

KANSAS WATER OFFICE

	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:							
State General Fund	\$ 1,182,230	\$ 1,265,789	\$ 1,159,460	\$ 1,241,975	\$ 1,134,483	\$ 1,294,863	\$ 1,184,599
Other Funds	6,512,461	9,007,890	9,003,383	5,211,744	5,207,751	7,344,322	7,340,249
TOTAL	\$ 7,694,691	\$ 10,273,679	\$ 10,162,843	\$ 6,453,719	\$ 6,342,234	\$ 8,639,185	\$ 8,524,848
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 7,694,691	\$ 10,273,679	\$ 10,162,843	\$ 6,453,719	\$ 6,342,234	\$ 8,639,185	\$ 8,524,848

Percentage Change:

Operating Expenditures

State General Fund	(10.4) %	7.1 %	(1.9) %	(1.9) %	(2.2) %	4.3 %	4.4 %
All Funds	2.6	33.5	32.1	(37.2)	(37.6)	33.9	34.4
FTE Positions							
	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Non-FTE							
Perm.Uncl.Pos.	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	21.0						

AGENCY OVERVIEW

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 operations 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

MAJOR ISSUES FROM PRIOR YEARS

The **2005 Legislature** included statutory language that only the Legislature may authorize expenditures from two funds, the Water Conservation Projects Fund and the Water Conservation Reserve account, in the State Water Plan Fund. The two funds were created when funding was received from Colorado in May 2005, as a result of the water litigation settlement. Of those funds, \$9.7 million was deposited into the Water Conservation Projects Fund and \$4.8 million was deposited into the Water Conservation Reserve account.

on priority issues as identified in the basin sections of the Kansas Water Plan.

In addition, the agency administers the following programs and acts: Assessment and Evaluation program, Water Marketing program, Water Assurance program, Water Conservation program, the public water supply component of the Multipurpose Small Lakes program, the Kansas Water Planning Act, State Water Plan Storage Act, Kansas Weather Modification Act, portions of the Water Appropriations Act, and the Water Transfer Act. The agency also negotiates with the federal government for water supply storage in federal lakes.

The Kansas Water Authority provides water policy advice to the Governor, Legislature, and the Director of the Kansas Water Office. The 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.

The **2006 Legislature** added \$2.5 million from the Water Conservation Projects Fund in FY 2007 to the Kansas Water Office for projects in the Upper Arkansas River Basin, including the lining of the Southside Ditch and the Southern Alternative delivery system. The Legislature also added language directing the agency to work with Groundwater Management District #5 to begin negotiations involving the purchase of water rights for the streamflow augmentation of Rattlesnake Creek during FY 2007. In addition, the Legislature added \$552,000 from the Water Conservation Projects Fund in FY 2006 and FY 2007 for feasibility studies related to projects in the Upper Arkansas

River Basin directly impacted by the litigation between Kansas and Colorado. Combined, total expenditures for both fiscal years were not to exceed \$552,000.

The **2007 Legislature** added \$500,000 from the State Water Plan Fund to address Neosho River Basin issues, such as sedimentation and water quality problems that have emerged within the Neosho Basin Watershed in recent years. The funding will be utilized as follows: \$300,000 for John Redmond reservoir pool raise mitigation required by the U.S. Corps of Engineers for a two-foot permanent pool raise; \$150,000 for Marion reservoir for a feasibility study related to addressing sedimentation and algae bloom issues; and \$50,000 for a riparian area inventory of areas below Marion and Council Grove reservoirs to the upper reaches of John Redmond reservoir. In addition, the Legislature added additional funding for weather modification, weather stations, technical assistance to water users, and for MOU (Memorandum of Understanding) – Storage Operations and Maintenance.

The **2008 Legislature** transferred the balance of the Water Conservation Projects Fund (\$9,134,446) and \$739,964 from the State Water Plan Fund in FY 2008 to a new fund called the Western Water Conservation Projects Fund, with guidelines directing the funding to Groundwater Management District No. 3 for oversight of funding projects, and creation of an advisory committee consisting of six ditch companies, and requiring a report by the Groundwater Management District No. 3 every three months on the status of new projects. In addition, the Legislature approved an increased transfer from the Economic Development Initiatives Fund (EDIF) of \$1,043,985 to avert a negative ending balance in the State Water Plan Fund. The Legislature also approved \$534,000, all from the State General Fund, in FY 2009 for a new fund called the Reservoir Storage Beneficial Use Fund.

The **2009 Legislature** approved the transfer of \$2.0 million from the State General Fund to the State Water Plan Fund for FY 2009 and suspended the \$6.0 million statutory transfer from the State General Fund to the State Water Plan Fund for both FY 2009 and FY 2010. For FY 2010, the Legislature approved the transfer of \$3.3 million from the State General Fund to the State Water Plan Fund. The agency's FY 2010 State Water Plan Fund expenditures were increased by \$825,487. The Governor's July 2009 allotments eliminated the FY 2010 transfer approved by the Legislature and expenditures based on the increased transfer were reduced accordingly.

The **2010 Legislature** approved the transfer of \$1.3 million from the State General Fund to the State Water Plan Fund for FY 2011 and that it be appropriated for four specific programs: Contamination Remediation (\$226,161), Treece Superfund Buyout (\$350,000), Interstate Water Issues (\$137,945), and Aid to Conservation Districts (\$634,138). The 2010 Legislature also changed the expenditure limitation for the State Conservation Storage Water Supply Fund from \$0 to no limit for FY 2011.

The **2011 Legislature** suspended the \$6.0 million demand transfer to the State Water Plan Fund. In addition, the Legislature approved transfers from the State Water Plan Fund of \$75,000 to the Grain Warehouse Inspection Fund, \$175,000 to the Swine Eradication Fund, and \$20,000 to the Livestock Market Reporting Fund. The Legislature added funding for the Wichita Aquifer Storage and Recovery Project (\$11,390) and the memorandum of understanding (MOU) with the Army Corps of Engineers (\$80,702). Those additions were offset by reductions for technical assistance for water users (\$25,000), assessment evaluation (\$16,702), and several universal reductions (\$72,274).

