



November 15, 2021

The Honorable Governor Pete Ricketts  
State Capitol, 2<sup>nd</sup> Floor N.E.  
P.O. Box 94848  
Lincoln, NE 68509-4848

Mr. Patrick J. O'Donnell  
Clerk of the Legislature  
State Capitol, Room 2018  
P.O. Box 94604-4604  
Lincoln, NE 68509-4604

Dear Governor Ricketts and Mr. O'Donnell:

Please accept this report pursuant to Nebraska Revised Statute § 55-606.

In 2021, Nebraska's Commission on Military and Veteran Affairs met twice pursuant to Nebraska Revised Statute § 55-603. On June 8, 2021 the Commission voted to contract with the University of Nebraska-Lincoln Bureau of Business Research to summarize and assess the economic impact of military assets in Nebraska pursuant to Nebraska Revised Statutes § 55-605 and § 55-606. For 2021, 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 validated again in 2019 and 2020. These six recommendations serve as the Commission's "recommendations for preserving and sustaining military assets and missions existing in Nebraska" and serve as the Commission's "recommendations for actions which the state can take to encourage expanding such assets and missions" pursuant to Nebraska Revised Statute § 55-606. On November 10, 2021 the Commission voted to amend and submit this draft report.

Questions may be directed to Phil O'Donnell, Military Affairs Liaison, at (402)-471-4546.

Sincerely,

A handwritten signature in blue ink that reads "John Hilgert". The signature is stylized and cursive.

John Hilgert  
Chair, Commission on Military and Veteran Affairs



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

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## **The Economic Impact of Nebraska Military Assets: An Update for Fiscal Year 2020**

Prepared for the Nebraska Commission on Military and Veteran Affairs

November 15, 2021

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Table of Contents

1. Introduction..... 6

    2017, 2018, 2019, and 2020 Economic Impact of Nebraska Military Assets..... 6

    2021 Commission Recommendations ..... 7

    Recent Congressional Actions Related to Base Realignment and Closure..... 18

    The Current Report..... 18

2. Military Assets and Spending..... 19

    Offutt Air Force Base ..... 19

    Nebraska National Guard, Air National Guard, and Nebraska Emergency Management Agency..... 23

    Reserve Components ..... 25

    U.S. Army Corps of Engineers. . . . . 27

    National Strategic Research Institute..... 29

3. Department of Defense Military Retiree and Veterans Affairs Spending..... 30

    Military Retirees paid by the DoD ..... 30

    U.S. Department of Veterans Affairs..... 31

    Nebraska Department of Veterans’ Affairs..... 37

4. Economic Impact Analysis..... 39

    Economic Impact Methodology ..... 39

    Economic Impact of Military Spending..... 40

        Offutt Air Force Base. . . . . 40

        National Guard. . . . . 42

        Overall Annual Economic Impact of Nebraska Military Assets. . . . . 44

    Economic Impact of Military Retirement Pensions..... 44

    Economic Impact of Veterans Affairs Spending ..... 45

    Economic Impact of the Army Corp of Engineers..... 47

    Economic Impact of GI Bill Benefits for Higher Education..... 47

    Summary of Annual Economic Impact ..... 48

5. DoD and VA Supply Chain Analysis..... 49

6. Veteran Demographic Trends in Nebraska ..... 64

    Settlement of Military Veterans in the State of Nebraska: Impacts on the Labor Force ..... 64

    Projected Change in Veteran Populations in Nebraska. .... 68

7. Methodology for Assessing Impact of Legislative and Regulatory Changes ..... 71

DRAFT

**Defense-State Liaison Office: Key Issues for States ..... 71**  
    **Preliminary Results and Impact of recent Nebraska Legislation and Regulatory Reform..... 73**  
**Appendix A. About the University of Nebraska-Lincoln Bureau of Business Research ..... 85**

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**List of Tables**

Table 1. The Annual Economic Impact on Military Bases, Military Retirement System Payments and Veterans Affairs Spending on the State of Nebraska, FY 2020 ..... 5

Table 2. Total State Funding to Nebraska Army National Guard in Relation to Federal Funding ..... 9

Table 3. Total Military Construction Funds to Nebraska Army National Guard ..... 9

Table 4. Total Military Construction Funds to Nebraska Army National Guard Continued ..... 10

Table 5. Total State and Federal Funding to Nebraska Air National Guard to Support Maintenance and Sustainment of Facilities and Infrastructure..... 10

Table 6. Offutt AFB and USSTRATCOM Military and Civilian Personnel FY 2020 ..... 22

Table 7. Offutt AFB and USSTRATCOM Payroll/Benefits and Expenditures FY 2020 ..... 22

Table 8. Nebraska National Guard Employment, FY 2020..... 24

Table 9. Nebraska National Guard Payroll, Benefits, and Operations ..... 25

Table 10. Army Reserve Personnel and Expenses, FY 2020..... 26

Table 11. Air Force Reserve Personnel and Expenses..... 27

Table 12. U.S. Army Corps of Engineers Nebraska Personnel and Payroll ..... 28

Table 13. U.S. Army Corps of Engineers Civil Works Spending in Nebraska, FY 2020 ..... 28

Table 14. Nebraska Military Retirees and Pension/Retirement Compensation, FY 2020 ..... 30

Table 15. Total VA Spending in Nebraska, FY 2020 (in millions)..... 34

Table 16. Nebraska Department of Veterans’ Affairs Appropriations, 2017-2021 Biennia ..... 38

Table 17. Direct Employment, Employee Compensation and Output Impact of Offutt Air Force Base..... 41

Table 18. The Annual Economic Impact of Offutt Air Base on Nebraska ..... 41

Table 19. The Annual Economic Impact of the Nebraska National Guard on the State..... 42

Table 20. Direct Employment, Employee Compensation and Output Impact of Nebraska-based Reserve Forces..... 43

Table 21. The Annual Economic Impact of Reserve Forces on Nebraska ..... 43

Table 22. The Overall Economic Impact of Nebraska Military Assets on the State ..... 44

Table 23. The Annual Economic Impact of Military Retirement System Payments on the Nebraska Economy..... 45

Table 24. Veterans Affairs Spending in Nebraska Fiscal Year 2020 By Program ..... 45

Table 25. The Annual Economic Impact on Nebraska from Veterans Affairs Spending ..... 46

Table 26. The Annual Economic Impact on Nebraska from Veterans Affairs Spending: Employee Compensation and Employment ..... 46

Table 27. The Total Annual Economic Impact of the U.S. Army Corps of Engineers on the Nebraska Economy.....	47
Table 28. The Total Annual Impact of GI Bill benefits on the Nebraska Economy .....	47
Table 29. The Annual Economic Impact on Military Bases, Military Retirement System Payments and Veterans Affairs Spending on the State of Nebraska, FY 2020.....	48
Table 30. Federal Obligations to Nebraska Entities by Agency (FY 2020) .....	49
Table 31. Federal Contract Obligations by Industry (FY 2020) .....	51
Table 32. Federal Contract Obligations by Entity (FY 2020) .....	53
Table 33. Federal Contract Obligations by County and Industry (FY 2020).....	59
Table 34. Veterans as a Percentage of Metropolitan Population 2020.....	64
Table 35. The Economic Impact of Additional DoD Military Retirees and Other Veterans on the Nebraska Economy.....	65
Table 36. Numbers of Paid DoD Retirees in Nebraska and Neighboring States, FY 2010 to FY 2020 .....	70

**List of Figures**

Figure 1. State and Federal Spending on Nebraska Department of Military (in millions).....	8
Figure 2. Nebraska National Guard Locations .....	23
Figure 3. Army Reserve Locations in State of Nebraska .....	26
Figure 4. VA Facilities and Locations in the State of Nebraska.....	32
Figure 5. Number of Veterans Residing in Nebraska Counties (FY 2020).....	33
Figure 6. Number of Veterans per 1,000 Residents (FY 2020).....	34
Figure 7. VA Expenditures per County in the State of Nebraska (FY 2020, in millions).....	35
Figure 8. VA Spending per Veteran per County in the State of Nebraska (FY 2020) .....	36
Figure 9. Federal Contract Obligations by County (FY 2020) .....	50
Figure 10. Veterans as Percentage of the Population in Nebraska and Neighboring States (FY 2010-2019) .....	67
Figure 11. Projected Change in Number of Veterans per County in the State of Nebraska (FY 2020 to FY 2030) .....	68
Figure 12. Changes in Paid Military Retirees for Nebraska and Neighboring States (FY 2005-FY 2020)....	69

## 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, 2019, and 2020. 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 2020 accounted for \$2.5 billion in economic output, \$1.4 billion in employee compensation, and 24,297 jobs generated in Nebraska. These numbers are largely consistent with analyses conducted for FY 2019.
- Retirement and pension spending by Department of Defense (DoD) military retirees in Nebraska in FY 2020 generated 2,668 new jobs in Nebraska (in addition to the 24,297 noted above), resulting in \$127.8 million in compensation to these employees. These numbers are similar to previous years' economic impact estimates.
- Estimates show that VA spending in FY 2020 resulted in \$2.2 billion in economic output and the employment of 16,953 workers with a total salary of \$911.1 million. The economic output numbers and employment numbers are considerably higher than estimates produced for FY 2019.
- Army Corps of Engineers spending in FY 2020 resulted in \$144.0 million in economic output, 1,228 jobs, and \$87.5 million in employee compensation. These estimates are slightly lower than estimates produced for FY 2019.
- GI Bill spending in the state in FY 2020 resulted in 369 jobs, \$15.0 million in salary, and \$34.0 million in economic output. These numbers are down slightly from estimates computed in the FY 2019 report.

Source of Impact	Output (Million \$)	Employee Compensation (Millions \$)	Employment (Jobs)
Military Bases	\$2,453.2	\$1,383.2	24,297
Military Retirement System Payments	\$411.2	\$127.8	2,668
Veterans Affairs Spending	\$2,223.7	\$911.1	16,953
Army Corps of Engineers	\$144.0	\$87.5	1,228
GI Bill Benefits	\$34.0	\$15.0	369

## 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."<sup>1</sup> Examples of the local impact of military spending include the 2021 San Diego Economic Impact Report.<sup>2</sup> State examples from Missouri,<sup>3</sup> Ohio,<sup>4</sup> and Florida<sup>5</sup> 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<sup>6</sup> in its Defense Spending by State Fiscal Year 2020 report, defense spending in Nebraska contributed 1.4% of state GDP in FY 2020.<sup>7</sup>

### 2017, 2018, 2019, and 2020 Economic Impact of Nebraska Military Assets

In 2017, 2018, 2019, and 2020 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. 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, and FY 2019. The current report builds upon the body of work created through the 2017,<sup>8</sup> 2018,<sup>9</sup> 2019,<sup>10</sup> and

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<sup>1</sup> 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](https://carnegieendowment.org/files/USFP_Nebraska_full_final.pdf)

<sup>2</sup> San Diego Military Advisory Council, San Diego Military Economic Impact Report. (2021). Available: [https://www.sdmac.org/media/uploads/2021\\_sdmac\\_report\\_final\\_web.pdf](https://www.sdmac.org/media/uploads/2021_sdmac_report_final_web.pdf)

<sup>3</sup> Office of the Missouri Military Advocate, An Analysis of Department of Defense Contract Awards in Missouri FY2015-FY2019 (March 2021). Available: [https://military.ded.mo.gov/sites/military/files/Economic%20Impacts%20of%20DoD%20Contractor%20Awards%20in%20Missouri\\_May%202021\\_final.pdf](https://military.ded.mo.gov/sites/military/files/Economic%20Impacts%20of%20DoD%20Contractor%20Awards%20in%20Missouri_May%202021_final.pdf)

<sup>4</sup> Jobs Ohio, Military and Federal Factbook 2021. (October 2021). Available: [https://www.jobsohio.com/wp-content/uploads/2021/10/Ohio-FactBook\\_Spreads\\_2021-10-11-RBH.pdf](https://www.jobsohio.com/wp-content/uploads/2021/10/Ohio-FactBook_Spreads_2021-10-11-RBH.pdf)

<sup>5</sup> Enterprise Florida, Florida Defense Factbook. (January 2020). Available: <https://www.enterpriseflorida.com/wp-content/uploads/Florida-Defense-Factbook-2020.pdf>

<sup>6</sup> Of note, the FY 2021 National Defense Authorization Act changed the Office of Economic Adjustment to the Office of Local Defense Community Cooperation.

<sup>7</sup> U.S. Department of Defense, Office of Local Defense Community Cooperation, Defense Spending by State Fiscal Year 2020. (October 2021). Available: [https://oldcc.gov/sites/default/files/defense-spending-rpts/OLDCC\\_DSBS\\_FY2020\\_FINAL\\_WEB.pdf](https://oldcc.gov/sites/default/files/defense-spending-rpts/OLDCC_DSBS_FY2020_FINAL_WEB.pdf)

<sup>8</sup> Nebraska Commission on Military and Veteran Affairs. (November 2017). Available: [https://nebraskalegisature.gov/FloorDocs/105/PDF/Agencies/Veterans\\_Affairs\\_Department\\_Of/610\\_20171120-163741.pdf](https://nebraskalegisature.gov/FloorDocs/105/PDF/Agencies/Veterans_Affairs_Department_Of/610_20171120-163741.pdf)

<sup>9</sup> Nebraska Commission on Military and Veteran Affairs. (November 2018). Available: [https://nebraskalegisature.gov/FloorDocs/105/PDF/Agencies/Veterans\\_Affairs\\_Department\\_Of/610\\_20181115-103419.pdf](https://nebraskalegisature.gov/FloorDocs/105/PDF/Agencies/Veterans_Affairs_Department_Of/610_20181115-103419.pdf)

<sup>10</sup> Nebraska Commission on Military and Veteran Affairs. (November 2019). Available: [https://nebraskalegisature.gov/FloorDocs/106/PDF/Agencies/Veterans\\_Affairs\\_Department\\_Of/610\\_20191115-104724.pdf](https://nebraskalegisature.gov/FloorDocs/106/PDF/Agencies/Veterans_Affairs_Department_Of/610_20191115-104724.pdf)



2020<sup>1112</sup> 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.<sup>13</sup>

## 2021 Commission Recommendations

For 2021, 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 and 2020. 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 previous peak (see Figure 1), the state had maintained consistent levels of funding for the Nebraska Military Department. In 2020, however, the level of federal funds and state funds have grown dramatically, with over \$123 million in federal dollars and over \$27 million in state dollars going toward military operations.

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<sup>11</sup> Nebraska Commission on Military and Veteran Affairs. (November 2020). Available:

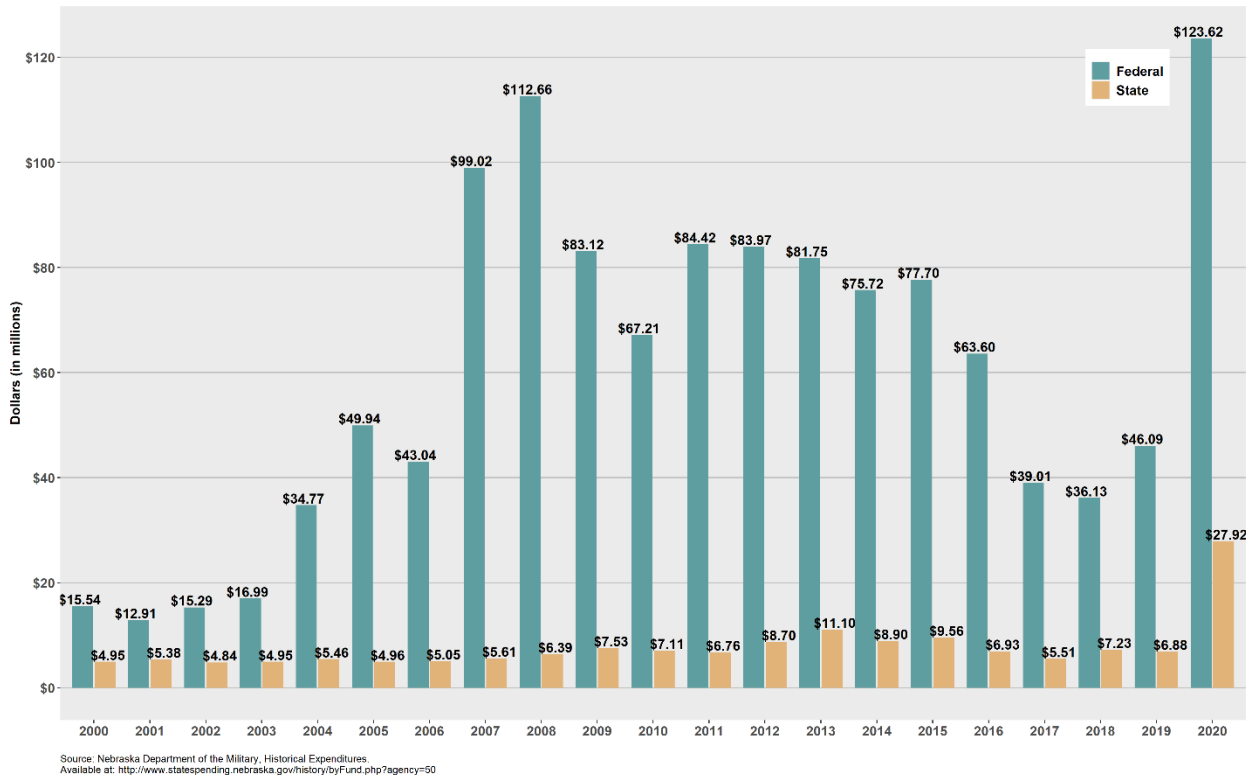
[https://nebraskalegislature.gov/FloorDocs/106/PDF/Agencies/Veterans\\_Affairs\\_Department\\_Of/610\\_20201113-160211.pdf](https://nebraskalegislature.gov/FloorDocs/106/PDF/Agencies/Veterans_Affairs_Department_Of/610_20201113-160211.pdf)

<sup>12</sup> Nebraska Commission on Military and Veteran Affairs. (November 2020 with updates from February 2021). Available:

<https://veterans.nebraska.gov/sites/veterans.nebraska.gov/files/doc/2020%20Economic%20Impact%20of%20Nebraska%20Military%20Assets%20-%20An%20Update%20for%20Fiscal%20Year%202019.pdf>

<sup>13</sup> 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.

	Fiscal Year (State Fiscal Years ending June 30 <sup>th</sup> 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.

Fund	Fiscal Year (State Fiscal Years ending June 30 <sup>th</sup> of the following years)												
	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													

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

<b>Table 5. Total State and Federal Funding to Nebraska Air National Guard to Support Maintenance and Sustainment of Facilities and Infrastructure</b>													
<b>Fiscal Year (State Fiscal Years ending June 30<sup>th</sup> of the following years)</b>													
<b>State Fund</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
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
<b>Total</b>	<b>\$315,000</b>	<b>\$320,000</b>	<b>\$395,565</b>	<b>\$358,433</b>	<b>\$424,772</b>	<b>\$323,870</b>	<b>\$320,565</b>	<b>\$352,738</b>	<b>\$320,565</b>	<b>\$320,367</b>	<b>\$306,862</b>	<b>\$409,862</b>	<b>\$409,862</b>
<b>Federal Funds</b>													
	\$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
<b>Amount of Federal Dollars Returned</b>													
	\$ --	\$ --	\$ --	\$77,626	\$ --	\$95,689	\$186,505	\$125,589	\$158,505	\$284,799	\$ --	\$ --	\$ --
<b>Percent State Funds Match to Federal Funds</b>													
	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.<sup>14</sup> 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.<sup>15</sup> 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. 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, as of October 2020, to extend and upgrade levees near Offutt Air Force Base is nearly \$4.9 million.<sup>16</sup>

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<sup>14</sup> LB 957, Section 21. (March 30, 2016). Available: <http://www.nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB957.pdf>

<sup>15</sup> A Legislator's Guide to Nebraska State Agencies. Nebraska Legislative Fiscal Office. (December 2016). Available: <http://www.nebraskalegislature.gov/pdf/reports/fiscal/2016legguide.pdf>

<sup>16</sup> Tim Freed, Nebraska Department of Natural Resources. (October 14, 2020). Email correspondence.

The remaining portion (\$4,895,985) of the Critical Infrastructure funding earmarked for the Papio NRD was transferred to the Papio NRD on February 18, 2021. From the perspective of the Nebraska Department of Natural Resources, the Papio NRD's portion of the Critical Infrastructure fund is completed and closed out. The remaining carry-forward funding (\$1,024,905) in the Critical Infrastructure program goes to the Gering-Ft. Laramie Irrigation District for tunnel repairs.<sup>17</sup>

As of November 2021, all levee raises on the north side of the Papillion Creek that protect Offutt AFB (including the floodwall downstream of Ft. Crook Rd) have been completed. Final seeding and a couple of storm sewer pipe improvements on the North side of the Papio Creek are still underway and the concrete trail is being replaced. Construction of the entire project (mainly including the levees South of the Papillion Creek) will now be fully completed by July 2022. The levee sections protecting Offutt AFB and the City of Omaha's Papillion Creek Wastewater Treatment Plant are substantially completed and provide enhanced 100 year and above flood protection. The Papio NRD is working with Offutt AFB and the Department of Defense on formulating an Inter-Local agreement for the Papio NRD to operate and maintain storm water systems on the base in order to assist the base in properly managing their systems so all of their security systems work appropriately during rain events. While the FEMA floodplain map has not yet been revised, the Papio NRD anticipates that draft FEMA maps will be released showing the levees as effective and certified.<sup>18</sup>

Of note, the Papio NRD is in constant communication with Offutt AFB, the Air Force and the Pentagon on the status of the rehabilitation of the levee system; providing consistent updates. The Papio NRD has assisted Offutt AFB personnel and contractors in securing permission from the Nebraska Department of Environment and Energy in managing excessive groundwater and the Burlington Northern Railroad on access and permits for railway crossings in order for the demolition of the flood damaged buildings to begin. These activities have saved the Air Force and DoD millions of dollars and at least 6-12 months in delays.<sup>19</sup>

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 Local Defense Community Cooperation's "Defense Community Infrastructure Program (DCIP)" may be useful to "address deficiencies in community infrastructure, supportive of a military installation, in order to enhance value, installation resilience, and military family quality of life."<sup>20</sup> For federal fiscal year 2022, the Office of Local Defense Community Cooperation will receive inputs from the military services for grants focused on "Community Economic Adjustment Assistance for Responding to Threats

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<sup>17</sup> Kent Zimmerman, Nebraska Department of Natural Resources. (November 5, 2021). Email correspondence.

