



**Nebraska's
Natural Resources
Districts**

www.nrdnet.org

**8100 South 15TH, Suite B
Lincoln, NE 68512**

**nard@nrdnet.org
(402) 471-7670**

Protecting Lives • Protecting Property • Protecting the Future

March 9, 2023

TO: NARD Board & NRD Managers
FROM: Dean E. Edson, Executive Director
RE: DRAFT Preliminary Budget FY 23-24 & FY 24-25

Attached is the proposed preliminary budget for FY 23-24 & FY 24-25 for the NARD General Operating. At the March 6, 2023, meeting the NARD Fiscal Planning Committee and 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) New line-item amount for NRD Dam Assessments (\$540,000 Income, \$500,000 Expense); 2) Increased income and expenses for the annual and legislative conferences in both fiscal years; 3) Decreased income for NDEE Liaison grant; and 4) Increased interest income.

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 23-24</u>	<u>FY 24-25</u>
TOTAL INCOME	<i>\$1,954,395</i>	<i>\$1,993,226</i>
TOTAL EXPENSES	<i>\$1,946,632</i>	<i>\$1,984,940</i>
Addition to		
CASH RESERVE	<i>\$ 7,762</i>	<i>\$ 8,287</i>
<u>Income Ratios</u>		
Percent reserve to Total Income	<i>0.40%</i>	<i>0.42%</i>
Percent change in Total Income	<i>38.58%</i>	<i>1.99%</i>
<u>Expense Ratios</u>		
Additional Cash Reserve as a percent of Expenses	<i>0.40%</i>	<i>0.42%</i>
Percent increase in Expenses from the previous year	<i>38.29%</i>	<i>1.97%</i>

NARD General Operating	DRAFT FY 23-24 Budget		DRAFT FY 24-25 Budget	
	Sub Account	Account	Sub Account	Account
INCOME	2023-24		2024-25	
Foundation Programs		\$11,000		\$11,000
Cash in for Foundation Programs	11,000		11,000	
District Dues	4 percent increase	\$679,694	4 percent increase	\$706,881
Conferences		\$247,800		\$257,712
Annual Conference	136,000		141,440	
Legislative Conference	86,000		89,440	
Basin Tour & Meetings (PRCA, Rep, other)	6,760		7,030	
NACD	1,040		1,082	
NRD Managers	7,000		7,280	
NARD Board	6,000		6,240	
NRD Employee Water Conference	4,000		4,160	
Other	1,000		1,040	
Grants		\$620,000		\$620,000
NARD/DNR Liaison	40,000		40,000	
NARD/DEE Liaison	40,000		40,000	
NRCS Dam Assessment	540,000		540,000	
Information & Education		\$25,700		\$26,728
Husker Harvest Days	5,200		5,408	
Special Projects	15,000		15,600	
Nebraska Envirothon	5,000		5,200	
Misc	500		520	
Investment Income		\$37,500		\$37,500
Union Bank Investment Income	20,000		20,000	
NPAIT Sponsorship & Non- Spon. Income	4,500		4,500	
UBS	13,000		13,000	
Miscellaneous Income		\$500		\$500
NRD Tree Program Sales	400,000		400,000	
Less				
Cost of Goods Sold	376,000		376,000	
Net Tree Program		\$24,000		\$24,000
Washington, D.C. Mtg.		\$106,000		\$106,000
Benefit Administration		\$69,600		\$69,600
Special Projects		\$15,000		\$15,000
Public Relations		\$100,000		\$100,000
Reimb. for Part-Time Receptionist		\$17,601		\$18,305
Total:		\$1,954,395		\$1,993,226
<i>Percent reserve to income</i>		<i>0.40%</i>		<i>0.42%</i>
<i>Percent change in income</i>		<i>38.58%</i>		<i>1.99%</i>

