

**Narrative Information-DA400**

Division of the Budget

Agency: Kansas Department of Commerce

State of Kansas

Program: Agency-Wide Overview**AGENCY MISSION**

By statute, the Kansas Department of Commerce serves as the State's lead economic development agency. The Department administers a variety of programs and services to create a more resilient economy and make Kansas an attractive place to locate new businesses and grow existing ones. Commerce helps create new jobs, attract new capital investment, offer innovative workforce development strategies, encourage community vitality, and promote the state as a great place to live and work.

**PROGRAMS ESTABLISHED TO ASSIST WITH AGENCY MISSION**

- Administration Division
- Business Development Division
- Quality Places Division
- International Division
- Workforce Services Division
- Tourism Division

**STATUTORY HISTORY**

The Kansas Industrial Development Commission was created by an act of the 1939 Legislature to promote Industrial Development and improve the economic welfare of the state. Upon recommendation of the Governor's Economic Development Committee, the 1963 Legislature reorganized the Commission into a Department of Economic Development with increased responsibilities for community development. Executive Reorganization Order No. 7, K.S.A. 74-5002(a) created the Department of Economic Development as an executive cabinet-level agency in 1975.

K.S.A. 74-5008(a) through K.S.A. 74-5032 had major revisions in 1985 reorganizing the Department into four divisions: Small Business Development (K.S.A. 13-13a28); Community Development (K.S.A. 74-5009); Travel and Tourism and Film Services (K.S.A. 74-5032); and Industrial Development (K.S.A. 74-5008a) and creating two offices under the Secretary: Minority Business (K.S.A. 74-5012) and Advanced Technology (K.S.A. 13-13a27). Two divisions were abolished at that time: Housing and Minority Business.

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In 1986, the name was changed to the Department of Commerce. In 1992, K.S.A. 74-5002(a) brought the Department under the provisions of the Kansas Governmental Operations Accountability law while abolishing the sunset provisions in K.S.A. 74-5049.

The 2003 Legislature adopted Executive Reorganization Order No. 30 which transferred the Division of Housing to the Kansas Development Finance Authority and changed the agency name to the Kansas Department of Commerce. This change was effective July 1, 2003. The 2004 Legislature adopted Executive Reorganization Order No. 31 which transferred the Employment and Training Division of the former Department of Human Resources to the Kansas Department of Commerce, effective July 1, 2004.

The America's Job Link Alliance in the Department of Labor was transferred to the Kansas Department of Commerce effective July 3, 2005.

A FY 11 ERO was executed in FY 12 that abolished the Kansas Main Street Program, transferred the Travel and Tourism Division to the Kansas Department of Wildlife and Parks, transferred the Ag Marketing Division to the Kansas Department of Agriculture, transferred the Kansas Commission on Disability Concerns to Department of Administration and dismantled the International Trade Development Division. Commerce was assigned the administration of the new Rural Opportunity Zone program, the Job Creation Fund (formerly IMPACT) and assumed responsibility for the Entrepreneur Technology Program (formerly KTEC, including Mid-America Manufacturing Technology Center) and oversight of the Governor's Economic Council. EDIF funding was reduced, which impacted the Women and Minority Business program, passthroughs to the Kansas Small Business Development Center and NetWork Kansas, and the Kansas Industrial Training/Retraining (KIT/KIR) programs. The Kansas Film Commission was eventually abolished as was the Kansas Arts Commission, which was subsequently replaced by the Kansas Creative Arts Industry Council.

During FY 16, the Public Broadcasting Council (PBC) was transferred from the Department of Administration to the Department of Commerce and funded by Economic Development Initiative Funds as a pass through in Commerce's budget.

On July 20, 2016, the State Finance Council approved the merger of Kansas Bioscience Authority (KBA) into the Department of Commerce. Effective July 22, 2016, the KBA ceased to exist as a legal entity and the assets of the Authority temporarily became the assets of Commerce.

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Most of those assets were sold at the direction of the Administration in FY 17, but Commerce retained some funds to cover KBA's financial commitments which continue to lessen over time as requisite expenditures are reduced. The KBA grant commitments have ended.

ERO No. 48, which became effective July 1, 2021, established the Division of Tourism within the Department of Commerce from Kansas Department of Wildlife and Parks. This realignment supports both businesses and the tourism industry and will help to continue to grow economic development throughout the state.

**AGENCY-WIDE OVERVIEW****Fiscal Year 2025:**

The Kansas Department of Commerce continues to use the Kansas Framework for Growth, the state's economic development strategic plan, as our North Star. With our business recruitment and in-state development teams focused on our five target sectors (advanced manufacturing; aerospace; distribution, logistics and transportation; food and agriculture; and professional services), approximately 90% of the Department's 283 project successes this past fiscal year were in one of those segments. The purposeful efforts generated more than \$4.4 billion in committed private sector investment and created or retained more than 9,000 jobs for Kansans. The capital expenditure marked yet another successful year of investment and resulted in a Silver Shovel Award (on the heels of four consecutive Gold Shovel Awards). Hundreds of large and small successes were recorded in communities of all sizes throughout the state. Since the Framework for Growth was implemented, no fewer than 85 Kansas counties have landed at least one project.

Kansas exports continue their upward surge as well, reaching yet another all-time high of almost \$14.5 billion in the past calendar year. International investment in Kansas continues to grow, with nearly 600 international companies doing business in the state and employing approximately 75,000 people.

Both in-state and out-of-state companies choose to invest in Kansas for similar reasons -- our pro-business climate, skilled and educated workforce, innovation, strong infrastructure and strategic central location. Kansas clearly is the best state in the nation to conduct business. The Commerce department ensures both expansions and relocations are easy transitions and beneficial to our people and economy.

