

Transcript Prepared by Clerk of the Legislature Transcribers Office
Agriculture Committee February 11, 2020

HALLORAN: There will be-- hopefully, some senators move in as time proceeds. Welcome to the Agriculture Committee. I'm Senator Steve Halloran. I'm from Hastings, Nebraska and represent the 33rd Legislative District. I serve as chair of this committee. The committee will take up the bills in the order posted on the agenda. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. The committee members might come and go during the hearing. This is just part of the process as we have bills introduced to other committees. I ask that you abide by the following procedures to better facilitate today's proceedings. Please silence or turn off your cell phones. Please move to the reserved chairs when you are ready to testify. Ordinarily, it's the front row, but we've got a pretty decent crowd in a small room. So if you can just be prepared to move up as quickly as possible when it's your turn. Introducers will make initial statements, followed by proponents, opponents, and neutral testimony. Closing remarks are reserved for the introducing senator only. If you're planning to testify, please pick up a green sign-in sheet that is at the table to the side, over here on the filing cabinet. Please fill out the green sign-in sheet before you testify. Please print and it is important to complete the form in its entirety. When it is your turn to testify, give the sign-in sheet to a page or the committee clerk. This will help us make a more accurate public record. If you do not wish to testify today, but would like to record your name as being present at the hearing, there is a separate white sheet on the table that you can sign for that purpose. This will be part of the official record of the hearing. If you have handouts, please make sure that you have 12 copies and give them to the page when you come up to testify and they will be distributed to the committee. If you do not have enough copies, the page will make sufficient copies for you. When you come up to testify, please speak clearly into the microphone. Tell us your name and please spell your first and last name to ensure we get an accurate record. We'll be using the light system for all testifiers. You will have four minutes to make your initial remarks to the committee. When you see the yellow light come on, that means you have one minute remaining and the red light indicates your time has ended. Questions from the committee may follow. No displays of support or opposition to the bill, vocal or otherwise, are allowed at a public hearing. Committee members with us today will introduce themselves starting on my far left, at the end. Senator Moser.

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MOSER: Mike Moser. I represent District 22. That's Platte County, Stanton County, and a little bit of Colfax County.

BLOOD: Senator Carol Blood and I represent western Bellevue and southeastern Papillion, Nebraska, and that's District 3.

BRANDT: Tom Brandt, District 32: Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster Counties.

HALLORAN: To my left is committee research analyst Rick Leonard and to my right is committee clerk Rod Krogh. Our page for the committee today is Veronica Miller. She is a junior at UNL with a major in political science and Spanish. Welcome, Veronica. All right. With that, we're still struggling to have a quorum.

BLOOD: Maybe they didn't read their note and went to the wrong room.

MOSER: We have to have a quorum to do business?

HALLORAN: I think it's advisable, yeah.

MOSER: And we have--

HALLORAN: We could ask one of the members in the audience to come up and--

MOSER: I told them one of them could come up and have my seat.

BLOOD: I think John Hansen has experience.

MOSER: Do you know that these guys aren't going to be here?

HALLORAN: No one has said otherwise, no.

BLOOD: I, I think they probably didn't look at their note and they're trying to figure out where they belong.

HALLORAN: Bear with us, Britt, and we'll be right with you.

BRITT ANDERSON: OK, that's fine.

BLOOD: Anybody have any good jokes?

[LAUGHTER]

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HALLORAN: Well, Britt, I hope you have unlimited time on your cell phone.

BRITT ANDERSON: Yeah, yeah, I think I'm fine.

HALLORAN: OK.

BLOOD: Those days are kind of gone, right?

HALLORAN: I think so. Not at a payphone--

BLOOD: No offense.

HALLORAN: Not at a payphone, I'm sure, right?

BLOOD: What's a payphone?

[LAUGHTER]

HALLORAN: Well, for information for the audience, we're going to, we're going to work with the confirmations for the Beginning Farmer Board first. And we have-- one of the nominees is on the phone. He couldn't make it today. So when you hear that voice not coming from a person that you can see, that's where it's coming from.

MOSER: I'm going to wander up and down the hall to see if I, I can recruit somebody.

BLOOD: You're going in the opposite direction and you know that, right? When you leave, we're one less person?

MOSER: I'll be right-- I won't be far away.

BLOOD: How are you, Senator Brandt?

BRANDT: Good.

BLOOD: Happy Friends Day.

BRANDT: Is that what it is today?

BLOOD: It is National Friends Day and Dry Bean Day.

BRANDT: I know it was Dry Bean Day.

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BLOOD: There's got to be a connection there. I can't figure out what it is yet.

HALLORAN: You made Senator Hughes happy.

BLOOD: Yeah?

HALLORAN: Dry Bean Day.

BRANDT: Dry Bean Day.

BLOOD: Who doesn't like beans?

HALLORAN: That was one of the favorite songs I taught my grandkids earlier on.

BLOOD: I said that to Senator Lathrop. He was, like, my grandfather had a song for that. They are magical.

BRANDT: So which committee do you have to present on?

BLOOD: Urban Affairs; it's the only one I have in there this year. Last--

BRANDT: Are you about done or do you have a lot left to present?

BLOOD: You know the-- one of the committees I sit on still hasn't scheduled the only two bills I have in theirs.

BRANDT: General Affairs?

BLOOD: Nope.

BRANDT: Ag?

BLOOD: Nope.

HALLORAN: Is it your goal to have a bill in each of the committees?

BLOOD: No, it's my goal to have hearings.

MOSER: I found a senator.

HALLORAN: All right.

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BLOOD: If I turn my bills in the first hour of the first day--

MOSER: I don't have his, his number in a text, but he was wandering the halls and I dragged him in.

HALLORAN: Welcome, Senator Chambers. A man that needs no introduction, but please introduce yourself.

CHAMBERS: Ernie Chambers, 11th Legislative District in Omaha.

HALLORAN: Thank you, Senator. OK. We have a quorum. Again, we have a confirmation for the Beginning Farmer Board. Senator Slama has just entered the room. Senator, would you like to introduce yourself?

SLAMA: Absolutely. Julie Slama, representing District 1, which is Otoe, Johnson, Nemaha, Pawnee, and Richardson counties.

HALLORAN: All right. For the Beginning Farmer Board confirmation hearings, we have one individual, Britt Anderson, who was not able to attend. So we have him on teleconference. Britt, thank you for your patience. This is your opportunity to speak to the committee and tell us about yourself so go whenever you're comfortable.

BRITT ANDERSON: OK, thank you. My name is Britt Anderson, B-r-i-t-t, Anderson, A-n-d-e-r-s-o-n. First of all, I feel honored to be appointed by the Governor to serve on the Beginning Farmer Board. Secondly, I appreciate the fact that you are allowing me to address the committee from an alternate location. It is a significant advantage to me in travel time and in, in personal scheduling right now. I did have a scheduling conflict for this particular day today. So thank you again for allowing me to, to, to do this. I'm a third-generation farmer and rancher from western Nebraska, located in the 3rd Congressional District in the very southwest corner of Custer County. My son is the fourth generation. I was the third generation, my son is the fourth generation. He is actively helping to manage that farm today. Our farm is a diversified, dryland crop-- pivot and flood-irrigated crop farm. And we have cow/cattle beef production and operation with a [INAUDIBLE] background in operation. We grow a significant amount of our corn, for-- it is food-grade corn that is delivered to the Frito-Lay receiving plant right in Gothenburg, Nebraska. So I've experienced the cycle of low prices, higher prices, surges in the prices, and production failures, so I feel that I am very aware of the challenges that a young farmer faces in production agriculture today. I've experienced these price surges and production

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failures myself, personally, in my 40-plus years of operating in, in agriculture. So I think I've got a good understanding of the challenges a young farmer has in trying to start up in this challenging industry. I was once that young farmer facing those challenges. I remember the helplessness of the 1980s after purchasing my first piece of farmland in the fall of 1979. I was-- I am being appointed to fill a vacancy from Don Anthony, a long-time member of that board. And Don has been a mentor to me. He, he did allow me to join the January meeting to sit in, observe. So I think I've got a little feel for what, what goes on and what it takes to serve on that committee. I am sure I don't, you know, know all the ins and outs of it yet, but I, I do feel an obligation to try to give back to agriculture if I can. And so if I am confirmed today, I, I would look forward to serving on that board.

HALLORAN: All right. Thank you, Mr. Anderson. Are there questions from the committee? Senator Slama.

SLAMA: Hi, Britt. Thank you so much for taking the time to chat with us today. And thank you for your willingness to serve. So from your perspective and based on your experiences, what, what can we be doing in the Legislature to better empower beginning farmers?

BRITT ANDERSON: I'm having just a slight lag-- would you speak up just slightly and then, and then restate that question?

SLAMA: Absolutely. First off, thank you very much for chatting with us today and thank you for your willingness to serve. What could we be doing, from a legislative perspective, in better empowering our young farmers to get up and going, based on your experience?

BRITT ANDERSON: You know, I, I think this program is a good start. It-- you know, I think back in my years of starting up in agriculture and getting some kind of opportunity like this-- you know, this program will, will give a little incentive to a-- to an asset owner or a land, you know, a landholder to, to, to help take that risk of, of renting to a young farmer. You know, when I, when I think back on the challenges I had, just getting an opportunity, sometimes, to, to to compete, you know? There's, there's, there's-- getting a lot of concentration in farming anymore. And I guess, I would, would say this, this is a good start. You know, I can't think, right off hand, of anything else that would-- that you know, that-- a young farmer needs that someone to take a chance on-- a chance-- you know, give him

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that first, that first chance, first opportunity. So I think the program, you know, I don't know a lot about it, but I think it would, I think it would be a good start.

SLAMA: All right, thank you.

HALLORAN: Any further questions from the committee? Mr. Anderson, I have a question. First, and correct me if I'm wrong, but it's the information that we have. You have participated in the Beginning Farmer Program as an asset owner, is that correct?

BRITT ANDERSON: No, that's not correct. No, I--

HALLORAN: OK.

BRITT ANDERSON: --I have not. I wasn't really familiar with this program at all, like, a year ago. No, I have not participated in it. I, I am not even real aware of anyone in my area that has used it. Of course, I'm, I'm pretty new and, and you know-- but no. What, what I used in the 1980s was a program through Farmers Home Administration where I got an interest rate reduction to help me and, and it helped me in, you know, making payments on a purchased farm. But no, I have not. Other than that, that was my experience with, with you know, trying to pay, you know, for land and in a really extremely tough, tough economic time.

HALLORAN: OK, I appreciate it. Any, any other questions from the-- yes, Senator Chambers.

CHAMBERS: This is Ernie Chambers. And I also am glad that you're willing to talk with us. When you said you had help making payments, who, who helped you?

