

KANSAS DEPARTMENT OF COMMERCE

Budget Committee Report

KLRD Analyst: Caine
KLRD Summary: Vol. 1, Pg. 198
Bill Number: SB 125

DOB Analyst: Buchanan
GBR Analysis: Vol. 2, Pg. 90
Committee: --

Summary, FY 2023 – FY 2026

Expenditures by Fund Type

	Actual FY 2023	Actual FY 2024	Approved FY 2025	Approved FY 2026
State Operations	\$ 47,393,945	\$ 51,083,595	\$ 55,619,869	\$ 52,016,499
State General Fund	400,000	16,725	400,466	476,204
Federal Funds	19,880,351	21,869,020	23,204,750	22,566,316
All Other Funds	27,113,594	29,197,850	32,014,653	28,973,979
State Aid and Assistance	\$ 437,429,730	\$ 236,416,118	\$ 234,154,959	\$ 150,629,519
State General Fund	24,303,107	32,500,000	64,500,000	16,200,000
Federal Funds	387,171,900	176,117,132	110,109,626	69,019,285
All Other Funds	25,954,723	27,798,986	59,545,333	65,410,234
Capital Budget and Debt	\$ 24,836,250	\$ 154,620	\$ 200,000	\$ 130,000
State General Fund	-	-	-	-
Federal Funds	-	46,554	-	-
All Other Funds	24,836,250	108,066	200,000	130,000
TOTAL	\$ 509,659,925	\$ 287,654,333	\$ 289,974,828	\$ 202,776,018

Financing by Expenditure Group

	Actual FY 2023	Actual FY 2024	Approved FY 2025	Approved FY 2026
State General Fund	\$ 24,703,107	\$ 32,516,725	\$ 64,900,466	\$ 16,676,204
State Operations	400,000	16,725	400,466	476,204
State Aid and Assistance	24,303,107	32,500,000	64,500,000	16,200,000
Capital Budget and Debt	-	-	-	-
Federal Funds	\$ 407,052,251	\$ 198,032,706	\$ 133,314,376	\$ 91,585,601
State Operations	19,880,351	21,869,020	23,204,750	22,566,316
State Aid and Assistance	387,171,900	176,117,132	110,109,626	69,019,285
Capital Budget and Debt	-	46,554	-	-
All Other Funds	\$ 77,904,567	\$ 57,104,902	\$ 91,759,986	\$ 94,514,213
State Operations	27,113,594	29,197,850	32,014,653	28,973,979
State Aid and Assistance	25,954,723	27,798,986	59,545,333	65,410,234
Capital Budget and Debt	24,836,250	108,066	200,000	130,000
TOTAL	\$ 509,659,925	\$ 287,654,333	\$ 289,974,828	\$ 202,776,018

FTE Positions	318.0	324.5	317.0	317.0
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FY 2025

	Agency	LBC	House	Senate	Approved
State Operations	\$ 56,569,906	\$ 56,569,906	\$ 56,569,906	\$ 56,569,906	\$ 55,619,869
State General Fund	400,466	400,466	400,466	400,466	400,466
Federal Funds	23,204,750	23,204,750	23,204,750	23,204,750	23,204,750
All Other Funds	32,964,690	32,964,690	32,964,690	32,964,690	32,014,653
State Aid and Assistance	\$ 233,340,098	\$ 224,454,923	\$ 233,204,922	\$ 233,204,922	\$ 229,154,959
State General Fund	58,750,000	58,750,000	64,500,000	64,500,000	64,500,000
Federal Funds	110,109,626	110,109,626	110,109,626	110,109,626	110,109,626
All Other Funds	64,480,472	55,595,297	58,595,296	58,595,296	54,545,333
Capital Budget and Debt	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	200,000	200,000	200,000	200,000	200,000
TOTAL	\$ 290,110,004	\$ 281,224,829	\$ 289,974,828	\$ 289,974,828	\$ 284,974,828
FTE Positions	324.5	317.0	317.0	317.0	317.0

Agency

The agency requests a revised estimate of \$290.1 million, including \$59.2 million SGF, in expenditures and 324.5 FTE positions in FY 2025. The revised estimate is an all funds increase of \$12.8 million, or 4.6 percent, above the amount approved by the 2024 Legislature. The increase is primarily attributable to increases in federal funding for the **State Small Business Credit Initiative** (\$25.2 million), **Community Development Block Grants** (\$14.5 million), **Broadband Grants** (\$12.1 million), **Retaining Employment and Talent After Injury or Illness Network** (\$1.0 million), and apprenticeship programming (\$924,644).

