

## Office of the Governor

| Expenditure                 | Actual<br>FY 2021            | Approved<br>FY 2022         | Approved<br>FY 2023          |
|-----------------------------|------------------------------|-----------------------------|------------------------------|
| <b>All Funds:</b>           |                              |                             |                              |
| State Operations            | \$ 15,881,168                | \$ 15,142,156               | \$ 23,871,379                |
| Aid to Local Units          | 403,901,996                  | 3,780,809                   | 277,794,234                  |
| Other Assistance            | 26,379,800                   | 46,247,563                  | 156,449,157                  |
| <i>Subtotal - Operating</i> | <u>\$ 446,162,964</u>        | <u>\$ 65,170,528</u>        | <u>\$ 458,114,770</u>        |
| Capital Improvements        | 0                            | 0                           | 0                            |
| <b>TOTAL</b>                | <b><u>\$ 446,162,964</u></b> | <b><u>\$ 65,170,528</u></b> | <b><u>\$ 458,114,770</u></b> |
| <b>State General Fund:</b>  |                              |                             |                              |
| State Operations            | \$ 2,765,858                 | \$ 3,180,363                | \$ 3,114,689                 |
| Aid to Local Units          | 0                            | 0                           | 20,000,000                   |
| Other Assistance            | 5,229,619                    | 5,351,641                   | 5,432,432                    |
| <i>Subtotal - Operating</i> | <u>\$ 7,995,477</u>          | <u>\$ 8,532,004</u>         | <u>\$ 28,547,121</u>         |
| Capital Improvements        | -                            | -                           | -                            |
| <b>TOTAL</b>                | <b><u>\$ 7,995,477</u></b>   | <b><u>\$ 8,532,004</u></b>  | <b><u>\$ 28,547,121</u></b>  |
| <b>Percent Change:</b>      |                              |                             |                              |
| Operating Expenditures      |                              |                             |                              |
| All Funds                   | 1,271.5 %                    | (85.4)%                     | 602.9 %                      |
| State General Fund          | (6.1)                        | 6.7                         | 234.6                        |
| FTE Positions               | 60.6                         | 68.8                        | 68.8                         |

The approved budget for the Office of the Governor in FY 2022 is \$65.2 million, including \$8.5 million SGF. The budget is an all funds decrease of \$381.0 million, or 85.4 percent, and an SGF increase of \$536,527, or 6.7 percent, from the FY 2021 actual expenditures. The all funds decrease is due to COVID-19 pandemic relief funds that flowed through the Office of the Governor in FY 2021 that decrease in FY 2022. The decrease is partially offset by the addition of \$15.0 million from the federal American Rescue Plan Act (ARPA) fund to increase compensation to nursing homes.

The agency estimate includes 68.8 FTE positions, which is an increase of 8.2 FTE positions above the FY 2021 actual number. This increase is attributable to the continuation of Office of Recovery staff for a full fiscal year in FY 2022. The Office of Recovery staff was not originally budgeted for FY 2022; however, due to enactment of ARPA, the Office of the Governor has continued to provide support and federal COVID-19 pandemic relief funds distribution through the Office of Recovery and requested the continuation of its staff.

The approved budget for the Office of the Governor for FY 2023 is \$458.1 million, including \$28.5 million SGF. The FY 2023 budget is an all funds increase of \$392.9 million, or 602.9 percent, including an SGF increase of \$20.0 million, or 234.6 percent, above the FY 2022 approved budget. The all funds increase is attributable to federal ARPA funding. The budget includes \$233.4 million for higher education from the ARPA funds, including \$175.0 million for Regents and Universities, and \$58.4 million for private universities and community and technical colleges. The FY 2023 budget includes \$73.1 million in economic development projects, including \$35.0 million for an agricultural production facility and \$25.0 million for housing projects.

