted in behavioral science shows how to dramatically increase reach of low-income solar programs](#)

#### [World's oceans changing color due to climate breakdown, study suggests \(The Guardian\)](#)

Earth's oceans are changing colour and climate breakdown is probably to blame, according to research. The deep blue sea is actually becoming steadily greener over time, according to the study, with areas in the low latitudes near the equator especially affected. Prior research focused on changes in the greenness of the ocean – from the verdant chlorophyll in its plankton – to learn about trends in the changing climate. But Cael's team pored over 20 years of observations by Nasa's Modis-Aqua satellite, an exhaustive data repository, and looked for patterns of change in the ocean's hue through a fuller colour spectrum including red and blue. Plankton of different sizes scatter light differently, and plankton with different pigments absorb light differently. Examining changes in colour can give scientists a clearer picture of changes in plankton populations around the globe. Phytoplankton is crucial to ocean ecosystems because it is at the base of most of its food chains. When comparing these changes in colour with those hypothesised from a computer model simulating what the oceans would look like if human-caused global heating had never taken place, the change was clear. The changes have been detected over 56% of the world's oceans – an area greater than all of the land on Earth.

---

## Next Week's Hearings

### **Armed Services Committees**

House: Tuesday, July 18th, 2023; 9:00 am; [CITI Hearing: "Man and Machine: Artificial Intelligence on the Battlefield"](#)

Wednesday, July 19th, 2023; 2:00 pm; [MLP Hearing: "Admissions, Curriculum, and](#)

[Diversity of Thought at the Military Service Academies"](#)

Senate: None Listed

**Appropriations Committees**

House: None listed

Senate: Wednesday, July 19th, 2023; 2:45 pm; [Subcommittee Hearing: "A Review of the Fiscal Year 2024 Budget for the U.S. Securities and Exchange Commission"](#)

**Homeland Security Committees**

House: Tuesday, July 18th, 2023; 10:00 am; [House Homeland Security Subcommittee on Transportation and Maritime Security: "Strategic Competition in the Arctic"](#)

Tuesday, July 18th, 2023; 2:00 pm; [Homeland Security Subcommittee on Border Security and Enforcement: "Opening the Flood Gates: Biden's Broken Border Barrier"](#)

Wednesday, July 19th; 2:00 pm; [Full Committee Hearing on Secretary Mayorkas' "Loss of Operational Control to Drug Cartels"](#)

Senate: Wednesday, July 19th, 2023; 9:30 am; [Business Meeting](#)

Thursday, July 20th, 2023; 10:00 am; [America's Supply Chain Security: "Understanding & Mitigating Threats"](#)

---

*Copyright © 2017-Present The Roosevelt Group LLC, All rights reserved.*

**Our mailing address is:**

200 Massachusetts Ave, NW, Suite 360, Washington DC 20001

Want to change how you receive these emails?

You can [update your preferences](#) or [unsubscribe from this list](#)

**WARNING: This email originated outside York County's email servers. Please verify the sender's identity, and use caution when clicking any links or opening any attachments.**

**From:** VDOT Hampton Roads <hamptonroadspublicinfo@vdot.virginia.gov>  
**Sent:** Friday, July 14, 2023 3:28 PM  
**To:** Morgan, Neil  
**Subject:** [EXTERNAL] UPDATED: HAMPTON ROADS WEEKLY LANE CLOSURES REPORT JULY 16-22



# TRAFFIC ALERT

VirginiaDOT.org

**RELEASE: IMMEDIATE**

July 14, 2023

**CONTACT:**

Media Line: 757-956-3032

[HamptonRoadsPublicInfo@VDOT.Virginia.gov](mailto:HamptonRoadsPublicInfo@VDOT.Virginia.gov)

## HAMPTON ROADS CLOSURES ON WATER CROSSINGS, INTERSTATES AND OTHER NOTABLE DETOURS

*For the week of July 16-22*

**\*Editor's Note:** This version is updated to reflect corrected information,  
which is highlighted in yellow below.

**NOTE:** This list covers full closures of interstates, ramps, bridges and primary roads, and lane closures at the bridge-tunnels and the Berkley, Coleman, High Rise and James River bridges.

*\*Scheduled closures are subject to change based on weather conditions and other factors.\**

For information on the many other lane closures necessary for maintenance and construction throughout Hampton Roads, visit [511Virginia.org](http://511Virginia.org), download the [511VA smartphone app](#), or dial 511.

### **Bridges & Tunnels:**

#### **Hampton Roads Bridge-Tunnel, I-64:**

- Single-lane closures westbound July 19-20 from 9 p.m. to 5 a.m.

#### **Monitor-Merrimac Memorial Bridge-Tunnel, I-664:**

- Alternating, mobile, single-lane closures July 18 from 9 a.m. to 2 p.m.

#### **James River Bridge, Route 17:**

- Single-lane closure southbound July 17-18 from 9 a.m. to 3 p.m.
- Alternating, mobile, single-lane closures in both directions July 19-21 from 9 a.m. to as late as 3 p.m.
- Alternating, mobile, single-lane closures northbound July 20 from 9 p.m. to 5 a.m.

**George P. Coleman Bridge, Route 17:**

- Alternating, mobile, single-lane closures in both directions July 18 from 9 a.m. to 3 p.m.

**HRBT Expansion Project:**

- For lane closures and project updates related to the HRBT Expansion Project, visit [HRBTExpansion.org](http://HRBTExpansion.org).

**Elizabeth River Tunnels (Downtown/Midtown Tunnels):**

- Go to [Elizabeth River Tunnels](#) for maintenance schedules on the Downtown Tunnel (I-264), Midtown Tunnel (U.S. 58) and MLK Expressway (Route 164).



**I-64, Southside Widening, High Rise Bridge Expansion:**

- For additional information about lane closures and other project impacts, visit [http://64highrise.org/news\\_and\\_traffic\\_alerts/lane\\_closures.asp](http://64highrise.org/news_and_traffic_alerts/lane_closures.asp).

**I-64, Hampton Roads Express Lanes:**

- For additional information about Hampton Roads Express Lanes closures and traffic impacts, visit [https://64expresslanes.org/traffic\\_alerts/traffic\\_alerts.asp](https://64expresslanes.org/traffic_alerts/traffic_alerts.asp).

**Hampton:**

- Long-term, continuous single-lane closure on **I-64 east**, reducing travel lanes from three to two lanes between Settlers Landing Road (exit 267) and Rip Rap Road starting as early as Sunday, July 16 at 10 p.m. [View the full traffic alert here.](#)
- Long-term, continuous single-lane closure on I-64 west, reducing travel lanes from three to two lanes between Woodland Road (exit 267) and Rip Rap Road as of July 10. [View the full traffic alert here.](#)

---

[{Click Here to View as Webpage}](#)



VDOT Hampton Roads | 7511 Burbage Drive, Suffolk, VA 23435

[Unsubscribe neil.morgan@yorkcounty.gov](#)

[Update Profile](#) | [Constant Contact Data Notice](#)

Sent by hamptonroadspublicinfo@vdot.virginia.gov powered by



---

**WARNING: This email originated outside York County's email servers. Please verify the sender's identity, and use caution when clicking any links or opening any attachments.**



July 10, 2023

**For Immediate Release**

Contact: Gina G. Patterson, VSBA Executive Director, [gina@vsba.org](mailto:gina@vsba.org)  
Dr. Scott Brabrand, VASS Executive Director, [s.brabrand@vassonline.org](mailto:s.brabrand@vassonline.org)

## **VSBA, VASS Joint Statement on Release of JLARC K-12 Funding Study**

The Joint Legislative Audit and Review Commission [released its report](#) on Virginia's K-12 Public Education Funding Formula today at a commission meeting in Richmond. This study was a directive passed in the 2021 session of the Virginia General Assembly which asked the commission to provide an accurate assessment of the costs to implement the Standards of Quality.

The Virginia School Boards Association (VSBA) and the Virginia Association of School Superintendents (VASS) express our deepest appreciation to the staff of JLARC who conducted the research that led to the findings and recommendations released today. This report contains findings of many longstanding legislative priorities of VSBA and VASS including the elimination of the SOQ Support Cap, the need for Virginia to increase its share of funding for support services to K-12 public education, and the crucial role compensating teachers at the national level has on keeping effective educators in the classroom. With record surpluses in the Commonwealth's budget, VSBA and VASS urge the Virginia General Assembly to act on the recommendations found in the JLARC report and invest additional resources in our public schools. VSBA and VASS are here to partner with the General Assembly and welcome further conversation on how best to implement these recommendations.

"The report released today by JLARC shows what school board members and superintendents have known for many years. Virginia's school funding model lags the nation and policymakers at the state level must seek practical solutions to assist our divisions whose localities cannot afford to fund the resources needed to provide students with a quality public education," said David R. Woodard, President of the Virginia School Boards Association.

In response to the report's release, VASS President Kristy Somerville-Midgette stated the following, "This report reinforces the need for the General Assembly to immediately support additional funding for FY 24 that further invests in our teachers, schools and especially the Commonwealth's children."

###



## Virginia's K-12 Funding Formula

---

# Study resolution

## SENATE JOINT RESOLUTION NO. 294

*Directing the Joint Legislative Audit and Review Commission to study the true cost of education in the Commonwealth and provide an accurate assessment of the costs to implement the Standards of Quality. Report.*

Agreed to by the Senate, January 27, 2021

Agreed to by the House of Delegates, February 24, 2021

In conducting its study, the Joint Legislative Audit and Review Commission shall

- (i) estimate the cost of implementing the Standards of Quality based on the actual expense of education prevailing in the Commonwealth,
- (ii) determine if the Standards of Quality accurately reflect actual standards of practice within each school division.
- (iii) analyze changes in the Standards of Quality funding formula since 2009 and the impact of such changes on its accuracy in reflecting such costs,
- (iv) recommend changes to the Standards of Quality funding formula

---

## In brief

- Virginia school divisions receive less K–12 funding per student than
  - divisions in other states
  - several key funding benchmarks
- Many of the Standards of Quality (SOQ) formula's inputs and assumptions lack a clear rationale and do not reflect prevailing practice in school divisions

---

## In brief (continued)

- SOQ formula does not adequately account for higher needs students, regional labor costs, and division size (the three main cost drivers outside a division's control)
- Local composite index used to apportion funding obligations between the state and each locality is a reasonably accurate measure of ability to pay
- Most states use a student-based K-12 funding formula, which is simpler than Virginia's complex staffing-based formula

---

## JLARC developed recommendations and policy options and estimated their funding impacts

- Presentation focuses on major recommendations and policy options; full list can be found in report
- Near-term and long-term recommendations to help guide strategic approach to implementation
- Presentation focuses on *state-level* funding and impacts
- *Division- and local government-level* funding impacts will be available on JLARC website