BRITT ANDERSON: In, in about 1985, I had a joint loan. I bought a piece of land in 1979 and my interest rates were, of course, on a floating rate and I was paying about 15 percent interest on my land purchase. I had a joint loan with Farmers Home Administration and Federal Land Bank. And Federal Land Bank had the first mortgage, so FmHA, Farmers Home Administration, gave me what they called a "limited resource rate" and, and it, it reduced my, my interest rate from-- reduced it about five-- I'm going to say between 5 and 6 percent. You know, instead of paying like 12 or 13 percent, I paid for my farm--

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the rate was from my Farmers Home loan-- it reduced it by about 5 percent--

CHAMBERS: OK.

BRITT ANDERSON: --to lower, to lower my payment, yes.

CHAMBERS: So you really-- excuse me-- you really got a reduction in your interest rate and not any direct payment in cash to help you retire the loan, is that correct?

BRITT ANDERSON: That's right.

CHAMBERS: It's just a reduction in the interest rate?

BRITT ANDERSON: That's, that's correct.

CHAMBERS: OK.

BRITT ANDERSON: That was what I dealt with in the 1980s, yes.

CHAMBERS: Thank you.

HALLORAN: OK. Thank you, Senator Chambers. Any other questions from the committee? Seeing none, thank you, Mr. Anderson, for your, your-- taking your time to now teleconference with us.

BRITT ANDERSON: Thank you for allowing me to, to testify, you know, at a remote location.

HALLORAN: All right, sir, have a good day.

BRITT ANDERSON: Thank you.

HALLORAN: Are there any proponents for the confirmation of Mr. Anderson to the Beginning Farmer Board? Any opponents? Any neutral? Seeing none, we will move on to-- oh, excuse me, we do have a letter. I'm getting it from both sides. We do have a letter of support-- proponent, rather-- from Ansley Mack-- Mick, representing Nebraska Farm Bureau. All right, moving on to the confirmation for Dave Nielsen. Welcome, sir.

DAVE NIELSEN: Thank you, Chairman Halloran and members of the Agricultural [SIC] Committee. My name is Dave Nielsen, D-a-v-e N-i-e-l-s-e-n. I am here for my confirmation hearing to the Beginning

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Farmer Board as the District 1 representative. I presently run a family farming operation in northern Lancaster County that has stood the test of time for over 100 years. Some of my qualifications are that at one time, I was a beginning farmer. And at 56 years of age, I'm still one of the younger farmers in my area, which is concerning. I have served on the Nebraska Corn Checkoff Board. I am presently serving as a state board of director for Nebraska Farm Bureau. I have in the past or presently am serving in leadership positions with my church, cemetery association, local and national agricultural groups and organizations. I am also a graduate of the Nebraska LEAD Program. As a young farmer, one year out of high school in 1983, I acquired a NIFA loan for my first farm and understood the struggles of a beginning farmer facing-- what a beginning farmer faces in a capital-intensive business. I have been a member of Nebraska Farm Business Inc., with over 30 years of analyzing farm records, profit-loss statements, and other financial indicators. I am here today to ask your support for this appointment and to answer any questions you may have. Thank you.

HALLORAN: OK, very nice, Mr. Nielsen. Thank you. Any questions from the committee? Yes, Senator Brandt.

BRANDT: Thank you, Chairman Halloran. Thank you, Mr. Nielsen, for appearing today. So now it's not 1983 anymore. It's 2020 and you're just starting out. Do you think it's possible for a kid right out of high school to start out in this environment? What advice would you have for him on how to get involved with agriculture?

DAVE NIELSEN: You know, if he has some family help, it's definitely possible. And that's, that's what the struggles are. I think you're well aware of them. If you're starting out on your own, I have a one time-- full-time employee. He grew up in the Beatrice area. His dad works for Southeast Community College down there and he really wants to farm and has a little history in farming from his grandparents, but they went bankrupt in the, in the late '80s. His dad then had to take a job at Southeast Community College. So I've been trying to kind of help him get started. We've been able to rent one 80 of ground that I-- you know, instead of me renting it, I rented it to him to use my equipment. So, so there are those things out there if-- you know, it's kind of a mentor program. One area-- Senator Slama, you asked how young farmers can get in. Really, livestock is a better area to get in because if a young farmer tries to go out and compete on 80 acres of ground with me, he's not going to be able to compete unless he has

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some financial backing of somehow. But in livestock, you know, the rural banks, farm credit are more willing because they might see a set income, especially-- you know, I know Costco is a bad word for some people, but it is a place where young farmers can get in there because the financial institutions can see the balance sheet. And they can see, OK, this couple is going to make \$90,000 a year, you know? It's all there in black and white. So that is one area-- if the Legislature wanted to help out, it would be with livestock.

BRANDT: All right, thank you.

DAVE NIELSEN: Yep.

HALLORAN: Thank you, Senator Brandt. Any other questions from the committee? Thank you so much for being here today.

DAVE NIELSEN: Thank you.

HALLORAN: Are there any proponents for the confirmation of Mr. Nielsen to the Beginning Farmer Board? Any opponents? Any neutral? We have one letter of support, again, from the Nebraska Farm Bureau for Mr. Nielsen. All right, moving on to Wade, Wade Thornburg. Welcome.

WADE THORNBURG: Thank you.

HALLORAN: Proceed when you're ready.

WADE THORNBURG: Good afternoon. I am Wade Thornburg. I have been, I guess, recommended by the Governor to the Beginning Farmer Board. Excuse me, my name is spelled Wade, W-a-d-e, Thornburg, T-h-o-r-n-b-u-r-g and I'm representing the agriculture lending position for the Beginning Farmer Board. A brief history of mine, I was born and raised on a family farm. I am currently active on a family farm. I graduated from the University of Nebraska with a degree in economics in 2011. I have been in banking for 10 years, which is a short time, I know, but I've learned a lot. My first banking job was in Hay Springs, Nebraska, in western Nebraska. Since then, I've worked in Beatrice, Nebraska. And currently, I'm working in Tecumseh, Nebraska, for a small family bank. I believe that is all I have. Do you have any questions for me?

HALLORAN: OK, thank you very much. Senator Slama.

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SLAMA: Thank you very much, Mr. Thornburg. So what's your inspiration in applying for this position? What drives you to help out beginner farmers?

WADE THORNBURG: I was actively-- I should have stated this-- I-- to rent my first farm, I did use this program and I've worked with borrowers that have used this program as a benefit. I think it's-- as a previous candidate said, farming as a capital-intensive business. And so really, opportunity is the number one thing to help out a beginning farmer, whether it's family, whether it's a neighbor or somebody that's willing to take a risk with you. And I guess that would be my goal would be to continue that and to help grow the state as you know, the aging farmer is, is prevalent.

SLAMA: So are there any changes that you would like to see, given that you're experienced with the Beginning Farmer Board; changes you'd like to see made to the board, its mission, to better empower young farmers to get up and going?

WADE THORNBURG: I would say that this program does a very good job with row crops, whether it be irrigated, dryland. As previously stated, though, I think there would be room for improvement towards the animal husbandry side of that.

SLAMA: Fantastic, thank you.

HALLORAN: All right, thank you, Senator Slama. Senator Brandt.

BRANDT: Thank you, Chairman Halloran. Thank you, Mr. Thornburg, for appearing today. As an ag loan officer, would you recommend this program to your customers?

WADE THORNBURG: Yes, I have, yep.

BRANDT: Because?

WADE THORNBURG: For numerous reasons; one, if you're looking on the side of retirement, where you're slowing down, I think it's a good opportunity for them at the, at the end of their farming careers when you show a lot of income as far as, you know, taxes and stuff like that, where they can get a tax break on that. Beginning Farmer, it helps you compete with somebody, like previously stated, that may be able to spread their operation out over more acres and diversify themselves that way versus a young farmer who might only have one or

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two parcels. And so they don't have the diversification on the one parcel to compete.

BRANDT: So you have a unique perspective as an ag loan officer. Do you believe that the current program is structured correctly to incent retiring farmers to give that kid an opportunity? Do you think there's enough incentive in the program for me, as an older farmer, to rent that to a 25-year-old kid without a proven track record as opposed to that neighbor who's going to come over to my place with a big, big roll of cash?

WADE THORNBURG: Yes, I think there is some-- one good thing about the program that I am familiar with is once your three-years' tax credit is up, it's not-- another beginning farmer can't come in and use that same program. So it kind of-- it's not somebody who's going to roll it over and use it and use it and abuse the program. After those three years, I have worked with a beginning farmer who then had to, you know, pay a little more to compete. But it was a good way to get their foot in the door and show that they could do a good job of taking care of that older farmer's asset and, and farm.

BRANDT: All right, thank you.

HALLORAN: Senator Chambers, go ahead.

CHAMBERS: OK, since you called on me. Mr. Thornburg, this does not say young farmer. It says beginning farmer--

WADE THORNBURG: Correct.

CHAMBERS: --is that a correct title, term?

WADE THORNBURG: Correct.

CHAMBERS: So it could be somebody 50 years old who is just entering farming?

WADE THORNBURG: Correct.

CHAMBERS: And the person could be entering it for-- he might have other interests, he or she, and there might be some tax considerations where it's beneficial to get into farming, maybe even to have some losses. And they can be, maybe, set off against profiting in another area of endeavor like the-- what they used to do with oil drilling.

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They would drill dry holes, wouldn't cost much money, but then you could estimate-- actually fabricate and then set off what you lost drilling there against your producing wells where you are making money. Is there any way that a person could use this program to skim or scam?

WADE THORNBURG: There may be. I would have to have our administrator look into that. One thing I do know that is a limiting thing is you can only have a maximum asset to apply for the program. So if somebody is older and has over the certain asset limitation, they wouldn't apply for it or they wouldn't be eligible for the program.

CHAMBERS: Do you have an idea just so I have a notion of what this maximum asset would be?

WADE THORNBURG: I believe it is a \$250,000 net worth, but I can have them check on you for that.

CHAMBERS: Is there any minimum?

WADE THORNBURG: I do not believe so.

CHAMBERS: OK, thank you.

MOSER: Zero, probably.

[LAUGHTER]

WADE THORNBURG: Or, or negative in-- yeah.

HALLORAN: Thank you, Senator Chambers. Senator Moser.

MOSER: Just out of curiosity, what kind of interest rates could a farmer get if he wanted to get started buying, you know, maybe just 80 acres? What kind of interest rate would he have to pay and what percentage of the, of the purchase price could he finance typically?

WADE THORNBURG: Typically with a commercial bank, you know, we will go up to 80 percent loan-to-value on assets-- interest rates, typically, for a beginning farmer. So that way they have some fixed, you know, payment structure. Usually, we try to do a fixed rate for the 30 years or 25 years, for the life of the loan. There is a program through the Farm Service Agency that would allow that person some collateral and also a cheaper interest rate.

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MOSER: So they might pay 5, 6 percent?

WADE THORNBURG: Correct.

MOSER: Does the bank that writes that loan sell that loan, then, to somebody else or does somebody guarantee it so that they can't get into trouble in the years down the road if interest rates go way up?

WADE THORNBURG: Yeah, there are multiple ways that a bank could secure its rates on both sides of it so that they minimize their risk.

MOSER: Yeah, I was in business in the '80s and our interest rates were 21 percent at one point. And it was painful, I'll tell you. All right, thank you.