The budget includes \$50.0 million in federal ARPA funds for business closure rebates. The maximum amount of a rebate is \$5,000. Pursuant to HB 2136, the rebates are restricted to for-profit businesses that:

- Conduct a majority of retail sales through customers' physical, on-site presence at a retail storefront property;
- Were in operation on or prior to July 1, 2019, and filed a 2019 tax return;
- Had at least \$10,000 in annual revenues, including gross sales and receipts, in calendar year 2019;
- Received less gross revenue in calendar year 2020 or 2021, as applicable, compared to calendar year 2019;
- Were in active operations as of March 1, 2020; and
- Had not received more than a total of \$150,000 in prior COVID-19-related local, state or federal funding or any combination thereof.

The budget includes \$20.0 million in ARPA funding for the Moderate Income Housing Program in the Kansas Housing Resources Corporation and \$20.0 million in SGF for the Rural Housing Revolving Loan program. Both programs are intended to address shortages in housing in the rural parts of the state and extend \$20.0 million in additional funding for the Moderate Income Housing Program included in the Department of Commerce budget for FY 2022.

The budget includes \$5.0 million in ARPA funding for the Kansas State Department of Education; including \$4.0 million for the Virtual Math Program, and \$1.0 million for the Safe and Secure Schools Program.

In addition to the funds budgeted that will be transferred to other agencies and local units of government, the FY 2023 operating budget includes \$19.6 million for the Office of Recovery. This budget includes 27.0 FTE positions and contractual services expenditures of \$8.8 million for FY 2023 to compensate the private sector auditors and accountants overseeing the distribution of discretionary moneys from the State and Local Fiscal Recovery Funds provided in ARPA.

The approved budget includes 68.8 FTE positions, which is unchanged from the FY 2022 approved number.

