

NARD Draft Preliminary Budget FY 22-23 & FY 23-24

March 8, 2022



# Nebraska's Natural Resources Districts

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Protecting Lives • Protecting Property • Protecting the Future

March 8, 2022

TO: NARD Board & NRD Managers  
FROM: Dean E. Edson  
RE: DRAFT Preliminary Budget FY 22-23 & FY 23-24

Attached is the proposed preliminary budget for FY 22-23 & FY 23-24 for the NARD General Operating and NARD Foundation. The NARD Board approved this draft budget for consideration by the districts. Final action will occur on the budget at the June board meeting. We have included a separate budget for the NARD Foundation.

The two-year budget adopted last year asked for a 4% increase in dues each of the next two fiscal years. This is maintained. The other major changes included: 1) Increased salaries for NARD employees, other than the Executive Director, as directed by the Executive Committee. 2) Increased income and expenses for the annual and legislative conferences in both fiscal years in hopes that COVID-19 issues wane. 3) Increased income and expenses for Washington DC Conference with hopes that we can hold it in FY 22-23 and beyond; 4) Increased lobbyist contract; and 4) an increased cost for NARD Board insurance (Property/Casualty, Liability, Errors & Omissions).

There were no changes proposed with the tree program or the reimbursements from the NARD Risk Pool. A spreadsheet with the budget follows, including an explanation for each line item. We welcome any suggestions for changes to the budget and/or position descriptions. The total budget numbers are as follows:

**Budget Summary**

	<u>FY 22-23</u>	<u>FY 23-24</u>
<b>TOTAL INCOME</b>	<b><i>\$1,391,292</i></b>	<b><i>\$1,458,084</i></b>
<b>TOTAL EXPENSES</b>	<b><i>\$1,388,683</i></b>	<b><i>\$1,455,793</i></b>
Addition to		
<b>CASH RESERVE</b>	<b><i>\$ 2,608</i></b>	<b><i>\$ 2,292</i></b>
<b><u>Income Ratios</u></b>		
Percent reserve to Total Income	<b><i>0.45%</i></b>	<b><i>0.16</i></b>
Percent change in Total Income	<b><i>33.25%</i></b>	<b><i>4.80%</i></b>
<b><u>Expense Ratios</u></b>		
Additional Cash Reserve as a percent of Expenses	<b><i>0.19%</i></b>	<b><i>0.16%</i></b>
Percent increase in Expenses from the previous year	<b><i>0.85%</i></b>	<b><i>4.83%</i></b>

NARD General Operating	DRAFT FY 22-23 Budget		DRAFT FY 23-24 Budget	
	Sub Account	Account	Sub Account	Account
<b>INCOME</b>	2022-23		2023-24	
<b>Foundation Programs</b>		<b>\$11,000</b>		<b>\$11,000</b>
Cash in for Foundation Programs	11,000		11,000	
<b>District Dues</b>	<b>4 percent increase</b>	<b>\$653,552</b>	<b>4 percent increase</b>	<b>\$679,694</b>
<b>Conferences</b>		<b>\$224,500</b>		<b>\$233,480</b>
Annual Conference	110,000		114,400	
Legislative Conference	89,000		92,560	
Basin Tour & Meetings (PRCA, Rep, other)	6,500		6,760	
NACD	1,000		1,040	
Other - NRD Managers, NARD Board, Etc.	18,000		18,720	
<b>Grants</b>		<b>\$155,000</b>		<b>\$155,000</b>
NARD/DNR Liaison	40,000		40,000	
NARD/DEE Liaison	85,000		85,000	
NRCS TSP	30,000		30,000	
<b>Information &amp; Education</b>		<b>\$23,625</b>		<b>\$23,625</b>
NACD Poster Winners	125		125	
Husker Harvest Days	3,500		3,500	
Special Projects - 50 Year Aniv. in 2022	15,000		15,000	
Nebraska Envirothon	5,000		5,000	
<b>Investment Income</b>		<b>\$22,750</b>		<b>\$22,750</b>
Union Bank Investment Income	5,250		5,250	
NPAIT Sponsorship & Non- Spon. Income	4,500		4,500	
UBS	13,000		13,000	
<b>Miscellaneous Income</b>		<b>\$500</b>		<b>\$500</b>
NRD Tree Program Sales	400,000		400,000	
Less				
Cost of Goods Sold	376,000		376,000	
<b>Net Tree Program</b>		<b>\$24,000</b>		<b>\$24,000</b>
<b>Washington, D.C. Mtg.</b>		<b>\$75,000</b>		<b>\$106,000</b>
<b>Benefit Administration</b>		<b>\$69,600</b>		<b>\$69,600</b>
<b>Special Projects</b>		<b>\$15,000</b>		<b>\$15,000</b>
<b>Public Relations</b>		<b>\$100,000</b>		<b>\$100,000</b>
<b>Reimb. for Part-Time Receptionist</b>		<b>\$16,765</b>		<b>\$17,436</b>
<b>Total:</b>		<b>\$1,391,292</b>		<b>\$1,458,084</b>
<b>Percent reserve to income</b>		<b>0.45%</b>		<b>0.16%</b>
<b>Percent change in income</b>		<b>33.25%</b>		<b>4.80%</b>