The **2012 Legislature** added \$500,000, all from the Expanded Lottery Act Revenues Fund, for FY 2013 for the Wichita Aquifer Storage and Recovery project and \$40,000, all

from the State Water Plan Fund, for Water Resource Education. The funding was subsequently vetoed by the Governor. The Legislature also added \$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. The 2012 Legislature suspended the \$6.0 million transfer from the State Water Plan Fund.

The **2013 Legislature** added \$100,000, all from the State Water Plan Fund, for the Weather Modification program in FY 2014.

In **2013** the Governor charged the agency with leading the development of a 50-year vision for water in Kansas. The vision will be incorporated into the Kansas Water Plan. The agency will conduct multiple meetings with stakeholders through March of 2014 and produce a first draft of the 50-year vision in the summer of that year. The agency intends for the vision to be completed by November 2014.

The **2014 Legislature** deleted \$419,000, all from the Water Marketing Fund, to reduce FY 2015 bond payments for the John Redmond Reservoir dredging project from \$2,109,400 to \$1,690,400.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency estimates** FY 2015 all funds expenditures of \$10.3 million, an increase of \$1.6 million, or 18.6 percent, above the amount approved by the 2014 Legislature. This estimate includes \$1.3 million from the State General Fund, an increase of \$76,606, or 6.4 percent, and \$4.0 million from the State

Water Plan Fund, an increase of \$302,542, or 8.1 percent above the amount approved by the 2014 Legislature. The all fund increase is largely attributable to additional federal grants for streambank stabilization, but also includes supplemental requests totaling \$52,815.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 expenditures of \$10.2 million, a decrease of \$110,836, or 1.1 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of \$71,650, all from the State General Fund, due to not recommending supplemental requests for \$56,650 for construction costs incurred by the agency when moving to the

Landon building and \$15,000 for membership to the Western States Water Council.

- Reduction of \$14,294, including \$9,787 from the State General Fund, as a result of the Governor's allotment plan reducing the Kansas Public Employer Regular and School Member employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.

- Reduction of \$23,862, all from the State General Fund, as a result of the Governor's State General Fund allotment of 4.0 percent to Cabinet and

other State General Funded agencies in FY 2015.

- Reduction of \$1,030, all from the State General Fund, for lapsing the reappropriation for FY 2015.

FY 2016 Agency Request

The **agency** requests FY 2016 expenditures of \$6.5 million, a decrease of \$3.8 million, or 37.2 percent, below the FY 2015 request. This request includes \$1.2 million from the State General Fund, a decrease of \$23,814, or 1.9 percent, and \$1.8 million from the State Water Plan Fund, a decrease of \$1.8 million, or 50.1 percent, below the FY 2015 request. The all funds decrease is largely due to decreased expenditures on contractual services arising from decreased federal grant funds

for streambank stabilization, and decreases in payments for dredging of the John Redmond Reservoir. The agency attempted to budget accordingly for bond payments, but may need to carry forward some State Water Plan funding for these bond payments depending on when they occur. These decreases are offset in part by an enhancement request totaling \$53,884.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 expenditures of \$6.3 million, a decrease of \$111,485, or 1.7 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of \$52,792, all from the State General Fund, due to not recommending enhancement requests totaling \$52,792 for a rent increase (\$22,176), a building surcharge increase (\$5,664), increased information technology expenses due to Department of Administration transitioning to a different rate plan (\$9,975), and

membership to the Western States Water Council (\$15,000).

- Reduction of \$11,126, including \$7,133 from the State General Fund, to reduce employer contributions for state employee health insurance.
- Reduction of \$47,567, all from the State General Fund, to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2016.

FY 2017 Agency Request

The **agency** requests FY 2017 all funds expenditures of \$8.6 million, an increase of \$2.2 million, or 33.9 percent, above the FY 2016 request. The request includes \$1.3 million from the State General Fund, an increase of \$52,888, or 4.3 percent, and \$2.6 million from the State Water Plan Fund, an increase of

\$856,550, or 48.4 percent, above the FY 2016 request. This all funds increase is largely due to John Redmond Reservoir dredging bonds and budgeting for Army Corps of Engineers work on the reservoirs.

FY 2017 Governor Recommendation

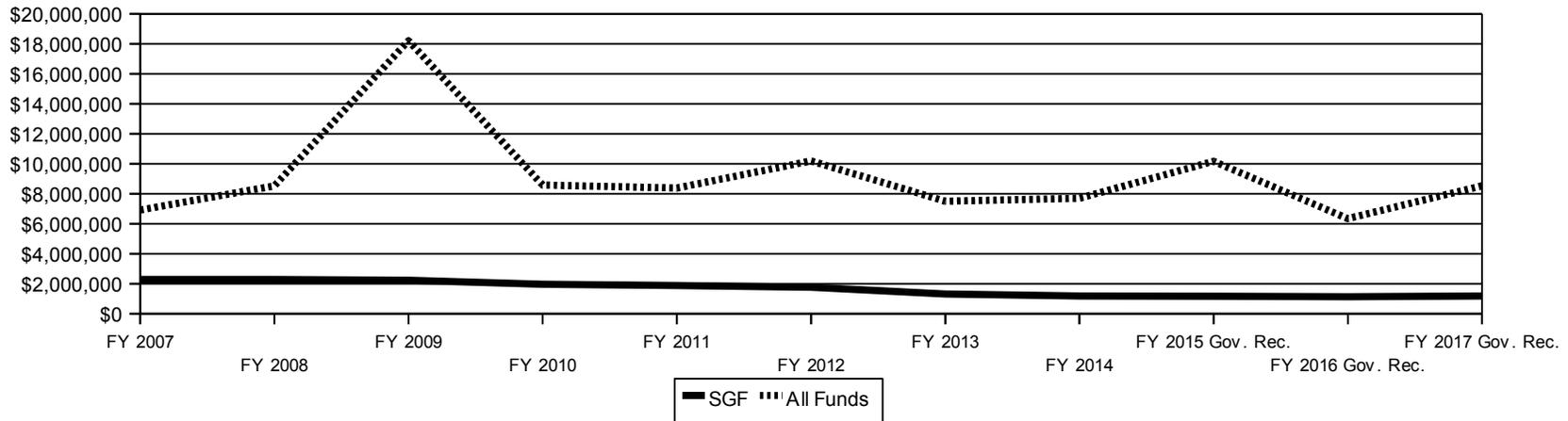
The **Governor** recommends FY 2017 expenditures of \$8.5 million, a decrease of \$114,337, or 1.3 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of \$53,327, all from the State General Fund, due to not recommending enhancement requests for a rent increase (\$22,711), a building surcharge increase (\$5,641), increased information technology expenses due to Department of Administration transitioning to a different rate plan (\$9,975), and membership to the Western States Water Council (\$15,000).