<sup>18</sup> John Winkler, Papio-Missouri River Natural Resources District. (November 1, 2021). Email correspondence.

<sup>19</sup> John Winkler, Papio-Missouri River Natural Resources District. (November 1, 2021). Email correspondence.

<sup>20</sup> DoD Office of Local Defense Community Cooperation. (November 2021). Available: <https://oldcc.gov/defense-community-infrastructure-program-dcip>

to the Resilience of a Military Installation.”<sup>21</sup> Additionally, while the Office of Local Defense Community Cooperation will receive inputs from the military services for the “Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies” program for FY 2022,<sup>22</sup> state leaders should continue to monitor military installation sustainability programs offered through the DoD Office of Local Defense Community Cooperation.<sup>23</sup>

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, 2019, and 2020 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.<sup>24</sup> 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.”<sup>25</sup> 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 of a city of the primary class shall be responsible for preparing the comprehensive plan and amendments and extensions thereto and for submitting such plans and modifications to the city planning commission for its consideration and action.”<sup>26</sup> Arguably, a comprehensive plan would address encroachment issues.

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<sup>21</sup> DoD Office of Local Defense Community Cooperation, CFDA 12.003. (November 2021). Available:

[https://sam.gov/fal/1ca4fc7cfb8c4e2e9f1a0b2a81a0d1db/view?keywords=CFDA%2012.003&sort=-relevance&index=&is\\_active=true&page=1](https://sam.gov/fal/1ca4fc7cfb8c4e2e9f1a0b2a81a0d1db/view?keywords=CFDA%2012.003&sort=-relevance&index=&is_active=true&page=1)

<sup>22</sup> DoD Office of Local Defense Community Cooperation, CFDA 12.610. (November 2021). Available:

[https://beta.sam.gov/fal/1311681f3c60490fbc64c239f3ac953/view?keywords=12.610&sort=-relevance&index=&is\\_active=true&page=1](https://beta.sam.gov/fal/1311681f3c60490fbc64c239f3ac953/view?keywords=12.610&sort=-relevance&index=&is_active=true&page=1)

<sup>23</sup> DoD Office of Local Defense Community Cooperation. (November 2021). Available: <https://oldcc.gov/our-programs/military-installation-sustainability>

<sup>24</sup> LB 279. (February 11, 2010). Available: <http://nebraskalegislature.gov/FloorDocs/101/PDF/Slip/LB279.pdf>

<sup>25</sup> LB 279, Introducer’s Statement of Intent. (February 12, 2009). Available: <http://nebraskalegislature.gov/FloorDocs/101/PDF/SI/LB279.pdf>

<sup>26</sup> Nebraska Revised Statute 15-1103. Available: <http://nebraskalegislature.gov/laws/statutes.php?statute=15-1103>

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.”<sup>27</sup> 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).<sup>28</sup> The Nebraska Department of Transportation’s Division of Aeronautics has fully implemented LB 901.<sup>29</sup> As of September 2021, 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.<sup>30</sup> The 90<sup>th</sup> Missile Wing based at Francis E. Warren AFB, Wyoming, deploys Minuteman III missiles in western Nebraska.<sup>31</sup> 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 effective nuclear deterrent—now and in the future.”<sup>32</sup> 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.”<sup>33</sup>

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<sup>27</sup> Division of Aeronautics. Nebraska Department of Transportation. Available: <http://www.aero.nebraska.gov/permittobuild.html>

<sup>28</sup> LB 901. (April 17, 2018). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB901.pdf>

<sup>29</sup> Nebraska Department of Transportation. (2020). Available: <https://dot.nebraska.gov/aeronautics/towers-tall-structures/>

<sup>30</sup> 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/>

<sup>31</sup> 90<sup>th</sup> Missile Wing Fact Sheet. (2021). Available: <https://www.warren.af.mil/About-Us/Fact-Sheets/Display/Article/331275/90th-missile-wing/>

<sup>32</sup> 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](https://www.armed-services.senate.gov/imo/media/doc/Lord--Richard_09-17-20.pdf)

<sup>33</sup> 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/>



**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”<sup>34</sup> 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.<sup>35</sup> 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.”<sup>36</sup> As of November 2021, 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.<sup>37</sup>

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.<sup>38</sup> In 2020, NSRI was “awarded a new five-year, \$92 million contract through the U.S. Strategic Command to continue its leading research in national security and defense.”<sup>39</sup> In 2021, NSRI was “awarded a 5-year, \$25 million indefinite-delivery, indefinite-quantity (IDIQ) contract from the National Nuclear Security Administration (NNSA) to support strategic deterrence and nuclear threat reduction efforts.”<sup>40</sup> In September 2021, NSRI expanded its partnership with UNL’s Institute Agriculture and Natural Resources by opening the Collaborative Biosecurity Laboratory “to pursue ag defense research.”<sup>41</sup>

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.”<sup>42</sup> Known as “Project NEXt” this effort “will improve the readiness of the nation’s civilian and military health system to partner to respond to a

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<sup>34</sup> 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>

<sup>35</sup> National Security Studies program, University of Nebraska-Lincoln. (2021). Available: <https://nationalsecurity.unl.edu/>

<sup>36</sup> USSTRATCOM Deterrence and Assurance Academic Alliance purpose. (2021). Available: <http://www.stratcom.mil/Academic-Alliance/>

<sup>37</sup> USSTRATCOM Deterrence and Assurance Academic Alliance members. (2021). Available: <http://www.stratcom.mil/Academic-Alliance/Members/>

<sup>38</sup> National Strategic Research Institute at the University of Nebraska. (2021). Available: <https://nsri.nebraska.edu/>

<sup>39</sup> 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)

<sup>40</sup> National Strategic Research Institute at the University of Nebraska. (October 19, 2021). Available: <https://nsri.nebraska.edu/news/news-releases/2021/10/nsri-awarded-25-million-nnsa-contract-for-strategic-deterrence-nuclear-threat-reduction-support>

<sup>41</sup> Nebraska Today. (September 27, 2021). Available: <https://news.unl.edu/newsrooms/today/article/collaborative-biosecurity-laboratory-opens-to-pursue-ag-defense-research/>

<sup>42</sup> University of Nebraska Medical Center, Governor signs bill supporting NEXt Project. (August 21, 2020). Available: <https://www.unmc.edu/news.cfm?match=26096>

catastrophic disaster such as another pandemic, accident, or overt attack.”<sup>43</sup> In May 2021, UNMC/Nebraska Medicine was selected as “a key pilot site” for Project NExT.<sup>44</sup>

**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 2021, 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.”<sup>45</sup> 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.”<sup>46</sup> Those responsible for legislation and regulatory reform should carefully consider this guidance.

In 2020 the Commission on Military and Veteran Affairs offered that the Legislature could expand Nebraska’s Reservist Tuition Credit Program, administered by the Nebraska Department of Veterans’ Affairs, similar to the expansion of the National Guard tuition assistance program. In March 2021, the Legislature passed LB 4<sup>47</sup> which changed tuition credit provisions for the Reservist Tuition Credit Program. Changes to the Nebraska Department of Veterans’ Affairs Reservist Tuition Credit Program include: an increase from 50% to 75% for undergraduate degrees; an expansion to include 50% tuition credit for graduate and professional degrees; eligibility expansion to include both officers and enlisted members of the Selected Reserve; and an elimination of the 10-year program cutoff. As of October 2021, NDVA has approved 9 Selected Reservists for the revised Reservist Tuition Credit Program since the August 28, 2021 effective date of LB 4.<sup>48</sup> For more information regarding the reserve component, see “Defense Primer: Reserve Forces” published by the Congressional Research Service.<sup>49</sup>

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<sup>43</sup> University of Nebraska Medical Center, NExT: A Nebraska Transformational Project. (2021). Available: <https://www.unmc.edu/next/>

<sup>44</sup> Congressman Don Bacon, press release. (May 5, 2021). Available: <https://bacon.house.gov/news/documentsingle.aspx?DocumentID=646>

<sup>45</sup> 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>

<sup>46</sup> Defense State Liaison Office. (2021). Available: <https://statepolicy.militaryonesource.mil/>

<sup>47</sup> LB 4. (March 17, 2021). Available: <https://nebraskalegislature.gov/FloorDocs/107/PDF/Slip/LB4.pdf>

<sup>48</sup> Nebraska Department of Veterans’ Affairs, Reservist Tuition Credit Program. (2021). Available: <https://veterans.nebraska.gov/reservist-tuition>

<sup>49</sup> Congressional Research Service, Defense Primer: Reserve Forces. (January 28, 2021). Available: <https://crsreports.congress.gov/product/pdf/IF/IF10540>

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

On May 25, 2021 Governor Ricketts approved LB 387 which increased the exemption of military retirement pay from state income taxation. Specifically, LB 387 excludes one hundred percent of military retirement benefit income for taxable years beginning on or after January 1, 2022.<sup>50</sup> LB 387 built upon the passage of LB 153 in 2020.<sup>51</sup>

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 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.<sup>52</sup>

The Nebraska Department of Revenue preliminary data for tax year 2020 indicates 720 returns leading to \$13,086,433 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 2020, this impact would equal \$895,112. For tax year 2019, 667 returns filed the Form 1040N-MIL leading to \$11,611,345 of deducted income. 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 \$794,216, \$654,705, \$526,580, \$373,997, and \$207,728 for tax years 2019, 2018, 2017, 2016, and 2015 respectively.<sup>53</sup>

In total, the impact to the general fund for the first six years of the partial exemption policy appears to be \$3,452,338 (assuming the highest tax bracket, and recognizing that the 2020 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.<sup>54</sup> Additional research and analysis would be required to discern exactly how and why the estimated four year fiscal impact was significantly higher than the actual six year impact (the actual six year impact being a number less than or equal to approximately \$3,452,338). 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

<sup>50</sup> LB 387. (May 25, 2021). Available: <https://nebraskalegislature.gov/FloorDocs/107/PDF/Slip/LB387.pdf>

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

<sup>52</sup> Nebraska Department of Revenue. (2021). Available: [http://www.revenue.nebraska.gov/tax/current/fill-in/f\\_1040n\\_mil.pdf](http://www.revenue.nebraska.gov/tax/current/fill-in/f_1040n_mil.pdf)

<sup>53</sup> Nebraska Department of Revenue, Dr. HoaPhu Tran. (2021). Email correspondence.

<sup>54</sup> LB 987, Fiscal Note. (March 20, 2014). Available: [https://nebraskalegislature.gov/FloorDocs/103/PDF/FN/LB987\\_20140321-135055.pdf](https://nebraskalegislature.gov/FloorDocs/103/PDF/FN/LB987_20140321-135055.pdf)

compensation from the U.S. Department of Veterans Affairs and the offsets associated with military retired pay from the Department of Defense.<sup>55</sup> 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.<sup>56</sup> Given potential “VA offsets,” it is possible that the fiscal note for LB 387 overestimates the fiscal impact of LB 387. 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.<sup>57</sup> For additional insight regarding the military retirement system, see the “Statistical Report on the Military Retirement System” published by the DoD’s Office of the Actuary.<sup>58</sup>

## Recent Congressional Actions Related to Base Realignment and Closure

In 2021, the Department of Defense did not request Base Realignment and Closure (BRAC) authority from Congress for Fiscal Year 2022 nor is Congress expected to include the authority in the FY 2022 National Defense Authorization Act. As of October 1, 2021, the federal government is operating under a continuing resolution that expires December 3, 2021.

The final selection criteria for the 2005 round of base closures and realignments can be found in Title 10 United States Code § 2687.<sup>59</sup> Policy makers and stakeholders should review the 2017, 2018, 2019, and 2020 Commission reports and the 2008 BRAC Task Force report for additional research, analysis, and context related to BRAC. The most recent Congressional Research Service report focused on BRAC was published in 2019.<sup>60</sup>

## 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, 2020, 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 Guard; and from correspondence with Army, Navy, Air Force, and Marine Corps Reserves. Analysts utilize industry-standard approaches (i.e., IMPLAN, IMPact analysis for PLANning<sup>61</sup>) to derive estimates of the direct, indirect, and induced effects of defense and military retiree spending in the state. Direct

<sup>55</sup> 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>

<sup>56</sup> Internal Revenue Service, Information for Veterans. (2021). 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>

<sup>57</sup> Congressional Research Service, Concurrent Receipt of Military Retired Pay and VA Disability. (August 11, 2020). Available: <https://crsreports.congress.gov/product/pdf/IF/IF10594>

<sup>58</sup> DoD Office of the Actuary, Statistical Report on the Military Retirement System. (September 2021). Available: [https://actuary.defense.gov/Portals/15/MRS\\_StatRpt\\_2020%20\[Sept\\_%202021\]\\_1.pdf?ver=kqkpi66f\\_kSlhY5oEn0hWQ%3d%3d](https://actuary.defense.gov/Portals/15/MRS_StatRpt_2020%20[Sept_%202021]_1.pdf?ver=kqkpi66f_kSlhY5oEn0hWQ%3d%3d)

<sup>59</sup> United State Code Title 10, Subtitle A, Part IV, Chapter 159, § 2687. (2021). Available: <http://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title10-section2687&num=0&edition=prelim>

<sup>60</sup> Congressional Research Service, Base Realignment and Closure (BRAC): Background and Issues for Congress. (April 25, 2019). Available: <https://crsreports.congress.gov/product/pdf/R/R45705>

<sup>61</sup> IMPLAN, Impact Analysis for Planning. (2019). Available: <http://implan.com/>

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.<sup>62</sup> The Commission on Military and Veteran Affairs is tasked to prepare an annual report pursuant to Nebraska Revised Statute 55-606.<sup>63</sup>

## **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.

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<sup>62</sup> Nebraska Revised Statute 55-605. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=55-605>

<sup>63</sup> Nebraska Revised Statute 55-606. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=55-606>

As of September 2020, 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.

**55<sup>th</sup> Wing.** Offutt AFB is the home of the 55<sup>th</sup> Wing. The 55<sup>th</sup> 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 55<sup>th</sup> 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.<sup>64</sup>

**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 21<sup>st</sup> century strategic deterrence. The priorities of USSTRATCOM are Strategic Deterrence, Decisive Response, and A Combat-Ready Force.<sup>65</sup> 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.<sup>66</sup>

**557<sup>th</sup> Weather Wing.** In addition to the 55<sup>th</sup> Wing and USSTRATCOM, Offutt AFB is also home to the 557<sup>th</sup> Weather Wing. The 557<sup>th</sup> Weather Wing was formed when the Air Force Weather Agency was re-designated in March 2015. The 557<sup>th</sup> Weather Wing maximizes America's military power through the exploitation of timely, accurate, and relevant weather information anytime and everywhere on the globe.<sup>67</sup> The 557<sup>th</sup> comprises more than 1,450 personnel, 12 squadrons, 5 detachments, and 17 operating locations across the globe. The 557<sup>th</sup> 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

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<sup>64</sup> Nebraska Revised Statute 55-601. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=55-601>

<sup>65</sup> U.S. Strategic Command, Command Snap Shot. (November 2020). Available: <https://www.stratcom.mil/About/Command-Snapshot/>

<sup>66</sup> Nebraska Revised Statute 55-601. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=55-601>

<sup>67</sup> 557<sup>th</sup> Weather Wing Fact Sheet. (November 2020). Available: <http://www.557weatherwing.af.mil/About-Us/>



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.<sup>68</sup> Pursuant to Nebraska Revised Statute 55-601, the Commander of the 557<sup>th</sup> 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.<sup>69</sup>

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

The 595<sup>th</sup> Command and Control Group, located at Offutt AFB, and "aligned under Eighth Air Force and Air Force Global Strike Command"<sup>70</sup> was activated in October 2016.<sup>71</sup> By realigning the 625<sup>th</sup> Strategic Operations Squadron, the 1<sup>st</sup> Airborne Command and Control Squadron, the 595<sup>th</sup> Aircraft Maintenance Squadron, and 595<sup>th</sup> Strategic Communications Squadron under one command, the 595<sup>th</sup> 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."<sup>72</sup>

The 343<sup>rd</sup> 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.<sup>73</sup> The 343<sup>rd</sup> RCS is tasked with recruiting highly talented and qualified personnel into the Air Force. The 20<sup>th</sup> 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."<sup>74</sup> The U.S. Air Force Heartland of America Band, a 15-member unit, has been assigned to Offutt AFB since 1948.<sup>75</sup> 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

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<sup>68</sup> 557<sup>th</sup> Weather Wing Headquarters Building. (August, 2017). Available: <http://www.557weatherwing.af.mil/Fact-Sheets/Article/871835/557th-weather-wing-headquarters-building/>

<sup>69</sup> Nebraska Revised Statute 55-601. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=55-601>

<sup>70</sup> 595<sup>th</sup> Command and Control Group. (2020). Available: <https://www.8af.af.mil/Units/595th-Command-and-Control-Group/>

<sup>71</sup> 55<sup>th</sup> Wing Public Affairs. (2016). Available: <https://www.acc.af.mil/News/Article-Display/Article/965021/595th-command-and-control-group-activates-at-offutt/>

<sup>72</sup> 595<sup>th</sup> Command and Control Group. (2020). Available: <https://www.8af.af.mil/Units/595th-Command-and-Control-Group/>

<sup>73</sup> 343<sup>rd</sup> Recruiting Squadron. (2020). Available: <https://www.recruiting.af.mil/About-Us/Fact-Sheets/Display/Article/714509/343rd-recruiting-squadron/>

<sup>74</sup> 55<sup>th</sup> 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/>

<sup>75</sup> USAF Heartland of America Band. (2020). Available: <https://www.music.af.mil/Bands/US-Air-Force-Heartland-of-America-Band/About-Us/>

derived from the *Offutt Air Force Base Economic Impact Statement 2020*.<sup>76</sup> 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 8,829 individuals. The majority of these employees (6,483) are military members, with an additional 2,376 civilian employees. A number of other employees from 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.

Active Duty Air Force	5,866
Active Duty Army, Navy, Marines	587*
Total Nebraska-Based Military	6,453
Appropriated Fund Civilians	2,376
<b>Total</b>	<b>8,829</b>
*This number may include some Reservists, as the distribution of Active Duty and Reservists was not delineated in the Offutt AFB Economic Impact Statement 2020.	

Total payroll figures from the Offutt AFB Economic Impact Statement indicate over \$872.6 million in payroll to military and civilian members (see Table 7). The majority of payroll and benefits was spent on military members (\$453.4 million), with pay and benefits to appropriated civilian personnel totaling \$259.9 million. In addition, over \$502.5 million in general operating expenditures were spent in FY 2020. These costs were devoted to construction, service contracts, and other federal expenditures. In sum, over \$1.38 billion in total expenditures were made in FY 2020.

<b>Payroll</b>	<b>Dollars</b>
Military Members-All Services	\$453,406,184
Appropriated Fund Civilians	\$259,880,301
Other Civilian Employees	\$10,115,269
Contractors	\$149,211,445
<b>Total Payroll</b>	<b>\$872,613,199</b>
<b>Base Expenditures</b>	
Construction	\$51,431,963
Service Contracts	\$354,599,924
Other Federal Expenditures	\$96,478,251
<b>Total Base Expenditures</b>	<b>\$502,510,138</b>
<b>Total Payroll and Expenditures</b>	<b>\$1,375,123,337</b>
Source: Offutt Air Force Base Economic Impact Statement 2020.	

<sup>76</sup> Offutt Air Force Base Economic Impact Statement. (2020). Available: <https://www.offutt.af.mil/Portals/97/FY20%20Economic%20Impact%20Statement.pdf>

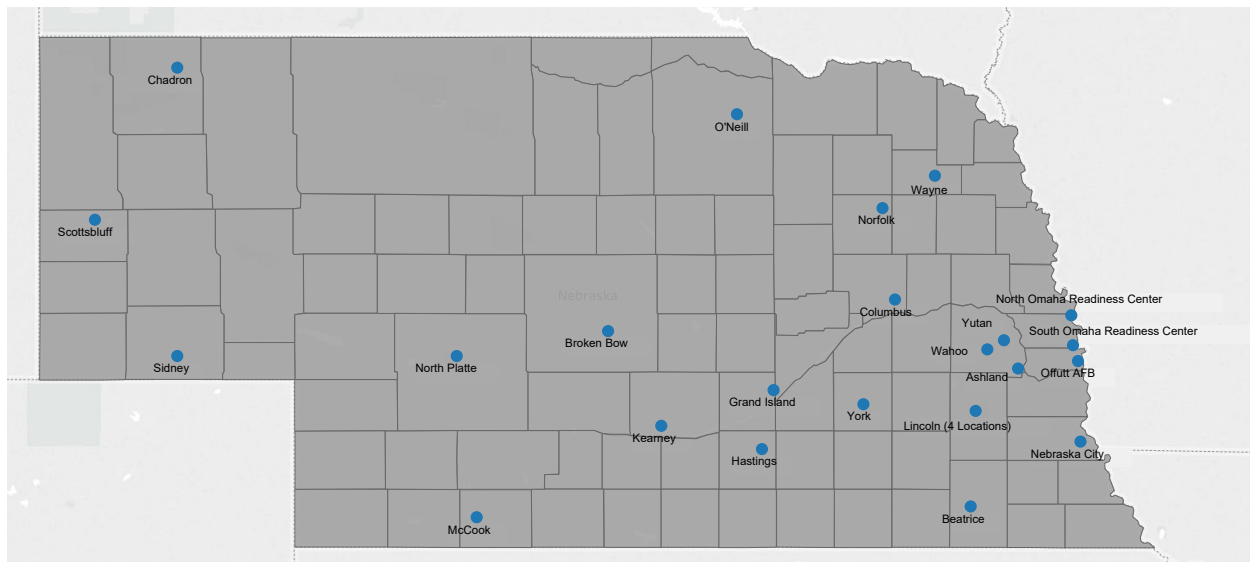


## Nebraska National Guard, Air National Guard, and Nebraska Emergency Management Agency

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,<sup>77</sup> 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.

<sup>77</sup> The report was made available to BBR researchers in October, 2020, via the Nebraska National Guard office of Government Relations.

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 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.

