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Agriculture Committee  
February 16, 2010

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[LB986 CONFIRMATION]

The Committee on Agriculture met at 1:30 p.m. on Tuesday, February 16, 2010, in Room 2102 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB986 and gubernatorial appointments. Senators present: Tom Carlson, Chairperson; Annette Dubas, Vice Chairperson; Brenda Council; Merton "Cap" Dierks; Russ Karpisek; Scott Price; Ken Schilz; and Norman Wallman. Senators absent: None. []

SENATOR CARLSON: Welcome to the February 16, 2010, hearing of the Agriculture Committee. I'm Tom Carlson, Chair of the committee. To my left is Barb DeRiese, committee clerk, and to my right is Rick Leonard, research analyst for the committee. Again to my right is Senator Annette Dubas, Vice Chair of the committee, from Fullerton; to her right, Senator Norm Wallman from Cortland. Senator Dierks is supposed to be in between them. He will be coming along after introducing a bill in another committee. And Senator Council is on the end and she should be here shortly. Coming around, Senator Ken Schilz from Ogallala, and Senator Scott Price from Bellevue, and then Senator Russ Karpisek, he will be along a little bit later. Our page is J. T. Trauernicht and so he's available for things that you may need done. Would remind you and ask you to turn off your...or silence your cell phones if you haven't done that. And those wishing to testify on a bill should come to the front, take the seat. And before you testify, please fill out the green form and hand that in as you testify and J. T. will take that form from you. If you do not wish to testify but would like your name entered in the official record as being present, there's the white form there by the door as you came in. You can sign that and this will be a part of the official record of the hearing. We have a computerized transcription program so we ask that you...that's part of the reason for completing the sign-in sheets before you testify and then as you begin your testimony, state your name and spell it, at least your last name, for the record even if it's an easy spelling. So we welcome you to the hearing today. And are there any questions before we begin? If you do not choose to testify you can submit your comments in writing and have them read into the official record. However, you will not be listed on the committee statement unless you come to the microphone and actually testify, even if you just state your name and position. We'll start our hearing with considering the Governor's appointment to the State Fair Board, Sallie Atkins. Would you come forward and take the chair? And welcome. [CONFIRMATION]

SALLIE ATKINS: Thank you. [CONFIRMATION]

SENATOR CARLSON: And we would ask you to give us a little background and tell us a little bit about yourself, so you have this opportunity. [CONFIRMATION]

SALLIE ATKINS: Okay. Sallie Atkins, S-a-l-l-i-e A-t-k-i-n-s. I am a rancher from up in the Sandhills north of Halsey, north of Nebraska's national forest, cow-calf producers. Also

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do quite a bit of backgrounding. I served on a lot of ag leadership positions and have been a Governor appointment on the State Fair Board for the last seven years now and am seeking my last term. Last week at our board meeting I was just elected chairman and we have a monumental task ahead of us. I've always been passionate about showcasing agriculture and about the Nebraska State Fair and to do what we can to encourage youth to look at staying in Nebraska. And what better way than to showcase what they're proud of doing in 4-H, FFA, and all sorts of youth programs. It also gives us an opportunity to keep everybody up-to-date on the latest technology and it's most exciting times now, I think. Everyone on the board feels so proud and privileged to be a part of making history. What we are attempting to undertake in Grand Island with the new state fair building construction, is planning and building within a year is probably unprecedented. But with my strong background in agriculture and leadership, I hope that we can continue to push hard and make this happen. [CONFIRMATION]

SENATOR CARLSON: Okay. Thank you. Do we have any questions? I would ask you give us an idea of, particularly, I suppose, this past year has been the busiest of any of your years, maybe, on your board. How often do you meet and what are some of the challenges that you faced this last year? [CONFIRMATION]

SALLIE ATKINS: It would be easier to name the challenges we haven't faced. It's been overwhelming, literally, of everything we needed to do not only to vacate our current state fair park but also to plan and build a new state fair from scratch. So it has been an overwhelming responsibility. We're fortunate to have an executive director with many, many years of experience with the state fair and then to move in as our executive director. So we have that institutional knowledge of the tradition and everything we've done out there that we want to replicate in Grand Island but also bringing in new technology, new ideas. The board meets every month and we also have committees and master plan and building committee that there's somebody out there on site every week. Sometimes almost every day just to follow through on everything that has to happen out there. So we not only have to build a new state fair but then we have to put on the best state fair that we possibly can to encourage people to come and to get them to come back. []

SENATOR CARLSON: Senator Price. [CONFIRMATION]

SENATOR PRICE: Chairman Carlson, thank you. Thank you for all you're doing and volunteering, I guess, step into the well again. You mentioned about the task ahead of you. Are you capturing lessons learned from this so, not that we're going to be moving the state fair every year, (laughter) but in that we see that we're in troubled times financially that some of the things you've learned in moving and doing and interfacing with different departments, are you keeping like a lessons learned book so you can capture that that if anybody else needed it in the state we could go back to look at that? [CONFIRMATION]

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SALLIE ATKINS: I would hope so. You know, we will definitely not only have physical, visible, historical exhibits, but also written records of where we've come from, how we got there, and how we will plot our course for the future. So to answer your question, I would hope we have a really good record of what's transpired. [CONFIRMATION]

SENATOR PRICE: And that would include that administrative part of it and how you interfaced with other agencies and subdivisions and...? [CONFIRMATION]

SALLIE ATKINS: Absolutely. And you know, especially those of us in production ag, we're used to capitalizing on the resources that we have. And Nebraska is such a rich state in ag resources to showcase, I would like to think that we can do some things out there that are second to none without having to spend a lot of money to do it. Just working with the resources that we have and these facilities, while we may not be able to build absolutely everything we want to, what we are building is going to be state of the art. [CONFIRMATION]

SENATOR PRICE: Okay. Thank you. [CONFIRMATION]

SENATOR CARLSON: Okay. Any other questions? Senator Dubas. [CONFIRMATION]

SENATOR DUBAS: Thank you, Senator Carlson. Thank you, Sallie, for your willingness to serve again. You know, through the course of the entire debate in making that final decision about moving the state fair, I was approached frequently by people mostly from Lincoln, but basically said, you just killed the state fair. We will never have a state fair again, which I don't agree with, but...and I think the building of the physical facility while it may be challenging, isn't probably the biggest challenge. The biggest challenge will be creating that state fair environment. And you referenced, you know, celebrating our ag roots and the things that state fairs are all about. So if you'd just like to kind of expand a little bit on what your vision would be for the establishment of that environment that will keep the state fair alive. [CONFIRMATION]

SALLIE ATKINS: Oh, we have so many ideas that are circulating and so many concrete things that are being planned. But we will continue, as I said, to replicate what's worked. I know the Department of Ag has been very instrumental in Ag Hall working with all the commodity groups in doing what they can to not only showcase what's being done in Nebraska but to educate, because education is a real key component of the Nebraska state fair. We're also going to have the ability to use modern technology like never before. With all the digital capabilities that we will have, will be a live stream from every building. We'll incorporate the university and youth and, hopefully, Nebraska educational television to be able to film and video from every venue out there. So we're just going to rent everything out to the ability we can both in live exhibits, static exhibits, continue the Cyber Fair with the university. We're building a special birthing pavilion for the university

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that will be a permanent structure within the big exhibit hall. The beef pit restaurant will be replicated out there. We already have the Heartland Events Center for entertainment concerts. It's just...the 4-H and FFA will have their own building to showcase all the great things for youth. So we hope to replicate what's really worked but continue to add new things each and every year to showcase agriculture. We also know that we will have an additional target audience with western Nebraska and the surrounding states and then doing everything we can to encourage the Lincoln and Omaha and the people from the east to drive that long, long distance out to Grand Island. (Laugh) But we think if we can just get them there the first year, we'll get them back. [CONFIRMATION]

SENATOR DUBAS: Thank you. [CONFIRMATION]

SENATOR CARLSON: Okay. Any other questions? In discussion that you've had so far and as you listen to people, are you feeling good about the expected participation and support from people west, north and south of Grand Island? [CONFIRMATION]

