



A Bureau of Business Research Report
From the University of Nebraska—Lincoln

The Economic Impact of Nebraska Military Assets: An Update for Fiscal Year 2019

Prepared for the Nebraska Commission on Military and Veteran Affairs

November 15, 2020 with updates from February 2021

Dr. Eric Thompson
Director
University of Nebraska Bureau of Business Research

Dr. Mitchel Herian
Project Director
University of Nebraska Bureau of Business Research

Mr. Phillip O'Donnell
Military Affairs Liaison
Commission on Military and Veteran Affairs
State of Nebraska

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Executive Summary

This report was commissioned by the Nebraska Commission on Military and Veteran Affairs and conducted by the University of Nebraska-Lincoln Bureau of Business Research (BBR). The study is designed to provide detailed information about the status of military assets located in Nebraska, including payroll and operations spending at the various facilities across the state. The report also examines Department of Defense retirement spending and Veterans Affairs spending that takes place in Nebraska. The economic impact is estimated in terms of economic output (business sales), employee compensation (wages and benefits) and employment. The report serves as an update to similar studies that were completed by the BBR on behalf of the Nebraska Commission on Military and Veteran Affairs in 2017, 2018, and 2019. These studies demonstrate that military, veteran, and retirement spending have a considerable impact on the state economy.

Economic Impact Estimates

- Spending at military bases and installations in FY 2019 accounted for \$2.34 billion in economic output, \$1.32 billion in employee compensation, and 24,827 jobs generated in Nebraska. These numbers are largely consistent with analyses conducted for FY 2018.
- Retirement and pension spending by Department of Defense (DoD) military retirees in Nebraska in FY 2019 generated 2,628 new jobs in Nebraska (in addition to the 24,827 noted above), resulting in \$120.0 million in compensation to these employees. These numbers are similar to FY 2017 and 2018 economic impact estimates.
- Estimates show that VA spending in FY 2019 resulted in \$1.94 billion in economic output and the employment of 14,006 workers with a total salary of \$744.3 million. The economic output numbers and employment numbers are considerably higher than estimates produced for FY 2017 and FY 2018.
- Army Corps of Engineers spending in FY 2019 resulted in \$156.7 million in economic output, 1,459 jobs, and \$94.4 million in employee compensation. These estimates are slightly lower than estimates produced for FY 2018.
- GI Bill spending in the state in FY 2019 resulted in 381 jobs, \$17.1 million in salary, and \$40.2 million in economic output. These numbers are down slightly from estimates computed in the FY 2018 report.

Table 1. The Annual Economic Impact on Military Bases, Military Retirement System Payments and Veterans Affairs Spending on the State of Nebraska, FY 2019

Source of Impact	Output (Million \$)	Employee Compensation (Millions \$)	Employment (Jobs)
Military Bases	\$2,347.6	\$1,317.7	24,827
Military Retirement System Payments	\$392.8	\$123.5	2,628
Veterans Affairs Spending	\$1,935.8	\$744.3	14,006
Army Corps of Engineers	\$156.7	\$94.4	1,459
GI Bill Benefits	\$40.2	\$17.1	381

1. Introduction

Defense spending provides economic benefits and has economic implications for the state and local economies. Spending in support of military installations and the installation's associated military missions is an integral part of the health of the local economies. Like other states, Nebraska benefits greatly from federal military spending that takes place within its borders. Such spending includes operations and operations support spending; salary paid to Active, Guard, and Reserve personnel; veteran compensation; and military retiree pension payments. The effects of military spending can be felt throughout Nebraska, as military installations and veterans are found in every region of the state.

Military spending has been the focus of increased attention at the state and local levels, with many recent reports illustrating the importance of military spending upon local and state economies. For example, in a May 2020 report U.S. Foreign Policy for the Middle Class: Perspectives From Nebraska, "After trade and immigration, those interviewed mentioned defense spending as the aspect of U.S. foreign policy that mattered most to them."¹ Examples of the local impact of military spending include an economic impact analysis of Fort Lee, Virginia² and the San Diego Economic Impact Report.³ State examples from Missouri,⁴ California,⁵ and Florida⁶ offer context for the depth and breadth of military spending around the country. According to the U.S. Department of Defense, Office of Local Defense Community Cooperation in its Defense Spending by State Fiscal Year 2019 report, defense spending in Nebraska contributed 1.2% of state GDP in FY 2019.⁷ Of note, the FY 2021 National Defense Authorization Act changed the Office of Economic Adjustment to the Office of Local Defense Community Cooperation which released the Defense Spending by State Report Fiscal Year 2019 report in 2021.

2017, 2018, and 2019 Economic Impact of Nebraska Military Assets

In 2017, 2018, and 2019 the Nebraska Commission on Military and Veteran Affairs contracted with the University of Nebraska-Lincoln Bureau of Business Research (BBR) to conduct a review of U.S.

¹ Carnegie Endowment for International Peace, et al. (May 21, 2020). U.S. Foreign Policy for the Middle Class: Perspectives from Nebraska. Page 43. Available:

https://carnegieendowment.org/files/USFP_Nebraska_full_final.pdf

² Virginia's Gateway Region Crater Planning District Commission, Economic Impact Analysis of Fort Lee, Virginia. (August 14, 2020). Available:

https://craterpdc.org/DocumentLibrary/Economic_Development/Fort_Lee_Economic_Impact_Analysis-08142020.pdf

³ San Diego Military Advisory Council, San Diego Military Economic Impact Report. (2020). Available:

<https://www.sdmac.org/media/uploads/meir-web.pdf>

⁴ Office of the Missouri Military Advocate, A Study of the Economic Impacts of Military Spending and Operations in Missouri. (August 2020). Available:

https://military.ded.mo.gov/sites/military/files/Economic%20Impacts%20of%20Defense%20Spending%20in%20Missouri_August%202020_0.pdf

⁵ California Governor's Military Council, California Statewide & Regional National Security Economic Impacts. (December 2019). Available: https://militarycouncil.ca.gov/wp-content/uploads/sites/81/2019/12/CRB_NatSecEconImpact-2019-Report.pdf

⁶ Enterprise Florida, Florida Defense Factbook. (January 2020). Available: <https://www.enterpriseflorida.com/wp-content/uploads/Florida-Defense-Factbook-2020.pdf>

⁷ U.S. Department of Defense, Office of Local Defense Community Cooperation, Defense Spending by State Fiscal Year 2019. (2021). Available: https://oldcc.gov/sites/default/files/defense-spending-rpts/OLDCC_DSBS_FY2019_FINAL_WEB.pdf

Department of Defense and U.S. Department of Veterans Affairs assets, as well as to estimate the impact of military and veteran spending in the State of Nebraska in FY 2016, FY 2017, FY 2018. The current report builds upon the body of work created through the 2017,⁸ 2018,⁹ and 2019¹⁰ reports. Additionally, the 2008 Base Realignment and Closure (BRAC) Task Force and its subsequent report provide substantive context and background to the body of work presented in this report.¹¹

2020 Commission Recommendations

For 2020, the Commission continues to put forth six recommendations that have their roots in the 2008 BRAC Task Force Report. These recommendations were validated in 2017, expanded in 2018, and were validated in 2019. The six recommendations, as well as any subsequent progress toward implementing each recommendation, are presented below.

1. Recommend the state increase appropriation to ensure full commitment of federal dollars for infrastructure needs of National Guard bases.

The recommendation for the state to increase its appropriation to ensure full commitment of federal dollars for infrastructure need of the Nebraska National Guard is still valid. The Nebraska National Guard will continue to maximize federal resources and leverage partnerships whenever feasible.

As of the 2008 BRAC Task Force Report, Nebraska had not been fully utilizing funds available from the federal government. More specifically, the Task Force noted that the under-appropriation of state funds in support of military operations in the state had resulted in an inability to obtain federal funds with strict matching requirements. Consequently, the state returned thousands of dollars to the DoD. Since the 2008 report, when federal funding for the Nebraska National Guard reached its peak (see Figure 1), the state has maintained consistent levels of funding for the Nebraska Military Department. State funding reached a peak of \$11.1 million in 2013, with a gradual tapering to near-previous levels in 2014-2016. The increases from 2012-2013 are likely due, in part, to the funding for the new Joint Force Headquarters Building at the National Guard base in Lincoln.

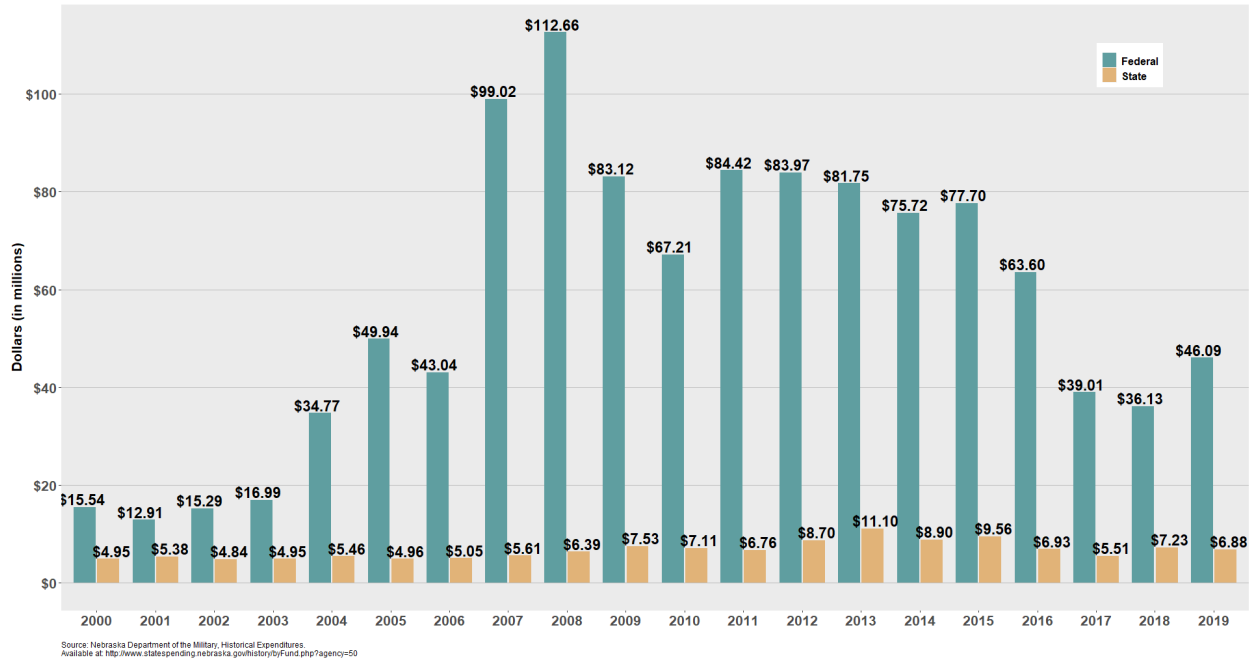
⁸ Nebraska Commission on Military and Veteran Affairs. (November 2017). Available: https://nebraskalegislature.gov/FloorDocs/105/PDF/Agencies/Veterans_Affairs_Department_Of/610_20171120-163741.pdf

⁹ Nebraska Commission on Military and Veteran Affairs. (November 2018). Available: https://nebraskalegislature.gov/FloorDocs/105/PDF/Agencies/Veterans_Affairs_Department_Of/610_20181115-103419.pdf

¹⁰ Nebraska Commission on Military and Veteran Affairs. (November 2019). Available: https://nebraskalegislature.gov/FloorDocs/106/PDF/Agencies/Veterans_Affairs_Department_Of/610_20191115-104724.pdf

¹¹ Nebraska Base Realignment and Closure (BRAC) Task Force. (December 2008). Report of the Nebraska Base Realignment and Closure (BRAC) Task Force. Available: <http://govdocs.nebraska.gov/epubs/L3745/B036-2008.pdf>

Figure 1. State and Federal Spending on Nebraska Department of Military (in millions)



The Department of Defense provides the Nebraska Army National Guard (NEARNG) federal funds to support operations, maintenance/sustainment, and modernization of facilities. These funds are matched up to 50% with State funds based upon the type and use of the facility. As shown in Table 2, from fiscal year 2008 to 2020, federal funds have increased \$24,805,623 (208%) while State funds have increased \$63,654 (5%). Throughout the last 13 years, the highest percent the State has matched to the federal funds is 19.8%. For FY 2018, the State cost share of the fully funded facilities maintenance program was 23.8% with a funding gap of \$2,000,000. While the NEARNG has some flexibility with the utilization of the allocated federal funds, the facilities, mainly Readiness Centers (Armories) that require a higher percent of State funding, are not able to be sustained or modernized to an appropriate level. Federal funds not utilized on state/federal split facilities can be executed at facilities that are entirely federally funded, thereby retaining federal funds in the state.

Table 2. Total State Funding to Nebraska Army National Guard in Relation to Federal Funding						
	Fiscal Year (State Fiscal Years ending June 30th of the following years)				Federal Funds Available to Match – MCA Appendix 1 Facilities Program (FP)	Percent Match of State to Federal Funds
	Fund 544-007	Fund 544-081	Fund 544-008	Total		
2008	\$227,557	\$283,450	\$833,418	\$1,344,425	\$8,851,527	15.2%
2009	\$266,367	\$227,765	\$840,006	\$1,334,138	\$6,733,586	19.8%
2010	\$432,100	\$472,074	\$339,384	\$1,243,558	\$6,799,114	18.3%
2011	\$1,226,247	\$131,400	\$321,964	\$1,679,611	\$10,494,991	16.0%
2012	\$1,429,823	\$159,250		\$1,589,073	\$10,314,206	15.4%
2013	\$1,793,454	\$186,165		\$1,979,619	\$12,176,694	16.3%
2014	\$2,011,100	\$227,179		\$2,238,279	\$14,730,895	15.2%
2015	\$1,684,521	\$493,447		\$2,177,968	\$13,022,825	16.7%
2016	\$1,625,476	\$125,275		\$1,750,751	\$13,121,704	13.3%
2017	\$1,500,943	\$142,182		\$1,643,125	\$13,144,100	12.5%
2018	\$1,438,134	\$101,087		\$1,539,221	\$15,042,046	10.2%
2019	\$1,407,934	\$145,000		\$1,408,079	\$19,229,171	7.3%
2020	\$1,407,934	\$145,000		\$1,408,079	\$33,657,150	4.2%

Facility modernization and new facility construction for the NEARNG is challenging due to the lack of State matching funds. Over the last 10 years, the State has provided funding (\$3.8 million) for the construction of the Joint Force Headquarters and Nebraska Emergency Management with approximately 40% of those proceeds coming from the sale of the NEARNG Military Road property. The NEARNG has received initial federal approval for fiscal year 2018 design with construction of two new facilities in 2020. The Bellevue/Offutt Readiness Center is currently programmed for \$143,000 State and \$2,383,740 federal design funds. The programmed North Platte Readiness Center (\$12 million) requires a 25% State match share, but was postponed due to State budget issues. The NEARNG was able to secure authorization for design and construction of an equipment Facility Maintenance Shop (FMS—which requires no state match) in North Platte, programed at \$9.3 million, in-lieu of the Readiness Center.

Table 3. Total Military Construction Funds to Nebraska Army National Guard													
Fiscal Year (State Fiscal Years ending June 30th of the following years)													
Fund	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
State of NE**	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$143,000	\$ --	\$ --	\$ --
Federal MILCON	\$ --	\$1,771,982	\$1,826,679	\$11,669,642	\$29,964,245	\$9,678,257	\$768,900	\$1,446,441	\$2,607,825	\$77,220	\$3,486,730	\$2,558,656	\$612,463
**\$1,503,500 Proceeds from sale of Military Road Facility													
Total State Construction Funds for NE Army National Guard FY08 through FY20: \$3,955,099 (NEARNG JFHQ with NEMA)													
Total Federal MILCON Funds for NE Army National Guard FY09 through FY22: \$101,053,379													

Table 4. Total Military Construction Funds to Nebraska Army National Guard Continued		
Fiscal Year (Federal Fiscal Years ending September 30th of the following years)		
Projected Camp Ashland Water Supply/Treatment Facility	FY16 Design	FY15-20 Construction
State of NE	\$ --	\$ --
Federal MILCON	\$167,775	\$1,497,678
Projected Readiness Center at Bellevue (Offutt AFB)	FY18 Design	FY20 Construction
State of NE	\$143,000	\$ --
Federal MILCON	\$2,183,000	\$ --
Project Maintenance Shop in North Platte	FY18 Design	FY20 Construction
State of NE	\$ --	\$ --
Federal MILCON	\$723,275	\$ --
Camp Ashland Levee (100% Federal Funded Contract)	FY19 Design	FY20 Construction
State of NE	\$ --	\$ --
Federal MILCON	\$ --	\$8,500,000
Camp Ashland Rebuild	FY19 Design	FY20-22 Construction (Not Yet Paid)
State of NE	\$ --	\$ --
Federal MILCON	\$1,666,962	\$33,333,038

The Department of Defense provides the Nebraska Air National Guard (NEANG) federal funds to support maintenance and sustainment of facilities and infrastructure. These funds are matched up to 25% with State funds for the sole purpose of salaries and benefits of state employees, utility payments, and day-to-day preventative maintenance. From fiscal year 2008 to 2017, federal funds have increased significantly while State funds have plateaued. Throughout the last 10 years, the State match on average to the federal funds is 20%. The NEANG does not have the ability to use federal funds for which there are not state matching funds for other programs as Appendix 21 of the Master Cooperative Agreement restricts the use of federal resources solely to the agreement.

Table 5. Total State and Federal Funding to Nebraska Air National Guard to Support Maintenance and Sustainment of Facilities and Infrastructure													
Fiscal Year (State Fiscal Years ending June 30th of the following years)													
State Fund	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
544-02	\$315,000	\$320,000	\$395,565	\$358,433	\$424,772	\$323,870	\$320,565	\$352,738	\$320,565	\$305,000	\$291,254	\$391,254	\$391,254
544-03	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
544-05	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$15,367	\$15,608	\$18,608	\$18,608
Total	\$315,000	\$320,000	\$395,565	\$358,433	\$424,772	\$323,870	\$320,565	\$352,738	\$320,565	\$320,367	\$306,862	\$409,862	\$409,862
Federal Funds													
	\$945,000	\$960,000	\$1,171,381	\$1,152,926	\$1,028,000	\$1,067,300	\$1,148,200	\$1,183,800	\$1,120,200	\$1,245,900	\$1,043,868	\$1,178,219	\$1,537,208
Amount of Federal Dollars Returned													
	\$ --	\$ --	\$ --	\$77,626	\$ --	\$95,689	\$186,505	\$125,589	\$158,505	\$284,799	\$ --	\$ --	\$ --
Percent State Funds Match to Federal Funds													
	25%	25%	25%	24%	29%	23%	22%	23%	22%	20%	23%	26%	21%

In addition, the federal government provides 100% funding for repair and modernization of facilities and infrastructure. The repair and modernization federal funding levels provided to the NEANG have increased sharply from \$1,065,873 between 2006-2010, to \$30 million between 2011-2016, and over \$24 million in 2017 alone. The increase in repair and modernization funding is due to rising maintenance costs and an increase in space

requirements for the training and administration of the National Guard. Systematic and consistent minor preventative maintenance in the near term will minimize the need for major corrective maintenance in the long term. Finally, the Nebraska National Guard benefits from investment through Nebraska Capital Construction Funds. Recent investments by the State of Nebraska include \$100,000 to the 1776 Readiness Center remodel and \$687,500 for the Penterman Readiness Center.

2. Provide support to local subdivisions in their efforts to improve military installations.

The recommendation to provide support to local subdivisions in their efforts to improve military installations is valid.

In March 2016, the Critical Infrastructure Facilities Cash Fund was established by Legislative Bill (LB) 957 Section 21, to be used by the Nebraska Department of Natural Resources to provide a grant to a Natural Resource District (NRD) to offset costs related to soil and water improvements intended to protect critical infrastructure facilities within the NRD which includes military installations, transportation routes, and wastewater treatment facilities.¹² The Critical Infrastructure Facilities Cash Fund is intended to help fund efforts to protect and enhance critical infrastructure facilities within an NRD's boundary including military installations, transportation routes, and wastewater treatment facilities.

A total of \$13.7 million was transferred from the General Fund into the Critical Infrastructure Facilities Fund in FY15-16, and a \$13.7 million cash fund appropriation was approved for FY15-16. Unused appropriations were carried forward into the current budget. The Nebraska Department of Natural Resources accepted an application from the Papio-Missouri River Natural Resources District (Papio NRD) for a grant to help fund a project to extend and upgrade levees near Offutt Air Force Base.¹³ After a multi-year process, the Papio NRD received the necessary federal permits to begin construction. The Papio NRD was on track to begin levee improvements in March of 2019. Unfortunately, in March 2019, the State of Nebraska experienced unprecedented flooding which delayed the project. In August 2019, the Papio NRD and U.S. Army Corps of Engineers agreed to complete post flood repairs, levee modifications, and levee upgrades at the same time. By reaching this cooperative agreement, the Papio NRD was able to begin levee upgrades immediately instead of waiting until post flood repairs were completed by the U.S. Army Corps of Engineers. In mid-September 2019, flood repairs and the planned work on the levee rehabilitation and upgrades started simultaneously.¹⁴ This cooperative effort is saving time and expense to the Papio NRD and U.S. Army Corps of Engineers. The remaining balance of the grant funds for this project to extend and upgrade levees near Offutt Air Force Base is nearly \$4.9 million as of October 2020.¹⁵

¹² LB 957, Section 21. (March 30, 2016). Available:

<http://www.nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB957.pdf>

¹³ A Legislator's Guide to Nebraska State Agencies. Nebraska Legislative Fiscal Office. (December 2016). Available:

<http://www.nebraskalegislature.gov/pdf/reports/fiscal/2016legguide.pdf>

¹⁴ John Winkler. Papio-Missouri River Natural Resources District. (October 6, 2020). Email correspondence.

¹⁵ Tim Freed. Nebraska Department of Natural Resources. (October 14, 2020). Email correspondence.

Another way to support local subdivisions in their efforts to improve the military value of military installations is to provide assistance when they compete for federal grants. For example, the DoD's Office of Economic Adjustment's "Community Economic Adjustment Assistance for Responding to Threats to the Resilience of a Military Installation" program may be useful for assessing the resilience of Offutt AFB.¹⁶ Additionally, the DoD's Office of Economic Adjustment's "Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies" program may be useful for assessing development which may impact the operational utility of a DoD installation.¹⁷

These tools, the Critical Infrastructure Facilities Cash Fund and potential grants, provide mechanisms and opportunities to support local subdivisions in their efforts to improve the military value of military installations.

3. Recommend land use planning legislation to ensure governmental entities and developers coordinate when building near military bases, including a requirement that local subdivisions conduct a feasibility study to address encroachment issues.

As noted in 2017, 2018, and 2019 given the approval of Legislative Bill (LB) 279 in February 2010, the recommendation for land use planning legislation to ensure governmental entities and developers coordinate when building near military bases, including a requirement that local subdivisions conduct a feasibility study to address encroachment issues, has been partially realized.

In February 2010, Governor Dave Heinemann approved LB 279, an act relating to land-use planning. The act requires notification to military installations regarding development of real property.¹⁸ Senator Bill Avery introduced LB 279 to require municipalities and counties to provide notification to a military installation "which is located within its jurisdiction regarding any development of property which may affect the military installation."¹⁹ To this end, the recommendation to ensure coordination between government entities and developers has been realized.

Regarding the specific 2008 recommendation to levy a requirement that local subdivisions conduct a feasibility study to address encroachment issues, LB 279 did not modify Nebraska Revised Statute 15-1103, which notes "the planning director shall be responsible for preparing the comprehensive plan and amendments and extensions thereto and for

¹⁶ DoD Office of Economic Adjustment, CFDA 12.003. (October 27, 2020). Available: https://beta.sam.gov/fal/1ca4fc7cfb8c4e2e9f1a0b2a81a0d1db/view?keywords=CFDA%2012.003&sort=-relevance&index=&is_active=true&page=1

¹⁷ DoD Office of Economic Adjustment, CFDA 12.610. (October 27, 2020). Available: https://beta.sam.gov/fal/1311681f3c60490fbc64c239f3ac953/view?keywords=12.610&sort=-relevance&index=&is_active=true&page=1

¹⁸ LB 279. (February 11, 2010). Available: <http://nebraskalegislature.gov/FloorDocs/101/PDF/Slip/LB279.pdf>

¹⁹ LB 279, Introducer's Statement of Intent. (February 12, 2009). Available: <http://nebraskalegislature.gov/FloorDocs/101/PDF/SI/LB279.pdf>

submitting such plans and modifications to the city planning commission for its consideration and action.”²⁰ Arguably, a comprehensive plan would address encroachment issues.