---

# In this presentation

## Background

Legal requirements for K-12 system

K-12 funding compared to key benchmarks

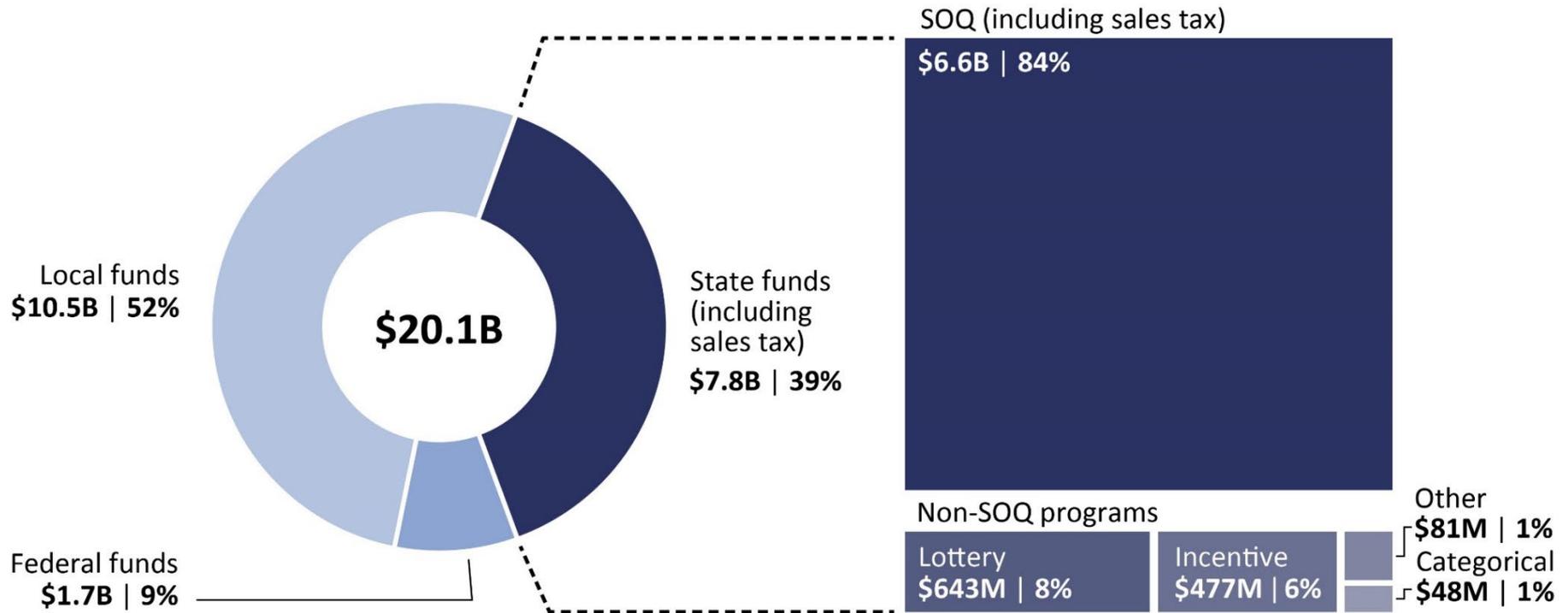
SOQ formula staffing and cost calculations

Cost drivers

State & local share of SOQ estimates

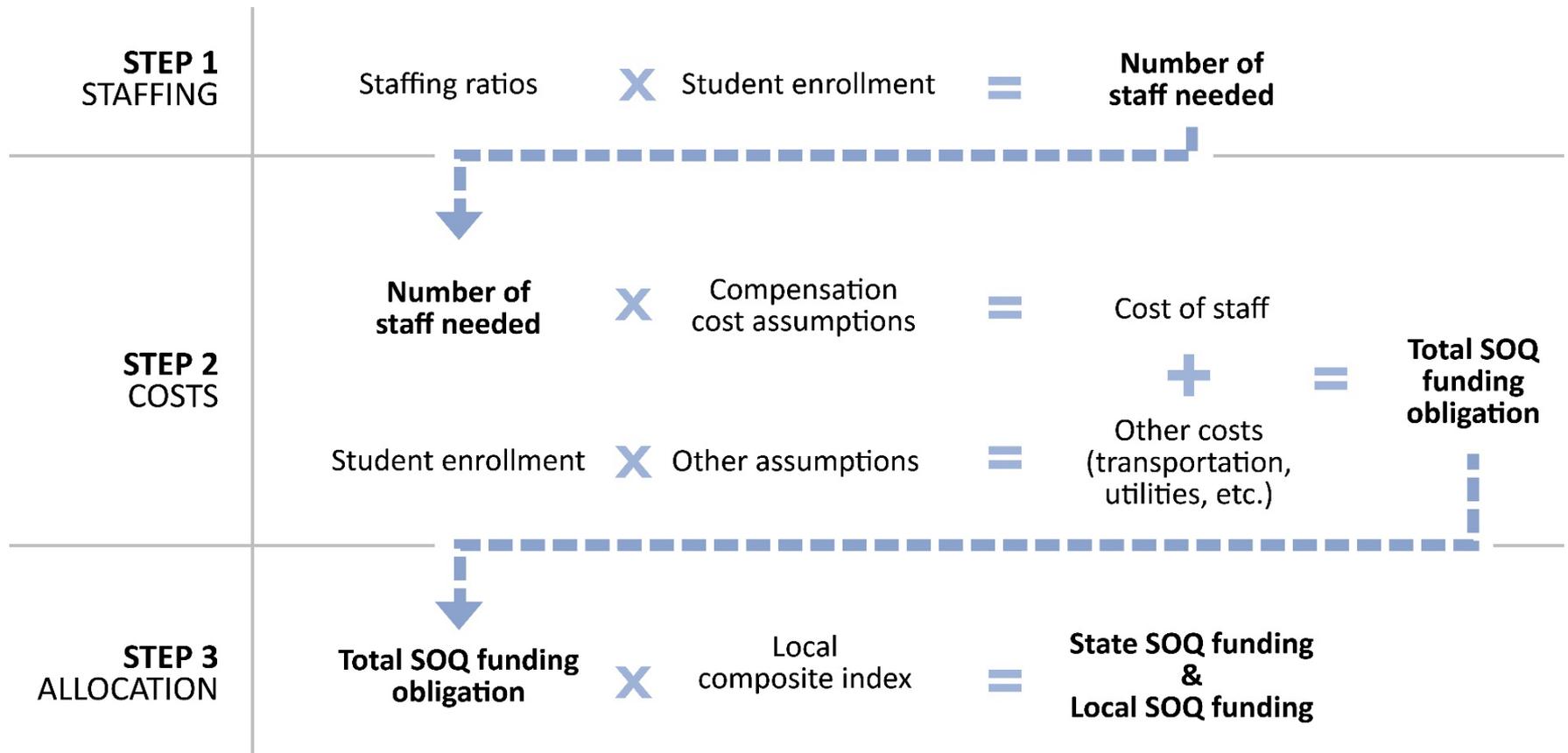
Formula use & design

# Virginia school divisions receive local, state, and federal funding



- Fairfax County accounts for \$2.5B of the \$10.5B in local funding

# SOQ formula is primary way state determines amount of K-12 education funding



---

# Sufficient funding is essential for a high quality education system

- Decades of research concludes funding has a critical role in quality of K-12 education
  - \$1,000 spending ↑ ; 2.3% graduation rate ↑
- Likelihood of having high quality teachers increases with sufficient funding
  - Repeatedly shown to increase student performance more than any other factor
  - Can ↑ student achievement 1.5 grade levels

---

# Though essential, funding alone does not ensure high quality education system

- Decades of research concludes factors in addition to funding levels impact student achievement
- Factors within the system's control
  - Systems of accountability for students and teachers
  - Instructional and support services
- Factors outside the system's control
  - Poverty level
  - Adequacy of support at home

---

# In this presentation

Background

Legal requirements for K-12 system

K-12 funding compared to key benchmarks

SOQ formula staffing and cost calculations

Cost drivers

State & local share of SOQ estimates

Formula use & design

---

# Constitution directs legislature to seek to ensure a high quality education but grants wide latitude

## Section 1. Public schools of high quality to be maintained

The General Assembly shall provide for a system of free public elementary and secondary schools for all children of school age throughout the Commonwealth, and shall seek to ensure that an educational program of high quality is established and continually maintained.

## Section 2. Standards of quality; State and local support of public schools

Standards of quality for the several school divisions shall be determined and prescribed from time to time by the Board of Education, subject to revision only by the General Assembly.

The General Assembly shall determine the manner in which funds are to be provided for the cost of maintaining an educational program meeting the prescribed standards of quality, and shall provide for the apportionment of the cost of such program between the Commonwealth and the local units of government comprising such school divisions.

---

# Prior General Assemblies have articulated the K-12 system's goal in statute

Chapter 13.2. Standards of Quality.

§ 22.1-253.13:1.

A. The General Assembly and the Board of Education believe that the fundamental goal of the public schools of the Commonwealth must be to enable each student to develop the skills that are necessary for success in school, preparation for life, and reaching their full potential.

---

# Prior General Assemblies have also identified what is necessary for a high quality education

Chapter 13.2. Standards of Quality.

§ 22.1-253.13:1.

The General Assembly and the Board of Education find that the quality of education is dependent upon the provision of (i) the appropriate working environment, benefits, and salaries necessary to ensure the availability of high-quality instructional personnel; (ii) the appropriate learning environment designed to promote student achievement; (iii) quality instruction that enables each student to become a productive and educated citizen of Virginia and the United States of America; and (iv) the adequate commitment of other resources.

---

# Within this framework, staff developed six criteria to evaluate the SOQ funding formula

## Criteria for evaluating formula

1. Clear and justifiable rationale\*
2. Reflects prevailing practice\*
3. Accurate
4. Fair
5. Predictable
6. Transparent

\*Criteria established by the Task Force for Financing the Standards of Quality, 1972-1973 and Virginia Attorney General opinions, 1973, 1983.

---

# In this presentation

Background

Legal requirements for K-12 system

K-12 funding compared to key benchmarks

SOQ formula staffing and cost calculations

Cost drivers

State & local share of SOQ estimates

Formula use & design

---

## Virginia funding for K-12 education was compared to several benchmarks

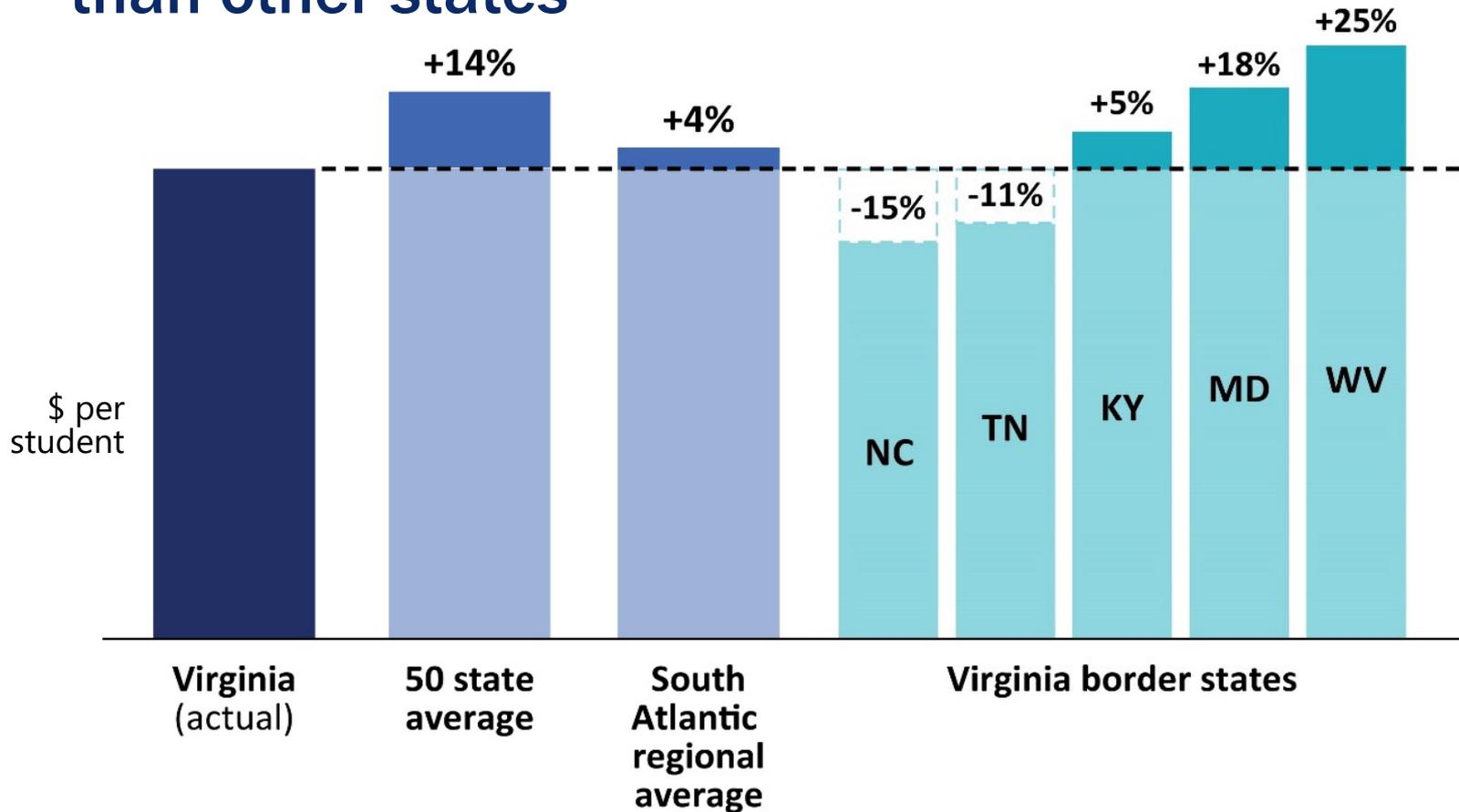
- No single best way to determine ideal K-12 funding levels
- Comparing actual K-12 funding to benchmarks can help determine whether Virginia's education funding is within a reasonable range
  - Compared to other states
  - Compared to Virginia-specific estimates of funding needs
- Funding substantially above or below benchmarks would suggest divisions are not receiving appropriate level of K-12 funding (from all sources), including SOQ funding

---

# Finding

Virginia divisions receive less funding per student than the national and regional state averages.

