

Agenda Item 5. Discuss 5-Year Funding Categories Meetings

2020 Nebraska Categories Roundtable Meetings – ?Kearney, Omaha and Lincoln?

2015 Nebraska Categories Roundtable Meetings – North Platte, Omaha and Lincoln

**Evolution of the Categories**

1994 to 1999: Habitat, Surface Water Quality, Ground Water Quality, Ground Water Quality and Recycling/Solid Waste

2000 to 2004: Habitat, Surface and Ground Water, Waste Reduction and Carbon Management

2005 to 2010: Habitat, Surface and Ground Water, Air Quality, Soil Management and Waste Management

2011 to 2015: Habitat, Surface and Ground Water, Air Quality, Soil Management and Waste Management

2016 to 2020: Habitat, Surface and Ground Water, Air Quality, Soil Management and Waste Management

## Trust Board Funding Categories

Any project or portion of a project funded by the Nebraska Environmental Trust must achieve one or more of the following Trust categories. These category areas are equally important.

**Habitat:** actions to preserve or restore native habitats and areas critical to at-risk, rare or endangered species; other preservation actions for at-risk, rare or endangered species including actions to understand ecosystem relationships which inform sound management; community habitat enhancement emphasizing native and ecologically appropriate plantings which provide food and shelter for wildlife; actions to inform and educate which contribute to the attainment of this category.

**Surface and Ground Water:** actions to preserve or restore lakes, waterways and ground water from degradation or depletion; actions to research, design or foster best management practices; actions to conserve water and/or efficiently and effectively manage water use; actions to inform and educate which contribute to the attainment of this category.

**Waste Management:** actions promoting and implementing source reduction, waste management or toxicity reduction; actions promoting and implementing the development of recycling markets; actions promoting and implementing reuse and other disposal diversion actions; actions to inform and educate which contribute to the attainment of this category.

**Air Quality:** actions promoting and implementing clean air strategies; including greenhouse gas reductions; actions to research, design or foster best management strategies; actions to inform and educate which contribute to the attainment of this category.

**Soil Management:** actions and strategies to preserve, conserve and restore soil health; actions to research, design or foster the implementation and management of these strategies; actions to inform and educate which contribute to the attainment of this category.

## Regulatory Language

Title 137 – Nebraska Environmental Trust Board. Chapter 2 – Funding Categories. Section 003

Establishing Five-Year Funding Categories. The Board shall establish funding categories for Trust Fund allocations for five-year periods, the first period beginning on July 1, 1995. The Board will conduct at least one public meeting in each of the three congressional districts to obtain input and recommendations for the first five-year funding categories. Decisions on the initial five-year categories shall be made in accordance with the adopted calendar and shall govern allocations made from the fund after July 1, 1995. Projects which have received allocations in accordance with the statutory categories lasting until July 1, 1995, will remain eligible for disbursements until the project is completed consistent with the original grant agreement.

### **81-15,168 Legislative intent.**

It is the intent of the Legislature to establish the Nebraska Environmental Trust for the purpose of conserving, enhancing, and restoring the natural physical and biological environment in Nebraska, including the air, land, ground water and surface water, flora and fauna, prairies and forests, wildlife and wildlife habitat, and natural areas of aesthetic or scenic values. The current and future well-being of the state and its citizens is vitally dependent on a safe and clean environment and requires a dynamic, proactive approach to address environmental needs. The trust shall complement existing governmental and private efforts by encouraging and leveraging the use of private resources on environmental needs with the greatest potential impact on future environmental quality in Nebraska. The trust shall develop a long-range environmental focus which encompasses the vision of all Nebraskans regarding the future of the environment and shall join public and private efforts in achieving the collective environmental goals of Nebraska's citizens.

### **81-15,175 Fund allocations; board; powers and duties; grant award to Water Resources Cash Fund; payments; legislative intent; additional grant; additional reporting.**

(1) The board may make an annual allocation each fiscal year from the Nebraska Environmental Trust Fund to the Nebraska Environmental Endowment Fund as provided in section [81-15,174.01](#). The board shall make annual allocations from the Nebraska Environmental Trust Fund and may make annual allocations each fiscal year from the Nebraska Environmental Endowment Fund for projects which conform to the environmental categories of the board established pursuant to section [81-15,176](#) and to the extent the board determines those projects to have merit. The board shall establish a calendar annually for receiving and evaluating proposals and awarding grants. To evaluate the economic, financial, and technical feasibility of proposals, the board may establish subcommittees, request or contract for assistance, or establish advisory groups. Private citizens serving on advisory groups shall be reimbursed for their actual and necessary expenses pursuant to sections [81-1174](#) to [81-1177](#).

