

# KANSAS DEPARTMENT OF COMMERCE

## FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1  
**BUDGET OVERVIEW, FY 2021 – FY 2023**

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
<b>Operating Expenditures:</b>					
State General Fund	\$ 4,011,013	\$ 6,583,987	\$ 26,583,987	\$ -	\$ 205,125,000
Federal Funds	232,882,614	47,660,754	48,160,754	46,353,997	47,053,997
All Other Funds	41,673,726	56,256,294	61,256,294	59,347,404	87,289,483
<i>Subtotal</i>	<i>\$ 278,567,353</i>	<i>\$ 110,501,035</i>	<i>\$ 136,001,035</i>	<i>\$ 105,701,401</i>	<i>\$ 339,468,480</i>
<b>Capital Improvements:</b>					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	125,000	230,000	230,000	100,000	100,000
<i>Subtotal</i>	<i>\$ 125,000</i>	<i>\$ 230,000</i>	<i>\$ 230,000</i>	<i>\$ 100,000</i>	<i>\$ 100,000</i>
<b>TOTAL</b>	<b>\$ 278,692,353</b>	<b>\$ 110,731,035</b>	<b>\$ 136,231,035</b>	<b>\$ 105,801,401</b>	<b>\$ 339,568,480</b>
<b>Percentage Change:</b>					
State General Fund	15,944.1 %	64.1 %	562.8 %	(100.0) %	671.6 %
All Funds	139.3 %	(60.3) %	(51.1) %	(4.5) %	149.3 %
FTE Positions	323.5	323.5	323.5	334.0	335.0

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** grows 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 Fund (JCF);
- Sales Tax 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.

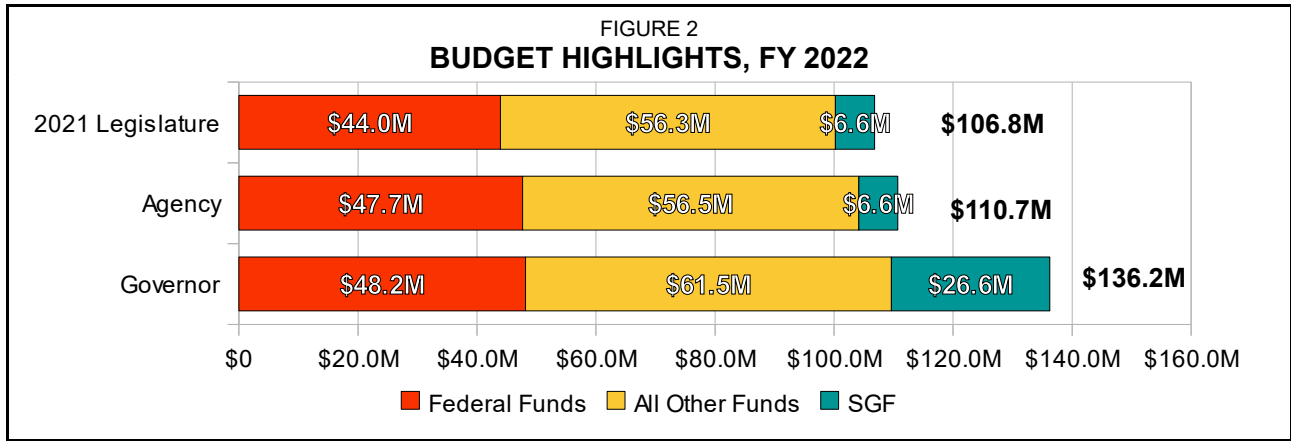
The **International Business Division** works with Kansas companies to help them sell their products and services in international markets. The division also works to recruit international businesses to establish facilities and create jobs in Kansas. These two goals comprise the agency's overall mission—to 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. 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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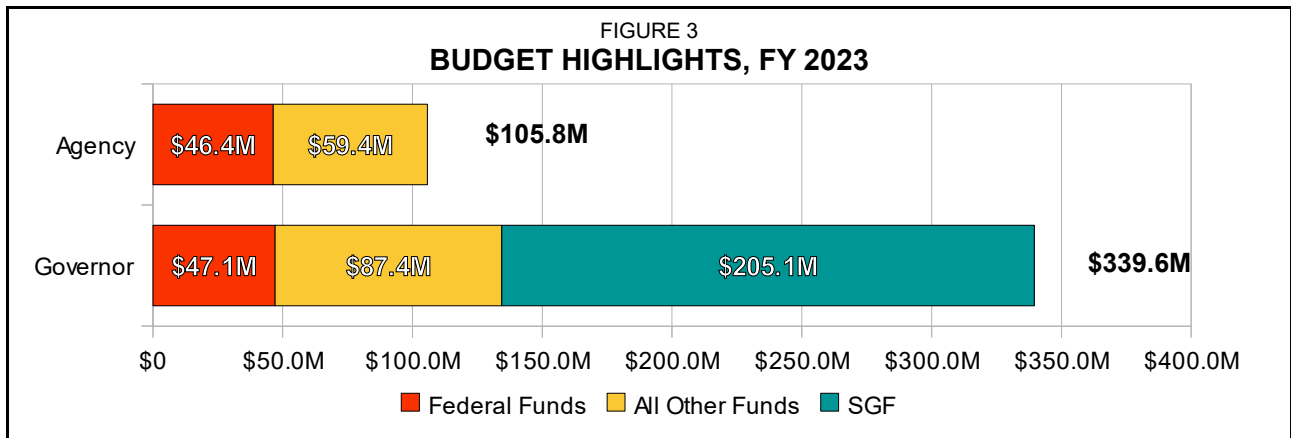
The 2021 Legislature approved a budget of \$100.2 million, including \$10,000 from the State General Fund (SGF), for the Kansas Department of Commerce for FY 2022. An adjustment of \$6.6 million SGF in reappropriation was subsequently made to that amount, which changes the current year approved amount without any legislative action required.



The **agency** estimates revised FY 2022 expenditures of \$110.7 million, including \$6.6 million SGF, which is an increase of \$3.9 million, or 3.7 percent, above the FY 2022 approved budget. The adjustment includes \$2.4 million in Economic Development Initiative Fund (EDIF) reappropriations primarily for operations (\$865,442), the Main Street Program (\$519,158), the Rural Opportunity Zone Program (\$429,973) and Community Development (\$277,804). There were also expansions to several federal programs, including Community Development Block Grants (CDBG) (\$2.0 million), Federal Trade Adjustment Assistance (\$4.0 million), remaining spending from Round 3 of the Coronavirus Relief Fund (CRF) awards (\$800,000), and apprenticeship programs (\$488,938). The increases were partially offset due to phasing out of the Kansas Health Professional Opportunity Project (\$2.9 million) and other federal programs.

Additionally, the agency request for Job Creation Program Fund (JCPF) moneys decreased by \$1.4 million. The State Finance Council appropriated additional SGF moneys to replace JCPF dollars used for COVID-19 relief, and the agency is using those SGF moneys in the place of JCPF moneys in FY 2022.

The **Governor** recommends expenditures of \$136.2 million, including \$26.6 million SGF, in FY 2022. The recommendation is an increase of \$25.5 million, including \$20.0 million SGF, above the FY 2022 agency revised estimate. The increase is attributable to \$20.0 million SGF for the Moderate Income Housing Program, \$5.0 million from the JCPF for economic development, and the new federal grant to assist in reemployment of former inmates (\$500,000).



The **agency** requests FY 2023 expenditures of \$105.8 million, all from special revenue funds, which is a decrease of \$4.9 million, or 4.5 percent, below the FY 2022 revised estimate. The request includes 334.0 FTE positions, which is an increase of 10.5 FTE positions due to enhancement requests.

Major reductions in the request include the elimination of \$6.6 million in reappropriated SGF moneys, which are budgeted for job creation in FY 2022, \$2.5 million in EDIF reappropriations, and \$4.8 million in debt service for the Impact Program Service Bonds, which were paid off in FY 2023.

The decreases are partially offset by 13 enhancement requests totaling an increase of \$6.9 million and 10.5 FTE positions. The enhancements are focused on expansion of the Kansas Industrial Training and Kansas Industrial Retraining (KIT/KIR) programs, additional staff for the Office of Innovation and Broadband Development, Workforce Development investments, and investments in data tracking and analysis. Additionally, the agency added \$4.3 million in JCPF dollars due to the exhaustion of SGF moneys. Various federal programs reduced spending as the grant periods ran out but are likely to be replaced with extended or new grants as those grant periods are reached.