**Office of the Governor**

|   | FY 2022             |                      |             | FY 2023              |                       |             |
|---|---------------------|----------------------|-------------|----------------------|-----------------------|-------------|
|   | SGF                 | All Funds            | FTE         | SGF                  | All Funds             | FTE         |
| <b>Agency Estimate</b>                      | \$ 8,532,004        | \$ 50,170,528        | 68.8        | \$ 8,209,228         | \$ 56,216,179         | 68.8        |
| <b>Governor's Changes:</b>                  |                     |                      |             |                      |                       |             |
| 1. GBA No. 2, Item 12 - CASA                | \$ -                | \$ -                 | -           | \$ 225,000           | \$ 225,000            | -           |
| <i>Subtotal - Governor's Recommendation</i> | <i>\$ 8,532,004</i> | <i>\$ 50,170,528</i> | <i>68.8</i> | <i>\$ 8,434,228</i>  | <i>\$ 56,441,179</i>  | <i>68.8</i> |
| Change from Agency Est.                     | \$ -                | \$ -                 | -           | \$ 225,000           | \$ 225,000            | -           |
| Percent Change from Agency Est.             | 0.0 %               | 0.0 %                | 0.0 %       | 2.7 %                | 0.4 %                 | 0.0 %       |
| <b>Legislative Action:</b>                  |                     |                      |             |                      |                       |             |
| 2. Adopt GBA No. 2, Item 12 - CASA          | \$ -                | \$ -                 | -           | \$ -                 | \$ -                  | -           |
| 3. Nursing Facilities                       | -                   | 15,000,000           | -           | -                    | -                     | -           |
| 4. Pratt Community College                  | -                   | -                    | -           | -                    | 778,445               | -           |
| 5. Cowley Community College                 | -                   | -                    | -           | -                    | 4,000,000             | -           |
| 6. Fort Scott Community College             | -                   | -                    | -           | -                    | 800,103               | -           |
| 7. Garden City Community College            | -                   | -                    | -           | -                    | 1,499,913             | -           |
| 8. Highland Community College               | -                   | -                    | -           | -                    | 425,375               | -           |
| 9. Hutchinson Community College             | -                   | -                    | -           | -                    | 999,786               | -           |
| 10. Johnson County Community College        | -                   | -                    | -           | -                    | 2,538,502             | -           |
| 11. Kansas City Community College           | -                   | -                    | -           | -                    | 12,000,000            | -           |
| 12. Neosho Community College                | -                   | -                    | -           | -                    | 1,498,987             | -           |
| 13. Cloud County Community College          | -                   | -                    | -           | -                    | 4,000,000             | -           |
| 14. Private College Grants                  | -                   | -                    | -           | -                    | 10,000,000            | -           |
| 15. Board of Regents Grants                 | -                   | -                    | -           | -                    | 75,000,000            | -           |
| 16. Business Closure Rebates                | -                   | -                    | -           | -                    | 50,000,000            | -           |
| 17. Health Sciences (WSU/KU)                | -                   | -                    | -           | -                    | 25,000,000            | -           |
| 18. University of Kansas                    | -                   | -                    | -           | -                    | 35,000,000            | -           |
| 19. Kansas State University                 | -                   | -                    | -           | -                    | 25,000,000            | -           |
| 20. Moderate Income Housing                 | -                   | -                    | -           | -                    | 20,000,000            | -           |
| 21. Rural Housing Revolving Loan            | -                   | -                    | -           | 20,000,000           | 20,000,000            | -           |
| 22. Agricultural Production Facility        | -                   | -                    | -           | -                    | 35,000,000            | -           |
| 23. Holocaust Commemoration                 | -                   | -                    | -           | -                    | 10,000                | -           |
| 24. White Collar Crime Fund                 | -                   | -                    | -           | -                    | -                     | -           |
| 25. Benedictine College                     | -                   | -                    | -           | -                    | -                     | -           |
| 26. Northwest Technical College             | -                   | -                    | -           | -                    | 600,104               | -           |
| 27. Butler County Community College         | -                   | -                    | -           | -                    | 572,268               | -           |
| 28. Flint Hills Technical College           | -                   | -                    | -           | -                    | 500,000               | -           |
| 29. Emporia State University                | -                   | -                    | -           | -                    | 5,000,000             | -           |
| 30. Animal Nourishment Facility             | -                   | -                    | -           | -                    | 5,000,000             | -           |
| 31. Pittsburgh State University             | -                   | -                    | -           | -                    | 5,000,000             | -           |
| 32. SE Kansas Economic Dev.                 | -                   | -                    | -           | -                    | 5,000,000             | -           |
| 33. Fort Hays State University              | -                   | -                    | -           | -                    | 5,000,000             | -           |
| 34. Coffeyville Community College           | -                   | -                    | -           | -                    | 425,987               | -           |
| 35. Manhattan Technical College             | -                   | -                    | -           | -                    | 1,843,594             | -           |
| 36. NE Kansas Building Refurb.              | -                   | -                    | -           | -                    | 3,100,000             | -           |
| 37. Washburn University                     | -                   | -                    | -           | -                    | 3,000,000             | -           |
| 38. Central Kansas Eco. Devo.               | -                   | -                    | -           | -                    | 20,000,000            | -           |
| 39. Port Authority Transload Facility       | -                   | -                    | -           | -                    | 2,500,000             | -           |
| 40. Washburn Institute of Technology        | -                   | -                    | -           | -                    | 1,843,594             | -           |
| 41. Seward Community College                | -                   | -                    | -           | -                    | 1,843,594             | -           |
| 42. Wichita State Technical College         | -                   | -                    | -           | -                    | 1,843,594             | -           |
| 43. Salina Technical College                | -                   | -                    | -           | -                    | 1,843,594             | -           |
| 44. North Central Technical College         | -                   | -                    | -           | -                    | 1,843,594             | -           |
| 45. Colby Community College                 | -                   | -                    | -           | -                    | 1,843,594             | -           |
| 46. Barton Community College                | -                   | -                    | -           | -                    | 1,843,594             | -           |
| 47. Nutritional Programs                    | -                   | -                    | -           | -                    | 1,500,000             | -           |
| 48. Central Kansas Hotel                    | -                   | -                    | -           | -                    | 1,000,000             | -           |
| 49. Safe and Secure Schools                 | -                   | -                    | -           | -                    | 1,000,000             | -           |
| 50. Virtual Math                            | -                   | -                    | -           | -                    | 4,000,000             | -           |
| 51. Salary Increase                         | -                   | -                    | -           | 112,893              | 175,369               | -           |
| <b>TOTAL APPROVED</b>                       | <b>\$ 8,532,004</b> | <b>\$ 65,170,528</b> | <b>68.8</b> | <b>\$ 28,547,121</b> | <b>\$ 458,114,770</b> | <b>68.8</b> |
| Change from Gov. Rec.                       | \$ -                | \$ 15,000,000        | -           | \$ 20,112,893        | \$ 401,673,591        | -           |
| Percent Change from Gov. Rec.               | -- %                | 29.9 %               | 0.0 %       | 238.5 %              | 711.7 %               | 0.0 %       |
| Change from Agency Est.                     | \$ -                | \$ 15,000,000        | -           | \$ 20,337,893        | \$ 401,898,591        | -           |
| Percent Change from Agency Est.             | -- %                | 29.9 %               | 0.0 %       | 247.7 %              | 714.9 %               | 0.0 %       |

