

# KANSAS DEPARTMENT OF COMMERCE

## FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1  
**BUDGET OVERVIEW, FY 2022 – FY 2024**

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
<b>Operating Expenditures:</b>					
State General Fund	\$ 1,640,000	\$ 24,901,607	\$ 24,901,607	\$ 126,616	\$ 26,376,616
Federal Funds	72,110,602	123,633,227	123,633,227	93,518,465	93,518,465
All Other Funds	53,174,617	84,617,290	84,617,290	60,768,506	58,199,506
<i>Subtotal</i>	<u>\$ 126,925,219</u>	<u>\$ 233,152,124</u>	<u>\$ 233,152,124</u>	<u>\$ 154,413,587</u>	<u>\$ 178,094,587</u>
<b>Capital Improvements:</b>					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	8,100	8,100	8,100	8,100
All Other Funds	130,000	100,000	100,000	230,000	230,000
<i>Subtotal</i>	<u>\$ 130,000</u>	<u>\$ 108,100</u>	<u>\$ 108,100</u>	<u>\$ 238,100</u>	<u>\$ 238,100</u>
<b>TOTAL</b>	<u><b>\$ 127,055,219</b></u>	<u><b>\$ 233,260,224</b></u>	<u><b>\$ 233,260,224</b></u>	<u><b>\$ 154,651,687</b></u>	<u><b>\$ 178,332,687</b></u>
<b>Percentage Change:</b>					
State General Fund	(59.1) %	1,418.4 %	1,418.4 %	(99.5) %	5.9 %
All Funds	(54.4) %	83.6 %	83.6 %	(33.7) %	(23.5) %
FTE Positions	313.0	313.0	313.0	322.0	319.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

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 the following 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, Kansas Bioscience Authority, 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 **Community Development Division** provides technical assistance and professional staff to communities for community development related opportunities. The division director provides direction, oversight, and coordination among the programs and services for maximum effectiveness, and additional staff was added to support the Office of Broadband Development. The Community Development Division includes programs that provide grants, tax credits, technical assistance, and support for Kansas communities to help them find solutions for various infrastructure and quality of life investments. The Community Development Division is focused on the needs of Kansas communities to enhance their current assets to develop their communities and people and improve their ability to attract residents and businesses.

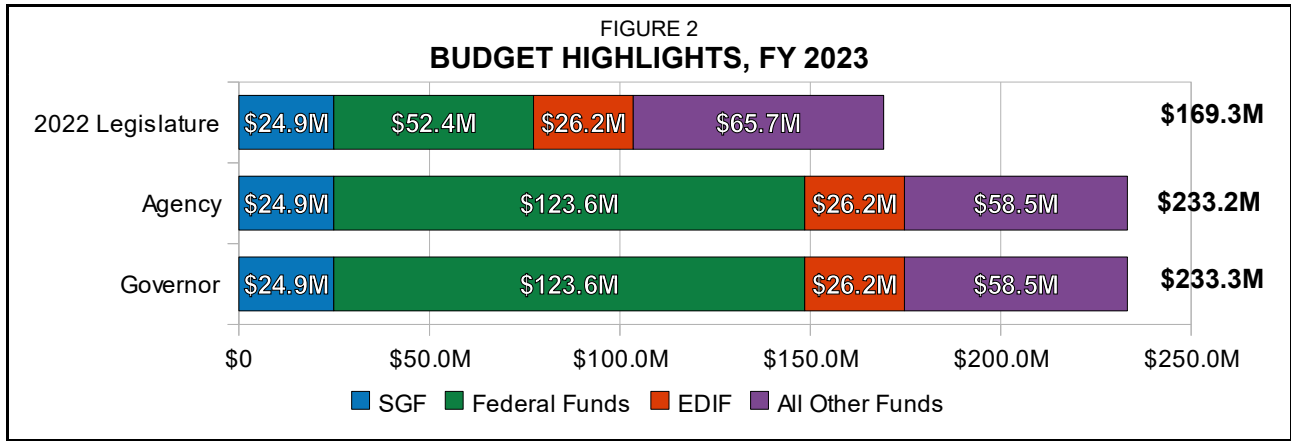
The **International Business Division** works with Kansas companies to help them sell their products and services in international markets. The division also works to recruit international businesses to establish facilities and create jobs in Kansas. These two goals comprise the agency's overall mission—to help Kansas capitalize on opportunities in the global economy. The International 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 a better quality of life for all Kansans' and economic prosperity. 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.

## **EXECUTIVE SUMMARY**

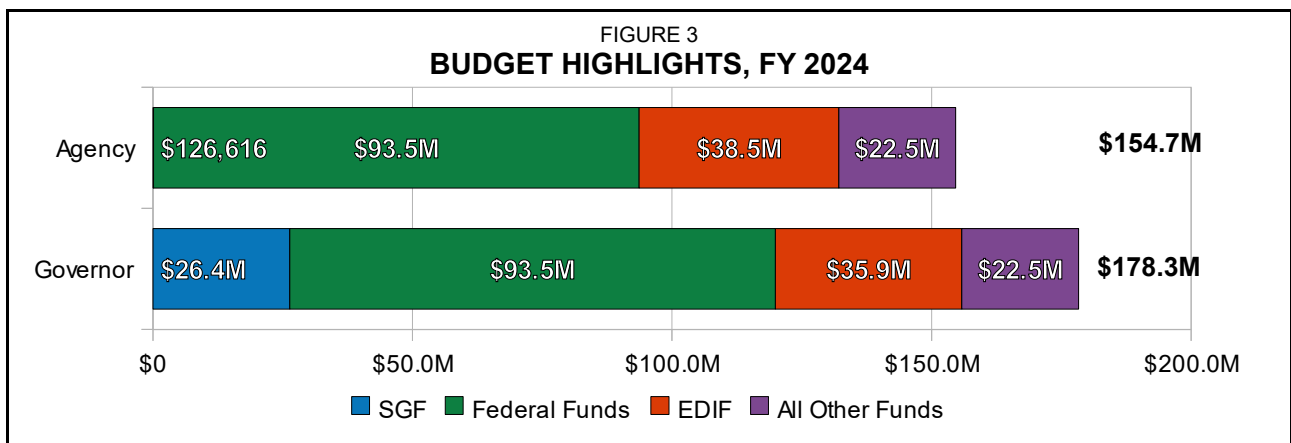
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The 2022 Legislature approved a budget of \$142,744,167 for the Kansas Department of Commerce for FY 2023. An adjustment of \$26,510,598, including \$24,943,987 SGF, in reappropriation was subsequently made to that amount, which changes the current year approved amount without any legislative action required.



The **agency** submits a revised FY 2023 estimate of \$233.3 million, including \$24.9 million SGF, and 313.0 FTE positions. This is an all funds increase of \$64.0 million, or 50.4 percent, above the FY 2023 approved amount. The increase is primarily attributable to an increase of \$71.2 million in federal funds, which includes \$45.4 million in federal American Rescue Plan Act (ARPA) funds and \$21.0 million from the federal State Small Business Credit Initiative.

The **Governor** concurs with the agency's FY 2023 revised estimate.



