

February 5, 2024

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 2633 by House Committee on Water

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2633 is respectfully submitted to your committee.

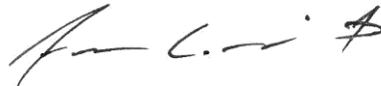
HB 2633 would amend KSA 65-4513 to limit an individual operator examination fee to the cost of an individual operator certification exam. The current statutory limit is \$25.00 for individual operator fees (the statute does not currently specify “exam” fee). The bill would also direct certification fees for operators of water supply systems and wastewater treatment facilities imposed pursuant to KSA 65-4513 to be deposited in the Water Program Management Fund. The fees are currently deposited into the State General Fund. In addition, the bill would expand the use of the Water Program Management Fund to include the costs for carrying out provisions of KSA 65-4501 through 65-4517. Outdated provisions related to operator correspondence courses would be removed from statute.

According to the Kansas Department of Health and Environment (KDHE), enactment of HB 2633 would result in approximately \$96,350 in new fee fund revenue in FY 2025 and FY 2026 for the Water Program Management Fund. While the redirection of the fees from the State General Fund to that fund would result in a decrease in State General Fund receipts going forward, it would be less than the estimates for the new fee fund revenue as fees were previously limited to \$25.00. FY 2024 receipts to the State General Fund are estimated at \$47,040.

The agency states that initially they would only intend to increase the fees for the water exams to \$125 (third party cost of the exam) and the wastewater exams would remain at \$25.00. Certification renewal fees would also be charged at \$25.00. While there are currently no State General Fund expenditures for operator certifications, the bill would allow for these costs to be paid from the fee fund revenues. KDHE estimates these expenditures would be \$72,250 in FY

2025 and FY 2026 based on the number of exams in FY 2023, which included approximately 490 water exams and 440 wastewater exams. The agency notes that local governments and water utilities would see an increase in fees for water operator examinations in the future, but the redirection of the fees should improve service and reliability in handling the needs of local utilities and their operators. Any fiscal effect associated with HB 2633 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Amy Penrod, Department of Health & Environment