1. The Governor added \$225,000 SGF for the Court Appointed Special Advocate (CASA) program for FY 2023.
2. The Legislature concurred with GBA No. 2, Item 12, to add \$225,000 SGF for the CASA program for FY 2023.
3. The Legislature added \$15.0 million, all from federal ARPA funds, to provide funding to nursing facilities to cover rising costs associated with staffing shortages for facilities in FY 2022 and add language lapsing the funding should it be determined that the funding is not an allowable purpose under federal guidelines.
4. The Legislature added \$778,445, all from federal ARPA funds, for Pratt Community College provided the college provides a 1:1 match for the following project: a welding program expansion to serve more students including purchase of additional robotic welding equipment, a PIPEFAB welding system, laser and waterjet cutting table, and a live axis computer numerical control (CNC) machine for FY 2023.
5. The Legislature added \$4.0 million, all from federal ARPA funds, for Cowley Community College provided the college provides a 1:1 match for the following project: building a Build a Career and Technical Education facility in Arkansas City to expand carpentry and construction trades, welding, electromechanical maintenance, and other high-wage high-demand careers for FY 2023.
6. The Legislature added \$800,103, all from federal ARPA funds, for Fort Scott Community College provided the college provides a 1:1 match for the following project: establishing a training program for heavy equipment operators in partnership with industry to serve multiple southeast Kansas counties and school districts to meet this critical workforce shortage for industry for FY 2023.
7. The Legislature added \$1.5 million, all from federal ARPA funds, for Garden City Community College provided the college provides a 1:1 match for the following projects: building an 8,000 square-foot facility expansion to increase Agricultural Technology, Farm Equipment Mechanic, Industrial Machinery Mechanic, and Welding programs to serve significantly more students and better meet local industry workforce demand for FY 2023.
8. The Legislature added \$425,375, all from federal ARPA funds, for Highland Community College provided the college provides a one to one match for the following project: expansion of the welding program in Atchison and equipment to start computer support specialist and other high-wage high-demand information technology programs in the Highland service territory for FY 2023.
9. The Legislature added \$999,786, all from federal ARPA funds, for Hutchinson Community College provided the college provides a 1:1 match for the following project: building a facility expansion to allow for additional lab space to create 20 additional registered nursing education spots for students for FY 2023.
10. The Legislature added \$2.5 million, all from federal ARPA funds, for Johnson County Community College provided the college provides a 1:1 match for the following project: expansion of the Commercial Driving License-A Program to aid the supply chain and logistics workforce shortage facing all industries due to lack of CDL drivers and the difficulty of receiving low-cost CDL training locally. This will allow for significantly more course offerings at differing times for students including day, night, and weekends for FY 2023.
11. The Legislature added \$12.0 million, all from federal ARPA funds, for Kansas City Kansas Community College provided the college provides a 1:1 match for the following project: construction and outfitting of the Kansas City Community College Community Education Health and Wellness Center, a 130,000 square-foot, \$70.0 million multi-level education, workforce, behavioral, and physical health center to house programs that currently do not exist in downtown Kansas City, Kansas for FY 2023.
12. The Legislature added \$1.5 million, all from federal ARPA funds, for Neosho County Community College provided the college provides a 1:1 match for the following project: expansion of the technical education center to house various technical education programs from health care to new aerostructures, electrical technology, and industrial maintenance technology programs for FY 2023.
13. The Legislature added \$4.0 million, all from federal ARPA funds, for Cloud County Community College provided the college provides a 1:1 match for the following project: building a technical education and innovation center to house academic programs of Renewable Energy, Nursing and Allied Health, Agriculture, and Industrial Technology to meet regional workforce needs for FY 2023.
14. The Legislature added \$10.0 million, all from federal ARPA funds, for private and independent colleges for FY 2023. Colleges must match the expenditure of state moneys with \$3 of private moneys for every \$1 of state moneys. Matching funds will not be matched with existing institutional funds.

