

CHAPTER 1:

Agency Overview

The Nebraska Department of Environment and Energy (NDEE) marked its 50th year as a state agency in 2021. The agency was originally created with the passage of the Environmental Protection Act in 1971. At that time, the agency was named the Nebraska Department of Environmental Control; it later became the Nebraska Department of Environmental Quality in 1992. With the 2019 merger of the Nebraska Energy Office, the agency became the Nebraska Department of Environment and Energy to better reflect its new focus.

On July 1, 2021 Governor Pete Ricketts commemorated the anniversary with Department staff at a celebration at its new location in Lincoln's Fallbrook area. The Governor said the Department has much to show for its efforts over the past half-century. "The Nebraska Department of Environment & Energy has successfully supported the responsible stewardship of Nebraska's environment for the past 50 years," said Gov. Ricketts. "The Department's dedicated work has helped Nebraska rank among national leaders for the quality of our natural environment. The agency will continue to deliver a high level of service to Nebraskans as we work together to grow our state for future generations."

This report focuses on activities occurring in state fiscal year 2021 (July 1, 2020 to June 30, 2021). During FY2021, NDEE was authorized for a staffing level of 221 full-time employees.

Through a memorandum of agreement with the Nebraska Department of Health and Human Services (DHHS), 43 DHHS employees were placed with the agency to improve coordination between the Safe Drinking Water Act and Clean Water Act programs.

The NDEE has an FY2021 annual budget of approximately \$82 million. This includes money from federal grants, state taxes, and fees.

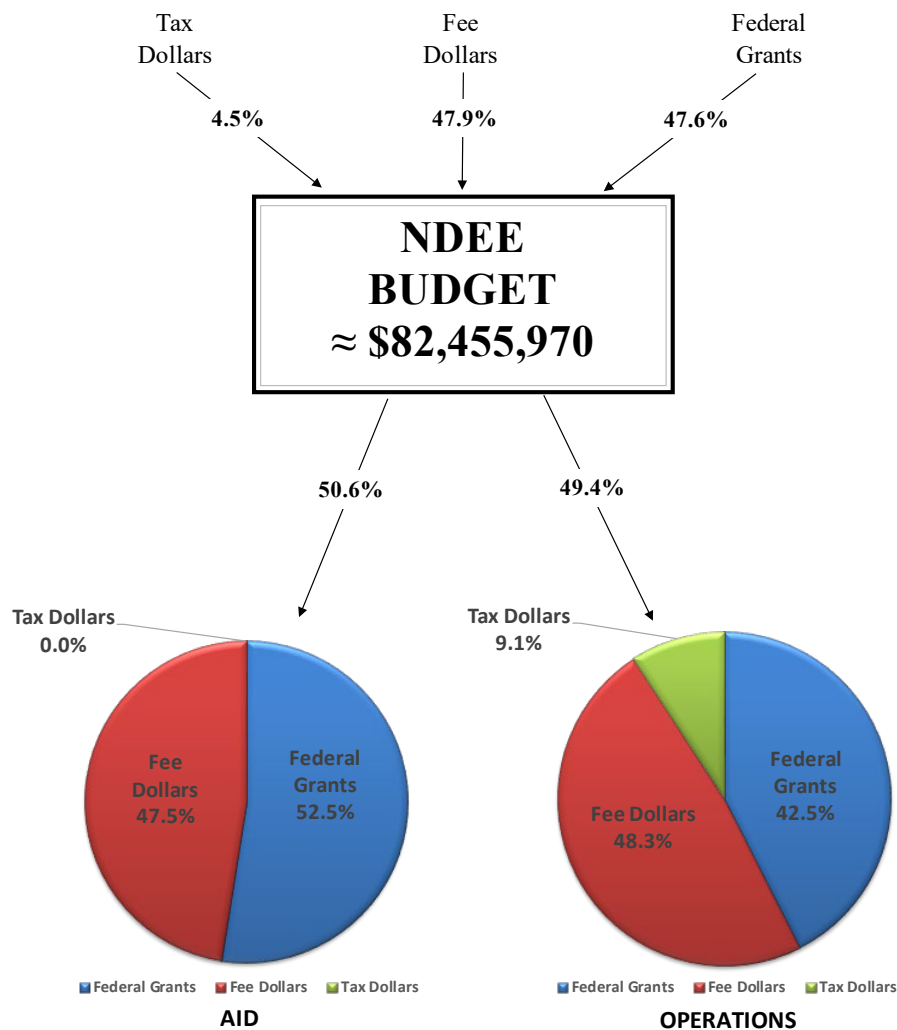
The table on page 2 shows a breakdown of NDEE funds. The columns listed as aid represent the agency's budget redistributed to other agencies, organizations, and individuals as grants and loans. The columns listed as operations represent amounts used for agency operation and contracts for such things as investigations and cleanups. The following graphic depicts NDEE's FY2021 budget by funding source and percent expended by fund type and activity (aid or operations).



