

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

[AGENCY 18]

The Committee on Appropriations met at 1:30 p.m. on Thursday, February 23, 2017, in Room 1003 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on agency budgets. Senators present: John Stinner, Chairperson; Kate Bolz, Vice Chairperson; Rob Clements; Robert Hilkemann; John Kuehn; Mike McDonnell; Tony Vargas; and Anna Wishart. Senators absent: Dan Watermeier.

SENATOR STINNER: Welcome to the Appropriations Committee hearing. My name is John Stinner. I'm from Gering and represent the 48th District. I serve as Chair of this committee. I'd like to start off by having members do self-introductions, starting with Senator Clements, who is not here. I think he'll be here shortly. So, Senator McDonnell.

SENATOR McDONNELL: Mike McDonnell, LD5, south Omaha.

SENATOR KUEHN: John Kuehn, District 38, seven counties in south-central Nebraska.

SENATOR HILKEMANN: Robert Hilkemann, District 4, west Omaha.

SENATOR STINNER: John Stinner, District 48, Scotts Bluff County.

SENATOR WISHART: Senator Anna Wishart, District 27, western Lincoln.

SENATOR VARGAS: Tony Vargas, District 7, downtown and south Omaha.

SENATOR STINNER: We're also missing Senator Bolz and Senator Watermeier, who are presenting bills in other committees. Assisting us today is Jennifer Svehla and our page is Brenda and our fiscal analyst today is Jeanne Glenn. At each entrance you'll find a green testifier sheet. If you are planning to testify today, please fill out a green sign-in sheet and hand it to the committee clerk when you come up to testify. If you will not be testifying at the microphone but you want to go on record as having a position on a bill being heard today, there are white sign-in sheets at each entrance where you may leave your name and other pertinent information. These

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

sign-in sheets will become exhibits in permanent record at the end of today's hearings. To better facilitate today's proceedings, I ask that you abide by the following procedures. Please silence your cell phone. The order of testimony will be the introducer, proponents, opponents, neutral, closing. When you hear the testimony regarding the agencies, we will first hear from the representative of the agency. We will then hear testimony from anybody who wishes to speak on behalf of the agency's budget request. Spell your first...when you come to testify, spell your first and last name for the record before you testify. Be concise. It is my request that you limit your testimony to five minutes. The introducer I will not limit to five minutes. Written materials may be distributed to the committee members as exhibits only while testimony is being offered. Hand them to the page for distribution to the committee and staff when you come up to testify. We do need 12 copies. If you have written testimony but do not have 12 copies, please raise your hand now so the page can make copies for you. With that, we will begin today's hearings with Department of Agriculture. [AGENCY 18]

GREG IBACH: (Exhibit 1) Thank you, Senator Stinner and members of the Appropriations Committee. My name is Greg Ibach, G-r-e-g I-b-a-c-h, and I'm the director for the Department of Agriculture. I would like to thank you and the members of the Appropriations Committee for your support, as well as the work performed and the development completed in the preliminary budget for Agency 18, Department of Agriculture. The department is very diverse in our involvement with numerous advocacy and regulatory responsibilities. As reflected in our budget narrative, we play a role in 88 different sets of statutes. Structurally, the department is organized into four focus areas: food safety and consumer protection, which represents the inspections we do in restaurants as well as the work we do in making sure that devices used in commerce that are items that are sold by weight or measure are accurate and, thus, protecting consumers on both of those fronts; animal and plant health protection; and our ag promotion and development area; and then we also then function with an administration and shared services pillar as well. State General Funds, industry user fees, and federal funds make up the funding sources for each area. My testimony will focus on General Funds. In your committee's preliminary recommendation is a 15 percent General Fund reduction for FY '17-18, compared to 8.2 percent in the Governor's recommended budget. The Governor and your committee both recommended an approximately 50 percent reduction in the riparian vegetation management aid. For operations your committee's preliminary recommendations reflect a 9.3 percent reduction in General Funds

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

compared to a 1.7 percent in the Governor's recommended budget. This represents an adoption by the committee of the submitted modification, which was not included in the Governor's recommendation. To arrive at the 8 percent modification it was necessary for the department to identify programs where the statutory activity is 100 percent General Funded. The functions of the State Veterinarian and the Net Weight Compliance Inspection Program are two programs the department administers that are funded solely on General Funds. On a day-to-day basis, the ability to protect the health of Nebraska's livestock industry is a high priority, as livestock production is the largest segment of Nebraska agriculture in our state. As a single sector, the livestock industry itself represents about 12.5 percent of the state's Gross Domestic Product (GDP). The department has regulatory responsibilities to make sure livestock movement and the change of ownership does not allow the introduction of disease from outside Nebraska, both foreign and domestic diseases. Nebraskans import over 4 million cattle, swine, horses, sheep and goats, and other animals every year, and that does not include animals that are imported for slaughter. An everyday job of the field staff includes monitoring these animal imports. Additionally, commuter agreements, which are requests that represent movements of cattle for grazing but not changing of ownership, are on the rise with cattle moving in and out of the state and back for grazing in summer pastures and on crop residues. Statutes enacted in the 2013 Legislative Session, which added regulatory oversight to prevent cattle infected with trichomoniasis from entering our state from neighboring states with higher infection rates, have increased the oversight in this area. These animals require monitoring for compliance of the Nebraska Animal Importation Regulations. On-site surveillance is required to be effective and accurate in both livestock auction markets and on individual farms and ranches which requires the efforts of veterinary field officers and animal health inspectors. As Nebraska is a major slaughter state, many cattle are imported to our state for slaughter. If a disease issue like tuberculosis is identified at slaughter, it is the responsibility of the State Veterinarian's Office to trace the origin of the animal to protect the TB status...free...TB-free status of our state. As we speak, USDA is evaluating the procedures that will be used in the future if foot-and-mouth disease were to be found in a state in the United States. It has become evident that the changes that USDA will implement will move away from indemnification and disposal to control and containment, and place the expectations more heavily on state animal health officers. If anything, this evolving policy could require a discussion about enhancing the ability of the State Veterinarian, not reducing the staff and scope of the animal health efforts. As an example of the

