



Kentucky Commission on Military Affairs

Full Commission Membership Meeting
Frankfort, KY

August 21, 2015





WELCOME

**COL (R) David Thompson
Executive Director & Chair
KY Commission on Military Affairs**

KENTUCKY

Commission on Military Affairs





ROLL CALL

INTRODUCTIONS





APPROVAL OF MINUTES

November 21, 2014

(Tab 1)





FINANCIAL UPDATE

(Tab 2)



KENTUCKY COMMISSION on MILITARY AFFAIRS

FISCAL YEAR 2016

BALANCE AS OF 31 JULY 2015

Allotments	Expense	Balance	% Funds Used
\$206,309 *	- \$21,974	= \$184,335	11%

* Projected budget savings due to grant: \$81,000





EXECUTIVE DIRECTOR'S UPDATE



KCMA Mission

Guided by Kentucky statute KRS 154.12-203, the Kentucky Commission on Military Affairs takes action to protect and grow our military installations, enhance the growth of business and address all matters of military significance, improving our quality of life and supporting our national defense.

Agenda

- **KCMA Goals and Objectives**
 - **Army Force Structure Changes and Impact on KY**
 - **Military “Friendliness”:** A comparison to other states
 - **2015-2016 Economic Development Initiatives**
 - **BRAC Preparation**
-

Kentucky Commission on Military Affairs

Goals and Objectives

1. Protect and Grow Kentucky DOD Installations

- *Increase Missions and Functions (Single service + Joint)*
- *Promote and enhance the military value of Kentucky installations*
- *Plan, Coordinate and Lead the Commonwealth's BRAC operation*
- *Increase installation end-strength (military + DOD Civilian)*
- *Pursue Partnerships: Public-Private, Public-Public (Cost Savings/Cost Avoidance)*

2. Strengthen the Defense-Related Economy in Kentucky

- *Develop specific market segments that align with DOD's intentions for the future*
- *Promote Small Business: Technology and innovators (defense and civil markets)*
- *Enhance large defense businesses: (accommodate growth and long term presence)*

3. Communicate Strategically

- *Advise elected leadership on military-related issues and legislation*
- *Build positive awareness of military activity and related economic opportunity*
- *Develop and strengthen local, state, national level advocacy for the military in Kentucky*
- *Promote understanding and achieve commitments in support of KCMA goals*

4. Conduct Inter-Agency Program Support for a Strong Military in Kentucky

- *Support and actively contribute to other agency efforts that complement KCMA goals*

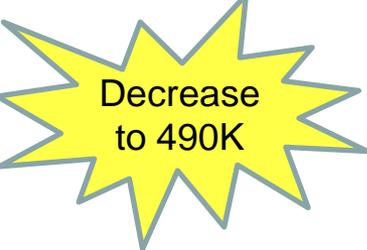
US Army Force Structure Changes

Army cuts 120,000 soldiers by end FY2017 (from wartime high of 570K to 450K)

Army Force Structure Decisions were Shaped by the 2011 Budget Control Act, Defense Strategy and the 2014 Quadrennial Defense Review (not sequestration)

Critical Events

Year 2013

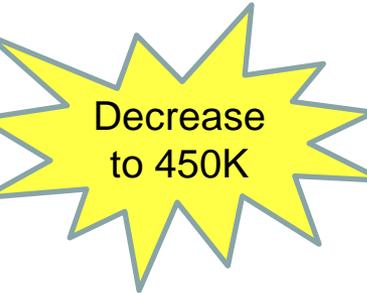


Decrease
to 490K

- * Programmatic Environmental Assessment
- * **Force Structure Cuts (Round 1)**
 - Kentucky Effect: Loss of 3-1 BCT at Fort Knox (3300 Soldiers)

LOSS

Year 2014-15



Decrease
to 450K

- * Supplemental Programmatic Environmental Assessment
- * Aviation Restructuring Initiative: Loss of 159th CAB
- * **Force Structure Cuts (Round 2)**
 - Civilian cuts (17,000 Army-wide) announcement anticipated (SEP 2015)
 - Kentucky Effect: No significant loss to date

WIN

Force Structure Changes in KY

Some History

Fort Campbell

Military	2001	2012	2015	2017
AC Structure	482.2K	570K	490K	450K
Stationed at Fort Campbell	22,911	29,222	26,400	26,047
Percentage of AC	4.8%	5.1%	5.4%	5.8%

FY15 to FY17 Change: -353

Fort Knox

Military	2001	2012	2015	2017
AC Structure	482.2K	570K	490K	450K
Stationed at Fort Knox	6,382	7,667	4,706	4,773
Percentage of AC	1.3%	1.3%	1.0%	1.1%

FY15 to FY17 Change: +67

US Army Force Structure Changes

Future

A yellow starburst graphic with a black outline, containing the text "Decrease to 420K?".

Decrease
to 420K?