The agency request includes one supplemental request for \$3.0 million Economic Development Initiatives Fund (EDIF) for the **Sunflower Summer Program**. It also includes an increase of \$1.5 million in special revenue funds for **engineering graduating incentives**.

The revised estimate includes an increase of 7.5 FTE positions in FY 2025. 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 Broadband Development, Grant Program Manager in the Office of Broadband Development, an attorney, and an intern.

Special Committee on Legislative Budget

The **LBC** concurs with the agency's revised estimate with the following adjustments:

1. Delete \$5.9 million EDIF to remove reappropriations in FY 2025.
2. Delete \$3.0 million EDIF for the Sunflower Summer Program in FY 2025.
3. Delete 7.5 FTE positions in FY 2025.

Joint Committee on State Building Construction

The **Joint Committee** concurs with the LBC's recommendation in FY 2025.

House Committee on Agriculture and Natural Resources Budget

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

1. Add \$5.8 million SGF for the Bombardier Defense project in FY 2025.
2. Add \$3.0 million EDIF to restore reappropriations that were already spent in FY 2025.

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3. Add language authorizing reappropriations for the maintenance, repair, and overhaul of Salina and Topeka airports, Housing and Workforce Development program, Home-Based Child Care Providers Pilot Program, Sports Hall of Fame, and Industrial Park Project SGF accounts in FY 2025.

House Committee on Appropriations

The **House Committee** concurs with the House Budget Committee's recommendation in FY 2025.

House Committee of the Whole

The **House Committee of the Whole** concurs with the House Committee's recommendation in FY 2025.

Senate Committee on Commerce

The **Senate Committee on Commerce** concurs with the House Committee of the Whole's recommendation in FY 2025.

Senate Committee on Ways and Means

The **Senate Committee on Ways and Means** concurs with the Senate Committee on Commerce's recommendation in FY 2025.

Senate Committee of the Whole

The **Senate Committee of the Whole** concurs with the Senate Committee on Ways and Means' recommendation in FY 2025.

Conference Committee

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

1. Add \$5.8 million SGF for the Bombardier Defense project in FY 2025.
2. Add \$3.0 million EDIF to restore reappropriations that were already spent in FY 2025.
3. Add language authorizing reappropriations for the maintenance, repair, and overhaul of Salina and Topeka airports, Housing and Workforce Development program, Home-Based Child Care Providers Pilot Program, Sports Hall of Fame, and Industrial Park Project SGF accounts in FY 2025.

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FY 2026

	Agency	LBC	House	Senate	Approved
State Operations	\$ 55,414,445	\$ 51,749,130	\$ 51,340,379	\$ 51,961,675	\$ 52,016,499
State General Fund	138,992	138,992	138,992	138,992	476,204
Federal Funds	22,263,739	22,263,739	23,354,988	23,281,988	22,566,316
All Other Funds	33,011,714	29,346,399	27,846,399	28,540,695	28,973,979
State Aid and Assistance	\$ 134,848,101	\$ 127,971,733	\$ 129,908,756	\$ 135,315,231	\$ 150,629,519
State General Fund	700,000	700,000	3,000,000	18,500,000	16,200,000
Federal Funds	64,019,285	64,019,285	67,092,285	68,092,285	69,019,285
All Other Funds	70,128,816	63,252,448	59,816,471	48,722,946	65,410,234
Capital Budget and Debt	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	130,000	130,000	130,000	130,000	130,000
TOTAL	\$ 190,392,546	\$ 179,850,863	\$ 181,379,135	\$ 187,406,906	\$ 202,776,018
FTE Positions	326.5	317.0	317.0	317.0	317.0

Agency

The agency requests \$190.4 million, including \$838,992 SGF in expenditures, and 326.5 FTE positions for FY 2026. The revised estimate is a decrease of \$80.7 million, 29.8 percent, below the FY 2025 approved amount. The revised estimate is a SGF decrease of \$64.0 million or 98.7 percent, below the FY 2025 approved amount. The decrease is primarily attributable to the deletion of one-time SGF projects (\$64.0 million), ARPA projects (\$34.5 million), and special revenue fund projects (\$9.3 million). The agency also anticipates receiving less federal Community Development Block Grant funding (\$1.9 million).