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The Department of Commerce helps industries throughout the state continue to grow because of the stability and exponential multiplying effects they provide for local and state economies. The in-state, national and international recruitment and development teams focus on supporting companies that fit naturally into industries as varied as animal health, cybersecurity, bioscience, advanced manufacturing, aerospace, logistics and transportation, and so many others. We're creating new ecosystems around electric vehicles, battery manufacturing and microelectronics.

As important as it is to keep and attract companies, we need to concurrently empower businesses, individuals and communities to achieve prosperity here in Kansas. And we need to recruit former Kansans and graduates of our institutions of higher learning to either come back or remain here. Originally funded by the Legislature, Commerce continues its talent recruitment program known as *Love, Kansas*. This national marketing initiative highlights Kansas as an exceptional place to live, work and raise a family. It has a special emphasis on “boomerangs” – individuals with previous ties to the state.

The Department of Commerce understands that economic development is a holistic endeavor.

And each division at Commerce is configured to help achieve this goal:

1. Workforce Services connects businesses, jobseekers, educational institutions, and training providers to ensure we are meeting industry needs. Aiding these efforts has been the Kansas Office of Registered Apprenticeship. Their efforts already have resulted in significant increases in the number of apprentices, businesses and organizations offering apprenticeships, and non-traditional sectors that now offer them.
2. Kansas Tourism knows every new resident and every new business started with a visit to the state. Tourism promotes the best Kansas has to offer and works to get people here. The economic impact has soared past \$13 billion annually and shows no signs of slowing down. In the past year, Kansas had 38.4 million visitors.
3. The Quality Places Division (QPD) is elevating quality-of-life initiatives and strengthening partnerships with local leaders. QPD embodies a fundamental shift in how Kansas supports communities — merging infrastructure, planning and placemaking efforts into a unified strategy designed to build vibrant, resilient and economically competitive communities statewide. The Quality Places Division provides funding opportunities to communities, business and organizations working to enhance the quality of life in their communities.

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The Division is home to Community Development Block Grants (CDBG), Housing and Placemaking efforts, Kansas Main Street, the Community Service Tax Credit Program, the Office of Broadband Development, and the Office of Rural Prosperity.

4. The Business Development Division works to support existing businesses in the state and attract new investment to Kansas. The Kansas Small Business Office is empowering and supporting small businesses and entrepreneurs throughout Kansas. In fiscal year 2025, the Business Development Division helped to recruit 283 economic development projects totaling over 9,000 committed new and retained jobs and over \$4.4 billion in committed capital investment.

5. The International Division helps Kansas businesses diversify markets and expand sales by increasing their exports. The International Division also works with international companies looking to invest in Kansas by taking advantage of our central location, plentiful transportation options and diversified economy.

6. And under the wide umbrella of Administration are found all the critical employees that keep the entire department running.

Under the direction of Secretary Toland, Commerce divisions and teams are working in concert to bring prosperity to all areas of the state – the realization of Governor Kelly’s promise to all Kansans. Kansas no longer is striving to become the best place in the nation to live and do business; we have become that.

**Fiscal 2026 and 2027:**

The unprecedented surge of economic activity in Kansas is still on a positive trajectory. Since 2019, approximately \$23.7 billion in committed private sector capital expenditure has been recorded and almost 77,000 jobs have been created or retained. The entire economic landscape of Kansas is changing for the better and positions us well for the future. The Kansas Department of Commerce will continue delivering economic prosperity to people, businesses, and communities across the Sunflower State, making Kansas the best state in the nation to live, work and raise a family. The Department will also continue to use its available fiscal resources wisely in executing a sustainable and successful business development strategy on all fronts. The agency also looks forward to the move to the new Docking State Office Building in FY 26 and does anticipate some increased rent and moving costs. To that end, Commerce has developed a budget proposal that exercises restraint but still

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manages to plan for strategic investments while still investing adequately in programs and strategies needed to encourage further economic growth and prosperity in Kansas communities and the state as a whole.

**Actual Position Data:**

The Department of Commerce's FTE limitation for FY 2025 is 94.00. Actual FTE is as follows:

		FTE Positions		Non-FTE Unclassified Permanent Positions
Administration		11.00		70.00
Business Development		1.00		23.50
Quality Places		1.00		32.00
International Development		1.00		7.00
Workforce Development		75.00		74.00
Tourism		2.00		19.50
Agency Total		91.00		226.00

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Program: Administration Division**OFFICE OF INNOVATION**

The Office of Innovation provides critical programs and ecosystem building functions in support of innovation-based business creation, expansion and attraction. Innovation is the driver of an economy and helps to create enticing career opportunities for Kansas high school and college graduates. The Office of Innovation also provides subject matter expertise to assist business development as well as overseeing the research and data efforts for the department. As of July 2025, the primary programs of the Office of Innovation ACCEL-KS (previously POC and SBRDA program), Angels Investor Tax Credit program, Fostering Opportunities for Research, Growth and Entrepreneurship (FORGE), Engineering Higher Education Matching (EHM) program, and the Engineering Training grant.

Historically, the Proof of Concept program filled a need for funding support where typical funding mechanisms are not available, acting as a bridge between funding for basic research and commercial seed funding by angel or venture investors. The POC program aims to assist in the establishment of promising new technology-based entrepreneurial ventures within the State and the commercialization of inventions resulting from research conducted at Kansas public universities.

Small Business Research & Development Acceleration Grants were approved by the 2022 Legislature and signed into law by Governor Kelly as a budget enhancement of \$1,000,000 to the Kansas Department of Commerce for FY 23. Small Business Research and Development Acceleration Grants are designed to help Kansas small businesses advance a product or service to commercialization or to modify a product or service to enter a new market or gain a new client by leveraging higher education facilities, equipment, and expertise. The maximum amount of award that will be awarded to one project is \$25,000. A Kansas small business may receive one award per state fiscal year. As of FY2025, this amount has been decreased to \$500,000.