The **Governor** recommends expenditures totaling \$339.6 million, including \$205.1 million SGF, for FY 2023. The recommendation is an increase of \$233.8 million, including \$205.1 million SGF, above the FY 2023 agency request. The increase is attributable to \$195.0 million SGF for University matching grants, \$10.0 million SGF for higher education grants, \$27.9 million from the JCPF for economic development, \$125,000 for the executive director for Advantage Kansas, and further extension of the federal Pathway Home 2 Grant (\$700,000).

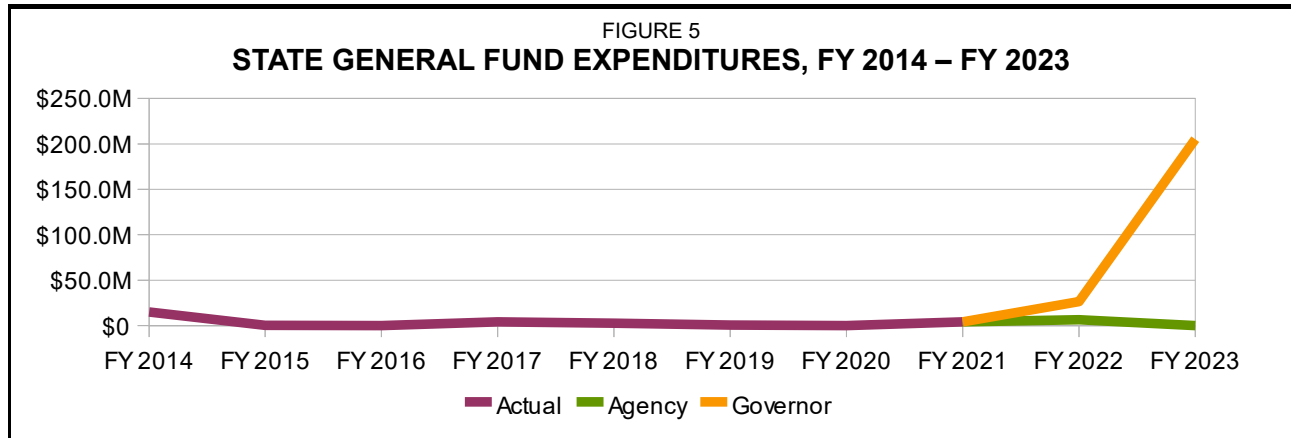
The recommendation includes 335.0 FTE positions, which is an increase of 1.0 FTE position above the agency request due to Advantage Kansas.

## EXPENDITURES AND FINANCING

FIGURE 4  
**BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023**

Category of Expenditure:	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Salaries and Wages	\$ 19,233,196	\$ 22,988,530	\$ 22,988,530	\$ 24,047,106	\$ 24,172,106
Contractual Services	14,745,880	13,447,307	13,447,307	14,352,810	209,352,810
Commodities	91,117	107,965	107,965	109,625	109,625
Capital Outlay	508,198	423,070	423,070	547,427	547,427
Debt Service Interest	9,552	3,228	3,228	-	-
<i>Subtotal</i>	<i>\$ 34,587,943</i>	<i>\$ 36,970,100</i>	<i>\$ 36,970,100</i>	<i>\$ 39,056,968</i>	<i>\$ 234,181,968</i>
Aid to Local Units	42,650,714	16,000,000	16,000,000	16,000,000	16,000,000
Other Assistance	201,328,696	57,530,935	83,030,935	50,644,433	89,286,512
<i>Subtotal—Operating</i>	<i>\$ 278,567,353</i>	<i>\$ 110,501,035</i>	<i>\$ 136,001,035</i>	<i>\$ 105,701,401</i>	<i>\$ 339,468,480</i>
Capital Improvements	-	100,000	100,000	100,000	100,000
Debt Service Principal	125,000	130,000	130,000	-	-
<b>TOTAL</b>	<b>\$ 278,692,353</b>	<b>\$ 110,731,035</b>	<b>\$ 136,231,035</b>	<b>\$ 105,801,401</b>	<b>\$ 339,568,480</b>
<b>Financing:</b>					
State General Fund	\$ 4,011,013	\$ 6,583,987	\$ 26,583,987	\$ -	\$ 205,125,000
EDIF	13,044,584	17,249,858	17,249,858	21,708,037	21,708,037
Federal Funds	232,882,614	47,660,754	48,160,754	46,353,997	47,053,997
All Other Funds	28,754,142	39,236,436	44,236,436	37,739,367	65,681,446
<b>TOTAL</b>	<b>\$ 278,692,353</b>	<b>\$ 110,731,035</b>	<b>\$ 136,231,035</b>	<b>\$ 105,801,401</b>	<b>\$ 339,568,480</b>
FTE Positions	323.5	323.5	323.5	334.0	335.0

## STATE GENERAL FUND



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.

# FY 2022 ANALYSIS

FIGURE 6  
**SUMMARY OF BUDGET REQUEST, FY 2022**

	SGF	Special Revenue Funds	All Funds	FTE
<b>Legislative Approved:</b>				
Amount Approved by 2021 Legislature	\$ 10,000	\$ 100,220,157	\$ 100,230,157	309.3
1. SGF Reappropriation	6,573,987	-	6,573,987	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 6,583,987</i>	<i>\$ 100,220,157</i>	<i>\$ 106,804,144</i>	<i>309.3</i>
<b>Agency Revised Estimate:</b>				
2. CDBG Aid to Locals	\$ -	\$ 2,000,000	\$ 2,000,000	--
3. EDIF Reappropriation	-	2,361,171	2,361,171	--
4. Job Creation Program Fund	-	(1,434,702)	(1,434,702)	--
5. Impact Program	-	464,437	464,437	--
6. Tech Enabled Fiduciary Financial Inst.	-	(250,000)	(250,000)	--
7. Federal Trade Adjustment Asst.	-	3,960,628	3,960,628	--
8. Round 3 CRF Awards	-	800,000	800,000	--
9. Federal Apprenticeship Program	-	253,850	253,850	--
10. Federal SAE Program	-	235,088	235,088	--
11. AJLA Subscription Fees	-	(644,845)	(644,845)	--
12. CAIC Gifts, Grants, Bequests	-	(232,450)	(232,450)	--
13. Sports Program	-	(101,129)	(101,129)	--
14. KS Health Professional Opportunity Project	-	(2,869,613)	(2,869,613)	--
15. WIA Dislocation	-	(579,709)	(579,709)	--
16. All Other Adjustments	-	(35,835)	(35,835)	14.2
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 6,583,987</i>	<i>\$ 104,147,048</i>	<i>\$ 110,731,035</i>	<i>323.5</i>
<b>Governor’s Recommendation:</b>				
17. Moderate Income Housing	\$ 20,000,000	\$ -	\$ 20,000,000	--
18. Pathway Home 2 Grant	-	500,000	500,000	--
19. Job Creation Program Fund	-	5,000,000	5,000,000	--
<b>TOTAL</b>	<b>\$ 26,583,987</b>	<b>\$ 109,647,048</b>	<b>\$ 136,231,035</b>	<b>323.5</b>

## LEGISLATIVE APPROVED

Subsequent to the 2021 Session, an adjustment was made to the \$100.2 million appropriated to the Kansas Department of Commerce for FY 2022. This adjustment changes the current year approved amount without any legislative action required.

- 1. SGF REAPPROPRIATIONS.** Added \$6.6 million, all SGF, for reappropriated SGF funding. These funds are derived from a transfer from federal funds intended to reimburse the Job Creation Program Fund for COVID-19 relief expenditures.

## AGENCY ESTIMATE

The agency estimate includes \$110.7 million, which is an increase of \$3.9 million, or 3.7 percent, above the FY 2022 approved budget. Major adjustments include:

- 2. CDBG AID TO LOCAL UNITS OF GOVERNMENT.** Add \$2.0 million, all from federal funds, for enhanced Community Development Block Grant (CDBG) funding for FY 2022. Some projects were delayed in FY 2021 due to the COVID-19 pandemic.

