

Kansas Department of Commerce

Expenditure	Actual FY 2013	Approved FY 2014	Approved FY 2015
All Funds:			
State Operations	\$ 23,734,276	\$ 27,026,860	\$ 25,668,301
Aid to Local Units	32,992,611	25,110,016	19,534,794
Other Assistance	107,303,794	94,373,746	76,793,580
<i>Subtotal - Operating</i>	<u>\$ 164,030,681</u>	<u>\$ 146,510,622</u>	<u>\$ 121,996,675</u>
Capital Improvements	194,702	190,000	195,000
TOTAL	<u><u>\$ 164,225,383</u></u>	<u><u>\$ 146,700,622</u></u>	<u><u>\$ 122,191,675</u></u>
State General Fund:			
State Operations	\$ 1,308	\$ -	\$ -
Aid to Local Units	-	-	-
Other Assistance	15,000,000	15,000,000	250,000
<i>Subtotal - Operating</i>	<u>\$ 15,001,308</u>	<u>\$ 15,000,000</u>	<u>\$ 250,000</u>
Capital Improvements	-	-	-
TOTAL	<u><u>\$ 15,001,308</u></u>	<u><u>\$ 15,000,000</u></u>	<u><u>\$ 250,000</u></u>
Percent Change:			
Operating Expenditures			
All Funds	11.5 %	(10.7)%	(16.7)%
State General Fund	0.0	(0.0)	(98.3)
FTE Positions			
Non-FTE Unclass. Perm. Pos.	192.0	163.8	164.3
TOTAL	<u><u>258.0</u></u>	<u><u>272.8</u></u>	<u><u>269.3</u></u>

The approved operating expenditures without capital improvements in FY 2014 is \$146.5 million, including \$15.0 million from the State General Fund, and \$16.4 from the Economic Development Initiatives Fund (EDIF). The approved amount is an all funds decrease of \$17.5 million or 10.7 percent, below FY 2013 actual expenditures and an EDIF increase of \$1.87 million, or 10.8 percent above FY 2013 actual expenditures. The approved operating expenditures in FY 2014 is an all funds increase of \$5.5 million, or 3.9 percent, and an EDIF increase of \$4.4 million, or 36.3 percent, above the amount approved by the 2013 Legislature. The overall approved budget including capital improvements is \$146.7 million, including \$15.0 million from the State General Fund.

The State General Fund operating expenditures were \$1,308 less than FY 2013 actual expenditures and the same as the amount approved by the 2013 Legislature. The agency had requested and the Governor approved an increase of \$498,692, based on the reappropriation of FY 2013 funding for the Research Grant program which was not spent in FY 2013 and was shifted to FY 2014 for the Employer Incentive Program. The Legislature deleted this State General Fund reappropriation. The agency states that this will have minimal impact on the Employee Incentive Program as there was \$450,000, all from the EDIF, budgeted for the program in FY 2014. The EDIF increase was due largely to a reappropriation of money that was not spent in FY 2013 and shifted to FY 2014.

The all funds increase in operating expenditures is due to an increase in the Trade Adjustment Assistance Fund provided by the United States Department of Labor of \$1.1 million, the Broadband Data Development Fund provided through a federal grant through the National Telecommunication and Information Administration of \$2.6 million, and other assistance expenditures of \$2.3 million. The increase is partially offset by a decrease in special revenue funds including decreased funding of \$2.2 million for the Small Business Credit Initiative and decreased expenditures of \$2.6 million for the Job Creation program. The 2013 Legislature had reduced the cap on the State General Fund transfer from the Job Creation Fund by \$2.5 million.

The FY 2014 approved budget includes 163.8 FTE positions, a decrease of 28.2 FTE positions below FY 2013 actual expenditures and the amount approved by the 2013 Legislature. The FY 2014 approved budget also includes 109.0 non-FTE unclassified positions, an increase of 43.0 non-FTE unclassified positions above 2013 actuals and the amount approved by the 2013 Legislature. The agency states due to the nature of its grant and federal funding, it is replacing classified positions with non-FTE unclassified positions.

The FY 2014 approved budget also includes capital improvement expenditures of \$190,000, all from special revenue funds, which was \$4,702, or 2.4 percent, less than FY 2013 actual expenditures and the same as the amount approved by the 2013 Legislature. This includes \$100,000 for repairs and rehabilitation for the agency's 27 Workforce Center Buildings and \$90,000 for debt service principal payments for the Topeka Workforce Center.

The approved operating expenditures without capital improvements for FY 2015 is \$122.0 million, including \$250,000 from the State General Fund and \$13.8 million from the EDIF. The FY 2015 approved amount is an all funds decrease of \$24.5 million, or 16.7 percent, and an EDIF decrease of \$1.8 million, or 10.8 percent, from the FY 2014 approved budget and an all funds decrease of \$20.6 million, or 14.4 percent, and an EDIF increase of \$12,549, or 0.1 percent, from the amount approved by the 2013 Legislature. The approved FY 2015 operating expenditures budget includes a State General Fund decrease of \$14.8 million, or 98.3 percent, below the FY 2014 approved budget and the amount approved by the 2013 Legislature. The overall approved budget including capital improvements is \$122.2 million, including \$250,000 from the State General Fund.

