

\$5.5 million from State (2 million need to be matched at ratio of 2/1 by NRD)

Legislative Action: \$3.7 million from the state (\$2.5 million requires 20% match from NRDs)

\$4.0 million from NRD

Legislative Action: Provided additional levy authority for 3 years (see note below)

Total \$9.5 million

Legislative Action: \$7.7 million state and local funds

Task Force Recommendations Already Made:

1. Fund implementation and operation costs for LB 962 (\$7.5 million total)
 - \$3.5 million in state funds (\$1.5 million—DNR; \$2.0 million—state assistance to NRDs)
 - \$4.0 million local NRD funds

Legislative Action: Legislature provided \$1.2 million to DNR for staffing and technical studies. Appropriations bill accompanying LB 1226 provided \$2.5 million for two years for grant programs to NRDs in part to fund implementation costs for LB 962. NRDs must provide 20% match to receive grant funds.

2. Recommend NRDs in over appropriated basins and in basins subject to an interstate compact be provided 3 cents additional property tax levy authority (total authority would increase to 8.5 cents) to be used specifically for integrated plans implementation costs and water use reduction programs.

Legislative Action: LB 1226 provided NRDs in fully and over appropriated basins an additional 3 cents levy authority (8.5 cents total) for fiscal year 2006-07, and an additional 2 cents levy authority (7.5 cents total) for fiscal years 2007-08 and 2008-09.

Funding Subcommittee Recommendations to Executive Committee and Task Force:

3. Additional Funding for Data/Technical Studies/Modeling (\$2 million)
 - Technical study and data needs identified by DNR and NRDs
 - Modeling efforts
 - Cooperation with University and USGS
 - Total needs identified at \$3.2 million per year. Subcommittee recommends \$2 million in general funds from state directed to DNR to combine with local NRDs funds. State and local funds could be used to leverage and seek federal dollars to assist with research activities.

Legislative Action: As noted above, the appropriations bill accompanying LB 1226 provided \$2.5 million for grant programs to NRDs. The money is intended in part to fund data gathering, technical studies and modeling related to LB 962 implementation. NRDs must provide 20% match to receive grant funds.

4. Water Use Reductions in Republican and Platte Basins

- The funding subcommittee recognizes regulations, incentive programs to reduce water use, and other management activities will be necessary to bring water-short areas into balance. The subcommittee believes the severity of regulations should be reduced to the extent possible through incentive programs and other management activities. Such programs could help lessen economic hardship in areas that have already paid the high price of the prolonged drought.
- The subcommittee recommends funding for incentive programs and other management activities should come from a mix of local and state sources with 90 percent provided by the state and 10 percent by NRDs. The subcommittee also recommends that regulations adopted by NRDs be considered as a local contribution. The subcommittee further recommends DNR and NRDs explore possible federal programs and means to attract federal dollars to assist with incentive programs and other water management activities.
- The subcommittee recommends the state provide funding within the next budget year for:
 - a) Specific activities/pilot projects in Republican as identified by DNR, NRDs and irrigation districts to be initiated in the next 1-2 years to help with compliance with the Republican River Compact.

Legislative Action: The Legislature appropriated \$2.7 million to DNR to facilitate compliance with interstate compact stipulations. Language in the budget bill reflects the intent of the Legislature that the appropriation is of a one-time nature.

- b) Identify activities/pilot projects in the Platte Basin to begin work towards reducing impacts to stream flows to 1997 levels in over appropriated area.

Legislative Action: None specific to this recommendation but project could be funded through NRD grant program.

5. The subcommittee estimates significant funding needs for the types of activities listed above related to LB 962 implementation and compact compliance will remain into the foreseeable future. It is strongly recommended that the Legislature work with partners to explore the potential for a successful ballot referendum to create a dedicated source of funding for the long-term stewardship of our ground and surface water resources. The subcommittee supports and recommends the sales tax as the dedicated source.

Other possible source could include:

- General fund appropriations
- Annual fees on property records (\$1/record generates \$1 million)
- Equitable fees on all water use
- Tax credits on conservation easements
- Redirect hydropower lease fees
- Environmental Trust Fund signature project

Legislative Action: none