**ANGEL INVESTOR TAX CREDIT PROGRAM**

The purpose of the Kansas Angel Investor Tax Credit (KAITC) Act (K.S.A. 74-8131-74-8137) is to facilitate the availability of equity investment in businesses in the early stages of commercial development and to assist in the creation and expansion of Kansas businesses by granting tax credits against Kansas income tax liability of investors investing in these businesses. The KAITC program is administered by the Department of Commerce with the primary goal of encouraging qualified investors to provide seed-capital financing for emerging Kansas businesses engaged in the development, implementation and commercialization of innovative technologies, products and services.

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The KAITC program provides tax credits to qualified Kansas startups that may, in turn, offer to potential angel investors. Credits are valued at 50% of the eligible investment and each qualified investor may receive up to \$100,000 in tax credits for investment in a single Kansas business and up to \$350,000 in total angel tax credits per taxable year. These credits help reduce the inherent risk and encourage investment in potentially high-growth companies. \$6 million in tax credits are offered annually on a calendar year basis. Any unused credits may roll over to the next year. \$6.5 million in tax credits were offered in 2023. In calendar year 2023, \$3,765,226.28 tax credits were allocated to 143 investors in Kansas companies.

**KANSAS ARTS COMMISSION**

The Kansas Arts Commission (KAC) is focused on the creative industries sector of the Kansas economy. The commission is dedicated to measuring, promoting, supporting, and expanding the creative industries to grow the state's economy and create creative industry-related jobs.

In FY 25, KAC awarded grants for arts and cultural programming across its four grant programs: Arts Everywhere, Visiting Artists, Public Art and Murals, and General Operating Support. The Arts Everywhere program provides funding for cultural projects, programs, exhibitions, series, arts education projects, and other arts programming. This program provides funding to increase student success, foster creative thinking, develop critical job skills, enhance community development, and increase participation in the arts across Kansas. The Visiting Artist Program provides funding for eligible organizations to engage and deepen the impact of arts programming on local and underserved audiences through exposure to and interaction with professional visiting artists. The Public Art & Murals Grant is designed to utilized artists and arts organizations to increase community vibrancy and provide space for artistic expression and public engagement. The General Operating Support grant program provides funding for Kansas public and private non-profit arts and cultural organizations, including museums, local arts councils and commissions, statewide arts and cultural service organizations, and organizations that have cultural program activities in any of the art and cultural disciplines.

In March, KAC held the newly revitalized Governor's Arts Awards in Topeka, celebrating the achievements of artists, arts organizations, and advocates across the state. The most prestigious award of the night, the Governor's Award for the Arts, was presented to Leavenworth's Melissa Etheridge. Etheridge also made an appearance on *LG Desk Concerts*, a new musical television series produced in partnership with KTWU-TV and shown on public television stations across the state. The first season includes seven episodes, each featuring the talents of Kansan musicians.



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KAC also assisted in the production of the Tallgrass Artist Residency, the Indigenous Arts Initiative in partnership with KU, the New Dance Lab at Johnson County Community College, the New Play Lab at the William Inge Festival at Independence Community College, the Arts in Medicine program with Emporia State University, and the Arts Integration Education Symposiums in Johnson County. In addition, KAC sponsored Artist INC professional development sessions for artists, produced the annual Poetry Out Loud high school recitation competition, facilitated the Poet Laureate of Kansas Program and served as a partner for the 4<sup>th</sup> Kansas Local Arts Councils Symposium.

KAC also takes advantage of the state's amazing natural landscape to attract film crews to Kansas. Assistance often includes location scouting, serving as a liaison or facilitator and lending support during production. Benefits of filming in Kansas include diverse natural scenery and architecture, a cooperative KAC staff and a knowledgeable crew of industry professionals.

In FY 26, KAC will continue to fulfill its mission and NEA federal grant requirements through the continued development of partnership programs, administration of professional development programs for communities of practice, and a rigorous strategic planning process.

<b>Kansas Arts Commission</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of applications	123	191	158	175	185
Percent of applications approved	76%	73%	89%	85%	80%
Total dollar amount requested	\$855,998	\$2,518,371	\$2,110,114	\$2,250,000	\$2,350,000
Total dollar amount awarded	\$732,528	\$1,618,427	\$1,469,667	\$1,100,000	\$1,100,000

**ATHLETIC COMMISSION**

FY 25 marked the 21st full year of work for the Athletic Commission, which was created by the 2004 Legislature to promote and regulate the state's combat sport industry. In recent years, the combat sport industry in Kansas has seen an increase in the interest and number of mixed martial

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arts and professional wrestling contests. As the administrator for the Athletic Commission, the Boxing Commissioner supervises 15 part-time boxing inspector positions. The Commission works to:

- Regulate and facilitate high quality competitive sporting events, while striving to protect the health and welfare of all participants and spectators.
- Increase number of licenses issued to participants and officials by expanding the industry across Kansas.
- Ensure that Kansas judges and referees are certified by the Association of Boxing Commissions (ABC) to enhance the integrity and safety of all regulated sports in the state.

	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of events sanctioned	75	59	68	82	95
Number of fighters, promoters, referees, judges and doctors certified	466	362	269	350	465
Number of fines issued	0	0	0	0	0

**AMERICA’S JOB LINK ALLIANCE**

America’s Job Link Alliance (AJLA) is a consortium of publicly funded workforce agencies founded in 2001. AJLA members share the costs of designing and implementing workforce systems while accommodating each organization’s individual needs. In Training and Employment Notice 07-11, USDOL affirmed “the partnership and consortia approach offers a cost-effective and efficient way for states to work together to lower costs and free scarce dollars for other priorities,” naming AJLA as a prime example. America’s Job Link Alliance–Technical Support (AJLA–TS), a division of the Kansas Department of Commerce, is the systems development and support center. AJLA and AJLA–TS have partnered to continuously improve AJLA products in response to changes in technology and federal policy. AJLA–TS helps state and local workforce agencies meet the needs of today’s customers by providing intuitive, integrative information technology solutions and exceptional technical support.