# Virginia divisions receive less funding per student than other states



NOTE: Adjusted, FY20 data. Includes funding for K-12 operations from all sources (federal, state, and local). Analysis controls for differentials in statewide cost of labor.

---

## Finding

Virginia school divisions receive less funding per student than what three Virginia-specific benchmarks indicate may be needed.

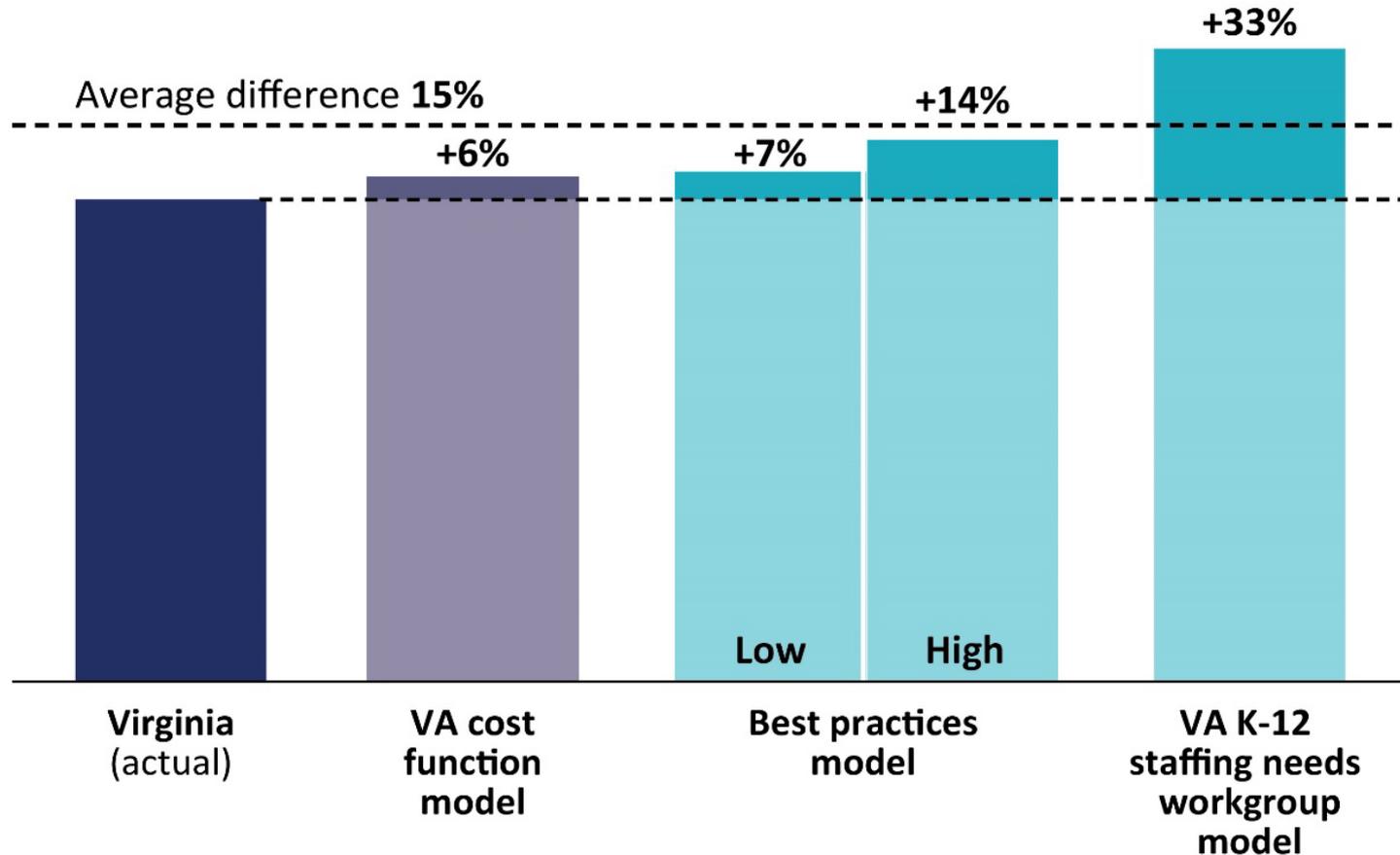
---

## JLARC used three of the most commonly used methods to benchmark Virginia K–12 spending

- Cost function model: Used statistical relationships between funding, test scores, divisions, and student demographics to estimate funding for Virginia.\*
- Best practices / other state cost studies: Identified funding recommendations from reviews performed in 31 states and applied them to Virginia.
- Virginia K–12 staffing needs workgroups: Estimated staffing needs using ratios developed by 7 workgroups of more than 40 current Virginia K–12 teachers and staff.

\*Performed under contract by one of the nation's leading K–12 funding experts, Dr. Bruce Baker.

# Funding models estimate Virginia school divisions need 6 to 33 percent more total funding



NOTE: Includes funding for K-12 operations from all sources (federal, state, and local).

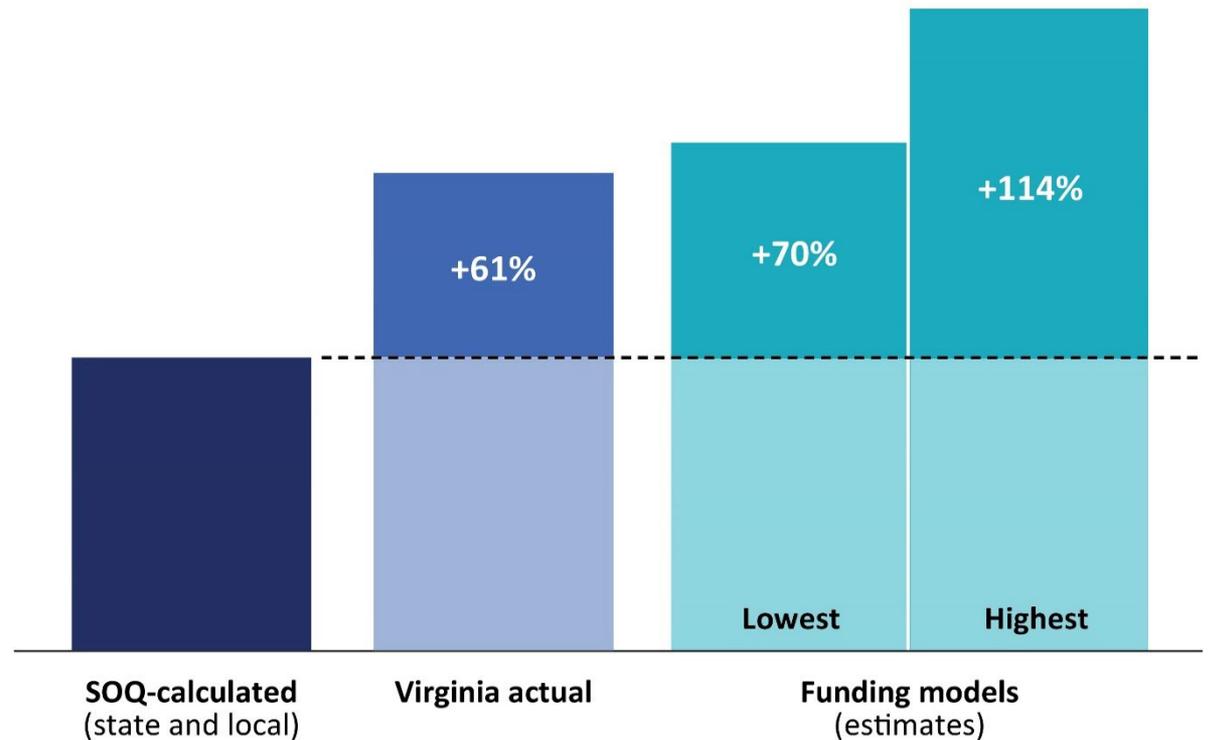
---

## Finding

*SOQ formula calculations* result in substantially less funding than actual K-12 spending and benchmarks.

# SOQ-calculated funding amounts are substantially less than actual funding and benchmarks (FY21)

- SOQ formula calculated divisions needed \$10.7B
- But divisions actually spent \$17.3B



---

## Few Virginia school divisions spend more on K–12 than peers, after accounting for cost drivers

- Per student spending tends to be higher in urban and suburban areas, especially in Northern Virginia
- After adjusting for differences in the three major drivers of divisions costs (student need, local labor costs, and enrollment):
  - Only two very small school divisions spend substantially more than their peers on K–12 education
  - Northern Virginia divisions look similar to others

---

## States and localities, including in Virginia, have recently been providing additional K-12 funds

- Virginia General Assembly has recently provided substantial, additional funds that cannot yet be reflected in benchmark comparisons
  - Funding for 5% salary increases for SOQ-recognized staff
- Other states, such as Tennessee and Maryland, have recently embarked upon major, long-term funding initiatives also not reflected in benchmark comparisons
- Local government funding trends unclear

---

# In this presentation

Background

Legal requirements for K-12 system

K-12 funding compared to key benchmarks

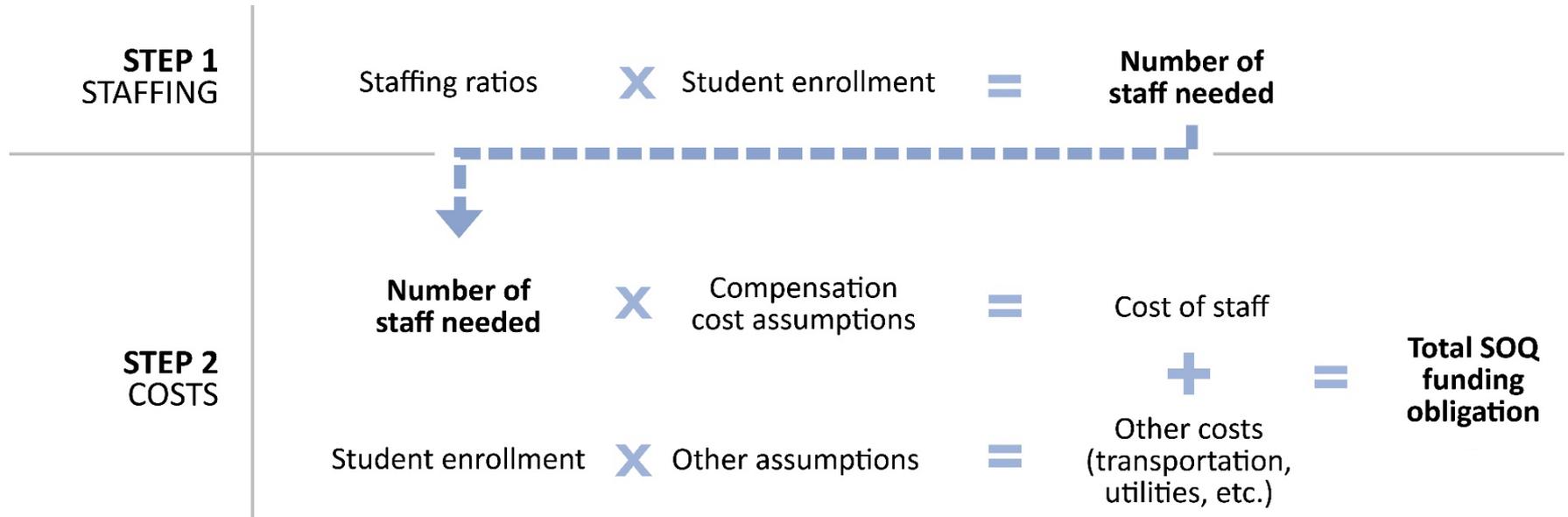
SOQ formula staffing and cost calculations