- Sequestration is primary cause for cuts below 450K
- KY impact is potentially severe if the Army must cut multiple BCT's, a Division HQ, and other units

Military “Friendliness” of State-Level Policies/Legislation

- Measured within groups:
 - Currently serving military members and families
 - Retirees and Veterans
- State-level policies that are observed include:

Retirees and Veterans

- RETIREMENT/SBP TAX EXEMPTION
- PROPERTY TAXES
 - for All Veterans*
 - for Disabled Veterans*
- IN-STATE TUITION
- VETERAN STATUS ON LICENSE/ID

Currently serving

- SERVICEMEMBER
 - State License Credit/Military Training*
- SPOUSE
 - Portable State License*
- SPOUSE
 - Unemployment*
- CHILD
 - Interstate Compact*

Military “Friendliness” of State-Level Policies/Legislation

Retirees and Veterans

- **Excellent record**
- **Some areas of consideration:**
 - *Several states offer 100% exemption on property taxes for service connected totally disabled and some level of exemption for other veterans (not disabled)*
 - *22 states exempt 100% of military pensions from taxation or achieve same effect through lack of state income tax:*
Alabama, Hawaii, Kansas, Illinois, Louisiana, Massachusetts, Michigan, Mississippi, New Jersey, New York, Ohio, Pennsylvania, Wisconsin, Connecticut (2015), Alaska, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, Wyoming

Currently serving military and families

- **Among the best in the country**
 - 120+ pieces of military-friendly legislation
- **KY is a leader:**
 - *Early adopter of Interstate Compact for Military Children*
 - *Military training and service towards various state professional licensure and certifications*
 - *Veteran’s Preference for positions in urban-county and state governments*
 - *In-state tuition benefits for non-KY residents on Post 9/11 GI Bill*
 - *Veteran’s personal loan program*
 - *Military family assistance trust fund for 180 days after end of deployment*
 - *Military and overseas voting*
- **Consider:**
 - *Military Student Identifier*

Base Re-Alignment and Closure (BRAC)

- Current state:
 - DOD has excess infrastructure and desires a BRAC round to reduce the inventory and associated costs
 - DOD is taking risk in infrastructure to fund readiness, increasing longer-term costs associated with facilities sustainment
 - Congressional resistance to BRAC is decreasing
 - 2016 POTUS budget requested a round in 2017
- If a BRAC is authorized in 2017 or soon thereafter:
 - DOD would spend practically \$6 billion during the six-year implementation period, but would expect to recoup approximately \$6 billion within that same six-year period
 - Following that initial six year period, the BRAC reductions in infrastructure would result in \$2 billion in annual recurring savings.

“The next BRAC round will achieve efficiencies by consolidating onto the military’s most efficient installation platforms. It would not eliminate all excess capacity and would preserve some surge capacity. “

-John Conger, Assistant Secretary of Defense for Energy, Installations and Environment

Base Re-Alignment and Closure (BRAC)

How does Kentucky prepare?

- **SWOT Analysis & Strategic Plan**
 - Pursue installation-specific strategies designed to leverage strengths, mitigate weaknesses, exploit opportunities and defend against threats
 - Enhance the “military value” of the installations
 - Reduce installation operations costs

The Way Ahead

2015-2016

Installations

- Advance mission growth targets outlined within SWOT analysis and Strategic Plan
- Support the growth of local and regional advocacy groups
- Monitor military construction projects to include the Fort Knox Ambulatory Clinic to be included in 2016 NDAA budget (\$80M)

Economic Development

- Execute federal grant supported economic development studies related to defense
- Support the Fort Campbell Army railhead co-use partnership
- Identify Public-Public, Public-Private partnerships with the Army
- Support small business opportunities with DOD and defense contractors

Executive Director's Update

Questions/Comments



CONGRESSIONAL UPDATE

Ms. Regina Stivers
Office of Senator Mitch McConnell





MILITARY UPDATES



1. Kentucky National Guard
2. US Army Recruiting Command
3. Adjutant General of the US Army
4. Kentucky Department Veteran Affairs
5. 11th Theater Aviation Command
6. Fort Campbell
7. US Army Corps of Engineers
8. Fort Knox
9. Blue Grass Army Depot



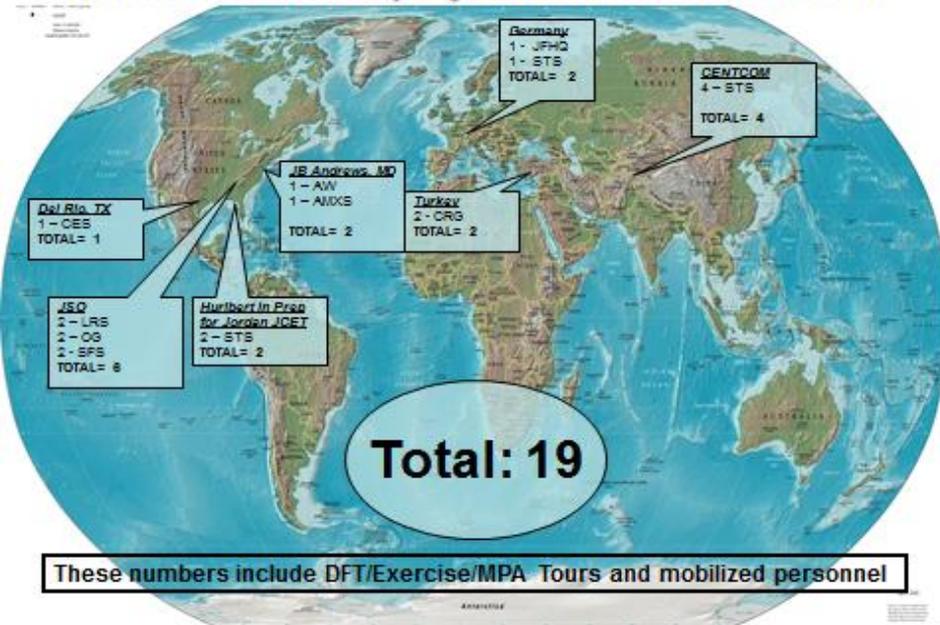
Kentucky National Guard & Department of Military Affairs Update