On July 1, 2021, NDEE celebrated its 50th anniversary at its new Fallbrook building.

Funding Type	Operations: \$ Amount	Percent of Operations Budget	Aid: \$ Amount	Percent of Aid Budget
Federal Funds (Grants)	\$17.3 million	42.5%	\$21.9 million	52.5%
State General Funds (Tax \$)	\$3.7 million	9.1%	\$0 million	0.00%
Cash Funds (Fees)	\$19.7 million	48.4%	\$19.80 million	47.5%
Total	\$40.7 million		\$41.7 million	

FY21 Budget



Significant Topics in 2021

The following are some of the significant topics, challenges and accomplishments that NDEE addressed in 2021:

Building move

Nearly 28 years after starting to work in the Atrium (the first week of December in 1992), NDEE moved to a new building in the north Lincoln area of Fallbrook.

The agency started operating in the new building on December 2, 2020. Before this move, NDEE employees had been working from four locations in Lincoln: The Atrium Building on ‘N’ Street, 1111 Lincoln Mall, the Executive Building near the Capitol and the Van Dorn Complex on south 8th Street. The agency’s 2019 merge with the Nebraska Energy Office, and agreements to provide a workspace for over 40 DHHS teammates made a new space even more necessary.

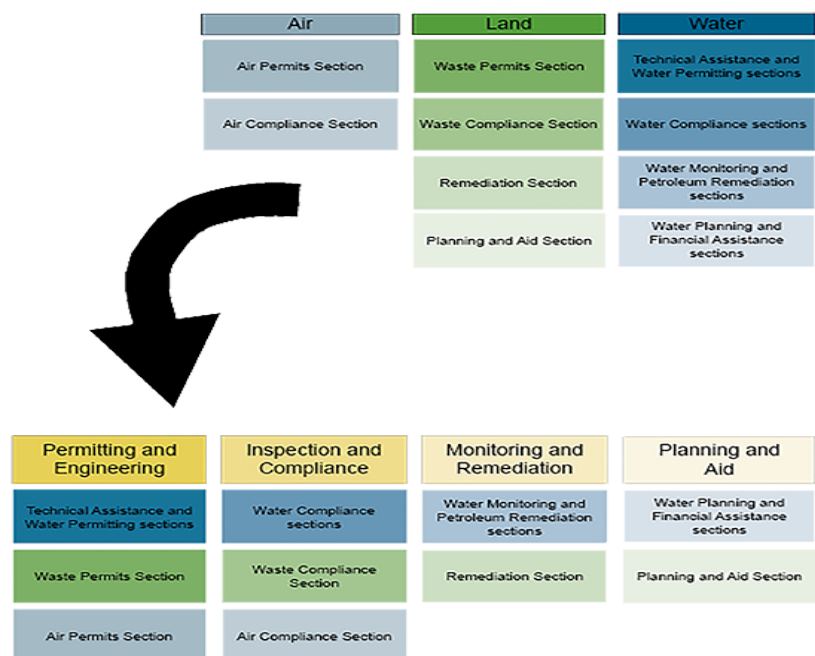
The new building offers, for the first time, a single space for all agency employees working in Lincoln offices, about 250. It provides a headquarters for NDEE activities including storage space for equipment reused in petroleum remediation cleanups, a surface water testing lab and a hearing room for groups such as the Environmental Quality Council.

Staff reorganization

At the same time the agency moved to a new location, it also underwent an organizational staffing change. It was a move under consideration for several years which became reality when the Department was able to relocate and accommodate the reorganization of its teams. Now, the agency can better serve Nebraskans and the regulated community by more closely reflecting their needs.