15. The Legislature added \$75.0 million from federal ARPA funds for grants for the Board of Regents, requiring a 3:1 match for FY 2023.
16. The Legislature added \$50.0 million from federal ARPA funds for business closure rebates for FY 2023.
17. The Legislature added \$25.0 million from federal ARPA funds for Health Sciences (Wichita State University/University of Kansas) for FY 2023.
18. The Legislature added \$35.0 million from federal ARPA funds for economic development at the University of Kansas for FY 2023.
19. The Legislature added \$25.0 million from federal ARPA funds for agriculture development at Kansas State University for FY 2023.
20. The Legislature added \$20.0 million from federal ARPA funds for the Moderate Income Housing program for FY 2023.
21. The Legislature added \$20.0 million SGF for the Rural Housing Revolving Loan Program for FY 2023.
22. The Legislature added \$35.0 million, all from federal ARPA Funding, for FY 2023 to offer a grant to a new agricultural production facility in a Kansas county with a population greater than 34,000 and less than 35,000 as of the 2020 census. The agricultural production facility must create over 200 jobs and include over \$400.0 million in capital investment.
23. The Legislature added \$10,000, all from the Economic Development Initiatives Fund (EDIF), to the Governor's Grant's Office for the 2023 Holocaust Commemoration and added language that if the grant can be funded within existing resources, any remaining EDIF funds would lapse back to the EDIF.
24. The Legislature added language to appropriate the White Collar Crime Fund for FY 2023. The first \$750,000 credited to the Lottery Operating Fund from sports wagering would be credited to the fund contingent upon the passage of House Sub. for Sub. for SB 84. *Note:* House Sub. for Sub. for SB 84 was enacted.
25. The Legislature added language directing the agency to expend an amount not less than \$200,000 for the Benedictine College Engineering Program from the private and independent college project grant account of the ARPA Fund for FY 2023.
26. The Legislature added \$600,104, all from federal ARPA funds, to Northwest Technical College for the Cybersecurity and Cryptosecurity program with a 1:1 match requirement for FY 2023.
27. The Legislature added \$572,268, all from federal ARPA funds, to Butler Community College for the Culinary Arts and Hospitality and Management Program with a 1:1 match requirement for FY 2023.
28. The Legislature added \$500,000, all from federal ARPA funds, to Flint Hills Technical College for welding equipment with a 1:1 match requirement for FY 2023.
29. The Legislature added \$5.0 million, all from federal ARPA funds, to Emporia State University for nursing program relocation and staffing for FY 2023.
30. The Legislature added \$5.0 million, all from federal ARPA funding, to offer a grant for economic development infrastructure to support an animal nourishment facility in a city in Kansas with a population greater than 24,000 and less than 24,500 as of the 2020 census for FY 2023.
31. The Legislature added \$5.0 million, all from federal ARPA funding, to Pittsburg State University to expand the Tyler Research and Development Park and Block 22 for FY 2023.
32. The Legislature added \$5.0 million, all from federal ARPA funding, to offer a grant for economic development infrastructure in a city in southeast Kansas with a population greater than 20,000 and less than 21,000 as of the 2020 census for FY 2023.
33. The Legislature added \$5.0 million, all from federal ARPA funding, to Fort Hays State University for Gross Coliseum improvements for FY 2023.
34. The Legislature added \$425,987, all from federal ARPA funds, to Coffeyville Community College for the Construction, Electrical, Fire Science, and Welding Technology programs with a 1:1 match requirement for FY 2023.