(2) The board shall establish rating systems for ranking proposals which meet the board's environmental categories and other criteria. The rating systems shall include, but not be limited to, the following considerations:

- (a) Conformance with categories established pursuant to section 81-15,176;
- (b) Amount of funds committed from other funding sources;
- (c) Encouragement of public-private partnerships;
- (d) Geographic mix of projects over time;
- (e) Cost-effectiveness and economic impact;
- (f) Direct environmental impact;
- (g) Environmental benefit to the general public and the long-term nature of such public benefit; and
- (h) Applications recommended by the Director of Natural Resources and submitted by the Department of Natural Resources pursuant to subsection (7) of section 61-218 shall be awarded fifty priority points in the ranking process for the 2011 grant application if the Legislature has authorized annual transfers of three million three hundred thousand dollars to the Water Resources Cash Fund for each of fiscal years 2011-12 and 2012-13 and has stated its intent to transfer three million three hundred thousand dollars to the Water Resources Cash Fund in fiscal year 2013-14. Priority points shall be awarded if the proposed programs set forth in the grant application are consistent with the purposes of reducing consumptive uses of water, enhancing streamflows, recharging ground water, or supporting wildlife habitat in any river basin determined to be fully appropriated pursuant to section 46-714 or designated as overappropriated pursuant to section 46-713.

(3) A grant awarded under this section pursuant to an application made under subsection (7) of section 61-218 shall be paid out in the following manner:

- (a) The initial three million three hundred thousand dollar installment shall be remitted to the State Treasurer for credit to the Water Resources Cash Fund no later than fifteen business days after the date that the grant is approved by the board;
- (b) The second three million three hundred thousand dollar installment shall be remitted to the State Treasurer for credit to the Water Resources Cash Fund no later than May 15, 2013; and
- (c) The third three million three hundred thousand dollar installment shall be remitted to the State Treasurer for credit to the Water Resources Cash Fund no later than May 15, 2014, if the Legislature has authorized a transfer of three million three hundred thousand dollars from the General Fund to the Water Resources Cash Fund for fiscal year 2013-14.

(4) It is the intent of the Legislature that the Department of Natural Resources apply for an additional three-year grant from the Nebraska Environmental Trust Fund that would begin in fiscal year 2014-15, a three-year grant that would begin in fiscal year 2017-18, and a three-year grant that would begin in fiscal year 2020-21 and such application shall be awarded fifty priority points in the ranking process as set forth in subdivision (2)(h) of this section if the following criteria are met:

(a) The Natural Resources Committee of the Legislature has examined options for water funding and has submitted a report electronically to the Clerk of the Legislature and the Governor by December 1, 2012, setting forth:

(i) An outline and priority listing of water management and funding needs in Nebraska, including instream flows, residential, agricultural, recreational, and municipal needs, interstate obligations, water quality issues, and natural habitats preservation;

(ii) An outline of statewide funding options which create a dedicated, sustainable funding source to meet the needs set forth in the report; and

(iii) Recommendations for legislation;

(b) The projects and activities funded by the department through grants from the Nebraska Environmental Trust Fund under this section have resulted in enhanced streamflows, reduced consumptive uses of water, recharged ground water, supported wildlife habitat, or otherwise contributed towards conserving, enhancing, and restoring Nebraska's ground water and surface water resources. On or before July 1, 2014, the department shall submit electronically a report to the Natural Resources Committee of the Legislature providing demonstrable evidence of the benefits accrued from such projects and activities; and

(c) In addition to the grant reporting requirements of the trust, on or before July 1, 2014, the department provides to the board a report which includes documentation that:

(i) Expenditures from the Water Resources Cash Fund made to natural resources districts have met the matching fund requirements provided in subdivision (5)(a) of section 61-218;

(ii) Ten percent or less of the matching fund requirements has been provided by in-kind contributions for expenses incurred for projects enumerated in the grant application. In-kind contributions shall not include land or land rights; and

(iii) All other projects and activities funded by the department through grants from the Nebraska Environmental Trust Fund under this section were matched not less than forty percent of the project or activity cost by other funding sources.

