



February 13, 2014

The Honorable Sharon Schwartz, Chairperson
House Committee on Agriculture and Natural Resources
Statehouse, Room 149-S
Topeka, Kansas 66612

Dear Representative Schwartz:

SUBJECT: Fiscal Note for HB 2548 by House Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2548 is respectfully submitted to your committee.

HB 2548 would create the Water Program Fee Fund and modify the Air Quality Fee Fund of the Kansas Department of Health and Environment (KDHE). Wastewater permit fees currently directed to the State General Fund would be redirected to the Water Program Fee Fund, and would be spent on salaries and operating expenditures for water related programs in the Division of Environment. The Water Program Fee Fund, as a state fund, could also be used to match federal grant funds associated with implementation of the Clean Water Act and the Safe Drinking Water Act. The bill would modify the Kansas Air Quality Act to allow permit fees collected to be deposited directly into the previously established Air Fee Quality Fee Fund. Currently, these fees go to the State General Fund.

| Estimated State Fiscal Effect | | | | |
|-------------------------------|----------------|----------------------|----------------|----------------------|
| | FY 2014 SGF | FY 2014 All Funds | FY 2015 SGF | FY 2015 All Funds |
| Revenue | -- | -- | (\$580,000) | -- |
| Expenditure | -- | -- | (\$580,000) | -- |
| FTE Pos. | -- | -- | -- | -- |

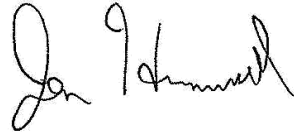
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The Kansas Department of Health and Environment indicates that passage of the bill would reduce revenue to the State General Fund with a corresponding increase in fee fund revenue for FY 2015. This, in turn, would shift expenditures from the State General Fund to agency fee funds. The Department estimates expenditures of \$380,000 from the Water Program Fee Fund and \$200,000 in expenditures from the Air Quality Fee Fund. Any fiscal effect associated with HB 2548 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is fluid and cursive, with the first name "Jon" being more prominent than the last name "Hummell".

Jon Hummell,
Interim Director of the Budget

cc: Aaron Dunkel, KDHE