Cost drivers

State & local share of SOQ estimates

Formula use & design

# SOQ formula heavily relies on staffing and cost assumptions to determine funding obligations



# Finding

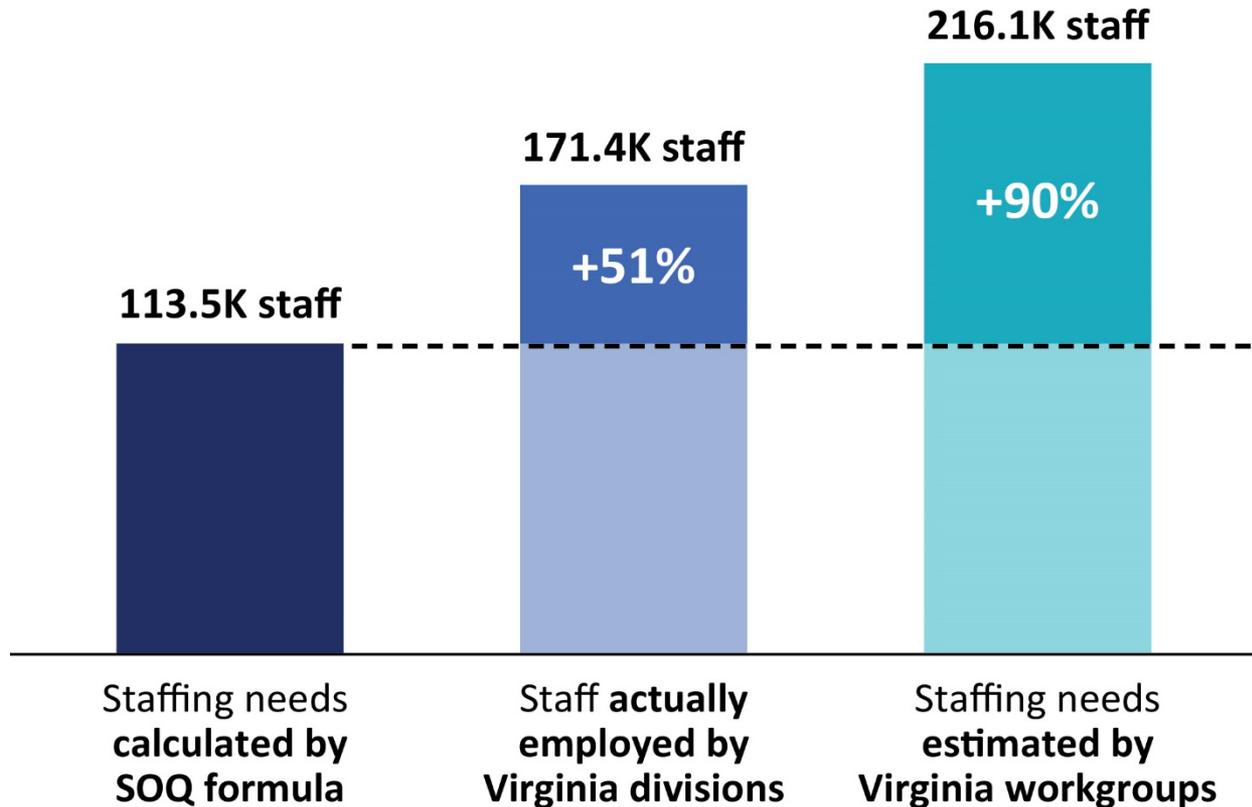
	Clear & justifiable rationale	Reflects prevailing practice?	Accurate?	Fair?	Predict-able?	Trans-parent?
SOQ formula staffing ratios and calculations	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	n/a	n/a	<input type="radio"/>

Fully meets criteria

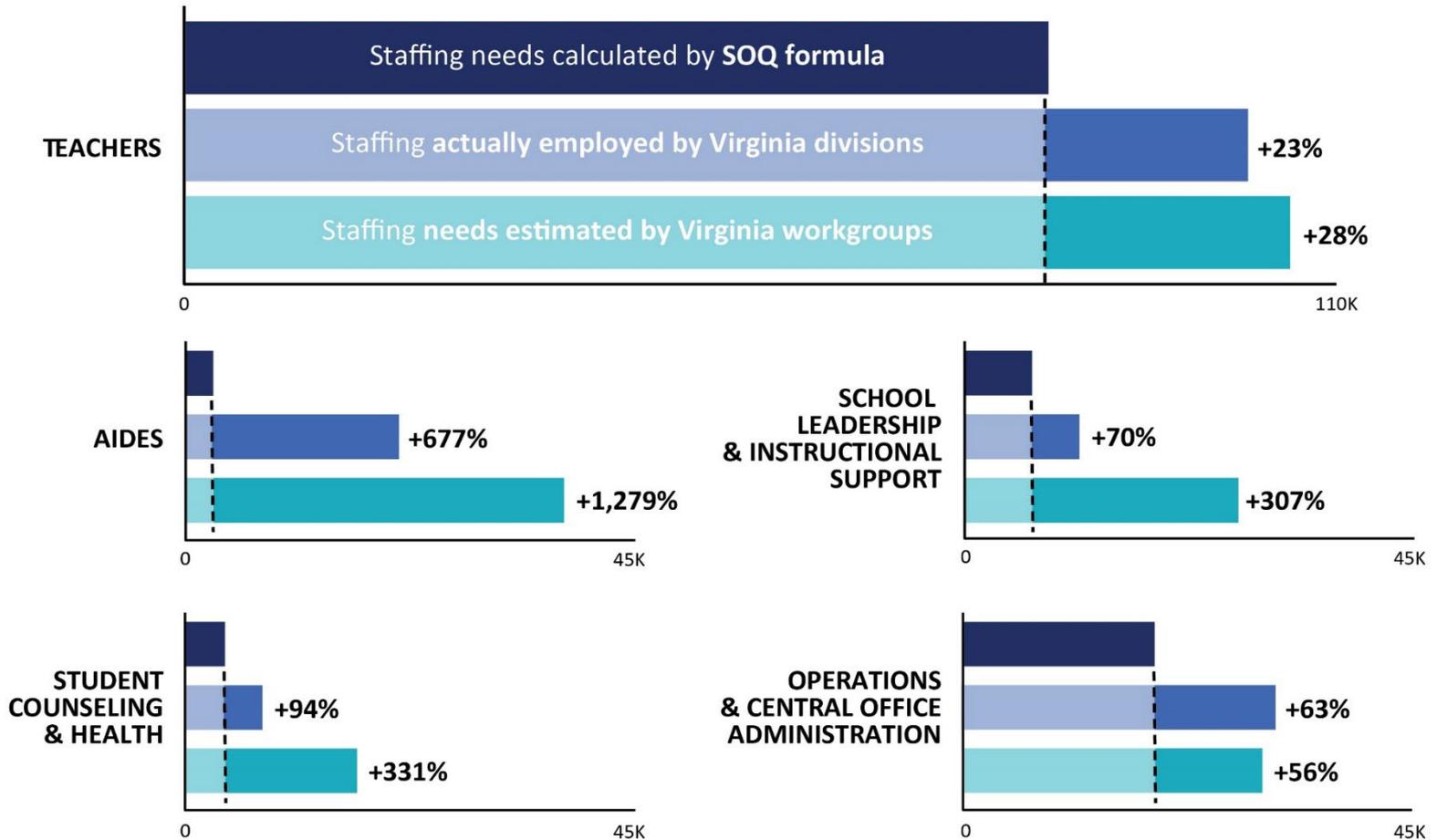
Partially meets

Does not meet

# SOQ formula assumes fewer staff are needed than number employed and workgroup estimates



# Formula calculates fewer of all major staff types than number employed and estimates of need



## Recommendation (near term)

Address technical issues:

- (i) include all division central office positions
- (ii) apply cost of competing adjustment to facility and transportation staff salaries
- (iii) remove cap on non-personal cost assumptions
- (iv) account for facilities staff cost

Impact	Clear & justifiable rationale	Reflect prevailing	Accurate	Fair	Predict-able	Trans-parent	Cost (est. FY23) <b>\$45M</b> <b>+0.6%</b>
							

# Recommendations (long term)

Develop and adopt a new, simpler, and comprehensive set of staffing ratios that more accurately reflect how divisions are staffed.

Impact	Clear & justifiable rationale	Reflect prevailing	Accurate	Fair	Predict-able	Trans-parent	Cost (est.)
	↑	↑	↑			↑	<b>\$1.86B</b> <b>+24%</b>

# Finding

	Clear & justifiable rationale	Reflects prevailing practice?	Accurate?	Fair?	Predict-able?	Trans-parent?
Great Recession-era formula changes	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	n/a	n/a	<input type="radio"/>
SOQ formula calculation of prevailing salaries	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	n/a	<input type="radio"/>
SOQ formula salary cost adjustments	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	n/a	<input type="radio"/>	<input checked="" type="radio"/>
Increasing compensation funding	<input checked="" type="radio"/>	n/a	n/a	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

---

## Several changes were made to SOQ formula in FY09 & FY10 during steep revenue declines

- “Support cap” reduced funding for divisions below prevailing costs
  - Also affected instructional funding
- Certain “non-personal” costs were removed from the prevailing SOQ cost calculations, though they are still incurred by divisions (travel, leases, other)
- Calculation used to account for federal funds was changed to use less accurate assumptions

# Recommendation (near term)

Eliminate cap on support positions, re-instate the non-personal cost categories removed in FY09 and FY10, and re-instate the previous federal fund deduction methodology.

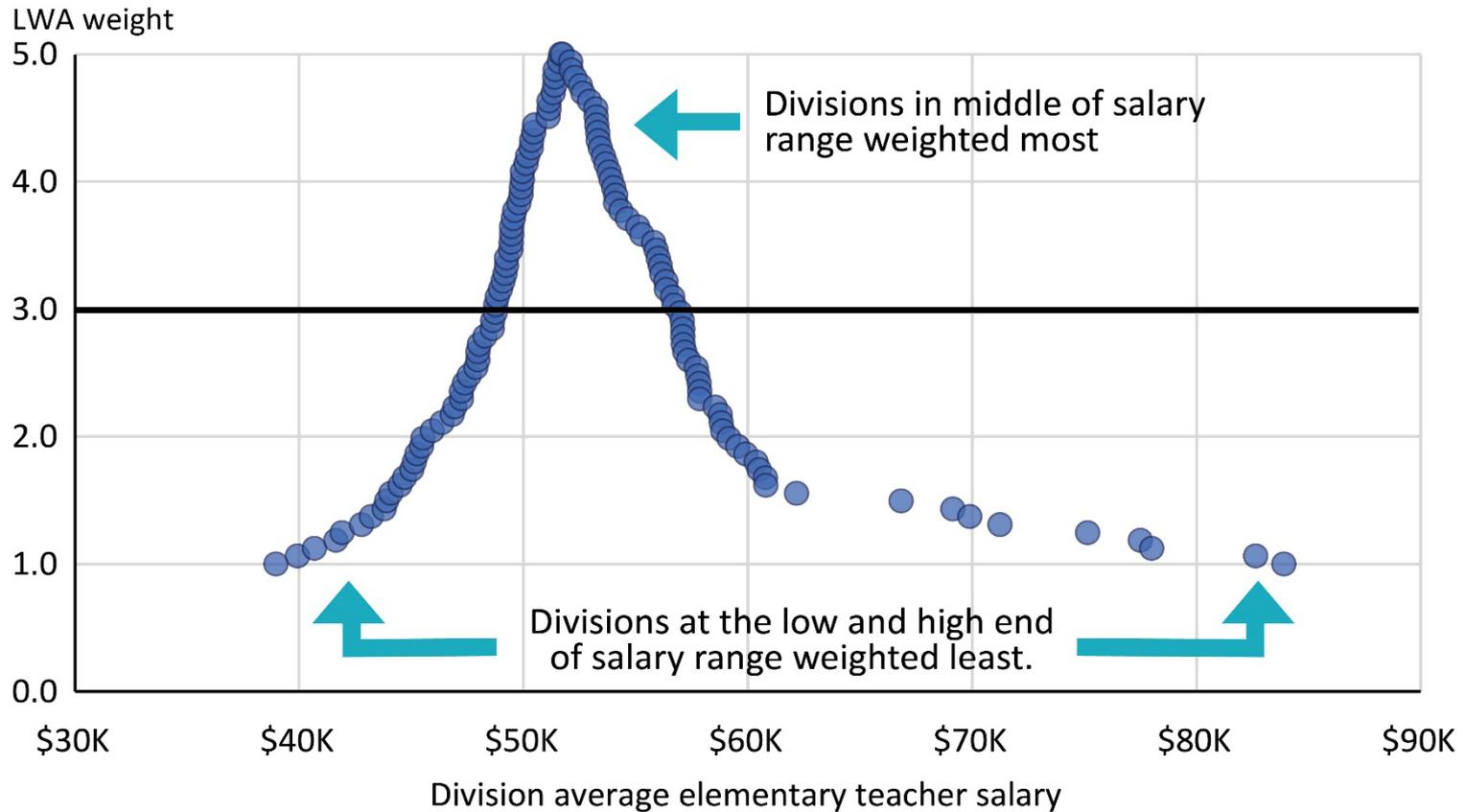
Impact	Clear & justifiable rationale	Reflect prevailing	Accurate	Fair	Predict-able	Trans-parent	Cost (est.)
	↑	↑	↑			↑	\$515M +6.5%

