

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate February 24, 2022

**HUGHES:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the thirty-first day of the One Hundred Seventh Legislature, Second Session. Our chaplain for today is Pastor Jim Haack from La Vista in Senator Arch's district. Please rise.

**PASTOR HAACK:** We pray. Almighty God, heavenly Father, you have instituted civil government at all levels for the ordering of society. You have brought civil servants here today to make, execute, and adjudicate the laws of the state of Nebraska so that our God-given rights of life, liberty, and the pursuit of happiness may be protected and advanced. Grant your wisdom to all who serve here. May they serve with courage, integrity, and humility, aiming to protect the least of these with justice and righteousness according to your immutable laws. I pray this in the name of Jesus Christ, your son, our lord, who lives and reigns with you, oh Father, and the Holy Spirit. One God, now and forever, amen.

**HUGHES:** Thank you, Pastor Haack. I recognize Senator Aguilar for the Pledge of Allegiance.

**AGUILAR:** Please join me in the pledge. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

**HUGHES:** Thank you. I call to order the thirty-first day of the One Hundred Seventh Legislature, Second Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

**CLERK:** I have a quorum present, Mr. President.

**HUGHES:** Thank you, Mr. Clerk. Are there any corrections to the Journal?

**CLERK:** Mr. President, on page 621 on line 38 [SIC], strike "AM1896" and insert "AM1869." That's all that I have.

**HUGHES:** Thank you. Are there any messages, reports or announcements?

**CLERK:** There are, Mr. President. I have a communication from the Governor with respect to the appointment of Mr. Michael Jacobson as a representative for the 42nd Legislative District. In addition to that, I have the oath of office and communication from the Secretary of State regarding that appointment. I have a confirmation report from the Natural Resources Committee, two reports, actually. And Mr.

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President, your Committee on Natural Resources reports LB809 to General File with committee amendments attached. Mr. President, an announcement: the Revenue Committee will have an Executive Session at 9:15 this morning under the south balcony. The Revenue Committee at 9:15 this morning in south balcony. And Mr. President, Senator Stinner would request unanimous consent to conduct the public hearings of the Appropriations Committee on February 24, 25, March 2 and 3 in Room 2022, as opposed to Room-- I'm sorry, March 2 and 3 in Room 1525 rather than Room 1003.

**HUGHES:** Without objection, so ordered.

**CLERK:** That's all that I have, Mr. President.

**HUGHES:** Thank you, Mr. Clerk. Speaker Hilgers.

**HILGERS:** Thank you, Mr. President. Good morning, colleagues. I know the last few days have been difficult, but as we end-- round towards the end of the week, I do want to start the day on a positive note by welcoming our newest colleague, Senator Mike Jacobson, from District 42. You will all get the chance to know him over the next 30-- or 29 working days, but I thought I'd give you a little bit of a head start on a little-- on his background. Senator Jacobson was one of eight children and grew up on a sharecrop farm in Clay County. He put himself through college at the University of Nebraska-Lincoln, where he majored in ag economics and ag education. After graduation, he and his wife, Julie, moved back to Clay County, where he farmed and began a teaching career at Red Cloud, Nebraska. In 1980, he joined City National Bank as an ag loan officer and later transferred to the National Bank of Commerce in Lincoln as a senior vice president and manager of the correspondent banking division. In 1994, Mike transferred to North Platte to manage Western Nebraska National Bank before leaving to charter NebraskaLand Bank in 1998. Mike is a former chairman of the Nebraska Bankers Association and former president of the Ag Builders of Nebraska. Senator Jacobson started his civic engagement as a young man as a-- in 4-H and state FFA officer. Since living in North Platte, Mike served as chairman of the North Platte CRA, chairman of the North Platte Airport Authority, and Great Plains Health Board of Directors. He's also a member of the Sunrise Rotary Club and teaches financial literacy classes to local high school seniors. I know-- on a personal note, I know many of you have met Senator Jacobson. I've known him for a number of years. I think all of you know his daughter, Mary, and how great of a person she is. And I will tell you, almost part of the family in my office, Denny, who you all know, is going to be part of his family come June when he

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marries-- I hope he has a new son-in-law come, come June, assuming Denny doesn't, doesn't screw it up over the next couple of months. With that, I would like-- I've asked Senator Jacobson to see if he would say a word of welcome and so please, Senator Jacobson.

**JACOBSON:** Well, thank you, Speaker Hilgers. It's truly an honor to be here. It truly is. I really want to thank the Governor for appointing me and having confidence in me to, to represent the 42nd District. Over the next few months, I'm going to be pretty focused on proving to, to the voters that I'd be the right guy and to seek their vote for election. I want you to know that the next 30 days are going to be devoted to helping this body get done what it needs to get done. I want to tell you a couple of things about me. The past is the past. What I'm looking at is I'm someone who will do what I tell you I'm going to do. I'm not always going to be there to vote with you, but I'm always going to be there to respect you and you should expect nothing less from me. So thank you. I'm honored to be here. Thank you, Speaker.

**HILGERS:** Thank you, Mr. President.

**HUGHES:** Senator Clements would like to recognize Dr. Dale Michels of Walton. He's serving us as the family physician of the day today on behalf of the Nebraska Academy of Family Physicians. Dr. Michels, if you would please rise to be recognized by your Nebraska Legislature. Also, Senator Erdman would like to announce the following guests visiting the Legislature: Benjamin and Janai Blowers from Lincoln, Nebraska. They are seated in the north balcony. Would you please rise to be recognized by your Nebraska Legislature. Thank you for coming. Mr. Clerk, we'll now proceed to the first item on the agenda.

**CLERK:** Mr. President, thank you. First of all, an announcement: the Committee on Committees, Committee on Committees, chaired by Senator Hilkemann, will meet underneath the north balcony immediately. Committee on Committees, north balcony, immediately. Mr. President, returning to LB939, originally introduced by Senator Linehan. It's a bill for an act relating to the state income tax. It has been discussed as late as yesterday morning. Mr. President, the committee amendments to LB3-- LB939 are pending. Senator Matt Hansen had an amendment to those committee amendments. Senator, I understand you want to withdraw. Mr. President, with that action, Senator Machaela Cavanaugh would move to amend the committee amendments with AM1856.

**HUGHES:** Senator Linehan, if you'd like to take a couple of minutes to refresh us on LB939 and AM1780, please.

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**LINEHAN:** Thank you, Mr. President. Good morning, colleagues. So the bill, as we brought it to the floor, includes both the reduction in the top rate on individual and corporate over three years to get us from 6.84 down to 5.84. Thank you.

**HUGHES:** Thank you, Senator Linehan. Senator Machaela Cavanaugh, you're welcome to open on AM1856.

**M. CAVANAUGH:** Thank you, Mr. President. Do I have five minutes or--

**HUGHES:** You have ten minutes to open.

**M. CAVANAUGH:** OK, thank you. Good morning, colleagues. I rise to introduce AM1856 to the-- it's actually an amendment to AM1780. And so this is an attempt at working through some of the issues that I personally have with this bill. This amendment cuts the corporate tax piece of AM1780 and it is a realignment of the tax brackets to reflect what I think is more in line with a income tax cut for the middle class. It-- and as I-- I've spoken about this over the last several days, but it still needs work on the numbers because I do believe that it cuts a little bit too much revenue, but it is a closer starting point for me than the current amendment, AM1780. So this amendment takes our 2.46 tax rate for income under-- and all the numbers I share will be people filing jointly-- so 2.46 percent rate for income under \$4,799 and then it, it changes it to income under \$6,600 and \$59-- \$6,659. And then the next rate is 3.51. As it currently is, it's \$34,999. And I'm sorry, as I say these numbers, I know that the numbers that I'm reading in the statute are not exact to what we have currently because of the CPI, but it's what I have on the paper in front of me so it's the closest I can get at this moment. OK, so the 3.51 percent is currently at \$34,999 and my amendment would take the 30-- the 3.51 percent and raise it to anyone earning \$64,429 jointly and below. Then the next rate of 5.01 percent currently is at \$53,999. In my amendment, it would raise that to \$199,099-- \$199,999. So that's-- right there, those two shifts, the 3.51 percent and the 5.01 percent are really the, the meat of the cut for middle class. That's where we see a significant reduction because as we've been talking about, the highest income tax rate currently is 6.84 percent and it starts-- well, based on the 2013-14 numbers, it starts at \$54,000. So we are cutting, in my amendment, 1.83 percent or more for individuals that make between \$200,000 and \$64,000. And to me, that's what a middle-class income tax should look like. It does raise the tax we have at another level. At 6.51 percent is anyone who makes \$99,999 and below and then the, the top rate is 8.01 percent and that is for anyone who makes \$1 million filing jointly or more. And of course,

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this is-- you know, that doesn't mean that you pay 8.01 percent on \$1 million. That's not how our income tax bracket works. If you make \$1 million aft-- and your-- that's your adjusted-- federally adjusted gross income, you are paying the other tax rates at all money underneath that. So you are paying 6.51 percent on all money that you have-- all of your income that is between \$99,999 and \$199,999, so that's 6.51 percent on that income alone. And you are also paying 5.01 percent on income between \$199,999 and-- to \$64,430. So again, it's, it's a graduated stepping up of the tax. So you're not paying 8.1-- 8.01 percent on the entire amount. You're paying it over a stepping up to that point. And I believe I said yesterday-- and I apologize because I can't find where I put my paper, one moment. I really have a lot of papers. Sorry, I'm a paper person. I had a paper that outlined it, but I figured out my tax rate versus the current tax rate. The highest tax bracket would end up paying around \$6,000 more on their taxes and it would be a significant tax cut for the middle class. So it's currently something around \$134,000 and it would be \$140,000 is their, their tax rate. I, I intend this as a serious amendment. I intend this as a starting point for a compromise. Yesterday, there was a lot of conversation about just move it to Select and we will compromise on it between General and Select. And for me, if we're not going to get rid of the corporate income tax, then that's not-- there's no compromise. We did the corporate income tax last year and one of the more infuriating things about this bill is that it goes back to the corporate income tax that we just did last year that was a compromise last year. And it just signals to me and to the people of Nebraska that when we make an agreement in this body, we don't have to stand by our word. We don't have to like it. I know that the compromise isn't something that people liked last year, I didn't like it, but it happened and now we're going back and trying to just keep digging away at that the very next year. We're still on the same biennium and we're doing it. So I hope that this body takes a look. I think we've got maybe like 50 minutes left on this debate. I hope that you all take a look at AM1856. Please feel free to ask me questions. I intend it as a serious amendment and I hope that it will be added on and moved to Select. Thank you.

**HUGHES:** Thank you, Senator Cavanaugh. Colleagues, Senator Mike McDonnell would like to announce 100 Nebraska State AFL-CIO Union Members. They're seated in the north balcony. If you would please rise to be recognized by your Nebraska Legislature. Thank you for coming. Returning to debate. Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Thank you, Mr. President. Well, so I was sitting here while Senator Machaela Cavanaugh was introducing the amendment and

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doing some quick math, so I'm not quite up to speed about this amendment. I think in principle, it is more in line with what I'm interested in than where we have been to date. So I just did the quick math on how this amendment would affect an individual making \$64,430, which to refresh everybody's recollection, that number, \$64,430, is the top income for a married couple filing jointly of your taxable income, which means a married couple filing jointly, that's a household federal adjusted gross income of about \$78,000. So the, the amount that somebody would get in Senator Machaela Cavanaugh's AM1856 would be a tax cut of \$367 off of what was their current liability, at that point, of \$2,558. So it's a pretty substantial tax cut. I know people have-- in this whole conversation, sometimes we get lost in the weeds about how much is real money to real people and those sorts of things. A \$367 tax cut to somebody whose W-2 income is \$78,000 is real money. And I haven't done the math all the way through on, on this amendment, but it does have a tax increase for those folks over \$1 million or it has a bracket increase, I guess, if we're talking about how the taxes actually work and that shift. Individuals in that top bracket, the \$1 million-plus, as opposed to getting that \$9,000 tax cut that is under AM8-- AM1780 and LB939, they would at least get that benefit of the \$300-- lost my calculator here, I think it was \$367 plus any benefit as a result of the shift for those other portions in the tax structure throughout, where the, the tax brackets of the 5.0-- 5.01 were shifted up and the-- I don't-- I think the 6.84 was cut down to 6.3, if I remember. So there are tax savings throughout for everyone all the way up to \$1 million before that new bracket gets put into place. I know Senator Machaela Cavanaugh mentioned that she has looked at the numbers and, and it does have a, a high expense and that is interested in, in modifying the cut to be more within, I guess, the budget. And so I'd be interested to see how those numbers-- ultimately where these things come down of every tax bill, of course, is a small change in numbers. This is a, a point or a 1.5 percent reduction in taxes for individuals making between \$39,990 and \$64,430 and that adds up to be \$367. And then obviously, you can go through and do the math and see how much that would actually cost in those tax brackets. But these small shifts, one way or the other, make a substantial difference to individuals, but also make a substantial difference to our state revenue. And so it is important to find the right places to make those changes, the ones that affect the most Nebraskans and have the most positive effect without breaking the budget. And so we need to be cog-- conscious of those as we make those decisions. But again, I would draw your attention to the handout, if people still have it, from-- that Senator Friesen handed out a couple of days ago from the U.S. Census Bureau. The median household income in Nebraska, \$54,384.

