

Overheard in the News

“Pope Francis devoted his life to serving Christ, leading the Catholic Church and its 1.4 billion members. As it is written in Matthew, he was a good and faithful servant and has entered into the joy of the Lord.”

Iowa Gov. Kim Reynolds, in a statement after the death of Pope Francis

“I am sure he will go to a good place. I really respect his whole career. He did his job, and it was wonderful, in my view.”

Joanne Keane, member of Sioux City’s Cathedral choir that traveled to Rome in 2016 and sang at Masses celebrated by Pope Francis

“A basic function of government is public safety. And this bill crosses the line dramatically.”

Dr. Kenneth May, president of the Iowa Veterinary Medical Association, on his opposition to a bill that would allow raw milk to be sold in grocery stores and farmers markets in Iowa

“I mean, at the end of the day, we live in America. I think that we have the right to make our own choices. ... We sell raw chicken. We sell raw beef. There’s so many products that are not safe.”

Mikayla Simpson, an Iowan who spoke to lawmakers in favor of raw milk

“We can’t make adjustments if people are just yelling or not allowing us to verify information.”

Sioux City Assessor Tyler Erickson, who says that residents are often upset at assessments of their homes yet seldom allow his staffers inside to get a better sense of the home’s condition

“It’s gonna play out in the courts. The president has to follow the U.S. Supreme Court.”

U.S. Sen. Chuck Grassley, in response to town hall attendees in Northwood, Iowa, who are angry at the Trump administration’s actions

“Our entire system is based on the rule of law. I will always uphold the Constitution.”

U.S. Sen. Pete Ricketts, at a town hall in Kearney, Neb., where the crowd was upset at the administration and questioned Ricketts’ loyalty

“When will you and your Republican colleagues take back your legislative power to rein in President Trump?”

Al Nickerson, a 70-year-old resident of Clear Lake, Iowa, in a question directed at U.S. Rep. Ashley Hinson at a town hall she held in Mason City; Hinson was booed, heckled and shouted at as she defended Trump’s agenda

FIVE QUESTIONS WITH ...

Adams Homestead & Nature Preserve’s Jodi Moats

EARL HORLYK
ehorlyk@siouxcityjournal.com

NORTH SIOUX CITY — When she was growing up, Jodi Moats said she either wanted to either become an elementary school teacher or someone who got to work outdoors.

As park manager at Adams Homestead and Nature Preserve, she gets to do a bit of both.

From the beginning of April until the end of May, Moats will welcome between 1,500–2,000 students to the 1,500-acre state park located in the Missouri River basin, just outside of North Sioux City.

“Mostly, the kids will be in the third grade because that’s when they start learning about nature,” she explained.

It is here where Moats will talk about the land first established by Stephen Searls Adams in 1872.

The homestead included the family’s farmhouse, a log cabin, the Lamont Country School, Stavenger Lutheran Church and Sonny’s Acres, which also doubles as a working farm.

Envisioning it as a place where people could enjoy the natural world, Stephne Searls Adams’ granddaughters Mary and Maud donated the homestead to the State of South Dakota in 1984. It received the state park designation in 1997.

Mary and Maud Adams would often call the land “a place for inner renewal.”

Moats said many visitors that



TIM HYNDS, SIOUX CITY JOURNAL, FILE
Adams Homestead and Nature Preserve manager Jody Moats is shown.

they consider Adams Homestead and Nature Preserve to be “a hidden treasure.”

“It is something we hear all the time,” she said with a smile.

Moats has agreed to answer five questions about the park she worked for the past 25 years.

I noticed a bunch of third graders have just come and gone. What do kids like best around here?

“They always get a kick out of Sonny’s Acres. They love to brush the donkeys and feed the chickens. It’s fun because a lot of children have never been on a working farm before and this represents their first experience.”

STATE NEWS RECAP

Nebraska’s tax cuts helped create a budget shortfall

State will have to figure out who picks up the tab

ANDREW WEGLEY
Lincoln Journal Star

Nebraska lawmakers in recent years have slashed the state’s income tax rate while pouring hundreds of millions of dollars into property tax relief efforts and tax credit programs meant to lure businesses to invest in the state.