The Department of the Air Force requires Accident Potential Zones, Noise Pollution Land Use Zones, and general zoning encroachment protection to an installation. In 2017, the Nebraska Air National Guard (NEANG) acquired an additional 16 acres of land to the lease with the Lincoln Airport Authority (LAA). This land addition provided a buffer on the north end of the installation while providing for future expansion of the NEANG. All adjacent property surrounding the NEANG installation is owned by the LAA and zoned for aviation use. Encroachment issues to the installation are mitigated by natural and manmade barriers in addition to current land use zoning.

In April 2018, Governor Pete Ricketts approved Legislative Bill (LB) 901. Typically, a permit is required “before erecting/building any structure exceeding a height of 150 feet above the surface of the ground at the point of installation, unless erected under the authority of a license or permit issued by a federal agency.”²¹ LB 901 protects Nebraska National Guard flight training areas by amending state statutes related to permitting decisions made by the Division of Aeronautics of the Nebraska Department of Transportation (NDOT).²² The Nebraska Department of Transportation’s Division of Aeronautics has fully implemented LB 901.²³ As of September 2020, there have been no reported issues regarding encroachment at Nebraska National Guard flight training areas.

The State of Nebraska may need to continue to review and address encroachment issues related to the military in the future. In October 2019, Department of Defense and Air Force officials asked the North Dakota lawmakers and regulatory officials to “consider new rules aimed at preventing conflicts between wind turbines and helicopters that provide security at launch facilities” and missile alert facilities in nuclear missile fields.²⁴ The 90th Missile Wing based at Francis E. Warren AFB, Wyoming, deploys Minuteman III missiles in western Nebraska.²⁵ The Department of Defense is advocating for the modernization of the nuclear deterrent capability to “ensure that the United States has a safe, secure, reliable, and

²⁰ Nebraska Revised Statute 15-1103. Available: <http://nebraskalegislature.gov/laws/statutes.php?statute=15-1103>

²¹ Division of Aeronautics. Nebraska Department of Transportation. Available: <http://www.aero.nebraska.gov/permittobuild.html>

²² LB 901. (April 17, 2018). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB901.pdf>

²³ Nebraska Department of Transportation. (2020). Available: <https://dot.nebraska.gov/aeronautics/towers-tall-structures/>

²⁴ Associated Press. “Military wants more rules for turbines near nuclear missiles.” (October 2019). Available: <https://www.airforcetimes.com/news/your-air-force/2019/10/29/military-wants-more-rules-for-turbines-near-nuclear-missiles/>

²⁵ 90th Missile Wing Fact Sheet. (2020). Available: <https://www.warren.af.mil/About-Us/Fact-Sheets/Display/Article/331275/90th-missile-wing/>

effective nuclear deterrent—now and in the future.”²⁶ Looking to the future, it is likely that there could be significant DoD investment in Nebraska’s panhandle if or when the Minuteman III missiles in western Nebraska are replaced by a new ground-based strategic deterrent capability. In September 2020, the Department of the Air Force awarded a contract for the “Ground Based Strategic Deterrent (GBSD) intercontinental ballistic missile (ICBM) program to Northrop Grumman.”²⁷

4. Recommend colleges and universities offer courses that support military missions. Additionally, Nebraska colleges and universities should engage in partnership with the Department of Defense when feasible.

As noted in the 2008 BRAC Task Force Report, “Offering courses that correspond with military needs would potentially increase the value of that installation and the missions that rely on personnel with specific educational training such as foreign languages”²⁸ thereby benefiting the State of Nebraska. The University of Nebraska-Lincoln has made significant progress in the development of its National Security Studies program, which offers courses that support military missions.²⁹ Additionally, the U.S. Strategic Command’s Deterrence and Assurance Academic Alliance (DA3) is “an academic community of interest focused on research and analysis of deterrence, assurance, and associated strategic level national security themes in a rapidly changing, multi-domain global threat environment.”³⁰ As of October 2020, Bellevue University, Creighton University, the University of Nebraska-Lincoln, the University of Nebraska-Kearney, and the University of Nebraska-Omaha continue to participate in DA3.³¹

The National Strategic Research Institute (NSRI) at the University of Nebraska continues to be a critical node at the intersection of mission-essential academic research and development capabilities for the Department of Defense.³² In 2020, NSRI was “awarded a new five-year,

²⁶ Senate Armed Services Testimony, Ellen M. Lord, Undersecretary of Defense for Acquisition and Sustainment, Admiral Charles Richard, Commander U.S. Strategic Command. (September 17, 2020). Available: https://www.armed-services.senate.gov/imo/media/doc/Lord--Richard_09-17-20.pdf

²⁷ Secretary of the Air Force, press release, “Department of the Air Force awards contract for new ICBM system that enhances, strengthens US triad.” (September 8, 2020). Available: <https://www.af.mil/News/Article-Display/Article/2340139/department-of-the-air-force-awards-contract-for-new-icbm-system-that-enhances-s/>

²⁸ Nebraska Base Realignment and Closure (BRAC) Task Force. (2008). Report of the Nebraska Base Realignment and Closure (BRAC) Task Force. Available: <http://govdocs.nebraska.gov/epubs/L3745/B036-2008.pdf>

²⁹ National Security Studies program, University of Nebraska-Lincoln. (2020). Available: <https://nationalsecurity.unl.edu/>

³⁰ USSTRATCOM Deterrence and Assurance Academic Alliance purpose. (2020). Available: <http://www.stratcom.mil/Academic-Alliance/>

³¹ USSTRATCOM Deterrence and Assurance Academic Alliance members. (2020). Available: <http://www.stratcom.mil/Academic-Alliance/Members/>

³² National Strategic Research Institute at the University of Nebraska. (2020). Available: <https://nsri.nebraska.edu/>

\$92 million contract through the U.S. Strategic Command to continue its leading research in national security and defense.”³³

In 2020, the University of Nebraska Medical Center (UNMC) made significant progress by obtaining state support “for an academic medical facility to help the United States address future pandemics and other disasters.”³⁴ The “NExT Project”’s two major components include “a state-of-the-art academic medical center facility” and “a federal all-hazard disaster response military and civilian partnership” for training and treatment of biologic, radiologic, and chemical trauma.³⁵

5. Review and recommend legislation or regulatory reform to support military personnel and families including employment and educational opportunities.

The recommendation to review and recommend legislation or regulatory reform to support military personnel and families, including employment and educational opportunities is still valid.

In 2020, the Department of Defense provided consistent guidance to State policymakers. The DoD continued to emphasize the provisions of a February 23, 2018 memorandum to the National Governors Association from the Secretaries of the Army, Navy, and Air Force which stated that “we will encourage leadership to consider the quality of schools near bases and whether reciprocity of professional licenses is available for military families when evaluating future basing or mission alternatives.”³⁶ Additionally, the Defense State Liaison Office (DSLO) continues to provide state policymakers with “reliable information and research, knowledge of policies and processes, and assistance with legislation-all to support service members and their families.”³⁷ Those responsible for legislation and regulatory reform should carefully consider this guidance.

Progress on this recommendation includes the passage of LB 450.³⁸ In 2019 the Commission on Military and Veteran Affairs recommended that the Legislature pass LB 450 and the Governor sign it into law. As noted in a press release from the Office of Governor Pete Ricketts, LB 450 “expands the tuition assistance available to members of the National Guard. The bill increases the tuition credit for a baccalaureate degree from 75% of resident tuition

³³ National Strategic Research Institute at the University of Nebraska. (September 15, 2020). Available: [https://nsri.nebraska.edu/news/news-releases/2020/09/new-\\$92-million-contract-will-expand-university-of-nebraska-national-defense-research](https://nsri.nebraska.edu/news/news-releases/2020/09/new-$92-million-contract-will-expand-university-of-nebraska-national-defense-research)

³⁴ University of Nebraska Medical Center, Governor signs bill supporting NExT Project. (August 21, 2020). Available: <https://www.unmc.edu/news.cfm?match=26096>

³⁵ University of Nebraska Medical Center, NExT: A Nebraska Transformational Project. (2020). Available: <https://www.unmc.edu/next/>

³⁶ Secretary of the Army, Secretary of the Navy, Secretary of the Air Force. (2018). Available: <https://media.defense.gov/2018/Feb/23/2001881660/-1/-1/1/Military-Family-School-Consideration-and-Professional-Licensure-Reciprocity.PDF>

³⁷ Defense State Liaison Office. (2020). Available: <https://statepolicy.militaryonesource.mil/>

³⁸ LB 450. (August 17, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB450.pdf>

to 100% of resident tuition. The bill also creates a tuition credit of 50% of resident tuition for graduate and professional degrees.”³⁹

In the future, the Legislature could expand Nebraska’s Reservist Tuition Credit Program, administered by the Nebraska Department of Veterans’ Affairs, in ways similar to the expansion of the National Guard tuition assistance program under LB 450. Currently, “Nebraska residents who are enlisted members of a Nebraska-based unit of the Active Selected Reserve may be eligible for a 50% tuition credit to the University of Nebraska campuses, Nebraska state colleges and Nebraska community colleges.”⁴⁰ The Legislature could potentially increase the percentage of tuition credit or expand the eligibility conditions to attract selected reservists to Nebraska. Coordination with the Nebraska Department of Veterans’ Affairs would be critical to the success of any program expansion. For more information regarding the reserve component, see “Defense Primer: Reserve Forces” published by the Congressional Research Service.⁴¹

6. Provide tax relief to retired military personnel to encourage military retirees to live and work in Nebraska.

On August 17, 2020 Governor Ricketts approved LB 153 which simplifies and expands Nebraska’s current military retirement pay state income tax exemption. Specifically, LB 153 excludes fifty percent of the military retirement pay for taxable years beginning on or after January 1, 2022.⁴²

For context, in January 2019, Senator Tom Brewer, at the request of the Governor, introduced LB 153 which would change provisions relating to the taxation of military retirement benefits.⁴³ LB 153 was prioritized by Senator John Lowe and placed on General File May 16th, 2019. In November 2019, the Commission on Military and Veteran Affairs recommended the Legislature pass LB 153 and the Governor sign it into law. In July 2020, LB 153 was amended to change the effective date from January 1, 2021 to January 1, 2022. In August 2020, LB 153 passed on final reading and was approved by Governor Ricketts.

Nebraska continues to provide partial tax relief to retired military personnel through the current exemption options from the passage of LB 987 from 2014. Currently, a Nebraskan can elect to exclude military retirement benefits from Nebraska taxable income through two options. Option 1 provides exemptions for 40% of military retirement benefit income for

³⁹ Office of Governor Ricketts press release, Gov. Ricketts, State Senators, and National Guard Members Celebrate the Passage of LB 450. (September 24, 2020). Available: <https://governor.nebraska.gov/press/gov-ricketts-state-senators-and-national-guard-members-celebrate-passage-lb-450>

⁴⁰ Nebraska Department of Veterans’ Affairs, Reservist Tuition Credit Program. (2020). Available: <https://veterans.nebraska.gov/reservist-tuition>

⁴¹ Congressional Research Service, Defense Primer: Reserve Forces. (January 6, 2020). Available: <https://crsreports.congress.gov/product/pdf/IF/IF10540>

⁴² LB 153. (August 17, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB153.pdf>

⁴³ LB 153 as introduced. (January 11, 2019). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Intro/LB153.pdf>

seven consecutive years beginning with the year in which the election is made. Option 2 provides exemptions for 15% of military retirement benefit income for all taxable years beginning with the year in which the retiree turns 67 years of age.⁴⁴

The Nebraska Department of Revenue preliminary data for tax year 2019 indicates 660 returns leading to \$11,508,545 of deducted income using the partial exemption via the Form 1040N-MIL. While this is the amount deducted and not the amount of lost tax revenue, one can estimate the impact to the General Fund. Presuming that all of the filers were in the top state income tax bracket of 6.84%, the maximum impact to the general fund would equal 6.84% of the total amount deducted. For 2019, this impact would equal \$787,184. For tax year 2018, 547 returns filed the Form 1040N-MIL leading to \$9,571,708 of deducted income. For tax year 2017, 466 returns filed the Form 1040N-MIL leading to \$7,698,543 of deducted income. For tax year 2016, 336 returns filed the Form 1040N-MIL leading to \$5,467,797 of deducted income. For tax year 2015, 191 returns filed the Form 1040N-MIL leading to \$3,036,953 of deducted income. Again, presuming that all of the filers were in the top state income tax bracket of 6.84%, the impact to the general fund would equal \$654,705, \$526,580, \$373,997, and \$207,728 for tax years 2018, 2017, 2016, and 2015 respectively.⁴⁵

In total, the impact to the general fund for the first five years of the partial exemption policy appears to be \$2,550,195 (assuming the highest tax bracket, and recognizing that the 2019 tax year is not complete). The estimated fiscal impact to the general fund for the first four years of the partial exemption policy was \$3,818,000.⁴⁶ Additional research and analysis would be required to discern exactly how and why the estimated fiscal impact was significantly higher than the actual impact (the actual impact being a number less than or equal to approximately \$2,550,195). One possible explanation could have been limited awareness of the partial exemption once it was implemented. Another possible explanation could be the complexity associated with the tax treatment of compensation from the U.S. Department of Veterans Affairs and the offsets associated with military retired pay from the Department of Defense.⁴⁷ Military retired pay is often considered taxable income while “disability benefits from the VA should not be included in your gross income” and thus not necessarily considered taxable income.⁴⁸ Given potential “VA offsets,” it is possible that the fiscal note for LB 153 overestimates the fiscal impact of LB 153. For additional information regarding “VA offsets” see the “Concurrent Receipt of Military Retirement and VA Disability” IN FOCUS report published by the Congressional Research Service.⁴⁹ For additional insight

⁴⁴ Nebraska Department of Revenue. (2020). Available: http://www.revenue.nebraska.gov/tax/current/fill-in/f_1040n_mil.pdf

⁴⁵ Nebraska Department of Revenue, Dr. HoaPhu Tran. (2020). Email correspondence.

⁴⁶ LB 987, Fiscal Note. (March 20, 2014). Available: https://nebraskalegislature.gov/FloorDocs/103/PDF/FN/LB987_20140321-135055.pdf

⁴⁷ Congressional Research Service, Concurrent Receipt of Military Retired Pay and Veteran Disability: Background and Issues for Congress. (March 25, 2020). Available: <https://crsreports.congress.gov/product/pdf/R/R40589>

⁴⁸ Internal Revenue Service, Information for Veterans. (2020). Available: <https://www.irs.gov/individuals/information-for-veterans#:~:text=Disability%20benefits%20received%20from%20the,to%20Veterans%20or%20their%20families%2C&text=Benefits%20under%20a%20dependent%2Dcare%20assistance%20program>

⁴⁹ Congressional Research Service, Concurrent Receipt of Military Retired Pay and VA Disability. (August 11, 2020). Available: <https://crsreports.congress.gov/product/pdf/IF/IF10594>

regarding the military retirement system, see the “Statistical Report on the Military Retirement System” published by the DoD’s Office of the Actuary.⁵⁰

Preliminary Results and Impact of recent Nebraska Legislation and Regulatory Reform

2020 Legislation

LB 153 exempts 50% of military retirement pay from Nebraska income tax.⁵¹ Specifically, an individual may exclude fifty percent of the military retirement pay for taxable years beginning on or after January 1, 2022. The estimated fiscal impact for FY 2021-22 is an estimated revenue decrease of \$5,431,000 as noted by the most recent fiscal note for LB 153.⁵² As of September 30, 2019, there were 13,662 military retirees paid by the Department of Defense.⁵³

LB 450 changes the tuition assistance provisions for National Guard members.⁵⁴ Specifically, this bill increases the credit from 75 percent to 100 percent of the resident tuition charges for a diploma, certificate, associate degree or baccalaureate degree. Additionally, this bill expands the use of tuition assistance for 50 percent of the resident tuition charges for graduate degrees and professional programs.

LB 755, an omnibus bill which included language from LB 752 through amendment 2991, tasks the Department of Health and Human Services and the Department of Veterans’ Affairs to “work jointly to encourage service providers in their respective departments and in other state and local agencies and departments to ask the question ‘Have you or a family member ever served in the military?’”⁵⁵ The “Ask the Question” campaign was one of ten key issues promoted by the Defense-State Liaison Office in 2020.⁵⁶ As of September 2020, Nebraska was one of eight states to advance this policy issue.

LB 770 establishes a disabled veteran park entry permit through the Nebraska Game and Parks Commission.⁵⁷ Specifically, a veteran who is a resident of Nebraska may be issued one free disabled veteran permit for a resident motor vehicle under certain conditions such as an honorable or general (under honorable conditions) discharge, a disability rating of 50% or more by the U.S. Department of Veterans Affairs, or if the veteran is receiving a pension from total and permanent disability from the

⁵⁰ DoD Office of the Actuary, Statistical Report on the Military Retirement System. (August 2020). Available: https://actuary.defense.gov/Portals/15/Documents/MRS_StatRpt_2019_Final.pdf?ver=QI3S6ORp0xHR8cLUYe2z-w%3d%3d

⁵¹ LB 153. (August 17, 2020). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB153.pdf>

⁵² LB 153, Fiscal Note. (July 23, 2020). Available: https://www.nebraskalegislature.gov/FloorDocs/106/PDF/FN/LB153_20200723-142228.pdf

⁵³ Statistical Report on the Military Retirement System, DoD Office of the Actuary. (August 2020). Available: https://actuary.defense.gov/Portals/15/Documents/MRS_StatRpt_2019_Final.pdf?ver=QI3S6ORp0xHR8cLUYe2z-w%3d%3d

⁵⁴ LB 450. (August 17, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB450.pdf>

⁵⁵ LB 755. (August 15, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB755.pdf>

⁵⁶ Defense State Liaison Office. (September 2020). Available: <https://statepolicy.militaryonesource.mil/key-issue/ask-the-question-campaign>

⁵⁷ LB 770. (July 24, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB770.pdf>

U.S. Department of Veterans Affairs. As of September 2020, there is no reason to disagree with the estimated number of veterans and decrease in revenue outlined in the fiscal note for LB 770.⁵⁸

LB 850 creates the First Regiment Nebraska Volunteer Infantry at Fort Donelson Committee with the aim of placing a monument to this unit at the Fort Donelson National Battlefield.⁵⁹ Specifically, the committee would be responsible for the design, creation, transportation, and placement of the monument funded through gifts, grants, donations, and other private funding.

LB 911 amends the state veteran cemetery system to provide for the transfer of the former Nebraska Veterans' Memorial Cemetery in Grand Island to the Nebraska Department of Veterans' Affairs.⁶⁰ As of November 2020, the Nebraska Department of Veterans' Affairs is working with the City of Grand Island to implement this law.

LB 944, an omnibus bill which included language from LB 1139 through amendment 2612, tasks the Department of Motor Vehicles to design and offer a "Pets for Vets" license plate in accordance with the Motor Vehicle Registration Act.⁶¹ Fees for "Pets for Vets" license plates will fund a program administered by the Nebraska Department of Veterans' Affairs with the purpose of providing financial support to veterans for the cost associated with adopting a pet animal. As of September 2020, the Nebraska Department of Veterans' Affairs has partnered with the Nebraska Department of Motor Vehicle through all phases of the implementation of a Pets for Vets program.

2019 Legislation

LB 6 changed residency provisions relating to persons on active duty and their dependents for college tuition purposes.⁶² Specifically, this bill allows spouses and dependents of active duty service members to continue to qualify for in-state tuition so long as the active duty service member was assigned a permanent duty station in Nebraska at the time of their admission and that they remain continuously enrolled at the institution. As of September 2020, there is no clear methodology for measuring the impact of this legislation.

LB 12 provided a license fee exemption for service members and their spouses under the Nebraska Real Estate License Act.⁶³ Specifically, this bill allows active duty military members or their spouses to be licensed realtors in Nebraska without having to pay the licensing fee, provided they have a valid realtor's license in another state. The Nebraska Real Estate Commission has implemented the law, including changes to its website, application form, and instructions.⁶⁴ As of October 15, 2020, no one has applied or used the exemptions.⁶⁵

⁵⁸ LB 770, Fiscal Note. (January 8, 2020). Available:

<https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB770.pdf>

⁵⁹ LB 850. (August 6, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB850.pdf>

⁶⁰ LB 911. (August 6, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB911.pdf>

⁶¹ LB 944. (August 6, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB944.pdf>

⁶² LB 6. (May 8, 2019). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB6.pdf>

⁶³ LB 12. (March 6, 2019). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB12.pdf>

⁶⁴ Nebraska Real Estate Commission. (2019). Available: <https://nrec.nebraska.gov/licensing-forms/veterans.html>

⁶⁵ Greg Lemon, Nebraska Real Estate Commission. (October 15, 2020). Email correspondence.

LB 112 provided a waiver of “all fees for initial credentials under the Uniform Credentialing Act for low-income individuals, military families, and young workers.”⁶⁶ Nebraska Revised Statute §38-117.02 defines military families as “active duty service members in the armed services of the United States, military spouses, honorably discharged veterans of the armed services of the United States, spouses of such honorably discharged veterans, and unremarried surviving spouses of deceased service members of the armed services of the United States.”⁶⁷ The provisions of LB 112 became operative on January 1, 2020. As of October 2020, there have been 282 military family fee waivers issued by Nebraska’s Department of Health and Human Services, saving military families in Nebraska an estimated total of \$57,835 for initial credentials under the Uniform Credentialing Act.⁶⁸

LB 115 changed provisions related to enrollment of children of members of the military.⁶⁹ It established the right for military families with orders to Nebraska to preliminarily enroll in a school district. As of October 2020, there is no clear methodology for tracking preliminary enrollments across Nebraska. While not tracked statewide, one school district near Offutt AFB reported that they have a number (in the single digits) of preliminary enrollments every year.⁷⁰

LB 122 changed postsecondary residency requirements for veterans, family members, and other qualified persons receiving USDVA vocational rehabilitation.⁷¹

LB 138 provided for the issuance of six additional Military Honor license plates, the creation of a Support Our Troops license plate, requires the Department of Labor to have a veterans’ program coordinator, and tasks the Department of Veterans’ Affairs to develop a website with a job-search tool.⁷² As of October 2019, the Nebraska Department of Labor has designated a veterans’ program coordinator. The Nebraska Department of Veterans’ Affairs has developed and promoted improvements to its website.⁷³ Planning for the changes in license plates has begun.

LB 152 codifies rights of Nebraska National Guard members and provide confidentiality of members’ residential addresses.⁷⁴ LB 152 extends the ability to have residential addresses withheld to members of the Nebraska National Guard who participate with state, county, or local government in a law enforcement function prescribed by that government.

⁶⁶ LB 112. (March 21, 2019). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB112.pdf>

⁶⁷ Nebraska Revised Statute §38-117.02. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=38-117.02>

⁶⁸ DHHS Division of Public Health and associated author analysis. (October 30, 2020). Email correspondence.

⁶⁹ LB 115. (March 7, 2019). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB115.pdf>

⁷⁰ Bellevue Public Schools, Dr. Rippe. (October 30, 2020). Email Correspondence.

⁷¹ LB 122 (March 7, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB122.pdf>

⁷² LB 138 (May 8, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB138.pdf>

⁷³ Office of Governor Pete Ricketts, Press Release, Gov. Ricketts Signs Korean War Veterans Armistice Day Proclamation. (July 24, 2020). Available: <https://governor.nebraska.gov/press/gov-ricketts-signs-korean-war-veterans-armistice-day-proclamation>

⁷⁴ LB 152 (March 12, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB152.pdf>

LB 156 provides for the operation of former military vehicles.⁷⁵ As of October 2020, Nebraska Department of Motor Vehicle registration statistics for 2019 indicate 23 former military vehicle titles have been issued (1 passenger and 22 trucks).⁷⁶

LB 192 changed provisions relating to veteran designations on operators' licenses and state identification cards starting January 1, 2021.⁷⁷ Nebraska Revised Statute §60-4,189 allows the words "Reserve-Veteran" to be placed on the front of an operator license or state identification card of an individual who served in the Army, Air Force, Navy, Marine Corps, or Coast Guard Reserve. Nebraska Revised Statute §60-4,189 allows the words "Guard-Veteran" to be placed on the front of an operator license or state identification card of an individual who served in the National Guard. Nebraska Revised Statute §60-4,189 also recognizes an individual who served as a commissioned officer in the U.S. Public Health Service or National Oceanic and Atmospheric Administration for the "Veteran" or "Reserve-Veteran" designation on operators' licenses and state identification cards.⁷⁸ The provisions in LB 192 do not determine veteran status for any other purpose.