<b>Table 8. Nebraska National Guard Employment, FY 2020</b>	
Traditional National Guard	2,888
Active Guard Reserve Title 32	375
Active Duty Title 10	22
<b>Total Military Personnel</b>	<b>3,285</b>
State Personnel Serving Either Army or Air National Guard	125.5
State Personnel Serving Both Army & Air National Guard	16
State Personnel Serving NEMA	58*
<b>Military Department Total Personnel</b>	<b>3,484</b>
Source: Direct communication with Nebraska National Guard Government Relations Specialist.	
*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).<sup>78</sup> The data from the 2018 Annual Report indicate there are 4,422 total military and state employees across the Nebraska National Guard.<sup>79</sup> 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.

<b>Table 9. Nebraska National Guard Payroll, Benefits, and Operations</b>	
Federally Funded Payroll	\$145,433,347
Benefits	\$53,228,605*
Federally Funded Operational Funds	\$76,292,566
<b>Total Payroll, Benefits and Operations</b>	<b>\$274,954,518</b>
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

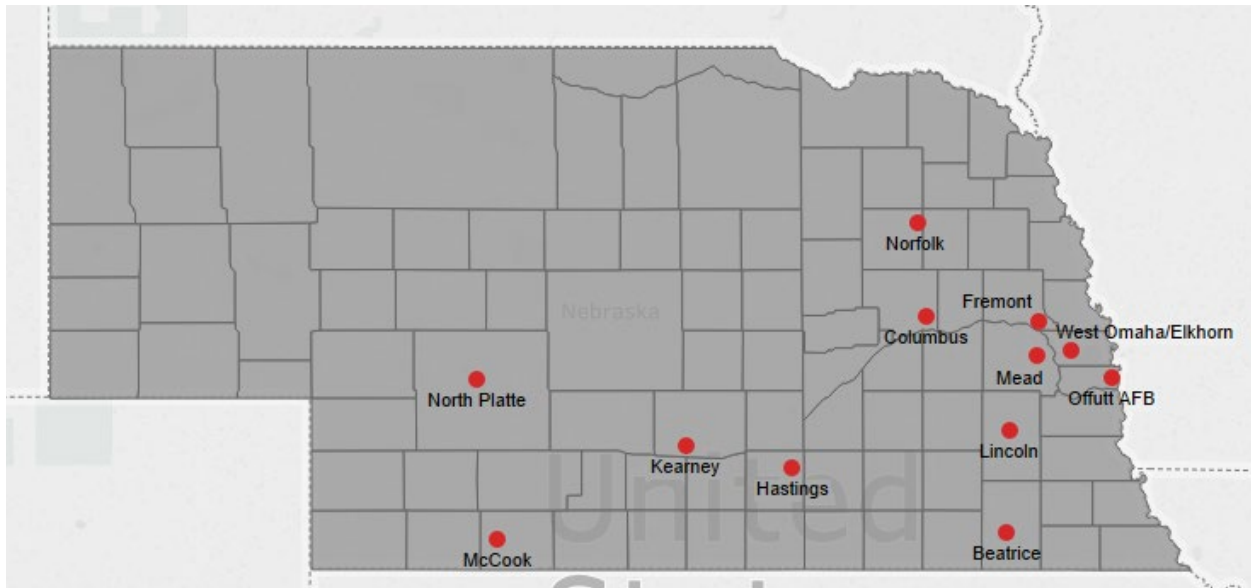
**Army Reserve.** The Army Reserve is the Army’s federal reserve force that provides depth and support to the Joint Force. The Army Reserve provides access to trained and ready Soldiers, leaders, and cohesive units.<sup>80</sup> The Army Reserve maintains facilities and units throughout Nebraska, as presented in Figure 3.

<sup>78</sup> Nebraska Military Department, Nebraska National Guard, Nebraska Emergency Management Agency 2019 Annual Report. Report provided to authors.

<sup>79</sup> Ibid. p21.

<sup>80</sup> U.S. Army Reserve, About Us. (2021). 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.<sup>81</sup>

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).<sup>82</sup>

	Number	Payroll
Army Reserve Personnel and Active Guard Reserve	1,313	\$35,523,717
Civilian Personnel	57	\$5,581,951
<b>Total</b>	<b>1,370</b>	<b>\$41,105,668</b>

Source: Army Reserve Ambassador Program, State of Nebraska: <https://www.usar.army.mil/Featured/Ambassador-Program/Find-an-Ambassador/Nebraska/>

<sup>81</sup> U.S. Army Reserve, State of Nebraska and the United States Army Reserve. (2021). Available: <http://www.usar.army.mil/Featured/Ambassador-Program/Find-an-Ambassador/Nebraska/>

<sup>82</sup> Nebraska Army Reserve Economic Impact Data obtained via State of Nebraska, Army Reserve Ambassador Program. (2021). 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 49<sup>th</sup> Intel Squadron (part of the 655<sup>th</sup> Intelligence, Surveillance, and Reconnaissance Group), the 960<sup>th</sup> Network Warfare Flight (part of the 960<sup>th</sup> 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, 205 military and 6 civilian (211 total) employees are located at Offutt AFB. A 2020 economic impact report conducted by the Air Force Reserve Command indicated that salary for Reservists and Civilians is \$11.8 million. While no information on operating expenses was provided for 2020, in previous years, operating expenses were computed to be \$1.4 million in construction, services, and travel. This results in a total of \$11.8 million in salary and operations for these units (see Table 11).

<b>Table 11. Air Force Reserve Personnel and Expenses</b>		
	Number	Payroll and Operations
Air Force Reserve and Civilian Personnel	211	\$11.8 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 4<sup>th</sup> 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 2020, personnel include 12 active duty personnel, 4 active reserve personnel (three U.S. Marine Corps and one U.S. Navy), and 120 Reserve personnel, for a total of 136 personnel stationed in Omaha. Annual salary was \$2.76 million, and total annual operating costs were \$379,831.<sup>83</sup>

**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.<sup>84</sup>

**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 709 employees located at the headquarters in downtown Omaha as FY 2020. These employees help the Corps execute military construction, civil works, and environmental restoration projects in Nebraska and throughout the region. Communications with the USACE Omaha Division reveal a payroll of \$58.9 million (see Table 12).<sup>85</sup>

<sup>83</sup> *Marine Corps Reserve Point Paper*. Document provided to authors.

<sup>84</sup> *Navy Operational Support Center Omaha, Nebraska 2019 Economic Impact*. Document provided to authors.

<sup>85</sup> *U.S. Army Corps of Engineers, Omaha District*. Document provided to authors.

	Number	Payroll
Personnel	709	\$58,847,000

Source: Personal communication with U.S. Army Corps of Engineers, Omaha District. (2021).

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 2020. As the table indicates, operation and maintenance costs for Gavins Point Dam were over \$10 million, with an additional \$2.5 million in costs to operate and maintain Harlan County Lake in south central Nebraska. All told, \$14.8 million in operation and maintenance costs were accrued during FY 2020. These figures are slightly lower than spending levels in recent history. When combined with the estimated payroll of personnel at USACE Omaha District Headquarters, there was about \$73.7 million in spending by the USACE in Nebraska in FY 2020.

	Operation	Maintenance	Total
Gavins Point Dam, Lewis and Clark Lake	\$8,222,000	\$1,861,000	\$10,083,000
Harlan County Lake	\$2,241,000	\$273,000	\$2,514,000
Missouri River – Kenslers Bend, NE to Sioux City, IA	\$77,000	\$36,000	\$113,000
Papillion Creek	\$791,000	\$171,000	\$962,000
Salt Creeks and Tributaries	\$909,000	\$233,000	\$1,142,000
<b>Total</b>			<b>\$14,814,000</b>

Source: Department of the Army Office, Assistant Secretary of the Army. (February, 2019). Fiscal Year 2020: Civil Works Budget of the U.S. Army Corps of Engineers. Available: <https://usace.contentdm.oclc.org/digital/collection/p16021coll6/id/2109>

**National Strategic Research Institute.** The National Strategic Research Institute<sup>86</sup> (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.<sup>87</sup> 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.

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<sup>86</sup> National Strategic Research Institute. (2021). Available: <https://nsri.nebraska.edu/>

<sup>87</sup> 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 2020, there are currently 14,609 military retirees in Nebraska.<sup>88</sup> This number is down slightly from 14,641 retirees in FY 2019, 14,600 in FY 2018, 14,654 retirees in FY 2017, and 14,660 retirees in FY 2016. Of the military retirees in FY 2020, 13,603 receive pension payments from the Federal Government through the DoD; this number is down from 13,662 in FY 2019, and 13,636 paid retirees in FY 2018. In FY 2020, the total amount of monthly pension payments was \$33.10 million, up from \$32.73 million dollars in FY 2019 and from \$31.73 million in payments in FY 2018. Extrapolating this number across FY 2020, military retiree pension payments totaled \$397.2 million in the state. This figure is up from \$392.76 million in FY 2019, \$380.7 million in payments in FY 2018, and from \$373.32 million in payments in FY 2017 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 2020. The largest number of military retirees in the state are retired from the Air Force, likely a residual of the large contingent of Air Force personnel at Offutt AFB.

	Military Retirees Receiving Compensation	Monthly Payments (in millions)	Annual Payments (in millions)
Army	3,351	\$6.38	\$76.58
Navy	1,808	\$4.22	\$50.63
Marines	347	\$0.87	\$10.49
Air Force	8,097	\$21.63	\$259.54
<b>Total</b>	<b>13,603</b>	<b>\$33.10</b>	<b>\$397.24</b>

Source: DoD Office of the Actuary, Statistical Report on the Military Retirement System, Fiscal Year 2020. Available: [https://actuary.defense.gov/Portals/15/MRS\\_StatRpt\\_2020%20\[Sept\\_%202021\]\\_1.pdf?ver=kqkpi66f\\_kSlhY5oEn0hWQ%3d%3d](https://actuary.defense.gov/Portals/15/MRS_StatRpt_2020%20[Sept_%202021]_1.pdf?ver=kqkpi66f_kSlhY5oEn0hWQ%3d%3d)

<sup>88</sup> DoD Office of the Actuary, Statistical Report on the Military Retirement System, Fiscal Year 2020. (2021). Available: [https://actuary.defense.gov/Portals/15/MRS\\_StatRpt\\_2020%20\[Sept\\_%202021\]\\_1.pdf?ver=kqkpi66f\\_kSlhY5oEn0hWQ%3d%3d](https://actuary.defense.gov/Portals/15/MRS_StatRpt_2020%20[Sept_%202021]_1.pdf?ver=kqkpi66f_kSlhY5oEn0hWQ%3d%3d)



## U.S. Department of Veterans Affairs

The U.S. Department of Veterans Affairs (VA),<sup>89</sup> provides services in several locations throughout the state (see Figure 4).<sup>90</sup> 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.<sup>91</sup> 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.<sup>92</sup> The VA Multi-Specialty Outpatient Clinic in Sidney falls under the Cheyenne VA Medical Center, a part of VISN 19: Rocky Mountain Network.<sup>93</sup> “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.

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<sup>89</sup> 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.

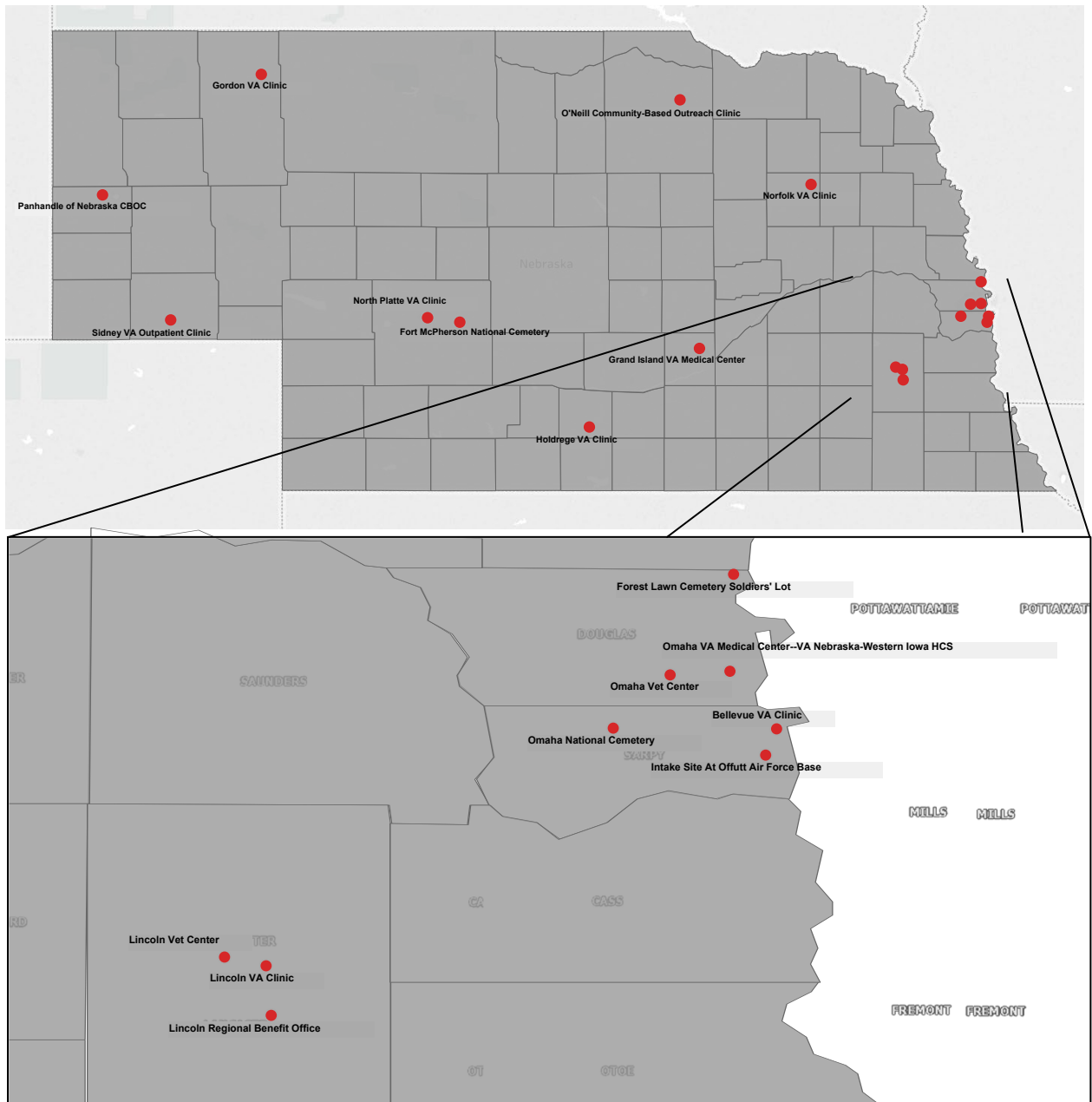
<sup>90</sup> U.S. Department of Veterans Affairs, VA Locations and Facilities in Nebraska. (October, 2021). Available: [https://www.va.gov/Directory/guide/fac\\_list\\_by\\_state.cfm?State=NE&dnum=All](https://www.va.gov/Directory/guide/fac_list_by_state.cfm?State=NE&dnum=All)

<sup>91</sup> VA Nebraska-Western Iowa Health Care System. (2021). Available: <https://www.nebraska.va.gov/>

<sup>92</sup> VA Black Hills Health Care System. (2021). Available: <https://www.blackhills.va.gov/>

<sup>93</sup> Sidney VA MSOC. (2021). Available: [https://www.cheyenne.va.gov/locations/Sidney\\_VA\\_MSOC.asp](https://www.cheyenne.va.gov/locations/Sidney_VA_MSOC.asp)

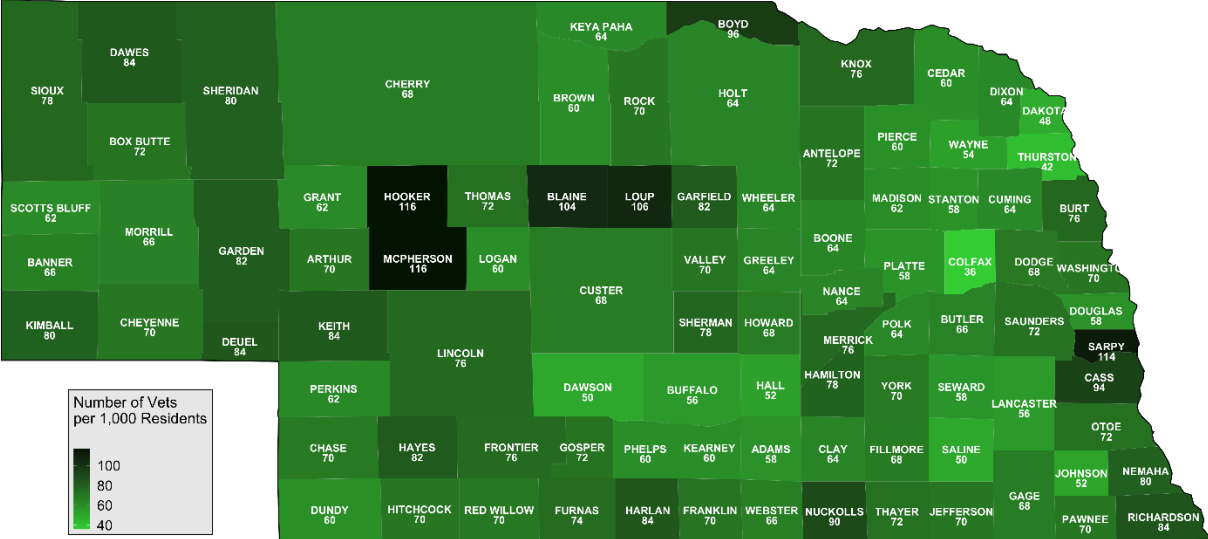
**Figure 4. VA Facilities and Locations in the State of Nebraska**



Across its various locations in Nebraska, the VA provides a wide variety of services to the many veterans living in the state. These services include the full range of health services to meet the needs of Nebraska veterans. Locations also provide services to homeless veterans and help provide housing options to at-risk veterans.



**Figure 6. Number of Veterans per 1,000 Residents (FY 2020)**



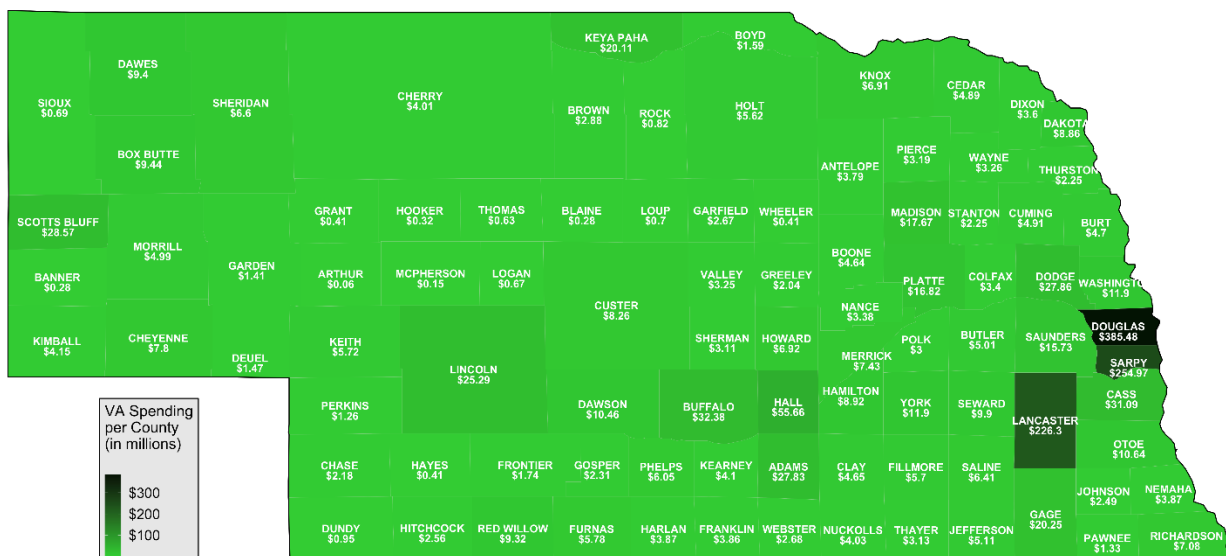
The VA provides extensive benefits to the veterans living throughout Nebraska. Table 15 presents the full details of statewide VA spending. In FY 2020, the total amount of VA spending in Nebraska was over \$1.51 billion, with 47,754 unique patients throughout the state. The FY 2020 spending was an increase from the \$1.36 billion in FY 2019, and \$1.19 in spending in FY 2018. The total amount of spending is spread across several broad categories: Compensation and Pension; Construction; Education and Vocational Rehabilitation/Employment; General Operating Expenses; Insurance and Indemnities; and Medical Care. The largest proportion of FY 2020 spending was on compensation and pension (\$698.2 million), followed by medical care (\$649.9 million). An analysis of VA spending per unique patient shows that the VA spent about \$31,681 per unique patient. This represents an increase from \$27,987 per unique patient in 2019, and \$24,685 per unique patient in FY 2018.

	FY 2017	FY 2018	FY 2019	FY 2020
Compensation & Pension	\$582.54	\$554.79	\$645.76	\$698.16
Construction	\$17.00	\$12.51	\$37.99	\$48.40
Education & Vocational Rehabilitation/ Employment	\$61.91	\$56.84	\$64.76	\$59.47
General Operating Expenses	\$40.74	\$41.12	\$45.52	\$48.06
Insurance & Indemnities	\$12.31	\$10.96	\$9.72	\$8.86
Medical Care	\$496.29	\$515.43	\$552.46	\$649.94
<b>Total FY Spending</b>	<b>\$1,210.79</b>	<b>\$1,191.64</b>	<b>\$1,356.20</b>	<b>\$1,512.90</b>
Unique Patients	48,179	48,273	48,458	47,754
Spend per Unique Patient	\$25,115	\$24,685	\$27,987	\$31,681

Source: FY 2020 data derived from: U.S. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics, Geographic Distribution of Expenditures, Fiscal Year 2020. FY 2019, 2018, and 2017 data derived from previous years’ reports.

