

# KANSAS WATER OFFICE

## FY 2023 – FY 2025 BUDGET ANALYSIS

FIGURE 1  
**BUDGET OVERVIEW, FY 2023 – FY 2025**

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
<b>Operating Expenditures:</b>					
State General Fund	\$ 1,067,715	\$ 1,129,945	\$ 1,129,945	\$ 1,351,356	\$ 1,351,356
Federal Funds	326,464	445,829	445,829	273,568	273,568
All Other Funds	5,817,097	53,253,244	37,453,244	37,423,534	37,423,534
<i>Subtotal</i>	<i>\$ 7,211,276</i>	<i>\$ 54,829,018</i>	<i>\$ 39,029,018</i>	<i>\$ 39,048,458</i>	<i>\$ 39,048,458</i>
<b>Capital Improvements:</b>					
State General Fund	\$ 2,988,250	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 2,988,250</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<b>TOTAL</b>	<b>\$ 10,199,526</b>	<b>\$ 54,829,018</b>	<b>\$ 39,029,018</b>	<b>\$ 39,048,458</b>	<b>\$ 39,048,458</b>
<b>Percentage Change:</b>					
State General Fund	(94.8) %	(72.1) %	(72.1) %	19.6 %	19.6 %
All Funds	(88.7) %	437.6 %	282.7 %	(28.8) %	0.0 %
FTE Positions	19.0	22.0	22.0	24.0	24.0

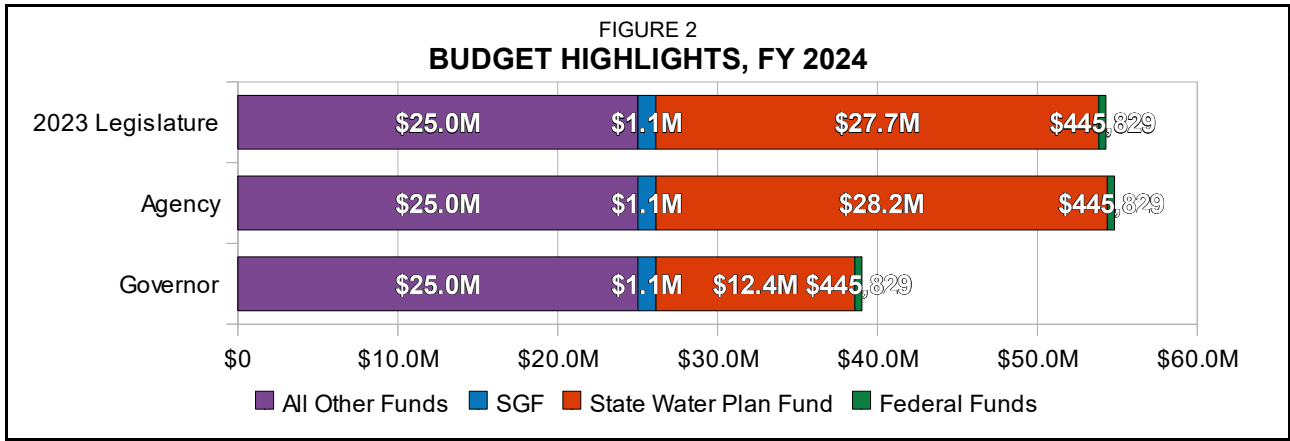
The Kansas Water Office is the water planning, policy, and coordination agency for the State. The agency, in conjunction with the Kansas Water Authority, develops water policies through an open planning process; facilitates the coordination of agencies' activities regarding water; and operates a raw water marketing program to ensure an adequate supply for the citizens, municipalities, environment, and industries in the state.

Through the agency's operation and the guidance of the Kansas Water Authority, the Kansas Water Office focuses on water policy planning, including developing the State Water Plan, which details the management, conservation, and development of water resources for the state. Working with the 12 major river basins, the agency develops basin planning sections for the State Water Plan, which documents objectives and critical issues occurring in each of the basins. Additionally, the agency provides the coordination function in focusing action on priority issues as identified in the basin sections of the Kansas Water Plan.

The Kansas Water Authority provides water policy advice to the Governor, Legislature, and the Director of the Kansas Water Office. Its 24-member board is responsible for approving water storage sales, the State Water Plan, federal contracts, and regulations and legislation proposed by the Kansas Water Office.

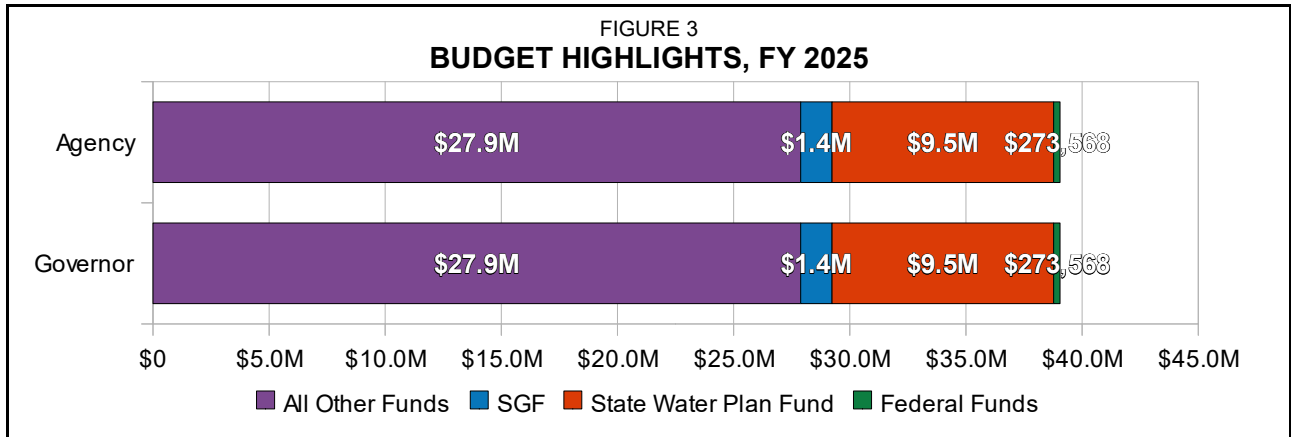
### EXECUTIVE SUMMARY

The 2023 Legislature approved a budget of \$50.9 million, including \$1.1 million from the State General Fund (SGF), for the Kansas Water Office for FY 2024. Several adjustments have been made subsequently to that amount, which changes the current year approved amount without any legislative action required. Those changes include reappropriations of \$221 SGF and \$3.4 million from the State Water Plan Fund (SWPF).