NARD General Operating	DRAFT FY 22-23 Budget		DRAFT FY 23-24 Budget	
	Sub Account	Account	Sub Account	Account
EXPENSES	2022-23		2023-24	
Salaries		\$356,368		\$370,623
Contract Labor		\$35,000		\$35,000
NRD/DEE Position		\$135,311		\$140,724
Employee Benefits		\$98,114		\$102,038
Foundation Programs		\$11,000		\$11,000
NARD Expenses for the Foundation	11,000		11,000	
NRD/DNR Position		\$135,619		\$141,044
Payroll Taxes		\$34,214		\$35,583
NARD Officers Expense		\$6,600		\$6,600
NACD Legislative Conf.	2,300		2,300	
NACD Reg. Meeting	2,300		2,300	
NACD Leadership Meeting	2,000		2,000	
Information & Education		\$34,250		\$34,250
Special Projects - 50 Year Aniv. in 2022	15,000		15,000	
Nebraska Envirothon	5,500		5,500	
Video & Public Relations	1,750		1,750	
Husker Harvest Days	7,000		7,000	
Awards	2,000		2,000	
I & E Other	3,000		3,000	
Staff Expense		\$22,500		\$22,500
Office Furniture		\$5,000		\$5,000
Office Rent		\$30,000		\$30,000
Equipment Rent		\$8,000		\$8,000
Insurance		\$9,500		\$9,500
General Taxes		\$500		\$500
Telephone/Internet/Cable		\$11,000		\$11,000
Unicameral/Law Books		\$500		\$500
Repairs & Maintenance		\$500		\$500
Professional Services		\$63,000		\$63,000
Zulkowski- Weber, Lobbyist	55,000		55,000	
Other	3,000		3,000	
Legal Services	5,000		5,000	
Accounting & Audit Services		\$8,000		\$8,000
Postage		\$1,500		\$1,500
Office Supplies		\$11,000		\$11,000
Dues & Subscriptions		\$4,500		\$4,500
Grants & Agreements		\$27,000		\$27,000
Miscellaneous		\$600		\$600
Conferences		\$143,107		\$148,831
Annual Conference	69,000		71,760	
Legislative Conference	50,000		52,000	
NACD Meetings	4,000		4,160	
NCF Envirothon Expense	2,000		2,080	
Basin Tours	6,750		7,020	
Other	11,357		11,811	
Washington, D.C. Mtg.		\$75,000		\$106,000
Special Projects		\$15,000		\$15,000
Public Relations		\$100,000		\$100,000
NRCS Expenses		\$6,000		\$6,000
<i>Total: Expenses</i>		<u>\$1,388,683</u>		<u>\$1,455,793</u>
Addition to Cash Reserve		\$2,608		\$2,292
Percent additional reserve to expenses		0.19%		0.16%
Percent change in expenses		0.85%		4.83%

***Income:***

**Foundation Programs (Account #600)**

The Foundation Account is estimated to generate funds annually from contributions and fundraisers that are paid directly to the General Operating Account. There is a corresponding expense account for the foundation. The net profit between the two accounts is transferred to the Foundation Account prior to the end of the year so income and expenses zero out. (\$11,000 for FY 22-23 and \$11,000 for FY 23-24).

**District Dues (Account #601)**

Dues from NRDs – Last year’s preliminary budget called for a 4% increase in dues, which is maintained. The revised proposal adds 0.45% to the reserve as a percentage of total income for FY 22-23 and 0.16% for FY 23-24. Total -- \$653,552 for FY 22-23 and \$679,694 for FY 23-24.