To understand the general distribution of VA dollars in Nebraska, it is useful to examine VA spending levels in each county. Figure 7 presents the total amount of VA spending per county in Nebraska in FY 2020. Once again, the largest spending totals are seen in the counties with the highest numbers of military veterans. It is likely that VA spending contributes to health care spending as veterans purchase health care and related services primarily in the county in which they live. However, it is also likely that a significant proportion of veterans in rural counties must travel to population centers to receive required health care. It is clear from the map that VA spending impacts every county in the state, contributing millions of dollars to the state and local economies.

**Figure 7. VA Expenditures per County in the State of Nebraska (FY 2020, in millions)**



The above map above presents important information about where federal VA dollars are flowing in the state. However, it may be useful to examine VA spending per capita at the county level. Such an analysis provides a more standardized way to view the potential impact of VA spending, in relation to the total population in a county. Figure 8 presents the results of this analysis, with darker shades of green related to more per-veteran spending in the county. As the figure illustrates, many of the counties with higher per-veteran spending are located in the central and south-central portions of the state. Several counties in the panhandle also have relatively high per-veteran spending rates; Franklin County had the highest per-veteran spending in the state with \$18,217 spent per veteran. Note that Keya Paha County in North Central Nebraska was not included in the analysis given the inordinately high amount of spending in relation to the veteran population (48 veterans).



## Nebraska Department of Veterans' Affairs

The State of Nebraska Department of Veterans' Affairs (NDVA) also provides health care-related services to veterans in the state. NDVA operates four veterans homes located in Bellevue, Kearney, Norfolk, and Scottsbluff. These homes provide a variety of medical, nursing, and rehabilitative services. The services range from assisted living care to skilled nursing care.<sup>96</sup> The Veterans' Homes Board makes "all final determinations regarding admission, or continued admission, to one of the homes."<sup>97</sup> 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.<sup>98</sup> Veterans' Aid Fund payments for State fiscal years 2017-2018, 2018-2019, and 2019-2020 were \$1,450,671,<sup>99</sup> \$1,450,671 and \$1,450,671 respectively.<sup>100</sup> NDVA is also responsible for the Nebraska Veterans Cemetery at Alliance which was recently ranked "in the top 3% to 5% of cemeteries inspected" by the USDVA's National Cemetery Administration.<sup>101</sup>

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<sup>96</sup> Nebraska Revised Statute 80-316. (2021). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=80-316>

<sup>97</sup> Nebraska Revised Statute 80-319. (2021). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=80-319>

<sup>98</sup> Nebraska Veterans Aid Fund. (2021). Available: <https://veterans.nebraska.gov/nebraska-veterans-aid-fund-nva>

<sup>99</sup> Nebraska Legislative Fiscal Office, A Legislator's Guide to Nebraska State Agencies. (December 2020). Available: <https://nebraskalegislature.gov/pdf/reports/fiscal/2021legguide.pdf>

<sup>100</sup> Nebraska Department of Veterans' Affairs, NVA Program Manager. (November 2020). Email correspondence.

<sup>101</sup> Panhandle Post. (2018). Available: <https://www.panhandlepost.com/nebraska-state-veterans-cemetery-at-alliance-gets-an-a-on-survey/>

<b>Table 16. Nebraska Department of Veterans' Affairs Appropriations, 2017-2021 Biennia</b>				
	<b>FY 2017-2018</b>	<b>FY 2018-2019</b>	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>
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
<b>Agency Total</b>	<b>\$65,967,409</b>	<b>\$66,689,012</b>	<b>\$68,251,731</b>	<b>\$69,631,339</b>
Sources: State of Nebraska, Administrative Services, State Budget Division: Program Appropriations by Fund Type, 2017-2019 Biennium. Available: <a href="https://budget.nebraska.gov/assets/program-appropriations-summary-by-fund-type-(2018-session).pdf">https://budget.nebraska.gov/assets/program-appropriations-summary-by-fund-type-(2018-session).pdf</a>				
State of Nebraska, Administrative Services, State Budget Division: Program Appropriations by Fund Type, 2019-2021 Biennium. Available: <a href="https://budget.nebraska.gov/assets/program-appropriations-summary-by-fund-type-(2019-session).pdf">https://budget.nebraska.gov/assets/program-appropriations-summary-by-fund-type-(2019-session).pdf</a>				

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#### 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.<sup>102</sup> 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 nearly 500 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 industry detail to calculate unique economic multipliers for each relevant industry or type of household spending.<sup>103</sup>

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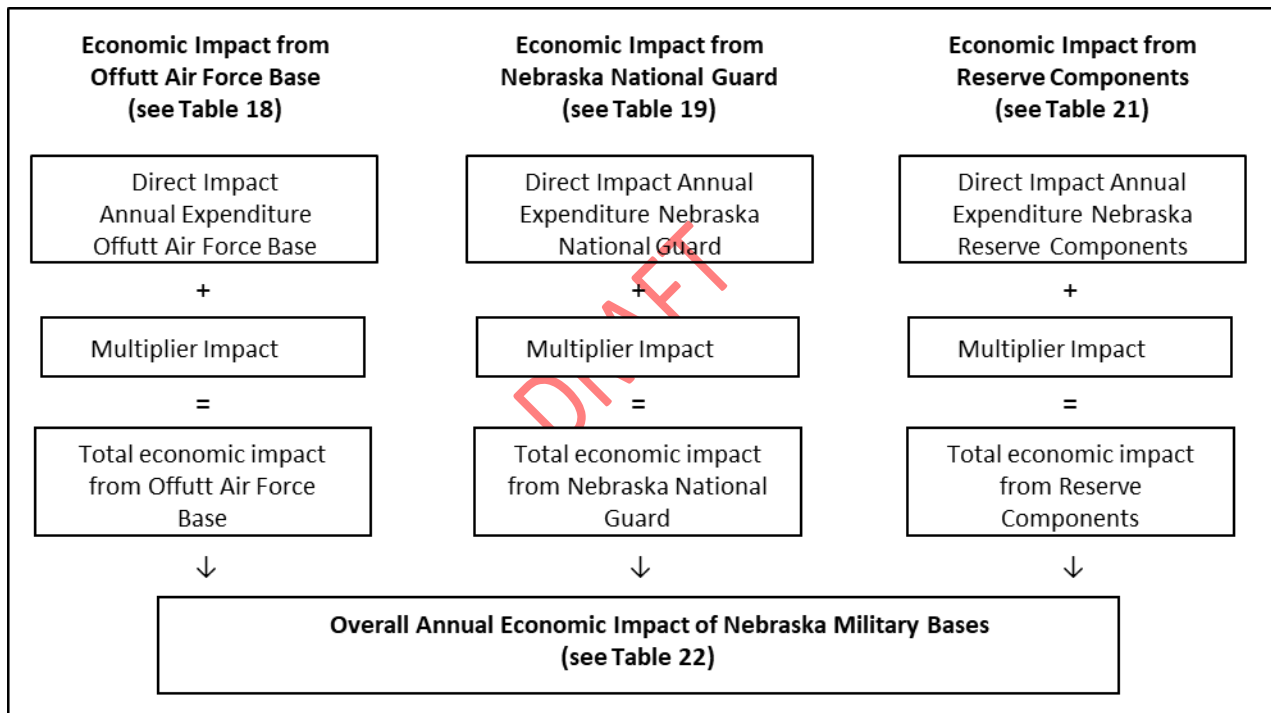
<sup>102</sup> Nebraska Revised Statute 55-606. (2021). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=55-606>

<sup>103</sup> Income from military pensions and veteran compensation only generates a multiplier impact as income is spent.

## 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**



**Offutt Air Force Base.** The report *Offutt Air Force Base Economic Impact Statement 2020*<sup>104</sup> reported military and civilian employment at the base of 8,829 and \$713.3 million<sup>105</sup> in military and civilian payroll. Payroll is combined with \$102.0 million in other federal expenditures to yield a direct output impact of \$815.3 million. The output, payroll (employee compensation) and employment values are reported in Table 16.

The report *Offutt Air Force Base Economic Impact Statement 2020* further indicates that there is spending of \$354.6 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

<sup>104</sup> Offutt Air Force Base Economic Impact Statement 2020. (2021). Available:

<https://www.offutt.af.mil/Portals/97/FY20%20Economic%20Impact%20Statement.pdf>

<sup>105</sup> 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.

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 2020 contract spending yields an estimated \$299.1 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 2,043 full-year equivalent jobs with employee compensation of \$124.2 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 2020* also reports construction spending during fiscal year 2020 of \$51.4 million. Based on industry averages available from the IMPLAN model, that level of construction spending would support an estimated 408 full-year jobs and \$22.7 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 2020 was \$1,165.8 million. The total direct impact in terms of employee compensation is \$860.2 million and the direct employment impact is 11,280 jobs.

	Output (Millions of \$)	Employee Compensation (Millions of \$)	Employment
Military and Civilian	\$815.3	\$713.3	8,829
Service Contracts	\$299.1	\$124.2 <sup>1</sup>	2,043 <sup>1</sup>
Construction	\$51.4	\$22.7 <sup>1</sup>	408 <sup>1</sup>
<b>Total</b>	<b>\$1,165.8</b>	<b>\$860.2</b>	<b>11,280</b>
Source: <i>Offutt Air Force Base Economic Impact Statement 2020</i> and BBR calculations using IMPLAN			
<sup>1</sup> 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 2020. 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 Offutt Air Force Base during Fiscal Year 2020 was \$2,002.1 million in output, including \$1,121.7 million in employee compensation paid to 16,836 workers.

	Direct Impact	Multiplier Impact	Total Impact
Output (Millions of \$)	\$1,165.8	\$836.3	\$2,002.1
Employee Compensation (Millions of \$)	\$860.2	\$261.5	\$1,121.7
Employment	11,280	5,556	16,836
Source: <i>Offutt Air Force Base Economic Impact Statement 2020</i> 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. Data are from the year 2019 since 2020 data is not available. 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.<sup>106</sup> These employees receive payroll support and benefits of \$155.4 million from the federal government, again either directly or passed-through state government.<sup>107</sup> 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.<sup>108</sup> 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.<sup>109</sup>

Table 19 shows the total annual economic impact of the Nebraska National Guard on the state during Fiscal Year 2019.<sup>110</sup> The total annual impact includes the direct impacts and the multiplier impacts 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.

	<b>Direct Impact</b>	<b>Multiplier Impact</b>	<b>Total Impact</b>
Output (Millions of \$)	\$229.4	\$112.8	\$342.1
Employee Compensation (Millions of \$)	\$155.4	\$34.4	\$189.8

<sup>106</sup> The 58 NEMA employees were not included in the present analysis. Thus, the total number of employees is 4,408 rather than 4,466.

<sup>107</sup> 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.

<sup>108</sup> 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.

<sup>109</sup> 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.

<sup>110</sup> 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/USSTRATCOM in 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.

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.<sup>111</sup> Data from the Army and Air Force Reserve are for 2020 and data from the Marine Reserve are for Fiscal Year 2021. The Navy Reserve was not able to provide updated data for 2020 so values from the 2019 study are utilized.

<b>Table 20. Direct Employment, Employee Compensation and Output Impact of Nebraska-based Reserve Forces</b>			
	<b>Output (Millions of \$)</b>	<b>Employee Compensation (Millions of \$)</b>	<b>Employment</b>
Air Force Reserve	\$12.6	\$11.8	211
Army Reserve	\$43.4	\$41.1	1,370
Marine Corps Reserve	\$3.1	\$2.8	136
Navy Reserve	\$4.1	\$1.8	270
<b>Total</b>	<b>\$63.2</b>	<b>\$57.4</b>	<b>1,987</b>
Source: Air Force Reserve Command data provided by email, Army Reserve Impacts FY 2020 (By The Numbers), U.S. Marine Corps Reserve (Omaha Nebraska) Economic Impact 2020, Navy Operational Support Center Omaha, NE Economic Impact 2019			

The total direct economic impact of Reserve Components in Nebraska is \$63.2 million over a one-year period. The impact includes \$57.4 million in compensation spread over 1,987 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 \$109.0 million in output, including \$71.7 million in employee compensation paid to workers in 2,289 jobs.

<b>Table 21. The Annual Economic Impact of Reserve Forces on Nebraska</b>			
	<b>Direct Impact</b>	<b>Multiplier Impact</b>	<b>Total Impact</b>
Output (Millions of \$)	\$63.2	\$45.8	\$109.0

Air Force Reserve Command data provided by email, Army Reserve Impacts FY 2020 (By The Numbers), U.S. Marine Corps Reserve (Omaha Nebraska) Economic Impact 2020, Navy Operational Support Center Omaha, NE Economic Impact 2019

Employee Compensation (Millions of \$)	\$57.4	\$14.2	\$71.7
Employment	1,987	302	2,289
Source: Air Force Reserve Command data provided by email, Army Reserve Impacts FY 2020 (By The Numbers), U.S. Marine Corps Reserve (Omaha Nebraska) Economic Impact 2020, Navy Operational Support Center Omaha, NE Economic Impact 2019, 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 \$2,453.2 million in terms of output, including \$1,383.2 million in employee compensation paid to workers in 24,297 jobs. When interpreting these numbers through the lens of an input-output analysis, it is possible to say that the multiplier effect is 1.68.

	<b>Direct Impact</b>	<b>Multiplier Impact</b>	<b>Total Impact</b>
Output (Millions of \$)	\$1,458.4	\$994.8	\$2,453.2
Employee Compensation (Millions of \$)	\$1,073.1	\$310.1	\$1,383.2
Employment	17,675	6,621	24,297
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 \$397.2 million in payments by the military retirement system to residents of Nebraska during Fiscal Year 2020, according to the *Statistical Report on the Military Retirement System Fiscal Year 2020* (DoD Office of the Actuary, 2021). These payments were made to 13,603 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.<sup>112</sup> 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 2020. The annual impact from military retirement payments was \$397.2 million in terms of output, including \$127.8 million in employee compensation paid to workers in 2,668 jobs.

<sup>112</sup> 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.

<b>Table 23. The Annual Economic Impact of Military Retirement System Payments on the Nebraska Economy</b>			
	Output (Millions \$)	Employee Compensation (Millions \$)	Employment (Jobs)
Total Economic Impact	\$397.2	\$127.8	2,668

Source: *Statistical Report on the Military Retirement System Fiscal Year 2020* and BBR calculations using IMPLAN

### Economic Impact of Veterans Affairs Spending

The U.S. Department of Veterans Affairs spent \$1.51 billion in the State of Nebraska during Fiscal Year 2020, according to the report *Geographic Distribution of VA Expenditures for Fiscal Year 2020* 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 2020 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 \$48.1 million.

<b>Table 24. Veterans Affairs Spending in Nebraska Fiscal Year 2020 By Program</b>	
Purpose/Program	Amount Fiscal Year 2020 (Millions \$)
General Operating Expenses	\$48.1
Construction	\$48.4
Compensation and Pension	\$698.2
Medical Care	\$649.9
Education & Vocational Rehabilitation/Employment	\$59.5
Insurance & Indemnities	\$8.9

Source: *Geographic Distribution of VA Expenditures for Fiscal Year 2020*

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 \$1,220.9 million, including a direct economic impact of \$649.9 and a multiplier impact of \$571.0. The total annual economic impact from employee compensation and pension payments is \$722.7 million. The total annual economic impact from all Veterans Affairs spending in Nebraska was \$2,223.7 during Fiscal Year 2020. From an input-output perspective, the multiplier effect for VA spending was 1.84.

<b>Table 25. The Annual Economic Impact on Nebraska from Veterans Affairs Spending</b>			
Impact in Terms of Output	Direct Impact (Millions \$)	Multiplier Impact (Millions \$)	Total Impact (Millions \$)
General Operating Expenses	\$48.1	\$26.3	\$74.4
Construction	\$48.4	\$40.1	\$88.5
Compensation and Pension	\$0.0 <sup>a</sup>	\$722.7	\$722.7
Medical Care	\$649.9	\$571.0	\$1,220.9
Education & Vocational Rehabilitation/Employment	\$59.5	\$57.8	\$117.3
<b>Total</b>			<b>\$2,223.7</b>

Source: *Geographic Distribution of VA Expenditures for Fiscal Year 2020* and BBR calculations using IMPLAN

<sup>a</sup> There was \$698.2 million in VA Compensation and Pension payments in FY 2020. 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 \$722.7 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 \$911.1 million in employee compensation paid to workers in 16,953 jobs. Once again, the largest contribution to the annual impact was Veterans Affairs spending on medical care followed by spending on compensation and pensions.

<b>Table 26. The Annual Economic Impact on Nebraska from Veterans Affairs Spending: Employee Compensation and Employment</b>		
	Employee Compensation (Millions \$)	Employment (Jobs)
General Operating Expenses	\$41.1	464
Construction	\$38.5	732
Compensation and Pension	\$224.7	4,689
Medical Care	\$566.2	9,945
Education & Vocational Rehabilitation/Employment	\$40.6	1,123
<b>Total</b>	<b>\$911.1</b>	<b>16,953</b>

Source: *Geographic Distribution of VA Expenditures for Fiscal Year 2020* 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 2020, the U.S. Army Corps of Engineers (USACE) Omaha Division had 709 employees at its headquarters in downtown Omaha, with an annual payroll of \$58.8 million.

USACE also had operations and maintenance projects within Nebraska totaling \$14.81 million during Fiscal Year 2020. 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 \$120.2 million while USACE operations and maintenance had an annual impact of \$23.8 million during FY 2020. The total annual impact of USACE overall is \$144.0 million, including \$87.5 million in employee compensation spread over 1,228 jobs.

	Output (Millions \$)	Employee Compensation (Millions \$)	Employment (Jobs)
USACE Headquarters	\$120.2	\$73.4	1,018
USACE Operations and Maintenance	\$23.8	\$14.1	210
USACE Total	\$144.0	\$87.5	1,228

Source: Correspondence with the U.S. Army Corp of Engineers Omaha Office. Fiscal Year 2020: Civil Works Budget of the U.S. Army Corps of Engineers. Available: <https://usace.contentdm.oclc.org/utills/getfile/collection/p16021coll6/id/2109>.

## 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-911 GI Bill students in Nebraska received \$19.4 million worth of tuition and fee benefits during FY 2020. 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 \$19.4 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 \$19.4 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 2020. The total annual impact of GI Bill higher education benefits in FY 2020 is \$34.0 million, including \$15.0 million in employee compensation spread over 369 jobs.

	Output (Millions \$)	Employee Compensation (Millions \$)	Employment (Jobs)
Direct Impact	\$19.4	\$10.8	279
Multiplier Impact	\$14.6	\$4.2	90
Total Impact	\$34.0	\$15.0	369

Source: VA GI Bill Comparison Tool Data 2020 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 2020. 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 2020**

Source of Impact	Output (Million \$)	Employee Compensation (Millions \$)	Employment (Jobs)
Military Bases	\$2,453.2	\$1,383.2	24,297
Military Retirement System Payments	\$411.2	\$127.8	2,668
Veterans Affairs Spending	\$2,223.71,935.8	\$911.1	16,953
Army Corp of Engineers	\$144.0	\$87.5	1,228
GI Bill Benefits	\$34.0	\$15.0	369

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.<sup>113</sup> The next section of this report examines such “supply-side” benefits from Nebraska’s military bases.

<sup>113</sup> 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](https://nebraskalegislature.gov/FloorDocs/105/PDF/Agencies/Veterans_Affairs_Department_Of/610_20171120-163741.pdf)

## 5. DoD and VA Supply Chain Analysis

As we know, Nebraska businesses provided valuable goods and services to federal entities working in the state. Through this report, and previous years' reports, the NCMVA has only obtained a general sense of the specific businesses, and types of Nebraska businesses, that are providing goods and services to federal agencies. This section is designed to better illuminate some of these relationships.

To accomplish this, federal procurement data were obtained from USAspending.gov. This website contains a comprehensive listing of contracts between federal agencies and non-federal government entities. Data were obtained on Fiscal Year 2020 contracts in which a Nebraska business was the recipient of the contract, and where Nebraska was the primary place of performance. In this initial analysis, researchers did not focus on contracts where a Nebraska business was a recipient of an award, but the primary place of performance was elsewhere, nor did researchers consider contracts that were awarded to non-Nebraska entities, but where Nebraska was the primary place of performance. This approach provides the clearest picture of the federal contracting landscape that is most likely to have an economic impact in Nebraska.

### Federal Contracting by Agency

As noted, focus was placed on federal contracts between Nebraska businesses and the Department of Defense and Veterans Affairs. Across \$322.6 million in contract obligations, \$239.3 million in contracts (74% of the total) were held with the Department of Defense, and \$83.3 million were held with Veterans Affairs (26% of the total).

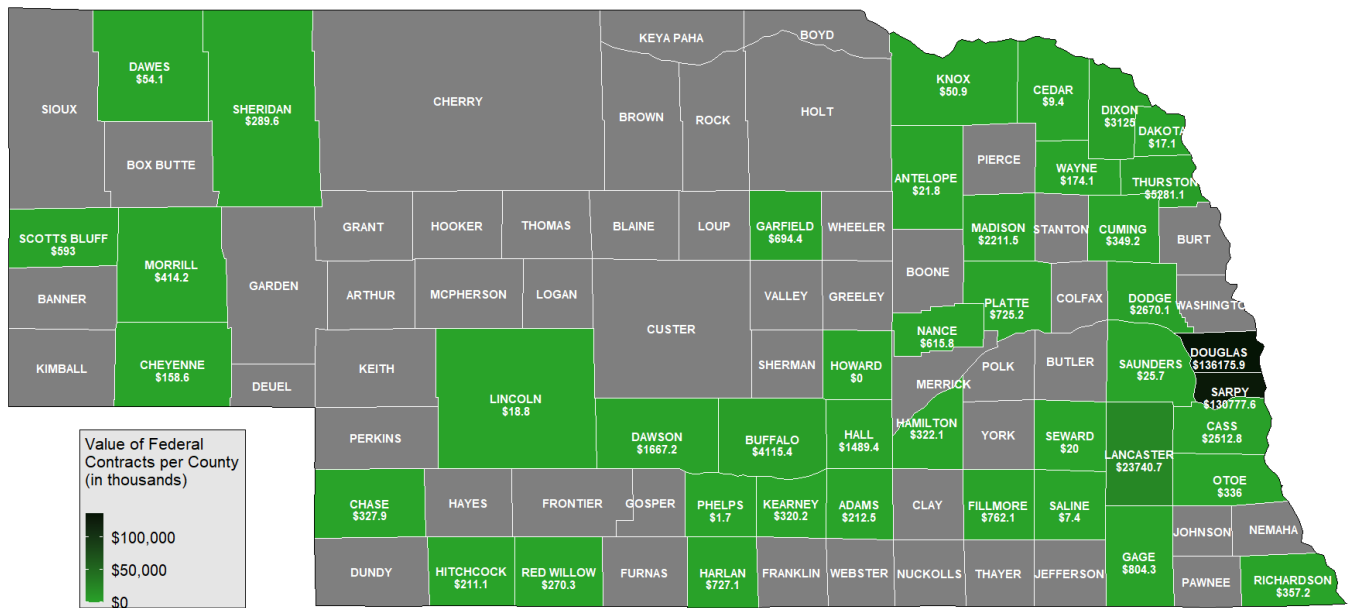
The data also allow for an analysis of the data by subagency. Within the Department of Defense, the Department of the Air Force was the largest awarding agency with over \$128 million in federal action obligations. The Departments of the Army and Navy were the next largest with \$54.0 million and \$23.2 million in obligations, respectively. The Defense Logistics Agency (\$13.8 million in contracts) and the Defense Information Systems Agency (\$12.1 million) also awarded a considerable level of funding to Nebraska businesses. Table 30 below contains detailed information.

