

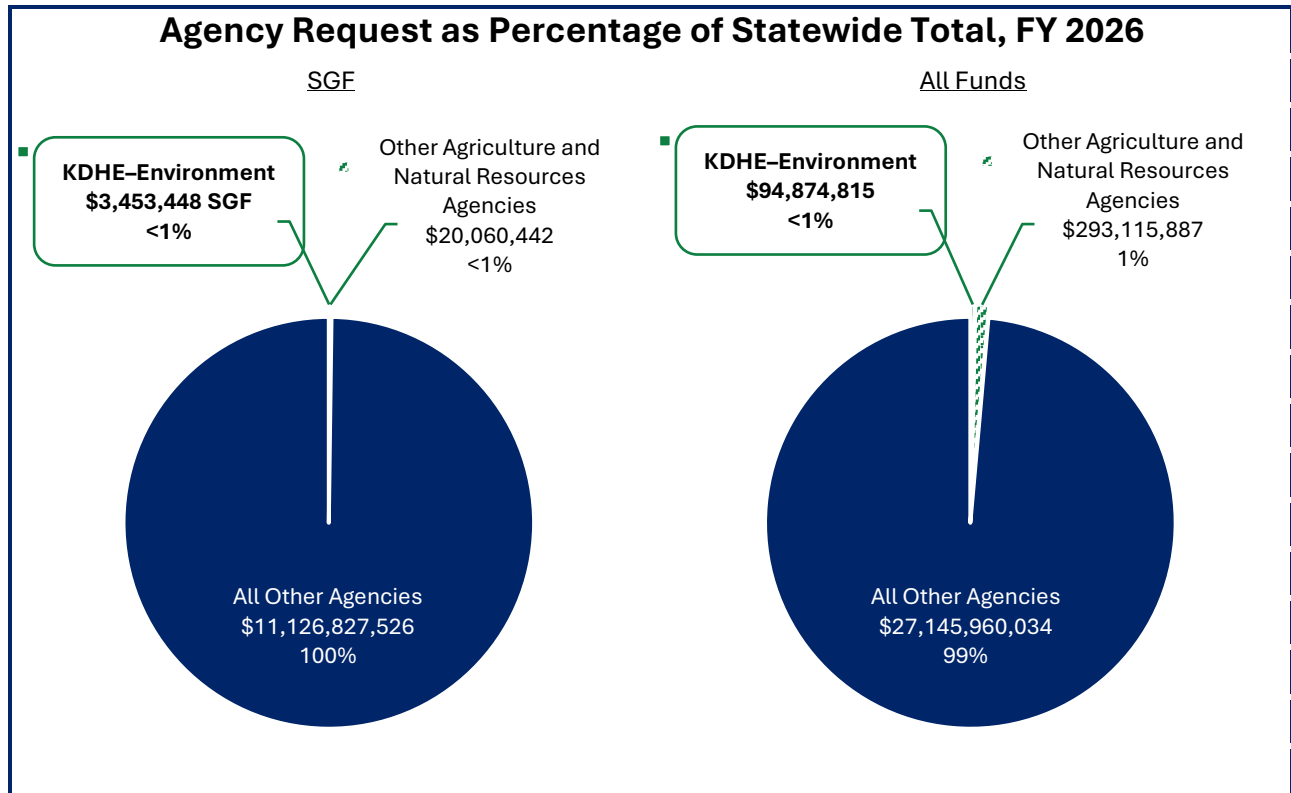
KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—ENVIRONMENT

Budget Summary – Agency Request

Executive Summary

The Kansas Department of Health and Environment—Division of Environment protects the environment and public health through compliance, enforcement, and proactive activities. The Division includes five bureaus: Waste Management, Air, Water, Environmental Remediation, and Environmental Field Services (including the Office of the Director of the Division of Environment).

Expenditures by Fiscal Year and Version			
	SGF	All Funds	Note
FY 2024 Actual	\$ 2,210,871	\$ 99,897,463	Actual expenditures
FY 2025 Actual	19,179,139	102,977,033	Actual expenditures
FY 2026 Approved	3,453,448	90,055,005	2025 SB 125
FY 2026 Agency	3,453,448	94,874,815	Revised estimate, submitted September 2025
FY 2027 Agency	3,855,580	102,425,378	Agency request, submitted September 2025



KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—ENVIRONMENT



Budget Summary – Agency Request

Budget and Policy Snapshot








The tables below provide a selection of items that inform the agency budget request. These items include **supplemental and enhancement requests** (NEW), adjustments related to **reappropriated funds** (E), **language-only policy changes** requested for inclusion in legislation, changes in **federal or state policy** that impact agency funding, and other budgetary items.

These tables are not intended to be a comprehensive list of changes in the agency budget request. For more detail on individual fiscal year requests, please refer to the [FY 2026 Analysis](#) and [FY 2027 Analysis](#) sections later in this document.