The **agency** requests a revised estimate of \$54.8 million, including \$1.1 million SGF, in expenditures and 22.0 FTE positions in FY 2024. This is an increase of \$542,969, including \$10,764 SGF, above the agency's approved budget. The revised estimate includes two supplemental requests totaling \$2.0 million, including \$10,764 SGF, and \$2.0 million from the State Water Plan Fund for coverage of the pay plan shortfall and continued water-injection dredging at Tuttle Creek reservoir. The agency also requests to transfer \$1.5 million from the State Water Plan Fund to the Kansas Department of Agriculture. In addition to monetary changes in the agency's revised estimate, the agency requests to add 3.0 FTE positions in FY 2024.

The **Governor** recommends expenditures of \$39.0 million, including \$1.1 million SGF and \$12.4 million from the SWPF. This is a decrease of \$15.8 million, or 28.8 percent, below the FY agency's 2024 revised estimate. The decrease is attributable to the recommendation to transfer \$15.8 million in SWPF from the Kansas Water Office to the Kansas Department of Agriculture and the Kansas Department for Health and Environment in FY 2024. This adjustment aligns with action taken by the State Finance Council on November 13, 2023. Absent this transfer, the Governor concurs with the agency's revised estimate.



The **agency** requests \$39.0 million, including \$1.4 million SGF, and 24.0 FTE positions for FY 2025. This is an all funds decrease of \$15.8 million, or 28.8 percent, including an SGF increase of \$221,411, or 19.6 percent, from the FY 2024 revised estimate. The decrease is attributable to the absence of SWPF reappropriations totaling \$3.4 million, which will not reoccur for FY 2025, and increased SWPF transfers to other state agencies totaling \$13.3 million when compared with the FY 2024 revised estimate. The decrease is partially offset by two enhancement requests totaling \$218,016, which primarily involve the addition of 2.0 FTE positions.

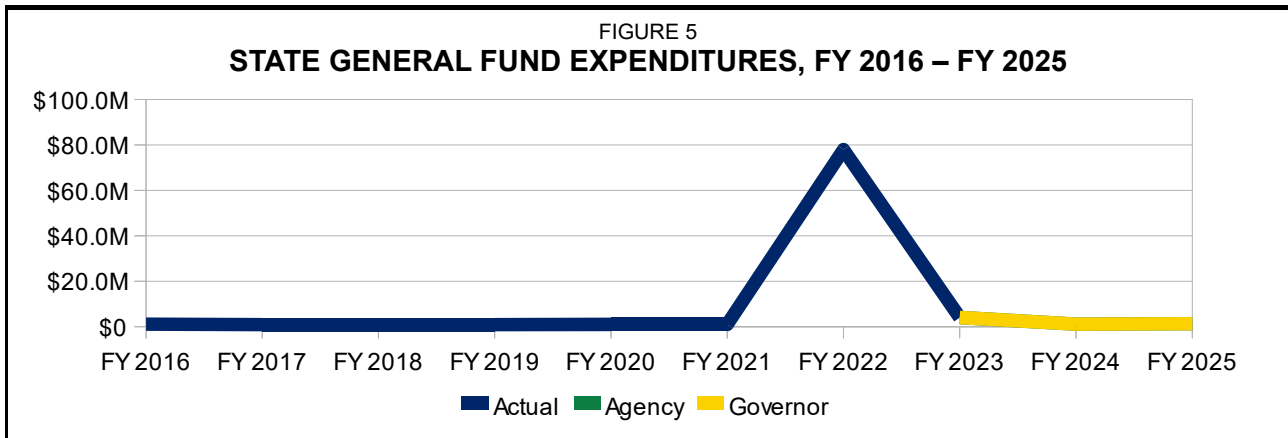
The **Governor** concurs with the agency's FY 2025 request.

## EXPENDITURES AND FINANCING

FIGURE 4  
**BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2023 – FY 2025**

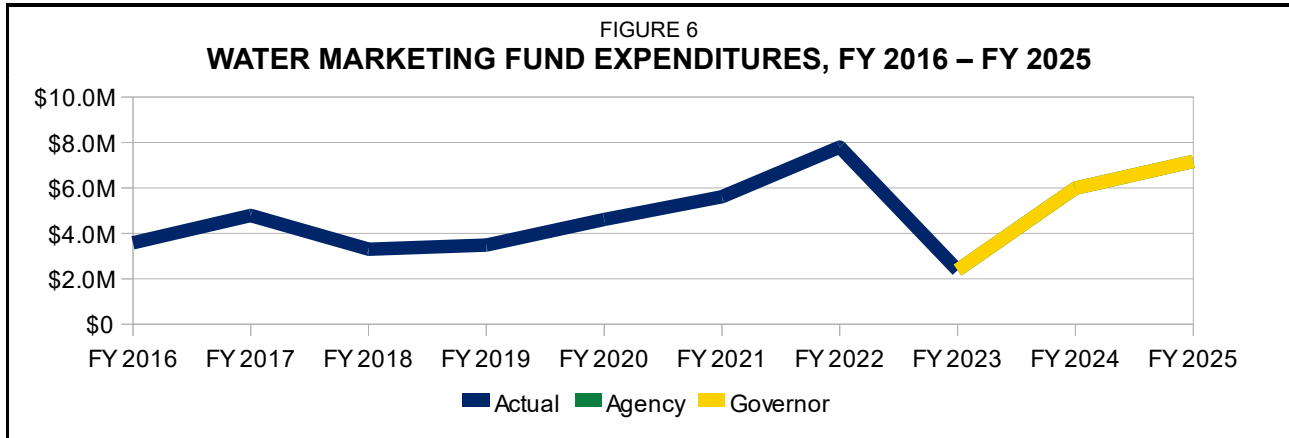
Category of Expenditure:	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 1,573,795	\$ 2,079,209	\$ 2,079,209	\$ 2,291,471	\$ 2,291,471
Contractual Services	4,778,731	15,223,843	15,223,843	16,094,142	16,094,142
Commodities	117,968	136,225	136,225	136,225	136,225
Capital Outlay	9,887	27,500	27,500	36,730	36,730
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 6,480,381</u>	<u>\$ 17,466,777</u>	<u>\$ 17,466,777</u>	<u>\$ 18,558,568</u>	<u>\$ 18,558,568</u>
Aid to Local Units	-	-	-	-	-
Other Assistance	730,895	37,362,241	21,562,241	20,489,890	20,489,890
<i>Subtotal—Operating</i>	<u>\$ 7,211,276</u>	<u>\$ 54,829,018</u>	<u>\$ 39,029,018</u>	<u>\$ 39,048,458</u>	<u>\$ 39,048,458</u>
Capital Improvements	-	-	-	-	-
Debt Service Principal	2,988,250	-	-	-	-
<b>TOTAL</b>	<u><b>\$ 10,199,526</b></u>	<u><b>\$ 54,829,018</b></u>	<u><b>\$ 39,029,018</b></u>	<u><b>\$ 39,048,458</b></u>	<u><b>\$ 39,048,458</b></u>
<b>Financing:</b>					
State General Fund	\$ 4,055,965	\$ 1,129,945	\$ 1,129,945	\$ 1,351,356	\$ 1,351,356
State Water Plan Fund	2,687,436	28,239,110	12,439,110	9,539,677	9,539,677
Federal Funds	326,464	445,829	445,829	273,568	273,568
All Other Funds	3,129,661	25,014,134	25,014,134	27,883,857	27,883,857
<b>TOTAL</b>	<u><b>\$ 10,199,526</b></u>	<u><b>\$ 54,829,018</b></u>	<u><b>\$ 39,029,018</b></u>	<u><b>\$ 39,048,458</b></u>	<u><b>\$ 39,048,458</b></u>
FTE Positions	19.0	22.0	22.0	24.0	24.0