<b>Sub Agency</b>	<b>Amount</b>
DEFENSE HEALTH AGENCY (DHA)	\$2,968,787
DEFENSE INFORMATION SYSTEMS AGENCY (DISA)	\$12,071,661
DEFENSE LOGISTICS AGENCY	\$13,804,113
DEFENSE THREAT REDUCTION AGENCY (DTRA)	\$970,636
DEPT OF DEFENSE EDUCATION ACTIVITY (DODEA)	\$174,885
DEPT OF THE AIR FORCE	\$128,275,488
DEPT OF THE ARMY	\$53,951,802
DEPT OF THE NAVY	\$26,191,343
MISSILE DEFENSE AGENCY (MDA)	\$293,157
U.S. SPECIAL OPERATIONS COMMAND (USSOCOM)	\$191,012
UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES (USUHS)	\$396,450
VETERANS AFFAIRS, DEPARTMENT OF	\$83,326,726

## Federal Contracting by County

The total value of federal dollars obligated in contracts with Nebraska businesses in FY 2020 was \$322,600,141.<sup>114</sup> The total number of contracts held by Nebraska businesses was 12,952, for an average contract award of \$24,907. The map below illustrates how those dollars are distributed throughout Nebraska counties. The majority of dollars are obligated to contracts with businesses in Douglas County, with substantial contract obligations in Sarpy and Lancaster Counties.

**Figure 9. Federal Contract Obligations by County (FY 2020)**



County	Total Dollars Obligated	County	Total Dollars Obligated	County	Total Dollars Obligated
DOUGLAS	\$136,175,932	PLATTE	\$725,177	HITCHCOCK	\$211,145
SARPY	\$130,777,597	GARFIELD	\$694,433	WAYNE	\$174,080
LANCASTER	\$23,740,744	NANCE	\$615,843	CHEYENNE	\$158,618
THURSTON	\$5,281,135	SCOTTS BLUFF	\$592,979	DAWES	\$54,140
BUFFALO	\$4,115,396	MORRILL	\$414,234	KNOX	\$50,855
DIXON	\$3,125,018	RICHARDSON	\$357,211	SAUNDERS	\$25,675
DODGE	\$2,670,056	CUMING	\$349,232	ANTELOPE	\$21,836
CASS	\$2,512,764	CHASE	\$327,877	SEWARD	\$20,044
MADISON	\$2,211,482	HAMILTON	\$322,119	LINCOLN	\$18,785
DAWSON	\$1,667,249	KEARNEY	\$320,167	DAKOTA	\$17,142
HALL	\$1,489,433	SHERIDAN	\$289,573	CEDAR	\$9,381
GAGE	\$804,283	RED WILLOW	\$270,290	SALINE	\$7,445
FILLMORE	\$762,065	ADAMS	\$212,502	PHELPS	\$1,733

<sup>114</sup> To provide some context, a recent study of the Missouri defense industry indicated that there were \$14.4 billion in Department of Defense contracts to Missouri-based businesses. See: [https://military.ded.mo.gov/sites/military/files/Economic%20Impacts%20of%20DoD%20Contractor%20Awards%20in%20Missouri\\_May%202021\\_final.pdf](https://military.ded.mo.gov/sites/military/files/Economic%20Impacts%20of%20DoD%20Contractor%20Awards%20in%20Missouri_May%202021_final.pdf).

## Federal Contracting by Industry

Next, researchers sought to understand which industries were represented in the data. To accomplish this, analysts examined obligated contract dollars according to North American Industry Classification System (NAICS) codes. NAICS codes are used to classify businesses and operations by the services and goods they provide. It is important to note that some business may provide goods and services that fall into multiple NAICS codes; in such a case, the NAICS code assigned to a particular contract is dependent upon the nature of the good or service provided to the government in that instance.

As Table 31 below shows, the top industry conducting business with the Department of Defense and Veterans Affairs are Professional, Scientific, and Technical Services (NAICS 541), with \$222.4 million in obligated dollars. This industry comprises nearly 69% of all business conducted with the DoD and VA in the state. Businesses offering services in Heavy and Civil Engineering Construction (NAICS 237) received \$22.1 million in contract obligations; this represented nearly 7% of all business conducted with the DoD and VA. Nursing and Residential Care Facilities (NAICS 623) received \$16.9 million in obligated funds representing just over 5% of the total.

NAICS	NAICS Description	Total Dollars Obligated	Percentage
541	Professional, Scientific, and Technical Services	\$222,413,863	68.94%
237	Heavy and Civil Engineering Construction	\$22,132,235	6.86%
623	Nursing and Residential Care Facilities	\$16,689,534	5.17%
236	Construction of Buildings	\$9,197,508	2.85%
561	Administrative and Support Services	\$8,375,847	2.60%
311	Food Manufacturing	\$6,936,583	2.15%
611	Educational Services	\$5,091,585	1.58%
238	Specialty Trade Contractors	\$4,030,692	1.25%
334	Computer and Electronic Product Manufacturing	\$3,072,024	0.95%
336	Transportation Equipment Manufacturing	\$2,666,478	0.83%
332	Fabricated Metal Product Manufacturing	\$2,643,324	0.82%
221	Utilities	\$2,626,589	0.81%
621	Ambulatory Health Care Services	\$2,611,713	0.81%
337	Furniture and Related Product Manufacturing	\$2,392,902	0.74%
562	Waste Management and Remediation Services	\$1,863,682	0.58%
811	Repair and Maintenance	\$1,763,736	0.55%
324	Petroleum and Coal Products Manufacturing	\$1,673,855	0.52%
481	Air Transportation	\$1,594,039	0.49%
331	Primary Metal Manufacturing	\$882,588	0.27%
333	Machinery Manufacturing	\$873,582	0.27%
339	Miscellaneous Manufacturing	\$795,125	0.25%
812	Personal and Laundry Services	\$712,319	0.22%
423	Merchant Wholesalers, Durable Goods	\$706,946	0.22%
511	Publishing Industries (Except Internet)	\$664,959	0.21%
532	Rental and Leasing Services	\$647,093	0.20%
924	Administration of Environmental Quality Programs	\$516,883	0.16%

<b>NAICS</b>	<b>NAICS Description</b>	<b>Total Dollars Obligated</b>	<b>Percentage</b>
335	Electrical Equipment, Appliance, and Component Manufacturing	\$513,063	0.16%
327	Nonmetallic Mineral Product Manufacturing	\$380,570	0.12%
484	Truck Transportation	\$243,277	0.08%
624	Social Assistance	\$230,771	0.07%
314	Textile Product Mills	\$169,705	0.05%
721	Accommodation	\$130,714	0.04%
531	Real Estate	\$103,344	0.03%
922	Justice, Public Order, and Safety Activities	\$89,846	0.03%
515	Broadcasting (Except Internet)	\$68,988	0.02%
722	Food Services and Drinking Places	\$63,072	0.02%
321	Wood Product Manufacturing	\$45,817	0.01%
325	Chemical Manufacturing	\$44,025	0.01%
315	Apparel Manufacturing	\$43,470	0.01%
711	Performing Arts, Spectator Sports, and Related Industries	\$32,685	0.01%
323	Printing and Related Support Activities	\$31,420	0.01%
326	Plastics and Rubber Products Manufacturing	\$29,365	0.01%
213	Support Activities for Mining	\$18,285	0.01%
441	Motor Vehicle and Parts Dealers	\$16,932	0.01%
443	Electronics and Appliance Stores	\$10,299	0%
926	Administration of Economic Programs	\$5,200	0%
444	Building Material and Garden Equipment and Supplies Dealers	\$2,281	0%
488	Support Activities for Transportation	\$300	0%
322	Paper Manufacturing	\$0	0%

### **Federal Contracting by Business**

Next, researchers analyzed contracting data by business name. Again, businesses under consideration for this analysis are those that are designated as recipients of obligated federal dollars, and that have Nebraska as the recipient state and the primary place of performance. A total of 243 businesses in Nebraska had a positive federal action obligation in FY 2020. The business with the largest action obligation amount in FY 2020 was Metgreen Solutions, Inc., with \$89.3 million in obligations. Among the awarding agencies were the Department of Veterans Affairs (\$53.0 million), the Department of the Navy (\$16.5 million), and the Defense Information Systems Agency (DISA; \$12.3 million). Other entities with considerable amounts of federal action obligations include Client/Server Software Solutions, Inc.; McCallie Associates, Inc.; the National Strategic Research Institute; THMG, Inc.; Calvert Systems Engineering, Incorporated; Strategic Professional Resources, Inc.; ZGF-Leo A. Daly; and Midwest Construction Company. Combined, these companies held over 60% of all federal action obligations in FY2020.



**Table 32. Federal Contract Obligations by Entity (FY 2020)**

<b>Business Name</b>	<b>Total Dollars Obligated</b>	<b>Total Number of Awards</b>	<b>Mean Dollar Value of Contract</b>
METGREEN SOLUTIONS INC	\$89,289,085	92	\$970,534
CLIENT/SERVER SOFTWARE SOLUTIONS, INC.	\$16,339,637	27	\$605,172
MCCALLIE ASSOCIATES INC	\$14,335,632	44	\$325,810
NATIONAL STRATEGIC RESEARCH INSTITUTE	\$14,283,355	54	\$264,507
THMG, INC.	\$14,079,008	28	\$502,822
CALVERT SYSTEMS ENGINEERING, INCORPORATED	\$13,905,824	19	\$731,885
STRATEGIC PROFESSIONAL RESOURCES, INC.	\$13,603,629	23	\$591,462
ZGF-LEO A DALY	\$11,539,095	11	\$1,049,009
MIDWEST CONSTRUCTION COMPANY	\$11,185,088	14	\$798,935
TURTLE CREEK CONSTRUCTION, LLC	\$6,878,697	19	\$362,037
KENNETH HAHN ARCHITECTS, INC.	\$6,397,570	17	\$376,328
SOFTWARE ENGINEERING SERVICES CORPORATION	\$5,024,111	13	\$386,470
BLADE MASTERS GROUNDS MAINTENANCE, INC.	\$4,733,900	3	\$1,577,967
SPIRAL SOLUTIONS & TECHNOLOGIES, INC.	\$4,719,378	3	\$1,573,126
FLATWATER SOLUTIONS COMPANY	\$4,125,343	32	\$128,917
EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY, THE	\$3,797,714	15	\$253,181
TAYLOR COMMUNICATIONS, INC.	\$3,485,326	5	\$697,065
RGC CONSTRUCTORS, INC.	\$3,430,705	6	\$571,784
GREENBERG FRUIT COMPANY	\$3,294,526	5,918	\$557
VALLEY CORPORATION	\$3,291,818	3	\$1,097,273
UNMC PHYSICIANS	\$3,151,340	25	\$126,054
CASH-WA DISTRIBUTING CO. OF KEARNEY, INC.	\$3,032,641	3,669	\$827
ICE TECHNICAL SERVICES INCORPORATED	\$2,702,308	8	\$337,789
CALVIN L. HINZ ARCHITECTS, P.C.	\$2,696,068	21	\$128,384
GOODWILL SPECIALTY SERVICES, INC.	\$2,578,593	8	\$322,324
OMAHA PUBLIC POWER DISTRICT	\$2,481,630	4	\$620,408
DOUGLAS COUNTY HEALTH CENTER	\$2,274,672	3	\$758,224
PRUSS EXCAVATION CO.	\$2,077,567	5	\$415,513
TABITHA, INC.	\$1,954,905	6	\$325,818
BOARD OF REGENTS OF THE UNIVERSITY OF NEBRASKA	\$1,885,196	12	\$157,100
SCHEMMER ASSOCIATES INC., THE	\$1,789,835	23	\$77,819
NEMAHA LANDSCAPE CONSTRUCTION, INC.	\$1,649,591	4	\$412,398
DYNA-TECH AVIATION SERVICES, INC.	\$1,594,039	5	\$318,808
EILERS MACHINE & WELDING, INC.	\$1,471,620	194	\$7,586
ALLIANT SB CTA, LLC	\$1,420,319	2	\$710,160
HDR-CMT JOINT VENTURE	\$1,342,166	5	\$268,433
PACIFIC ENGINEERING INC.	\$1,198,404	10	\$119,840
GENERAL DYNAMICS-OTS, INC.	\$1,174,109	8	\$146,764

PACIFIC ENGINEERING, INC.	\$1,150,876	3	\$383,625
HORNADY MANUFACTURING COMPANY	\$1,121,013	12	\$93,418
PHYSICIANS LABORATORY PC	\$1,073,371	4	\$268,343
OBJECT PARTNERS INC	\$1,032,195	1	\$1,032,195
LOGISTICS365, INC.	\$1,031,698	35	\$29,477
FLATWATER METALS COMPANY	\$1,016,530	37	\$27,474
FLORENCE HOME	\$1,007,316	3	\$335,772
DATA SECURITY INCORPORATED (4921)	\$991,156	14	\$70,797
S & G SANITATION LLC	\$985,085	1	\$985,085
MID-AMERICA CARE CENTERS, INC	\$925,060	3	\$308,353
DUNCAN AVIATION, INC.	\$866,956	326	\$2,659
U.S. GROUNDS MAINTENANCE, INC.	\$853,296	7	\$121,899
CREIGHTON UNIVERSITY	\$793,585	11	\$72,144
FAIRVIEW MANOR	\$762,065	3	\$254,022
NEBRASKA GAME AND PARKS COMMISSION	\$754,802	1	\$754,802
MIDWEST MEDICAL TRANSPORT COMPANY, LLC	\$746,760	2	\$373,380
BMAKK-ENVIROWORKS JV, LLC	\$720,831	3	\$240,277
COMMUNITY MEMORIAL HEALTH CENTER	\$694,433	3	\$231,478
ALLNATIVE SOLUTIONS CORPORATION	\$644,214	20	\$32,211
ALVINE & ASSOCIATES INC	\$640,668	20	\$32,033
FULLERTON OPERATIONS LLC	\$615,793	3	\$205,264
ASI, LLC	\$612,809	4	\$153,202
KINGERY CONSTRUCTION CO.	\$611,684	12	\$50,974
REINHART FOODSERVICE, L.L.C.	\$608,451	379	\$1,605
KELLY GROUP, INC.	\$593,899	6	\$98,983
PANHANDLE COOPERATIVE ASSOCIATION	\$592,979	256	\$2,316
SILVER MOUNTAIN CONSTRUCTION, LLC	\$562,597	2	\$281,299
HOMESTEAD NURSING & REHABILITATION CENTER, LLC	\$548,297	3	\$182,766
DATA SECURITY, INC.	\$532,870	21	\$25,375
FRAHM CONSTRUCTION, INC.	\$498,957	1	\$498,957
MADISON, CITY OF INC	\$492,034	3	\$164,011
HDR ENGINEERING, INC.	\$462,244	18	\$25,680
MIDLAND SCIENTIFIC, INC.	\$458,274	240	\$1,909
STERLING COMPUTERS CORPORATION	\$451,653	15	\$30,110
AZRIA HEALTH MIDTOWN	\$421,164	3	\$140,388
IRONHIDE CONSTRUCTION, INC.	\$419,100	1	\$419,100
UNIVERSITY OF NEBRASKA	\$410,314	14	\$29,308
ALL NATIVE, INC.	\$406,501	5	\$81,300
ADS BIOTEC INC.	\$396,450	1	\$396,450
LEO A. DALY/BTA A JOINT VENTURE	\$393,560	2	\$196,780
HEALTHCARE COMPLIANCE TESTING LLC	\$388,763	2	\$194,382
KATMAI TECHNICAL SERVICES, LLC	\$380,219	8	\$47,527

STANTON LAKE HEALTHCARE, INC.	\$357,211	3	\$119,070
ALL NATIVE SYNERGIES COMPANY	\$356,299	2	\$178,149
WISNER CARE CENTER	\$349,232	3	\$116,411
CONTROL SERVICES, INCORPORATED	\$344,385	8	\$43,048
TREGO DUGAN AVIATION OF GRAND ISLAND INC	\$338,838	104	\$3,258
PEN-LINK, LTD.	\$330,000	1	\$330,000
IMPERIAL, CITY OF	\$327,877	3	\$109,292
ROYAL ENGINEERED COMPOSITES, INC.	\$320,167	4	\$80,042
QUALITY CARE SOLUTIONS, LLC	\$305,051	3	\$101,684
PERSISTENT SENTINEL, LLC	\$304,621	2	\$152,310
TERADYNE, INC.	\$293,203	5	\$58,641
MEDICS AT HOME INC	\$290,821	3	\$96,940
MJAG CONSTRUCTION SERVICES, LLC	\$273,241	2	\$136,621
HILLCREST NURSING HOME FOUNDATION, INC.	\$270,290	3	\$90,097
QUALITY LIVING INC	\$266,818	3	\$88,939
ELKHORN WEST CONSTRUCTION INC	\$261,686	3	\$87,229
URS GROUP, INC.	\$256,864	3	\$85,621
SENEX FOUNDATION OF NEBRASKA, INC.	\$254,702	2	\$127,351
OFFICE FURNITURE INSTALLERS, INC.	\$243,277	2	\$121,639
COLTCAM LLC	\$240,095	107	\$2,244
MIDWEST LABORATORIES, INC.	\$236,343	10	\$23,634
CENTER POINTE INC	\$230,771	4	\$57,693
ELECTRONIC CONTRACTING COMPANY	\$222,914	1	\$222,914
GOLIGHT INC	\$211,145	9	\$23,461
RIDGECREST REHAB CENTER	\$210,396	2	\$105,198
ASAP APPLIANCE REPAIR, INC.	\$210,308	1	\$210,308
MID-STATES AUTOMATION & CONTROL, INC.	\$209,208	1	\$209,208
BOARD OF REGENTS OF THE UNIVER	\$191,960	6	\$31,993
COZAD OPERATIONS LLC	\$188,437	3	\$62,812
J. A. WOOLLAM CO., INC.	\$180,200	2	\$90,100
D R HOLTZE CONTRACTING INC	\$179,023	7	\$25,575
AZTEC CONTRACTING, LLC	\$176,400	1	\$176,400
CONCORD COMPONENTS, INC.	\$174,080	237	\$735
GORDON MEMORIAL HOSPITAL DISTRICT	\$173,238	4	\$43,310
TSR CONSTRUCTION LLC	\$170,300	1	\$170,300
HCI MANAGEMENT SERVICES COMPANY	\$163,911	2	\$81,956
CONSERV FLAG COMPANY, LLC	\$158,618	8	\$19,827
KAHILI VENTURES, LLC	\$149,907	3	\$49,969
STANLEY SECURITY SOLUTIONS, INC.	\$145,911	3	\$48,637
SOUND MEDICAL DEVICES, LLC	\$145,897	4	\$36,474
VENUS UNLIMITED LLC	\$141,393	4	\$35,348
RTG BUILDING SERVICES, INC.	\$136,450	2	\$68,225
FLATWATER, INCORPORATED	\$135,640	3	\$45,213

CSRA LLC	\$129,692	2	\$64,846
COX NEBRASKA TELCOM, LLC	\$127,940	11	\$11,631
INSPECTION EXPERTS, INC.	\$116,520	3	\$38,840
HAY SPRINGS, CITY OF	\$116,335	2	\$58,168
GENERAL FIRE & SAFETY EQUIPMENT COMPANY OF OMAHA, INC.	\$115,385	6	\$19,231
MIDLAND TELECOM, INC.	\$110,086	2	\$55,043
SAPPER CONSTRUCTION, LLC	\$102,039	6	\$17,007
TERRACON CONSULTANTS, INC.	\$93,945	35	\$2,684
SKYVIEW AT BRIDGEPORT	\$93,777	1	\$93,777
MARK-VII ENTERPRISES, INC.	\$88,390	2	\$44,195
NORM'S DOOR SERVICE, INC.	\$86,807	2	\$43,403
C.S. MONICAL CONTRACTOR, L.L.C.	\$86,117	5	\$17,223
OUTLOOK-NEBRASKA, INC.	\$85,895	1	\$85,895
LI-COR, INC.	\$81,468	1	\$81,468
FIRST MANAGEMENT INC	\$80,344	1	\$80,344
S365, INC.	\$80,228	2	\$40,114
LANCASTER MANOR REHABILITATION CENTER, LLC	\$79,708	1	\$79,708
METROPOLITAN UTILITIES DISTRICT OF OMAHA	\$68,719	1	\$68,719
OMAHA OPERATIONS LLC	\$67,178	3	\$22,393
CHIMNEY ROCK VILLA	\$65,755	2	\$32,878
KIEWITPHELPS	\$64,375	2	\$32,188
BIZCO, INC.	\$63,890	2	\$31,945
CASSLING DIAGNOSTIC IMAGING, INC.	\$60,428	1	\$60,428
FLATWATER METALS	\$58,552	127	\$461
PLANIT OMAHA INCORPORATED	\$58,500	1	\$58,500
TWIN VALLEYS PUBLIC POWER DISTRICT	\$58,331	2	\$29,165
CITY OF CRAWFORD	\$54,140	3	\$18,047
ABE'S TRASH SERVICE, INC	\$52,097	3	\$17,366
SPIC & SPAN LINEN SUPPLY CO	\$49,940	2	\$24,970
SAAL ENTERPRICE	\$49,569	5	\$9,914
ADMINISTRATIVE SERVICES, NEBRASKA DEPARTMENT OF	\$48,924	3	\$16,308
CEDAR, COUNTY OF	\$48,781	1	\$48,781
T & L FLETCHER	\$48,420	5	\$9,684
VALMONT INDUSTRIES, INC.	\$46,183	1	\$46,183
R & R SERVICES	\$46,130	1	\$46,130
BABA BUDHA JI HOSPITALITY, L.L.C.	\$44,878	2	\$22,439
STRECK, INC.	\$44,275	1	\$44,275
CORNERSTONE UNIFORM LLC	\$43,470	1	\$43,470
OMAHA AIRPLANE SUPPLY CO.	\$41,977	18	\$2,332
WILSON CASE, INC.	\$41,854	1	\$41,854
WEST SAFETY SERVICES, INC.	\$38,158	1	\$38,158