FY 2026

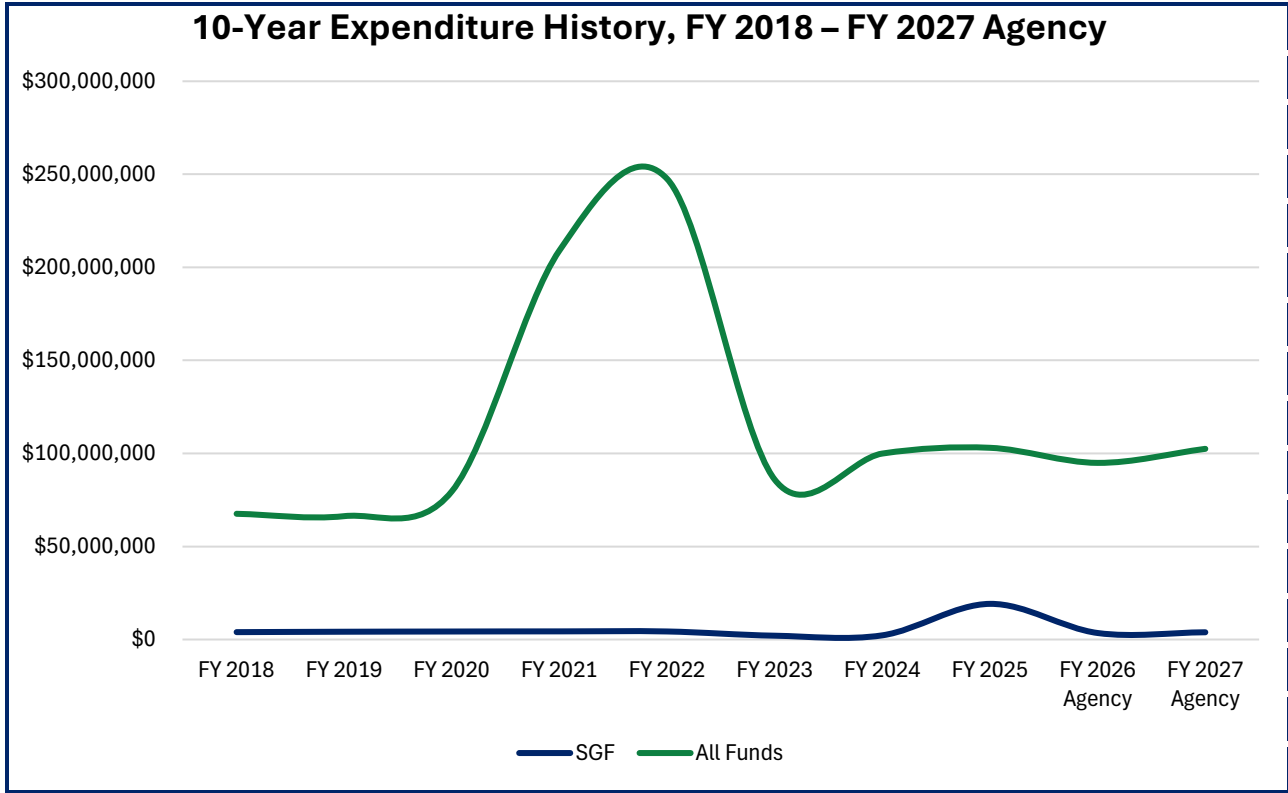
Item	Amount	Source	Note
 SGF Reappropriation	\$ 236	SGF	Includes agency lapses.
 SWPF Reappropriation	3,470,462	SWPF	

FY 2027

Item	Amount	Source	Note
SGF One-Time Adjustments	\$ (425,000)	SGF	FY 2026 funding that does not repeat for FY 2027.
SWPF One-Time Adjustments	(1,150,000)	SWPF	FY 2026 funding that does not repeat for FY 2027.
 Water Program Management Fund	500,000	SGF	Funding for wastewater programs while fees are increased.
 Operator Exam Updates	300,000	SGF	Funding for updating exam for the Drinking Water Operator Certification Program.
 Equus Bed	9,925,000	SWPF	Funding to address the Burrton Chloride Plume.
 Contamination Remediation	1,878,207	SWPF	Funding to remediate additional orphan sites.
 District Office Technical Assistance	500,000	SWPF	Funding and FTE to assist local water utilities.
 Local Environmental Protection Program	350,000	SWPF	Funding to increase support for counties.
 Nonpoint Source Program	91,000	SWPF	Funding to develop an application programming interface.

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—ENVIRONMENT
 Budget Summary – Agency Request

Summary of Expenditures



Fiscal Year	SGF			All Funds		FTE	CPI-U* Change (%)
	Amount	Change (%)		Amount	Change (%)		
FY 2018	\$ 3,927,913	(6.7)	\$	67,517,686	4.9	427.10	0.2
FY 2019	4,147,492	5.6		66,254,363	(1.9)	434.70	--
FY 2020	4,266,995	2.9		79,605,234	20.2	441.55	0.8
FY 2021	4,338,906	1.7		209,047,204	162.6	459.90	2.4
FY 2022	4,290,121	(1.1)		247,454,569	18.4	504.90	9.2
FY 2023	2,004,397	(53.3)		85,840,376	(65.3)	381.02	5.8
FY 2024	2,210,871	10.3		99,897,463	16.4	398.20	3.0
FY 2025	19,179,139	767.5		102,977,033	3.1	398.20	3.0
FY 2026 Agency	3,453,448	(82.0)		94,874,815	(7.9)	398.38	2.8
FY 2027 Agency	3,855,580	11.6		102,425,378	8.0	402.38	2.4

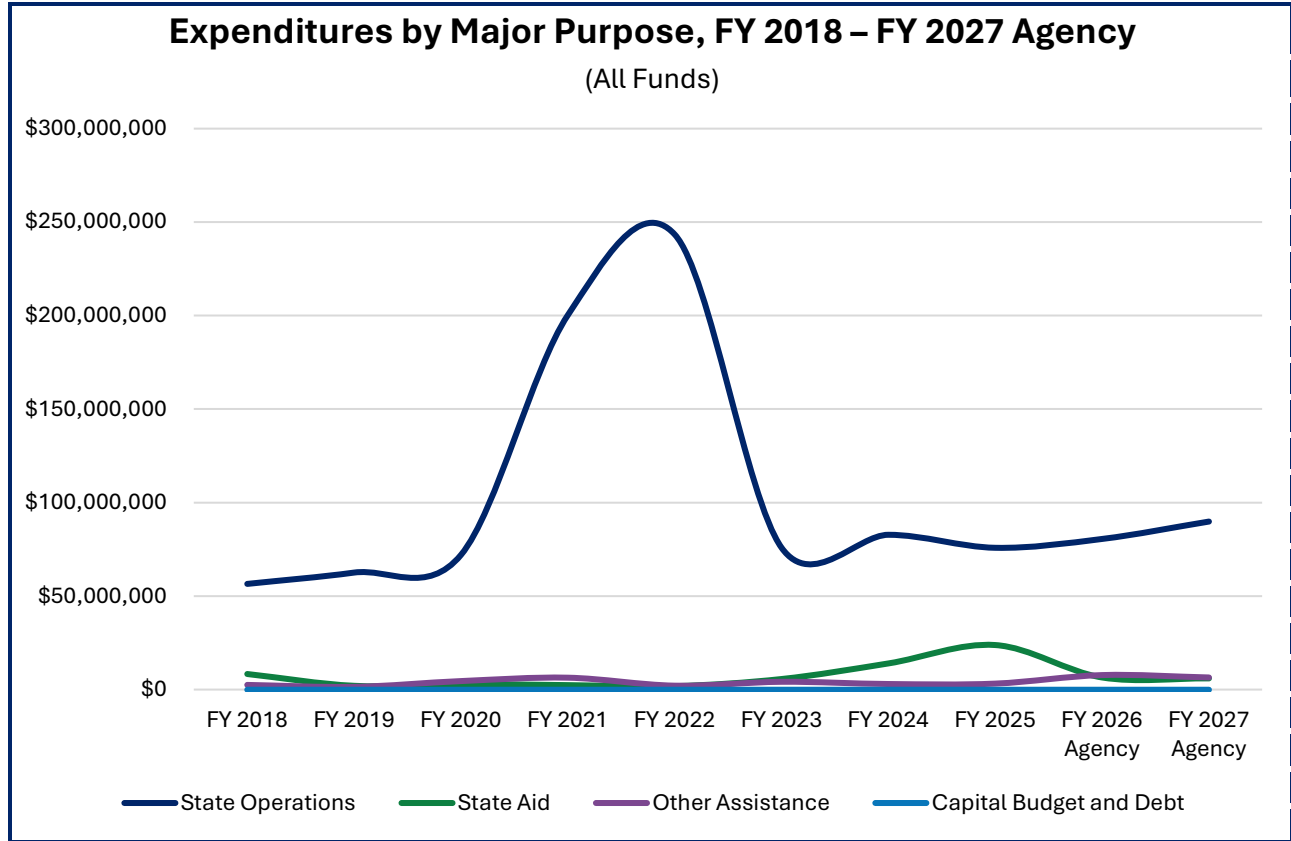
5-Year Change (FY 2023–2027)	\$ 1,851,183	92.4	\$	16,585,002	19.3	21.36	11.6
10-Year Change (FY 2018–2027)	(72,333)	(1.8)		34,907,692	51.7	(24.72)	33.1
3-Year Average** (FY 2023–2025)	7,798,136	N/A		96,238,291	N/A	392.47	N/A