LB 223 provides a state-sponsored insurance program for members of the Nebraska National Guard.⁷⁹ State Sponsored Life Insurance (SSLI) is a program that provides group term life insurance exclusively for National Guard members and their dependents. The program is derived from the Veterans' Insurance Act of 1974, Public Law 93-289, to encourage persons to join and remain in the National Guard. Nebraska's program is comprised of a combination of six voluntary group life policies available to the military members of the Nebraska National Guard and is designed to help meet the needs of its members. LB 223 provides further guidance within state law on the state-sponsored life insurance program, ensuring National Guard members maintain the opportunity to access information and enroll in the program. LB 223 directs the Adjutant General to allow the availability of the state-sponsored life insurance program to all National Guard members, provide an opportunity to purchase state-sponsored life insurance program products, and allow education briefings about the state-sponsored life insurance program for members.

LB 486 adopts the Veteran and Active Duty Supportive Postsecondary Institution Act.⁸⁰ This Act creates a state designation for college and university campuses in Nebraska that offer at least five out of eight specific criteria in regard to their veteran and active duty students.⁸¹ In October 2019, the University of Nebraska-Lincoln was designated as Veteran and Active Duty Supportive per the Veteran and Active Duty Supportive Postsecondary Institution Act (Nebraska Revised Statutes 85-2701 to 85-2705).

⁷⁵ LB 156 (March 21, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB156.pdf>

⁷⁶ Nebraska Department of Motor Vehicles, Searchable Data, Registration Statistics. (October 30, 2020). Available: <https://dmv.nebraska.gov/about/dmv-searchable-data>

⁷⁷ LB 192 (March 12, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB192.pdf>

⁷⁸ Nebraska Revised Statute §60-4,189. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=60-4,189>

⁷⁹ LB 223. (March 12, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB223.pdf>

⁸⁰ LB 486 (March 21, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB486.pdf>

⁸¹ Nebraska Revised Statute 85-2703. (September 1, 2019). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=85-2703>

LB 575 requires school district policies regarding the provision of information to and access by military recruiters.⁸² It adds language to the statute in order to provide equal access to secondary education institutions (High Schools) to military recruiters that is enjoyed by all other post-secondary recruiters who visit High Schools and speak with students about opportunities after graduation. As of October 2020, there is no clear methodology for measuring the impact of this legislation.

2018 Legislation

LB 96 expanded the enumerated list of activities that are eligible for assistance from the Department of Economic Development's Site and Building Development Fund.⁸³ Specifically, pursuant to Nebraska Revised Statute 81-12,147 "Public and private sector initiatives that will improve the military value of military installations by making necessary improvements to buildings and infrastructure" are activities eligible for assistance from the fund.⁸⁴ As of the end of August 2020, the current balance of the Site and Building Development Fund is approximately \$8.8 million recognizing that most of the funding is either under contract or has been obligated (offered) for specific projects (an estimated \$500,000 is currently unobligated). The Nebraska Department of Economic Development is forecasting approximately \$3 million in new funds available in the current state fiscal year. As of September 2020, no entities have requested access to the Site and Building Development Fund for initiatives to improve the military value of military installations.⁸⁵

LB 901 protects Nebraska National Guard flight training areas by amending state statutes related to permitting decisions made by the Division of Aeronautics of the Nebraska Department of Transportation (NDOT).⁸⁶ Typically, a permit is required "before erecting/building any structure exceeding a height of 150 feet above the surface of the ground at the point of installation, unless erected under the authority of a license or permit issued by a federal agency." The Nebraska Department of Transportation's Division of Aeronautics has fully implemented LB 901.⁸⁷ As of September 2020, there have been no reported issues regarding encroachment at Nebraska National Guard flight training areas.

LB 682 provides consumer protection and civil relief for service members, typically a right of early termination to service contracts (internet, television, phone services).⁸⁸ Nebraska Revised Statutes 55-701 to 55-704 implement these protections.⁸⁹ As of October 2020, there have been no reports of these protections not working.

⁸² LB 575 (March 21, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB575.pdf>

⁸³ LB 96. (February 14, 2018). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB96.pdf>

⁸⁴ Nebraska Revised Statute 81-12,147. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=81-12,147>

⁸⁵ Nebraska Department of Economic Development, Dave Dearmont. (2020). Email correspondence.

⁸⁶ LB 901. (April 17, 2018). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB96.pdf>

⁸⁷ Nebraska Department of Transportation. (2019). Available: <https://dot.nebraska.gov/aeronautics/towers-tall-structures/>

⁸⁸ LB 682. (April 11, 2018). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB682.pdf>

⁸⁹ Nebraska Revised Statute 55-701. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=55-701>

LB 685 provides a funding priority for special-needs military dependents under the Developmental Disabilities Act.⁹⁰ As of November 2020, the Department of Health and Human Services' Division of Developmental Disabilities has yet to receive a request for prioritized funding as outlined in LB 685.⁹¹

LB 731 adopted the Physical Therapy Licensure Compact.⁹² Nebraska has enacted legislation and continues "issuing and accepting compact privileges."⁹³ As of September 24, 2020 Nebraska has accepted 57 Physical Therapist licenses and 7 Physical Therapist Assistant licenses. Compact implementation by the Board of Physical Therapy is complete.

LB 1034 adopted the Emergency Medical Service Personnel Licensure Interstate Compact and the Psychology Interjurisdictional Compact (PSYPACT).⁹⁴ As of October 2020, full implementation of the "Recognition of EMS Personnel Licensure Interstate CompAct" or "REPLICA" occurred in March 2020.⁹⁵ Initial reports indicate that Nebraska has asked for compact privileges for 22 Nebraska EMS providers. Nebraska has given compact privileges to two EMS providers in order for them to work in other states. It is unknown whether or not these 24 EMS providers are associated with the military.⁹⁶ As of October 2020, PSYPACT implementation is complete and the compact is operational.⁹⁷

2018 Regulatory Reform

In 2018, Governor Ricketts "approved revisions to Rule 21, allowing military spouses to receive a three-year teaching permit in Nebraska with a valid out-of-state license."⁹⁸ As of September 2020, seven Military Teaching Permits⁹⁹ have been issued to qualified military spouses during the most recent September 1, 2019 to August 31, 2020 cycle.¹⁰⁰

In March 2018, the Nebraska Supreme Court "instituted a rule that provides special consideration for attorneys who are military spouses seeking to join the Nebraska practicing bar."¹⁰¹ The rule creates

⁹⁰ LB 685. (April 4, 2018). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB685.pdf>

⁹¹ Nebraska Department of Health and Human Services, Bryson Bartels. (2020). Email correspondence.

⁹² LB 731. (April 19, 2018). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB731.pdf>

⁹³ Physical Therapy Compact Commission. (2020). Available: <http://ptcompact.org/>

⁹⁴ LB 1034. (April 23, 2018). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB1034.pdf>

⁹⁵ Phone call, DHHS Program Manager. (2020). Available: <http://dhhs.ne.gov/Pages/EHS-REPLICA.aspx>

⁹⁶ Nebraska Department of Health and Human Services, Office of Emergency Health Services, Tim Wilson. (November 5, 2020). Email Correspondence.

⁹⁷ Nebraska Department of Health and Human Services, Kris Chiles. (2020). Email correspondence.

⁹⁸ Office of Governor Ricketts. (2018). Available: <https://governor.nebraska.gov/press/gov-ricketts approves-teacher%E2%80%99s-license-flexibility-military-families>

⁹⁹ Nebraska Department of Education. (2020). Military Path to Certification. Available: <https://www.education.ne.gov/tcert/>

¹⁰⁰ Nebraska Department of Education, Clayton Waddle. (2020). Email correspondence.

¹⁰¹ Nebraska Supreme Court. (2018). Available: <https://supremecourt.nebraska.gov/nebraska-supreme-court-rule-allows-reduced-fee-military-spouses-seeking-join-nebraska-bar>

“Class 1-D” motion applicants at a reduced fee.¹⁰² As of October 2020, 5 Class 1-D applications have been successfully admitted to practice law in Nebraska.¹⁰³

2017 Legislation

LB 88 amended state statutes “in order to allow military spouses to obtain a temporary license in a variety of professions if those spouses meet the comparable and equivalent requirements.”¹⁰⁴ A temporary credential to a military spouse “shall be valid until the application for the regular credential is approved or rejected, not to exceed one year.”¹⁰⁵ As of October 2020, 5 temporary nursing licenses have been issued under the military spouse temporary license provision since 2017. Additionally, as of October 2020, two other temporary licenses have been issued under the military spouse provisions since 2017 (one Cosmetology and one Nail Technology).¹⁰⁶

LB 639 expanded a hiring preference to spouses of active duty service members while the active duty service member is serving and up to 180 days after the active duty service member is discharged or separates from service.¹⁰⁷ In addition to initial employment, the hiring preference “is expanded to include a return to employment with any public government entity.”¹⁰⁸ As of October 2020, there is no clear methodology for measuring the impact of this legislation.

2016 Legislation

LB 754 created Nebraska’s Commission on Military and Veteran Affairs.¹⁰⁹ As of October 2020, the Commission has met its statutory requirements pursuant to Nebraska Revised Statutes 55-601 to 55-606 and 48-203.

LB 919 established Veterans Treatment Courts.¹¹⁰ The Douglas County Veterans Treatment Court became operational in November of 2016 and the Lancaster County Veterans Treatment Court became operational in April of 2017.¹¹¹ The Douglas County Veterans Treatment Court has had 96 entrants since inception of which 28 are current participants and 30 are graduates. The Lancaster Veterans Treatment Court has had 26 entrants since inception of which 12 are current participants and 7 are graduates. In November 2020, the State of Nebraska Judicial Branch announced the development of the Central Nebraska Veterans Treatment Court to serve veterans from Adams, Buffalo, and Hall Counties in early

¹⁰² Nebraska Supreme Court. (2018). Available: <https://supremecourt.nebraska.gov/supreme-court-rules/chapter-3-attorneys-practice-law/article-1-admission-requirements-practice-law/%C2%A7-3-119-application-admission-attorney/class-1-1-b-1-c-1-d-motion-applicants>

¹⁰³ Nebraska Supreme Court Attorney Services Division. (October 9, 2020). Email correspondence.

¹⁰⁴ LB 88, Introducer’s Statement of Intent. (February 15, 2017). Available at: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Sl/LB88.pdf>

¹⁰⁵ LB 88. (April 25, 2017). Available: <http://www.nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB88.pdf>

¹⁰⁶ Department of Health and Human Services. (October 14, 2020). Email correspondence.

¹⁰⁷ LB 639. (April 25, 2017). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB639.pdf>

¹⁰⁸ Office of Governor Ricketts. (2018). Available: <https://governor.nebraska.gov/press/gov-ricketts-signs-major-veterans%E2%80%99-legislative-package>

¹⁰⁹ LB 754. (April 18, 2016). Available: <https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB754.pdf>

¹¹⁰ LB 919. (April 18, 2016). Available: <https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB919.pdf>

¹¹¹ State of Nebraska Judicial Branch, Office of Probation Administration. (November 4, 2020). Research request.

2021.¹¹² While it is too early to draw any formal (academic) conclusions regarding the success of the program (vis-à-vis analysis related to recidivism), informally (anecdotally), the program has been a resounding success.¹¹³

2015 Legislation

LB 109 changed the residency requirements for veterans, spouses, and dependents attending a public college or university in Nebraska.¹¹⁴ As of October 2020, there is no clear methodology for measuring its impact.

LB 219 adopted the Uniform Deployed Parents Custody and Visitation Act which addresses issues of child custody faced by military families.¹¹⁵ As of October 2020, there is no clear methodology for measuring its impact.

LB 264¹¹⁶ created the requirement that boards or the licensing department accept relevant military training and education. As noted in Transitioning Military & Military Spouse Occupational Licensure Study authorized by Legislative Resolution 436, “DHHS indicated that during 2017, no applicants had military training, education, or experience applied toward their licensure requirements and that no applicant had requested this.”¹¹⁷ While there is no clear methodology for measuring the number of applicants benefiting from LB 264, the provisions of LB 264 are posted on the DHHS licensure website.¹¹⁸

LB 272¹¹⁹ created a voluntary veterans preference for private sector employers pursuant to Nebraska Revised Statute 48-238.¹²⁰ As of October 2020, one employer has registered with the Nebraska Department of Labor.¹²¹

2014 Legislation

LB 987 created a partial exemption to military retirement benefits from Nebraska taxable income.¹²² The Nebraska Department of Revenue preliminary data for tax year 2019 indicates 660 returns leading

¹¹² State of Nebraska Judicial Branch, Central Nebraska Veterans Treatment Court to Begin Early 2021. (November 10, 2020). Available: <https://supremecourt.nebraska.gov/central-nebraska-veterans-treatment-court-begin-early-2021>

¹¹³ Cornhusker Economics, The Impact of Veterans Treatment Courts on the Community. (December 4, 2019). Available: <https://agecon.unl.edu/cornhusker-economics/2019/impact-veterans-treatment-courts-community>

¹¹⁴ LB 109. (February 26, 2015). Available: <https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB109.pdf>

¹¹⁵ LB 219. (February 26, 2015). Available: <https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB219.pdf>

¹¹⁶ LB 264. (May 13, 2015). Available: <https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB264.pdf>

¹¹⁷ LR 436, Transitioning Military & Military Spouse Occupational Licensure Study. (2018). Available: <https://veterans.nebraska.gov/sites/veterans.nebraska.gov/files/doc/9.%202018%2010%2023%20-%20LR%20436%20Report%20-%20FINAL.pdf>

¹¹⁸ Nebraska DHHS Licensure Unit Services for the Military. (2020). Available: <http://dhhs.ne.gov/licensure/Documents/VeteransInfoBrochure.pdf>

¹¹⁹ LB 272. (March 12, 2015). Available: <https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB272.pdf>

¹²⁰ Nebraska Revised Statute 48-238. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=48-238>

¹²¹ Nebraska Department of Labor, Veterans Preference Employer Registry. (2020). Available: <https://www.dol.nebraska.gov/LaborStandards/VeteransPreference/EmployerRegistry>

¹²² LB 987. (April 2, 2014). Available: <https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB272.pdf>

to \$11,508,545 of deducted income using the partial exemption via the Form 1040N-MIL. While this is the amount deducted and not the amount of lost tax revenue, one can estimate the impact to the General Fund. Presuming that all of the filers were in the top state income tax bracket of 6.84%, the maximum impact to the general fund would equal 6.84% of the total amount deducted. For 2019, this impact would equal \$787,184. For tax year 2018, 547 returns filed the Form 1040N-MIL leading to \$9,571,708 of deducted income. For tax year 2017, 466 returns filed the Form 1040N-MIL leading to \$7,698,543 of deducted income. For tax year 2016, 336 returns filed the Form 1040N-MIL leading to \$5,467,797 of deducted income. For tax year 2015, 191 returns filed the Form 1040N-MIL leading to \$3,036,953 of deducted income. Again, presuming that all of the filers were in the top state income tax bracket of 6.84%, the impact to the general fund would equal \$654,705, \$526,580, \$373,997, and \$207,728 for tax years 2018, 2017, 2016, and 2015 respectively.¹²³

2013 Legislation

LB 224¹²⁴ created a preference for awarding state contracts to resident disabled veterans if all other factors are equal pursuant to Nebraska Revised Statute 73-107.¹²⁵ As of October 2020, there is no clear methodology for measuring the impact of LB 224.

2011 Legislation

LB 575 enacted the Interstate Compact on Educational Opportunity for Military Children which took effect on July 1st, 2012.¹²⁶ The Compact provides for the uniform treatment of military children transferring between school districts and states. The purpose of the Compact is to remove barriers to educational success (such as enrollment, placement, and graduation) imposed on children of military families due to frequent moves and deployment of their parents. The Compact also established the State Council on Educational Opportunity for Military Children which meets annually. The State Council advises the Nebraska Department of Education with regard to the state's participation and compliance with the Compact.¹²⁷ Of note, the 2008 BRAC Task Force specifically encouraged the state to "explore the idea of joining the Compact" which is now in its sixth year of existence in Nebraska.¹²⁸ As of January 2015, all 50 states and the District of Columbia have adopted the Compact. As of October 2020, the State Council has been an effective tool to support military personnel and families serving in Nebraska.

2010 Legislation

¹²³ Nebraska Department of Revenue, Dr. HoaPhu Tran. (2020). Email correspondence.

¹²⁴ LB 224. (June 5, 2013). Available: <https://nebraskalegislature.gov/FloorDocs/103/PDF/Slip/LB224.pdf>

¹²⁵ Nebraska Revised Statute 73-107. Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=73-107>

¹²⁶ LB 575. (May 16, 2011). Available: <https://nebraskalegislature.gov/FloorDocs/102/PDF/Slip/LB575.pdf>

¹²⁷ Nebraska Department of Education, State Council on Educational Opportunity for Military Children. (2020). Available: <https://www.education.ne.gov/commissioner/state-council-on-educational-opportunity-for-military-children/>

¹²⁸ Nebraska Base Realignment and Closure (BRAC) Task Force. (2008). Available: <http://govdocs.nebraska.gov/epubs/L3745/B036-2008.pdf>

LB 279¹²⁹ amended Nebraska Revised Statutes 14-407,¹³⁰ 15-1103,¹³¹ and 19-923¹³² to require the notification of military installations regarding development of real property. While there is no clear methodology for measuring the impact of this legislation, the Commission has not been informed of or asked to address any military installation encroachment issues as of October 2020.

Recent Congressional Actions Related to BRAC and to Nebraska

In 2020, the Department of Defense did not request Base Realignments and Closures (BRAC) authority from Congress for Fiscal Year 2021 nor is Congress expected to include the authority in the FY 2021 National Defense Authorization Act. As of October 1, 2020, the federal government is operating under a continuing resolution that expires December 11, 2020.

Of note, Section 2821 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 requires the Secretary of Defense to “submit a report on force structure and infrastructure capabilities with the FY 2021 budget request.”¹³³ This so-called “Section 2821 report” would update the most recent Department of Defense Infrastructure Capacity Report from October 2017.¹³⁴ This new report is expected in February 2020. As of March 2020, this report has yet to be publicly released.¹³⁵

Also, as noted in the 2018 Commission report, Section 2702 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 provides an authority to the Secretary of Defense to carry out a realignment or closure of a military installation upon receipt of a notice from the Governor of a State.¹³⁶ The Governor’s notice must include:

“(1) A specific description of the military installation, or a specific description of the relevant real and personal property.

(2) Statements of support for the realignment or closure from units of local government in which the installation is located.

¹²⁹ LB 279. (February 11, 2010). Available: <https://nebraskalegislature.gov/FloorDocs/101/PDF/Slip/LB279.pdf>

¹³⁰ Nebraska Revised Statute 14-407. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=14-407>

¹³¹ Nebraska Revised Statute 15-1103. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=15-1103>

¹³² Nebraska Revised Statute 19-923. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=19-923>

¹³³ Frederico Bartels. Making the Case for a New Round of BRAC. (August 14, 2019). Available: <https://www.heritage.org/defense/report/making-the-case-new-round-brac>

¹³⁴ Department of Defense, Infrastructure Capacity Report. (October 2017). Available: https://democrats-armedservices.house.gov/_cache/files/d/a/da59cb94-76f7-466b-b03b-717ab49fece6/92C3CB18EA9CF53C0D25FFE91C09C3F0.infrastucture-capacity-report-october-2017.pdf

¹³⁵ Frederico Bartels. Report Required: The Pentagon Must Be Pushed Into Examining Its Excess Infrastructure. (March 10, 2020). Available: <https://www.heritage.org/defense/commentary/report-required-the-pentagon-must-be-pushed-examining-its-excess-infrastructure>

¹³⁶ U.S. Congress, John S. McCain National Defense Authorization Act for Fiscal Year 2019. (2018). Available: <https://www.congress.gov/115/bills/hr5515/BILLS-115hr5515enr.pdf>

(3) A detailed plan for the reuse or redevelopment of the real and personal property of the installation, together with a description of the local redevelopment authority which will be responsible for the implementation of the plan.”¹³⁷

The final selection criteria for the 2005 round of base closures and realignments can be found in Title 10 United States Code § 2687.¹³⁸ Policy makers and stakeholders should review the 2017, 2018, and 2019 Commission reports and the 2008 BRAC Task Force report for additional research, analysis, and context related to BRAC.

As of November 2020, Nebraska stands to gain significant support for Offutt AFB and the National Guard Armory in North Platte in the National Defense Authorization Act for Fiscal Year 2021. This support builds upon the significant funding for flood repair and recovery at Camp Ashland and Offutt Air Force Base in the National Defense Authorization Act for Fiscal Year 2020.¹³⁹ In January 2020, the National Guard Bureau confirmed a total of \$62.3 million in funds for Camp Ashland.¹⁴⁰ In September 2020, key leaders gathered for a ceremonial groundbreaking at Camp Ashland.¹⁴¹ In 2021, Nebraska expects to see significant work on the runway at Offutt Air Force Base which will include significant activity at the Lincoln Airport.¹⁴² The U.S. Air Force has already spent a significant amount of money at the Lincoln Airport repairing concrete surfaces, repairing a hangar, and erecting a temporary maintenance hangar. Additionally, the U.S. Air Force has made lease payments to the Lincoln Airport Authority. U.S. Senator Deb Fischer, who serves on the Senate Armed Services Committee, continues to provide significant leadership in conjunction with Nebraska’s congressional delegation in supporting the military in Nebraska.

The Current Report

There are multiple purposes of the present report. First, this report will serve to update the economic impact data presented in *The Economic Impact of Nebraska Military Assets* from November 15, 2019, thereby providing a current snapshot of the economic impacts of military and veteran spending in the state. This information will yield a comprehensive understanding of the magnitude of military and veteran spending in Nebraska. Data for these analyses have been derived from a wide range of sources including federal statistics from the Department of Defense, the Census Bureau, and the Department of Veterans Affairs; statistics from reports produced by Offutt Air Force Base and the Nebraska National

¹³⁷ U.S. Congress, John S. McCain National Defense Authorization Act for Fiscal Year 2019. (2018). Available:

<https://www.congress.gov/115/bills/hr5515/BILLS-115hr5515enr.pdf>

¹³⁸ United State Code Title 10, Subtitle A, Part IV, Chapter 159, § 2687. (2018). Available:

<http://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title10-section2687&num=0&edition=prelim>

¹³⁹ National Defense Authorization Act for Fiscal Year 2020. (December 20, 2019). Available:

<https://www.congress.gov/bill/116th-congress/senate-bill/1790>

¹⁴⁰ Nebraska National Guard, New Release. (January 15, 2020). Available:

<https://ne.ng.mil/PAO/NewsRelease/Nebraska%20Adjutant%20General%20Issues%20Statement%20on%20Camp%20Ashland%20Flood%20Repair%20and%20Rebuilding.pdf>

¹⁴¹ Lincoln Journal Star, National Guard to kick off \$62 million Camp Ashland flood reconstruction project.

(September 25, 2020). Available: https://journalstar.com/news/state-and-regional/govt-and-politics/national-guard-to-kick-off-62-million-camp-ashland-flood-reconstruction-project/article_65e75796-4d9e-5be8-bd92-f2c6a8801f97.html

¹⁴² Air Force Installation & Mission Support Center Public Affairs. (July 2, 2020). Available:

<https://www.offutt.af.mil/News/Article/2244490/offutt-runway-repair-contract-awarded/>

Guard; and from correspondence with Army, Navy, Air Force, and Marine Corps Reserves. Analysts utilize industry-standard approaches (i.e., IMPLAN, IMPact analysis for PLANning¹⁴³) to derive estimates of the direct, indirect, and induced effects of defense and military retiree spending in the state. Direct effects include direct spending by the agencies on payroll and to vendors. Indirect effects include vendor spending at other local businesses. Induced effects capture business activity as employees spend their paychecks on goods and services. Second, this report will consider the aggregate benefits of military service upon the state economy. Data for this analysis is drawn from many of the same sources as described in the previous paragraph, and is informed by research that has been conducted through reviewing academic and applied research literature.