The tax cuts and tax breaks have helped create a projected budget shortfall that ballooned from \$289 million to \$314 million Friday when state forecasters, facing lower-than-projected March revenues and a worsening U.S. economic outlook spurred by President Donald Trump’s tariffs, projected Nebraska would bring in \$190 million less in the next two years than previously estimated.

That means that in the two-year budget cycle beginning July 1, the state is set to spend \$314 million more than it brings in. And the forecasters projected \$190 million less revenue for the state’s current fiscal year ending June 30, further complicating the state’s fiscal picture with two months left on the fiscal calendar.

State lawmakers, who must pass a balanced two-year budget before their legislative session ends in June, have already moved to claw back \$55 million worth of tax credit programs and tax exemptions, reduce the state’s school retirement contributions by \$80 million, raise taxes on nicotine pouches and hike fees restaurants pay for operating permits.

The Legislature’s budget-writing Appropriations Committee, meanwhile, has proposed pulling \$145 million from various state cash funds and taking \$19 million of investments earnings from others to help fill the budget shortfall.

And the committee’s preliminary budget calls for cutting tens of millions in spending over the next two years, including \$41.4 million from broadband and agricultural grant programs.

But those moves were made or proposed before Friday’s forecast deepened the hole lawmakers must climb out of — a hole that Democrats in the formally nonpartisan Legislature argue is the result of “unequitable and unsustainable” tax cuts.

Facing this budget cycle’s \$314 million deficit and up to \$1.5 billion in tax credits that businesses are poised to cash in on over the next four years, lawmakers will begin a contentious

debate early next month over how the state should spend its money the next two years — and who should pay for the deficit.

How did we get here?

Nebraska’s budget shortfall is, at least in part, thanks to tax cuts lawmakers have passed in recent years that have become a frequent target of Democratic lawmakers who have repeatedly cast the budget deficit as the result of mismanagement at the hands of Republicans.

In 2022, the state income tax rate was 6.84% for top earners and 7.5% for corporations. By 2027, when the tax cuts are scheduled to take full effect, both rates will be 3.99%.

Income tax revenues are projected to dip from \$4.2 billion last year to \$3.46 billion next year — enough to account for the deficit lawmakers are grappling with now.

“Throughout the whole debate (on income tax cuts), I kept asking, ‘How are we gonna backfill that loss of revenue? How are we going to be able to increase our tax base to be able to sustain a significant income tax reduction that nobody was clamoring for?’” Sen. Jane Raybould of Lincoln said amid debate on the legislative floor last week.

“If we’re not looking at new revenue generators for our state of Nebraska, we’re gonna still be digging ourselves out of a deficit not only this year, but next year, and the next biennium and the next biennium after that,” she added.

But Nebraska’s budget shortfall is not solely the result of the income tax cuts.

Before Friday’s forecast, the state was still projected to bring in \$6.95 billion in net revenue next year — more than it has brought in in any single year in its history, except for the 2023-24 fiscal year, when state revenues totaled \$7.15 billion.

One factor contributing to the deficit is a \$90.3 million cut in Medicaid funding from the federal government next year.

But a much more significant factor is how much the state is putting toward property tax relief — the top priority for Republican Gov. Jim Pillen, a pork producer whose family owns at least \$190 million worth of land in Nebraska.

Next year, the state will pour more than \$1.7 billion — nearly a quarter of the state’s revenue — into cash funds that cut property taxes, either through direct tax relief programs or by partially directing the money to schools or community colleges as a means of reducing the local tax burden.

That figure has loomed over the legislative floor for weeks as

lawmakers have debated various spending and revenue bills.

“We refuse to touch that money — that precious, precious money,” Sen. Machaela Cavanaugh of Omaha said amid debate earlier this month.

“Education is going to suffer,” she added. “The economy is going to suffer. The universities are going to suffer. The state colleges are going to suffer. Health care is going to suffer. We’re going to have a workforce shortage. But, by golly, we will have property tax relief from the state — even though the state doesn’t tax us on property.”

Sen. Rob Clements of Elmwood, the Republican chairman of the Appropriations Committee, defended the sustainability of the state’s tax cuts and the spending cuts his committee has proposed to help fund them.

“When we had a lot of money, we increased spending,” he said. “It’s reasonable that when the revenue is lower that we should decrease spending. ... Like an individual’s home budget, when the income is a little bit less, you have to find ways to spend less.”