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

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

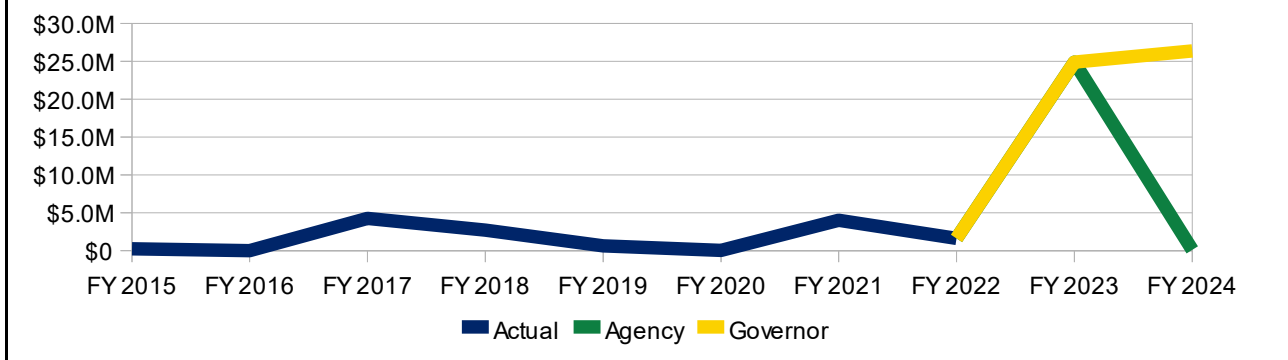
## EXPENDITURES AND FINANCING

FIGURE 4  
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 19,638,200	\$ 23,878,470	\$ 23,878,470	\$ 26,700,049	\$ 25,211,549
Contractual Services	15,868,895	18,487,725	18,487,725	21,575,721	21,169,721
Commodities	196,928	196,838	196,838	191,323	191,323
Capital Outlay	826,061	662,446	662,446	639,901	589,901
Debt Service Interest	3,231	-	-	-	-
<i>Subtotal</i>	<i>\$ 36,533,315</i>	<i>\$ 43,225,479</i>	<i>\$ 43,225,479</i>	<i>\$ 49,106,994</i>	<i>\$ 47,162,494</i>
Aid to Local Units	24,907,330	21,760,000	21,760,000	15,510,000	15,510,000
Other Assistance	65,484,574	168,166,645	168,166,645	89,796,593	115,422,093
<i>Subtotal—Operating</i>	<i>\$ 126,925,219</i>	<i>\$ 233,152,124</i>	<i>\$ 233,152,124</i>	<i>\$ 154,413,587</i>	<i>\$ 178,094,587</i>
Capital Improvements	-	108,100	108,100	238,100	238,100
Debt Service Principal	130,000	-	-	-	-
<b>TOTAL</b>	<b>\$ 127,055,219</b>	<b>\$ 233,260,224</b>	<b>\$ 233,260,224</b>	<b>\$ 154,651,687</b>	<b>\$ 178,332,687</b>
<b>Financing:</b>					
State General Fund	\$ 1,640,000	\$ 24,901,607	\$ 24,901,607	\$ 126,616	\$ 26,376,616
EDIF	16,183,248	26,217,922	26,217,922	38,499,812	35,930,812
Federal Funds	72,110,602	123,641,327	123,641,327	93,526,565	93,526,565
All Other Funds	37,121,369	58,499,368	58,499,368	22,498,694	22,498,694
<b>TOTAL</b>	<b>\$ 127,055,219</b>	<b>\$ 233,260,224</b>	<b>\$ 233,260,224</b>	<b>\$ 154,651,687</b>	<b>\$ 178,332,687</b>
FTE Positions	313.0	313.0	313.0	322.0	319.0

## STATE GENERAL FUND

FIGURE 5  
STATE GENERAL FUND EXPENDITURES, FY 2015 – FY 2024



For the Kansas Department of Commerce, SGF expenditures have been used primarily to close out the affairs of the Kansas Bioscience Authority (KBA) from FY 2015 to FY 2020. During the 2021 Legislative Session, the Legislature lapsed the remaining KBA funds and included a proviso to transfer SGF moneys as necessary if new KBA commitments arose. The State Finance Council later transferred SGF moneys to the agency to replace JCPF moneys used in the Restaurant Revitalization Program and other COVID-19 relief efforts. A total of \$20.0 million SGF was reappropriated into FY 2023 for moderate-income housing projects because agreements were not finalized by the end of FY 2022.

The Governor's recommendation includes an increase for the Housing Revolving Loan Program (\$20.0 million) through the Kansas Housing Resources Corporation, which in addition to funding approved for rural housing last year, will be available for workforce housing throughout the state and for the APEX Program (\$6.3 million).

## FY 2023 ANALYSIS

FIGURE 6  
**SUMMARY OF BUDGET REQUEST, FY 2023**

	SGF	Special Revenue Funds	All Funds	FTE
<b>Legislative Approved:</b>				
Amount Approved by 2022 Legislature	\$ (42,380)	\$ 142,786,547	\$ 142,744,167	336.0
1. SGF Reappropriations	24,943,987	-	24,943,987	--
2. EDIF Reappropriations	-	1,566,611	1,566,611	--
<i>Subtotal—Legislative Approved</i>	<u>\$ 24,901,607</u>	<u>\$ 144,353,158</u>	<u>\$ 169,254,765</u>	<u>336.0</u>
<b>Agency Revised Estimate:</b>				
3. Economic Development Structure	\$ -	\$ 45,351,951	\$ 45,351,951	3.0
4. State Small Business Credit Initiative	-	21,043,157	21,043,157	--
5. Travel and Tourism Grants	-	3,475,701	3,475,701	--
6. Job Creation Program Fund	-	(10,026,264)	(10,026,264)	--
7. Reimbursement and Recovery Fund	-	2,416,409	2,416,409	--
8. Workforce Innovation and Opportunity Act	-	1,608,597	1,608,597	--
9. All Other Adjustments	-	135,908	135,908	(26.0)
<i>Subtotal—Agency Revised Estimate</i>	<u>\$ 24,901,607</u>	<u>\$ 208,358,617</u>	<u>\$ 233,260,224</u>	<u>313.0</u>
<b>Governor's Recommendation:</b>				
10. No Changes	\$ -	\$ -	\$ -	--
<b>TOTAL</b>	<u><u>\$ 24,901,607</u></u>	<u><u>\$ 208,358,617</u></u>	<u><u>\$ 233,260,224</u></u>	<u><u>313.0</u></u>

### LEGISLATIVE APPROVED

Subsequent to the 2022 Session, several adjustments were made to the \$142.7 million appropriated to the Kansas Department of Commerce for FY 2023. These adjustments change the current year approved amount without any legislative action required and include the following:

1. **SGF REAPPROPRIATIONS.** A total of \$24.9 million SGF was added for reappropriated SGF moneys. These funds are derived from moderate-income housing projects (\$20.0 million) because agreements were not finalized by the end of FY 2022 and from unused funding for KBA grant commitments (\$4.9 million).
2. **EDIF REAPPROPRIATIONS.** A total of \$1.6 million, all EDIF, was added for reappropriations of unspent funds from FY 2022 into FY 2023.

### AGENCY ESTIMATE

The **agency** estimates \$228.3 million, including \$24.9 million SGF, in expenditures in FY 2023. The revised estimate is an all funds increase of \$59.0 million, or 34.9 percent, above the FY 2023 approved budget.

The **agency** revised estimate includes the following adjustments:

3. **ECONOMIC DEVELOPMENT STRUCTURE.** This item adds \$40.4 million, all from federal funds, for Building a Stronger Economy (BASE) grants. BASE is designed to support infrastructure development to address economic development opportunities statewide with the goal of expanding the state's base of businesses and residents. This item also add \$5.0 million designated for a rural housing grant.

4. **STATE SMALL BUSINESS CREDIT INITIATIVE (SSBCI).** This item adds \$21.0 million, all from federal funds, for SSBCI. This federal program is intended to strengthen programs of eligible jurisdictions that support private financing to small businesses. The funds are designed to focus on underserved geographies (rural/urban-distressed/statewide), underserved populations (minority/women/economically disadvantaged) and business types (target sector). The SSBCI provides matching loans up to \$100,000 for businesses who have funding from a financial institution for start-up costs, equipment, inventory, and other aspects, as well as capital support for various businesses who provide a match with private capital.
5. **TRAVEL AND TOURISM GRANTS.** This item adds \$3.1 million, all from federal funds, for the Tourism Attraction Sub-grants for Kansas (TASK) initiative. The total amount for this grant is \$3.5 million provided in federal American Rescue Plan Act Fund moneys through the U.S. Economic Development Administration's Travel, Tourism, and Outdoor Recreation state grant program. Of the \$3.5 million total, \$1.5 million will be used for the TASK sub-grants to local tourist attractions, \$1.3 million for a statewide spring marketing campaign, \$500,000 for regional video and photography, and \$250,000 for Kansas state parks.
6. **JOB CREATION PROGRAM FUND (JCPF).** This item deletes \$10.0 million in expenditures, all from the JCPF. The agency was appropriated SGF moneys to replace JCPF moneys.
7. **REIMBURSEMENT AND RECOVERY FUND.** This item adds \$2.4 million in expenditures, all from the Reimbursement and Recovery Fund.
8. **WORKFORCE INNOVATION AND OPPORTUNITY ACT.** This item adds \$1.6 million in federal funds to assist Kansas in training programs and preparation for interviews and employment.
9. **ALL OTHER ADJUSTMENTS.** This item deletes \$135,908, all from special revenue funds and federal funds, for various other adjustments and revised estimates in federal programs.

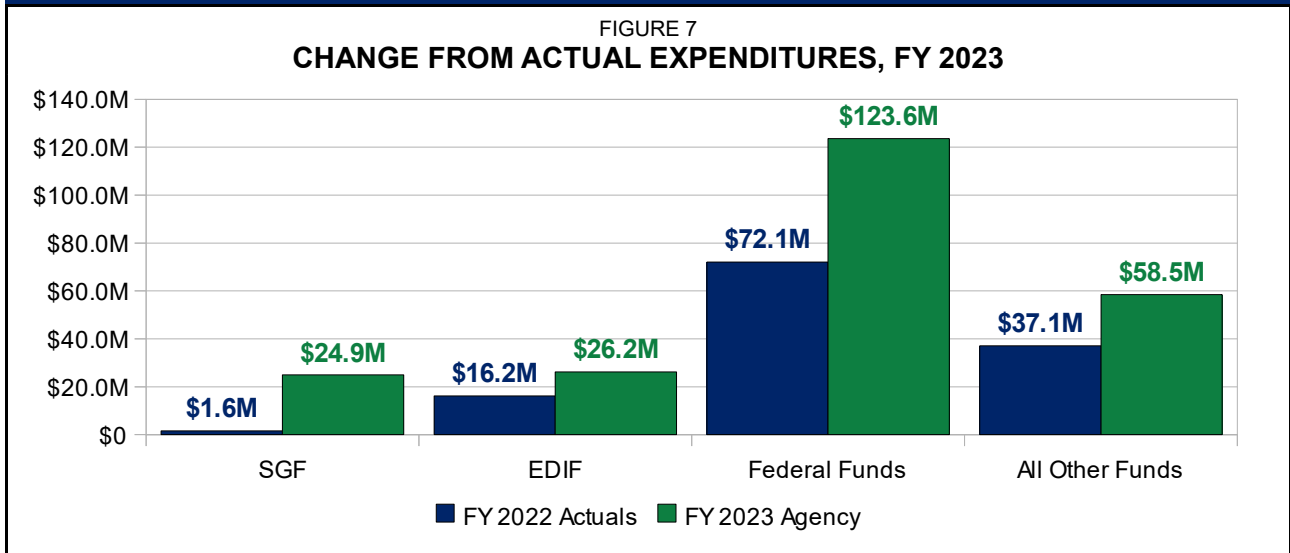
## **GOVERNOR'S RECOMMENDATION**

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The **Governor** concurs with the agency's FY 2023 revised estimate.