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A median-- the-- a median household income of \$54,384 would not get any tax cut under AM1780 or LB939, but under--

**HUGHES:** One minute.

**J. CAVANAUGH:** --AM1856, they would get not that full \$367, but they would get a tax cut for the difference between the three house-- \$39,990 and their \$54,000. I can do that math for you again and stand back up and I know you're all dying to hear some more of my math skills, but I think that that is an important distinction between this amendment and what we've been talking about for the last two days is that AM1856 would actually return tax dollars, give a tax cut to median income people and those making below the median income, the vast majority of Nebraskans. Seven hundred thousand taxpaying Nebraskans are below the threshold that would receive a benefit from LB939. I don't know where the difference is or if everybody gets a tax cut under AM1856, but I will continue to look at it and I'll push my light again. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Cavanaugh. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President. Sorry, colleagues. I was going to go check the queue to see how soon I was up. Good morning, everybody, and I'm glad we are getting to discuss this bill and discuss Senator Cavanaugh's amendment. I pulled my prior amendment because Senator Cavanaugh had expressed her desire multiple times to give a discussion on where she is at and what she's proposing and what she's working on. And like her, still trying to figure out all of the numbers and pieces of everything, but as we're going forward, I think recognizing that we have a tax system that, as of today, I think I have some personal issues with. I don't think it's good tax policy. I don't think it's fair to Nebraskans, that know going forward, that's something we're going to have to examine; how we impact and how we influence everybody in all these changes. And I just kind of, like, want to start off by kind of rehammering the point in terms of we were debating yesterday or discussing yesterday, I mentioned a chart yesterday. Senator Linehan and I had an exchange about it. But if you're looking at-- and again, this is just one tax year, 2018-- I keep coming back to this point that the 1 percent of taxpayers who earn over \$1 million in adjusted gross income account for over half of the federal gross adjusted income and over half of the federally recognized income for the state Nebraska, but yet only pay about 10 percent of the income taxes in Nebraska. I had somebody ask if that includes sales and property. No, I'm just looking purely at income tax on this level. But

just again, to re-emphasize, this is for 2018. So you had 8,881 taxpayers out of just over a million who paid 70-- who earned, excuse me, who earned \$75 billion in income, which is over half of the state's total income in terms of \$134 billion. Meanwhile, they paid \$283 million in taxes of the \$2.7 billion that the state collected in income taxes. So they are a disproportionately small group with a disproportionately large share of the income who is currently paying kind of proportionally a small share of taxes compared to their income and a large share of taxes compared to their numbers. And I think that's some of the discussion and some of the decisions that people are looking at where if you're saying, wow, 1 percent of the people are paying 10 percent of the taxes, that's one way to look at it. But you can also say that 50 percent of the income in the state of Nebraska only amounted to 10 percent of the income tax. And when you frame it that way, I think you start seeing where we're having some difficulties currently with the income tax system and why people like myself who's spend-- spending a considerable amount of time on this issue want to be mindful of going forward. I think there's some real opportunities to frankly even just freeze the rates, but make new brackets, do some things like that to provide a good fiscal picture for the state, provide some tax relief to all Nebraskans, not just the some of Nebraskans this bill currently gets, and move forward from there. So that, that's where I'm coming from. Again, I encouraged people yesterday-- I've heard Senator Machaela Cavanaugh do it already this morning-- if there's discussions and if there's negotiations going on, what are we going to be negotiating about and what do people want? And what I really want is primarily to look at the corporate tax rate. I know I've been speaking on the individual income tax and I don't necessarily have an issue with that portion of this bill, so much as I had an issue with it being framed as kind of benefiting more Nebraskans, in my mind, than I think it actually does.

**HUGHES:** One minute.

**M. HANSEN:** Thank you, Mr. President. What I have an issue with is the corporate tax rate coming down, the extent that it's coming down, and for the groups that it's coming down for because again, this isn't corporations headquartered in the state of Nebraska. This is corporations earning income in the state of Nebraska so in other words, corporations who make sales in the state of Nebraska. And colleagues, I think we all know and all recognize as long as the consumer base is here, they're going to make the sales in the state of Nebraska. Like a-- you know, I keep picking on Walmart just because they're a large retailer across the state, but, you know, consumers want to shop there. They're going to have stores in Nebraska



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regardless of whether or not this rate is-- kind of regardless of this rate that-- the, the consumer base, their market, their, their profit centers are here and they're going to stay here. And so we don't necessarily have to cut their taxes to incentivize growth, to do other things that we sometimes do with business taxes because it's tied to the consumer.

**HUGHES:** Time, Senator.

**M. HANSEN:** It's tied to the profit. Thank you.

**HUGHES:** Thank you, Senator Hansen. Senator Pansing Brooks, you're recognized.

**PANSING BROOKS:** Thank you, Mr. President. I am standing to say that I have been listening heartily to the conversations. I have been very torn on this issue. I am-- the reason I am most torn on it is, yes, we do need help on taxes in this state. There's no question that our taxes are high. But in the same instance, in the same-- excuse me, you guys, sorry, just one second-- so in-- sorry, a little bit of conversation over here. The concern that I have is that we-- I have, I have brought multiple times, as has Senator Cavanaugh, the earned income tax credit in a, in a-- an effort to increase that earned income tax credit. That it is a way for the working poor to be able to get themselves up and out of poverty and we know that that, that it works. The studies show it's the most valuable way to get people up and out of poverty. These are working parents with children. I've attempted to talk about adding the earned income tax credit increase to Senator Linehan's bill and the discussions continue to be oh, well, that's expensive. Well, guess what else is expensive? Tax cuts on millionaires. That's also expensive. But I, I want you to understand we actually have working poor that need the support. If you look at the proportionality, the amounts that they could get help with are significant to their lives with that earned income tax credit increase. So I too have decided I'm going to move this forward until we see what, what our resources are like, what happens with, with the amount-- our finances after we know-- after the Appropriations Committee has come out with their, with their information. So I do it with hesitancy, but I also want you to understand that part of the problem that we have right now with our number one issue in the state, which is workforce development-- it isn't taxes, the number one issue in the state is workforce development and that's helping people to get jobs, it's helping to make sure that they are, are not in dire need and when their child has to go-- a single mother has a child that has to go to the doctor, that they are able to leave and go to the doctor.

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But we have to promote the jobs that we have. We have to promote the people who are in most dire need right now. We're not talking about dire need with this bill. We're not talking about people who are truly struggling to make things work. We have a lot of the fabulous union people here today or we did-- there's some-- and, you know, they are the blood and soul of our state. They are the ones working to keep our businesses thriving, to keep us working, to make sure that we have an economy that is strong. And yes, the people in the upper-income tax brackets are also doing that, but you cannot forget--

**HUGHES:** One minute.

**PANSING BROOKS:** --the middle-class people, the, the people that are struggling more, the people that are working day in, day out. No more, no more-- you know, I, I hear people saying, oh, well-- but we just work so hard. Please go talk to a union member and then tell me how much harder you work than they do every day. They are the salt of our, of our state, the-- they are everything that makes this economy and this state strong. I will move this forward to Select File and then see where the numbers are and what, what we can do to earn-- to add the earned income tax credit and take care of our working poor. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Pansing Brooks. Senator Machaela Cavanaugh, you're recognized. There's no outbreak from the-- let us do our job, please. Thank you, Senator Pansing Brooks. Senator Machaela Cavanaugh, you're recognized.

**M. CAVANAUGH:** Thank you. I appreciate that sometimes the enthusiasm can get away with us. I-- first of all, I was remiss in my opening comments. I would like to welcome our new colleague, Senator Jacobson. It is nice to have you here and I look forward to getting to know you. And as Speaker Hilgers mentioned, your daughter is delightful. So I introduced a bill this year after conversations last year about taxes and tax cuts and it seemed like a lot of individuals in this body thought that I was against tax cuts. I am not against tax cuts. I am very much for tax cuts, but they have to be serving a specific population of people for me to support them. So many people in this state and in this country have accumulated wealth off of the people who work for them. So I don't believe in giving them more tax cuts. Corporations, since I have been here, have gotten a massive tax incentive program. They have gotten corporate tax cuts. We keep finding ways to give people who I know are cash poor and land rich, but they keep getting tax cuts. But we can't do things for the lower and middle class, we're keeping told no. The earned income tax credit

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is too much. SNAP is too much. Childcare subsidies are too much. We don't have a workforce. What are we going to do? Let's do corporate tax cuts. You know what will get a workforce? Being able to afford to send your child to childcare so that you can go to work because it's sometimes more economical to stay out of the workforce, even if you want to be in the workforce. I'm one of those people that when I first-- had my first child, I thought that I was going to want to stay at home. I quickly realized that I am not very well suited for that. I am very well suited for being the mother to my children and I love and adore them, but I like working. I enjoy it. And so it's something that even when it's not economical to send my child to childcare, I have found ways to make it work, but it's hard and-- which is another reason that I'm super, super, super grateful for public schools because my two oldest now go to public school and not childcare, so every cent that I spend on my property taxes is well worth it for me. But I'm really tired of being asked to give the wealthiest people in this state the most and when we give them money back, when we give them tax incentives, it's not their money that we're giving them; it is the working poor. And we just keep taking from the working poor and we keep putting value systems on these individuals. Are they, are they working hard enough? Are they working enough hours? Well, are they just lazy? Is that why they're not having a job? Why, why can't they show up to work on time? Oh, because a car is too expensive and you have to have a car in Nebraska, even in Omaha, to get around. There's been so much--

**HUGHES:** One minute.

**M. CAVANAUGH:** --of individuals' views on how poor people should live their lives in this body. It is so judgmental, but rich people, we should be giving them all the loopholes, all the loopholes, all the incentives, all the tax cuts because they're not lazy. Of course, yesterday there was a-- in hearing, someone arguing that, that millionaires, if we pass Senator McCollister's bill, that millionaires would game the system and get SNAP benefits because one did it in Minnesota to make a point that he could, which I, first of all, find disgusting that somebody would do that, but also, I'm willing to risk those things. I'm willing to risk bad millionaires doing things to support the working poor.

**HUGHES:** Time, Senator.

**M. CAVANAUGH:** Thank you.

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**HUGHES:** Thank you, Senator Cavanaugh. Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Thank you, Mr. President. I appreciate the comments from Senator Machaela Cavanaugh and Senator Pansing Brooks about who is affected by these sorts of things. And so I, I was sitting here listening, but I was also working on the math on this. And so I know everybody-- I know I told you all I'd get back up and do this. So I went through and figured out what the tax liability under the current tax structure for someone making \$1 million, exactly \$1 million is, which is \$65,5-- \$66,551. And so under LB939, AM1780, those individuals would get something like a \$9 million-- or \$9,000 tax cut. Under Senator Machaela Cavanaugh's amendment, if you make \$1 million, your tax liability becomes \$61,063, so that is a tax liability reduction for millionaires of \$5,487. So looking at this amendment, it does have a, a creation of a tax bracket for married filing jointly making over \$1 million of adjusted gross income of 8.-- I think, 8.01 percent, so individuals making above that would have to be making quite a bit above \$1 million. And I will continue to do that math to find out where the break-even point for someone would be, I guess. But nonetheless, the virtue of AM1865 [SIC--AM1856] is it gives an actual tax cut to the people we've all been talking about for the last couple of days, median-income households, middle-income households, working people who make less than \$100,000. Those individuals get an actual tax cut. As I pointed out, if you're making \$64,000 married filing jointly, which is \$78,000 of adjusted gross income, you're getting a \$347 tax cut, which you were not getting-- you're not getting under LB939, you're not getting under AM1780. You get a \$347 tax cut for an ind-- household married filing jointly making \$78,000 of adjusted gross income, which we've had that conversation, everybody agrees individuals in that, that income bracket deserve some relief. They benefit from that relief. That relief, that \$347 will help people to save for the future, save to buy a home, pay off expenses. They will invest that money back into the community. People making more than \$1 million would get, under Senator Machaela Cavanaugh's amendment, AM1856, would still get a tax cut of \$5,487. So they still get a tax cut, it's just about half as much as the tax cut under AM1780. So I-- again, I said I don't know where I'm at quite on this yet, on this amendment. It probably is more expensive and \$5,000 tax cut is still pretty hefty for somebody, somebody making over \$1 million. But the point is the way the graduated income tax works is if you give a tax cut to middle-income, median-income people, it trickles up to individuals above that. They get that tax cut too. They just don't notice a \$347 tax cut because they make so much money. That doesn't

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have the same impact to them. And so when people talk about what is real tax relief, what is actually going to help people, what's going to affect the people that we are talking about and the benefit to our state and what is a useful thing to do, a tax cut for middle-income, median-income people is a much better bang for our buck and it does not cut other people out. But if you just cut the top tax rate, it does cut out everybody--

**FOLEY:** One minute.

**J. CAVANAUGH:** --people below that tax rate. People making below \$78,000 do not get a tax cut under LB939. They do not get a tax cut under LB-- or AM1780. So AM1856 is a step in the right direction. I'll support it at this point in time and hope that Senator Machaela Cavanaugh is going to work on reining in its cost some, based on what she has said on the floor today. And I think that's the right direction, but it is certainly a step in the right direction closer to what we should be doing than what's happening under AM1780 and LB939. Thank you, Mr. Lieutenant Governor.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Vargas.

