

FY 2013

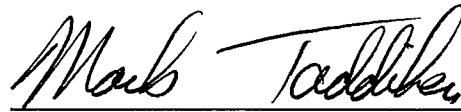
Natural Resources Subcommittee, Ways and Means

Kansas Water Office

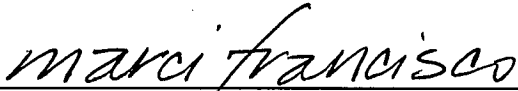
03/02/2012



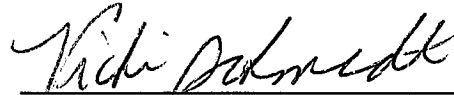
Senator Carolyn McGinn, Chair



Senator Mark Taddiken



Senator Marci Francisco



Senator Vicki Schmidt

Senate Ways and Means

Date: 03-02-2012

Attachment: 4

## House Budget Committee Report

**Agency:** Kansas Water Office

**Bill No. --**

**Bill Sec. --**

**Analyst:** Waltner

**Analysis Pg. No. --**

**Budget Page No. 450**

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 2,120,371	\$ 1,329,134	\$ 0
Other Funds	7,072,730	5,711,994	305,000
Subtotal	\$ 9,193,101	\$ 7,041,128	\$ 305,000
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 9,193,101</b>	<b>\$ 7,041,128</b>	<b>\$ 305,000</b>
<b>FTE positions</b>			
FTE positions	20.0	21.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>21.0</b>	<b>22.0</b>	<b>0.0</b>

### Agency Request

The **agency** requests FY 2013 operating expenditures totaling \$9.2 million, including \$2.1 million from the State General Fund, \$2.1 million from the State Water Plan Fund and \$2.0 million from the Expanded Lottery Act Revenues Fund (ELARF). The request includes \$2.1 million in enhancement funding, including all of the \$2.0 million requested from ELARF, for program expansion and shifting operational expenditures from the Water Marketing Fund to the State General Fund. The FTE request for FY 2013 is 20.0 FTE positions and 1.0 non-FTE unclassified permanent position, the same as the revised FY 2012 estimate.

### Governor's Recommendation

The **Governor** recommends FY 2013 operating expenditures totaling \$7.0 million, including \$1.3 million from the State General Fund and \$2.5 million from the State Water Plan Fund. The recommendation is a decrease of \$3.4 million, or 32.9 percent, from all funds and \$433,463, or 28.6 percent, from the State General Fund below the FY 2012 recommendation. The recommendation also is a decrease of \$2.2 million, or 23.4 percent, all funds and \$791,237, or 37.3 percent, State General Fund below the agency's FY 2013 request. The difference is due to shifting funding from State General Fund to State Water Plan Fund, eliminating certain State Water Plan Fund projects, federal grant adjustments, and Voluntary Retirement Incentive Program savings.

