

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

- DIVISION OF ENVIRONMENT

FY 2024 – FY 2026 BUDGET SUMMARY

FIG. 1 BUDGET SUMMARY, FY 2024 – FY 2026

	Actual FY 2024	Agency FY 2025	Legislative Budget Committee FY 2025	Agency FY 2026	Legislative Budget Committee FY 2026
EXPENDITURES:					
State Operations*	\$ 82,857,734	\$ 78,121,165	\$ 78,121,165	\$ 74,900,875	\$ 74,900,875
Salaries and Wages	28,097,540	34,891,509	34,891,509	35,191,230	35,191,230
Contractual Services	53,616,024	41,761,451	41,761,451	38,360,940	38,360,940
Commodities	514,830	684,680	684,680	658,180	658,180
Capital Outlay	629,340	783,525	783,525	690,525	690,525
State Aid and Assistance	\$ 17,040,029	\$ 30,166,106	\$ 30,166,106	\$ 9,880,000	\$ 9,880,000
Aid to Local Units	14,021,591	25,066,770	25,066,770	5,111,000	5,111,000
Other Assistance	3,018,438	5,099,336	5,099,336	4,769,000	4,769,000
Capital Budget and Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
TOTAL	\$ 99,897,763	\$ 108,287,271	\$ 108,287,271	\$ 84,780,875	\$ 84,780,875
FINANCING:					
State General Fund	\$ 2,210,871	\$ 19,184,708	\$ 19,184,708	\$ 3,399,345	\$ 3,399,345
State Water Plan Fund	5,843,459	13,404,544	13,404,544	5,608,309	5,608,309
All Other Funds	91,843,133	75,698,019	75,698,019	75,773,221	75,773,221
TOTAL	\$ 99,897,463	\$ 108,287,271	\$ 108,287,271	\$ 84,780,875	\$ 84,780,875
PERCENTAGE CHANGE:					
State General Fund	10.3 %	767.7 %	-- %	(82.3) %	-- %
All Funds	16.4 %	8.4 %	-- %	(21.7) %	-- %
FTE Positions	398.2	406.3	406.3	406.3	406.3

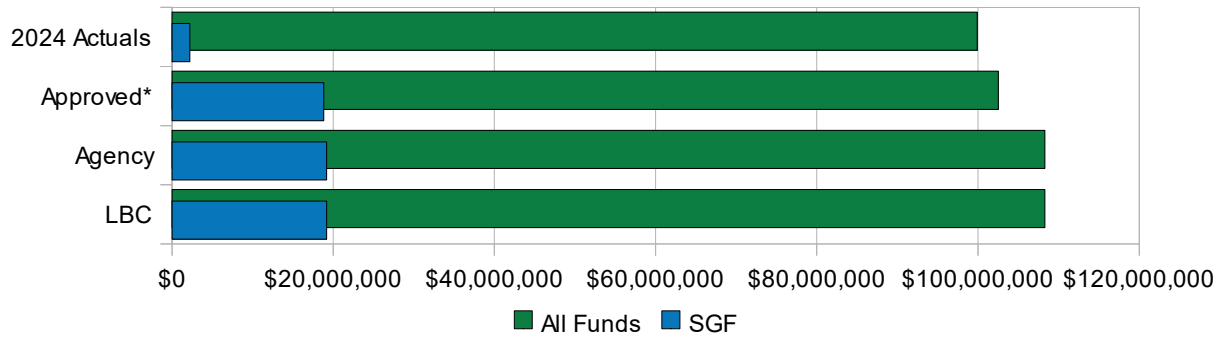
* Note: Expenditures for debt service interest are reflected under "Capital Budget and Debt."

AGENCY OVERVIEW

The Kansas Department of Health and Environment - Division of Environment protects the environment and public health through compliance, enforcement, and proactive activities. The Division includes five bureaus: Waste Management, Air, Water, Environmental Remediation, and Environmental Field Services (including the Office of the Director of the Division of Environment).

FY 2025 ANALYSIS

FIG. 2 BUDGET HIGHLIGHTS, FY 2025



* Note: Includes SGF reappropriations.