3. **EDIF REAPPROPRIATIONS.** Add \$2.4 million, all from the EDIF, for reappropriations of unspent funds.
4. **JOB CREATION PROGRAM FUND (JCPF).** Delete \$1.4 million, all from the JCPF. The agency was appropriated SGF moneys to replace JCPF funds spent for COVID-19 relief in FY 2021. The agency elected to prioritize SGF spending in FY 2022.
5. **IMPACT PROGRAM.** Add \$464,437, all from the Impact Programs Fund, for Workforce Aid.
6. **TECHNOLOGY ENABLED FIDUCIARY FINANCIAL INSTITUTIONS.** Delete \$250,000, all from the Technology Enabled Fiduciary Financial Institutions Fund, for FY 2022. The agency is still setting up the program.
7. **FEDERAL TRADE ADJUSTMENT ASSISTANCE.** Add \$4.0 million in federal Trade Adjustment Assistance funds for FY 2022. The agency received enhanced funding for the program during the COVID-19 pandemic.
8. **ROUND 3 CRF AWARDS.** Add \$800,000, all from the Coronavirus Relief Fund (CRF), for Round 3 awards in FY 2022. CRF moneys for the agency in FY 2021 were allocated for restaurants, theaters, large venue support, PPE Manufacturing, and private colleges. The \$800,000 represents unspent and recouped funding.
9. **FEDERAL APPRENTICESHIP PROGRAM.** Add \$253,850, all from federal funds, for the Federal Apprenticeship Program. The federal government released new apprenticeship grants.
10. **STATE APPRENTICESHIP (SAE) PROGRAM.** Add \$235,088, all from federal funds, for the SAE program new grant period.
11. **AJLA SUBSCRIPTION FEES.** Delete \$644,845, all from special revenue funds, for a revised estimate of America's Job Link Alliance (AJLA) subscription fees.
12. **CREATIVE ARTS INDUSTRIES COMMISSION (CAIC) GIFTS, GRANTS, AND BEQUESTS.** Delete \$232,450, all from special revenue funds, for a reduced estimate on CAIC grants.
13. **ATHLETICS COMMISSION.** Delete \$101,129, all from the Athletics Fee Fund, for reduced expenditures. FY 2021 had reduced revenue to the fund due to the COVID-19 pandemic.
14. **KANSAS HEALTH PROFESSIONAL OPPORTUNITY PROJECT.** Delete \$2.9 million, all from federal funds, for the Kansas Health Professional Opportunity program. The short-duration program is ending during FY 2022.
15. **WORKFORCE INVESTMENT ACT (WIA) DISLOCATION.** Delete \$579,709, all from the federal Workforce Investment Act Fund, as training opportunities are projected to decrease.
16. **OTHER ADJUSTMENTS.** Delete \$35,835, all from special revenue funds, for various federal fund expenditure adjustments. The agency also adjusted the FY 2022 FTE to match the FY 2021 actuals. The increase is predominantly in Workforce Services (20.2

FTE) with reductions in Business and Community Development partially offsetting this increase.

## **GOVERNOR'S RECOMMENDATION**

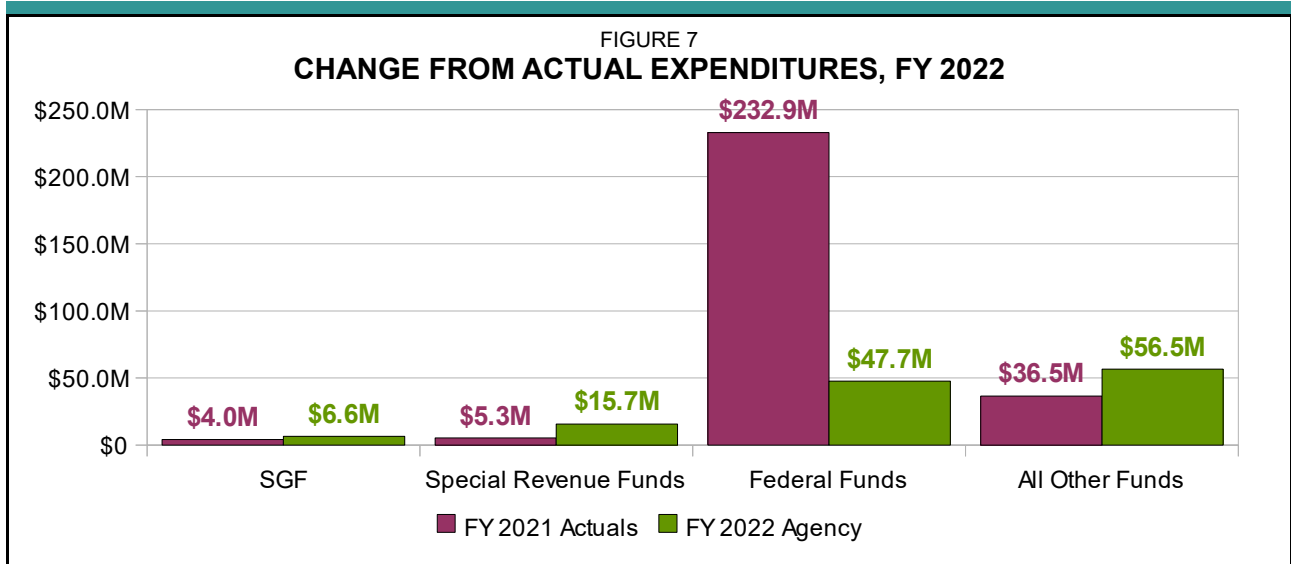
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The **Governor** recommends expenditures of \$136.2 million, including \$26.6 million SGF, in FY 2022. The recommendation is an increase of \$25.5 million, including \$20.0 million SGF, above the FY 2022 agency revised estimate. Major adjustments include:

17. **MODERATE INCOME HOUSING.** The Governor recommends adding \$20.0 million SGF to enhance funding for moderate income housing programs in FY 2022. The expenditures will appear in the Department of Commerce, however, according to the agency, the intent is to transfer the funds to the Kansas Housing Resources Corporation for deposit into the State Housing Trust Fund.
18. **PATHWAY HOME 2 GRANT.** The Governor recommends adding \$500,000, all from federal funds, for the Pathway Home 2 grant in FY 2022. The purpose of this pilot program is to provide eligible, incarcerated individuals in state correctional facilities or local or county jails with workforce services prior to release and to continue services after release by transitioning the participants into reentry programs in the communities to which they will return. The agency notes these grants are job-driven and build connections to local employers that will enable transitioning offenders to secure employment.
19. **JOB CREATION PROGRAM FUND.** The Governor recommends adding \$5.0 million, all from the Job Creation Program Fund, for economic development in FY 2022.



# FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency's revised estimate totals \$110.7 million, including \$6.6 million SGF, for FY 2022. The revised estimate is a decrease of \$168.0 million, or 60.3 percent, below the FY 2021 actual expenditures. SGF expenditures increase by \$2.6 million, or 63.9 percent, as the agency fully budgeted the remaining SGF moneys.

The decrease in all funds is attributable to a reduction in available federal COVID-19 relief funds (\$186.2 million) and the ending of the Kansas Health Opportunities Project. There is also a reduction in funding for the Creative Arts Industries Commission (\$526,319).

EDIF spending is \$4.2 million above the FY 2021 actual amount. The increase is attributable to the new Tourism program, enhancements to the Main Street program, and increased spending in the Rural Opportunity Zone Program.

# FY 2023 ANALYSIS

FIGURE 8  
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
<b>Agency Revised Estimate, FY 2022</b>	\$ 6,583,987	\$ 104,147,048	\$ 110,731,035	323.5
<b>Agency Request:</b>				
1. KBA Grant Commitments	\$ (6,583,987)	\$ -	\$ (6,583,987)	--
2. KIT/KIR Programs	-	2,000,000	2,000,000	--
3. Agency Grant Writer	-	93,427	93,427	1.0
4. Registered Apprenticeship	-	500,000	500,000	--
5. Office of Broadband Development	-	1,000,000	1,000,000	--
6. Kansas Tourism Division	-	1,000,000	1,000,000	5.0
7. Office of Innovation - Program Mgr.	-	68,894	68,894	1.0
8. Salesforce Data Integrity Analyst	-	99,547	99,547	1.0
9. Small Business R&D Grants	-	1,000,000	1,000,000	--
10. Lead Research Analyst	-	81,161	81,161	1.0
11. Cybersecurity Program Mgr.	-	105,693	105,693	1.0
12. Salesforce Software Update	-	200,000	200,000	--
13. Office of Innovation- Admin. Asst.	-	56,628	56,628	1.0
14. Work Based Learning	-	714,000	714,000	--
15. Federal Retain Program	-	(402,302)	(402,302)	--
16. Round 3 CRF Awards	-	(800,000)	(800,000)	--
17. Impact Program Bonds	-	(4,770,750)	(4,770,750)	--
18. Job Creation Program Fund	-	4,299,879	4,299,879	--
19. EDIF Reappropriations Reduction	-	(2,461,171)	(2,461,171)	--
20. Impact Program Services Fund	-	(549,746)	(549,746)	--
21. AJLA Subscription Fees	-	(300,109)	(300,109)	--
22. KS Health Opportunities Project	-	(172,936)	(172,936)	--
23. All Other Adjustments	-	(107,862)	(107,862)	(0.5)
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 105,801,401	\$ 105,801,401	334.0
<b>Governor's Recommendation:</b>				
24. Pathway Home 2 Grant	\$ -	\$ 700,000	\$ 700,000	--
25. Higher Education Grants	10,000,000	-	10,000,000	--
26. Job Creation Program Fund	-	27,942,079	27,942,079	--
27. University Grant Funding Projects	195,000,000	-	195,000,000	--
28. Advantage Kansas	125,000	-	125,000	1.0
<b>TOTAL</b>	<b>\$ 205,125,000</b>	<b>\$ 134,443,480</b>	<b>\$ 339,568,480</b>	<b>335.0</b>

## AGENCY REQUEST

The **agency** requests \$105.8 million, all from special revenue funds, which is a decrease of \$4.9 million, or 4.5 percent, below the FY 2022 revised estimate. The request includes 334.0 FTE positions, which is an increase of 10.5 FTE positions due to the enhancement requests.