- Reduction of \$11,349, including \$7,276 from the State General Fund, to reduce employer contributions for state employee health insurance.
- Reduction of \$49,661, all from the State General Fund, to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2017.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2007 – FY 2017



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	\$ 2,284,542	62.6 %	\$ 6,912,789	4.4 %	23.5
2008	2,277,280	(0.3)	8,522,585	23.3	23.5
2009	2,226,752	(2.2)	18,205,826	113.6	23.5
2010	1,962,416	(11.9)	8,578,248	(52.9)	23.5
2011	1,879,209	(4.2)	8,377,752	(2.3)	21.0
2012	1,762,575	(6.2)	10,182,947	21.5	21.0
2013	1,319,859	(25.1)	7,500,801	(26.3)	18.0
2014	1,182,230	(10.4)	7,694,691	2.6	19.0
2015 Gov. Rec.	1,159,460	(1.9)	10,162,843	32.1	19.0
2016 Gov. Rec.	1,134,483	(2.2)	6,342,234	(37.6)	19.0
2017 Gov. Rec.	1,184,599	4.4	8,524,848	34.4	19.0
Eleven-Year Change	\$ (1,099,943)	(48.1)%	\$ 1,612,059	23.3 %	(4.5)

Summary of Operating Budget FY 2014 - FY 2016

	Actual 2014	Agency Estimate				Governor's Recommendation			
		Estimate FY 2015	Request FY 2016	Dollar Change from FY 15	Percent Change from FY 15	Rec. FY 2015	Rec. FY 2016	Dollar Change from FY 15	Percent Change from FY 15
By Program:									
Administration	\$ 4,071,454	\$ 4,827,225	\$ 3,011,292	\$ (1,815,933)	(37.6) %	\$ 4,720,896	\$ 2,903,800	\$ (1,817,096)	(38.5) %
KS Water Authority	31,023	25,892	28,694	2,802	10.8	25,892	28,694	2,802	10.8
Water Supply Contracts	3,592,214	5,420,562	3,413,733	(2,006,829)	(37.0)	5,416,055	3,409,740	(2,006,315)	(37.0)
TOTAL	\$ 7,694,691	\$ 10,273,679	\$ 6,453,719	\$ (3,819,960)	(37.2) %	\$ 10,162,843	\$ 6,342,234	\$ (3,820,609)	(37.6) %
By Major Object of Expenditure:									
Salaries and Wages	\$ 1,429,378	\$ 1,458,940	\$ 1,468,413	\$ 9,473	0.6 %	\$ 1,444,646	\$ 1,457,287	\$ 12,641	0.9 %
Contractual Services	6,167,310	8,315,021	4,948,924	(3,366,097)	(40.5)	8,218,479	4,848,565	(3,369,914)	(41.0)
Commodities	25,493	11,510	19,620	8,110	70.5	11,510	19,620	8,110	70.5
Capital Outlay	15,423	7,750	16,762	9,012	116.3	7,750	16,762	9,012	116.3
Debt Service	0	0	0	0	0.0	0	0	0	0.0
Subtotal - Operations	\$ 7,637,604	\$ 9,793,221	\$ 6,453,719	\$ (3,339,502)	(34.1) %	\$ 9,682,385	\$ 6,342,234	\$ (3,340,151)	(34.5) %
Aid to Local Units	48,201	473,463	0	(473,463)	(100.0)	473,463	0	(473,463)	(100.0)
Other Assistance	8,886	6,995	0	(6,995)	(100.0)	6,995	0	(6,995)	(100.0)
TOTAL	\$ 7,694,691	\$ 10,273,679	\$ 6,453,719	\$ (3,819,960)	(37.2) %	\$ 10,162,843	\$ 6,342,234	\$ (3,820,609)	(37.6) %
Financing:									
State General Fund	\$ 1,182,230	\$ 1,265,789	\$ 1,241,975	\$ (23,814)	(1.9) %	\$ 1,159,460	\$ 1,134,483	\$ (24,977)	(2.2) %
State Water Plan Fund	2,308,456	4,018,042	1,768,440	(2,249,602)	(56.0)	4,018,042	1,768,440	(2,249,602)	(56.0)
Water Marketing Fund	2,969,397	3,176,452	2,848,346	(328,106)	(10.3)	3,171,945	2,844,353	(327,592)	(10.3)
Federal Funds	630,616	1,330,805	132,336	(1,198,469)	(90.1)	1,330,805	132,336	(1,198,469)	(90.1)
All Other Funds	603,992	482,591	462,622	(19,969)	(4.1)	482,591	462,622	(19,969)	(4.1)
TOTAL	\$ 7,694,691	\$ 10,273,679	\$ 6,453,719	\$ (3,819,960)	(37.2) %	\$ 10,162,843	\$ 6,342,234	\$ (3,820,609)	(37.6) %