In sum, the current report will provide stakeholders with the situational awareness of current levels of spending on military installations and spending on veterans and military retirees, as well as the indirect effects of such spending. This report will also yield key insights into the various costs and benefits of proposed strategies to attract and retain veterans and retired DoD personnel into the state. Ultimately, the information can be used to further prepare the State of Nebraska for growth by identifying the strengths on which Nebraska might capitalize, as well as the potential weaknesses in this particular economic domain.

This report was funded through the Nebraska Department of Veterans' Affairs pursuant to Nebraska Revised Statute 55-605.¹⁴⁴ The Commission on Military and Veteran Affairs is tasked to prepare an annual report pursuant to Nebraska Revised Statute 55-606.¹⁴⁵

¹⁴³ IMPLAN, Impact Analysis for Planning. (2019). Available: <http://implan.com/>

¹⁴⁴ Nebraska Revised Statute 55-605. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=55-605>

¹⁴⁵ Nebraska Revised Statute 55-606. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=55-606>

2. Military Assets and Spending

This chapter outlines the major military installations throughout the state, and provides detailed information on the employment, salary, and operating costs associated with each installation. The chapter covers active duty bases, National Guard bases and locations, and facilities where Reserves are located. Information on additional DoD assets is also included. Data were obtained from a wide range of sources including publicly available federal and state data sources, installation reports, personal communications with staff, and personal communications with legislative and governmental affairs staff.

Offutt Air Force Base

Offutt Air Force Base has a long and storied history in Nebraska. Perhaps the state's most visible installation, Offutt's origins began with construction of Fort Crook in the 1890's. The Fort initially served as the home of U.S. Army Infantry units, and continued to serve this purpose through the early 1900's. In 1921, an airfield was built to facilitate takeoffs, landings, and refueling of military and government aircraft. Through the 1940's, Offutt Field served as the location of a new bomber plant that produced notable aircraft used during World War II. In 1948 the entire installation was transferred to the Department of the Air Force and was renamed Offutt Air Force Base. In this same year, Strategic Air Command (SAC) was established on base. Throughout the 1960's, 1970's and 1980's Offutt continued to grow and adapt to shifting threats around the globe. In 1992, SAC was disestablished and in its place, the United States Strategic Command (USSTRATCOM) was established. Over the years, USSTRATCOM has evolved and experienced organizational changes which resulted in its current organizational structure and role.

As of September 2019, Offutt AFB had 41 aircraft assigned. The base consists of 3,633 acres of land, 2.97 million square yards of paved surface, and 4.60 million square feet of building space. The base employs nearly 10,000 military, civilian and contractor staff, with a total payroll of over \$742 million and an additional \$509 million in expenditures on construction, service contracts, and other federal expenditures. The units at Offutt AFB execute global missions around the clock.

55th Wing. Offutt AFB is the home of the 55th Wing. The 55th Wing is the largest wing in Air Combat Command and the second largest in the Air Force. The Wing provides global reconnaissance, real-time intelligence gathering, command and control, information warfare, electronic attack, treaty verification and combat support to national leaders and agencies as well as Air Force and joint warfighters. The wing's support functions include: base mobility; manpower; logistics; aircraft and vehicle maintenance; civil engineering; contracting; personnel administration and education; law enforcement; resource security; morale, welfare and recreation; medical and dental care; and local as well as global command, control, and communication capabilities. The wing performs staff requirements to include: administration; legal services; comptroller; public affairs; history; inspection; plans and programs; ground and flight safety; protocol; inspector general; chaplain services; sexual assault prevention and response; and equal opportunity functions for both military and civilian members. Pursuant to Nebraska Revised Statute 55-601, the Commander of the 55th Wing of the Air Combat Command or his or her

designee serves as a nonvoting, ex officio member of Nebraska's Commission on Military and Veteran Affairs.¹⁴⁶

USSTRATCOM. Offutt AFB is also home to the U.S. Strategic Command (USSTRATCOM). USSTRATCOM is one of eleven Combatant Commands and is responsible for detecting, deterring, and preventing strategic attacks against the U.S. and its partners. The command coordinates with other combatant commands and governmental agencies that provide national security. According to the Command Snap Shot, USSTRATCOM deters strategic attack and employs forces, as directed, to guarantee the security of our nation and our allies. As a global warfighting combatant command, USSTRATCOM delivers a dominant strategic force and innovative team to maintain our Nation's enduring strength, prevent and prevail in great power conflict, and grow the intellectual capital to forge 21st century strategic deterrence. The priorities of USSTRATCOM are Strategic Deterrence, Decisive Response, and A Combat-Ready Force.¹⁴⁷ Pursuant to Nebraska Revised Statute 55-601, the Commander of the United States Strategic Command or his or her designee serves as a nonvoting, ex officio member of Nebraska's Commission on Military and Veteran Affairs.¹⁴⁸

557th Weather Wing. In addition to the 55th Wing and USSTRATCOM, Offutt AFB is also home to the 557th Weather Wing. The 557th Weather Wing was formed when the Air Force Weather Agency was redesignated in March 2015. The 557th Weather Wing maximizes America's military power through the exploitation of timely, accurate, and relevant weather information anytime and everywhere on the globe.¹⁴⁹ The 557th comprises more than 1,450 personnel, 12 squadrons, 5 detachments, and 17 operating locations across the globe. The 557th Weather Wing's authoritative environmental data and information, from the "mud to the sun," is utilized worldwide for all facets of operations by Air Force, Department of Defense, intelligence community, and other governmental agencies enabled by its unique mission capabilities, high performance computing center and locally run global atmospheric weather exploitation model. At Offutt AFB, the Weather Wing is headquartered in the Lt. Gen. Thomas S. Moorman building, which is the first facility in the Air Force to earn a Leadership in Energy and Environmental Design gold rating by the U.S. Green Building Council.¹⁵⁰ Pursuant to Nebraska Revised Statute 55-601, the Commander of the 557th Weather Wing of the United States Air Force or his or her designee serves as a nonvoting, ex officio member of Nebraska's Commission on Military and Veteran Affairs.¹⁵¹

Additional Units on Offutt AFB. In addition to the 55th Wing, USSTRATCOM, and the 557th Weather Wing several other critical organizations are located at Offutt AFB:

¹⁴⁶ Nebraska Revised Statute 55-601. (2020). Available:

<https://nebraskalegislature.gov/laws/statutes.php?statute=55-601>

¹⁴⁷ U.S. Strategic Command, Command Snap Shot. (November 2020). Available:

<https://www.stratcom.mil/About/Command-Snapshot/>

¹⁴⁸ Nebraska Revised Statute 55-601. (2020). Available:

<https://nebraskalegislature.gov/laws/statutes.php?statute=55-601>

¹⁴⁹ 557th Weather Wing Fact Sheet. (November 2020). Available: <http://www.557weatherwing.af.mil/About-Us/>

¹⁵⁰ 557th Weather Wing Headquarters Building. (August, 2017). Available:

<http://www.557weatherwing.af.mil/Fact-Sheets/Article/871835/557th-weather-wing-headquarters-building/>

¹⁵¹ Nebraska Revised Statute 55-601. (2020). Available:

<https://nebraskalegislature.gov/laws/statutes.php?statute=55-601>

The 595th Command and Control Group, located at Offutt AFB, and “aligned under Eighth Air Force and Air Force Global Strike Command”¹⁵² was activated in October 2016.¹⁵³ By realigning the 625th Strategic Operations Squadron, the 1st Airborne Command and Control Squadron, the 595th Aircraft Maintenance Squadron, and 595th Strategic Communications Squadron under one command, the 595th Command and Control Group is able to “ensure U.S. strategic deterrence by providing aircrew, operators and maintenance personnel for nuclear command, control and communications (NC3) platforms enabling the National Command Authority survivable, real-time strategic assessment and global strike capabilities.”¹⁵⁴

The 343rd Recruiting Squadron (RCS) is headquartered at Offutt AFB. The active duty squadron covers a 370,000 square-mile area that includes Iowa, Minnesota, Nebraska, North Dakota, South Dakota, and Wisconsin.¹⁵⁵ The 343rd RCS is tasked with recruiting highly talented and qualified personnel into the Air Force. The 20th Intelligence Squadron (20 IS) is located on Offutt AFB. According to the 2016 Offutt AFB Economic Impact report, the 20 IS provides geospatial and targeting intelligence to combatant commanders and war fighting forces. The Defense POW/MIA Accounting Agency (DPAA) maintains an accredited laboratory at Offutt AFB. Forensic anthropologists work to identify remains with the goal of “returning every POW/MIA possible, to their family.”¹⁵⁶ The U.S. Air Force Heartland of America Band, a 15-member unit, has been assigned to Offutt AFB since 1948.¹⁵⁷ The band is well known to the Bellevue community, the State of Nebraska, and around the world for its commitment to excellence.

Offutt AFB and USSTRATCOM Personnel and Spending. Offutt AFB is home to many of the critical organizations that ensure the nation’s security. The vast majority of Offutt personnel live in Nebraska where they, in turn, spend their paychecks on goods and services. Units at Offutt purchase highly technical support and research and development services from local businesses as well as national companies with a presence in the state. Data from Offutt Air Force Base and USSTRATCOM were derived from the *Offutt Air Force Base Economic Impact Statement 2019*.¹⁵⁸ This report was provided directly to the authors for use in the present report.

The data indicate that Offutt AFB and USSTRATCOM combine to employ 9,204 individuals. The majority of these employees (6,559) are military members, with an additional 2,645 civilian employees. As Table 6 indicates, 1,410 members of the 55th Wing are stationed elsewhere, outside of Nebraska. This results in 9,204 total military and civilian personnel stationed in Nebraska. A number of other employees from

¹⁵² 595th Command and Control Group. (2020). Available: <https://www.8af.af.mil/Units/595th-Command-and-Control-Group/>

¹⁵³ 55th Wing Public Affairs. (2016). Available: <https://www.acc.af.mil/News/Article-Display/Article/965021/595th-command-and-control-group-activates-at-offutt/>

¹⁵⁴ 595th Command and Control Group. (2020). Available: <https://www.8af.af.mil/Units/595th-Command-and-Control-Group/>

¹⁵⁵ 343rd Recruiting Squadron. (2020). Available: <https://www.recruiting.af.mil/About-Us/Fact-Sheets/Display/Article/714509/343rd-recruiting-squadron/>

¹⁵⁶ 55th Wing Public Affairs. (November 17, 2017). Available: <https://www.offutt.af.mil/News/Article/1375455/laid-to-rest-dpaa-brings-record-number-of-service-members-home/>

¹⁵⁷ USAF Heartland of America Band. (2020). Available: <https://www.music.af.mil/Bands/US-Air-Force-Heartland-of-America-Band/About-Us/>

¹⁵⁸ Offutt Air Force Base Economic Impact Statement. (2019). Available: <https://www.offutt.af.mil/Portals/97/2019%20EIA%20for%20Print.pdf>

non-appropriated funds (funds self-generated by bowling centers, golf courses, and etcetera), employees from the Base Exchange, and employees from the Cobalt Credit Union are also located on Offutt, but are not included in this analysis.

Table 6. Offutt AFB and USSTRATCOM Military and Civilian Personnel FY 2019	
Active Duty Air Force	5,783
Active Duty Army, Navy, Marines	443*
Active Duty (Non-Nebraska)	1,410
Total Nebraska-Based Military	6,226
Appropriated Fund Civilians	2,764
Total	8,990
*This number may include some Reservists, as the distribution of Active Duty and Reservists was not delineated in the Offutt AFB Economic Impact Statement 2019.	

Total payroll figures from the Offutt AFB Economic Impact Statement indicate over \$743 million in payroll to military and civilian members (see Table 7). The majority of payroll and benefits was spent on military members (\$487.4 million), with pay and benefits to appropriated civilian personnel totaling \$208.8 million. In addition, over \$498.6 million in general operating expenditures were spent in FY 2019. These costs were devoted to construction, service contracts, and other federal expenditures. In sum, over \$1.24 billion in total expenditures were made in FY 2019.

Table 7. Offutt AFB and USSTRATCOM Payroll/Benefits and Expenditures FY 2019	
Payroll	Dollars
Military Members-All Services	\$487,416,245
Appropriated Fund Civilians	\$206,820,894
Other Civilian Employees	\$11,211,800
Contractors	\$36,459,900
Total Payroll	\$743,908,839
Base Expenditures	
Construction	\$20,687,969
Service Contracts	\$373,173,929
Other Federal Expenditures	\$104,742,023
Total Base Expenditures	\$498,603,921
Total Payroll and Expenditures	\$1,242,512,760
Source: Offutt Air Force Base Economic Impact Statement 2019.	

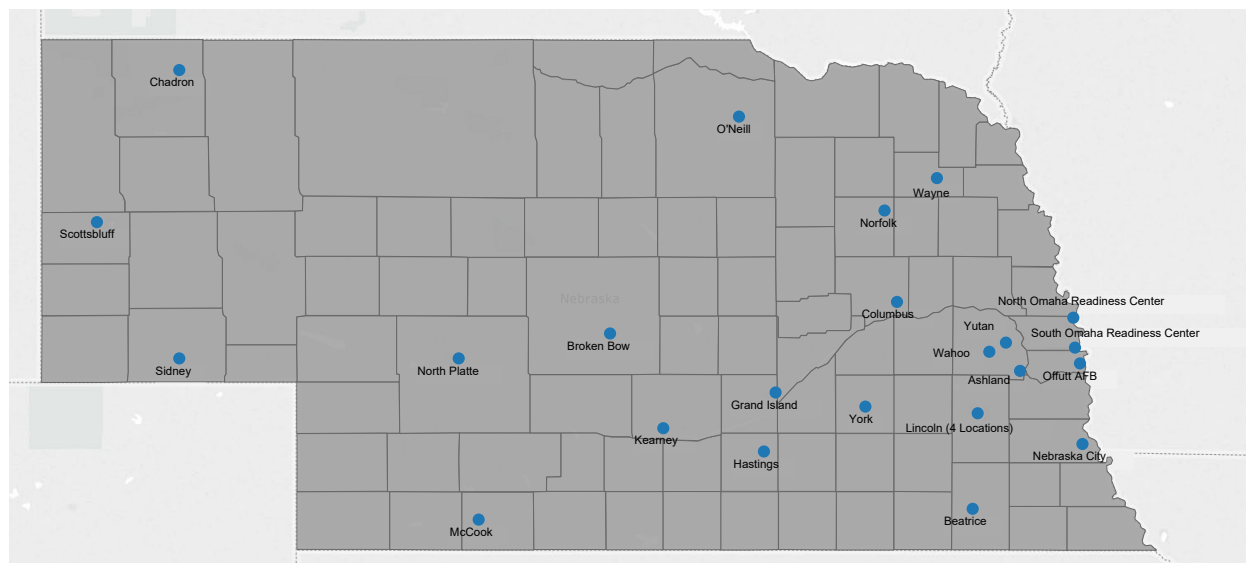
Nebraska National Guard, Air National Guard, and Nebraska Emergency Management Agency

The Army National Guard and the Air National Guard are two of the three components of the Nebraska Military Department. Under Title 32 of the U.S. Code, National Guard members are federally funded, yet are under state control. These units can be called under State Active Duty to help assist with

emergencies and other scenarios in Nebraska, and can also be called into duty under various interstate compacts to provide assistance in other states.

The National Guard maintains a considerable presence in locations throughout the state. Nebraska National Guard locations are presented on the map in Figure 2 below. Collectively, the bases and installations in the state are referred to as “Fort Nebraska.” Comprising Fort Nebraska are 25 Readiness Centers and one Air National Guard Base distributed across 23 communities. Larger installations include Camp Ashland in Ashland, the Lincoln Army Aviation Support Facility/Readiness Center in Lincoln, the Greenleaf Training Site in Hastings, and the Mead Training Site. The Air National Guard maintains a large concentration of facilities at the Lincoln Municipal Airport. The Army National Guard operates smaller facilities in Beatrice, Broken Bow, Chadron, Columbus, Grand Island, Kearney, Lincoln, McCook, Nebraska City, Norfolk, North Platte, Omaha (North Omaha Readiness Center and South Omaha Readiness Center), Offutt AFB, O’Neill, Scottsbluff, Sidney, Wahoo, Wayne, York, and Yutan. All told, the Nebraska National Guard maintains over 2.7 million square feet of facilities and manages 6,434 acres of land in Nebraska. According to a 2018 Nebraska National Guard Economic Impact Report,¹⁵⁹ a total of 4,422 personnel are assigned to the facilities owned and managed by the Guard (see Table 7).

Figure 2. Nebraska National Guard Locations



Source: Map produced by authors based on personal communications with Nebraska National Guard Governmental Affairs Office.

Key capabilities of the Nebraska National Guard include air refueling, military police, engineering, chemical, cavalry, support/maintenance, rotary aviation and medical. In line with the Department of Defense’s assessment of potential threats to U.S. national security interests, the Nebraska National Guard’s mission is focused on Great Power Competition to include the Russian sphere of influence, the growth of China, Iran’s aggression, North Korea’s belligerence, and the fight against terrorism in the Middle East. Accordingly, members of the Nebraska National Guard are currently mobilized to locations

¹⁵⁹ The report was made available to BBR researchers in October, 2020, via the Nebraska National Guard office of Government Relations.

around the globe, with the greatest concentration of Nebraska National Guard members mobilized to countries in the U.S. Central Command (USCENTCOM) Area of Responsibility (AOR). The Nebraska National Guard also supports the health, safety, and welfare of Nebraskans and other citizens in need.

These facilities and locations provide employment and training opportunities for Nebraskans, and also provide support for Nebraska businesses which provide much of the contracted operational support at these facilities. Furthermore, National Guard members receive valuable vocational training during their time with the Guard. While difficult to quantify, this training has the potential to enhance the occupational skillsets of National Guard members, thereby increasing the earning potential of these individuals in their civilian careers.

The Nebraska Emergency Management Agency (NEMA) is the third component of the Nebraska Military Department. The agency is located at the Joint Force Headquarters on the Nebraska National Guard base in Lincoln. According to the 2019 Nebraska National Guard Economic Impact Report, there are 58 full-time positions dedicated to NEMA. The agency focuses on four primary phases of emergency management: preparedness, response, recovery, and mitigation. NEMA works with partners at the local and federal levels to prepare for man-made or natural disasters. Once a disaster occurs, NEMA has an established procedure through which localities can request state assistance in the wake of a disaster. If a local entity does request and receive state support following an emergency, yet the state resources through the Governor's Emergency Fund are insufficient for proper response, the state can in turn request support and assistance from the federal government.

Table 8. Nebraska National Guard Employment, FY 2019	
Traditional National Guard	3,582
Active Guard Reserve Title 32	577
Active Duty Title 10	22
Total Military Personnel	4,181
Federal Civil Service Technicians	88
State Personnel Serving Either Army or Air National Guard	123
State Personnel Serving Both Army & Air National Guard	16
State Personnel Serving NEMA	58*
Military Department Total Personnel	4,466
Source: Nebraska Military Department, Nebraska National Guard 2019 Annual Report	
*These 58 personnel are not included in the economic impact estimates for the Nebraska National Guard in chapter 4 of this report.	

National Guard and NEMA Spending. Data related to the personnel and organizational costs for the Nebraska National Guard were derived from the 2019 Annual Report for the Nebraska Military Department, Nebraska National Guard, and Nebraska Emergency Management Agency (NEMA).¹⁶⁰ The data from the 2018 Annual Report indicate there are 4,422 total military and state employees across the Nebraska National Guard.¹⁶¹ The total number of employees includes 41 employees from NEMA. As indicated in the 2018 Annual Report, the total Military Department Payroll is \$141.1 million in combined federal and state salary for the National Guard. There are \$51.6 million in benefits and incentives as well. About \$79.1 million in operational funds are used to support the activities of the Nebraska National Guard.

Table 9 below presents these totals, derived directly from the National Guard 2019 Economic Impact Report. In the execution of the economic impact analysis presented in chapter 4 of this report, analysts eliminated some categories of spending from the analysis. Therefore, the figures used in chapter 4 may differ slightly from the figures presented here. More detail on what is included in the economic impact analysis is included in chapter 4.

Table 9. Nebraska National Guard Payroll, Benefits, and Operations, FY 2019	
Federally Funded Payroll	\$145,433,347
Benefits	\$53,228,605*
Federally Funded Operational Funds	\$76,292,566
Total Payroll, Benefits and Operations	\$274,954,518
Source: Nebraska Military Department, Nebraska National Guard 2019 Annual Report	
*Benefits information was unavailable in the Nebraska National Guard 2019 Economic Impact Report. Therefore, analysts computed this number by multiplying total non-federal payroll by .366, which is the ratio of benefits to payroll in the 2017 Nebraska National Guard Economic Impact Report.	

Reserve Components

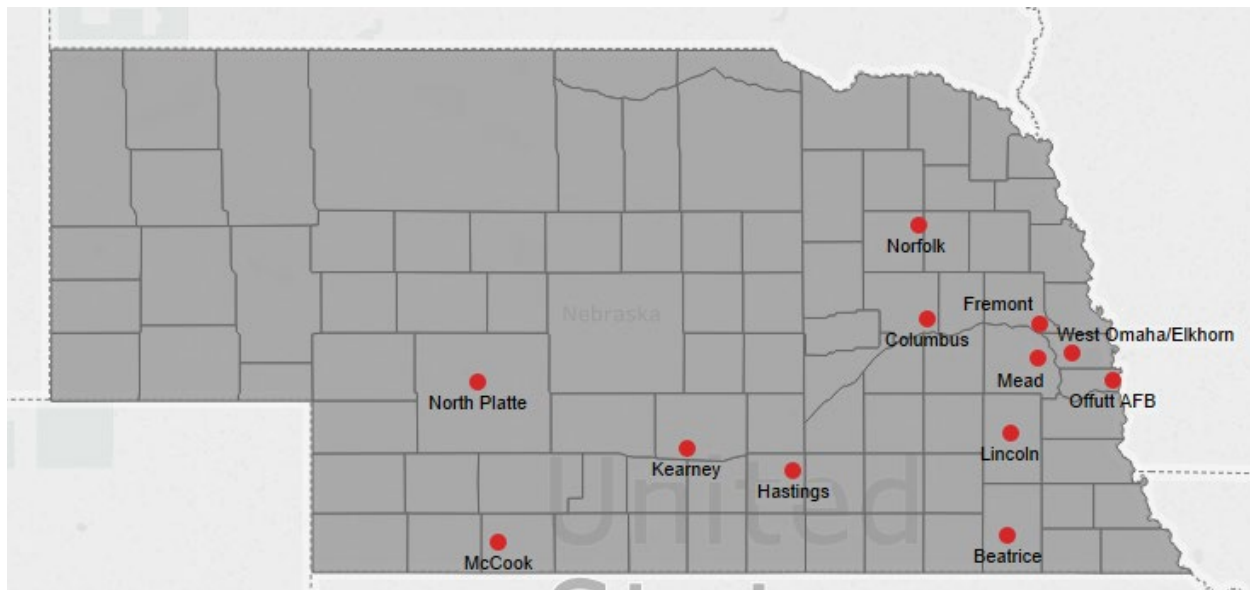
Army Reserve. The Army Reserve is the Army’s federal reserve force that provides depth and support to the Joint Force. The Army Reserve provides access to trained and ready Soldiers, leaders, and cohesive units.¹⁶² The Army Reserve maintains facilities and units throughout Nebraska, as presented in Figure 3.

¹⁶⁰ Nebraska Military Department, Nebraska National Guard, Nebraska Emergency Management Agency 2019 Annual Report. Report provided to authors.

¹⁶¹ Ibid. p21.

¹⁶² U.S. Army Reserve, About Us. (2020). Available: <http://www.usar.army.mil/About-Us/>

Figure 3. Army Reserve Locations in State of Nebraska



Source: Map produced by authors based on information received from Office of the Chief, Army Reserve, Legislative Affairs.