## House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments and notations:

1. Add \$200,000, all from the State Water Plan Fund, for FY 2013 for the weather modification program contingent upon ten counties participating in the project. For every county fewer than ten counties enrolled in the program in FY 2013, \$20,000 will be lapsed back to the State Water Plan Fund.
2. Add \$105,000, all from the Water Marketing Fund, for FY 2013 for monitoring and data collection and reservoir data analysis. The Water Office included \$1.1 million, all from the State General Fund, for those items in its enhancement request for FY 2013. The Budget Committee notes the importance of the state reservoirs and recommends utilizing agency fee funds to begin those projects. The \$105,000 will be included in the calculation for variable rate water customers, primarily municipalities, and will translate to approximately three cents per 1,000 gallons, or approximately fifty cents per month for the average household within the municipalities with variable rate contracts.
3. Transfer \$120, all from the Water Supply Storage Acquisition Financing Fund, to the State General Fund and abolish the Water Supply Storage Acquisition Financing Fund. The Budget Committee heard testimony that the fund had served its purpose and the remaining balance was not budgeted for any future expenditures.
4. Review at Omnibus the addition of \$600,000 for the Aquifer Storage and Recovery Project. The Aquifer Storage and Recovery Project focuses on the capturing excess river flow water and pumping it back into the Equus Beds Aquifer, which covers a 900,000 acre area in south central Kansas and approximately 550,000 Kansans. The Water Authority recommended \$500,000 from the State Water Plan Fund and \$600,000 from the Expanded Lottery Act Revenues Fund to fund this infrastructure project. The Governor's recommendation includes \$500,000 from the State Water Plan Fund only.
5. Review the funding for the Water Resources Education program at Omnibus. The Governor's recommendation eliminated funding for this program, which primarily focuses on training Kansas teachers water conservation lessons to implement with their students.
6. The Budget Committee notes that KSA 82a-953a states that \$6.0 million shall be transferred from the State General Fund to the State Water Plan Fund annually and used for the implementation of the state water plan. The Governor's recommendation for FY 2012 and FY 2013 does not include this transfer and the transfer has been reduced or eliminated every fiscal year since 2009. These reductions total \$26,651,755 between FY 2009 and FY 2013 that have not been available for maintenance on state reservoirs, contamination remediation and pollution reduction, water quality, and conservation efforts on the Ogallala Aquifer. Eliminating funding for the state water plan undermines the ability of Kansas to have a safe, reliable water supply, which is a concern for citizens across all of Kansas. The Budget Committee discussed the need for a dedicated funding stream for water issues in Kansas and recommends further review of establishing a dedicated funding source for water issues.

**House Committee Recommendation**

The **Committee** concurs with the Budget Committee with the following recommendation:

1. The Committee recommends that the Water Office explore insuring local water districts against potential natural disasters and report back to the Legislature.

**Senate Subcommittee Report**

**Agency:** Kansas Water Office

**Bill No. --**

**Bill Sec. --**

**Analyst:** Waltner

**Analysis Pg. No. --**

**Budget Page No. 450**

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 2,120,371	\$ 1,329,134	\$ 0
Other Funds	7,072,730	5,711,994	133,000
Subtotal	<u>\$ 9,193,101</u>	<u>\$ 7,041,128</u>	<u>\$ 133,000</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 9,193,101</u></u>	<u><u>\$ 7,041,128</u></u>	<u><u>\$ 133,000</u></u>
FTE positions	20.0	21.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<u><u>21.0</u></u>	<u><u>22.0</u></u>	<u><u>0.0</u></u>

**Agency Request**

The **agency** requests FY 2013 operating expenditures totaling \$9.2 million, including \$2.1 million from the State General Fund, \$2.1 million from the State Water Plan Fund and \$2.0 million from the Expanded Lottery Act Revenues Fund (ELARF). The request includes \$2.1 million in enhancement funding, including all of the \$2.0 million requested from ELARF, for program expansion and shifting operational expenditures from the Water Marketing Fund to the State General Fund. The FTE request for FY 2013 is 20.0 FTE positions and 1.0 non-FTE unclassified permanent position, the same as the revised FY 2012 estimate.

### **Governor's Recommendation**

The **Governor** recommends FY 2013 operating expenditures totaling \$7.0 million, including \$1.3 million from the State General Fund and \$2.5 million from the State Water Plan Fund. The recommendation is a decrease of \$3.4 million, or 32.9 percent, from all funds and \$433,463, or 28.6 percent, from the State General Fund below the FY 2012 recommendation. The recommendation also is a decrease of \$2.2 million, or 23.4 percent, all funds and \$791,237, or 37.3 percent, State General Fund below the agency's FY 2013 request. The difference is due to shifting funding from State General Fund to State Water Plan Fund, eliminating certain State Water Plan Fund projects, federal grant adjustments, and Voluntary Retirement Incentive Program savings.

### **Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the Governor's recommendation with the following adjustments:

1. Add \$43,000, all from the State Water Plan Fund, for FY 2013 for Water Resources Education. Water Resources Education is an existing program funded from the State Water Plan Fund that is not included in the Governor's budget recommendation. The funds are used for Project WET (Water Education for Teachers), water issues education for Basin Advisory Committee members, and outreach to the state's water resource stakeholders.
2. Add \$90,000, all from the State Water Plan Fund, for FY 2013 for the Weather Modification program. The program is an existing program funded from the State Water Plan Fund that is not included in the Governor's budget recommendation.