**Conferences (Account #603)**

Conference registrations, vendor fees and other – Increased back to normal in FY 2022-23 due to the waning impact of COVID-19 on attendance. For both FY the totals are:

<u>Conference</u>	<u>FY 22-23</u>	<u>FY 23-24</u>
Annual	\$110,000	\$114,400
Legislative	\$89,000	\$92,560
Basin Meetings (Platte R. CA, Rep)	\$6,500	\$6,750
NACD	\$1,000	\$1,040
Other	\$18,000	\$18,720
<b>Total</b>	<b>\$224,500</b>	<b>\$233,480</b>

**Grants (Account #605)**

Three grant programs totaling \$155,000 for both fiscal years as follows:

1. **NARD/DNR Liaison position** –The contract is \$40,000 annually to be reimbursed quarterly.
2. **NARD/DEE Liaison position** – This position is reimbursed by a 319 grant at 85% of total cost capped at \$85,000. This is a \$15,000 reduction from previous fiscal years.
3. **NRCS TSP**– This is the NRCS TSP Grant which passes through NARD to the NRDs to pay for locally-hired Technical Service Providers to assist with implementing the Farm Bill Conservation Programs. Estimates are \$30,000 in each FY. NARD receives 10% for processing the grant, which amounts to \$3,000/year in net income. This grant was once \$500,000.

**Information & Education (Account #608)**

NARD will be working with NRD I&E Staff committee on special projects for next year, including, but not limited to the NRD Basin Tour, NRD calendar, NRD jackets, and promotion of the NRDs. In 2022, it will be the 50<sup>th</sup> Anniversary of the NRDs. Other line items include the Envirothon, NACD Poster Contest, Husker Harvest Days contributions, and other various payments and reimbursements (\$23,625 for both FY).

**Investment Income (Account #609)**

Interest income. Three sub-accounts – 1) Union Bank interest income from NARD reserves; 2) NPAIT Sponsorship Income and Non-Sponsored Income; and 3) income from UBS investments. Sponsorship income has also decreased because of NPAIT's reduction of sponsorship fees. However, UBS investments have performed well and balance out the decreases in NPAIT. \$22,750 for both FY).

**Miscellaneous Income (Account #610)**

Other refunds/contributions (\$500 total for each FY).

**NRD Tree Program (Account #612)**

In FY 01-02 NARD took over the tree program from UNL for the NRDs. The margin charged by UNL was 25 cents/tree. NARD will maintain a three cents/tree margin to run the program and cover promotion and administrative costs. We will estimate orders of 785,000 trees in both FY (net \$24,000 for each FY).

**Washington, D.C. Meeting (Account #613)**

Income from billing participants for motel rooms, working luncheons and facility equipment rental. Due to COVID-19, we have not been able to hold the conference for the last three years. We are budgeting for it to occur in future years. Increased to \$75,000 in FY 22-23 and back to normal of \$106,000 in FY 23-24).

**Benefit Administration (Account #616)**

Payment for insurance administration of \$5,800/month which is no change from the previous fiscal year (\$69,600 total for each FY).

**Special Projects (Account #619-000)**

Income for special projects taken on by the NARD Board. A corresponding expense amount is also included (\$15,000 each FY).

**Public Relations Projects (Account #619-005)**

Income related to public relations efforts/programs. No programs will be undertaken unless approved by the board and a related income amount is determined. (Maintained at \$100,000 per FY).

**Reimbursement for Part-Time Receptionist (Account 621)**

This position was approved by the board in November 2010. Currently, we are hiring college students to work part-time. This position is reimbursed by the NARD Risk Pool. The expense for this position is included in Salaries. (\$16,765 for FY 22-23 and \$17,436 for FY 23-24).

**SBA PPP Loan (Account #622)**

No funds are budgeted for this in future fiscal years. What was not used of the \$50,000 budgeted in FY 2021-22 will go to reserves.



**Expenses:**

**Salaries (Account #811)**

For FY 22-23, allowance of up to seven percent for all NARD employees, except the Executive Director who will be capped at four percent, totaling \$356,368 for four NARD Staff Positions. A four percent salary adjustment is budgeted for FY 23-24 totaling \$370,623. Salaries for the NARD/DNR and the NRD/DEE positions are accounted for on separate line items (See Account #'s 814 & 817).

<b><u>Proposed 22-23</u></b>	<b><u>Position</u></b>
\$191,600	Executive Director (4% -- \$183,600 Base, plus \$8,000 deferred)
78,851	Office Manager (7%)
68,994	Public Relations Director (7%)
16,924	<u>Intern/Receptionist (7%)</u>
<b>\$356,368</b>	<b>Total</b>

<b><u>Proposed 23-24</u></b>	<b><u>Position</u></b>
\$199,264	Executive Director (\$191,264 Base, plus \$8,000 deferred)
82,005	Office Manager
71,754	Public Relations Director
17,601	<u>Intern/Receptionist</u>
<b>\$370,623</b>	<b>Total</b>

**Contract Labor (Account # 812)**

This project retains a consultant to assist the NRDs with media and public relations. This has been discussed by the Executive Board and is recommended by the NRD managers. The consultant will work with local NRDs on developing better relationships with the media, basin wide and statewide messaging. Continuing education and training sessions for employees and directors at conferences is included. Districts would be billed separately for meetings and special projects specific to that district (\$35,000 each FY).