**VARGAS:** Thank you very much, President. Good morning, colleagues. I've haven't really engaged in the floor debate on this issue, but I have been listening to the discussion and I wanted to weigh in to be clear about where my head is at, especially as we are getting into the end of this. Over the past several years, I've introduced and tried to get legislation passed somewhat similar to what Senator Machaela Cavanaugh has introduced here as an amendment. I've, I've introduced bills to increase the earned income tax credit, which would target tax relief for low-income earners. I introduced a bill to add some tax brackets so that individuals making around \$30,000 a year, \$30,000 a year weren't paying the same tax rate as Nebraskans who earned upwards of \$250,000. I introduced a bill that would add a 1 percent tax on incomes over \$1 million that would have brought in revenue to our state and been able to help us cut taxes for those in our low-income brackets. Unfortunately, none of those bills made it out of committee, but we did have a robust discussion about their merits during the hearings. And I rise today because I want to make it clear I do support tax reform and tax relief. I voted for and supported these in the past, but I want to make sure that tax reform and tax relief is targeted towards low- and middle-income earners. That's what I've supported in the past. I have supported these policies with the goals in mind of consistently, over the last years I've been here-- even before the current challenge of inflation, rising costs, and scarcity

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of goods that's facing us all. And I recognize that now more than ever, we need to be serious about addressing these issues and challenges through policy action. The other piece that I want to put very clearly and simply is with all the other tax bills proposed and the other asks, I don't see our state that can afford this in its current form. I don't think it's sustainable long term for Nebraska. Now, as a member of Appropriations Committee and as the Chair of the Planning Committee, I've looked into how we do our current spending, which is not meeting the needs of most of our vulnerable populations right now. I know the kinds of financial challenges that have been facing us and will face us 10, 20 and 50 years down the road and it's on every one of us to make sure that we're not settling the state up for failure or putting us in a position of not being able to meet the needs of Nebraskans. So I do want to be clear, I agree with Senator Linehan's sentiments and what she's trying to accomplish here. I don't think LB939, right now in its current form, strikes the balance and I wouldn't support in its current form if it became law. But I do believe that there can be a pathway forward and that we need to have that discussion. I believe that discussion can continue in the spirit of bipartisanship and in good faith because I believe that Senator Linehan will continue to be open to discussions about how to make this bill better and will support advancing it to the next stage of debate. At this point, we'll have more information for our Forecasting Board and I think that that will help paint a clearer picture of whether or not there should or should not move forward. My vote here does not mean that I will support it again on the next round of debate or in the final form until there are more issues addressed with how to make it more equitable and fair. But I am committed to working through the process and doing my best to find compromise and balance. I do want to thank Senator Linehan and others because at the end of the day, I think what we're seeing is working families are being hit hard. I remember hearing that from Senator Day earlier, yesterday and it did strike a chord with me. But at the end of the day, we need to make sure we're looking in the long run on all proposals and how this is going to affect the bottom line for our state so we don't have years like my first year where we cut \$1 billion from the budget and had to make real tradeoffs for Nebraskans for programs and services. I don't want that to happen again. Thank you.

**FOLEY:** Thank you, Senator Vargas. Senator Matt Hansen.

**M. HANSEN:** Thank you, Mr. President, and good morning, colleagues. I rise again on this bill to give-- I know that it's been discussed on the floor and you maybe can guess this from the floor speeches, but to give just the kind of the public an indication of where we're at this

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morning, as we talked about yesterday, there was kind of a growing just move it to Select crowd, move it to the next round of debate crowd yesterday. And I think that kind of the shift has happened and I, I'm planning on taking this to the end of debate. That was a commitment and a goal of mine, but I do think that's shifting kind of under the promise that a small group is going to get together and try and work out some sort of compromise between General and Select. I don't begrudge anybody for choosing to do that or going that route. I would just say to my colleagues on this floor who are in that just move it to Select crowd, be very clear, find out who that small group is, tell them what your preferences are so they don't come out of that negotiating room not having a document that represents the wishes of the body or at least the wishes of a significant portion of that-- of the body. So I think we are starting to see how this is going to move forward today. From my perspective, I've thought about it, including what I want to do with Senator Cavanaugh's amendment. I think at this point, I'm just going to be present not voting on all of the votes on this bill today, recognizing that kind of the open acknowledgment is that it's an incomplete and unfinished bill and it's going to be worked on pretty extensively between now and the next time we debate it if there is a next time we debate it. And I want to say I know we've taken a lot of time on this bill. I know we spent a lot of time. We're at about seven and a half hours now, cloture should be in the next 30 minutes or so. And I think that was necessary in order to really make clear the stakes and the goals and the perspectives of a lot of senators on this floor. Time and time again, we see that there's bills introduced that ultimately, there's some sort of compromise brokered or ultimately at least enough people switch to get it to move forward. But had people not really dug in and made the points on the floor and taken the time on the floor talking about the bill and talking about the issues related to the bill, talking about the public policy connected to the bill, the tax policy connected to the bill, had we not spent multiple hours of debate on this issue, I don't necessarily know if we would have as many people in the mindset of working together. I think, you know, had we just let this be a raw 25, this might have flown through without changes or without discussion. I'm appreciative and understanding of anybody who is going to continue to work on this bill. I am more than happy to contribute my thoughts. I think I've laid out a fair number of my points on the floor in terms of being concerned about the corporate income tax portion. Again, the corporate income tax portion is giving tax relief to companies regardless of where they're headquartered and I've not heard a good explanation as to why that is policy we need to enact. Normally, when we do stuff in business incentives, it's about

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recruiting companies, growing jobs. This is just talking about lowering their taxes. And in fact, we're not talking about it much. We're really focusing on the individual income tax, despite the corporate income tax cuts being a larger percentage cut. So colleagues, that's kind of the lay of the land. I, I know we'll get to a vote and move forward here. I plan to keep, keep talking and make sure we keep going and I will let everybody know that honestly on Select if there's not some consensus and there's not some changes, especially to the corporate side-- frankly, in my mind, business giveaway side, we're really going to have to continue to focus and place scrutiny on this bill. So with that, as I said, I plan on being present not voting on all issues today, recognizing that this bill is incomplete--

**FOLEY:** One minute.

**M. HANSEN:** --thank you, Mr. President-- recognizing this bill is incomplete, that it is hopefully going to change drastically, that is, if it survives today. With that, Mr. President, thank you.

**FOLEY:** Thank you, Senator Hansen. Senator Machaela Cavanaugh.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. So Senator Hansen was just discussing how this is very likely to move to Select. I agree with that sentiment and individuals want to work on a compromise. I would also like to make a recommendation to those working on a compromise. One of the best ways to get a compromise is to have the people who disagree with you at the table and that's something that I've seen time and time again in this body not happen. You bring together the people who are slightly different minded than you, but, but not completely in opposition to what you're trying to do, and then you're shocked when you bring things back to the floor and they're filibustered. So if you really, truly want to compromise, I would look at the people who keep talking and ask one of them to the table. I don't expect it to be me because my passion for taxes is not enough for me to be invited to a table, but if I am, I'll join. But I would suggest inviting somebody who opposes this legislation to the table-- even more than one person if you want it to actually move forward and frankly, to make better policy. That's something that I've learned during my time here is that any time I want to pass anything, I have to work on it a lot. I have to listen to a lot of people in this body's opinions and make changes accordingly and then I have to do that like ten more times. I find when I oppose something in this body, it's just ram rotted and there's no compromise made to make it better. There's no listening to varying opinions. I do hope that those that



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support this bill will vote for my amendment. I would take that as a sign of good faith that you actually intend to work on this between General and Select, though I'm not going to be holding my breath that you will vote for it. I'm continuing to do math as well over here and when we get to this bill on Select, I hope to have new numbers and possibly a new amendment to file. I would like to say if my mom is watching right now, she's probably really proud about how much her children are talking about math because she loves math. And when we were-- go on trips as children, I-- she would make us all do math to guess what time we would arrive at our location based on the mileage, how many miles it was plus the speed limit, and you got to pick the restaurant that we went to dinner at if you got the right time, so. I once got it right when we went to Colorado and I picked a restaurant that had paper on the table so that I could draw. I was nine at the time, but I would still make that choice today. So anyways, a little shout out to my mom and the math skills. Thank you, mom, for teaching me well. I, I really want us to focus on-- I mean, even with this pandemic, I was just speaking with Senator McKinney explaining my amendment off the mike to him and I said this, this tax structure, though it still needs--

**FOLEY:** One minute.

**M. CAVANAUGH:** --thank you-- still needs work, would probably help Senator McKinney and Senator Wayne and Senator McDonnell and Senator Vargas and Senator John Cavanaugh's districts. The income taxpayers in their districts would see the greatest return and those are also where we have a lot of a workforce, a lot, a lot, a lot of a workforce. Those are the communities that are our workers, our wage earners, our hourly workers. That's a huge impact for them. We need to be doing more to support those workers to have a better life in Nebraska. Thank you.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Hunt.

**HUNT:** Thank you, Mr. Lieutenant Governor. Colleagues, I'm concerned about the people of Ukraine this morning. Last night, I was up until almost 4:00 a.m. watching the news and reading accounts from Ukrainians and Americans in Ukraine and we were all able to read how Russian President Vladimir Putin appeared to threaten the unthinkable. He said to anyone who had consider interfering from the outside, if you do, you will face consequences greater than any of you have faced in history. All relevant decisions have been taken. I hope you hear me. In Russia, hundreds and hundreds of anti-war protesters have already been arrested and Putin has launched offensives in city after

city in Ukraine. He's launched air assaults on airports and universities and train stations, train stations that civilians were using as bomb shelters. There have already been untold casualties, hundreds, hundreds, and the information chaos that he's sown in the West and in the United States is not some weird coincidence. It was all part of the plan to get here. Russia has been attacking this country for years through cyber warfare and through misinformation, sowing seeds of mistrust and distrust and division with all of these bots on Twitter, all of these fake posts on Facebook and ads that they ran, and it worked. This is a type of warfare too and it worked and it's reflected by our behavior here in the body. Seventy percent of Republicans still maintain today that Joe Biden was not a legitimately elected president of the United States. Those results are according to the most recent USA Today poll of U.S. registered voters, 70 percent of Republicans. There's a straight line between Russian disinformation that's been spread online and that number of 70 percent of Republicans who have rejected this democracy. It worked. His plan is working and part of the reason it works is because we spend our time in our state legislatures all over the country and here talking about tax cuts for people like Mark Zuckerberg and limiting school curriculum and infringing on women's rights instead of building a vision for the future that is worthy of the promise of this country, that's worthy of the vision of the city on the hill of this country. Just look at the types of things that we debate in this body. There are not things that move us toward bringing the future into being. They are things that are selfish and small-minded and short term that benefit the wealthy, that keep the status quo, that don't challenge the world order and say instead of going along in the stream, just like we've been meant to by people like Vladimir Putin and by countries like China and Russia who have sown so much disinformation that have made us so mistrustful of each other, we fall into that instead of working together to improve the quality of life of our people who put us here to serve them. When we pass laws to limit immigration, that benefits countries like Russia and China because it weakens our leadership position in academic and scientific innovation and it weakens our economy.

**FOLEY:** One minute.

**HUNT:** When we pass laws that limit resources to people in poverty when we're the richest country in the world and when we put government between women in their bodies, that benefits countries like Russia and China because it brings us closer to authoritarianism and further away from the values of progress and freedom that we're founded upon that we say that we're all about when we do our little pledge every morning. I ask you to pray for the people of Ukraine and throughout

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the world who are in the path of tyranny and terror and I would appeal to leaders around the country, around our state, and around the world to make every effort and every decision that's needed to make war obsolete. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Hunt. Senator John Cavanaugh.