* Note : Consumer Price Index for All Urban Consumers estimate for FY 2026–2027 is from the Consensus Revenue Estimating Group.

** Note : Reflects the three most recent years of actuals data.

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—ENVIRONMENT

Budget Summary – Agency Request



Expenditures by Category, FY 2024 – FY 2027 Agency

(All Funds)

	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State Operations						
Salaries and Wages	36.9 %	\$ 28,097,240	\$ 29,693,643	\$ 35,844,662	\$ 34,965,615	\$ 35,909,700
Contractual Services	47.0	53,616,024	45,084,848	39,360,940	44,572,007	53,030,847
Commodities	0.5	514,830	520,228	658,180	480,338	480,422
Capital Outlay	0.6	629,340	604,620	690,525	613,354	508,279
Operating Adjustments	--	-	-	-	-	-
Subtotal	85.0 %	\$ 82,857,434	\$ 75,903,339	\$ 76,554,307	\$ 80,631,314	\$ 89,929,248
State Aid and Assistance						
Aid to Locals	6.9 %	\$ 14,021,591	\$ 23,840,147	\$ 5,261,000	\$ 6,520,084	\$ 6,032,630
Other Assistance	8.1	3,018,438	3,233,547	4,769,000	7,723,417	6,463,500
Subtotal	15.0 %	\$ 17,040,029	\$ 27,073,694	\$ 10,030,000	\$ 14,243,501	\$ 12,496,130
Capital Budget and Debt						
Capital Improvements	-- %	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Principal	--	-	-	-	-	-
Debt Service Interest	--	-	-	-	-	-
Subtotal	-- %	\$ -	\$ -	\$ -	\$ -	\$ -
Reappropriations	-- %	\$ -	\$ -	\$ 3,470,698	\$ -	\$ -
GRAND TOTAL	100.0 %	\$ 99,897,463	\$ 102,977,033	\$ 90,055,005	\$ 94,874,815	\$ 102,425,378

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—ENVIRONMENT
Budget Summary – Agency Request

State Operations

Expenditures by Classification, FY 2024 – FY 2027 Agency						
(State Operations, All Funds)						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Salaries and Wages						
Employee Pay	26.5 %	\$ 20,387,057	\$ 21,764,293	\$ 25,971,771	\$ 25,182,302	\$ 25,647,399
Employee Benefits	10.3	7,710,183	7,929,350	10,110,196	9,795,167	10,272,736
Shrinkage	(0.0)	-	-	(237,305)	(11,854)	(10,435)
Subtotal	36.9 %	\$ 28,097,240	\$ 29,693,643	\$ 35,844,662	\$ 34,965,615	\$ 35,909,700
Contractual Services						
Communication	0.8 %	\$ 765,458	\$ 789,220	\$ 746,170	\$ 766,579	\$ 759,614
Fees (Professional)	41.3	47,911,542	39,507,718	32,470,195	39,156,135	36,010,935
Fees (Other Services)	1.8	2,082,165	1,239,683	2,760,208	1,738,751	1,683,475
Freight and Express	0.1	16,999	19,342	16,925	16,120	13,620
Printing and Advertising	0.1	38,107	73,493	49,211	54,206	54,206
Rent and Leases	0.6	423,219	660,945	366,708	571,660	567,770
Repair and Servicing	1.2	1,315,009	1,736,425	826,872	1,153,837	1,153,737
Travel and Subsistence	0.5	473,014	470,756	482,197	507,331	489,235
Utilities	0.5	480,710	442,839	548,980	455,875	455,675
Other	0.2	109,801	144,427	1,093,474	151,513	11,842,580
Subtotal	47.0 %	\$ 53,616,024	\$ 45,084,848	\$ 39,360,940	\$ 44,572,007	\$ 53,030,847
Commodities						
Clothing	0.1 %	\$ 17,051	\$ 12,047	\$ 18,785	\$ 16,950	\$ 16,950
Equipment and Parts	0.1	13,279	9,842	8,695	5,250	5,250
Food	0.1	67,463	76,040	65,455	64,195	64,025
Fuel	--	-	-	-	-	-
Motor Vehicle Parts	0.2	204,965	176,835	196,410	171,316	169,765
Supplies (Office)	0.1	59,759	31,563	66,790	38,042	38,042
Supplies (Professional)	0.1	79,795	131,038	239,800	118,270	106,075
Supplies (Research)	0.1	-	215	-	250	250
Other	0.1	72,518	82,648	62,245	66,065	80,065
Subtotal	0.5 %	\$ 514,830	\$ 520,228	\$ 658,180	\$ 480,338	\$ 480,422
Capital Outlay						
Books	0.1 %	\$ 2,428	\$ 1,351	\$ 1,000	\$ 1,200	\$ 1,200
Computer Hardware	0.1	59,131	43,429	44,696	36,465	36,390
Computer Software	0.1	1,923	5,196	9,599	6,234	6,234
Equipment, Furniture	0.6	543,578	549,548	619,145	568,610	463,610
Information Processing	0.1	21,487	5,035	15,730	795	795
Telecommunications	0.1	793	61	355	50	50
Other	--	-	-	-	-	-
Subtotal	0.6 %	\$ 629,340	\$ 604,620	\$ 690,525	\$ 613,354	\$ 508,279
Operating Adjustments	-- %	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	85.0 %	\$ 82,857,434	\$ 75,903,339	\$ 76,554,307	\$ 80,631,314	\$ 89,929,248

