

MINUTES
STATE OF NEBRASKA
COMMISSION ON MILITARY AND VETERAN AFFAIRS
301 Centennial Mall South, PO Box 95083, Lincoln, NE 68509-5083

Wednesday, October 31, 2018 - 10:00 a.m.
301 Centennial Mall South, Lower Level Conference Room A

The Commission on Military and Veteran Affairs (Commission) met on October 31, 2018 at 10:00 a.m. in the Lower Level Conference Room A of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

In compliance with the provisions of *Neb. Rev. Stat. §84-1411*, printed notice of this meeting was posted at the Nebraska Department of Veterans' Affairs (NDVA). In addition the notice was published in the Omaha World Herald on page 7C on October 17, 2018, and posted to the Nebraska Public Meeting Calendar (nebraska.gov) on September 9, 2018.

In compliance with the provisions of *Neb. Rev. Stat. §55-602 and §55-603*, a quorum was established with all six voting members. A written notice of the time and place of the meeting was mailed to all members in advance of the meeting. The aim of these minutes is to comply with the Nebraska Open Meetings Act, specifically *Neb. Rev. Stat. §84-1413*.

Commissioners present:

Dave Rippe, Director, Nebraska Department of Economic Development
Major General Daryl Bohac, Adjutant General of the Nebraska National Guard
John Hilgert, Director, Nebraska Department of Veterans' Affairs
Rita Sanders, 1st Congressional District
Bill Williams, 2nd Congressional District
Dave Bloomfield, 3rd Congressional District
Lieutenant Colonel Sean Park, 55th Wing Designee
Colonel AnnMarie Anthony, U.S. Strategic Command Designee

Excused Commissioners:

Mike Navrkal, Chair of the State Committee Employer Support of the Guard and Reserve
Colonel Brian Pukall, 557th Weather Wing Commander

I. CALL TO ORDER

The meeting was called to order at 10:00 a.m. by Phil O'Donnell, Military Affairs Liaison. O'Donnell welcomed Colonel AnnMarie Anthony, U.S. Strategic Command Designee and Lieutenant Colonel Sean Park, 55th Wing Designee.

II. ROLL CALL

Rippe, Bohac, Hilgert, Sanders, Williams, Bloomfield, Park and Anthony were present. Navrkal and Pukall were excused.

III. ENTRY OF PUBLIC NOTICE INTO THE RECORD IN ACCORDANCE WITH THE OPEN MEETINGS ACT, SPECIFICALLY *Neb. Rev. Stat. §84-1411*. ADVISE THE PUBLIC THAT THE OPEN MEETINGS ACT APPLIES AND IS PUBLICALLY POSTED PURSUANT TO THE PROVISIONS OF *Neb. Rev. Stat. §84-1412*.

Military Affairs Liaison, Phil O'Donnell, announced the location of the Open Meetings Act on the wall of Lower Level Conference Room A. O'Donnell also noted the public notice of the meeting was posted in the Omaha World Herald (page 7C) on October 17, 2018, and posted to the Nebraska Public Meeting Calendar (nebraska.gov) on September 18, 2018.

IV. MOTION TO DESIGNATE ENTRY OF PUBLIC NOTICE FOR THE NEXT MEETING OF THE COMMISSION ON MILITARY AND VETERAN AFFAIRS IN THE OMAHA WORLD HERALD AND ON THE NEBRASKA.GOV CALENDAR PURSUANT TO THE PROVISIONS OF *Neb. Rev. Stat. §84-1411* – Action/Vote

Moved by Sanders and seconded by Bloomfield to designate entry of public notice in the Omaha World Herald and the Nebraska Public Meeting Calendar on nebraska.gov. Voting Aye: Rippe, Bohac, Hilgert, Sanders, Williams, Bloomfield. Motion carried.

V. APPROVAL OF MAY 23, 2018 COMMISSION MEETING MINUTES – Action/Vote

Moved by Hilgert and seconded by Rippe to approve the May 23, 2018 Commission Meeting Minutes. Voting Aye: Rippe, Bohac, Hilgert, Sanders, Williams, Bloomfield. Motion carried.