The decrease is offset by the agency's nine EDIF enhancement requests for the **Sunflower Summer Program** (\$3.0 million), **World Cup marketing** (\$1.0 million), **Healthcare Upskilling Program** (\$1.0 million), **Mobile Visitor's Center** (\$500,000 and 2.0 FTE positions), **Kansas Arts Commission** (\$500,000), **Transparency Database** (\$350,000), **Global Growth Program** (\$200,000), **KANSAS! Kids Magazine** (\$125,000), and a **Broadband Grant Analyst** position (\$99,997 and 1.0 FTE position). The agency request also includes increased expenditures in broadband grants (\$17.2 million) and the **Job Creation Program Fund** (\$5.0 million).

Special Committee on Legislative Budget

The **LBC** concurs with the agency's request with the following adjustments:

1. Delete \$6.3 million EDIF and 3.0 FTE positions for agency enhancement requests for FY 2026.
2. Delete \$3.7 million EDIF for various programs for FY 2026.
3. Delete 6.5 FTE positions for FY 2026.

Joint Committee on State Building Construction

The **Joint Committee** concurs with the LBC's recommendation for FY 2026.

House Committee on Agriculture and Natural Resources Budget

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

1. Delete \$500,000 SGF for micro-internships for FY 2026.
2. Delete \$200,000 SGF for the Kansas Sports Hall of Fame for FY 2026.
3. Add \$2.5 million SGF for Level Up Kanas for FY 2026.

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4. Add \$1.0 million SGF for the KC BioHub for FY 2026. Add language authorizing this funding to only be distributed upon receipt of a federal grant.
5. Add \$73,000 SGF to continue preparations for the Semiquincentennial, including 1.0 FTE position for FY 2026.
6. Transfer and add \$1.0 million SGF to the Department of Commerce for a Purple UAS Certification Innovation Grant for FY 2026. Add language providing \$500,000 to K-State Salina and \$500,000 NIAR.
7. Delete \$2.5 million EDIF for the Sunflower Summer Program for FY 2026.
8. Delete \$1.5 million EDIF for the Love, KS Marketing Campaign for FY 2026.
9. Delete \$500,000 EDIF for Small Business Research and Development for FY 2026.
10. Delete \$500,000 EDIF for the Emergency HEAL program for FY 2026.
11. Delete \$35,977 EDIF for the Strong Military Bases program for FY 2026.
12. Add \$1.1 million EDIF for the Broadband Development Program for FY 2026.
13. Add \$1.0 million EDIF for a Healthcare Upskilling Training Program for FY 2026.
14. Add \$924,398 EDIF for Tourism for FY 2026.
15. Add \$625,000 EDIF for Build Up Kansas for FY 2026.
16. Add \$500,000 EDIF for the Kansas Arts Commission for FY 2026.
17. Add \$500,000 EDIF for the Kansas Industrial Training/Retraining program for FY 2026.
18. Add \$380,000 EDIF for Junior Achievement for FY 2026.
19. Add \$249,069 EDIF for the operating grant for FY 2026.
20. Add \$178,541 EDIF for the International Trade program for FY 2026.
21. Add \$61,308 EDIF for Rural Opportunity Zones for FY 2026.
22. Add \$24,568 EDIF for registered apprenticeships for FY 2026.
23. Add \$15,252 EDIF for Quality Places program for FY 2026.
24. Add \$11,679 EDIF for the Main Street program for FY 2026.
25. Add \$8,390 EDIF for the Governor's Economic Council for FY 2026.
26. Add \$4,958 EDIF to the Older Kansas Employment Program for FY 2026.
27. Add \$2,818 EDIF for reemployment integration for FY 2026.
28. Add \$320 EDIF for the Senior Community Service Employment Program for FY 2026.
29. Add language to appropriate the Northwest Kansas Economic Development Fund for FY 2026.
30. Add language to appropriate the Existing Horse Racing Facility Remodel Fund for FY 2026.

