

KANSAS DEPARTMENT OF COMMERCE

Budget Committee Report

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KLRD Summary: Vol. 1, Pg. 231

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GBR Analysis: Vol. 2, Pg. 90

Executive Summary

Summary of Total Expenditures, FY 2023 – FY 2027					
	SGF	All Other Funds	Total	FTE Positions	
FY 2023 Actual	\$ 24,703,107	\$ 484,956,818	\$ 509,659,925	318.0	
FY 2024 Actual	32,516,725	255,137,608	287,654,333	324.5	
FY 2025 Actual	30,349,415	247,947,954	278,297,369	317.0	
FY 2026					
Approved, with Reappropriations	\$ 51,226,481	\$ 187,027,089	\$ 238,253,570	317.0	
Agency Revised Estimate	51,226,481	175,358,808	226,585,289	317.0	
Special Committee on the State Budget	16,676,204	174,431,533	191,107,737	317.0	
House Committee of the Whole	51,226,204	174,577,277	225,803,481	317.0	
Senate Committee of the Whole	51,226,481	174,431,533	225,658,014	317.0	
Legislative Approved	51,226,481	174,431,533	225,658,014	317.0	
Governor's Recommendation	51,226,481	175,396,301	226,622,782	317.0	
FY 2027					
FY 2026 Approved, without Reappropriations	\$ 16,676,204	\$ 186,099,814	\$ 202,776,018	317.0	
Agency Request	479,769	140,901,217	141,380,986	317.0	
Special Committee on the State Budget	479,769	140,901,217	141,380,986	317.0	
House Committee of the Whole	4,479,769	156,427,217	160,906,986	317.0	
Senate Committee of the Whole	2,479,769	140,401,217	142,880,986	317.0	
Legislative Approved	2,479,769	140,401,217	142,880,986	317.0	
Governor's Recommendation	479,769	145,083,671	145,563,440	317.0	

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 includes the following six programs to assist with its mission:

- The **Administration Division** provides leadership, communication, and customer service to the agency in support of its broader mission of fostering economic development in Kansas.
- The **Business Development Division** works with existing in- and out-of-state companies to attract new jobs and investment to Kansas.
- The **Quality Places Division** works to enhance the overall quality of life and economic vitality of communities across Kansas. This Division includes the Office of Broadband Development, Office of Rural Prosperity, and Community Development Block Grants.
- The **International Division** works with in-state companies to help sell products and services in international markets. This Division also works to recruit international businesses to Kansas.

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- The **Workforce Services Division** links businesses, job candidates, and educational institutions to ensure that employers can find skilled workers.
- The **Tourism Division** promotes what Kansas has to offer, to inspire travel to and throughout Kansas, as to maximize positive impacts to state and local communities.

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FY 2026

Summary of Legislative Recommendations, FY 2026					
	SGF	All Other Funds	Total	FTE Positions	
Approved, with Reappropriations	\$ 51,226,481	\$ 187,027,089	\$ 238,253,570	317.0	
Agency Revised Estimate	51,226,481	175,358,808	226,585,289	317.0	
Special Committee on the State Budget (SBC)					
Change from Agency Revised Estimate	\$ (34,550,277)	\$ (927,275)	\$ (35,477,552)	-	
TOTAL – Special Committee	\$ 16,676,204	\$ 174,431,533	\$ 191,107,737	317.0	
House Committees					
Agriculture and Natural Resources Budget	\$ 34,550,000	\$ 145,744	\$ 34,695,744	-	
Appropriations	-	-	-	-	
Committee of the Whole	-	-	-	-	
Subtotal – House Change from SBC	\$ 34,550,000	\$ 145,744	\$ 34,695,744	-	
TOTAL – Current House Position	\$ 51,226,204	\$ 174,577,277	\$ 225,803,481	317.0	
Senate Committees					
Commerce	\$ 34,550,277	\$ -	\$ 34,550,277	-	
Ways and Means	-	-	-	-	
Committee of the Whole	-	-	-	-	
Subtotal – Senate Change from SBC	\$ 34,550,277	\$ -	\$ 34,550,277	-	
TOTAL – Current Senate Position	\$ 51,226,481	\$ 174,431,533	\$ 225,658,014	317.0	
Legislative Approved					
Conference Committee	\$ 34,550,277	\$ 163,757	\$ 34,714,034	-	
Governor's Vetoes	-	-	-	-	
Veto Overrides	-	-	-	-	
Certifications	(32,711)	(410,307)	(443,018)	-	
Subtotal – Approved Change from SBC	\$ 34,517,566	\$ (246,550)	\$ 34,271,016	-	
GRAND TOTAL – Final Approved	\$ 51,193,770	\$ 174,184,983	\$ 225,378,753	317.0	

Agency

The **agency** requests a revised estimate of \$226.6 million, including \$51.2 million SGF, in expenditures and 317.0 FTE positions in FY 2026. This represents a decrease of \$11.7 million, or 4.9 percent below the amount approved by the 2025 legislature.