**NRD/DEE Water Quality Liaison Position (Account #814)**

This is the total expenses for the position including salary, benefits and expenses. A seven percent increase is proposed in FY 22-23 and a 4% increase is proposed for FY 23-24. We are reimbursed for salary, benefits, and all related expenses at 85% up to \$85,000. (\$135,311 for FY 22-23 and \$140,724 for FY 23-24. See account 603 for income).

<b><u>Proposed</u></b>	<b><u>FY 22-23</u></b>	<b><u>FY 23-24</u></b>
<b><u>Salary --</u></b>	<b><u>\$86,515</u></b>	<b><u>\$89,975</u></b>
<b><u>Benefits --</u></b>	<b><u>\$41,797</u></b>	<b><u>\$43,469</u></b>
<b><u>Expenses --</u></b>	<b><u>\$7,000</u></b>	<b><u>\$7,280</u></b>
<b><u>Total --</u></b>	<b><u>\$135,311</u></b>	<b><u>\$140,724</u></b>

**Employee Benefits (Account #815)**

Benefits for the three NARD staff positions. Insurance (health, life, dental and disability), retirement match – Increased 6% in FY 22-23 and 4% in FY 23-24 (\$98,114, &

\$102,038 totals respectively per FY). Benefits for the NARD/DNR and the NRD/DEE positions are accounted for on separate line items (See Account #'s 814 & 817).

**Foundation Programs (Account #816)**

The Foundation Programs Account is used to pay bills related to the foundation, such as credit card charges and other payments related to Foundation programs. There is a corresponding income account for the foundation. The net profit between the two accounts is transferred to the Foundation Account prior to the end of the year so income and expenses zero out. (\$11,000 for FY 22-23 and \$11,000 for FY 23-24).

**NRD/DNR Water Quantity Liaison Position (Account #817)**

This is the total expenses for the position including salary, benefits and expenses. A seven percent increase is proposed in FY 22-23 and a 4% increase is proposed for FY 23-24. We are reimbursed \$40,000 for the position on an annual basis. The reimbursements are done quarterly. (\$135,619 for FY 22-23 and \$141,044 in FY 23-24. See account # 603 for income).

**Proposed FY 22-23 FY 23-24**

<b><u>Salary --</u></b>	<b><u>\$83,159</u></b>	<b><u>\$86,486</u></b>
<b><u>Benefits--</u></b>	<b><u>\$43,460</u></b>	<b><u>\$45,198</u></b>
<b><u>Expenses --</u></b>	<b><u>\$9,000</u></b>	<b><u>\$9,360</u></b>
<b><u>Total --</u></b>	<b><u>\$135,619</u></b>	<b><u>\$141,044</u></b>

**Payroll Taxes (Account #819)**

Unemployment and Social Security - Increased to reflect salary changes (\$34,214 and \$35,583 totals respectively per FY).

**NARD Officers Expense (Account #820)**

President's and/or designated officer's expenses for the NACD Legislative Conference, NACD Annual Meeting, and NACD Regional Meeting. (\$6,600 for each FY).

**Information & Education (Account #826)**

Sub-account for public relations efforts including special projects, Envirothon, Husker Harvest Days, NET Programs (Baseball & Big Red Wrap-up), awards, PSA's and I & E other. It will be the 50<sup>th</sup> Anniversary of the NRDs in 2022. (\$34,250 for each FY).

**Staff Expense (Account #840)**

Staff mileage, lodging, meals, and other business-related expenses for four NARD Staff. (\$22,500 for each fiscal year). Expenses for NRD/DEE and NRD/DNR are accounted for separately in Account #'s 814 and 817.

**Office Furniture (Account #842)**

Any office furniture, equipment or computers that need to be replaced (\$5,000 in each FY).

**Office Rent (Account #851)**

With the purchase of the building, the rents are locked in to the 2015 level at \$30,000 per

year for the next five years minimum.

**Equipment Rent (Account #853)**

Copier, service contracts, and support for color copier contract. (\$8,000 total per FY).

**Insurance (Account #856)**

Property/Casualty, Liability, Errors & Omissions. This is increased from \$8,000 to \$9,500 per FY to reflect cost experience.