Summary of Operating Budget FY 2016 - FY 2017

	Agency Estimate				Governor's Recommendation			
	Request FY 2016	Request FY 2017	Dollar Change from FY 16	Percent Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	Percent Change from FY 16
By Program:								
Administration	\$ 3,011,292	\$ 2,868,668	\$ (142,624)	(4.7) %	\$ 2,903,800	\$ 2,758,404	\$ (145,396)	(5.0) %
KS Water Authority	28,694	28,695	1	0.0	28,694	28,695	1	0.0
Water Supply Contracts	3,413,733	5,741,822	2,328,089	68.2	3,409,740	5,737,749	2,328,009	68.3
TOTAL	\$ 6,453,719	\$ 8,639,185	\$ 2,185,466	33.9 %	\$ 6,342,234	\$ 8,524,848	\$ 2,182,614	34.4 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 1,468,413	\$ 1,537,133	\$ 68,720	4.7 %	\$ 1,457,287	\$ 1,525,784	\$ 68,497	4.7 %
Contractual Services	4,948,924	7,065,170	2,116,246	42.8	4,848,565	6,962,182	2,113,617	43.6
Commodities	19,620	20,120	500	2.5	19,620	20,120	500	2.5
Capital Outlay	16,762	16,762	0	0.0	16,762	16,762	0	0.0
Debt Service	0	0	0	0.0	0	0	0	0.0
Subtotal - Operations	\$ 6,453,719	\$ 8,639,185	\$ 2,185,466	33.9 %	\$ 6,342,234	\$ 8,524,848	\$ 2,182,614	34.4 %
Aid to Local Units	0	0	0	0.0	0	0	0	0.0
Other Assistance	0	0	0	0.0	0	0	0	0.0
TOTAL	\$ 6,453,719	\$ 8,639,185	\$ 2,185,466	33.9 %	\$ 6,342,234	\$ 8,524,848	\$ 2,182,614	34.4 %
Financing:								
State General Fund	\$ 1,241,975	\$ 1,294,863	\$ 52,888	4.3 %	\$ 1,134,483	\$ 1,184,599	\$ 50,116	4.4 %
State Water Plan Fund	1,768,440	2,624,990	856,550	48.4	1,768,440	2,624,990	856,550	48.4
Water Marketing Fund	2,848,346	4,260,169	1,411,823	49.6	2,844,353	4,256,096	1,411,743	49.6
Federal Funds	132,336	0	(132,336)	(100.0)	132,336	0	(132,336)	(100.0)
All Other Funds	462,622	459,163	(3,459)	(0.7)	462,622	459,163	(3,459)	(0.7)
TOTAL	\$ 6,453,719	\$ 8,639,185	\$ 2,185,466	33.9 %	\$ 6,342,234	\$ 8,524,848	\$ 2,182,614	34.4 %

BUDGET OVERVIEW

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of \$1.2 million for the Kansas Water Office in FY 2015. An adjustment has subsequently been made to that amount. This adjustment changes the current year approved amount without any legislative action required. For this agency, the following adjustment has been made.

- A reduction of \$34,679, as the result of the Governor's December 9th State General Fund allotment.

These adjustments change the FY approved State General Fund to \$1,159,460. That amount is reflected in the table below as the currently approved FY State General Fund amount. The agency's budget was submitted after the Governor's December allotment, so the agency's revised budget estimates do not incorporate the second allotment.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2015	Agency Estimate FY 2015	Agency Change from Approved	Governor Rec. FY 2015	Governor Change from Approved
State General Fund	\$ 1,159,460	\$ 1,265,789	\$ 106,329	\$ 1,159,460	\$ 0
All Other Funds	7,474,037	9,007,890	1,533,853	9,003,383	1,529,346
TOTAL	<u>\$ 8,633,497</u>	<u>\$ 10,273,679</u>	<u>\$ 1,640,182</u>	<u>\$ 10,162,843</u>	<u>\$ 1,529,346</u>
FTE Positions	19.0	19.0	0.0	19.0	0.0

The **agency** estimates FY 2015 all funds expenditures of \$10.3 million, an increase of \$1.6 million, or 18.9 percent, above the amount approved by the 2014 Legislature. This estimate includes \$1.3 million from the State General Fund, an increase

of \$106,329, or 9.2 percent, and \$4.0 million from the State Water Plan Fund, an increase of \$302,542, or 8.1 percent, above the approved amount. The all fund increase is largely attributable to additional federal grants for streambank

stabilization, but also includes supplemental requests totaling \$71,650, all from the State General Fund.

The **Governor** recommends FY 2015 expenditures of \$10.2 million, a decrease of \$110,836, or 1.1 percent, below the FY 2015 agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of \$71,650, all from the State General Fund, to not recommend supplemental requests for \$56,650 for construction costs incurred by the agency when moving to the Landon building and \$15,000 for membership to the Western States Water Council.

- Reduction of \$14,294, including \$9,787 from the State General Fund, as a result of the Governor's allotment plan reducing the Kansas Public Employer Regular and School Member employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.
- Reduction of \$23,862, all from the State General Fund, as a result of the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies in FY 2015.
- Reduction of \$1,030, all from the State General Fund, for lapsing the reappropriation for FY 2015.

Supplemental Detail

Supplementals	FY 2015 SUPPLEMENTALS					
	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Construction Costs - Landon Move	\$ 56,650	\$ 56,650	0.0	\$ 0	\$ 0	0.0
Membership - Western States Water Council	15,000	15,000	0.0	0	0	0.0
TOTAL	\$ 71,650	\$ 71,650	0.0	\$ 0	\$ 0	0.0

The **agency** estimates \$71,650, all from the State General Fund, for supplemental expenditures in FY 2015. The supplemental request includes \$56,650 for construction costs incurred by the agency when moving to the Landon building and \$15,000 for membership to the Western States Water Council.

The Council is an organization the Water Office has paid dues to for many years.

The **Governor** does not recommend the supplemental request.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a \$278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling \$280.0 million which reduced

expenditures by \$60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional \$219.9 million. The adjustments included in the \$219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS			
Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	(9,787)	(9,787)	0.0
Lapse SGF Reappropriation	(1,030)	(1,030)	0.0
Reduce SGF funding by 4.0 percent	(23,862)	(23,862)	0.0
TOTAL	<u>\$ (34,679)</u>	<u>\$ (34,679)</u>	<u>0.0</u>

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of \$9,787, as a result of the Governor's State General Fund allotment reducing the Kansas Public Employer Regular and School Member employer contribution rate (excluding KPERS Death and Disability) from 10.42 percent to 8.65 percent in FY 2015. This allotment will have no impact on the agency expenditures but is reflective of a reduction of expenditures from the State General Fund.

Lapse State General Fund Reappropriation:

A reduction of \$1,030, as a result of lapsing reappropriated funding from the State General Fund.