OPTEMPO AND MISSIONS

- Johnson Co. Flood Response 7/14-19
- Diversity Day 8/1
- SCSM Assumption of Responsibility 8/7
- Active Shooter Exercise/Conceal Carry 8/12
- Kentucky State Fair begins 8/20
- Strong Bonds retreat 8/21-23
- Djiboutian Delegation Visit to Kentucky 9/15-20
- Flight Facility (AASF) construction 96% complete
- BlueGrass Challenge Academy CORE Inspection
- FMS Jackson nominated for Army Award for Maintenance Excellence (AAME).

KYARNG Unit	PAX	AOR	MISSION
Det 1 Co D, 2-20th SFG	1	OEF-CCA	South America
Det 1 Co D, 2-20th SFG	1	OEF-CCA	South America
Det 1 Co D, 2-20th SFG	2	OEF-OOC	Africa
B Co 351st ASB	74	OSS-KU	Kuwait
1163rd AMSC	19	OEF	Mobilization Site
KYARNG Total	97		

123AW Current Deployment Status 28 Jul 2015



	End Strength	Assngd	%
Army	7,200	7,103	99%
Air	1,223	1,194	98%
Total	8,423	8,297	99%
		Delta	126





U.S. Army Recruiting Command



Army Way Ahead

- From 570,000 active Army down to 490,000 by 1 October 2015 and 450,000 by fiscal year 2017
- Focusing on the Army Operating Concept and Force 2025 and Beyond



Recruiting the Strength of the Army

- USAREC is postured to make the active recruiting mission of 59,000 Accessions
- Reserve accessions still pose a slight challenge. We predict to fall short by about 2,000 of our 17,313 accession mission
- 758 Kentucky residents have volunteered for active and reserve duty in the Army in fiscal year 2015

Accessions Related Additions to Fort Knox Under Consideration

- Army Reserve Career Division (ARCD) (Chief, Army Reserve has directed)
- Center for Soldier Excellence (TRADOC led effort-Human Dimension focused collaboration hub)
- Strength Management Training Center (part of ARNG Professional Education Center)



2015

Securing Talent Today for Force 2025 & Beyond



U.S. ARMY



The Adjutant General Directorate

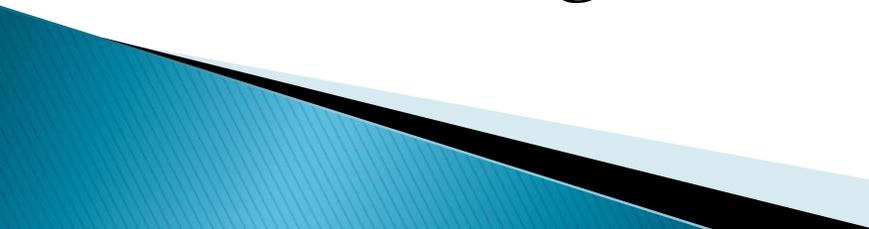


Current

- **TAGD's Role in Identifying the Best Leaders for Promotion/ Selection**
 - New OER – Successes
 - New NCOER Development and Implementation
- **What We Do in TAG for Voting for 2016 General Election**
- **How TAG Enhances Operations and Support to the Field**
 - G1/ SEA / PCC Course at HRC
 - Worldwide G1/ S1 VTC
 - Supporting Systems

Kentucky Department of Veteran Affairs

Upcoming Events & News

- ▶ August 23-30 - Kentucky State Fair
Louisville, Kentucky
 - ▶ September 25th & 26th - Veterans Hall of Fame
Frankfort, Kentucky
 - ▶ September 26 - Honor Flight
Lexington, Kentucky
 - ▶ October 7 - JECVO
American Legion 113, Elizabethtown
- 

Upcoming Events & News cont'd.

- ▶ November 1 - Veterans Telethon
Paintsville, Kentucky
 - ▶ November 11 - Veterans' Day
 - ▶ November 18 - Honoring Our Women Veterans Luncheon
Kentucky History Center, Frankfort, Kentucky
 - ▶ December 2 - JECVO
- 



11th Aviation Command



- 11th Aviation Command in Kentucky
 - 30xUH-60s
 - 12xHH-60s (MEDEVAC)
 - 8xC-12
 - Approximately 750 Reserve Soldiers based in KY (plus 100 civilians)
 - C2CRE-A (Command and Control, CBRN Response Element – A)
- Active Duty draw down = opportunity for US Army Reserves
- Statewide visibility increases chances to sell the Army Reserve Story
- Private, Public Partnership opportunities

*Increased opportunity for Defense Support to Civil Authorities

*US Army Reserve ≠ National Guard: Posse Comitatus & Federal Authorization for use in support of state/local governments

- C-12 move from WI
- MEDEVAC HH-60s from PA
- Apache to Blackhawk Conversion
- Loss of HQ Structure

11th Aviation Transformation (Ft. Knox)

U of L ROTC Engagement

UK ROTC Engagement

- 125 total cadets engaged
- 30 cadets interested in USAR AVN
- 15 viable candidates for USAR AVN

WKU ROTC Engagement

EKU ROTC Engagement



Fort Campbell KCMA Update



1) CAAF Repaving and Lighting Upgrades:

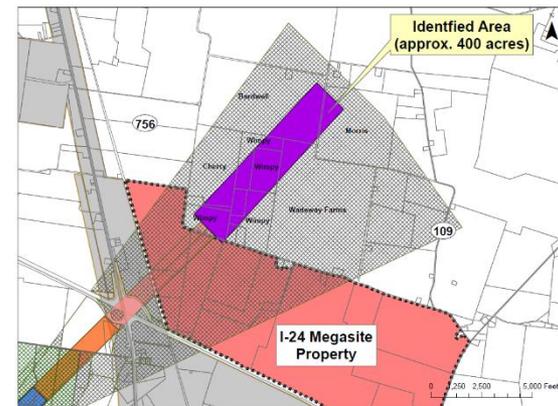
- Senior Commander's #1 Project at \$17.5 million
 - Resurface primary runway and relocate/repair primary runway lighting, taxiway and apron repairs
- Anticipate award 4th Qtr FY15 or 1st Qtr FY16, paving begin Spring 2016

2) Hopkinsville-Christian Co. 2,100-acre Megasite

- Fort Campbell Commanding General has given support contingent upon:
 - Protection of railroad operations (Fort Campbell retains control)
 - Protection of Campbell Army Airfield (local laws, ACUB easements)
 - Compensation/in-kind services (future rail maintenance)
- Require improved understanding of State and Local commitments necessary to protect CAAF
- Railroad easement will require Department of the Army approval
- Potential “Win-Win” Opportunity

3) Redundant Gas Pipeline:

- Contributes to Fort Campbell's energy security
- Provides temporary transportation of natural gas to Hopkinsville Water Environment Authority (HWEA)
- Finalize negotiations by Oct 2015 with City of Clarksville and KY Public Service Commission permitting temporary flow of gas north to Hopkinsville



Presentation to:

Kentucky Commission on Military Affairs

COL Chris Beck, PE

Commander, Louisville District
21 August 2015



US Army Corps of Engineers
BUILDING STRONG



U.S. Army Corps of Engineers Update

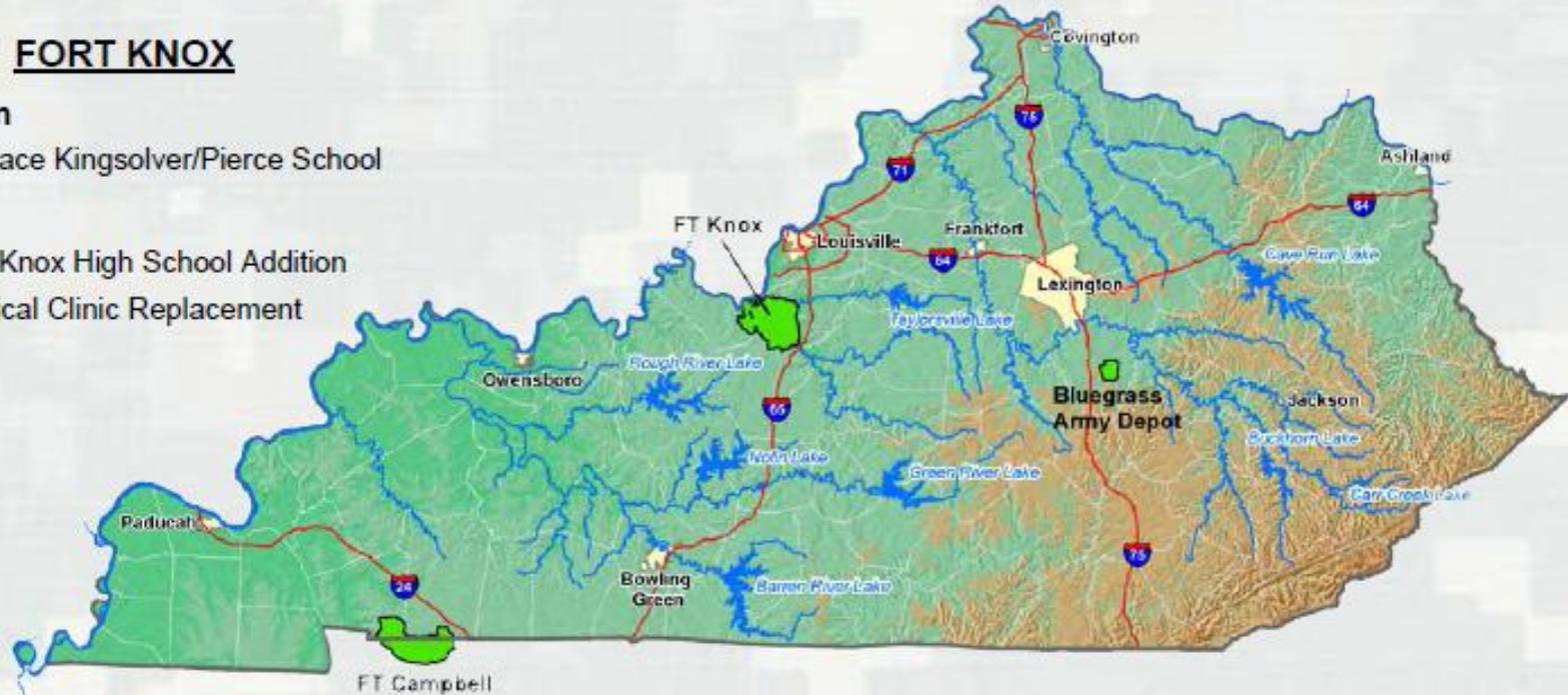
FORT KNOX

In Construction

- \$39M – Replace Kingsolver/Pierce School

In Design

- \$23M – Fort Knox High School Addition
- \$80M – Medical Clinic Replacement



FORT CAMPBELL

In Construction

- \$59M – Fort Campbell High School
- \$ 5M – Battlefield Weather Facility
- \$45M – Replace Barkley Elementary School
- \$38M – Replace Marshall Elementary School
- \$56M – BACH Hospital Add/Alt (97%)