10. **NO CHANGES.** The **Governor** does not recommend any changes to the agency's FY 2023 revised estimate.

## FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised FY 2023 expenditures of \$228.3 million, including \$24.9 million SGF. This is an all funds increase of \$101.2 million, or 59.8 percent, above FY 2022 actual expenditures. The increase is primarily attributable to federal ARPA funds that the agency was awarded for Building a Stronger Economy (BASE) grant funding (\$40.3 million), \$21.0 million for the federal State Small Business Credit Initiative, \$24.6 million for Job Creation Program Fund, and additional Economic Development Initiative Fund expenditures (\$10.0 million).

# FY 2024 ANALYSIS

FIGURE 8

## SUMMARY OF BUDGET REQUEST, FY 2024

	Special Revenue		All Funds	FTE
	SGF	Funds		
<b>Agency Revised Estimate, FY 2023</b>	\$ 24,901,607	\$ 208,358,617	\$ 233,260,224	313.0
<b>Agency Request:</b>				
1. Enhancement – Salary Increase	\$ -	\$ 1,200,000	\$ 1,200,000	--
2. Enhancement – Returning Kansans Home Marketing Campaign	-	3,000,000	3,000,000	--
3. Enhancement – Research Division	-	279,500	279,500	2.0
4. Enhancement – Office of Rural Prosperity (ORP)	-	2,300,000	2,300,000	--
5. Enhancement – Salesforce Data Development	-	500,000	500,000	2.0
6. Enhancement – Registered Apprenticeship	-	500,000	500,000	1.0
7. Enhancement – Film and Television Industry Program Manager	-	100,000	100,000	1.0
8. Enhancement – International Division	-	1,200,000	1,200,000	3.0
9. Enhancement – Tourism Division	-	2,200,000	2,200,000	--
10. Enhancement – Kansas Creative Arts Industries Commission	-	500,000	500,000	--
11. Enhancement – APEX Incentive Program Manager	-	94,500	94,500	1.0
12. Enhancement – Small Business Office	-	1,474,500	1,474,500	1.0
13. Enhancement – Rural Remote Worker Pilot	-	700,000	700,000	--
14. Capital Improvements	-	130,000	130,000	--
15. Moderate Income Housing	(19,998,384)	-	(19,998,384)	--
16. KBA Grant Commitments	(4,703,107)	-	(4,703,107)	--
17. Kansas Commission for the United States Semiquincentennial	(73,500)	-	(73,500)	--
18. State Small Business Credit Initiative	-	(21,043,157)	(21,043,157)	--
19. K DFA IMPACT Bonds	-	(18,696,750)	(18,696,750)	--
20. Job Creation Program Fund	-	(16,499,522)	(16,499,522)	--
21. Rural Housing Grant	-	(5,000,000)	(5,000,000)	--
22. Travel and Tourism Grants	-	(3,100,000)	(3,100,000)	--
23. Advertising and Marketing Agencies	-	(1,670,327)	(1,670,327)	--
24. Community Development Block Grants	-	(1,250,000)	(1,250,000)	--
25. All Other Adjustments	-	(752,290)	(752,290)	(2.0)
<b>Subtotal–Agency Estimate</b>	\$ 126,616	\$ 154,525,071	\$ 154,651,687	322.0
<b>Governor's Recommendation:</b>				
26. Enhancement– Market Rate Salary Increase – Not Recommended	\$ -	\$ (1,200,000)	\$ (1,200,000)	--
27. Enhancement - Film and Television Industry Program Manager – Not Recommended	-	(100,000)	(100,000)	(1.0)
28. Enhancement - APEX Incentive Program Manager – Not Recommended	-	(94,500)	(94,500)	(1.0)
29. Enhancement - Small Business Office – Not Recommended	-	(1,474,500)	(1,474,500)	(1.0)
30. Enhancement - Rural Remote Worker Pilot Program – Not Recommended	-	(700,000)	(700,000)	--
31. Housing Revolving Loan Program	20,000,000	-	20,000,000	--
32. APEX Program	6,250,000	-	6,250,000	--
33. Early Childhood Education & Care Initiative	-	1,000,000	1,000,000	--
<b>TOTAL</b>	<b>\$ 26,376,616</b>	<b>\$ 151,956,071</b>	<b>\$ 178,332,687</b>	<b>319.0</b>



## **AGENCY REQUEST**

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The **agency** requests \$154.7 million, including \$126,616 SGF, and 324.0 FTE positions for FY 2024. This is an all funds decrease of \$78.6 million, or 33.7 percent, including an SGF decrease of \$24.8 million, or 99.5 percent, below the FY 2023 revised estimate.

The **agency** request includes the following adjustments:

1. **ENHANCEMENT REQUEST – SALARY ADJUSTMENT.** This item adds \$1.2 million, all from the EDIF, in salaries and wages expenditures to address the wage gap and disparities between private and public sector employers.
2. **ENHANCEMENT REQUEST – RETURNING KANSANS HOME MARKETING CAMPAIGN.** This item adds \$3.0 million, all from the EDIF, to create a marketing campaign that would focus on recruitment of Kansans back home to live and work in Kansas.
3. **ENHANCEMENT REQUEST – RESEARCH DIVISION.** This item adds \$279,500, all from the EDIF, and 2.0 FTE positions to create a research division within the agency.
4. **ENHANCEMENT REQUEST – OFFICE OF RURAL PROSPERITY.** This item adds \$2.3 million, all from the EDIF, to fund four rural community development projects.
5. **ENHANCEMENT REQUEST – SALESFORCE DATA DEVELOPMENT.** This item adds \$500,000, all from the EDIF, and 2.0 FTE positions to complete integration of data into the Salesforce platform.
6. **ENHANCEMENT REQUEST – REGISTERED APPRENTICESHIP.** This item adds \$500,000, all from the EDIF, and 1.0 FTE position, for the Office of Registered Apprenticeship.
7. **ENHANCEMENT REQUEST – FILM AND TELEVISION INDUSTRY PROGRAM MANAGER.** This item adds \$100,000, all from the EDIF, and 1.0 FTE position, to build a program focused on the recruitment of film and television production companies.
8. **ENHANCEMENT REQUEST – INTERNATIONAL DIVISION.** This item adds \$1.2 million, all from the EDIF, and 3.0 FTE positions, to expand the International Division.
9. **ENHANCEMENT REQUEST – TOURISM DIVISION.** This item adds \$2.2 million, all from the EDIF, to create a marketing campaign and fund the Attraction Development Grant Program (ADGP).
10. **ENHANCEMENT REQUEST – KANSAS CREATIVE ARTS INDUSTRIES COMMISSION.** This item adds \$500,000, all from the EDIF, to expand workforce development and entrepreneurship efforts in the creative sector.
11. **ENHANCEMENT REQUEST – APEX INCENTIVE PROGRAM MANAGER.** This item adds \$94,500, all from the EDIF, and 1.0 FTE position, for the APEX Incentive Program.
12. **ENHANCEMENT REQUEST – SMALL BUSINESS OFFICE.** This item adds \$1.5 million, all from the EDIF, and 1.0 FTE position, to create a Small Business Office.

13. **ENHANCEMENT REQUEST – RURAL REMOTE WORKER PILOT PROGRAM.** This item adds \$700,000, all from the EDIF, to create a pilot program to encourage new and expanding businesses to hire rural remote workers.
14. **CAPITAL IMPROVEMENTS.** This item adds \$130,000, all from the Reimbursement and Recovery Fund, for capital improvement projects at the Topeka Workforce Center.
15. **MODERATE-INCOME HOUSING.** This item deletes \$20.0 million SGF that will be fully expended in FY 2023. This was one-time grant funding not expected to reoccur in FY 2024.
16. **KBA GRANT COMMITMENTS.** This item deletes \$4.7 million, all SGF, that will be expended for KBA grant commitments in FY 2023 and not expected to reoccur in FY 2024.
17. **KANSAS COMMISSION FOR THE UNITED STATES SEMIQUINCENTENNIAL.** This item deletes \$73,500 SGF for the Kansas Commission for the United States Semiquincentennial. This is one-time funding that is not expected to reoccur in FY 2024.
18. **STATE SMALL BUSINESS CREDIT INITIATIVE.** This item deletes \$21.0 million, all from federal funds, that will be fully expended in FY 2023.
19. **KDFA IMPACT BONDS.** This item deletes \$18.7 million, all from special revenue funds, due to paying off the IMPACT bonds in FY 2023.
20. **JOB CREATION PROGRAM FUND (JCPF).** This item deletes \$16.5 million, all from the JCPF. The agency was appropriated SGF moneys to replace JCPF funds.
21. **RURAL HOUSING GRANT.** This item deletes \$5.0 million, all from federal funds, for rural housing grant funding that will be fully expended in FY 2023.
22. **TRAVEL AND TOURISM GRANTS.** This item deletes \$3.1 million, all from federal funds, for one-time Travel and Tourism Grants that will be fully expended in FY 2023.
23. **ADVERTISING AND MARKETING AGENCIES.** This item deletes \$1.7 million, all from special revenue funds, based on current contracts with advertising and marketing agencies ending in FY 2023.
24. **COMMUNITY DEVELOPMENT BLOCK GRANTS.** This item deletes \$1.3 million, all from federal funds, for a decrease in the amount of grants the agency expects to receive for FY 2024.
25. **ALL OTHER ADJUSTMENTS.** This item deletes \$752,290, all from special revenue and federal funds, for various other adjustments and revised estimates in federal programs.