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

- KBA GRANT COMMITMENTS.** Delete \$6.6 million, all SGF, from funds appropriated to settle the liabilities of the Kansas Bioscience Authority (KBA). These moneys were transferred to this fund to reimburse the Job Creation Program Fund for expenses related to the COVID-19 pandemic.
- ENHANCEMENT—KIT/KIR PROGRAMS.** Add \$2.0 million, all EDIF, to increase funding for Kansas Industrial Training and Retraining (KIT/KIR) programs.

3. **ENHANCEMENT—AGENCY GRANT WRITER.** Add \$93,427, all EDIF, and 1.0 FTE position for a grant writer position in the Office of Innovation.
4. **ENHANCEMENT—REGISTERED APPRENTICESHIP.** Add \$500,000, all EDIF, for the Registered Apprenticeship (RA) program.
5. **ENHANCEMENT—OFFICE OF BROADBAND DEVELOPMENT.** Add \$1.0 million, all EDIF, to support the Office of Broadband Development.
6. **ENHANCEMENT—KANSAS TOURISM DIVISION.** Add \$1.0 million, all EDIF, and 5.0 FTE positions to increased support for the Kansas Tourism Division.
7. **ENHANCEMENT—OFFICE OF INNOVATION PROGRAM MANAGER.** Add \$68,894, all EDIF, and 1.0 FTE position for salary and benefits for a program manager in the Office of Innovation.
8. **ENHANCEMENT—SALESFORCE DATA INTEGRITY ANALYST.** Add \$99,547, all EDIF, and 1.0 FTE position for salaries and benefits for a salesforce data integrity analyst to manage the agency's customer relationship management software.
9. **ENHANCEMENT—SMALL BUSINESS RESEARCH AND DEVELOPMENT (R&D) GRANTS.** Add \$1.0 million, all EDIF, to support Small Business R&D Acceleration grants in the Office of Innovation.
10. **ENHANCEMENT—LEAD RESEARCH ANALYST.** Add \$81,161, all EDIF, and 1.0 FTE position for a lead research analyst in a new Data and Research Unit.
11. **ENHANCEMENT—CYBERSECURITY PROGRAM MANAGER.** Add \$105,693, all EDIF, and 1.0 FTE position for salary and benefits for a cybersecurity program manager in the Office of Innovation.
12. **ENHANCEMENT—SALESFORCE SOFTWARE UPDATE.** Add \$200,000, all EDIF, to upgrade the agency customer relationship management software.
13. **ENHANCEMENT—OFFICE OF INNOVATION ADMINISTRATIVE ASSISTANT.** Add \$56,628, all EDIF, and 1.0 FTE position for an administrative assistant in the Office of Innovation.
14. **ENHANCEMENT—WORK BASED LEARNING.** Add \$714,000, all EDIF, to support of Work Based Learning Intermediaries, to expand existing working relationships between education, business and industry, and economic development entities
15. **FEDERAL RETAIN PROGRAM.** Delete \$402,302, all from federal funds, for the RETAIN (Retaining Employment and Talent After Injury/Illness Network) federal program. The program established relationships between the workforce system and medical service delivery system to develop processes to help individuals who have suffered a debilitating illness or injury stay at or return to work. Phase 1 of the grant ends December 2021. A new phase is anticipated but has not yet been included in the budget.
16. **ROUND 3 CRF AWARDS.** Delete \$800,00, all from federal funds, for the COVID-19 Coronavirus Relief Fund Round 3 awards that were fully expended in FY 2022.
17. **IMPACT PROGRAM BONDS.** Delete \$4.8 million, all from special revenue funds, for

payments on the IMPACT Program bonds. The final payment on these bonds will be in FY 2023. The bonds are funded by a transfer from the SGF and will increase the SGF balance by this amount.

18. **JOB CREATION PROGRAM FUND.** Add \$4.3 million, all from the Job Creation Program Fund, for FY 2023. The additional SGF appropriation from FY 2021 will be expended and funding will shift back to the JCPF.
19. **EDIF REAPPROPRIATIONS.** Delete \$2.5 million, all EDIF, for reappropriations in FY 2022 that are not budgeted for FY 2023.
20. **IMPACT PROGRAM SERVICES FUND.** Delete \$549,749, all from special revenue funds, due to depletion of available funds in the IMPACT program.
21. **AJLA SUBSCRIPTION FEES.** Delete \$300,109, all from special revenue funds, for a revised estimate of America's Job Link Alliance subscription fee revenue.
22. **KANSAS HEALTH OPPORTUNITIES PROJECT.** Delete \$172,936, all from federal funds, for a revised estimate of expenditures for the Kansas Health Opportunities project.
23. **ALL OTHER ADJUSTMENTS.** Delete \$107,862, all from special revenue and federal funds, for various minor adjustments and revised estimates in federal programs.

## **GOVERNOR'S RECOMMENDATION**

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The **Governor** recommends expenditures totaling \$339.6 million, including \$205.1 million SGF, for FY 2023. The recommendation is an increase of \$233.8 million, including \$205.1 million SGF, above the FY 2023 agency request. The request include 335.0 FTE positions, which is an increase of 1.0 FTE position above the agency request for FY 2023.

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

24. **PATHWAY HOME 2 GRANT.** The Governor's recommendation adds \$700,000, all from federal funds, for the federal Pathway Home 2 grant program for FY 2023.
25. **HIGHER EDUCATION GRANTS.** The Governor's recommendation adds \$10.0 million, all SGF, for higher education grants for FY 2023. The grants will be focused on economic development.
26. **JOB CREATION PROGRAM FUND.** The Governor's recommendation adds \$27.9 million, all from the Job Creation Program Fund (JCPF), for economic development in FY 2023. The revenue to the JCPF is a transfer from the SGF. This action raises the annual cap on those transfers.
27. **UNIVERSITY GRANT FUNDING PROJECTS.** The Governor's recommendation adds \$195.0 million, all SGF, for University Grant Projects for FY 2023. The intention is for these funds to require a 1-to-1 match of new funds. Additionally, \$20.0 million would be designated for the Wichita State University National Institute for Aviation Research (NIAR) program.
28. **ADVANTAGE KANSAS.** The Governor's recommendations adds \$125,000, all SGF, and 1.0 FTE position for a project director for Advantage Kansas. The purpose of the Advantage Kansas Coordinating Council is to help align education with state agencies and business needs.

## SUPPLEMENTAL AND ENHANCEMENT REQUESTS

REQUEST 1

SUPPLEMENTALS AND ENHANCEMENTS		
Descriptions	FY 2022	FY 2023
KIT/KIR Programs	\$ -	\$ 2,000,000
Agency Grant Writer	-	93,427
Registered Apprenticeship	-	500,000
Office of Broadband Development	-	1,000,000
Kansas Tourism Division	-	1,000,000
Office of Innovation Program Manager	-	68,894
Salesforce Data Integrity Analyst	-	99,547
Small Business R&D Grants	-	1,000,000
Lead Research Analyst	-	81,161
Cybersecurity Program Mgr.	-	105,693
Salesforce Software Update	-	200,000
Office of Innovation Administrative Assistant	-	56,628
Work Based Learning	-	714,000
Moderate Income Housing Program	20,000,000	-
Job Creation Program Fund	5,000,000	27,942,079
Higher Education Grants	-	10,000,000
University Matching Grant Program	-	195,000,000
Advantage Kansas	-	125,000
<b>TOTAL</b>	<b>\$ 25,000,000</b>	<b>\$ 264,986,429</b>

- 1. ENHANCEMENT—KIT/KIR PROGRAMS.** Add \$2.0 million, all EDIF, to increase funding for Kansas Industrial Training and Retraining programs. According to the agency, Commerce provides \$340 per job in training assistance, while peer and competitive states are funding workforce incentives at \$1,200 - \$3,000 per job.
- 2. ENHANCEMENT—AGENCY GRANT WRITER.** Add \$93,427, all EDIF, and 1.0 FTE position for a grant writer position in the Office of Innovation. The position would be responsible for developing successful grant proposals that lead to an increase in funding resources available to the state.
- 3. ENHANCEMENT—REGISTERED APPRENTICESHIP.** Add \$500,000, all EDIF, for the Registered Apprenticeship (RA) program. The agency convened a working group to identify ways to improve and fix the RA program. The two top recommendations were to create an incentive program for employers and a grant program to facilitate industry associations and groups. The enhancement would be used to fund these initiatives and assist with administrative costs.
- 4. ENHANCEMENT—OFFICE OF BROADBAND DEVELOPMENT.** Add \$1.0 million, all EDIF, to support the Office of Broadband Development. The enhancement would fund staffing, critical mapping resources, and administrative and office support. New positions would include: Deputy Director for Infrastructure (\$136,000); Data and Analytics Manager (\$123,000); Stakeholder Engagement and Partnerships Coordinator (\$91,000); Program Director for Digital Equity and Adoption (\$104,000); Grant Writer and Communications Specialist (\$97,500); and Project Manager/Administrative Assistant (\$58,500).