SALLIE ATKINS: I'm really invigorated by the response we get really across the whole 3rd District because people are starting to realize we're used to driving long distances out there. And Grand Island is a destination that they can almost day trip it in from across the western part of the state. And they seem extremely enthusiastic about having it centrally located. I think the majority of people hated to see it leave Lincoln, as the Fair Board did too. But when you're given a challenge you have to try and create an opportunity and that's exactly what we're doing. And I think we're going to have greater participation as a whole, statewide, border to border. [CONFIRMATION]

SENATOR CARLSON: Okay. Thank you. Any further questions? Hearing none, thank you for your testimony. [CONFIRMATION]

SALLIE ATKINS: Thank you for all of your support as well. I know your decision wasn't an easy one through this whole deal. Thank you. [CONFIRMATION]

SENATOR CARLSON: Next, are there any proponents for the appointment of Sallie Atkins? Welcome. [CONFIRMATION]

JOSEPH McDERMOTT: Thank you. Senator Carlson and members of the committee, my name is Joseph McDermott. I'm the executive director of the Nebraska State Fair and I am here to testify in favor of Sallie's confirmation to the Nebraska State Fair Board, of Sallie's appointment to the Nebraska State Fair Board. Sallie has been on the board, I believe, for seven years. This will be her final term. Been very active in the business of the board, regularly attends meetings, is involved in conversations and as she mentioned, her peers entrusted her to the position of chairperson of the Nebraska State Fair Board at their last monthly meeting. Sallie has a very strong background in agriculture and that will be important to the Nebraska State Fair as we move to central

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Nebraska. I think that with the facilities that we're building in Grand Island, that will allow us to do a much better job of showcasing agriculture to the entire state, and Sallie will play an instrumental part in that process. She also is available to open a number of doors to us across the state because of those strong...because of that strong ag background. So with that, I would encourage you to vote in favor of Sallie's appointment to the Nebraska State Fair Board. [CONFIRMATION]

SENATOR CARLSON: Okay. Thank you for your testimony. Any questions of Mr. McDermott? Seeing none, thank you. [CONFIRMATION]

JOSEPH McDERMOTT: Thank you. [CONFIRMATION]

SENATOR CARLSON: Any other testifiers in support of? Anyone testifying in opposition to this appointment? And anyone testifying from a neutral position? Seeing none, that ends the hearing on reappointment of Sallie Atkins. And we will open the hearing on the reappointment of Linda Lovgren. Linda, would you want to come forward and we'd ask you to tell us a little bit about yourself and your experience and appreciate your testimony . [CONFIRMATION]

LINDA LOVGREN: Okay. My name is Linda Lovgren, L-i-n-d-a L-o-v-g-r-e-n. I'm from Omaha, Nebraska, but I grew up in a farming community in north central Iowa and while I kind of learned my agricultural skills in Iowa, I was a 4-Her there for 12 years and showed at the state fair both animals and baked cookies. (Laugh) You know it was back in the days when you were multitasking even then. And enjoyed that very much. I was a state 4-H officer in Iowa and spent a year traveling all over the state representing the 4-H organization. And from there I...after college I moved to Nebraska. I have a degree in communications and I own a marketing and public relations company in Omaha. I have served on the Nebraska State Foundation Board, 4-H Foundation Board, so I have had an opportunity to spend some time with 4-H organization in Nebraska as well. I do have a passion for youth in the metropolitan area, which I think translates into much of what we try to do at the Nebraska State Fair. I finished out the term of a fair board member and this would be my second full appointment to the State Fair Board. I have enjoyed this board very much, not only learning more every time we have a meeting about agriculture in Nebraska but the wonderful people that we've had an opportunity to meet through the various fair board meetings, the regional meetings, the state fair managers meetings. And, of course, the challenge of building the new fairgrounds has been an interesting one as well, as Sallie has already stated. But I appreciate the nomination to return to the board. [CONFIRMATION]

SENATOR CARLSON: Okay. Thank you for your testimony. Questions? Senator Dierks. [CONFIRMATION]

SENATOR DIERKS: Thank you, Senator Carlson and welcome to the party.

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[CONFIRMATION]

LINDA LOVGREN: Thank you. [CONFIRMATION]

SENATOR DIERKS: You've got quite a chore ahead of you. From the rumors that I hear, there are many people that are concerned about the fact that the fair has moved away from the metropolitan area in Lincoln and it would be difficult for them to bring people to the south central part of the state from the eastern part of the state. Do you see a problem with that? [CONFIRMATION]

LINDA LOVGREN: Well, I certainly think that we are going to have to change our marketing strategies in order to accommodate that. You know, we want to do some things in order to draw school children on field trips and provide educational opportunities that we think will help bring, you know, students from the eastern part of the state. But really, when you think about it and Senator the rumor I hear all the time in Omaha is, well, you know, I might as well go to the Iowa state fair now. Well, the truth of the matter is it takes less time to go to Grand Island than it does to Des Moines. And so, you know, I think as people begin to realize what an opportunity this is, this fair, as Sallie said, is being built from the ground up. We're going to have technology here that other fairs can't implement because of the structure of their buildings. We're going to have opportunities that don't exist from, you know, Des Moines to Minneapolis to Kansas City to Denver for livestock expositions and other exhibits that aren't possible because of the new things that we'll be able to employ at the state fair grounds. I think a lot of people have said, "oh, I'm not going to go", because, you know, it's their reaction to it leaving Lincoln or leaving Omaha. But I've talked to business people in Omaha and they're saying, you know, we think this is a new opportunity for us to market what we do in agricultural across the state at the state fair and in a central part of the state. So I think the dynamic of who comes to the fair may change, but I don't think the fair is going to be any less a great state fair. [CONFIRMATION]

SENATOR DIERKS: Well, I agree with you. I think the state fair holds a great deal of potential. But I would like to ask you too, what kind of livestock did you show when you were showing livestock? [CONFIRMATION]

LINDA LOVGREN: Well, my favorite was my 1,100 pound Hereford steer.  
[CONFIRMATION]

SENATOR DIERKS: Oh, yeah. [CONFIRMATION]

LINDA LOVGREN: I was 10 years old and about 4 foot 10, and there was some question about who was leading who in the ring. My least favorite was the Hampshire hog that I showed. My dad was a master swine producer so I was around the hog feedlot a lot and they were just not my favorite animal, but I loved those big steers.

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(Laughter) [CONFIRMATION]

SENATOR DIERKS: Yeah, well, we...my (inaudible) FFA showing and we, at that time all you had was Herefords. And I mean we'd take...we have a ranch out in the Sandhills and I used to take calves that we raised to show. I said we're not going to buy a special calf. And that was at the time when all the cattle were winning those shows were Simmental and Charolais and the great big things that came from across the pond, you know. And these little old Herefords didn't stand much of a chance. The thing that pleased both of them so much, they had...we always got blue ribbons but never got the purple, you know. But when we went to the carcass show, that's when they shine. Those steers, those Hereford steers outshine those other ones every time. They won championship with the carcass. They won a purple ribbon with their Hereford carcasses, so. [CONFIRMATION]

LINDA LOVGREN: Yeah, that's great. Well, I'll tell you, you know, selling my calves at the state fair is what put me through college. [CONFIRMATION]

SENATOR DIERKS: Yeah, that's great. Well, thanks so much, Linda. Appreciate it. [CONFIRMATION]

LINDA LOVGREN: Yeah, you're welcome. Thank you, Senator. [CONFIRMATION]

SENATOR CARLSON: Okay. Senator Wallman. [CONFIRMATION]

SENATOR WALLMAN: Thank you, Chairman Carlson. Yes, welcome to Nebraska. [CONFIRMATION]

LINDA LOVGREN: Thank you. (Laugh) I've been here a long time. [CONFIRMATION]

SENATOR WALLMAN: I know. I gone to fairs, Iowa and Nebraska. There's always been quite a difference in attendance and buildings. I guess we left it go downhill here at Lincoln, I thought. And it was tremendous. I had issues about moving the fair because I'm from this area, but we did and I hope it succeeds. And what do you think of different culture, why our attendance went down, you know, for a long time and Iowa's pretty well stayed the same. [CONFIRMATION]

LINDA LOVGREN: Well, I think part of it was that the state didn't really reinvest in the facilities and the buildings. Over time, and as you know, in fact, just a couple of years before I was asked to come on the State Fair Board I know that, you know, financially the state fair was in a lot of trouble because the state was, you know, not investing as much in the fair. Iowa put several million dollars a year into that fair to help it continue to grow and maintain its facilities and do other activities. It's also located, obviously, you know, in the capitol, and it's located in the largest metropolitan community, so it's sort of