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—ENVIRONMENT
Budget Summary – Agency Request

State Aid

Expenditures by Classification, FY 2024 – FY 2027 Agency							
(State Aid, All Funds)							
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency	
State Aid							
Federal Aid Payments	1.1 %	\$ 11,575,402	\$ 2,187,003	\$ 1,291,000	\$ 1,015,716	\$ 541,250	
State Aid Payments	5.8	2,446,189	21,653,144	3,970,000	5,504,368	5,491,380	
TOTAL	6.9 %	\$ 14,021,591	\$ 23,840,147	\$ 5,261,000	\$ 6,520,084	\$ 6,032,630	

Other Assistance

Expenditures by Classification, FY 2024 – FY 2027 Agency							
(Other Assistance, All Funds)							
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency	
Other Assistance							
Federal Aid Payments	3.3 %	\$ 1,981,882	\$ 2,000,000	\$ 2,365,000	\$ 3,100,338	\$ 2,665,000	
State Aid Payments	4.9	1,036,556	1,233,547	2,404,000	4,623,079	3,798,500	
TOTAL	8.1 %	\$ 3,018,438	\$ 3,233,547	\$ 4,769,000	\$ 7,723,417	\$ 6,463,500	

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—ENVIRONMENT
Budget Summary – Agency Request

Expenditures by Program

Expenditures by Program, FY 2024 – FY 2027 Agency						
(All Funds, Dollars in Thousands)						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Air Quality	12.9 %	\$ 7,703.5	\$ 7,337.4	\$ 9,511.5	\$ 12,278.4	\$ 11,775.0
Field Services	19.0	12,107.4	13,525.3	15,058.3	18,023.2	17,173.0
Remediation	44.7	50,430.6	41,093.2	39,718.8	42,390.3	50,460.8
Small Town Water and Sewer Infrastructure Assistance Program	--	9,938.2	561.8	-	-	-
Waste Management	7.9	5,813.9	6,945.3	7,538.4	7,516.1	7,302.7
Water	15.5	13,903.8	33,510.3	14,757.3	14,666.9	15,713.9
COVID-19 Transactions	--	-	3.7	-	-	-
Reappropriations	--	-	-	3,470.7	-	-
TOTAL	100.0 %	\$ 99,897.4	\$ 102,977.0	\$ 90,055.0	\$ 94,874.9	\$ 102,425.4

FTE Positions by Program, FY 2024 – FY 2027 Agency						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Air Quality	13.5 %	53.2	53.2	53.2	53.8	53.8
Field Services	25.6	102.6	102.6	102.6	102.0	102.0
Remediation	26.7	106.5	106.5	106.5	106.5	106.5
Small Town Water and Sewer Infrastructure Assistance Program	--	--	--	--	--	--
Waste Management	13.5	53.4	53.4	53.4	53.6	53.6
Water	20.7	82.5	82.5	82.5	82.5	86.5
COVID-19 Transactions	--	--	--	--	--	--
Reappropriations	--	--	--	--	--	--
TOTAL	100.0 %	398.2	398.2	398.2	398.4	402.4

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—ENVIRONMENT
Budget Summary – Agency Request

Expenditures by Fund

Expenditures by Fund, FY 2024 – FY 2027 Agency						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State General Fund	3.6 %	\$ 2,210,871	\$ 19,179,139	\$ 3,453,448	\$ 3,453,448	\$ 3,855,580
State Water Plan Fund	10.8	5,843,459	9,914,015	10,243,483	10,243,483	18,367,228
Fee Funds	5.9	4,665,970	5,022,214	5,588,452	5,552,550	5,580,121
Federal Funds	20.8	32,812,958	22,722,932	24,281,193	19,771,973	18,791,670
All Other Funds	58.9	54,364,205	46,138,733	46,488,429	55,853,361	55,830,779
TOTAL	100.0 %	\$ 99,897,463	\$ 102,977,033	\$ 90,055,005	\$ 94,874,815	\$ 102,425,378

Fee Fund Analysis

Moneys deposited into the Water Program Management Fund come from permit fees for confined animal feeding facilities, permit fees for truck-washing facilities for animal wastes, and other wastewater fees. In addition, moneys will be deposited into the fund from interest attributable to investment of moneys in the fund; gifts, grants, or appropriations to be used for the purposes of the fund; and any other moneys provided by law. Moneys in the fund will be used for monitoring and investigating the quality of water of the state; payment of the State’s share of U.S. Clean Water Act matching costs; payment for emergency action to assure public health or safety; payment of certain administrative and legal costs; and development of educational materials and programs for informing the public about water issues.