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

activities of the animal health officials regarding foreign animal diseases in our state, I would mention two recent events. The budget cuts identified would not allow for the continued disease surveillance and prevention activities to be included...conducted in a timely manner, if at all. In 2015, high-path avian influenza was found in Nebraska. During that disease outbreak, the State Veterinarian was responsible for determining the appropriate course of action to stop the spread of the disease. This included quarantines and enforcement of the quarantined areas and identifying disposal sites and methods. Department staff was even involved with an egg processing plant in the quarantine zone to assure that protocols were in place to allow for continuity of business while containing the spread of disease. Within hours, the Department of Agriculture had established initial protocols and had field veterinary...or had veterinary field officers and inspectors en route to initiate the plans and protocols. These actions were established five days before USDA leadership was able to coordinate, and ten days before any USDA personnel were available on site. The budget cuts included in the committee preliminary recommendations would have made it impossible for us to take the immediate and effective action to control and contain Nebraska's impact from high-path avian influenza. In 2013, porcine epidemic diarrhea virus, PEDv, was identified in Nebraska. At the time, it was considered a foreign animal disease. We worked with the industry and affected swine facilities to control and contain the spread of the disease, as well as collect samples and coordinate with USDA officials. Again, Nebraska state animal health officials acted without the presence or assistance of USDA staff. We have been recognized for our effective handling of these livestock diseases. Without adequate staff and resources, the outcome would have been significantly more devastating to the livestock industries in those two examples. The other program identified in our modification and included in the committee's preliminary recommendation is the net weight compliance inspections. Provided for in the statute cited, these net weight compliance inspections are performed by our Weights and Measures inspection staff who are responsible for completing annual inspections of over 38,000 commercial weighing and measuring devices in our state. Net weight compliance inspections assure the consumer that when purchasing by weight or measure, the net commodity weight reflects the product weight and not the tare for the packaging. Errors in net weight declarations found during package inspections range from 15 to 30 percent that are in violation. This translates into thousands of dollars being overspent by either the firm or the consumer. With the adoption of the funding reduction, the department would not be able to perform this statutory function. I hope I have been able to clarify the importance of the programs

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

identified for cuts greater than those recommended by the Governor for the department. At the Governor's recommended funding level under an umbrella appropriation, my agency would be able to manage operations with minimal impact on FTEs and carry out our statutory functions. I hope you will agree with me that the activities that would be sacrificed under the committee's preliminary proposal are crucial to protecting the animal industry and consumers in our state. My request is that General Funds for Program 78 for fiscal year '17 and '18 are increased by \$486,729 and for fiscal year 2018-19 are increased by \$507,809. In addition, I request the amount of personal salary limit, PSL, be increased by \$229,885 for fiscal year 2017-18 and \$246,926 for fiscal year 2018-19. This would correspond to the Governor's recommended General Fund amounts and PSL limits. Additionally, I agree with the Governor's recommendation for a cash fund appropriation reduction of \$169,500 in fiscal year '17-18 and \$99,442 in fiscal year 2018-19 and a reduction in revolving fund appropriation of \$12,866 in fiscal year 2017-18 and \$5,739 in fiscal year 2018-19. Thank you. And I'll try to answer any questions you might have. If they get too technical, I actually have budget staff available that can assist in answering those questions. [AGENCY 18]

SENATOR STINNER: Thank you. Questions? Senator Hilkemann. [AGENCY 18]

SENATOR HILKEMANN: Yes. Could you tell me about the riparian vegetation program?  
[AGENCY 18]

GREG IBACH: So the riparian vegetation management program is a new program that the department...the Legislature created and funded last year. It includes \$1 million, which we use. The department is authorized to give to different groups and associations within the state that are working on managing invasive species and water-demanding plants, mainly in riparian areas across the state of Nebraska. We, the first round of grants were posted and the department has awarded about \$600,000 in requests. So the program is actually funded at a higher level than the initial demand for those funds, is part of the reason why we're recommending a reduction in that amount. [AGENCY 18]

SENATOR HILKEMANN: Could you give me an example of one of those programs that you funded? [AGENCY 18]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

GREG IBACH: So we might fund a weed management district to work with landowners in the Republican River Basin to spray for phragmites, which is an invasive species, a noxious weed in Nebraska. Or we might give them money to help remove Russian Olive trees, which are a...they have a high water demand and not really a real vegetative value in the state of Nebraska.

[AGENCY 18]

SENATOR HILKEMANN: If we didn't do this as far as the state would be concerned, it would be the responsibility of the landowner? [AGENCY 18]

GREG IBACH: That is correct and actually, you know, with some of...with phragmites we went through a process after we had a series of grants that the Legislature funded that I think...I'm drawing a number out of my memory, but I think it's somewhere around \$2.7 million that the Legislature authorized, that we worked with, especially in the Republican, Platte River Basins, to eliminate phragmites. And then at the end of that process we took steps as a department to make phragmites a noxious weed so that would definitely fall on landowners to be responsible for removing phragmites. [AGENCY 18]

SENATOR HILKEMANN: So approximately how many of these grants did you give out?  
[AGENCY 18]

GREG IBACH: In the previous one or just here recently? [AGENCY 18]

SENATOR HILKEMANN: Just recently. [AGENCY 18]

GREG IBACH: And I didn't bring those numbers and I apologize. I can get those exact grants with the exact dollar amounts. But I think that it was less than ten, so some of them are fairly large. [AGENCY 18]

SENATOR HILKEMANN: Okay. [AGENCY 18]

SENATOR STINNER: Additional questions? Senator Wishart. [AGENCY 18]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

SENATOR WISHART: So correct me if I'm wrong, if you've already spoken to this, but in our preliminary budget we reduced the state aid for the riparian vegetation management program by \$500,000. [AGENCY 18]

GREG IBACH: Which is consistent with the Governor's recommendation. [AGENCY 18]

SENATOR WISHART: Okay. So that is not...you don't see any issue with that. [AGENCY 18]

GREG IBACH: No. No, we support the... [AGENCY 18]

SENATOR WISHART: Okay. [AGENCY 18]

GREG IBACH: ...committee's recommendation there. [AGENCY 18]

SENATOR STINNER: Any further questions? Seeing none, thank you. [AGENCY 18]

GREG IBACH: Thank you very much. [AGENCY 18]

BRUCE BRODERSEN: Good afternoon, committee members. [AGENCY 18]

SENATOR STINNER: Welcome. [AGENCY 18]

BRUCE BRODERSEN: My name is Dr. Bruce Brodersen, B-r-u-c-e B-r-o-d-e-r-s-e-n. I'm here on behalf of the Nebraska Veterinary Medical Association to testify in opposition to a reduction in the budget for the Nebraska Animal Health Program. I guess Dr. Ibach pretty much covered or made and emphasized how important the agriculture...animal agriculture is to the economy of the state of Nebraska, so I'll kind of skip over that as I had that in part of my notes. But what I am going to talk about are some of the things that the veterinarians do on a day-to-day basis as far as the State Veterinarian and his staff are concerned. So there exists several diseases which are called notifiable diseases that are of interest because of their importance to animal health, to human health, and animal welfare. Also, these diseases are important to the economy of the state of Nebraska. Examples of these diseases are...some are thrown around fairly commonly: foot-

