

House Budget Committee Report

Agency: Kansas Department of Commerce **Bill No.** HB 2397

Bill Sec. 46

Analyst: Dear

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Budget Page No. 76

Expenditure Summary	Agency Request FY 2022	Governor Recommendation FY 2022	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 10,000	\$ 0
Other Funds	95,869,343	99,445,857	0
<i>Subtotal</i>	\$ 95,869,343	\$ 99,455,857	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	330,000	330,000	0
<i>Subtotal</i>	\$ 330,000	\$ 330,000	\$ 0
TOTAL	\$ 96,199,343	\$ 99,785,857	\$ 0
FTE positions	296.3	308.3	0.0

Agency Request

The **agency** requests \$96.2 million, all from special revenue funds, for FY 2022. The agency request includes \$95.9 million in operating expenditures for FY 2022. The operating request is an all funds decrease of \$174.0 million, or 64.5 percent, from the FY 2021 revised estimate. The decrease is primarily attributable to one-time federal funds expenditures in FY 2021 for COVID-19 pandemic relief, including the Community Development Block Grant (CDBG) - CARES Act (\$16.9 million), CERG Program, Business Retention and Expansion grant program, local food systems grants, Information Technology grants, and other programs totaling \$138.6 million, and expanded National Endowment for the Arts funding (\$342,600). The agency also estimates reductions in other assistance of \$8.1 million from the Job Creation Program Fund from expanded funding in FY 2021, \$1.4 million in reduced grants from the EDIF due to exhaustion of funding sources and a reduction of \$550,000 from the IMPACT Program Services fund due to exhaustion of funding.

The agency requests capital improvement expenditures of \$330,000, all from special revenue funds, for FY 2022. The agency request is an increase of \$105,000, or 46.7 percent, above the FY 2021 agency request. The increase is attributable to the cost of replacing the elevator at the Topeka Workforce Center relative to roof and facade repairs in FY 2021.

The agency requests 296.3 FTE positions, the same number as the FY 2021 revised estimate.

Governor's Recommendation

The **Governor** recommends expenditures of \$99.8 million, including \$10,000 SGF, an all funds increase of \$3.6 million, or 3.7 percent, above the FY 2022 agency request. The Governor also recommends the addition of \$10,000 SGF for moving expenditures. The increase is attributable to the recommendation to move the Tourism Division from the Kansas Department of Wildlife, Parks, and Tourism to Commerce. The move includes \$3.0 million from the Tourism and Travel Fee Fund, \$1.6 million from EDIF, and 12.0 FTE positions. The increase is partially offset by a reduction of \$1.0 million, all from special revenue funds, to refinance the IMPACT bonds.

The Governor concurs with the agency's FY 2022 capital improvements request.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2022.

House Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation for FY 2022.

Senate Subcommittee Report

Agency: Kansas Department of Commerce **Bill No.** SB 267

Bill Sec. 46

Analyst: Dear

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Budget Page No. 76

Expenditure Summary	Agency Request FY 2022	Governor Recommendation FY 2022	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 10,000	\$ 0
Other Funds	95,869,343	99,445,857	0
<i>Subtotal</i>	\$ 95,869,343	\$ 99,455,857	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	330,000	330,000	0
<i>Subtotal</i>	\$ 330,000	\$ 330,000	\$ 0
TOTAL	\$ 96,199,343	\$ 99,785,857	\$ 0
FTE positions	296.3	308.3	0.0

Agency Request

The **agency** requests \$96.2 million, all from special revenue funds, for FY 2022. The agency request includes \$95.9 million in operating expenditures for FY 2022. The operating request is an all funds decrease of \$174.0 million, or 64.5 percent, from the FY 2021 revised estimate. The decrease is primarily attributable to one-time federal funds expenditures in FY 2021 for COVID-19 pandemic relief, including the Community Development Block Grant (CDBG) - CARES Act (\$16.9 million), CERG Program, Business Retention and Expansion grant program, local food systems grants, Information Technology grants, and other programs totaling \$138.6 million, and expanded National Endowment for the Arts funding (\$342,600). The agency also estimates reductions in other assistance of \$8.1 million from the Job Creation Program Fund from expanded funding in FY 2021, \$1.4 million in reduced grants from the EDIF due to exhaustion of funding sources and a reduction of \$550,000 from the IMPACT Program Services fund due to exhaustion of funding.