House Committee on Appropriations

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

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1. Delete \$1.0 million SGF for the KC BioHub for FY 2026. Add \$1.0 million, all from ARPA interest, for the KC BioHub for FY 2026. Add language authorizing this funding to only be distributed upon receipt of a federal grant.
2. Delete \$500,000 SGF for Level Up Kansas for FY 2026.
3. Delete \$73,000 SGF to continue preparations for the Semiquincentennial, including 1.0 FTE position for FY 2026. Add \$73,000, all from ARPA interest, to continue preparations for the Semiquincentennial, including 1.0 FTE position for FY 2026.
4. Delete \$1.1 million EDIF for the Broadband Development Program for FY 2026. Add \$1.1 million, all from federal funds, for the Broadband Development Program for FY 2026.
5. Delete \$1.0 million EDIF for a Healthcare Upskilling Training Program for FY 2026.
6. Delete \$1.0 million EDIF from the operating grant for FY 2026. Add language requiring the agency to provide a report to the State Finance Council and the State Finance Council to release the funds when the report is made available.
7. Delete \$924,398 EDIF for Tourism for FY 2026.
8. Delete \$625,000 EDIF for Build Kansas for FY 2026.
9. Delete \$500,000 EDIF for the Kansas Arts Commission for FY 2026.
10. Delete \$500,000 EDIF for the Kansas Industrial Training/Retraining program for FY 2026. Add \$500,000, all from ARPA interest, for the Kansas Industrial Training/Retraining program for FY 2026.
11. Delete \$249,069 EDIF for the operating grant for FY 2026.
12. Delete \$200,00 EDIF for public broadcasting grants for FY 2026.
13. Delete \$178,541 EDIF for the International Trade program for FY 2026.
14. Delete \$80,000 EDIF for Junior Achievement for FY 2026.
15. Delete \$61,308 EDIF for Rural Opportunity Zones for FY 2026.
16. Delete \$24,568 EDIF for registered apprenticeships for FY 2026.
17. Delete \$15,252 EDIF for Quality Places program for FY 2026.
18. Delete \$11,679 EDIF for the Main Street program for FY 2026.
19. Delete \$8,390 EDIF for the Governor's Economic Council for FY 2026.
20. Delete \$4,958 EDIF to the Older Kansas Employment Program for FY 2026.
21. Delete \$2,818 EDIF for reemployment integration for FY 2026.
22. Delete \$320 EDIF for the Senior Community Service Employment Program for FY 2026.
23. Add \$1.5 million, all from ARPA interest, for rural remote workplaces for FY 2026.
24. Add language that no expenditures made from the Creative Arts Industries Commission account may be used to employ persons on a contracted basis for FY 2026.
25. Add language to extend STAR Bond authority for Mattel for FY 2026 and FY 2027.

House Committee of the Whole

The **House Committee of the Whole** concurs with the House Committee's recommendation with the following adjustment:

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1. Add \$1.0 million EDIF to the operating grant for FY 2026. Add language requiring the agency to submit a report to the House Committee on Appropriations and Senate Committee on Ways and Means on economic development incentives by economic development program that includes the total incentives awarded to each program and the estimated fiscal impact on the SGF for FY 2026 and FY 2027.

Senate Committee on Ways and Means

The **Senate Committee on Ways and Means** concurs with the House Committee of the Whole's recommendation with the following adjustments:

1. Delete \$28.2 million EDIF to remove appropriations and transfers for FY 2026.
2. Delete \$1.5 million, all from ARPA interest, for rural remote workplaces for FY 2026.
3. Delete \$1.0 million, all from ARPA interest, for the KC BioHub for FY 2026. Delete language authorizing this funding to only be distributed upon receipt of a federal grant.
4. Delete \$500,000, all from ARPA interest, for the Kansas Industrial Training/Retraining Program for FY 2026.
5. Delete \$73,000, all from ARPA interest, to continue preparations for the Semiquincentennial for FY 2026. This includes salaries and wages for 1.0 FTE position.

Senate Committee on Commerce

The **Senate Committee on Commerce** concurs with the Senate Committee on Ways and Means' recommendation with the following adjustments:

1. Add \$15.5 million SGF for the maintenance, repair, and overhaul of airplanes at Topeka Regional Airport for FY 2026. Add language stating a local nonstate or private moneys would not be required.
2. Add \$28.2 million EDIF to restore appropriations and transfers for programming for FY 2026.
3. Add \$2.0 million EDIF for the Sunflower Summer Program for FY 2026.
4. Add \$1.1 million EDIF for the Office of Broadband Development for FY 2026.
5. Add \$900,000 EDIF for the Tourism Division for FY 2026.
6. Add \$500,000 EDIF for the Kansas Industrial Training/Retraining Program for FY 2026.
7. Add \$445,000 EDIF for the International Division for FY 2026.
8. Add \$245,000 EDIF for the operating grant for FY 2026.

