

February 6, 2025

The Honorable Ken Rahjes, Chairperson
House Committee on Agriculture and Natural Resources
300 SW 10th Avenue, Room 112-N
Topeka, Kansas 66612

Dear Representative Rahjes:

SUBJECT: Fiscal Note for HB 2063 by House Committee on Agriculture and Natural Resources Budget

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2063 is respectfully submitted to your committee.

HB 2063 would create the State Conservation Fund, which would be used to supplement existing appropriations and would not be used to supplant State General Fund or special revenue fund appropriations for the Kansas Department of Agriculture and the Department of Wildlife and Parks. Monies transferred to and received from the State Conservation Fund would not be used to finance any fee simple land acquisition by the federal or state government.

The bill would create the following funds: the Working Lands Conservation Fund that would be administered by the Director of the Division of Conservation of the Kansas Department of Agriculture; the Wildlife Conservation Fund that would be administered by the Secretary of Wildlife and Parks; and the Kansas Outdoors Fund that would be administered by the Secretary of Wildlife and Parks and would be part of the Parks Division. Each agency would adopt rules and regulations to administer a grant program to expend the moneys from the newly created funds. For the Working Lands Conservation Fund, the State Conservation Commission would provide guidance on priority criteria for applications, awardee selection, and the annual budget. For the Wildlife Conservation Fund, the Kansas Department of Wildlife and Parks Commission would provide guidance on priority criteria for applications, awardee selection, and the annual budget. For the Kansas Outdoors Fund, the Statewide Local Recreation Advisory Board would provide guidance on priority criteria for applications, awardee selection, and the annual budget. The Secretaries would consider both the guidance of the Commission or Advisory Board and the recommendations of the Divisions to make final awards and administrative budget decisions. The

bill lists who would be eligible to receive funding and the uses of the funds. Applicants that provide an opportunity to capture federal, private, or other nonstate matching moneys would be prioritized.

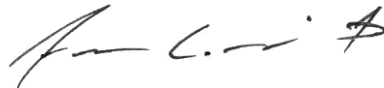
The intent of the Legislature would be that all allocated moneys would be fully obligated within 12 months of allocation to approved projects. On or before each December 1, the agencies would submit a report to the Governor and the Legislature that would also be published on the agency websites, and the bill would detail the items to be included in the reports. The agencies would be allowed to use a portion of the funds to pay for relevant expenses to administer the grant programs. On July 1, 2025, and each July 1 thereafter, the Director of Accounts and Reports would be required to transfer \$60.0 million from the SGF to the State Conservation Fund. On July 15, 2025, and each July 15 thereafter, the Director of Accounts and Reports would be required to transfer from the State Conservation Fund, 50.0 percent to the Working Lands Conservation Fund, 25.0 percent to the Wildlife Conservation Fund, and the remaining balance to the Kansas Outdoors Fund.

Estimated State Fiscal Effect			
	FY 2025	FY 2026	FY 2027
Expenditures			
State General Fund	--	--	--
Fee Fund(s)	--	\$60.0 million	\$60.0 million
Federal Fund	--	--	--
Total Expenditures	--	\$60.0 million	\$60.0 million
Revenues			
State General Fund	--	(60.0 million)	(60.0 million)
Fee Fund(s)	--	\$60.0 million	\$60.0 million
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	--	--

The Department of Agriculture and the Department of Wildlife and Parks both state that the requirements of the bill would increase expenditures beginning in FY 2026. The Department of Agriculture would require 3.00 positions totaling \$259,500 (\$86,500 x 3) for salary and wage expenditures from the Working Lands Conservation Fund. The Department of Wildlife and Parks estimates that it would require 3.00 FTE positions totaling \$259,500 (\$86,500 x 3), for salary and wage expenditures and the funding would be equally divided between the Wildlife Conservation Fund and the Kansas Outdoors Fund. The positions in each agency would review, amend, approve and follow up on grant applications, funding agreements, and verify completion of the scope of each approved project.

The Kansas Department of Administration indicates that the establishment of the new funds and transfer funding are part of the standard operating duties of the Office of Accounts and Reports and, therefore the bill would not affect operating expenditures. Enactment of the bill would reduce the amount of State General Fund available as a result of the \$60.0 million transfer required by the bill. Any fiscal effect associated with HB 2063 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish.

Adam C. Proffitt
Director of the Budget

cc: Lita Biggs, Department of Agriculture
Martin DeBoer, Department of Wildlife & Parks
Samir Arif, Department of Administration