## **GOVERNOR'S RECOMMENDATION**

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The **Governor** recommends FY 2024 expenditures of \$178.3 million, including \$26.4 million SGF, and 319.0 FTE positions for FY 2024. This is an increase of \$23.7 million, or 15.3 percent, including an increase of \$26.3 million SGF, above the agency's FY 2023 revised estimate. This increase is primarily attributable to expenditures for the Housing Revolving Loan Program (\$20.0

million) through the Kansas Housing Resources Corporation, which in addition to funding approved for rural housing last year, will be available to address workforce housing needs throughout the state, for the APEX Program (\$6.3 million), and for an early childhood education and care initiative (\$1.0 million). The increase is partially offset by the Governor's recommendation to not approve five of the agency's enhancement request (\$3.6 million).

The **Governor's** recommendation includes the following adjustments:

26. **ENHANCEMENT – SALARY ADJUSTMENT – NOT RECOMMENDED.** Delete \$1.2 million, all from the EDIF, in salaries and wages expenditures to not address the wage gap and disparities between private and public sector employers (Item 1).
27. **ENHANCEMENT – FILM AND TELEVISION INDUSTRY PROGRAM MANAGER – NOT RECOMMENDED.** Delete \$100,000, all from the EDIF, and 1.0 FTE position, to not build a program focused on the recruitment of film and television production companies (Item 7).
28. **ENHANCEMENT – APEX INCENTIVE PROGRAM MANAGER – NOT RECOMMENDED.** Delete \$94,500, all from the EDIF, and 1.0 FTE position, to not recommend the APEX Incentive Program Manager position (Item 11).
29. **ENHANCEMENT – SMALL BUSINESS OFFICE – NOT RECOMMENDED.** Delete \$1.5 million, all from the EDIF, and 1.0 FTE position, to not create a Small Business Office (Item 12).
30. **ENHANCEMENT – RURAL REMOTE WORKER PILOT PROGRAM – NOT RECOMMENDED.** Delete \$700,000, all from the EDIF, to not create a pilot program to encourage new and expanding businesses to hire rural remote workers (Item 13).
31. **HOUSING REVOLVING LOAN PROGRAM.** Add \$20.0 million SGF for the Housing Revolving Loan Program. In addition to funding approved for rural housing, funds will also be available for workforce housing throughout the state.
32. **APEX PROGRAM.** Add \$6.3 million SGF for the APEX program.
33. **EARLY CHILDHOOD EDUCATION AND CARE INITIATIVE.** Add \$1.0 million for an early childhood education and care initiative to allow Kansas communities to implement or expand options to help address issues currently affecting the workforce.

## ENHANCEMENT REQUESTS

The agency submits 13 enhancement requests, totaling \$14.0 million and 11.0 FTE positions for FY 2024.

<b>ENHANCEMENTS</b>					
Item	Agency Request	Agency Request (FTE)	Governor's Recommendation	Governor's Recommendation (FTE)	
1. Salary Increase	\$ 1,200,000	--	\$ -	\$ -	--
2. Returning Kansans Home Marketing Campaign*	3,000,000	--	3,000,000		--
3. Research Division	279,500	2.0	279,500		2.0
4. Office of Rural Prosperity	2,300,000	--	2,300,000		--
5. Salesforce Data Development	500,000	2.0	500,000		2.0
6. Registered Apprenticeship	500,000	1.0	500,000		1.0
7. Film and Television Industry Program Manager	100,000	1.0	-		--
8. International Division	1,200,000	3.0	1,200,000		3.0
9. Tourism Division	2,200,000	--	2,200,000		--
10. Kansas Creative Arts Industries Commission	500,000	--	500,000		--
11. APEX Incentive Program Manager	94,500	1.0	-		--
12. Small Business Office	1,474,500	1.0	-		--
13. Rural Remote Worker Pilot Program	700,000	--	-		--
<b>TOTAL</b>	<b>\$ 14,048,500</b>	<b>11.0</b>	<b>\$ 10,479,500</b>	<b>\$ -</b>	<b>8.0</b>

\*Staff Note: The funding amount for this enhancement request remained the same, but the parameters recommended by the Governor have changed.

- 1. ENHANCEMENT REQUEST – SALARY INCREASE.** This item adds \$1.2 million, all from the EDIF, in salaries and wages expenditures to address the wage gap and disparities between private and public sector employers and to offer competitive wages in order to attract talent.

**The Governor does not recommend adoption of this request.**

- 2. ENHANCEMENT REQUEST – RETURNING KANSANS HOME MARKETING CAMPAIGN.** This item adds \$3.0 million, all from the EDIF, to create a marketing campaign that would focus on recruiting Kansans back home to live and work in Kansas. The agency would contract with public relations firms to conduct research, create strategies, and implement the campaign.

**The Governor recommends adoption of this request but recommends a broader focus to build the state workforce.**

- 3. ENHANCEMENT REQUEST – RESEARCH DIVISION.** This item adds \$279,500, all from the EDIF, and 2.0 FTE positions to create a research division to grow the agency capacity for handling information requests and address a current backlog of work, as well as use a data-driven, strategic approach to economic development.

**The Governor recommends adoption of this request.**

4. **ENHANCEMENT REQUEST – OFFICE OF RURAL PROSPERITY.** This item adds \$2.3 million, all from the EDIF, to fund four projects.
- \$1.5 million for the Historic Economic Asset Lifeline (HEAL) program, which provides grants to help communities in their downtown and community development efforts by addressing gaps in the cost of building improvement projects;
  - \$500,000 for Emergency HEAL programs, which provides as-needed grants to help save buildings that are at a high risk of loss should the community have a fire, heavy rain, heavy snow, or windstorm;
  - \$150,000 for Rural Champions program, which provides small grants to support the rural development projects. The program supports a network of individuals who address critical community projects and identify needs integral for rural prosperity. These funds are a match for the Patterson Family Foundation Grant; and
  - \$150,000 for Murals and Public Art Initiative to provide additional funding to grow the number of murals in rural communities.

**The Governor recommends adoption of this request.**

5. **ENHANCEMENT REQUEST – SALESFORCE DATA DEVELOPMENT.** This item adds \$500,000, all from the EDIF, and 2.0 FTE positions to complete integration of data into the Salesforce platform. The agency utilizes Salesforce for grant management, economic development projects, contact list management, incentive programs, and application portals.

A Marketing Cloud Administrator would work closely with the Office of Rural Prosperity for integration and be responsible for building customer experiences within Salesforce while optimizing automation tools. The Salesforce Developer will make scalable Salesforce applications to allow the agency to meet the changing needs of the agency.

**The Governor recommends adoption of this request.**

6. **ENHANCEMENT REQUEST – REGISTERED APPRENTICESHIP.** This item adds \$500,000, all from the EDIF, and 1.0 FTE position for the newly established Office of Registered Apprenticeship. The request will support expansion of efforts to create pilot projects and allow for significant growth across the state, allowing the office and Kansas Apprenticeship Council to execute its strategic plan.

**The Governor recommends adoption of this request.**

7. **ENHANCEMENT REQUEST – FILM AND TELEVISION INDUSTRY PROGRAM MANAGER.** This item adds \$100,000, all from the EDIF, and 1.0 FTE position to build a program focused on the recruitment of film and television production companies. This position would focus on developing a film and local media ecosystem in the state, develop a workforce to support the film and television industry, and manage the Film Tax Credit program.

**The Governor does not recommend adoption of this request.**

8. **ENHANCEMENT REQUEST – INTERNATIONAL BUSINESS DIVISION.** This item adds \$1.2 million, all from the EDIF, and 3.0 FTE positions to allow the agency to hire new staff, cover general operating expenses, and continue to recruit additional foreign direct investment and market Kansas internationally. This enhancement includes international travel (\$200,000) and establishment of a Japan office.

**The Governor recommends adoption of this request.**

9. **ENHANCEMENT REQUEST – TOURISM DIVISION.** This item adds \$2.2 million, all from the EDIF, to create a marketing campaign and fund the Attraction Development Grant Program (ADGP). Additional marketing funding will allow the division to expand its efforts to new markets, increase visibility, and allow for greater advertising frequency. ADGP is designed to assist in the development of experiences that will influence travel decisions and create economic impact through job creation, capital investment, revenue, and visitation in Kansas. The grant is intended to assist in developing new or enhancing existing tourism attractions and requires a 40.0 percent local match.

**The Governor recommends adoption of this request.**

10. **ENHANCEMENT REQUEST – KANSAS CREATIVE ARTS INDUSTRIES COMMISSION (KCAIC).** This item adds \$500,000, all from the EDIF, to expand workforce development and entrepreneurship in the creative sector. The agency indicates these activities are currently restricted under National Endowment for the Arts (NEA) regulations.