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	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of states using JobLink software	9	9	9	9	9
Number of states using CertLink software	4	5	5	6	6
Number of states using VOCAL software	2	2	0	0	0
Number of states using Mobile App	2	0	0	0	9

**OFFICE OF ECONOMIC RECOVERY (OER)**

The Office of Economic Recovery oversees and administers over \$613 million in American Rescue Plan Act (ARPA) State & Local Fiscal Recovery Funds (SLFRF) that were designated to Commerce. These are a combination of programs established by the Strengthening People and Revitalizing Kansas (SPARK) Executive Committee and the Kansas Legislature.

<b>Program Name</b>	<b>Authorizing Entity</b>	<b>Funding Allocation</b>	<b># of Recipients</b>
Building a Stronger Economy (BASE) 1.0	SPARK	\$100,000,000	35
BASE 2.0	SPARK	\$50,000,000	38
Economic Development	Legislature	\$91,150,450	8
Community/Technical Colleges	Legislature	\$45,398,222	22

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Regents Universities & Washburn University	Legislature & SPARK	\$123,000,000	8
Salina Housing	Legislature	\$25,000,000	1
Private & Independent Colleges	Legislature	\$10,000,000	18
University Challenge	Legislature & SPARK	\$90,000,000	4
State Park Revitalization & Investment in Notable Tourism (SPRINT)	SPARK	\$30,000,000	18
ARPA Building Opportunities for the Disabled & Elderly (ABODE)	SPARK	\$10,000,000	7
Delivering Residents and Workforce (DRAW)	SPARK	\$10,000,000	27
Aviation Learning Opportunities & Funded Training (ALOFT)	SPARK	\$20,000,000	7
Disaster Recovery	Legislature	\$1,000,000	1
Kansas Public Broadcasters (KPB)	SPARK	\$6,000,000	10
Military Credentialing	SPARK	\$1,000,000	1
<b>TOTAL</b>		<b>\$613,548,672</b>	<b>205</b>

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The Kansas Public Broadcasting Council (KPBC) was established in 1993 by the Kansas Legislature and charged with coordinating public broadcasting activities in the state. State dollars are allocated through a statutory formula to nine member stations. More broadly, stations are charged with achieving the goal of every Kansan having access to public media. To achieve this goal, member stations provide community service by delivering quality, informational, educational, and cultural content to all corners of Kansas. KPBC shares the Department of Commerce's mission to improve and promote the quality of life for all Kansans.

Each year the council is charged by statute to bring recommendations to the legislature on the needs of the public broadcasting system in Kansas. The following objectives represent efforts to promote and support the work of the Department of Commerce and the state of Kansas. Revenue from the state is allocated for operations to support educational and informational programs as outlined in the statute.

Objective #1 Rural Public Media Services - The KPBC grant distribution formula is structured such that rural-serving stations receive larger funding allocations. KPBC recognizes the importance of making public broadcasting services and resources available in areas with few other localized services. This access can contribute to improving the economy, quality of life and entrepreneurial opportunities in local communities, while ensuring equal access to those resources, statewide. This is particularly important for children's early learning. Rural Kansas communities are faced with early-learning challenges, including childcare deserts and high cost. KPBC fills the gaps for those children who do not have access to early educational opportunities. Also, KPBC fills the gap for free education when faced with disaster. While schools were closed in the pandemic, public broadcasting was the only way that thousands of Kansas children received lessons from teachers produced by KPBC members. All contributing stations covered their own cost to produce these imperative educational programs.

Objective #2 Literacy Support and Achievement - KPBC continues to contribute to the improvement of literacy and reading rates by providing access to educational programming for children in their preschool and early learning years. The need for such programming increased exponentially with so many children missing in-person opportunities during the pandemic. There is a national concern for the mental health of children for this reason and public broadcasting is working to reinforce appropriate behavior in school and eliminate negative behaviors in the youngest audiences who need these socialization skills to succeed in school. During this time, KPBC provided free-of-charge highly produced classroom programs for all grade levels when schools were forced to close due to the pandemic, at no cost to the state.

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Objective #3 Leverage Collaborative Partnerships - KPBC member stations work cooperatively to share stories from all corners of Kansas and contribute to the quality of life in Kansas. Member station content is being digitized for academic use online representing Kansas history. This content will also be saved at the Library of Congress to ensure that Kansas history is preserved in perpetuity.

	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of individuals reached by PBC resources <sup>1</sup>	2,996,210	2,944,376	2,944,380	2,950,000	2,950,000
Amount of grant dollars received	\$500,000	\$700,000	\$500,000	\$500,000	\$500,000

<sup>1</sup>KPBC provides coverage to the entire state population, available to anyone with access to a radio, television, computer, tablet and/or "smart" phone/device

Breakdown of the current FY 25 grant to Kansas Public Broadcasting Council stations. The formula factors include a station's population area, fundraising performance and the number of broadcast facilities included in its license.