The revised estimate includes the following SGF reappropriations:

- **MRO of Airplanes (\$34.0 million SGF):** The contract for the project was not signed before the end of FY 2025. Accordingly, of the \$36.0 million SGF approved for the MRO of airplanes in FY 2025, \$2.0 million SGF was expended in FY 2026, and the remaining \$34.0 million SGF reappropriated to FY 2026.

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- **Home-Based Child Care Providers (\$500,000 SGF):** The contract for the project was not signed by the end of FY 2025. Accordingly, the \$500,000 SGF approved for the pilot program reappropriated to FY 2026.
- **Advantage Kansas (\$51,043 SGF):** the 2025 Legislature approved \$389,354 SGF for Advantage Kansas in FY 2025. Of this amount, \$51,043 SGF in unspent operating funds carried over from FY 2025 to FY 2026
- **EDIF Reappropriations (\$927,275 EDIF):** At the end of FY 2025, \$927,275 in unspent EDIF reappropriated from FY 2025 to FY 2026. These funds include both operating expenditures and distributions across 16 grant programs.

Other additions in the revised estimate include the following:

- Delete \$8.8 million, all from special revenue funds, for **grant distribution** in FY 2026. This decrease is primarily attributable to the conclusion of the [Middle Mile Broadband Grant](#), offset by approved distributions in the [Job Creation Program Fund](#) and the Retain Extension Grant.
- Delete \$2.0 Million, all from special revenue funds, for **salaries and wages** in FY 2026. This decrease is attributable to the agency eliminating funding for open positions from its budget submission.
- Delete \$918,155, all from special revenue funds, for **operating expenditures** in FY 2026. To reduce agency spending and increase efficiency, the agency has lowered expenditures for contractual services, commodities, and capital outlay. Primary efforts for reductions have focused on advertising spending and consolidation of software providers and services.
- Add \$120,000, all from the Reimbursement and Recovery Fund, for **capital improvements** in FY 2026. This increase is attributable to a shift in dates of projects approved by the Legislature in previous fiscal years, which are now planned to occur within FY 2026. Planned projects in FY 2026 include the installation of a new HVAC control system, rehab and repair on a boiler, improving internal controls, and other work to improve overall energy conservation.

Special Committee on the State Budget

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

1. Delete \$34.0 million SGF to lapse reappropriations for the **MRO of Airplanes** in FY 2026.
2. Delete \$927,275 EDIF to lapse operational reappropriations in FY 2026.
3. Delete \$500,000 SGF to lapse reappropriations for **Home-Based Childcare Providers** in FY 2026.
4. Delete \$50,277 SGF to lapse reappropriations for **Advantage Kansas** in FY 2026.

House Committees

House Committee on Agriculture and Natural Resources Budget

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

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1. Add \$34.0 million SGF to restore reappropriations for the **MRO of Airplanes** in FY 2026.
2. Add \$500,000 SGF to restore reappropriations for **Home-Based Childcare Providers** in FY 2026.
3. Add \$145,744 EDIF to restore reappropriations in FY 2026.
4. Add \$50,000 SGF to restore reappropriations for **Advantage Kansas** in FY 2026.
5. Add language to delete reappropriation authority for \$34.5 million SGF and \$145,744 EDIF in operating funds in FY 2026.
6. Add language to lapse funding for any FTE positions, paid from the EDIF, that have been vacant for all or part of the entire FY 2026.

House Committee on Appropriations

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

1. Add language to grant KC 2026 spending authority of the \$28.0 million ARPA to support the 2026 FIFA World Cup only if such expenditures are related to the transportation and security plan as determined by the FIFA World Cup 26 Kansas City Committee in FY 2026.

House Committee of the Whole

The **House Committee of the Whole** concurs with the Committee's recommendation in FY 2026.