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the hub. And I think over the years, you know, it's built a reputation for being an outstanding place to go. Anecdotally, we've heard a few people over the past few years say that they've enjoyed the Nebraska State Fair even more than the Iowa State Fair. And I've heard that from a fellow Iowan who shows llamas and he looked me up because he saw my name on the State Fair Board list and he said, yeah, he said, I really enjoyed my experience here. I'll be back and he has been, so. You know, we have opportunities there. [CONFIRMATION]

SENATOR WALLMAN: Thank you. [CONFIRMATION]

SENATOR CARLSON: Senator Council. [CONFIRMATION]

SENATOR COUNCIL: Yes, thank you, Senator Carlson, and Ms. Lovgren and Ms. Atkins. I want to thank both of you for your willingness to serve on the State Fair Board. I have a couple of questions and then a comment. Where does the State Fair Board meet now, currently? [CONFIRMATION]

LINDA LOVGREN: In Grand Island. [CONFIRMATION]

SENATOR COUNCIL: So ever since the move to Grand Island, you're meeting in Grand Island. [CONFIRMATION]

LINDA LOVGREN: Yes. [CONFIRMATION]

SENATOR COUNCIL: And you'll continue to meet in Grand Island or do you move around the state? [CONFIRMATION]

LINDA LOVGREN: Well, I will say that the board has felt it's important, especially the last few years we've done this, to move around the state a little bit and actually at our board meeting on Friday we had that discussion. So we will probably be in Omaha for a board meeting, we'll probably be way out west for a board meeting, there's some other places. But we want people in the state to feel like this is their state fair. [CONFIRMATION]

SENATOR COUNCIL: Okay. And that was the point I was going to get to that if the board only meets where the fair is held, it kind of limits it's ability to market beyond that area because it doesn't have an opportunity to introduce itself to other parts of the state. And I think that's great. The other part of moving it around is, when your term is up or you decide not to make yourself available for reappointment, you'd want to have some reason for someone from the 2nd Congressional District to want to participate on the State Fair Board and I think it would be a discouraging point if the meetings were always out in central or the western part of the state. Because I want to encourage the involvement of the urban areas in the state fair and that gets to my comment. Based



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upon your advertising and public relations expertise, I've had the privilege to work with you on some things. Haven't been able to follow through on some others. (Laughter) You and I know what I'm talking about. But I think you would bring something to the fair and the way to encourage the eastern part of the state to participate. This is my humble opinion. The entertainment determines whether people from the urban areas come to the state fair. And I can particularly speak for Omaha area residents. Very few have an agricultural connection and some way, the only way to expose them to the agricultural components is to entice them with something else. So I would hope that the State Fair Board when making these decisions annually about the entertainment would, you know, always keep in mind the need to draw from areas outside of the agricultural communities and diversify the entertainment as...because that's the magnet. I mean, the times I've gone to the state fair is when there was someone in the major entertainment...was someone that I enjoyed and relate to. I'd go early, enjoy the day, listen to the concert, go home. So I just don't...I trust that the state fair does not lose that component because in the past I've applauded the state fair for being diverse in their entertainment choices. And I think if you continue to do that, you'll draw from the 2nd Congressional District. [CONFIRMATION]

LINDA LOVGREN: Well, thank you. And to that point, we are actually, you know, in the process of ratcheting up our commitment to that entertainment for that very reason because we know that that will be a draw. State fairs are all about family fun, and family fun for, you know, generations of ages. And so we're looking at ways that we can be inclusive of, you know, seniors and veterans and young families and for everyone to have a great experience when they come. We want them to have a Disney experience when they come to the Nebraska state fair. [CONFIRMATION]

SENATOR COUNCIL: Well, I can tell you that there are people from my district who I know for a fact have traveled to the Iowa State Fair because of the entertainment. You know, it was someone they really wanted to see, didn't think that person, that group or that particular performer would ever come to the Omaha area and they went straight to the...so I can tell you the type of entertainment. And it has to be diverse. It has to appeal to, across the state, but don't lose the opportunity. Every now and then just focus on entertainment that appeals to the urban market. [CONFIRMATION]

LINDA LOVGREN: We will definitely do that. Thank you. [CONFIRMATION]

SENATOR CARLSON: Okay. Any other questions? All right. Thank you for your testimony. [CONFIRMATION]

LINDA LOVGREN: Thank you, Senators. [CONFIRMATION]

SENATOR CARLSON: Now, do we have proponents for Linda? [CONFIRMATION]

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JOSEPH McDERMOTT: Again, Senator Carlson, my name is Joseph McDermott. I'm the executive director of the Nebraska State Fair and I am here to testify in favor of the reappointment of Linda Lovgren to the Nebraska State Fair Board. As Linda mentioned, she owns a public relations and marketing firm in Omaha and therefore, has strong public relations and marketing experience. That will be invaluable to the Nebraska State Fair. As result of the move to Grand Island, we...moving 90 miles to the west, we have moved away from the population base of the state to a more rural environment. And I do believe that with Linda's guidance we can put together a marketing plan that will entice eastern Nebraskans to make that trip to Grand Island. That will be critical to the success of the fair in Grand Island that we have statewide participation, statewide attendance, and not just central Nebraska. Linda has also been helpful in developing business relationships in Omaha and relationships with the media. In addition, she serves on our master plan committee which is the committee that is actively involved in the planning and design of the buildings in Grand Island. Therefore, I would ask you to consider renomination of Linda Lovgren to the Nebraska State Fair Board. [CONFIRMATION]

SENATOR CARLSON: Okay. Thank you for your testimony. Any questions? Might just say in listening to you that certainly these are two highly qualified individuals but bring different talents to your group. [CONFIRMATION]

JOSEPH McDERMOTT: Absolutely. And we do have a wide variety of skill sets on the board. This is two of them. The board works well together and very confident with their assistance, we will have the successful fair in Grand Island in 2010 and beyond. So thank you. [CONFIRMATION]

SENATOR CARLSON: And I'll ask one more question. Yesterday on the way back to Lincoln, I told my wife we're going to turn off the Interstate and go down and see what's happening there. So we drove in on the south side. Didn't get out of the car because it was windy and cold. But drove all the way to the north side and back and that was a long drive. [CONFIRMATION]

JOSEPH McDERMOTT: It is. [CONFIRMATION]

SENATOR CARLSON: And the construction is gigantic. Are you satisfied with the progress? [CONFIRMATION]

JOSEPH McDERMOTT: Oh, absolutely. You know, if you do get a chance to drive out to Grand Island to take a look at the buildings, please do. They are magnificent and they're going to be very attractive structures. As a matter of fact, I believe we're going to appear before you next Tuesday and give you an update on the progress of the buildings. But yes, you know, I've as a resident of Grand Island, I'm out there watching the buildings go up and to my surprise, construction has been going very well even on the coldest, windiest, snowy days of December. They were out there working. They're

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even working on weekends, quite honestly. So very enthused about the progress and I'm very comfortable that it will be ready for opening day. [CONFIRMATION]

SENATOR CARLSON: Okay. Thank you. Any other questions? Thank you for your testimony. [CONFIRMATION]

JOSEPH McDERMOTT: Thank you. [CONFIRMATION]

SENATOR CARLSON: Anyone else as a proponent for Linda Lovgren? Anyone opposed to that appointment? Anyone in a neutral position? Seeing none, then we close the hearing on the appointment of Linda Lovgren. Thank you for coming. And we will open the hearing on LB986 and Senator Conrad, welcome to the committee. [LB986]