**The Governor recommends adoption of this request.**

11. **ENHANCEMENT REQUEST – APEX INCENTIVE PROGRAM MANAGER.** This item adds \$94,500, all from the EDIF, and 1.0 FTE position dedicated to overseeing this incentive program. The agency indicates this position would be similar to program manager positions that oversee the High Performance Incentive Program (HPIP), Promoting Employment Across Kansas (PEAK) program, and the Kansas Industrial Training and Kansas Industrial Retraining (KITKIR).

**The Governor does not recommend adoption of this request.**

12. **ENHANCEMENT REQUEST – SMALL BUSINESS OFFICE.** This item adds \$1.5 million, all from the EDIF, and 1.0 FTE position to create a Small Business Office to assist in coordination of current small business service providers, create a central portal for registering small businesses, and assist in the success of small businesses.

**The Governor does not recommend adoption of this request.**

13. **ENHANCEMENT REQUEST – RURAL REMOTE WORKER PILOT PROGRAM.** This item adds \$700,000, all from the EDIF, to create an incentive program to encourage new and expanding businesses to hire rural remote workers. Eligible companies must create a minimum of five net new rural remote jobs in Kansas. The cash incentive is \$4,000 per net new rural remote job and is awarded after one year of maintaining the full-time permanent position in rural Kansas. Rural Remote Worker Employment Program awards may be in addition to other incentive awards.

**The Governor does not recommend adoption of this request.**

## PROGRAM AND PERFORMANCE MEASURES OVERVIEW

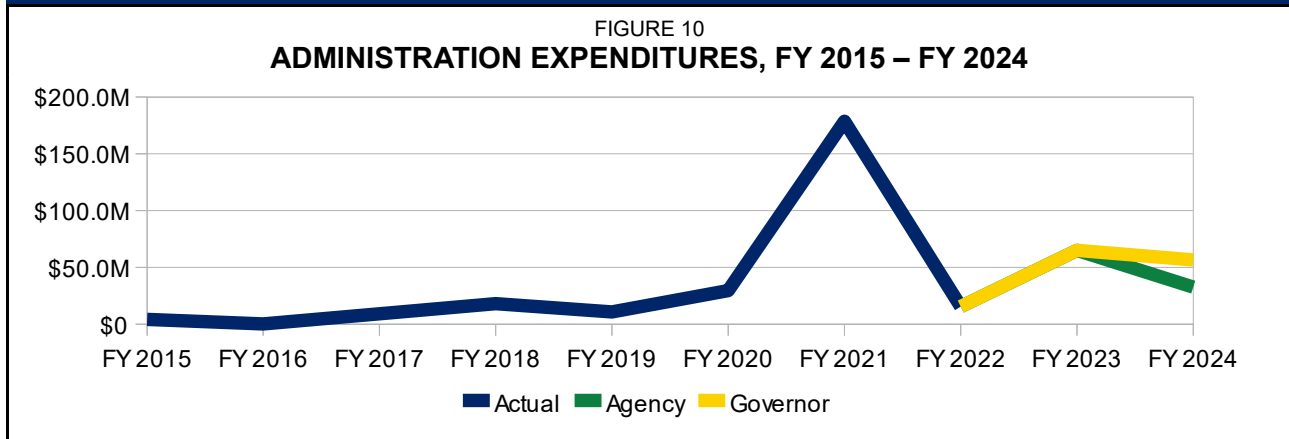
FIGURE 9  
**EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024**

Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
<b>Expenditures:</b>					
Administration	\$ 15,998,866	\$ 65,064,855	\$ 65,064,855	\$ 32,693,998	\$ 56,569,498
Business	6,978,795	35,909,013	35,909,013	14,710,760	14,616,260
Development					
Workforce Services	67,940,658	50,228,965	50,228,965	32,042,899	32,042,899
Community	29,722,524	21,338,066	21,338,066	20,134,304	20,034,304
Development					
International Business	1,035,553	1,233,374	1,233,374	2,271,611	2,271,611
Tourism	5,189,873	9,025,900	9,025,900	7,206,461	7,206,461
Economic	55,719	50,351,951	50,351,951	45,353,554	45,353,554
Development					
Structure					
Debt Service	133,231	-	-	-	-
Capital Improvements	-	108,100	108,100	238,100	238,100
<b>TOTAL</b>	<b>\$ 127,055,219</b>	<b>\$ 233,260,224</b>	<b>\$ 233,260,224</b>	<b>\$ 154,651,687</b>	<b>\$ 178,332,687</b>
<b>FTE Positions:</b>					
Administration	101.0	98.0	98.0	103.0	102.0
Business	27.0	27.0	27.0	27.0	26.0
Development					
Workforce Services	149.0	149.0	149.0	150.0	150.0
Community	16.0	16.0	16.0	17.0	16.0
Development					
International Business	6.0	6.0	6.0	9.0	9.0
Tourism	14.0	14.0	14.0	13.0	13.0
Economic	-	3.0	3.0	3.0	3.0
Development					
Structure					
Debt Service	-	-	-	-	-
Capital Improvements	-	-	-	-	-
<b>TOTAL</b>	<b>313.0</b>	<b>313.0</b>	<b>313.0</b>	<b>322.0</b>	<b>319.0</b>

### **PERFORMANCE MEASURES**

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

## ADMINISTRATION



**STATUTORY BASIS:** • KSA 74-5002y, KSA 74-50, 183, IKE Transportation Plan 2020 SB 173; Executive Order 20.67

- PROGRAM GOALS:**
- Athletic Commission—Regulate and facilitate high quality competitive sporting events, while protecting the health and welfare of all participants and spectators.
  - America’s Job Link Alliance—Increase revenue by 10.0 percent.
  - Broadband—Award infrastructure grants to expand broadband availability to premises where needed.
  - Office of Rural Prosperity—Collaborate with other state and local partners to increase or improve housing program opportunities, and provide support for communities in developing or redeveloping housing.
  - Workforce AID—Utilize new and innovative industry-driven talent solutions to develop short-term, customized training projects with employers and education.

The Administration Program 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, Kansas Bioscience Authority, Office of Rural Prosperity, Office of Broadband Development, and America’s Job Link Alliance (AJLA).

The goals of the Administration Division are to provide leadership, communication, and an overall high level of customer service to the agency in support of its broader mission of economic development in the state. The

division strives to use progressive technology to improve productivity and efficiency in support of quality business processes.

Responsibilities within the division include managing the recruitment process for the agency, including the associates located in the various workforce centers across the state; distributing press releases and developing marketing efforts for the numerous business development and workforce services events; supporting information technology infrastructure and software; and timely and accurate processing of all fiscal-related documents, including all fiscal federal reporting, budget preparation, and monitoring.



FIGURE 11  
**ADMINISTRATION, PERFORMANCE MEASURES**

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
<b>Outcome Measure:</b>					
1. AJLA - Number of states using JobLink software*	9	9	9	9	9
2. Athletic Commission - Number of events sanctioned	39	51	49	65	70
3. Workforce AID - Number of new projects with schools, companies*	1	2	2	8	10
<b>Output Measure:</b>					
4. AJLA - Average webpage views (thousands)*	-	18.8	--	18.8	18.8
5. Athletic Commission - Number of fighters, promoters, referees, judges, and doctors certified	324	530	447	560	580
<b>Financing</b>	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 10,000	\$ -		\$ 20,125,000	\$ 26,376,616
Federal Funds	171,893,663	1,793,552		22,530,965	1,492,458
All Other Funds	6,797,437	14,205,314		22,408,890	28,700,424
<b>TOTAL</b>	<u>\$ 178,701,100</u>	<u>\$ 15,998,866</u>		<u>\$ 65,064,855</u>	<u>\$ 56,569,498</u>
<b>Percentage Change:</b>					
SGF	(60.0) %	(100.0) %		-- %	31.1 %
All Funds	542.9 %	(91.0) %		306.7 %	(13.1) %
FTE Positions	96.5	101.0		98.0	102.0

\*The Governor's Office does not utilize this measure for evaluation purposes.