Senate Committees

Senate Committee on Commerce

The **Senate Committee on Commerce** concurs with the Special Committee's recommendation with the following adjustments:

1. Add \$34.0 million SGF to restore reappropriations for the **MRO of Airplanes** in FY 2026.
2. Add \$500,000 SGF to restore reappropriations for **Home-Based Childcare Providers** in FY 2026.
3. Add \$50,277 SGF to restore reappropriations for **Advantage Kansas** in FY 2026.
4. Add language to lapse funding for any FTE positions, paid from the EDIF, that have been vacant for all or part of the entire FY 2026.

Senate Committee on Way and Means

The **Senate Committee** concurs with the Senate Committee on Commerce's recommendation in FY 2026.

Senate Committee of the Whole

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

1. Add language requiring the agency to disclose the dollar amount offered and claimed, payroll incentives, training incentives, and relocation incentives for the **Attracting Powerful Economic Expansion Act** in the agency's transparency database in FY 2026.

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Conference Committee

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

1. Add \$34.0 million SGF to reappropriate unspent funding for the **MRO of Airplanes** in FY 2026.
2. Add \$500,000 SGF to reappropriate unspent funding for **Home-Based Childcare Providers** in FY 2026.
3. Add \$145,744 EDIF to reappropriate unspent funding in FY 2026.
4. Add \$50,277 SGF to reappropriate unspent funding for **Advantage Kansas** in FY 2026. This amount includes a lapse of 1.5 percent of SGF reappropriations (\$766).
5. Add language to lapse funding for any FTE positions, paid from the EDIF, that have been vacant for all or part of the entire FY 2026.
6. Add language requiring the agency to disclose the amount offered and claimed, payroll incentives, training incentives, and relocation incentives for the **Attracting Powerful Economic Expansion Act** in the Kansas Department of Commerce transparency database in FY 2026.
7. Add language to grant KC 2026 spending authority of the \$28.0 million ARPA to support the **2026 FIFA World Cup** only if such expenditures are related to the transportation and security plan as determined by the FIFA World Cup 26 Kansas City Committee.
8. Add \$18,013 EDIF for a reappropriation lapse that was omitted in HB 2513 in FY 2026 (Technical Amendment).

Governor's Vetoes

The **Governor** vetoes the following in FY 2026:

1. Add language requiring the agency to disclose the amount offered and claimed, payroll incentives, training incentives, and relocation incentives for the **Attracting Powerful Economic Expansion Act** in the Kansas Department of Commerce transparency database in FY 2026.

Legislative Approved

HB 2513 authorized the following statewide adjustments which were certified following the conclusion of the 2026 Session:

1. Delete \$443,018, including \$32,711 SGF, to eliminate funding for positions which have been vacant for at least 60 calendar days in FY 2026.

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FY 2027

Summary of Legislative Recommendations, FY 2027				
	SGF	All Other Funds	Total	FTE Positions
FY 2026 Approved, without Reappropriations**	\$ 16,676,204	\$ 186,099,814	\$ 202,776,018	317.0
Agency Request	479,769	140,901,217	141,380,986	317.0
Special Committee on the State Budget (SBC)				
<i>Change from Agency Request</i>	\$ -	\$ -	\$ -	-
TOTAL – Special Committee	\$ 479,769	\$ 140,901,217	\$ 141,380,986	317.0
House Committees				
Agriculture and Natural Resources Budget	\$ 1,000,000	\$ 2,176,000	\$ 3,176,000	-
Appropriations	3,000,000	13,350,000	16,350,000	-
Committee of the Whole	-	-	-	-
<i>Subtotal – House Change from SBC</i>	<i>\$ 4,000,000</i>	<i>\$ 15,526,000</i>	<i>\$ 19,526,000</i>	<i>-</i>
TOTAL – Current House Position	\$ 4,479,769	\$ 156,427,217	\$ 160,906,986	317.0
Senate Committees				
Commerce	\$ 2,000,000	\$ 500,000	\$ 2,500,000	-
Ways and Means	-	-	-	-
Committee of the Whole	-	(1,000,000)	(1,000,000)	-
<i>Subtotal – Senate Change from SBC</i>	<i>\$ 2,000,000</i>	<i>\$ (500,000)</i>	<i>\$ 1,500,000</i>	<i>-</i>
TOTAL – Current Senate Position	\$ 2,479,769	\$ 140,401,217	\$ 142,880,986	317.0
Legislative Approved				
Conference Committee	\$ 3,000,000	\$ 31,100,000	\$ 34,100,000	-
Governor's Vetoes	-	-	-	-
Veto Overrides	-	-	-	-
Certifications	(3,235)	212,084	208,849	-
<i>Subtotal – Approved Change from SBC</i>	<i>\$ 2,996,765</i>	<i>\$ 31,312,084</i>	<i>\$ 34,308,849</i>	<i>-</i>
GRAND TOTAL – Final Approved	\$ 3,476,534	\$ 172,213,301	\$ 175,689,835	317.0

* Note : This committee has not taken action on this agency's budget yet.