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

and-mouth disease for one; tuberculosis, brucellosis, and highly pathogenic avian influenza, just to name a few. There are dozens more diseases that they're always on the lookout for. USDA has established eradication programs for many of these notifiable diseases but has experienced budget cuts and has reorganized or consolidated and relocated many of their operations outside of the state because of these budget cuts. So this leaves only four USDA veterinarians in the state that are involved in monitoring and control of these notifiable diseases. So we cannot rely on the USDA alone to respond to outbreaks of these diseases which could cost the state millions of dollars should animal herds decline or animal lives be impacted by these disease outbreaks. There also exists a set of diseases which are important to Nebraska's industry and the state economy which are not notifiable diseases for the USDA but are notifiable for the State Veterinarian. The State Veterinarian and his staff is the agency that monitors these diseases and sets the rules and regulations regarding movement of animals with regard to these specific diseases. And they do this in order to ensure that these diseases don't enter the state. They're also involved in programs for control of these diseases if they do enter the state. So some examples are, as Dr. Ibach mentioned, was trichomoniasis, which was...the program was developed to reduce the prevalence of this disease and prevent movement of animals which may be infected into the state. This is not a federally regulated disease, but it's of high importance to the cattle industry. Trichomoniasis is a venereal disease of cattle which has a great impact on the reproductive performance of cows. When an instance of trichomoniasis occurs, the State Veterinarian and his field staff work quickly to ensure the disease did not spread beyond the impacted herd. State Veterinarians conduct field investigations of outbreaks of disease like the ones mentioned above with work with USDA personnel and such investigations in order to contain or control outbreaks of these diseases. When outbreaks occur, such as happened with avian influenza in 2015, there is established a geographic quarantine area which is ten kilometers in radius from the center of where the outbreak occurred. So that translates into roughly 30 square miles. So that 30 square miles is basically quarantined and those individuals have to go around to every premises on that 30 square mile area and determine if there's animals on that area and test those animals to see if they are infected with that disease. So you can imagine 30...I don't know if you can imagine a 30 square mile area but the size of Lincoln is roughly 93 square miles, so just to give you a ballpark...an idea in your head the size of area that's involved. So traffic has to be controlled in these areas and, again, those animals in those areas have to be tested for...on those premises. So a limited staff would not make this achievable. There's

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

cooperative agreements with the USDA Veterinary Services with performance standards for disease surveillance. If these proposed budget cuts lead to decreased veterinary manpower, these performance standards may not be met and they're concerned with a loss of USDA funding and future cooperative agreements. Not only is the Nebraska Animal Health Program involved with livestock. There's also dog and cat breeder inspections that can be impacted by this, by this cut in the budget. So, in summary, the Nebraska Animal Health Program is mandated by statute to protect both general livestock health and human health and, thus, maintains commerce opportunities for Nebraska producers. And cutting the budget for this program puts the health of the livestock industry, which is about \$11 billion, by the way, and the economy of Nebraska at greater risk for catastrophe in the event of these diseases. I'll entertain any questions. [AGENCY 18]

SENATOR STINNER: Thank you. Questions? [AGENCY 18]

SENATOR WISHART: I have one. [AGENCY 18]

SENATOR STINNER: Senator Wishart. [AGENCY 18]

SENATOR WISHART: First of all, thank you so much for being here today. [AGENCY 18]

BRUCE BRODERSEN: Sure. [AGENCY 18]

SENATOR WISHART: In another life, I wanted to be a veterinarian, so. (Laugh) And I just want to preface this by saying I'm not picking on you but this is a question I do intend to ask a lot of people who are testifying. Obviously, we're dealing with a huge budget shortfall... [AGENCY 18]

BRUCE BRODERSEN: Uh-huh. [AGENCY 18]

SENATOR WISHART: ...that's probably going to be growing. Have you talked at all with the Revenue Committee about your concerns about these cuts? Have you spoken at all with committee members on the Revenue side? [AGENCY 18]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

BRUCE BRODERSEN: Well, I would have to defer to our lobbyist, Katie Zulkoski,...  
[AGENCY 18]

SENATOR WISHART: Okay. [AGENCY 18]

BRUCE BRODERSEN: ...if she's spoken with them at all. And then also I guess I would defer to Mr. Ibach, too, about, you know, where we could find alternatives for this, so. [AGENCY 18]

SENATOR WISHART: Okay. Thank you. Well, you know, unless we have everything on the table, even on the Revenue side, to deal with this budget crisis, you know, it's going to be hard for there not to be some pretty significant cuts. And so I am encouraging everyone to talk to other committees who will be involved in helping us balance this budget. [AGENCY 18]

BRUCE BRODERSEN: Okay. Thank you. [AGENCY 18]

SENATOR STINNER: I...Senator Vargas. [AGENCY 18]

SENATOR VARGAS: Thank you very much, Chairman. I just had a question. You mentioned...thank you for being here, by the way. You mentioned statutory...sorry, the constitutional or statutory obligation to... [AGENCY 18]

BRUCE BRODERSEN: Uh-huh, statutory, uh-huh. [AGENCY 18]

SENATOR VARGAS: Is there anything in statute, sort of the minimum number of staff members or veterinarians that you need to do this? [AGENCY 18]

BRUCE BRODERSEN: I can't answer that. I don't know... [AGENCY 18]

SENATOR VARGAS: Okay. All right. [AGENCY 18]

BRUCE BRODERSEN: ...if it's specifically lays out exactly how many veterinarians there needs to be. So I can't answer your question. [AGENCY 18]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

SENATOR VARGAS: Okay. Thank you very much. [AGENCY 18]

SENATOR STINNER: Let me ask you this, and I just need this to...for you to clarify this. You were saying that USDA had four vets that they cut in the state? [AGENCY 18]

BRUCE BRODERSEN: No, that's all they have remaining. [AGENCY 18]

SENATOR STINNER: That's all they have remaining in the state. [AGENCY 18]

BRUCE BRODERSEN: Uh-huh. [AGENCY 18]

SENATOR STINNER: So you interact with the USDA vets. [AGENCY 18]

BRUCE BRODERSEN: Yeah, the state veterinarians interact with the USDA veterinarians, yes. [AGENCY 18]

SENATOR STINNER: Okay. And the USDA vets, how many were there at one time? [AGENCY 18]