### STATE GENERAL FUND



For the Kansas Water Office, SGF expenditures increased from FY 2021 to FY 2022 when the 2022 Legislature added \$80.0 million SGF to pay off water supply storage debt for Big Hill, Clinton, and Hillsdale reservoirs. For FY 2023, SGF expenditures totaled \$4.1 million. Of that amount, \$3.0 million was expended to partially pay off water supply storage debt associated with Milford and Perry reservoirs. SGF expenditures are estimated at \$1.0 million and \$1.4 million for FY 2024 and FY 2025, respectively.

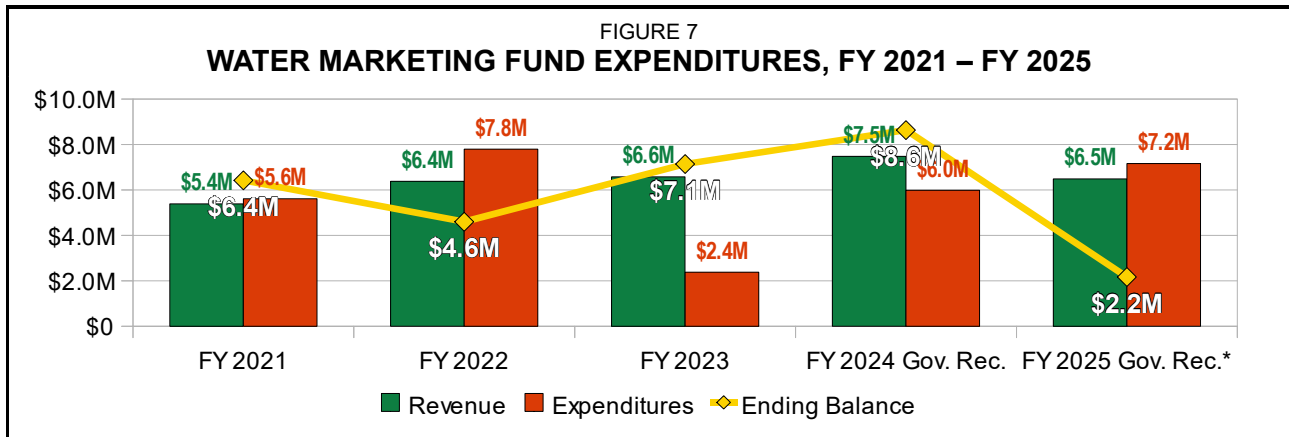
## WATER MARKETING FUND



Under the federal Water Supply Act of 1958, federal reservoirs constructed in Kansas for the purpose of flood control were authorized to include storage space for municipal and industrial water supplies. In 1961, the Legislature provided financial assurance for inclusion of water storage in the federal reservoirs constructed in the state. In 1974, the Legislature passed the State Water Plan Storage Act, which authorizes the agency to contract with water purchasers for the sale of water from any reservoir included in the Kansas Water Marketing Program. The Water Marketing Fund was created by the 1991 Legislature.

Revenue for the Water Marketing Program is generated by the sale of water supplied under contracts with public water suppliers and industries from state-owned storage in federal lakes purchased from the U.S. Army Corps of Engineers. The price for water is set annually according to an established formula and is not negotiable. The fund is then used to meet the State's contractual water storage obligations to the federal government through transfers to the State Conservation Storage Water Supply Fund.

## WATER MARKETING FUND



\* For FY 2025, the lowest month ending balance for the Water Marketing Fund will occur in January, with a balance of \$1.4 million.

The Water Marketing Fund expenditures decreased in FY 2023 because the agency decreased expenditures from the fund for debt service interest and principal payments when compared with FY 2022 expenditures. Instead, SGF was used in FY 2023 to pay debt service toward certain water supply storage debts. It is also notable that the 2023 Legislature appropriated \$52.0 million from the SGF in FY 2023 to the Office of the State Treasurer for the purpose of retiring water supply storage debts associated with Milford and Perry reservoirs. Once those debts are retired, the Kansas Water Office will no longer have outstanding debt payments for water supply storage. For

FY 2024 and FY 2025, the agency estimates expenditures to normalize from the Water Marketing Fund without adding SGF moneys. Despite water supply storage debts being retired, the Kansas Water Office has ongoing contracts with the U.S. Army Corp of Engineers for operations and maintenance.