## ENHANCEMENT REQUESTS

5. **ENHANCEMENT—KANSAS TOURISM DIVISION.** Add \$1.0 million, all EDIF, and 5.0 FTE positions to increase funding for the Kansas Tourism Division. Funding would be allocated for direct marketing to visitors using the To The Stars campaign (\$550,000); a billboard campaign (\$200,000); marketing of Kansas agritourism businesses to assist Kansas farmers and ranchers (\$100,000); marketing of Kansas byways to increase visitation to Kansas communities along the 12 byways in Kansas (\$100,000); and a \$50,000 investment in the *KANSAS!* magazine program.
6. **ENHANCEMENT—OFFICE OF INNOVATION PROGRAM MANAGER.** Add \$68,894, all EDIF, and 1.0 FTE position for salary and benefits for a program manager in the Office of Innovation. Commerce established the Office of Innovation to lead new efforts focused on building statewide networks and bringing new resources to innovators and entrepreneurs. New initiatives include the Proof of Concept Fund, university commercialization network, seed capital programs, small business innovation research and small business technology transfer (SBIR/STTR) assistance, and the integration of tax credit programs.
7. **ENHANCEMENT—SALESFORCE DATA INTEGRITY ANALYST.** Add \$99,547, all EDIF, and 1.0 FTE position for salaries and benefits for a salesforce data integrity analyst to manage the agency's customer relationship management software. The position's primary responsibility is to manage, clean, and verify the data quality within the Salesforce database and improve the overall accuracy of agency data using advanced computer science methods.
8. **ENHANCEMENT—SMALL BUSINESS RESEARCH AND DEVELOPMENT (R&D) GRANTS.** Add \$1.0 million, all EDIF, to support Small Business R&D Acceleration grants in the Office of Innovation. This grant program will support Kansas small businesses partnering with Kansas public higher education institutions to create greater engagement and mutual benefit. Small businesses working with a Kansas public higher education institution conducting research and development can receive a 50:50 matching grant up to \$25,000 for research and development costs at the institution to fund up to 40 grants.
9. **ENHANCEMENT—LEAD RESEARCH ANALYST.** Add \$81,161, all EDIF, and 1.0 FTE position for the lead research analyst in a new Data and Research Unit. The position will focus on the data and research needs within the agency and assist in strategic planning. Other responsibilities will include establishing agency data quality standards, making data more accessible to the agency and public, and the creation of data dashboards for the agency and the Office of the Governor's use.
10. **ENHANCEMENT—CYBERSECURITY PROGRAM MANAGER.** Add \$105,693, all EDIF, and 1.0 FTE position for salary and benefits for a Cybersecurity Program Manager in the Office of Innovation. A cybersecurity strategic plan was developed for Commerce titled Kansas Cybersecurity Center of Excellence. The plan has six pillars: Workforce Education and Training; Talent Supply Chain; Research Supply Chain and Commercialization; Secure Facilities and Resources; Enterprise Development; and Network Development. National security and corporate vulnerabilities have been documented in the past few years, leading to expanded funding, research, and commercial opportunities.

## ENHANCEMENT REQUESTS

11. **ENHANCEMENT—SALESFORCE SOFTWARE UPDATE.** Add \$200,000, all EDIF, to upgrade the agency customer relationship management software. According to the agency, the current software is not efficient and does not accomplish the agency needs. Instead of continuing temporary patchwork fixes, the agency is requesting a complete overhaul of the system. The overhaul will allow Commerce to address the lack of capacity around collecting data analytics and the management of data at the agency.
12. **ENHANCEMENT—Office of Innovation Administrative Assistant.** Add \$56,628, all EDIF, and 1.0 FTE position for an administrative assistant in the Office of Innovation. The position would support the Chief Strategy Officer, Director of Innovation, and other members of the Office of Innovation.
13. **ENHANCEMENT—WORK BASED LEARNING.** Add \$714,000, all EDIF, to support of Work Based Learning (WBL) Intermediaries. WBL Intermediaries build and/or expand existing working relationships between education, business and industry, and economic development entities. Additionally, intermediaries act as a liaison between employers and school districts to facilitate internships, apprenticeship and career shadowing opportunities. Commerce estimates \$714,000 per year would be needed to provide regional WBL intermediaries to scale high quality WBL to each school district in all five Local Workforce Development regions.
14. **MODERATE INCOME HOUSING.** Add \$20.0 million, SGF, for moderate income housing in FY 2022.
15. **JOB CREATION PROGRAM FUND.** Add \$5.0 million, JCPF, in FY 2022 and \$27.9 million, JCPF, for FY 2023 for economic development. Revenue to the JCPF reduces SGF revenue.
16. **HIGHER EDUCATION GRANTS.** Add \$10.0 million, SGF, for higher education grants.
17. **UNIVERSITY GRANT FUNDING PROJECT.** Add \$195.0 million, SGF, for University Grant Funding with local match requirements. \$20.0 million would be earmarked for the Wichita State University Aviation program.
18. **ADVANTAGE KANSAS.** Add \$125,000 and 1.0 FTE for an executive director for the advantage Kansas program.

**The Governor recommends adoption of these requests.**

## PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 9  
**EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023**

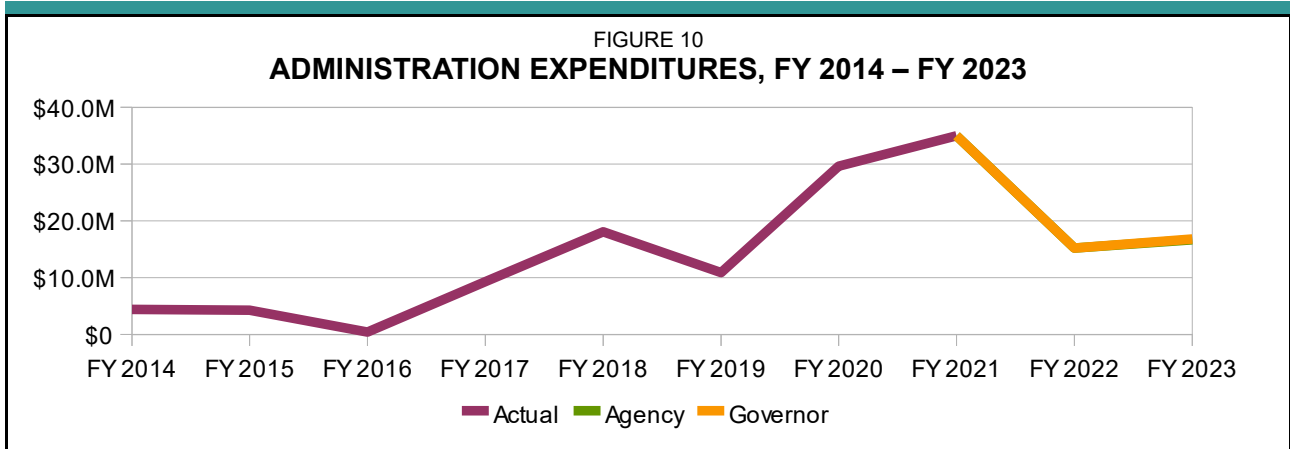
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
<b>Expenditures:</b>					
Administration	\$ 178,701,100	\$ 15,234,701	\$ 15,234,701	\$ 16,676,787	\$ 16,801,787
Business	10,234,833	15,282,722	20,282,722	13,554,331	27,525,370
Development					
Workforce Services	53,893,111	52,824,855	53,324,855	48,631,511	49,331,511
Community	34,971,618	21,746,970	41,746,970	20,600,385	239,571,425
Development					
International	757,139	790,145	790,145	729,973	729,973
Business					
Tourism	-	4,618,414	4,618,414	5,508,414	5,508,414
Debt Service	-	133,228	133,328	-	-
Capital Improvements	-	100,000	100,000	100,000	100,000
<b>TOTAL</b>	<b>\$ 278,557,801</b>	<b>\$ 110,731,035</b>	<b>\$ 136,231,135</b>	<b>\$ 105,801,401</b>	<b>\$ 339,568,480</b>
<b>FTE Positions:</b>					
Administration	96.5	96.5	96.5	107.0	108.0
Business	25.6	25.6	25.6	25.6	25.6
Development					
Workforce Services	169.0	169.0	169.0	169.0	169.0
Community	15.0	15.0	15.0	15.0	15.0
Development					
International	5.4	5.4	5.4	5.4	5.4
Business					
Tourism	12.0	12.0	12.0	12.0	12.0
<b>TOTAL</b>	<b>323.5</b>	<b>323.5</b>	<b>323.5</b>	<b>334.0</b>	<b>335.0</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 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 and objectives 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 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
<b>Outcome Measure:</b>					
1.AJLA - Number of states using JobLink software *	9	9	9	9	10
2.Athletic Commission - Number of events sanctioned	57	39	63	70	90
3.Broadband - Number of premises connected (CERG+BAG)*	--	45,579	--	7,500	10,000
4.Rural - Housing investment made in Rural Communities by state agencies (millions)*	\$ --	\$ 7.0	\$ 6.8	\$ 8.0	\$ 10.0
5.Workforce AID - Number of new projects with Schools, Companies*	4	1	2	8	16
<b>Output Measure:</b>					
6.AJLA - Average page views (thousands) *	--	--	--	9.5	9.6
7.Athletic Commission - Number of fighters, promoters, referees, judges, and doctors certified	486	324	440	400	500
8.Rural - New RHID** Projects underway*	5	11	8	10	15
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 25,000	\$ 10,000		\$ 73,987	\$ 125,000
Federal Funds	1,222,711	174,364,603		1,384,735	1,386,467
All Other Funds	28,567,497	17,297,437		13,775,979	15,290,320
<b>TOTAL</b>	<b>\$ 29,815,208</b>	<b>\$ 191,672,040</b>		<b>\$ 15,234,701</b>	<b>\$ 16,801,787</b>
<b>Percentage Change:</b>					
SGF	(96.2) %	(60.0) %		-- %	68.9 %
All Funds	174.0 %	542.9 %		(92.1) %	10.3 %
FTE Positions	95.2	96.5		96.5	108.0