BRUCE BRODERSEN: I don't know for sure. I know there used to be what's called an area veterinarian in charge and she, when she retired, she was not replaced. And also there's been consolidation or movement...consolidation and movement of some of these veterinarians outside the state, so. [AGENCY 18]

SENATOR STINNER: So that's put more pressure on the state to have the vets in place. [AGENCY 18]

BRUCE BRODERSEN: Correct. [AGENCY 18]

SENATOR STINNER: Okay. Thank you. [AGENCY 18]

BRUCE BRODERSEN: Uh-huh. [AGENCY 18]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

SENATOR STINNER: Welcome. [AGENCY 18]

JEREMY VAN BOENING: Chairman Stinner and members of the Appropriations Committee, thank you for allowing me to speak today. My name is Jeremy Van Boening, J-e-r-e-m-y V-a-n B-o-e-n-i-n-g, and I appear before you today to express concerns with the proposed budget cuts to the Department of Ag staff, specifically reductions to the animal industry staff. I am a veterinarian in Alma, Nebraska, and I'm a former chair of the Nebraska Animal Health Committee. As a federally accredited veterinarian practicing almost exclusively in the large animal area and almost exclusively in cattle, it's concerning that the Department of Ag is facing these funding decreases for an area that is key to the livestock sector. I don't have to tell you, the committee, the impact of agriculture and specifically the cattle industry to the state's economy. The Department of Ag and the State Veterinary Office are absolutely essential in helping protect our state livestock industry. Animal diseases unfortunately can spread quickly. And if a disease outbreak was detected, a rapid response is necessary, an action plan is necessary to isolate that disease and to keep it from spreading. While I, as a private veterinarian, may be able to respond to a disease outbreak, it would mean I may also have to walk away from other parts of the practice due to the time commitment and the seriousness of an urgent situation. I would go back to the days when we had leaders training, the livestock emergency disease response system, and talking through some of the things Bruce talked about, foot-and-mouth disease, things like that. So as a private veterinarian, if I was to respond to one of those situations, I would likely be stuck wherever that is. I would have to stay for whatever time that the state and federal veterinarians could get there and release us. So would I, as a private veterinarian, want to go do that in another part of the state that's out of my area? Probably not. I think it's been talked about that private veterinarians could make up for the shortfall to the state veterinarians, but I don't think that's the case. I think it's vital to the safety of Nebraska's livestock industry that disease outbreaks be discovered, contained, and the funding for these positions is key to have enough state veterinarians to be able to handle all those issues. I already experience delays in other areas in the inspections that the state veterinarians currently do. We talked about the sale barns, exotic sales, swap meets, things like that, semen and embryo centers that they have to inspect so that we can send our clients' products around the country and overseas. Kennel inspections is another thing. At times when we request inspections so that we're able to send them, because different countries have different requirements, sometimes it's 30 to 45 days already. If we cut some of

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

these positions, if it's going to be longer, it will impact us and our clients. So I guess with that, I would certainly entertain any questions you might have, especially as to what I do as a private veterinarian in these types of situations. [AGENCY 18]

SENATOR STINNER: Senator Wishart. [AGENCY 18]

SENATOR WISHART: Can you talk to me a little bit? I have heard that there are some shortages of veterinarians in...especially in the rural areas of Nebraska. Can you talk a little bit about the landscape of private veterinary practice in Nebraska? [AGENCY 18]

JEREMY VAN BOENING: Absolutely. Yeah, so the veterinary shortage I think has been there for years. Certainly in the areas, the less populated areas, we just...we don't see as many veterinarians. It's hard to recruit them to those areas. And, gosh, it's been there since...I've been out of school since 2002 and I think it's been that way for a long time. Personally, I know of lots of other colleagues, lots of them in the state of Nebraska, that are looking for veterinarians and they're just not there. I think we saw...and I think it goes a little bit to...back to the schools and we're not putting out as many people that are interested in food animal careers. And so, yes, we're still facing those shortages. [AGENCY 18]

SENATOR STINNER: Further questions, anybody? Would you like to describe just how that network between the public-private works? In the case of an emergency there's first responders, I presume, and... [AGENCY 18]

JEREMY VAN BOENING: Right. So probably what would happen, the first responder is probably going to be that local veterinarian. So they will respond and hopefully they're trained to detect whatever disease it might be, whether it's foot-and-mouth disease or whatever we might talk about or any type of vesicular disease. Vesicular stomatitis comes to mind because we've had that recently in our state. So that local veterinarian is then going to report it immediately to the state and then, depending on where that needs to go, the federal veterinarians will probably receive a call immediately as well. Depending on the disease, the samples need to be taken. A lot of times and for most of these diseases, the state or federal veterinarians need to collect those

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

samples and then they need to get those, obviously, as quickly as they can to the appropriate labs to confirm or deny whether or not we had a disease. [AGENCY 18]

SENATOR STINNER: How many times a year does this event happen where you're calling in other vets? [AGENCY 18]

JEREMY VAN BOENING: It's fairly rare. I think in my practice time only twice have I had to call in somebody because of a foreign animal disease issue. But certainly there are examples though, that we've had EHD and vesicular stomatitis recently would come to mind, and Dr. Brodersen can probably answer that question a little bit. They do come up and when they do come up we need to be able to respond quickly, because if we don't and we have to hold animals, it's going to impact the economy of the state pretty quickly. [AGENCY 18]

SENATOR STINNER: Any further questions? Seeing none, thank you. [AGENCY 18]

JEREMY VAN BOENING: Thank you. [AGENCY 18]

JEFF FOX: Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Jeff Fox, J-e-f-f F-o-x. I am a feedlot veterinarian based in Beemer, Nebraska, and I currently serve as the vice chairman of the Nebraska Cattlemen's Animal Health Committee. As Dr. Van Boening pointed out, and as a veterinarian practicing in the cattle industry, there are concerns with the funding cuts that are being discussed today to the Agriculture's Animal Inspection Division. Some other perspectives that maybe Dr. Van Boening and Dr. Brodersen didn't point out that I'd like to bring up, if Nebraska decreases funding in this area, it would raise concerns for those who purchase Nebraska beef if there are worries that disease outbreaks may not be quickly controlled. We have seen foreign countries choose not to purchase beef from other countries, U.S. or elsewhere, due to a national disease outbreak. And it would be devastating to the beef industry in Nebraska. The numbers have been tallied up to be hundreds of millions if not billions of dollars. Trade missions with Governor Ricketts, Director Ibach, NC leadership are making headway with getting Nebraska beef and other proteins into foreign markets. Recently they took a trip to China and were very well received over there. But these other countries' main concerns are food safety. By cutting staff, it sends a negative signal about the importance of