HALLORAN: Thank you, Senator Moser. Any further questions? Senator Chambers.

CHAMBERS: I'd like to ask Senator Moser a question. Who are you dealing with, the mob?

[LAUGHTER]

MOSER: One of the biggest banks in the state.

CHAMBERS: Oh, the mafia.

[LAUGHTER]

MOSER: Well--

CHAMBERS: That just seemed like a very high--

MOSER: Well, you probably weren't alive back then, but--

[LAUGHTER]

CHAMBERS: I'm through. Thank you, Mr. Chairman.

MOSER: It's getting deep, I can tell.

HALLORAN: All right. Any further questions for Mr. Thornburg? Seeing none, thank you so much.

WADE THORNBURG: Thank you for the opportunity.

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HALLORAN: All right. Are there any proponents for the confirmation of Wade, Wade Thornburg? Any opponents? Anyone in the natural capacity? Seeing none, that ends our confirmation hearing this morning-- this afternoon. It seems like it started this morning. So we will move on to the first bill on the agenda, LB1159. Welcome, Senator Stinner, to the committee representing the largest industry in the state, agriculture.

STINNER: Thank you. And I do want to thank the committee for being flexible enough to come, to come to the "Batcave", which we normally-- which we are normally in, but we got HHS the last couple of days. We needed a bigger room and thank you for doing that. So good afternoon, Senator Halloran and members of the Agricultural [SIC] Committee. For the record, my name is John, J-o-h-n, Stinner, S-t-i-n-n-e-r. I represent the 48th District, which comprises all of Scottsbluff County. LB1159 extends the initial training period for noncertified pesticide applicators from 60 to 120 days prior to obtaining an initial commercial or noncommercial applicator license. The bill also authorizes unlimited exam attempts for the noncertified applicator during the training period. I was first made aware, excuse me, aware of the issue underlying this bill when a small business owner in my district voiced his concern with recruiting and retaining employees in the structural pest management industry due to current burdensome regulatory environment. The current statute allows for a temporary exemption of 60 days prior to taking the exam for those who are in training. During this time, they may continue to make pesticide applications under the supervision of a license applicator. However, this restriction-- this restricts the training period to 60 days and only allows for one attempt, impairing the ability to train and hire qualified applicators. I've handed out a flyer from the Nebraska Department of Agriculture outlining this exemption period. Excuse me-- in our current environment, especially in western Nebraska, labor is scarce and uncertain. The majority of individuals who are hired are not certified applicators, so it's incumbent upon the business and the industry to train them. As an added element to the current statute, a qualified applicator who lapses out of the industry, they have to, every three years, get a license. So they lapse out and if he wants to apply for any of the 16 different categories for licensure would not be able to work-- resume work until retesting, kind of like a new trainee. In an industry that is largely made up of three or less employees, small business don't have the type of labor margin that allows them to operate successful-- with even one less applicator.

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This change to the exemption period has the support of the Nebraska Pest Control Association and I've got a testifier behind me that can give you a ground-level assessment of how LB1159 will help the industry hire and train its workforce while maintaining credibility that they are qualified for safe and responsible use in the pesticide industry. Thank you, members of the committee for your consideration. I'd be happy to answer any questions if I can. This is pretty complicated stuff. So I've read the-- I've read it about three or four times. I know what we're trying to do in this. Right now it's 60 days and if-- during that process, when somebody is trying to become a certified applicator, they have to take a test. If they fail the test, they're not allowed to be, to be hired anymore until they pass the test. So it might be two, three weeks before they can take the test again. This allows the person 120 days, which is a longer period of time. And if they fail the test, they can continue to work and, and then continue to take the, the exams-- so an unlimited amount of time. I think it opens-- I think it's easier for somebody who, maybe they had a bad day, bad test taker, whatever, but--

HALLORAN: Senator Stinner, thank you. Did you say you had a handout or did I misunderstand you?

STINNER: I thought I had it handed out. Oh, I do have a handout, but it's coming later on, apparently.

HALLORAN: OK.

STINNER: I apologize for that.

HALLORAN: No, that's fine. All right. Any questions for Senator Stinner? Senator Slama.

SLAMA: Thank you. So, Senator Stinner, thank you for coming back to the "Batcave" today. Just a quick question for you; with this bill, if we allow unlimited retakes, are there different versions of the test that the person could take or do they just have unlimited attempts to take the same test over and over again?

STINNER: It depends on the category.

SLAMA: OK.

STINNER: And if you look at the application, there are 14 different categories, 15 actually, depending on which type of application. The

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structural management application really has to do with your house, building--

SLAMA: Sure.

STINNER: --those types of things. There are other areas that you may be applying-- certain types of chemicals requiring you have certification. Certain types of chemicals are actually covered under EPA versus this; the Department of Ag. So it depends on where you're at, what you want to try to get done.

SLAMA: Great, thank you.

HALLORAN: OK. Thank you, Senator Slama. Senator Brandt.

BRANDT: Thank you, Chairman Halloran. Thank you, Senator Stinner, for bringing this bill. Just a point of clarification; he may be uncertified, but he is supervised by a certified operator the whole time that he is uncertified--

STINNER: Yes.

BRANDT: --is that correct?

STINNER: Absolutely, yes.

BRANDT: All right, thank you.

HALLORAN: OK. Any further questions? Seeing none, thank you, Senator Stinner. Are you staying for close?

STINNER: Yes, I will.

HALLORAN: OK, thank you.

STINNER: Thank you.

HALLORAN: All right, time for, for proponents of LB1159. Good afternoon.

CARL BRAUN: Good afternoon, Senator Halloran and members of the Agriculture Committee. My name is Carl Braun, C-a-r-l, last name is B-r-a-u-n. I'm the owner of Quality Pest Control in Omaha. And I'm also the president of the Nebraska State Pest Control Association. NSPCA represents professional structural pest management companies in

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Nebraska and appreciates this opportunity to provide testimony in support of LB1159, regarding the extension of the initial training period for a noncertified applicator from 60 to 120 days prior to obtaining his commercial pesticide applicator license and allowing for unlimited exam attempts during this training period. Our member companies manage pests including rats, mice, cockroaches, bedbugs, mosquitoes, termites, and many other pests in institutional, commercial, and residential settings. Our member companies are committed to providing quality pest management services that protect public health, food, and property. The Nebraska structural pest control industry is among the most highly-regulated and trained pesticide applicator groups in the state, the country, and throughout the world. Our industry takes great pride in our positive contributions to society. Pest management professionals are on the frontlines as protectors of public health and property, as well as being good stewards of Nebraska's environment. Our applicators are licensed by the Department of Ag to apply pesticides. Additionally, EPA and NDA require training exams, continuing education, and recertification every three years to remain up to date in pesticide applicator knowledge and other requirements. We pride ourselves in having highly-trained employees who can earn a living for themselves and their families. While we take great pride in being highly trained and certified, a headache for many companies is ensuring that a new hire earns his or her pesticide applicator license within 60 days. This is-- this requirement is burdensome for two reasons; number one, the time frame is too short. And number two, if an employee fails the exam, they must stop working. Exams are only offered at certain locations and at certain times. So if we are training, mentoring, and trying to help a new employee earn their license, it can be a challenge to have all the stars aligned during this 60-day period. Additionally, if for some reason an employee fails the exam, they must stop working until they are able to successfully pass it. It could be weeks before another exam date is available. This can be an abrupt and difficult situation for both the employer and the employee. We want to make sure our employees can earn a living while they improve their knowledge and skills in this career. LB1159 will greatly help our industry by extending the 60-day time frame to 120 days and allow for an unlimited number of exam attempts within that time frame. We urge you to pass LB1159, as these minor changes will greatly benefit our companies and employees in their mission to protect public health and

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property, and health and property in Nebraska. Thank you for your time and this opportunity to testify.

HALLORAN: Thank you much. Are there any questions? Senator Chambers.

CHAMBERS: If the exam were failed, for how long of a period could that person work having failed that exam?

CARL BRAUN: Currently? As it is currently?

CHAMBERS: Currently.

CARL BRAUN: If they could get another exam within that 60-day time frame-- that's a big if-- they can take another exam. But once the 60 days comes, if they have not passed it, they're done. They have to quit. They have to quit working until they can pass the exam and--

CHAMBERS: With this change in the bill, what would it be?

CARL BRAUN: With the, with the change in the bill, the time would be extended by, by 60 days so there would be numerous attempts to, to pass the exam. And again, I mean, the stars have to align. But in that extra 60 days, it would be more likely that, that additional exam opportunities would present.

CHAMBERS: So the total amount of time would be 120 days--

CARL BRAUN: Um-hum.

CHAMBERS: --which means that the exam is not really that important because if a person can work that long and do the job effectively, why have an exam anyway?

CARL BRAUN: I would respectfully disagree. The exam is important. This is a highly-technical field. It's not just a can of bug spray. It's not-- you know, it's not the way it was 50 years ago. The training and mentoring is, is critical. There aren't really a lot of formal places to be trained and educated in this field other than on-the-job training. And if you're training on the job to go take the exam, I mean, that's, that's a disruption, but the exam is critically important. I mean, the, the trainee is being supervised by someone who has passed this. I, myself, have multiple, multiple certifications. That affords me the opportunity to be a mentor to, to my staff. Not everyone has the same skillset, right? And so it's, it's a complicated

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profession. And again, it's highly technical so, so I believe that the exams are important.

CHAMBERS: My final question-- it might be in two parts.

CARL BRAUN: Sure.

CHAMBERS: What is the maximum amount of time a person can work without having passed the exam? And you made it clear this person would be supervised while working.

CARL BRAUN: Um-hum.

CHAMBERS: If the exam was not passed and then 60 days elapsed and the exam was not passed, then the person has to stop working?

CARL BRAUN: As it is now, yes, sir.

CHAMBERS: Could that person apply to a different company--

CARL BRAUN: No.

CHAMBERS: --and start-- oh, OK.

CARL BRAUN: That temporary license is, is one-time only in a lifetime.

CHAMBERS: OK, that's all I have. Thank you.

CARL BRAUN: Very good, thank you.

HALLORAN: Thank you, Senator Chambers. Any further questions? Senator Hansen.

B. HANSEN: Thank you. Just a couple short questions--

CARL BRAUN: Sure.

B. HANSEN: So say with this bill, in a 120-day period, how many times can they take the exam?

CARL BRAUN: As many times as it takes, provided that the exams are available. And some of that-- some of it depends on, on how willing the exam-- the, the prospect is to, to travel. And, and that's not, that's not, not always the simplest thing. I'm in Omaha. It's easier for my guys to take an exam than, say, someone out in Scottsbluff or Gering, you know? I mean, I don't know how far they would have to

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travel to take the exam. Like I said, in Omaha, it's, it's a less daunting of a hurdle. But in other parts of the state, it absolutely is.

B. HANSEN: OK and how much does it cost?

CARL BRAUN: How much does the exam cost?

B. HANSEN: Um-hum.

CARL BRAUN: The exam is free, but to get your license, you-- it's a \$90 fee and that's good for three years.

