

MINUTES  
STATE OF NEBRASKA COMMISSION ON MILITARY AND VETERAN AFFAIRS  
301 Centennial Mall South, PO Box 95083, Lincoln, NE 68509-5083  
June 1, 2023 - 1:00 p.m. - 301 Centennial Mall South, 4<sup>th</sup> Floor, NDVA

The Commission on Military and Veteran Affairs (Commission) met on June 1, 2023, at 1:00 p.m. at the Nebraska Department of Veterans' Affairs (NDVA), 301 Centennial Mall South, Lincoln, Nebraska.

Commissioners present (voting members):

Major General Daryl Bohac, Adjutant General of the Nebraska National Guard  
John Hilgert, Director, Nebraska Department of Veterans' Affairs  
Tami Thompson, 1<sup>st</sup> Congressional District  
Dan Donovan, 2<sup>nd</sup> Congressional District  
Dave Bloomfield, 3<sup>rd</sup> Congressional District

Commissioners present (nonvoting, ex officio members):

Jon Lokamas, Veterans' Program Coordinator, Nebraska Department of Labor  
Rick Evans, Chair, State Committee Employer Support of the Guard and Reserve  
Nikki Nader, 55<sup>th</sup> Wing Designee  
Colonel David Preisman, U.S. Strategic Command Designee  
Colonel Damon Vorhees, 557<sup>th</sup> Weather Wing Designee

Commissioners excused (voting member):

Joe Fox, Interim Director, Nebraska Department of Economic Development

Commissioner representative present (nonvoting):

Joe Lauber, representing the Nebraska Department of Economic Development

**I. CALL TO ORDER – LOCATION OF THE OPEN MEETINGS ACT**

The meeting was called to order at 1:00 p.m. and the location of the Open Meetings Act in the room was identified by Phil O'Donnell, Military Affairs Liaison.

**II. ROLL CALL**

Bohac, Hilgert, Thompson, Donovan, Bloomfield, Lokamas, Evans, Nader, Preisman, and Vorhees were present. Additionally, Joe Lauber was present representing the Nebraska Department of Economic Development in a nonvoting status.

**III. APPROVAL OF DECEMBER 20, 2022, COMMISSION MEETING MINUTES – Action/Vote**

Moved by Bohac and seconded by Bloomfield to approve the December 20, 2022, Commission meeting minutes. Voting Aye: Bohac, Hilgert, Thompson, Donovan, and Bloomfield. Motion carried.

#### **IV. PUBLIC COMMENT PERIOD**

No member of the public addressed the Commission.

#### **V. SURVIVOR BENEFIT PLAN (SBP) – Commissioner Donovan**

- O'Donnell noted military retirement benefits were exempted from state income taxation beginning tax year 2022. During the 2022 tax year, questions were raised regarding the tax treatment of Survivor Benefit Plan (SBP) annuities to eligible beneficiaries.
- In March 2023, the Nebraska Department of Revenue updated an income tax information guide "Nebraska Income Tax for U.S. Servicemembers, Their Spouses, and Civilians Working with U.S. Forces," which provides guidance on SBP annuities to survivors on Nebraska state income taxation.
- Moving forward, O'Donnell intends to note that the Commission recommendation regarding exempting military retirement pay from state income taxation has been realized in the next draft Commission report.
- O'Donnell noted that there are an estimated 1,921 military survivors receiving total monthly payments of about \$1.925 million.
- Evans asked if the tax information guide provided a permanent fix or if the statute was open to reinterpretation by a new Tax Commissioner. O'Donnell offered that the information guide notes that it is advisory but may be amended by the Nebraska Department of Revenue.

#### **VI. U.S. SPACE COMMAND BASING UPDATE – Military Affairs Liaison**

O'Donnell provided a timeline and key updates regarding the potential move of U.S. Space Command from Colorado to Alabama. As of May 2023, the decision to move U.S. Space Command (USSPACECOM) from Colorado Springs, Colorado, to Huntsville, Alabama appears to be less certain. A final basing decision has yet to be documented in a basing decision memorandum. O'Donnell will continue to monitor this process.

#### **VII. LEGISLATIVE RESOLUTION IN SUPPORT OF FUTURE MILITARY MISSIONS AND DEPARTMENT OF DEFENSE ACTIVITIES – Military Affairs Liaison**

O'Donnell provided the Commission with an update on the draft Legislative Resolution (LR) content that the Commission approved in December, 2022. In March, that LR content was reviewed and approved by the Governor's Policy Research Office and shared with a State Senator for possible introduction.

- There is an updated May 30, 2023 version of the LR which reflects additions and draft content changes for possible reintroduction the 2nd Regular Session of the 108th Legislature.

- Bohac noted his additions to the potential LR to reflect the role of the Nebraska National Guard and to note that we have an entire State that can provide great value to the Department of Defense.

The draft LR content will be brought before the Commission once more for review next fall.

## **VIII. FOREIGN INVESTMENT NEAR MILITARY INSTALLATIONS UPDATE – Military Affairs Liaison**

O'Donnell noted:

- The Department of Defense (DoD) and Congress have recently shared concerns regarding the potential national security threat posed by foreign investment near military installations. This stems in part from a purchase of a 370-acre greenfield site in Grand Forks, North Dakota by the Chinese company “Fufeng USA” to build a wet corn mill approximately 12 miles from Grand Forks Air Force Base.
- At the federal level, the Committee of Foreign Investment in the United States (CFIUS) is responsible to authorize certain transactions involving foreign investment in the U.S. and certain real estate transactions by foreign persons to determine the effect of such transactions on the national security of the United States.
- A quick review of Nebraska highlights current potential areas of concern to include the panhandle areas with 90 Missile Wing assets, Offutt AFB, and the larger Nebraska National Guard training sites across the State (in or near Lincoln, Ashland, Mead, Grand Island, and Hastings). Additionally, the U.S. Treasury Department has proposed new rules in the federal register that would add additional military installations to the list of bases considered to be “highly sensitive” and requiring foreign citizens and companies to get U.S. government approval to buy property within 100 miles of the installation.
- Nebraska Senator Deb Fischer is co-sponsoring the “Foreign Adversary Risk Management (FARM) Act” to add the Secretary of Agriculture to CFIUS and require a review of transactions that could result in the foreign ownership of U.S. agricultural businesses.
- On April 19, 2023, the Air Force published a “Playbook for Foreign Investment Assessments Proximate to Military Equities.” The guide attempts to provide both installation and community leaders with a process for identifying and reporting potential foreign investment.
- Of note, at the State level, Nebraska Revised Statute §3-404, §15-1103, §76-402 and possibly others are directly or tangentially related to this matter.
- Moving forward, O'Donnell noted his intention to build a body of knowledge regarding this subject and potentially revise the Commission's recommendation regarding land use planning legislation to ensure coordination when building near military bases.

The Commissioners discussed the issues related to this topic, including ideas for legislative study, and highlighted some of the complexities and concerns related to the subject matter.

## **IX. GROUND BASED STRATEGIC DETERRENT DEPLOYMENT UPDATE – Military Affairs Liaison**

O'Donnell noted F.E. Warren Air Force Base (AFB) in Cheyenne, Wyoming, is home to the 90th Missile Wing (90 MW) which operates 150 Minuteman III ICBMs Intercontinental Ballistic Missiles) a majority of which (82) are in Banner, Kimball, and Cheyenne counties. The Air Force is scheduled to begin the Sentinel Ground Based Strategic Deterrent (GBSD) Deployment and Minuteman III Decommissioning and Disposal for the 90 MW in late 2023.

- The on-base elements of the demolition and reconstruction would be supported by a “Workforce Hub” in Kimball, Nebraska and “Laydown Areas” in Kimball and Sidney Nebraska. The Workforce Hub is expected to bring in an estimated 2,500-3,000 construction workers and support personnel to boost economic activity in Kimball Nebraska for 3-5 years.
- On January 18, 2023, LB 712 was introduced which would have created the Ground Based Strategic Deterrent Deployment Fund. The fund would have been used for grants to municipalities related to Ground Based Strategic Deterrent Deployment and Minuteman III Decommissioning and Disposal. Provisions of LB 712 were amended into LB 814 which changed the mechanism and amount of potential funding. The potential \$10 million related to Site and Building Development funding to Kimball for a ground-based nuclear deterrence project was eliminated through line-item reductions.

## **X. DELIBERATION – COMMISSION ANNUAL REPORT AS REQUIRED BY NEB. REV. STAT. §55-602, RECOMMENDATIONS, COURSES OF ACTION**

Dr. Eric Thompson and Dr. Mitch Herian presented the Economic Impact of Nebraska Military Assets: Update for FY 2022 proposal dated May 8, 2023.

Herian highlighted two special studies. The first special study would attempt to estimate an employment number associated with Department of Defense and U.S. Department of Veterans Affairs contract spending in Nebraska. The second special study would survey county veteran service officers like the research survey conducted in 2019 with the addition of learning more about county budgets and county support for the county veterans service officers.

Commissioners discussed the proposal and posed question to the researchers concerning their ability to include items that had been discussed during the Commission meeting, either in the current or future reports.

## **XI. MOTION TO CONTRACT WITH THE UNIVERSITY OF NEBRASKA BUREAU OF BUSINESS RESEARCH FOR Economic Impact of Nebraska Military Assets: Update for FY 2022 PROPOSAL DATED May 8, 2023 PURSUANT TO THE PROVISIONS OF NEB. REV. STAT. §55-605 and §55-606 – Action/Vote**

Moved by Hilgert and seconded by Commissioner Thompson to contract with the University of Nebraska Bureau of Business Research for Economic Impact of Nebraska Military Assets: Update for FY 2022 proposal dated May 8, 2023 pursuant to *Neb. Rev. Stat. §55-605 and §55-606*. Voting Aye: Bohac, Hilgert, Thompson, Donovan, and Bloomfield. Motion carried.

## **XII. DEFENSE STATE LIAISON OFFICE (DSLO) UPDATE – Military Affairs Liaison**

O'Donnell noted:

- The Defense-State Liaison Office provides state policymakers with insight on issues affecting military families and their quality of life. This office continues to advocate for 10 Key Issues each federal fiscal year and provides model legislation or suggested regulatory reform.
- Ms. Michelle Richart currently serves as the new Midwest Regional Liaison for the Defense-State Liaison Office. A Dakota City Nebraska native, Ms. Richart is also an active-duty Air Force spouse, graduate of the University of Nebraska College of Law, and longtime advocate for military families.
- Ms. Richart has provided an update regarding Nebraska's progress toward the FY 23 Key Issues. Of note, the Interstate Teacher Mobility Compact passed on final reading yesterday as part of LB 298 (it was originally introduced as LB 413).

O'Donnell thanked the Commission for meeting with Ms. Richart last April. Bohac noted his appreciation for Ms. Richart's visit to Nebraska as well.

## **XIII. COMMISSIONER COMMENTS**

Each Commissioner present was given the opportunity to make comments.

Commissioner Bloomfield, joined by the remaining Commissioners, acknowledged sincere appreciation for Major General Bohac's service to the State of Nebraska.

## **XIV. MOTION TO ADJOURN – Action/Vote**

Moved by Hilgert and seconded by Bohac to adjourn. Voting Aye: Bohac, Hilgert, Thompson, Donovan, and Bloomfield. Motion carried. Adjourned at 2:13 p.m.