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

animal health to the people when they purchase Nebraska beef. Another key concern, as Dr. Van Boening mentioned, is there...he mentioned swap meets and other things. There are currently 48 livestock markets in the state where producers buy and sell cattle and every one of these is subject to inspection by the state. By decreasing the amount of staff available, we are also placing these venues at risk. If there are diseases which need investigation, either at these markets or elsewhere, the amount of time to trace, diagnose, and clean up the issues would be drastically increased. That means that every animal could be potentially quarantined for an extended and unnecessary amount of time, leading to hardship for local producers and extended loss of global markets nationally. That's all I have for now. Is there any questions? [AGENCY 18]

SENATOR STINNER: Questions? Seeing none, thank you very much. [AGENCY 18]

JEFF FOX: Thank you, all. [AGENCY 18]

RON WALLMAN: Thank you, Senator Stinner and members of the Appropriations Committee. My name is Ron Wallman, R-o-n W-a-l-l-m-a-n. I'm a practicing veterinarian in Seward, Nebraska. I am here on behalf of the Nebraska Farm Bureau, testifying in opposition to proposed cuts in the Department of Agriculture budget, specifically the State Veterinarian's Office, and also testifying in that manner on my own behalf. Let me say first of all I...first time testifier, thank you to all of you for your service here. I don't get a chance to say that. I know you guys just get complaints usually. But I think there's a lot right about Nebraska, a lot right about its Unicameral, nonpartisan Legislature. I think it's the way government should work. I'm in the unenviable position to be the last of the trail of veterinarians I think here that are testifying, and they've covered quite a few salient points. I would not presume to lecture public servants such as yourself on the basic function of government, but I think what we have here is a basic function of government. We have government to do those things that are bigger than...bigger projects than any one individual can do, and that's what we have in the State Veterinarian's Office. There are currently six field officers and four livestock inspectors covering the entire state. If I can draw an analogy for you, that is not like having a six-lane interstate going to Garland. Okay? It's a little bit more like having a nice paved road that we get the snow off in the wintertime. These budget cuts would reduce that road to a dirt road that gets covered occasionally with snow removal and

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

is impassable in great periods of time. I can't overemphasize the importance of what agriculture means to Nebraska. We all know that. We all know how big that is and we know how important that exports are. This is very timely right now because we are, regardless of your positions on right or wrong, but we hear a lot about trade out of Washington right now, and each of us knows that when you start messing with trade the biggest target out there is agriculture. It's easy to get rid of agricultural products if you want to target a country's exports, in particularly the United States, because we do it cheaper than...and better than anybody in the world. And so it's a big target. I don't think we need to shine a light on that target. I think reducing the...particularly when it comes to livestock production, Nebraska is arguably the leader, leading state in this nation in agricultural production, particularly livestock. I don't think we need to shine a light on that target by reducing our ability to both control disease and prevent additional foreign animal diseases from entering this country. The examples of that, in 2003 there was BSE, or mad cow disease, was confirmed in Washington State from a Canadian animal. China shut down imports as well as several other Far Eastern countries of U.S. beef. The ban from China lasted for 13 years. That trade barrier cost about a billion dollars over that period of time, and that was something that was contained rapidly. An outbreak of foot-and-mouth disease in England affected over 10 million animals and resulted in a loss to their economy of \$14 billion. So as you can see, that risk is not something far away. It's real and it's ever-present. And we have a small group of people that stand out on the front lines and protect us from that. So I would urge you to reconsider at what level that State Veterinarian's department is funded and make sure that they can do their job. Can I answer any questions? [AGENCY 18]

SENATOR STINNER: Questions? Seeing none, thank you. [AGENCY 18]

RON WALLMAN: Thank you. [AGENCY 18]

SENATOR WISHART: Thank you. [AGENCY 18]

SENATOR STINNER: Thank you. [AGENCY 18]

AL JUHNKE: You're welcome. [AGENCY 18]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

SENATOR STINNER: Welcome. [AGENCY 18]

AL JUHNKE: Thank you, Mr. Chair and members of the committee. My name is Al Juhnke, Al, A-l, Juhnke, J-u-h-n-k-e. I'm the executive director of the Nebraska Pork Producers. I'm here today to discuss, as briefly as I can, our opposition again to cuts in the Animal Health Division, just like you've been hearing from others. And so maybe I can add a little more perspective and some comments on top of all the veterinarians. I'm not a veterinarian so...I do have a degree in agriculture but it's not in veterinary science, so. And I don't know if I ever wanted to be one, Senator, or not. (Laughter) But I do respect them. You all have a very difficult job. Making the kind of cuts, as has been mentioned, that you have to do is going to take a lot of work and a lot of hours and a lot of consternation on a lot of different budgets. And so I understand that. I've been through that many times and it's not easy. So, first of all, I respect what you're doing. And I also recognize that when you're going through this, budgets tend to be...sometimes they're political documents but mostly they're priority documents. You need to set priorities. Doing across-the-board cuts rarely works and it's rarely a good thing. But prioritizing budgets based on the views of the Legislature is appropriate and is done all the time. Obviously, animal health to our industry as well as the other livestock and pet industries and others in the state, is critically important. In fact, our committee does a legislative policy and issue agenda every year. One of our items this year was to support current funding levels of the Nebraska Department of Agriculture General Fund in the areas of animal health. That was one of our board-approved 2017 legislative policies from January, just last month. And so I'm here on behalf of my board and those producers to ask you to please not cut those budgets. More than ever, animal disease is starting to rear its head on the livestock industry, and to cut now would be a difficult thing. I'll let you know, the pork producers and the pork industry in the state is actually expanding. If anything, we should probably be coming in and asking for more resources, and we may have to do that in the upcoming years. We're seeing higher pig numbers in this state than we've seen in roughly the last 20 years. And so that's a good thing. We're growing. And that's true with poultry too. I'm not here as a poultry general...or a poultry executive director, but those poultry numbers have gone up also and we're seeing more with the Fremont plant that's coming, with Costco and other things. So I'm suspecting in a couple years we may need even more resources in the livestock sector. Exports you heard about. I want to emphasize that too because I know we have some nonag people on the committee and that makes it even more difficult. It's a bigger fire hose

