

# KANSAS DEPARTMENT OF COMMERCE

## FY 2024 – FY 2026 BUDGET SUMMARY

FIG. 1 BUDGET SUMMARY, FY 2024 – FY 2026

|                                          | Actual<br>FY 2024 | Agency<br>FY 2025 | Legislative Budget<br>Committee<br>FY 2025 | Agency<br>FY 2026 | Legislative Budget<br>Committee<br>FY 2026 |
|------------------------------------------|-------------------|-------------------|--------------------------------------------|-------------------|--------------------------------------------|
| <b>EXPENDITURES:</b>                     |                   |                   |                                            |                   |                                            |
| <b>State Operations*</b>                 | \$ 51,083,595     | \$ 56,569,906     | \$ 50,684,731                              | \$ 55,414,445     | \$ 51,749,130                              |
| Salaries and Wages                       | 23,166,595        | 28,258,521        | 22,373,346                                 | 28,776,946        | 26,955,984                                 |
| Contractual Services                     | 27,077,700        | 27,545,461        | 27,545,461                                 | 25,981,186        | 24,150,086                                 |
| Commodities                              | 243,777           | 249,947           | 249,947                                    | 237,610           | 224,357                                    |
| Capital Outlay                           | 595,523           | 515,977           | 515,977                                    | 418,703           | 418,703                                    |
| <b>State Aid and Assistance</b>          | \$ 236,416,118    | \$ 233,340,098    | \$ 230,340,098                             | \$ 134,848,101    | \$ 127,971,733                             |
| Aid to Local Units                       | 23,022,202        | 31,859,600        | 31,859,600                                 | 15,500,000        | 15,500,000                                 |
| Other Assistance                         | 213,393,916       | 201,480,498       | 198,480,498                                | 119,348,101       | 112,471,733                                |
| <b>Capital Budget and Debt</b>           | \$ 154,620        | \$ 200,000        | \$ 200,000                                 | \$ 130,000        | \$ 130,000                                 |
| Capital Improvements                     | 46,554            | 200,000           | 200,000                                    | 130,000           | 130,000                                    |
| Debt Service Principal                   | 108,066           | -                 | -                                          | -                 | -                                          |
| Debt Service Interest                    | -                 | -                 | -                                          | -                 | -                                          |
| <b>TOTAL</b>                             | \$ 287,654,333    | \$ 290,110,004    | \$ 281,224,829                             | \$ 190,392,546    | \$ 179,850,863                             |
| <b>FINANCING:</b>                        |                   |                   |                                            |                   |                                            |
| State General Fund                       | \$ 32,516,725     | \$ 59,150,466     | \$ 59,150,466                              | \$ 838,992        | \$ 838,992                                 |
| Economic Development<br>Initiatives Fund | 33,201,301        | 46,451,761        | 37,566,586                                 | 43,641,583        | 33,099,900                                 |
| All Other Funds                          | 221,936,307       | 184,507,777       | 184,507,777                                | 145,911,971       | 145,911,971                                |
| <b>TOTAL</b>                             | \$ 287,654,333    | \$ 290,110,004    | \$ 281,224,829                             | \$ 190,392,546    | \$ 179,850,863                             |
| <b>PERCENTAGE CHANGE:</b>                |                   |                   |                                            |                   |                                            |
| State General Fund                       | 31.6 %            | 81.9 %            | -- %                                       | (98.6) %          | -- %                                       |
| All Funds                                | (42.8) %          | 0.9 %             | (3.1) %                                    | (34.4) %          | (5.5) %                                    |
| FTE Positions                            | 324.5             | 324.5             | 317.0                                      | 326.5             | 317.0                                      |

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

## AGENCY OVERVIEW

The Kansas Department of Commerce (Commerce) is a cabinet-level agency with the mission to empower businesses and communities using strategic resources to realize prosperity in Kansas. The agency serves as the lead agency for economic development through the promotion of business, industry, trade, and workforce training within the state. The agency operates through six divisions:

The **Administration Division** is composed of the Office of the Secretary, Human Resources, Marketing and Communications, Information Technology, Fiscal Services, Building Services, Legal, Regulatory Compliance, the Governor's Economic Council of Advisors, Workforce AID, the Athletic Commission, Office of Rural Prosperity, Office of Broadband Development, and America's Job Link Alliance.

The **Business Development Division** seeks to grow the Kansas economy through the creation and retention of jobs and increased capital investment. This division works to bring new business opportunities to Kansas and assist Kansas companies interested in opportunities to grow and expand. The division also works with Kansas communities by helping them find solutions to various infrastructure and other community needs in order to make them stronger, more viable places to live and work. Financial incentives and programs the division administers for businesses and communities include the following:

- Promoting Employment Across Kansas Program;
- High Performance Incentive Program;
- Job Creation Program Fund (JCPF);
- Sales Tax and Revenue (STAR) Bonds;
- Kansas Industrial Training and Kansas Industrial Retraining;
- Private Activity Bonds; and
- Minority and Women Business Development.