The reorganization is designed to allow NDEE to be more focused on functional segments than its current vertical segments of air, water, land, remediation and energy. Under the reorganization, the new divisions are Administration, Inspection & Compliance, Planning & Aid, Permitting & Engineering, Drinking Water & Groundwater and Monitoring & Remediation.

For example, when a new business starts up in Nebraska or expands, its changes and regulatory requirements don’t necessarily fit neatly into one or two of these traditional structural categories like air or water. Often, they need a “whole product” experience.



This diagram shows how the teams were reorganized.

To create a smooth transition, division leaders met with teams before the reorganization happened to identify subject matter experts and key elements of the programs. They continue to communicate and work through the logistics of issues, such as organizing the administrative support pool to address program functions while operating in a group aligned with records and administration.

Drinking Water, Environmental Safety, and Water Well Standards Programs Transfer to NDEE

To better serve Nebraskans and the regulated community, the 2021 Nebraska Legislature passed a bill transferring several EPA state-delegated environmental health programs from the Department of Health and Human Services (DHHS) to the Nebraska Department of Environment and Energy (NDEE). This action improves state program collaboration and maximizes federal and state resources.

Legislative Bill 148 created an Environmental Safety Program, transferred Safe Drinking Water Programs, and moved the Water Well Standards Program to NDEE. On July 1, 2021, over 40 DHHS teammates, who had been working at NDEE under a written agreement, officially became part of NDEE's team.

It was a move years in the making. The idea of transferring these former DHHS programs has existed since the '90s, and formal discussions began in 2015. Through a Memorandum of Agreement (MOA), NDEE began supervising and providing a workspace for the DHHS employees in 2017. NDEE began administering the Safe Drinking Water Act (SDWA) and providing cross-training to DHHS and NDEE staff on Drinking Water and Clean Water programs.

An MOA modification in 2018 moved responsibility of administering the Water Well Standards and Contractors' Practice Act and relevant statutes, from DHHS to NDEE. A modification in 2019 brought in five other areas: swimming pools, well and septic loan evaluation, mobile home parks, recreation camps and food inspections.

In 2017, the agencies established objectives to measure the transfer's effectiveness.

- Cross-training inspection staff to be able to conduct both water and wastewater inspections, including training to get appropriate certifications in wastewater and wells.
- Cross-training water and wastewater engineering staff.
- Building resilience to retirements and turnover.
- Strengthening the communication and marketing of the State Revolving Fund (SRF) programs.
- Evaluating field office needs and opportunities to be more efficient.
- Resizing the Drinking Water Monitoring and Compliance team.

Program collaboration and communication have realized process improvements in work efforts. For example, the average number of days to issue a wastewater construction permit in 2017 was 24 days; in 2020 the average was 14.6 days. For drinking water construction permits in 2017, the average was 20.3 days; in 2020 the average was also 14.6 days.

Notably, the collaboration has provided a more holistic approach to community needs. This was valuable, for example, during statewide floods in 2019, when teammates more effectively

served impacted areas since they were cross trained in drinking water and wastewater programs.

Moving forward, NDEE will continue to determine solutions for optimal customer service. The programs plan to establish more efficient systems for licensure and renewals for the water well operators, water well contractors, and swimming pool operators to make them run more efficiently.