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

you're drinking out of when you're looking at ag budgets. But for example in Omaha we have one of the largest bacon factories in the world, 750 employees, owned by Tyson Foods. If we would get a foot-and-mouth disease outbreak in this state that we couldn't respond to and contain, or even if we could respond and contain the likelihood is that those pork products on export would be shut off by most of the countries in the world. Pork production, about 25 and hopefully moving to 30 percent of everything we produce goes export market. So those factories and those people and those industries in our state, truck drivers, all the ancillary things would be affected by a disease outbreak. So it's important to have the State Veterinarian along with his or her staff. And what they do is they work in concert with everyone. They work with USDA vets. They work with our university and our Extension Service. They work with our producers and our vets out in the country. They work with our laboratories and other things. And they're constantly doing those exercises, approaching these things with an attitude of what do we do, not if something happens, but what do we do when something happens, and I think that's an important distinction and why their job is so important. We hope we never have to use them for those types of outbreaks, but when it comes they're the ones we count on to stop it, to contain it, to control it, and hopefully to keep our markets and our livelihoods, economic development. And state budgets, by the way, if you think you have budget problems this year, if we would have a foot-and-mouth or major foreign animal disease outbreak you will see budget problems like you've never suspected you'd see going forward. So, respectfully, we ask for your help in this and that you prioritize animal health within the department as one of those things that we don't cut. Thank you. [AGENCY 18]

SENATOR STINNER: Thank you. Senator Kuehn. [AGENCY 18]

SENATOR KUEHN: Thank you, Mr. Chairman. Thank you, Mr. Juhnke, for coming by. It's always great to see another legislator in the chair. Just as a point of clarification, do you know why the committee is even considering this particular modification? [AGENCY 18]

AL JUHNKE: I can...I have a guess. [AGENCY 18]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

SENATOR KUEHN: Well, I mean I guess one of questions I'm not sure everyone who's testifying is aware that this was a modification that was offered by the Department of Agriculture. [AGENCY 18]

AL JUHNKE: Right. [AGENCY 18]

SENATOR KUEHN: We didn't just go into the Department of Ag and pick this out of a \$6.2 million in General Funds and of a close to \$18 million total budget. This was one of the "on the chopping block" modifications that was offered up by the department. So I just...I think it's important for the record that the committee clarify to everyone that we didn't...no one went and picked on this particular function. And when you're talking about priorities, this was the priority that the department offered as something that could be taken as a modification to meet our budget shortfall. So it's not that we have the ability to necessarily go into other functions at the Department of Agriculture at this point. We certainly can look at those I suppose, but this wasn't a willy-nilly priority that was chosen. It was offered by the Department of Agriculture. [AGENCY 18]

AL JUHNKE: Mr. Chair and Senator Kuehn, thank you for that. I've heard some of that out in the halls on how the budget process is working here. For full disclosure, I was a state representative in Minnesota for 14 years and chaired of the Ag Committee...the Ag Finance Committee. They run divisions a little different up there. So I've been through many ag budgets over those 14 years. Some we had more money; others we had to make cuts. And so I've done both sides of that ledger. And I, you know, the way it works, and I don't know the entire budget here, but other budgets I've looked at, the Ag Department is very heavy on fees, usually inspection fees. You've heard about all the duties that they do. And those fees typically are segregated and can't be used across...you know, we can't take a fee for a dairy inspector and move it over to doing something that the General Fund does. That dairy farmer pays for that inspection and expects that money to stay there and then maybe a piece of the overhead cost within the department. So that's what makes this difficult is the Department of Agriculture typically doesn't have the greater, bigger General Fund budget like you see in some of your other divisions. And so I know that Director Ibach went through that. The Governor's recommendation, as he said, we support the Governor's recommendation and they believe that

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

they can absorb that in the General Fund. However--and again, it's a priority document--sometimes these documents are political too. So when you ask a department to make cuts in General Fund monies, they're going to show you what bad cuts in General Fund monies are going to look like. I used to be on the bonding committee. When we toured a college campus, you suppose they showed us their newest buildings? Of course not. They showed us the worst, leaky, unhealthy buildings on the campus when they were asking for money. So they're showing what some worst-case scenarios can be, but I also, on their behalf, know that they don't have a lot of flexibility in those General Fund budgets and they will probably have to dig into some areas that are going to affect, you know, those 2,500 pork producers, and growing, in this state, and that's our concern. [AGENCY 18]

SENATOR STINNER: Thank you. Senator Bolz. [AGENCY 18]

SENATOR BOLZ: You referenced that the pork industry is growing and I would make a leap that it's growing in relation to public policy that we've passed in previous years to make room for that. And you make the connection that there may be additional needs for these veterinary services in the future. And my question to you is, what is the industry doing to plan for and get ahead of those needs? [AGENCY 18]

AL JUHNKE: Well, we're a checkoff organization, for the most part. Seventy-five percent of our budget is checkoff so it goes through USDA and those funds are specific for research, promotion, and education. So from our part, we're utilizing both federally or nationally from our office in Des Moines, who gets part of this money, as well as statewide to do research and provide resources for research on these diseases and foreign animal occurrences as well as domestic, movements of animals. You know, the animal industry, now animals move a lot and they not only move from state to state, they move from country to country. And so we're always looking at the best way to handle those animals, to move those animals. But again, we're investing in research and other things like that. And hopefully we'll have more money to invest if the industry continues to grow because we get, per dollar sales, we get a certain amount that goes into that checkoff that every farmer pays. And, yes, there are a number of reasons for that growth. One of them is the political atmosphere in Nebraska. And we thank every one of you on this committee for that because you have shown the rest of the country that Nebraska is open for business when

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

it comes to pork production and I think animal agriculture as a whole. And that's a very good thing for our rural and metro economic development as we've talked about. There's also new plants opening up. We've got Sioux City opening a plant this summer or fall and that processing plant is going to need numbers. Eastern Nebraska and western Iowa, southwest Minnesota, and southeast South Dakota are where you're seeing some expansion now because of that. But we also have Tyson in Madison, Hormel in Fremont, and Smithfield in Crete that all want to go to second shift. They're one shift now. So there they have the markets. Exports, as we've said, is good and that's been good for our economy and good for our jobs. So we are looking at it. But again, specifically to the foreign animal diseases and other things, this group of people does something that no one else can do. And again, as I said, fee-driven-wise, there's really no fees to charge because they're always planning and working with these other entities. It's not like they're going in and inspecting a barn and can charge a fee for it. So it's one of those difficult things to recoup money from producers or citizens and pay for the program. [AGENCY 18]

SENATOR STINNER: Thank you. Senator Wishart. [AGENCY 18]

SENATOR WISHART: So I will ask the same question I asked earlier. Obviously, the Governor's recommendations were based on a \$900 million shortfall. You know, we can be positive, but I think we can anticipate that that's going to grow. And so have you spoken at all with the Revenue Committee about the importance of investments in public health and in animal health?  
[AGENCY 18]

