

March 11, 2025

The Honorable Jim Minnix, Chairperson  
House Committee on Water  
300 SW 10th Avenue, Room 218-N  
Topeka, Kansas 66612

Dear Representative Minnix:

**SUBJECT:** Fiscal Note for HB 2345 by House Committee on Water

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2345 is respectfully submitted to your committee.

HB 2345 would establish the Kansas Office of Natural Resources within the Executive Branch effective July 1, 2026, which would be led by an Executive Director, appointed by the Governor and confirmed by the Senate, to organize the Office efficiently, establish policies, and oversee administration. The bill would further establish the Division of Water Resources for water rights administration, dam safety, and water resources management; the Division of Conservation for conservation district management and related programs; and the Division of Water Policy and Planning for water planning, water policy development, and reservoir operations. The bill would abolish the Kansas Water Office; the Kansas Department of Agriculture, Division of Conservation; and the Kansas Department of Agriculture, Division of Water Resources. Finally, the bill would update various statutory references with the Kansas Office of Natural Resources.

The Kansas Department of Agriculture indicates that enactment of the bill would decrease expenditures of the agency by \$58,576,749 in FY 2026 including \$43,582,979 from the State General Fund, \$1,893,977 from agency fee funds, and \$13,099,793 from federal funds due to the Division of Water Resources and the Division of Conservation shifting to the Office of Natural Resources. The agency estimates the bill would decrease expenditures by \$53,154,915 in FY 2027 including \$38,161,145 from the State General Fund, \$1,893,977 from agency fee funds, and \$13,099,793 from federal funds.

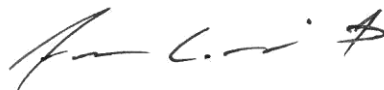
The Kansas Water Office indicates that enactment of the bill would increase salaries and wages expenditures to create a new Executive Director position and for any additional appointment

positions plus expenditures for related items such as computers and other equipment. Enactment of the bill would increase expenditures for rent because there is not sufficient space to accommodate the Executive Director or any additional staff that might be appointed to the Topeka office. Enactment of the bill would also increase expenditures related to replacing shared resources including vehicles, software, and office supplies. Finally, enactment of the bill would increase expenditures for transition materials including letterhead, business cards, posters, and banners. Although the Office anticipates increases in expenditures, it cannot provide an exact estimate of the cost.

The Kansas Department of Health and Environment, Kansas Department of Wildlife and Parks, Kansas Department of Revenue, Legislative Administrative Services, and University of Kansas indicate that the enactment of the bill would not have a fiscal effect on operations. Any fiscal effect associated with HB 2345 is not reflected in *The FY 2026 Governor's Budget Report*.

The Kansas Association of Counties indicates that the enactment of the bill would not have a fiscal effect on its operations; however, enactment of the bill would have a fiscal effect on counties depending on how they handle conservation districts and investment in conservation districts. The League of Kansas Municipalities indicates that the enactment of the bill would not have a fiscal effect on cities' operations.

Sincerely,



Adam C. Proffitt  
Director of the Budget

cc: Debra Jones, Kansas Water Office  
Lita Biggs, Department of Agriculture  
Amy Penrod, Department of Health & Environment  
Wendi Stark, League of Kansas Municipalities  
Jay Hall, Kansas Association of Counties  
Martin DeBoer, Department of Wildlife & Parks  
Tom Day, Legislative Services  
Lynn Robinson, Department of Revenue  
Jeff Dewitt, University of Kansas