Strategic planning

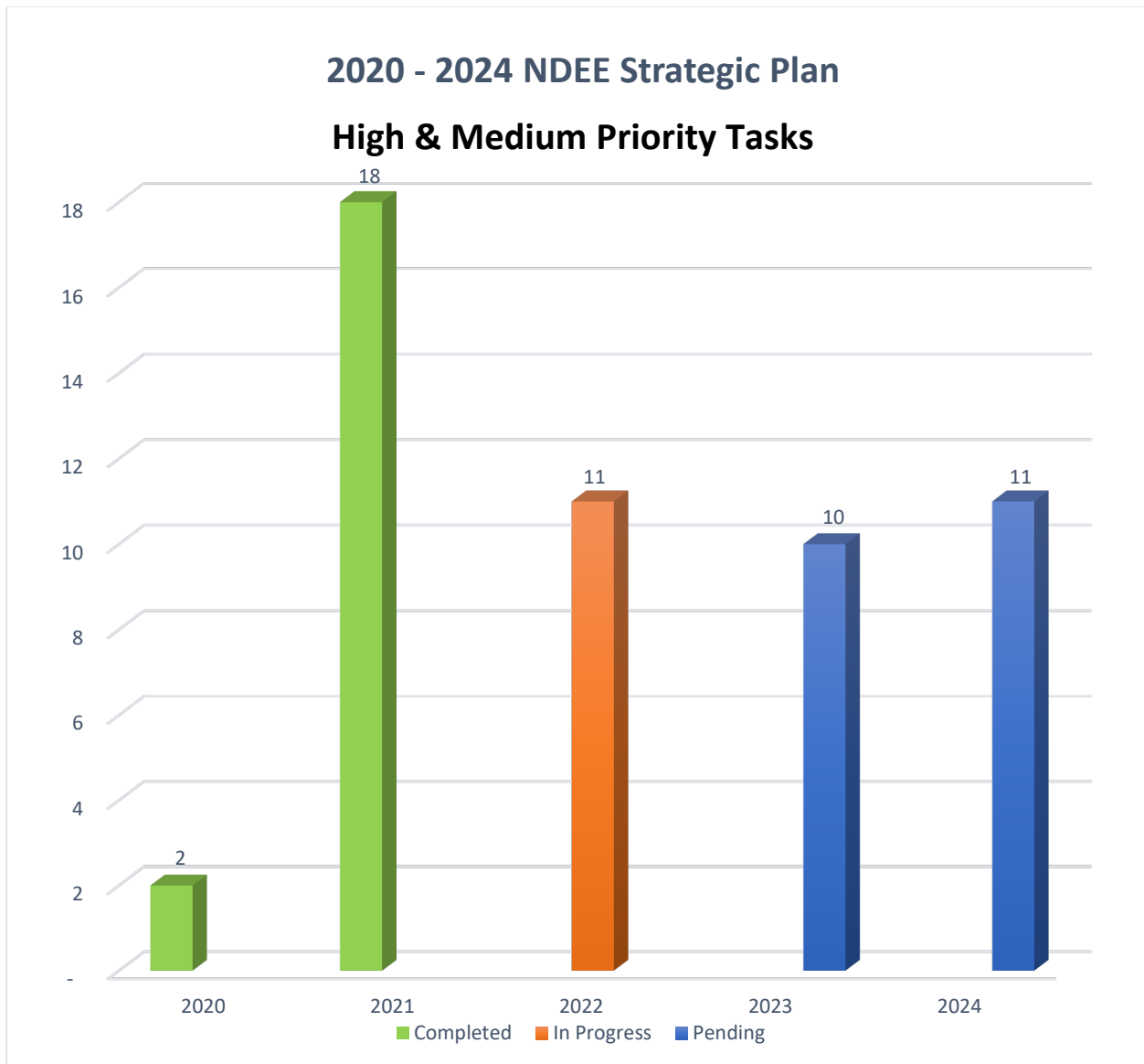
Agency leadership started strategic planning efforts in August 2019 to update NDEE's vision and mission statements and provide the agency a compass for the next one to five years. The idea germinated in 2015 after Director Jim Macy joined the agency as a more intentional way for NDEE to operate.

Strategic planning affects both internal and external components of NDEE functions. Internally, it addresses areas in need of improvement and helps teammates work more efficiently. It also allows teammates and team leaders to focus on the future and process improvement in addition to day-to-day tasks. On an external level, it enables NDEE to take a more proactive approach to serving Nebraskans' needs by planning and allocating resources as needed.

Highlights of 2020 and 2021 Strategic Plan accomplishments include:

- Staff Retention – employee of the month, fun committee, and working from home were all recently implemented. The Executive Team continues to work on the structure of job shadowing and mentoring.
- Credentialing Project – online renewal of licenses/certificates with acceptance of online credit card payments. Communication within the agency has been on point with multiple teams working on this project.
- Social Media – use of social media in a way that helps market the agency's brand and creates communication with the public. The agency has used Twitter to communicate on summits, energy conservation, environmental awareness, grants/aid, and vacant positions.
- Financial Reviews with Division Administrators – creates awareness of financial issues and allows time for planning to solve those issues.