B. HANSEN: OK, thanks.

HALLORAN: Thank you, Senator Hansen. Any further questions? Senator Moser.

MOSEER: Are there different parts of the exam? So you could just take the part that would license you to handle pests in a residential home or something, you know, in a dairy barn or it might be a different license or are they all the same?

CARL BRAUN: That's a, a very good question. And the answer is yes and no. And, and why I, why I say that is there's a general standard that is more governed by the EPA, which is do you know basic math? Can you calculate the volume of an attic? Can you, can you measure stuff? Can you calculate a dilution and things like that? Do you understand the concept of protective, protective gear; the importance of wearing gloves and eyewear and, and whatnot? So the general standards has to be passed. That's for everyone. Then there are other categories of, of licensing. For instance, the 08 is the structural, structural pest management. That, that would be your homes, your garages, even your barns, this building, the restaurant where you eat; that, that is in 08. The 08W covers wood-destroying insects. There's, there's a category that-- that's for-- just for public health, although there's some overlap, like with the 08. We're public health oriented too. Again, as I said in my testimony, we're, we're, we're the front lines. I mean, we're the defenders of public health and, and property as well as being good stewards to our environment.

MOSEER: The termites and ants would be a separate certification?

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CARL BRAUN: Termites are a different category, OK? And termites have different biology and they're controlled differently. I mean, it's-- to understand the biology of all these different pests, that's, that's part of the complexity of it. I mean, not all ants are created equally. Not all cockroaches are created equally. Not all spiders are, are the same, you know? And rats, not-- even rats are different. I mean, there's different types of rats with different behaviors that, that need to be addressed in, in specific ways so--

MOSER: Who proctors the exam?

CARL BRAUN: Who proctors the exam? It's administered by the Department of Ag.

MOSER: So they have an off-- a rented space someplace to give the exams?

CARL BRAUN: You know what? I, I may have misspoken about that. We're-- our licenses fall under the jurisdiction of the Department of Agriculture. But we're having a conference next week and that-- people will be able to attend the conference and get recertified--

MOSER: Take their exam?

CARL BRAUN: --and get recertified or they can take these other exams. I believe the people who will be there proctoring that exam may be Extension people, but I'm not 100 percent certain with that. When I took mine, it was, it was a different time than it was [SIC] now. Just as a sidebar, if I may, another minute: someone asked earlier, is it the same exam? I'm embarrassed to say that when I took the exam, you'd take it up to the desk and they took the little-- they punched-- the, the answer key and they'd mark off what you missed. You could look at it, go sit down, and take the test again. It's gotten a lot more sophisticated than that. Now it's fill in the bubbles and, and-- no, it's not the same exam. And sadly, you don't know what questions you missed so, you know, we've lost something in that, that whole education process.

MOSER: Do you -- they probably have study guides or--

CARL BRAUN: Yeah.

MOSER: --sample questions and that sort of thing?

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CARL BRAUN: Study guides and sample questions, sample questions online and mentorship-- this is big in our industry. I mean, actually, going off into the weeds just a little bit, that's a program that I'm going to present to my board that, that we considered doing; a, a state mentoring program. I'm involved at the national level and our mentoring, nationally, has been a wonderful program. So why not bring it here?

MOSER: OK, thank you.

CARL BRAUN: I don't want to get too far off into the weeds. I apologize.

MOSER: Yeah. No, that's--

HALLORAN: Thank you. Any further questions? Senator Hansen.

B. HANSEN: Thank you. Sorry I didn't ask this earlier; can this be online?

CARL BRAUN: Can this be online?

B. HANSEN: The test?

CARL BRAUN: The test? That's a good question. I don't know. I don't see why it couldn't be online. But as it is now, I don't know the answer to that. I can find out for you.

B. HANSEN: Yeah, I'd be curious because you were mentioning earlier, like, how hard it is for people to travel to certain areas--

CARL BRAUN: Um-hum.

B. HANSEN: --and that's why we want to have extended time to do some of this stuff. If it's online, it might alleviate some of those concerns.

CARL BRAUN: Absolutely, I will definitely find that out for you, Senator Hansen.

B. HANSEN: Thank you.

HALLORAN: Senator Brandt.

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BRANDT: Thank you, Chairman Halloran. Thank you, Mr. Braun. Until recently, I had an ag pesticide permit. And how it works in the ag community is Extension does the program. You pay the Extension to run this program for the Department of Ag. And they have a set time every spring so they'll have, like, three or four times a spring in Jefferson County at the fairgrounds or at Gage County fairgrounds that-- if you can get there. But if we can't get there, we can self-test. But that may be a whole different-- because that's probably a lot more permits than what your industry sees in the state because there's so many ag applicators out there. And it's different for commercial applicators. This is for private farm applicators.

CARL BRAUN: Absolutely.

BRANDT: I, I, I just-- I wonder if some of this couldn't be a self-test administered by a, by a proctor on-site?

CARL BRAUN: Again, that's, to me, kind of a very similar question to what Senator Hansen had asked and I will definitely find out the answer for that.

BRANDT: And then one last question, I guess, is do you hire a lot of immigrants where English wouldn't be their first language?

CARL BRAUN: Me, personally? I don't hire-- and it's not a policy that I don't hire immigrants where English isn't their first language, but I do have a diverse company where I have hired an American citizen whose mother has dual citizenship and he speaks English as well, as well as Spanish. And he's been quite an asset to our company, actually.

BRANDT: But I mean, is it an impediment to taking the test if, if the test is in English?

CARL BRAUN: That's a question I can't answer, as well.

BRANDT: All right.

CARL BRAUN: I don't want to assume, but I can't say-- I would be hopeful that it's available in Spanish--

BRANDT: All right.

CARL BRAUN: --or other languages.

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BRANDT: OK.

CARL BRAUN: I'll be glad to find that for you, as well.

BRANDT: You bet. Thank you.

HALLORAN: Thank you, Senator Brandt. Senator Chambers.

CHAMBERS: Is there a prerequisite of a certain amount of experience before you can take the test? Or could I study and take the test and if I pass it, then I'm set to be an applicator?

CARL BRAUN: In theory, yes, and that's kind of what I did. Now my, my background is heavy in science. My undergraduate degrees are in biochemistry and microbiology. So it was an easy transition for me. But I bought this business and I studied and then I went with the gentleman who I bought it from for actually two months and, and mentored with him. I mean, it's one thing to read it in a book and it's another thing to do it. And, and so the-- in theory, yes, you could study and go take the exam and be good.

CHAMBERS: And that's what I'm getting at; these chemicals can be very harmful.

CARL BRAUN: Absolutely.

CHAMBERS: They can drift. They can stay on the ground a certain amount of time; things that you need to know in order to apply it in a way that doesn't endanger anybody. So if I just had the theoretical knowledge, maybe I'd be a hazard because I could write on paper what I'm supposed to do. But when the time came to do it, I may not really cut the mustard. So as far as you know, is there a requirement of experience that you would gain from having worked with somebody else or for somebody else?

CARL BRAUN: I don't believe that there is that requirement that you have to actually work with someone if you can pass the test. Having said that, I agree with you 100 percent. Anyone who would do this just off of taking that-- reading the books and just, just get a can of the stuff and go start applying it, it's not maybe, you would be a hazard. I mean--

CHAMBERS: Should there be something in the law to require that?

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CARL BRAUN: Well, I think that's--

CHAMBERS: And that person would have to work for somebody because he or she would not be licensed to do it. So you would have to-- if you're going to gain the experience, you'd gain it from working with somebody. But from what you've told me, I don't know that a person who passed the test could not be allowed to just-- with no experience, going out there and start applying.

CARL BRAUN: I, again, I mean, in theory, that could, that could happen. In practice, I think that's, that's-- I mean, just because it can happen, it doesn't mean that it does happen. And, and this is-- the intent of this is to, in my opinion, is to provide-- to take down boundaries or barriers for entry into a technical field. And we don't have formal-- like Metro doesn't have a course in, in pesticide applications. That's something that, that we're working on. As a national association, we're, we're working to bolster our, our workforce. But that's a different conversation for a different day. So we're, we're wanting people to come to work and be able to work. And, you know, maybe you try it out for a month and you decide that this isn't for me. I just can't handle cockroaches and, and bedbugs and, and rats. And this isn't what I thought it was. So it's, it's absolutely a benefit to, to have a little on-the-job experience as well as the book studies to be-- to make sure this is the right fit.

CHAMBERS: Thank you. I've taken enough of your time today.

HALLORAN: Thank you, Senator Chambers. Any other-- further questions? Thank you, Mr. Braun. I'm going to add a little levity here--

CARL BRAUN: Sure.

HALLORAN: --and this something that's usually in Senator Chambers' forte. Back in my farming days, we had a lot of grain storage. And wherever you have grain, you have attraction to insects and rodents very naturally. And so we would have an exterminator come out on a frequent basis. When he would arrive, the first thing he would do is he'd fold his hands, bow his head, and he would say, let us spray.

[LAUGHTER]

HALLORAN: So thank you for your testimony. It was very informative. Thank you very much.

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CARL BRAUN: Thank you.

HALLORAN: Are there any of-- further proponents for LB1159? Further proponents? People are leaving, are there any opponents? Anyone in the neutral capacity?

CHAMBERS: Would you allow anybody to speak for the living creatures, which might be the thing--

HALLORAN: That's out of order.

CHAMBERS: Oh.

[LAUGHTER]

HALLORAN: That's out of order. OK, we will read some letters for the record. Proponents: we had Dan Nerud, representing on behalf of the Nebraska Corn Growers Association; Laura Ebke on behalf of the Platte Institute; Scott Merritt on behalf of Nebraska Agri-Business Association; and Rocky Weber on behalf of the Nebraska Cooperative Council. These letters are in your binders, many, of them. All right, we will proceed-- oh, excuse me.

STINNER: I'll waive closing.

HALLORAN: Are you sure you want to do that?

STINNER: I have to--

HALLORAN: We've got time for you.

STINNER: -- get to Banking.

HALLORAN: Senator Stinner waives closing.

STINNER: Thank you, committee.

HALLORAN: That ends our hearing for LB1159. We will proceed with LB1040. Welcome, Senator Vargas.

VARGAS: OK. Good afternoon, everybody.

HALLORAN: Good afternoon.