FIG. 3 BUDGET COMPARISON, FY 2025

Fund	2024 Actuals	2025 Approved*	2025 Agency	Agency Change from Previous-Year Actuals		Agency Change from Approved*	
SGF	\$ 2,210,871	\$ 18,834,708	\$ 19,184,708	\$ 16,973,837	767.7 %	\$ 350,000	1.9 %
All Other Funds	97,686,592	83,680,740	89,102,563	(8,584,029)	(8.8)	5,421,823	6.5
TOTAL	\$ 99,897,463	\$ 102,515,448	\$ 108,287,271	\$ 8,389,808	8.4 %	\$ 5,771,823	5.6 %

* Note: Includes SGF reappropriations.

BUDGET ANALYSIS

FIG. 4 SUMMARY OF BUDGET REQUEST, FY 2025

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Approved, FY 2025	\$ 18,834,708	\$ 102,515,448	398.2	\$ 18,834,708	\$ 102,515,448	398.2
2024 SB 28 & HB 2551	18,599,272	96,713,780	398.2	18,599,272	96,713,780	398.2
1. SGF Reappropriation	235,436	235,436	-	235,436	235,436	-
2. SWPF Reappropriation	-	5,566,232	-	-	5,566,232	-
Supplemental Requests	\$ 350,000	\$ 350,000	-	\$ -	\$ -	-
3. Hazardous Waste Fund Stabilization (OT)	350,000	350,000	-	-	-	-
Other Changes	\$ -	\$ 5,421,823	8.1	\$ -	\$ 5,421,823	-
4. Agency Trust Funds	-	7,759,422	-	-	7,759,422	-
5. Other Federal Funds	-	2,729,430	-	-	2,729,430	-
6. ARPA Funds	-	(4,938,230)	-	-	(4,938,230)	-
7. All Other Adjustments	-	(128,799)	8.1	-	(128,799)	-
TOTAL	\$ 19,184,708	\$ 108,287,271	406.3	\$ 18,834,708	\$ 107,937,271	398.2

1. SGF REAPPROPRIATION

The agency carried over \$235,436 in unspent SGF moneys into FY 2025.

2. STATE WATER PLAN FUND REAPPROPRIATION

The agency carried over \$5.6 million in unspent State Water Plan Fund (SWPF) moneys into FY 2025.

3. HAZARDOUS WASTE FUND STABILIZATION (OT)

The agency's revised request includes \$350,000 SGF for the Bureau of Waste Management in FY 2025. The agency indicates the one-time addition will support the Kansas Hazardous Waste Management Program. The program is federally delegated

and typically supported by federal grants and fee funds. However, the agency notes that annual federal awards for the program are declining, and the program is collecting less in fees. Decreases in revenues are further exacerbated by increased costs for the program. The reduction in both federal and fee funds, along with rising costs, has caused an immediate shortfall for the program in FY 2025. The agency indicates that fees would be increased in the future to further stabilize the fund.

- **Agency:** Add \$350,000 SGF, one-time, for the Kansas Hazardous Waste Management Program in FY 2025.
- **LBC:** Delete \$350,000 SGF, one-time, for the Kansas Hazardous Waste Management Program in FY 2025.

4. AGENCY TRUST FUNDS

The agency's revised request adds \$7.8 million from agency trust funds for investigations and remedial actions at contaminated sites. Expenditures include those from the above-ground and under-ground petroleum storage tank release trust funds to reimburse tank owners and operators who have undertaken remedial action at petroleum storage tank facilities. Expenditures from these two funds total \$2.4 million above the approved amount in FY 2025. The agency is also estimating increased expenditures from the Kansas Public Water Supply Revolving Fund. The agency indicates the fund is designed to help communities finance needed public water supply projects, with loan repayments being returned to the fund to "revolve" for other Kansas communities. Expenditures are estimated to increase by \$2.7 million above the approved amount in FY 2025. Expenditures from these funds can be found in the agency's Remediation and Water Programs, respectively.

- **Agency:** Add \$7.8 million from agency trust funds for remedial actions at contaminated sites and increasing Kansas Public Water Supply Loans in FY 2025.
- **LBC:** No changes.

5. OTHER FEDERAL FUNDS

The agency's revised request adds \$2.7 million, all federal funds, excluding the American Rescue Plan Act (ARPA) moneys, in FY 2025. The increases are mostly attributable to estimated increases in contractual service expenditures. More specifically, the agency is estimating increased expenditures relating to the Brownfields Program. The agency notes that the Brownfields Program is intended for the assessment and cleanup of underutilized properties so they may be sold, leased, or reused.