Army Reservists serve in Beatrice, Columbus, Elkhorn (Omaha), Fremont, Hastings, Kearney, Lincoln, McCook, Mead, Norfolk, North Platte, and at Offutt AFB. These locations are presented on the map in Figure 3. In Nebraska, Army Reserve forces have medical, logistical, transportation, military police, engineering, and quartermaster capabilities.¹⁶³

An FY 2020 report indicated that there were 1,370 Army Reserve personnel assigned throughout Nebraska. There were over \$41.1 million in payroll across military and civilian personnel (see Table 10).¹⁶⁴

Table 10. Army Reserve Personnel and Expenses, FY 2020		
	Number	Payroll
Army Reserve Personnel and Active Guard Reserve	1,313	\$35,523,717
Civilian Personnel	57	\$5,581,951
Total	1,370	\$41,105,668
Source: State of Nebraska, Army Reserve Ambassador Program		

¹⁶³ U.S. Army Reserve, State of Nebraska and the United States Army Reserve. (2020). Available: <https://www.usar.army.mil/Featured/Ambassador-Program/Find-an-Ambassador/Nebraska/>

¹⁶⁴ Nebraska Army Reserve Economic Impact Data obtained via State of Nebraska, Army Reserve Ambassador Program. (2020). Available: <https://www.usar.army.mil/Portals/98/Images/Ambassador/2019%20At%20A%20Glance/027Nebraska.jpg?ver=2019-09-18-101504-097>

Air Force Reserve. The U.S. Air Force Reserve maintains a presence at Offutt AFB Nebraska. Offutt AFB is home to the 49th Intel Squadron (part of the 655th Intelligence, Surveillance, and Reconnaissance Group), the 960th Network Warfare Flight (part of the 960th Cyberspace Operations Group), HQ Support Air Force Elements (AFELM), the Readiness and Integration Organization Detachment, and the Central Recruiting Squadron Operation location. Across these organizations, 206 military and 12 civilian (218 total) employees are located at Offutt AFB. A 2019 economic impact report conducted by the Air Force Reserve Command indicated that salary for Reserves and Civilians is \$6.9 million. While no information on operating expenses was provided for 2019, in previous years, operating expenses were computed to be \$844,000 in construction, services, and travel. This results in a total of \$7.7 million in salary and operations for these units (see Table 11).

Table 11. Air Force Reserve Personnel and Expenses		
	Number	Payroll and Operations
Air Force Reserve and Civilian Personnel	218	\$7.7 million
Sources: Direct communication with Headquarters Air Force Reserve Command		

U.S. Marine Corps Reserve. Omaha is home to Detachment 1, Maintenance Company of Combat Logistics Battalion 451, a part of the 4th Marine Logistics Group of the Marine Corps Forces Reserve. Located near the Metro Community College campus in North Omaha, Detachment 1 occupies 4.4 acres of land and maintains 42,226 square feet of facilities. As of FY 2018, personnel include 12 active duty personnel, 4 active reserve personnel (three U.S. Marine Corps and one U.S. Navy), and 115 Reserve personnel, for a total of 131 personnel stationed in Omaha. Annual salary was \$2.36 million, and total annual operating costs were \$341,865.¹⁶⁵

Navy Reserve. The Navy Operational Support Center (NOSC) Omaha is located on Offutt Air Force Base where it occupies an 18,914 square foot facility on 2.14 acres of land. In FY 2019, personnel included 3 active duty personnel, 9 active reserve personnel, and 258 Reserve personnel, for a total of 270 personnel stationed in Omaha. The salary paid between October 1, 2018 and August 31, 2019 was \$1.83 million. Total sustainment costs were \$2.28 million.¹⁶⁶

U.S. Army Corps of Engineers. The U.S. Army Corps of Engineers (USACE), Omaha District plays a significant role in Nebraska and throughout the Missouri River Basin. The Corps is one of the largest Federal employers in Omaha and the state, with 850 employees located at the headquarters in downtown Omaha as of Fall, 2017. These employees help the Corps execute military construction, civil works, and environmental restoration projects in Nebraska and throughout the region. As indicated in a 2017 press release, the USACE Omaha Division had 850 employees, with a payroll of \$64.33 million (see Table 12).

¹⁶⁵ *Marine Corps Reserve Point Paper*. Document provided to authors.

¹⁶⁶ *Navy Operational Support Center Omaha, Nebraska 2019 Economic Impact*. Document provided to authors.

Table 12. U.S. Army Corp of Engineers Nebraska Personnel and Payroll		
	Number	Payroll
Personnel	850	\$64,333,950
Source: U.S. Army Corps of Engineers, Omaha District. (2017). Celebrating National Engineers Week, Omaha District Continues to Serve. Available: http://www.nwo.usace.army.mil/Media/News-Releases/Article/1094964/celebrating-national-engineers-week-omaha-district-continues-to-serve/		

In addition to its operations in Omaha, the Corps plays a vital role throughout Nebraska maintaining waterways, earthen dams, reservoirs, and one hydroelectric facility. Table 13 presents the total operation and maintenance budget for civil works conducted by the Corps in Nebraska in FY 2019. As the table indicates, operation and maintenance costs for Gavins Point Dam were over \$10 million, with an additional \$2.3 million in costs to operate and maintain Harlan County Lake in south central Nebraska. All told, \$17.1 million in operation and maintenance costs were accrued during FY 2019. When combined with the estimated payroll of personnel at USACE Omaha District Headquarters, there was over \$81 million in spending by the USACE in Nebraska in FY 2019.

Table 13. U.S. Army Corps of Engineers Civil Works Spending in Nebraska, FY 2019			
	Operation	Maintenance	Total O&M
Gavins Point Dam, Lewis and Clark Lake	\$8,313,000	\$1,744,000	\$10,087,000
Harlan County Lake	\$1,976,000	\$361,000	\$2,337,000
Inspection of Completed Environmental Projects	\$3,000	--	\$3,000
Inspection of Completed Works	\$466,000	--	\$466,000
Missouri River – Kenslers Bend, NE to Sioux City, IA	\$17,000	\$29,000	\$46,000
Papillion Creek	\$737,000	\$121,000	\$858,000
Salt Creeks and Tributaries	\$3,199,000	\$148,000	\$3,347,000
Total			\$17,144,000
Source: Department of the Army Office, Assistant Secretary of the Army. (February, 2018). Fiscal Year 2019: Civil Works Budget of the U.S. Army Corps of Engineers. Available: https://usace.contentdm.oclc.org/digital/collection/p16021coll6/id/2040			

National Strategic Research Institute. The National Strategic Research Institute¹⁶⁷ (NSRI) at the University of Nebraska (NU) was formed in 2012. NSRI is one of 14 University Affiliated Research Centers (UARCs) in the U.S., designated by the Office of the Secretary of Defense. NSRI is engaged in a long-term, strategic partnership with its DOD sponsor, U.S. Strategic Command, to provide mission critical research and development capabilities for the command as well as other DOD and federal government entities pursuing national security missions. Working with researchers from across NU, NSRI has five research focus areas comprised of several leading capabilities that are leveraged to meet evolving national security objectives in multiple domains: nuclear weapons enterprise support; technologies for detecting and countering biological, chemical and radiological weapons; medical countermeasures and response; threat-based training and exercise support; and mission-related research. In 2020, U.S. Strategic Command renewed its commitment to NSRI and NU by awarding a new five-year, \$92 million contract.¹⁶⁸ This brings the institute's total award amount to \$298 million since 2012. The growth of NSRI demonstrates its continued potential to enable deterrence of, preparedness for and response to strategic national security threats across multiple domains through research and support. NSRI currently employs 18 prior military personnel/veterans who provide subject matter expertise to the research focus areas and bridge the gap of operational missions with the research requirements.

¹⁶⁷ National Strategic Research Institute. (2020). Available: <https://nsri.nebraska.edu/>

¹⁶⁸ National Strategic Research Institute, New \$92 million contract will expand University of Nebraska national defense research. (September 15, 2020). Available: [https://nsri.nebraska.edu/news/news-releases/2020/09/new-\\$92-million-contract-will-expand-university-of-nebraska-national-defense-research](https://nsri.nebraska.edu/news/news-releases/2020/09/new-$92-million-contract-will-expand-university-of-nebraska-national-defense-research)

3. Department of Defense Military Retiree and Veterans Affairs Spending

In addition to the personnel and operational costs associated with military installations, service in the military has a significant impact on Nebraska's economy through the country's support of veterans and retired military personnel. This chapter presents the total amount of federal and state spending on military retirees, spending made through the U.S. Department of Veterans Affairs, and through the State of Nebraska Department of Veterans' Affairs. Data were obtained via publicly available federal and state sources.

Military Retirees paid by the DoD

According to the Statistical Report on the Military Retirement System, FY 2019, there are currently 14,641 military retirees in Nebraska,¹⁶⁹ up slightly from 14,600 in FY 2018, but down from 14,654 retirees in FY 2017, and 14,660 retirees in FY 2016. Of the military retirees in FY 2019, 13,662 receive pension payments from the Federal Government through the DoD; this number is down from 13,712 in FY 2017. In FY 2019, the total amount of monthly pension payments was \$32.73 million dollars, up slightly from \$31.73 million in payments in FY 2018 and up from \$31.1 million in payments in FY 2017. Extrapolating this number across FY 2019, military retiree pension payments totaled \$392.76 million in the state. This figure is up from \$380.7 million in payments in FY 2018, from \$373.32 million in payments in FY 2017, and from \$372.95 in annual payments distributed to Nebraska military retirees in FY 2016. Table 14 below presents the total number of military retirees and total amount of payments per DoD branch in FY 2018. The largest number of military retirees in the state are retired from the Air Force, not surprising given the large contingent of Air Force personnel at Offutt AFB.

Table 14. Nebraska Military Retirees and Pension/Retirement Compensation, FY 2018			
	Military Retirees Receiving Compensation	Monthly Payments (in millions)	Annual Payments (in millions)
Army	3,302	\$6.19	\$74.28
Navy	1,820	\$4.16	\$49.92
Marines	346	\$0.85	\$10.20
Air Force	8,194	\$21.53	\$258.36
Total	13,662	\$32.73	\$392.76
Source: DoD Office of the Actuary, Statistical Report on the Military Retirement System, Fiscal Year 2019. Available: https://actuary.defense.gov/Portals/15/Documents/MRS_StatRpt_2019_Final.pdf?ver=Qj3S6ORp0xHR8cLUYe2z-w%3d%3d			

¹⁶⁹ DoD Office of the Actuary, Statistical Report on the Military Retirement System, Fiscal Year 2019. (2020). Available: https://actuary.defense.gov/Portals/15/Documents/MRS_StatRpt_2019_Final.pdf?ver=Qj3S6ORp0xHR8cLUYe2z-w%3d%3d

U.S. Department of Veterans Affairs

The U.S. Department of Veterans Affairs (VA),¹⁷⁰ provides services in several locations throughout the state (see Figure 4).¹⁷¹ Facilities include the Omaha VA Medical Center and the Grand Island VA Medical Center. VA Clinics exist in Bellevue, Gordon, Holdrege, Lincoln, Norfolk, North Platte, O'Neill, and Scottsbluff. The Grand Island VA Medical Center and Community-Based Outpatient Clinics in Bellevue, Holdrege, Lincoln, Norfolk, North Platte, and O'Neill fall under the VA Nebraska-Western Iowa Health Care System, a part of Veterans Integrated Service Network (VISN) 23: VA Midwest Health Care Network.¹⁷² The Community Based Outpatient Clinic in Gordon and Scottsbluff (Panhandle of Nebraska CBOC) fall under the VA Black Hills Health Care System which is also a part of VISN 23.¹⁷³ The VA Multi-Specialty Outpatient Clinic in Sidney falls under the Cheyenne VA Medical Center, a part of VISN 19: Rocky Mountain Network.¹⁷⁴ "Vet Centers" in Omaha and Lincoln fall under the Veterans Health Administration and provide counseling, community outreach, and other service referrals. Finally, the Veterans Benefits Administration Midwest District maintains five facilities: the Lincoln Regional Benefits Office, an Intake Site at Offutt AFB, the Forest Lawn Cemetery Soldiers' Lot, the Fort McPherson National Cemetery, and the Omaha National Cemetery.

¹⁷⁰ For the purposes of this report, we will use VA to abbreviate U.S. Department of Veterans Affairs instead of USDVA which is commonly used. For the Nebraska Department of Veterans' Affairs we will use NDVA.

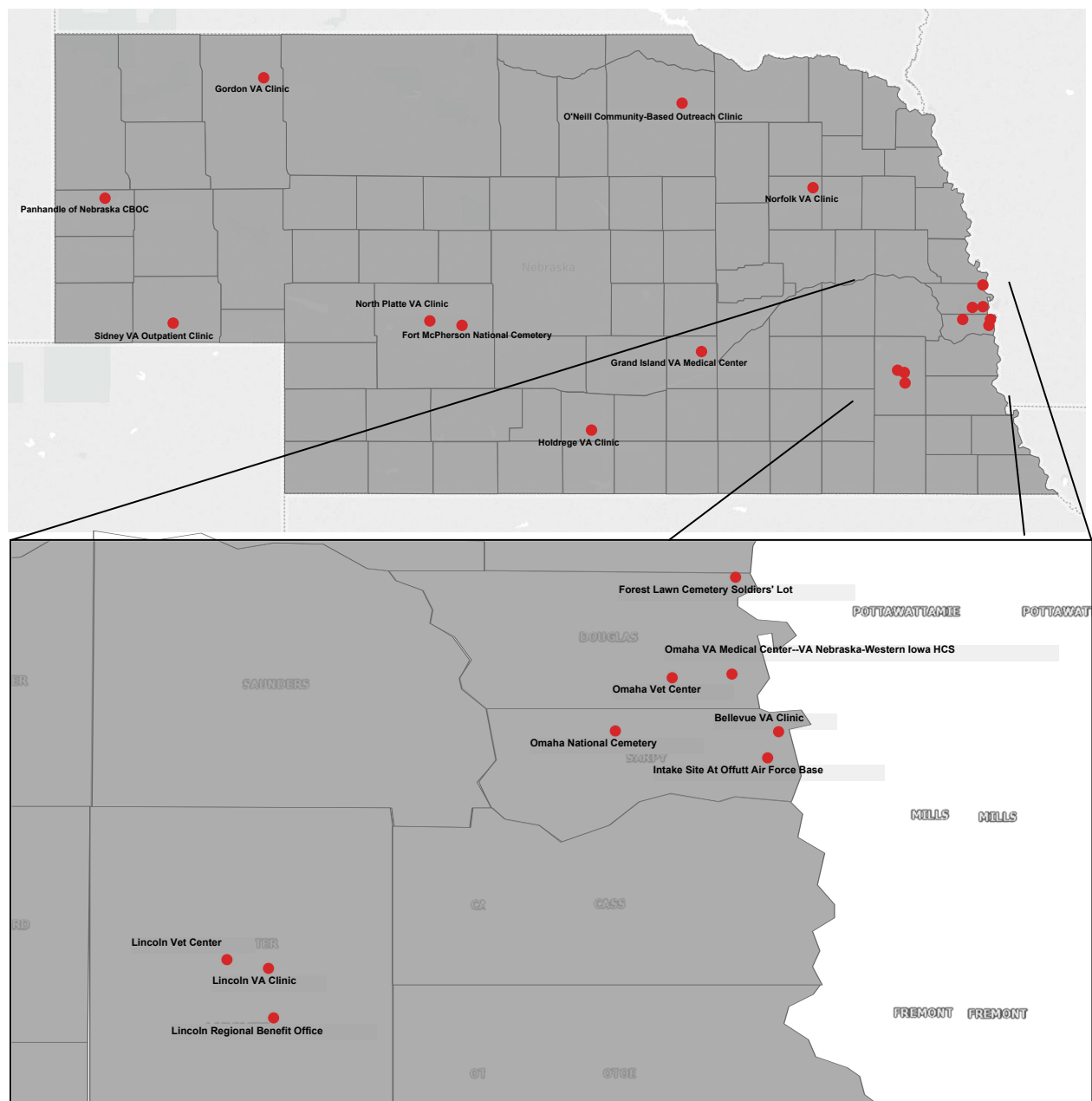
¹⁷¹ U.S. Department of Veterans Affairs, VA Locations and Facilities in Nebraska. (October 12, 2018). Available: https://www.va.gov/Directory/guide/fac_list_by_state.cfm?State=NE&dnum=All

¹⁷² VA Nebraska-Western Iowa Health Care System. (2020). Available: <https://www.nebraska.va.gov/>

¹⁷³ VA Black Hills Health Care System. (2020). Available: <https://www.blackhills.va.gov/>

¹⁷⁴ Sidney VA MSOC. (2020). Available: https://www.cheyenne.va.gov/locations/Sidney_VA_MSOC.asp

Figure 4. VA Facilities and Locations in the State of Nebraska



According to *Governing Magazine*¹⁷⁵ there were a total of 2,784 VA employees employed at locations throughout the state as of January, 2019.¹⁷⁶ This is an increase of 75 employees from the 2,709 VA employees identified by *Governing Magazine* in 2017, and an increase from 2,601 VA employees in

¹⁷⁵ Governing Magazine, Federal Employees by State. (2019). Available: <https://www.governing.com/gov-data/federal-employees-workforce-numbers-by-state.html>

¹⁷⁶ There was no equivalent analysis of Veterans Administration employment data for 2020, so data from 2019 are considered here.

FY 2019 data from the VA National Center for Veterans Analysis and Statistics¹⁷⁷ estimate that there are 124,439 veterans living in the State of Nebraska. This represents a decrease from 127,255 veterans living in the State of Nebraska in FY 2018; 130,126 veterans in FY 2017; and 133,003 veterans living in Nebraska in FY 2016. Figure 5 below presents the number of veterans residing in each Nebraska county according to FY 2019 data. The number of veterans in each county tracks closely with the general population of each county, with Douglas, Sarpy, and Lancaster County having considerably larger veteran populations than other counties in the state.

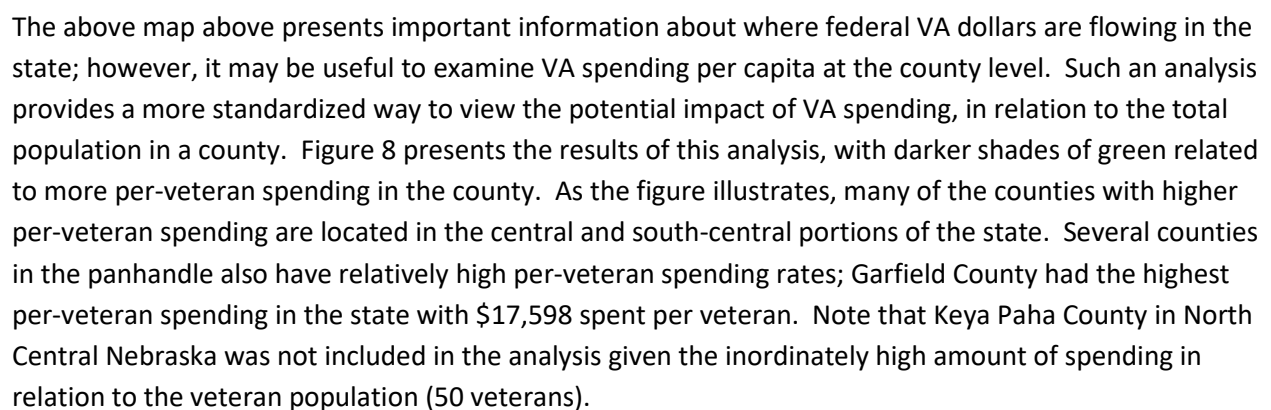
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¹⁷⁷ U.S. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics, Geographic Distribution of Expenditures, Fiscal Year 2019. (2020). Available: <https://www.va.gov/vetdata/expenditures.asp>

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	FY 2017	FY 2018	FY 2019
Compensation & Pension	\$582.54	\$554.79	\$645.76
Construction	\$17.00	\$12.51	\$37.99
Education & Vocational Rehabilitation/ Employment	\$61.91	\$56.84	\$64.76
General Operating Expenses	\$40.74	\$41.12	\$45.52
Insurance & Indemnities	\$12.31	\$10.96	\$9.72
Medical Care	\$496.29	\$515.43	\$552.46
Total FY Spending	\$1,210.79	\$1,191.64	\$1,356.20
Unique Patients	48,179	48,273	48,458
Spend per Unique Patient	\$25,115	\$24,685	\$27,987
Source: FY 2019 data derived from: U.S. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics, Geographic Distribution of Expenditures, Fiscal Year 2019. FY 2017 and 2018 data derived from previous years' reports.			

Figure 7. VA Expenditures per County in the State of Nebraska (FY 2019, in millions)



VA Spending per Veteran

- \$15,000
- \$12,000
- \$9,000
- \$6,000

County	Spending per Veteran
Sioux	\$3,768
Dawes	\$12,171
Sheridan	\$17,365
Cherry	\$7,396
Box Butte	\$9,465
Scotts Bluff	\$9,865
Morrill	\$13,700
Banner	\$4,830
Kimball	\$11,110
Cheyenne	\$9,451
Deuel	\$7,746
Grant	\$4,171
Hooker	\$5,917
Thomas	\$10,154
Blaine	\$10,467
Loup	\$9,074
Garfield	\$17,598
Wheeler	\$6,296
Antelope	\$7,142
Pierce	\$5,647
Madison	\$7,827
Stanton	\$8,112
Cuming	\$7,431
Burt	\$9,344
Boone	\$10,572
Valley	\$10,775
Greeley	\$13,502
Nance	\$13,210
Platte	\$5,157
Colfax	\$7,372
Dodge	\$8,810
Washington	\$7,739
Butler	\$9,627
Saunders	\$9,725
Spink	\$11,203
Hamlin	\$11,781
Merrick	\$11,781
Polk	\$8,563
Butler	\$9,627
Saunders	\$9,725
Sully	\$14,802
Cass	\$10,424
Yankton	\$12,044
Lincoln	\$7,900
Perkins	\$7,927
Keith	\$7,839
Arthur	\$3,520
McPherson	\$3,392
Logan	\$7,212
Custer	\$10,379
Sherman	\$12,318
Howard	\$12,687
Hamilton	\$9,280
Hall	\$14,103
Buffalo	\$11,616
Dawson	\$9,195
Chase	\$9,005
Hayes	\$3,719
Frontier	\$8,549
Gosper	\$16,509
Phelps	\$11,229
Kearney	\$7,324
Adams	\$12,214
Clay	\$9,189
Fillmore	\$12,402
Saline	\$8,506
Yorck	\$13,501
Seward	\$9,360
Lancaster	\$12,044
Gage	\$12,038
Johnson	\$7,193
Nemaha	\$7,583
Pawnee	\$7,528
Richmond	\$9,733
Keya Paha	\$15,000
Boyd	\$9,169
Holt	\$7,783
Rock	\$6,872
Brown	\$11,375
Cedar	\$5,045
Dixon	\$9,016
Dakota	\$7,839
Thurston	\$9,991
Wayne	\$5,104

In FY 2019, Nebraska schools received \$23.1 million in tuition spending from eligible students utilizing the Post-9/11 GI Bill program. This is an increase from the \$22.6 million in GI Bill spending that took place in FY 2018, but a decrease from the \$24.2 million that Nebraska schools received in FY 2017. While GI Bill spending has decreased in the past year, it is clear that Nebraska Colleges and Universities, as well as the broader economy, benefit from the spending that takes place in Nebraska by GI Bill beneficiaries.

Nebraska Department of Veterans' Affairs

¹⁷⁸ Data for this analysis can be found at the VA GI Comparison Tool Website. (2020). Available: https://www.benefits.va.gov/GIBILL/docs/job_aids/ComparisonToolData.xlsx

The services range from assisted living care to skilled nursing care.¹⁷⁹ The Veterans' Homes Board makes "all final determinations regarding admission, or continued admission, to one of the homes."¹⁸⁰ Eligible members include veterans who served on active duty, who were discharged or otherwise separated with a characterization of honorable or general, and who lived in Nebraska for at least two years in their lifetime. Veterans must be disabled due to service or age, are at least partially dependent on public support, or that require care that can only be provided in a public facility. Spouses, widows, and widowers of veterans are eligible, as are Gold Star mothers and fathers.

Table 16 below presents the Nebraska Department of Veterans Affairs Budget for the 2017-2019 legislative biennium and the 2019-2021 legislative biennium. In FY 2017-2018, total agency appropriations were \$65.97 million. Appropriations for FY 2018-2019 increased to \$66.69 million. In FY 2019-2020, agency appropriations are \$68.25 million. In FY 2020-2021, appropriations total \$69.63 million. This represents a 5.6% increase from FY 2017-2018 to FY 2020-2021.