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

\*\*Rural Housing Incentive District

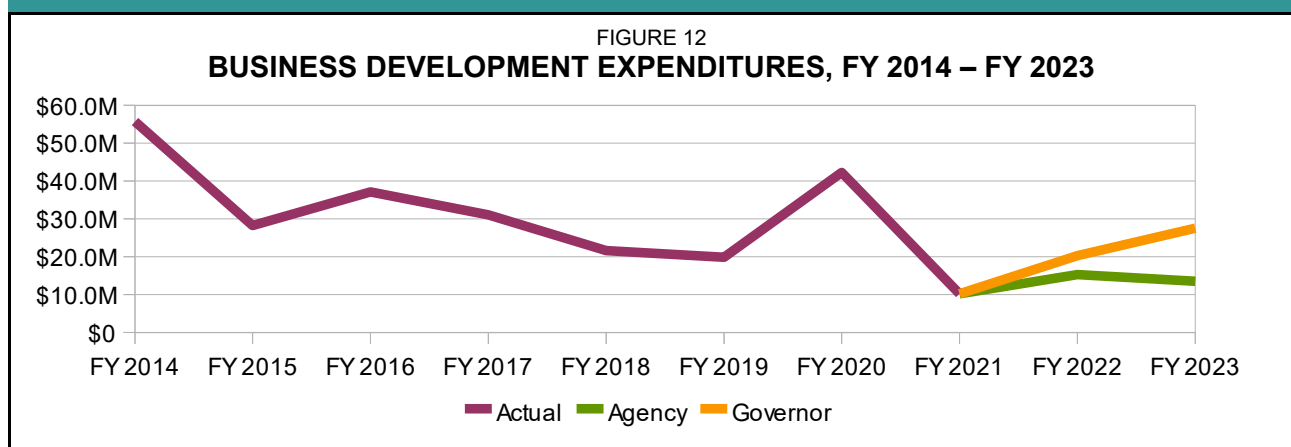
## BUDGET ANALYSIS

The agency requests FY 2023 Administration Division expenditures of \$20.6 million, which is a decrease of \$1.2 million, or 5.3 percent, below the FY 2022 revised estimate. The decrease is attributable to reduced EDIF spending in the Main Street, Rural Opportunity Zone, and Community Development programs. The FY 2022 budget incorporates EDIF reappropriations for these programs, and the

FY 2023 budget more accurately reflects projected spending.

The **Governor** recommends expenditures of \$16.8 million, which is an increase of \$125,000, or 0.7 percent, above the FY 2023 agency request. The increase is attributable to the Advantage Kansas Program.

## 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 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
<b>Outcome Measure:</b>					
1. Number of jobs created or retained through business development efforts	14,458	17,241	19,052	20,958	21,482
2. Private capital investment (in billions) in Kansas through Commerce programs*	\$ 1.50	\$ 4.31	\$ 2.41	\$ 2.65	\$ 2.71
3. Number of jobs created or retained through business recruitment*	2,887	7,397	6,286	6,914	7,087
4. Number of jobs created or retained through retention/expansion efforts*	11,126	9,844	12,477	13,724	14,068
<b>Output Measure:</b>					
5. Number of projects opened by business development staff	324	519	336	370	380
6. Number of face to face business contacts	540	1,346	897	987	826
7. Number of business recruitment projects opened*	140	149	139	153	157
8. Percent of business recruitment projects approved*	15.0 %	15.0 %	22.0 %	24.0 %	25.0 %

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ 4,001,013		\$ 6,500,000	\$ -
Federal Funds	31,931,799	(140,583)		808,900	8,900
All Other Funds	10,353,116	6,374,403		12,973,822	27,516,470
<b>TOTAL</b>	<u>\$ 42,284,915</u>	<u>\$ 10,234,833</u>		<u>\$ 20,282,722</u>	<u>\$ 27,525,370</u>
<b>Percentage Change:</b>					
SGF	-- %	100.0 %		62.5 %	(100.0) %
All Funds	112.5 %	(75.8) %		98.2 %	35.7 %
FTE Positions	52.3	25.6		25.6	25.6

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

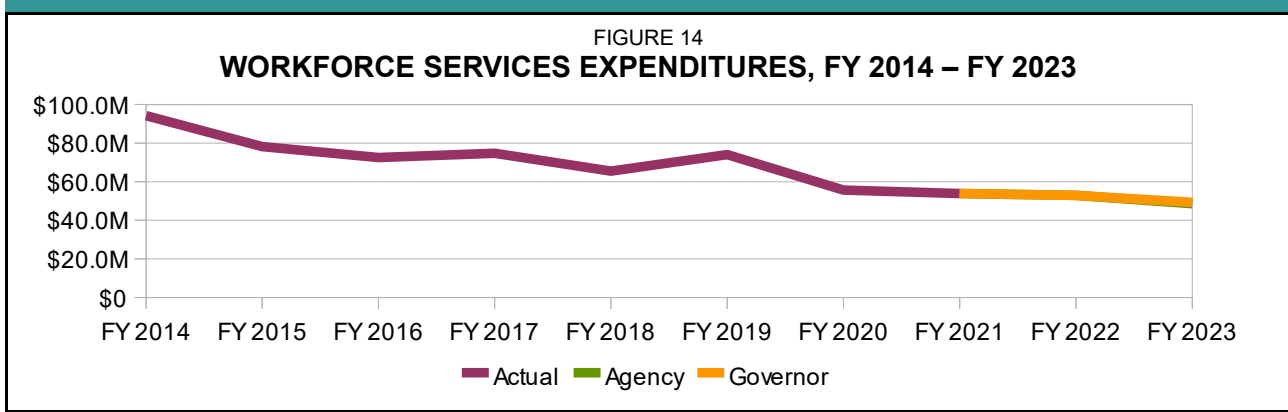
## BUDGET ANALYSIS

The agency requests FY 2023 Business Development Division expenditures of \$13.6 million, all from special revenue funds, which is a decrease of \$1.7 million, or 11.3 percent, below the FY 2022 revised estimate. The decrease is attributable to the deletion of \$6.5 million SGF. The decrease is partially offset by enhanced spending from EDIF for operations tied to the enhancement requests

and JCPF spending to replace SGF moneys from FY 2022.