The agency is also estimating smaller increases in most other federal funds and for most categories of expenditures in FY 2025. This includes estimated increases in revenues and expenditures from the Climate Pollution Reduction Grant Fund. The agency is estimating increases in revenues and expenditures from the fund with the goal of supporting efforts to reduce greenhouse gas emissions in FY 2025.

- **Agency:** Add \$2.7 million, all from federal funds, mostly attributable to increased contractual service expenditures in FY 2025.
- **LBC:** No changes.

6. AMERICAN RESCUE PLAN ACT FUNDS

The agency's revised request deletes \$4.9 million from ARPA moneys in FY 2025. The State Finance Council approved \$374.0 million in discretionary ARPA on December 21, 2022 for state-wide expenditures. As a part of that approval, the Division of Environment was approved for a total of \$10.0 million ARPA for the Small-Town Infrastructure Program that provides grants to support technical assistance and drinking water and sewer system upgrades for towns with populations less than 1,000. Originally, the agency estimated spending \$5.0 million in FY 2024 and \$5.0 million in FY 2025.

In FY 2024, the agency expended \$9.9 million of the moneys. The agency estimates expending the remaining balance of \$61,770 in the fund in FY 2025. The reduction is a result of the agency expending the money earlier than originally estimated.

- **Agency:** Delete \$4.9 million federal ARPA funds for the Small-Town Infrastructure Program in FY 2025.
- **LBC:** No changes.

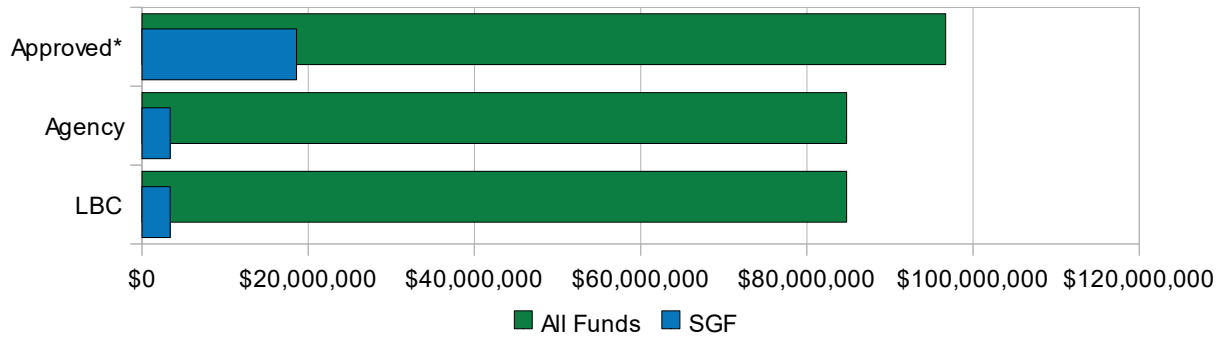
7. ALL OTHER ADJUSTMENTS

The agency's revised request deletes \$128,799, all from agency fee funds, and adds 8.1 FTE positions for all other adjustments in FY 2025. Adjustments include updated estimates in all expenditure categories for most agency fee funds in FY 2025. The agency is also estimating FTE adjustments across all programs, including an increase of 3.9 FTE positions in Air Quality, a reduction of 1.0 FTE position in Field Services, an increase of 0.4 FTE positions in Laboratory, an increase of 0.2 FTE position in Waste Management, and an increase of 5.0 FTE positions in Water.

- **Agency:** Delete \$128,799, all from agency fee funds, and add 8.1 FTE positions for all other adjustments in FY 2025.
- **LBC:** Delete 8.1 FTE positions in FY 2025.

FY 2026 ANALYSIS

FIG. 5 BUDGET HIGHLIGHTS, FY 2026



* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

FIG. 6 BUDGET HIGHLIGHT CHANGES, FY 2026

Fund	2025 Agency	2025 Approved*	2026 Agency	Agency Change from Previous-Year Agency		Agency Change from Approved*	
SGF	\$ 19,184,708	\$ 18,599,272	\$ 3,399,345	\$ (15,785,363)	(82.3) %	\$ (15,199,927)	(81.7) %
All Other Funds	89,102,563	78,114,508	81,381,530	(7,721,033)	(8.7)	3,267,022	4.2
TOTAL	\$ 108,287,271	\$ 96,713,780	\$ 84,780,875	\$ (23,506,396)	(21.7) %	\$ (11,932,905)	(12.3) %

* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

BUDGET ANALYSIS

FIG. 7 SUMMARY OF BUDGET REQUEST, FY 2026

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Approved, FY 2025	\$ 18,599,272	\$ 96,713,780	398.2	\$ 18,599,272	\$ 96,713,780	398.2
2024 SB 28 & HB 2551	18,599,272	96,713,780	398.2	18,599,272	96,713,780	398.2
Enhancement Requests	\$ 985,000	\$ 985,000	-	\$ -	\$ -	-
1. Livestock Waste Management	210,000	210,000	-	-	-	-
2. Hazardous Waste Fund Stabilization (OT)	350,000	350,000	-	-	-	-
3. KEIMS Database Implementation (OT)	425,000	425,000	-	-	-	-
Other Changes	\$ (16,184,927)	\$ (12,917,905)	8.1	\$ (16,184,927)	\$ (12,917,905)	-
4. SGF Reductions	(16,184,927)	(16,184,927)	-	(16,184,927)	(16,184,927)	-
5. SWPF Reductions	-	(2,230,003)	-	-	(2,230,003)	-
6. ARPA Funds Reductions	-	(5,000,000)	-	-	(5,000,000)	-
7. Agency Trust Funds	-	7,813,557	-	-	7,813,557	-
8. Other Federal Funds	-	2,671,714	-	-	2,671,714	-
9. All Other Adjustments	-	11,754	8.1	-	11,754	--
TOTAL	\$ 3,399,345	\$ 84,780,875	406.3	\$ 2,414,345	\$ 83,795,875	398.2

1. LIVESTOCK WASTE MANAGEMENT

The agency is requesting \$210,000 SGF for Livestock Waste Management for FY 2026. The agency indicates the funding would allow the agency to retain contract engineers and retain contract clerical services. Contract engineers would be used to review proposed plans for confined animal feeding operations. Contracted clerical services would be used to assist the agency in converting paper documentation to electronic formats.

This request is the same request that was approved by the 2024 Legislature for the agency in FY 2025.

- **Agency:** Add \$210,000 SGF to retain contract engineers and clerical services for Livestock Waste Management for FY 2026.
- **LBC:** Delete \$210,000 SGF to retain contract engineers and clerical services for Livestock Waste Management for FY 2026.

2. HAZARDOUS WASTE FUND STABILIZATION (OT)

The agency is requesting \$350,000 SGF for the Bureau of Waste Management for FY 2026. This is identical to the request made in FY 2025. The agency indicates the one-time addition will support the Kansas Hazardous Waste Management Program. The program is federally delegated and typically supported by federal grants and fee funds. However, the agency notes that annual federal awards for the program are declining, and the program is also collecting less in fees. Decreases in revenues are further exacerbated by increased costs for the program. The reduction in both federal and fee funds, along with rising costs, has caused an immediate shortfall for the program in FY 2025, and the agency estimates the same shortfall for FY 2026. The agency indicates that fees would be increased in the future to further stabilize the fund.

- **Agency:** Add \$350,000 SGF, one-time, for the Kansas Hazardous Waste Management Program for FY 2026.
- **LBC:** Delete \$350,000 SGF, one-time, for the Kansas Hazardous Waste Management Program for FY 2026.

3. KEIMS DATABASE IMPLEMENTATION (OT)

The agency is requesting \$425,000 SGF in one-time expenditures to integrate the Kansas Environmental Information Management System (KEIMS) with Perceptive Content for FY 2026, which includes two phases.

The first phase involves the Bureau of Waste Management and includes \$250,000 SGF for 300 contracted hours of work to be completed by a vendor. The agency indicates the process is manual, requiring documents to be loaded from KEIMS to Perceptive Content. The agency indicates that KEIMS currently allows the Bureau of Waste Management to receive forms, reports, and fees electronically from external users and the Bureau can send correspondence back through KEIMS. The integration will allow the agency to automate the transfer of facility documents into Perceptive Content, which is the electronic filing system of record.

The second phase involves the Bureau of Environmental Field Services and includes \$175,000 SGF to upgrade KEIMS capacity for integrating confined animal feeding operations and the National Pollutant Discharge Elimination System data into formats acceptable for federal e-reporting rules.

- **Agency:** Add \$425,000 SGF, one-time, to integrate KEIMS with Perceptive Content for FY 2026.
- **LBC:** Delete \$425,000 SGF, one-time, to integrate KEIMS with Perceptive Content for FY 2026.