The agency requests capital improvement expenditures of \$330,000, all from special revenue funds, for FY 2022. The agency request is an increase of \$105,000, or 46.7 percent, above the FY 2021 agency request. The increase is attributable to the cost of replacing the elevator at the Topeka Workforce Center relative to roof and facade repairs in FY 2021.

The agency requests 296.3 FTE positions, the same number as the FY 2021 revised estimate.

Governor's Recommendation

The **Governor** recommends expenditures of \$99.8 million, including \$10,000 SGF, an all funds increase of \$3.6 million, or 3.7 percent, above the FY 2022 agency request. The Governor also recommends the addition of \$10,000 SGF for moving expenditures. The increase is attributable to the recommendation to move the Tourism Division from the Kansas Department of Wildlife, Parks, and Tourism to Commerce. The move includes \$3.0 million from the Tourism and Travel Fee Fund, \$1.6 million from EDIF, and 12.0 FTE positions. The increase is partially offset by a reduction of \$1.0 million, all from special revenue funds, to refinance the IMPACT bonds.

The Governor concurs with the agency's FY 2022 capital improvements request.

Senate Commerce Committee Recommendation

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

1. Add language authorizing transfers of monies from the SGF to the Kansas Bioscience Authority Grant Commitments account of the SGF, in the Department of Commerce, up to the amount necessary to meet Commerce contractual obligations if the funds in the account are inadequate in FY 2022. Transfers will be subject to approval of the Director of Budget with notification to the Director of Legislative Research.
2. Add language prohibiting the expenditure of any state funds appropriated to the Department of Commerce on travel by any persons who is not either an employee of the Department of Commerce or the Governor for FY 2022.

Senate Committee Recommendation

The **Committee** concurs with the Senate Commerce Committee recommendation with the following adjustment and recommendation:

1. Delete language prohibiting the expenditure of any state funds appropriated to the Department of Commerce on travel by any persons who is not either an employee of the Department of Commerce or the Governor for FY 2022.
2. The Senate Committee recommends the Kansas Department of Commerce report at Omnibus the number of vacant FTE positions and the funded status of those employees.

Senate Committee of the Whole Recommendation (Sub. for SB 267)

The **Committee of the Whole** concurs with the Committee recommendation for FY 2022.

Conference Committee Recommendation (SB 159)

1. Add \$250,000, all special revenue funds, and 1.0 FTE position to implement HB 2074 concerning technology-enabled fiduciary financial institutions, and appropriate a no-limit Technology-enabled Fiduciary Financial Institutions Fund for FY 2022.
2. Delete \$48,626, from the transfer from the Economic Development Initiatives Fund to the SGF in FY 2022.
3. Add \$94,300, all from the Economic Development Initiatives Fund, to implement the reemployment provisions of Senate Sub. for Sub. for HB 2196, the Unemployment Modernization Act in FY 2022.
4. Add language prohibiting grants of funds to any Public Broadcasting Station that has moved to a new city or plans to move to a new city for FY 2021, FY 2022, or FY 2023.

	Governor's Recommendation FY 2022	Legislative Action	Legislative Approved FY 2022	Governor's Veto FY 2022	Final Legislative Approved FY 2022
All Funds					
State Operations	\$ 36,579,374	\$ 444,300	\$ 37,023,674	\$ 0	\$ 37,023,674
Aid to Local Units	14,143,000	0	14,143,000	0	14,143,000
Other Assistance	48,733,483	0	48,733,483	0	48,733,483
<i>Subtotal - Operations</i>	<i>\$ 99,455,857</i>	<i>\$ 444,300</i>	<i>\$ 99,900,157</i>	<i>\$ 0</i>	<i>\$ 99,900,157</i>
Capital Improvements	330,000	0	330,000	0	330,000
TOTAL	\$ 99,785,857	\$ 444,300	\$ 100,230,157	\$ 0	\$ 100,230,157

State General Fund

State Operations	\$ 10,000	\$ 0	\$ 10,000	\$ 0	\$ 10,000
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal - Operating</i>	<i>\$ 10,000</i>	<i>\$ 0</i>	<i>\$ 10,000</i>	<i>\$ 0</i>	<i>\$ 10,000</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 10,000	\$ 0	\$ 10,000	\$ 0	\$ 10,000

FTE Positions	308.3	1.0	309.3	0.0	309.3
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