Following the strategic year 2020, the NDEE Executive team opted for a 5-year strategic plan instead of creating single year plans. The 5-year plan began on October 1, 2019 and will expire September 30, 2024. Progress is reviewed quarterly by the Executive team. A chart showing the progress of the plan is on the next page.



Vision: Everyone living, working, and enjoying a healthy Nebraska environment.

Mission: To protect and improve human health, the environment, and energy resources. We will accomplish this through assessing, assisting, inspecting, educating, enforcing, funding, monitoring, permitting, and restoring.

Core Values

- **Integrity:** Honest, accountable, consistent
- **Excellence:** Customer focused; commitment to quality
- **Teamwork:** Working together towards a common goal
- **Innovation:** Open to new ideas and continuous improvement
- **Communication:** Sharing information; respectful; active listening

Strategic Focuses**Focus 1: Personnel**

Assess, develop, and implement personnel programs that support professional development, succession planning, training, and talent management.

Focus 2: Equipment

Identify new requirements and maintain current equipment to increase effectiveness, efficiencies, and utilization.

Focus 3: Funding

Identify and pursue the best funding options to ensure stability.

Focus 4: Innovation

Find creative and thoughtful approaches to fulfill our mission and support measurable improvements.

Focus 5: New Requirements

Develop and implement a consistent process to identify, assess, and prioritize new programs and requirements which supports our vision of a healthy environment.