AL JUHNKE: Thank you, Mr. Chairman and Senator. The answer is, yes, we have been to the Revenue Committee on property taxes, which is another big thing for agriculture, as you're all hearing and watching. But philosophically, I think there are opportunities for additional monies. And again, Revenue will bring it in. You have to appropriate it. One of those areas was the Internet sales tax,... [AGENCY 18]

SENATOR WISHART: Uh-huh. [AGENCY 18]

AL JUHNKE: ...you know, where apparently no one wants a sales tax increase. It seemed that senators were kind of doing backflips thinking this money was coming in. That could be \$90

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

(million) or \$100 million a year that could be reappropriated in some way, shape, or form. So there's some revenue there. I did talk about fees. Fees are a sticky thing. I don't know how they're handled here in Nebraska, but where I came from many people said a fee increase is a tax increase and so that made it difficult. But we were still able, especially in agriculture, to...usually asked for by the people that had the fees upon them. Rather than losing services, they'd be willing to up the fees they're already paying in certain areas. That doesn't help us with much of the animal health, like I said, but as you're looking at other budgetary concerns within departments, you know, I would study some of those fees and see where they're at and when they've been increased, how they compare to other states. That type of thing might give you a tool at least to get you through that budget deficit problem you have right now. [AGENCY 18]

SENATOR WISHART: Thank you. [AGENCY 18]

AL JUHNKE: Yeah. [AGENCY 18]

SENATOR STINNER: Thank you. Any further questions? Seeing none, thank you. [AGENCY 18]

AL JUHNKE: Thank you, Mr. Chairman and committee. [AGENCY 18]

SENATOR STINNER: Welcome. [AGENCY 18]

DON ONWILER: Thank you. Senator Stinner and committee members, I'm going to change gears a little bit. Thank you for the opportunity. I was program manager of the Nebraska Weights and Measures program at Department of Agriculture from 1997 through 2008. Since 2008, I've served as executive director for the National Conference on Weights and Measures and our national headquarters has been located in Lincoln since that time. The association has existed since 1905. Excuse me. I'll spell my name. I'm new at this. Don Onwiler, D-o-n O-n-w-i-l-e-r. The association, National Conference on Weights and Measures, has existed since 1905. We work with industry and regulators to develop United States standards for weights and measures in commerce, which are in turn adopted by the states and territories to ensure uniformity in regulatory requirements. During my time as a regulator, I recognized that the general public

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

needs certain fundamental protections that only government can provide. I saw every regulated business as equally deserving of those same protections through a fair and level playing field. When we fill our cars and trucks with fuel, when a farmer buys feed, seed, and fertilizer, and delivers their grain and livestock to the market, when we go to the supermarket and the hardware store we all do that with a sense of trust that we're getting what we paid for, and rightfully so, because we live in a society of laws and we expect that. A very small percentage of the population knows who ensures that integrity in the marketplace. In Nebraska, it's the Department of Agriculture. When I came to the department in 1997, we were inspecting all types of weighing and measuring devices, conducting price scanner tests, verifying net contents of packaged goods, verifying proper weighing procedures at the supermarket check stands, delis, meat departments, bakeries, and so on, and we did this with a very lean budget. In the years since, the program has undergone a series of cuts which have severely crippled the program's ability to perform its duties. In fact, my former position as program manager has been sacrificed, leaving a severe lack of support for field staff, private service agencies, and the regulated industries. It's my understanding that under the proposed budget it would further limit Weights and Measures' resources to the point where all remaining focus would have to go towards the statutory requirement for annual inspection of weighing and measuring devices and no attention paid to the other duties assigned to that program. This provides a very false sense of security, not only for us as consumers but for regulated businesses. Using actual data from a local supermarket, I was able to make a conservative estimate that if the store were charging gross weights rather than net weights in their meat and deli departments and weighments across the check stand scales, that one store would gain \$165,000 in one year time through unearned profits at Nebraska families' expense. If you question the return on the investment for taxpayers through a well-funded program, consider that this is just one store. The Weights and Measures staff, as am I, are well-aware that compliance in this particular area requires a constant effort on their part or it quickly falls by the wayside. During my tenure at the department our regulated industries were our most strident supporters because they knew what was at stake. Without regulatory presence, an honest business struggles to compete. I was a victim myself recently. I bought a pickup load of mulch, bagged mulch, three cubic-foot bags. The very following week the state of Missouri did inspections on that very same product from the same supplier and it was 15 percent short. I lost over \$30 in one purchase. Who's responsible for protecting me? The Department of Agriculture. They do not have the resources to do that. Think of all the goods that you buy, you

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

know, groceries, paint, feed, lumber, garden mulch, lawn fertilizer. It goes on and on. It touches every single day in the purchases that we make. I no longer shop with confidence. A well-funded Nebraska Weights and Measures program costs less than \$1 per resident per year. I lost \$30 in a single purchase at a garden center. I'll leave you with one thought. If we're not paying attention, we're at risk of becoming a dumping ground for packaged products that were found short weight in other states. Who knows the difference? Real Nebraska families and real businesses are being hurt, so I ask you to restore funding for this important program that most people don't even know exists. They just assume someone is doing this. And I truly appreciate the difficult job that you have and the service that you're providing to us as Nebraskans. Thank you. [AGENCY 18]

SENATOR STINNER: Thank you. Questions? Senator Wishart. [AGENCY 18]

SENATOR WISHART: Thank you so much for being here today. [AGENCY 18]

DON ONWILER: Sure. Sure. [AGENCY 18]

SENATOR WISHART: One of the things I love about being on the Appropriations Committee is that I get to learn about all of these programs that I have taken for granted in the past just as a consumer. Can you tell me a little bit, you said that if we...if the preliminary budget, in terms of this appropriation, stands that you would...we would only be able to focus on our statutory requirements. Can you tell me what above and beyond we would do if we reappropriated these funds? [AGENCY 18]

DON ONWILER: There are a lot of different duties that the Weights and Measures program has the authority to regulate. The statutory requirement is annual inspection on commercial weighing and measuring devices. They collect inspection and registration fees on those and they are required to inspect those every year. With the continued cuts in funding, they're doing less and less of other duties, such as going into the supermarkets and making sure that that meat case is filled with packages that are truly labeled net weight, not called net weight when it's actually gross weight; that they're taking tare at the check stand. I could tell you stories of personal battles I've had with two local stores because they, every time I bought a bag of coffee, they charged me gross weight. That's 36 cents every time I bought that, that they were overcharging