VARGAS: Have a page pass these out. You're going to get a one-pager and then just a very short win-win for Nebraska on this Double Up Food

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Bucks program, what we've seen so far. Good afternoon, Chairman Halloran, Chair Halloran and members of the Agriculture Committee. My name is Tony Vargas, T-o-n-y V-a-r-g-a-s. Thank you for having me in the Appropriations Committee room/Agriculture Committee room. I represent the District of 7, the communities of downtown south Omaha, in the Nebraska Legislature. LB1040 will appropriate funds to the Department of Ag to administer the Double Up Food Bucks program. A state food insecurity nutrition incentive grant program, Double Up Food Bucks is a national program that started in Michigan in 2009. Now based on its success in getting healthier foods into the homes of low-income families and supporting local farmers, food security advocates brought the program to Nebraska. It started here in 2017 and has since grown to ten locations in Omaha and Lincoln and Beatrice and has benefited more than 1,300 families. Currently, the Double Up program is run by the University of Nebraska Extension with help from the Department of Ag. I think it's time for the Legislature to recognize the benefits the program brings to local farmers and families by funding the administration of the program to allow it to grow to more communities, grocery stores, and farmers' markets across the state. Thousands of Nebraskans in both urban and rural communities struggle with access to healthy foods. Having food security means you have access at all times by all people with a household to enough food for an active, healthy lifestyle. Research shows that food insecurity has been associated with all sorts of negative health outcomes, including things like chronic diseases, mental health issues, and developmental problems. Research about these health issues is especially concerning when you look at the lifelong effects that food insecurity has on children. Now low-income communities are less likely to have available reasonably priced fresh produce. In Nebraska, a 2019 report by the Center for Rural Affairs showed that 12.3 percent of Nebraska households were food insecure from 2015 to 2017 and half of Nebraska retailers who qualify for SNAP have only two out of the five healthy food groups available for customers, which shows that many low-income families don't always have access to healthy foods, especially fresh fruits and vegetables. Now the Double Up program has been successful at getting these healthy foods into the homes of families who need them. Double Up stretches the value of SNAP benefits or food stamps by doubling benefits spent on local fresh fruits and vegetables through the use of vouchers at point of sale. These vouchers can be used for any fresh produce and are matched for up to \$20 per day. Everyone who receives SNAP benefits is automatically enrolled and eligible to use these Double Up. And in 2018, the program

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saw a 78 percent redemption rate of the vouchers for free produce statewide. Farmer markets, grocery stores that sell local produce, are able to participate in the Double Up program. Since 2017, Double Up has grown to ten locations throughout Lincoln and Omaha and Beatrice and benefited more than 1,300 low-income families. Now this program keeps food dollars circulating in the local economy by supporting local farmers. When a customer spends \$1 on fresh produce with their SNAP EBT card at participating farmers markets or grocery stores, research on the Double Up program shows that purchase can generate up to \$2.80 for the community's economy. So it's a program that's been working well, it's grown quickly in the last couple of years, and it's helping families and farmers while supporting local economies. Now as I mentioned earlier, the Double Up is administered by Nebraska Extension and supported through a public-private partnership, including with federal grant funding and help from our Department of Ag. In order to see this program fully grow and flourish in Nebraska, we need to put some funds towards that so that many more grocery stores and farmers' markets can learn how to use the program for their customers. With that, I'd be happy to answer any questions. The only thing I want to-- I want to say before questions may come up is one-pager just gives you a little bit of an overview of how it works. The problem we're trying to solve, this is not a new entity. Like I mentioned, Michigan has seen tremendous success. They started off with a few sites. There are now at 150-plus sites. They're seeing \$5 million-plus being brought back in through the SNAP program to local-- local markets and vendors. It is money that's going back to Neb-- to the state's local economy. More importantly, you have to-- you have to be able to use locally grown healthy foods, fruits and vegetables, which is I think a win-win, because then it's cycling back into our local economies, which I think is important. And as a result, since Michigan has seen so much growth, we saw the federal government expand this national program, which is why we have competitive grant programs. And states are expanding these programs all over. I just want to make sure that we're creating some infrastructure in the Department of Ag and helping to expand this program and-- and leveraging the momentum that we currently have in the ten sites. You'll have some people behind me that talk a little bit more about the intricacies of the program. If you have questions on how that might work, I would reserve it for them. But I want to thank you. I've been here before for a couple of different other bills and happy to answer any questions.

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HALLORAN: Senator Vargas, thank you. We all know who you are. But for the record, would you say your name and spell it for us, please?

VARGAS: Oh, oh, my apologies. Tony Vargas, T-o-n-y V-a-r-g-a-s.

HALLORAN: OK. Thank you, Senator Vargas. Any questions from the committee? Senator Moser.

MOSER: So SNAP recipients can use their gift card, EBT card at farmers' markets as long as they have like a square reader or something so they can read it? Is that currently the case?

VARGAS: So I don't know how it's working in different markets, so I'll probably reserve that question for somebody behind me. But I will say is, at least for this Double Up program, if you're spending up to \$20 on fruits and vegetables, you'll get a voucher. I know in some sites, at least in Michigan, they do like a coin. Some of them do technol-- technology in some way, shape, or form, get the voucher, and the voucher can only be up to the price of what you purchase, the fruits and vegetables.

MOSER: Can you buy brownies or pie or cakes or things that they might also sell at a farmers' market?

VARGAS: It's a good question. These Double Up Food Bucks, this program is-- can only be utilized for fresh fruits and vegetables as defined in the program.

MOSER: Potatoes, carrots, radishes, watermelon?

VARGAS: Fresh fruits and vegetables, local fresh fruits and vegetables.

HALLORAN: Senator Brandt.

BRANDT: Thank you, Chairman Halloran. Thank you, Senator Vargas, for bringing this bill. Just to be clear, this program is ongoing now. It-- it just requires a change of administration from the university to the Department of Agriculture, because that's what Washington, D.C., is saying. Is that a correct interpretation?

VARGAS: I don't know if that's actually the correct interpretation, but I'll give you my interpretation. Hopefully, this is helpful. I'm really thankful Department of Ag has partnered with UNL Extension and

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this public-private partnership has worked. In order to continue expanding and continuing to be more competitive for this ongoing grant program at the federal level, what we're seeing is an expansion of the program in the department-- in-- in-- at the state. So what this would do is move it to the Department of Ag. What you'll see in the fiscal note is really startup funds for both some staff, so you'll see the-- the-- I think a less than 0.5 FTE, and then the remaining funds of the \$150,000 are really utilized to then offset any startup costs for markets to then, you know, work within this program, because we only have ten markets. But as you can imagine, we want to make it easier for markets across the state to then use this program so that those-- those funds would then go to then offset-- offset that. But to my knowledge, Department of Ag has been a great partner in this. But in order for this to then grow, we really need to then put some funds to it and then also create the program more formally so that we can make it sustainable.

BRANDT: All right. Thank you.

HALLORAN: Any further questions from the committee? A quick question, if you would, and maybe you've clarified and maybe I just didn't catch it. Is it-- is it the intention for the department to be the primary applicant for the food insecurity nutrition incentive program grant or merely to provide incentive funding to support federal grant applications by other entities?

VARGAS: So the way we wrote this, and I'm putting this in the record, the Department of Ag shall establish and administer the state food insecurity incentive grant program; they may award these state grants. That's-- that-- we're talking about that \$110,000 that you're seeing in the fiscal note so that we can offset startup and operational cost for these markets, so then they would be administering that side of the grant. And then any applying of the grants to the-- to the-- for the federal program, there still is a benefit to then working with public-private partnerships to do that, but it would all be housed in the Department of Ag.

HALLORAN: OK. Thank you, Senator Vargas. Any further questions? Will you be able to stay for close?

VARGAS: Yep.

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HALLORAN: Are there proponents for LB1040? Please come forward. Good afternoon.

WALTER GRAEBER: Good afternoon. My name is Walter Graeber, W-a-l-t-e-r, Graeber, G-r-a-e-b, as in "boy," -e-r, 1801 B Street, Lincoln, Nebraska. I was recently elected to the board of directors for the Open Harvest Grocery Co-op here in Lincoln. I wanted to report back some of the successes that we've seen from the Double Up Food Bucks program-- program. Of the 3,500 SNAP purchases that the grocery store has seen in the fiscal year of 2019, 43 percent, about 1,500 purchases were eligible and were granted Double Up Food Bucks program. That amounts to about \$10,000 that we distributed through this program just here at one grocery store. There were \$76,000 of SNAP benefits given, and that's a 26 percent rise that we've seen at our grocery store location. In recent life, I was a SNAP recipient, both in Wisconsin and Washington, D.C. I don't see very often-- I took time, unpaid time today to come and speak to this effort, and I appreciate you giving us all this opportunity. While on SNAP, I would strategically shop to use this program. I would go to the farmers' market. I would spend the minimum \$20, receive an additional \$20, and I could bring home fruits and vegetables and subsist myself for at least a week's time. If I was cooking for myself, another, you know, group, family-- family members or friends, I would go to a second farmers' market or a second grocery store to use this program within that week. You know, I can-- I could basically double my \$193 I was getting as an individual and make it almost \$400 for that month's time. I feel a great connection to this program as it did support me in a recent moment in my life. As previously mentioned by Senator Vargas, there is a huge benefit for the local growers in Nebraska with this program. For every \$1 spent, he had mentioned \$2.80, and there-- there is a range, based on the place this this happens, between \$1.70 and \$2.80 that it would be going back to the local economic value. One hundred-- but approximately 176,000 Nebraskans receive SNAP. That's about 9 percent of our pop-- population. This program, as mentioned, only exists currently in Omaha, Lincoln, and Beatrice. There is a lot of small, locally owned grocery and farmers' markets that could be utilizing this program if the Department of Ag decided to bring it in-house and distribute it more equitably throughout the state. I'd be open to any questions that you may have of me as a SNAP recipient or the board of Open Harvest Grocery. Thank you.

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HALLORAN: OK. Thanks for your testimony. Any questions from the committee? Seeing none, thanks again.

WALTER GRAEBER: You're very welcome. Thank you so much.

HALLORAN: All right. Next proponent for LB1040, LB1040. Don't be afraid. It's not a tax form. It's a [INAUDIBLE]

MOSER: There's no ejection seat-- seat.

HALLORAN: Good afternoon.

LISA GRAFF: Good afternoon, Senators. My name is Lisa Graff, L-i-s-a G-r-a-f-f. I'm here to testify in support of LB1040 on behalf of the Nebraska Academy of Nutrition and Dietetics, known as NAND. NAND is made up of more than 600 dietetic professionals, including registered dietitians, registered dietetic technicians, and dietetics students. Our vision is to optimize Nebraskans' health through food and nutrition. We support LB1040 because it would contribute to optimizing Nebraska's health by establishing a state food insecurity nutrition incentive grant program. While hunger is a personal physical sensation of discomfort, food insecurity refers to a lack of availability of nutritionally adequate and safe foods, or the inability to acquire acceptable foods in socially acceptable ways. In Nebraska, 12 percent of the population experienced food insecurity in 2017, according to Feeding America. This amounts to 223,170 Nebraskans experience-- experiencing limited or uncertain availability of nutritionally adequate foods. Vulnerable groups include households with children, single-parent households, college students, women living alone, men living alone, black, non-Hispanic and Hispanic households, and households with incomes below 185 percent of the federal poverty line. The consequences associated with food insecurity for adults, and especially for children, include inadequate intake of key nutrients, overweight in women and some girls, less physical activity, symptoms of depression and risk of suicide in adolescents, poor physical and mental health, behavioral difficulties, and delays in academic and social development in children. Federal nutrition assistance programs, such as the National School Lunch Program and the School Breakfast Program, provide school-age children from low-income households with meals or snacks at a free and reduced price. However, data indicate that food insecurity increased by 13 percent during summer months among National School Lunch Program participants. Older adults are another vulnerable population that inability to afford food, combined

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with limited ability to take care of oneself, contribute to increased depressive symptoms. This process results in the less-favorable nutritional health status among low-income older adults. Food banks in the U.S. were initially conceptualized as a community resource for families in need of emergency food assistance. But the charitable food system increasingly serves low-income households on a routine basis, with an estimated 54 percent of clients accessing food assistance for six or more months a year. The face of food insecurity continues to change. Grants like the one proposed in this bill provide the opportunity to address food insecurity in the state of Nebraska. In turn, Nebraskans will experience decreased psychological and mental health symptoms, increased academic achievement, and decreased incidence of obesity and diabetes. Thank you. I'm happy to take any questions.