** Note: The approved budget includes expenditures in FY 2026 that are not included in the agency allocation for FY 2027. These expenditures are not included for FY 2027 as to better provide a point of comparison. For this agency, these adjustments total \$17.1 million, including \$16.2 million SGF.

Agency

The **agency** requests \$141.4 million, including \$479,769 SGF, in expenditures and 317.0 FTE positions for FY 2027. This represents a decrease of \$61.4 million, or 30.3 percent below the amount approved by the 2025 legislature, largely due to the following items:

- Delete \$41.0 million, all from special revenue funds, for **grant distribution** for FY 2027. This decrease is primarily attributable to the conclusion of spending from the American Rescue Plan Act (ARPA) State Relief Fund (\$22.9 million), as well as the conclusion of the [Middle Mile Broadband Grant](#) (\$13.8 million) and spending on [APEX](#) (Attracting Powerful Economic Expansion) (\$4.2 million). Furthermore, the agency reduced EDIF funding for rural remote workplaces (\$1.0 million) and semi-quincentennial preparation (\$73,000).

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- Delete \$1.9 Million, all from special revenue funds, for **salaries and wages** for FY 2027. This decrease is attributable to the agency eliminating funding for open positions from its budget submission.
- Delete \$1.3 million, all from special revenue funds, for **operating expenditures** for FY 2027. To reduce agency spending and increase efficiency, the agency has lowered expenditures for contractual services, commodities, and capital outlay. Primary efforts for reductions have focused on advertising spending and consolidation of software providers and services.

Special Committee on the State Budget

The **Special Committee** concurs with the agency request for FY 2027.

House Committees

House Committee on Agriculture and Natural Resources Budget

The **House Budget Committee** concurs with the Special Committee's recommendation for FY 2027 with the following Adjustments:

1. Add \$1.0 million SGF to restore funding for **Level Up Kansas** for FY 2027.
2. Add \$1.0 million EDIF for the **Towns Grant** for FY 2027.
3. Add \$750,000 EDIF for the **Creative Arts Commission** for FY 2027.
4. Add \$750,000 EDIF for **Public Broadcasting** for FY 2027.
5. Add \$250,000 EDIF for **Emergency Heal Grants** for FY 2027.
6. Add \$250,000 EDIF for **Rural Remote Workplaces** for FY 2027.
7. Add \$1,000 EDIF for **Reemployment Programs** for FY 2027.
8. Delete \$825,000 EDIF for **Build Up Kansas** for FY 2027.
9. Add language to lapse funding for any FTE positions, paid from the EDIF, that have been vacant for all or part of the entire FY 2027.

House Committee on Appropriations

The **House Committee** concurs with the House Budget Committee's recommendation for FY 2027 with the following adjustments:

1. Add \$12.5 million ARPA for the **Moderate Income Housing Grant** for FY 2027. Add language to direct any available ARPA funds to be used prior to the use of SGF. If no ARPA funds are available, EDIF funds are to be used prior to SGF funds.
2. Add \$3.0 million SGF for the **Cybersecurity Center for Excellence** for FY 2027.
3. Add \$2.0 million, all from federal ARPA, for **Beyond Visual Line of Sight Unmanned Aerial Systems** infrastructure, navigation, operations, and commercialized support for FY 2027.
4. Delete \$450,000 EDIF for **Public Broadcasting** for FY 2027.
5. Delete \$200,000 EDIF for **Rural Opportunity Zones** for FY 2027.
6. Delete \$500,000 EDIF for the **Sunflower Summer Program** for FY 2027.

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7. Add language to establish STAR Bond reporting requirements to determine the number of businesses that vacated STAR Bond districts to calculate the overall change in revenue. If similar reporting requirements are enacted in legislation during the 2026 session, this language is null and void.
8. Add language to grant KC 2026 spending authority of the \$28.0 million ARPA to support the 2026 FIFA World Cup only if such expenditures are related to the transportation and security plan as determined by the FIFA World Cup 26 Kansas City Committee for FY 2027.

House Committee of the Whole

The **House Committee of the Whole** concurs with the Committee's recommendation for FY 2027.