VI. DELIBERATION – COMMISSION REPORT, RECOMMENDATIONS, COURSE OF ACTION

Neb. Rev. Stat. §55-606. Report; contents.

The Commission on Military and Veteran Affairs shall prepare an annual report summarizing the military assets of Nebraska, including installations and missions, and the economic impact of the military assets in Nebraska. The report shall also include recommendations for preserving and sustaining military assets and missions existing in Nebraska and recommendations for actions which the state can take to encourage expanding such assets and missions. The

commission shall submit the report electronically to the Legislature, the Governor, and the commanding officer of every military base in Nebraska on or before November 15 of each year.

O'Donnell introduced Dr. Eric Thompson and Dr. Mitch Herian with the University of Nebraska's Bureau of Business Research.

Thompson recognized O'Donnell's contribution as a co-author. Thompson focused on the economic impact estimates in the executive summary. These economic impact estimates included spending at military bases and installations, retirement and pension spending by the Department of Defense, veterans' affairs spending, Army Corps of Engineering spending, and GI Bill spending in Nebraska.

Spending at military bases and installations accounted for \$2.3 billion in economic output (business sales), \$1.31 billion in employee compensation (the labor market) spread over 25,000 jobs. Thompson emphasized that this is a large impact in the labor market as well as within the overall (Nebraska) economy. These numbers are down slightly from Fiscal Year (FY) 2016 due to decreased construction spending at Offutt Air Force Base (AFB). Thompson noted an \$8.6 million increase in annual property tax revenue from Offutt AFB and the Lincoln, Nebraska National Guard location for FY 2017. Research indicates that large local employers tend to raise local property values. Furthermore, employee compensation (which is often spent on rent and mortgage payments and estimated to be \$1.31 billion across the state) has an estimated statewide annual property tax impact of \$37.6 million.

Retirement and pension spending by Department of Defense (DoD) military retirees generates \$114.2 million in compensation through nearly 2,800 new jobs in Nebraska.

Veterans Affairs spending resulted in \$1.7 billion in economic output with the employment of nearly 14,000 workers.

Army Corps of Engineers spending resulted in about \$160 million in economic output impact and about 1,500 jobs.

GI Bill spending, in the post-secondary education industry, resulted in 450 jobs and \$43 million in economic impact.

Herian discussed how the present study estimated that there are 15,651 additional veterans living in Nebraska due to Offutt AFB, including 13,455 veterans and spouses of working age (representing a potential supply of labor). Herian discussed demographic trends for veterans in Nebraska and in neighboring states. From 2005 to present Nebraska's veteran population decreased by 27% which is consistent with national demographic trends. From 2005 to present Nebraska's population of paid DoD retirees increased 12%. Herian continued to comment on Figure 11, the change in paid military retirees for Nebraska and neighboring states.

Rippe noted how Figure 11 (in the draft report) shows that South Dakota, Iowa and Wyoming have experienced significant growth in military retirees yet Missouri and Kansas (which share the same preferential tax policies with South Dakota, Iowa, and Wyoming) have experienced growth similar to Nebraska's. Rippe asked how one would build a case for changing to a more preferential tax policy in line with surrounding states.

Thompson offered that one could build a comprehensive model of veteran location choices when separating and run simulations with this model in order to potentially explain the differential outcome. Developing the type of model is a large and complicated process to truly isolate the measure of policy.

Rippe asked if it would be possible to collect survey data to understand why service members would leave the state.

O'Donnell noted that the development of a survey was underway.

Herian drew attention to a San Diego study using a regression model focused on the impact of income tax exemptions which found a positive relationship between income tax exemptions and the number of retired military personnel within the state. Herian noted that the coefficient of the regression model was unknown.

Rippe explained how a fiscal note would identify the lost revenue from a tax exemption but would not identify the positive economic benefits such as retaining a workforce generating even more income tax.

Bohac suggested that a tax exemption on military retirement pay could be viewed as a method for economic development and not simply a benefit.

Rippe noted how over the last 20 years economic development incentives have focused on companies. Rippe went on to explain how prevailing economic development trends are focused on people. A tax exemption on military retirement pay could be viewed as a method to incentivize a very desirable segment of the workforce to stay or move to Nebraska.