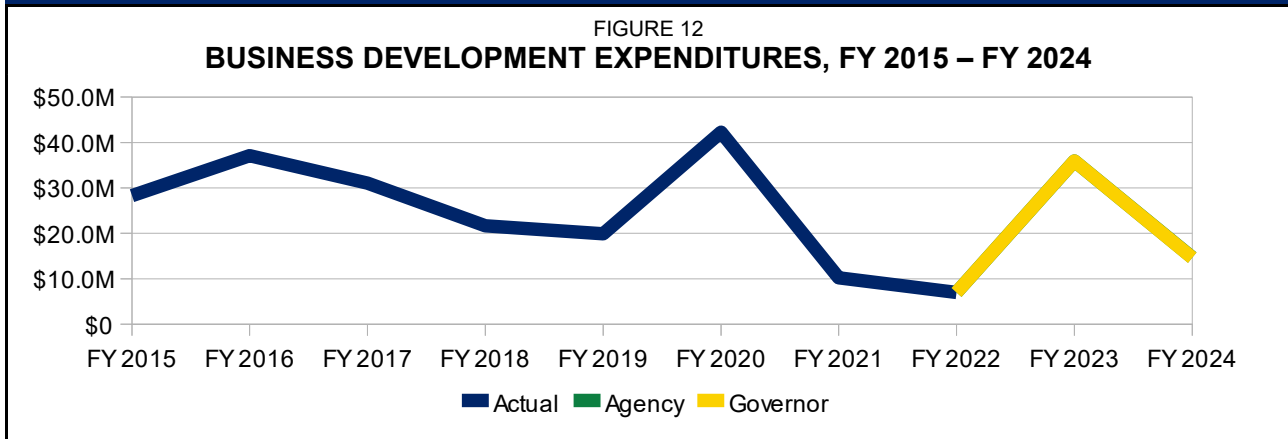
## BUDGET ANALYSIS

The agency requests FY 2024 Administration Program expenditures of \$32.7 million, which is a decrease of \$32.4 million, or 49.8 percent, below the FY 2023 revised estimate. The decrease is attributable to one-time funds for moderate-income housing (\$20.0 million) and a federal State Small Business Credit Initiative (\$21.0 million) being expended in FY 2023 that do not reoccur in FY 2024. This is partially offset by increased EDIF funding for seven enhancement requests (\$9.5 million).

The **Governor** recommends FY 2024 Administration Program expenditures of \$56.6 million, which is an increase of \$23.9 million, or 73.0 percent, above the agency's FY 2024

request. This increase is primarily attributable to expenditures for the Housing Revolving Loan Program (\$20.0 million) through the Kansas Housing Resources Corporation, which in addition to funding approved for rural housing last year, will be available to address workforce housing needs throughout the state, for the APEX Program (\$6.3 million), and for an early childhood education and care initiative (\$1.0 million). The increase is partially offset by the Governor's recommendation to not adopt the agency's enhancement requests for market rate salary increases (\$1.2 million), the small business office (\$1.5 million), and the rural remote worker pilot program (\$700,00).

## BUSINESS DEVELOPMENT



**STATUTORY BASIS:** • Discretionary

**PROGRAM GOALS:** • Increase new business to Kansas.  
• Retain businesses in Kansas.

The Business Development Division plays a lead role in promoting economic and rural development for Kansas. The division works with existing Kansas companies and out-of-state companies to attract new jobs and investment to the state. The program also

assists city and county governments and small businesses in rural communities.

Some of the tools offered to businesses by this program are not direct expenditures from this program, but are tax credits and reduced financing options.

FIGURE 13  
**BUSINESS DEVELOPMENT, PERFORMANCE MEASURES**

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
<b>Outcome Measure:</b>					
1. Number of jobs created or retained through business development efforts	17,241	8,521	13,407	10,850	10,850
2. Private capital investment (in billions) in Kansas through Commerce programs*	\$ 4.3	\$ 2.6	\$ 2.8	\$ 5.0	\$ 4.0
3. Number of jobs created or retained through business development recruitment efforts*	7,397	3,336	4,540	4,620	4,620
4. Number of jobs created or retained through retention/expansion efforts*	9,844	5,185	8,718	6,230	6,230
<b>Output Measure:</b>					
5. Number of projects opened by business development staff	519	403	415	423	444
6. Number of business recruitment projects opened*	149	126	138	160	175
7. Percent of business recruitment projects won*	15.0%	19.0%	16.0%	20.0%	20.0%
8. Number of projects being finalized at fiscal year end*	N/A	21	--	25	25
<b>Financing</b>	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 4,001,013	\$ 1,630,000		\$ 4,703,107	\$ -
Federal Funds	(140,583)	715		800	800
All Other Funds	6,374,403	5,348,080		31,205,106	14,615,460
<b>TOTAL</b>	<u>\$ 10,234,833</u>	<u>\$ 6,978,795</u>		<u>\$ 35,909,013</u>	<u>\$ 14,616,260</u>
<b>Percentage Change:</b>					
SGF	100.0 %	(59.3) %		188.5 %	(100.0) %
All Funds	(75.8) %	(31.8) %		414.5 %	(59.3) %
FTE Positions	25.6	27.0		27.0	26.0

\*The Governor's Office does not utilize this measure for evaluation purposes.

## BUDGET ANALYSIS

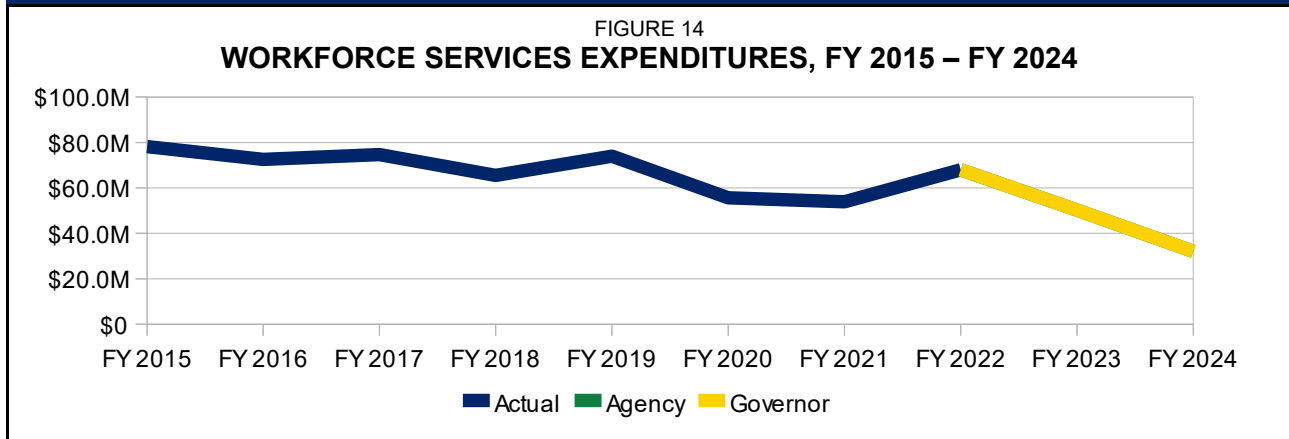
### FY 2024 BUDGET

The agency requests FY 2024 Business Development Division expenditures of \$14.7 million, which is a decrease of \$21.2 million, or 59.0 percent, below the FY 2023 revised estimate. This decrease is attributable to a reduction of \$4.7 million for KBA commitments that are anticipated to be completed in FY 2023, as well as a reduction of \$16.5 million in decreased expenditures for the Job Creation Program Fund. This is partially offset by an

enhancement request for an APEX Incentive Program Manager (\$94,500).

The **Governor** recommends FY 2024 Business Development expenditures of \$14.6 million, which is a decrease of \$94,500, or 0.6 percent, below the agency's FY 2024 request. This decrease is attributable to the Governor not recommending adoption of the APEX Incentive Program Manager enhancement request.

## WORKFORCE SERVICES



**STATUTORY BASIS:** • Workforce Innovation Opportunity Act (WIOA)

**PROGRAM GOALS:**

- Customer Service.
- Performance Accountability and Transparency.
- System Messaging and Awareness.
- Technology Integration.

The Workforce Services Division links businesses, job candidates, and educational institutions to ensure that employers can find skilled workers. The division accomplishes this by partnering with Local Workforce Development Boards (LWDBs) 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.

### BUDGET ANALYSIS

#### FY 2024 BUDGET

The agency requests FY 2024 Workforce Services Division expenditures of \$32.0 million, which is a decrease of \$18.2 million, or 36.2 percent, below the FY 2023 revised estimate. This decrease reflects paying off the Investments in Major Projects and Comprehensive Training (IMPACT) Program

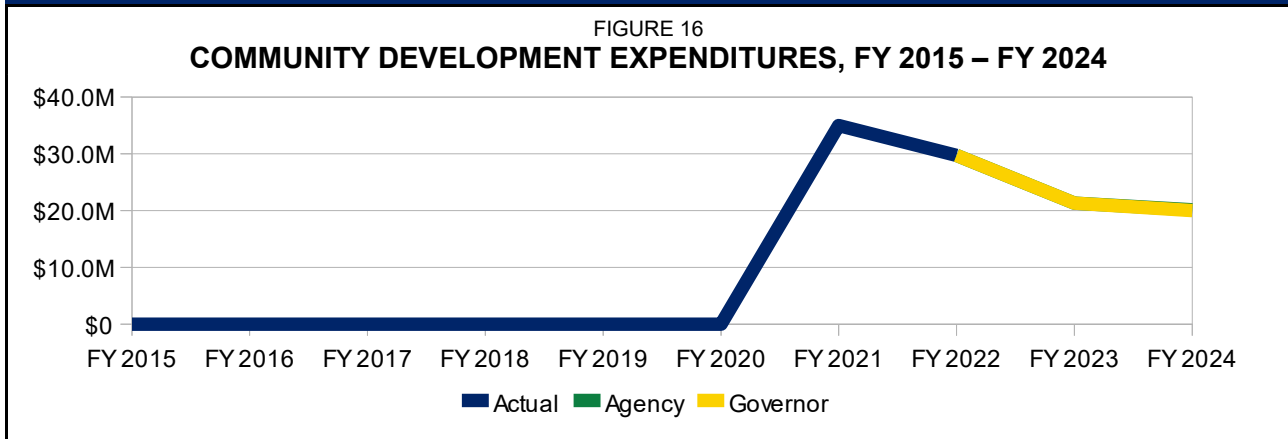
bonds (\$18.6 million) in FY 2023. This is partially offset by an enhancement request for the Office of Registered Apprenticeship (\$500,000).