SOUTH CENTRAL SANITATION, L.L.C.	\$36,452	1	\$36,452
HARLAN, COUNTY OF	\$35,689	1	\$35,689
JONES, JEANETTE K	\$32,685	4	\$8,171
BLACKHAWK CONSTRUCTION LLC	\$32,520	6	\$5,420
RTP ARMOR, LLC	\$30,591	15	\$2,039
CRUZE DISTRIBUTION, LLC	\$28,999	2	\$14,500
PAY-LESS OFFICE PRODUCTS, INC.	\$28,091	1	\$28,091
PENNER PATIENT CARE, INC.	\$27,568	1	\$27,568
TKT MANAGEMENT CONSULTANTS, INC.	\$26,605	1	\$26,605
INNOVATIVE LABORATORY SYSTEMS, INC.	\$25,675	2	\$12,838
RADIO ENGINEERING INDUSTRIES, INC.	\$25,000	1	\$25,000
SIGNATURE SEWER PUMPING LLC	\$24,625	2	\$12,313
TELEDYNE INSTRUMENTS, INC.	\$22,462	1	\$22,462
BURTON PROSTHETICS, INC.	\$21,966	1	\$21,966
NELIGH OPERATIONS LLC	\$21,836	1	\$21,836
ESPENHOVER, MAXINE E	\$20,420	3	\$6,807
BOILER CHILLER SYSTEMS, LLC	\$20,294	2	\$10,147
LEVRACK, LLC	\$20,044	1	\$20,044
CENTESE, INC.	\$19,849	1	\$19,849
FLOOR FASHIONS INC	\$19,798	2	\$9,899
PAPER TIGER INC	\$19,486	3	\$6,495
KBC, INC.	\$18,823	1	\$18,823
D & E FLETCHER	\$18,450	2	\$9,225
TETHON CORPORATION	\$17,359	1	\$17,359
PEERLESS ENERGY SYSTEMS, LLC	\$17,142	1	\$17,142
GREAT PLAINS APPRAISAL COMPANY	\$17,000	1	\$17,000
WMK, LLC	\$16,720	1	\$16,720
NUTS & BOLTS, INC.	\$16,059	6	\$2,676
TELCOR INC	\$15,455	1	\$15,455
INNOVATIVE PROSTHETICS & ORTHOTICS INC.	\$15,215	2	\$7,607
COOPER, SARA	\$14,555	1	\$14,555
PATTON EQUIPMENT COMPANY, INC.	\$14,367	1	\$14,367
SARPY, COUNTY OF	\$13,300	3	\$4,433
BMAKK CORPORATION	\$12,966	1	\$12,966
INDUSTRIAL SERVICES, INC.	\$12,024	2	\$6,012
FISHERMAN'S CORNER	\$12,000	1	\$12,000
ABLE II ORTHOTICS & PROSTHETICS	\$11,925	1	\$11,925
MCCOOK MECHANICAL SERVICES, LLC	\$11,319	1	\$11,319
GISG, LLC	\$11,225	3	\$3,742
OVERFIELD, KAREN	\$10,950	1	\$10,950
CONSOLIDATED PROTECTION SERVICES INC	\$10,869	1	\$10,869
WILLIAMS HOSPITALITY LLC	\$10,810	2	\$5,405
JOSTEN, WILBERT VAULT CO	\$10,510	1	\$10,510

CALIBURNUS SERVICES, LLC	\$10,490	1	\$10,490
INTRADO INTERACTIVE SERVICES CORPORATION	\$10,100	1	\$10,100
PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT	\$10,000	1	\$10,000
OMAHA STAGE EQUIPMENT INC	\$9,773	1	\$9,773
MID-NEBRASKA DISPOSAL INC	\$9,678	1	\$9,678
FRIES, DIANE	\$8,500	1	\$8,500
ALL MAKES OFFICE EQUIPMENT CO. OF LINCOLN	\$7,500	1	\$7,500
DOANE UNIVERSITY	\$7,445	7	\$1,064
ABCNC MACHINING, LLC	\$7,142	6	\$1,190
WMK OMAHA LLC	\$6,400	2	\$3,200
GENERAL EXCAVATING COMPANY	\$5,400	1	\$5,400
RARE EARTH SALTS SEPARATIONS AND REFINING LLC	\$5,400	4	\$1,350
DAWSON PUBLIC POWER DISTRICT	\$5,200	1	\$5,200
PRIORITY TERMITE & PEST CONTROL, INC.	\$4,875	1	\$4,875
PLIBRICO COMPANY LLC	\$4,428	2	\$2,214
DTN, LLC	\$4,368	2	\$2,184
WINN CONSTRUCTION COMPANY	\$4,080	4	\$1,020
RATHMAN, STEVEN	\$4,000	1	\$4,000
DU-RITE ELECTRIC, INC	\$3,500	1	\$3,500
PREMIER WASTE SOLUTIONS	\$3,420	3	\$1,140
CITY OF GRAND ISLAND	\$2,876	1	\$2,876
ALL NATIVE SYSTEMS, L.L.C.	\$2,501	1	\$2,501
WOMEN'S ORTHOTICS & PROSTHETICS HEALTHCARE SERVICES, INC	\$1,908	1	\$1,908
SECURITY EQUIPMENT, INC.	\$1,800	2	\$900
CITY OF HOLDREGE	\$1,733	1	\$1,733
MARVCO ENTERPRISES, INC.	\$1,680	1	\$1,680
PREMIER SOURCING NETWORK, LLC	\$1,442	1	\$1,442
PEPSI COLA BOTTLING COMPANY OF LINCOLN	\$965	5	\$193
ARBOR CARE CENTERS - FULLERTON, LLC	\$50	1	\$50
K. C. HEALTH CARE ENTERPRISES, INC.	\$50	1	\$50
CASTLEWOOD - PINNACLE SOUTH JORDAN, LLC	\$0	3	\$0
ELKHORN FENCE, LLC	\$0	1	\$0
HO-CHUNK BUILDERS COMPANY	\$0	10	\$0
INTEGRIGUARD, LLC	\$0	3	\$0
KELLY GROUP INCORPORATED (6440)	\$0	1	\$0
SANDOZ, JOSHUA	\$0	5	\$0

Table 33 below provides county-level data on federal action obligations broken out by NAICS code. The table allows the viewer to see which industries are most prominent in those counties in which entities are conducting business with the DOD or VA.

<b>Table 33. Federal Contract Obligations by County and Industry (FY 2020)</b>			
<b>County</b>	<b>NAICS Code</b>	<b>NAICS Description</b>	<b>Total Dollars Obligated</b>
ADAMS	623	Nursing and Residential Care Facilities	\$155,433
	321	Wood Product Manufacturing	\$41,854
	339	Miscellaneous Manufacturing	\$15,215
ANTELOPE	623	Nursing and Residential Care Facilities	\$21,836
BUFFALO	311	Food Manufacturing	\$3,032,641
	623	Nursing and Residential Care Facilities	\$908,082
	333	Machinery Manufacturing	\$94,464
	541	Professional, Scientific, and Technical Services	\$67,791
	327	Nonmetallic Mineral Product Manufacturing	\$10,510
	339	Miscellaneous Manufacturing	\$1,908
CASS	237	Heavy and Civil Engineering Construction	\$2,315,844
	238	Specialty Trade Contractors	\$196,920
CEDAR	922	Justice, Public Order, and Safety Activities	\$48,781
	561	Administrative and Support Services	\$42,050
CHASE	623	Nursing and Residential Care Facilities	\$327,877
CHEYENNE	314	Textile Product Mills	\$143,629
	326	Plastics and Rubber Products Manufacturing	\$14,989
CUMING	623	Nursing and Residential Care Facilities	\$349,232
DAKOTA	333	Machinery Manufacturing	\$17,142
DAWES	623	Nursing and Residential Care Facilities	\$54,140
DAWSON	336	Transportation Equipment Manufacturing	\$767,760
	332	Fabricated Metal Product Manufacturing	\$354,998
	333	Machinery Manufacturing	\$228,632
	623	Nursing and Residential Care Facilities	\$188,487
	335	Electrical Equipment, Appliance, and Component Manufacturing	\$77,790
	213	Support Activities for Mining	\$18,285
	441	Motor Vehicle and Parts Dealers	\$16,932
	326	Plastics and Rubber Products Manufacturing	\$14,366
DIXON	237	Heavy and Civil Engineering Construction	\$3,125,018
DODGE	237	Heavy and Civil Engineering Construction	\$2,077,567
	332	Fabricated Metal Product Manufacturing	\$593,899
DOUGLAS	541	Professional, Scientific, and Technical Services	\$118,086,420
	623	Nursing and Residential Care Facilities	\$6,182,860
	611	Educational Services	\$4,249,398
	311	Food Manufacturing	\$3,902,977
	621	Ambulatory Health Care Services	\$2,409,994
	334	Computer and Electronic Product Manufacturing	\$1,019,312
	812	Personal and Laundry Services	\$598,596



<b>Table 33. Federal Contract Obligations by County and Industry (FY 2020)</b>			
<b>County</b>	<b>NAICS Code</b>	<b>NAICS Description</b>	<b>Total Dollars Obligated</b>
	924	Administration of Environmental Quality Programs	\$588,333
	811	Repair and Maintenance	\$508,219
	238	Specialty Trade Contractors	\$360,529
DOUGLAS	333	Machinery Manufacturing	\$303,684
	484	Truck Transportation	\$243,277
	561	Administrative and Support Services	\$228,353
	236	Construction of Buildings	\$227,300
	332	Fabricated Metal Product Manufacturing	\$88,580
	339	Miscellaneous Manufacturing	\$87,850
	531	Real Estate	\$80,344
	721	Accommodation	\$56,398
	562	Waste Management and Remediation Services	\$52,097
	511	Publishing Industries (Except Internet)	\$50,570
	315	Apparel Manufacturing	\$43,470
	517	Telecommunications	\$38,158
	336	Transportation Equipment Manufacturing	\$14,659
	323	Printing and Related Support Activities	\$13,002
	922	Justice, Public Order, and Safety Activities	\$5,376
		335	Electrical Equipment, Appliance, and Component Manufacturing
	325	Chemical Manufacturing	\$14
FILLMORE	623	Nursing and Residential Care Facilities	\$762,065
GAGE	623	Nursing and Residential Care Facilities	\$798,883
	541	Professional, Scientific, and Technical Services	\$5,400
GARFIELD	623	Nursing and Residential Care Facilities	\$694,433
HALL	332	Fabricated Metal Product Manufacturing	\$1,121,013
	324	Petroleum and Coal Products Manufacturing	\$338,838
	562	Waste Management and Remediation Services	\$18,297
	721	Accommodation	\$10,810
	221	Utilities	\$2,876
	238	Specialty Trade Contractors	\$0
HAMILTON	623	Nursing and Residential Care Facilities	\$305,051
	339	Miscellaneous Manufacturing	\$17,068
HARLAN	237	Heavy and Civil Engineering Construction	\$498,957
	221	Utilities	\$58,331
	561	Administrative and Support Services	\$51,650
	721	Accommodation	\$46,350
	562	Waste Management and Remediation Services	\$36,078
	922	Justice, Public Order, and Safety Activities	\$35,689
HITCHCOCK	335	Electrical Equipment, Appliance, and Component Manufacturing	\$211,145
HOWARD	333	Machinery Manufacturing	\$0

<b>Table 33. Federal Contract Obligations by County and Industry (FY 2020)</b>			
<b>County</b>	<b>NAICS Code</b>	<b>NAICS Description</b>	<b>Total Dollars Obligated</b>
KEARNEY	336	Transportation Equipment Manufacturing	\$320,167
KNOX	561	Administrative and Support Services	\$26,230
	562	Waste Management and Remediation Services	\$24,625
	238	Specialty Trade Contractors	\$0
LANCASTER	236	Construction of Buildings	\$6,221,763
	237	Heavy and Civil Engineering Construction	\$4,739,300
	541	Professional, Scientific, and Technical Services	\$3,655,039
	623	Nursing and Residential Care Facilities	\$3,507,970
	336	Transportation Equipment Manufacturing	\$1,173,365
	811	Repair and Maintenance	\$1,010,672
	324	Petroleum and Coal Products Manufacturing	\$742,038
	611	Educational Services	\$668,509
	334	Computer and Electronic Product Manufacturing	\$550,525
	238	Specialty Trade Contractors	\$349,046
	561	Administrative and Support Services	\$257,576
	339	Miscellaneous Manufacturing	\$246,876
	624	Social Assistance	\$230,771
	332	Fabricated Metal Product Manufacturing	\$98,274
	221	Utilities	\$68,719
	333	Machinery Manufacturing	\$66,063
	335	Electrical Equipment, Appliance, and Component Manufacturing	\$59,926
	517	Telecommunications	\$43,548
	531	Real Estate	\$17,000
	511	Publishing Industries (Except Internet)	\$15,455
	562	Waste Management and Remediation Services	\$12,024
423	Merchant Wholesalers, Durable Goods	\$7,215	
311	Food Manufacturing	\$965	
322	Paper Manufacturing	\$0	
721	Accommodation	\$0	
LINCOLN	541	Professional, Scientific, and Technical Services	\$13,585
	926	Administration of Economic Programs	\$5,200
MADISON	334	Computer and Electronic Product Manufacturing	\$731,229
	623	Nursing and Residential Care Facilities	\$492,034
	511	Publishing Industries (Except Internet)	\$361,801
	339	Miscellaneous Manufacturing	\$145,018
	337	Furniture and Related Product Manufacturing	\$134,830
	333	Machinery Manufacturing	\$68,878
	722	Food Services and Drinking Places	\$63,072
	336	Transportation Equipment Manufacturing	\$59,552
332	Fabricated Metal Product Manufacturing	\$38,375	

<b>Table 33. Federal Contract Obligations by County and Industry (FY 2020)</b>			
<b>County</b>	<b>NAICS Code</b>	<b>NAICS Description</b>	<b>Total Dollars Obligated</b>
	314	Textile Product Mills	\$26,076
	561	Administrative and Support Services	\$20,295
	323	Printing and Related Support Activities	\$18,418
	721	Accommodation	\$17,156
	335	Electrical Equipment, Appliance, and Component Manufacturing	\$16,261
MADISON	443	Electronics and Appliance Stores	\$10,499
	321	Wood Product Manufacturing	\$3,963
	325	Chemical Manufacturing	\$2,582
	541	Professional, Scientific, and Technical Services	\$1,442
MORRILL	623	Nursing and Residential Care Facilities	\$414,234
NANCE	623	Nursing and Residential Care Facilities	\$615,843
OTOE	327	Nonmetallic Mineral Product Manufacturing	\$336,000
PHELPS	221	Utilities	\$1,733
PLATTE	237	Heavy and Civil Engineering Construction	\$725,177
RED WILLOW	623	Nursing and Residential Care Facilities	\$270,290
RICHARDSON	623	Nursing and Residential Care Facilities	\$357,211
SALINE	611	Educational Services	\$7,445
SARPY	541	Professional, Scientific, and Technical Services	\$99,176,538
	237	Heavy and Civil Engineering Construction	\$8,650,372
	561	Administrative and Support Services	\$7,751,105
	238	Specialty Trade Contractors	\$3,124,197
	236	Construction of Buildings	\$2,748,445
	221	Utilities	\$2,494,930
	481	Air Transportation	\$1,728,461
	562	Waste Management and Remediation Services	\$1,720,561
	423	Merchant Wholesalers, Durable Goods	\$699,756
	334	Computer and Electronic Product Manufacturing	\$672,488
	336	Transportation Equipment Manufacturing	\$328,585
	339	Miscellaneous Manufacturing	\$279,633
	621	Ambulatory Health Care Services	\$260,303
	811	Repair and Maintenance	\$244,845
	611	Educational Services	\$166,234
	812	Personal and Laundry Services	\$113,723
	335	Electrical Equipment, Appliance, and Component Manufacturing	\$110,914
	333	Machinery Manufacturing	\$97,583
	515	Broadcasting (Except Internet)	\$76,064
	332	Fabricated Metal Product Manufacturing	\$76,018
	517	Telecommunications	\$58,951
	337	Furniture and Related Product Manufacturing	\$54,043
325	Chemical Manufacturing	\$45,700	

<b>Table 33. Federal Contract Obligations by County and Industry (FY 2020)</b>			
<b>County</b>	<b>NAICS Code</b>	<b>NAICS Description</b>	<b>Total Dollars Obligated</b>
	327	Nonmetallic Mineral Product Manufacturing	\$34,060
	711	Performing Arts, Spectator Sports, and Related Industries	\$32,685
	331	Primary Metal Manufacturing	\$21,393
	924	Administration of Environmental Quality Programs	\$10,000
	326	Plastics and Rubber Products Manufacturing	\$10
SAUNDERS	337	Furniture and Related Product Manufacturing	\$25,675
SAUNDERS	238	Specialty Trade Contractors	\$0
SCOTTS BLUFF	324	Petroleum and Coal Products Manufacturing	\$592,979
SEWARD	332	Fabricated Metal Product Manufacturing	\$20,044
SHERIDAN	623	Nursing and Residential Care Facilities	\$283,573
	531	Real Estate	\$6,000
THURSTON	337	Furniture and Related Product Manufacturing	\$2,178,354
	541	Professional, Scientific, and Technical Services	\$1,407,648
	331	Primary Metal Manufacturing	\$856,610
	532	Rental and Leasing Services	\$647,093
	511	Publishing Industries (Except Internet)	\$237,132
	332	Fabricated Metal Product Manufacturing	\$218,473
WAYNE	334	Computer and Electronic Product Manufacturing	\$98,470
	332	Fabricated Metal Product Manufacturing	\$33,651
	335	Electrical Equipment, Appliance, and Component Manufacturing	\$32,779
	331	Primary Metal Manufacturing	\$4,585
	336	Transportation Equipment Manufacturing	\$2,390
	444	Building Material and Garden Equipment and Supplies Dealers	\$2,281
	339	Miscellaneous Manufacturing	\$1,557
	488	Support Activities for Transportation	\$300
	326	Plastics and Rubber Products Manufacturing	\$0

## 6. Veteran Demographic Trends in Nebraska

### 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 2020 report *The Economic Impact of Nebraska Military Assets: An Update for Fiscal Year 2019*, we provided evidence estimating that there were additional veterans living in Nebraska portions of the Omaha area due to the presence of Offutt Air Force Base and USSTRATCOM. This section updates those numbers and shows the net impact on the Omaha area labor force.

Data on the number of veterans residing during 2020 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 2020. Analysis of the 2020 data indicates that between 5.0% and 5.4% (with an average of 5.1%) 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 7.2% of the population during 2020 (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.<sup>115</sup> Further, given that the population of the Omaha Metropolitan Area was approximately 949,000 during 2019, the difference between 4.8% and 7.2% implies that an additional 20,468 veterans are living in the Omaha Metropolitan Area. The veteran population estimate for just the Nebraska counties of the Omaha Metropolitan area is 17,830. This estimate would include thousands of veterans with a sufficient length of service to qualify for the status of DoD military retirees.

**Table 34. Veterans as a Percentage of Metropolitan Population 2020**

	Base	Veterans	Metropolitan Population	Percentage
Omaha	Offutt AFB	68,790	949,442	7.2%
Des Moines	No Active Duty Base	35,725	662,107	5.4%
Grand Rapids	No Active Duty Base	54,223	1,074,223	5.0%
Madison	No Active Duty Base	32,952	664,865	5.0%
Milwaukee	No Active Duty Base	78,109	1,575,179	5.0%

Sources: Veterans population derived from: *National Center for Veterans Analysis and Statistics, FY 2020 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, 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.

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,

<sup>115</sup> 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.

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 8,612 veterans age 18 to 64 and 9,218 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 13,430 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 13,430 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 Incorporated<sup>116</sup> (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, 2019, and 2020 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 13,430 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.

<b>Table 35. The Economic Impact of Additional DoD Military Retirees and Other Veterans on the Nebraska Economy</b>
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<sup>116</sup> Regional Economic Models Incorporated. (2018). Available: <http://www.remi.com/>

Measure	Impact
Net Employment	2,019
Net Population	13,669
Annual Output Associated with Net Employment and Net Population (Millions \$)	\$371
Source: Bureau of Business Research estimate	

Note that the net employment impact of 2,019 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 2,019 further implies more business activity in the state. The annual output impact is \$371 million, which is a significant “supply side” impact for the Nebraska economy. Note also that the population impact is approximately 13,669. 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.

### Understanding the Size of Active Duty Military Families in Nebraska

As servicemembers are stationed throughout the nation, many bring families and dependents with them. The analysis above showed that service members contribute to the Nebraska workforce upon separation or retirement, and that military spouses also contribute to the size of the Nebraska workforce. To date, little focus has been placed on the number of spouses and dependents that move with active duty service members as they transition to Offutt AFB and USSTRATCOM. This section will briefly consider the potential size of active duty military families in Nebraska.

A report titled *2019 Demographics Profile of the Military Community*<sup>117</sup> indicated that the ratio of Active Duty service members to family members is 1 to 1.2. This means that on average there are 1.2 family members for every active duty service member, or 2.2 individuals per service member. Members of the Air Force sit at the average among all branches of the military, with 1.2 family members for each service member. Given that most active duty personnel are stationed at Offutt AFB and are members of the Air Force, this suggests that there are 1.2 additional family members living in the Omaha metropolitan area for each active duty member of the Air Force. In the Air Force, family members consist of spouses (38.1% of all family members), children (61.5% of all family members), and adult dependents (0.5%). It is notable that the proportion of family members per active duty service member has decreased since 2000.