NARD General Operating	DRAFT FY 23-24 Budget		DRAFT FY 24-25 Budget	
	Sub Account	Account	Sub Account	Account
EXPENSES	2023-24		2024-25	
Salaries		\$370,623		\$385,448
Contract Labor		\$35,000		\$35,000
NRD/DEE Position		\$141,862		\$147,537
Employee Benefits		\$98,000		\$101,920
Foundation Programs		\$11,000		\$11,000
NARD Expenses for the Foundation	11,000		11,000	
NRD/DNR Position		\$145,495		\$151,314
Payroll Taxes		\$35,583		\$37,006
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	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		\$29,000		\$29,000
Equipment Rent		\$8,000		\$8,000
Insurance		\$9,500		\$9,500
General Taxes		\$500		\$500
Telephone/Internet/Cable		\$11,000		\$11,000
Unicameral Fees		\$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		\$500,000		\$500,000
Miscellaneous		\$600		\$600
Conferences		\$166,120		\$172,765
Annual Conference	78,000		81,120	
Legislative Conference	56,000		58,240	
NACD Meetings	3,000		3,120	
NCF Envirothon Expense	2,100		2,184	
Basin Tours	7,020		7,301	
NARD Board	6,000		6,240	
NRD Managers	7,000		7,280	
NRD Employee Water Conference	4,000		4,160	
Other	3,000		3,120	
Washington, D.C. Mtg.		\$106,000		\$106,000
Special Projects		\$15,000		\$15,000
Public Relations		\$100,000		\$100,000
NRCS Expenses		\$6,000		\$6,000
<i>Total: Expenses</i>		<i>\$1,946,632</i>		<i>\$1,984,940</i>
Addition to Cash Reserve		\$7,762		\$8,287
Percent additional reserve to expenses		0.40%		0.42%
Percent change in expenses		38.29%		1.97%

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 23-24 and \$11,000 for FY 24-25).

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 0.40% to the reserve as a percentage of total income for FY 23-24 and 0.42% for FY 24-25. Total -- \$679,694 for FY 23-24 and \$706,881 for FY 24-25.

Conferences (Account #603)

Conference registrations, vendor fees and other – Increased back to normal in FY 2023-24 due to the waning impact of COVID-19 on attendance. For both FY the totals are:

<u>Conference</u>	<u>FY 23-24</u>	<u>FY 24-25</u>
Annual	\$136,000	\$141,440
Legislative	\$86,000	\$89,440
Basin Meetings (Platte R. CA, Rep)	\$6,760	\$7,030
NRD Managers	\$7,000	\$7,280
NARD Board	\$6,000	\$6,240
NRD Employee Water Conf	\$4,000	\$4,160
NACD	\$1,040	\$1,082
Other	\$1,000	\$1,040
Total	\$247,800	\$257,712

Grants (Account #605)

Three grant programs totaling \$620,000 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 the discretion of NDEE. Income lowered from \$85,000 to \$40,000 based on initial discussion with NDEE. This is a \$45,000 reduction from previous fiscal years.
3. **NRCS Dam Assessment**– This replaces the NRCS TSP Grant which used to passthrough NARD to the NRDs to pay for locally-hired Technical Service Providers. This grant was once \$500,000. The new Dam Assessment program was started last year and is working well. Estimates are \$540,000 in each FY. NARD receives a portion for processing the grant, which is estimated to be \$40,000/year in net income.

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 calendar, NRD clothing, and other NRD promotional items. Other line items include the Envirothon, NACD Poster Contest, Husker Harvest Days contributions, and other various payments and reimbursements (\$25,700 for FY 23-24 and \$26,728 for FY 24-25).

Investment Income (Account #609)

Interest rates have increased in the past year, resulting in more income from reserves. 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. \$37,500 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. Executive Travel is adding \$75,000 cost-share to the NRDs for tree planting in FY 23-24. This will be distributed to the districts as a discount on their final bills based upon percentage of trees sales for each district 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 \$106,000 in FY 23-24 and \$106,000 in FY 24-25).

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. (\$17,601 for FY 23-24 and \$18,305 for FY 24-25).

Expenses:

Salaries (Account #811)

A four percent salary adjustment is budgeted for FY 23-24 totaling \$370,623 and \$385,448 for FY 24-25. Salaries for the NARD/DNR and the NRD/DEE positions are accounted for on separate line items (See Account #'s 814 & 817).