Focus 6: Change

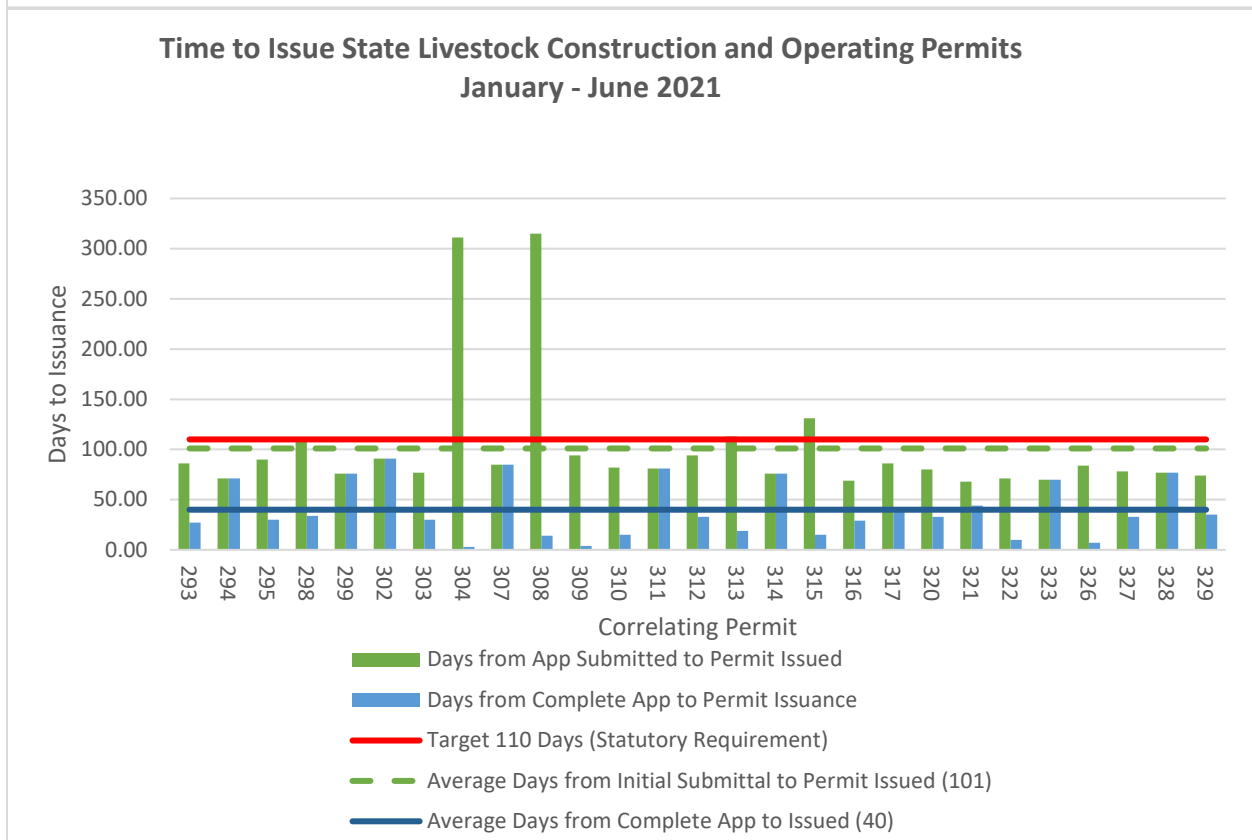
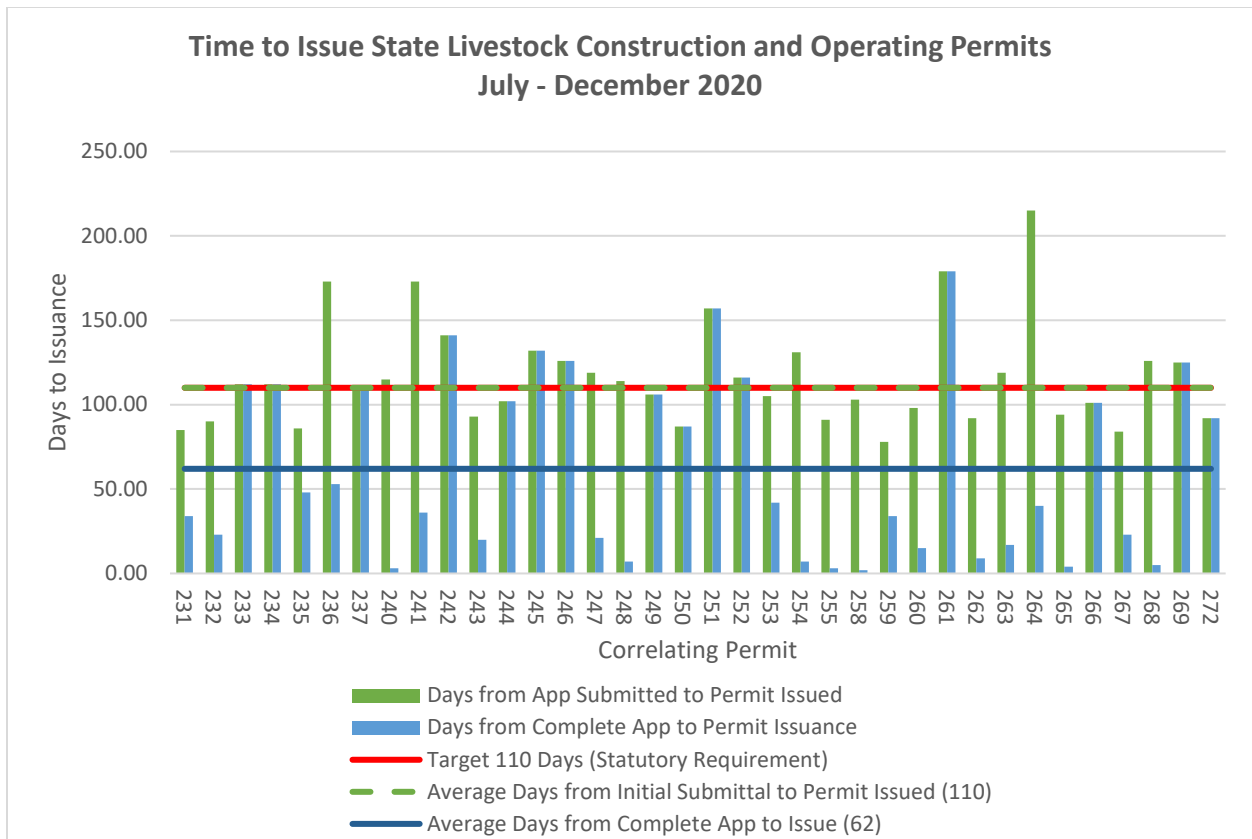
Improve individual and organizational resilience to change by developing enhanced methods of awareness, adaptiveness, and proactiveness.

