

STATE OF KANSAS

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GOVERNOR JEFF COLYER, M.D.
LARRY L. CAMPBELL, CHIEF BUDGET OFFICER

April 10, 2018

The Honorable John Barker, Chairperson
House Committee on Federal and State Affairs
Statehouse, Room 285-N
Topeka, Kansas 66612

Dear Representative Barker:

SUBJECT: Fiscal Note for HB 2786 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2786 is respectfully submitted to your committee.

HB 2786 would establish the Injection Well Safety Advisory Task Force. The Task Force would be composed of 13 members, including four legislators, as designated by the bill. These members would be appointed to the Task Force not later than 30 days from the effective date of the bill, and the first meeting of the Task Force would be required to take place on or before August 1, 2018. The Task Force would be allowed to conduct open meetings at any time or place within the state on call of the Chairperson, but must meet at least three times annually. Seven members of the Task Force would constitute a quorum, and any actions of the group would be by motion adopted by a majority of members present when there is a quorum. The duties and responsibilities of the Task Force would be to:

1. Review the statutory and regulatory requirements related to class II disposal wells with regard to compliance of the Kansas Corporation Commission (KCC) and the need for amendment, expansion, or creation of those requirements;
2. Determine how the class II disposal well process can be modernized and made more transparent and accessible to citizens and communities in Kansas;
3. Determine whether information relating to these wells is publicly available and accessible and make recommendations on whether transparency would be promoted through the creation of a public data repository website; and
4. Make recommendations on whether the creation of a state consumer protection body to represent citizens and communities of Kansas before the KCC would be beneficial.

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The Task Force would be required to report its findings and recommendations to the staff of the Kansas Corporation Commission, the House Committee on Water and Environment and the Senate Committee on Utilities on or before January 31, 2019. The bill would require the staff of the Office of the Revisor of Statutes, the Legislative Research Department and the Division of Legislative Administrative Services to provide assistance to the Task Force, and legislative members would be paid according to statute.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$8,090	\$74,490
FTE Pos.	--	--	--	2.00

According to Legislative Administrative Services, enactment of HB 2786 would result in additional expenditures of \$8,090 from the State General Fund. Assuming the Task Force meets a minimum of three times, payment for four legislators would amount to \$6,815 (\$1,682 for salaries and wages + \$1,728 for subsistence + \$1,605 for mileage + \$72 for tolls + \$1,728 for en route days). Costs for committee assistance would amount to \$1,275 for salaries and wages.

The Kansas Corporation Commission indicates that enactment of the bill would result in additional expenditures of \$66,400 from the Public Service Regulation Fund for salaries, wages and associated costs for 2.00 FTE positions. The agency indicates that these positions would be necessary in order to deal with the volume of documents that would be generated in order to fulfill the requirements of the bill. The Division of the Budget considers the fiscal estimate prepared by the KCC to be excessive. Although it is understandable that the agency would want to be prepared for the implementation of HB 2786, it appears that the estimate includes more FTE positions as well as more operating expenditures than would be necessary. Any fiscal effect associated with HB 2786 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Chief Budget Officer

cc: Jake Fisher, KCC
Karen Clowers, Legislative Services
Raney Gilliland, Legislative Research
Gordon Self, Revisor's Office