



Papio-Missouri River Natural Resources District Legislative Update
May 11, 2023

Budget

The Legislature completed Day 77 of the Legislature this week and is in the final stages of approving the 2023 Biennial Budget, which must be passed by Day 80 or May 18. It is currently awaiting the final stage of debate, known as Final Reading. Many water projects are included in the budget. Among those are:

- \$50 million for the Surface Water Irrigation Fund for FY2022-23
- \$53.5 million for the Perkins County Canal for FY2022-23 and \$574.5 million for FY2023-24
- \$179.2 million for Lincoln Water Source for FY2023-24
- \$10 million for wastewater construction in Sarpy County
- **\$706,000 in FY2023-24 and 2024-25 for Riparian Vegetation Management grants**
- **-\$49,876,642** annualize Surface Water Irrigation Cash Fund for FY2023-24 and FY2024-25.

Other Water/Environmental-Related Budget Projects

- Rural Water System **LB 768**: \$7 million for FY2023-24 (General Fund)
- Water Resources Cash Fund proposed increase to \$7 million each biennium under the Appropriations Committee's recommendation (General Fund).
- Water Sustainability Fund: \$11 million through FY2026-27 (General Fund)
- Water Contamination Study: \$1 million increase FY2023-24 (General Fund)
- Surface Water Irrigation Fund **LB 125**: investment earnings are to be credited back to the fund rather than to the General Fund \$829,000 FY2023-24, \$461,000 FY2024-25, and \$290,000 FY2025-26.
- JEDI Cash Fund base adjustment: **-\$75 million** FY2023-24 and FY2024-25.
- Department of Natural Resources (DNR) Data collection for groundwater monitoring and dam safety: \$1.2million FY2023-24 and FY2024-25 (Federal Economic Recovery Act Funds).
- **LB 712**: Drinking water and clean water infrastructure upgrades \$10 million FY2024-25 (Site and Building Development Fund).
- Transfer from the Water Sustainability Fund to the Natural Resources Cash Fund to fund the purchase of streamgaging equipment: \$125,000 FY2023-24 and FY2024-25.

Natural Resources Priority Bill

With this session's ongoing filibusters, each committee has been limited to one priority bill. Therefore, most have become "Christmas Tree" bills, with numerous proposals amended into one bill. Natural Resources selected LB565 as its priority bill, which includes bills such as:

- **LB565 (Bostelman)**: Funds steps necessary to continue with competition for designation by the United States Department of Energy as one of four regional locations sought for a clean hydrogen hub.
- **LB568 (Bostelman)**: Creates the Nuclear and Hydrogen Development Act to support workforce development and advancement of advanced nuclear and hydrogen industries in Nebraska.

- **LB723 (Bostelman):** Creates the Public Water and Natural Resources Project Contract Act, which enables the Department of Natural Resources to employ alternative contracting methods for public water and natural resources public surface water or groundwater-related infrastructure projects, such as design-build.
- **LB217 (Hughes):** Extends the grant program through the Waste Reduction and Recycling Incentive Fund for scrap tire projects until 2029 instead of the current sunset date of 2024, advanced to General File on March 6 on an 8-0 vote from Natural Resources Committee.

General File

Currently, a few bills are on General File and awaiting debate. Those bills include:

- **LB218 (Ibach):** which would appropriate \$6 million per year for vegetation management, advanced to General File on March 2 on an 8-0 vote from Agriculture Committee. *John Winkler submitted a letter of support.* The bill remains on General File and will not likely pass this session due to it not having a priority designation. However, money is being appropriated to the Riparian Vegetation Grant program listed above under the budget subheading.
- **LR1CA (Blood):** which prohibits the Legislature from enacting legislation that would cause an unfunded mandate, advanced from the Government, Military and Veterans Affairs Committee on an 8-0 vote and placed on General File on March 3. The bill remains on General File and is Sen. Blood's priority designation for the session. It is unclear if this will be considered before the end of the session, but it can be prioritized again next year.