**General Taxes (Account #858)**

Personal property, sales tax and other misc. income tax charges (\$500 total per FY).

**Telephone/Internet/Cable (Account #860)**

State of Nebraska phone system, ALLO internet/cable, web hosting, other use and equipment upgrades (\$11,000 in each FY).

**Unicameral (Account #861)**

Lobby registration fees and other legislative reports (\$500 in each FY).

**Repairs & Maintenance (Account #871)**

Office cleaning services are paid by the NARD Foundation, but we do need an account for any repairs to personal property (no change; \$500 total per FY).

**Professional Services (Account #880)**

Lobbyist – Zulkoski & Weber, Legal Counsel for any legal review needs, and or other services to be determined by the board. This increases from \$47,000 primarily due to the lobbyist contract increasing to \$55,000. (\$63,000 for each FY).

**Accounting & Audit Services (Account #881)**

Accounting Services increased to \$8,000 total per FY.

**Postage (Account #882)**

Postage meter, other postage cost. Lowered by \$500 per year to \$1,500 per FY reflecting increased email delivery.

**Office Supplies (Account #883)**

General office supplies, computer software, etc. Increased to \$11,000 per FY.

**Dues & Subscriptions (Account #885)**

NARD Corporation registrations, ZOOM subscriptions, electronic news subscriptions, Soil & Water Conservation Society, Groundwater Foundation, NE Water Resources Association, NACD, NE Society of Association Executives, Nebraska Ag Builders, and NACD Missouri River Representative. No change. (\$4,500 total per FY).

**Grants (Account #886)**

NRCS TSP– This is an estimate of the expenses passed through NARD to the NRDs to



pay for locally-hired Technical Service Providers to assist with implementing the Farm Bill Conservation Programs. Expenses are estimated at \$27,000 out of \$30,000 in estimated revenue in each FY. NARD receives 10% for processing the grant, which amounts to \$3,000/year in net income. This program used to net up to \$50,000.

**Miscellaneous (Account #887)**

Miscellaneous expenses (\$600 total per FY).

**Conferences (Account #890)**

Conference registrations, vendor fees and other. Increased back to normal in FY 2022-23 due to the waning impact of COVID-19 on attendance. Total for both FY the totals are:

	<u>FY 22-23</u>	<u>FY 23-24</u>
Annual	\$69,000	\$71,760
Legislative	\$50,000	\$52,000
NACD Meetings	\$4,000	\$4,160
NCF Envirothon	\$2,000	\$2,080
Basin Tour	\$6,750	\$7,020
Other	\$11,357	\$11,811
<b>Total</b>	<b>\$143,107</b>	<b>\$148,831</b>

**Washington, D.C. Meeting (Account #893)**

Income from billing participants for motel rooms, working luncheons and facility equipment rental. Due to COVID-19, we have not been able to hold the conference for the last three years. We are budgeting for it to occur in future years. Increased gradually to normal in the FY 23-24. (\$75,000 in FY 22-23 and \$106,000 in FY 23-24).

**Special Projects (Account #895-001)**

Expenses for special projects taken on by the NARD Board. A corresponding income amount is also included (\$15,000 each FY).

**Public Relations Expenses (Account #895-005)**

Expenses related to public relations efforts/programs. No programs will be undertaken unless approved by the board and a related income amount is determined (maintained at \$100,000 per FY).

**NRCS Expenses (Account #902)**

Expenses related to promotion of NRCS and NACD (maintained at \$6,000 per FY).

**Budget Summary**

	<u>FY 22-23</u>	<u>FY 23-24</u>
<b>TOTAL INCOME</b>	<b><i>\$1,391,292</i></b>	<b><i>\$1,458,084</i></b>
<b><u>TOTAL EXPENSES</u></b>	<b><u><i>\$1,388,683</i></u></b>	<b><u><i>\$1,455,793</i></u></b>
Addition to		
<b>CASH RESERVE</b>	<b><u><i>\$ 2,608</i></u></b>	<b><u><i>\$ 2,292</i></u></b>
<b><u>Income Ratios</u></b>		
Percent reserve to Total Income	<u><i>0.45%</i></u>	<u><i>0.16%</i></u>
Percent change in Total Income	<u><i>33.25%</i></u>	<u><i>4.80%</i></u>
<b><u>Expense Ratios</u></b>		
Additional Cash Reserve as a percent of Expenses	<u><i>0.19%</i></u>	<u><i>0.16%</i></u>
Percent increase in Expenses from the previous year	<u><i>0.85%</i></u>	<u><i>4.83%</i></u>