SENATOR CONRAD: (Exhibit 1) Good afternoon, Chairman Carlson and members of the committee. My name is Danielle Conrad, that's D-a-n-i-e-l-l-e, Conrad, C-o-n-r-a-d. I proudly represent the "Fighting 46" Legislative District here in our Nebraska Unicameral Legislature. And I'll tell you, I was listening to the testimony in the last two appointments and it's definitely a hard act to follow after those two incredibly talented women, who are a part of the leadership team for our state fair, were just here for your review and, hopefully, will garner your support. It sounds like they have done a great job in helping with the very difficult transition and so it was nice for me to hear that update as well. And reminded me just anecdotally of being a young 4-Her and finding out firsthand the meaning of a kill show when you're out showing swine. And I had a very kind of Charlotte Webb's very brief career after that experience in terms of my participation in that particular realm of 4-H. But, you know, I think those issues are so important to our shared history and culture and so it was nice to get an update on that. But to the issue at hand. LB986 amends the Ag Opportunities and Value-Added Partnerships Act authored by LB90 in 2005. And this would see to increase access and use of EBT and other nutritional and anti-hunger benefit programs at farmers markets and local food co-ops through competitive grants of existing funds, existing funds, colleagues, for hardware and software purchases necessary to facilitate that use. This legislation seeks to build an infrastructure for improved nutritional options for low-income families while also creating additional demand, an economic benefit to local ag producers. As we know, Nebraska's economy is dependent upon agriculture. As policymakers we should do all within our power to ensure that we have a market for our local producers and that that market is expanded at every opportunity possible. Additionally, as you know, we are in very difficult economic times, presently. And working families, children, the elderly, and other vulnerable populations are at increased risk during the current economic downturn. For example, a January 26, 2010, AP story reported the results of a Gallop survey which demonstrated that about 22 percent of all Nebraska families with children will utilize food stamps rather than nutritional benefits at some point now or in the near future. So think about that. That's one out of four families that are in every one of our districts that are utilizing these critical human service programs. As policymakers,

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we should do all we can to ensure that these Nebraskans have access and resources available to choose healthy options as they struggle to balance already tight household budgets. It's appropriate that this hearing is shortly after our recent recess and Valentine's holiday because I really feel that this is a bill that you can feel the love on and I think we're going to have a lot of testifiers in support afterwards to share their unique perspectives. But this is really...I see this bill as a classic win, win, win bill. It helps promote local agriculture producers, it helps vulnerable Nebraskans live healthier lives, and it accomplishes these public policy objectives with existing funds and leverages and improves existing public-private partnership, which is, I think, something that we're always eager to learn more about and figure out how we can promote. I'm going to pass out a handout here and maybe have the page bring around for you. It's an article from the State Legislature's magazine that we all receive. There was an update in the December, 2009, edition about how other states' look at these issues and the recent trend in legislation to support these kinds of programs in our sister states and the great laboratories that they our in our democratic system. So I'm going to pass that around for your reference. And finally, this has been a wonderful bill to work on and I've had a lot of very informative conversations with a variety of different interested parties on this and it seems like there's already informally some of this activity happening across the state. And in fact, one person approached us and said, well, we already kind of do this at our farmers market but there's a very cumbersome process in terms of a coupon system that we utilize, and how we get that out there, and what we really want to do is streamline the infrastructure and the access point for use at farmers market just like we have at the supermarkets. It's got a very low error rate, it's a very simple thing to administer administratively, and it's really built upon those existing and successful models. Additionally, we've heard that there already may have been some movement towards these with these funds and other competitive grant contacts and if that's the case, that's fantastic. Then this would merely be a technical clarification to what's already happening in existing law. But I think it does, in fact, go farther than that. It does provide a statutory basis for more of these programs to happen, more of these grants to happen for these specific kinds of purchases. And the other part that I've run into in conversations with local producers about expanding their market is that they would love to be able to expand their market to a new and different population but that population, those families who rely on the food stamps benefit, don't know about it. They don't know that they have that option to go to their local farmers market and maybe utilize some of their benefits to purchase nutritious and fresh produce and vegetables. And that's why the legislation specifically has a component in it for improved outreach education and awareness, which I think goes hand in hand with, hopefully, building a strong infrastructure to promote all the different objectives that I already talked about. And then finally, I want you to hear from some of the folks who are involved in this firsthand and don't want to take up too much of the committee's time but in terms of how, if, when, why, as we move forward, I'm wide-open to working with the committee on each and every one of those issues. My main impetus in bringing forth this legislation is to talk about the concept, promote the concept, and figure out a way that we can find mutually

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beneficial solutions to difficult public policy problems, even when times are tough. And I think that this is a good avenue to do so. But with that, I'm wide-open to questions or comments from the committee. [LB986]

SENATOR CARLSON: Okay. Thank you, Senator Conrad. Questions? Senator Wallman. [LB986]

SENATOR WALLMAN: Thank you, Chairman Carlson. Thank you for being here, Senator. In regards to remuneration, you know, the producer, is the cost pretty well come back in a hurry from the federal government, do you know? [LB986]

SENATOR CONRAD: In terms of... [LB986]

SENATOR WALLMAN: Getting paid. [LB986]

SENATOR CONRAD: Getting paid, specifically. I'll tell you that my research demonstrates that the majority of states that have utilized these types of programs, generally have a fairly seamless, pretty quick turnaround to ensure that not only that the vulnerable populations get the nutritional benefits, but that the producer get the monetary benefit very quickly. And as you know, Senator Wallman, there's a well-documented body of research that exists on how important the Food Stamp Program is to rural America and I think there's something like a 1 to 5 multiplier turnaround for every dollar that we put out in food stamp benefits, something like \$5 comes back into the local ag community. Those figures might not be exactly right and I'm guessing there's probably somebody who can correct me. But there is a significant multiplier affect nonetheless. [LB986]

SENATOR WALLMAN: Thank you. [LB986]

SENATOR CONRAD: Thank you. [LB986]

SENATOR CARLSON: Okay. Senator Council. [LB986]

SENATOR COUNCIL: Yes, thank you, Chairman Carlson and thank you Senator Conrad for bringing this piece of legislation. It kind of fits squarely within this direction that I'm trying to move in terms of increasing the availability of locally produced nutritious foods particularly for our vulnerable population and those are the people who rely on the SNAP Program. And it's almost coincidence that we are hearing this bill today because I spent my recess day Friday in Milwaukee at the Growing Power Program, which is a urban-agriculture program that was established in Milwaukee. It's located right in the intercity. They farm year-round in greenhouses. They make the food stuff available to local schools, businesses, and the neighborhoods, and they have a farmers market. And one of the things they want to do is combat obesity through making

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nutritional foods available, locally produced. In addition to the actual growing that goes on in the city, Growing Power is a part of a cooperative where small farmers throughout Wisconsin can bring their goods into the Growing Power facility and without the ability to utilize the EBT Program the people who are the target market won't be able to access those food products. And I think the Value-Added Grant Program...at least from my discussions with my friends in the Rural Development Commission, one of whom accompanied me to Milwaukee on Friday, that this is the exact program, it fits within the program intent, and any way that we can enhance opportunities to market locally produced products and food stuff, we should take full advantage of it. And I hope you'll let me sign on to this bill. [LB986]

SENATOR CONRAD: Absolutely, Senator Council. And I'm glad to know that you had such a rewarding and informative experience firsthand with these issues very recently. And I'll tell you, I know that we've had a chance to visit many times and other contacts about some of the unique challenges our specific urban districts do face. And one issue that comes up a lot and maybe senators from rural parts don't hear about a lot is something called food deserts that you have in a lot of metropolitan areas, and particularly areas of high poverty it's difficult to locate good supermarkets in those areas. And for the most part then, those populations are utilizing, you know, a convenient store as their main kind of food source, which as we all know are important to everything that convenient stores are important to, but maybe aren't the best place to find a good diverse selection of fruits and vegetables and other healthy things are locally grown and produced, meats and jellies and jams and veggies and fruits and all of the things that come at larger supermarkets and at farmers markets. And this is also, I think, an attempt to address some of those issues in terms of access, particularly in areas of high need in securing and a preventive measures to improve our citizenry's health and wellness. [LB986]

SENATOR CARLSON: Okay. Thank you. Senator Price. [LB986]

SENATOR PRICE: Thank you, Chairman Carlson. Thank you, Senator Conrad. My question comes to mind, now the point-of-sale devices already exist? People already have these at the farmers markets, correct? [LB986]

SENATOR CONRAD: In Nebraska? [LB986]

SENATOR PRICE: So now... [LB986]

SENATOR CONRAD: I'm sorry. I'm just trying to... [LB986]

SENATOR PRICE: In Nebraska. So do we have point-of-sale devices at the farmers markets? [LB986]