In addition to increasing expenditures from the fund, the agency estimates increasing transfers from the Water Marketing Fund to the State Conservation Storage Water Supply Fund in FY 2025. Transfers out of the Water Marketing Fund total \$5.9 million for FY 2025. Increasing expenditures, along with increasing transfers, from the fund will reduce ending balances in the fund by FY 2025.

## FY 2024 ANALYSIS

FIGURE 8

### SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	All Funds	FTE
<b>Legislative Approved:</b>			
Amount Approved by 2023 Legislature	\$ 1,118,960	\$ 50,857,045	19.0
1. SGF Reappropriation	221	221	--
2. SWPF Reappropriations	-	3,428,783	--
<i>Subtotal—Legislative Approved</i>	<b>\$ 1,119,181</b>	<b>\$ 54,286,049</b>	<b>19.0</b>
<b>Agency Revised Estimate:</b>			
Supplemental Requests:			
3. Pay Plan Shortfall	\$ 10,764	\$ 10,764	--
4. SWPF Water-Injection Dredging	-	2,000,000	--
<i>Subtotal—Supplemental Requests Only</i>	<b>\$ 10,764</b>	<b>\$ 2,010,764</b>	<b>--</b>
5. SWPF Transfers	\$ -	\$ (1,467,795)	--
6. All Other Adjustments	-	-	3.0
<i>Subtotal—Agency Revised Estimate</i>	<b>\$ 1,129,945</b>	<b>\$ 54,829,018</b>	<b>22.0</b>
<b>Governor's Recommendation:</b>			
7. Additional SWPF Transfers	\$ -	\$ (15,800,000)	--
<b>TOTAL</b>	<b>\$ 1,129,945</b>	<b>\$ 39,029,018</b>	<b>22.0</b>

### LEGISLATIVE APPROVED

Subsequent to the 2023 Session, several adjustments were made to the \$50.9 million appropriated to the Kansas Water Office for FY 2024. These adjustments change the current year approved amount without any legislative action required and include the following:

1. **SGF REAPPROPRIATION.** The agency carried over \$221 SGF in unspent moneys from FY 2023 into FY 2024.
2. **SWPF REAPPROPRIATIONS.** The agency carried over \$3.4 million from the SWPF in unspent moneys from FY 2023 into FY 2024.

### AGENCY ESTIMATE

The **agency** requests a revised estimate of \$54.8 million, including \$1.1 million SGF, in FY 2024. This is an increase of \$542,969, including \$10,764 SGF, above the agency's approved budget. The revised estimate includes \$2.0 million, including \$10,764 SGF and \$2.0 million SWPF, for the following supplemental requests:

3. **PAY PLAN SHORTFALL.** The revised estimate includes \$10,764 SGF in FY 2024 to account for a shortfall in appropriations for the Legislative Pay Plan in 2023 SB 25. The 2023 Legislature appropriated \$120.0 million, including \$46.0 million SGF, across all state agencies to provide salary adjustments for FY 2024 based on the Department of Administration Market Survey. This total amount was short by approximately \$11.8 million, including \$11.4 million SGF, statewide in FY 2024. To account for this, the State Finance Council prorated agency distribution of the available appropriations by approximately 20.0 percent. For the Kansas Water Office, a supplemental appropriation of \$10,764 SGF in FY 2024 is required to achieve the intended effect of the Legislative Pay Plan in 2023 SB 25.

4. **SWPF WATER-INJECTION DREDGING.** The Kansas Water Office indicates that \$2.0 million SWPF for Water-Injection Dredging at Tuttle Creek reservoir was lapsed in FY 2023. This funding was previously appropriated for FY 2023 and was not expended. The agency did not have reappropriation authority for the funds to roll into FY 2024 and, as a result of not being expended, the funding was lapsed. The agency requests this funding be added to the agency's budget for FY 2024.

Absent the supplemental requests, the revised estimate includes a decrease of \$1.5 million in expenditures. Significant adjustments are as follows:

5. **SWPF TRANSFERS.** The agency's revised estimate in FY 2024 includes transferring \$1.5 million SWPF to the Department of Agriculture. Specifically, the transfer would be for the Kansas Reservoir Protection Initiative. This transfer would result in decreased expenditures for the Kansas Water Office totaling \$1.5 million while increasing expenditures for the Kansas Department of Agriculture by the same amount in FY 2024.
6. **ALL OTHER ADJUSTMENTS.** The agency requests to add 3.0 FTE positions in FY 2024 above the agency's approved number. The position increase includes 0.5 FTE position in the Water Supply Contracts Program and 2.5 FTE positions in the Water Planning and Administration Program. There is no increase in funding requested in association with these FTE positions.

## **GOVERNOR'S RECOMMENDATION**

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The **Governor** recommends expenditures of \$39.0 million, including \$1.1 million SGF and \$12.4 million from the SWPF. This is a decrease of \$15.8 million, or 28.8 percent, below the FY agency's 2024 revised estimate. The decrease is attributable to the recommendation to transfer \$15.8 million in SWPF from the Kansas Water Office to the Kansas Department of Agriculture and the Kansas Department for Health and Environment in FY 2024. This adjustment aligns with action taken by the State Finance Council on November 13, 2023. Absent this transfer, the Governor concurs with the agency revised estimate.

The **Governor's** recommendation includes the following adjustments:

7. **ADDITIONAL SWPF TRANSFERS.** The Governor recommends additional SWPF transfers from the Kansas Water Office to the Kansas Department of Agriculture and the Kansas Department for Health and Environment totaling \$15.8 million in FY 2024. This adjustment aligns with action taken by the State Finance Council on November 13, 2023.

