

KANSAS WATER OFFICE

Budget Committee Report

KLRD Analyst: Drury
KLRD Summary: Vol 2, Pg. 31
Bill Number: SB 125

DOB Analyst: Allen
GBR Analysis: Vol. 2, Pg. 490
Committee: --

Summary, FY 2023 – FY 2026

Expenditures by Fund Type

	Actual FY 2023	Actual FY 2024	Approved FY 2025	Approved FY 2026
State Operations	\$ 6,480,381	\$ 8,587,648	\$ 24,257,829	\$ 23,545,306
State General Fund	1,067,715	1,129,825	1,399,735	1,414,754
Federal Funds	276,464	397,243	520,000	1,700,241
All Other Funds	5,136,202	7,060,580	22,338,094	20,430,311
State Aid and Assistance	\$ 730,895	\$ 2,525,080	\$ 50,181,098	\$ 21,700,668
State General Fund	-	-	-	-
Federal Funds	50,000	-	-	-
All Other Funds	680,895	2,525,080	50,181,098	21,700,668
Capital Budget and Debt	\$ 2,988,250	\$ -	\$ -	\$ -
State General Fund	2,988,250	-	-	-
Federal Funds	-	-	-	-
All Other Funds	-	-	-	-
TOTAL	\$ 10,199,526	\$ 11,112,728	\$ 74,438,927	\$ 45,245,974

Financing by Expenditure Group

	Actual FY 2023	Actual FY 2024	Approved FY 2025	Approved FY 2026
State General Fund	\$ 4,055,965	\$ 1,129,825	\$ 1,399,735	\$ 1,414,754
State Operations	1,067,715	1,129,825	1,399,735	1,414,754
State Aid and Assistance	-	-	-	-
Capital Budget and Debt	2,988,250	-	-	-
Federal Funds	\$ 326,464	\$ 397,243	\$ 520,000	\$ 1,700,241
State Operations	276,464	397,243	520,000	1,700,241
State Aid and Assistance	50,000	-	-	-
Capital Budget and Debt	-	-	-	-
All Other Funds	\$ 5,817,097	\$ 9,585,660	\$ 72,519,192	\$ 42,130,979
State Operations	5,136,202	7,060,580	22,338,094	20,430,311
State Aid and Assistance	680,895	2,525,080	50,181,098	21,700,668
Capital Budget and Debt	-	-	-	-
TOTAL	\$ 10,199,526	\$ 11,112,728	\$ 74,438,927	\$ 45,245,974

FTE Positions	19.0	22.0	24.0	24.0
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FY 2025

	Agency	LBC	House	Senate	Approved
State Operations	\$ 24,257,829	\$ 24,257,829	\$ 24,257,829	\$ 24,257,829	\$ 24,257,829
State General Fund	1,399,735	1,399,735	1,399,735	1,399,735	1,399,735
Federal Funds	520,000	520,000	520,000	520,000	520,000
All Other Funds	22,338,094	22,338,094	22,338,094	22,338,094	22,338,094
State Aid and Assistance	\$ 50,181,098	\$ 50,181,098	\$ 50,181,098	\$ 50,181,098	\$ 50,181,098
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	50,181,098	50,181,098	50,181,098	50,181,098	50,181,098
Capital Budget and Debt	\$ -	\$ -	\$ -	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 74,438,927	\$ 74,438,927	\$ 74,438,927	\$ 74,438,927	\$ 74,438,927
FTE Positions	24.0	24.0	24.0	24.0	24.0

Agency

The **agency** requests \$74.4 million, including \$1.4 million SGF, and 24.0 FTE positions in FY 2025. The request is an increase of \$17.2 million, or 30.1 percent, above the amount approved by the 2024 Legislature and is primarily attributable to increased estimates from the Water Projects Grant Fund and the Water Technical Assistance Fund. The agency carried over unspent funds in FY 2024 and anticipates expending those moneys in FY 2025. These funds were created by the 2023 Legislature and can be used for grants to municipalities or special districts related to water.

Special Committee on Legislative Budget

The **LBC** concurs with the agency's revised estimate in FY 2025.

House Committee on Agriculture and Natural Resources Budget

The **Budget Committee** concurs with the LBC's recommendation in FY 2025.

House Committee on Appropriations

The **Committee** concurs with the Budget Committee's recommendation in FY 2025.

House Committee of the Whole

The **Committee of the Whole** concurs with the Committee's recommendation in FY 2025.

Senate Committee on Agriculture and Natural Resources

The **Senate Committee on Agriculture and Natural Resources** concurs with the House Committee of the Whole recommendation in FY 2025.

Senate Committee on Ways and Means

The **Senate Committee on Ways and Means** concurs with the Senate Committee on Agriculture and Natural Resources' recommendation in FY 2025.

Senate Committee of the Whole

The **Senate Committee of the Whole** concurs with the Committee's recommendation in FY 2025.

Conference Committee

The **Conference Committee** concurs with the LBC's recommendation in FY 2025.

