

## Senate Subcommittee Report

**Agency:** Kansas Water Office

**Bill No.** SB 422

**Bill Sec.** 63

**Analyst:** Potts

**Analysis Pg. No.** Vol. 2, pg. 828

**Budget Page No.** 482

Expenditure Summary	Agency Request FY 2023	Governor Recommendation FY 2023	Senate Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 1,027,686	\$ 1,027,686	\$ 0
Federal Funds	379,730	379,730	0
Other Funds	12,261,902	12,261,902	0
<i>Subtotal</i>	<u>\$ 13,669,318</u>	<u>\$ 13,669,318</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 13,669,318</u></u>	<u><u>\$ 13,669,318</u></u>	<u><u>\$ 0</u></u>
FTE positions	19.0	18.0	0.0

### Agency Request

The **agency** requests FY 2023 expenditures of \$13.7 million, including \$1.0 million SGF. This is an all funds decrease of \$3.1 million, or 18.5 percent, and an SGF increase of \$77,873, or 8.2 percent, from the FY 2022 revised estimate. The all funds decrease is primarily due to a one-time payment to pay off a water supply storage contract in FY 2022 that is not reoccurring for FY 2023. This decrease is partially offset by the agency's enhancement requests for a water resources planner position and multiple State Water Plan Fund programs.

### Governor's Recommendation

The **Governor** concurs with the agency's FY 2023 funding request. The Governor recommends filling the vacant water planner position with an existing FTE position rather than adding a new FTE position.

### Senate Committee on Agriculture and Natural Resources Recommendation

The **Committee on Agriculture and Natural Resources** concurs with the Governor's recommendation for FY 2023 with the following notation:

1. The Committee recommends that the Senate Committee on Ways and Means consider payments to the Army Corps of Engineers for water supply storage, if funds

are available. A payment of \$17,244,159 would pay off the contract for the Big Hill Reservoir (\$15,419,101) and reduce the contractual obligation on the Hillsdale Reservoir from \$56,354,638 to \$54,529,580. The Committee notes these are the contracts with the highest interest rates; the final year in which payments will be required is 2029 for Big Hill and 2030 for Hillsdale. If funds are used for such payments, there should be a requirement that all future revenue received for water storage payments be used to pay down the contracts on other reservoirs, with contracts with the highest interest rates being paid first.

### **Senate Committee Recommendation**

The **Committee** concurs with the Senate Committee on Agriculture and Natural Resources's recommendation for FY 2023 with the following adjustments:

1. Consider payments to the Army Corps of Engineers for water supply storage, if funds are available, prior to finalization of the budget. A payment of \$17,244,159 would pay off the contract for the Big Hill Reservoir (\$15,419,101) and reduce the contractual obligation on the Hillsdale Reservoir from \$56,354,638 to \$54,529,580. The Committee notes these are the contracts with the highest interest rates; the final year in which payments will be required is 2029 for Big Hill and 2030 for Hillsdale. If funds are used for such payments, there should be a requirement that all future revenue received for water storage payments be used to pay down the contracts on other reservoirs, with contracts with the highest interest rates being paid first.
2. Review at Omnibus the \$150,000, all State Water Plan Fund, for a study of the Arbuckle Formation.

### **Senate Committee of the Whole Recommendation (Sub. for SB 444)**

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2023.

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## House Budget Committee Report

**Agency:** Kansas Water Office

**Bill No.** HB 2588

**Bill Sec.** 63

**Analyst:** Potts

**Analysis Pg. No.** Vol. 2, pg. 828

**Budget Page No.** 482

Expenditure Summary	Agency Request FY 2023	Governor Recommendation FY 2023	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,027,686	\$ 1,027,686	\$ 0
Federal Funds	379,730	379,730	0
Other Funds	12,261,902	12,261,902	150,000
<i>Subtotal</i>	<u>\$ 13,669,318</u>	<u>\$ 13,669,318</u>	<u>\$ 150,000</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<b><u>\$ 13,669,318</u></b>	<b><u>\$ 13,669,318</u></b>	<b><u>\$ 150,000</u></b>