4.0 percent reduction to Cabinet-level and other SGF funded agencies

A reduction of \$23,862, as a result of the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies in FY 2015.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 6,453,719	\$ 6,342,234	\$ (111,485)
FTE Positions	19.0	19.0	0.0
Change from FY 2015:			
<i>Dollar Change:</i>			
State General Fund	\$ (23,814)	\$ (24,977)	
All Other Funds	(3,796,146)	(3,795,632)	
TOTAL	<u>\$ (3,819,960)</u>	<u>\$ (3,820,609)</u>	
<i>Percent Change:</i>			
State General Fund	(1.9) %	(2.2) %	
All Other Funds	(42.1)	(42.2)	
TOTAL	<u>(37.2) %</u>	<u>(37.6) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 expenditures of \$6.5 million, a decrease of \$3.8 million, or 37.2 percent, below the FY 2015 request. This request includes \$1.2 million from the State General Fund, a decrease of \$23,814, or 1.9 percent, and \$1.8 million from the State Water Plan Fund, a decrease of \$1.8 million, or 50.1 percent, below the FY 2015 request. The all funds decrease is largely due to decreased expenditures on contractual services arising from decreased federal grant funds

for streambank stabilization, and decreases in payments for dredging of the John Redmond Reservoir. The agency attempted to budget accordingly for bond payments, but may need to carry forward some State Water Plan funding for these bond payments depending on when they occur. These decreases are offset in part by an enhancement request totaling \$52,815 all from the State General Fund.

The **Governor** recommends FY 2016 expenditures of \$6.3 million, a decrease of \$111,485, or 1.7 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of \$52,792, all from the State General Fund, to not recommend enhancement requests totaling \$52,792 for a rent increase (\$22,176), a building surcharge increase (\$5,664), increased information technology expenses due to Department of Administration transitioning to a different rate plan (\$9,975), and membership to the Western States Water Council (\$15,000).

- Reduction of \$11,126, including \$7,133 from the State General Fund, to reduce employer contributions for state employee health insurance.
- Reduction of \$47,567, all from the State General Fund, to continue the Governor’s State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2016.

Enhancements Detail

Enhancements	FY 2016 ENHANCEMENTS					
	Agency Request			Governor’s Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Membership - Western States Water Council	\$ 15,000	\$ 15,000	0.0	\$ 0	\$ 0	0.0
Rent Increase	22,176	22,176	0.0	0	0	0.0
Building Surcharge Increase	5,641	5,641	0.0	0	0	0.0
Increase IT Costs - Node Rate	9,975	9,975	0.0	0	0	0.0
TOTAL	\$ 52,792	\$ 52,792	0.0	\$ 0	\$ 0	0.0

The **agency** requests enhancements totaling \$53,327 for a rent increase (\$22,176), a building surcharge increase (\$5,641), and increased information technology expenses due to transitioning to a different rate plan by the Department of Administration (\$9,975). The enhancement request also includes \$15,000 for membership to the Western States Water

Council. The Council is an organization the Water Office has paid dues to for many years. All of the enhancement request is funded by the State General Fund.

The **Governor** does not recommend the enhancement request.

C. FY 2017 – BUDGET YEAR

FY 2017 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 8,639,185	\$ 8,524,848	\$ (114,337)
FTE Positions	19.0	19.0	0.0
Change from FY 2016:			
<i>Dollar Change:</i>			
State General Fund	\$ 52,888	\$ 50,116	
All Other Funds	2,132,578	2,132,498	
TOTAL	<u>\$ 2,185,466</u>	<u>\$ 2,182,614</u>	
<i>Percent Change:</i>			
State General Fund	4.3 %	4.4 %	
All Other Funds	40.9	40.9	
TOTAL	<u>33.9 %</u>	<u>34.4 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 all funds expenditures of \$8.6 million, an increase of \$2.2 million, or 33.9 percent, above the FY 2016 request. The request includes \$1.3 million from the State General Fund, an increase of \$52,888, or 4.3 percent, and \$2.6 million from the State Water Plan Fund, an increase of \$856,550, or 48.4 percent, above the FY 2016 request. This increase is largely due to John Redmond Reservoir dredging

bonds and budgeting for Army Corps of Engineers work on the reservoirs.

The **Governor** recommends FY 2017 expenditures of \$8.5 million, a decrease of \$114,337, or 1.3 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of \$53,327, all from the State General Fund, to not recommend enhancement requests for a rent increase (\$22,711), a building surcharge increase (\$5,641), increased information technology expenses due to Department of Administration transitioning to a different rate plan (\$9,975), and membership to the Western States Water Council (\$15,000).
- Reduction of \$11,349, including \$7,276 from the State General Fund, to reduce employer contributions for state employee health insurance.
- Reduction of \$49,661, all from the State General Fund, to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2017.

Enhancements Detail

Enhancements	FY 2017 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Membership - Western States Water Council	\$ 15,000	\$ 15,000	0.0	\$ 0	\$ 0	0.0
Rent Increase	22,711	22,711	0.0	0	0	0.0
Building Surcharge Increase	5,641	5,641	0.0	0	0	0.0
Increase IT Costs - Node Rate	9,975	9,975	0.0	0	0	0.0
TOTAL	\$ 53,327	\$ 53,327	0.0	\$ 0	\$ 0	0.0

The **agency** requests enhancements totaling \$53,327 for a rent increase (\$22,711), a building surcharge increase (\$5,641), and increased information technology expenses due to transitioning to a different rate plan by the Department of Administration (\$9,975). The enhancement request also includes \$15,000 for membership to the Western States Water

Council. The Council is an organization the Water Office has paid dues to for many years. All of the enhancement request is funded by the State General Fund.