While the *2019 Demographics Profile of the Military Community* document does not include information about specific military installations or states, it may be possible to get a rough estimate of the size of military families at Offutt AFB/USSTRATCOM. The *2020 Offutt Air Force Base Economic Impact Statement* includes information about the number of active duty service members and dependents located at Offutt AFB/USSTRATCOM. The report shows that in FY 2020 there were 5,866 active duty Air Force personnel and 6,797 dependents. This results in a ratio of 1.2 dependents for every one active duty service member at Offutt AFB/USSTRATCOM. It appears that the ratio of dependents to active

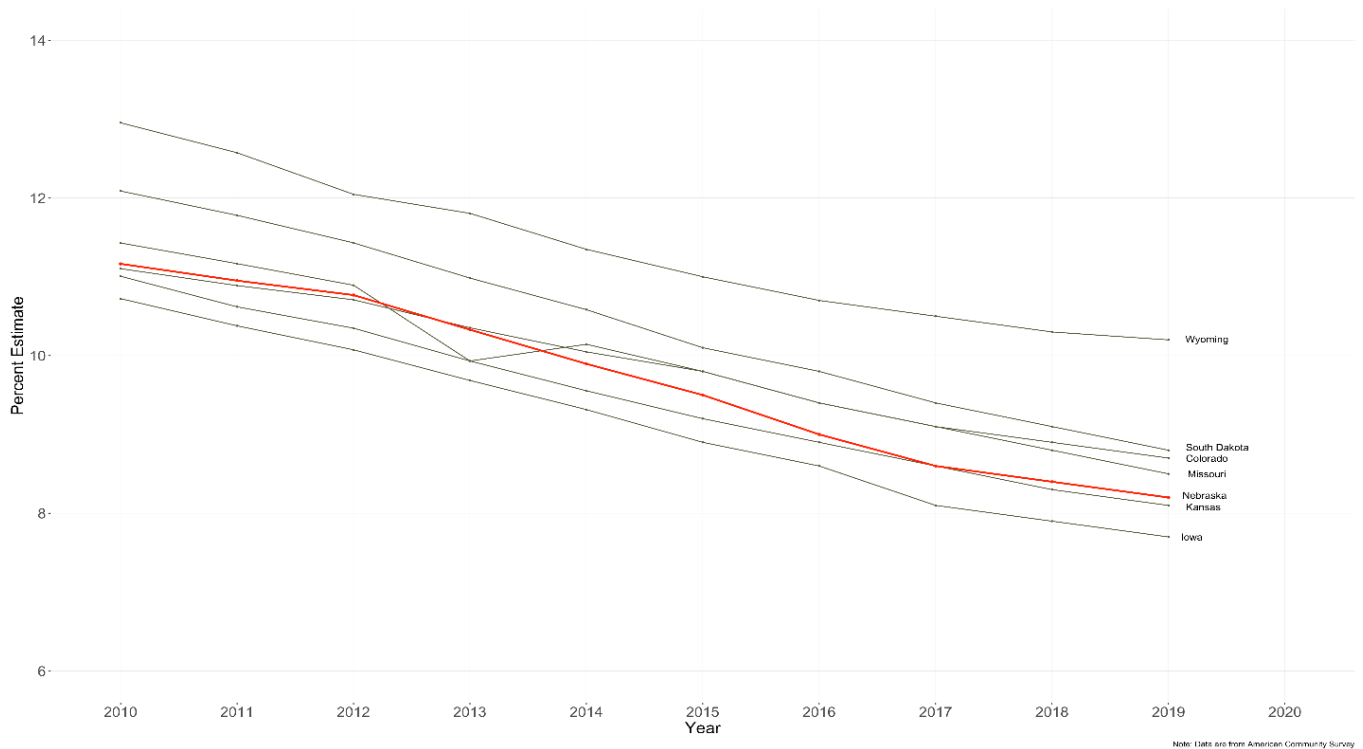
<sup>117</sup> Department of Defense, Office of the Deputy Assistant Secretary of Defense for Military Community and Family Policy. (2019). *2019 Demographics Profile of the Military Community*. Available at: <https://download.militaryonesource.mil/12038/MOS/Reports/2019-demographics-report.pdf>

duty service members Offutt AFB/USSTRATCOM is consistent with the ratio for the wider Air Force and DOD.

### Historical Change in the Number of Veterans in Nebraska

Given what we know about veterans and their contributions to the labor force in Nebraska, it is useful to understand how we can expect the number of veterans in the state to change over time. Nebraska, like most states, has generally experienced a decrease in the number of veterans in the state. This decline is largely the result of natural deaths among veterans, though it is possible that the decrease is also the result of out-migration among veterans in Nebraska. Figure 10 below illustrates this decrease. The graph presents the percentage of veterans among the general population in Nebraska and neighboring states. As the graph shows, the proportion of veterans in the states continues to decline.

**Figure 10. Veterans as Percentage of the Population in Nebraska and Neighboring States (FY 2010-2019)**

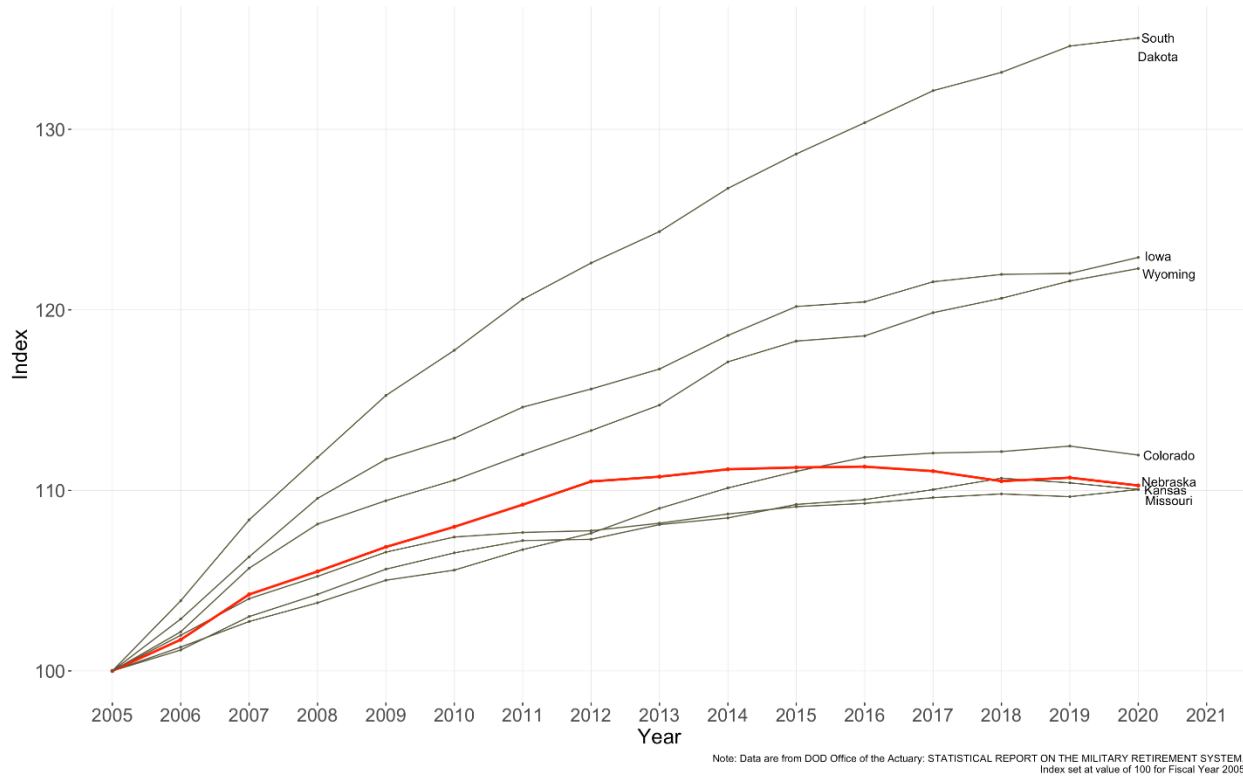






about 2012. In recent years, however, growth has slowed, and the absolute number of paid military retirees was just slightly higher in 2019 than it was in 2012.

**Figure 12. Changes in Paid Military Retirees for Nebraska and Neighboring States (FY 2005-FY 2020)**



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 2020 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 (2.3%) 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 36. Numbers of Paid DoD Retirees in Nebraska and Neighboring States, FY 2010 to FY 2020**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	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	49,580	6.5%	14.5%
Iowa	11,248	11,441	11,556	11,684	11,901	12,092	12,123	12,258	12,308	12,315	12,424	10.5%	3.6%
Kansas	20,023	20,159	20,174	20,338	20,413	20,566	20,621	20,735	20,866	20,812	20,737	3.6%	2.1%
Missouri	34,818	34,906	34,939	35,085	35,264	35,407	35,471	35,584	35,658	35,603	35,744	2.7%	2.5%
Nebraska	13,298	13,461	13,634	13,670	13,726	13,740	13,746	13,712	13,636	13,662	13,603	2.3%	5.9%
South Dakota	7,010	7,208	7,353	7,481	7,660	7,806	7,941	8,082	8,164	8,283	8,320	18.7%	8.7%
Wyoming	4,812	4,880	4,945	5,015	5,135	5,194	5,209	5,276	5,318	5,369	5,406	12.3%	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.

DRAFT

## **7. Methodology for Assessing Impact of Legislative and Regulatory Changes**

### **Defense-State Liaison Office: Key Issues for States**

The following policies areas are those highlighted by the Defense-State Liaison Office (DSLO) for states to consider. Such policies are designed to enhance the well-being and economic health of military families, as well as contribute to economic growth within the states. Much more information about each of these policy areas can be found on the DSLO website (<https://statepolicy.militaryonesource.mil/about>).

### **Enhanced Military Spouse Licensure Portability**

The DSLO has identified military spouse licensure portability as a key issue for state governments. The DSLO points out that, in relation to the civilian population, a large proportion of military spouses move across state lines. The DSLO provides further evidence that over 30% of military spouses work in industries that require full licensure. As military spouses in these industries move across state lines, they may experience delays in obtaining relevant licenses and approvals. Such delays hurt military spouses' ability to generate income, and may ultimately result in the loss of licensure in the case of extended delays.

The DSLO provides several examples of legislation adopted by various states that help military spouses overcome these barriers to work. Several states have allowed military spouses to transfer licenses from other states, thus allowing those individuals to work in occupations that have licensure requirements if they currently hold a license from that state. Often, background checks on these individuals are required. Background checks can involve double-checking whether the individual is in good standing in the originating state, or they can include criminal background checks. State legislation varies in what entity is responsible for funding and executing the background check; in some cases the state will carry out the task, while in others the hiring business will fund the background check. States that allow licensure requirements to be transferred in can allow transfers to be valid for a discrete period (e.g., valid for three or six years), or transfers can be permanent.

### **Military Spouse Occupational Licensure Access**

While states have made advances in developing licensure portability policies, it is not always the case that military spouses are aware of such policies when they move to a new state. A study cited by the DSLO indicated that only 40% of states had information posted on relevant websites that contained information specific to military spouse licensure portability policies. The implication of this fact is that licensure portability benefits will not be appropriately utilized by relevant parties, thus negatively impacting military family income and economic development more broadly.

The DSLO has put forth recommendations for actions that can be taken by legislatures and licensing boards related to publicizing licensure portability policies. First, state occupational boards should make easily available information regarding license and credential transfers for military spouses. Such information should be easily accessible on websites and other locations regularly visited by military spouses. Second, the DSLO recommends adding questions regarding military spouse status on all licensure applications at the state level. Such a question would make exemptions and transferability rules more salient to military spouses.

## **Licensing Compacts**

Interstate compacts have broad application throughout the U.S. Compacts are used to facilitate coordination and cooperation on a range of policies between states in a region or across the country. In the context of licensure portability, interstate compacts have the potential to serve as a vehicle for cooperation among the various states to help military spouses more easily find employment as they move across state lines. Though interstate compacts hold potential in this context, they require adoption by various states if they are to be effective. Before legislatures adopt a model policy, professional and trade organizations must provide critical input about their design. Much interstate cooperation must take place in order for such a policy to be effective.

## **Purple Star Schools Program**

The Purple Star Schools Program is designed to assist military children with the transitions to new schools. Military children may face challenges as they move from school to school in response to changes in parents' duty station or deployment. The Purple Star Schools Program is a state-level program that recognizes schools that put in place programs to assist military-connected students. In Texas, for example, Purple Star Campuses: designate a staff member as a military liaison; maintains an easily-accessible web page that includes resources for military children and families; maintains a transition program led by students; offers professional development for staff members; and that offers one of several initiatives. Such initiatives are designed to make the transition process easier for military children.

## **Advance Enrollment and Open Enrollment Flexibility**

The DSLO has identified advance enrollment and open enrollment flexibility as points of emphasis. Both efforts are designed to better assist military family students in enrolling in new schools. Advance enrollment would allow students to enroll in a new school upon parents presenting evidence of a transfer order to a new jurisdiction. Traditionally, schools required families to provide proof of residence once they physically move to a new state, thus increasing the likelihood of a delay in school enrollment occurring. Nebraska is held up as an example state as it relates to advance enrollment. Open enrollment flexibility refers to the ability for military families to place their student in school districts of preference as they move to a new state or move from temporary to permanent housing (or vice versa) while serving a tour of duty. Open enrollment flexibility for military families provides the flexibility that benefits military families.

## **In-State Tuition Continuity**

As military families move from state-to-state, in-state tuition benefits may be relinquished by college students already enrolled in classes, or by those students preparing to enter college. In-state tuition continuity policies benefit students of military families by allowing them to continue, or begin, to attend college in the state where a military parent lives or was stationed periodically.

## Preliminary Results and Impact of recent Nebraska Legislation and Regulatory Reform

### 2021 Legislation

LR 1 expressed support for the United States Air Force to reestablish the United States Space Command headquarters at Offutt AFB.<sup>118</sup> As of November 2021, Offutt AFB, Bellevue, Nebraska remains one of five reasonable alternatives to the preferred location (Redstone Arsenal, Huntsville, Alabama).<sup>119</sup>

LB 4 changed the tuition credit provisions for the active Selected Reserve of the armed forces of the United States.<sup>120</sup> Changes to the Nebraska Department of Veterans' Affairs Reservist Tuition Credit Program include: an increase from 50% to 75% for undergraduate degrees; an expansion to include 50% tuition credit for graduate and professional degrees; eligibility expansion to include both officers and enlisted members of the Selected Reserve; and an elimination of the 10 year program cutoff. As of October 2021, NDVA has approved 9 Selected Reservists for the revised Reservist Tuition Credit Program since the August 28, 2021 effective date of LB4.

LB 5 adopted the Purple Star Schools Act.<sup>121</sup> Under this Act, the Nebraska Department of Education may designate any school as a "Purple Star School" if the school applies and meets certain qualifications pursuant to Nebraska Revised Statutes §79-2801 through §79-2804.<sup>122</sup> As of September 2021, the Nebraska Department of Education has created a Nebraska Purple Star Schools Program.<sup>123</sup>

LB 14 adopted the Audiology and Speech-Language Pathology Interstate Compact.<sup>124</sup> This compact allows for a temporary license to practice audiology or speech-language pathology to a military spouse, someone who establishes residency in Nebraska, or someone who is a resident of a member state belonging to the Audiology and Speech-Language Interstate Compact. As of November 2021, the Audiology and Speech-Language Pathology Interstate Compact "has been enacted into law in 15 states, surpassing the threshold for activation of the compact."<sup>125</sup>

LB 35 changed the membership provisions for the First Regiment Nebraska Volunteer Infantry at Fort Donelson Committee.<sup>126</sup> Specifically, LB 35 addressed a separation of powers issue by designating the Chair of the Government, Military and Veterans Affairs Committee as an ex officio, non-voting member.

LB 77 prohibits insurance risk classifications and rate adjustments based on the fact that the insured is deployed in the military.<sup>127</sup>

LB 78 requires applicants for certain license plates to register with the Nebraska Department of Veterans' Affairs.<sup>128</sup> Specifically, LB 78 directs the Department of Motor Vehicles to use the Department

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<sup>118</sup> LR 1. (February 1, 2021). Available: <https://nebraskalegislature.gov/FloorDocs/107/PDF/Intro/LR1.pdf>

<sup>119</sup> Secretary of the Air Force Public Affairs. (January 13, 2021). Available: <https://www.af.mil/News/Article-Display/Article/2471163/secaf-selects-huntsville-alabama-as-preferred-location-to-host-usspacecom/>

<sup>120</sup> LB 4. (March 17, 2021). Available: <https://nebraskalegislature.gov/FloorDocs/107/PDF/Slip/LB4.pdf>

<sup>121</sup> LB 5. (April 16, 2021). Available: <https://nebraskalegislature.gov/FloorDocs/107/PDF/Slip/LB5.pdf>

<sup>122</sup> Nebraska Revised Statute 79-2801. (August 28, 2021). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=79-2801>

<sup>123</sup> Nebraska Department of Education. (September 27, 2021). Available: <https://www.education.ne.gov/purplestar/>

<sup>124</sup> LB 14. (March 31, 2021). Available: <https://nebraskalegislature.gov/FloorDocs/107/PDF/Slip/LB14.pdf>

<sup>125</sup> Audiology and Speech-Language Pathology Interstate Compact. (November 2021). Available: <https://aslpcompact.com/>

<sup>126</sup> LB 35. (March 31, 2021). Available: <https://nebraskalegislature.gov/FloorDocs/107/PDF/Slip/LB35.pdf>

<sup>127</sup> LB 77. (March 17, 2021). Available: <https://nebraskalegislature.gov/FloorDocs/107/PDF/Slip/LB77.pdf>

<sup>128</sup> LB 78. (April 16, 2021). Available: <https://nebraskalegislature.gov/FloorDocs/107/PDF/Slip/LB78.pdf>

of Veterans' Affairs registry for determining eligibility for Gold Star Family, Ex-Prisoner of War, Disabled American Veteran, and Purple Heart license plates.

LB 261 changed the provisions regarding grave markers for certain veterans.<sup>129</sup> Specifically, LB 261 requires counties to provide grave markers for Nebraska National Guard members who served on federal active duty or who served in the Nebraska National Guard after June 30, 1973.

LB 313 changed the provisions relating to late applications for homestead exemptions.<sup>130</sup>

LB 387 exempts 100% of military retirement pay from Nebraska income tax.<sup>131</sup> Specifically, an individual may exclude one hundred percent of the military retirement pay for taxable years beginning on or after January 1, 2022. The estimated fiscal impact for FY 2022-23 is an estimated revenue decrease of \$19,576,000 as noted by the most recent fiscal note for LB 387.<sup>132</sup> As of September 30, 2020, there were 13,603 military retirees paid by the Department of Defense.<sup>133</sup>

LB 389 requires the issuance of teaching certificates and permits to military spouses.<sup>134</sup>

LB 390 provides for credentials based on reciprocity and change requirements for credentials under the Uniform Credentialing Act.<sup>135</sup>

LB 669 adopts the Veteran Promise Act and changed residency requirements for postsecondary education for veterans and spouses and dependents of veterans.<sup>136</sup>

## 2020 Legislation

LB 153 would have exempted 50% of military retirement pay from Nebraska income tax for taxable years beginning on or after January 1, 2022.<sup>137</sup> However, the passage of LB 387 in 2021 will supersede any impact of LB 153. The estimated fiscal impact for FY 2021-22 was an estimated revenue decrease of \$5,431,000 as noted in the fiscal note for LB 153.<sup>138</sup> As of September 30, 2020, there were 13,603 military retirees paid by the Department of Defense.<sup>139</sup> On average, military retirees in Nebraska receive monthly payments of \$2,434, or \$29,208 annually, according to the *FY 2020 United States Department of Defense Statistical Report on the Military Retirement System*. Moving forward, the impact of this legislation could be measured through continued analysis of the fiscal impact of the policy, as well as a count of the number of individuals who take advantage of the exemption each year.

LB 450 changes the tuition assistance provisions for National Guard members.<sup>140</sup> Specifically, this bill increases the credit from 75 percent to 100 percent of the resident tuition charges for a diploma,

<sup>129</sup> LB 261. (May 21, 2021). Available: <https://nebraskalegislature.gov/FloorDocs/107/PDF/Slip/LB261.pdf>

<sup>130</sup> LB 313. (May 21, 2021). Available: <https://nebraskalegislature.gov/FloorDocs/107/PDF/Slip/LB313.pdf>

<sup>131</sup> LB 387. (May 25, 2021). Available: <https://nebraskalegislature.gov/FloorDocs/107/PDF/Slip/LB387.pdf>

<sup>132</sup> LB 387, Fiscal Note. (March 19, 2021). Available: [https://nebraskalegislature.gov/FloorDocs/107/PDF/FN/LB387\\_20210322-090134.pdf](https://nebraskalegislature.gov/FloorDocs/107/PDF/FN/LB387_20210322-090134.pdf)

<sup>133</sup> Statistical Report on the Military Retirement System, DoD Office of the Actuary. (September 2021). Available: [https://actuary.defense.gov/Portals/15/MRS\\_StatRpt\\_2020%20\[Sept\\_%202021\]\\_1.pdf?ver=kqkpi66f\\_kSIhY5oEn0hWQ%3d%3d](https://actuary.defense.gov/Portals/15/MRS_StatRpt_2020%20[Sept_%202021]_1.pdf?ver=kqkpi66f_kSIhY5oEn0hWQ%3d%3d)

<sup>134</sup> LB 389. (March 31, 2021). Available: [https://nebraskalegislature.gov/bills/view\\_bill.php?DocumentID=43747](https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=43747)

<sup>135</sup> LB 390. (April 21, 2021). Available: <https://nebraskalegislature.gov/FloorDocs/107/PDF/Slip/LB390.pdf>

<sup>136</sup> LB 669. (May 21, 2021). Available: <https://nebraskalegislature.gov/FloorDocs/107/PDF/Slip/LB669.pdf>

<sup>137</sup> LB 153. (August 17, 2020). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB153.pdf>

<sup>138</sup> LB 153, Fiscal Note. (July 23, 2020). Available: [https://www.nebraskalegislature.gov/FloorDocs/106/PDF/FN/LB153\\_20200723-142228.pdf](https://www.nebraskalegislature.gov/FloorDocs/106/PDF/FN/LB153_20200723-142228.pdf)

<sup>139</sup> Statistical Report on the Military Retirement System, DoD Office of the Actuary. (September 2021). Available: [https://actuary.defense.gov/Portals/15/MRS\\_StatRpt\\_2020%20\[Sept\\_%202021\]\\_1.pdf?ver=kqkpi66f\\_kSIhY5oEn0hWQ%3d%3d](https://actuary.defense.gov/Portals/15/MRS_StatRpt_2020%20[Sept_%202021]_1.pdf?ver=kqkpi66f_kSIhY5oEn0hWQ%3d%3d)

<sup>140</sup> LB 450. (August 17, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB450.pdf>



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. To determine the impact of this legislation, a count of the number of tuition credits utilized, as well as an amount of those credits could be computed.