In Design

- \$23M – UAV Maint Complex
- \$26M – SOF Troops Battalion Facility
- \$18M – SOF System Integration Maint Facility
- \$13M – SOF Company Headquarters

Recently Completed

- \$55M – Battalion Headquarters Complex





Fort Knox Update

21 Aug 2015

Emmet E. Holley, Fort Knox Garrison Deputy

Fort Knox – America's Gold Standard Army Home



Fort Knox Update



- Set to grow by 67 personnel in spite of 40,000 more active-duty troop cuts across Army
 - Lose 3rd ESC; gain 1st TSC & 1st Army-East
- Achieved energy independence in May
 - Convert methane from below post into electricity
- Cadet Summer Training a success
 - Army's single-largest training event
 - 8,700 cadets
 - 4,800 cadres
- Named 2015 Army Communities of Excellence Silver Award winner
 - Highest-ever finish
 - Bronze in 2014; also placed in 2012, 2011 & 2009





Blue Grass Army Depot



Key Topics:

- FY15-16 Workload & Revenue stable; Financially Stable unlike FY13-14.
- Recapitalization Effort (\$30+ Million)
- Life Cycle Replacement /Process Improvement
- QWE Projects
- Consolidated Shipping Center (2016-2017)
- Enterprise Logistics Automation
- Increasing Business Development (ISO 9001, VPP certification)
- BGCAPP Construction Completion in Sep 2015, 35% systemization complete, operational 24/7 Ops Center
- New JMC Commanding General is BG Farmen.

Key Events:

- 20 Aug: Rep Barr Visit to BGAD
- 16 Sep: New JMC CG Visit to BGAD
- 16 Sep: Annual CSEPP Exercise
- Sep-Oct: THAAD / FMS
- Wounded Warrior Hunts (Oct, Dec, Jan)
- 8-17 Mar 2016: DA Ammo Log and Safety Review
- 16-20 May 2016: Bi-Annual Chemical Surety Inspection
- June 2016: BGAD and BGCA CDRs Change Command





SPECIAL BRIEF

Public-Public Partnership Hopkinsville/Christian County and Fort Campbell



I-24 MEGASITE PARTNERSHIP: HOPKINSVILLE/CHRISTIAN COUNTY AND FT. CAMPBELL

Kentucky Commission on Military Affairs
August 21, 2015



I-24 Megasite Overview

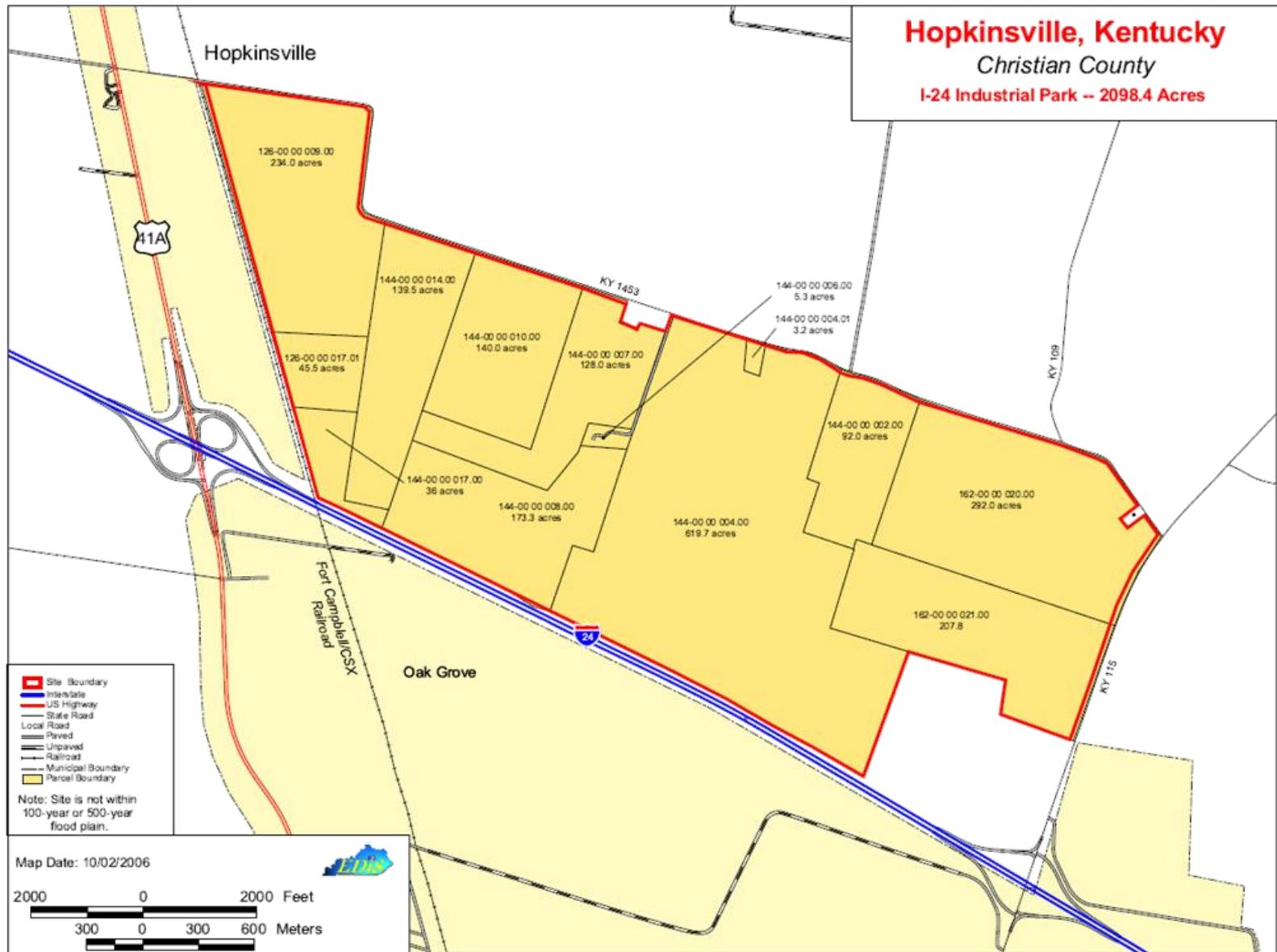
- 2,100 acre certified megasite in Hopkinsville-Christian County
 - Completed environmental and geotechnical testing
- Proximity to interstate highways, railways, and suppliers
 - Served by two interchanges on I-24
- Plentiful labor supply
 - Transitioning soldiers

