

Senate Subcommittee Report

Agency: Kansas Department of Commerce **Bill No.** SB 514

Bill Sec. 50

Analyst: Caine

Budget Analysis Vol. 1, page 448

GBR Vol. 2, page 80

Expenditure Summary	Agency Request FY 2025	Governor Recommendation FY 2025	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 131,238	\$ 45,631,238	\$ 9,300,000
Federal Funds	86,754,734	86,754,734	28,000,000
Other Funds	75,969,585	75,869,585	0
<i>Subtotal</i>	\$ 162,855,557	\$ 208,255,557	\$ 37,300,000
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	100,000	100,000	0
<i>Subtotal</i>	\$ 100,000	\$ 100,000	\$ 0
TOTAL	\$ 162,955,557	\$ 208,355,557	\$ 37,300,000
FTE positions	318.0	320.0	(3.0)

Agency Request

The **agency** requests \$163.0 million, including \$131,238 SGF, in expenditures and 318.0 FTE positions for FY 2025. This is an all funds decrease of \$164.7 million, or 50.3 percent, below the agency's revised estimate. The decrease is primarily attributable to the conclusion of one-time projects or available funds. This is offset by two enhancement requests: Kansas Creative Arts Industries Commission (\$500,000) and a Film Tax Credit support position (\$100,000 and 1.0 FTE position).

Governor's Recommendation

The **Governor** recommends FY 2025 expenditures of \$208.4 million, including \$45.6 million SGF, and 320.0 FTE positions. This is an increase of \$45.4 million, or 27.9 percent, above the agency's FY 2025 revised estimate. The increase is primarily attributable to funding the following programs for FY 2025:

- World Cup (\$20.0 million);
- Moderate Income Housing (\$10.0 million);
- Apprenticeship and Business Partnership (\$8.0 million);
- Swope Health Project (\$4.5 million);
- Housing and Workforce Development Program (\$2.0 million);
- Micro-internships (\$500,000); and
- Youth career exploration (\$500,000).

The Governor recommends 320.0 FTE positions, which is an increase of 2.0 FTE positions above the agency's FY 2025 request. The increase is attributable to the addition of 3.0 FTE positions for Business Development and the deletion of 1.0 FTE position for the Film Tax Credit support position.

Joint Committee on State Building Construction Recommendation

The **Joint Committee** concurs with the Governor's recommendation for FY 2025.

Senate Committee on Commerce Recommendation

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

1. Add \$38.4 million SGF to continue the development of Maintenance, Repair, and Overhaul (MRO) of airplanes at the airports in Salina (\$35.0 million with a \$1 to \$1 match) and Topeka (\$3.4 million) for FY 2025.
2. Delete \$20.0 million SGF for the 2026 World Cup Games for FY 2025. Add \$28.0 million, all from federal ARPA funds, for the 2026 World Cup Games for FY 2025.
3. Delete \$8.0 million SGF and 3.0 FTE positions for the Apprenticeship & Business Partnership for FY 2025. Recommend the Senate Committee on Ways and Means add \$14.3 million to the Kansas Board of Regents FY 2025 budget for this purpose.
4. Delete \$500,000 SGF for the Kansas Creative Arts Industries Commission for FY 2025. Add language requiring the Kansas Creative Arts Industries Commission to provide the Legislature and the Senate Committee on Commerce with information regarding their operation, grants previously provided, and how current funds are used.
5. Delete \$500,000 SGF for HirePaths for FY 2025. Recommend the Senate Committee on Ways and Means add \$500,000 to the Kansas State Department of Education FY 2025 budget for this purpose.
6. Delete \$50,000 EDIF for public broadcasting grants for FY 2025. Recommend the Senate Committee on Ways and Means transfer these funds to the State Highway Fund and provide a 2.5 percent salaries and wages increase for part-time Highway Patrol officers for FY 2025.

Senate Committee on Ways and Means Recommendation

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

1. Add \$38.4 million SGF to continue the development of Maintenance, Repair, and Overhaul (MRO) of airplanes at the airports in Salina (\$35.0 million with a \$1 to \$1 match) and Topeka (\$3.4 million) for FY 2025.
2. Add \$10.0 million, all from the State Highway Fund, for the Kansas Air Service Development Incentive program for grants to primary airports for FY 2025. Add language directing the Department of Commerce to form a selection committee to evaluate such applications and limiting a single commercial service airport to be

awarded no more than \$2.0 million. Further, add language requiring all grant moneys to be deposited in an interest-bearing escrow account and a minimum revenue guarantee agreement to be executed and describe the thresholds that must be met for further grant moneys.