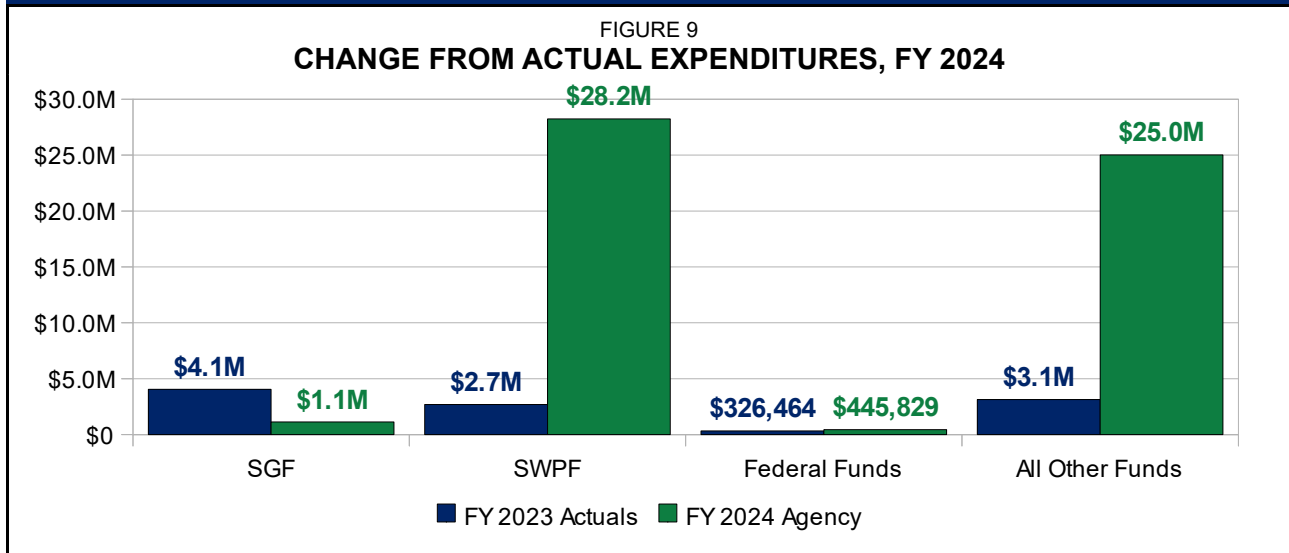
The recommendation transfers \$10.0 million from the Kansas Water Office to the Kansas Department of Agriculture, including \$7.0 million for Rattlesnake Creek and Quivira National Wildlife Refuge Impairment, including sub-basin water resources management and water transition assistance programs, and \$3.0 million for dam construction and rehabilitation.

The recommendation also transfers \$5.8 million from the Kansas Water Office to the Kansas Department of Health and Environment for water quality initiatives, including contamination remediation, total maximum daily load initiatives, surface water trash removal, and small-town infrastructure support

This recommendation results in decreased expenditures for the Kansas Water Office totaling \$15.8 million, while increasing expenditures for the Kansas Department of Agriculture by \$10.0 million and increasing expenditures for the Kansas Department of Health and Environment by \$5.8 million in FY 2024.



## FY 2024 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$54.8 million, including \$1.1 million SGF, in FY 2024. This is an all funds increase of \$44.6 million, or 437.6 percent, including an SGF decrease of \$2.9 million, or 72.1 percent, from FY 2023 actual expenditures. Much of the change from actual FY 2023 expenditures and the agency's revised estimate is related to enactment of 2023 Senate Sub. for HB 2302.

Senate Sub. for HB 2302 created two new funds, the Water Technical Assistance Fund and the Water Projects Grant Fund, to be administered by the Kansas Water Office. Expenditures from these funds are \$5.0 million and \$12.0 million, respectively, in FY 2024. In addition, the bill transferred \$35.0 million SGF to the SWPF, and the 2023 Legislature appropriated an additional \$18.0 million SWPF to the Kansas Water Office in 2024. That increased funding, along with reappropriations from the SWPF from FY 2023 into FY 2024, account for the changes from actual expenditures in FY 2024.

## FY 2025 ANALYSIS

FIGURE 10

### SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	All Funds	FTE
<b>Agency Request:</b>			
Request without Major Changes	\$ 1,133,110	\$ 55,529,866	22.0
Enhancement Requests:			
1. Capital Outlay for New FTE Positions	\$ 9,230	\$ 9,230	--
2. Funding for New FTE Positions	209,016	209,016	2.0
<i>Subtotal—Enhancement Requests Only</i>	\$ 218,246	\$ 218,246	2.0
3. SGF Reappropriations	\$ (221)	\$ (221)	--
4. SWPF Reappropriations	-	(3,428,783)	--
5. SWPF Transfers	-	(13,270,650)	--
<i>Subtotal—Agency Request</i>	\$ 1,351,135	\$ 39,048,458	22.0
<b>Governor's Recommendation:</b>			
6. No Changes	\$ -	\$ -	--
<b>TOTAL</b>	<b>\$ 1,351,135</b>	<b>\$ 39,048,458</b>	<b>24.0</b>

### AGENCY REQUEST

The **agency** requests FY 2025 expenditures of \$39.0 million, including \$1.4 million SGF, for FY 2025. This is an all funds decrease of \$15.8 million, or 28.8 percent, including an SGF increase of \$221,411, or 19.6 percent, from the FY 2024 revised estimate.

The request includes \$218,246 SGF for the following enhancement requests:

1. **CAPITAL OUTLAY FOR NEW FTE POSITIONS.** The agency requests \$9,230 SGF for computers, monitors, and equipment for the requested two new FTE positions for FY 2025.
2. **FUNDING FOR NEW FTE POSITIONS.** The agency requests \$209,016 SGF and 2.0 FTE positions in the Water Planning and Administration Program for FY 2025.

The agency indicates that one position would provide additional technical expertise in data compilation and analysis, water supply model development and interpretation, and other duties supporting water supply analysis for priority sources of supply at the state level.

3. The agency indicates that another position would increase overall awareness of Kansas water resources through the implementation of Kansas Water Plan education, communication, and public outreach-related actions, items, and priorities.

Absent the enhancement requests, the request includes a decrease of \$16.7 million, including \$221 SGF, in expenditures. Significant adjustments are as follows:

4. **SGF REAPPROPRIATIONS.** The agency's FY 2024 revised estimate includes reappropriations from the SGF totaling \$221. The agency estimates spending those dollars in FY 2024 and does not anticipate carrying any money into FY 2025.

5. **SWPF REAPPROPRATIONS.** The agency's FY 2024 revised estimate includes reappropriations from the State Water Plan Fund totaling \$3.4 million. The agency estimates spending those dollars in FY 2024 and does not anticipate carrying any balances into FY 2025.
6. **SWPF TRANSFERS.** The agency estimates transfers to other state agencies totaling \$14.7 million for FY 2025, which is an increase of \$13.3 million above the FY 2024 revised estimate. The increase in transfers to other state agencies would result in decreased expenditures at the Kansas Water Office by the same amount.