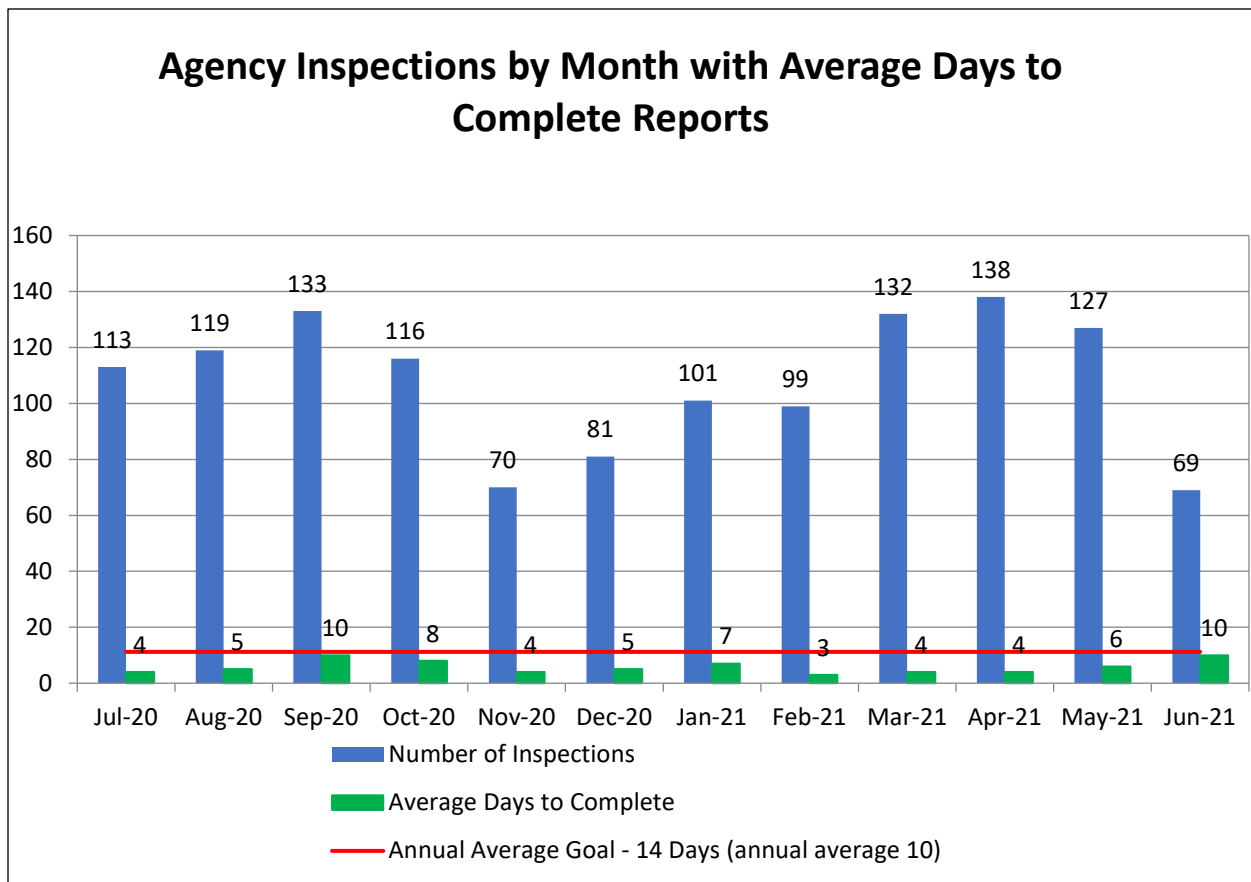
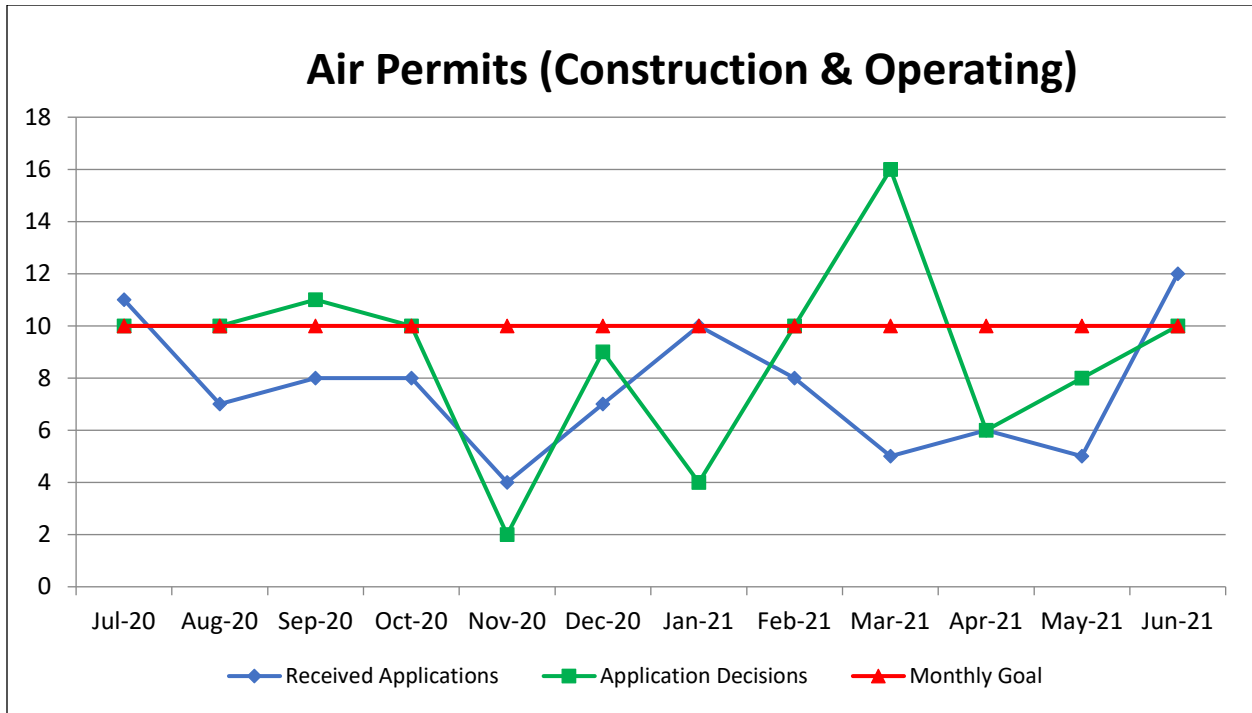
Focus 7: Communication

