

House Budget Committee Report

Agency: Kansas Department of Commerce **Bill No.** HB 2273

Bill Sec. 47

Analyst: Caine

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Budget Page No. 78

Expenditure Summary	Agency Request FY 2024	Governor Recommendation FY 2024	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 126,616	\$ 26,376,616	\$ 0
Federal Funds	93,518,465	93,518,465	0
Other Funds	60,768,506	58,199,506	(4,000,000)
<i>Subtotal</i>	\$ 154,413,587	\$ 178,094,587	\$ (4,000,000)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	8,100	8,100	0
Other Funds	230,000	230,000	0
<i>Subtotal</i>	\$ 238,100	\$ 238,100	\$ 0
TOTAL	\$ 154,651,687	\$ 178,332,687	\$ (4,000,000)
FTE positions	322.0	319.0	(2.0)

Agency Request

The **agency** requests \$154.7 million, including \$126,616 SGF, and 322.0 FTE positions for FY 2024. This is a decrease of \$73.6 million, or 32.2 percent, including a decrease of \$24.8 million SGF, or 99.5 percent, below the FY 2023 revised estimate. This decrease is primarily attributable to the elimination of the federal State Small Business Credit Initiative funds (\$21.0 million), the final payment of the Investments in Major Projects and Comprehensive Training (IMPACT) program bonds, and reductions in the Job Creation Program Fund (\$16.3 million). This is partially offset by 13 enhancement requests, totaling \$14.0 million and and the addition of 11.0 FTE positions.

Governor's Recommendation

The **Governor** recommends FY 2024 expenditures of \$178.3 million, including \$26.4 million SGF, and 319.0 FTE positions for FY 2024. This is an increase of \$23.7 million, or 15.3 percent, including an increase of \$26.3 million SGF, above the agency's FY 2023 revised estimate. The increase is primarily attributable to expenditures for the Housing Revolving Loan Program (\$20.0 million) through the Kansas Housing Resources Corporation, which in addition to funding approved for rural housing last year, will be available to assist with workforce housing needs throughout the state and for the APEX Program (\$6.3 million). The increase is partially offset by the Governor's recommendation to not approve five of the agency's enhancement requests (\$3.6 million).

Joint Committee on State Building Construction Recommendation

The **Committee** concurs with the Governor's recommendation for FY 2024.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments:

1. Delete \$3.0 million, all EDIF, for the Returning Kansans Home marketing campaign for FY 2024.
2. Delete \$1.0 million, all EDIF, for the early childhood education and care initiative for FY 2024.
3. Delete 2.0 FTE positions for the research division for FY 2024.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation with the following adjustments:

1. Review at Omnibus the deletion of \$3.0 million, all EDIF, for the Returning Kansans Home marketing campaign for FY 2024.
 2. Review at Omnibus the deletion of \$1.0 million, all EDIF, for the early childhood education and care initiative for FY 2024.
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Senate Subcommittee Report

Agency: Kansas Department of Commerce **Bill No.** 155

Bill Sec. 47

Analyst: Caine

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Budget Page No. 78

Expenditure Summary	Agency Request FY 2024	Governor Recommendation FY 2024	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 126,616	\$ 26,376,616	\$ 0
Federal Funds	93,518,465	93,518,465	0
Other Funds	60,768,506	58,199,506	(3,629,500)
<i>Subtotal</i>	\$ 154,413,587	\$ 178,094,587	\$ (3,629,500)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	8,100	8,100	0
Other Funds	230,000	230,000	0
<i>Subtotal</i>	\$ 238,100	\$ 238,100	\$ 0
TOTAL	\$ 154,651,687	\$ 178,332,687	\$ (3,629,500)
FTE positions	322.0	319.0	(7.0)

Agency Request

The **agency** requests \$154.7 million, including \$126,616 SGF, and 322.0 FTE positions for FY 2024. This is a decrease of \$73.6 million, or 32.2 percent, including a decrease of \$24.8 million SGF, or 99.5 percent, below the FY 2023 revised estimate. This decrease is primarily attributable to the elimination of the federal State Small Business Credit Initiative funds (\$21.0 million), the final payment of the Investments in Major Projects and Comprehensive Training (IMPACT) program bonds, and reductions in the Job Creation Program Fund (\$16.3 million). This is partially offset by 13 enhancement requests, totaling \$14.0 million and the addition of 11.0 FTE positions.