The **Workforce Services Division** links businesses, job candidates, and educational institutions to ensure employers can find skilled workers. The division accomplishes this by partnering with local workforce investment boards and other state agencies. In addition, a partnership with the Kansas Board of Regents helps state universities and community and technical colleges tailor their curriculum to the needs of Kansas businesses. The result is an integrated, demand-driven statewide network in which workers receive job-specific training and Kansas businesses can find the well-trained employees they need. Employment services are provided to employers and job candidates through the state's 25 workforce centers, online or virtual services, and the mobile workforce center. These employer-driven services include recruiting skilled workers, screening and assessing job candidates, and identifying individuals needing skill enhancement.

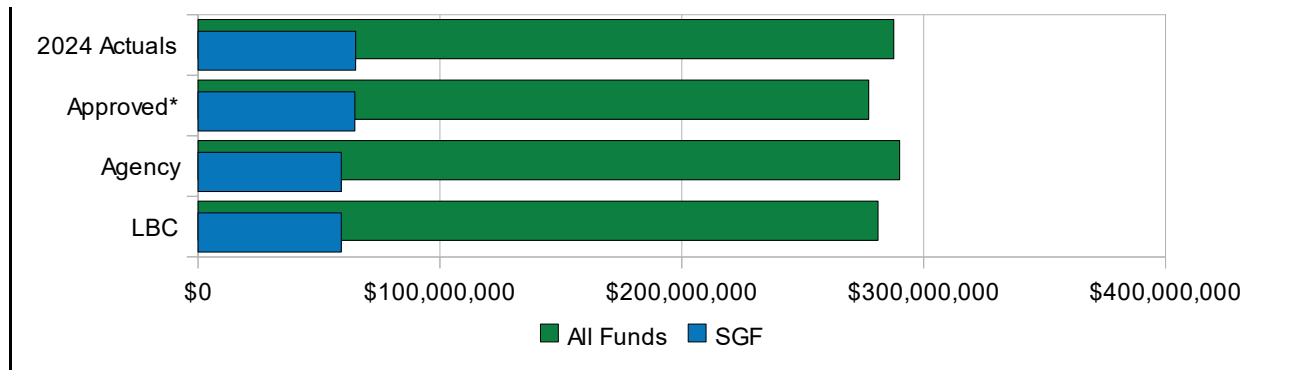
The **Quality Places Division** works to enhance the overall quality of life and economic vitality of communities throughout Kansas. The division's mission is to strengthen communities by enhancing their existing assets and creating vibrant and attractive environments where residents and businesses can thrive. The Quality Places Division includes the Office of Broadband Development, the Office of Rural Prosperity, Community Development Block Grants, Kansas Main Street, and Quality Place Specialists.

The **International Business Division** works with Kansas companies to help them sell their products and services in international markets. The division also works to recruit international businesses to establish facilities and create jobs in Kansas. These two goals compose the agency's overall mission—to help Kansas capitalize on opportunities in the global economy. The International Business Division became a standalone division within the agency in FY 2021 after having been eliminated as a separate business unit in FY 2013.

The mission of the **Kansas Tourism Division** is to inspire travel to and throughout Kansas, and to maximize the positive impacts that tourism has on the state and local communities. According to the agency, a strong travel and tourism industry helps provide economic prosperity and a better quality of life for all Kansans. Programs from the Kansas Tourism Division are built to ensure that all travelers feel welcome and are provided the resources they need for positive experiences in Kansas.

## 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             | \$ 32,516,725         | \$ 65,150,466         | \$ 59,150,466         | \$ 26,633,741                            | 81.9 %       | \$ (6,000,000)               | (9.2) %      |
| All Other Funds | 255,137,608           | 212,146,160           | 230,959,538           | (24,178,070)                             | (9.5)        | 18,813,378                   | 8.9          |
| <b>TOTAL</b>    | <b>\$ 287,654,333</b> | <b>\$ 277,296,626</b> | <b>\$ 290,110,004</b> | <b>\$ 2,455,671</b>                      | <b>0.9 %</b> | <b>\$ 12,813,378</b>         | <b>4.6 %</b> |