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?'"<sup>141</sup> The "Ask the Question" campaign was one of ten key issues promoted by the Defense-State Liaison Office in 2020.<sup>142</sup> As of October 2021, Nebraska was one of ten states to advance this policy issue. To measure the potential impact of this legislative change, it would first be beneficial to determine the number of forms that have been amended to include the question in relevant agencies. Similarly, as the changes pertains to interviews between relevant service providers and veterans, it may be possible to determine the number of interview protocol that have been amended to include the question. Measuring the impact on service delivery might be somewhat more difficult. Such an effort may include a survey of veterans who recently applied for or utilized services in Nebraska to assess whether they were asked whether they were veterans, and subsequently, whether they obtained benefits or services they might not have otherwise sought if not for the question.

LB 770 establishes a disabled veteran park entry permit through the Nebraska Game and Parks Commission.<sup>143</sup> 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 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.<sup>144</sup> Moving forward the measurement of the impact of this legislative change can be assessed through a count of the number of veterans who have taken advantage of this policy change. The fiscal impact of the policy change can then be measured by multiplying the cost of a standard park entry permit by the number of veterans who received one free disabled veteran park entry permit.

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.<sup>145</sup> 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. Progress on this policy could be measured in several ways. First, the number of meetings and related events among the Committee can be counted. Second, progress on fundraising can be assessed. Finally, progress on the development and transportation of the monument could be measured.

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<sup>141</sup> LB 755. (August 15, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB755.pdf>

<sup>142</sup> Defense State Liaison Office. (September 2020). Available: <https://statepolicy.militaryonesource.mil/key-issue/ask-the-question-campaign>

<sup>143</sup> LB 770. (July 24, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB770.pdf>

<sup>144</sup> LB 770, Fiscal Note. (January 8, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB770.pdf>

<sup>145</sup> LB 850. (August 6, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB850.pdf>



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.<sup>146</sup> As of November 2021, the Nebraska Department of Veterans' Affairs is working with the City of Grand Island to implement this law. The impact of this legislation will be the creation of the State of Nebraska Veterans' Cemetery at Grand Island. Progress on this goal can be measured over time.

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.<sup>147</sup> 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 November 2021, 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. The impact of this legislation could be measured through the total amount of dollars contributed to the fund. It is also possible that the impact could be measured through the number of pet adoptions or veterans served. As of June, 30<sup>th</sup>, 2021, 376 license plates have been purchased.<sup>148</sup>

### 2019 Legislation

LB 6 changed residency provisions relating to persons on active duty and their dependents for college tuition purposes.<sup>149</sup> 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. The methodology for measuring the impact of this policy change may be through the magnitude of usage. In other words, counting the number of individuals in these particular situations who qualify for in-state tuition and who take advantage of it. Further analysis could include measuring the tuition paid by these individuals, in relation to the out-of-state tuition that would be paid under usual circumstances. The resulting dollar amount could be interpreted in two ways: the amount of money lost by Nebraska colleges and universities by not charging full out-of-state tuition, or the tuition captured by Nebraska colleges and universities by retaining students that might otherwise leave the state for in-state tuition benefits elsewhere.

LB 12 provided a license fee exemption for service members and their spouses under the Nebraska Real Estate License Act.<sup>150</sup> 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.<sup>151</sup> As of November 5, 2021, no one has

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<sup>146</sup> LB 911. (August 6, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB911.pdf>

<sup>147</sup> LB 944. (August 6, 2020). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB944.pdf>

<sup>148</sup> Lincoln Journal Star. (August 16, 2021). Available: [https://journalstar.com/news/local/vets-get-pets-program-covers-adoption-fees-for-nebraska-veterans/article\\_1ac46c5f-1589-5e3e-9c95-7c577eb8c899.html](https://journalstar.com/news/local/vets-get-pets-program-covers-adoption-fees-for-nebraska-veterans/article_1ac46c5f-1589-5e3e-9c95-7c577eb8c899.html)

<sup>149</sup> LB 6. (May 8, 2019). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB6.pdf>

<sup>150</sup> LB 12. (March 6, 2019). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB12.pdf>

<sup>151</sup> Nebraska Real Estate Commission. (2019). Available: <https://nrec.nebraska.gov/licensing-forms/veterans.html>

applied or qualified for the exemptions.<sup>152</sup> In the future, the impact of the legislation could be measured by counting the number of applications for real estate license exemptions.

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.”<sup>153</sup> 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.”<sup>154</sup> 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.<sup>155</sup> It is recommended that the Commission continue to assess the impact of this policy by recording the number of military family fee waivers and the estimated total number of dollars saved by military families.

LB 115 changed provisions related to enrollment of children of members of the military.<sup>156</sup> It established the right for military families with orders to Nebraska to preliminarily enroll in a school district. As of November 2021, one school district near Offutt AFB reported that they had a number (in the single digits) of preliminary enrollments every year.<sup>157</sup> It is recommended that, to track the impact of this policy, the NCMVA continue to work with school districts to count the number of preliminary enrollments each school year. It is conceivable that preliminary enrollments positively impact the academic outcomes of students who are able to enroll early in a Nebraska school and continue school work unimpeded. Perhaps it would be possible to measure the academic outcomes of those military family students who choose to enroll early versus those who do not.

LB 122 changed postsecondary residency requirements for veterans, family members, and other qualified persons receiving USDVA vocational rehabilitation.<sup>158</sup> There is no recommended methodology for measuring the impact of this legislation.

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.<sup>159</sup> 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<sup>160</sup> and was recognized with a “dotcom Gold Award.”<sup>161</sup> Changes in license plates has occurred. There is no recommended methodology for measuring the impact of this legislation.

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<sup>152</sup> Greg Lemon, Nebraska Real Estate Commission. (November 5, 2021). Email correspondence.

<sup>153</sup> LB 112. (March 21, 2019). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB112.pdf>

<sup>154</sup> Nebraska Revised Statute §38-117.02. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=38-117.02>

<sup>155</sup> DHHS Division of Public Health and associated author analysis. (October 30, 2020). Email correspondence.

<sup>156</sup> LB 115. (March 7, 2019). Available: <https://nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB115.pdf>

<sup>157</sup> Bellevue Public Schools, Dr. Rippe. (November 5, 2021). Email Correspondence.

<sup>158</sup> LB 122 (March 7, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB122.pdf>

<sup>159</sup> LB 138 (May 8, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB138.pdf>

<sup>160</sup> 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>

<sup>161</sup> Nebraska Department of Veterans’ Affairs Press Release. (October 27, 2021). Available: <https://veterans.nebraska.gov/nebraska-department-veterans%E2%80%99-affairs-presented-dotcomm-gold-award-new-website>

LB 152 codifies rights of Nebraska National Guard members and provide confidentiality of members' residential addresses.<sup>162</sup> 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. There is no recommended methodology for measuring the impact of this legislation.

LB 156 provides for the operation of former military vehicles.<sup>163</sup> As of November 2021, Nebraska Department of Motor Vehicle registration statistics for 2020 indicate 62 former military vehicle titles have been issued (1 passenger and 22 trucks).<sup>164</sup> The Commission should continue to count the number of former military vehicle titles issued and potentially count the increase in revenue to the Department of Motor Vehicles from this legislation.

LB 192 changed provisions relating to veteran designations on operators' licenses and state identification cards starting January 1, 2021.<sup>165</sup> 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.<sup>166</sup> The provisions in LB 192 do not determine veteran status for any other purpose. Moving forward the Commission could measure the impact of this policy by providing a count of the number of individuals who have applied for "Guard-Veteran", or U.S. Public Health Service or National Oceanic and Atmospheric Administration veterans that have applied for the "Veteran" or "Reserve-Veteran" designation.

LB 223 provides a state-sponsored insurance program for members of the Nebraska National Guard.<sup>167</sup> 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. It is recommended that the NCMVA track the number of National Guard

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<sup>162</sup> LB 152 (March 12, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB152.pdf>

<sup>163</sup> LB 156 (March 21, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB156.pdf>

<sup>164</sup> Nebraska Department of Motor Vehicles, Searchable Data, Registration Statistics. (November 3, 2021). Available: <https://dmv.nebraska.gov/about/dmv-searchable-data>

<sup>165</sup> LB 192 (March 12, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB192.pdf>

<sup>166</sup> Nebraska Revised Statute §60-4,189. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=60-4,189>

<sup>167</sup> LB 223. (March 12, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB223.pdf>

members who access life SSLI information and ultimately purchase products through the program in the wake of legislative changes.

LB 486 adopts the Veteran and Active Duty Supportive Postsecondary Institution Act.<sup>168</sup> 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.<sup>169</sup> 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). Beyond tracking the campuses that become designated as Veteran and Active Duty Supportive, it may be possible to assess the impact of this policy change by measuring whether campuses experience an increase in Veteran and Active Duty servicemembers following designation. An increase would suggest that the designation had a positive impact on enrollment among Veterans and Active Duty personnel.

LB 575 requires school district policies regarding the provision of information to and access by military recruiters.<sup>170</sup> 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 2021, there is no clear methodology for measuring the impact of this legislation. Perhaps a survey of current and former military recruiters in Nebraska would allow the Commission to determine whether recruiters perceive a change in access to potential enlistees since the policy was adopted.

#### 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.<sup>171</sup> 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.<sup>172</sup> 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 2021, no entities have requested access to the Site and Building Development Fund for initiatives to improve the military value of military installations.<sup>173</sup>

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).<sup>174</sup> 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

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<sup>168</sup> LB 486 (March 21, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB486.pdf>

<sup>169</sup> Nebraska Revised Statute 85-2703. (September 1, 2019). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=85-2703>

<sup>170</sup> LB 575 (March 21, 2019). Available: <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Slip/LB575.pdf>

<sup>171</sup> LB 96. (February 14, 2018). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB96.pdf>

<sup>172</sup> Nebraska Revised Statute 81-12,147. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=81-12,147>

<sup>173</sup> Nebraska Department of Economic Development, Dave Dearmont. (2021). Email correspondence.

<sup>174</sup> LB 901. (April 17, 2018). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB96.pdf>

Division of Aeronautics has fully implemented LB 901.<sup>175</sup> As of September 2021, there have been no reported issues regarding encroachment at Nebraska National Guard flight training areas. The Commission may want to continue to monitor the number of encroachments into 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).<sup>176</sup> Nebraska Revised Statutes 55-701 to 55-704 implement these protections.<sup>177</sup> As of October 2021, there have been no reports of these protections not working. The Commission may want to monitor the number of early terminations requested by service members each year. Doing so would require the Commission to contact relevant entities to obtain the necessary information.

LB 685 provides a funding priority for special-needs military dependents under the Developmental Disabilities Act.<sup>178</sup> To track the impact of this legislation, the Commission may ask the Department of Health and Human Services' Division of Developmental Disabilities to report all requests for prioritized funding as outlined in LB 685.<sup>179</sup>

LB 731 adopted the Physical Therapy Licensure Compact.<sup>180</sup> Nebraska has enacted legislation and continues "issuing and accepting compact privileges."<sup>181</sup> As of September 24, 2020 Nebraska had accepted 57 Physical Therapist licenses and 7 Physical Therapist Assistant licenses. Compact implementation by the Board of Physical Therapy is complete. It is recommended that the Commission continue to track the number of Physical Therapist licenses and Assistant Physical Therapist licenses accepted under the Compact.

LB 1034 adopted the Emergency Medical Service Personnel Licensure Interstate Compact and the Psychology Interjurisdictional Compact (PSYPACT).<sup>182</sup> As of October 2020, full implementation of the "Recognition of EMS Personnel Licensure Interstate Compact" or "REPLICA" occurred in March 2020.<sup>183</sup> 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.<sup>184</sup> As of October 2020, PSYPACT implementation was complete and the compact is operational.<sup>185</sup> It is recommended that the Commission continue to track the number of EMS providers requesting compact privileges.

### 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."<sup>186</sup> As of September 2020, seven

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<sup>175</sup> Nebraska Department of Transportation. (2019). Available: <https://dot.nebraska.gov/aeronautics/towers-tall-structures/>

<sup>176</sup> LB 682. (April 11, 2018). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB682.pdf>

<sup>177</sup> Nebraska Revised Statute 55-701. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=55-701>

<sup>178</sup> LB 685. (April 4, 2018). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB685.pdf>

<sup>179</sup> Nebraska Department of Health and Human Services, Bryson Bartels. (2020). Email correspondence.

<sup>180</sup> LB 731. (April 19, 2018). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB731.pdf>

<sup>181</sup> Physical Therapy Compact Commission. (2020). Available: <http://ptcompact.org/>

<sup>182</sup> LB 1034. (April 23, 2018). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB1034.pdf>

<sup>183</sup> Phone call, DHHS Program Manager. (2020). Available: <http://dhhs.ne.gov/Pages/EHS-REPLICA.aspx>

<sup>184</sup> Nebraska Department of Health and Human Services, Office of Emergency Health Services, Tim Wilson. (November 5, 2020). Email Correspondence.

<sup>185</sup> Nebraska Department of Health and Human Services, Kris Chiles. (2020). Email correspondence.

<sup>186</sup> Office of Governor Ricketts. (2018). Available: <https://governor.nebraska.gov/press/gov-ricketts-approves-teacher%E2%80%99s-license-flexibility-military-families>

Military Teaching Permits<sup>187</sup> had been issued to qualified military spouses during the September 1, 2019 to August 31, 2020 cycle.<sup>188</sup> It is recommended that the Commission continue to track the number of Military Teaching Permits applied for and issued.

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.”<sup>189</sup> The rule creates “Class 1-D” motion applicants at a reduced fee.<sup>190</sup> As of October 2020, 5 Class 1-D applications have been successfully admitted to practice law in Nebraska.<sup>191</sup> It is recommended that the Commission continue to track the number of Military Teaching Permits applied for and issued.

### 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.”<sup>192</sup> 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.”<sup>193</sup> As of October 2020, five temporary nursing licenses had been issued under the military spouse temporary license provision since 2017. Additionally, as of October 2020, two other temporary licenses had been issued under the military spouse provisions since 2017 (one Cosmetology and one Nail Technology).<sup>194</sup> It is recommended that the Commission continue to track the issuance of such temporary licenses among military spouses.

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.<sup>195</sup> In addition to initial employment, the hiring preference “is expanded to include a return to employment with any public government entity.”<sup>196</sup> As of October 2021, 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.<sup>197</sup> As of October 2021, 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.<sup>198</sup> The Douglas County Veterans Treatment Court became operational in November of 2016 and the Lancaster County Veterans Treatment Court became

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<sup>187</sup> Nebraska Department of Education. (2020). Military Path to Certification. Available: <https://www.education.ne.gov/tcert/>

<sup>188</sup> Nebraska Department of Education, Clayton Waddle. (2020). Email correspondence.

<sup>189</sup> Nebraska Supreme Court. (2018). Available: <https://supremecourt.nebraska.gov/nebraska-supreme-court-rule-allows-reduced-fee-military-spouses-seeking-join-nebraska-bar>

<sup>190</sup> 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>

<sup>191</sup> Nebraska Supreme Court Attorney Services Division. (October 9, 2020). Email correspondence.

<sup>192</sup> LB 88, Introducer’s Statement of Intent. (February 15, 2017). Available at: <https://nebraskalegislature.gov/FloorDocs/105/PDF/SI/LB88.pdf>

<sup>193</sup> LB 88. (April 25, 2017). Available: <http://www.nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB88.pdf>

<sup>194</sup> Department of Health and Human Services. (October 14, 2020). Email correspondence.

<sup>195</sup> LB 639. (April 25, 2017). Available: <https://nebraskalegislature.gov/FloorDocs/105/PDF/Slip/LB639.pdf>

<sup>196</sup> Office of Governor Ricketts. (2018). Available: <https://governor.nebraska.gov/press/gov-ricketts-signs-major-veterans%E2%80%99-legislative-package>

<sup>197</sup> LB 754. (April 18, 2016). Available: <https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB754.pdf>

<sup>198</sup> LB 919. (April 18, 2016). Available: <https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB919.pdf>



operational in April of 2017.<sup>199</sup> As of November 2021, the Douglas County Veterans Treatment Court had had 113 entrants since inception of which 23 are current participants and 50 are graduates. The Lancaster Veterans Treatment Court has had 31 entrants since inception of which 11 are current participants and 13 were 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 2021.<sup>200</sup> Initial evidence suggests that the program has been a resounding success.<sup>201</sup> In order to draw firm conclusions about the effectiveness of the program to occur, however, a formal evaluation must be made. In particular an experimental or quasi-experimental design would most rigorously measure the effectiveness of the Veterans Treatment Courts in Nebraska.

### 2015 Legislation

LB 109 changed the residency requirements for veterans, spouses, and dependents attending a public college or university in Nebraska.<sup>202</sup> As of October 2021, 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.<sup>203</sup> As of October 2021, there is no clear methodology for measuring its impact.

LB 264<sup>204</sup> 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.”<sup>205</sup> 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.<sup>206</sup>

LB 272<sup>207</sup> created a voluntary veterans preference for private sector employers pursuant to Nebraska Revised Statute 48-238.<sup>208</sup> As of October 2021, one employer had registered with the Nebraska Department of Labor.<sup>209</sup> It is recommended that the Commission continue to track business registrations with the Department of Labor.

### 2014 Legislation

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<sup>199</sup> State of Nebraska Judicial Branch, Office of Probation Administration. (November 2, 2021). Research request.

<sup>200</sup> 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>

<sup>201</sup> 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>

<sup>202</sup> LB 109. (February 26, 2015). Available: <https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB109.pdf>

<sup>203</sup> LB 219. (February 26, 2015). Available: <https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB219.pdf>

<sup>204</sup> LB 264. (May 13, 2015). Available: <https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB264.pdf>

<sup>205</sup> 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>

<sup>206</sup> Nebraska DHHS Licensure Unit Services for the Military. (2020). Available: <http://dhhs.ne.gov/licensure/Documents/VeteransInfoBrochure.pdf>

<sup>207</sup> LB 272. (March 12, 2015). Available: <https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB272.pdf>

<sup>208</sup> Nebraska Revised Statute 48-238. (2020). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=48-238>

<sup>209</sup> Nebraska Department of Labor, Veterans Preference Employer Registry. (November 2021). Available: <https://www.dol.nebraska.gov/LaborStandards/VeteransPreference/EmployerRegistry>

LB 987 created a partial exemption to military retirement benefits from Nebraska taxable income.<sup>210</sup> The Nebraska Department of Revenue preliminary data for tax year 2020 indicates 720 returns leading to \$13,086,433 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 2020, this impact would equal \$895,112. For tax year 2019, 667 returns filed the Form 1040N-MIL leading to \$11,611,345 of deducted income. 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 \$794,216, \$654,705, \$526,580, \$373,997, and \$207,728 for tax years 2019, 2018, 2017, 2016, and 2015 respectively.<sup>211</sup> Of note, LB 387, signed into law in 2021, provides for a 100% exemption of taxable income resulting from military retirement benefits for taxable years on or after January 1, 2022.

### 2013 Legislation

LB 224<sup>212</sup> created a preference for awarding state contracts to resident disabled veterans if all other factors are equal pursuant to Nebraska Revised Statute 73-107.<sup>213</sup> It is recommended that the Commission work with the Department of Administrative Services, and other relevant agencies, to determine the number of businesses that have been awarded state contracts upon indicating that the business is disabled veteran-owned.

### 2011 Legislation

LB 575 enacted the Interstate Compact on Educational Opportunity for Military Children which took effect on July 1st, 2012.<sup>214</sup> 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.<sup>215</sup> 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.<sup>216</sup> As of January 2015, all 50 states and the District of Columbia have adopted the Compact. As of October 2021, the State Council had been an effective tool to support military personnel and families serving in Nebraska.

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<sup>210</sup> LB 987. (April 2, 2014). Available: <https://nebraskalegislature.gov/FloorDocs/104/PDF/Slip/LB272.pdf>

<sup>211</sup> Nebraska Department of Revenue, Dr. HoaPhu Tran. (2021). Email correspondence.

<sup>212</sup> LB 224. (June 5, 2013). Available: <https://nebraskalegislature.gov/FloorDocs/103/PDF/Slip/LB224.pdf>

<sup>213</sup> Nebraska Revised Statute 73-107. Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=73-107>

<sup>214</sup> LB 575. (May 16, 2011). Available: <https://nebraskalegislature.gov/FloorDocs/102/PDF/Slip/LB575.pdf>

<sup>215</sup> 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/>

<sup>216</sup> Nebraska Base Realignment and Closure (BRAC) Task Force. (2008). Available: <http://govdocs.nebraska.gov/epubs/L3745/B036-2008.pdf>



## 2010 Legislation

LB 279<sup>217</sup> amended Nebraska Revised Statutes 14-407,<sup>218</sup> 15-1103,<sup>219</sup> and 19-923<sup>220</sup> 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 2021.

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<sup>217</sup> LB 279. (February 11, 2010). Available: <https://nebraskalegislature.gov/FloorDocs/101/PDF/Slip/LB279.pdf>

<sup>218</sup> Nebraska Revised Statute 14-407. (2021). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=14-407>

<sup>219</sup> Nebraska Revised Statute 15-1103. (2021). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=15-1103>

<sup>220</sup> Nebraska Revised Statute 19-923. (2021). Available: <https://nebraskalegislature.gov/laws/statutes.php?statute=19-923>

## 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 in support of the North Atlantic Treaty Organization.

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