**J. CAVANAUGH:** Thank you, Mr. Lieutenant Governor, I believe this is my third time, is that-- OK. So as promised, I did the math to see, under Senator Machaela Cavanaugh's proposal, what the break-even point would be for someone making over \$1 million. And coincidentally, it would be \$1,064,000 is what your income would have to be before you have to start, you start paying more under Senator Machaela Cavanaugh's millionaire increase tax, the 8.01 percent increase. So essentially, you'd have to be making more than \$1 million more than the median income in Nebraska before this tax increase on millionaires would actually kick in. So it's not even a tax increase on millionaires, it's \$1 million more than the median income. And actually, that doesn't take into account standard deductions and obviously tax avoidance structures that millionaires have available to them. And so as I said, I-- generally supportive of AM1856 because it gives actual tax relief to median-income households, people who are working. It gives a substantial tax cut, \$347, to someone making 6-- \$78,000 of adjusted gross income, married couple filing jointly, and obviously it would give more tax relief for other individuals based off of the shift in the tax structure. So it is still, if you're making less than \$1,064,000, but we'll add on the adjusted gross income standard deduction of 14,000, so \$1,078,000, if you're making less than that, you get a tax cut. Anybody making less than \$1,078,000 gets a tax cut under AM1856, \$1,078,000 of adjusted gross income gets a tax cut under AM1856. That tax cut, for the person making \$1,078,000, is less than a tax cut for somebody making \$78,000 and that makes sense. That's fair. That is tax relief across all income deciles, I think is the word. If you look at the chart here, they divide out all the income levels into deciles, which is ten levels of income, the highest one being \$1 million or more. So if you were even in the highest decile in Nebraska, you still get up to a \$5,487 tax cut under AM15-- AM1856. So again, this is a better structure. It's not perfect. It's a step in the right direction we're talking about going. People are going to vote this to Select to continue this conversation. When we have that conversation going forward, it should be, in light, focused on tax relief for median-income people and not for those making more than \$1 million more than the median income in the state of Nebraska. And so I'm-- well, I'll be a yes on AM1856 when we get to that vote, if we get to that vote. But barring that, I'm still going to be a no to

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advance this bill at this point. But since this is my third time, I won't push my light again. But I think that I do appreciate the conversation everybody has engaged in. I appreciate-- I know several people I've seen talking off the mike about, I think, room for compromise and ideas that they have.

**FOLEY:** One minute.

**J. CAVANAUGH:** Is that one minute? Thank you. But I do think it is important. A lot of people have staked out what is important to them, what type of tax relief they consider something that we should do. There are many questions to be considered going forward: where the tax relief should be centered, how much tax relief we can afford going into the future, keeping in mind that we should consider the full implementation cost and not just the first- or second-year implementation costs. We should take all these things into consideration as we go forward. I will continue this conversation if, if I'm afforded the opportunity-- I know we're getting to the end of the debate, so thank you, Mr. Lieutenant Governor, and thank you, colleagues, for your time and attention.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Friesen, Senator Friesen, you're recognized.

**FRIESEN:** Thank you, Mr. President. So we've been having a, a good, long discussion about tax policy and where we're going to head in the near future here and I will be voting to send this on to Select. I think we have an opportunity this year to reach some compromise. There have been numerous suggestions on the floor already and so I have up till now been opposed to moving this forward, but through the discussions we've had with numerous parties, I feel more comfortable in being able to say let's, let's move it to Select to give us a little more time to come to some sort of compromise that we might work out these differences and get something moving to Final Reading this year. And so with the, the really tight timeline that we're on, alternatives are not really there. Let's see once, if we can all compromise on this issue, see if we can reach some agreement to where we might move forward and provide tax relief for Nebraska. And with that, I will be supporting the bill to move it to Select and hopefully that's where we can reach some agreement on the, the technical parts of the bill and we can move it forward. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Friesen. Senator Machaela Cavanaugh.

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**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. I don't know what time we end on this. Do you--

**FOLEY:** Another ten minutes, Senator.

**M. CAVANAUGH:** OK, thank you. So then this will likely be my last time speaking on this amendment. So I just want it stated, for the record, that I listened to Senator John Cavanaugh when he did his math this last time on the microphone and he is correct and I was wrong. He-- my tax bracket does give approximately a \$5,000 tax cut to millionaires. So thank you, Senator John Cavanaugh, for your impeccable math skills. They should be applauded. Your mother would be proud. So, yeah, I mean, I've, I've said that this amendment still needs work and I'm not saying that it needs-- like, we need to get rid of that \$5,000 tax cut for millionaires, but it is a significant shift to impact lower-income families, which if we're going to do tax cuts, that's who I want to see the impact going to. We already have wealthy people here. We already have corporations here. What we don't have is a workforce. Workforce, workforce, workforce, workforce. Why don't we have a workforce? Why can't we keep a workforce? Well, millionaire tax cuts isn't going to keep a workforce here, but an income tax cut for middle-wage earners is certainly going to help, is certainly-- at least will help stabilize our workforce. If we want to grow our workforce, we need to invest in our workforce. We need to increase access to services: SNAP, childcare subsidies, Medicaid, Medicaid postpartum. We need to be a welcoming place, definitely change the tourism logo from it's not for everybody because that is just like an enormous red flag. I moved back here in 2011 from Washington, D.C. I did not look at what the income tax rates were here. I did not look at what the property tax rates were here. I moved back here because my husband and I wanted to have a family and we wanted to be near family and that was more important to me at that moment in time than moving back to a state that has higher income taxes and higher property taxes. Let me just tell you, I don't even know what the property taxes are in Washington, D.C., but my apartment, my one-bedroom apartment, was twice what my mortgage is now. So I was never going to be able to buy something in D.C., regardless of how low the income-- or the property taxes were. But now that I'm here and I'm settled here and I have my family here, I, I just want to make this a place that people want to be, where the working man and woman wants to be, and corporate tax cuts are not going to do it. It just sends the message to working class people that we're a corporate welfare state. The only thing we care about is tax incentives for corporations, tax cuts for corporations. What more can we do for corporations? What more can we do for the wealthy? We won't provide services--

**FOLEY:** One minute.

**M. CAVANAUGH:** --for Nebraskans. We had our gubernatorial administration slow walk, the slowest of walk ever, to implement Medicaid expansion that was voted on by the people of Nebraska. The people of Nebraska wanted that and it took three years. And of course, the first application for it was complete nonsense because they knew that it wasn't going to go, so they had to change the application to actually do what the people of Nebraska asked them to do. And thankfully, we now have Medicaid expansion in Nebraska and we have it the way that the voters voted for it. Maybe we just need to put all of these things to a vote of the people. Maybe we should just send this out on a ballot. Do you want corporate income taxes? Vote for it, then.

**FOLEY:** That's time, Senator.

**M. CAVANAUGH:** Thank you.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Matt Hansen.

**M. HANSEN:** Thank you, Mr. President, and good morning again, colleagues. If I've counted and timed everything right, I think I'm the last or one of the last speakers today. And I want to say-- and I've mentioned this on other bills, including that I've kind of peeled off on other bills-- that obviously, I've been heavily involved in this debate. And I don't like taking bills to cloture if I don't have a shot at stopping them. And for most of this time and for most of this debate, I didn't really think I had a shot at stopping this because I don't think there was initially the desire to compromise or change. I think the goal was to get all of these pieces together. That has shifted as of this morning. If people would like to vote this bill down right now, it wouldn't, it wouldn't, wouldn't upset me, but I understand several of the key people have explained their positions on the microphone this morning and we can go from there. I do want to talk about going forward. I think we've got some opportunity to discuss some nontax bills and some nonspending bills coming up, or at least nonmajor reform, reforms or changes, so I think that'll be good. We'll finally let my seatmate Tim Gragert off, off the on-deck circle and actually step up to the plate and we'll get, we'll get some, some agricultural policy going. With that, I just kind of wanted to address again, my-- the thing I'm struggling with is that a considerable portion of this bill, as represented by the Revenue amendment, is a corporate tax cut and a corporate tax cuts on specifically corporations who earn income in the state of Nebraska. And because how

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we do sales, it's all corporations that sell things or make profits in Nebraska and I'm sure more nuanced and other provisions too. Colleagues, we've focused a lot and a lot of the debate is focused on the individual income tax. I think that's something we can make progress on, I think that's something we can do some scrutiny, and I think that's something we can make progress on. But if we are going to insist on giving, frankly in my mind, something that doesn't have a lot of good policy reasons for it, at least not a lot of good policy reasons that I've heard in the debate, that's just a giveaway to largely out-of-state and sometimes Fortune 500 companies. I don't see why we would do that, especially when we talk about all the other funding priorities of the state. I think we all know that property taxes, education funding, income taxes, sales taxes, as much as we sometimes want to be narrow focused on a particular topic, all tied together because there's just a finite amount of resources. There's just a finite amount of tax dollars, there's a finite amount of income, there's a finite amount of people in the state of Nebraska, and they all come together and they all connect and they all tie. Looking forward, I would hope that any discussion and any compromise that comes out of LB939, again if it survives in the next few minutes, focuses on providing tax relief to all Nebraskans in all tax brackets, not just the highest tax bracket and doesn't have a heavy focus or probably preferably has no focus on giving out-of-state corporations and other significant tax breaks. We have a lot of things we can do. There are a lot of Nebraskans that we can give tax breaks to. There's a lot of Nebraskans I would want to give tax breaks to, but if we're only going to do it for the highest bracket and we're also going to staple and attach a corporate tax giveaway to it, that's where you're getting my frustration and my opposition. I would love to work on income taxes. I've been supportive of, you know, income taxes in terms of retirees and Social Security. I think the body has made some progress that area. But again, if we are going to continue to do this really business focused-- kind of at the expense or at least not focus, the ignoring of working Nebraskans, that's going to be very difficult. Again--

**FOLEY:** One minute.

**M. HANSEN:** --the lowest tax brackets under this bill aren't proposed to get any sort of tax relief. Because of how it's structured, most Nebraskans are in the top tax bracket, so I recognize it would help a lot of Nebraskans, but, you know, to the disproportionate benefit and with the corporate tax benefit of a lot of Fortune 500 companies and other people who I don't think should be driving our tax policy in the state of Nebraska. Colleagues, I'm not going to be voting for LB939. I

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hope it doesn't come back until there's genuine consensus. And with that, thank you, Mr. President.

**FOLEY:** Thank you, Senator Hansen. Mr. Clerk, you have a motion at the desk?

**CLERK:** I do, Mr. President. Senator Linehan would move to invoke cloture pursuant to Rule 7, Section 10.

**FOLEY:** It is the ruling of the Chair that there has been a full and fair debate afforded to LB939. Senator Linehan, for what purpose do you rise?

**LINEHAN:** I would like a call of the house, roll call vote in regular order, please.

**FOLEY:** Thank you, Senator Linehan. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; those opposed vote nay. Record, please.

**CLERK:** 27 ayes, 0 nays to place the house under call.

**FOLEY:** The house is under call. All members, please return to the Chamber and check in. The house is under call. All members, please return to the Chamber and check in. The house is under call. Senators Wayne, DeBoer, Vargas, Hilkemann, please check in. Senators Wayne and Hilkemann, please return to the Chamber and check in. All unexcused members are now present. The immediate question is whether or not to invoke cloture. A roll call vote in regular order has been requested. Mr. Clerk.

**CLERK:** Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Blood voting yes. Senator Bostar. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh not voting. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Day voting yes. Senator DeBoer voting yes. Senator Dorn voting yes. Senator Erdman voting yes. Senator Flood voting yes. Senator Friesen voting yes. Senator Geist voting yes. Senator Gragert voting yes. Senator Jacobson voting yes. Senator Halloran voting yes. Senator Ben Hansen voting yes. Senator Matt Hansen not voting. Senator Hilgers voting yes. Senator Hilkemann voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Kolterman voting yes. Senator Lathrop not voting. Senator Lindstrom voting yes. Senator Linehan voting yes. Senator Lowe voting yes. Senator McCollister voting yes. Senator McDonnell voting yes. Senator McKinney not voting.



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Senator Morfeld. Senator Moser voting yes. Senator Murman voting yes. Senator Pahls voting yes. Senator Pansing Brooks voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Stinner voting yes. Senator Vargas voting yes. Senator Walz voting yes. Senator Wayne voting yes. Senator Williams voting yes. Senator Wishart voting yes. 41 ayes, 1 nay, Mr. President, to invoke cloture.

**FOLEY:** Cloture has been invoked. The next vote is whether or not to con-- to adopt AM1856. Those in favor of the amendment vote-- a roll call vote has been requested. Mr. Clerk.