\* 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          |
| <b>Approved, FY 2025</b>              | <b>\$ 65,150,466</b>  | <b>\$ 277,296,626</b> | <b>317.0</b> | <b>\$ 65,150,466</b>         | <b>\$ 271,411,451</b> | <b>317.0</b> |
| 2024 SB 28 & HB 2551                  | 64,837,921            | 271,098,906           | 317.0        | 64,837,921                   | 271,098,906           | 317.0        |
| 1. SGF Reappropriation                | 312,545               | 312,545               | -            | 312,545                      | 312,545               | -            |
| 2. EDIF Reappropriation               | -                     | 5,885,175             | -            | -                            | -                     | -            |
| <b>Supplemental Requests</b>          | <b>\$ -</b>           | <b>\$ 3,000,000</b>   | <b>-</b>     | <b>\$ -</b>                  | <b>\$ -</b>           | <b>-</b>     |
| 3. Sunflower Summer Program           | -                     | 3,000,000             | -            | -                            | -                     | -            |
| <b>Other Changes</b>                  | <b>\$ (6,000,000)</b> | <b>\$ 9,813,378</b>   | <b>7.5</b>   | <b>\$ (6,000,000)</b>        | <b>\$ 9,813,378</b>   | <b>-</b>     |
| 4. ARPA Projects                      | (6,000,000)           | (32,908,412)          | -            | (6,000,000)                  | (32,908,412)          | -            |
| 5. APEX Funding                       | -                     | (13,200,000)          | -            | -                            | (13,200,000)          | -            |
| 6. Small Businesses                   | -                     | 25,204,289            | -            | -                            | 25,204,289            | -            |
| 7. Community Development Block Grants | -                     | 14,479,957            | -            | -                            | 14,479,957            | -            |
| 8. Broadband Grants                   | -                     | 12,052,014            | -            | -                            | 12,052,014            | -            |
| 9. Engineering Graduate Incentives    | -                     | 1,500,000             | -            | -                            | 1,500,000             | -            |
| 10. RETAIN Program                    | -                     | 1,004,761             | -            | -                            | 1,004,761             | -            |
| 11. Apprenticeship Programming        | -                     | 924,644               | -            | -                            | 924,644               | -            |
| 12. FTE Positions                     | -                     | -                     | 7.5          | -                            | -                     | -            |
| 13. All Other Adjustments             | -                     | 756,125               | -            | -                            | 756,125               | -            |
| <b>TOTAL</b>                          | <b>\$ 59,150,466</b>  | <b>\$ 290,110,004</b> | <b>324.5</b> | <b>\$ 59,150,466</b>         | <b>\$ 281,224,829</b> | <b>317.0</b> |

### 1. SGF REAPPROPRIATION

The agency carried over \$312,545 in unspent SGF moneys into FY 2025.

### 2. ECONOMIC DEVELOPMENT INITIATIVES FUND (EDIF) REAPPROPRIATION

The agency carried over \$5.9 million in unspent Economic Development Initiatives Fund (EDIF) moneys into FY 2025.

- **Agency:** No action.
- **LBC:** Delete \$5.9 million to remove reappropriations in FY 2025. All reappropriations will be considered during the 2025 Legislative Session.

### 3. SUPPLEMENTAL REQUEST - SUNFLOWER SUMMER PROGRAM

The agency's revised estimate includes \$3.0 million EDIF for the Sunflower Summer Program in FY 2025. The additional funding would support the program at the current usage rate and venue reimbursement rates.

- **Agency:** Add \$3.0 million EDIF for the Sunflower Summer Program in FY 2025.
- **LBC:** Delete \$3.0 million EDIF for the Sunflower Summer Program in FY 2025.

### 4. ARPA PROJECTS

The agency's revised estimate includes a deletion of \$32.9 million, including \$6.0 million SGF in FY 2025. The deletion is primarily attributable to one-time projects that took place in FY 2024. The projects include a tourism grant (\$15.0 million), a housing grant (\$5.0 million), Workforce: Aviation and Aerospace (\$9.7 million), and Delivering Residents and Workforce (\$4.9 million). The SGF deletion is due to American Rescue Plan Act (ARPA) funds being available for the Eisenhower Library Educational Facility (\$5.0 million) and the Wareham Opera House (\$1.0 million).

- **Agency:** Delete \$32.9 million, all from federal ARPA funds, for one time projects in FY 2025.
- **LBC:** No changes.

### 5. APEX FUNDING

The agency's revised estimate includes a deletion of \$13.2 million, all from special revenue funds, in FY 2025. This funding was designated for payroll and residency incentives, as well as new employee training and education. The agency has determined that these will not be utilized by the end of FY 2025; however, these funds remain in the budget for FY 2026. While Panasonic was eligible for these funds, the required notifications forms to start receiving these benefits has not been submitted.

- **Agency:** Delete \$13.2 million, all from special revenue funds, for APEX projects in FY 2025.
- **LBC:** No changes.

### 6. SMALL BUSINESSES

The agency's revised estimate includes an increase of \$25.2 million, all from federal funds, for the State Small Business Credit Initiative in FY 2025. The agency received additional federal funding for this purpose. Funding is used to support private financing to small businesses.

- **Agency:** Add \$25.2 million, all from federal funds, for the State Small Business Credit Initiative in FY 2025.
- **LBC:** No changes.

## 7. COMMUNITY DEVELOPMENT BLOCK GRANTS

The agency's revised estimate includes an increase of \$14.5 million, all from federal funds, for community development block grants in FY 2025. The agency received additional federal funding for this purpose. Funding is used to assist low-to-moderate-income neighborhoods, the removal or prevention of slum or blight conditions, and in natural disaster crises.

- **Agency:** Add \$14.5 million, all from federal funds, for community development block grants in FY 2025.
- **LBC:** No changes.

## 8. BROADBAND GRANTS

The agency's revised estimate includes an increase of \$12.1 million, all from federal funds, for broadband grants in FY 2025. The agency received additional federal funding for this purpose. Funding is used for broadband access and deployment (\$3.0 million) and the Middle Mile Broadband Grant (\$9.0 million) to build infrastructure for high-speed internet across the state.

- **Agency:** Add \$12.1 million, all from federal funds, for broadband grants in FY 2025.
- **LBC:** No changes.