Hilgert confirmed that the legislative fiscal note tends to be the beginning and the end of the analysis. So additional analysis has to come from another source.

Bloomfield agreed and noted that the legislature looks favorably or unfavorably on the military based on current events.

Rippe asked how we would model the differences between neighboring states from a workforce development perspective.

Bohac stated that Iowa is particularly interesting given that there is no active duty installation in Iowa.

Rippe noted that retention numbers could be artificially higher based on the composition of the base.

Col Anthony offered that it may be interesting to look at locations such as Glenwood, Iowa.

Rippe suggested establishing a focus group on the composition of bases in neighboring states to try and draw some additional conclusions.

Sanders offered her observations on how a significant number of military retirees who have left the state have returned for health care reasons.

Thompson confirmed the trend of retirees leaving northern states for southern states and then returning to their place of birth or near family later in their retirement.

Rippe suggested pulling a focus group together, perhaps with the Nebraska Department of Labor's (NDOL) labor market information specialists, to brainstorm workforce development.

Hilgert noted NDVA collaboration with NDOL in helping unemployed veterans. Hilgert noted that the next step is to identify and draw veterans to Nebraska. Hilgert stated that the research was a great investment.

VII. MOTION TO AMEND AND SUBMIT THE COMMISSION REPORT PURSUANT TO *Neb. Rev. Stat. §55-606*. – Action/Vote

Moved by Bohac and seconded by Hilgert to amend (incorporate various editorial comments) and submit the annual report of Nebraska's Commission on Military and Veteran Affairs pursuant to *Neb. Rev. Stat. §55-606*. Voting Aye: Rippe, Bohac, Hilgert, Sanders, Williams, Bloomfield. Motion carried.

VIII. PUBLIC COMMENT PERIOD – OCTOBER 31, 2018

In accordance with provisions of Neb. Rev. Stat. § 84-1412, the public shall have the right to attend meetings of the Commission and to speak on matters related to Commission business. Any person may appear before and address the Commission concerning any item on the agenda for that meeting. Further, any person may appear before and address the Commission at any annual or scheduled meeting on any matter concerning the Commission not on the agenda by notifying the Commission Secretary in advance of the meeting at which the person desires to address the Commission. A reasonable time limit [usually five (5) minutes] shall be placed upon each individual appearance before the Board, and no more than thirty (30) minutes shall be allowed for public comment, unless a majority of the quorum present shall extend such time

limit. The Chairperson shall have the right to prohibit appearances by persons presenting needlessly repetitious or redundant testimony.

O'Donnell asked if anyone would like to address the Commission.

Ron Dupell thanked the Commission for the opportunity to give feedback on behalf of the Nebraska Veterans Coalition (NVC). Dupell noted that the NVC is entering its 5th year. Dupell noted an article in the Minnesota press opposed to exempting military retirement pay (from state income taxation) leading him to believe that an income tax exemption in isolation will not be enough to attract and retain veterans. Dupell recommended passing state income tax exemption legislation and then form an effort between NDOL, NDED, and NDVA to attract and retain veterans to Nebraska. Dupell also recommended promoting the state during "indoc" briefings. Dupell recommended the establishment of a program similar to Home Base Iowa or Home Base Massachusetts to support veterans at low cost. Dupell encouraged the Commission to continue doing what it is doing and stated that the Commission report is an incredible step in the right direction.

Williams asked if Home Base Iowa was state funded.

Dupell stated that he believed Home Base Iowa was state funded. Dupell praised NDVA for its veterans' registry.

O'Donnell thanked Dupell for his comments.

IX. ACTIVITY UPDATE – Military Affairs Liaison

O'Donnell reported ongoing activities to include participating in the Offutt Advisory Council, Nebraska Veterans' Council, Nebraska Veterans and Family Task Force, the Omaha Chamber's MILTAG, the Lincoln Chamber's Military Advisory Committee, the VAMC Stakeholders meeting, and Blueprint Nebraska.

Outreach activities included presenting the Economic Impact of Nebraska Military Assets via webinar on September 28th.