<u>Proposed 23-24</u>	<u>Position</u>
\$199,264	Executive Director (4% -- \$191,264 Base, plus \$8,000 deferred)
82,005	Office Manager (4%)
71,754	Public Relations Director (4%)
<u>17,601</u>	<u>Intern/Receptionist (4%)</u>
\$370,623	Total

<u>Proposed 24-25</u>	<u>Position</u>
\$207,234	Executive Director (\$199,234 Base, plus \$8,000 deferred)
85,285	Office Manager
74,624	Public Relations Director
<u>18,305</u>	<u>Intern/Receptionist</u>
\$385,448	Total

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 4% increase is proposed in FY 23-24 and a 4% increase is proposed for FY 24-25. We used to be reimbursed for salary, benefits, and all related expenses at 85% up to \$85,000. This is estimated to be reduced to \$40,000 total based on early discussions with NDEE. (\$141,862 for FY 23-24 and \$147,537 for FY 24-25. See account 603 for income).

<u>Proposed</u>	<u>FY 23-24</u>	<u>FY 24-25</u>
<u>Salary --</u>	<u>\$89,975</u>	<u>\$93,574</u>
<u>Benefits --</u>	<u>\$43,062</u>	<u>\$44,785</u>
<u>Expenses --</u>	<u>\$8,825</u>	<u>\$9,178</u>
<u>Total --</u>	<u>\$141,862</u>	<u>\$147,537</u>

Employee Benefits (Account #815)

Benefits for the three NARD staff positions. Insurance (health, life, dental and disability), retirement match – Increased 4% in FY 23-24 and 4% in FY 24-25 (\$98,000, & \$101,920 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 23-24 and \$11,000 for FY 24-25).

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

This is the total expenses for the position including salary, benefits and expenses. A 4% increase is proposed in FY 23-24 and a 4% increase is proposed for FY 24-25. We are reimbursed \$40,000 for the position on an annual basis. The reimbursements are done quarterly. (\$139,122 for FY 22-23 and \$144,686 in FY 23-24. See account # 603 for income).

<u>Proposed</u>	<u>FY 23-24</u>	<u>FY 24-25</u>
<u>Salary --</u>	<u>\$86,486</u>	<u>\$89,945</u>
<u>Benefits--</u>	<u>\$44,776</u>	<u>\$46,567</u>
<u>Expenses --</u>	<u>\$14,233</u>	<u>\$14,802</u>
<u>Total --</u>	<u>\$145,495</u>	<u>\$151,314</u>

Payroll Taxes (Account #819)

Unemployment and Social Security - Increased to reflect salary changes (\$35,583 and \$37,006 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. (\$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/DEQ 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 \$29,000 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 Fees (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 includes \$55,000 for the lobbyist contract, \$5,000 Legal Services and \$3,000 for other. (\$63,000 for each FY).

Accounting & Audit Services (Account #881)

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

Postage (Account #882)

Postage and shipping cost. \$1,500 per FY reflecting increased email delivery.

Office Supplies (Account #883)

General office supplies, computer software, etc. \$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 Dam Assessment– This replaces the NRCS TSP Grant which used to passthrough NARD to the NRDs to pay for locally-hired Technical Service Providers. This grant was once \$500,000. The new Dam Assessment program was started last year and is working well. Estimates are \$540,000 income and \$500,000 in expense for each FY. NARD receives a portion for processing the grant, which is estimated to be \$40,000/year in net income.

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. Other includes board and/or staff attendance/sponsorships at Ag/Natural Resources Conferences. Total for both FY the totals are:

	<u>FY 23-24</u>	<u>FY 24-25</u>
Annual	\$78,000	\$81,120
Legislative	\$56,000	\$58,240
NACD Meetings	\$3,000	\$3,120
NCF Envirothon	\$2,100	\$2,184
Basin Tour	\$7,020	\$7,301
NARD Board	\$6,000	\$6,240
NRD Managers	\$7,000	\$7,280
NRD Emp. Water Conf.	\$4,000	\$4,160
Other	\$3,000	\$3,120
Total	<u>\$166,120</u>	<u>\$172,765</u>

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 to normal in the FY 23-24. (\$106,000 in FY 23-24 and FY 24-25).

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).

<u>Budget Summary</u>		
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