**CLERK:** Senator Albrecht voting no. Senator-- I'm sorry, Senator Aguilar, that's twice isn't it? I apologize, Senator. Senator Aguilar voting no. Senator Albrecht voting no. Senator Arch voting no. Senator Blood voting yes. Senator Bostar. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator Briese voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Day voting yes. Senator DeBoer not voting. Senator Dorn voting yes. Senator-- Senator Dorn voting no. Senator Erdman voting no. Senator Flood voting no. Senator Friesen voting no. Senator Geist voting no. Senator Gragert voting no. Senator Jacobson voting no. Senator Halloran voting no. Senator Ben Hansen voting no. Senator Matt Hansen not voting. Senator Hilgers voting no. Senator Hilkemann voting no. Senator Hughes voting no. Senator Hunt voting yes. Senator Kolterman voting no. Senator Lathrop not voting. Senator Lindstrom voting no. Senator Linehan voting no. Senator Lowe voting no. Senator McCollister voting no. Senator McDonnell voting no. Senator McKinney voting yes. Senator Morfeld. Senator Moser voting no. Senator Murman voting no. Senator Pahls voting no. Senator Pansing Brooks voting no. Senator Sanders voting no. Senator Slama voting no. Senator Stinner voting no. Senator Vargas voting yes. Senator Walz not voting. Senator Wayne voting yes. Senator Williams voting no. Senator Wishart not voting. 8 ayes, 34 nays on the amendment.

**FOLEY:** AM1856 is not successful. The next vote is the Revenue Committee amendment, AM1780. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 39 ayes, 2 nays, Mr. President, on the adoption of committee amendments.

**FOLEY:** The committee amendment has been adopted. Next vote is to advance LB939. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

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**CLERK:** 40 ayes, 1 nay, Mr. President, on the advancement of LB939.

**FOLEY:** LB939 advances. I raise the call. Items for the record, please.

**CLERK:** Mr. President, your Committee on Business and Labor reports LB1040 and LB1069 to General File. Transportation Committee reports LB750 to General File with amendments. And I have a report from the Committee on Committees, chaired by Senator Hilkemann, with respect to the appointments of Senator Jacobson. That will be laid over at this time. That's all that I had, Mr. President. Thank you.

**FOLEY:** Thank you, Mr. Clerk. Moving on to the agenda, General File 2022 senator priority bill. Mr. Clerk.

**CLERK:** LB925 was a bill by Senator Gragert. It's a bill for an act relating to the Department of Natural Resources. It adopts the Resilient Soils and Water Quality Act. Introduced on January 10 of this year. At that time, referred to the Natural Resources Committee. The bill was advanced to General File. I have no committee amendments. I do have an amendment from Senator Gragert to the bill, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Senator Gragert, you're recognized to open on LB925.

**GRAGERT:** Thank you, Mr. President, members of the Legislature. I'd like to explain my priority bill for this year, the what, why, and how. LB925 would create a Resilient Soils and Water Quality Act. The purpose of the act-- the purposes of the act are to: accelerate the use of best-management practices for healthy soils; protect and improve soil and water quality; protect the public's health and enhance agricultural production and profitability; address soil health economics, resource stewardship, and environmental issues; increase awareness, education, and promotion of best-management practices for soil health through producer-to-producer, peer-to-peer, and mentor relationships; and to provide proof of the healthy soil benefits through demonstration and research farms. Under LB925, the Department of Natural Resources would provide technical and legal assistance for the formation of a producer learning community. The producer learning community is an agriculture producer-led nonprofit voluntary organization dedicated to foster the learning and sharing of knowledge in order to carry out purposes of the Resilient Soils and Water Quality Act. The department is directed to hire a facilitator to lead the efforts to organize the producers learning community and assist in the fundraising efforts, as it-- as the intent is that the PLC would

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be self-sufficient within five years or-- and no longer require state support. To emphasize this, the goal of the Legislature is not to create another layer of government, but merely provide a means to get this process started. My intent is that the facilitator would be located outside of Lincoln and closer to the agricultural producers. To assist with the formation of the PLC, the department is encouraged to partner with entities such as the University of Nebraska, the NRDs, and farm organizations. The department is to divide the state into regions to establish demonstration research farms that are representative of the region's agriculture diversity and may enter into lease agreements with private owners too for such purpose. The department is to submit an annual report reflecting the progress made in, in protecting and improving soil and water quality across the state. In order for the PLC to be successful, resources and the personnel have to be dedicated to this effort. An annual appropriation of \$250,000 for five years is a small, but needed investment for Nebraska, considering that 90 percent of our state, state's land base is in cropland and rangeland agricultural production. Our agricultural sector makes significant contributions to the state's economy. Furthermore, it can be quite costly for communities to deal with high nitrate levels. In 2019, I introduced LB243, creating a Healthy Soils Task Force. The Governor appointed a task force, was compromise-- was comprised of talented representatives from the natural resource district, production agriculture, agribusiness, academia, and environmental organizations. The task force was to submit a comprehensive action plan to the Governor by January 2021. An excellent report was submitted and I believe you all were given a copy last year. One of the goals of the report was to form a Nebraska producer learning community. LB925 would implement this goal. Last year, the Legislature adopted LR5 on a 39-0 vote. I acknowledge-- it acknowledged the Healthy Soils Task Force's report and offered support for voluntary grassroot efforts to accelerate means to protect and enhance Nebraska soils. This is the focus of LB925. Thirty-seven states have form, have formed producer learning communities, which were started because members wanted to learn and enhance their working knowledge and promote soil health practices to other. In Minnesota, for example, the Minnesota Soil Health Coalition was formed three years ago, starting by, by a small group of farmers and staff from the county soil and water conservation district. There are now 235 members that host field days, do demonstrations, provide formal soil health programs, and have mentorship work-- network. The partner with organizations such-- and they partner with organizations such as cattlemen and corn growers. Their funding comes from grants, gifts, and sponsorships. In speaking with Kansas and South Dakota, their

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coordinators have said that their producer-led coalitions were unique and not duplicating, but complementary to the soil health and water education, technical assistance, demonstration, and research going on in their state. They have found that producers learn best from other, from others because they can trust each other. They also felt that their producer organizations reached producers that other programs may not reach. The programs increase awareness, interest in subsequent adoption of a full set of conservation practices. Although Farm Bureau was not directly involved in the development, they now support and work with them. When I ran for the Legislature, water quality was one of my top priorities. Nebraska soil and water are Nebraska's most critical natural resources. The quality of both is vital not just to increased agricultural production, but to economic viability, long-term food security, and the quality of life. High nitrate levels in wells across the state are a major concern to me. Healthy soils produced through best management practices not only improve yield stability, but they reduce the need for chemical inputs, thereby protecting our water quality. Healthy-- the Healthy Soil Task Force concluded that two significant barriers to the adoption of management practices by agricultural producers are uncertainty of the positive economic return on investment and the lack of education and information available. Greater adoption of best-management practices is beneficial to both the rural and urban areas of the state. A voluntary grassroots effort to accelerate the means to protect and enhance Nebraska soil should be encouraged and supported. This can be accomplished through LB925. Dan Gillespie, a former no-till specialist in USDA NRCS, started something similar to what is proposed in LB925, but a-- but on a smaller basis. It was successful, but what made an impression on Dan was the thirst for knowledge that he found in the producers. Unfortunately, Dan passed away on February 13 this year after a battle with ALS. LB925 advanced from the Natural Resources Committee earlier this month. Several persons testified in support and no one testified against the public hearing. Several ag organizations represent-- presented neutral testimony. A 2019 resolution passed by the Nebraska Farm Bureau and now in their policy book states Nebraska agriculture needs to be proactive in addressing natural resources-- resource challenges in the state. We support initiatives, research, and education that promote soil health, water quality, and soil and water conservation to implement a volun-- to be implemented on a voluntary basis. This is exactly what LB925 proposes. Before I con-- before I conclude, I want to thank former-- the former task force members and others who have worked on this issue over the past three years. Their dedication has been truly remarkable. I would ask for your vote to move LB925 to the second stage of debate. Let's be

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proactive rather than reactive when it comes to such important factors in our environment, our state's soil and water. Thank you.

**FOLEY:** Thank you, Senator Gragert. Before proceeding, Senator John Cavanaugh would like us to recognize six students from the UNMC, University at-- in Omaha. Those students are with us in the north balcony. If those students could please rise, like to welcome you to the Nebraska Legislature. And Senator Linehan would like to recognize 22 twelfth graders and 3 teachers from Elkhorn North High School, Civic Nebraska group. If those students up in the north balcony could please rise, like to welcome you to the Nebraska Legislature. Mr. Clerk.

**CLERK:** Senator Gragert would move to amend AM1836.

**FOLEY:** Senator Gragert, you're recognized to open on your amendment.

**GRAGERT:** Thank you, Mr. President. AM1836 simply ends the requirement for annual report for the Department of Natural Resources to the gov-- ends the requirement for a report from the natural resources to the Governor, the Agriculture and Natural Resources Committee on the prog-- on the progress of implementing the Resilient Soils and Water Act when the state funds end. The intent is to fund the facilitator for five years, after which time the producer learning community will be self-sufficient. I just wanted-- I brought this amendment because I just wanted to emphasize this will not be another government entity. Thank you.

**FOLEY:** Thank you, Senator Gragert. Debate is now open on LB925 and the pending amendment. Senator Moser.

**MOSER:** Good morning, Mr. Lieutenant Governor, and good morning, colleagues. I was one of those that voted against advancing this bill to the floor. It pains me to some degree because I think Senator Gragert is very passionate about this and I agree with almost everything he does, but this is one place where our views kind of diverge. The theory of wanting better soils is a great theory. It's-- I mean, who doesn't want healthy soils? Who doesn't want less nitrates in their water? But the premise of the bill is that other agencies that are tasked with the same purposes are not getting the job done so therefore, we should create a new agency and give them \$250,000 to get done what the other ones are not getting done. But I would think that the NRDs, with both water and soil health as their reason for existence, I think, I think NRDs should consider being more proactive in trying to promote healthy soils. And then the federal government

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has a soil conservation service for which Senator Gragert worked for a long time. But the discussion in the hearing was-- is that the soil conservation service hasn't been as successful in this as we would like because farmers are not as prone to listening to advice from the federal government and so that-- we're going to replace it with a state program that farmers may be more likely to participate in. But to me, it's replacing a failed government program with another government program thinking this one is going to be different. And, you know, all good intentions aside, generally, that's not how it works. If we have a government program that we created to do something and it doesn't get the job done and it, and it still exists-- now, if you're going to do away with the NRDs or do away with the federal soil conservation service and you'd save money there, then this might take up the slack. But I think that the, the NRDs of all those mentioned groups should work with Senator Gragert and try to find a way to incorporate this into their plans and, and do more of that and, you know, build fewer lakes or, you know, whatever else they're doing. Again, it-- you know, it pains me to speak against a bill but-- brought by a friend, but, you know, I just don't think this is the way that govern-- I just don't think it's good government to have another agency to do the same thing that a different agency wasn't able to do. Thank you.

**FOLEY:** Thank you, Senator Moser. Senator John Cavanaugh.

**J. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. Well, I was rising in support of Senator Gragert's bill and amendment. I was in the committee. I voted to send this to the floor and I, I maintain my support of this bill. I was not going to speak in response to Senator Moser's comments, but I respectfully disagree. The-- his comments that there are failed programs and that this would be a program on top of that is just simply not true. I can let Senator Gragert respond to that. I see that he's gotten into the queue. But my recollection of the hearing was that this is a program that has been implemented as a voluntary peer-to-peer program in other states and has been successful, where those other programs that Senator Moser talked about have not been successful. And so it is folly to say that because some type of program has been a failure, that any other program that touches on the same subject matter is inherently a failure when this program is designed to answer those concerns, to answer those problems, it is in response to where other programs have failed. It is, it is providing a service to producers that can-- they can voluntarily engage in to get education, to get resources that they need and want that they are unwilling or unable to get through these other programs for a number of reasons that were brought up at the

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hearing. But I rose to speak in support of this bill because-- well, I appreciate Senator Gragert's work on soil health and water quality and his dedication to this and I've learned a lot from him being in the Natural Resources Committee. And I hope to learn more in the years to come from Senator Gragert and his dedication and knowledge on this issue. But the big reason I support this is water is life in Nebraska and we've had that conversation a lot recently and we're talking about the importance of spending large sums of money to acquire and protect our interest in water going forward. And a number of people in this body have no problem with the price tag for preserving that water, but in this instance, this is an opportunity for a voluntary program to preserve, protect our vital water resources in the state of Nebraska for a much smaller price tag. And this is an efficient, intelligent, proven way to innovate on how we've done things in the past. This is the result of years of study by the Soil Health Task Force. This is a good idea. This is a reasonable allocation of the money that is being asked here and it's no pun intended, although maybe it is, but it primes the pump for this program. It is putting in money to prime the pump to be self-funded. As Senator Gragert just pointed out, AM1836 takes away the reporting requirement after 2027, I think, and that is because this program will be self-sufficient and, and will not be funded by the government. So this is us saying-- we have the opportunity here to say-- and I would encourage you all to look at the handouts and you can see-- and I actually-- I was-- would like to ask Senator Gragert questions, but I will maybe after, to explain, walk through these, but you can see we have a high nitrate concentration issue in the state of Nebraska and this is a voluntary program that seeks to address that. And if we don't do something voluntarily, we start looking at things that are not voluntary. And I know no one wants to put mandates on producers and how they produce and what actions they take. So this is a reasonable step that is voluntary, peer to peer, meaning producer to producer, who can then mentor each other--

**FOLEY:** One minute.

**J. CAVANAUGH:** --about programs, things that have worked for them in their particular soil type, their particular field of production. So it is specific. It is voluntary. It has been done other places to success. And so this is a reasonable step. This is a good idea. This is something I would encourage everyone to vote for and it is an important thing that we should be doing is protecting our water in the state of Nebraska. It is a vital resource to our most important industry of agriculture. So I would encourage your green vote on the amendment and on the underlying bill. Thank you, Mr. President.