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SENATOR CONRAD: You know, Senator Price, we really don't. And if we do, we do not have them available on a widespread level. They may be in existence in a very limited context and that information is really unclear because I haven't had a chance to talk to every single farmers market that... [LB986]

SENATOR PRICE: Well, I just wanted general idea because what I wanted to get to is, to add to this a point-of-sale device on your desk or your table probably be pretty nice, but you're going to need a communication line to run your data and your data lines so they don't work normally without satellites, so if you want to take that satellite...you could do it without satellite but it would be horde of magnitude more expensive. The other issue is, do you envision the program...I think it's a good program, don't get me wrong first. Not just the point-of-sale device, there's a transaction fee on point-of-sale devices, and that's something we really need to be careful for. Because if you're a marketer and you're marketing and I'm running my Visa card through it, the vendor pays a portion of that, okay. But if I'm running the EBT, who is going to pay that? So make sure that that government paying for it, fine. But I think articulating the costs of running it, for one thing, and I'm sure maybe other members in the audience here, the committee can talk to that. But make sure we outline all that so it doesn't come back on a vendor or someone that now that we have these out there we didn't think that...you know, if I'm putting up a farmers market in Lincoln or Omaha I would envision that the communication here, you drop a line, a pole, there's probably a high-speed Internet connection behind every tree. But if I get out in Burwell or if I get out there in Ord, you might not have one behind every tree. So I just want to make sure that we outline that in the legislation before we go too far. So I heard you're open to that. [LB986]

SENATOR CONRAD: Absolutely. [LB986]

SENATOR PRICE: But then the other question I had would dovetail, on page 5, we go to line 2 and then line 17, and I believe I heard in your remarks what your intention was but we talk about education training and market development, okay, in there. And that looks like it applies to everything within the program and then we specifically call it out there on line 17. And I think it could almost be redundant because we've already saying that we will doing marketing and training in the program, okay. So I didn't know if you would entertain that it's already there. Maybe we don't need it specifically called out. [LB986]

SENATOR CONRAD: Okay. Thank you, Senator Price. And I think I've taken careful notes to, hopefully, address your questions in succession as they were presented. Number one, your initial concerns about logistics related to the devices themselves. Again, this is something that we are wide-open to working with the committee on and felt after talking with vendors and producers and those on the front line that those were individualized situations that probably were best left to individualized practice other than outside of statutory direction, and that each circumstance and environment will probably

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have a best fit in terms of whether or not they're wireless, whether or not they are hooked up to high-speed Internet or how that process is really utilized. But I think that you're right. Those are legitimate questions to ask and to try and figure out really how this will work on the front lines there. And I think the important thing to remember in terms of logistical issues is that this is not a new concept and we have a lot of experience to draw on from our sister states that have either programs in their infancy or very sophisticated, well-established programs that facilitate this exact use in this exact context. And there's a lot of models that we can draw upon in terms of how to be successful with the logistics. And the cost for the devices themselves, and the ensuing cost to process these benefits and otherwise, are really quite minimal. And our research demonstrates that each device itself is less than a few thousand dollars if not around \$1,000, and that the monthly transaction fees are very reasonable. And I'll tell you, our research demonstrates, for example, that these costs are reasonable enough to the extent that in Iowa, for example, the Iowa Farm Bureau has picked up the entire tab for...and we're not asking them to do that. (Laughter) We're not asking our friends in Nebraska to pick up that tab or to write that check, but it is an example of how this has worked in other states and how in the context of the greater program the fees themselves are really quite manageable for producers or the private sector or a public private partnership to cover. And then finally, your question in relation to the language on page 5 regarding the outreach and awareness in marketing. Again, as I did note in my intro, that is specifically in place to provide some statutory direction and guidance on behalf of existing programs that may be there or expanded programs as anticipated under the legislation to ensure that those who utilize these benefits know that this is available, because they really don't at this point in time. And I'm not particularly interested in setting up programs that no one is going to use. So I think that the marketing and outreach has to go hand in hand with the infrastructure piece, and if you think it's redundant or there's a better way to say it, let's work on that language. [LB986]

SENATOR PRICE: Thank you. [LB986]

SENATOR CARLSON: Okay. Thank you. Senator Dubas. [LB986]

SENATOR DUBAS: Thank you, Senator Carlson. Thank you, Senator Conrad. You might not be able to answer this but if...I don't know if there's anybody in the audience... [LB986]

SENATOR CONRAD: I probably won't. [LB986]

SENATOR DUBAS: ...that can answer it either, but I know in order to accept, you know, the SNAP Program etcetera, you have to meet certain qualifications. Do you know if that's a very cumbersome process? What's involved with being an eligible vendor? [LB986]



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SENATOR CONRAD: I know that there's a variety of different nutritional benefit programs that do exist from the Senior Commodity Program to school lunch and school breakfast to the traditional food stamp or SNAP benefits as they're now called and that each program has slightly different guidelines, parameters, and statutory confines to work within. That being said, it is my understanding that the vast majority of eligible vendors in Nebraska do accept food stamp benefits because it's a fairly straightforward process to engage and interface with. And in fact, in prior experience beyond this bill, for example, the Grocers Association and otherwise have always been very strong partners in terms of these kinds of programs. And so I don't have the specifics in terms of eligibility or how one signs up to become a qualified vendor but those behind me might or we would be happy to get that information to the committee afterwards. [LB986]

SENATOR DUBAS: I think that would be interesting or important for us to know. I mean, as much smaller vendors in...you know, we don't have the same type of product available that you go to the store and get and so I think there might need to be some clarification there. I know that the Seniors Program for fresh fruits and vegetables, that's strictly a coupon that they're given and they can exchange it at the farmers market. It's only for fresh fruits and vegetables, though, and I know there's some restrictions as far as anything else that goes into it, so. Again for a smaller producer if this becomes a lot of paperwork or if there's a lot of fees attached to becoming it, it might...you know, the farmers market is for four, five, six months out of the year. [LB986]

SENATOR CONRAD: Right. [LB986]

SENATOR DUBAS: Those might be some stumbling blocks. But I know as a farmers market vendor, we're frequently asked if we can take a credit card or a debit card and I really, right now, can't think off the top of my head that any vendor down at the market can do that. There might be a few, but I don't think very many just because of some of the issues that Senator Price brought up. But I also know that they are not insurmountable issues. I mean, we have access at the farmers market in Lincoln to electrical hookups and things like that. So I think if we get the details, you know, worked out, as I say, the devil is always in the details, I think this has a great deal of potential and this would open up a great market for all incomes to be able to take advantage of our locally grown fruits and vegetables and other products. Thank you. [LB986]

SENATOR CONRAD: Thank you, Senator Dubas. And there's no question you have invaluable firsthand experience with this environment and with these markets and issues and to be clear, you know, we don't want to add a level of bureaucracy or paperwork or administrative burden to small producers who can least bear that burden. But rather envision an infrastructure that, you know, maybe starts out as a pilot program or maybe starts out more broadly but that streamlines these kinds of processes and really helps support the producers who are engaged there at the front level. And finally,

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as you know, I'm under no illusion that this program or this legislation is going to fully combat and solve all of our public policy issues surrounding hunger, nutrition, or the plight of local small producers. But it is an important first step to try and think about those issues in a different context and to try some new strategies that have been successful in other states. And so that's the impetus for the legislation. [LB986]

SENATOR CARLSON: Okay. Thank you. Senator Karpisek. [LB986]

SENATOR KARPISEK: Thank you, Senator Carlson. Senator Conrad, I like the idea. I also was going to talk about the logistics of it but Senator Price beat me in that one. The bill talks about scanner...scanning and point-of-sale device. Is that what you run the card through? It's not the...when in the grocery store you run the bar code over it. [LB986]

SENATOR CONRAD: Yeah, I think it's more for the acceptance and provision of the nutritional benefit card or coupon rather than a bar code on kind of scanner, but... [LB986]