HALLORAN: Thank you, Miss-- is it Miss-- is it Groff or Graff?

LISA GRAFF: Graff.

HALLORAN: Graff? Thank you, Ms. Graff. Any questions for Ms. Graff? Seeing none, thank you so much.

LISA GRAFF: All right. Thank you.

HALLORAN: Any further proponents of LB1040? Good afternoon.

ASHLEY FREVERT: Good afternoon. Chairperson and members of the Agricultural Committee, my name is Ashley Frevert; that's A-s-h-l-e-y F-r-e-v-e-r-t, and I am the executive director of Community Action of Nebraska. We are the statewide association for Nebraska's nine Community Action Agencies and I am testifying in support of LB1040. And I'd like to thank Senator Vargas for introducing and for supporting legislation that will positively impact the lives of those in our state who are food insecure and in need of nutritious, affordable food. Community Action has a lengthy history of helping Nebraskans help themselves. It creates opportunities for success, encourages and empowers participants toward accessing knowledge and resources they need to reach economic stability, and provides supportive guidance for experts who believe in the powerful role hope plays in long-- long-lasting change. Working together with our communities, a hallmark of Community Action, means that we will eliminate poverty in Nebraska. It is through our partnerships with businesses, industries, service organizations, government, and

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community members that we are able to improve the conditions of people who live in our state. What is often most disheartening is that we have a real hunger problem in Nebraska, and anyone at any time is one major financial trouble away from facing multiple instabilities, such as economic or food insecurity. A critical strategy for increasing food security is making public benefits such as SNAP and WIC easily accessible and usable at a variety of markets sourced with healthy foods. Since these benefits are meant to be supplemental, it is funding this legislation will support that sparks programs such as the Double Up Food Bucks program, which increases and incentivizes healthy food access by allowing enrolled participants in SNAP to swipe their EBT card and receive \$1 for dollar-- every dollar they spend on SNAP-eligible foods that can be redeemed at that time or in the future. This not only doubles spending power for low-income families for healthy foods, but it also increases sales for retailers and farmers who participate in the Double Up program. Our state is innovative. We have unique and powerful minds that have a desire to solve problems through programs that help those Nebraskans who need it most. This funding can potentially grow a program's reach, like Double Up Food Bucks, further into communities where hunger has been hidden for generations. And as I first stated, working together in our communities means we will eliminate poverty in Nebraska, which includes eliminating food insecurity. I encourage the committee to support LB1040, not only because it's a good investment for now; it's a great investment for our future. Thank you for your time. And I want to just touch on the other information you have with you. There's some handouts. But I also want to talk about briefly this recipe that you have. This is actually something that is provided by the UNL Extension's Double Up Food Bucks program. It's a part of the nutrition side of things. You'll see it's a recipe for ratatouille. It's something that can be made locally, but it's of-- it's like a French cuisine. It's something that is-- is cute, but it's also healthy. So if you know Disney, Pixar, Ratatouille is actually one of the-- one of the movies that was created, so, thought that was nice for you guys to see. I'm happy to answer any questions you guys might have. Thanks.

HALLORAN: Well, thanks for your testimony and your recipe. My wife will love to make this.

ASHLEY FREVERT: We have several.

HALLORAN: Any questions from the committee? Senator Brandt.

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BRANDT: Thank you, Chairman Halloran. Thank you, Miss-- is it Feevert?

ASHLEY FREVERT: Frevert, yeah.

BRANDT: --Frevert, for appearing today. If I understand this correctly, the only way they get Double Up coupons is they have to buy fruits and vegetables in the store and then they get a like amount to spend at a farmer's market.

ASHLEY FREVERT: So there is more people behind me who can talk about that more. I am simply providing testimony about the impact it will have on the people that we serve.

BRANDT: OK.

ASHLEY FREVERT: So I brought some-- in some numbers that might help you guys understand why Community Action is here to talk about it, because on average we serve about 775 households of SNAP recipients. So that's what I can respond to today.

BRANDT: I-- I guess my concern is that they're going to get out of balance and let's say they want to buy some ground beef or-- or some low-cost meats. Does that exclude them from the Double Up program? Do you see where-- where I'm going with this?

ASHLEY FREVERT: Sure. I see where-- that's where the education comes in. And I think that UNL Extension has a really great program and they have the opportunity to make their program more robust, and the education is definitely a part of that.

BRANDT: All right. Thank you.

ASHLEY FREVERT: Yeah.

HALLORAN: OK. Thank you so much for your testimony. Any further questions? Seeing none, thank you so much.

ASHLEY FREVERT: OK. Thanks.

HALLORAN: Next proponent for LB1040. Good afternoon.

JORDAN RASMUSSEN: Yes, good afternoon, Chairman Halloran, members of the committee. My name is Jordan Rasmussen, J-o-r-d-a-n R-a-s-m-u-s-s-e-n. I'm here on behalf of the Center for Rural Affairs on our policy team. In our state, where we grow food to feed the

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world, 11.4 percent of Nebraska households are food insecure. This rate aligns with the national percentage of food-insecure households of 11.7 percent, yet Nebraska ranks as the 22nd most food-insecure state in the nation, well behind our Midwestern states of Minnesota, North Dakota, Wisconsin, Colorado, and Iowa, all of which have household food insecurity rates ranging from just 8.6 to 9.3 percent. Unfortunately, Nebraska's bottom-half ranking and food security is also paired with high levels of obesity. Nebraska is the 15th most obese state in the nation, with an adult obesity rate of more than 33 percent. Mississippi and West Virginia are the most obese states in the country, with more than 39.5 percent of their population considered obese, just as a point of comparison. On average in Nebraska-- on average, in Nebraska's rural counties, 34 percent of our residents are obese, compared to just 33 percent in our urban counties-- counties. Nebraska has both a food security and health problem afflicting our waistlines and our state's bottom line. LB1040 provides an opportunity to begin to address this issue. SNAP, the Supplemental Nutrition Assistance Program, plays a crucial part in helping reduce the levels of food insecurity in our state. Despite demonstrated need, Nebraska ranked 39th in SNAP participation in 2016 with 76 percent of eligible SNAP households participating. Nationally, 83 percent of those eligible for SNAP participate in the program. While there are certainly barriers to SNAP enrollment in Nebraska's rural areas, benefits of participation reach beyond the individual and household food insecurity. SNAP is a critical asset to rural residents in need of food-security assistance and an asset that extends into local businesses, grocery stores, farmers' markets, butchers, dairies and author-- our authorized SNAP retailers and allow residents to purchase items locally. As has been mentioned before, about a \$1.70 for-- that-- that is spent in SNAP dollars is returned to our local economy. An increase in SNAP participation and the utilization of incentive programs like the Double Up Food Bucks program may-- by eligible rural Nebraskans expands the purchase power of needy residents while also providing revenues to local stores. Helping keep-- keep community grocery stores open through expanded SNAP usage further-- further negates the barrier of added travel and fuel costs for low-income households as they stretch their food dollars while also maintaining this amenity for all residents. The Legislature has the opportunity to help more Nebraskans access healthy food resources they need while also benefiting our local communities and producers.

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We ask the committee to move LB1040 to General File for further debate. I thank you and welcome any questions.

HALLORAN: Thank you, Ms. Rasmussen. Any questions from the committee? Yes, Senator Hansen.

B. HANSEN: Thank you. I'm hoping you're the right person to ask.

JORDAN RASMUSSEN: OK.

B. HANSEN: Maybe I'll ask Senator Vargas. What can you buy with an EBT card?

JORDAN RASMUSSEN: I-- I don't know the full array of items, but I think--

B. HANSEN: Can you buy like junk food or energy drinks or something like that?

JORDAN RASMUSSEN: I believe that you can.

B. HANSEN: You can?

JORDAN RASMUSSEN: This is based on my experience as a cashier at Walmart about 15 years ago, so--

B. HANSEN: OK.

JORDAN RASMUSSEN: But it may have changed since then. So there are folks behind-- behind me that may be able to-- to clarify that.

B. HANSEN: OK, good. Thanks.

JORDAN RASMUSSEN: There are options with this-- a program like the Double Up Food Bucks program would incentivize the purchase of healthier options.

B. HANSEN: OK, great. Thank you.

JORDAN RASMUSSEN: Yes, you're welcome.

HALLORAN: Thank you, Senator Hansen. Any additional questions? Seeing none, thank you, Ms. Rasmussen.

JORDAN RASMUSSEN: Thank you.

HALLORAN: Additional support for LB1040? Proponents? Good--

JULIA ISAACS TSE: Good afternoon.

HALLORAN: Good afternoon.

JULIA ISAACS TSE: My name is Julia Tse, J-- J-u-l-i-a-- sorry. I just changed my name, so I keep forgetting how to say it. Julia Isaacs Tse, J-u-l-i-a I-s-a-a-c-s T-s-e, and I'm here today on behalf of Voices for Children in Nebraska in support of LB1040. Children are Nebraska's greatest resource, and when all children can reach their full potential in adulthood, our state and economy are better off. Today, over 17 percent of Nebraska's children do not have reliable and adequate access to nutritious food. Voices for Children in Nebraska supports LB1040 because it would put more nutritious produce on the dinner plates of Nebraska children and low-income families. The Supplemental Nutrition Assistance Program, or SNAP, is the most effective antipoverty-- antipoverty program in our nation, providing food assistance to nearly 85,000 Nebraska children. It's estimated that SNAP moved 8,600 Nebraska families out of poverty in a single year. Most SNAP participants in Nebraska are working families who are struggling to make ends meet. Over half of them-- over half of SNAP recipients are working families, and the majority of the rest are families with household members that are unable to work due to age or disability. Benefits are calculated by need with benefit amounts decreasing as family income increases. Food assistance meets a critical need for more and more Nebraska families that are working, but still struggling to support their family and get ahead. Research shows that lower-income families receiving SNAP are more likely to eat nutritious-- are less likely to eat nutritious food than higher-income families. The reality is that families with tight household budgets are oftentimes forced to select food options that are cheaper and higher in calories, lower in nutritional value. Indeed, the average SNAP benefit is estimated to only cover 43 to 60 percent of the actual cost of a healthy diet and families, especially those with growing teenagers, may struggle to put enough food on the dinner table with SNAP benefits. LB1040 leverages federal funding towards a solution with a double bottom line, making nutritious produce more affordable for SNAP recipients while also supporting local farmers and producers. The FINI grants are matched 1:1 by federal dollars and can be made to nonprofit and government agencies as lead organizations. Many of these incentives have been used to create Double Up Bucks programs, which doubles the value of SNAP benefits at local farmers' markets. This

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investment of state funds towards a grant program would provide opportunities for other Nebraska communities across our state, outside of Lincoln and Omaha, to benefit from a similar Double Up Bucks program. And before I wrap up, I'd like to address some of the questions that came up. So I believe there are some questions about whether or not all farmers' markets have or accept EBT. The-- definitely not. They're-- the point of sale may not-- that the cost of creating that point of sale may be too costly for that farmers' market. So in some ways, this FINI-- this FINI grant can help address that startup cost for some smaller farmers' markets. As to what SNAP benefits can or cannot buy, Senator Vargus mentioned that, for example, the Double Up Bucks program wouldn't be eligible for a brownie, for example. But in a regular grocery store, without the Double Up Bucks program, you could-- you're not allowed to buy pre-prepared foods that are ready to eat right then. But to your question, Senator Hansen, they-- you would-- I think-- or you are allowed to buy an energy drink, for example, but that obviously wouldn't apply under this program. There were some questions about who can receive the grant under this program. So as I mentioned in my testimony, governments and nonprofits are eligible, but those entities can work with private entities such as a farmers' market to offer the program. Then Senator Brandt had a question about families. I think-- oh, I'm out of time, so I'll just wrap up there and thank the committee.