The **Governor** recommends expenditures of \$27.5 million for FY 2023. The recommendation is an increase of \$14.0 million, or 103.1 percent, above the FY 2023 agency request. The increase is attributable to the \$10.0 million University Grant and federal funding changes.

# 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 (LWDB) 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.

FIGURE 15  
**WORKFORCE SERVICES, PERFORMANCE MEASURES**

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
<b>Outcome Measure:</b>					
1. Customer Service Survey Responses*	12,612	5,037	8,285	6,000	6,750
2. Jobs Created or Retained	12,349	10,941	12,843	13,742	14,704
3. Number Served with job placement services	72,722	19,143	--	44,677	47,804
<b>Output Measure:</b>					
4. Job Seeker Users on KW.com*	313,029	446,319	--	406,251	434,689
5. Employer Contacts on KW.com*	6,796	10,656	9,567	10,237	10,954
6. Entered Employment (Adult) *	75.5 %	72.4 %	75.4 %	76.0 %	76.0 %
7. Number of Job Orders*	170,288	318,342	231,819	248,046	265,409
8. Job Seeker Resumes*	6,796	35,630	16,918	18,102	19,369
<b>Financing</b>					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	29,907,127	28,842,493		28,598,168	28,239,104
All Other Funds	25,746,141	25,050,618		23,726,687	21,092,407
<b>TOTAL</b>	<b>\$ 55,653,268</b>	<b>\$ 53,893,111</b>		<b>\$ 52,324,855</b>	<b>\$ 49,331,511</b>
<b>Percentage Change:</b>					
SGF	--	--		--	--
All Funds	(24.8) %	(3.2) %		(2.9) %	(5.7) %
FTE Positions	148.8	169.0		169.0	169.0

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

## **BUDGET ANALYSIS**

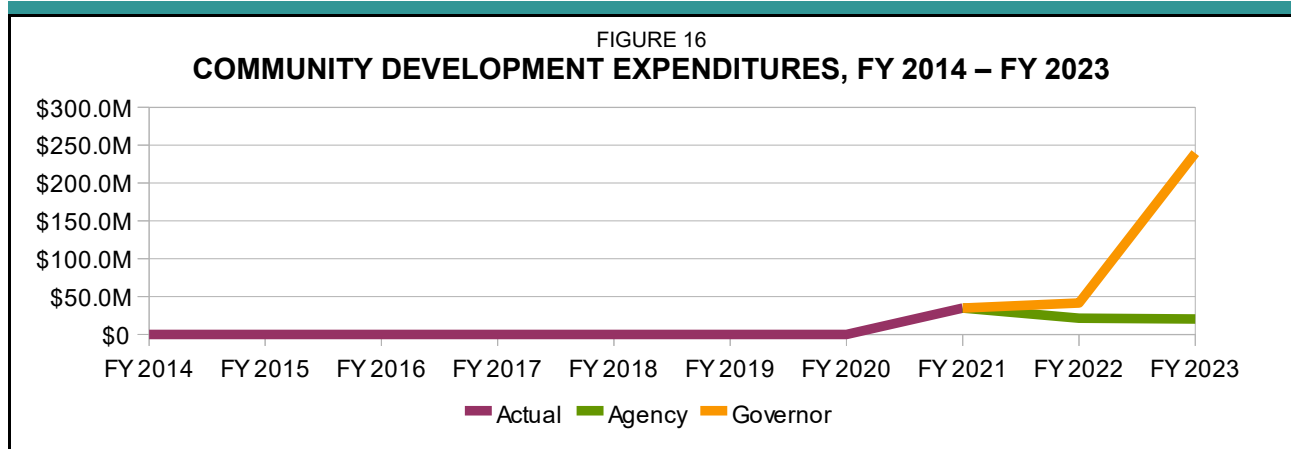
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The **agency** requests FY 2023 Workforce Services Division expenditures of \$48.6 million, which is a decrease of \$4.2 million, or 7.9 percent, below the FY 2022 revised estimate. The decrease is primarily due to the IMPACT Program Bonds (\$4.8 million). The decrease is partially offset by an increase in EDIF of \$1.1 million for the enhancement registered

apprenticeship program (\$500,000) and Work Based Learning (\$714,000).

The **Governor** recommends \$49.3 million, which is an increase of \$700,000, all from federal funds, above the FY 2023 agency request. The increase is attributable to the Pathway Home 2 federal grant.

# 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 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
<b>Outcome Measure:</b>					
1. Number of grant applications received by Community Development programs*	--	296	--	350	370
2. Total amount of community leverage through Community Development programs *	\$ --	\$ 63,496,000	\$ --	\$ 70,000,000	\$ 72,000,000
<b>Output Measure:</b>					
3. Number of housing units rehabilitated *	--	--	--	70	120
4. Percent of community development block grants applications approved	79.0%	86.0%	73.0 %	70.0%	70.0%
5. Number of Community Service Tax Credit Program applications received*	53	56	53	55	58
6. Number of community development projects completed*	--	--	--	65	80

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ --		\$ 20,000,000	\$ 205,000,000
Federal Funds	-	32,273,741		17,288,951	17,369,526
All Other Funds	-	2,697,877		4,458,019	17,201,899
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 34,971,618</b>		<b>\$ 41,746,970</b>	<b>\$ 239,571,425</b>
<b>Percentage Change:</b>					
SGF	-- %	-- %		100.0 %	925.0 %
All Funds	-- %	100.0 %		19.4 %	473.9 %
FTE Positions	--	15.0		15.0	15.0

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

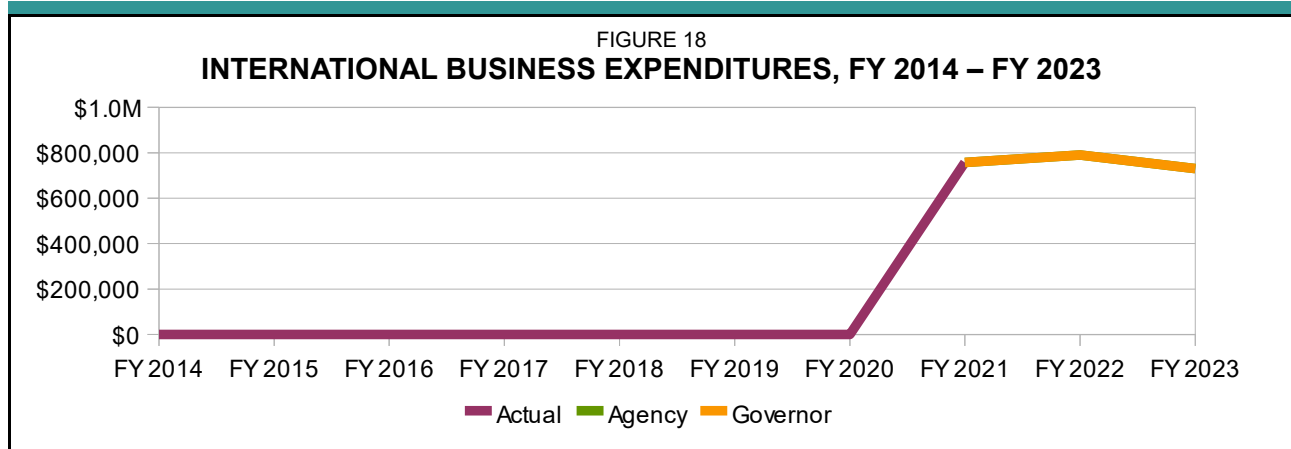
## BUDGET ANALYSIS

The **agency** requests FY 2023 Community Development Division expenditures of \$20.6 million, which is a decrease of \$1.2 million, or 5.3 percent, below the FY 2021 revised estimate. The decrease is attributable to reduced EDIF spending in the Main Street, Rural Opportunity Zone, and Community Development programs. The FY 2022 budget incorporates EDIF reappropriations for these programs and the FY 2023 budget more accurately reflects projected spending.

The **Governor** recommends expenditures of \$239.6 million for FY 2023. The recommendation is an increase of \$219.0 million, or over 1,000 percent, above the FY 2023 agency request. The increase is attributable to \$195.0 million in SGF matching grants for higher education, \$10.0 million for increases in grants to higher education, and enhanced JCPF funding.



# INTERNATIONAL BUSINESS



**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.

During the last eight years, the international export promotion and international business recruitment functions were managed by a much smaller staff operating out of the Business Development Division.

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.