Senate Committee on Ways and Means

The **Senate Committee on Ways and Means** concurs with the Senate Committee on Commerce's recommendation with the following adjustments:

1. Delete \$15.5 million SGF for the maintenance, repair, and overhaul of airplanes at Topeka Regional Airport for FY 2026. Add \$15.5 million SGF for a loan for the maintenance, repair, and overhaul of airplanes at the Topeka Regional Airport for FY 2026.
2. Add \$4.0 million, all from ARPA interest, to provide a grant to an airport for technology, tower upgrades, vertiport, heliport, and office space to attract e-aviation unmanned aircraft systems testing or manufacturing to Kansas and add language to transfer the funds for FY 2026.
3. Delete \$2.0 million EDIF for Build Up Kansas for FY 2026.
4. Delete \$1.5 million EDIF for HEAL grants within the Office of Rural Prosperity for FY 2026.

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5. Delete \$1.0 million EDIF for Rural Opportunity Zones for FY 2026.
6. Delete \$1.0 million EDIF for the Kansas Arts Commission for FY 2026.
7. Delete \$1.0 million EDIF for the Office of Registered Apprenticeships for FY 2026.
8. Delete \$850,000 EDIF for the Main Street Program for FY 2026.
9. Delete \$714,000 EDIF for work-based learning for FY 2026.
10. Delete \$670,000 EDIF for the Quality Places Division for FY 2026.
11. Delete \$504,000 EDIF for the Older Kansans Employment Program for FY 2026.
12. Delete \$500,000 EDIF for public broadcasting grants for FY 2026.
13. Delete \$500,000 EDIF for small business research and development for FY 2026.
14. Delete \$300,000 EDIF for Junior Achievement for FY 2026.
15. Delete \$214,023 EDIF for Strong Military Bases for FY 2026.
16. Delete \$204,500 EDIF for the Governor's Economic Council for FY 2026.
17. Delete \$150,000 EDIF for Rural Champions for FY 2026.
18. Delete \$99,000 EDIF for the My Reemployment Program for FY 2026.
19. Delete \$8,400 EDIF for the Senior Community Service Employment Program for FY 2026.
20. Add language to review all EDIF expenditures and transfers at Conference.
21. Add language to the Sunflower Summer Program prohibiting reimbursements for venues that do not charge an admission fee to program participants.

Senate Committee of the Whole

The **Senate Committee of the Whole** concurs with the Senate Committee on Ways and Means' recommendation with the following adjustments:

1. Delete \$2.6 million, all from the Job Creation Program Fund (JCPF), to provide funding for Build Up Kansas for FY 2026. Add \$2.6 million JCPF for Build Up Kansas for FY 2026.
2. Delete \$300,000 JCPF to provide funding for the Classroom Resource Teacher Fund within the School for the Deaf for FY 2026.
3. Delete \$6.0 million JCPF and add \$3.0 million for the Rural Opportunity Zones Program Fund for FY 2026 and \$3.0 million for FY 2027. Add language stating the agency must only use the funds for student loan repayments and rural opportunity zone tax credits.

Conference Committee

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

1. Add \$10.0 million SGF for the maintenance, repair, and overhaul of airplanes at the Topeka Regional Airport for FY 2026. Add language requiring a \$1 to \$1 match and add language prohibiting the use of expenditures to be used for site preparations. Add language for the agency to conduct a feasibility study prior to funding the distribution.
2. Add \$4.0 million, all from ARPA interest, to provide a grant to an airport for technology, tower upgrades, vertiport, heliport, and office space to attract e-aviation unmanned aircraft systems testing or manufacturing to Kansas and add language to transfer the funds for FY 2026.
3. Add \$3.0 million SGF for Cybersecurity Center for Excellence for FY 2026.