It is important to keep in mind that the state dollars in support of operations can be used to help attract greater levels of federal funding to the state. For example, Nebraska Veterans State Service Officers (and County Veterans Service Officers) assist Nebraska veterans by determining eligibility for benefits from the VA or other federal programs. Thus, the state dollars used to fund State Service Officers are leveraged to obtain greater levels of federal funds in support of veterans. Note that payroll supported by the State of Nebraska general fund is not included in the direct economic impact for the purposes of this report. Notionally, state funds would be spent by Nebraska taxpayers within the Nebraska economy. Additionally, if State of Nebraska general funds were not spent to support the Nebraska Department of Veterans' Affairs it is highly likely that the general funds would be spent within the Nebraska economy by the State of Nebraska. Thus, there is no net economic impact on the Nebraska economy from reducing consumer spending to increase Nebraska Department of Veterans' Affairs spending from State of Nebraska general funds. In contrast, federal tax revenue from Nebraska which "has left the State of Nebraska" is assumed to "return to the Nebraska economy" due to the presence of Nebraska Veterans Homes. Other operations include NDVA's administration of temporary emergency aid through the Nebraska Veterans Aid Fund.¹⁸¹ Veterans' Aid Fund payments for State fiscal years 2015-2016, 2016-2017, 2017-2018, 2019-2019, and 2019-2020 were \$1,632,108, \$1,376,861, \$1,450,671,¹⁸² \$1,904,041, and \$1,611,807 respectively.¹⁸³ The \$453,370 increase from State fiscal year 2017-2018 to 2018-2019 is due to increased demand caused by the catastrophic flooding across the State in 2019. NDVA is also responsible for the Nebraska Veterans Cemetery at Alliance which was

¹⁷⁹ Nebraska Revised Statute 80-316. (2020). Available:

<https://nebraskalegislature.gov/laws/statutes.php?statute=80-316>

¹⁸⁰ Nebraska Revised Statute 80-319. (2020). Available:

<https://nebraskalegislature.gov/laws/statutes.php?statute=80-319>

¹⁸¹ Nebraska Veterans Aid Fund. (2020). Available: <https://veterans.nebraska.gov/nebraska-veterans-aid-fund-nva>

¹⁸² Nebraska Legislative Fiscal Office, A Legislator's Guide to Nebraska State Agencies. (December 2018). Available: <https://nebraskalegislature.gov/pdf/reports/fiscal/2019legguide.pdf>

¹⁸³ Nebraska Department of Veterans' Affairs, NVA Program Manager. (November 2020). Email correspondence.

recently ranked “in the top 3% to 5% of cemeteries inspected” by the USDVA’s National Cemetery Administration.¹⁸⁴

Table 16. Nebraska Department of Veterans’ Affairs Appropriations, 2017-2021 Biennia				
	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021
General Fund	\$25,365,014	\$25,901,529	\$26,582,179	\$27,182,314
Cash Fund	\$15,939,311	\$15,888,622	\$16,254,758	\$16,578,388
Federal Dollars	\$24,663,084	\$24,898,861	\$25,414,794	\$25,870,637
Agency Total	\$65,967,409	\$66,689,012	\$68,251,731	\$69,631,339
Sources: State of Nebraska, Administrative Services, State Budget Division: Program Appropriations by Fund Type, 2017-2019 Biennium. Available: https://budget.nebraska.gov/assets/program-appropriations-summary-by-fund-type-(2018-session).pdf State of Nebraska, Administrative Services, State Budget Division: Program Appropriations by Fund Type, 2019-2021 Biennium. Available: https://budget.nebraska.gov/assets/program-appropriations-summary-by-fund-type-(2019-session).pdf				

¹⁸⁴ Panhandle Post. (2018). Available: <https://www.panhandlepost.com/nebraska-state-veterans-cemetery-at-alliance-gets-an-a-on-survey/>

4. Economic Impact Analysis

The description of Nebraska military bases indicated tens of thousands of jobs and approximately one billion dollars in annual payroll along with hundreds of millions of dollars of operating expenses. This level of economic activity portends a substantial annual impact on the Nebraska economy. The primary purpose of this chapter is to estimate that annual economic impact from military assets in Nebraska.¹⁸⁵ The impact includes the direct employment and economic activity at the bases as well as the multiplier impact, the impact which occurs at other Nebraska businesses due to services purchased for military bases and as members of the military and civilians working at the bases spend their paychecks. The economic impact is estimated in terms of economic output (business sales), employee compensation (wages and benefits) and employment.

The chapter also estimates the impact on the Nebraska economy from pensions, health care services and other benefits received by DoD military retirees and other veterans. Impacts include direct employment at the U.S. Department of Veterans Affairs and other health care facilities in Nebraska and private businesses throughout the state as DoD military retirees and other veterans spend their paychecks.

Economic Impact Methodology

Spending on military bases, military pension payments and U.S. Veterans Affairs spending in Nebraska generates an increase in economic activity in Nebraska. This is known as the direct economic impact. There is also a “multiplier” impact throughout the Nebraska economy. Focusing on the impact from military bases, the multiplier impact occurs as initial base spending circulates within the local economy. In particular, the multiplier impact occurs because military personnel spend their paychecks throughout the local economy on typical household expenditures such as food, health care, housing, insurance, apparel, and entertainment, or as veterans spend payments from the Veteran’s Administration or military pensions. There also may be a multiplier impact as the military purchases of supplies to operate a base over the course of a year. The multiplier impact captures how businesses throughout the Nebraska economy gain from the money attracted to Nebraska due to military activity.

Economic multipliers are used to estimate the multiplier impact. An economic multiplier shows the ratio of the multiplier impact to the direct impact. For example, an employee compensation multiplier would show the dollars and cents of multiplier compensation for each \$1 of direct employee compensation. An employee compensation multiplier of 0.6 would imply that there is \$0.60 of employee compensation at other Nebraska businesses for each \$1 of compensation at a Nebraska military base. Economic multipliers can be calculated for Nebraska for output, employee compensation and employment. Economic multipliers are calculated with the IMPLAN model software. The IMPLAN model software is the leading multiplier model with capacity to estimate the economic impact of businesses and organizations in over 400 industries or public sectors, in cities, counties, states, or combinations of states and/or counties. “Federal government, military” is one sector in the IMPLAN model and is used to estimate multiplier impacts for Nebraska military bases. The IMPLAN model contains appropriate

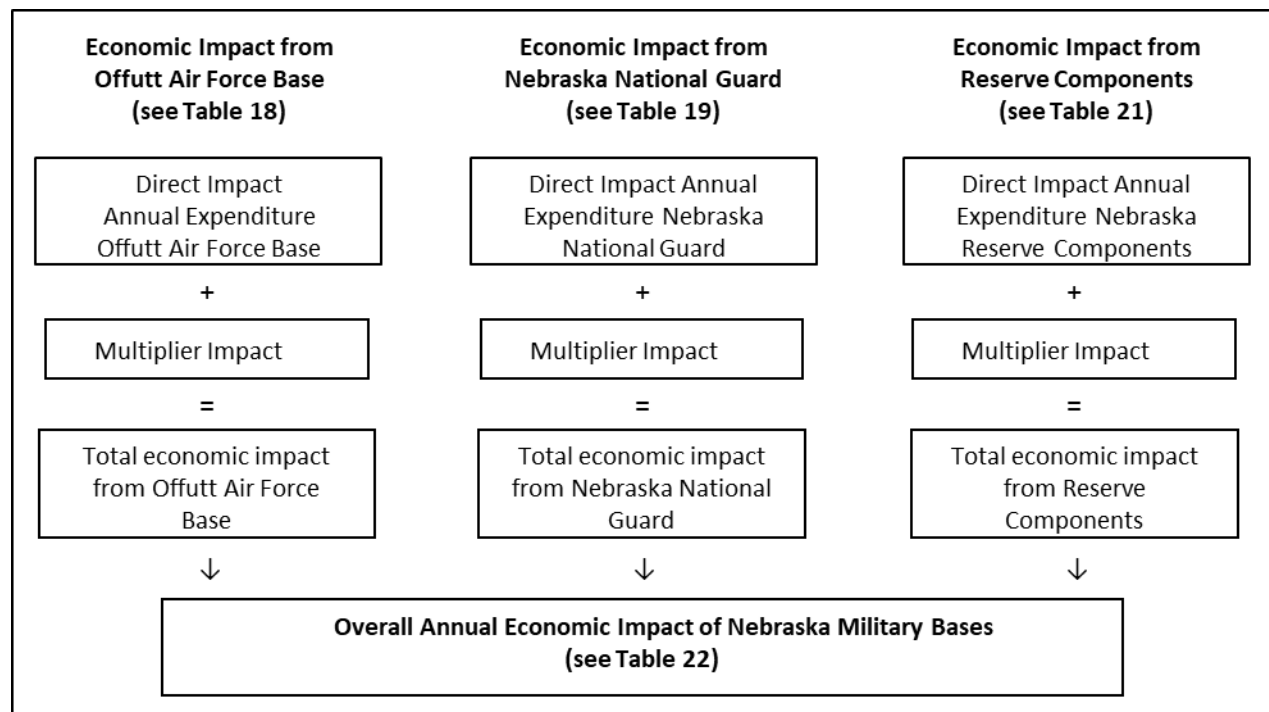
¹⁸⁵ Nebraska Revised Statute 55-606. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=55-606>

industry detail to calculate unique economic multipliers for each relevant industry or type of household spending.¹⁸⁶

Economic Impact of Military Spending

Military bases generate an economic impact on Nebraska by employing military personnel and contractors and through other aspects of operations such as purchasing utilities. In some years, there is also an impact from major construction projects. For Nebraska, the largest economic impact is from Offutt Air Base but there is also an impact from the Nebraska National Guard and from the Reserve Components. Figure 11 shows how the annual economic impact will be calculated for the operations of Nebraska military bases: Offutt Air Force Base, Nebraska National Guard, and Reserve Components. The total economic impact for each component is the sum of the direct spending impact and the multiplier impact.

Figure 11. Approach for Calculating the Annual Economic Impact of Military Bases on Nebraska



¹⁸⁶ Income from military pensions and veteran compensation only generates a multiplier impact as income is spent.

Offutt Air Force Base. The report *Offutt Air Force Base Economic Impact Statement 2019*¹⁸⁷ reported military and civilian employment at the base of 8,990 and \$694.2 million¹⁸⁸ in military and civilian payroll. Payroll is combined with \$110.0 million in other federal expenditures to yield a direct output impact of \$804.2 million. The output, payroll (employee compensation) and employment values are reported in Table 16.

The report *Offutt Air Force Base Economic Impact Statement 2019* further indicates that there is spending of \$373.2 million on service contracts. Detailed information available for fiscal year 2016 indicates that 84.3% of contract spending that year was with businesses which performed the service either at Offutt Air Force Base or in Bellevue. If remaining spending is assumed to occur out of state, applying this percentage to fiscal year 2019 contract spending yields an estimated \$314.8 million in service contracts let to businesses located in Nebraska (either a Nebraska company or a company conducting the work at a Nebraska location). These values are also reported in Table 17. Based on industry averages available from the IMPLAN model and the distribution of contract services among industries in the *Offutt Air Force Base Economic Impact 2016* document, that level of service contract spending would support direct employment in Nebraska of 2,150 full-year equivalent jobs with employee compensation of \$130.7 million. These values also are reported in Table 17, along with a footnote to indicate that the figures are estimates using IMPLAN.

Offutt Air Force Base Economic Impact Statement 2019 also reports construction spending during fiscal year 2019 of \$20.7 million. Based on industry averages available from the IMPLAN model, that level of construction spending would support an estimated 188 full-year jobs and \$9.2 million in employee compensation during the year. Table 17 also shows totals. The total direct output impact of Offutt Air Force Base during Fiscal Year 2019 was \$1,139.6 million. The total direct impact in terms of employee compensation is \$834.1 million and the direct employment impact is 11,328 jobs.

Table 17. Direct Employment, Employee Compensation and Output Impact of Offutt Air Force Base			
	Output (Millions of \$)	Employee Compensation (Millions of \$)	Employment
Military and Civilian	\$804.2	\$694.2	8,990
Service Contracts	\$314.7	\$130.7 ¹	2,150 ¹
Construction	\$20.7	\$9.2 ¹	188 ¹
Total	\$1,139.6	\$834.1	11,328
Source: <i>Offutt Air Force Base Economic Impact Statement 2019</i> and BBR calculations using IMPLAN			
¹ Indicates value estimated using IMPLAN; otherwise estimates from source document			

These values also are included in Table 18, in the direct impact column. The table further includes an estimate of the annual multiplier impact on the Nebraska economy for Fiscal Year 2019. The multiplier

¹⁸⁷ Offutt Air Force Base Economic Impact Statement 2019. (2020). Available: <https://www.offutt.af.mil/Portals/97/2019%20EIA%20for%20Print.pdf>

¹⁸⁸ Employment at the Base Exchange and on-base branch of the Cobalt Credit Union is not included in the employment figure. These jobs will be captured in the multiplier impact. Payroll for base jobs used in the economic impact also do not reflect payroll for the Base Exchange and Cobalt Credit Union.

impacts are calculated by the UNL Bureau of Business Research utilizing the IMPLAN model. The total annual economic impact is the sum of the direct and multiplier impacts. The total annual impact from Offutt Air Force Base during Fiscal Year 2019 was \$1,933.3 million in output, including \$1,080.0 million in employee compensation paid to 16,743 workers.

Table 18. The Annual Economic Impact of Offutt Air Base on Nebraska			
	Direct Impact	Multiplier Impact	Total Impact
Output (Millions of \$)	\$1,139.6	\$793.6	\$1,933.3
Employee Compensation (Millions of \$)	\$834.1	\$245.8	\$1,080.0
Employment	11,328	5,415	16,743
Source: Offutt Air Force Base Economic Impact Statement 2019 and BBR calculations using IMPLAN			

National Guard. The Nebraska National Guard also generates an economic impact on the state by drawing in resources to employ military personnel and operate base facilities. Economic impact analysis focused on data for the Nebraska Military Department. All 4,408 employees (some of which are part-time) of these three agencies are in positions fully or partially supported by federal funds or federal funds which pass through Nebraska state government, and are therefore part of the direct employment impact on Nebraska.¹⁸⁹ These employees receive payroll support and benefits of \$155.4 million from the federal government, again either directly or passed-through state government.¹⁹⁰ Bonus payments are the only benefits included in this figure. Note that payroll supported by the State of Nebraska general fund is not included in the direct economic impact. Similarly, Nebraska Capital Construction Funds (such as recent investments by the State of Nebraska to the 1776 Readiness Center remodel (\$100,000) and to the Penterman Readiness Center (\$687,500)) are not included in the direct economic impact.¹⁹¹ Notionally, state funds would be spent by Nebraska taxpayers within the Nebraska economy. Additionally, if State of Nebraska general funds were not spent to support the Nebraska Army National Guard or Nebraska Air National Guard it is highly likely that the general funds would be spent within the Nebraska economy by the State of Nebraska. Thus, there is no net economic impact on the Nebraska economy from reducing consumer spending to increase Army National Guard and Air National Guard spending from State of Nebraska general funds. In contrast, federal tax revenue from Nebraska which “has left the State of Nebraska” is assumed to “return to the Nebraska economy” due to the presence of military assets. An additional \$74.0 million in operations and maintenance funds and funds for cooperative agreements appropriated by the Federal Government, including federal tuition assistance, is combined with payroll information to yield the direct output impact of \$229.4 million.¹⁹²

Table 19 shows the total annual economic impact of the Nebraska National Guard on the state during Fiscal Year 2019.¹⁹³ The total annual impact includes the direct impacts and the multiplier impacts

¹⁸⁹ The 58 NEMA employees were not included in the present analysis. Thus, the total number of employees is 4,408 rather than 4,466.

¹⁹⁰ Given that NEMA employees are not counted in the current analysis, the salary total used in the economic impact estimate is lower than the figure presented in Chapter 2.

¹⁹¹ This report does not include an estimate of the impact from National Guard capital construction fund projects, but could include the federal portion of any capital construction.

¹⁹² Given that NEMA employees are not counted in the current analysis, the output total used in the economic impact estimate is lower than the figure presented in Chapter 2.

¹⁹³ Note that the figures in Table 19 are computed using actual dollar figures reported in the 2019 Nebraska National Guard Annual Report. This differs slightly from the analysis of Offutt Air Force Base/USSTRACOM in

calculated by the UNL Bureau of Business Research utilizing the IMPLAN model. The annual impact from the Nebraska National Guard was \$342.1 million in terms of output, including \$189.8 million in employee compensation paid to workers in 5,172 jobs.

Table 19. The Annual Economic Impact of the Nebraska National Guard on the State			
	Direct Impact	Multiplier Impact	Total Impact
Output (Millions of \$)	\$229.4	\$112.8	\$342.1
Employee Compensation (Millions of \$)	\$155.4	\$34.4	\$189.8
Employment	4,408	764	5,172
Source: Nebraska National Guard 2019 Economic Impact Report and BBR calculations using IMPLAN.			

Reserve Forces. The Air Force, Army, Marine Corps and Navy Reserve also generate an economic impact on the State of Nebraska. Table 20 shows the direct annual economic impact in terms of employment, payroll (payroll) and output (payroll plus operating costs) reported for each branch of the Reserves.¹⁹⁴ Data from the Air Force and Navy Reserve are for 2019 and data from the Army Reserve are for Fiscal Year 2020. The Marine Corp Reserve was not able to provide updated data for 2019 so values from the 2018 study are utilized.

Table 20. Direct Employment, Employee Compensation and Output Impact of Nebraska-based Reserve Forces			
	Output (Millions of \$)	Employee Compensation (Millions of \$)	Employment
Air Force Reserve	\$7.7	\$6.9	218
Army Reserve	\$43.4	\$41.1	1,370
Marine Corps Reserve	\$2.7	\$2.4	131
Navy Reserve	\$4.1	\$1.8	270
Total	\$57.9	\$52.2	1,989
Source: Air Force Reserve Command (AFRC) Economic Impact Assessment (EIA): A Summary of the Economic Impact of AFRC in Nebraska in 2019 (Preliminary Data), Army Reserve Presence and Economic Impacts FY 2020, Marine Corps Reserve Point Paper, Navy Operational Support Center Omaha, NE Economic Impact 2019			

Tables 17 and 18 above, where IMPLAN was used to first derive economic impact estimates of general expenditures, service contracts, and construction spending in Table 17, followed by an analysis of the total impact of these three spending components in Table 18. A different approach was taken for Offutt Air Force Base/USSTRATCOM because service contract spending represents a more complex line of spending. Because contract spending was directly reported in the Offutt Air Force Base Annual Report, it provided the opportunity to isolate this spending and derive an economic impact estimate from it. The methodology used in this report is consistent with the approach utilized in previous years' reports.

¹⁹⁴ Air Force Reserve Command (AFRC) Economic Impact Assessment (EIA): A Summary of the Economic Impact of AFRC in Nebraska in 2019 (Preliminary Data). Army Reserve Presence and Economic Impacts for FY 2020. Marine Corps Reserve Point Paper, Navy Operational Support Center Omaha, NE Economic Impact 2019.

The total direct economic impact of Reserve Components in Nebraska is \$57.9 million over a one year period. The impact includes \$52.2 million in compensation spread over 1,989 jobs.

These values also are included in Table 21, in the direct impact column. The Table further includes an estimate of the annual multiplier impact on the Nebraska economy. The multiplier impacts are calculated by the UNL Bureau of Business Research utilizing the IMPLAN model. The total annual economic impact is the sum of the direct and multiplier impacts. The total annual impact from the Nebraska Reserves was \$98.5 million in output, including \$64.6 million in employee compensation paid to workers in 2,264 jobs.

Table 21. The Annual Economic Impact of Reserve Forces on Nebraska			
	Direct Impact	Multiplier Impact	Total Impact
Output (Millions of \$)	\$57.9	\$40.6	\$98.5
Employee Compensation (Millions of \$)	\$52.2	\$12.4	\$64.6
Employment	1,989	275	2,264
Source: <i>Air Force Reserve Command (AFRC) Economic Impact Assessment (EIA): A Summary of the Economic Impact of AFRC in Nebraska in 2019 (Preliminary Data)</i> , <i>Army Reserve Presence and Economic Impacts for FY 2020</i> , <i>Marine Corps Reserve Point Paper</i> , <i>Navy Operational Support Center Omaha, NE Economic Impact 2019</i> , and BBR calculations using IMPLAN			

Overall Annual Economic Impact of Nebraska Military Assets. The overall annual impact is the sum of the impact from Offutt Air Force, National Guard and Reserve bases in the state which was summarized in Tables 18, 19, and 21. These impacts are summed and presented in Table 22 below. The overall annual economic impact from Nebraska military bases was \$2,347.6 million in terms of output, including \$1,317.7 million in employee compensation paid to workers in 24,827 jobs. When interpreting these numbers through the lens of an input-output analysis, it is possible to say that the multiplier effect is 1.66.

Table 22. The Overall Economic Impact of Nebraska Military Assets on the State			
	Direct Impact	Multiplier Impact	Total Impact
Output (Millions of \$)	\$1,410.2	\$937.4	\$2,347.6
Employee Compensation (Millions of \$)	\$1,025.6	\$292.1	\$1,317.7
Employment	17,982	6,846	24,827
Source: BBR calculations using IMPLAN			

Economic Impact of Military Retirement Pensions

The multiplier approach also is used to calculate the economic impact from DoD military pension and Veterans Affairs expenditures in Nebraska. This spending includes pensions for military retirees and veteran compensation, spending on Veterans Affairs operations and construction, and Veterans Affairs services such as health care, education and vocational rehabilitation. There were \$392.8 million in payments by the military retirement system to residents of Nebraska during Fiscal Year 2019, according to the *Statistical Report on the Military Retirement System Fiscal Year 2019* (DoD Office of the Actuary, 2020). These payments were made to 13,662 eligible DoD military retirees living in the state. The payments impact the Nebraska economy but do not result in economic activity in the state until the

income is spent. As a result, there is no direct economic impact from the payments, however, there is a substantial multiplier impact. The multiplier impact occurs as retiree households spend their payments at Nebraska businesses including retail stores, restaurants, rent, health services, insurance and entertainment and recreation.¹⁹⁵ The multiplier impact is also the total economic impact of the Military Retirement System. Table 23 shows the total annual economic impact on Nebraska from military retirement payments during Fiscal Year 2019. The annual impact from military retirement payments was \$392.8 million in terms of output, including \$120.0 million in employee compensation paid to workers in 2,628 jobs.

Table 23. The Annual Economic Impact of Military Retirement System Payments on the Nebraska Economy			
	Output (Millions \$)	Employee Compensation (Millions \$)	Employment (Jobs)
Total Economic Impact	\$392.8	\$120.0	2,628
Source: <i>Statistical Report on the Military Retirement System Fiscal Year 2019</i> and BBR calculations using IMPLAN			

Economic Impact of Veterans Affairs Spending

The U.S. Department of Veterans Affairs spent \$1.36 billion in the State of Nebraska during Fiscal Year 2019, according to the report *Geographic Distribution of VA Expenditures for Fiscal Year 2019* produced by the National Center for Veterans Analysis and Statistics. The U.S. Department of Veterans Affairs spent on a variety of programs including compensation and pensions for injured veterans, vocational rehabilitation, education services and health care services. The administration also had general operating expenses for providing veterans programs in Nebraska and spent on facilities construction. Table 24 shows Fiscal Year 2019 spending by purpose and program. The largest components of spending are for compensation and pensions and medical care, with education and vocational rehabilitation programs third. General operating expenses for Veterans Affairs programs in Nebraska was \$45.5 million.

Table 24. Veterans Affairs Spending in Nebraska Fiscal Year 2019 By Program	
Purpose/Program	Amount Fiscal Year 2019 (Millions \$)
General Operating Expenses	\$45.5
Construction	\$38.0
Compensation and Pension	\$645.8
Medical Care	\$552.5
Education & Vocational Rehabilitation/Employment	\$64.8
Insurance & Indemnities	\$9.7
Source: <i>Geographic Distribution of VA Expenditures for Fiscal Year 2019</i>	

¹⁹⁵ The multiplier impact is little higher than the amount of military retirement payments for two reasons. First, a portion of the income received by Nebraska military retirees is spent in other states. Second, for retail spending such as groceries, clothing and gasoline, only the mark-up portion of spending generates an impact on the local economy, as most retail items are manufactured or refined in other parts of the country or other parts of the world.