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**FOLEY:** Thank you, Senator Cavanaugh. Senator Gragert, you're recognized.

**GRAGERT:** Thank you, Mr. President. I'd just like to take a few minutes to respond to Senator Moser, an individual I highly respect, and, and thank Senator John Cavanaugh for his comments. But this is not another-- this will not be another government agency. This producer learning community will be facilitated by an individual and they will be on their own after five years. The state will put a non-- not another dime into this program. And the reason for this program is not because government programs like the NRD or the NRCS or the University of Nebraska or any to include all the ag communities. There's a lot of great work going on out there, but as I spent 31 years with the Natural Resources Conservation Service, I seen the transition from being able to go out to a producer's place and spend the morning or an afternoon to where the producer didn't invite us out anymore because of regulatory inter-- reg-- they may run into some regulatory problems. So where I'm going with this LB925 is that this will give a chance for producers that really aren't comfortable with working with government another avenue to go out and work with producers that are actually doing conservation practices, a number of conservation practices, and these producers would be willing to showcase their-- how-- what practices are working for them, how they got started and how-- and be able to mentor other producers to go into the government agencies and request the incentive payments to be able to do conservation practices like soil testing your cover crops, no-till, nutrient management, and irrigation water management to mention a few. But soil health doesn't-- isn't created by just doing a one conservation practice. Normally, it'll take a number of conservation practices, but this is what-- that LB925 will provide is that individual the comfort and the trust to go and work with other producers in, in their neighborhood and be able to work freely and not worry about what may become of their visit with another individual and learn about the new technologies going on in agriculture and the monies available. Once again, I want to emphasize this, this is-- no means I brought this bill because I feel that the NRDs or other government agencies have failed in their job. They've done a good job and there's a lot of good, and there's a lot of good conservation practices being utilized. It's just not to the extent to what we need to get to and this is another avenue to get there to accelerate the use of conservation practices to-- for our healthy soils, to create healthy soils and lessen the water, the water quality issue we have as far as nitrates in our water. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Gragert. Senator Friesen.



**FRIESEN:** Thank you, Mr. President. So I've just been finally skimming through the bill a little bit, but I just want to go back and talk a little bit about where the NRDs were on some of these issues and how I, as an ag producer, view things like this. And right now, I'm, I'm not looking like I'll be supporting this bill, but I'm going to be listening to the discussion and asking some questions down the road. One of the things that-- you know, I've, I've been an ag-- I've been a producer/corn farmer for 46 years, I believe. Probably, you could say I've been in agriculture for 50 years. And our, our processes and our, our whole way of farming has changed tremendously in those, those years to where back when I first started, you know, we were growing 150 bushel of corn and, and we had no technology to speak of to where today we're prescription farming by the square foot, you might say. And so some of the things that have happened over those years when I first started farming, the amount of nitrogen we used to produce a bushel of corn, we're probably at half that today. So those-- all of those issues that we have been working through and we've been following the University of Nebraska and their research and back in the day, it was more fertilizer, more water, more corn and so everybody just poured more water to it, more fertilizer than they needed, and we just kept trying to grow through it and we weren't. As we did more research and as producers did more research on their own and as more producers worked with the extension agents that were out there, people were trying different things. And what you'll find in the ag community is if one farmer picks up something that improves his yields or improves his fields, it isn't long before everybody else is doing the same thing. It has to prove itself there out in the field and this happens with or without Extension, with or without the university, with or without anybody. This is just what we do out there. We have some nitrate problems and I was on one of the first water quality advisory committees that was formed in the state under the NRDs. We came up with a plan back then-- that was, gosh, I don't know how many years ago, but it was one of those voluntary plans where people would try things. And we did some field trials and we worked with producers at the NRD level and I thought it was extremely successful. And what we learned as we work through this process is that what we were doing in the '60s and early '70s we're going to be dealing with for the next 50 years because in some of these areas, those nitrates move through the soil at approximately one or two feet per year. And when we drilled down to the aquifer, what we found is there was a lot of nitrogen between the bottom of the root zone, the vadose zone, we call it, and the water table. So at the time, we realized that even if we would stop farming completely, we were going to have higher nitrates 30 years down the road. Our nitrates have

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slowly been going up, but I keep asking now what we're doing today is-- what we're doing today, are we contributing to that nitrate source? And no one yet has been able to prove to me that using the technology of what we're doing today, that we're adding to that problem. But we have a problem and it can't be cured by just adopting any more practices. If cover crops work, guys will be putting in cover crops. And I think in some situations, cover crops work great. In others, I'm not convinced yet. We've tried it.

**FOLEY:** One minute.

**FRIESEN:** So I, I think-- I'm, I'm waiting to hear, I guess, what this brings to the table that we don't already have, that through Extension, through the commodity organizations-- I mean, the corn growers, soybeans, they're all promoting different soil health initiatives. They're working with producers. We're trying to do it within the industry and I'm not sure that this is needed to get us there. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Friesen. Senator Moser.

**MOSER:** Thank you. I intend to vote for AM1836. I think it makes the bill better. I'm not going to vote for the bill, though. There's-- the peer-to-peer part of the discussion, I think, is great. The voluntary part of it is great. I think that's how it should be. I think farmers should be free to decide how to farm their ground. I think most of them pay attention to their farming practices. They do the things that make their ground fertile and grow the best crops and, and to protect the groundwater. We have some problems. There's no doubt about it. But \$250,000 a year, it's going to be \$1 million or more that we're going to spend here, there's no guarantee that this is going to be any more receptive or better received by the ag community than the soil conservation service or the NRDs. And we already have the NRDs, which are tasked with ground and, and water quality in Nebraska and they-- you know, they have a tax levy. They, they take in not a big percentage, as far as your property tax, but nonetheless it is a very sizable amount. I think that they should be involved in this. If it really has legs, it shouldn't take that much to get it to work. You know, I'm not in favor of a government program that would require farmers to do anything at this point. I don't think that's the best way to move forward. I think most farmers are independent and they want to do, you know, the things that make their farm more productive, but they want to make those decisions themselves. So, you know, it's not a hill that I'm going to die on, but I just think this is another government program. If it wasn't a government program, we wouldn't

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need an appropriation. If it was a peer-to-peer networking group that didn't cost any money, I'd be all for it, but this is another government program and it, it supplements or tries to serve the purposes that other government programs are working on that haven't been as recep-- well received. So that's my reason for the opposition. Thank you.

**FOLEY:** Thank you, Senator Moser. Senator Erdman.

**ERDMAN:** Thank you, Mr. President. Good morning. I was listening to the debate here on, on Senator Gragert's bill, and I was wondering if Senator Gragert would yield or a question or two.

**FOLEY:** Senator Gragert, would you yield, please?

**GRAGERT:** Absolutely.

**ERDMAN:** Senator Gragert, thanks for bringing this bill. I have a question about what the NRDs have or have not done to alleviate the nitrate problem. Is this, is this not something the NRDs should have been working on?

**GRAGERT:** This is definitely-- back in 1972, when the NRDs were formed from the, from the Legislature, they were given 12 tasks. And as far as I'm concerned, the top two tasks of those 12-- I can't name all 12 right off the top of my head--

**ERDMAN:** Right.

**GRAGERT:** --but the two I can name are soil erosion and water quantity-- groundwater quantity and quality. I believe that there are some NRDs that are attempting to make some progress in the nitrate issue that we have in, in Nebraska. But as everywhere and with every board, the board makeup kind of holds back what they really should be-- and, and especially in some of the NRDs-- I'm not saying every 23 NRDs we have in Nebraska have a nitrate issue, but I do know of four that I can name, Lower Elkhorn, the Lewis and Clark NRD, the Upper Elkhorn, the Lower Niobrara NRD, and Big Blue, they have, they have serious nitrate issues. And I'll get into it a little bit later, but--

**ERDMAN:** OK.

**GRAGERT:** --the, the issue are health issues.

**ERDMAN:** OK, well, after you mentioned those things, it comes to mind then perhaps we need to go back and look what we have charged these

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NRDs to do and see if they have accomplished what we asked them to do. And obviously from those comments you just made, they have dropped the ball somewhere. Would that be something you could agree with?

**GRAGERT:** I guess in my mind, as nitrate issues, it keeps coming back-- or the pushback to me is our nitrates were placed in our water years ago and that we're no longer placing nitrates in our water. I would call that an incorrect statement, not fully, not fully valid because I'm looking at trends within some of the NRDs I mentioned in other parts of the state that those trends are still increasing. Otherwise, I would agree wholeheartedly with you that your great grandfather, your grandfather, your dad caused this. We're not causing this. The trends are continuing to go up in certain parts of Nebraska and, and that has to be addressed and it can be addressed with, with producers not being heard at all, just with a nutrient management system where I have worked with many producers through my career that found that they actually saved money putting on less nitrogen.

**ERDMAN:** Correct. So all in all, the NRDs have been in existence since-- for 50 years. This is their 50th anniversary. Would you say that would be the truth?

**GRAGERT:** That's correct, 50 years, they just had their 50--

**ERDMAN:** I, I would think in 50 years, they should have made a difference somewhere.

**GRAGERT:** That, that is correct after 50 years, but I want to tell you the dealing with nitrates and nitrogen in our water, it didn't happen overnight and it's not going to get fixed overnight. It's going to take a long time to, to fix this nitrate--

**ERDMAN:** I understand.

**GRAGERT:** --high nitrates in our water issue.

**ERDMAN:** I understand that, but they've been, they've been there for 50 years. You would think they made a difference--

**FOLEY:** One minute.

**ERDMAN:** --somewhat of a difference.

**GRAGERT:** Yeah, I, I would hope to say that they--

**ERDMAN:** So--

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**GRAGERT:** --can make a difference in that amount of time.

**ERDMAN:** --the point is this: I had an LR on the NRDs last interim and looked at what they do to see if they're fulfilling their obligation. And I have concluded that they probably are not and maybe we need to do some revision of what we've asked them to do. Maybe they have too many things to do and we need to pare that down a little bit. That's all the questions I have. Thank you. And then the other, the other thing I want to just get on the mike is what is going to help with nitrogen usage going forward is \$1,500 anhydrous or \$800 nitrogen. Those farmers will not be applying excess nitrogen this year because of the extra cost and so that may help with some of that. But some of these NRDs need to understand they need to find out whether it's organic or inorganic nitrogen that's in our water and when--

**FOLEY:** That's time, Senator.

**ERDMAN:** --we find that out, we'll find out what the cause is. Thank you.

**FOLEY:** Thank you, Senator Erdman. Senator Gragert, you're recognized, your third opportunity.

**GRAGERT:** Thank you, Mr. President. I have handed out some maps and I would like to quickly go over these maps with you. The first map that I want to cover is the wells test nitrates at the top from 1977 to 2014. It's a map of Nebraska and it shows a lot of red on it. What that red is, is the presence of nitrates in our water above two milligrams per liter, which is two parts per million, and the black shows less than. So the presence of nitrates are, as you can see, throughout Nebraska. The second map I'd like to cover is the map of Nebraska, once again, that shows a lot of green on it, which is zero to 7.5 percent milligrams per liter, or 7.5 milli, milli-- parts per million. And in this map, it's showing the red is starting to show up. And the federal standard is 10 parts per million and you see where the red is showing up-- and that's in some of the NRDs I mentioned-- the nitrates in this water is over 20-- over twice the amount of safe drinking water for our communities. A couple of other maps that I have-- and I, I took from a Circle of Blue investigation. And who is Circle of Blue? It is an international network of leading journalists, scientists, and communication designers that report on information necessary to respond to global freshwater. The maps from this that I would like to point out is the maps of the United States and where in Nebraska-- where you can see the geological survey map. That map, which is shaded in red, most of Nebraska or a lot of Nebraska is

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shaded in red, is the highest risk for nitrate problems. The fourth map that I'd like to cover with you is again a map of the United States and Nebraska with the dark blue dots, which is pretty concentrated in eastern Nebraska. The dark blue dots are, are exceeding the federal nitrate limits of 10 parts per million and the light blue are, are 5 to 10 parts per million. So there is and there continues to be a nitrate issue of-- for safe drinking water. And like I, I just stated, this didn't happen overnight and it's not going to get fixed overnight. Purging nitrates from our groundwater will not be a quick fix. That is-- this is why I cosponsored a bill from Senator Wishart, LB1160, that would use \$10 million of our federal coronavirus relief fund to assist rural communities in removing nitrate from their water. So we talk about a 1.25 over five years or we can spend \$10 million. That is a drop in the bucket. This is, this is like throwing a bb into Lake McConaughy, \$10 million if we wait and, and treat the symptom-- if we continue to treat the symptoms and not the cause. So I want to, I want to just cover an example I have here. I come from Creighton, Nebraska, and that's, that's a-- Creighton is home to 1,147 people. Creighton was the first town in Nebraska to install reverse osmosis treatment for nitrate, opening the facility in 1991 at a cost of \$1.3 million. It needs the facility in order to meet the federal drinking water standards. Other communities do too. Just down the road, Plainview will need-- they're getting high nitrates in their wells, but the Nebraska Department of Environment and Energy counts 49 public water systems in the state that have reverse osmosis systems--

**FOLEY:** One minute.

**GRAGERT:** --to remove nitrates. Individual that they interviewed in Creighton, Kevin Sonnichsen, which is the town's water commissioner responsible for running the facility, the annual operating costs, annual operating cost, including electricity and cleaning the filters is about \$550,000. It's a money pit, Sonnichsen told the Circle of Blue. Creighton's present could be the neighbor's future. And that's where I talked about Plainview. There are two wells now are in 19-- in 2020, one of them showing high nitrates. So Plainview, they'll have to either dig a, a new well and try to find clean water to dilute this and continue to spend money after money to treat the symptom of for-- or their possibility will be like Creighton, reverse osmosis. But that's a big, big sum of money--

**FOLEY:** That's time, Senator.

**GRAGERT:** --to drill a--

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**FOLEY:** That's time.