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4. Add \$2.0 million SGF for Level Up Kansas for FY 2026.
5. Add \$1.1 million SHF from the broadband portion of the IKE Plan for the Office of Broadband Development for FY 2026.
6. Transfer and add \$1.0 million SGF to the Department of Commerce for a Purple UAS Certification Innovation Grant. Add language providing \$500,000 to K-State Salina and \$500,000 NIAR.
7. Add \$1.0 million, all from ARPA interest, for the KC BioHub for FY 2026. Add language authorizing this funding to only be distributed upon receipt of a federal grant.
8. Add \$1.0 million EDIF for rural remote workplaces for FY 2026.
9. Add \$920,398 EDIF for the Tourism Division for FY 2026.
10. Add \$625,000 EDIF for Build Up Kansas for FY 2026.
11. Add \$500,000 EDIF for the Kansas Industrial Training/Retraining Program for FY 2026.
12. Add \$445,227 EDIF for the International Division for FY 2026.
13. Add \$249,069 EDIF for the operating grant for FY 2026.
14. Add \$73,000 EDIF to continue preparations for the Semiquincentennial for FY 2026. This includes salaries and wages for 1.0 FTE position.
15. Delete \$1.5 million EDIF for the Love, KS Marketing Campaign for FY 2026.
16. Delete \$500,000 EDIF for the Sunflower Summer Program for FY 2026. Add language prohibiting reimbursements for venues in counties with a population of 15,000 or more that do not charge an admission fee to program participants for FY 2026. Add language limiting reimbursement to one parent or guardian.
17. Delete \$500,000 SGF for micro-internships for FY 2026.
18. Delete \$500,000 EDIF for Small Business Research and Development for FY 2026.
19. Delete \$500,000 EDIF for the Emergency HEAL program for FY 2026.
20. Delete \$200,000 SGF for the Kansas Sports Hall of Fame for FY 2026.
21. Delete \$200,000 EDIF for public broadcasting grants for FY 2026.
22. Delete \$35,977 EDIF for the Strong Military Bases program for FY 2026.
23. Add language to include the Northwest Kansas Economic Development Fund for FY 2026.
24. Add language to include the Existing Horse Racing Facility Remodel Fund for FY 2026.
25. Add language to extend STAR Bond authority for Mattel for FY 2026 and FY 2027.
26. Add language to authorize the Kansas Developmental Finance Authority to issue STAR Bonds for any STAR Bond project for FY 2026.
27. Add language to authorize the Secretary of Commerce to approve vertical construction of any project within an approved STAR Bond project district in cities with a population under 60,000 if such approval is granted prior to 12/31/2025 for FY 2026.
28. Add language regarding amusements parks and the definitions of large metropolitan mall STAR Bond projects and rural mall STAR Bond projects for FY 2026. Add language prohibiting project approvals unless a project attracts at least 30.0 percent of visitors from a distance of at least 100 miles and 20.0 percent of visitors from outside the state, except for rural development projects

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(including rural malls) which would need 20.0 percent of visitors from a distance of at least 100 miles and no out of state visitor requirement. Add language requiring a minimum of \$50.0 million in capital investment and \$50.0 million in sales.

29. Add language to include as a rural development a project in a county with a population under 100,000 within the Kansas City or Wichita metropolitan statistical areas, of regional importance and with capital investment of at least \$3.0 million for FY 2026.
30. Add language that no expenditures made from the Creative Arts Industries Commission account may be used to employ persons on a contractual basis.
31. Add language that an amount of no more than 60.0 percent shall be awarded to applicants for matching grant funds located in counties with a population of 85,000 or less and 40.0 percent will be awarded to applicants for matching grant funds located in counties with a population of more than 85,000 for FY 2026.
32. Add language requiring the agency to submit a report to the House Committee on Appropriations and Senate Committee on Ways and Means on economic development incentives by economic development incentive program that includes the total incentives awarded to each program and the estimated fiscal impact on the SGF for FY 2026 and FY 2027.
33. Add language to provide funding only for counties with a population of \$15,000 or less for the Rural Opportunity Zones Program for FY 2026.

Governor's Vetoes

The **Governor** vetoes the following:

1. Add \$1.0 million SGF for a Purple UAS Certification Innovation Grant for FY 2026. Add language providing \$500,000 to K-State Salina and \$500,000 NIAR.
2. **(Override)** Add \$1.0 million SGF for a Purple UAS Certification Innovation Grant for FY 2026. Add language providing \$500,000 to K-State Salina and \$500,000 NIAR.
3. Add language that no expenditures made from the Creative Arts Industries Commission account may be used to employ persons on a contractual basis for FY 2026.
4. **(Override)** Add language that no expenditures made from the Creative Arts Industries Commission account may be used to employ persons on a contractual basis for FY 2026.
5. Add language that an amount of no more than 60.0 percent shall be awarded to applicants for matching grant funds located in counties with a population of 85,000 or less and 40.0 percent will be awarded to applicants for matching grant funds located in counties with a population of more than 85,000 for FY 2026.
6. **(Override)** Add language that an amount of no more than 60.0 percent shall be awarded to applicants for matching grant funds located in counties with a population of 85,000 or less and 40.0 percent will be awarded to applicants for matching grant funds located in counties with a population of more than 85,000 for FY 2026.

State Finance Council

1. Add \$759,273, including \$339,297 SGF, to provide salary increases for most state employees based on the Department of Administration's market survey for FY 2026.
2. Delete \$2,085 SGF to lapse 1.5 percent of SGF operating expenditures statewide for FY 2026.