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FY 2026

	Agency	LBC	House	Senate	Approved
State Operations	\$ 21,669,023	\$ 21,448,554	\$ 19,111,521	\$ 19,111,521	\$ 23,545,306
State General Fund	1,628,456	1,407,987	1,407,987	1,407,987	1,414,754
Federal Funds	1,700,241	1,700,241	1,700,241	1,700,241	1,700,241
All Other Funds	18,340,326	18,340,326	16,003,293	16,003,293	20,430,311
State Aid and Assistance	\$ 20,414,890	\$ 20,414,890	\$ 27,801,923	\$ 25,751,923	\$ 21,700,668
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	20,414,890	20,414,890	27,801,923	25,751,923	21,700,668
Capital Budget and Debt	\$ -	\$ -	\$ -	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 42,083,913	\$ 41,863,444	\$ 46,913,444	\$ 44,863,444	\$ 45,245,974
FTE Positions	26.0	24.0	24.0	24.0	24.0

Agency

The **agency** requests \$42.1 million, including \$1.6 million SGF, and 26.0 FTE positions for FY 2026. The request is an all funds decrease of \$7.0 million, or 14.3 percent, below the amount approved by the 2024 Legislature for FY 2025. The request also represents an SGF increase of \$228,841 million, or 16.4 percent, above the approved number. The SGF increase is primarily attributable to two enhancement requests:

- \$211,169 SGF and 2.0 FTE positions for **new FTE positions**; and
- \$9,300 SGF for **capital outlay for those new FTE positions**.

The all funds decrease is attributable to expenditure estimates from the Water Projects Grant Fund and the Water Technical Assistance Fund for FY 2026. The agency estimates expending moneys carried over from FY 2024 in FY 2025 and not carrying those balances into FY 2026. Lower expenditures in those funds are partially offset by estimated increased expenditures for rehabilitation or high-hazard-potential dams totaling \$1.2 million and requested increases in State Water Plan Fund (SWPF) appropriations totaling \$535,183 for FY 2026.

In addition to these changes, the agency requests a change in how State Water Plan Fund (SWPF) appropriations are received by the agency. In FY 2025, the agency was appropriated SWPF across 14 SWPF accounts. The agency's FY 2026 request includes appropriations across five accounts. In October 2024, the Kansas Water Authority produced *Approved FY26 KWA Budget Packet*. In line with that report, state agencies are consolidating traditional SWPF budget lines into five new budget lines, which are: Water Quantity/Aquifer, Reservoirs, Water Quality, Resiliency, and Research and Education.

Special Committee on Legislative Budget

The **LBC** concurs with the agency's revised estimate for FY 2026, with the following adjustment:

1. Delete \$220,469 SGF and 2.0 FTE positions to not adopt the agency's two enhancement requests for FY 2026. These requests include the following:
 - \$211,169 SGF and 2.0 FTE positions for **new FTE positions**; and
 - \$9,300 SGF for **capital outlay for those new FTE positions**.

House Committee on Agriculture and Natural Resources Budget

The **Budget Committee** concurs with the LBC's recommendation for FY 2026, with the following adjustment:

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1. Add \$14.8 million SWPF for FY 2026. The amount includes \$2.8 million for water planning and project development, \$6.0 million for the Water Projects Grant Fund, \$2.0 million for the Water Technical Assistance Fund, \$3.0 million for Hydrosuction at John Redmond, \$250,000 for Independent Program Evaluation, and \$800,000 for Aquifer Modeling. These appropriations will be included in the five new budget lines requested by the agency for FY 2026 and include the following:
 - \$2.8 million for water planning and project development;
 - \$6.0 million for the Water Projects Grants Fund;
 - \$2.0 million for the Water Technical Assistance Fund;
 - \$3.0 million for Hydrosuction at John Redmond;
 - \$250,000 for Independent Program Evaluation; and
 - \$800,000 for Aquifer Modeling.

House Committee on Appropriations

The **Committee** concurs with the Budget Committee's recommendation for FY 2026, with the following adjustments:

1. Delete \$24.9 million SWPF, including \$1.5 million for Water Quality, \$2.8 million for Water Quantity/Aquifer, \$5.1 million for Resiliency, \$6.0 million for the water projects grant fund, \$2.0 million for the water technical assistance fund, \$4.5 million for Reservoir, and \$3.1 million for Research and Education.
2. Add \$15.1 million SWPF for FY 2026. These appropriations will be included in legacy budget lines historically used by the agency for FY 2026 and include the following:
 - \$3.5 million SWPF for water planning and project development;
 - \$2.0 million SWPF for assessment and evaluation;
 - \$2.0 million SWPF for high plains aquifer partnerships;
 - \$1.5 million SWPF, including \$1.0 million for the water projects grant fund and \$500,000 for the water technical assistance fund;
 - \$1.5 million SWPF for water quality partnerships;
 - \$850,000 SWPF for HB 2302 projects;
 - \$778,711 SWPF MOU storage operation and maintenance;
 - \$698,708 SWPF for stream gaging;
 - \$610,000 SWPF for independent program evaluation;
 - \$500,000 SWPF for conservation assistance for water users;
 - \$500,000 SWPF for reservoir and water quality research;
 - \$400,000 SWPF for Kansas water plan education and outreach strategy; and
 - \$300,000 SWPF for arbuckle study.
3. Add language allowing the Director of the Water Office to transfer funding between lines of appropriation of the SWPF, both within internal agency accounts and external accounts administered by the Department of Agriculture, University of Kansas, Department of Wildlife and Parks, and the Division of Environment, with the approval of the Director of the Budget and requiring the Secretary to certify each transfer and report those transfers to 1) the Director of Legislative Research, 2) the chairperson of the House Committee on Agriculture and Natural Resources Budget, and 3) the appropriate chairperson of the Subcommittee on Natural Resources of the Senate Committee on Ways and Means for FY 2026.

