



**Testimony on House Bill 2295  
Water Program Fee Fund  
to  
House Agriculture and Natural Resources Committee  
Presented by Mike Tate, PE  
Director, Bureau of Water  
February 19, 2013**

Good Afternoon Chairman Schwartz and members of the committee, I am pleased to appear before you today to discuss House Bill 2295 - The Water Program Management Fund.

I am Mike Tate, Kansas Department of Health and Environment (KDHE) Director of the Bureau of Water. I appear before you today to present KDHE's position in support of House Bill 2295. The intent of House Bill 2295 is to establish the Water Program Fee Fund. Revenue for the Fund would come from fees charged for wastewater permits issued by KDHE's Bureau of Water. These fees are already collected pursuant to K.S.A. 65-166a(b) which authorizes the Secretary of KDHE to collect permit fees to cover the costs of administering the programs of the Federal Clean Water Act.

The schedule of fees is found at K.A.R. 65-16-56d [except those for livestock feeding facilities which are statutorily fixed by K.S.A. 65-166a(d)]. Flat fees range from \$60 to \$2000 per year. Variable fees are assigned to municipal or commercial dischargers at an annual rate of \$185 per every million gallons permitted to be discharged. These fees are deposited into the State General Fund in accordance with K.S.A. 65-166a(f).

One of the core missions of the Bureau of Water is to administer the Clean Water Act (CWA) programs delegated by the U.S. EPA in a manner that balances environmental protection with rational, predictable and consistent application to the regulated parties in Kansas. This buffered application of Federal law provides the most even regulatory playing field for business to operate in Kansas. It is becoming increasingly difficult provide the kind of effective buffer between EPA and regulated parties as funding is reduced at the both the State and Federal levels of government.

Allocations of State General Funds are made to the Bureau of Water to operate the CWA programs and to match Federal funding allotted to do the same. The current ratio of State General Funds to Federal funds is approximately 1:10, but that difference is expected to grow as revenues to the State General Fund diminish at a greater rate than Federal grant monies. State General Funds for the support of water programs has been cut by approximately 35% since 2011, and are expected to be decreased further in FY14. The decreased funding equates to lower staffing which hampers effective program administration, and could ultimately result in the loss of State authority to implement the Clean Water Act program. Inability meet required state match for the federal money or inability to sufficiently manage the program could result in EPA withdrawing state authority to implement the Clean Water Act. If withdrawn, EPA would become the regulatory authority for water programs in Kansas.

Therefore, KDHE is proposing to establish a new fee fund and re-direct permit fees to that fund to help provide the water programs with a more stable, predictable funding source. The dedicated fund would also

provide continuity of staffing for those programs and maintain an equitable application of requirements to regulated parties.

The proposal is intended to be revenue neutral. The permit fees presently collected would be re-directed to the fee fund and an equivalent reduction in SGF is anticipated. The Fund is expected to produce a stable source of income that is not expected to decline.

Thank you for the opportunity to present the position of KDHE with the intent of House Bill 2207 and the proposed amendment. I will be happy to respond to questions at the appropriate time.