## 9. ENGINEERING GRADUATE INCENTIVES

The agency's revised estimate includes an increase of \$1.5 million, all from special revenue funds, for the Engineering Higher Education Matching Grants in FY 2025. HB 2292 (2023) provides a transfer of twice the amount of funds expended in grants in the prior fiscal year.

- **Agency:** Add \$1.5 million, all from special revenue funds, for the Engineering Higher Education Matching Grants in FY 2025.
- **LBC:** No changes.

## 10. RETAIN PROGRAM

The agency's revised estimate includes an increase of \$1.0 million, all from federal funds, for the Retaining Employment and Talent After Injury or Illness Network (RETAIN) program in FY 2025. This initiative is aimed at helping workers who become ill or injured remain in the labor force and reduce long-term work absences.

- **Agency:** Add \$1.0 million, all from federal funds, for the RETAIN program in FY 2025.
- **LBC:** No changes.

## 11. APPRENTICESHIP PROGRAMMING

The agency's revised estimate includes an increase of \$924,644, all from federal funds, for apprenticeship programming in FY 2025. ApprenticeshipUSA is a federal grant that helps broaden apprenticeship programs through expansion to new sectors and conducting outreach for employers to start new programs.

- **Agency:** Add \$924,644, all from federal funds, for apprenticeship programming in

FY 2025.

- **LBC:** No changes.

## **12. FTE POSITIONS**

The agency's revised estimate includes an increase of 7.5 FTE positions. These positions include a fiscal analyst, Office of Small Business Program Manager, Communications Coordinator in the Tourism Division, Public Service Administrator in the Tourism Division, Administrative Officer in the Office of Broadband Development, Grant Program Manager in the Office of Broadband Development, an attorney, and an intern.

- **Agency:** Add 7.5 FTE positions in FY 2025.
- **LBC:** Delete 7.5 FTE positions in FY 2025.

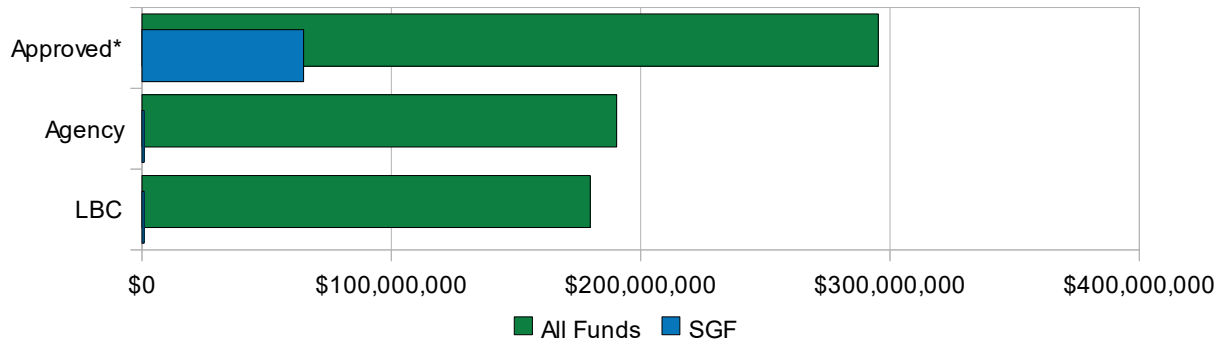
## **13. ALL OTHER ADJUSTMENTS**

The agency's revised estimate includes an increase of \$756,125 in all other adjustments in FY 2025. These adjustments include other federal grant opportunities that the agency has been awarded, including the Pathway Home 2 Grant, which connects individuals transitioning from prison or jail to job training and support services.

- **Agency:** Add \$756,125 in all other adjustments for federal grant opportunities in FY 2025.
- **LBC:** No changes.

## 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             | \$ 59,150,466         | \$ 64,837,921         | \$ 838,992            | \$ (58,311,474)                         | (98.6)%        | \$ (63,998,929)              | (98.7)%        |
| All Other Funds | 230,959,538           | 206,260,985           | 189,553,554           | (41,405,984)                            | (17.9)         | (16,707,431)                 | (8.1)          |
| <b>TOTAL</b>    | <b>\$ 290,110,004</b> | <b>\$ 271,098,906</b> | <b>\$ 190,392,546</b> | <b>\$ (99,717,458)</b>                  | <b>(34.4)%</b> | <b>\$ (80,706,360)</b>       | <b>(29.8)%</b> |