The **Governor** concurs with the agency's FY 2024 budget request.

FIGURE 15  
**WORKFORCE SERVICES, PERFORMANCE MEASURES**

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
<b>Outcome Measure:</b>					
1. Number of Customer Service Survey Responses*	5,037	2,414	6,688	2,462	2,512
2. Number of jobs created or retained	10,941	17,535	13,608	17,886	18,243
3. Number of participants trained*	3,765	1,668	4,447	1,701	1,735
4. Percentage entered employment (Adult) 2 <sup>nd</sup> quarter after exit*	72.4%	75.2%	74.4%	76.7%	78.2%
<b>Output Measure:</b>					
5. Number of participants served with core services	19,143	21,318	27,728	21,744	22,179
6. Number of Job Orders*	318,342	71,215	186,615	72,639	74,092
7. Number of job seeker resumes*	35,630	8,691	17,039	8,865	9,042
<b>Financing</b>	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	28,842,493	43,034,212		28,975,018	29,011,566
All Other Funds	25,050,618	24,906,446		21,253,947	3,031,333
<b>TOTAL</b>	<u>\$ 53,893,111</u>	<u>\$ 67,940,658</u>		<u>\$ 50,228,965</u>	<u>\$ 32,042,899</u>
<b>Percentage Change:</b>					
SGF	-- %	-- %		-- %	-- %
All Funds	(3.2) %	26.1 %		(26.1) %	(36.2) %
FTE Positions	169.0	149.0		149.0	150.0
*The Governor's Office does not utilize this measure for evaluation purposes.					

## COMMUNITY DEVELOPMENT



**STATUTORY BASIS:** • Discretionary

**PROGRAM GOALS:**

- Provide direct technical assistance in planning, development, housing resources, and funding preparation for Community Development programs.
- Provide program support and community assistance for community development programs.

The Community Development Division was reestablished at Commerce in collaboration with the Lt. Governor’s Office of Rural Prosperity under the agency. The existing Community Development programs and personnel were separated from Business Development to form the new Community Development Division. With the restoration of

the division, Kansas Main Street was reestablished as a program within the division, a division director was hired to provide oversight and coordination among the programs and services for maximum effectiveness, and additional staff is being added to support the Office of Broadband Development.

FIGURE 17  
**COMMUNITY DEVELOPMENT, PERFORMANCE MEASURES**

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
<b>Outcome Measure:</b>					
1. Number of grant applications received by Community Development programs*	296	582	--	320	330
2. Total amount of community leverage through Community Development programs*	\$ 63,496,000	\$ 38,035,037	--	\$ 34,906,177	\$ 34,372,650
<b>Output Measure:</b>					
3. Number of housing units rehabilitated*	N/A	80	--	120	130
4. Number of community development projects/activities completed*	N/A	229	--	275	300
<b>Financing</b>	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	32,273,741	25,992,589		18,456,093	17,441,687
All Other Funds	2,697,877	3,729,935		2,881,973	2,592,617
<b>TOTAL</b>	<u>\$ 34,971,618</u>	<u>\$ 29,722,524</u>		<u>\$ 21,338,066</u>	<u>\$ 20,034,304</u>
<b>Percentage Change:</b>					
SGF	-- %	-- %		-- %	-- %
All Funds	100.0%	(15.0) %		(28.2) %	(6.1) %
FTE Positions	15.0	16.0		16.0	16.0

\*The Governor's Office does not utilize this measure for evaluation purposes.

## BUDGET ANALYSIS

### FY 2024 BUDGET

The agency requests FY 2024 Community Development Division expenditures of \$20.1 million, which is a decrease of \$1.2 million, or 5.6 percent, below the FY 2023 revised estimate. This decrease is primarily attributable to a decrease in community block grants expected to be received from the federal government (\$1.0 million) as well as state community development funds (\$400,000). This is partially offset by two enhancement requests within the Community Development program, which include a Film and Television Industry

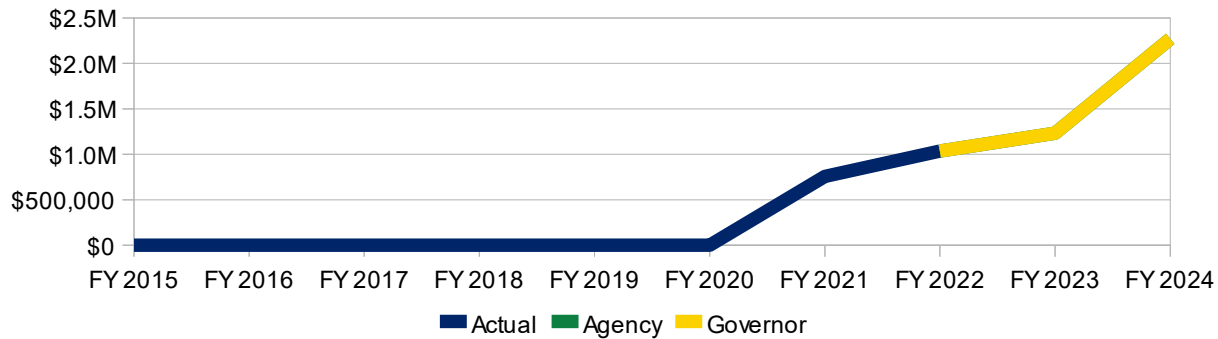
Program Manager (\$100,000) and expansion of the Kansas Creative Arts Industries Commission (\$500,000).

The **Governor** recommends FY 2024 Community Development Division expenditures of \$20.0 million, which is a decrease of \$100,000, or 0.5 percent, below the agency's FY 2024 request. This decrease is attributable to the Governor not recommending adoption of the Film and Television Industry Program Manager enhancement request.

## INTERNATIONAL BUSINESS

FIGURE 18

### INTERNATIONAL BUSINESS EXPENDITURES, FY 2015 – FY 2024



**STATUTORY BASIS:** • Discretionary

**PROGRAM GOALS:** • Increase the number of Kansas exporters and Kansas exporter market diversification.  
• Recruit international businesses to establish facilities and create jobs in Kansas.

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 comprise the agency's overall mission, to help Kansas capitalize on opportunities in the global economy.

The International Division became a standalone division within the agency in FY 2021 after having been eliminated as a separate business unit in FY 2013.

Prior to FY 2021, the international export promotion and international business recruitment functions were managed by a much smaller staff operating out of the Business Development Division.

In preparation for the reemergence of the International Division in FY 2021, several administrative actions were taken. These included the hiring of a new Division Director as well as the hiring of two other professional staff to enable the division to better address its main mission.

FIGURE 19

### INTERNATIONAL BUSINESS, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
<b>Outcome Measure:</b>					
1.Capital Investments (in Millions)*	\$ -	\$ 144	--	\$ 65	\$ 80
2.Successful projects*	-	4	--	4	6
3.Jobs created*	-	300	--	200	325
<b>Output Measure:</b>					
4.Number of webinars*	-	7	--	10	10
5.Number of webinar attendees*	-	385	--	350	400
6.Number of trade missions*	-	1	--	3	4
7.Number of investment projects opened*	-	32	--	30	40
8.Number of business visits*	-	120	--	175	225
9.Percent of investment projects approved*	-	12.5%	--	25.0 %	25.0 %



Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	13,300	177,798		226,500	226,500
All Other Funds	743,839	857,755		1,006,874	2,045,111
<b>TOTAL</b>	<u>\$ 757,139</u>	<u>\$ 1,035,553</u>		<u>\$ 1,233,374</u>	<u>\$ 2,271,611</u>
<b>Percentage Change:</b>					
SGF	-- %	-- %		-- %	-- %
All Funds	-- %	36.8 %		19.1 %	84.2 %
FTE Positions	5.4	6.0		6.0	9.0

\*The Governor's Office does not utilize this measure for evaluation purposes.

## BUDGET ANALYSIS

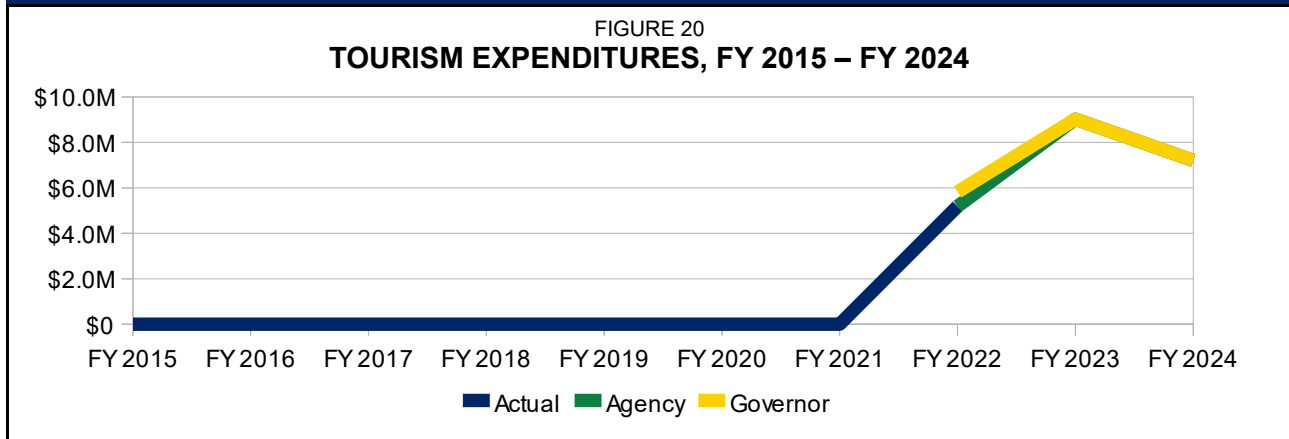
### FY 2024 BUDGET

The agency requests FY 2024 International Business Division expenditures of \$2.3 million, which is an increase of \$1.0 million, or 84.2 percent, above the FY 2023 revised estimate. This increase is primarily attributable to the enhancement request for this program to

expand international business affairs (\$1.2 million).