---

## Background: Divisions, not state or SOQ formula, determine employee pay scales and salaries

- SOQ formula allocates funding that divisions have wide latitude to use (in combination with other K-12 funds) to compensate their workforce
- SOQ formula uses a variety of salary assumptions and estimates as basis to determine funding levels, but does not determine salaries
- Out of scope: Evaluation of adequacy of salaries & process divisions use to compensate employees

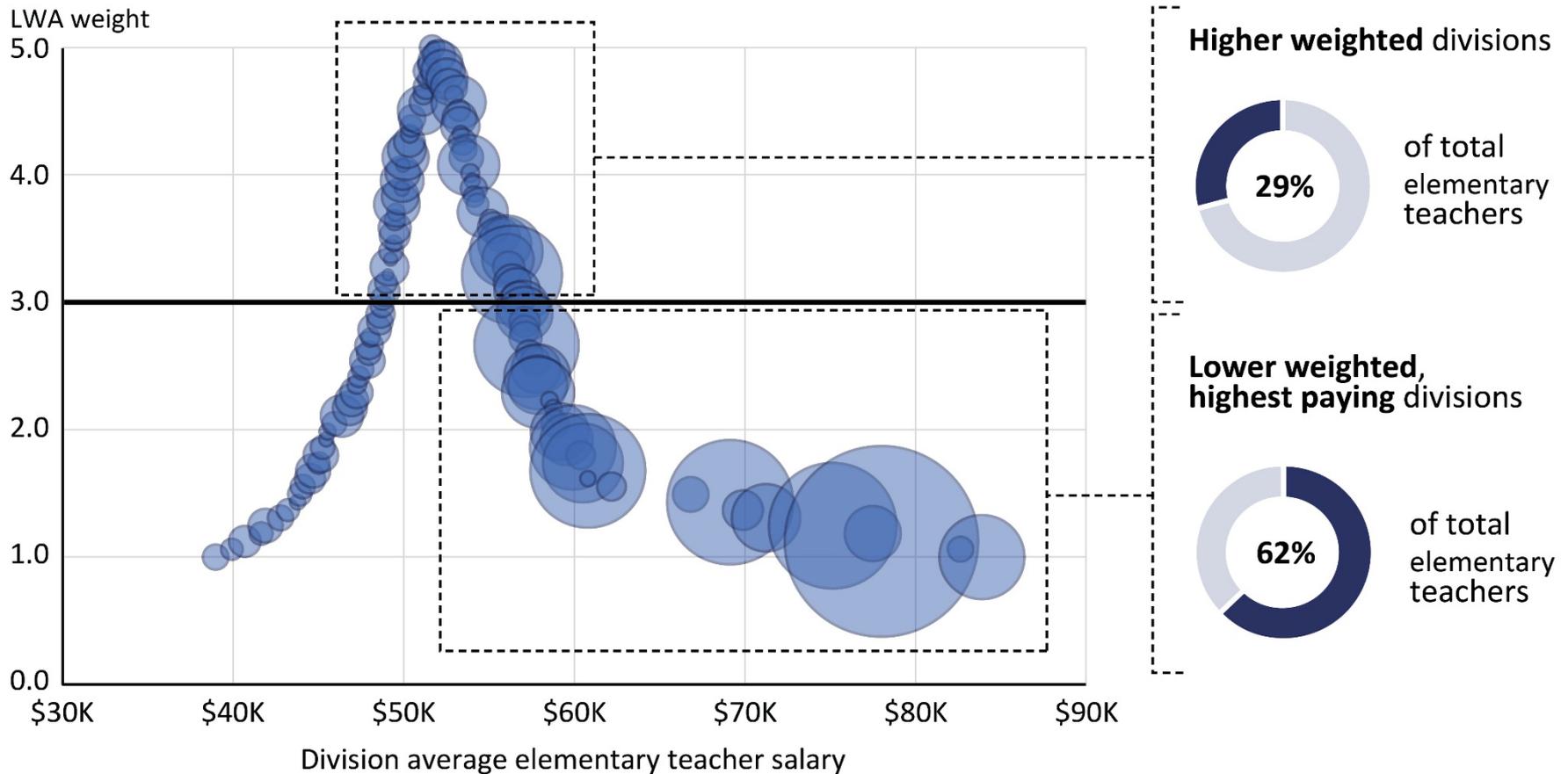
# Formula uses a valid, but little-used, statistical method\* to calculate the average teacher salary



\*Method is the Linear Weighted Average

Note: Each dot represents one school division.

# Formula's "prevailing" statewide teacher salary underweights divisions with the most staff



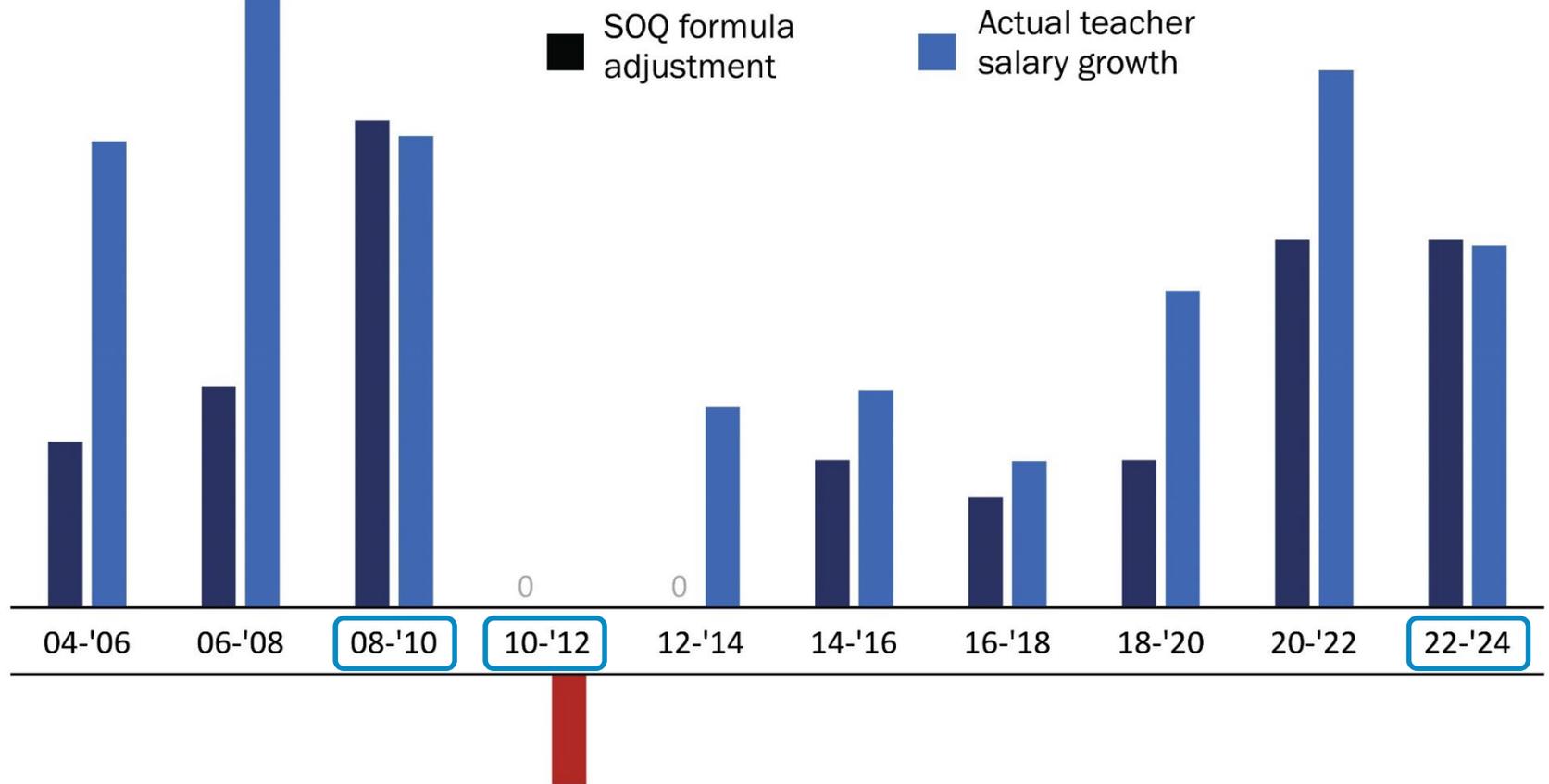
Note: Each dot represents one school division. Larger dot size = more teachers employed by division.

# Recommendation (near term)

Calculate salary and other cost assumptions using the division average, rather than the linear weighted average.

Impact	Clear & justifiable rationale	Reflect prevailing	Accurate	Fair	Predict-able	Trans-parent	Cost (est.)
	↑	↑	↑	↑		↑	\$190M +2.4%

# SOQ formula adjustments for salary costs are usually less than growth in teacher salaries



---

## State uses unsystematic process to increase funding for compensation over time

- State uses “compensation supplements” to adjust funding for salaries and related compensation costs
- Not consistently provided
- Amounts provided are not based on a clear measure or objective and often trail actual salary growth and inflation
- Virginia average teacher salaries consistently trail statutory goal of being at or above national average
- State must balance funding increases with other budget priorities and constraints

# Recommendation (long term)

Update outdated salary cost assumptions used in the formula to more closely reflect current salaries (during the biennial SOQ re-benchmarking process).



# Policy Option

Develop and implement a funding plan to increase compensation supplements as needed to achieve the statutory goal of Virginia teacher salaries being at or above the national average.