35. The Legislature added \$1.8 million, all from federal ARPA funds, to Manhattan Technical College for the Biomanufacturing Program Expansion program with a 1:1 match requirement for FY 2023.
36. The Legislature added \$3.1 million, all from federal ARPA funding, to offer a grant for economic development infrastructure to support the refurbishment of a building for housing in a city in northeast Kansas with a population greater than 12,200 but less than 12,700 as of the 2020 census for FY 2023.
37. The Legislature added \$3.0 million, all from federal ARPA funds, to Washburn University for the Center for Integrated Health Studies for FY 2023.
38. The Legislature added \$20.0 million, all from federal ARPA funds, to support a new housing grant requiring a 1:1 match of non-state funding to accommodate recent economic expansion. The grant must be to a county in central Kansas with a population of less than 47,000 and more than 46,000 as of the 2020 census for FY 2023.
39. The Legislature added \$2.5 million, all from federal ARPA funding, to offer a grant for a port authority transload facility in a county in Kansas with a population greater than 4,000 but less than 4,300 and that has been awarded a Building a Stronger Economy grant for FY 2023.
40. The Legislature added \$1.8 million, all from federal ARPA funds, to Washburn Institute of Technology for the manufacturing training center for FY 2023.
41. The Legislature added \$1.8 million, all from federal ARPA funds, to Seward County Community College for the Professional Truck Driver program and Diesel Technology lab with a 1:1 match requirement for FY 2023.
42. The Legislature added \$1.8 million, all from federal ARPA funds, to Wichita State Technical College for Smart Manufacturing, Industry Training 4.0, and Associated Degree Nursing programs with a 1:1 match requirement for FY 2023.
43. The Legislature added \$1.8 million, all from federal ARPA funds, to Salina Area Technical College for automation and maintenance programs with a 1:1 match requirement for FY 2023.
44. The Legislature added \$1.8 million, all from federal ARPA funds, to North Central Kansas Technical College for the carpentry and commercial driver license programs with a 1:1 match requirement for FY 2023.
45. The Legislature added \$1.8 million, all from federal ARPA funds, to Colby Community College for the career and technical education agricultural center with a 1:1 match requirement for FY 2023.
46. The Legislature added \$1.8 million, all from federal ARPA funds, to Barton Community College for the Agriculture, Farm Machine, and Transportation Technology Complex with a 1:1 match requirement for FY 2023.
47. The Legislature added \$1.5 million, all from federal ARPA funds, for nutritional programs for FY 2023.
48. The Legislature added \$1.0 million, all from the EDIF, for a grant for economic development to support the redevelopment of a hotel into affordable apartments for moderate-income individuals in a city in central Kansas with a population greater than 4,350 but less than 4,450 as of the 2020 census for FY 2023.
49. The Legislature added \$1.0 million, all from federal ARPA funds, for safe and secure schools for FY 2023.
50. The Legislature added \$4.0 million, all from federal ARPA funds, for a virtual math program for FY 2023.
51. The Legislature added \$175,369, including \$112,893 SGF, for a 5.0 percent salary increase for most state employees for FY 2023. This adjustment excludes statewide elected officials, current beneficiaries of the 24/7 pay plan, with other specific limitations for employees who receive salary adjustments in other portions of the appropriations bill.