

Funding Subcommittee to Executive Committee of Nebraska Water Policy Task Force
**DRAFT RECOMMENDED FUNDING PACKAGE FOR INTERRELATED WATER
MANAGEMENT ACTIVITIES**

Suggested Package

- (1) Dedicate .05 of 1¢ of sales tax to a **Water Resources Trust Fund** raising \$11.1 million annually for a spectrum of interrelated water management activities and water funds and other water management activities.
- (2) Remove current combined annual appropriations of \$6.3 million to Nebraska Resources Development Fund, Soil and Water Conservation Fund, and Small Watershed Fund replace with Nebraska Water Trust Fund. (Funds made up through a portion of \$11.1 million noted above).
- (3) Make groundwater management activities exempt from the 2½% budget lid placed upon programs of the NRDs/local governments. Use to help raise \$1.4 million annually in NRD funds to be applied to interrelated water management research, data and tools. (Note: Lid increase could be used to raise more than \$1.4 million especially when non-interrelated groundwater management needs are considered. However, \$1.4 million is anticipated need level for interrelated water management activities.)

Annual Increased Cost of New Int. Mgmt. Funding Package	\$4,776,000	State
(Assuming local lid increase only used to	1,407,000	Local
annually help raise 1.4 million in local fund)	\$6,183,000	Total
 Total Annual Cost of New Funding Package	 \$11,100,000	 State
(Before Deductions are made for cost of funds	\$1,407,000	Local
being switched from other funding sources)	\$12,507,000	Total

Annual Budget Detail of New Funding Package⁽¹⁾

	<u>State Contributions to Nebraska Water Trust Fund</u>	<u>Local Match Local Expenditures*</u>	<u>Total</u>
1. Existing DNR Funds			
Resources Development Fund	3,600,000		
Small Watersheds	24,000		
Soil & Water Cons. Fund	2,700,000		
Interrelated Water Mgmt. Fund	----		
2. Interrelated Research/Data	1,193,000	707,000	
Data Gathering/Organizing			
COHYST Type Studies			
Local Specialized Studies			
3. Tools in Over Appropriated Basins	3,500,000	700,000	
Alternative Supplies			
Incentives			
Compensation			
4. Discretionary/Other GW Mgmt. Funding⁽²⁾	83,000	?	
TOTAL⁽³⁾	11,100,000	1,407,000	12,507,000

(1) It would be required that at least 38-40% of the fund be dedicated to activities 2 and 3. Decisions on funding distribution would be made by the Natural Resources Commission with the input of the Director of Natural Resources.

(2) This category contains a small amount of funding that could be used for groundwater management activities rather than interrelated water management activities per se. However, in early years it is anticipated that uses will be for interrelated management activities.

(3) In addition to the funds noted above, it is anticipated that funds redirected from settled lawsuits will be used to help pay Natural Resources District interrelated management costs in the Republican and Platte basins.

Other Package Details

- Although this budget analysis does not include them, the Trust Fund could conceivably also receive income from the Environmental Trust Fund, annual appropriations, other dedicated sources, federal sources, or private grant funds.
- The 2½% increase in the program lid has been assumed to raise only \$1.4 million annually. However, it could conceivably be used to raise additional funds, including monies for groundwater management activities not related to interrelated management.

- The subcommittee suggested that local NRD sources contribute about 20% of funding for tools in overappropriated basins, including compensation.
- The subcommittee indicated that a dedicated funding source is preferable because of its reliability.
- There has been some subcommittee member comment on whether to provide more direction on use of the fund and whether to assign priorities.