---

# In this presentation

Background

Legal requirements for K-12 system

K-12 funding compared to key benchmarks

SOQ formula staffing and cost calculations

**Cost drivers**

State & local share of SOQ estimates

Formula use & design

---

## Three major drivers of what divisions spend are outside their direct control

- Number of higher needs students (at-risk / low income, special education, English learners)
- Regional labor costs
- Division size (as measured by number of students)

---

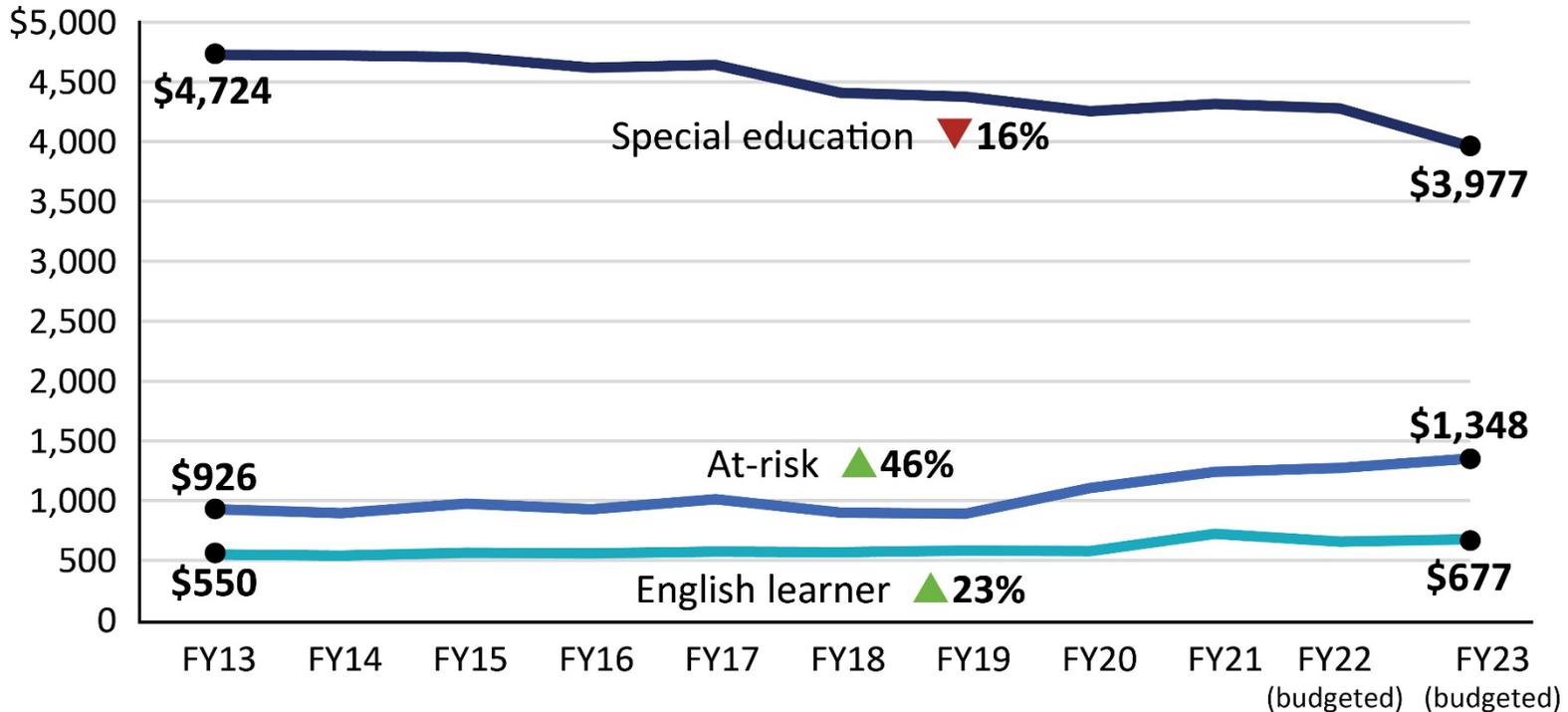
## Findings

State funding per student has increased for at-risk (low income) and English learners and declined for special education.

State funding per student for higher needs students is less than several relevant benchmarks.

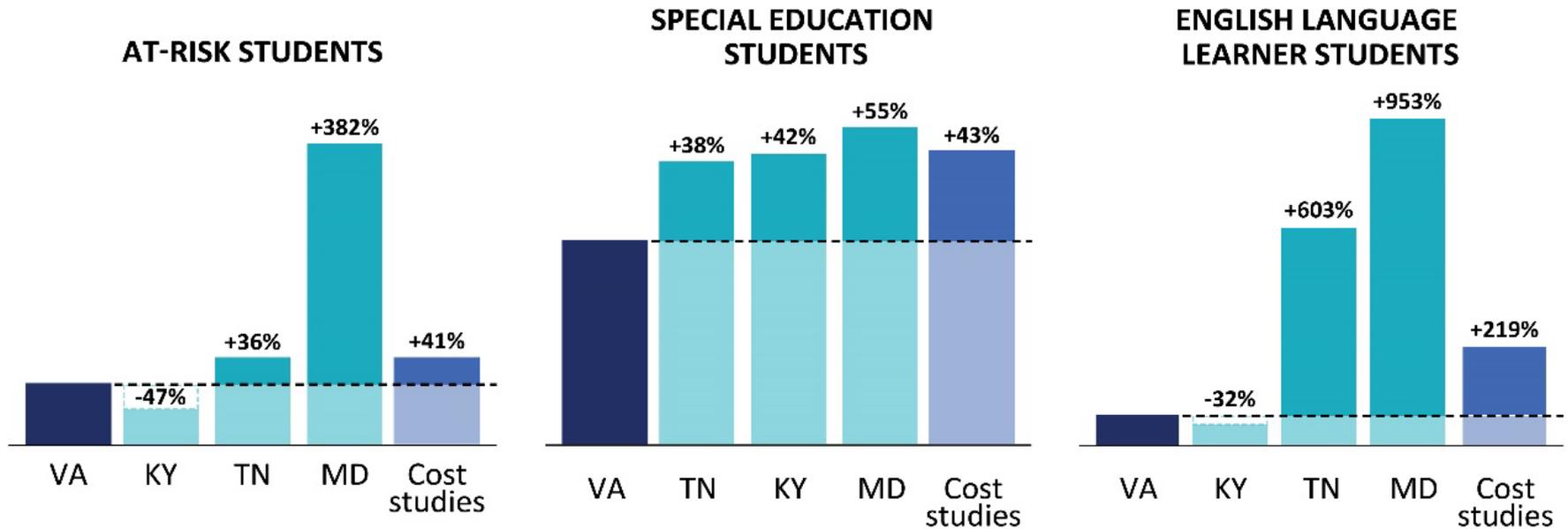
# State funding for at-risk and English learners has increased but special education funding has decreased

Additional funding per student



Presented in FY21, per student dollars. FY22 and FY23 figures are based on budgeted expenditures and not actual reported revenues. FY23 figure makes several assumptions of future inflation and enrollment changes.

# State funding for the three types of higher needs students is below several benchmarks



NOTES: Other state data is derived from their formula weights and base student funding amounts, adjusted for inflation and each state's Comparable Wage Index for Teachers (CWIFT). The cost study amounts are calculated from the midpoints (average or median) per pupil base amounts and student weightings recommended in the cost studies reviewed, adjusted for inflation and CWIFT.

---

## Recommendation (near term)

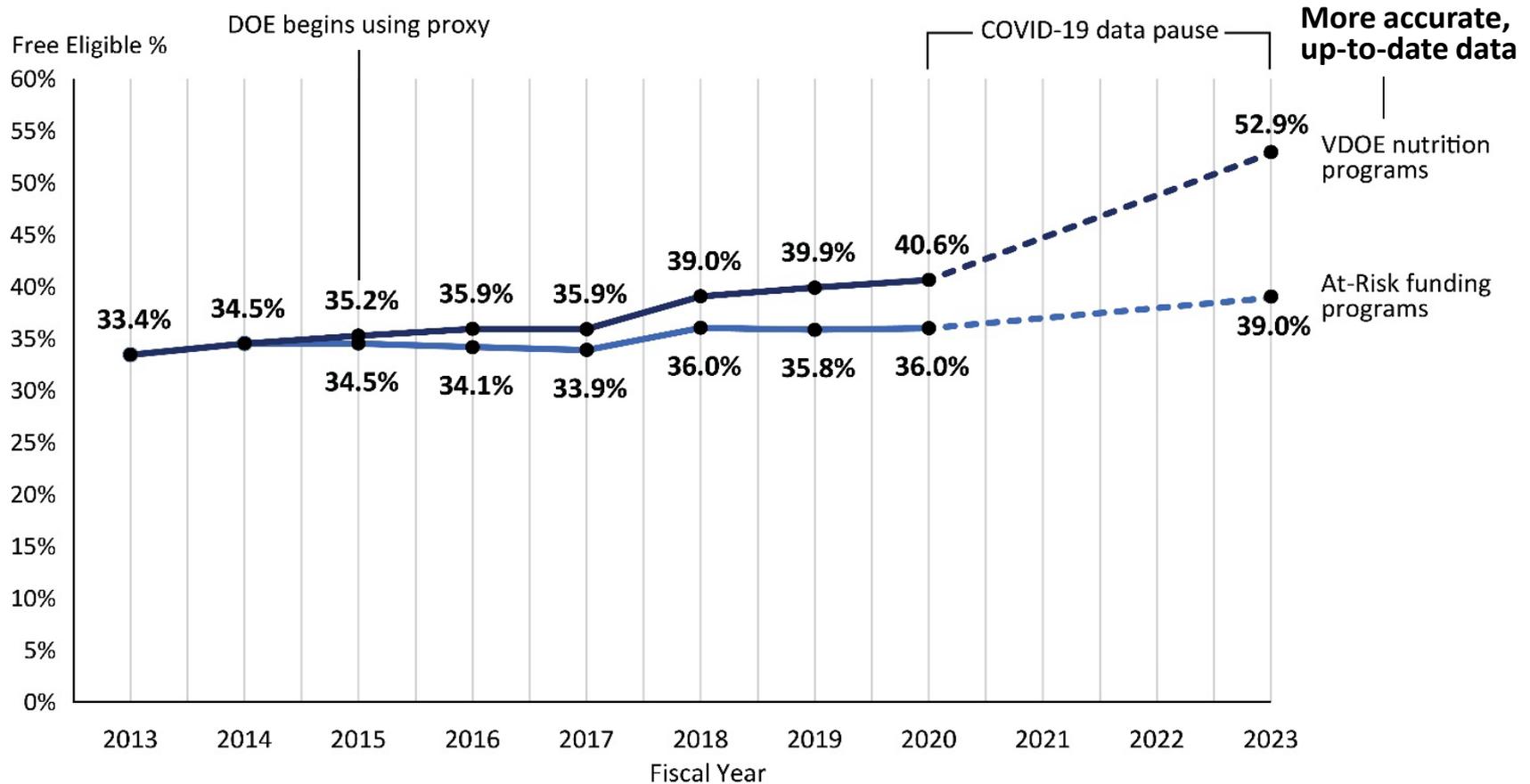
Direct VDOE to work with school division staff and experts to develop new special education staffing needs estimates and report its findings to the Board of Education and General Assembly.

---

## Funding for at-risk programs is essential for low income student success, yet not SOQ required

- Academic research concludes that funding services for low income students is crucial for success
  - Instructional (e.g., math and reading intervention)
  - Support services (e.g., counseling, health)
- Funding needs for low income students are even greater when a division has highly concentrated poverty
- Despite importance, only 32% of at-risk funds are SOQ required
- Funding programs do not provide divisions with consistent base amount for each at-risk low income student

# Data used to estimate poverty for at-risk program funding is old and increasingly inaccurate



## Recommendation (near term)

Designate the At-Risk Add-On program as an SOQ funding program, in recognition that the funding is essential for providing Virginia K–12 students with a quality education.

Impact	Clear & justifiable rationale	Reflect prevailing	Accurate	Fair	Predict-able	Trans-parent	Cost <i>(est.)</i>
	↑	↑	□	↑	↑	□	None

## Recommendations (near term)

Use the federally approved Identified Student Percentage (ISP) measure to determine funding for all at-risk programs that currently rely on outdated free lunch estimates.

Consolidate the At-Risk Add-On program and Prevention, Intervention, Remediation program into a single new At-Risk Program under the Standards of Quality, using a new formula based on the ISP.