\* 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          |
| <b>Approved, FY 2025</b>               | <b>\$ 64,837,921</b>   | <b>\$ 271,098,906</b> | <b>317.0</b> | <b>\$ 64,837,921</b>         | <b>\$ 271,098,906</b>  | <b>317.0</b> |
| 2024 SB 28 & HB 2551                   | 64,837,921             | 271,098,906           | 317.0        | 64,837,921                   | 271,098,906            | 317.0        |
| <b>Enhancement Requests</b>            | <b>\$ -</b>            | <b>\$ 6,774,997</b>   | <b>3.0</b>   | <b>\$ -</b>                  | <b>\$ 500,000</b>      | <b>-</b>     |
| 1. Sunflower Summer Program            | -                      | 3,000,000             | -            | -                            | 500,000                | -            |
| 2. World Cup Marketing                 | -                      | 1,000,000             | -            | -                            | -                      | -            |
| 3. Healthcare Upskilling Program       | -                      | 1,000,000             | -            | -                            | -                      | -            |
| 4. Mobile Visitors Center              | -                      | 500,000               | 2.0          | -                            | -                      | -            |
| 5. Kansas Arts Commission              | -                      | 500,000               | -            | -                            | -                      | -            |
| 6. Transparency Database               | -                      | 350,000               | -            | -                            | -                      | -            |
| 7. Global Growth Program               | -                      | 200,000               | -            | -                            | -                      | -            |
| 8. KANSAS! Kids Magazine               | -                      | 125,000               | -            | -                            | -                      | -            |
| 9. Broadband Grant Analyst             | -                      | 99,997                | 1.0          | -                            | -                      | -            |
| <b>Other Changes</b>                   | <b>\$ (63,998,929)</b> | <b>\$ 87,481,357</b>  | <b>6.5</b>   | <b>\$ (63,998,929)</b>       | <b>\$ (91,748,043)</b> | <b>-</b>     |
| 10. One-time SGF Projects              | (64,000,000)           | (64,000,000)          | -            | (64,000,000)                 | (64,000,000)           | -            |
| 11. One-time ARPA Projects             | -                      | (34,513,863)          | -            | -                            | (34,513,863)           | -            |
| 12. Housing Development                | -                      | (7,250,000)           | -            | -                            | (7,250,000)            | -            |
| 13. Existing Horse Racing Facility     | -                      | (2,000,000)           | -            | -                            | (2,000,000)            | -            |
| 14. Broadband Grants                   | -                      | 17,240,542            | -            | -                            | 17,240,542             | -            |
| 15. Job Creation Program Fund          | -                      | 5,025,347             | -            | -                            | 5,025,347              | -            |
| 16. Community Development Block Grants | -                      | (1,873,121)           | -            | -                            | (1,873,121)            | -            |
| 17. FTE Positions                      | -                      | -                     | 6.5          | -                            | -                      | -            |
| 18. All Other Adjustments              | 1,071                  | (1,983,383)           | -            | 1,071                        | (110,262)              | -            |
| 19. EDIF Adjustments                   | -                      | -                     | -            | -                            | (4,266,686)            | -            |
| <b>TOTAL</b>                           | <b>\$ 838,992</b>      | <b>\$ 190,392,546</b> | <b>326.5</b> | <b>\$ 838,992</b>            | <b>\$ 179,850,863</b>  | <b>317.0</b> |

### 1. ENHANCEMENT REQUEST - SUNFLOWER SUMMER PROGRAM

The agency's request includes \$3.0 million EDIF for the Sunflower Summer Program for FY 2026. The additional funding would support the program at the current usage rate and venue reimbursement rates.

- **Agency:** Add \$3.0 million EDIF for the Sunflower Summer Program for FY 2026.
- **LBC:** Delete \$2.5 million EDIF for the Sunflower Summer Program for FY 2026.

## **2. ENHANCEMENT REQUEST - WORLD CUP MARKETING (OT)**

The agency's request includes \$1.0 million EDIF to create, publish, and place a variety of advertising and marketing through billboards, broadcast and streaming, digital, KCI signage, and other mediums that would highlight Kansas tourism and encourage travel across the state in anticipation of the 2026 World Cup.

- **Agency:** Add \$1.0 million EDIF for marketing in anticipation of the 2026 World Cup for FY 2026.
- **LBC:** Delete \$1.0 million EDIF for marketing in anticipation of the 2026 World Cup for FY 2026.

## **3. ENHANCEMENT REQUEST - HEALTHCARE UPSKILLING PROGRAM**

The agency's request includes \$1.0 million EDIF to create a training grant program that will provide Kansas hospitals, health systems, long-term care facilities, and workforce intermediaries with funding to support existing training programs, establish new upskilling and training programs, or partner with educational sources to establish education and training programs for health professions. Approximately 20.0 percent of job openings on the KANSASWorks website are in the health care field.

- **Agency:** Add \$1.0 million EDIF for a Health Care Upskilling and Training Grant Program for FY 2026.
- **LBC:** Delete \$1.0 million EDIF for a Health Care Upskilling and Training Grant Program for FY 2026.

## **4. ENHANCEMENT REQUEST - MOBILE VISITORS CENTER**

The agency's request includes \$500,000 EDIF and 2.0 FTE positions for the Mobile Visitors Center for FY 2026. The van travels across the country sharing visitor information about Kansas, attending events across the country while marketing Kansas as a destination travel location. The van will also be used for job fairs to help in the Love, Kansas talent recruitment initiative. The enhancement request includes expenses for a full-time manager, part-time staff, travel costs, vehicle costs, and marketing materials.

- **Agency:** Add \$500,000 EDIF and 2.0 FTE positions for the Mobile Visitors Center for FY 2026.
- **LBC:** Delete \$500,000 EDIF and 2.0 FTE positions for the Mobile Visitors Center for FY 2026.