Water Program Management Fund					
FY 2024 – FY 2027 Agency					
	FY 2024 Actual	FY 2025 Actual	FY 2026 Agency	FY 2027 Agency	
Beginning Balance	\$ 424,056	\$ 334,003	\$ 402,878	\$ 362,353	
Revenue					
Inspections	\$ 582,915	\$ 680,230	\$ 686,461	\$ 697,708	
Licenses	127,489	124,946	227,148	238,395	
Interest Earned	29,307	24,985	-	-	
Transfers Out	-	-	(81,698)	(42,708)	
Encumbrances	(7)	9,000	-	-	
Subtotal – Revenue	\$ 739,704	\$ 839,161	\$ 831,911	\$ 893,395	
Total Amount Available	\$ 1,163,760	\$ 1,173,164	\$ 1,234,789	\$ 1,255,748	
Expenditures					
Salaries and Wages	\$ 445,027	\$ 411,814	\$ 663,248	\$ 668,709	
Contractual Services	231,007	202,248	83,169	83,169	
Commodities	4,669	11,625	1,450	1,450	
Capital Outlay	1,374	3,428	569	569	
Non Expense	147,680	141,171	124,000	124,000	
Subtotal – Expenditures	\$ 829,757	\$ 770,286	\$ 872,436	\$ 877,897	
Ending Balance	\$ 334,003	\$ 402,878	\$ 362,353	\$ 377,851	

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—ENVIRONMENT
Budget Summary – Agency Request

FY 2026 Analysis

Summary of Agency Budget Request, FY 2026						
	SGF	SWPF	All Other Funds	Total	FTE Positions	
Approved, FY 2026						
1. 2025 SB 125, without Reappropriations	\$ 3,453,212	\$ 6,773,021	\$ 76,358,074	\$ 86,584,307	398.2	
Reappropriations						
2. State General Fund	\$ 240	\$ -	\$ -	\$ 240	--	
3. State Water Plan Fund	-	3,470,462	-	3,470,462	--	
4. SGF Reappropriation 1.5% Lapse	(4)	-	-	(4)	--	
Subtotal – Approved, with Reappropriations	\$ 3,453,448	\$ 10,243,483	\$ 76,358,074	\$ 90,055,005	398.2	
Supplemental Requests						
No Supplemental Requests	\$ -	\$ -	\$ -	\$ -	--	
Other Changes						
5. Underground Petroleum Storage Tank Release Fund	\$ -	\$ -	\$ 3,154,156	\$ 3,154,156	--	
6. Volkswagen Mitigation Trust Fund	-	-	2,986,597	2,986,597	--	
7. Kansas Water Pollution Control Revolving Loan Fund	-	-	2,189,287	2,189,287	--	
8. Abandoned Mined Land Reclamation Fund	-	-	(1,570,503)	(1,570,503)	--	
9. Performance Partnership Grant Fund	-	-	(2,006,365)	(2,006,365)	--	
10. All Other Adjustments	-	-	66,638	66,638	0.2	
Subtotal – Other Changes	\$ -	\$ -	\$ 4,819,810	\$ 4,819,810	0.2	
TOTAL – Agency Revised Estimate	\$ 3,453,448	\$ 10,243,483	\$ 81,177,884	\$ 94,874,815	398.4	

Approved Budget

1. 2025 SB 125

The 2025 Legislature passed, and the Governor enacted, one bill appropriating and adjusting funding for state agencies. A total of \$86.6 million, including \$3.5 million SGF and \$6.8 million from the State Water Plan Fund (SWPF), was approved for the Division of Environment in FY 2026.

Reappropriations

2. SGF Reappropriation

The agency reappropriated \$240 in unspent SGF funds for operating expenditures from FY 2025 to FY 2026.

3. SWPF Reappropriation

The agency reappropriated \$3.5 million in unspent SWPF funds from FY 2025 to FY 2026. This includes:

- **Contamination Remediation.** \$800,382. This funding is utilized for investigating and cleaning contaminated sites where contamination is known or suspected of causing threats to human or environmental health.

- **Local Environment Protection Program.** \$14,988. This funding is used to assist local authorities in developing and implementing water protection plans. Emphasis is placed on wastewater systems and private water wells.
- **Nonpoint Source Program.** \$559,486. This funding is used to address pollution from sources other than pipe discharge. Examples include small livestock facilities, conventional farming practices, urban development, stream bank restoration and erosion control, and failing septic systems.
- **Total Maximum Daily Load Initiatives.** \$176,969. This funding is used to research and assess bacteria and nutrient control to ensure Kansas waters are in compliance with water quality standards.
- **Drinking Water Protection.** \$876,823. This funding is used to assist public water supply systems that show trends of increased nitrate or violate maximum contaminant levels. Funding can be used to assist communities in assessing, planning, and implementing strategies to protect local drinking water sources.
- **Watershed Restoration Protection Program.** \$847,579. This funding is used to enhance the health and sustainability to local watersheds. Projects aim to ensure no water source violates Kansas surface water quality standards because of nonpoint sources of pollutants, to ensure surface water and groundwater is protected from all nonpoint pollutant sources, and to reduce levels of contaminants.
- **Aquifer Recharge Basin.** \$74,466. This funding is used to conduct a pilot project to create artificial playas that capture and directly recharge excess precipitation to the aquifer.
- **Harmful Algae Bloom Pilot.** \$19,769. This funding is used to monitor and respond to harmful algae blooms across the state.
- **Stream Trash Removal.** \$100,000. This funding is used on projects that either prevent trash from entering streamways or remove such waste from creeks and rivers.

4. SGF Reappropriation 1.5 Percent Lapse

As part of the lapse identified in item 1, the Legislature approved a lapse of 1.5 percent of SGF reappropriations supporting state operations in FY 2026. For the Kansas Department of Health and Environment–Division of Environment, this totals a decrease of \$4 SGF in FY 2026 and adjusts total SGF reappropriations to \$236.

Other Changes

5. Underground Petroleum Storage Tank Release Fund

The agency's revised request includes an increase of \$3.2 million from the Underground Petroleum Storage Tank Release Trust Fund, for a total of \$18.4 million, in FY 2026. This represents an increase of 20.7 percent. This fund generates revenues from a \$0.01 fee assessed to petroleum wholesale distributors of either Kansas refined or imported gasoline and related products. Moneys are used to reimburse owners and operators of underground petroleum storage tanks for cleanup of contamination caused by the tanks.

The agency indicates that larger, more expensive projects are estimated to be completed.

6. Volkswagen Mitigation Trust Fund

The agency's revised request includes an increase of \$3.0 million from the Volkswagen Mitigation Trust Fund, for a total of \$5.0 million, in FY 2026. This represents an increase of 147.4 percent. This fund generates revenues from a settlement stemming from legal action taken by the U.S. Environmental

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—ENVIRONMENT

Budget Summary – Agency Request

Protection Agency and the State of California against Volkswagen addressing emission-evading devices. A settlement was reached in 2016.