Impact	Clear & justifiable rationale	Reflect prevailing	Accurate	Fair	Predict-able	Trans-parent	Cost (est.)
	↑	↑	↑	↑	□	↑	\$250M +3.2%

---

# Finding

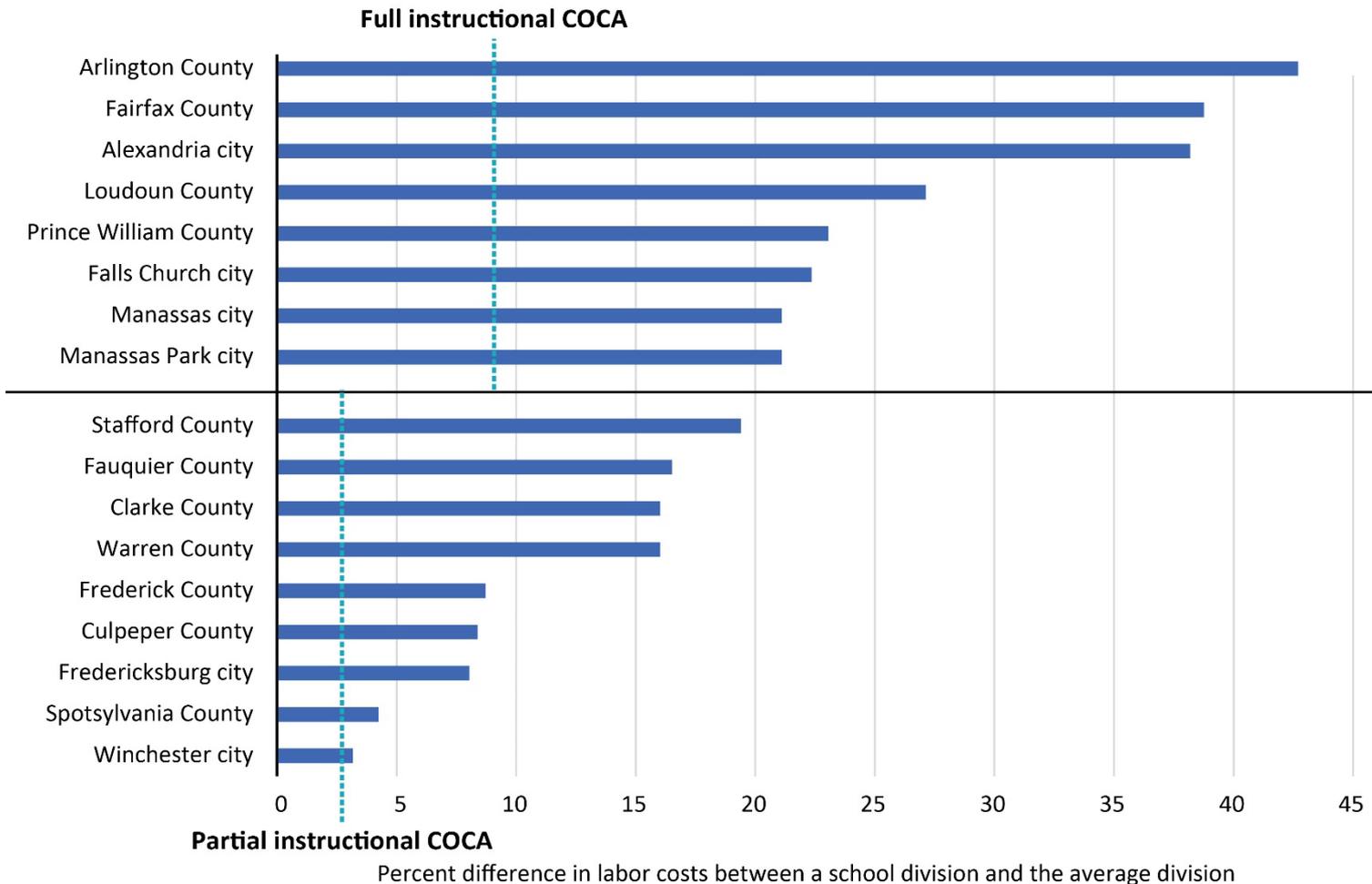
Cost of competing adjustment provided in SOQ formula to address higher regional labor costs uses old data and excludes several divisions.

---

## Cost of competing adjustment amounts are based on an old, imprecise analysis

- Cost of competing adjustment percentages were developed in 1995
- Underlying data was imprecise because of data limitations at the time
  - Relied on the difference between state employee salaries in Northern Virginia and the rest of the state
  - Used a 1991, partial survey of private market wages that also included data about state government pay

# COCA amount is less than division salaries



---

## Current wage data shows several divisions outside Northern Virginia have above average labor costs

- Several localities not included in the current COCA have above average labor costs
- Central Virginia
- Tidewater

*Note: Full state map provided in written report.*

# Recommendation (long term)

Replace cost of competing adjustment with a more accurate adjustment based on a Virginia cost of labor index applied to all divisions with above average costs.

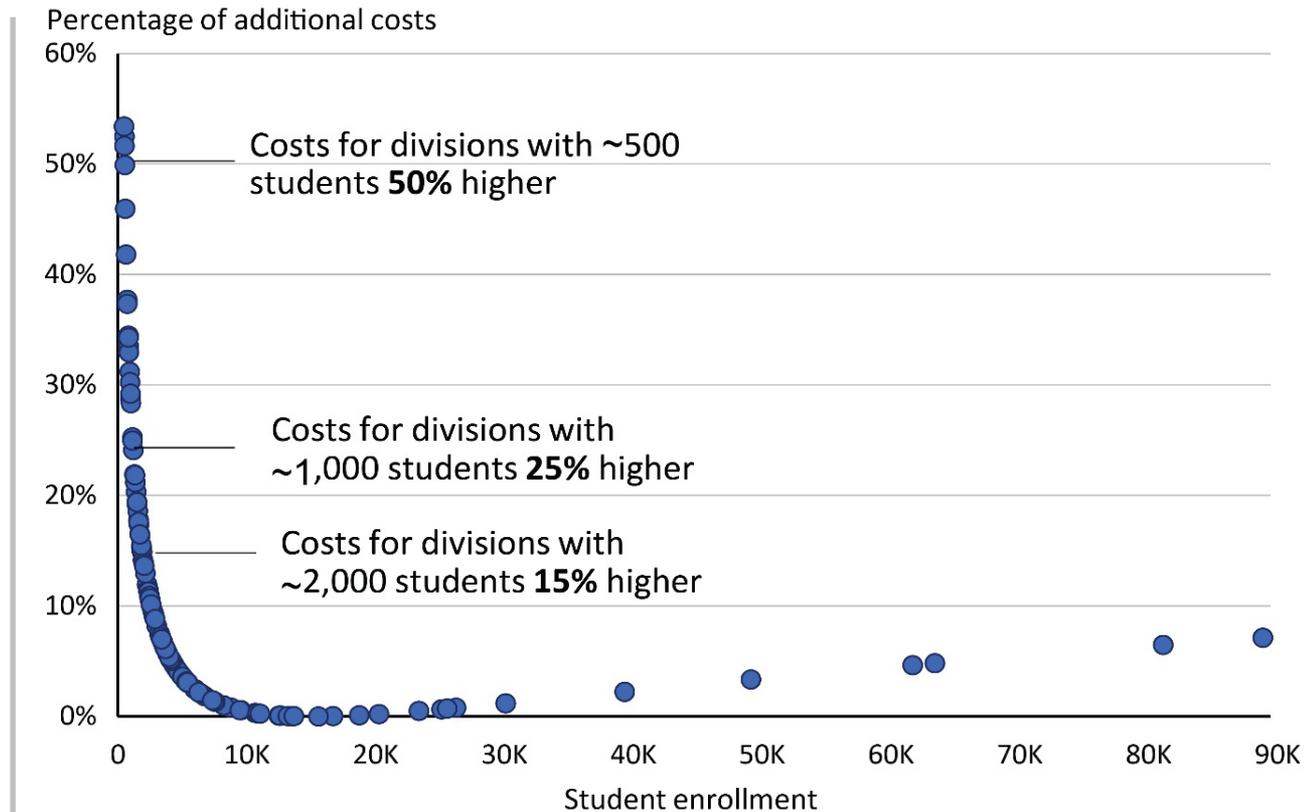
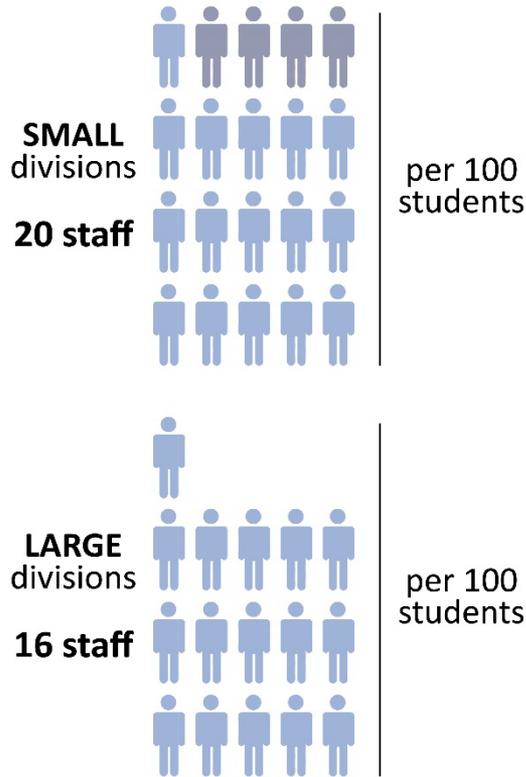
Impact	Clear & justifiable rationale	Reflect prevailing	Accurate	Fair	Predict-able	Trans-parent	Cost (est.)
	↑	↑	↑	↑		↑	\$595M +7.5%

---

## Finding

SOQ formula does not account for small school divisions' inability to achieve operational efficiencies (economies of scale), resulting in less funding needed to operate.

# Academic research and analysis of Virginia finds small divisions have higher costs per student



Second figure shows Virginia school divisions plotted using a formula developed by cost study researchers.

# Recommendation (long term)

Add an economies of scale adjustment to the SOQ formula to provide additional funding to divisions with fewer than 2,000 students.

Impact	Clear & justifiable rationale	Reflect prevailing	Accurate	Fair	Predict-able	Trans-parent	Cost (est.)
	↑	↑	↑	↑		↑	\$80M +1.0%

---

# In this presentation

Background

Legal requirements for K-12 system

K-12 funding compared to key benchmarks

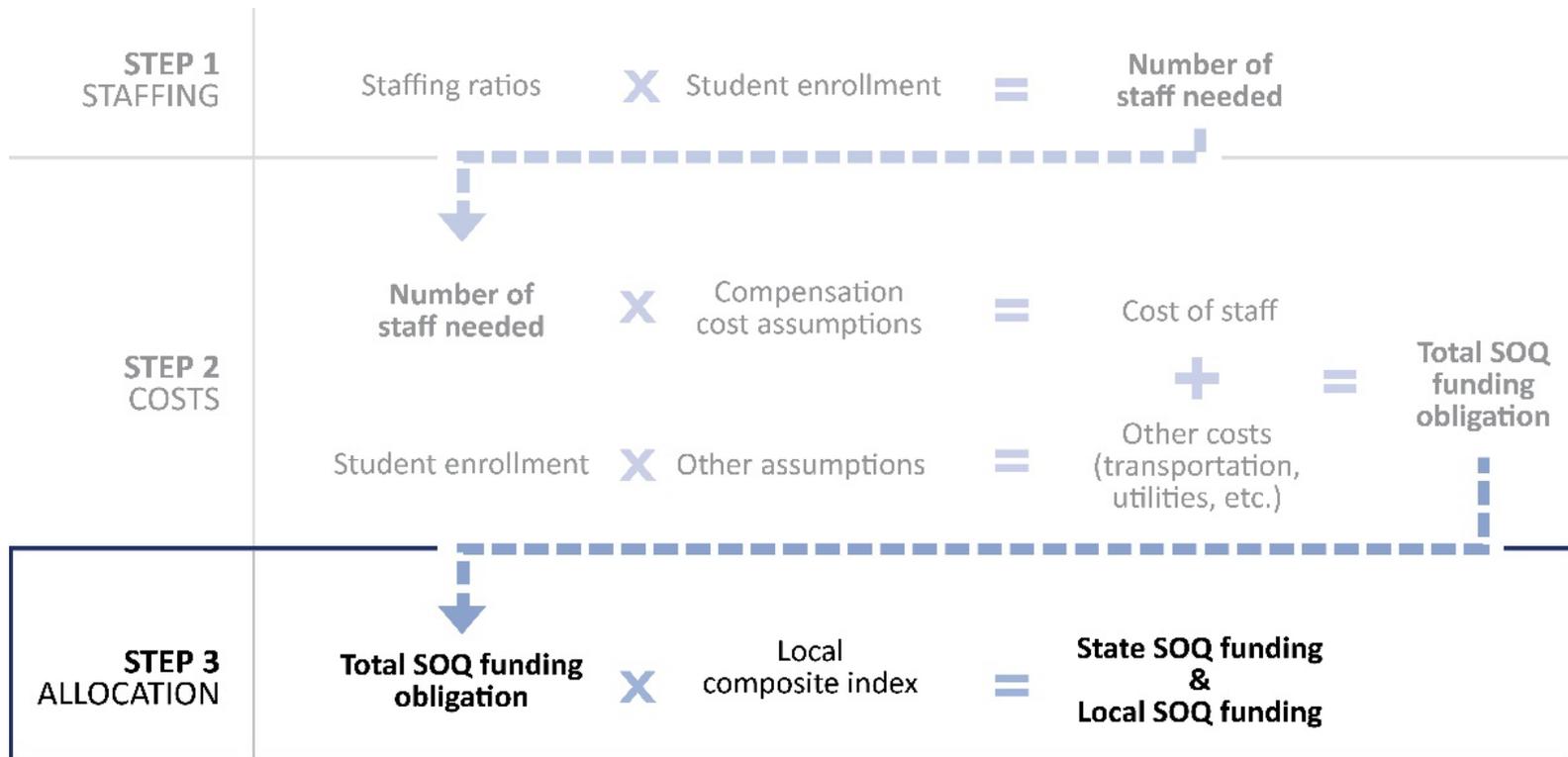
SOQ formula staffing and cost calculations