Governor's Recommendation

The **Governor** recommends FY 2024 expenditures of \$178.3 million, including \$26.4 million SGF, and 319.0 FTE positions for FY 2024. This is an increase of \$23.7 million, or 15.3 percent, including an increase of \$26.3 million SGF, above the agency's FY 2023 revised estimate. The increase is primarily attributable to expenditures for the Housing Revolving Loan Program (\$20.0 million) through the Kansas Housing Resources Corporation, which in addition to funding approved for rural housing last year, will be available to assist with workforce housing needs throughout the state and for the APEX Program (\$6.3 million). The increase is partially offset by the Governor's recommendation to not approve five of the agency's enhancement requests (\$3.6 million).

Joint Committee on State Building Construction Recommendation

The **Committee** concurs with the Governor's recommendation for FY 2024.

Senate Committee on Commerce Recommendation

The **Committee** concurs with the Governor's recommendation with the following adjustments:

1. Delete \$1.2 million, all from the EDIF, and 3.0 FTE positions, for the international division for FY 2024 and review at Omnibus.
2. Delete \$1.0 million, all from the EDIF, for the early childhood education and care initiative for FY 2024.
3. Delete \$500,000, all from the EDIF, for the Kansas Creative Arts Industries Commission for FY 2024.
4. Delete \$500,000, all from the EDIF, and 2.0 FTE positions, for Salesforce data development for FY 2024.
5. Delete \$279,500, all from the EDIF, and 2.0 FTE positions, for the research division for FY 2024.
6. Delete \$150,000, all from the EDIF, for the murals and public arts initiative with the Office of Rural Prosperity for FY 2024.

Senate Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation with the following adjustments:

1. Delete \$1.2 million, all from the EDIF, and 3.0 FTE positions, for the international division for FY 2024 and review at Omnibus.
2. Delete \$1.0 million, all from the EDIF, for the early childhood education and care initiative for FY 2024 and review at Omnibus.
3. Delete \$500,000, all from the EDIF, for the Kansas Creative Arts Industries Commission for FY 2024 and review at Omnibus.
4. Delete \$500,000, all from the EDIF, and 2.0 FTE positions, for Salesforce data development for FY 2024 and review at Omnibus.
5. Delete \$279,500, all from the EDIF, and 2.0 FTE positions, for the research division for FY 2024 and review at Omnibus.
6. Delete \$150,000, all from the EDIF, for the murals and public arts initiative with the Office of Rural Prosperity for FY 2024 and review at Omnibus.

Senate Committee of the Whole Recommendation (Sub. for SB 155)

1. Add language to delete 3.25 percent of SGF appropriations and reappropriations for FY 2024.

Conference Committee Action (HB 2184)

The **Conference Committee** concurs with the Governor's recommendation with the following adjustments:

1. Add \$3.0 million, all from the EDIF, for the Sunflower Summer Program for FY 2024 and FY 2025. Add language requiring the agency to spend funds to recruit and add new venues geographically located across the state to participate in the program and allow a participating venue that does not require an admission price or requests a small donation for admission to be reimbursed \$5.00 for each program ticket used for admission.
2. Add \$3.0 million, all from federal ARPA funds, for a payment to an airport authority in a Kansas county with a population greater than 40,000 and less than 60,000 as of the 2020 census for FY 2024.
3. Add \$2.5 million, all from federal ARPA funds, for upgrades to a public television broadcasting studio in Western Kansas for FY 2024.
4. Delete \$1.0 million, all from the EDIF, for the Early Childhood Education and Care Initiative for FY 2024 and review at Omnibus.
5. Delete \$1.0 million, all from the EDIF, for the Returning Kansans Home marketing campaign for FY 2024 and review at Omnibus.
6. Delete \$500,000, all from the EDIF, and 2.0 FTE positions for Salesforce development for FY 2024 and review at Omnibus.
7. Delete \$279,500, all from the EDIF, and 2.0 FTE positions, for the Research Division for FY 2024 and review at Omnibus.
8. Delete \$150,000, all from the EDIF, for the Mural and Public Arts Initiative within the Office of Rural Prosperity for FY 2024 and review at Omnibus.
9. Add language allowing the approval of a STAR Bond project for a major amusement park and allow the project to be eligible for financing by special obligation bonds for FY 2024.
10. Add language to increase the bonding authority for a rural development project without the issuance of special obligation bonds up to \$25.0 million.

Omnibus Action (SB 25)

1. Add \$3.0 million, all from special revenue funds, and appropriate the Kansas Educator Registered Apprenticeship Grant Program Fund for FY 2024.

2. Add \$2.5 million, all from special revenue funds, and appropriate the Kansas Nonprofit Apprenticeship Grant Program Fund for FY 2024.
3. Add \$2.5 million SGF for Level Up Kansas to conduct a statewide marketing campaign about training opportunities at Kansas higher education learning institutions and high-demand, high-wage career fields available for under-skilled adult learners. Add language allowing the reappropriation of funds at the end of FY 2024. Add language requiring Level Up Kansas to provide a report to the Legislature for FY 2024.
4. Add \$1.5 million, all from special revenue funds, and appropriate the Engineering Graduate Incentive Fund for FY 2024.
5. Add language clarifying the definition of amusement rides for STAR Bond projects for FY 2024.

State Finance Council

1. Add \$941,206, including \$3,343 SGF, for a salary adjustment for most state employees based on the Department of Administration Market Survey and a 5.0 percent salary adjustment for employees with job classifications that are not included in the Market Survey for FY 2024.

	Governor's Recommendation FY 2024	Legislative Action Mega Bill	Legislative Approved FY 2024	Legislative Action Omnibus Bill	Final Legislative Approved FY 2024
All Funds					
State Operations	\$ 47,162,494	\$ 4,170,500	\$ 51,332,994	\$ 3,441,206	\$ 54,774,200
Aid to Local Units	15,510,000	0	15,510,000	0	15,510,000
Other Assistance	115,422,093	1,350,000	116,772,093	7,000,000	123,772,093
<i>Subtotal - Operations</i>	<i>\$ 178,094,587</i>	<i>\$ 5,520,500</i>	<i>\$ 183,615,087</i>	<i>\$ 10,441,206</i>	<i>\$ 194,056,293</i>
Capital Improvements	238,100	0	238,100	0	238,100
TOTAL	<u>\$ 178,332,687</u>	<u>\$ 5,520,500</u>	<u>\$ 183,853,187</u>	<u>\$ 10,441,206</u>	<u>\$ 194,294,393</u>

State General Fund

State Operations	\$ 126,616	\$ 2,950,000	\$ 3,076,616	\$ 2,503,343	\$ 5,579,959
Aid to Local Units	0	0	0	0	0
Other Assistance	26,250,000	0	26,250,000	0	26,250,000
<i>Subtotal - Operating</i>	<i>\$ 26,376,616</i>	<i>\$ 2,950,000</i>	<i>\$ 29,326,616</i>	<i>\$ 2,503,343</i>	<i>\$ 31,829,959</i>
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 26,376,616</u>	<u>\$ 2,950,000</u>	<u>\$ 29,326,616</u>	<u>\$ 2,503,343</u>	<u>\$ 31,829,959</u>

FTE Positions	319.0	(4.0)	315.0	0.0	315.0
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