<b>Broadcaster</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>	
KCPT-TV	\$45,117	\$70,804.97	\$44,371.39	\$44,371.39	\$44,371.39	Local content development and educational programming.
KOOD-TV	\$181,797	\$215,165.51	\$180,168.20	\$180,168.20	\$180,168.20	Local content for a predominantly rural broadcasting area, programming and associated administrative costs.
KPTS –TV	\$57,991	\$94,481.22	\$58,741.20	\$58,741.20	\$58,741.20	Local content development and educational programming.
KTWU-TV	\$39,889	\$62,269.70	\$39,997.98	\$39,997.98	\$39,997.98	Local content production for eastern Kansas communities, educational programming and associated administrative costs.
KANU-FM	\$23,278	\$35,403.02	\$26,523.80	\$26,523.80	\$26,523.80	Local Kansas programming for radio broadcast

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						and digital platforms.
KANZ-FM	\$74,528	\$95,271.10	\$74,406.04	\$74,406.04	\$74,406.04	Local Kansas programming for radio broadcast and digital platforms.
KHCC-FM	\$23,558	\$37,889.98	\$22,327.32	\$22,327.32	\$22,327.32	Local Kansas programming for radio broadcast and digital platforms.
KMUW-FM	\$39,383	\$65,812.81	\$40,226.36	\$40,226.36	\$40,226.36	Local Kansas programming for radio broadcast and digital platforms.
KRPS-FM	\$14,455	\$22,901.69	\$13,237.72	\$13,237.72	\$13,237.72	Local Kansas programming for radio broadcast and digital platforms.

**Additional Performance Measures for the Administration Division**

<b>Human Resources:</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of new employee orientation presentations completed	78	79	83	87	91
Number of applications processed	1,596	1,517	1,710	1,889	1607

<b>Marketing and Communications:</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Percent compliant on all KORA requests	100%	100%	100%	100%	100%

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Increased social media reach via social media channels by 5% annually:					
Facebook	9,056	10,570	12,688	13,322	13,989
LinkedIn	7,752	9,868	11,984	12,583	13,212
X (formerly Twitter)	3,774	3,947	4,009	4,209	4,420
Increased unique page views on website by 2% annually**	790,253	1,927,616***	2,789,942	2,845,741	2,902,656
Number of overall page views on website by 2% annually**					

\*Number of views increased substantially during FY20 due to COVID-19 pandemic

\*\*Number of views increased substantially due to the addition of My Re-Employment feature for KansasWORKS

\*\*\*Number of page views increased substantially in FY24 and onward due to GA4 no longer calculating unique page views. It is now overall page views. FY24, Google Analytics no longer will calculate unique page views. Instead, the data now reflects overall page views.

<b>Information Technology:</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of service desk tickets completed	3,053	2,946	2,831	3,000	3100
Number of security updates completed	416	554	624	650	750



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<b>Fiscal Services:</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of vouchers, interfunds, deposits, and travel payments processed	8,037	7,870	8428	8597	8769
Percent of transactions made using P-Card (target 40%)	39%	38%	43%	40%	40%
Percent Increase of electronic payments made vs. paper payments issued	1%	-2%	-3%	2%	2%

<b>Legal:</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
KORA Requests - statutorily required letter will go out in a timely manor	99%	99%	100%	99%	99%
Respond to all non-contract request emails within 2 business days	94%	90%	90%	90%	90%
Contract Requests - respond to emails within 2 weeks after Legal receives all documents	94%	90%	90%	90%	90%
Complete RHID approval letters within 5 business days once Legal receives complete application	96%	92%	95%	95%	95%

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<b>Regulatory Compliance:</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of financial, administrative monitoring reviews in accordance with mandated federal requirements of local area sub-recipients	5	5	5	5	5

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Division of the Budget

Agency: Kansas Department of Commerce

State of Kansas

Program: Administration Division**EXPENDITURE JUSTIFICATION BY OBJECT CODES****Object Code 100: Salaries and Wages**

Staffing for the division include 81.0 positions

FY 2026: \$7,964,012

FY 2027: \$8,014,657

**Object Code 200: Contractual Services**

Expenditures in this category predominantly cover the overhead for the Administration Division as well as expenditures including governmental liaison services, marketing and graphic design services, travel and hospitality

FY 2026: \$6,729,704

FY 2027: \$6,392,398

**Object Codes 300: Commodities**

Expenditures in this category are primarily for consumables such as stationery, fuel, and supplies

FY 2026: \$45,025

FY 2027: \$44,493

**Object Code 400: Capital Outlay**

The expenditures in this category include technology upgrades, primarily computer replacement and software

FY 2026: \$50,938

FY 2027: \$50,975

**Object Code 550: Federal and State Grants**

Expenditures in this category include state and federal grants as well as covering some limited sponsorships and/or grants at the Secretary's discretion

FY 2026: \$12,224,683

FY 2027: \$7,132,100

## Narrative Information-DA400

Division of the Budget

Agency: Kansas Department of Commerce

State of Kansas

Program: Business Development Division

### BUSINESS DEVELOPMENT

The Business Development Division is responsible for driving economic growth across Kansas. The division leads efforts to recruit new business investment while supporting existing companies through targeted tools and resources that enable expansion. Program success is measured by key economic indicators, including new job creation, job retention, private capital investment, and the expansion and retention of businesses.

In FY 25, the division directly contributed to the creation and retention of 9,038 jobs. The average wage for new jobs was \$70,120—representing 120% of the statewide average wage. Additionally, the division facilitated \$4.5 billion in private capital investment by leveraging state incentive programs. During FY 25, the division generated 420 new projects.

### Roles and Strategic Priorities

- Lead the state's job creation, job retention, and capital investment initiatives within the Kansas economic development ecosystem
- Oversee statewide business recruitment, retention, and expansion efforts
- Administer the state's primary economic development incentive programs
- Provide technical guidance and support to Kansas communities and businesses
- Implement the goals outlined in the state's strategic economic development plan, *Framework for Growth*

### Key Financial Incentives and Programs Administered

- Attracting Powerful Economic Expansion (APEX)
- Promoting Employment Across Kansas (PEAK)
- High Performance Incentive Program (HPIP)
- Job Creation Fund (JCF)
- Data Center Sales Tax Exemption
- Kansas Industrial Training and Retraining Programs (KIT/KIR)
- Private Activity Bonds

**Narrative Information-DA400**

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Agency: Kansas Department of Commerce

State of Kansas

Program: Business Development Division

- Small Business Opportunity Program (SBOP)
- Kansas Certified Sites Program
- *Made in Kansas* Branding and Promotion Initiative

**Impact and Partnerships**

The Business Development Division plays a central role in advancing the state's economic development objectives. Working in close collaboration with regional and local economic development partners, the division supports Kansas companies and engages in competitive site selection processes to attract new business. From 2019 through 2025, these efforts have resulted in more than \$23.7 billion in committed capital investment and 76,726 jobs across the state. Division staff are widely respected by stakeholders both in Kansas and nationwide for their expertise, responsiveness, and commitment to service.