4. SGF REDUCTIONS

The agency's request deletes \$16.2 million SGF for FY 2026. The decrease is primarily attributable to expenditures relating to the Small-Town Infrastructure Program and Livestock Waste Management for FY 2026.

The 2024 Legislature added \$16.0 million SGF for the Small-Town Infrastructure Program, which provides grants to support technical assistance and drinking water and sewer system upgrades for towns with populations less than 1,000 in FY 2025.

The 2024 Legislature also approved \$210,000 SGF for Livestock Waste Management to hire additional contract engineers and additional contract clerical services in FY 2025.

The agency estimates expending all moneys for those initiatives in FY 2025 and does not estimate carrying any moneys into FY 2026; those additions in SGF were considered one-time expenditures. Decreases for these initiatives are partially offset by increased estimates for group health insurance and Kansas Public Employees Retirement System (KPERs) employer contributions for FY 2026.

- **Agency:** Delete \$16.2 million SGF for the Small-Town Infrastructure Program and Livestock Waste Management for FY 2026.
- **LBC:** No changes.

5. STATE WATER PLAN FUND REDUCTIONS

The agency's request deletes \$2.2 million SWPF and includes appropriations to two new SWPF accounts. The agency's FY 2025 approved budget includes appropriations totaling \$13.4 million SWPF across 10 SWPF accounts. The agency's FY 2026 request totals \$5.6 million SWPF across two accounts, \$5.5 million for Water Quality and \$75,000 for Resiliency.

The Kansas Water Office indicates that in January 2024, Governor Kelly charged the Kansas Water Authority (KWA) to develop a strategic implementation plan, including funding, based on five guiding principles of the Kansas Water Plan. In response, the KWA began meeting and developing a strategic implementation on April 3, 2024. In October of 2024, the KWA produced *Approved FY26 KWA Budget Packet*. In line with that report, state agencies are consolidating traditional SWPF budget lines into five new budget lines, which are: Water Quantity/Aquifer, Reservoirs, Water Quality, Resiliency, and Research and Education.

- **Agency:** Delete \$2.2 million SWPF for FY 2026.
- **LBC:** No changes.

6. AMERICAN RESCUE PLAN ACT FUND REDUCTIONS

The agency's request deletes \$5.0 million from federal ARPA moneys for FY 2026. The State Finance Council approved \$374.0 million in discretionary ARPA funds on December 21, 2022, for state-wide expenditure. As part of that approval, the Division of Environment was approved a total of \$10.0 million ARPA for the Small-Town Infrastructure Program, which provides grants to support technical assistance and drinking water and sewer system upgrades for towns with populations less than 1,000. Originally, the agency estimated spending \$5.0 million in FY 2024 and \$5.0 million in FY 2025.

In FY 2024, the agency expended \$9.9 million of the moneys. The agency estimates expending the remaining balance of \$61,770 in the fund in FY 2025 and, as a result, is not estimating any expenditures for FY 2026.

- **Agency:** Delete \$5.0 million ARPA for the Small-Town Infrastructure Program for FY 2026.
- **LBC:** No changes.

7. AGENCY TRUST FUNDS

The agency's request adds \$7.8 million from agency trust funds for investigations and remedial actions at contaminated sites. Expenditures include those from the above-ground and under-ground petroleum storage tank release trust funds to reimburse tank owners and operators who have undertaken remedial action at petroleum storage tank facilities. Expenditures from these two funds total \$2.4 million above the approved amount in FY 2025 for FY 2026. The agency is also estimating increased expenditures from the Kansas Public Water Supply Revolving Fund. The agency indicates the fund is designed to help communities finance needed public water supply projects, with loan repayments being returned to the fund to "revolve" for other Kansas communities. Expenditures are estimated to increase by \$2.7 million above the approved amount in FY 2025 for FY 2026. Expenditures from these funds can be found in the agency's Remediation and Water Programs, respectively.

- **Agency:** Add \$7.8 million from agency trust funds for remedial actions at contaminated sites and increasing Kansas Public Water Supply Loans for FY 2026.
- **LBC:** No changes.

8. OTHER FEDERAL FUNDS

The agency's request adds \$2.7 million, all federal funds, excluding the ARPA moneys, for FY 2026. The increase is mostly attributable to estimated increases in contractual service expenditures. More specifically, the agency is estimating increased expenditures relating to the Brownfields Program for FY 2026. The agency notes that the Brownfields Program is intended for the assessment and cleanup of underutilized properties so they may be sold, leased, or reused.