HALLORAN: All right. Thanks so much for your testimony. Senator Brandt.

BRANDT: I'd like to hear your answer to Senator Brandt.

JULIA ISAACS TSE: Yes. Thank you, Senator Brandt. So I think what your question was, is-- so a family might run out of money if they participated in this program and not be able to-- to purchase their regular food items. I know I'm not allowed to ask you a question, but I think that was--

BRANDT: No, I-- my-- my question was-- it appears that you have to buy fruits and vegetables in the store to get the Double Up on it. To me, it would make more sense to use this as an extension. I mean, if you use the Double Up coupons to buy your fruits and vegetables, why wouldn't you use your other benefits to buy meat or milk or-- or some of the basic food staples at the store to extend this, knowing that those coupons could be used for vegetables? But if you have to buy

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vegetables first to earn the coupons to buy the same amount of vegetables, it just sort of seems like things could get a little out of whack on a-- on a-- on a family that's stretched on a very tight food budget.

JULIA ISAACS TSE: Yeah. My-- this is not a perfect answer, but I would guess that those families are watching the balance very closely and they are able to monitor the balance over the phone or online to-- to sort of check how much they have left and figure out how much they want to spend at the farmers' market and how much they want to leave for the regular grocery run.

BRANDT: All right. Thank you.

JULIA ISAACS TSE: Thank you.

HALLORAN: Senator Hansen.

B. HANSEN: Yes. OK. Thank you for answering my question earlier. And just maybe another question so I can get a better understanding about this is, is-- is all-- EBT, is that all state?

JULIA ISAACS TSE: Yes.

B. HANSEN: OK. Why don't we just have them not buy energy drinks and we take that extra money and put it towards fruits and vegetables?

JULIA ISAACS TSE: I-- Yeah--

B. HANSEN: [INAUDIBLE].

JULIA ISAACS TSE: I-- well, I would need to look into this, but I-- am I-- I'm 90 percent sure-- I don't want to say for certain-- that those regulations are determined by the federal government, so-- and because SNAP is a-- it's mostly federally funded, so the benefits are all federal funds. The administrative costs are half and half: half state, half federal. So we-- the states don't have much of a say in what--

B. HANSEN: That's probably why. OK. All right. Thanks.

HALLORAN: Any further questions? Senator Moser.

MOSER: Do you know how much the monthly benefit is under SNAP?

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JULIA ISAACS TSE: It varies. So I mentioned in my testimony that the amount that families receive is calculated based on how much income they have after regular household expenses, so the more that you earn, the less that you receive. It's a pretty small amount. I know that what we offer families is what we hear: usually not enough to cover the monthly-- the monthly food budget.

MOSER: I know one of the previous testifiers said something about \$193 a month. I don't know if that's for a single-person household or what but--

JULIA ISAACS TSE: Yeah, I'd have to look into the numbers. I don't know them off the top of my head.

MOSER: I was trying to Google it and it keeps showing me how to sign up, but it didn't tell me how much it was.

JULIA ISAACS TSE: Ah, OK. Well, I can-- I can take a look at those numbers and get back to you, Senator.

MOSER: Yeah, I can figure it out, I'm sure, too. Thank you.

JULIA ISAACS TSE: OK.

MOSER: I just thought maybe you knew.

HALLORAN: OK, keying off Senator Brandt's question a little bit, the-- the way I understand it now, you're-- you're going to-- the participants will buy vegetables and that will give them-- they can double-- Double Buck to buy more vegetables. And keying off of what he said earlier, wouldn't it seem a little more logical to have the opportunity to buy some of the other balanced part of a balanced diet and then have the opportunity to have-- buy the vegetables? I'm not opposed to vegetarians. I want to make that perfectly clear. But-- [LAUGH] but anyway, wouldn't it seem possibly a better balanced diet if they had the opportunity to first buy meats, dairy, and so forth, and then have that opportunity by those vegetables, fresh vegetables?

JULIA ISAACS TSE: Yeah, that's a great question. Off the top of my head I don't know if-- so, for example, like at my farmers' market, you can purchase local meat, and I don't know if under this program that applies as well. But I can-- I can take a look at that and get back to you.

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HALLORAN: Clearly, it wouldn't be available at the family-- at the farmer's market. Meats-- meats and dairy typically wouldn't be available there, but is there some way--

JULIA ISAACS TSE: Yes. Yes.

HALLORAN: It can be, but-- can there be some way where it's-- that you can have that credit transfer, in other words, buy at Hy-Vee your meats and vegetables-- or meats and dairy and so forth and then have that-- that-- that credit forwarded to a farmer's market for vegetables?

JULIA ISAACS TSE: Yeah. So I should say we've talked a lot about farmers' markets, but there are grocery stores that can participate in this, and so that would be pretty narrowly--

HALLORAN: Yeah.

JULIA ISAACS TSE: --prescribed to whatever products they have that are locally produced. But I'm-- I'm not sure about the answer about dairy and meat.

HALLORAN: OK. All right. Thank you. Senator Blood.

BLOOD: Thank you, Chairman Halloran. And I'm sorry that I came in late, but I did read the bill, so I-- hopefully, I can ask a question that hasn't been asked yet. So I volunteer to run the Bellevue Farmers' Market as you probably know. And the question I have is, what's been your experience-- because I know what my experience has been, but I want to know your experience. When people have the ability to go to a farmers' market with their children, with their family, and purchase this produce-- and in our case, we do have meat at our market-- but especially the produce, the-- where it comes from and how it's grown, and what are we instilling in these children that will be of benefit to them as they grow up?

JULIA ISAACS TSE: Sure. Yeah. I mean, I think in my personal experience, we have a great farmers' market in-- near my neighborhood. And there are-- I think-- so along with this program, there are great educational opportunities. The university, as many others have mentioned, undertake a lot of educational classes with families that are participating in SNAP outside of farmers' markets. But also that interaction at a farmers' market allows for young kids to learn more about where their food comes from and how-- how you-- how you know

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to-- how-- how you can purchase food that is nutritionally good for you and also good for-- for your community.

BLOOD: And would you say, since there are many examples where these children live in food deserts, especially in eastern Nebraska-- and then you've seen that more in small towns, as well, where your nearest store is a Dollar Store-- that they're being exposed to items that they wouldn't normally see?

JULIA ISAACS TSE: Yeah, absolutely. So a couple of years ago, we participated in an interim study that looked exactly at this issue, the issue of food deserts, where many communities are now finding that they don't have anywhere to buy local produce except-- I mean, the-- the one thing that they can access is maybe a convenience store where there's not any fresh produce. So this is a really interesting opportunity and I-- and I think that it's worked in some parts-- in some parts of Omaha; that interim study, we found that there was-- the community identified that there was a need here, and so they worked with a local grocer who agreed to stock more produce and fresh groceries for the community to-- to utilize through this program.

BLOOD: And then one last question, and-- and I'm not sure you'll feel comfortable answering this question-- but can you talk a little bit about what the Extension Office does when it comes to education perhaps at-- at the actual markets, because that's obviously a secondary opportunity for them to educate. Are you aware or familiar with any of that?

JULIA ISAACS TSE: I have not personally participated in those, in the farmers' markets activities, but I-- I did-- I'm forgetting what the name is, and maybe somebody that's coming after me can. But they-- there is a local educational program that helps people figure out how do you cook. And when I first arrived-- arrived in Nebraska, I lived with a bunch of 22-year-olds who, like, didn't know how to cut a tomato, so like learning about how to make dinner and how to do it in a way that's good for you is, I think, a really critical piece here.

BLOOD: And something that these-- these families can pass on and these children can hopefully grow up with eating habits and-- and know what to do with the fresh produce.

JULIA ISAACS TSE: Absolutely.

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BLOOD: Thank you.

JULIA ISAACS TSE: Thanks, Senator.

HALLORAN: Thank you, Senator Blood. Any further questions? Thank you so much.

JULIA ISAACS TSE: Thanks so much.

HALLORAN: Additional proponents for LB1040? Good afternoon.

KATHY SIEFKEN: Good afternoon, Chairman Halloran and members of the committee. My name is Kathy Siefken, K-a-t-h-y S-i-e-f-k-e-n, here representing the Nebraska Grocery Industry Association as their executive director and registered lobbyist. We support LB1040. We have been working on food insecurity programs probably for ten years. First one came about in Omaha. And I guess what I would like to talk about is the impact that it has had on retailers, specifically grocery stores, and what these kind of Double Up or insec-- food insecurity programs do on a local level. So Douglas County Health Department worked with us very closely in Omaha. And as a result of the programs that-- that that Health Department put together, we had a limited number of small grocery stores that were part of an assessment. And Douglas County came through and helped the grocers choose what kind of fresh fruits and vegetables they should be selling. And then they came in and they helped with food demonstrations and demonstrations on how to cook food. The end result in one of the grocery stores was simply that their volume of fruits and vegetables that they sold actually doubled. People tried new vegetables that they hadn't ever even thought about eating before because they were shown how to cook and prepare them so that they-- they were tasty and they enjoyed them. So what this-- what the dollars in this bill will do is not only does it-- it help the farmers' markets, it helps the grocery stores and you get community involvement and everyone seems to buy into this. And so it's a-- it's a base or an initial investment that is really grown by the community. If you have any questions, I'd be happy to answer them.

HALLORAN: All right. Thank you so much for your testimony. Any questions from the committee? Senator Blood.