<b>Key Measures:</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of jobs created or retained through business development efforts	16,810	7,635	9,038	10,200	11,120
Private capital investment (in billions) in Kansas through Commerce programs	\$7.5	\$2.73	\$4.47	\$5.22	\$5.62
Number of projects opened by business development staff	364	421	420	430	450
Number of jobs created or retained through business recruitment efforts	10,008	2,108	5,105	4,150	4,150
Number of jobs created or retained through retention/expansion efforts	6,802	5,527	3,933	4,800	4,800
Number of face-to-face business contacts through business retention and expansion staff	930	727	784	800	815
Number of business recruitment projects opened	134	84	143	145	147

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Percent of business recruitment projects won	17%	16%	35%	36%	37%
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**BUSINESS RECRUITMENT**

In FY 25, the Business Recruitment team successfully secured 43 new business attraction or expansion projects across Kansas. These efforts, in coordination with the broader Business Development Division, resulted in 4,897 new jobs and more than \$2.08 billion in private capital investment.

Key industries generating the highest volume of project leads and successful outcomes included advanced manufacturing, food manufacturing, logistics and distribution, bioscience, and professional services.

Select major recruitment projects in FY 25 include:

- **Merck Animal Health** – 203 new jobs; \$860 million capital investment (DeSoto)
- **Fiserv** – 2,000 jobs; \$175 million capital investment (Overland Park)
- **SFC Global Supply Chain** – 70 jobs; \$114 million capital investment (Salina)
- **Heartland Coca-Cola Bottling Company LLC** – \$104 million capital investment (Olathe)
- **Flora Food Manufacturing US LLC** – 112 jobs; \$92 million capital investment (Hugoton)
- **Great Plains Manufacturing** – 80 jobs; \$48 million capital investment (Salina)
- **Fagron Compounding Services** – 150 jobs; \$44.5 million capital investment (Wichita)
- **Marshalltown Company** – 40 jobs; \$27 million capital investment (Kansas City)

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Program: Business Development Division

### IN-STATE BUSINESS DEVELOPMENT

The In-State Business Development unit consists of eight (8) full-time Regional Directors who provide direct, in-person support to Kansas businesses and communities. Their primary role is to assist new and existing companies in accessing state incentives that support business growth. They also help communities connect with available resources to support local economic development.

In FY 25, the team facilitated 241 successful projects resulting in the creation or retention of 3,933 jobs and more than \$2.3 billion in capital investment. Of these projects, 56% were in the manufacturing sector, with the remainder spanning aerospace, agriculture, energy, logistics and distribution, and professional services. Notably, 60% of all successful projects occurred in non-metro counties.

Major business retention and expansion projects (capital investment of \$50 million or more) include:

- **National Beef Packing Company, LLC** – \$198 million capital investment (Liberal)
- **National Beef Packing Company, LLC** – \$184 million capital investment (Dodge City)
- **Kellanova Manufacturing, LLC** – \$68 million capital investment (Kansas City)
- **Reser's Fine Foods** – \$67 million capital investment (Topeka)
- **PureField Ingredients, LLC** – 3 new jobs; \$67 million capital investment (Russell)
- **Terracon Consultants, Inc.** – 150 new jobs; \$61 million capital investment (Lenexa)

### TO THE STARS: KANSAS BUSINESS AWARDS/GOVERNOR'S AWARD OF EXCELLENCE

The Kansas Department of Commerce's Business Appreciation Month program has been in place since 1995 and serves as a statewide tribute to Kansas businesses for their contributions to our state. Individuals and organizations are invited to nominate businesses that contribute jobs and support their local communities. In 2022, the program was re-imagined and re-branded to become known as "To the Stars: Kansas Business Awards."

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Division of the Budget

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State of Kansas

Program: Business Development Division**2024 AWARDS PROGRAM**

For the 2024 awards cycle, nine categories were offered for nominations: Agri-Business, Apprenticeship Champions and Partners, Business Innovation, Healthcare/Non-Profit, Manufacturing/Distribution, Non-Traditional Talent Pool, Retail/Service, Under 30 Entrepreneur/Businessperson, and Welcome Back. One winner in each category was selected from each of the seven designated regions of the state by a panel of judges from the business and economic development community.

The program culminated in a statewide awards banquet held in Great Bend in October 2024, where the Governor's Award of Excellence, along with regional and category awards, was presented. The 2024 program set a new record with 368 businesses nominated statewide, and the event welcomed approximately 375 attendees.

**2025 AWARDS PROGRAM**

For the 2025 cycle, the program again features nine core award categories:

- Agri-Business
- Apprenticeship Champions and Partners
- Business Innovation
- Healthcare/Non-Profit
- Manufacturing/Distribution
- Non-Traditional Talent Pool
- Retail/Service
- Under 30 Entrepreneur/Businessperson
- Welcome Back



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This year, the program has expanded to include two new state-level awards:

- Main Street Momentum - Recognizes businesses revitalizing main streets or neighborhood commercial districts through growth or engagement.
- Small Business Champion – Corporate Partner Award (State-Level Only) - Honors a corporation that has demonstrated exceptional commitment to small business growth in Kansas through investment and partnerships.