Partnerships between FTC and H-CC:

- Rail access
- Protecting Campbell Army Airfield
- Natural gas



Site Map



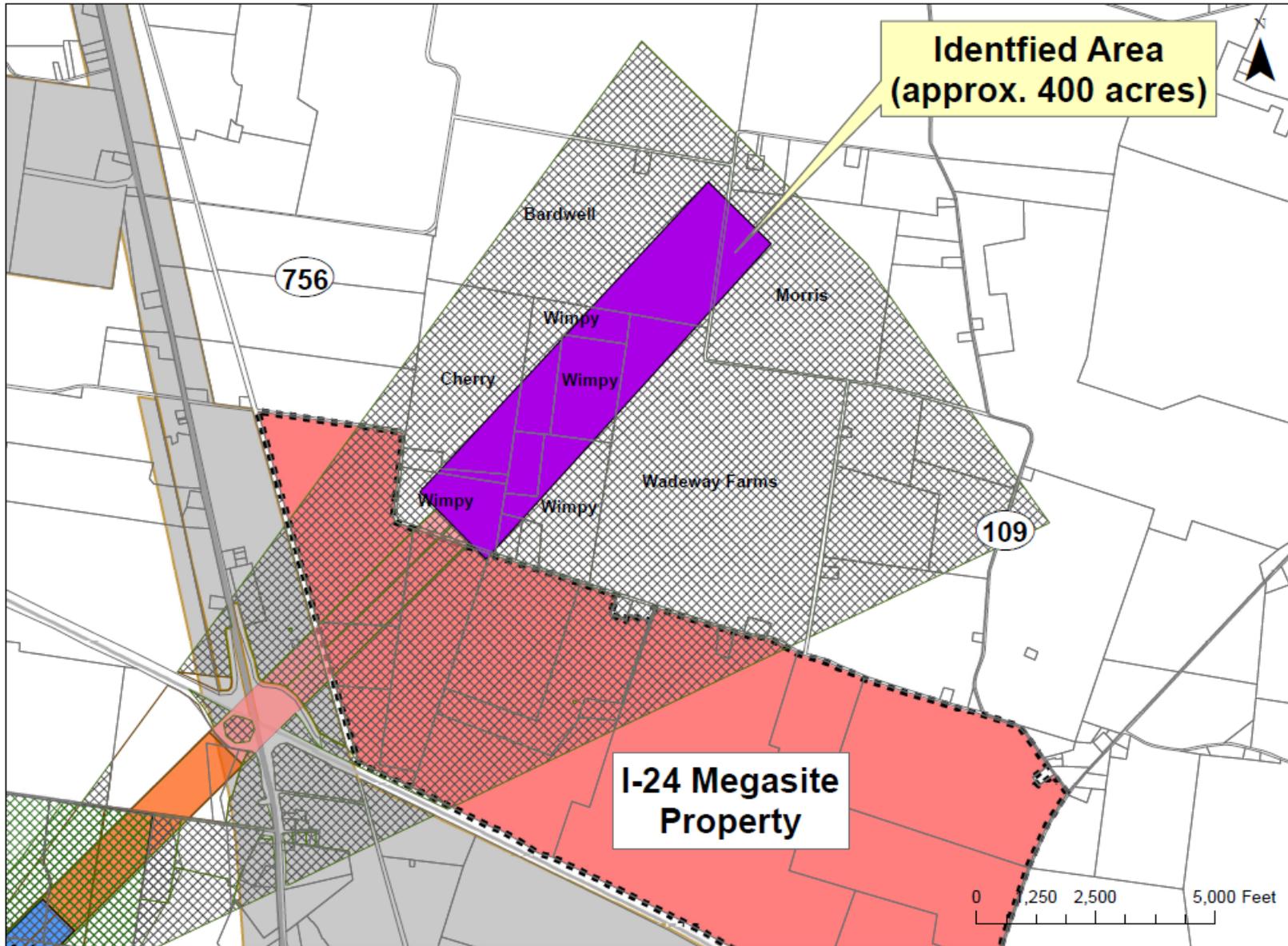
Railroad

- DOD rail line from CSX mainline to FTC
- Western boundary of megasite
- Public-public partnership for megasite tenant to have access to rail
- H-CC public entity would contract to operate rail service and provide maintenance, reducing cost to FTC
- Secondary loading facility
- FTC priority when needed