The KDHE is the lead agency to act on behalf of the trust by implementing mobile-source improvement projects that reduce nitrogen oxides emissions. A total of \$15.6 million is estimated to be received and expended by the agency over a ten-year period. The [Kansas plan](#) can be found on the agency's website.

The agency indicates that the deadline to expend moneys related to the litigation against Volkswagen is nearing and expenditures are increasing to spend down the balance of the trust fund.

7. Kansas Water Pollution Control Revolving Loan Fund

The agency's revised request includes an increase of \$2.2 million from the Kansas Water Pollution Control Revolving Loan Fund, for a total of \$4.0 million, in FY 2026. This represents an increase of 123.7 percent. This fund is used to help communities finance water pollution control projects, as established under [KSA 65-3322](#). Statute limits expenditures to the following:

- For loans to municipalities for payment of all or part of project costs;
- To carry out planning for wastewater treatment works;
- For implementation of nonpoint source pollution control programs;
- As a source of revenue or security for the payment of principal and interest on bonds issued;
- To earn interest on moneys in the fund;
- To make grants to qualifying projects in accordance with the Rural Communities Hardship Grants Program; and
- For reasonable costs of administering the fund, which cannot exceed 4.0 percent of all amounts awarded.

The federal government also requires states to provide a minimum match of 20.0 percent. The agency indicates that infrastructure funding over the last four years has increased three to four times more than what was expended in FY 2020. The agency also notes the service fees are being utilized for state matching requirements along with drinking water and wastewater regulatory programs as federal funding has remained flat.

8. Abandoned Mined-Land Reclamation Fund

The agency's revised request includes a decrease of \$1.6 million from the Abandoned Mined-Land Reclamation Fund, for a total of \$3.5 million, in FY 2026. This represents a decrease of 31.2 percent. Moneys are received to this fund through the U.S. Department of the Interior and are used to mitigate hazardous conditions created by past coal mining activities.

The agency notes that active coal mining has ended, and available moneys are decreasing as less land undergoes remedial activities.

9. Performance Partnership Grant Fund

The agency's revised request includes a decrease of \$2.0 million from the Performance Partnership Grant Fund, for a total of \$3.1 million, in FY 2026. This represents a decrease of 39.2 percent. This fund receives moneys from the U.S. Environmental Protection Agency (EPA) and is used for three major areas of water-related activities: drinking water, groundwater, and wastewater.

10. All Other Adjustments

All other adjustments made by the agency results in an increase of \$66,638 from all other funding sources and an increase of 0.18 FTE position in FY 2026. Increases are attributable to other agency trust funds and are partially offset by decreases in other federal funds and agency fee funds.

The agency's request includes an increase of 0.58 FTE position in the Air Quality Program, an increase of 0.20 FTE position in the Waste Management Program, and a decrease of 0.60 FTE position in the Field Services Program in FY 2026.

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—ENVIRONMENT
Budget Summary – Agency Request

FY 2027 Analysis

Summary of Agency Budget Request, FY 2027							
	SGF	SWPF	All Other Funds	Total	FTE		Positions
Approved, FY 2026							
2025 SB 125	\$ 3,453,212	\$ 6,773,021	\$ 76,358,074	\$ 86,584,307			398.2
1. One-Time Adjustments	(425,000)	(1,150,000)	-	(1,575,000)			--
Subtotal – Approved with Adjustments	\$ 3,028,212	\$ 5,623,021	\$ 76,358,074	\$ 85,009,307			398.2
Enhancement Requests							
2. Water Program Management Fund	\$ 500,000	\$ -	\$ -	\$ 500,000			--
3. Operator Exam Updates	300,000	-	-	300,000			--
4. SWPF - Equus Beds	-	9,925,000	-	9,925,000			--
5. SWPF - Contamination Remediation	-	1,878,207	-	1,878,207			--
6. SWPF - District Office Technical Assistance	-	500,000	-	500,000			4.0
7. SWPF - LEPP	-	350,000	-	350,000			--
8. SWPF - Nonpoint Source Program	-	91,000	-	91,000			--
Subtotal – Enhancements	\$ 800,000	\$ 12,744,207	\$ -	\$ 13,544,207			4.0
Other Changes							
9. FY 2027 Health Insurance Rate Change	\$ 28,266	\$ -	\$ -	\$ 28,266			--
10. FY 2027 KPERS Rate Change	(898)	-	-	(898)			--
11. Underground Petroleum Storage Tank Release Trust Fund	-	-	3,128,167	3,128,167			--
12. Volkswagen Mitigation Trust Fund	-	-	2,986,689	2,986,689			--
13. Kansas Water Pollution Control Revolving Fund	-	-	2,205,834	2,205,834			--
14. Climate Pollution Reduction Grant Fund	-	-	(586,497)	(586,497)			--
15. Abandoned Mined Land Reclamation Fund	-	-	(1,564,188)	(1,564,188)			--
16. Performance Partnership Grant Fund	-	-	(1,984,013)	(1,984,013)			--
17. All Other Adjustments	-	-	(341,496)	(341,496)			0.2
Subtotal – Other Changes	\$ 27,368	\$ -	\$ 3,844,496	\$ 3,871,864			0.2
TOTAL – Agency Request	\$ 3,855,580	\$ 18,367,228	\$ 80,202,570	\$ 102,425,378			402.4

Approved Budget

1. One-Time Adjustments

The approved budget includes expenditures in FY 2026 that are not included in the agency allocation for FY 2027. These expenditures are not included for FY 2027 as to better provide a point of comparison. For this agency, these adjustments include the following:

- **KEIMS Database Implementation (SGF):** The agency’s SGF allocation was reduced by \$425,000 for FY 2027. The State Finance Council approved \$425,000 SGF for the Kansas Environmental Information Management System (KEIMS) database integration in FY 2026. Those expenditures were considered to be one-time and were not included in the agency’s SGF allocation for FY 2027.