## **5. ENHANCEMENT REQUEST - KANSAS ARTS COMMISSION**

The agency's request includes \$500,000 EDIF for the Kansas Arts Commission for FY 2026. This funding will be used to expand grant programs for nonprofit arts

organizations, increase general operating support, enhance arts education programs, and support cultural facility improvements.

- **Agency:** Add \$500,000 EDIF for the Kansas Arts Commission to expand its programming and education for FY 2026.
- **LBC:** Delete \$500,000 EDIF for the Kansas Arts Commission to expand its programming and education for FY 2026.

#### **6. ENHANCEMENT REQUEST - TRANSPARENCY DATABASE**

The agency's request includes \$350,000 EDIF to make improvements to the transparency database by hiring a consultant for FY 2026. The agency has been migrating to Salesforce for several years, which has required custom applications to be built and maintained by Salesforce. This component of the migration will allow Salesforce to sync with the transparency database and provide real-time, searchable data.

- **Agency:** Add \$350,000 EDIF to make improvements to the transparency database by hiring a consultant for FY 2026.
- **LBC:** Delete \$350,000 EDIF to make improvements to the transparency database by hiring a consultant for FY 2026.

#### **7. ENHANCEMENT REQUEST - GLOBAL GROWTH PROGRAM**

The agency's request includes \$200,000 EDIF for the Global Growth Program for FY 2026. This funding would be used for a Canada in-country representative (\$100,000); Export Kansas, an accelerator program that assists Kansas companies in entering an international market (\$50,000); and two global resources program to assist Kansas companies in global supply chain strategy (\$15,000) and higher education institutions in expanding their outreach for international student attraction and global workforce development partnerships (\$35,000).

- **Agency:** Add \$200,000 EDIF for the Global Growth Program for FY 2026.
- **LBC:** Delete \$200,000 EDIF for the Global Growth Program for FY 2026.

#### **8. ENHANCEMENT REQUEST - KANSAS! KIDS MAGAZINE**

The agency's request includes \$125,000 EDIF to create a special edition of the KANSAS! Magazine. This edition will celebrate state pride by showcasing the people and places of Kansas through stories and images to engage young students in their exploration and love of Kansas. The edition will be distributed to all fourth, fifth, and sixth grade students, as well as current magazine subscribers.

- **Agency:** Add \$125,000 EDIF for the KANSAS! Magazine for a special edition for kids for FY 2026.
- **LBC:** Delete \$125,000 EDIF for the KANSAS! Magazine for a special edition for kids for FY 2026.

#### **9. ENHANCEMENT REQUEST - BROADBAND GRANT ANALYST**

The agency's request includes \$99,997 EDIF and 1.0 FTE position for a broadband grant analyst to work with the Compliance and Reporting Manager and Consultant to

monitor and track sub-recipients' progress and disbursements. The agency anticipates approximately 400 projects being awarded for broadband funding.

- **Agency:** Add \$99,997 EDIF and 1.0 FTE position for a broadband grant analyst to monitor and track award progress and disbursements of broadband grants for FY 2026.
- **LBC:** Delete \$99,997 EDIF and 1.0 FTE position for a broadband grant analyst to monitor and track award progress and disbursements of broadband grants for FY 2026.

#### 10. ONE-TIME SGF PROJECTS

The agency's request includes deleting \$64.0 million SGF in one-time projects approved by the 2024 Legislature for FY 2026. These programs include maintenance, repair, and overhaul at Salina and Topeka airports (\$36.0 million), Moderate Income Housing (\$10.0 million), the Eisenhower Library Educational Facility (\$5.0 million), the Swope Health Project (\$4.5 million), Level Up Kansas (\$2.5 million), an industrial park (\$2.5 million), housing and workforce development grants (\$2.0 million), historic venue renovation (\$1.0 million), and childcare (\$500,000).

- **Agency:** Delete \$64.0 million SGF in one-time projects approved by the 2024 Legislature for FY 2026.
- **LBC:** No changes.

#### 11. ONE-TIME ARPA PROJECTS

The agency's request includes deleting \$34.5 million, all from federal ARPA funds, for one-time projects for FY 2026. These projects include grants for tourism (\$15.0 million), workforce related to aviation and aerospace (\$9.6 million), housing (\$5.0 million), and Delivering Residents and Workforce (\$4.8 million).

- **Agency:** Delete \$34.5 million, all from federal ARPA funds, for one-time projects for FY 2026.
- **LBC:** No changes.

#### 12. HOUSING DEVELOPMENT

The agency's request includes a deletion of \$7.3 million, all from special revenue funds, for housing economic development in northwest Kansas for FY 2026. This item was approved by the 2024 Legislature for a one-time project.

- **Agency:** Delete \$7.3 million, all from special revenue funds, for housing economic development in northwest Kansas for FY 2026.
- **LBC:** No changes.

#### 13. EXISTING HORSE RACING FACILITY

The agency's request includes a deletion of \$2.0 million for the remodeling of an existing horse racing facility for FY 2026.