Table 25 shows the direct impact, multiplier impact and total economic impact for each purpose and program. The impact is presented in terms of output, since output is the broadest measure of economic activity. With two exceptions, the expenditures reported in Table 24 are also the direct economic impact on Nebraska. The first exception is the compensation and pensions categories. Like payments from the military retirement system, these Veterans Affairs compensation and pension payments do not generate a direct economic impact but do lead to a multiplier impact as the money is spent at Nebraska businesses. The second exception is the expenditures on the insurance and indemnities program. These are payments received as part of insurance programs sponsored by the Veterans Affairs. As with all insurance, the insurance benefit payments are in part supported by premiums. In other words, benefit payments are not necessarily new money for the Nebraska economy since premium payments are made by Nebraskans. While insurance policies may be subsidized, the conservative assumption is to assume that premium payments by Nebraskans are the source of these funds and there is therefore no direct impact, or multiplier impact, on the economy from Veterans Affairs insurance and indemnity payments.

Table 25 also shows multiplier impacts. Multiplier impacts are estimated using economic multipliers developed from IMPLAN. The largest annual economic impact is from Veterans Affairs spending on medical care. The annual economic impact is \$1,029.8 million, including a direct economic impact of \$552.5 and a multiplier impact of \$477.3. The total annual economic impact from employee compensation and pension payments is \$646.1 million. The total annual economic impact from all Veterans Affairs spending in Nebraska was \$1,935.8 during Fiscal Year 2019. From an input-output perspective, the multiplier effect for VA spending was 1.82.

Table 25. The Annual Economic Impact on Nebraska from Veterans Affairs Spending			
Impact in Terms of Output	Direct Impact (Millions \$)	Multiplier Impact (Millions \$)	Total Impact (Millions \$)
General Operating Expenses	\$45.5	\$25.7	\$71.2
Construction	\$38.0	\$31.1	\$69.1
Compensation and Pension	\$0.0 ^a	\$646.1	\$646.1
Medical Care	\$552.5	\$477.3	\$1,029.8
Education & Vocational Rehabilitation/Employment	\$64.8	\$54.9	\$119.7
Total			\$1,935.8
Source: <i>Geographic Distribution of VA Expenditures for Fiscal Year 2019</i> and BBR calculations using IMPLAN			
^a There was \$645.8 million in VA Compensation and Pension payments in FY 2019. This dollar figure is not included as a Direct Impact as it represents a type of household payment, the effect of which is not felt until the money is spent in Nebraska and other states. Nonetheless, the impact of this spending is included in the IMPLAN model, as seen by the \$646.1 million in induced (or multiplier impact) spending. Induced effects capture business activity as employees spend their paychecks on goods and services.			

Table 26 shows the total economic impact of Veterans Affairs spending on Nebraska by program for the two additional measures of impact: employee compensation and employment. The total estimated annual impact across all purposes and programs was \$744.3 million in employee compensation paid to workers in 14,006 jobs. Once again the largest contribution to the annual impact was Veterans Affairs spending on medical care followed by spending on compensation and pensions.

Table 26. The Annual Economic Impact on Nebraska from Veterans Affairs Spending: Employee Compensation and Employment
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	Employee Compensation (Millions \$)	Employment (Jobs)
General Operating Expenses	\$40.8	469
Construction	\$26.2	547
Compensation and Pension	\$197.5	4,327
Medical Care	\$437.3	7,569
Education & Vocational Rehabilitation/Employment	\$42.6	1,094
Total	\$744.3	14,006
Source: <i>Geographic Distribution of VA Expenditures for Fiscal Year 2019</i> and BBR calculations using IMPLAN		

Economic Impact of the Army Corp of Engineers

Corps employees execute military construction, civil works, and environmental projects in Nebraska and throughout the Missouri River Basin. In 2017, the U.S. Army Corps of Engineers (USACE) Omaha Division had 850 employees at its headquarters in downtown Omaha, with an annual payroll of \$64.3 million. Updated information on headquarters employment and payroll is not available.

USACE also had operations and maintenance projects within Nebraska totaling \$16.34 million during Fiscal Year 2019, including at the Gavins Point Dam, Harlan County Lake and Salt Creeks and Tributaries. Table 27 shows the annual economic impact of the Omaha Headquarters, operations and maintenance projects within Nebraska, and the USACE overall. The total impact is presented, which reflects both the direct and multiplier impact. The USACE Omaha Division headquarters has an annual economic impact of \$131.4 million while USACE operations and maintenance had an annual impact of \$25.3 million during FY 2019. The total annual impact of USACE overall is \$156.7 million, including \$94.4 million in employee compensation spread over 1,459 jobs.

Table 27. The Total Annual Economic Impact of the U.S. Army Corps of Engineers on the Nebraska Economy			
	Output (Millions \$)	Employee Compensation (Millions \$)	Employment (Jobs)
USACE Headquarters	\$131.4	\$80.2	1,241
USACE Operations and Maintenance	\$25.3	\$14.2	217
USACE Total	\$156.7	\$94.4	1,459
Source: Department of the Army Office, Assistant Secretary of the Army. (2017). Fiscal Year 2019: Civil Works Budget of the U.S. Army Corps of Engineers. Available: http://cdm16021.contentdm.oclc.org/utils/getfile/collection/p16021coll6/id/1571/filename/1572.pdf .			

Economic Impact of GI Bill Benefits for Higher Education

GI Bill benefits support higher education spending in Nebraska. According to the VA GI Bill Comparison Tool Data, GI Bill or Post-9/11 GI Bill students in Nebraska received \$23.1 million worth of tuition and fee benefits during FY 2019. These benefits increased higher education spending in Nebraska with a resulting economic impact on the state economy. The economic impact is summarized in Table 28. The direct output is the \$23.1 million in spending at both private and public higher education institutions. The IMPLAN model provides estimates of employee compensation and employment in the higher education industry associated with \$23.1 million in tuition and fee spending. The IMPLAN model is also used to calculate the multiplier impact. The direct and multiplier impacts are summed to estimate the

total economic impact in FY 2019. The total annual impact of GI Bill higher education benefits in FY 2019 is \$40.2 million, including \$17.1 million in employee compensation spread over 381 jobs.

Table 28. The Total Annual Impact of GI Bill benefits on the Nebraska Economy			
	Output (Millions \$)	Employee Compensation (Millions \$)	Employment (Jobs)
Direct Impact	\$23.1	\$12.2	270
Multiplier Impact	\$17.2	\$4.8	111
Total Impact	\$40.2	\$17.1	381
Source: VA GI Bill Comparison Tool Data 2019 and BBR calculations using IMPLAN			

Summary of Annual Economic Impact

This chapter provided estimates of the annual economic impact of Nebraska Military bases on the state economy during Fiscal Year 2018. The chapter also provided estimates of the annual economic impact from payments to Department of Defense military retirees residing in Nebraska from the military retirement system as well as the annual economic impact from Veterans Affairs spending on the State of Nebraska and the annual economic impact of Army Corp of Engineers operations. The economic impact from each source is presented in Table 29 below. Military bases have the largest annual economic impact on the State of Nebraska. Veterans Affairs spending has the second largest annual impact. Payments through the military retirement system and the Army Corps of Engineers also have a substantial economic impact.

Table 29. The Annual Economic Impact on Military Bases, Military Retirement System Payments and Veterans Affairs Spending on the State of Nebraska, FY 2019			
Source of Impact	Output (Million \$)	Employee Compensation (Millions \$)	Employment (Jobs)
Military Bases	\$2,347.6	\$1,317.7	24,827
Military Retirement System Payments	\$392.5	\$120.0	2,628
Veterans Affairs Spending	\$1,935.8	\$744.3	14,006
Army Corp of Engineers	\$156.7	\$94.4	1,459
GI Bill Benefits	\$40.2	\$17.1	381
Source: BBR calculations using IMPLAN			

The impact from retirement payments also has potential to grow if Nebraska can retain and attract more military retirees to the state. Further, military retirees and other veterans also impact the state economy by adding to the available labor force in the state. A larger, skilled workforce populated with skilled military retirees and other veterans would help more Nebraska businesses expand.¹⁹⁶ The next section of this report examines such “supply-side” benefits from Nebraska’s military bases.

¹⁹⁶ Nebraska Commission on Military and Veteran Affairs, Impact of Military Service on Employee Skills and Salaries. (2017). Annual Report. Available: https://nebraskalegislature.gov/FloorDocs/105/PDF/Agencies/Veterans_Affairs_Department_Of/610_20171120-163741.pdf

5. Veterans in the State of Nebraska and Recent Population Trends

Settlement of Military Veterans in the State of Nebraska: Impacts on the Labor Force

Given recent trends in veterans and military retirees in the state, understanding the impact of existing military bases upon these populations may help policy makers better understand how to leverage the presence of these bases. In the 2018 report *The Economic Impact of Nebraska Military Assets: An Update for Fiscal Year 2018*, we provided evidence estimating that there were 15,651 additional veterans living in Nebraska portions of the Omaha area during 2017 due to the base. This section updates the numbers for 2019 and shows the net impact on the Omaha area labor force.

Data on the number of veterans residing during 2019 in each U.S. County is available from the *National Center for Veterans Analysis and Statistics*. County data can be used to assemble the number of veterans living in the Omaha, Des Moines, Grand Rapids, Madison and Milwaukee metropolitan areas, and Census data can be used to estimate the total population living in each area in 2019. Analysis of the 2018 data indicates that between 4.7% and 5.3% (with an average of 4.8%) of the population in each of the four comparison metropolitan areas without an active duty base were veterans; there was very little variation in the share. By contrast, in the Omaha Metropolitan Area (Cass, Douglas, Saunders, Sarpy, and Washington counties in Nebraska; Pottawattamie, Harrison, and Mills counties in Iowa), veterans accounted for 6.8% of the population during 2018 (see Table 30). This difference suggests that the presence of a major active duty military base does substantially change the settlement pattern of veterans towards the surrounding metropolitan region.¹⁹⁷ Further, given that the population of the Omaha Metropolitan Area was approximately 949,000 during 2019, the difference between 4.8% and 6.8% implies that an additional 19,210 veterans are living in the Omaha Metropolitan Area. The veteran population estimate for just the Nebraska counties of the Omaha Metropolitan area is 16,661. This estimate would include thousands of veterans with a sufficient length of service to qualify for the status of DoD military retirees.

Table 30. Veterans as a Percentage of Metropolitan Population 2019

	Base	Veterans	Metropolitan Population	Percentage
Omaha	Offutt AFB	64,956	949,726	6.8%
Des Moines	No Active Duty Base	36,922	699,292	5.3%
Grand Rapids	No Active Duty Base	50,244	1,069,405	4.7%
Madison	No Active Duty Base	30,220	664,865	4.5%
Milwaukee	No Active Duty Base	74,763	1,576,113	4.7%

Sources: Veterans population derived from: *National Center for Veterans Analysis and Statistics, FY 2019 Geographic Expenditures Table*. Omaha total is based on total number of veterans estimated to live in the eight counties that comprise the Omaha Metropolitan Statistical Area (5 in Nebraska and 3 in Iowa). Metropolitan Population Data derived from: U.S. Bureau of Census, 2018 and 2019 American Community Survey. Percentages calculated by the authors. Note: Des Moines, Madison, and Milwaukee are home to Air National Guard facilities. Grand Rapids is home to Army National Guard facilities. The Air and Army National Guard presence is likely to lead to higher veteran populations compared to cities with neither an active duty base nor a National Guard presence.

¹⁹⁷ This was not a pattern unique to the Omaha Metropolitan area. For example, in the 2017 report *The Economic Impact of Nebraska Military Assets*, we also examined the settlement pattern of veterans in the Wichita Metropolitan area, which is home to the McConnell Air Force Base and found that veterans accounted for 6.8% of the 2016 population.

This population impact is noteworthy given that many of these veterans are part of the Nebraska labor force, particularly given the set of skills which military veterans bring to the state economy. Further, given that many of these veterans are married, there are also additional spouses living in Nebraska. Given *American Community Survey* data on the age and gender of Nebraska veterans and Nebraska data on marriage rates by age and gender, there are an estimated 10,550 veteran spouses living in Nebraska. The combined population impact is 27,211, with an estimated 8,047 veterans age 18 to 64 and 8,614 veterans age 65 and older. Among spouses, there are an estimated 4,502 age 18 to 64 and 6,047 age 65 and older.

These veterans and spouses, particularly those age 18 to 64, make a substantial contribution to the Nebraska labor force. However, caution should be used when estimating the overall size of the labor force impact. In particular, there is an estimated increase of 12,550 veterans and spouses age 18 to 64 living in Nebraska due to the operation of Offutt Air Force Base. Does this imply that the Nebraska labor force is 12,550 greater? Not necessarily. First of all, not all adults age 18 to 64 are part of the labor force and some retirement age veterans age 65+ will still be in the labor force. However, the more pertinent issue is the potential for substitution in the labor force. In particular, an increase in military retirees and other veterans working in Nebraska's civilian labor force may influence the number of non-veterans living in the state. For example, a veteran may be highly qualified for a position in the manufacturing industry, providing an excellent option for a Nebraska employer searching for a skilled worker in the state's typically "tight" labor market. Since the veteran is available in the state labor force, that employer will not need to recruit a worker from another state to staff the difficult-to-fill position. Through this process, the large number of veteran (and spouse) workers in Nebraska may translate into a much smaller net increase in workers (combined veteran and non-veteran) from other states. Further, retired veterans and spouses would not make a contribution to the state labor force. However, these retirees do add to the population of the state.

During the 2017 and 2018 study, report authors utilized the Regional Economic Models Incorporated¹⁹⁸ (REMI) model for the State of Nebraska to estimate the net increase in population, employment and economic output associated with additional participants in the labor force and additional retirees living in the state. Report authors no longer have access to the REMI model for Nebraska; however, the past research results can be used to develop a new estimate. In particular, the average impact on the Nebraska labor market per veteran labor market participant and veteran retiree was quite consistent in the earlier 2017, 2018, and 2019 reports. Given these consistencies, past rates can provide a good basis for estimates in the current 2020 report. Specifically, it is feasible to estimate how the presence of 12,550 working age veterans and spouses, as well as several thousand older veterans and spouses who continue to work, contributes to employment and economic activity in Nebraska. Table 31 shows the estimated long-run impact on the Nebraska economy.

¹⁹⁸ Regional Economic Models Incorporated. (2018). Available: <http://www.remi.com/>

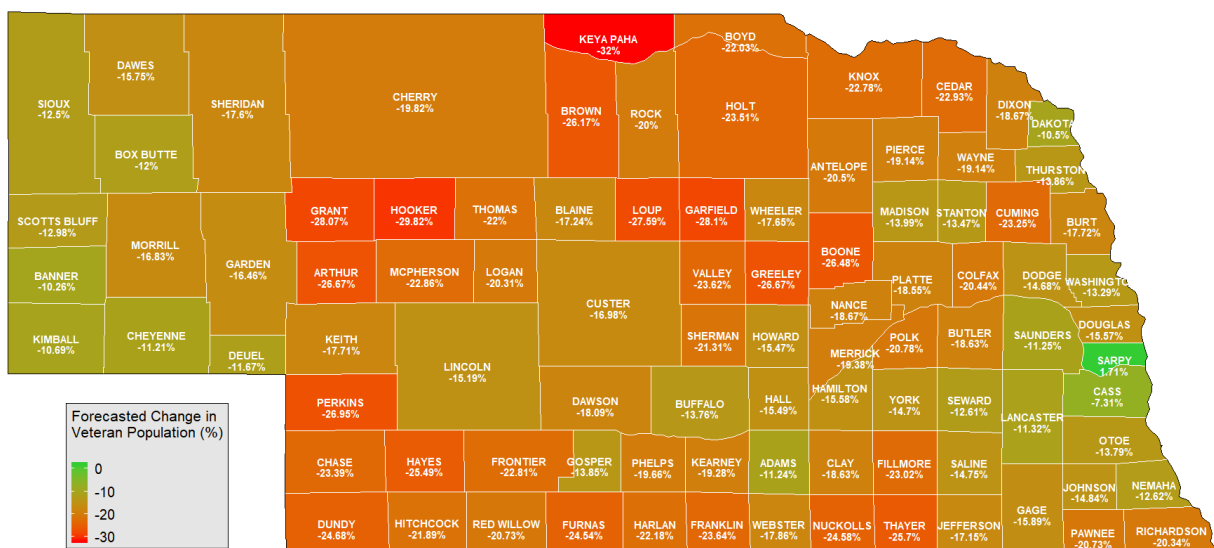
Table 31. The Economic Impact of Additional DoD Military Retirees and Other Veterans on the Nebraska Economy

Measure	Impact
Net Employment	1,950
Net Population	13,200
Annual Output Associated with Net Employment and Net Population (Millions \$)	\$359
Source: Bureau of Business Research estimate	

Note that the net employment impact of 1,950 is significantly less than the total increase in working-age veterans and spouses. The difference is the result of the substitution effect, and the fact that some working-age veterans and spouses are not in the labor force. The net employment impact of 1,950 further implies more business activity in the state. The annual output impact is \$359 million, which is a significant “supply side” impact for the Nebraska economy. Note also that the population impact is approximately 13,200. The population impact is much larger than the employment impact because a significant share of veterans and spouses are individuals of retirement age who do not work.

Projected Change in Veteran Populations in Nebraska. One consideration to make as Nebraska continues to project how military and veteran spending might impact the state's economy into the future is population growth in the state. Current population estimates indicate that the number of veterans in the state is likely to decline in future years. It is likely that this trend will continue. Figure 9 below presents the projected veteran population by county in Nebraska. As the map illustrates, every county but Sarpy is expected to experience a decrease in the number of veterans between 2019 and 2025. The population centers of Douglas and Lancaster County are projected to lose substantial proportions of veterans by 2025.

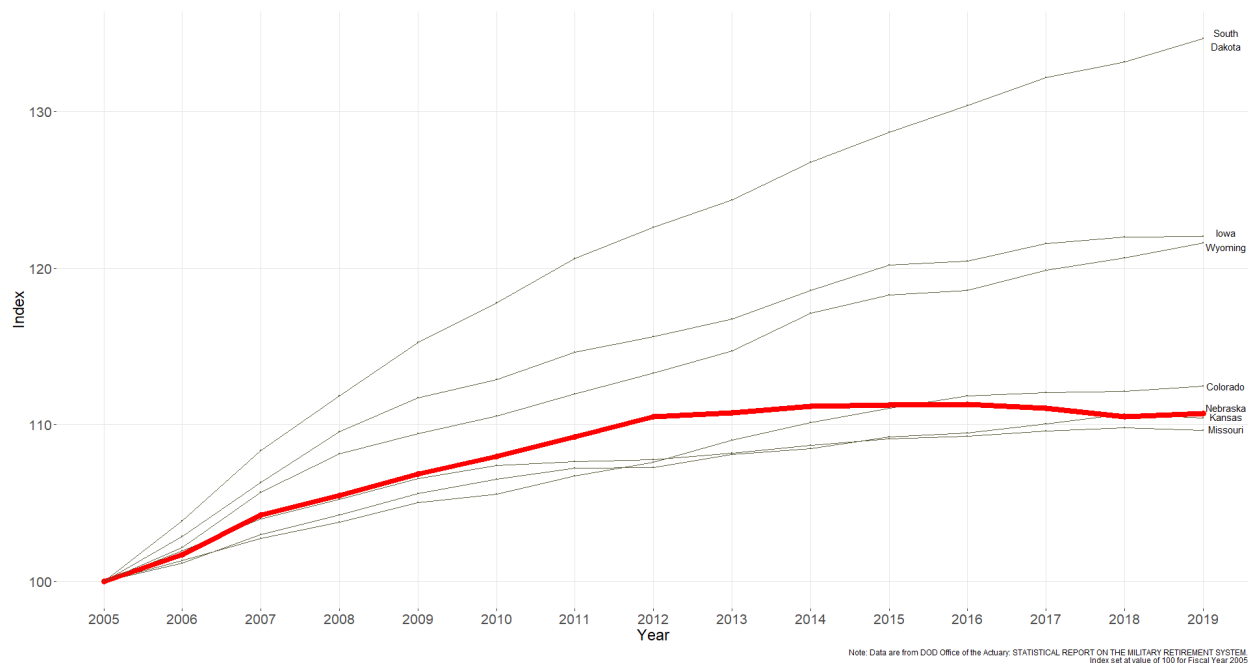
Figure 9. Projected Change in Number of Veterans per County in the State of Nebraska (FY 2019 to FY 2025)



It may also be informative to examine the total number of retired military personnel receiving payment from the DoD. Such an analysis has the potential to illustrate trends in the number of paid military retirees in Nebraska and neighboring states. As noted in the previous years' reports, paid military retirees living in the state make significant contributions to the states' economy. In particular, military retirees can retire after 20 years of service, and are thus in their 40s and 50s when they retire. As described above, this leaves them ample time to participate in the labor market after completion of service. Veterans bring to the state noteworthy skill sets developed in their time in the military. Furthermore, many military retirees are married, with spouses who also bring unique and valuable skills to the state economy.

In FY 2019 there were 13,662 military retirees receiving pay from the DoD in Nebraska. This is a slight decrease from the 13,712 military retirees receiving pay from the DoD in FY 2017 but an increase in the number of retirees in FY 2018 (13,636). Figure 10 below presents the trends in the number of military retirees receiving pay from the DoD in Nebraska and in neighboring states. As the graph shows, Nebraska experienced relatively steady growth in the number of paid military retirees from 2005 to about 2012. In recent years, however, growth has slowed, and the absolute number of paid military retirees was just slightly higher in 2019 than it was in 2012.

Figure 10. Changes in Paid Military Retirees for Nebraska and Neighboring States (FY 2005-FY 2019)



While Nebraska's growth in paid DoD retirees has slowed, it is important to keep in mind that the total number of paid military retirees in Nebraska is higher than the number of paid military retirees in some neighboring states. Specifically, as Table 32 below shows, the absolute number of paid retirees in Nebraska is higher than in Iowa, South Dakota, and Wyoming. Given that Iowa's general population is currently over 3 million and Nebraska's is just under 2 million, this difference is notable.

Table 32 also presents the percentage change in the number of paid DoD retirees between FY 2010 and FY 2019 in comparison to the percentage change in the general population during the same time. This time frame was chosen given that 2010 was the last decennial census completed in the U.S. As shown in the table, Nebraska's growth in its paid DoD retiree population (2.7%) has not kept pace with the growth in its general population. With the exception of Colorado, which has seen strong growth among its general population, all other states have experienced higher rates of growth among the paid DoD retiree population than among the general population.

Table 32. Numbers of Paid DoD Retirees in Nebraska and Neighboring States, FY 2010 to FY 2019												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Change in Paid Retirees	Change in General Population
Colorado	46,536	47,065	47,490	48,146	48,690	49,136	49,523	49,636	49,677	49,828	7.1%	14.5%
Iowa	11,248	11,441	11,556	11,684	11,901	12,092	12,123	12,258	12,308	12,315	9.5%	3.6%
Kansas	20,023	20,159	20,174	20,338	20,413	20,566	20,621	20,735	20,866	20,812	3.9%	2.1%
Missouri	34,818	34,906	34,939	35,085	35,264	35,407	35,471	35,584	35,658	35,603	2.3%	2.5%
Nebraska	13,298	13,461	13,634	13,670	13,726	13,740	13,746	13,712	13,636	13,662	2.7%	5.9%
South Dakota	7,010	7,208	7,353	7,481	7,660	7,806	7,941	8,082	8,164	8,283	18.2%	8.7%
Wyoming	4,812	4,880	4,945	5,015	5,135	5,194	5,209	5,276	5,318	5,369	11.6%	2.7%
Source: DoD Paid Retiree data are from the Statistical Report on the Military Retirement System, Multiple Years. Available at: https://actuary.defense.gov/Military-Retirement/ . General population data are from American Community Survey estimates.												

6. Small Business Resources for Veterans

As state government websites become increasingly used by veterans to identify and access services, it is critical that Nebraska understand current practices in other states. As much of this report has suggested, attracting and retaining separated military personnel to the State of Nebraska will be necessary if Nebraska is going to maintain or grow its veteran population. One way that Nebraska might be able to accomplish this is by offering veterans a dedicated job search tool on the Nebraska Department of Veterans' Affairs website, or a closely aligned agency such as the Nebraska Department of Labor or the Nebraska Department of Administrative Services (for state jobs).