Senate Committees

Senate Committee on Commerce

The **Senate Committee on Commerce** concurs with the Special Committee's recommendation with the following adjustments:

1. Add \$2.0 million SGF to restore funding for **Level Up Kansas** for FY 2027.
2. Add \$1.0 million EDIF for the **Towns Grant** for FY 2027.
3. Add \$500,000 EDIF for **Public Broadcasting** for FY 2027.
4. Delete \$1.0 million EDIF for the **Creative Arts Commission** for FY 2027.
5. Add language stating that \$500,000 EDIF enhancement granted toward **Public Broadcasting** be distributed to Smoky Hills, and the remaining \$500,000 be distributed between all other stations.
6. Add language to lapse funding for any FTE positions, paid from the EDIF, that have been vacant for all or part of the entire FY 2027.

Senate Committee on Way and Means

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

1. Add \$500,000 EDIF for the **Creative Arts Commission** for FY 2027.
2. Delete \$500,000 EDIF for **Public Broadcasting** for FY 2027.
3. Delete language stating that \$500,000 EDIF enhancement granted toward **Public Broadcasting** be distributed to Smoky Hills, and the remaining \$500,000 be distributed between all other stations for FY 2027.

Senate Committee of the Whole

The **Senate Committee of the Whole** concurs with the Committee's recommendation with the following adjustments:

1. Add language requiring the agency to disclose the dollar amount offered and claimed, payroll incentives, training incentives, and relocation incentives for the **Attracting Powerful Economic Expansion Act** in the agency's transparency database for FY 2027.
2. Delete \$1.0 million EDIF for the **Creative Arts Commission** for FY 2027.
3. Delete \$500,000 EDIF for **Public Broadcasting** for FY 2027.

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

1. Add \$10.0 million, all transferred from the Build Kansas Matching Grant Fund of the State Treasurer, for an economic development project for FY 2027. Add language to transfer the funds back to the Build Kansas Matching Grant Fund if the project is not completed.
2. Add \$10.0 million ARPA to attract and develop new businesses to Kansas for FY 2027.
3. Add \$6.0 million ARPA for the **Moderate Income Housing Grant** for FY 2027.
4. Add \$3.0 million SGF for the **Cybersecurity Center for Excellence** for FY 2027. Add language for reappropriation authority.
5. Add \$2.0 million ARPA for **Beyond Visual Line of Sight Unmanned Aerial Systems** infrastructure, navigation, operations, and commercialized support for FY 2027.
6. Add \$2.0 million EDIF to restore funding for **Level Up Kansas** for FY 2027.
7. Add \$1.0 million EDIF for the **Towns Grant** for FY 2027.
8. Add \$300,000 EDIF for **Public Broadcasting** for FY 2027.
9. Add \$250,000 EDIF for **Emergency Heal Grants** for FY 2027.
10. Add \$250,000 EDIF for **Rural Remote Workplaces** for FY 2027.
11. Delete \$200,000 EDIF for **Rural Opportunity Zones** for FY 2027.
12. Delete \$250,000 EDIF for the **Sunflower Summer Program** for FY 2027.
13. Delete \$250,000 EDIF for the **Creative Arts Commission** for FY 2027.
14. Add language to lapse funding for any FTE positions, paid from the EDIF, that have been vacant for all or part of the entire FY 2027.
15. Add language requiring the agency to disclose the amount offered and claimed, payroll incentives, training incentives, and relocation incentives for the **Attracting Powerful Economic Expansion Act** in the Kansas Department of Commerce transparency database for FY 2027.
16. Add language to grant KC 2026 spending authority of the \$28.0 million ARPA to support the **2026 FIFA World Cup** only if such expenditures are related to the transportation and security plan as determined by the FIFA World Cup 26 Kansas City Committee.

Governor's Vetoes

The **Governor** vetoes the following for FY 2027:

1. Add language requiring the agency to disclose the amount offered and claimed, payroll incentives, training incentives, and relocation incentives for the **Attracting Powerful Economic Expansion Act** in the Kansas Department of Commerce transparency database for FY 2027.

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Legislative Approved

HB 2513 authorized the following statewide adjustments which were certified following the conclusion of the 2026 Session:

1. Add \$216,045, including \$3,961 SGF, to implement the Executive Branch pay plan approved by the 2026 Legislature and certified by the State Finance Council for FY 2027.
2. Delete \$7,156 SGF to lapse 1.5 percent of state operations funded from the SGF for FY 2027. This lapse does not apply to SGF-financed operating expenditures for authorized contractual services, specific projects, or an identified program or entity.