Protecting Campbell Army Airfield

- Understand importance of airfield
- Interests align
- Overlapping layers of protection
 - Water, sewer, local zoning, state airport zoning
- Previous efforts to secure funding for ACUB
- ACUB for Additional 400 Acres North of Megasite
 - Discussions held with property owners

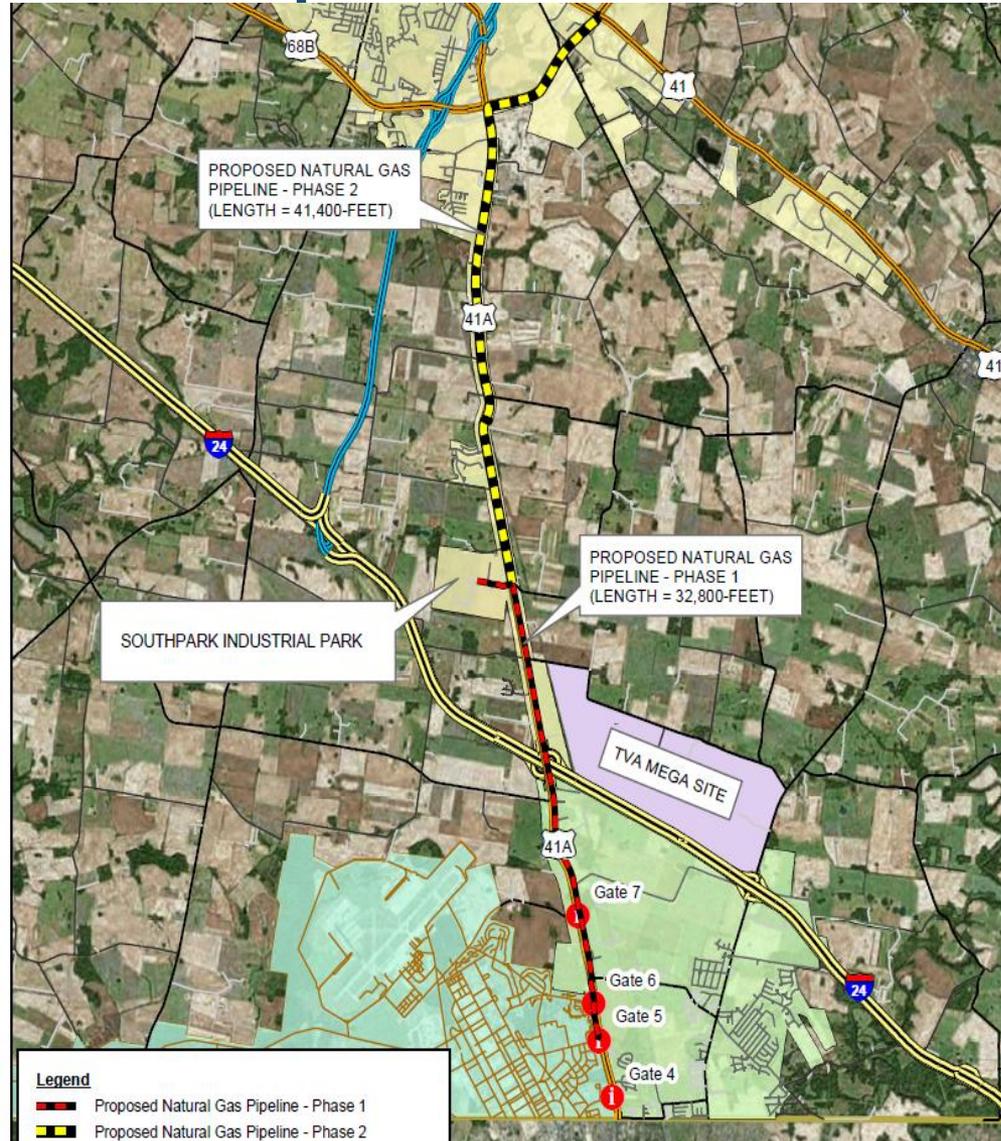
Area North of Megasite



Natural Gas

- Phase 1 – from FTC Gate 4 north to US Smokeless Tobacco; gas flows north
- Phase 2 – from USST to interconnect with existing Atmos system in Hopkinsville
- Reverse the flow; gas flows south
- Redundant gas supply for FTC – energy security
- Increased capacity for megasite and southern H-CC

Natural Gas Pipeline



QUESTIONS?



SPECIAL BRIEF

Knox Defense Alliance



Knox Defense Alliance

Getting to an “A” game

***Presentation For
KCMA Annual Meeting
August 21, 2015***

***MG (R) Wm. Barron, Executive Director
CORE Committee, Inc.***

Knox Defense Alliance

A regional alliance of public and private interests focused on increasing the economic impact of Fort Knox, Kentucky.