- **Agency:** Delete \$2.0 million for the remodeling of an existing horse racing facility for FY 2026.

- **LBC:** No changes.

#### **14. BROADBAND GRANTS**

The agency's request includes an increase of \$17.2 million, all from federal funds, for broadband grants for FY 2026. The increase in funding will be used for broadband access and deployment (\$3.0 million) and the Middle Mile Broadband Grant (\$14.2 million) to build infrastructure for high-speed internet across the state.

- **Agency:** Add \$17.2 million, all from federal funds, for broadband grants for FY 2026.
- **LBC:** No changes.

#### **15. JOB CREATION PROGRAM FUND**

The agency's request includes an increase of \$5.0 million, all from special revenue funds, for the Job Creation Program for FY 2026. The agency anticipates increased funding being distributed through this program.

- **Agency:** Add \$5.0 million, all from special revenue funds, for the Job Creation Program for FY 2026.
- **LBC:** No changes.

#### **16. COMMUNITY DEVELOPMENT BLOCK GRANTS**

The agency's request includes a decrease of \$1.9 million, all from federal funds, for community development block grants for FY 2026. The agency anticipates receiving less funding from the federal government through this grant. These funds were available through the Coronavirus Aid, Relief, and Economic Security Act.

- **Agency:** Delete \$1.9 million, all from federal funds, for community development block grants for FY 2026.
- **LBC:** No changes.

#### **17. FTE POSITIONS**

The agency's request includes an increase of 6.5 FTE positions. These positions include a fiscal analyst, Communications Coordinator in the Tourism Division, Public Service Administrator in the Tourism Division, Administrative Officer in the Office of Broadband Development, Grant Program Manager in the Office of Broadband Development, an attorney, and an intern for FY 2026.

- **Agency:** Add 6.5 FTE positions for FY 2026.
- **LBC:** Delete 6.5 FTE positions for FY 2026.

#### **18. ALL OTHER ADJUSTMENTS**

The agency's request includes a deletion of \$110,262, including \$1,071 SGF, in all other adjustments. These adjustments are primarily attributable to a decrease in federal grants, such as Workforce Innovation and Opportunity Act adult programming.

- **Agency:** The agency's request includes a deletion of \$110,262, including \$1,071 SGF, in all other adjustments for federal grant programming.

- **LBC:** No changes.

#### **19. EDIF ADJUSTMENTS**

The Legislative Budget Committee deleted \$4.3 million EDIF for various programs for FY 2026.

- **Agency:** No action.
- **LBC:** Delete \$4.3 million EDIF for various programs for FY 2026.

## CAPITAL BUDGET AND DEBT

FIG. 8 **CAPITAL BUDGET AND DEBT, FY 2024 – FY 2026**

|                                 | Actual<br>FY 2024 | Agency<br>FY 2025 | LBC<br>FY 2025    | Agency<br>FY 2026 | LBC<br>FY 2026    |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>EXPENDITURES:</b>            |                   |                   |                   |                   |                   |
| <b>Capital Projects</b>         | \$ 46,554         | \$ 200,000        | \$ 200,000        | \$ 130,000        | \$ 130,000        |
| Rehab and Repair                | 46,554            | -                 | -                 | -                 | -                 |
| Storefronts and Windows         | -                 | 200,000           | 200,000           | -                 | -                 |
| Roofing                         | -                 | -                 | -                 | 130,000           | 130,000           |
| <b>Debt Service Principal*</b>  | \$ 108,066        | \$ -              | \$ -              | \$ -              | \$ -              |
| <b>Debt Service Interest*</b>   | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| <b>TOTAL</b>                    | <b>\$ 154,620</b> | <b>\$ 200,000</b> | <b>\$ 200,000</b> | <b>\$ 130,000</b> | <b>\$ 130,000</b> |
| <b>FINANCING:</b>               |                   |                   |                   |                   |                   |
| SGF                             | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Reimbursement and Recovery Fund | -                 | 200,000           | 200,000           | 130,000           | 130,000           |
| All Other Funds                 | 154,620           | -                 | -                 | -                 | -                 |
| <b>TOTAL</b>                    | <b>\$ 154,620</b> | <b>\$ 200,000</b> | <b>\$ 200,000</b> | <b>\$ 130,000</b> | <b>\$ 130,000</b> |

\* Note: Includes debt service expenditures on capital improvement projects only.

### FY 2025 CAPITAL IMPROVEMENTS

The **agency** submits a revised estimate of \$200,000, all from the Reimbursement and Recovery Fund, in capital improvement expenditures in FY 2025. The revised estimate includes the following capital project:

#### 1. STOREFRONT AND WINDOWS

The current entry doors and window at the Topeka Workforce Center are original construction from 1982. This project will include three storefronts and all windows for energy conservation and exterior modernization.

### FY 2026 CAPITAL IMPROVEMENTS

The **agency** requests \$130,000 in capital improvement expenditures for FY 2026. The request includes the following project:

#### 1. ROOFING

This project will replace the existing roofing and facade at the Topeka Workforce Center. The roof drains are causing ponding on the roof and the original facade panels are weathered and deteriorated. The facade panels have also tested positive for asbestos.