**GRAGERT:** Thank you.

**FOLEY:** Thank you, Senator Gragert. Senator Moser, third opportunity.

**MOSER:** Thank you. I was wondering if Senator Hughes would respond to some questions.

**FOLEY:** Senator Hughes, would you yield please?

**HUGHES:** Of course.

**MOSER:** The discussion during the hearings kind of piqued some questions for me. You're a, you're an ag producer out in western Nebraska?

**HUGHES:** That's correct.

**MOSER:** And do you have some fragile soils there?

**HUGHES:** Well, fragile soil is a, a definition. We don't farm--

**MOSER:** That's a technical term?

**HUGHES:** --we don't farm any sand. Most of our--

**MOSER:** Right.

**HUGHES:** --soils are a sandy clay loam, which is a, a pretty good soil.

**MOSER:** But you do try to manage your soils to keep them healthy and improve them?

**HUGHES:** Absolutely. We have changed our farming practices significantly over the last 20 years that have not only improved our operation, but have improved yields, improved our soils. And the reason we did that was I had neighbors who were making those changes and I saw the success that they had and I certainly, you know, wanted to mimic what they were doing and certainly has proven to be very beneficial on our operation.

**MOSER:** Do you think that this is a necessary program to spend \$1 million on?

**HUGHES:** I, I don't. I did not vote for this in committee. Senator Gragert and I have had some discussions about this and I know this is

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his passion, but to me, in, in the real world and the practical world, you know, the farmers that are out there today, I mean, they're, they're professionals. You know, the inputs are too high. The property taxes are too high. The margins are too slim that you absolutely cannot not accept the best practices on your operation and everybody's farm is different.

**MOSER:** OK.

**HUGHES:** And we have, have different rainfalls. You know, we have different soils, different crops. So you have to be a good operator to be in business today.

**MOSER:** All right. Thank you, Senator. We had a discussion similar to this when we created the Healthy Toils-- Soils Task Force a couple of years ago and it was just going to be an interim study and then that was going to be it. And then it was-- there was no legislation on the radar at that point. Well, they came up with a report and now we've got another program as kind of a result of that report. And this new program that Senator Gragert is bringing forward is intended to be a short-term stopgap program, but when we get to the end of the four years and we're not here yet-- not here at that point and the nitrates haven't improved, then what's going to happen? Probably we're going to have a new program. That's kind of how government works. You know, we had two other people addressing this. They're not getting the job done so let's come up with another-- approaching it from a different angle. And we're going to spend \$1 million and it's only going to go four years and then it's going to expire. You know, that may be. I hope so if it passes. But again, as a conservative, I just can't see creating another government program, government program to do what other government programs are supposed to be addressing already. You know, I don't want to make it mandatory. I think it should be done peer to peer, but I think if it makes sense, most farmers have a conscience about their ground and their water--

**HUGHES:** One minute.

**MOSER:** --and they're going to make good decisions. Thank you.

**HUGHES:** Thank you, Senator Moser. Senator Lathrop, you're recognized.

**LATHROP:** Thank you, Mr. President. Colleagues, good morning. I stand in support of the amendment and the bill. And as all of you know, I'm not running again. I've been here 12 years and the one thing that I've noticed about my service as I look back is that some of us come into



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this body with expertise in different areas. We have a handful of bankers that can tell us what we need to do with most of the banking bills and have some good insight into that. We have lawyers that can talk about matters that come through primarily the Judiciary Committee. We were, we were lucky, in my judgment, to have Senator Gragert come into the body. And I know he's not going to be here next year either, but I, but I've served with him on the Judic-- on the Agriculture Committee and this has been his issue. And to, to be concerned that we're setting up a board, that we're expanding government, what, what Senator Gragert has identified is an issue that needs to be addressed. That's what we're down here to do. We're down here to address issues and this is an opportunity to address what I regard as an important issue. I will tell you I'm on the Ag Committee. I got there, I think, my third year and the first, first day I was there, the Omaha trial lawyer in me, we had a bill dealing with liming the fields and I got all worried that we were putting chemicals and nitrates. And I didn't know what liming the field meant, but I was going to ask questions to get to the bottom of it. Turns out it's crushed lime and I didn't know what I was talking about. But I've since sat on that committee long enough to hear the people that have come in on Tim Gragert bills dealing with healthy soils. The idea that we would have cover crops, those things that we need to do to make the soil productive and to preserve our streams and our groundwater, these are important issues because if we don't address them early, then we're addressing them when the water is not drinkable or when the levels of nitrates are so high that the water is unusable. This is thoughtful. It is, it is getting ahead of the problem before it becomes too expensive to deal with and some Legislature ten years from now has a bigger problem. And we have an opportunity to get ahead of it. I appreciate Senator Gragert's service. I appreciate his concern about these issues. I don't have the bandwidth or the background to work on them, to understand them as he has, but I've been with him in Ag Committee on these issues long enough to know that he has the expertise. He has the interest. This is, this is important stuff. This is important stuff. I hope you'll support the amendment and the bill and thank you, Senator Gragert, for bringing it.

**HUGHES:** Thank you, Senator Lathrop. Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Thank you, Mr. President. I would yield to Senator Gragert if he would like to take any more time.

**HUGHES:** Senator Gragert, 4:55.

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**GRAGERT:** Thank you, Senator Cavanaugh. I just want to continue with, with my explanation if, if we don't start treating the cause and we continue to treat the symptoms, what this will cost us. We're talking about \$1.2 million for five years to get a program started, a facilitator that will go out there and be able to hunt down in six different regions in the, in the state the producers that are doing a great job, which are-- there are many. The, the, the issue is or the problem is, is that those producers, being humble as they are in the state of Nebraska, aren't willing to come forward voluntarily because they don't want to come and, and be able-- or be the one to tell somebody how they should do something. I, I truly believe if this facilitator can organize and communicate and coordinate these meetings with the producer that is willing, if you go and ask them, as I'm sure Senator Hughes and Senator Friesen would be more than willing to talk to other producers on their successful farming operation. There's a lot of successful farmers out there and that could be a great mentor to beginning farmers and farmers that just want to know more about the technology that is going on. But if we continue to treat the symptoms, what Plainview, Nebraska, is looking at right now is to find a new well. They, they've got a challenge there because they've already drilled two new wells. They've got to go find another-- a well that is low in, in nitrates to be able to-- as I always say and I've said a number of times, the solution to the pollution is dilution. Well, we're getting to the point that there isn't any freshwater to dilute the high nitrate waters around Creighton and now Plainview. So if the new well isn't, isn't capable of being found at, at a cost of-- estimated cost of \$2 million-- and that's a small, small town having to reap that cost. If that doesn't work or they can't find a well, then they're looking at a reverse osmosis plant like Creighton put in in 1991 for \$1.3 million and today, it's going to be closer to \$8 million to treat their high nitrate waters. And after they get done treating the water, they still got to pay for the water. There in Creighton, an example I used and where I live, the \$550,000 annual cost to, to run this reverse osmosis costs me \$479 a year. That's me, my wife, my kids. Everybody who lives in Creighton gets to pay to clean up this water. And all I'm saying is we can take this money that it's going to cost-- and Senator Wishart's bill was brought by Farm Bureau for her to bring that bill and so they-- the problem is out there and everybody knows the, the issue is out there. We need-- it's kind of like cancer, if you will. If we, if we catch it soon enough and, and we can treat it without anybody being hurt. And I think this can be done through voluntary-- if all we need to do is provide a few farmers, a few more farmers to accelerate the conservation practices needed to make a significant difference--

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**HUGHES:** One minute.

**GRAGERT:** --on our nitrate issue. So I see this as a win-win-win. Again, I talked about this before, but it's a win for the producer, it's a win for the consumer, and it's a win for the environment. The-- and the ones that come out probably the best out of this and the potential are for the producer, the producer to be able to take these conservation practices, build a healthy soil that is a resilient soil, that will be a resilient soil in the time of drought and in a time of flooding, a soil that will stay in place in the time of flooding and a soil that will take in and retain the water in the time of drought. So again, I, I just-- I can't understand the pushback. I, I understand where the pushback may be coming from as far as, well, we're going to spend more money. Again, I got to, I got to say, because he continues to say that this is going to be another government program--

**HUGHES:** Time, Senator.

**GRAGERT:** --it is not. Thank you.

**HUGHES:** Thank you, Senator Gragert. Senator Albrecht, you're recognized.

**ALBRECHT:** Thank you, Speaker [SIC]. I appreciate your, your patience and understanding on listening to this bill because as a farm wife, I can tell you that we are very, very diligent in deciding what gets put on the fields. And all of them-- I think every farmer in this state knows that-- what they need to do. I have sat down, however, with Senator Gragert, and I was on Natural Resources when he first came on and I knew how passionate he was about this. You know, when we bring priority bills on the floor of this Legislature, we bring them because we have a lot of interest in it. We have a lot of heart into it and this is something that he's been working with his whole life. And I do know that-- again, when he originally came, it was just, hey, we just want to do a study, see where everybody's at. And then it did come, it did come into fruition that this bill appears before us. I feel like if this is not a mandate, but simply an educational process for farmers to become better at what they do, I think I'm all in. I think a lot of different people are probably doing this at the university and throughout our state. But if, if this particular individual who's going to be going around the state and educating with no mandate for, for the farmer to do anything, but to just listen and understand the process and how they can become better at what they do-- believe me, the cost of inputs, especially this year, is going to be very taxing on a lot of people. But, but what I'm looking at is the fiscal note

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and I do have some questions I'm just going to, to ask Senator Gragert here in just a minute. But the NRDs are a taxing entity in our state and I don't really understand why we wouldn't just ask the, the NRDs throughout the whole state of Nebraska to be paying this bill because that gentleman is going to be under their purview, not the agricultural department or anything like that. So if Senator Gragert would yield to just a couple of quick questions.

**HUGHES:** Senator Gragert, will you yield?

**GRAGERT:** Absolutely.

**ALBRECHT:** OK. We did talk about the bill. I'm absolutely OK with it, with knowing that there's no mandate on a, on a producer to do anything but listen and let it be their choice how they're going to handle things. But how and why does the fiscal note ask us to take money out of our General Fund when, in fact, the taxpayers are already paying the NRDs for a service?