BLOOD: Thank you, Chairman Halloran. Thank you for your testimony. Just a really quick question. And so you talked about bringing in identified fruits and vegetables that they thought would be popular.

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Did you hear any feedback about people identifying that they really didn't even know what some of that was or how-- right, how to use it?

KATHY SIEFKEN: Absolutely. Absolutely.

BLOOD: And then they're less likely to buy the prepackaged food because now they have this fresh food and they can take that on and carry that throughout their family, right?

KATHY SIEFKEN: And-- and that-- that-- that willingness for them to try the new products, it carries on. So once they're even off any of the benefit programs, they're still eating fresh, healthy food. And really, that's what this program is about, is steering people in a direction where, instead of grabbing a bag of cookies or chips, they'll grab an apple, or instead of grabbing a candy bar, they will grab a bag of cut apples or-- or carrots, something that's-- that's a little bit-- it-- it kind of changes their palate. And it's an educational type of program that really helps people move into a healthier lifestyle.

BLOOD: And so for families that are struggling that might be receiving some type of aid from the state, we also know that we create healthier Nebraskans, so potential for future costs, be it health insurance or whatever, also goes down?

KATHY SIEFKEN: Very true.

BLOOD: All right. Thank you.

HALLORAN: Thank you, Senator Blood. Any additional questions from the committee? Seeing none, thank you so much.

KATHY SIEFKEN: Thank you.

HALLORAN: Any additional proponents for LB1040? Any opposition to LB1040? Seeing none, are there-- is there any neutral for LB1040? Welcome.

VANESSA WIELENGA: Thank you. Hi. My name is Vanessa Wielenga, V-a-n-e-s-s-a W-i-e-l-e-n-g-a. I'm an extension educator for University of Nebraska-Lincoln, testifying in a neutral capacity and not representing the university on LB1040. My expertise is in nutrition, healthy food access, healthy communities, and local food systems. I've been the coordinator of the Nebraska Double Up Food

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Bucks program since it began in June 2017 and was part of the team responsible for getting it up and running since fall of 2015. As you can see, there's a lot on the handout there. I think you've heard a lot of this information, so I'll skip over to Extension's role to provide a little bit more background on what it is that we do to run the program. So since the beginning, Double Up has been a multiorganizational collaborative. Over the last two and a half years, Nebraska Extension has leveraged resources from 22 private and nonprofit organizations, as well as state and county agencies, to implement the program, provide education and outreach. In addition to fundraising, the multiagency coordination, education, and outreach, Extension is responsible for the recruitment, training, and technical assistance provided to sites, current and potential. Whenever any customer or farmers' market, market manager, or their staff has a question or needs assistance, Extension is responsible. Assistance also includes graphic design and printing of customized promotion and training materials that complements the state-level communication plan that we've implemented. Extension hires and manages hourly workers and students to assist county Extension staff in providing that weekly nutrition education at the Double Up sites, as well as several evaluation and reporting duties and distribution of program materials. We also manage a website, email address, and call line for all program participants, and we collect, analyze, and report an annual customer and vendor survey, which you can see some results on the back side of that, of your sheet. We also have some financial impact reports, which you can also see a snapshot on the back. Extension is a member of a national network providing reports, technical assistance, and attending an annual meeting, and that is in partnership with the Fair Food Network, the Michigan organization that Senator Vargas mentioned. And coordination with the Nebraska Department of Agriculture Extension ensures program fidelity through multiple site visits, account monitoring, and ongoing training. And I will leave my comments to that because, like I said, I think a lot of that was addressed. I've written down some of your questions, but I will just be available for questions now.

HALLORAN: OK. Thank you so much. Questions from the committee? Senator Blood.

BLOOD: Thank you, Chairman Halloran. Just a quick one, because I'm familiar with it, can you tell me what's been your response when you do, do community outreach? What-- what do you see in the children especially? I mean, I'm curious their responses to-- to having this

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put in front of them and being told how great it is for them and what they can do with it, and I'm really curious what your response-- their responses have been.

VANESSA WIELENGA: Yeah. Extension has been doing a lot of youth education through the nutrition education program and SNAP ed funding for many years. And we always find working with students and children as a very rewarding experience and very impactful. We get a lot of really great feedback from teachers when we go in the classroom and also at our market sites. Since this is a very largely point-of-purchase incentive and we deal a lot with a purchasing person, we do deal with-- they're adults-- you know, they're adult parents a lot more often. And we hear really great feedback there. We've seen numbers as high as 94 percent of people surveyed said that they were shopping for children, so we know that impacts a lot of households with children. And Extension, because of our history educating children, we have a lot of really fun interactive activities at the markets, whether it's fun stickers or scavenger hunts or just introducing them to our farmer of the week, things like that.

BLOOD: Very nice. Thank you.

HALLORAN: Thank you, Senator Blood. Any further questions from the committee? Seeing none, thank you so much.

CHAMBERS: Could I just-- there's something that bothers me every time people talk about food. They say healthy food. People are healthy. Food is healthful. Now my-- it's off my conscience.

SLAMA: Yes.

CHAMBERS: I can rest. Thank you.

HALLORAN: Thank you, Senator Chambers. OK. Thank you so much. Any additional neutral for LB1040? Seeing none, Senator Vargas, if you'll give me a minute but please join us. I'm going to read off letters of support.

VARGAS: It will take me a minute to get there.

HALLORAN: OK. You're still going to have to give me a minute. We have Brian Barks and Scott Young from the Food Bank of the Heartland and Food Bank of Lincoln; Nathan Morgan, The Big Garden; Jenni Benson, Nebraska State Education Association; Grant Daily, Lincoln and

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Lancaster County Food Policy Council; Dr. Erin Feichtinger, community outreach and advocacy, Together; Ashley Carroll, CHI Health; Chris Redding-Wagner, for self; Ron Todd-Meyer for Nebraska for Peace. And these are in your binder, Senator, for your review. All right, Senator Vargas.

VARGAS: Yeah. Thank you. Thank you, Chairman Halloran, and thank you, members of the committee. Just a couple things that I want to touch on is-- so the Center for Rural Affairs made a couple of different policy recommendations, and I do want to call one of them out because this committee worked on this, the cottage food bill, to expand-- expand opportunities for businesses to sell directly. And-- and thank you to Senator Hansen for prioritizing that bill. One of the other recommendations was-- is this. There's an existing federal grant program and to expand this in states like ours, so why it-- why it started. I know part of the questions that I heard were on trying to get a better understanding of EBT and-- and food stamps and-- and even just, you know, eligibility, what kind of foods are used. And I think they're valid questions for-- for actually understanding the program itself. But I really want to try to focus on this program, the Double Up Food Bucks, and-- and harp on some of the impacts that we're seeing, the good things. Michigan is just a really good example. It is the reason why I think this has expanded. We saw nearly 1,000 farmers participate in-- in Michigan in 2013 alone. That number has since increased substantially. And I-- I mentioned this earlier. There was nearly \$5 million utilized within specifically SNAP program, in this program in Michigan. It's leading the way, and it's not the only state. We're-- we're just growing. But all the other states in the Midwest are starting to expand in some way, shape, or form, or look into this. And the reason is, is because we have the federal grant program that is investing in this. A couple of things to make sure to get in the record: The outcomes of this program are very, very clear. When we expanded the Double Up Food Buck program, we saw an increased spending on fresh produce, higher at stores that actually implemented or made available this specific program than those stores that didn't, or basically the control stores. I understand there's a question around if they don't spend on other things, they're spending on fruits and vegetables. We're already seeing statistics sort of showing that people tend to already spend specifically those from-- that-- that may not have always access to fresh fruits and vegetables are not spending it on fresh fruits and vegetables. It's the whole reason we're trying to incentivize more healthy lifestyle within this specific program.

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The last thing I'll say is I know there was a little concern about where the funds with-- that-- from this program, or specifically EBT funds would be used. Yes, you can use those funds right now to purchase junk food. You know, I'm being very general on that term. But junk food also tends to be more-- cheaper than fresh food. It's what we're seeing. It's why people make decisions to then go with what is more economical for their household. It's why this is a need. So I'm really asking you to consider-- we have a wide variety of people testifying that programs like this that are clearly working, and we have great partners that are in the Department of Ag but also private partners, and I want to make sure to call them out-- some of them we already did-- but Children's Hospital, Nebraska Extension, NCHI Health are strong private partners and I know, from the letters of support and testimony, would be very supportive of this if we expanded it, which I think will make us even more competitive to get even more grant dollars from the federal government to do this, because the funds from this are going to go to then offsetting operating cost to get it started across Nebraska beyond the ten sites. It's not funding any of the match 1:1 dollars. I just want that to be clear in the record. So I want to thank you. My hope is that we can-- we can expand the value of these SNAP benefits so that we are supporting not necessarily people that are healthy, but I guess these options that might make it easier for people to then eat healthier and-- and make sure we're also infusing funds right back into the state of Nebraska to local farmers for really good, fresh fruits and vegetables. So thank you, and I'm happy to answer any more questions.

HALLORAN: Senator Moser.

MOSEER: So you think the Department of Agriculture is going to have the-- the motivation to work this as hard as the university did?

VARGAS: I'm not going to speak for the intent of the Department of Ag, but what I know is they have been a partner in-- in the entire time that this program has been initiated in collaboration with Extension. So that's what I'll say. And also the fiscal note--

MOSEER: I'm worried-- I would be worried that the Department of Agriculture might be more oriented towards different goals than the university. The university is more into education, more into, you know, healthy living, for that matter. I don't know. Maybe I'm wrong,

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but I'd be a little worried that-- that university might do a better job and maybe for less money than Department of Agriculture.

VARGAS: I'm lucky I sit on Appropriations. My experience is when departments have a program that they are tasked with specifically to leverage some level of federal funds for any purpose, they do everything they can to follow through on that program. We see that in CHIP. We see that in public assistance. We see that even in Medicaid. I do think we're trying to fully leverage our federal resources and make good use of an existing program. I do have faith in the department. I'm not saying you don't have faith, but I think what this bill--

MOSER: I don't know. I'm just speculating.

VARGAS: Yeah. Yeah. No, I--

MOSER: And there's nobody from the Department of Ag here, right?

VARGAS: No. But all I'll say is they've been a good partner in what we've already had.

MOSER: If we were getting a program, I'd be here to say I'm for it, against it, or neutral.

VARGAS: I will say not every single department or agency testifies on every single bill. I wouldn't take that as a sign of necessarily not supporting of an initiative. But in this instance, they have been a partner in this as existing. If we're going to expand this program, the next step is to bring it into the Department of Ag and then use the operating funds to expand the program beyond ten sites, so particularly ten, ten groups that are-- are taking on this. And I-- again, they've been a really good partner so far.

MOSER: OK. Thank you.

HALLORAN: Thank you, Senator Moser. Any additional questions? Seeing none, thank you, Senator Vargas.

VARGAS: Thank you.

HALLORAN: All right. I would entertain a motion to go into Executive Session.

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SLAMA: So moved.

HALLORAN: Moved by Senator Slama, seconded by Senator Hansen. We will begin as soon as the room is closed.