The **Governor** does not recommend the enhancement request.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. The 2014 Legislature approved funding of \$11.3 million, including \$4.5 million from the State General Fund, in FY 2015 for a \$250 bonus for all full-time employees except elected officials who were employed on December 6, 2013, and which was paid December 6, 2014. **For this agency, the FY 2015 bonus totals \$5,134, including \$3,926 from the State General Fund, and affects 17 employees.**

Longevity Bonus Payments. For FY 2016 and FY 2017, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2016 payments is \$7.2 million, including \$2.8 million from the State General Fund. For FY 2017, the estimated cost for the payments is \$7.7 million, including \$3.0 million from the State General Fund. **For this agency, FY 2016 longevity payments total \$8,680, including \$5,930 from the State General Fund, and FY 2017 longevity payments total \$9,801, including \$6,697 from the State General Fund.**

Group Health Insurance. The Governor recommends Group Health and Hospitalization employer contributions of \$282.8 million, including \$108.2 million from the State General Fund, for FY 2016 and \$289.2 million, including \$110.7 million from the State General Fund, for FY 2017. For FY 2016 and FY 2017, the Governor recommends reducing the employer contributions for group health insurance by 8.5 percent. **For this agency this is a reduction of \$11,126 including \$7,133 from the State General Fund for FY 2016. This is a reduction of \$11,349, including \$7,276 from the State General Fund, for FY 2017.**

Kansas Public Employees Retirement System (KPERs) Rate Adjustments. The FY 2015 employer retirement contribution for KPERs regular and school members was scheduled to be 11.27 percent, an increase of 1.0 percent from 10.27 in FY 2014. The Governor reduced the employer contribution rate from 11.27 percent to 8.65 percent for the second half of FY 2015, for an effective contribution rate of 9.96 percent as part of the Governor's allotment plan. For FY 2016, the Governor recommends the retirement rate increase by 2.41 percent from 9.96 percent to 12.37 percent. For FY 2017, the Governor recommends the retirement rate increase by 1.2 percent from 12.37 percent to 13.57 percent. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERs fund.

In addition, the employer contribution for the KPERs death and disability insurance rate will be increased to 1.0 percent, from 0.85 percent, for FY 2016 and for FY 2017.

The Governor further proposes offering \$1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution rates of the State/School Group. The Kansas Public Employee Retirement System estimates this plan could reduce employer contributions by \$68.43 million in FY 2016 and \$132.85 in FY 2017. The Kansas Development Finance Authority estimates that the bond service would be \$90.3 million in FY 2016 through FY 2017, assuming the Kansas credit ratings are not downgraded.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2016	Gov. Rec. Percent of Total FY 2016	Agency Req. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	19.2 %	17.9 %	15.0 %	13.9 %
State Water Plan Fund	27.4	27.9	30.4	30.8
Water Marketing Fund	44.1	44.8	49.3	49.9
Federal Funds	2.1	2.1	0.0	0.0
All Other Funds	7.2	7.3	5.3	5.4
TOTAL	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

Note: Percentages may not add due to rounding.

Water Marketing Fund

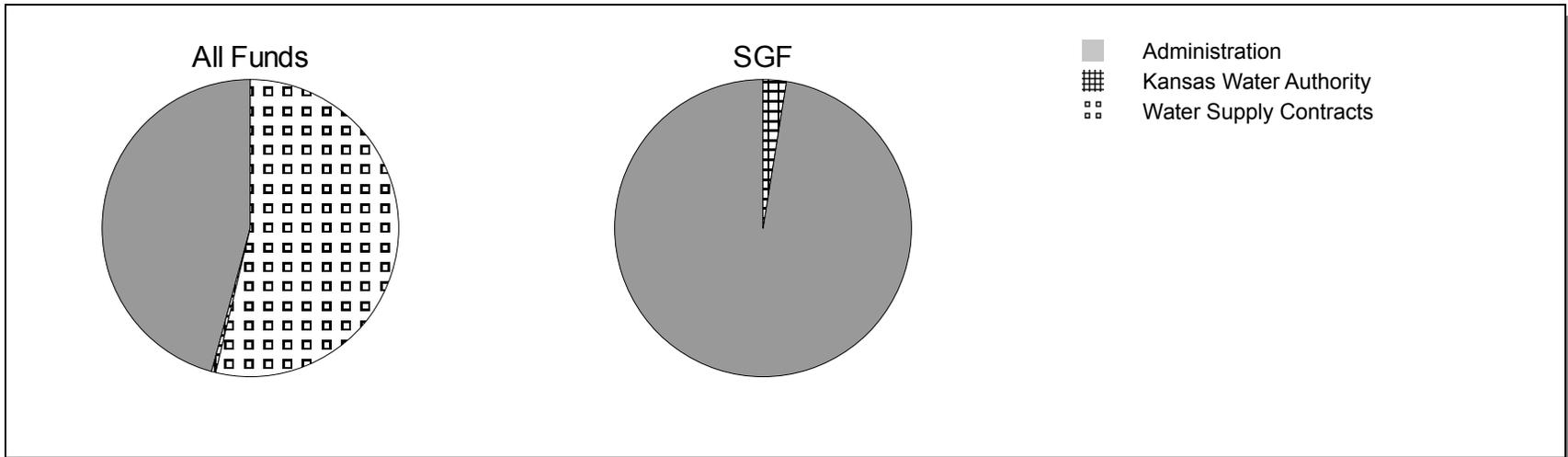
Under the federal Water Supply Act of 1958, federal reservoirs constructed in Kansas for the purpose of flood control were authorized to include storage space for municipal and industrial water supplies. In 1961, the Legislature provided financial assurance for inclusion of water storage in the federal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

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 that is 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 and any remaining funds are then transferred to the State General Fund for program administration. The table below summarizes receipts, expenditures, and transfers for the Water Marketing Fund as requested by the agency and as recommended by the Governor.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 3,830,201	\$ 4,295,128	\$ 4,295,128	\$ 4,765,736	\$ 4,770,243	\$ 5,546,207	\$ 5,554,707
Revenue	3,275,030	3,394,702	3,394,702	3,664,122	3,664,122	3,893,379	3,893,379
Transfers in	159,294	366,562	366,562	87,835	87,835	91,349	91,349
Total Funds Available	\$ 7,264,525	\$ 8,056,392	\$ 8,056,392	\$ 8,517,693	\$ 8,522,200	\$ 9,530,935	\$ 9,539,435
Less: Expenditures	2,969,397	3,176,452	3,171,945	2,848,346	2,844,353	4,260,169	4,256,096
Transfers Out	0	110,804	110,804	0	0	0	0
Off Budget Expenditures	0	3,400	3,400	123,140	123,140	123,140	123,140
Ending Balance	<u>\$ 4,295,128</u>	<u>\$ 4,765,736</u>	<u>\$ 4,770,243</u>	<u>\$ 5,546,207</u>	<u>\$ 5,554,707</u>	<u>\$ 5,147,626</u>	<u>\$ 5,160,199</u>
Ending Balance as Percent of Expenditures	144.6%	150.0%	150.4%	194.7%	195.3%	120.8%	121.2%
Month Highest Ending Balance	March \$ 4,199,143	March \$ 4,314,543	March \$ 4,319,050	March \$ 4,250,079	March \$ 4,258,579	N/A N/A	N/A N/A
Month Lowest Ending Balance	November \$ 1,850,574	November \$ 1,360,369	November \$ 1,364,876	November \$ 1,163,380	November \$ 1,171,880	November \$ 631,215	November \$ 643,788