The 2022 Legislature appropriated an additional \$18.0 million SWPF to the Kansas Water Office in 2024. That increased funding is estimated to be expended by the agency in FY 2024. For FY 2025, the agency requests to maintain those appropriations and to transfer most of those moneys to other state agencies rather than expend them. This will show decreased expenditures for the Kansas Water Office and increased expenditures for other state agencies in FY 2025.

### **GOVERNOR'S RECOMMENDATION**

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The **Governor** concurs with the agency's FY 2025 request.

7. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2025 request.

## SUPPLEMENTAL AND ENHANCEMENT REQUESTS

FIGURE 11  
**SUPPLEMENTAL AND ENHANCEMENT REQUESTS, FY 2024 – FY 2025**

Request	Agency			Governor		
	SGF	All Funds	FTE	SGF	All Funds	FTE
<b>FY 2024 Supplementals:</b>						
1. Pay Plan Shortfall	\$ 10,764	\$ 10,764	-	\$ 10,764	\$ 10,764	-
2. SWPF Water-Injection Dredging	-	2,000,000	-	-	2,000,000	-
<b>TOTAL</b>	<b>\$ 10,764</b>	<b>\$ 2,010,764</b>	<b>-</b>	<b>\$ 10,764</b>	<b>\$ 2,010,764</b>	<b>-</b>
<b>FY 2025 Enhancements:</b>						
3. Capital Outlay for New FTE Positions	\$ 9,230	\$ 9,230	-	\$ 9,230	\$ 9,230	-
4. Funding for New FTE Positions	209,016	209,016	2.0	209,016	209,016	2.0
<b>TOTAL</b>	<b>\$ 218,246</b>	<b>\$ 218,246</b>	<b>2.0</b>	<b>\$ 218,246</b>	<b>\$ 218,246</b>	<b>2.0</b>

- PAY PLAN SHORTFALL.** The revised estimate includes \$10,764 SGF in FY 2024 to account for a shortfall in appropriations for the Legislative Pay Plan in 2023 SB 25. The 2023 Legislature appropriated \$120.0 million, including \$46.0 million SGF, across all state agencies to provide salary adjustments for FY 2024 based on the Department of Administration Market Survey. This total amount was short by approximately \$11.8 million, including \$11.4 million SGF, statewide in FY 2024. To account for this, the State Finance Council prorated agency distribution of the available appropriations by approximately 20.0 percent. For the Kansas Water Office, a supplemental appropriation of \$10,764 SGF in FY 2024 is required to achieve the intended effect of the Legislative Pay Plan in 2023 SB 25.

**The Governor recommends adoption of this request.**

- SWPF WATER-INJECTION DREDGING.** The Kansas Water Office indicates that \$2.0 million SWPF for Water-Injection Dredging at Tuttle Creek reservoir was lapsed in FY 2023. This funding was previously appropriated for FY 2023 and was not expended. The agency did not have reappropriation authority for the funds to roll into FY 2024 and, as a result of not being expended, the funding was lapsed. The agency requests this funding be added to the agency's budget for FY 2024 for the same purpose.

**The Governor recommends adoption of this request.**

- CAPITAL OUTLAY FOR NEW FTE POSITIONS.** The agency requests \$9,230 SGF for computers, monitors, and equipment for the requested two new FTE positions for FY 2025.

**The Governor recommends adoption of this request.**

- FUNDING FOR NEW FTE POSITIONS.** The agency requests \$209,016 SGF and 2.0 FTE positions in the Water Planning and Administration Program for FY 2025.

The agency indicates that one position would provide additional technical expertise in data compilation and analysis, water supply model development and interpretation, and other duties supporting water supply analysis for priority sources of supply at the state level.

The agency indicates that another position would increase overall awareness of Kansas water resources through the implementation of Kansas Water Plan education, communication, and public outreach-related actions, items, and priorities.

**The Governor recommends adoption of this request.**

**SPECIAL TOPICS**  
**2023 SENATE SUB. FOR HB 2302**

The 2023 Legislature passed and the Governor signed Senate Sub. for HB 2302, which authorizes a transfer of \$35.0 million SGF to the SWPF in FY 2024 and intends the same transfer be made every successive year through FY 2027. This amount is in addition to the \$6.0 million SGF transfer already authorized in statute, resulting in authorized transfers from the SGF to the SWPF totaling \$41.0 million in FY 2024.

The bill also transfers \$5.0 million SWPF to a newly created Water Technical Assistance Fund and \$12.0 million SWPF to a newly created Water Projects Grant Fund in FY 2024. If the Legislature approves the appropriation of \$35.0 million SGF to the SWPF in future years, the \$5.0 million SWPF transfer to the Water Technical Assistance Fund and \$12.0 million SWPF transfer to the Water Projects Grant Fund would occur. Both funds are administered by the Kansas Water Office.

The 2022 Legislature appropriated an additional \$18.0 million SWPF to the Kansas Water Office in 2024. That increased funding is estimated to be expended by the agency in FY 2024. For FY 2025, the agency requests to maintain those appropriations and to transfer most of those moneys to other state agencies rather than expend them. This will show decreased expenditures for the Kansas Water Office and increased expenditures for other state agencies in FY 2025.

The agency's FY 2025 request essentially takes additional revenues to the SWPF and applies them to the agency's budget to be expended or transferred to other state agencies. Increasing transfers from the SGF to the SWPF through FY 2027, which is the stated intent of 2023 Senate Sub. for HB 2302, will increase balances of the SWPF without corresponding appropriations from the SWPF in future fiscal years.

The Governor recommends transfers totaling \$17.3 million SWPF from the Kansas Water Office in FY 2024, which includes \$5.8 million to the Department of Health and Environment and \$11.5 million to the Department of Agriculture.

For FY 2025, the Governor recommends transfers totaling \$14.7 million SWPF from the Kansas Water Office, which includes \$3.7 million to the Department of Health and Environment, \$11.0 million to the Department of Agriculture, and \$13,159 to the University of Kansas.

The table below represents aggregate recommended transfers that result in reduced expenditures for the Kansas Water Office and increased expenditures for those agencies receiving SWPF transfers, completing offsetting one another. Further details regarding these transfers can be found in the Budget Analysis for the agencies listed in the table below.