SENATOR KARPISEK: Because that runs expensive to get your own UPC. I know, and I never used it. So maybe mine are still good, I don't know, and you could have them. (Laughter) The other part...I know I never had the EBT machine. I did take food stamps when they were still food stamps. The Department continually wanted to kick me off because I didn't bring enough in. You know me well enough now that I didn't allow myself to get kicked off until they came out with the reader, and then I would have had to pay for it, and so that's when I finally elected not to do that anymore. But I think that is an issue as how much do you have to stay on until they're going to harass you. As Senator Dubas said, it is seasonal. You might not do all that much but that may be an issue of them because they always said, well, it just cost a lot to do the paperwork to even have you on the system and you're not doing enough, whatever. You know I didn't think that it cost them that much but still that's going to be an issue. The other issue, and I don't know how they do that, but the training that would have to go along, to what does qualify and what does not qualify to go on the EBT because I think Senator Dubas does a breakfast sandwich. I don't think that that would qualify. Just some of those hurdles that would take a little while to get through. The other thing is, I can see, if the only thing you're running is the EBT card and not credit card sales, we always want to make sure that people don't feel... [LB986]

SENATOR CONRAD: Stigma. [LB986]

SENATOR KARPISEK: Stigma, right. Going up and using that I think that's why we got rid of the food stamps and went to the card. Just something that I thought about. Of course, I guess, if you could use the EBT reader, you would probably also get the Visa card reader. I have never understood why they couldn't use the same terminal to do the

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EBT cards. I don't know if that's a completely different system. Anyway, I worry about that. So that's just some of my concerns. I was glad to see that DED thought they had enough money in their budget to do this. I'm very pleased to know that they have some money, so. Thank you. [LB986]

SENATOR CONRAD: Yeah, a couple points. Thank you, Senator Karpisek. Yeah, I think you have also invaluable knowledge as somebody who has worked in the provision of nutritional products and services on the front lines and I'm sure that you can remember back to conversations with your clientele about how important it was and what value was created and added in terms of their minds and choices as consumer to have something that was local and safe. And, you know, that's the same kind of idea that we're trying to promote in the farmers market as you did in your butcher shop back home. Finally, in terms of the EBT card and related logistical acceptance and training and provision of those kinds of machineries and otherwise, you're absolutely right. The EBT card itself and Nebraska specifically has a very low incident and low rate of waste, rot and abuse, and we have continually been rewarded for the strength of our program. And so that is something that we would need to be very careful about as we move forward. And as we all know there is, of course, many items that are available to all of us in the grocery store that are not available to those who are shopping solely with an EBT or other nutritional benefit card. Some notable exceptions, tobacco, alcohol, cat...you know, pet supplies, over the counter medicines, etcetera, etcetera. The list goes on and on. And we would want those same kind of requirements to be in place at the farmers market to ensure that we are really targeting products and issues surrounding produce and vegetables and necessary food stuff in that regard. And then, finally, you know, I...my hope would be that the Department of Health and Human Services or those who are operating specifically the competitive grant structure envisioned under LB986, we'd focus more on supporting and improving these kinds of programs rather than trying to kick qualified vendors off for whatever reason. That's frustrating to hear that, but probably not surprising either. Nonetheless, I worked very hard to...my first, I'll tell you, the committee very honestly, my first thought in terms of how do we fund this program was to go and utilize some of the money from the federal government that is given to the state for having a low food stamp barrier rate. We get hundreds and hundreds of thousands of dollars because of that. Well, the administration has chosen to utilize that money that comes as a reward for our good food stamp program to build the ACCESS Nebraska call centers, which you may or may not have seen in the paper recently. So that really wasn't a viable place to go and find resources to carry this out. No editorial comment, one way or the other, about that. But having a barrier in that regard in terms of funding, I worked with the Fiscal Analyst and reflected upon my time on the Appropriations Committee about what could be another existing resource that we could look at to strengthen this program, but be responsive and careful with the fiscal concerns that are real and apparent at this time. And there is approximately about \$850,000 to \$1 million in unallocated dollars in this fund currently, which could be better utilized out in our communities. And so this is one way to try and

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expand the reach of those existing dollars. [LB986]

SENATOR CARLSON: Okay. Senator Council. [LB986]

SENATOR COUNCIL: And just quickly and I'm sure someone coming behind, with regard to Senator Price's question, a POS, a point-of-sale device, all it requires is a telephone line. That's it. And what you're charged if you take cards other than EBT and see that's a scanner as opposed to a point-of-sale device, depends on what credit card you want to accept and what rate you're able to negotiate with the entity that processes those transactions. But literally all you need is a phone line to access point-of-sale, to use a point-of-sale. Well, electricity and a phone line. (Laugh) Let me put it that way. And Senator Karpisek you made a statement in kind of tongue in cheek, but the reality is, if you purchase food stuffs from a deli within a grocery store, that is a food stuff. And what we're trying to get people to do is to buy more nutritious foods and that's why this bill is important because it encourages people to take their...the benefits they receive under the SNAP Program and use them to purchase nutritional food. Unfortunately, you know...as long as it doesn't ring up as alcohol, medicine, paper products. If it rings up food, you know, your EBT card can take it. And you know, what's the difference between a frozen TV dinner and the broasted chicken from the deli? So, Senator Karpisek's gone, but yeah, you could buy a sandwich at a grocery store with an EBT card. [LB986]

SENATOR CARLSON: Okay. Thank you. Any other questions? Thank you, Senator. You never had so much fun in here, have you? [LB986]

SENATOR CONRAD: I haven't and I'm so happy to come visit you in Agriculture Committee. I've rarely been here but after this experience, I will be back. This has been great. (Laughter) [LB986]

SENATOR CARLSON: Are you going to be here to close? [LB986]

SENATOR CONRAD: I will. Yes, thank you. [LB986]

SENATOR CARLSON: Okay, thank you. Okay, we'll listen to proponents of LB986. [LB986]

JESSICA KOLTERMAN: Thank you, Senator Carlson and members of the Agriculture Committee. For the record, my name is Jessica Kolterman, J-e-s-s-i-c-a K-o-l-t-e-r-m-a-n. I'm here to testify in support of LB986 on behalf of the Nebraska Farm Bureau Federation where I serve as the director of the PAC and state governmental relations. I want to briefly touch on our working with Senator Conrad. We really appreciate her bringing this bill. She's had some research on the way Iowa Farm Bureau had gotten involved in this and we definitely want to be at the table and be a

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partner in developing something. The idea of providing for opportunities and allowing food and nutrition program vouchers at farmers market is really a win-win for our organization. We see the benefits as being twofold. One, it allows our customer base to grow with people who are going to use those vouchers, being able to use them, which will be able to buy products that come from our members. And two, it allows those who are using the vouchers to receive nutritious food directly from their neighbors. And Nebraska Farm Bureau has long supported the Agriculture Opportunities and Value-Added Partnership Act. And we support this change as a way to expand it within the current framework and also using current money. In researching this topic in an effort to work on the bill, we found out that there's also money available through the USDA, but that money cannot be accessed by state Departments of Agriculture. So our hope is that with some of these grants, some private organizations might be able to utilize some of the USDA money and maybe leverage these grants into more money that would come from the federal government. Nebraska Farm Bureau is committed to working with the committee and Senator Conrad on the legislation and we are willing to engage other organizations and partners in seeing this idea come to fruition. Just to answer a few of your questions, Senator Price. We did talk to the Department of Agriculture about the...some of the logistical concerns that you had raised. From what I understand, Senator Conrad already mentioned, it was about \$1,000 per machine. And what we were told is that the monthly transaction fee would be approximately \$25 and that there would be a standard monthly fee of around \$36. So that gives you an idea per machine. So it gives you an idea of how it could be...what the fees could be. One of the things that we had talked about and we're finding out some of the other states are doing, is they're setting up a machine at one location at a farmers market and then people would go in and they would swipe their card. Then they would take the money that they receive from that card to the vendors. I mean, like a coupon or something like that and use it directly that way. That's what we're finding out. Interestingly enough, some of you know Keith Olsen, he's our president. He called me today from the airport. He's on his way to a meeting, and he said, you have that bill today with Senator Conrad's farmers market issue. I said, yes. He goes, well, I just saw a special on CNN about this and they're talking about it today in how all of these states are doing it. And from the information we received from the Department of Agriculture, it looks like 24 states have implemented something like this. So that just gives you a little bit of background. Please know that we're willing to work with the committee on whichever way you see fit to modify the bill. We're excited about the opportunity to do some of the local foods. And with that, I'll answer any questions you might have. [LB986]

SENATOR CARLSON: Okay. Thank you for your testimony. Any questions of Ms. Kolterman? Seeing none. Thank you for testifying. [LB986]