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 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
<b>Outcome Measure:</b>					
1. Cap. Inv. (Millions \$)*	\$ --	\$ --	\$ --	40	40
2. Successful Projects*	--	--	--	3	3
3. Jobs created*	--	--	--	150	150
<b>Output Measure:</b>					
4. Number of webinars*	--	--	--	10	10
5. Number of webinar attendees*	--	--	--	350	350
6. Number of trade missions*	--	--	--	3	5
7. Number of investment projects opened*	--	--	--	6	6
8. Number of business visits*	--	--	--	85	85
9. Number of Kansas International Trade Show Assistance Program applications received	22	8	18	15	22

FIGURE 19  
**INTERNATIONAL BUSINESS, PERFORMANCE MEASURES**

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
10. Percent of Kansas International Trade Show Assistance Program applications approved	86.0 %	38.0 %	70.0 %	65.0 %	86.0 %
11. Percent of investment projects approved*	--	--	--	40.0 %	40.0 %
<b>Financing</b>	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	13,300		80,000	50,000
All Other Funds	-	743,839		710,145	679,990
<b>TOTAL</b>	<u>\$ -</u>	<u>\$ 757,139</u>		<u>\$ 790,145</u>	<u>\$ 729,990</u>
<b>Percentage Change:</b>					
SGF	-- %	-- %		-- %	-- %
All Funds	-- %	100.0 %		4.4 %	(7.6) %
FTE Positions	--	5.4		5.4	5.4

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

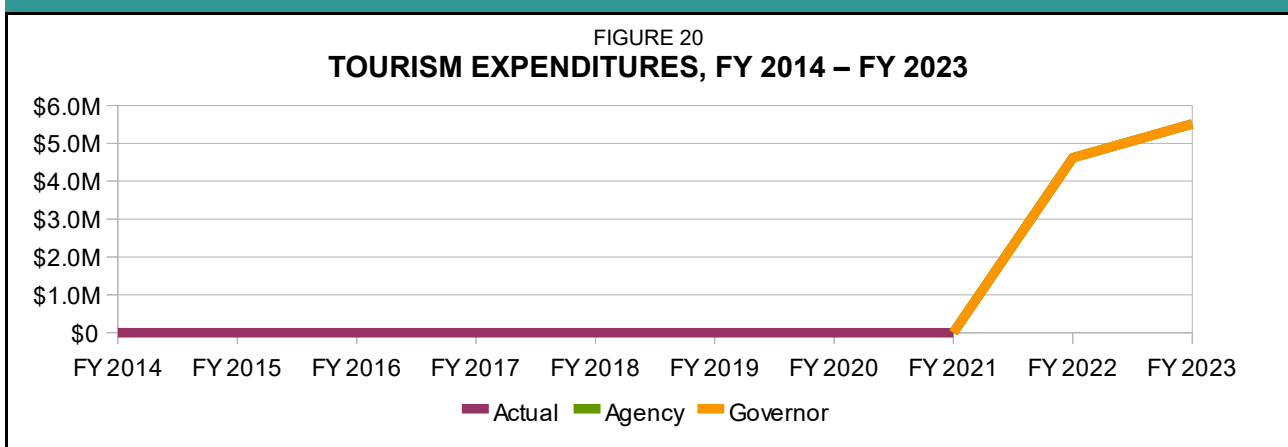
## BUDGET ANALYSIS

The agency requests FY 2023 International Business Division expenditures of \$729,973, which is a decrease of \$60,172, or 7.6 percent, below the FY 2022 revised estimate. The decrease is attributable to a reduction in reappropriations of EDIF dollars and a \$30,000 reduction in the estimate for the Small Business Association Federal Step Grant program.

The International Division is still setting up its operations from when it was reestablished in FY 2021 after an eight-year hiatus. The COVID-19 pandemic limited the number of international business development meetings for FY 2020 and FY 2021.

The **Governor** concurs with the agency's request for the Community Development Division.

# 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. 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.

building state pride for Kansans' by encouraging them to travel throughout the state. Marketing initiatives include platforms such as [TravelKS.com](http://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 & opportunities. 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

Tourism produces a lifestyle magazine, *KANSAS!* magazine, that is 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 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
<b>Outcome Measure:</b>					
1.Amount of Statewide Transient Guest Tax Collections	\$ 40,865,673	\$ 32,662,414	\$ 40,601,442	\$ 35,000,000	\$ 40,000,000
2.Visitor Spending in the State (Billions)	\$ 7.3	\$ 5.4	\$ 6.6	\$ 6.0	\$ 7.0
3.Number of visitors to Kansas	36,500,000	31,400,000	34,500,000	32,500,000	35,600,000

FIGURE 21  
**TOURISM, PERFORMANCE MEASURES**

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
<b>Output Measure:</b>					
4. Number of registered Agritourism businesses in Kansas*	344	395	341	425	450
<b>Financing</b>	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ 10,000	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		4,608,414	5,508,431
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 4,618,414</b>	<b>\$ 5,508,431</b>
<b>Percentage Change:</b>					
SGF	-- %	-- %		100.0 %	(100.0) %
All Funds	-- %	-- %		100.0 %	19.3 %
FTE Positions	--	12.0		12.0	12.0

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

### **BUDGET ANALYSIS**

The agency requests FY 2023 Tourism Division expenditures of \$5.5 million, which is an increase of \$890,000, or 19.3 percent, above the FY 2022 revised estimate. The increase is attributable to a \$1.0 million enhancement, all from the EDIF, and 5.0 FTE positions. Funding would be allocated for direct marketing to visitors using the To The Stars campaign (\$550,000); a billboard campaign (\$200,000); marketing of Kansas agritourism

businesses to assist Kansas farmers and ranchers (\$100,000); marketing of Kansas byways to increase visitation to Kansas communities along the 12 byways in Kansas (\$100,000); and a \$50,000 investment in the KANSAS! magazine program.

The **Governor** concurs with the agency's request for the Tourism Division.

## DEBT SERVICE

FIGURE 22  
**DEBT SERVICE, GOVERNOR'S RECOMMENDATION, FY 2022 – FY 2023**

	FY 2022			FY 2023		
	Principal	Interest	Total	Principal	Interest	Total
Workforce Services Center	\$ 130,000	\$ 3,228	\$ 133,228	\$ -	\$ -	\$ -
<b>Financing:</b>						
SGF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-
All Other Funds	130,000	3,228	133,228	-	-	-
<b>TOTAL</b>	<b>\$ 130,000</b>	<b>\$ 3,228</b>	<b>\$ 133,228</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The Kansas Department of Commerce FY 2022 revised estimate includes \$133,228 for debt service, including \$3,228 for interest. This is the final payment on the bonds for the Topeka Workforce Center.

\$23.5 million in FY 2022 and \$18.7 million in FY 2023. The final payment on the IMPACT bonds will be in FY 2023, and the remaining revenue from the bonds is also fully budgeted in FY 2022.

In addition to the Topeka Workforce Center bonds, the agency also pays debt service on IMPACT Program bonds. The payments total

The **Governor** concurs with the agency request for the Debt Service program.

## CAPITAL IMPROVEMENTS

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

FIGURE 23  
**CAPITAL IMPROVEMENTS, FY 2021 – FY 2023**

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
<b>Capital Projects:</b>					
Reroof and Facade Garden City	\$ -	\$ 130,000	\$ 130,000	\$ -	\$ -
Topeka WFC - Plumbing	-	100,000	100,000	-	-
Topeka WFC - HVAC Controls	-	-	-	100,000	100,000
<i>Subtotal–Projects</i>	<i>\$ -</i>	<i>\$ 230,000</i>	<i>\$ 230,000</i>	<i>\$ 100,000</i>	<i>\$ 100,000</i>
<b>Debt Service Principal:</b>					
Topeka JC Debt Service	\$ 125,000	\$ -	\$ -	\$ -	\$ -
<i>Subtotal–Debt</i>	<i>\$ 125,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<b>TOTAL</b>	<b>\$ 125,000</b>	<b>\$ 230,000</b>	<b>\$ 230,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>
<b>Financing:</b>					
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	125,000	230,000	230,000	100,000	100,000
<b>TOTAL</b>	<b>\$ 125,000</b>	<b>\$ 230,000</b>	<b>\$ 230,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>

### FY 2022 CAPITAL IMPROVEMENTS

The **agency** requests \$230,000, all from special revenue funds, including \$130,000 for reroofing and facade replacement at the Garden City Job Center, and \$100,000 for plumbing repairs at the Topeka Workforce Center. The request is an increase of \$105,000 above the FY 2021 actual expenditures. The

Garden Center work was originally scheduled for FY 2021 but was delayed due to the COVID-19 pandemic.

The **Governor** concurs with the agency's revised estimate for FY 2022.

### FY 2023 CAPITAL IMPROVEMENTS

The **agency** requests \$100,000, all from special revenue funds, for replacement of HVAC controls at the Topeka Workforce Center. The request is an decrease of \$130,000 below the FY 2022 agency revised estimate.

The **Governor** concurs with the agency's request for FY 2023.