PROGRAM DETAIL

EXPENDITURES BY PROGRAM—GOVERNOR’S FY 2016 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2016	Percent of Total	Gov. Rec. SGF FY 2016	Percent of Total
Administration	\$ 2,903,800	45.8 %	\$ 1,105,789	97.5 %
Kansas Water Authority	28,694	0.5	28,684	2.5
Water Supply Contracts	3,409,740	53.8	0	0.0
TOTAL	\$ 6,342,234	100.0 %	\$ 1,134,473	100.0 %

FTE POSITIONS BY PROGRAM FY 2014 – FY 2017

Program	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Administration	12.0	12.0	12.0	12.0	12.0	12.0	12.0
KS Water Authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water Supply Contracts	7.0	7.0	7.0	7.0	7.0	7.0	7.0
TOTAL	19.0	19.0	19.0	19.0	19.0	19.0	19.0

A. Administration

The Kansas Water Office is the water planning, policy, and coordination agency for the State of Kansas. It prepares a state plan of water resources development, management, and conservation, reviews all water laws, and makes recommendations to the Governor and Legislature for new or amendatory legislation. The Office administers the Kansas Water Planning Act, State Water Plan Storage Act, Water

Assurance Program Act, Kansas Weather Modification Act, and portions of the Water Appropriations Act and Water Transfer Act. The agency is also responsible for monitoring conditions related to drought, development of water conservation plan guidelines, and the collection and compilation of data related to water resources at state agencies.

ADMINISTRATION
SUMMARY OF EXPENDITURES FY 2014 – 2017

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 956,867	\$ 996,209	\$ 986,422	\$ 998,834	\$ 991,701	\$ 1,046,011	\$ 1,038,735
Contractual Services	3,036,380	3,342,313	3,245,771	1,986,985	1,886,626	1,796,684	1,693,696
Commodities	20,737	10,040	10,040	18,150	18,150	18,650	18,650
Capital Outlay	9,269	5,200	5,200	7,323	7,323	7,323	7,323
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 4,023,253	\$ 4,353,762	\$ 4,247,433	\$ 3,011,292	\$ 2,903,800	\$ 2,868,668	\$ 2,758,404
Aid to Local Units	48,201	473,463	473,463	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 4,071,454</u>	<u>\$ 4,827,225</u>	<u>\$ 4,720,896</u>	<u>\$ 3,011,292</u>	<u>\$ 2,903,800</u>	<u>\$ 2,868,668</u>	<u>\$ 2,758,404</u>
Financing:							
State General Fund	\$ 1,153,447	\$ 1,239,897	\$ 1,133,568	\$ 1,213,281	\$ 1,105,789	\$ 1,266,168	\$ 1,155,904
All Other Funds	2,918,007	3,587,328	3,587,328	1,798,011	1,798,011	1,602,500	1,602,500
TOTAL	<u>\$ 4,071,454</u>	<u>\$ 4,827,225</u>	<u>\$ 4,720,896</u>	<u>\$ 3,011,292</u>	<u>\$ 2,903,800</u>	<u>\$ 2,868,668</u>	<u>\$ 2,758,404</u>
FTE Positions	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Non-FTE Uncl. Perm. Pos.	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>

The **agency** requests FY 2016 expenditures of \$3.0 million, a decrease of \$1.8 million, or 37.6 percent, below the FY 2015 request. This decrease is attributable to decreases in contractual services, offset slightly by increases in commodities and capital outlay.

million, a decrease of \$1.4 million, or 40.6 percent, below the FY 2015 request. This decrease is attributable to the completion of federally-funded streambank stabilization projects at Cottonwood and Smoky Hills.

- **Contractual Services** - The agency requests FY 2016 contractual services expenditures of \$2.0

- **Commodities** - The agency requests FY 2016 commodities expenditures of \$18,150, an

increase of \$8,110, or 80.8 percent, above the FY 2015 request. The increase is largely attributable to office supplies and food.

- **Capital Outlay** - The agency requests FY 2016 capital outlay expenditures of \$7,323, an increase of \$2,123, or 40.8 percent, above the FY 2015 request. The increase is entirely attributable to software expenditures.

The **Governor** recommends FY 2016 expenditures of \$2.9 million in the Administration program, a decrease of \$107,492, or 3.6 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of \$52,792, all from the State General Fund, to not recommend enhancement requests totaling \$52,792 for a rent increase (\$22,176), a building surcharge increase (\$5,664), increased information technology expenses due to Department of Administration transitioning to a different rate plan (\$9,975), and membership to the Western States Water Council (\$15,000).
- Reduction of \$7,133, all from the State General Fund, to reduce employer contributions for state employee health insurance.
- Reduction of \$47,567, all from the State General Fund, to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2016.

The **agency** requests FY 2017 expenditures of \$2.9 million, a decrease of \$142,624, or 4.7 percent, below the FY 2016 request. This decrease is attributable to decreased contractual services expenditures offset in part by increases in salaries and wages.

- **Salaries and Wages** - The agency requests FY 2017 salaries and wages expenditures of \$1.0 million, an increase of \$47,177, or 4.7 percent, above the FY 2016 request. This increase is attributable to the 27th pay period that occurs in FY 2017 for all state agencies.
- **Contractual Services** - The agency requests FY 2017 contractual services expenditures of \$1.8 million, a decrease of \$190,301, or 9.6 percent, below the FY 2016 request. This decrease is attributable to not budgeting for federal grants for wetland development.