Knox Defense Alliance Background

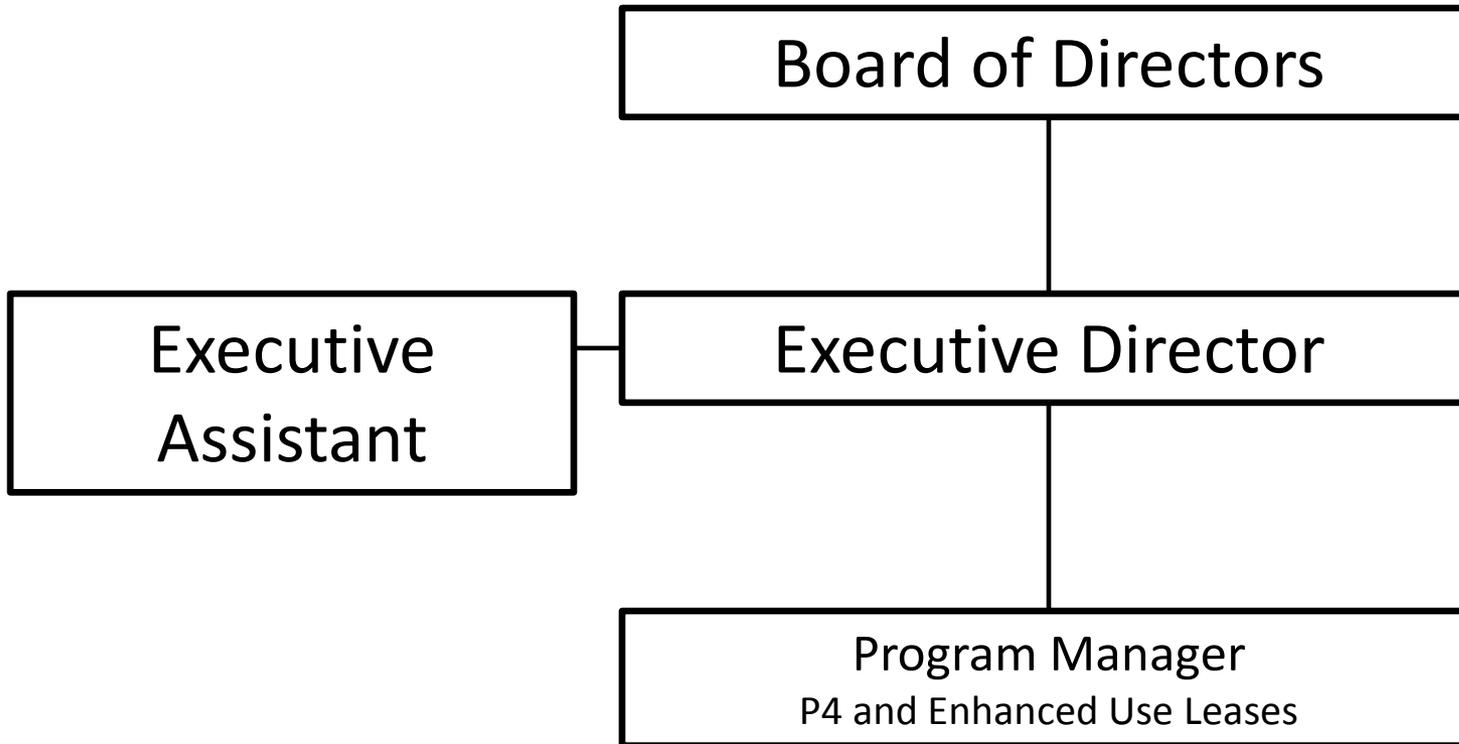
- Declining defense budgets
- Force structure cuts to Fort Knox
- Knox economic impact currently \$2.5B annually
- Exceptional location, assets and capabilities
- No current structure exists to capitalize on this asset
- If problem approached passively, Knox economic impact WILL decrease (declines in jobs, revenues, business opportunity)
- The new reality requires a new approach focused on leveraging the presence of this facility for the regional good
- Must grow in new ways given lack of federal growth and volatile federal budget
- *Change narrative: “Our” installation vs. Army installation*

Knox Defense Alliance

Exists to:

- Leverage Fort Knox, its advantages & capabilities to increase business opportunities for Kentucky companies
- Develop public-public and public-private partnerships designed to save installation costs and create job opportunities in the region
- Advocate for additional military missions and organizations at Fort Knox through partnership with the Kentucky Commission on Military Affairs (state) and CORE Committee (local)
- Pursue the development and execution of enhanced-use lease opportunities for under-utilized federal property
- Partner with the military to develop talent pipelines that serve to strengthen the regional workforce

Knox Defense Alliance initial staff structure



Knox Defense Alliance funding sources

- Tiered membership dues from corporate stakeholder interests
- Donations
- State and Federal grants as available
- Local government grants as available

Knox Defense Alliance key membership

- CORE Committee
- KCMA (Governor's Office)
- Hardin County Chamber of Commerce
- Louisville Mayor's Office
- Greater Louisville Inc.
- Regional Corporate members (tiered membership structure)
- Selected individual members based on board recommendations



OPEN DISCUSSION





ADJOURN





Kentucky Commission on Military Affairs

Full Commission Membership Meeting
Frankfort, KY

August 21, 2015