## REFERENCE TABLES

FIG. 9 **10-YEAR EXPENDITURE HISTORY, FY 2017 – FY 2026**

| Fiscal Year                 | SGF            | Change   | All Funds      | Change | FTE   | CPI-U Change** |
|-----------------------------|----------------|----------|----------------|--------|-------|----------------|
| FY 2017                     | \$ 4,263,537   | 100.0 %  | \$ 96,114,502  | 5.5 %  | 277.2 | 0.0 %          |
| FY 2018                     | 2,716,870      | (36.3)   | 86,538,181     | (10.0) | 282.5 | 0.2            |
| FY 2019                     | 655,429        | (75.9)   | 86,220,096     | (0.4)  | 291.0 | 0.0            |
| FY 2020                     | 25,000         | (96.2)   | 109,497,546    | 27.0   | 296.3 | 0.8            |
| FY 2021                     | 4,011,013      | 15,944.1 | 271,687,741    | 148.1  | 323.5 | 2.4            |
| FY 2022                     | 1,640,000      | (59.1)   | 120,055,089    | (55.8) | 313.0 | 9.2            |
| FY 2023                     | 24,703,107     | 1,406.3  | 502,659,996    | 318.7  | 318.0 | 5.8            |
| FY 2024                     | 32,516,725     | 31.6     | 287,654,333    | (42.8) | 324.5 | 3.0            |
| FY 2025 Agency              | 59,150,466     | 81.9     | 290,110,004    | 0.9    | 324.5 | 2.5            |
| FY 2026 Agency              | 838,992        | (98.6)   | 190,392,546    | (34.4) | 326.5 | 2.4            |
| 10-Yr. Chg. (FY 2017– 2026) | \$ (3,424,545) | (80.3) % | \$ 94,278,044  | 98.1 % | 49.4  | 33.4 %         |
| 3-Yr. Avg. (FY 2022– 2024)* | \$ 19,619,944  |          | \$ 303,456,473 |        | 318.5 |                |

\* 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. 10 **EXPENDITURES BY PROGRAM, FY 2024 – FY 2026**

| Program                | Actual<br>FY 2024     | Agency<br>FY 2025     | LBC<br>FY 2025        | Agency<br>FY 2026     | LBC<br>FY 2026        |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Administration         | \$ 40,964,722         | \$ 52,410,657         | \$ 51,679,711         | \$ 23,639,473         | \$ 20,808,903         |
| ARPA Projects          | 116,852,229           | 11,809,196            | 11,809,196            | 2,203,745             | 2,203,745             |
| Business Development   | 27,046,597            | 68,696,435            | 66,736,296            | 45,590,695            | 44,590,695            |
| International Business | 1,612,381             | 1,895,629             | 1,847,727             | 1,872,727             | 1,376,293             |
| Quality Places         | 27,344,490            | 79,631,265            | 79,094,581            | 41,690,283            | 41,380,179            |
| Tourism                | 35,342,314            | 23,068,473            | 17,847,901            | 17,312,554            | 12,882,596            |
| Workforce Services     | 38,491,600            | 42,398,349            | 42,009,417            | 39,953,069            | 38,478,452            |
| World Cup              | -                     | 10,000,000            | 10,000,000            | 18,000,000            | 18,000,000            |
| Capital Improvements   | -                     | 200,000               | 200,000               | 130,000               | 130,000               |
| <b>TOTAL</b>           | <b>\$ 287,654,333</b> | <b>\$ 290,110,004</b> | <b>\$ 281,224,829</b> | <b>\$ 190,392,546</b> | <b>\$ 179,850,863</b> |

FIG. 11 **FTE POSITIONS BY PROGRAM, FY 2024 – FY 2026**

| Program                | Actual<br>FY 2024 | Agency<br>FY 2025 | LBC<br>FY 2025 | Agency<br>FY 2026 | LBC<br>FY 2026 |
|------------------------|-------------------|-------------------|----------------|-------------------|----------------|
| Administration         | 85.0              | 82.0              | 74.5           | 82.0              | 72.5           |
| ARPA Projects          | -                 | 5.9               | 5.9            | 5.9               | 5.9            |
| Business Development   | 25.0              | 25.0              | 25.0           | 24.0              | 24.0           |
| International Business | 9.0               | 9.0               | 9.0            | 9.0               | 9.0            |
| Quality Places         | 34.0              | 31.1              | 31.1           | 32.1              | 32.1           |
| Tourism                | 18.5              | 18.5              | 18.5           | 20.5              | 20.5           |
| Workforce Services     | 153.0             | 153.0             | 153.0          | 153.0             | 153.0          |
| World Cup              | -                 | -                 | -              | -                 | -              |
| Capital Improvements   | -                 | -                 | -              | -                 | -              |
| <b>TOTAL</b>           | <b>324.5</b>      | <b>324.5</b>      | <b>317.0</b>   | <b>326.5</b>      | <b>317.0</b>   |

Note: The LBC deleted 7.5 FTE positions in FY 2025 and 6.5 FTE positions for FY 2026. These positions have been deleted from the Administration Division.