FTE positions	19.0	18.0	0.0
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### Agency Request

The **agency** requests FY 2023 expenditures of \$13.7 million, including \$1.0 million SGF. This is an all funds decrease of \$3.1 million, or 18.5 percent, and an SGF increase of \$77,873, or 8.2 percent, from the FY 2022 revised estimate. The all funds decrease is primarily due to a one-time payment to pay off a water supply storage contract in FY 2022 that is not reoccurring for FY 2023. This decrease is also caused by decreased expenditures on conservation projects in the Republican River Basin and on reservoir operations and maintenance. These decreases are partially offset by the agency's enhancement requests for a water resources planner position and multiple State Water Plan Fund programs.

### Governor's Recommendation

The **Governor** concurs with the agency's FY 2023 funding request. The Governor recommends filling the vacant water planner position with an existing FTE position rather than adding a new FTE position.

### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation for FY 2023 with the following adjustment:

1. Add \$150,000, all from the State Water Plan Fund, for the water injection dredging project at Tuttle Creek Lake. The addition would bring the total amount appropriated for the project to \$2.0 million. The agency hopes that this will provide enough cost share that the Army Corps of Engineers will provide the additional \$2.0 million required for the project.

### **House Committee Recommendation**

The **Committee** concurs with the Budget Committee's recommendation for FY 2023.

### **House Committee of the Whole Recommendation (House Sub. for Sub. for SB 267)**

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2023.

### **Conference Committee Recommendation (House Sub. for Sub. for SB 267)**

The **Conference Committee** concurs with the Governor's recommendation for FY 2023 with the following adjustment:

1. Add \$150,000, all from the State Water Plan Fund, for the water injection dredging project at Tuttle Creek Lake. The addition would bring the total amount appropriated for the project to \$2.0 million. The agency hopes that this will provide enough cost share that the Army Corps of Engineers will provide the additional \$2.0 million required for the project.

### **Omnibus Action (HB 2510)**

No action was taken for FY 2023.

### **State Finance Council Action**

1. Add \$63,704, including \$39,774 SGF, for a 5.0 percent salary adjustment for most state employees for FY 2023. This adjustment excludes statewide elected officials, current beneficiaries of the 24/7 pay plan, with other specific limitations for employees who receive salary adjustments in other portions of the appropriations bill.

	Governor's Recommendation FY 2023	Legislative Action FY 2023	Legislative Approved FY 2023	State Finance Council Action FY 2023	Final Legislative Approved FY 2023
<b>All Funds</b>					
State Operations	\$ 12,539,318	\$ 150,000	\$ 12,689,318	\$ 63,704	\$ 12,753,022
Aid to Local Units	0	0	0	0	0
Other Assistance	1,130,000	0	1,130,000	0	1,130,000
<i>Subtotal - Operations</i>	<i>\$ 13,669,318</i>	<i>\$ 150,000</i>	<i>\$ 13,819,318</i>	<i>\$ 63,704</i>	<i>\$ 13,883,022</i>
Capital Improvements	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 13,669,318</b>	<b>\$ 150,000</b>	<b>\$ 13,819,318</b>	<b>\$ 63,704</b>	<b>\$ 13,883,022</b>

**State General Fund**

State Operations	\$ 1,027,686	\$ 0	\$ 1,027,686	\$ 39,774	\$ 1,067,460
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal - Operating</i>	<i>\$ 1,027,686</i>	<i>\$ 0</i>	<i>\$ 1,027,686</i>	<i>\$ 39,774</i>	<i>\$ 1,067,460</i>
Capital Improvements	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 1,027,686</b>	<b>\$ 0</b>	<b>\$ 1,027,686</b>	<b>\$ 39,774</b>	<b>\$ 1,067,460</b>

FTE Positions	18.0	0.0	18.0	0.0	18.0
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