In 2019, the BBR assessed the online resources available to veterans in each of the 50 states (see Table 33). The analysis considered whether states offered job search resources, vocational training, and educational benefits. There was wide variation in the resources offered in each of the states. The analysis demonstrated that the services offered by Nebraska agencies are in line with those offered in many other states.

To provide additional information about what other states are doing in this domain, researchers visited state websites for each of the 50 states to identify trends. The table below provides a high-level overview of what was found. As the table indicates, there is a wide range of services offered in this area. Some states, such as Florida, have very little information related to job searches for veterans. Other states, such as Kansas and Massachusetts, have dedicated search engines that allow veterans to search for jobs using several criteria, including Military Occupational Specialty (MOS).

Some states in particular are worth noting and expanding on their offerings. For example, the Texas Veterans Commission offers a Veteran Entrepreneur Program (VEP). The VEP was established in 2013 to provide veteran entrepreneurs and veteran small businesses the tools they need to start or grow business. Consultative services, business partner referral services, and outreach and educational services are all services provided through the program with information easily accessible on the website. The site also provides a contact portal where veterans can ask questions ranging from marketing and manufacturing assistance to government contracting to COVID-19 Business Relief.

Another state with a user-friendly, informative website is Wisconsin. There is a searchable list of Wisconsin's Veteran Owned Businesses with an easy application to certify a business as veteran owned. The Wisconsin Department of Veterans Affairs lays out other resources hyperlinked within the site, such as the Wisconsin Procurement Institute and Wisconsin Veterans Chamber of Commerce. It is easy to navigate with an abundance of resources and information accessible in a singular place.

The last state worth noting is Georgia. More specially, the University of Georgia Small Business Development Center (SBDC) works to provide business training and consulting assistance to veterans starting and growing a small business. There are hyperlinks to popular topics, such as access to capital, consulting, marketing, procurement, and accounting and finance. There are also relevant articles posted in relation to veterans owning and running a small business. Lastly, there is a search tool for specific words or phrases if information is not readily available.

While developing a database which links public and private employment opportunities to MOS may be somewhat costly for Nebraska, it must be recognized that peer states are currently offering such advanced search tools to veterans. With the internet becoming the main portal for job searching, it is important Nebraska readily showcases its offerings, otherwise benefits may not be known by many of

the veterans. More information on resources provided by other states is provided in Appendix A of this report.

One recent development in Nebraska has been the introduction of SourceLink® Nebraska. SourceLink® Nebraska is a platform that will improve the crucial infrastructure supporting the economic development ecosystem of Nebraska. The platform will enhance coordination among ecosystem partners by coordinating business and community development resources for entrepreneurs and existing businesses. The Nebraska Business Development Center (NBDC) SourceLink Nebraska plans to launch the tool in the spring of 2021.

The University of Nebraska Extension, the Nebraska Business Development Center (NBDC) and Rural Prosperity Nebraska (RPN) are piloting the University of Nebraska SourceLink® Resource Navigator throughout 2021. The University of Nebraska Central Administration is currently hosting the prototype of the SourceLink® Resource Navigator that solely consists of university entrepreneurial resources. This pilot features the Navigator, one of the five features of SourceLink® and helps demonstrate the power of using the Navigator to find economic, entrepreneurial, business and community resources supported by the University of Nebraska. Users can visit <https://nebraska.edu/sourcelink/resource-navigator> and search for small businesses resources.

Relevant to the current report is the ability for users to navigate to the “Underserved Communities” search bar, and select “Veterans”. Doing so will yield those resources in SourceLink® Nebraska relevant to veterans. Several private organizations have recently begun to offer veterans support for entrepreneurial activities in the state. Bunker Labs, for example, recently opened an Omaha chapter. Bunker Labs offers general support, as well as more specific resources such as the Launch Lab Online course and the Veterans in Residence program. Through its Omaha chapter, Bunker Labs makes the national entrepreneurial community available to Nebraska veterans.

Outside of Nebraska, other resources exist as well. For example, the Veterans Business Resource Center (<https://vetbiz.com/>) provides consulting and other services to veterans looking to start a small business. Other organizations such as Boots to Business (<https://sbavets.force.com/s/>) are sponsored by the U.S. Small Business Administration, as part of the Department of Defense Transition Assistance Program.

Table 33. State List of Veteran-Specific Resources for Small Businesses							
State	Dedicated Search Engine of Businesses	Business Consulting, Education, Training	Assist in identifying financing small businesses	Assistance with state and federal certifications	Procurement	Government Contracting	Notable services provided
Alabama	X	X	X		X	X	
Alaska	X	X	X	X			
Arizona		X	X				Disabled Veterans Outreach Program (In Person)
Arkansas	X	X	X	X	X		Arkansas Small Business and Technology Development Center; various links to resources
California	X	X	X	X	X	X	
Colorado		X	X	X		X	Satellite Office Hours held monthly for employment guidance
Connecticut		X	X	X			Services available as a veteran resident of the residential facility
Delaware		X	X				Veterans given hiring preference
Florida	X	X	X	X	X	X	
Georgia		X	X		X	X	UGA SBDC

Hawaii		X	X	X		X	Employment assistance offered
Idaho		X	X	X			Veterans representatives stationed throughout Idaho to provide services including employment assistance; special consideration given to veterans
Illinois		X	X	X	X		Various employment opportunities provided for veterans, provide tax credits to businesses to motivate employment of veterans, waivers and reimbursements for permits/licenses provided
Indiana	X	X	X			X	
Iowa	X	X	X	X	X	X	
Kansas	X	X	X		X		
Kentucky	X	X	X	X			
Louisiana		X	X	X	X	X	Job referral and placement assistance provided; veteran owned small business support
Maine		X	X				Career centers throughout the state providing services for veteran employment assistance

Maryland		X	X		X	X	Resources for employers to incorporate veteran hiring into their businesses; insurance producer license reimbursement; expedited licensing for other fields; Maryland Department of Labor employment reps and placement specialists for veterans; small business income tax credit for employing veterans.
Massachusetts	X	X	X		X	X	MassHire Department of Career Services provides priority services to veterans and their families for employment and training
Michigan	X	X	X	X		X	Veteran friendly employers provided; license fee waivers and expedited licensing; links provided to external organizations providing veterans assistance
Minnesota		X	X	X	X	X	Minnesota workforce centers - veterans employment representatives; support provided for veteran business owners
Mississippi		X	X		X	X	Tax credits for employers of veterans; expedited licensing
Missouri		X	X	X	X	X	Service officers available to provide assistance for a variety of services

Montana		X	X				Employment assistance offered at service offices
Nebraska	NEworks Veterans Services tab has a quick search tool by military occupational code	X	X				Job search assistance provided by Nebraska Department of Labor
Nevada		X	X	X	X	X	Veterans Coordinator to help match veterans with job opportunities
New Hampshire		X	X	X			New Hampshire Employment Security Staff offices provide employment and training services to veterans and eligible spouses
New Jersey		X	X	X	X	X	Veterans service offices provide employment services to veterans and their families
New Mexico		X	X			X	New Mexico Veterans Business Outreach Center
New York		X	X		X		Hire a vet credit. New York department of labor provides employment services to veterans
North Carolina		X	X	X	X	X	NC Works offices provide employment services for veterans

North Dakota		X	X	X	X	X	Reimbursement for licensing and certification exams
Ohio	X	X	X		X		Tool for finding information on licenses and certification for veterans and spouses; veterans service offices for employment assistance
Oklahoma		X	X			X	Workforce Oklahoma Center Locations provide support to disabled veterans seeking employment support
Oregon		X	X	X	X	X	Military training able to be used as substitute for licensing/certification for some fields; Oregon employment Department provides veterans services to assist with employment
Pennsylvania		X	X	X		X	Pennsylvania CareerLink Offices provide employment assistance services to veterans
Rhode Island		X	X				Career centers provide employment assistance and job coaching to veterans; career center system partners with American Job Center Network to provide job openings

South Carolina		X	X		X	X	South Carolina Department of Employment and Workforce centers provide employment services to veterans
South Dakota		X	X				South Dakota Department of Labor and Regulation offices offer representatives to assist with veteran employment assistance
Tennessee		X	X	X			Tennessee department of labor career centers provide employment assistance for veterans
Texas	Link to partner job search page provided	X	X			X	Veteran Entrepreneur Program; Texas Veterans Commission offices provide employment services for veterans; license fee exemptions and expedited service provided
Utah	X	X	X	X	X	X	Utah Veterans Owned Business Partnership; exemption from occupational and professional licenses; department of workforce services provides employment assistance for veterans
Vermont		X	X	X			Vermont department of labor provides employment services to veterans

Virginia	State job portal available but not dedicated solely for veterans	X	X	X		X	Virginia employment commission provides referral and job placement resources to veterans looking for jobs; have offices located around the state; state job portal available but not dedicated solely for veterans; V3 Program provides assistance in bringing together businesses and veterans in Virginia
Washington		X	X				Licensure and certification transferability support for veterans and spouses provided - Reimbursement provided for department of health credentialing and licensure; Washington Veterans Employee Resource Group helps bring veterans to employers looking to hire
West Virginia		X	X	X		X	Link to West Virginia Department of Labor resources, not specifically for veterans
Wisconsin	X	X	X	X			Veteran one-stop centers provide employment assistance to veterans; education and retraining grants offered; licensure fee waiver and equivalency provided for applying military training toward licenses

Wyoming		X	X	X		X	Army National Guard, Air National Guard - job listing websites; State of Wyoming job listings website provided as well - not specifically for veterans.
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7. Best Practices for Hiring of Veterans

Military veterans bring a wealth of talent and experience that translates easily to the private sector. Veterans can help organizations, and therefore the broader business ecosystem, flourish. In recognition of this fact, governments, businesses, and trade organizations have made concerted efforts to attract and retain veterans.

For Nebraska to be competitive in attracting and retaining veterans to live and work in the state, businesses and governments must understand what the best practices in recruiting veterans are. To make this determination, researchers invited several Nebraska businesses to discuss how they seek to reach out and recruit veterans to their organizations. Researchers were able to have discussions with two Nebraska businesses who were willing to discuss in-depth their recruiting efforts in this area.

The first business that took the time to discuss their hiring practices with regard to veterans was Valmont. The Valmont corporation has a considerable presence in Nebraska and throughout the world. Valmont manufactures products for use in a wide range of industries. We asked Valmont about its specific efforts in Nebraska.

From a public-facing perspective, Valmont's most salient and easy-to-access resource for veterans may be its website. The web address <https://www.valmont.com/careers/military> directs users to a page highlighting the ways in which military service translates into potential career paths at Valmont. In particular, the page highlights the path of Robert Daugherty, a veteran who purchased the business that eventually became Valmont after he completed his military service. The page also provides testimonials from veterans and members of the National Guard.

A conversation with Valmont's Manager of Talent Acquisition revealed that while attracting veteran employees to the organization, it has been an area of focus and need for some time. There are several efforts that take place within the organization to attract and retain veteran talent. Regarding recruiting efforts, Valmont participates on veteran outreach and recruiting events through the Human Resources Association of the Midlands (HRAM). In particular, Valmont participates in various job fairs for active and transitioning veterans through HRAM. The job fairs provide optimal opportunities for interaction with potential veteran employees.

Valmont also works with HRAM to offer resume review services to veterans. In particular, the organizations help veterans effectively communicate the skills they obtained through military service in their resumes. It was noted that individuals transitioning out of military service may use language common in the services, but less understood by civilians. By assisting transitioning veterans in this way, the organizations hope to make it more likely that talented individuals will find a place with the company.

Valmont also works with Omaha Workforce Development and Heartland Workforce Solutions to recruit veteran employees through job fairs and other events. Valmont is also a featured employer with the Nebraska Department of Labor Boots to Fill program.

An effective way to reach veterans with job postings has been through the DirectEmployers Association (DE). DE offers services to special populations, including veterans, by using scraping technologies to combine relevant job postings to various websites. For example, Valmont job postings are scraped by DE and posted on job boards relevant to active military and veteran populations. This service brings

Valmont job opportunities to a wide range of job seekers that may not have otherwise been aware of such opportunities. Table 34 below presents some of the websites that are part of the job syndication alliance.

Table 34. DirectEmployers Association Veteran Websites	
Site	Web Link
ArmedServicesJobs.com	http://www.armedservicesjobs.com/ (DE Member Jobs Only)
CASY/National Guard Employment Program	https://jobs.msccn.org/usa/jobs/
DirectEmployers Veterans	https://veterans.dejobs.org
Military Spouse Employment Program (MSEP)	https://myseco.militaryonesource.mil/portal/msep/jobsearch
Military Spouse	https://militaryspouse.dejobs.org/
Military Spouse Connections	https://militaryspouseconnection.dejobs.org/
Military Spouse Corporate Career	
Network (MSCCN)	https://jobs.msccn.org/usa/jobs/
My Next Move for Veterans –U.S. DOL/ETA	http://www.mynextmove.org/vets/find/browse?c=0
Student Veterans Of America	http://studentveteransofamerica.jobs
The HER Foundation Inc.	https://honorher.works/
USA Cares	https://careers.usacares.org/
US Military Pipeline	https://usmilitarypipeline.com/
VetCentral /Local Veteran Employment Representatives & Disabled Veteran Outreach Program Representatives (LVERS & DVOP's)	https://veterans.usnlx.com
Veteran's Enterprise	https://veteransenterprise.com/career-search-engine/
Veterans Job Bank	https://www.vets.gov/employment/job-seekers/search-jobs
VeteranJobSite.com	http://www.veteranjobsite.com/ (DE Member Jobs Only)
VetJobs	https://jobs.vetjobs.org/
California Employment Development Dept. (EDD)	http://ca-veterans.jobs/
Connecting Colorado (Colorado State Workforce)	http://coworkforce-veterans.jobs
IndianaCareerConnect (Indiana State Workforce)	https://indianacareerconnect-disability.jobs/
IndianaCareerConnect (Indiana State Workforce)	http://indianacareerconnect-veterans.jobs/
KansasWorks Veterans (Kansas State Workforce)	http://kansasworks-veterans.jobs/
Mass Veterans (Massachusetts State Workforce)	http://mass-veterans.jobs/
MO Veterans (Missouri State Workforce)	http://mo-veterans.jobs/
Nevada Veterans (Nevada State Workforce)	http://employnevadavets.jobs/
NYWorks Veterans (New York State Workforce)	http://nyworks-veterans.jobs/
SCWorks (South Carolina State Workforce)	http://SCWorks-veterans.jobs/
SDWorks Veterans (South Dakota State Workforce)	http://sdworks-veterans.jobs/
WorkInIllinois Veterans (Illinois State Workforce)	http://workinillinois-veterans.jobs/
WorkInIowa Veterans (Iowa State Workforce)	http://workiniowa-veterans.jobs/
WorkInMichigan (Michigan State Workforce)	http://workinmichigan-veterans.jobs/
MontanaWorks (Montana State Workforce)	http://workinmontana-veterans.jobs/
WorkInOregon Veterans (Oregon State Workforce)	http://workinoregon-veterans.jobs/
WorkInTexas Veterans (Texas State Workforce)	http://workintexas-veterans.jobs/

WorkinVirginia Veterans (Virginia State Workforce)	http://workinvirginia.jobs/
WorkinWashington Veterans (Washington State Workforce)	http://workinwashington.jobs/

A second Nebraska business, Duncan Aviation, agreed to speak with researchers about its efforts to attract and retain the talent of military veterans and retirees. Duncan Aviation employs approximately 600 employees (not all in Nebraska) with military experience. The bulk of these employees are from the Air Force, Marine Corps, and Navy—services with high concentrations of military occupational specialties related to aviation. Duncan Aviation naturally aligns with the skills gained through military service in these branches. Duncan Aviation takes a proactive approach to recruiting veterans by visiting installations with much work related to aviation.

Two special programs at Duncan Aviation are designed to help veterans gain necessary skills and ultimately employment at the company. First, Duncan Aviation has an approved FAA Airframe and Engine Apprenticeship program that veterans can apply to. The U.S. VA has approved Duncan Aviation to allow veterans to use GI Bill benefits to complete the apprenticeship program.

Second, Duncan Aviation utilizes the DoD SkillBridge program. The SkillBridge program allows active duty military members to participate in training and development opportunities in industry if they are within 180 days of separation. If a servicemember is accepted into the program, the DoD pays all salary and benefits while the individual participates in training and development with a particular company. Duncan Aviation is an Authorized SkillBridge Organization and has to date brought three active duty servicemembers, two of which Duncan Aviation has hired. More servicemembers are waiting to be approved through the program currently. Continued utilization of this program has the potential to develop into a pipeline of veteran talent for Duncan Aviation.

Responding businesses did note several challenges in recruiting veterans to their organizations. First, employers noted the impact that Covid-19 has had on events such as job fairs. As events such as these move to online formats, attendance has suffered, it appears. For example, one employer surmised that active-duty personnel may have been some of the first to be directly impacted by Covid-19, or indirectly impacted by Covid-19-related restrictions, and were unable to attend job fairs as a result.

Another challenge in hiring active-duty personnel may be the pull of active-duty military service itself. In instances where a Nebraska business is seeking to hire an active-duty service member, the company must realize that the individual may be earning greater pay and enjoying a more prestigious title than they would if they started at an entry-level position in private industry. It is in this context that Nebraska businesses must recruit.

With regard to exploring best practices in hiring and retaining veterans, the BBR will continue to engage with Nebraska employers. The hope is that additional insights can be gained through additional conversations with Nebraska businesses.

8. Department of Defense Supply Chain Analysis

In Nebraska, there are a range of private companies providing goods and services that are purchased by DoD entities. It is important to conduct a mapping of which businesses and industries currently do business with the DoD. Doing so will help the Nebraska Commission on Military and Veteran Affairs develop a more comprehensive understanding of the impact that DoD operations have on the state's economy. Further, such an analysis may provide awareness of the current areas of strength, as well as gaps, in how Nebraska businesses interface with the DoD. To begin to fully assess the presence of these firms, as well as their contribution to economic activity, we propose the following methodology. The methodology will consist of short-term and longer-term objectives, which may or may not be completed under the umbrella of a single study.

Shorter term objectives could include an analysis of the products and services DoD purchases from Nebraska businesses. An analysis such as this was conducted by the North Carolina Defense Industry Diversification Initiative in 2018.¹⁹⁹ A potential source for data to conduct such an analysis is the Federal Procurement Data System (FPDS) website, which provides information on all contracts executed by the federal government. This source would allow a basic analysis of the dollar values of contracts held by Nebraska businesses with DoD entities. The source provides an opportunity for more granularity. For example, dollar values can be broken down by Product Services Codes (PSC Codes) and North American Industry Classification System Codes (NAICS Codes) to better understand the services and products sold to the DoD and the primary industries with which the DoD is doing business in Nebraska. The geographic location of Nebraska businesses is available via ZIP codes included in the database; this would allow analysts to identify those areas of Nebraska that do the most business with the DoD.

There are several limitations to this database, as currently understood by the BBR. First and foremost, it would be difficult to determine the extent to which Nebraska companies serve as the prime or sub-contractor on the contracts included in the FPDS. Further, it may be difficult to determine the extent to which dollars flow to DoD entities in Nebraska, or to entities in other states. Consequently, it may be necessary to seek out additional—perhaps proprietary—data on federal contracting dollars. BBR analysts will continue to research potential data sources for this exercise.

The short-term analysis will provide a snapshot of the current levels of DoD contracting in the state. Longer-term efforts at identifying opportunity and gaps in the Nebraska DoD supply chain may follow the general methodology laid out in previous studies on the topic in other states. For example, a study commissioned by the St. Louis Economic Development Partnership²⁰⁰ included an analysis of secondary data sources such as FPDS and a variety of other proprietary and non-proprietary data sources. Linking data from these various sources together is likely to be labor-intensive and time consuming. In addition, the St. Louis Economic Development Partnership study included a qualitative component involving interviews and meetings with stakeholders and relevant trade organizations throughout the region and state. A similar study for Wisconsin also involved in-depth discussions with manufacturers and local, regional, and state economic development organizations. The study involved a cluster analysis, on-site

¹⁹⁹ North Carolina Defense Industry Diversification Initiative. (2018). 2018 Summary Snapshot. Available: https://f20f550a-f76b-4e46-949f-093f2dccabd1.filesusr.com/ugd/a565d8_50d54ab24f4f4beaa674f1a17eef0f57.pdf.

²⁰⁰ St. Louis Economic Development Partnership. (2017). Missouri Defense Supply Chain Analysis. Available: https://stlpartnership.com/wp-content/uploads/2017/07/MO-Defense-Supply-Chain-Analysis_071117.pdf.

visits to other locales, and the development of a playbook for expanding and growing the manufacturing supply chain for DoD in Wisconsin.²⁰¹ Similar techniques could potentially be used in a longer-range study of the Nebraska DoD supply chain.

²⁰¹ Wisconsin Economic Development Corporation. (2019). Defense Supply Chain Playbook for Manufacturers and Services Providers.

Appendix A. About the University of Nebraska-Lincoln Bureau of Business Research

The Bureau of Business Research

The Bureau of Business Research is a leading source for analysis and information on the Nebraska economy. The Bureau conducts both contract and sponsored research on the economy of Nebraska and its communities including: 1) economic and fiscal impact analysis; 2) models of the structure and comparative advantage of the current economy; 3) economic, fiscal, and demographic outlooks, and 4) assessments of how economic policy affects industry, labor markets, infrastructure, and the standard of living. The Bureau also competes for research funding from federal government agencies and private foundations from around the nation and contributes to the academic mission of the University of Nebraska-Lincoln through scholarly publication and the education of students.

Key Personnel

Dr. Eric Thompson

Dr. Eric Thompson is the Director of the Bureau of Business Research and an Associate Professor of Economics at the University of Nebraska-Lincoln. Dr. Thompson has conducted a broad group of economic impact studies including impact studies of Nebraska agriculture, Sandhill Cranes migration, the Nebraska child care industry, the Omaha Zoo, the Nebraska horseracing industry, Husker Harvest Days, and the UNL Athletic Department. Dr. Thompson also works on demographic projections and analyses of economic development programs for Nebraska and cities in Nebraska. He also has conducted numerous economic impact studies for the Lincoln Department of Economic Development, the Omaha Chamber of Commerce, the Nebraska Department of Economic Development, various Nebraska industries, and Nebraska tourism attractions. Dr. Thompson's research has received support from the United States Department of Labor, the Robert Wood Johnson Foundation, the Center for Economic Analysis, the Nebraska Health and Human Services System, as well as Lincoln, Omaha, and Nebraska organizations and agencies. In his previous employment, Dr. Thompson served as the Director of the Center for Business and Economic Research and a Research Associate Professor of Economics at the University of Kentucky. Dr. Thompson received his Ph.D. in agricultural economics from the University of Wisconsin-Madison in 1992. His research fields include regional economics, economic forecasting, and state and local economic development. His research has been published in *Regional Science and Urban Economics*, the *Journal of Regional Science*, the *American Journal of Agricultural Economics*, and the *Journal of Cultural Economics*.

Dr. Mitchel Herian

Dr. Mitchel Herian serves as a Project Director through the Bureau of Business Research, a faculty fellow at the University of Nebraska Public Policy Center, and an adjunct professor in the Political Science department at UNL. Dr. Herian has worked for agencies such as the U.S. Army, the U.S. Air Force, the National Aeronautics and Space Administration (NASA), the Nebraska Supreme Court, the Nebraska Department of Education, and the Kansas Department of Corrections. His research has received support from agencies including the National Science Foundation and the National Institute of Justice. Dr. Herian's research has been published in a variety of peer reviewed journals including the *Journal of*

Public Administration Research and Theory, American Review of Public Administration, Policy Studies Journal, State and Local Government Review, and Ecology & Society.

Mr. Phillip O'Donnell

Mr. Phillip O'Donnell serves as the first Military Affairs Liaison for the State of Nebraska's Commission on Military and Veteran Affairs. Mr. O'Donnell graduated with merit from the U.S. Naval Academy before serving as a surface warfare officer in the U.S. Navy with engineering, operations, and intelligence assignments in Japan, Bahrain, and Washington DC. After completing his active duty service, Mr. O'Donnell earned a Master of Arts degree in International Relations and International Economics from the Johns Hopkins University's School of Advanced International Studies (SAIS) and a Master of Business Administration degree from the University of Nebraska-Lincoln. Mr. O'Donnell has worked for both large and small consulting firms in the defense industry and continues to serve in the Navy Reserve at the U.S. Strategic Command.