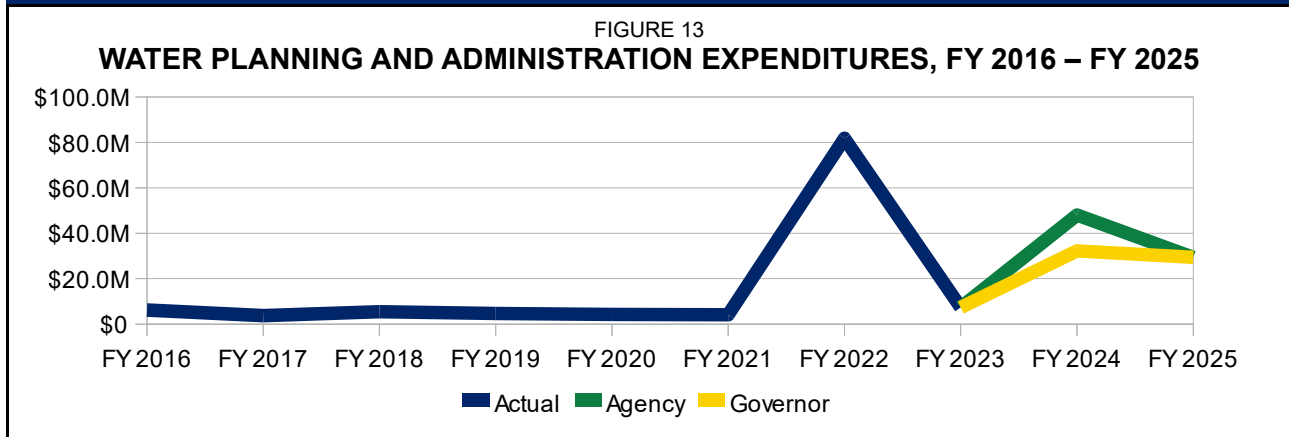
<b>GOVERNOR-RECOMMENDED INTER-AGENCY STATE WATER PLAN FUND TRANSFERS, FY 2024 AND FY 2025</b>		
Agency	FY 2024 Gov. Rec.	FY 2025 Gov. Rec.
Kansas Department of Health and Environment	\$ 5,800,000	\$ 3,710,000
Kansas Department of Agriculture	11,467,795	11,015,286
Kansas Water Office	(17,267,795)	(14,738,445)
Kansas Department of Wildlife and Parks	-	-
University of Kansas	-	13,159

## PROGRAM OVERVIEW

FIGURE 12  
**EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2023 – FY 2025**

Programs	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
<b>Expenditures:</b>					
Water Planning and Administration	\$ 7,326,795	\$ 48,029,734	\$ 32,229,734	\$ 29,379,453	\$ 29,379,453
Public Water Supply	2,872,731	6,799,284	6,799,284	9,669,005	9,669,005
<b>TOTAL</b>	<b>\$ 10,199,526</b>	<b>\$ 54,829,018</b>	<b>\$ 39,029,018</b>	<b>\$ 39,048,458</b>	<b>\$ 39,048,458</b>
<b>FTE Positions:</b>					
Water Planning and Administration	9.0	11.5	11.5	13.5	13.5
Public Water Supply	10.0	10.5	10.5	10.5	10.5
<b>TOTAL</b>	<b>19.0</b>	<b>22.0</b>	<b>22.0</b>	<b>24.0</b>	<b>24.0</b>

## WATER PLANNING AND ADMINISTRATION



- STATUTORY BASIS:** • KSA 74-2622; 82a-901 *et seq.*; 82a-1301 *et seq.*; 82a-1330 *et seq.*; 82a-1401 *et seq.*; 82a-2301 *et seq.*; 74-2613; 74-2608; 82a-220; 82a-733; 82a-901 *et seq.*; 82a-1101 *et seq.*; 82a-1401 *et seq.*; 82a-1501a; 82a-1801 *et seq.*; 82a-2101
- PROGRAM GOALS:**
- Develop and propose water policies that are long-term in scope.
  - Identify and address priority water resource issues in Kansas.
  - Support the Kansas Water Authority in its role of making policy recommendations to the Governor and Legislature.
  - Measure the condition of the water resources in the state.
  - Provide adequate technical analysis and background to support the development of policy and priority issues.
  - Measure and assess the status of effectiveness of practices and policies implemented through the State Water Plan.
  - Be an active participant in water resources policy formation and recommendations that result in legislation.
  - Foster a trust in the planning process that is conducted in an open public forum based on sound research.
  - Involve the public and stakeholders in the development of proposed policy initiatives.
  - Create electronic and written publications in a format and style that the public finds accessible.
  - Annually host the Governor's Conference on the Future of Water in Kansas to disseminate information and encourage public engagement in water issues.

The Water Planning and Administration program covers the major agency responsibility for the development of the Kansas Water Plan. The administration of the Kansas Water Planning Act, Kansas Weather Modification Act, and portions of the Water Appropriations and Water Transfer acts are housed in this program. The Water Planning and Implementation program also houses the Kansas Water Authority, which is statutorily within the Kansas Water Office. The Authority is responsible for advising the Governor, Legislature, and the Director of the Kansas Water Office on water

policy issues; approving the Kansas Water Plan; accounting for and making recommendations on the expenditures of State Water Plan Fund moneys; and approving water storage sales, water marketing rates, federal contracts, administrative regulations, and legislation proposed by the Kansas Water Office. The Authority is composed of 24 members who represent stakeholder groups and are informed of water-related issues representing water users, water interests, environmental interests, and the general public.