Major Developments:

Congress passed the Fiscal Year 2019 National Defense Authorization Act (FY19 NDAA) which grows the force and contains specific funding elements for the RC/WC/OC-135 fleet based at Offutt AFB. O'Donnell will continue to monitor Offutt AFB runway repairs and USSTRACTOM facility funding in the Fiscal Year 2020 National Defense Authorization Act (FY20 NDAA) and thanked Col Norton for briefing the Lincoln Chamber of Commerce Military Affairs Committee on the runway repair project and on projected 55th Wing operations out of Lincoln during the course of the repair work at Offutt.

O'Donnell noted that the Secretary of the Air Force, Dr. Heather Wilson, continues to emphasize the quality of public schools near bases and whether reciprocity of professional licenses is available for military families when evaluating future basing or mission alternatives. The SECAF response to the NE CODEL letter (enclosed) seems to have been well received as a response to the recent Omaha World Herald articles regarding the maintenance of 55th Wing aircraft.

O'Donnell noted that the VA MISSION Act of 2018 was signed into law on June 6th, 2018 and expanded the Family Caregiver Program in Title I, Subtitle C, Section 161. The expansion includes veterans who were injured in the line of duty on or before May 7th, 1975 in addition to those injured on or after September 11, 2001.

O'Donnell and Commissioner Sanders attended the Association of Defense Communities National Summit in Washington DC, June 18-20 and the Nebraska Breakfast on June 20th where they met briefly with Senators Sasse and Fischer. O'Donnell and Commissioner Sanders also had office calls with Congressman Bacon and Fortenberry.

O'Donnell highlighted comments by the Assistant Secretary of Defense for Energy, Installations and Environment (ASD EI&E), Lucian Niemeyer, who emphasized that energy resilience equals military value. ASD EI&E is identifying the most critical installations and assets (Offutt, the 55th Wing, and USSTRATCOM are likely in this category) to do long-term resilience planning. ASD Niemeyer noted that States and defense communities should understand national guidance (such as the National Security Strategy) and improve critical infrastructure.

O'Donnell discussed a meeting with the Assistant Secretary of the Air Force for Installations, Environment, and Energy, John Henderson, Jeff Mikesell, and consultants from Cassidy & Associates. Discussion topics included runway repairs, levee improvements, and energy resilience at Offutt AFB. Secretary Henderson expressed appreciation for Nebraska's support for Air Force and DoD Installations.

O'Donnell noted that the Association of Defense Communities (ADC) has solicited a survey to State advisors regarding how States could potentially benefit from the Defense Community Infrastructure Program (DCIP). The DCIP was authorized in Section 2861 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019; however, it was not funded in H.R. 6157, the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act. O'Donnell intends to consolidate any input from the National Guard and the Offutt Advisory Council and submit the survey for Nebraska. Please know that the ADC will likely use the survey results to advocate for DCIP funding in Fiscal Year 2020.

O'Donnell updated the Commission on the potential Midwest Defense Alliance. While there was an "operational pause" due to gubernatorial changes/elections in Kansas and Missouri, Kansas and Missouri intend to launch a Midwest Defense Alliance in early January 2019. The

organizational documents have slimmed the proposed representation from each State to three people, the respective military advocate, Adjutant General, and Director of Economic Development. While O'Donnell did not foresee Nebraska participation in the near term, he intends to monitor the development of the Alliance.

O'Donnell updated the Commission on the potential National Security Corridor. In September, Tim Fowler a DoD Technical Information Center (DTIC) and Information Analysis Center (IAC) Field S&T Advisor imbedded with USSTRATCOM, offered his thoughts on the development of a Midwest National Security Corridor. O'Donnell noted while Mr. Fowler was unable to brief the Commission today, O'Donnell is scheduled to learn more about this effort on upcoming conference calls.

O'Donnell informed the Commission about the Strategic Deterrent Coalition. The Strategic Deterrent Coalition (SDC) is a nonprofit, nonpartisan community-based organization formed to support the Nuclear Triad. The SDC's purpose is to inform decision makers and thought leaders on how America's nuclear weapons contribute to our strategic position.