The State General Fund decrease is due to the Legislature directly appropriating the animal health research grant (\$5.0 million) to Kansas State University, the aviation research grant (\$5.0 million) to Wichita State University, and the cancer center research grant (\$5.0 million) to Kansas University and deleting those funds in the Department of Commerce. This was offset by the addition of \$250,000, all from the State General Fund, for a new Global Trade Services Grants Program. The EDIF decrease from the FY 2014 approved amount is largely due to reduction of funding for the Rural Opportunity Zones and the Wichita State University Aviation classroom and training equipment offset by the addition of funding for the \$250 State Employee Bonus. The increase over the amount approved by the 2013 Legislature is entirely due to the addition of funding for the \$250 State Employee Bonus.

The all funds decrease from the FY 2014 approved amount is due to a decrease in the Job Creation Program Fund of \$2.6 million, in the Small Business Credit Initiative of \$2.2 million, and in the federal Community Development Block Grant of \$6.1 million. The decreases are partially offset by an increase of \$2.2 million in contracted services for the Broadband Data Development program and the addition of funds appropriated for the \$250 state employee bonus. The State General Fund decrease from the amount approved by the 2013 Legislature is entirely due to the shift of funding to the universities.

The FY 2015 approved budget includes 164.3 FTE positions, a decrease of 27.7 FTE positions below the amount approved by the 2013 Legislature. The FY 2015 approved budget also includes 105.0 non-FTE unclassified positions, an increase of 39.0 non-FTE unclassified positions above the amount approved by the 2013 Legislature. The agency states due to the nature of its grant and federal funding, it is replacing classified positions with non-FTE unclassified positions.

The FY 2015 approved budget also includes capital improvement expenditures of \$195,000, all from special revenue funds, an increase of \$5,000, or 2.6 percent, above the FY 2014 approved budget and the same as the amount approved by the 2013 Legislature. This includes \$100,000 for repairs and rehabilitation for the agency's 27 Workforce Center buildings and \$95,000 for debt service principal payments for the Topeka Workforce Center.

Kansas Department of Commerce

	FY 2014			FY 2015		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Agency Estimate/Request	\$ 15,498,692	\$ 147,199,314	163.8	\$ 15,000,000	\$ 136,873,423	164.3
Governor's Changes:						
1. 1.5 Percent Base Pay Increase	\$ -	\$ -	-	\$ -	\$ 105,482	-
Total Governor's Recommendation	\$ 15,498,692	\$ 147,199,314	163.8	\$ 15,000,000	\$ 136,978,905	164.3
Change from Agency Est./Req.	\$ 0	\$ 0	0.0	\$ 0	\$ 105,482	0.0
Percent Change from Agency Est./Req.	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.0 %
Legislative Action:						
2. State General Fund Reappropriation Reduction	\$ (498,692)	\$ (498,692)	-	\$ -	\$ -	-
3. Animal Health Research Grant	-	-	-	(5,000,000)	(5,000,000)	-
4. Aviation Research Grant	-	-	-	(5,000,000)	(5,000,000)	-
5. Cancer Research Grant	-	-	-	(5,000,000)	(5,000,000)	-
6. Global Trade Services Grants	-	-	-	250,000	250,000	-
7. 1.5 Percent Base Pay Increase	-	-	-	-	(105,482)	-
8. \$250 State Employee Bonus	-	-	-	-	68,252	-
TOTAL APPROVED	\$ 15,000,000	\$ 146,700,622	163.8	\$ 250,000	\$ 122,191,675	164.3
Change from Gov. Rec.	\$ (498,692)	\$ (498,692)	0.0	\$ (14,750,000)	\$ (14,787,230)	0.0
Percent Change from Gov. Rec.	(3.2)%	(0.3)%	0.0 %	(98.3)%	(10.8)%	0.0 %
Change from Agency Est./Req.	\$ (498,692)	\$ (498,692)	0.0	\$ (14,750,000)	\$ (14,681,748)	0.0
Percent Change from Agency Est./Req.	(3.2)%	(0.3)%	0.0 %	(98.3)%	(10.7)%	0.0 %

1. The Governor added \$105,482, all from special revenue funds, for a 1.5 percent base pay increase for classified employees in the Executive Branch for FY 2015.
2. The Legislature deleted \$498,692, all from the State General Fund, for a State General Fund reappropriation from FY 2013 to FY 2014.
3. The Legislature deleted \$5.0 million, all from the State General Fund, for the animal health research grant for FY 2015 (2014 HB 2506).
4. The Legislature deleted \$5.0 million, all from the State General Fund, for the aviation research grant for FY 2015 (2014 HB 2506).
5. The Legislature deleted \$5.0 million, all from the State General Fund, for the cancer center research grant for FY 2015 (2014 HB 2506).
6. The Legislature added \$250,000, all from the State General Fund, for global trade services grants for FY 2015.
7. The Legislature deleted \$105,482, all from special revenue funds, for a 1.5 percent base pay increase for classified employees in the Executive Branch for FY 2015.
8. The Legislature added \$68,252, including \$12,549 from the Economic Development Initiative Fund, for FY 2015 for employee bonuses of \$250 for all full-time employees except elected officials who were employed on December 6, 2013, and which will be paid on December 6, 2014.