A record-breaking 451 businesses were nominated for the 2025 awards cycle. The statewide banquet will be held on Thursday, October 16, 2025, at the Robert W. Plaster Center in Pittsburg, Kansas.

**BUSINESS FINANCE & INCENTIVES**

The Business Finance unit offers a diverse portfolio of financial incentives for rural and urban communities and businesses that are looking to locate or expand in Kansas. Programs include retention of withholding taxes, investment tax credits, sales tax project exemptions and revolving loan funds for local infrastructure projects, as well as loans and/or grants to assist rural communities in improving infrastructure, housing and urgent needs to maintain and grow their communities and businesses.

**Promoting Employment Across Kansas (PEAK)**

The Promoting Employment Across Kansas (PEAK) Act (K.S.A. 74-50,210 through 74-50,219) was created by the 2009 Kansas Legislature. The 2010, 2011 and 2014 Legislative Sessions passed subsequent changes to the Act effectively broadening the eligibility criteria resulting in increased program scope and participation. The Legislature enacted PEAK to encourage economic development and job creation in Kansas by incenting companies to locate, relocate, expand, or retain their business facilities/operations and related jobs (retention incentives are no longer available via PEAK). The Secretary of Commerce has discretion to approve applications of qualified companies and determine the benefit period. During the benefit period, participating PEAK companies may retain or be refunded ninety-five percent (95%) of the State withholding tax of PEAK-eligible employees that receive wages equal to or greater than the county median wage where the Kansas business facility is located. Depending on the number of PEAK jobs/employees to be hired in Kansas and their wage levels, the Secretary can approve benefit periods for up to 10 years.

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In FY 25, 34 applications were received for review and approval. These applications generated \$25,500 in application fees. 21 agreements were signed with companies to participate in PEAK. The agreements project 2,682 new jobs and over \$196.6 million in additional annual payroll over a five to ten-year period. In FY 25, there were 187 active agreements to maintain, including the review of quarterly performance and annual compliance reports. This program is the State's top economic development tool to create quality jobs and payroll in Kansas.

	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of PEAK applications received	41	32	34	35	36
Number of executed PEAK agreements	27	34	21	21	22
Total dollar amount of PEAK applications fees	\$33,250	\$24,000	\$25,500	\$26,250	\$27,000
Number of direct jobs created or retained	15,906	15,666	TBD*	15,979	16,299
Total state withholding taxes retained by all participant companies (in millions)	\$36.4	\$39.8	TBD*	\$40.60	\$41.41
Number of indirect jobs	18,178	18,162	TBD*	18,525	18,896
State and local tax revenue estimates (in millions)	\$160.40	\$175.20	TBD*	\$178.70	\$182.28
Total ROI estimates on the state withholding taxes retained by all PEAK participant companies (in billions)	\$2.10	\$2.30	TBD*	\$2.35	2.39
Kansas economic growth estimates (in billions)	\$35.0	\$38.2	TBD*	\$38.96	\$39.74

\*PEAK End of Year reports for FY25 are not submitted until end of Q3 in FY25.

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Program: Business Development Division**High Performance Incentive Program (HPIP)**

The Kansas High Performance Incentive Program (HPIP) is an incentive program provides tax benefits to businesses that in return are willing to expand the scope of their capital investments, pay a higher-than-average wage and make a significant investment in employee training.

During FY 25, the HPIP program certified or re-certified 369 worksites, an increase of 2.0% compared to the prior year. Of these 362 certifications, 53, or 15.6%, were first time certifications indicating new worksites. During this fiscal year, the HPIP program acknowledged receipt of 279 project description forms that pre-identified anticipated future capital investment. The total anticipated capital investment pre-identified on these forms, going out three years, was approximately \$7.24 billion. The expected new jobs resulting from these new projects totaled 8,446 jobs with a projected additional new payroll of \$663 million or about \$78,489.00 average wage per new job. During FY 25, HPIP program application fees generated \$128,250.00 in program fee income.

	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of HPIP applications received	352	362	369	378	387
HPIP certifications issued	352	362	369	378	387
Total dollar amount of HPIP applications fees	\$137,750	\$130,250	\$128,250	\$131,456	\$134,743
Total amount of projects' estimated capital expenditures (in billions)	\$7.25	\$7.35	\$7.24	\$7.42	\$7.61

SB 65, enacted by the 2021 Kansas Legislature, allows eligible HPIP certified Kansas entities to transfer up to 50% of their HPIP tax credit earned on any assets placed into service on or after January 1, 2021. During FY 24, there were 66 tax credit transfer requests totaling \$38.1 million dollars. HPIP tax credit transfer application fees totaled \$53,400.

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	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of Tax Credit Transfers Completed	14	66	70	75	80
Tax Credit Transfer Fees	\$14,000	\$53,500	\$59,500	\$63,750	\$68,000

**Job Creation Fund**

The Job Creation Fund (JCF) Program was created for the purposes of promoting job creation and economic development projects. Funding is awarded at the discretion of the Secretary of Commerce for projects engaged in one or more of the following activities:

- Major expansion of an existing Kansas commercial enterprise
- Potential location in Kansas of the operations of a major employer
- Award of a significant federal or private sector grant that has a financial matching requirement
- Potential departure from Kansas or the substantial reduction of the operations of a major Kansas employer
- Training or retraining activities for employees in Kansas companies
- Potential closure or substantial reduction of the operations of a major state or federal institution
- Projects in counties with at least a 10% population decline during the period from 2000 to 2010
- Other unique economic development opportunities.