The **Governor** concurs with the agency's FY 2024 request.

## TOURISM



**STATUTORY BASIS:** • KSA 32-1403

- PROGRAM GOALS:**
- Increase number of visitors to Kansas.
  - Increase Statewide Transient Guest Tax Collections.
  - Increase visitor spending.
  - Increase number of registered Agritourism businesses.

The Tourism Division mission 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 a better quality of life for all Kansans' and economic prosperity. Programs from the Kansas Tourism Division are built to ensure that all travelers feel welcome and are provided the resources they need to create positive experiences in Kansas.

The Tourism Division markets the state's travel and tourism opportunities to the general public. The division's efforts also include promotion to travel media and specific niche markets such as group tour leaders, sports event coordinators, and meeting planners. Primary focus is placed on increasing out-of-state visitation with the secondary focus on

building state pride for Kansans' by encouraging them to travel throughout the state. Marketing initiatives include platforms such as TravelKS.com, travel publications, multiple social media sites, print advertising, digital advertising, e-newsletters, photography, and videography. The Tourism Division also operates the Travel Information Centers in Goodland and Belle Plaine. These centers serve an important role in welcoming and orienting visitors to Kansas and by showcasing Kansas experiences and opportunities.

The Tourism Division also produces KANSAS! magazine, a lifestyle publication geared toward creating state pride among Kansans. The Tourism Division is also responsible for the Kansas Byways program and the Kansas Agritourism program.

FIGURE 21  
**TOURISM, PERFORMANCE MEASURES**

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
<b>Outcome Measure:</b>					
1. Number of visitors to Kansas	31,400,000	33,700,000	33,866,667	34,000,000	35,500,000
2. Amount of statewide Transient Guest Tax collections	\$ 32,662,414	\$ 51,430,093	\$ 41,652,726	\$ 57,000,000	\$ 60,000,000
3. Visitor spending in the state (in Billions)	\$ 5.4	\$ 7.0	\$ 6.6	\$ 7.5	\$ 7.5
<b>Output Measure:</b>					
4. Number of registered Agritourism businesses in Kansas*	395	428	389	435	440
<b>Financing</b>					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ 10,000		\$ 73,500	\$ -
Federal Funds	-	1,056,017		3,100,000	-
All Other Funds	-	4,123,856		5,852,400	7,206,461
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 5,189,873</b>		<b>\$ 9,025,900</b>	<b>\$ 7,206,461</b>
<b>Percentage Change:</b>					
SGF	-- %	-- %		635.0 %	(100.0) %
All Funds	-- %	100.0 %		73.9 %	(20.2) %
FTE Positions	12.0	14.0		14.0	13.0

\*The Governor's Office does not utilize this measure for evaluation purposes.

## BUDGET ANALYSIS

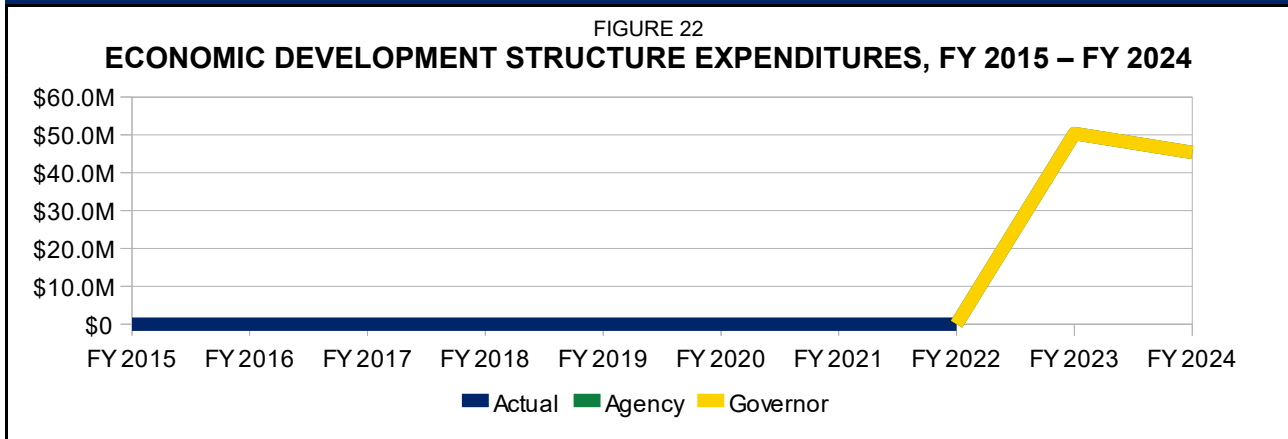
### FY 2024 BUDGET

The agency requests FY 2024 Tourism Division expenditures of \$7.2 million, which is a decrease of \$1.8 million, or 20.2 percent, below the FY 2023 revised estimate. This decrease is primarily attributable to a decrease in contracts with advertising and marketing agencies (\$1.7 million) as well as one-time travel and tourism grant funding for local units of government

being expended (\$1.5 million). This is partially offset by the enhancement request for the Tourism Division to create a marketing campaign and fund the Attraction Development Grant Program (ADGP).

The **Governor** concurs with the agency's FY 2024 budget.

## ECONOMIC DEVELOPMENT STRUCTURE



**STATUTORY BASIS:** • N/A  
**PROGRAM GOALS:** • N/A

The Economic Development Structure includes funding for Building a Stronger Economy (BASE) grants to support building development and modernization of business facilities in Kansas communities. The structure encompasses all of the American Rescue Plan Act state relief that the Department of Commerce has or is expected to receive. This

FIGURE 23  
**ECONOMIC DEVELOPMENT STRUCTURE, PERFORMANCE MEASURES**

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
There were no performance measures submitted for this program.					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	55,719		50,351,951	45,353,554
All Other Funds	-	-		-	-
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 55,719</b>		<b>\$ 50,351,951</b>	<b>\$ 45,353,554</b>
<b>Percentage Change:</b>					
SGF	-- %	-- %		-- %	-- %
All Funds	-- %	-- %		90,267.7 %	(9.9) %
FTE Positions	-	-		3.0	3.0

### PERFORMANCE AND BUDGET ANALYSIS

#### FY 2024 BUDGET

The agency requests FY 2024 Economic Development Structure expenditures of \$45.4 million, which is an increase of \$1,603, or less than 0.1 percent, above the FY 2023 revised estimate.

The **Governor** concurs with the agency's FY 2024 request.

## CAPITAL IMPROVEMENTS

The Kansas Department of Commerce has capital improvement expenditures for the 25 Workforce Centers in Kansas.

FIGURE 24  
**CAPITAL IMPROVEMENTS, FY 2022 – FY 2024**

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
<b>Capital Projects:</b>					
Topeka WFC - Plumbing	\$ -	\$ 108,100	\$ 108,100	\$ -	\$ -
Topeka WFC - Elevator	-	-	-	238,100	238,100
<i>Subtotal–Projects</i>	<u>\$ -</u>	<u>\$ 108,100</u>	<u>\$ 108,100</u>	<u>\$ 238,100</u>	<u>\$ 238,100</u>
<b>Debt Service Principal:</b>					
Workforce Services Center	\$ 130,000	\$ -	\$ -	\$ -	\$ -
<i>Subtotal–Debt</i>	<u>\$ 130,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL</b>	<u><b>\$ 130,000</b></u>	<u><b>\$ 108,100</b></u>	<u><b>\$ 108,100</b></u>	<u><b>\$ 238,100</b></u>	<u><b>\$ 238,100</b></u>
<b>Financing:</b>					
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	8,100	8,100	8,100	8,100
All Other Funds	130,000	100,000	100,000	230,000	230,000
<b>TOTAL</b>	<u><b>\$ 130,000</b></u>	<u><b>\$ 108,100</b></u>	<u><b>\$ 108,100</b></u>	<u><b>\$ 238,100</b></u>	<u><b>\$ 238,100</b></u>

### FY 2023 CAPITAL IMPROVEMENTS

The **agency** submits capital improvement expenditures totaling \$108,100 in the FY 2023 revised estimate. This funding will be for a plumbing project at the Topeka Workforce Center to update restroom fixtures, install

automatic flush valves, and inspect and repair all waste lines.

The **Governor** concurs with the agency's FY 2023 revised estimate.

### FY 2024 CAPITAL IMPROVEMENTS

The **agency** requests capital improvement expenditures totaling \$238,100 for FY 2024. This funding will be used to modernize one elevator at the Topeka Workforce Center.

The **Governor** concurs with the agency's FY 2024 request.