**GRAGERT:** The \$250,000 a year will go through the Natural Resources Commission and the director of the Natural Resources Commission will be directed to hire a facilitator. The purpose of the facilitator will be to, again, organize and, and communicate with the farmers that are willing to showcase, if you will, their operation. Why, why we chose to go with the \$250,000 a year, it's a small ask. You know, when I first got here, I thought asking for \$10,000 was a real ask, but any more around here, it's, like, \$250,000 per year for five years will be to set this facilitator up and, and, and the producer learning community. They will then be on their own. It's just seed money for-- and then, like, like I said previously, this is for a five-year period. After the five-year period, no more money. We will-- we-- I believe that they will be self-sufficient probably within that five years. They will be getting their monies from grants, donations, and, and sponsorships--

**HUGHES:** One minute.

**GRAGERT:** --to continue, to continue--

**ALBRECHT:** OK, so--

**GRAGERT:** I'm sorry.

**ALBRECHT:** --so between now and Select, I'd really like to visit that because I do know that the NRDs are-- a lot of them are looking for

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ways to spend their money, you know? So if this is something that we could talk about, I'd appreciate that--

**GRAGERT:** Most certainly. Yeah.

**ALBRECHT:** --to get it where it needs to go.

**GRAGERT:** Most certainly.

**ALBRECHT:** Thank you very much.

**HUGHES:** Thank you, Senator Albrecht and Senator Gragert. Senator Friesen, you're recognized.

**FRIESEN:** Thank you, Mr. President. Apologize for being out during some of Senator Gragert's comments. And I missed some of them so I'm going to just cover a few points again and then if I have time, I'll ask some questions. So back when the first water quality area was defined, the drinking water quality area in the Upper Blue NRD, we formed a, a task force there to address and, and to come up with some sort of regulations. And what I liked about doing it through the NRDs is that each area is kind of-- it follows the divide of a river basin. So you have a typical soil type, rainfall patterns, and those types of things are the same through those regions. So when you-- when those were defined, that's how they determined those different basin divides. So when I look at, at Nebraska and, and our-- we were talking about nitrates in the groundwater and that's when I was on the League of Municipalities and we were very interested in some, some water quality initiatives back then. And what we did when we were studying this, we did a lot of testing, a lot of drilling, trying to find out what was happening in the aquifer in the different parts of the state. And so we actually did deep-core samples on pasture ground. We did core samples on lawns in the municipality because people were saying, well, it's those overfertilizing the lawns and things like that. So we were trying to come up with data that showed where the issues really were and trying to document it to see once what we needed to do to help this problem. And what we found when we did the nitrate testing is there were heavy plumes of nitrates and other contaminants usually are centered around the cities. And so if I use Henderson, for example, our wells that were located in the city limits were contaminated to the point where we also had to drill wells. And so we go out into the country, into these cornfields and everything, and that's where the city drilled the new wells. And so it's not as though the contamination was occurring because of farm ground at the time-- and as we learn more, I think we're going to find out that down the road,

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we're going to have to address this nitrate issue everywhere-- but it was a lot slower to develop outside the city limits. There's still no good explanation to that other than each community started with septic tanks and windmills and hand pumps and none of those were properly closed and so our only theory was that the, the leaching contamination from all those septic tanks and sewer systems is what's contributed to those municipalities having a really high nitrate problem. The nitrates are starting to show up in the ground, in farm ground, and those are nonpoint source contamination sites. A point source contamination site is if you drill your house well in the middle of an old feedlot. You can have a point source contamination of nitrates and get a high reading, but if you would properly construct the well, you could come up with good clean water, but you have a point source contamination. So different areas of the state again are very different. I know the areas in, in Grand Island in the Platte basin up there, they have very sandy soils. And so their first issue of trying to address this, they, they eliminated fall fertilizer. They started making-- actually forcing producers to split apply, I believe, and in that sandy soil, what those producers found is it increased their yield. And now I think they all do it. In my area, everybody used to apply for fertilizer in the fall. If you could get in the field, the price was cheaper, you applied it in the fall.

**HUGHES:** One minute.

**FRIESEN:** Thank you, Mr. President. Nowadays, I apply my fertilizer in spring. I split apply. I inject it through the pivots, through our irrigation systems. I put it through subsurface drip irrigation system. I have numerous ways to fertilize my crops. And so I, I-- again, as more people adopt these practices, some of these issues are going to be taken care of, but we are still going to have a continuing rise in our nitrate problem. I admit that. So since I'm out of time, I'll wait till my next time to ask a few questions. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Friesen. Senator Lathrop, you're recognized.

**LATHROP:** Thank you, Mr. President. I'll yield my time to Senator Gragert.

**HUGHES:** Senator Gragert, 4:55.

**GRAGERT:** Thank you, Senator Lathrop. I just want to continue on with the need for this LB925. Again, a volunteer program, producer working

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with producer, peer to peer or if, or, if you will, a mentor of a, of a new producer. But to answer, you know, some of the questions-- and maybe I can-- and they'll be coming later on from Senator Friesen, but nitrate in-- nitrates in our water is not only a cropland, rangeland, pastureland issue, it is a-- any individual that applies nitrogen to anything. And I'm fully aware of the point source pollution, as your cattle feedlots monitored and the authority goes to the Nebraska Department of Environment and Energy where your nonpoint source pollution is the responsibility of the local NRDs, the 23 NRDs in our state. Nonpoint, nonpoint source pollution is, is a lot harder to determine because within the entire watershed and the tributaries leading into the watershed, who's causing the problem? And, and one guy will say, I'm not, he is, you know, or she is. And it's not-- this-- LB925 is not singling out any single person or group or anything. It's anybody who applies nitrogen, it would be best to get an education on exactly what amount of nitrogen you're applying and not only the amount, but the method, the timing of putting that nitrogen out there. So all this will not be taught by the facilitator. The only job of the facilitator is to once again communicate, organize individuals that are doing nutrient management, have successfully done nutrient management, found that they're saving money, and increasing their soil health through the physical, chemical, and biological aspects of, of the soil to be able to increase their production or at least stay the same with less inputs. I guess today, as nitrate-- or as nitrogen has went up 300 percent, that's going to be somewhat of a cure for people putting on additional nitrogen in hopes that they can raise 20 more, 20 more bushel per acre. That's the kind of education I think we need for again, not just farmers or ranchers or, or cow-calf pair people or-- but even the individuals that put nitrogen on their, on their lawns. And, and like Senator Friesen brings up, if waste systems need to be looked at, I'm all for that. That's-- if they're, if they are adding to and possibly they are-- I'm not-- I don't really know in, in that area, but again, we address all forms of nitrogen going on because this is ending up in our waters as high nitrates that is unhealthy for a number of reasons.

**HUGHES:** One minute.

**GRAGERT:** And I just, I just-- I guess I don't need to ramble on more. I'll, I'll close for right now and, and wait on Senator Friesen's questions. Thank you.

**HUGHES:** Thank you, Senator-- thank you, Senator Gragert. Senator Brewer, you're recognized.

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**BREWER:** Thank you, Mr. President. I didn't realize this bill was going to get quite as much discussion as it has and I think we need to face some simple facts about different members of the body. We all come with certain skill sets from life experience. If you're going to ask questions about banking, you go to Rob Clements or to Senator Stinner. If you're going to talk taxes, you're talking Tom Briese or Senator Linehan. If you want to know how to kill Russians in Ukraine, you come talk to me. But if you want to talk soils, Tim Gragert is the guy you talk to. He's spent his entire lifetime doing this. And when Tim had a chance, when he returned to the battlefield in Afghanistan to do that in a UH-60 Black Hawk where life is a little bit easier than it is on the ground, he opted to go with Nebraska's ag team. And he was a soils guy there too. So this is a passion for him and I trust him. I think that if you're not going to be able to understand the complexities of what we're talking about here with the nitrates in the soil, then just step back and, and trust that he would not have spent a lifetime doing it and lead you astray because he would have nothing to gain from that. He's put his heart into this bill and I'd ask for your support for LB925. Thank you.

**HUGHES:** Thank you, Senator Brewer. Seeing no one else in the queue, Senator Gragert, you're welcome to close on AM1836.

**GRAGERT:** Thank you, Mr. President. I think I'll just go ahead and do my closing on the, on the amendment here instead of the bill itself, but I just want to, just want to take this opportunity to reiterate some things. A healthy soil is a resilient soil. The factors that must be addressed are the chemical, physical, and biological aspects of the soil. To achieve a healthy soil, it will take a combination of conservation practices such as, but not limited to, some of those I've already mentioned: soil testing, nutrient management, no-till farming, cover crops, irrigation water management, and contour buffer strips, just to mention a few. I'm not saying that there aren't producers doing a, a great job on conservation practices, but we can do better. The latest data shows that just over half of the farmers practice no-till farming and less than 4 percent of our producers use-- utilize cover crops. Soil health is rarely achieved through isolated methods. A comprehensive approach is needed. We cannot talk soils without, without talking water and vice versa. If we have healthy, resilient soils, then there is less soil erosion and better water quality. Two of our greatest issues/problems in Nebraska are soil erosion and sedimentation. We see sedimentation throughout our streams, lakes, and ponds. The water quality, high nitrates in our water. The single most effective way to deal with both is to use a combination of conservation practices resulting in healthy, resilient soils. This



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soil will be more resilient in times of flood and drought. We cannot continue to treat, to treat the symptoms. We can continue to treat the symptoms at a great cost or we can start treating the cause of our high nitrate issue in the water. The maps that I covered earlier shows the presence of high-- of, of nitrogen-- of nitrates in Nebraska, but more importantly, the map that shows where we have over 20 parts per million nitrogen-- nitrates in our water. In areas-- and I, and I mentioned earlier, but in-- I want to reiterate this one, in the Lower Elkhorn NRD, the nitrate levels are so high they are being associated with health problems; 14 percent greater in Lower Elkhorn NRD than in the rest of the state. This is being associated through a team at the University of Nebraska Medical Center in Omaha, right here in our backyards, one of the most notary-- agencies in the world, not just Nebraska or the nation, but the world, and they're associating high nitrates in watersheds with pediatric cancer with-- in our, in our children, our grandchildren-- our children and grandchildren, pre-- preterm birth, low birth weight, birth defects, and infant blue-- brain tumors. And in adults, it's been associated with-- higher, higher nitrates have been associated with colorectal cancer and thyroid disease to include leukemia and lymphoma. When we get to the point where our water is so polluted that we have to-- it ends up being this, I just don't think we are being proactive at this point. We're, we're already being--

**HUGHES:** One minute.

**GRAGERT:** --reactive and I don't know at-- thank you, Mr. President-- and I, and I don't know at what stage there. So again, I cosponsored Senator Wishart's bill for \$10 million to purchase the reverse osmosis systems in communities of high nitrate level of their-- in their drinking water of high nitrates over 10 parts per million. The only thing-- I did cosponsor that, but I wish the \$10 million-- it's going to have to be \$100 million. So with that, I have, I have mentioned a lot of things about LB925, what it is, but the one thing it isn't, it isn't a solution looking for a problem. The problem is out there. So please vote green in the advancement of LB925-- of the amendment AM1836 and LB925. Thank you.

**HUGHES:** Thank you, Senator Gragert. Colleagues, the question before us is the advancement of A-- or the attachment of AM1836 to LB925. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 37 ayes, 1 nay, Mr. President, on the adoption of the amendment.

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**HUGHES:** AM1836 is adopted. Seeing no one in the queue, Senator Gragert, you're welcome to close on LB925 as amended.

**GRAGERT:** Thank you. I used, I used the time on the amendment for my closing. I, I really don't have anything further to say. I, I do believe that nitrates need to be addressed and it can be addressed with accelerated conservation practices and, and education of everybody that uses nitrogen, that we can, we can control and, and, and help solve this nitrate issue that is starting to be associated with health issues in our state. And with that, I would be-- please vote LB925 forward. Thank you.

**HUGHES:** Thank you, Senator Gragert. Colleagues, the question before us is the advancement of LB925 to E&R Initial. All those in favor of vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 34 ayes, 7 nays on the advancement of the bill.

**HUGHES:** LB925 advances. Next item.

**CLERK:** LB925A, a bill by Senator Gragert. It appropriates funds to implement the provisions of LB925.

**HUGHES:** Senator Gragert, you're welcome to open on LB925A.

**GRAGERT:** Thank you, Mr. President. Members of the Legislature, 925-- LB925A would appropriate \$250,000 from the General Fund to the Nebraska Department of Natural Resources in fiscal year '22 and '23, '23-24 to hire a facilitator whom will lead the efforts in organizing the producer learning community and for related expenses. Thank you.

**HUGHES:** Thank you, Senator Gragert. Debate is now open on LB925A. Seeing no one in the queue, Senator Gragert, you're welcome to close on LB925A. Senator Gragert waives closing. Colleagues, the question before us is the advancement of LB925 to ER-- LB925A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 32 ayes, 5 nays, Mr. President, on the advancement of LB925A.

**HUGHES:** LB925A advances. Mr. Clerk, for items.

**CLERK:** Thank you, Mr. President. Agriculture Committee, chaired by Senator Halloran, reports LB235 to General File with amendments. Revenue Committee reports LB927 to General File with amendments and

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LR264CA to General File. Amendments to be printed: Senator Friesen to LB750, Senator Day to LB888. New A bill: Senator Arch, LB1173A. It appropriates funds to implement LB1173. Senator Sanders offers LR303. That will be laid over at this time, Mr. President. Announcements: the Natural Resources Committee will hold an Executive Session following their hearings today. Revenue will have an Executive Session in Room 1524 following their hearing. Name adds: Senator Halloran would add his name to LB597; McDonnell, LB933, LB1086; Sanders, LB1086; DeBoer, LB1241. Senator Albrecht would move to adjourn the body until to-- Friday, excuse me, February 25 at 9:00 a.m.

**HUGHES:** Colleagues, you've all heard the motion to adjourn. All those in favor say aye. All opposed nay. We are adjourned.