The agency is also estimating smaller increases in most other federal funds and for most categories of expenditures for FY 2026, similar to estimates in FY 2025. This includes estimated increases and expenditures to the Climate Pollution Reduction Grant Fund. The agency is estimating increases in revenues and expenditures from the fund with the goal of supporting efforts to reduce greenhouse gas emissions for FY 2026.

- **Agency:** Add \$2.7 million, all from federal funds, mostly attributable to increased contractual service expenditures for FY 2026.
- **LBC:** No changes.

9. ALL OTHER ADJUSTMENTS

The agency's request adds \$11,754, all from agency fee funds, and adds 8.1 FTE positions for all other adjustments for FY 2026. Adjustments include updated estimates in all expenditure categories for most agency fee funds in FY 2026. The agency is estimating FTE adjustments across all programs, including an increase of 3.9 FTE positions in Air Quality, a reduction of 1.0 FTE position in Field Services, an increase of 0.2 FTE position in Waste Management, and an increase of 5.0 FTE position in Water.

- **Agency:** Add \$11,754, all from agency fee funds, and add 8.1 FTE positions for all other adjustments for FY 2026.
- **LBC:** Delete 8.1 FTE positions for FY 2026.

REFERENCE TABLES

FIG. 8 **10-YEAR EXPENDITURE HISTORY, FY 2017 – FY 2026**

Fiscal Year	SGF	Change	All Funds	Change	FTE	CPI-U Change**
FY 2017	\$ 4,212,149	(3.2) %	\$ 64,386,595	14.8 %	427.1	0.0 %
FY 2018	3,927,913	(6.7)	67,517,686	4.9	427.1	0.2
FY 2019	4,147,492	5.6	66,254,363	(1.9)	434.7	0.0
FY 2020	4,266,995	2.9	79,605,197	20.2	441.6	0.8
FY 2021	4,338,906	1.7	209,047,204	162.6	459.9	2.4
FY 2022	4,290,121	(1.1)	247,454,569	18.4	504.9	9.2
FY 2023	2,004,397	(53.3)	85,840,376	(65.3)	381.0	5.8
FY 2024	2,210,871	10.3	99,897,463	16.4	398.2	3.0
FY 2025 Agency	19,184,708	767.7	108,287,271	8.4	406.3	2.5
FY 2026 Agency	3,399,345	(82.3)	84,780,875	(21.7)	406.3	2.4
10-Yr. Chg. (FY 2017– 2026)	\$ (812,804)	(19.3) %	\$ 20,394,280	31.7 %	(20.8)	33.4 %
3-Yr. Avg. (FY 2022– 2024)*	\$ 2,835,130		\$ 144,397,469		428.0	

* Note: Reflects three most recent years of actuals data.

** Note: Consumer Price Index – All Urban Consumers estimate for FY 2025 and FY 2026 is from the Consensus Revenue Estimating Group.

FIG. 9 **EXPENDITURES BY PROGRAM, FY 2024 – FY 2026**

Program	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
Air Quality	\$ 7,703,530	\$ 9,382,164	\$ 9,382,164	\$ 9,415,637	\$ 9,415,637
Field Services	12,107,356	18,436,592	18,436,592	14,738,109	14,353,109
Laboratory	-	50,613	50,613	-	-
Remediation	50,430,647	38,120,679	38,120,679	38,548,819	38,548,819
Small-Town Water and Sewer Assistance Program	9,938,230	61,770	61,770	-	-
Waste Management	5,813,884	7,149,325	7,149,325	7,439,301	6,839,301
Water	13,903,816	35,086,128	35,086,128	14,639,009	14,639,009
TOTAL	\$ 99,897,463	\$ 108,287,271	\$ 108,287,271	\$ 84,780,875	\$ 83,795,875

FIG. 10 **FTE POSITIONS BY PROGRAM, FY 2024 – FY 2026**

Program	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
Air Quality	53.2	57.2	53.2	57.2	53.2
Field Services	102.6	101.6	102.6	101.6	102.6
Laboratory	-	0.4	-	-	-
Remediation	106.5	106.5	106.5	106.5	106.5
Small-Town Water and Sewer Assistance Program	-	-	-	-	-
Waste Management	53.4	53.6	53.4	53.6	53.4
Water	82.5	87.1	82.5	87.5	82.5
TOTAL	398.2	406.3	398.2	406.3	398.2