- **Contamination Remediation (SWPF):** The agency’s SWPF allocation was reduced by \$1.0 million for contamination remediation for FY 2027. The 2025 Legislature approved a \$1.0 million SWPF enhancement for contamination remediation in FY 2026. Those expenditures were considered to be one-time because they were over the agency’s base SWPF request in FY 2026.
- **Local Environment Protection Program (LEPP) (SWPF):** The agency’s SWPF allocation was reduced by \$150,000 for LEPP for FY 2027. The 2025 Legislature approved a \$150,000 SWPF enhancement for LEPP in FY 2026. Those expenditures were considered to be one-time because they were over the agency’s base SWPF request in FY 2026.

Enhancement Requests

2. Water Program Management Fund

The agency’s request includes a \$500,000 SGF enhancement for the Water Program Management Fund for FY 2027. The agency indicates SGF is needed while revisions to regulations are completed to allow for enactment of fee increases. The Water Program Management Fund is used for administering wastewater programs. In addition to the Water Program Management Fund, the agency’s wastewater programs are funded with federal grants, SWPF, and the Kansas Water Pollution Control Revolving Loan Fund service fees.

The agency indicates that federal funding has remained relatively flat for ten years, while program operational costs have increased. The agency also indicates that recent reductions made to federal funding, and reductions in available state funding from service fees on the Kansas Water Pollution Control Revolving Loan Fund, make it clear that fees must be increased to maintain wastewater programs. Current estimates project a funding shortfall for the Water Program Management Fund beginning in FY 2027.

The agency states that wastewater is generated from industrial and commercial processes, sewage treatment facilities, and rain events that require discharge into Kansas rivers. For those discharges to occur, a permit is issued from one of the wastewater permitting programs within the Bureau of Water. Fees from many different wastewater permits are then remitted to the Water Program Management Fund, including fees for confined-animal feeding facilities and truck-washing facilities for animal wastes. The agency indicates that the process is underway to increase fees but is estimated to take two years to complete.

3. Operator Exam Updates

The agency’s request includes a \$300,000 SGF enhancement for a contractor to perform an exam-validation process for the Drinking Water Operator Certification Program for FY 2027. The agency states that current exam questions were developed in the early 2000s and need updates. The agency states that changes to the exam must follow a prescribed exam validation process in order to obtain federal approval.

The agency is requesting this item be funded by SGF because current fees are statutorily capped at \$25 for operator exams, and past attempts to increase the statutory caps have been unsuccessful. Without a fee increase, the agency states that current funding levels will not support updating the exam. The agency further requests contractors update the exam because the agency does not have the capacity to do so.

4. SWPF – Equus Beds

The agency’s request includes a \$9.9 million SWPF enhancement, for a total of \$10.0 million, for Equus Beds for FY 2027. Specifically, the Kansas Water Authority has recommended the enhancement to address the Burrton Chloride Plume. The Burrton Chloride Plume is an oil field brine plume in the Equus Beds Aquifer near Burrton, Kansas.

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The agency indicates that the plume was created by seepage of production brine into the aquifer from nearby oil field development between 1931 and 1943. The groundwater plume has high chloride concentrations, rendering it unusable for most purposes.

The agency indicates the enhancement would fund remediation efforts of water in the area, ensuring contamination from the plume does not impact the City of Wichita’s public water supply and allow the groundwater to be usable by local agriculture.

Remedial activities would include constructing a pipeline to convey water from proposed remediation wells to the existing Equus Beds Waterfield pipe network. From there, remediation water would be blended with the existing network and routed to the City of Wichita’s water treatment facilities where the water would be combined with water from Cheney Reservoir. Chloride concentrations in the City of Wichita’s water would increase as a result. However, the agency indicates it would be below maximum contamination levels. The agency indicates this approach would be better than to allow the existing chloride plume to, over time, infiltrate the existing Equus Beds Waterfield pipe network on its own.

5. SWPF – Contamination Remediation

The agency’s request includes a \$1.9 million SWPF enhancement for contamination remediation, for a total of \$4.0 million, for FY 2027. Specifically, the Kansas Water Authority has recommended the enhancement be made for the Orphan Site Program located in the Bureau of Environmental Remediation. The Orphan Site Program provides remedial activities for sites where no viable responsible party exists. The agency indicates that additional funding approved by the 2025 Legislature for FY 2026 allowed the agency to more than double the number of sites the program addresses and allows the agency to engage with larger projects that was not previously possible due to fiscal constraints. The agency indicates that funding would help remediate contamination found at the 80-plus orphan sites known to the agency.

6. SWPF – District Office Technical Assistance

The agency’s request includes a \$500,000 SWPF enhancement for district office technical assistance for FY 2027. This item is currently unfunded. The request also includes adding 4.0 FTE positions. The Kansas Water Authority has recommended the enhancement to make technical assistance available to local water utilities.

The agency indicates that the need for on-site technical assistance for drinking water utilities has grown over the years as challenging source water availability, increased treatment capabilities, and the need for advanced planning has developed. The enhancement would add four environmental specialists who would assist locals in exploring treatment operations; assist with compliance issues, emergency response coordination, and evaluating and planning for regionalization alternatives; coordinate sanitary survey inspections; and provide resources for cybersecurity issues.

The enhancement includes expenditures other than salaries and wages because this new unit would require some up-front costs relating to equipment, computers, and vehicles.

7. SWPF – LEPP

The agency’s request includes a \$350,000 SWPF enhancement for the LEPP, for a total of \$1.0 million, for FY 2027. The Kansas Water Authority has recommended this enhancement to provide additional funding to address private water well and septic systems.

The agency indicates the LEPP provides funding and technical assistance to enable local authorities to develop water protection plans that complement other water-quality efforts being implemented by state and federal agencies. At the core of each plan is the adoption and enforcement of county environmental codes with an emphasis on onsite wastewater systems and private water wells. The

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LEPP works to ensure Kansas communities have the support necessary to ensure the proper and safe treatment of wastewater for both human health and environmental health.

The agency indicates that funding for LEPP was discontinued in 2012, but the Watershed Management Section of KDHE continued to provide technical assistance to counties. The 2023 Legislature appropriated \$250,000 SWPF for LEPP in FY 2024 and appropriations from the SWPF have continued since then.

The agency states the enhanced funding would go to support financial resources to counties for onsite wastewater system upgrades and replacements, as well as resources for private water well testing.