O'Donnell presented results from an NDVA-led interagency pilot project to reach out to recently discharged veterans leveraging NDOL's Virtual Services Unit (VSU). The pilot project attempted 380 contacts of which 177 were successful contacts. The successful contacts led to 59 NEworks Registrations and 12 additional NDOL services provided. Additionally, eighteen NDOL employment specialists received NDVA benefits training and the Nebraska Department of Veterans Affairs received a briefing from the Nebraska Department of Labor on the implementation and funding of the federal Department of Labor's Jobs for Veterans State Grant (JVSG) program. The Nebraska Department of Veterans Affairs (NDVA), Nebraska Department of Labor (NDOL), and Nebraska Department of Economic Development (NDED) continue to collaborate on a survey of Transition Assistance Program participants. The aim of the survey is to capture the skills and experiences of personnel leaving the service from Nebraska and to assess awareness of NDVA, NDOL, and other State benefits and resources.

O'Donnell discussed LR 436 and the subsequent Transitioning Military & Military Spouse Occupational Licensure Study. On September 21st, Senator Crawford shared Transitioning Military & Military Spouse Occupational Licensure Study (enclosed) authorized by Legislative Resolution 436. Recommendation 2 suggested "Agency collaboration" between the Department of Health and Human Services and the Nebraska Commission on Military and Veteran Affairs to "promote increased awareness about existing policies among the targeted populations and organizations that advocate for them." On October 5th, O'Donnell met with Senator Crawford and offered an initial course of action focused on developing a consolidated State agency "benefits sheet" for both veterans and military spouses and then distributing this information through established channels.

O'Donnell discussed the formation of Blueprint Nebraska which is a group of Nebraska leaders representing business, agriculture, government and higher education. This statewide coalition

will develop a plan for economic growth, competitiveness and prosperity. Roger Lempke will chair/lead the Military and Veterans Affairs Industry Council, one of the fifteen, for Blueprint Nebraska.

O'Donnell reported on the September meeting of the State Council on Educational Opportunity for Military Children at the Bellevue Public Schools Welcome Center. The State Council advises the Department of Education with regard to the State's participation in and compliance with the Interstate Compact on Educational Opportunity for Military Children. There were no reported issues in the past 12 months. Bellevue Public Schools has been selected to receive a Department of Defense (DoD) STEM grant through the Military Families Mission of the National Math + Science Initiative's College Readiness Program (§55-602(5),(8),(10)). The public event at Offutt AFB to announce the grant was on August 28th. Bellevue Public Schools has been selected to receive a \$1.25 million dollar Department of Defense Education Activity (DoDEA) grant to improve elementary student learning in math and science. This DoDEA grant for elementary students is separate from the Department of Defense (DoD) STEM grant through the Military Families Mission of the National Math + Science Initiative's College Readiness Program for high school students.

O'Donnell noted that the annual meeting of the Nebraska Veterans Council (NVC) is on November 13th. Key agenda items will be setting a date for Legislative Day at the Capitol and perhaps a discussion of an effort to name U.S. Route 20 in Nebraska as the "Medal of Honor Highway."

O'Donnell discussed recent events honoring veterans. Governor Ricketts hosted an event on July 27th in the Nebraska State Capitol to mark the 65th anniversary of the end of the Korean War. On August 8th, Governor Ricketts hosted a ceremony to honor recipients of the Purple Heart medal. The ribbon cutting for the Central Nebraska Veterans Home (CNVH) occurred on August 25th in Kearney. Nebraska Department of Veterans Affairs hosted the Governor's Welcome Home Picnic on September 14th. On September 18th, Governor Ricketts signed the "Year of the American Legion" proclamation. Commissioner Bill Williams' Patriotic Productions team led the Nebraska Female Veterans Flight to Washington, DC on September 24th. Governor Ricketts and Commissioner Hilgert hosted the Governor's Roundtable on October 18th. The University of Nebraska Lincoln will honor World War I Veterans on November 10th and 11th.

O'Donnell highlighted the selection of Werner Enterprises for the Freedom Award from the Employer Support of Guard and Reserve (ESGR) organization in August. The Secretary of Defense Employer Support Freedom Award is the highest recognition given by the U.S. Government to employers for their support of their employees who serve in the Guard and Reserve. Werner Enterprises is 1 of 15 employers selected from 2,350 nominations from employers in all 50 States and U.S. territories. In August, Commissioner Paul Cohen received the Patrick Henry Award from the National Guard Association of the U.S. (NGAUS) in New Orleans. The Patrick Henry Award is designed to provide recognition to local officials and civic

leaders, who in a position of great responsibility, distinguished themselves with outstanding and exceptional service to the Armed Forces of the United States and the National Guard.