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

me. They finally recognized me so I sent in my daughter and I waited. And when she went to the check stand they cheated her, and I walked up and the woman's face turned white and I said, so you won't cheat me but you'll cheat this young woman? This is the level of attention that has to be paid to this, and no one is doing it now because of the resources that they have left that have to be focused on device inspections. We had a situation years ago with a warehouse distribution center, a grocery distribution center up in Norfolk where an inspector off-sold 140,000 turkeys just before Thanksgiving that were brought into this state short weight. The packer sent in a team and they reweighed and relabeled every single turkey. They can't do that anymore. And these are Nebraska families buying these products and they're not getting what their pay for. I'm doing okay. I have adult children who are struggling. You know, they're young, they're young families, and there are a lot of other families that are a whole lot worse off than them. And it really saddens me to see that we had such a wonderful protection program in place for consumers at such a low cost with an incredible economic return on investment for taxpayers that is being neglected, not the fault of the Department of Agriculture but the fault of sweeping, broad cuts without prioritizing and recognizing that certain things are absolutely essential for the taxpayers of Nebraska. All of these industries back here, they're all affected. All of you are affected. Everyone in this room, everyone in this state is affected every single day by the action or inaction of the Weights and Measures program. [AGENCY 18]

SENATOR STINNER: So how many are on the staff right now? [AGENCY 18]

DON ONWILER: My understanding is that they're at 15 inspectors. [AGENCY 18]

SENATOR STINNER: Are they geographically dispersed throughout the state? [AGENCY 18]

DON ONWILER: I don't want to speak too much for the department because I don't work there anymore. [AGENCY 18]

SENATOR STINNER: Okay. [AGENCY 18]

DON ONWILER: But they were when I was there and I assume they still are. [AGENCY 18]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

SENATOR STINNER: Okay. Do you have the ability or does the department have the ability to assess fines? [AGENCY 18]

DON ONWILER: Not...no. We did not when I was there. Again, I turn to them because it's their department, but no. And at one point while I was there it was proposed. I didn't support that. If you're there and you're regulating, you can achieve compliance. And the ultimate penalty was removing a permit to operate a weighing and measuring establishment, which we never had to exercise during my time there. [AGENCY 18]

SENATOR STINNER: Okay. Thank you. Any additional questions? Seeing none, thank you. [AGENCY 18]

DON ONWILER: Thank you. [AGENCY 18]

SENATOR STINNER: Okay. Any further proponents? How about opponents? Anybody in the neutral capacity? Welcome. [AGENCY 18]

BRENT MEYER: (Exhibit 2) Good afternoon, Chairman Stinner, members of the Appropriations Committee. My name is Brent Meyer, it's B-r-e-n-t M-e-y-e-r, and I am the Lancaster County weed control superintendent. I'm here to speak to you today about the funding for the Riparian Vegetation Management Task Force, so I appreciate the previous questions and hopefully I can answer some of those for you. I'm also the previous president of the Nebraska Weed Control Association, president of the North American Weed Management Association. I've recently been appointed to the Riparian Vegetation Management Task Force by Governor Ricketts, and I don't tell you that to boast but I just tell you that so you understand my passion for the vegetation management along the river systems in Nebraska. But today I'm here to testify on behalf of the Nebraska Weed Control Association in a neutral position. Now we had a little hard time deciding whether we wanted to be in the positive position, because we're awful grateful for the \$487,500 that remains in the budget; opposition, because we're a little upset that the \$512,500 has been removed from the budget; or in a neutral position. So I just hope you take the information today and decide for yourselves I guess. Our concern with the Nebraska Department of Agriculture, Agency 18 budget is LB327, page 30, lines 19 through 24, which

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

I've included on the back of the sheet. It's reducing the Riparian Task Force funding from \$1 million to \$487,500 for the next two fiscal years. The Nebraska Weed Control Association is an active participant in the management of "invasives" along the waters of the state and has been since the original legislation in 2007 provided \$4 million, introduced by Senator Carlson, District 38. The main concern at that time was not being able to meet our obligations to deliver water to Kansas. Since the time the legislation invested the original \$4 million, our association has led a well-organized group of privately funded partners from across the state to invest an additional \$22 million to maintain the waters of the state. The success of the original investment played a large part in reducing the lawsuit filed by Kansas over the Republican River water from \$72 million to \$5 million, saving Nebraskans \$67 million. During the 2016 Legislative Session, the Nebraska Legislature--many of you voted for this--recognized the importance of continuing this work. Legislation introduced by Senator Hughes, which was LB1038 and then the appropriations LB1038A, providing \$1 million annually to ensure the waters of the state continue to flow freely, passed with 48 senators voting in favor, 0 senators opposed, and 1 senator present but not voting. I want to go off just the written testimony for just a little bit and explain. We talked about the \$1 million that was appropriated last year and that only \$660,000 to \$690,000 had been asked for, and the reason for that is because the money was not available during the spray season. The money was not made available to those weed management areas till well into the fall, after the spray season was over. Had that money been made available 60 days after the session ended, as we understood it should have been, easily the \$1 million would have been applied for. And that's a good example, if you look at the \$26 million over the last ten years, over \$2.6 million has been spent on the river systems in Nebraska over those years. So easily, the \$1 million is not above the ask if it's appropriated at the right time of year before. If it can be out in June and July, easily that one is applied for and spent on the rivers. So I just wanted to clear that up a little bit that we were not even available to apply for those funds until late October and into November, after the spray season and the helicopters were out of the state. As we understand LB327, the Department of Agriculture has offered over one half of the '17-18 and '18-19 riparian funding as part of their department's obligation for budget reduction, leaving \$487,000 for control activity. The Nebraska Weed Control Association feels the riparian funding was never part of the Department of Agriculture's budget as they are only the administrators for the appropriations of the \$1 million to apply for those grants. So the money is flow-through money, as we understand it. The Nebraska Weed Control Association requests you fully or

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 23, 2017

---

adequately fund this project. If we do not stay ahead of the invasive vegetation, it will cost the state of Nebraska millions of dollars in the future. Thank you for the opportunity to testify and I will be happy to answer any questions you may have. [AGENCY 18]

SENATOR STINNER: Thank you. Questions? Seeing none, thank you. [AGENCY 18]

BRENT MEYER: Okay. Thank you. [AGENCY 18]

SENATOR STINNER: (Exhibit 3) Any further testimony for...in the neutral capacity? Seeing none, I have a letter from Procter and Gamble Company. It's a statement on importance of the importance of Weights and Measures, and I will enter that into the record on behalf of Procter and Gamble. Would you like to close, Director, or just waive? (Laugh) Okay. Thank you very much. That concludes testimony on the Department of Agriculture. Next on the agenda is-- where's my agenda--is Nebraska Brand Committee. [AGENCY 18]