8. SWPF – Nonpoint Source

The agency's request includes a \$91,000 SWPF enhancement for the Nonpoint Source Program, for a total of \$544,123, for FY 2027. The Kansas Water Authority has recommended the enhancement be made for the agency's Nonpoint Source Program.

The agency indicates the Nonpoint Source Program provides 40.0 percent matching salary funds toward the Clean Water Act 319 Nonpoint Source Pollution Reduction Grant and funds contractual services that cannot be funded through federal grants. Nonpoint Source Program staff implement programs to reduce pollution through voluntary practices and support of county sanitary code development. The program also provides technical assistance to document the progress made toward nonpoint source pollution efforts.

The agency further indicates that enhanced funding would go toward contracting to develop an application programming interface (API) to allow more-rapid movement of data documenting pollution reduction metrics. Currently, staff of both WRAPS-sponsoring organizations and of KDHE spend hours inputting data, which limits their time working with farmers to implement soil health processes.

Other Changes

9. FY 2027 Health Insurance Rate Change

The agency's request includes \$28,266 SGF for a health insurance rate change for FY 2027. The increase is the result of changes made to budget cost indices produced each year by the Department of Administration. Those indices are used by all state agencies, and employer contribution rates are estimated to increase for all state agencies.

The agency's request for group health insurance totals \$4.9 million, from all funding sources, for FY 2027. This represents an increase of 3.5 percent over the FY 2026 approved amount.

10. FY 2027 KPERS Rate Change

The agency's request includes a reduction of \$898 SGF for a KPERS rate change for FY 2027. The decrease is the result of changes made to budget cost indices produced each year by the Department of Administration. Those indices are used by all state agencies, and employer contribution rates are estimated to decrease for all state agencies.

The agency's request for KPERS employer contributions totals \$3.1 million, from all funding sources, for FY 2027. This represents a decrease of 4.5 percent below the FY 2026 approved amount.

11. Underground Petroleum Storage Tank Release Trust Fund

The agency's request includes an increase of \$3.1 million from the Underground Petroleum Storage Tank Release Trust Fund, for a total of \$18.3 million, for FY 2027. This represents an increase of 20.6 percent over the FY 2026 approved amount. This fund generates revenues from a \$0.01 fee assessed to petroleum wholesale distributors of either Kansas refined or imported gasoline and related products.

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Moneys are used to reimburse owners and operators of underground petroleum storage tanks for cleanup of contamination caused by the tanks.

The agency indicates that larger, more expensive projects are estimated to be completed.

12. Volkswagen Mitigation Trust Fund

The agency's request includes an increase of \$3.0 million from the Volkswagen Mitigation Trust Fund, for a total of \$5.0 million, for FY 2027. This represents an increase of 147.4 percent over the FY 2026 approved amount. This fund generates revenues from a settlement stemming from legal action taken by the EPA and the State of California against Volkswagen addressing emission-evading devices. A settlement was reached in 2016.

The KDHE is the lead agency to act on behalf of the trust by implementing mobile-source improvement projects that reduce nitrogen oxides emissions. A total of \$15.6 million is estimated to be received and expended by the agency over a ten-year period. The [Kansas plan](#) can be found on the agency's website.

The agency indicates that the deadline to expend moneys related to the litigation against Volkswagen is nearing and expenditures are increasing to spend down the balance of the trust fund.

13. Kansas Water Pollution Control Revolving Loan Fund

The agency's request includes an increase of \$2.2 million from the Kansas Water Pollution Control Revolving Loan Fund, for a total of \$4.0 million, for FY 2027. This represents an increase of 124.6 percent over the FY 2026 approved amount. This fund is used to help communities finance water pollution control projects, as established under [KSA 65-3322](#). Statute limits expenditures to the following:

- For loans to municipalities for payment of all or part of project costs;
- To carry out planning for wastewater treatment works;
- For implementation of nonpoint source pollution control programs;
- As a source of revenue or security for the payment of principal and interest on bonds issued;
- To earn interest on moneys in the fund;
- To make grants to qualifying projects in accordance with the Rural Communities Hardship Grants Program; and
- For reasonable costs of administering the fund, which cannot exceed 4.0 percent of all amounts awarded.

The federal government also requires states to provide a minimum match of 20.0 percent. The agency indicates that infrastructure funding over the last four years has increased three to four times more than what was expended in FY 2020. The agency also notes the service fees are being utilized for state matching requirements along with drinking water and wastewater regulatory programs as federal funding has remained flat.

14. Climate Pollution Reduction Grant Fund

The agency's request includes a decrease of \$586,497 from the Climate Pollution Reduction Grant Fund, for a total of \$157,812, for FY 2027. This represents a decrease of 78.8 percent below the FY 2026 approved amount. This federal fund is used to support planning efforts by the states to develop plans to reduce greenhouse gases.

The agency indicates this federal grant is ending and expenditures are decreasing as funding will no longer be available.

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Budget Summary – Agency Request

15. Abandoned Mined-Land Reclamation Fund

The agency's request includes a decrease of \$1.6 million from the Abandoned Mined-Land Reclamation Fund, for a total of \$3.5 million, for FY 2027. This represents a decrease of 31.1 percent below the FY 2026 approved amount. Moneys are received to this fund through the U.S. Department of the Interior and are used to mitigate hazardous conditions created by past coal mining activities.

The agency notes that active coal mining has ended and available moneys are decreasing as less land undergoes remedial activities.

16. Performance Partnership Grant Fund

The agency's request includes a decrease of \$2.0 million from the Performance Partnership Grant Fund, for a total of \$3.1 million, for FY 2027. This represents a decrease of 38.7 percent below the FY 2026 approved amount. This fund receives moneys from the EPA and is used for three major areas of water-related activities: drinking water, groundwater, and wastewater.

17. All Other Adjustments

All other adjustments made by the agency results in a decrease of \$341,496 from all other funding sources, and an increase of 0.18 FTE position for FY 2027. Decreases are attributable to decreased estimated expenditures from other agency federal funds and agency fee funds. These decreases are partially offset by estimated expenditures from other agency trust funds.

The agency's request includes an increase of 0.58 FTE position in the Air Quality Program, an increase of 0.20 FTE position in the Waste Management Program, and a decrease of 0.60 FTE position in the Field Services Program for FY 2027.