O'Donnell discussed future outreach in collaboration with UNL-BBR for a follow on webinar regarding the Economic Impact of Nebraska's military assets. O'Donnell intends to participate in as many Association of Defense Communities activities and events as time and resources permit. O'Donnell noted the potential for defense industry supply chain analysis given the work of the General Dynamics Ordnance and Tactical Systems plant in Lincoln, a manufacturing company which produces, among other, Munitions Handling Unit for the Air Force which has a facility in Falls City, NE. O'Donnell suggested that as we wrap up manufacturing month in Nebraska, it may be useful to map the defense industry within the state. O'Donnell looks forward to the results of the Military and Veterans Affairs Industry Council, which could potentially shape Commission strategy.

X. COMMISSIONER COMMENTS

Col Pukall – 557th Weather Wing

Excused.

Col Anthony – U.S. Strategic Command

Anthony updated the Commission on the establishment of the Space Force and noted that it was too early to predict what impact the creation of the Space Force may have on USSTRATCOM or Offutt AFB. Anthony updated the Commission on the turnover of the new USSTRATCOM Command and Control Facility from the U.S. Army Corps of Engineers to USSTRATCOM. Anthony anticipated a 15 month deliberate transition to include a formal ceremony to dedicate the facility in late 2019.

Lt Col Park – 55th Wing

Park updated the Commission on the Offutt AFB runway repair project. Park predicted that the U.S. Army Corps of Engineers would likely finish lease contracting with the Lincoln Airport in the spring of 2019. Park stated that the 55th Wing would move missions from Offutt AFB to Lincoln in December 2019 to support the start of construction in 2020. Park noted that the wing has recommended to the Air Force's lead engineer (SAF/IEI) to pursue a 40 year repair of the entire runway (instead of selected slab replacement) with an estimated cost of \$105 million over a 20 year repair due to the 20 year repair's estimated total lifecycle cost of \$139.7 million.

Mike Navrkal – State Committee Employer Support of the Guard and Reserve (ESGR)

Excused.

Bill Williams – 2nd Congressional District

Williams thanked Dr. Thompson, Dr. Herrian, and O'Donnell for their work on the Commission report.

Maj Gen Bohac – Adjutant General Nebraska National Guard

Excused (departed).

Dave Rippe – Nebraska Department of Economic Development

Rippe discussed his participation at a data utilization and visualization conference where he learned more about the Department of the Navy's purchasing and acquisition division. Rippe was encouraged by the potential to access DoD acquisition data, assess trends, and potentially follow up with Nebraska manufactures and service providers who support the DoD supply chain. Additionally, Rippe discussed the role of veteran talent in the decision by Becton Dickinson to make a \$200 million investment in its Columbus, Nebraska facilities, which will create 300 new jobs.

Rita Sanders – 1st Congressional District

Sanders discussed her continued involvement with all of the organization which support Offutt AFB. Sanders emphasized the importance of community engagement.

Dave Bloomfield – 3rd Congressional District

Bloomfield thanked Hilgert for his assistance with a case related to USDVA healthcare in South Dakota. Bloomfield suggested seeking feedback from the Governor's office or the Legislature regarding the Commission's focus.

John Hilgert – Nebraska Department of Veterans Affairs

Hilgert announced that Omaha will host the National Association of State Directors of Veterans Affairs (NASDVA) annual conference in August 2019 where he will be named President of NASDVA. Hilgert anticipated 200-300 attendees.

O'Donnell thanked Park for the 55th Wing's Public Affairs support for a potential tour of Offutt AFB during this conference. O'Donnell thanked the public and Charlene Sheltraw for her support to the Commission.

XI. MOTION TO ADJOURN – Action/Vote

Moved by Rippe and seconded by Sanders to adjourn. Voting Aye: Rippe, Hilgert, Sanders, Williams, Bloomfield. Motion carried. Commission adjourned 11:27 a.m.