House Committee of the Whole

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2026.

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Senate Committee on Ways and Means

The **Senate Committee on Ways and Means** concurs with the House Committee of the Whole's recommendation for FY 2026, with the following adjustment:

1. Delete the \$2.0 million transfer from the EDIF to the SWPF for FY 2026.

Senate Committee on Agriculture and Natural Resources

The **Senate Committee on Agriculture and Natural Resources** concurs with the Senate Committee on Ways and Means' recommendation for FY 2026, with the following adjustments:

1. Delete \$2.5 million SWPF for water planning and project development for FY 2026.
2. Delete \$1.5 million SWPF for the water projects grant fund for FY 2026.
3. Delete \$800,000 SWPF from assessment and evaluation for aquifer monitoring and modeling for FY 2026.
4. Delete \$250,000 SWPF for independent program evaluation for FY 2026.
5. Add \$3.0 million SWPF for the John Redmond Reservoir dredging project for FY 2026.
6. Add the \$2.0 million transfer from the EDIF to the SWPF for FY 2026.
7. The Committee requests a report on the status of investments relating to the debt service associated with Milford and Perry reservoirs be presented to the Senate Committee on Agriculture and Natural Resources and the Senate Committee on Ways and Means.

Senate Committee on Ways and Means

The **Senate Committee on Ways and Means** concurs with the Senate Committee on Agriculture and Natural Resources' recommendation for FY 2026, with the following adjustment:

1. Delete the \$2.0 million transfer from the EDIF to the SWPF for FY 2026.

Senate Committee of the Whole

The **Senate Committee of the Whole** concurs with the Committee's recommendation for FY 2026 with the following adjustment:

1. Rename the John Redmond Reservoir dredging project to the John Redmond Reservoir hydrosuction pilot program for FY 2026.

Conference Committee

The **Conference Committee** concurs with the LBC's recommendation for FY 2026 with the following adjustments:

1. Add \$1.0 million SWPF, including \$500,000 for Water Technical Assistance Fund and \$500,000 for the Water Projects Grant Fund for FY 2026.
2. Add \$1.5 million SWPF for assessment and evaluation for FY 2026.
3. Add \$1.5 million SWPF for the John Redmond Reservoir hydrosuction pilot program for FY 2026.
4. Add \$1.5 million SWPF for water planning and project development for FY 2026.
5. Add \$1.5 million SWPF for water quality partnerships for FY 2026.
6. Add \$2.0 million SWPF for high plains aquifer partnerships for FY 2026.
7. Add \$300,000 SWPF for Arbuckle study for FY 2026.
8. Add \$400,000 SWPF for Kansas water plan education and outreach strategy for FY 2026.

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9. Add \$450,000 SWPF for independent program evaluation for FY 2026.
10. Add \$500,000 SWPF for conservation assistance for water users for FY 2026.
11. Add \$500,000 SWPF for reservoir and water quality research for FY 2026.
12. Add \$698,708 SWPF for stream gaging for FY 2026.
13. Add \$778,711 SWPF for MOU storage operation and maintenance for FY 2026.
14. Add \$850,000 SWPF for HB 2302 projects for FY 2026.
15. Add language transferring \$7.0 million from the State Treasurer and \$921,417 from the EDIF to the SWPF for FY 2026.
16. Delete \$10.1 million SWPF, including \$2.8 million for Research and Education, \$2.4 million for Resiliency, \$2.0 million for Water Quantity/Aquifer, \$1.5 million for Reservoir, and \$1.5 million for Water Quality.
17. Add language allowing the Director of the Water Office to transfer funding between lines of appropriation of the SWPF, both within internal agency accounts and external accounts administered by the Department of Agriculture, University of Kansas, Department of Wildlife and Parks, and the Division of Environment, with the approval of the Director of the Budget for FY 2026.

State Finance Council

The **State Finance Council** concurs with the Conference Committee's recommendation for FY 2026 with the following adjustments:

1. Add \$44,905, including \$27,887 SGF, to provide salary increases for most state employees based on the Department of Administration's market survey for FY 2026.
2. Delete \$21,120 SGF to lapse 1.5 percent of SGF operating expenditures statewide for FY 2026.