The **Governor** recommends FY 2017 expenditures of \$2.8 million, a decrease of \$110,264, or 3.8 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of \$53,327, all from the State General Fund, to not recommend enhancement requests for a rent increase (\$22,711), a building surcharge increase (\$5,641), increased information technology expenses due to Department of Administration transitioning to a different rate plan (\$9,975), and membership to the Western States Water Council (\$15,000).

- Reduction of \$7,276, all from the State General Fund, to reduce employer contributions for state employee health insurance.

- Reduction of \$49,661, all from the State General Fund, to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2017.

B. Kansas Water Authority

The Kansas Water Authority is statutorily within the Kansas Water Office. The Authority is responsible for advising the Governor, the Legislature, and the Director of the Kansas Water Office on water policy issues, for approving the Kansas Water Plan, accounting for and making recommendations on the expenditures of State Water Plan Funds, for approving water

storage sales, water marketing rate setting, federal contracts, administrative regulations, and legislation proposed by the Kansas Water Office. The Authority is comprised of 24 members that represent stakeholder groups and that are informed of water-related issues representing water users, water interests, environmental interests, and the general public.

**KANSAS WATER AUTHORITY
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 3,230	\$ 3,460	\$ 3,460	\$ 3,833	\$ 3,833	\$ 3,834	\$ 3,834
Contractual Services	27,793	22,432	22,432	24,861	24,861	24,861	24,861
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 31,023	\$ 25,892	\$ 25,892	\$ 28,694	\$ 28,694	\$ 28,695	\$ 28,695
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 31,023</u>	<u>\$ 25,892</u>	<u>\$ 25,892</u>	<u>\$ 28,694</u>	<u>\$ 28,694</u>	<u>\$ 28,695</u>	<u>\$ 28,695</u>
Financing:							
State General Fund	\$ 28,783	\$ 25,892	\$ 25,892	\$ 28,694	\$ 28,694	\$ 28,695	\$ 28,695
All Other Funds	2,240	0	0	0	0	0	0
TOTAL	<u>\$ 31,023</u>	<u>\$ 25,892</u>	<u>\$ 25,892</u>	<u>\$ 28,694</u>	<u>\$ 28,694</u>	<u>\$ 28,695</u>	<u>\$ 28,695</u>
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

The **agency** requests FY 2016 expenditures of \$28,694, all from the State General Fund, an increase of \$2,802, or 10.8 percent, above the FY 2015 request. This increase is largely attributable to increased expenditures for mileage reimbursement.

The **Governor** concurs with the agency request.

The **agency** requests FY 2017 expenditures of \$28,695, all from the State General Fund, an increase of \$1 above the FY 2016 request.

The **Governor** concurs with the agency request.

C. Water Supply Contracts

The Water Supply Contracts program administers certain municipal and industrial public water supply programs to ensure an adequate supply of water for all Kansans. These programs include the Water Marketing, Water Assurance, and public water supply components of the Multipurpose Small Lakes (MPSL) program (82a-1601 *et seq.*). The Kansas Water Office negotiates with the federal government for water supply storage

in federal lakes and coordinated reservoir operations to meet multiple uses with that storage benefiting primarily municipal and industrial customers. The Kansas Water Office evaluates proposals for Multipurpose Small Lakes to determine whether the state should build additional storage in lakes to provide water supply for the region.

WATER SUPPLY CONTRACTS							
SUMMARY OF EXPENDITURES FY 2014 – 2017							
Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 469,281	\$ 459,271	\$ 454,764	\$ 465,746	\$ 461,753	\$ 487,288	\$ 483,215
Contractual Services	3,103,137	4,950,276	4,950,276	2,937,078	2,937,078	5,243,625	5,243,625
Commodities	4,756	1,470	1,470	1,470	1,470	1,470	1,470
Capital Outlay	6,154	2,550	2,550	9,439	9,439	9,439	9,439
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 3,583,328	\$ 5,413,567	\$ 5,409,060	\$ 3,413,733	\$ 3,409,740	\$ 5,741,822	\$ 5,737,749
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	8,886	6,995	6,995	0	0	0	0
TOTAL	<u>\$ 3,592,214</u>	<u>\$ 5,420,562</u>	<u>\$ 5,416,055</u>	<u>\$ 3,413,733</u>	<u>\$ 3,409,740</u>	<u>\$ 5,741,822</u>	<u>\$ 5,737,749</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	3,592,214	5,420,562	5,416,055	3,413,733	3,409,740	5,741,822	5,737,749
TOTAL	<u>\$ 3,592,214</u>	<u>\$ 5,420,562</u>	<u>\$ 5,416,055</u>	<u>\$ 3,413,733</u>	<u>\$ 3,409,740</u>	<u>\$ 5,741,822</u>	<u>\$ 5,737,749</u>
FTE Positions	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>

The **agency** requests FY 2016 expenditures of \$3.4 million, a decrease of \$2.0 million, or 37.0 percent, below the FY 2015 request. This decrease is largely attributable to budgeting early payments for John Redmond Reservoir dredging bonds in the FY 2015 budget and intending to carry forward funding to FY 2016 as needed for any bond payments that occur in FY 2016.

The **Governor** recommends FY 2016 expenditures of \$3.4 million, a decrease of \$3,993, all from the Water Marketing Fund. The decrease is entirely attributable to a reduced employer contribution rate for state employee health insurance.

The **agency** requests FY 2017 expenditures of \$5.7 million, an increase of \$2.3 million, or 68.2 percent, above the FY 2016 request. This increase is largely due to John Redmond Reservoir dredging bonds and budgeting for Army Corps of Engineers work on the reservoirs.

The **Governor** recommends FY 2017 expenditures of \$5.7 million, a decrease of \$4,073, all from the Water Marketing Fund. The decrease is entirely attributable to a reduced employer contribution rate for state employee health insurance.

PERFORMANCE MEASURES					
Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of water resource technical analyses completed	20	20	20	20	20
Water marketing contracts administered	35	35	37	39	41
Number of citizens served by Water Marketing Program	N/A	298,509	301,352	304,195	307,064