(5) The board may establish a subcommittee to rate grant applications. If the board uses a subcommittee, the meetings of such subcommittee shall be subject to the Open Meetings Act. The subcommittee shall (a) use the rating systems established by the board under subsection (2) of this section, (b) assign a numeric value to each rating criterion, combine these values into a total score for each application, and rank the applications by the total scores, (c) recommend an amount of funding for each application, which amount may be more or less than the requested amount, and (d) submit the ranked list and recommended funding to the board for its approval or disapproval.

(6) The board may commit funds to multiyear projects, subject to available funds and appropriations. No commitment shall exceed three years without formal action by the board to renew the grant or

contract. Multiyear commitments may be exempt from the rating process except for the initial application and requests to renew the commitment.

(7) The board shall adopt and promulgate rules and regulations and publish guidelines governing allocations from the fund. The board shall conduct annual reviews of existing projects for compliance with project goals and grant requirements.

(8) Every five years the board may evaluate the long-term effects of the projects it funds. The evaluation may assess a sample of such projects. The board may hire an independent consultant to conduct the evaluation and may report the evaluation findings to the Legislature and the Governor. The report submitted to the Legislature shall be submitted electronically.

### **81-15,176 Environmental categories of projects; board; establish grant criteria.**

(1) Subject to subsection (3) of this section, the board shall establish environmental categories of projects eligible for funding by the trust. The board, after allowing opportunity for public comment, shall designate as categories those environmental goals which most affect the natural physical and biological environment in Nebraska, including the air, land, ground water and surface water, flora and fauna, prairies and forests, wildlife and wildlife habitat, and areas of aesthetic or scenic values. In designating environmental categories, the board shall attempt to focus on the areas which promise the greatest opportunities for effective action to achieve and preserve the future environmental quality in the state. The board shall establish categories for five-year periods beginning July 1, 1995. The board may establish annual priorities within the five-year categories. The board shall provide for public involvement in developing the categories for such five-year periods and any priorities within these categories, including, but not limited to, public meetings in each of the three congressional districts.

(2) The board shall establish criteria for determining the eligibility of projects for grant assistance, which criteria shall include the following:

(a) The grants shall not provide direct assistance to regulatory programs or to implement actions mandated by regulations except remediation;

(b) No more than sixty percent of grant allocations in any year shall assist remediation of soils or ground water, and no grants for this purpose shall occur unless all other available sources of funding are, in the opinion of the board, being substantially utilized;

(c) The grants shall not pay for projects which provide primarily private benefits or relieve private liability for environmental damage;

(d) The grants shall not pay for projects which have direct beneficiaries who could afford the costs of the benefits without experiencing serious financial hardship;

(e) The grants should assist those projects which offer the greatest environmental benefits relative to cost;

(f) The grants should assist those projects which provide clear and direct environmental benefits;

(g) The grants should assist those projects which will make a real contribution to achieving the board's environmental categories;

(h) The grants should assist those projects which offer the greatest public benefits; and

(i) The grants shall not pay for land or easements acquired without the full and express consent of the landowner.

(3) Until the first five-year categories become effective on July 1, 1995, the board shall observe the following categories for allocating grants:

(a) Critical habitat areas, including wetlands acquisition, preservation, and restoration and acquisition and easements of areas critical to rare or endangered species;

(b) Surface water quality, including actions to preserve lakes and streams from degradation;

(c) Ground water quality, including fostering best management practices as defined in section 46-706, actions to preserve ground water from degradation, and remediation of soils or ground water; and

(d) Development of recycling markets and reduction of solid waste volume and toxicity.

(4) The board may refine and clarify these initial categories.

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## **Nebraska 2015 Categories Roundtable Meetings Agenda**

- 9:30 Registration
- 9:45 Welcome and Introductions  
Mark Brohman Introduce staff, board and Kristal Stoner (moderator)  
Self-introductions by attendees
- 10:15 Show Trust video
- 10:45 Discussions of current categories and information on the Trust (statutory language, PIE grants, past changes, etc.)
- 11:15 Break into small groups to discuss categories, Wow ideas and other topics related to the Trust
- 12:15 Lunch
- 1:15 Report of small groups
- 1:45 Discuss categories, Wow ideas and other ideas related to the Trust
- Wrap-up

A follow-up survey will be e-mailed to all participants.  
Results of the survey and notes from all three meetings will be provided to all participants via e-mail.