FIGURE 14  
**WATER PLANNING AND ADMINISTRATION FINANCING, FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 4,055,965	\$ 1,129,945	\$ 1,129,945	\$ 1,351,356	\$ 1,351,356
Federal Funds	326,464	445,829	445,829	273,568	273,568
All Other Funds	2,944,366	46,453,960	30,653,960	27,754,529	27,754,529
<b>TOTAL</b>	<b>\$ 7,326,795</b>	<b>\$ 48,029,734</b>	<b>\$ 32,229,734</b>	<b>\$ 29,379,453</b>	<b>\$ 29,379,453</b>
<b>Percent Change:</b>					
SGF	(94.8) %	(72.1) %	-- %	19.6 %	-- %
All Funds	(91.0) %	555.5 %	(32.9) %	(38.8) %	-- %
FTE Positions	9.0	11.5	11.5	13.5	13.5

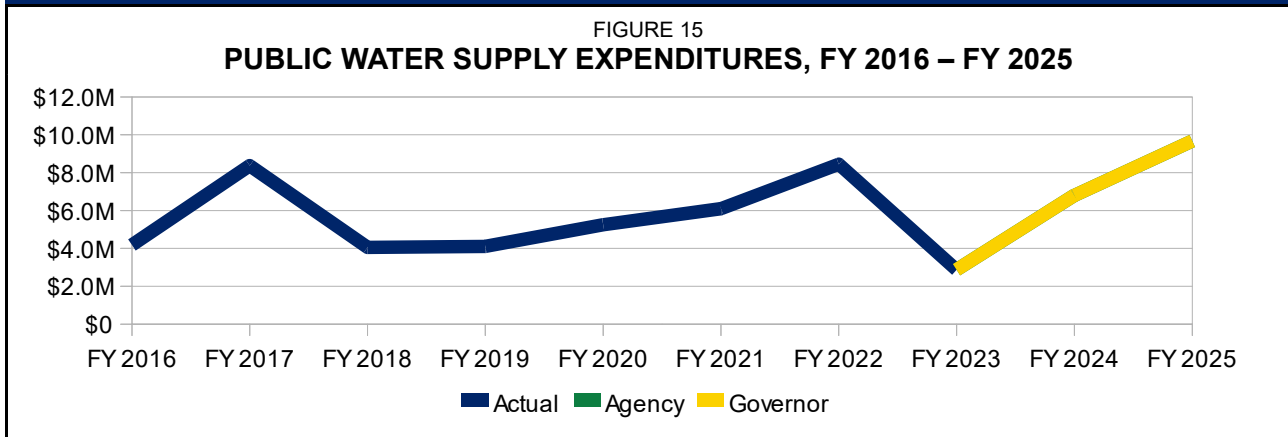
**BUDGET ANALYSIS**

The **agency** requests FY 2025 Water Planning and Administration program expenditures of \$29.4 million, including \$1.4 million SGF. This is an all funds decrease of \$18.7 million, or 38.8 percent, including an SGF increase of \$221,411 million, or 19.6 percent, from the program's FY 2024 revised estimate. The increase in SGF is attributable to agency's enhancement requests totaling \$218,246 for FY 2025 and increased estimates for base budget expenditures in FY 2025 when compared with FY 2024. The all funds decrease is attributable

to the transfer of SWPF moneys to other state agencies instead of expending them, and the absence of expenditures for the agency's supplemental request for Water-Injection Dredging at Tuttle Creek reservoir. That supplemental request is one time, in FY 2024, and does not occur again for FY 2025.

The **Governor** concurs with the agency's FY 2025 Water Planning and Administration program request.

## PUBLIC WATER SUPPLY



**STATUTORY BASIS:** • KSA 82a-1301 *et seq.*; 82a-1330 *et seq.*; 82a-1604 *et seq.*; 82a-2301 *et seq.*; 82a-2401 *et seq.*

**PROGRAM GOALS:**

- Ensure that the water supply needs of the citizens of Kansas are met in an economical and efficient manner.
- Ensure that municipal, industrial, and irrigation water rights on the major rivers have an adequate water supply during drought conditions.
- Effectively utilize storage to lengthen support during low flow conditions.

The Public Water Supply program administers supply programs to ensure an adequate supply of water for Kansans receiving water from state-owned storage in federal and state reservoirs. These programs include the water marketing, water assurance, Lower Smoky Hill access district, and the public water

supply components of the Multipurpose Small Lakes program (KSA 82a-1601 *et seq.*). The Kansas Water Office negotiates with the federal government for water supply storage in federal lakes and coordinates reservoir operations to meet multiple uses, primarily benefiting municipal and industrial customers.

FIGURE 16  
**PUBLIC WATER SUPPLY FINANCING, FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	2,872,731	6,799,284	6,799,284	9,669,005	9,669,005
<b>TOTAL</b>	<b>\$ 2,872,731</b>	<b>\$ 6,799,284</b>	<b>\$ 6,799,284</b>	<b>\$ 9,669,005</b>	<b>\$ 9,669,005</b>
<b>Percent Change:</b>					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	(66.0) %	136.7 %	-- %	42.2 %	-- %
FTE Positions	10.0	10.5	10.5	10.5	10.5

### BUDGET ANALYSIS

The **agency** requests FY 2025 Public Water Supply program expenditures of \$9.7 million, all from special revenue funds. This is an increase of \$2.9 million, or 42.2 percent, above the program's FY 2024 revised estimate. The increase is primarily due to estimated increases in contractual service expenditures paid to the

U.S. Army Corps of Engineers for operations and maintenance of water storage space in FY 2025 when compared with FY 2024.

The **Governor** concurs with the agency's FY 2025 Public Water Supply program request.

## CAPITAL IMPROVEMENTS

FIGURE 17

### CAPITAL IMPROVEMENTS, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
<b>Debt Service Principal:</b>					
Future Use Storage Debt (Milford and Perry)	2,988,250	-	-	-	-
<i>Subtotal–Debt</i>	<b>\$ 2,988,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL</b>	<b>\$ 2,988,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Financing:</b>					
SGF	\$ 2,988,250	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 2,988,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### **FY 2024 CAPITAL IMPROVEMENTS**

The **agency** estimates no capital improvement expenditures in FY 2024. This matches the agency's approved budget for capital improvements in FY 2024.

The 2023 Legislature appropriated \$52.0 million SGF in FY 2023 to the Office of the State Treasurer for the purpose of retiring outstanding water supply storage debt associated with Milford and Perry reservoirs.

Expenditures relating to that debt service is shown in the budget for the Office of the State Treasurer for FY 2023 and FY 2024.

Once debt associated with Milford and Perry reservoirs is retired, the agency will not have any outstanding debts for water supply storage.

The **Governor** concurs with the agency's request in FY 2024.

### **FY 2025 CAPITAL IMPROVEMENTS**

The **agency** estimates no capital improvement expenditures for FY 2025.

The **Governor** concurs with the agency's request for FY 2025.