Cost drivers

State & local share of SOQ estimates

Formula use & design

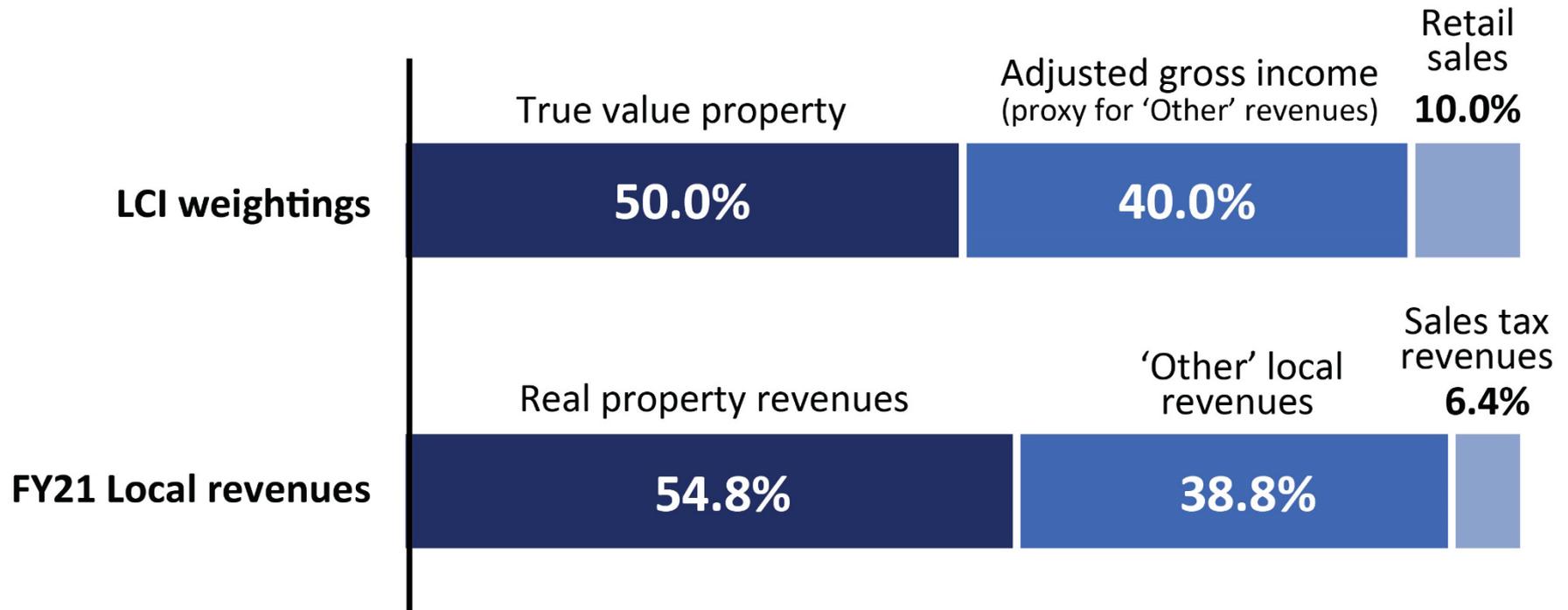
# Local Composite Index that allocates state and local share is applied *after* the formula calculates costs



# Finding

	Clear & justifiable rationale	Reflects prevailing practice?	Accurate?	Fair?	Predict-able?	Trans-parent?
Local composite index methodology & application	●	n/a	◐	●	◐	◐

# Proportion of current local revenue sources still similar to original LCI weightings from 1970s



---

## LCI is generally accepted by school divisions despite a few unfounded concerns

- LCI appropriately excludes tax-exempt properties when measuring local wealth
- LCI is not substantially skewed by any single individual's income or change in income
- LCI appropriately does *not* account for differences in local land use or other tax policies

## LCI recalculations each biennium can result in sudden, large losses of state funding

- Most school divisions see only a small to moderate change after LCI recalculations each budget
- But a few divisions report “sticker shock” after LCI recalculations when certain economic and population trends occur

Example	Change in LCI	Reduction in state funds	
		\$	%
Greensville	0.2799 ↑ 0.4607	-1.12 M	-15
Richmond City	0.4688 ↑ 0.5139	-6.75 M	-5

## Recommendation (near term)

Change the local composite index to be calculated using a three-year average of the most recently available data, rather than a single year of data every other year.

Impact	Clear & justifiable rationale	Reflect prevailing	Accurate	Fair	Predict-able	Trans-parent	Cost ( <i>est.</i> )
	↑		□	↑	↑	□	-\$1.5M -0.02%

---

# In this presentation

Background

Legal requirements for K-12 system

K-12 funding compared to key benchmarks

SOQ formula staffing and cost calculations

Cost drivers

State & local share of SOQ estimates

Formula use & design

---

## Finding

SOQ formula does not accurately reflect prevailing practice because it has sometimes been subject to changes that reflect budget decisions.

---

## Formula does not reflect prevailing practice, in part because it has been revised based on the budget

- SOQ calculations are subject to revision based on budget priorities and constraints
  - e.g., Great Recession budget reductions, increases for specific groups (counselors) or some purposes (at-risk) but not others (special education)
- SOQ formula should ideally provide accurate picture of funding needs to guide—but not determine—budget decisions
  - SOQ formula calculates estimated funding need
  - General Assembly appropriates an amount above, below, or equal to what formula estimates

---

## Separating SOQ formula from determining budget would have several benefits

- General Assembly would have a more accurate estimate of school division funding needs
  - SOQ formula staffing ratios and cost calculations could be more easily updated to preserve formula accuracy
- General Assembly would have more flexibility in how much funding is provided based on budget constraints
- Approach has been used in other states

---

## Recommendation

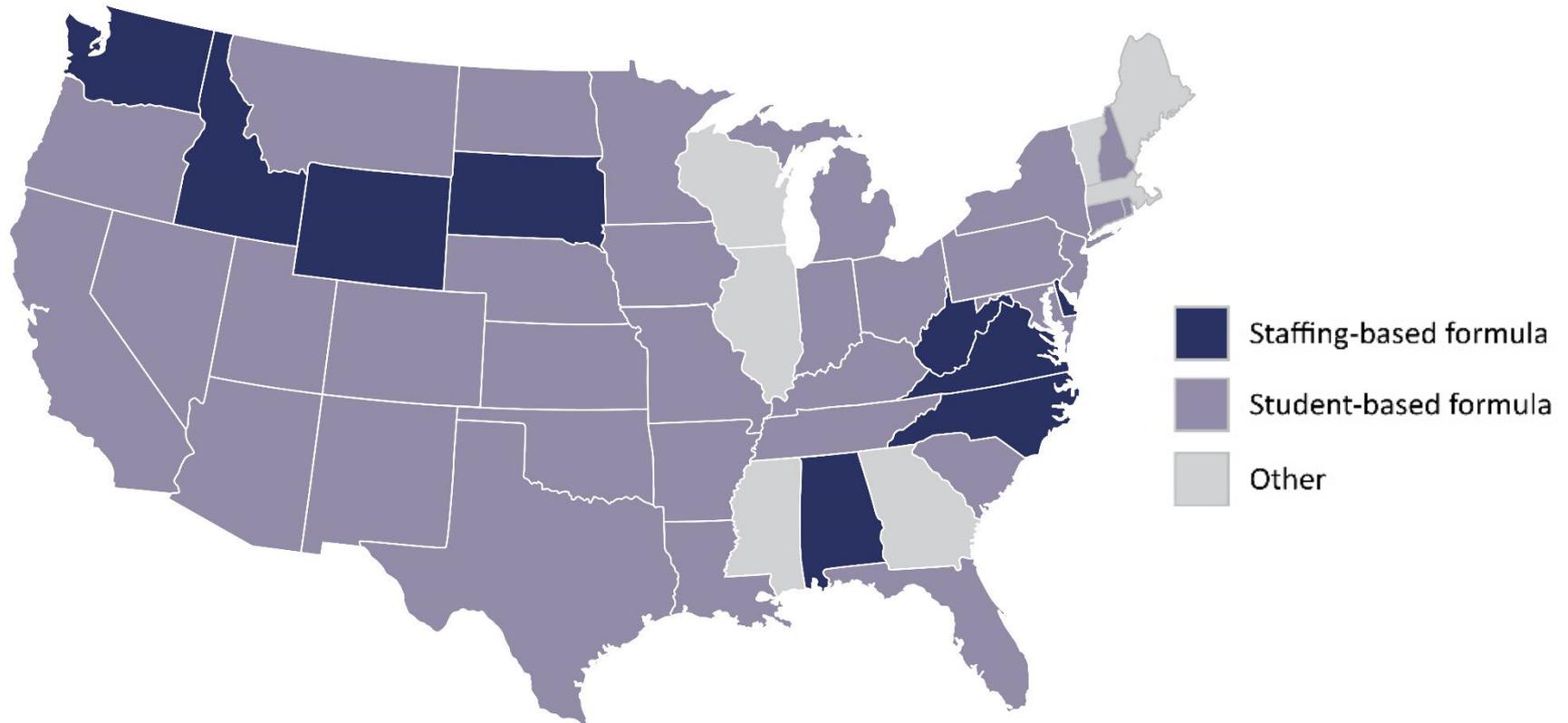
Amend the Code of Virginia to *consider* the amounts calculated by the SOQ formula, but *not be obligated* to fund the amounts calculated by the formula.

---

## Finding

Virginia's use of a complex staffing-based K-12 funding formula is unusual and creates a variety of issues for policymakers and school divisions.

# Virginia is one of only a few states that use a staffing-based education funding model



---

## Student-based funding models used by most other states have several advantages

- Simpler than staffing-based funding models
- Allow funding to more easily be designated for specific purposes (e.g., special education)
- More accurate, transparent, and easier to adapt to changes in education practice over time (if well designed)
- Can be directly tied to actual prevailing costs

# Policy options

*Partially* replace SOQ formula by using student-based calculations for special education and English learner funding

OR

*Fully* replace entire staffing-based SOQ formula with a new student-based formula

Impact	Clear & justifiable rationale	Reflect prevailing	Accurate	Fair	Predict-able	Trans-parent	Cost ( <i>est.</i> )
	↑	↑	↑	↑	↑	↑	\$520M (partial) \$1.17B (full)

---

## JLARC staff for this report

Justin Brown, Associate Director

Mark Gribbin, Chief Analyst

Sarah Berday-Sacks, Senior Analyst

Mitch Parry, Senior Associate Analyst

Sam Lesemann, Associate Analyst