3. Transfer \$2.0 million, all from the Attracting Professional Sports to Kansas fund, and add \$2.0 million, all from the Existing Horse Racing Facility Remodel fund, for a grant to remodel an existing horse racing facility in a Kansas county with a population between 6,000 and 6,100 as of the 2020 census for FY 2025.
 4. Add \$200,000 EDIF for public broadcasting for FY 2025.
 5. Transfer \$200,000, all from Attracting Professional Sports to Kansas fund, and add \$200,000, all from the Kansas Sports Hall of Fame Support fund, for FY 2025. Add language requiring a fundraiser progress report be submitted to the Senate Committee on Ways and Means and the House Committee on Appropriations by January 31, 2025.
 6. Delete \$20.0 million SGF for the 2026 World Cup games for FY 2025. Add \$28.0 million, all from federal ARPA funds, for the 2026 World Cup Games for FY 2025. If federal funds are not available or eligible, use special revenue funds or SGF for this purpose.
 7. Delete \$8.0 million SGF and 3.0 FTE positions for the Apprenticeship & Business Partnership for FY 2025.
 8. Delete \$500,000 SGF for HirePaths for FY 2025.
-
-

House Budget Committee Report

Agency: Kansas Department of Commerce **Bill No.** HB 2802

Bill Sec. 50

Analyst: Caine

Budget Analysis Vol. --

GBR Vol. 2, page 80

Expenditure Summary	Agency Request FY 2025	Governor Recommendation FY 2025	House Budget Committee Adjustments
<i>Operating Expenditures:</i>			
State General Fund	\$ 131,238	\$ 45,631,238	\$ 0
Federal Funds	86,754,734	86,754,734	0
Other Funds	75,969,585	75,869,585	0
<i>Subtotal</i>	\$ 162,855,557	\$ 208,255,557	\$ 0
<i>Capital Improvements:</i>			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	100,000	100,000	0
<i>Subtotal</i>	\$ 100,000	\$ 100,000	\$ 0
TOTAL	\$ 162,955,557	\$ 208,355,557	\$ 0
FTE positions	318.0	320.0	(3.0)

Agency Request

The **agency** requests \$163.0 million, including \$131,238 SGF, in expenditures and 318.0 FTE positions for FY 2025. This is an all funds decrease of \$164.7 million, or 50.3 percent, below the agency's revised estimate. The decrease is primarily attributable to the conclusion of one-time projects or available funds. This is offset by two enhancement requests: Kansas Creative Arts Industries Commission (\$500,000) and a Film Tax Credit support position (\$100,000 and 1.0 FTE position).

Governor's Recommendation

The **Governor** recommends FY 2025 expenditures of \$208.4 million, including \$45.6 million SGF, and 320.0 FTE positions. This is an increase of \$45.4 million, or 27.9 percent, above the agency's FY 2025 revised estimate. The increase is primarily attributable to funding the following programs for FY 2025:

- World Cup (\$20.0 million);
- Moderate Income Housing (\$10.0 million);
- Apprenticeship and Business Partnership (\$8.0 million);
- Swope Health Project (\$4.5 million);
- Housing and Workforce Development Program (\$2.0 million);

- Micro-internships (\$500,000); and
- Youth career exploration (\$500,000).

The Governor recommends 320.0 FTE positions, which is an increase of 2.0 FTE positions above the agency's FY 2025 request. The increase is attributable to the addition of 3.0 FTE positions for Business Development and the deletion of 1.0 FTE position for the Film Tax Credit support position.

Joint Committee on State Building Construction Recommendation

The **Joint Committee** concurs with the Governor's recommendation for FY 2025.

House Budget Committee Recommendation

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

1. Add \$8.0 million SGF for the 2026 World Cup Games for FY 2025. If federal ARPA funds or special revenue funds are available and eligible, lapse up to \$28.0 million SGF.
2. Delete \$8.0 million SGF and 3.0 FTE positions for the Apprenticeship & Business Partnerships for FY 2025. Recommend the House Committee on Appropriations add \$14.3 million to the Kansas Board of Regents for this purpose.

House Committee on Appropriations Recommendation

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

1. Delete \$28.0 million SGF and add \$10.0 million, all from federal ARPA funds, for the 2026 World Cup games for FY 2025. Add language requiring the FIFA World Cup Kansas City committee to provide an accounting report of all expenditures with an economic and fiscal impact report. Add \$18.0 million, all from federal ARPA funds, for the 2026 World Cup games for FY 2025.
2. Add \$16.9 million, all from special revenue funds, for housing and retail development in Northwest Kansas for FY 2025.
3. Add \$4.0 million, all from federal ARPA funds, to provide small municipalities currently being served by a natural gas gathering field to design, construct, and install natural gas distribution lines that connect to a natural gas service provider for FY 2025. Add language directing the Department of Commerce to establish an application program that includes the completion of a natural gas cost of service and revenue rate requirement study and additional program requirements.
4. Add \$500,000 SGF in one-time funding and add language for a pilot program to recruit new home-based childcare providers for FY 2025.
5. Add \$150,000, all from the Attracting Professional Sports to Kansas fund, to provide support for hosting the U.S. Adaptive Open Golf Championship for FY 2025.