Who will pick up the tab?

Before Friday’s forecast, the Appropriations Committee sent a proposed budget to the floor with a \$124 million deficit, though lawmakers expected to fill most of that hole by scaling back some tax credit programs and pausing the state’s teacher retirement contributions already on their way to becoming law.

But following Friday’s forecast, lawmakers now must cut spending or raise revenue to make up another \$190 million.

The Legislature’s Revenue Committee has sent two so-called luxury tax proposals from Sen. Tom Brandt of Plymouth to the first of three rounds of debate — but both are likely to face filibusters from Democrats who have killed similar measures in recent years.

One bill the committee backed (LB169) would raise Nebraska’s cigarette tax from 64 cents to \$1.36 per pack while eliminating sales tax exemptions for chartered flights, dating services, interior design services, lobbying services, massages, telemarketing, limousines, nail or skin care, pool cleaning, dance, golf or tennis lessons, tattoos, floral deliveries, travel agencies and weight loss programs.

Each service would be newly subject to Nebraska’s 5.5% sales tax if lawmakers pass the bill, which would generate more than \$100 million in new revenue over the two-year budget cycle.

Brandt’s other proposal, LB170, would similarly imple-

10 miles of hiking and biking trail. Plus, coming up on May 17, we’ll have our annual Donkey Dash 5K Fun Walk/Run, which is a fundraiser for the Sonny’s Acres animals.”

Plus you’re open 12 months out of the year. What are some of the things people can do in the wintertime?

“Hike, bike, walk, run, you name it. Even though we didn’t have a lot of the white stuff this year, but you can also go snowshoeing and cross-country skiing. Don’t forget our Christmas at the Homestead, which is absolutely gorgeous every year.”

You mentioned earlier that Adams Homestead and Nature Preserve has been called a “hidden treasure.” Why do you think that’s the case?

“Maybe people are trying to keep us a secret on purpose. You know, as a way to keep the crowds away. This land remains the way it has always been envisioned to be. We are a place for inner renewal. That was the case when we had last summer’s flood. People would stop by for 15 minutes to get away from their problems. Or this could be a place where you can be guaranteed plenty of opportunities for family fun.”

ment the state’s sales tax on pop and candy, while raising the tax on alcohol or spirits made by large, out-of-state manufacturers. Nebraskans would pay more than \$67 million through the proposed tax on pop and candy alone in the next two fiscal years.

Similar sales tax-based measures have proven unpopular in the Legislature in recent years, and already, a shadowy group called the Taxpayer Advocate Fund targeted LB169 through wraparound ads in the state’s largest newspapers last week that warned the Legislature is “coming to rob” residents’ checkbooks.

“They want to characterize that as a tax increase, but the reality is ... it’s not the same,” said Sen. Brad von Gillern of Elkhorn, the chairman of the Revenue Committee who also said he doesn’t know whether Brandt’s proposals have enough support to become law.

“It’s frustrating to a degree,” he said. “There are some that have stated that they’re worried about voting for a tax increase because they say they’ll never get reelected. Well, the one thing that will make sure you don’t get reelected is if you don’t pass a balanced budget.”

Lawmakers in recent weeks have called for the state to pull from cash set aside to fund pricey projects, including the state’s new prison that will cost at least \$350 million and the \$628 million Perkins County Canal.

Nebraska’s executive branch, meanwhile, has signaled support for reexamining tax incentive programs that could drain as much as \$1.5 billion from state coffers in the next four years, the auditor warned earlier this month, prompting Pillen to call for a “more people-focused” tax approach.

And Brandt, a Republican farmer from Jefferson County, also introduced a measure to pause the state’s income tax cuts and tax top earners and corporations at a 4.99% rate in a move that would generate nearly \$500 million.

But that proposal remains stalled in the Revenue Committee.

“If I had the votes, we would absolutely push this. I just don’t think we’ve got 33 votes in the body to promote that,” Brandt said, referring to the threshold required to overcome a filibuster.

Will he have 33 votes for his sales tax-based measures?

“I don’t know,” he said. “We’ll see.”

Reach the writer at 402-473-7223 or awegley@journalstar.com. On Twitter @andrewwegley