JESSICA KOLTERMAN: All right. Thank you. [LB986]

SENATOR CARLSON: Next proponent. Welcome. [LB986]

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PAM EDWARDS: (Exhibit 2) Thank you. My name is Pam Edwards, P-a-m E-d-w-a-r-d-s. And thank you for letting me speak with you today. Good afternoon and thank you Chairman Carlson and Senator Conrad. My name is Pam Edwards. I am a registered dietitian and I am also currently the president-elect of the Nebraska Dietetic Association and I speak on behalf of 600 registered dietitians who are Nebraska's food and nutrition experts. I would like to express the associations' support of LB986. It would amend LB90, the Agricultural Opportunities and Value-Added Partnerships Act to allow existing grant monies to purchase electronic scanner or point-of-sale devices. These devices could then be used at farmers markets. Our association supports making wholesome, highly nutritious foods available to all Nebraskans and especially to vulnerable populations. This bill provides a means for at-risk Nebraskans to use federally subsidized food and nutrition benefits at those farmers markets. Additional benefits from passing this legislation would include expanded markets for local farmers and producers and overall economic, health, and social benefits to communities throughout Nebraska. Again, the Nebraska Dietetic Association supports LB986 and I thank you for the opportunity of speaking with you today. And I would also like to add that, coincidentally, a couple hours ago I was at a meeting that had to do with local foods and there were two farmers that were there who both have had very close connection with farmers markets in the Lincoln area. So I asked them what...told them I was coming to this and asked them what their opinion would be of this and they both were very, very positive about it. And the way that they described that it would work, is what...similar to what...well, just exactly what Jessica said that there would be a centralized place at the farmers market where this scanner or the point-of-sale device would be. And that the cards would be used there and they would debit whatever amount the person chose to debit from their amount, and then they would be given the coins or whatever it is that they use, which are then used when they buy, purchase the products from the different vendors, farmers and producers. They thought it would be a very, very valuable opportunity for them and for the...those that were able to use it in order to be able to purchase different products at the farmers markets. So the feedback I received two hours ago was extremely positive from two people who are very, very close connections with farmers markets for a long time. [LB986]

SENATOR CARLSON: Okay. Thank you for your testimony. Any questions? Senator Dubas. [LB986]

SENATOR DUBAS: Thank you, Senator Carlson. Thank you, Pam, for being here today. For a lot of reasons I think this is a great bill, for a lot of reasons. But one of the reasons that maybe rises to the top for me is as an ag person, as a producer, I know that we are losing that connection with our urban counterparts. I mean, for the most part we're three or more generations removed from the farm. So our young people have no idea where their food comes from other than a grocery store or some place like that. So if we could facilitate reconnecting urban and rural people, I think that would be great. I

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know you also use local foods in your position as a food services at the university. Have you found that opportunity has helped with the young people you're feeding to help maybe make that connection as to exactly where their food is coming from? [LB986]

PAM EDWARDS: Oh, we started our program five years ago and there's definitely been an increased interest among the students and recognition. And I think that also the time is right, right now. Local foods is the hot topic and this is, people know about it. Young people know about it. I mean all ages do because it's become such a topic of value and it's not just a trend. It's here. So yes, students are recognizing it more and more and those that are from urban, Senators, not only in Nebraska but outside Nebraska have very much made a connection with it, so, yes. [LB986]

SENATOR DUBAS: I think that's great. I know with my customers at the farmers market, they will often stand there and talk to other people about this is our farmer. That's how they reference us. [LB986]

PAM EDWARDS: Oh, right, right. Exactly. [LB986]

SENATOR DUBAS: I think that, again, is just going to be more and more important as we get people who are farther removed from how their food is produced and help us with some public relations issues, etcetera. So again, for a lot of reasons, I think this is a great bill and I appreciate your support. Thank you. [LB986]

PAM EDWARDS: Thank you. [LB986]

SENATOR CARLSON: Okay. Thank you. Other questions? I have one from a kind of a practical standpoint and I don't know if you can answer it or not. But you talk about a central location at a farmers market so somebody wants to buy...I'm going to make the figures easy, \$10 worth of roasting ears and \$10 worth of radishes and \$10 worth of cucumbers and \$10 worth onions. So you go to this center place and get a coupon, not cash I'd assume, coupon for the transaction. You take that coupon back to you because it's in your space and I take it back to you and I decide I don't want the onions after all. So now I've got a \$30 purchase and a \$40 coupon, what happens? [LB986]

PAM EDWARDS: You know what, I don't know. but I know somebody back there who will know that answer and that's probably Ingrid. (Laughter) [LB986]

SENATOR CARLSON: Okay. Well, we're talking about doing things that make...that people can be comfortable with the transaction rather than becoming a detective or knowing that somebody now is going to be uncomfortable, so. [LB986]

PAM EDWARDS: I think, in listening to the conversations I was thinking about the question about training people. And as far as I know, that's a huge part of extension for

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the university and with the state in teaching people how to do this correctly on both sides. The farmer side as well as the consumer side. So I can't answer your question but I do know that Ingrid will be able to or someone there. [LB986]

SENATOR CARLSON: Okay. Thank you. Any other questions? Thank you for your testimony. [LB986]

PAM EDWARDS: Thank you. [LB986]

KATE BOLZ: (Exhibits 3 and 4) Good afternoon, my name is Kate Bolz, that's B-o-l-z, and I think I can still repeat the 4-H pledge if that increases my legitimacy to this committee in any way. (Laughter) I'm here today representing the Nebraska Appleseed Center for Law in the Public Interest. We are a nonprofit, nonpartisan public interest law firm and advocacy organization. We often advocate on behalf of low-income constituents and on behalf of those folks we very strongly support this bill as it increases access for SNAP participants to healthy, nutritious foods. We also believe in this bill because of it's ability to have an economic multiplier affect. And believe the question came up earlier, what is that affect and the Economic Research Service says that for every \$5 in food stamps or SNAP benefits, a \$9.20 economic multiplier effect ensues. So for those reasons, we support this bill. I also point your attention towards a letter that's going around at this time that indicates about a dozen anti-hunger and pro-nutrition organizations across the state and their support for this piece of legislation. So that's my comments for you this afternoon. [LB986]

SENATOR CARLSON: Okay. Thank you for your testimony. Senator Wallman. [LB986]

SENATOR WALLMAN: Thank you, Chairman Carlson. Yes, welcome, Mary Kate, and I noticed here like Food Bank in Heartland, you know, and Matt Talbot Kitchen. Now they are not eligible for these are they, for these food stamps, or whatever you want to call them? [LB986]

KATE BOLZ: That's a good question. Most of those, we call them emergency food provision organizations, are filling the gap for individuals who even with food stamps aren't able to feed their families. So the benefits would not go to those organizations directly, but I do think that those organizations in signing on indicate a willingness to spread the word, as Senator Conrad mentioned, to these low-income folks who would benefit from this increased access to nutrition services. [LB986]

SENATOR WALLMAN: Thank you. [LB986]

SENATOR CARLSON: Okay. Other questions? Hearing none, thank you for your testimony. Welcome. [LB986]