Establish a comprehensive internal and external communication plan which is intentional and proactive.

Agency Annual Statistics

The following charts show statistics from state fiscal year 2021 (July 1, 2020 to June 30, 2021) related to State Livestock Construction and Operating Permits, Air Construction and Operating Permits and Agency Inspections. This information is updated monthly and can be found on the agency website <http://dee.ne.gov> by selecting the [Monthly Metrics](#) link.





2021 Legislative Summary

The Nebraska Legislature enacted three legislative bills in 2021 that had direct impact on NDEE:

LB 148 – This legislation amended current law to transfer agency responsibilities being performed by the NDEE under a Memorandum of Agreement with the Department of Health and Human Services. Administration of the Nebraska Safe Drinking Water Act and Water Well Standards and Contractors' Practice Act is moved to NDEE. The bill created the new Environmental Safety Act for the administration of swimming pools, mobile home parks, recreation camps and home loan inspection programs. The powers, duties, obligations, employees, and assets of these programs were transferred to NDEE. LB 148 created two new cash funds. Fees related to the inspections and license payments collected through the Environmental Safety Act is to be credited to the Environmental Safety Cash Fund, and any fees collected related to engineering reviews of plans and specifications is to be credited to the Engineering Plan Review Cash Fund.

LB 306 – This bill amends statute to expand eligibility of the Low-Income Home Energy Assistance Program (LIHEAP) program from 130% of the federal poverty level to 150%, making more Nebraska households eligible for assistance. LIHEAP funds received by DHHS provide federal financial assistance to those in need to offset the costs of heating and cooling. LB 306 also directs DHHS to allocate at least 10% of LIHEAP funds be allocated to weatherization assistance. NDEE administers the state's Low-Income Weatherization Assistance Program.

LB 380 – The original contents of LB 449 were amended into the state appropriations bill, LB 380. As enacted, LB 380 includes the provisions of LB 449 which appropriates \$100,000 in General Funds for FYs '22 and '23 to NDEE's Low-Income Weatherization Assistance Program to aid in carrying out energy efficiency audits and weatherization improvements. No expenditures are allowed to be used for permanent and temporary salaries or per diems for state employees.