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INGRID KIRST: (Exhibit 5) All right. My name is Ingrid Kirst, I-n-g-r-i-d K-i-r-s-t. I'm the executive director of Community CROPS here in Lincoln. And yeah, hopefully, I can answer some of your questions about the specifics about how this program works. I brought the machine with me. Community CROPS has been around since 2003 working to provide more nutritious food to the residents of Lincoln. And we started out with community gardens. That was our first project. We now have 16 across the city. But then we started with a small farm and business incubator actually helping people start, mainly specialty crops type farm businesses. And they sold their products through farmers markets, grocery stores, and through our CSA. And they really support the Agriculture Opportunities and the Value-Added Partnerships Act amendment to allow these electronic card readers. As many of you know, food stamps used to be paper coupons and a lot of farmers did actually accept them at the markets. But since they switched over to debit cards, to my knowledge, nobody in the state has been accepting them at a farmers market. And we...a part of our research had heard about it at many other organizations across the country and so we decided to kind of be the first, try out this process. So at Community CROPS we have our own farmers market on Thursday evenings in the summer and it's just a small market, but we went through the process and became eligible to accept food stamps. There is an application process. It was somewhat cumbersome, I think, partly because we were working with the local USDA office and they hadn't dealt with this before. And so they wanted to make sure that the...let's see, I think the market had to be selling at least 50 percent of eligible goods, so not a lot of crafts and things like that, which we obviously were. We were pretty much selling produce items. We had grant funding from the USDA, the Community Food Program to buy the machine. And it was about \$1,000 for this machine. It's a wireless machine. Both works over the cell phone network, so...for the phone line. So you don't have to hook it up to a phone line and it's battery operated, so it just has to be recharged after each market. We pay about \$30 a month in fees, \$20 of that is for the wireless fee. It's like a cell phone plan. The rest of it, then you pay for transaction and it could be more than \$30 as we had a lot of transactions. So it varies monthly. So the way it works is a customer comes to the main market manager's booth and says, I want to spend \$30 today in food stamps. Swipe their card, type in \$30, they put in their pin number, and then they get 30 of these \$1 tokens. And the \$1 tokens are for food stamps and that way the farmers know, these are only food stamp tokens and only food eligible items can be purchased with this. We can also take credit and debit cards, and so the \$5 tokens are for those. So if somebody wants to use their credit card, it's the same thing. They just swipe their card and then they get the \$5 tokens. They go around to each vendor, spend what they want to with those tokens, and when they're done, the food stamp customers, if they have extra left over at the end of the day, can come back and say, okay, I only spent \$28 and we credit \$2 back on to their account. At the end of the market, the farmers then come to us, bring their tokens, and we directly give them the cash right away. Now, we're a pretty small market, about ten vendors. At a bigger market it might be something where they got their money the next market. It would depend on each system. Let's see. So that's kind of the process and how it works. And I

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think this is really a great project. We have benefited greatly from the Value-Added grants. Community CROPS has received funding to build up our farm incubator site, get some equipment for the farmers as they get started. So it's been really a very helpful program and I'm excited to see this expansion. So I hope that you will support LB986. It's a legislative measure that works for everyone. It's good for Nebraska farmers who want to sell products in a local market, and it also provides access to healthier foods for low-income families, so. [LB986]

SENATOR CARLSON: Okay. Thank you for your testimony. Senator Dubas. [LB986]

SENATOR DUBAS: Thank you, Senator Carlson. So your individual producers, do they have to meet certain requirements in order to be eligible to take the food stamps? [LB986]

INGRID KIRST: We, as a market, determine that. We gave the USDA a list of vendors when we applied but they haven't asked us to update that. So basically, we give them information up front. So we say, here are the eligible products and here's what you can sell, so they know. So, you know, we had somebody selling kettle corn this year. They were not eligible and they knew that up-front. [LB986]

SENATOR DUBAS: So then does each vendor have to apply or is this an application made by the market itself and then the vendors could operate under that application? [LB986]

INGRID KIRST: Right. That's the way we did it. Vendors could apply if they wanted to get their own machine but we just did it marketwide. [LB986]

SENATOR DUBAS: All right. Thank you. [LB986]

SENATOR CARLSON: Senator Wallman. [LB986]

SENATOR WALLMAN: Thank you, Chairman Carlson. Yes, is this...can you keep this week to week? Or you cash it in at the end of the day or when you're done? [LB986]

INGRID KIRST: Yeah, you pay for your purchases with that. The customer will pay for it and then the vendors can turn those in whenever they want to get reimbursed actual cash. [LB986]

SENATOR WALLMAN: But I mean, the customer can keep this money? [LB986]

INGRID KIRST: Oh, yeah, yeah. If they don't spend it, they could come back with it. [LB986]

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SENATOR WALLMAN: Okay. [LB986]

SENATOR CARLSON: Okay. Senator Price. [LB986]

SENATOR PRICE: Thank you, Chairman Carlson. Thank you for coming up and giving us all clarification there. My question is, I noticed that in your model you have a potential for the EBT card be used twice in the day. You know you come in, you buy your tickets and then you...or you buy your coinage, and then you go out to the individual stands and you come back and you have another transaction. Have you looked at a model where you would give a vendor a vendor ID and then they could bring in a receipt with the vendor ID? So then you would only have to card one time for the exact amount. But I know that accountingwise you would have to give back to the vendor. You go in at the end of the day, hey, vendor 17, we have, you know, \$86. Here's your \$86. So the vendor would come to you. So they're still coming to you. There's one charge and you have one...you go by ID for accounting purposes. So I didn't know, have you looked at a model like that so we're not giving out this? All you do is, they go...whoever is going shop, go buy what they want. I mean I'm envisioning when you go buy a package at a store, you know, whatever number, the weight, measures, comes in mind, what I'm thinking. And if I go to a stand, weights and measures could be different things. So if you're not selling in equal or even units of a dollar for your beets, or whatever it is, am I getting anywhere with this line of reasoning with you to say that we let the vendors have an ID and you come back to the separate point of sale? [LB986]

INGRID KIRST: One of the reasons that we do the token system is it makes it easier for the customer. They can basically come, they estimate. Yeah, and it is an estimate. They get their tokens. They can go around to all the vendors and make their purchases. And then if they do need a refund, they can come back just to our stand rather than having to go select all their purchases, get their invoices, come back to us, get it charged, and then they have to go back to every single vendor a second time. [LB986]

SENATOR PRICE: Well, okay. I see...we can always talk about it later. My idea was more that I go to a vendor, I ask for three pounds of that and I get it on...like we do at the store right now. I don't go to each department and make a separate transaction in each department. I go get all my things, I go to one register and make my sale. And that's how that transaction of vendors would have to come up at the end of the day. Say, how many sales did I have? But I understand. Thank you very much. The model is a good idea. [LB986]

SENATOR CARLSON: Okay. Any other questions? Hearing none, thank you. [LB986]

SENATOR COUNCIL: I'd loved to had you in Milwaukee. [LB986]

INGRID KIRST: They've got a great program up there. [LB986]

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SENATOR CARLSON: (Exhibit 6) Thank you for your testimony. Anyone else as a proponent? Anyone testifying as an opponent? Anyone in the neutral position? Before we call on Senator Conrad we do have a letter from Linda Fettig of the Rural Development Commission in support of LB986. Senator Conrad, you're recognized. [LB986]

SENATOR CONRAD: Thank you, Chairman Carlson, members of the committee. I hope that this afternoon you've received a glimpse about why I'm so excited about this legislation and what a neat bill it has been to work on. And I want to just publicly, on the record, thank the many proponents that came forward this afternoon and took time out of their schedules to be here and to offer such very timely, timely insight. It's nice to know the leadership of the Farm Bureau is calling in updates from the media in this 24-hour news cycle we live in. And I think that's so cool and so exciting and I'm glad to know that. And the information that Pam provided just visiting with local producers hours ago about how this would work and impact their lives and their livelihood, I think is so invaluable. And then finally, I don't think we could have scripted it better but to have Ingrid and the Community CROPS people come forward with show-and-tell time with hard, real-life examples about how the system works in their environment. And she was quite modest while she was here, but please know that the good work of Community CROPS and her organization and her in particular and her partners has been widely acknowledged in our community. They most recently were presented with acknowledgement from the mayor of Lincoln for their work in these and other areas. And so to have the support and the favor of these groups means a lot to me personally and the legislation as a whole. And like I said, I'm absolutely willing to work with the committee to make this work. And I'd love to move forward with it this year. And again, thank you for your kind consideration and fantastic questions. [LB986]

SENATOR CARLSON: Okay. Thank you. Question? Senator Dierks. [LB986]

SENATOR DIERKS: Thank you, Senator Carlson. Danielle, have you purchased goods at the farmers market? [LB986]

SENATOR CONRAD: I have. My husband and I frequently visit farmers market here in Lincoln and beyond. [LB986]

SENATOR DIERKS: You've never credit marketed anything that way though? [LB986]

SENATOR CONRAD: No. No, we don't sell anything at farmers markets and we do buy and eat a lot from there though. (Laughter) [LB986]

SENATOR DIERKS: Thank you. [LB986]

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SENATOR CONRAD: Yes. [LB986]

SENATOR CARLSON: Okay. Any other questions? Okay. Thank you for your testimony. [LB986]

SENATOR CONRAD: Thank you. [LB986]

SENATOR CARLSON: And with that, we close the hearing on LB986. [LB986]