	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of Job Creation Fund applications received	15	9	11	12	12
Percent of Job Creation Fund applications approved	100%	100%	100%	100%	100%

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Total dollar amount of Job Creation Fund applications fees	\$6,000	\$6,000	\$5,250	\$7,500	\$7,500
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**Private Activity Bonds**

Qualified Private Activity Bonds (PABs) are federally tax-exempt bonds. Under the federal volume cap, Kansas had a 2025 bond authority of \$388,780,000 to allocate for this purpose. The types of bonds qualifying for such tax-exempt status are: 1) Exempt facility bonds; 2) Qualified mortgage bonds; 3) Qualified veterans' mortgage bonds; 4) Qualified small issue bonds; 5) Qualified student loan bonds; 6) Qualified redevelopment bonds; and 7) Qualified 501(c)(3) bonds. The role of the Department of Commerce is to ensure that these bonds are being used for a Qualified Purpose and that the State does not exceed the maximum capacity set forth by the Federal Government for Tax Exempt Bonds.

In Kansas, the primary demand for bond allocation has been for the issuance of exempt facility bonds, mortgage revenue bonds and qualified small issue bonds also known as Industrial Revenue Bonds (IRBs). IRBs are among the most popular and cost-effective methods of financing up to 100% of a new or growing business' land, buildings and equipment. In Kansas, IRBs are issued by cities, counties and the Kansas Developmental Finance Authority. Proceeds from the sale of the bonds to private investors are made available to credit-worthy companies to purchase land and pay the costs of constructing and equipping new facilities or the costs of acquiring, remodeling and expanding existing facilities. If IRBs are used to finance certain types of facilities, interest payable to the owners of the bonds is exempt from federal income tax. This type of IRB is generally called a "tax-exempt" bond. Interest payable on bonds issued to finance other types of commercial facilities, or to finance non-qualifying portions of an eligible facility, is subject to federal income taxation. This type of IRB is generally called a "taxable" bond. Interest payable on all IRBs is exempt from Kansas income taxation. Because interest received by owners of tax-exempt IRBs is not subject to federal income taxation, the rate of interest on such bonds may be as much as 2.0 percent (average annual interest cost) below interest rates charged for a comparable taxable bond or taxable conventional loan.

Exempt facility bonds are used to fund activities such as: 1) Mass commuting facilities; 2) Facilities for the furnishing of water; 3) Sewage facilities; 4) Solid waste disposal facilities; 5) Qualified residential rental projects; 6) Facilities for the local furnishing of electric energy or gas; 7) Local district heating or cooling facilities; and 8) Qualified hazardous waste facilities.

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Mortgage revenue bonds (MRBs) are issued to provide first-time homebuyers an enhanced opportunity to finance the purchase of a new home. Persons meeting certain financial and demographic guidelines can achieve substantial savings over the life of a home mortgage using these available programs.

In calendar year 2025, \$11.99 million in federally tax-exempt allocations were issued for the Beginning Farmers Program and qualified small issue bonds, \$142.184 million in qualified residential rental project, and the remaining allocation carried forward for MRBs and MCCs. In 2025, the received applications are only for beginning farmers, small issues bonds, solid waste disposal facilities and residential rental projects. The agency anticipates receiving several additional applications yet this year due to higher interest rates.

**Kansas Industrial Training and Kansas Industrial Retraining (KIT & KIR) Programs**

The Kansas Industrial Training (KIT) and Kansas Industrial Retraining (KIR) programs assist eligible employers in training workers for new jobs and retraining existing workers who would otherwise be displaced because of obsolete job skills or knowledge. The KIT and KIR programs are funded through the Economic Development Initiatives Fund.

A company representative must notify agency staff of its need for training assistance. This procedure provides an opportunity for the potential client to be screened against eligibility criteria to ensure it is qualified to receive assistance. After the project has been qualified, a training needs analysis is completed, and a training agreement is developed. Once the proposed agreement is approved by the company and Commerce, the training plan is executed.

Depending on the program, companies must be a Kansas Basic Enterprise or priority is given to Kansas Basic Industries. Non-basic industries are eligible under KIT and KIR only if compelling economic benefit to the state can be shown. A company must be adding at least one new position and pay an average wage that meets the median wage for the county in which the project is located. Companies with similar training needs may submit a joint proposal with other companies.

To qualify for job retention/retraining assistance, companies must meet the requirements stated above and they must:

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- Retrain at least one existing position at an average wage that meets the median wage for the county in which the project is located.
- Show that they are restructuring their business operations through incorporation of existing technology, development and incorporation of new technology, diversification of production, or development and implementation of new production.
- Demonstrate that employees to be trained are likely to be displaced because of obsolete or inadequate job skills or knowledge.
- Program guidelines set forth limits on the number of times companies can access retraining/job retention assistance and matching requirements.

Final approval rests with the Secretary of Commerce for all customized training programs.

In FY 25, KIT and KIR combined to fund 24 projects involving 23 companies in eight (8) counties. Funding of these projects totaled \$2,310,228. These funds leveraged \$2,586,822 in private sector matching funds. When complete, these projects will result in the training of 1,867 individuals. The KIT program will train 1,014 newly created jobs, and 853 existing jobs will be retrained and retained through the KIR program.

### *Success Stories:*

#### KIT

Advisors Excel Holdings, LLC is the holding company for both Advisors Excel, LLC (AE) and AE Wealth Management, LLC (AE Wealth). AE is a field marketing organization that works with independent agents across the country, providing creative design and marketing services to help market their companies to their local markets along with giving them business coaching opportunities within their organizations. AE Wealth is a Registered Investment Advisor, serving advisors from all over the United States. Both companies continue to see growth in their respective business ventures and as a result, will need to create a total of 90 positions to accommodate for this growth. The new positions will receive new employee orientation as well as training on topics specific for their job duties. Training will be provided by in-house staff in a classroom format. Total

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estimated cost of the project is \$185,544. The Kansas Department of Commerce will invest \$144,000 in KIT program funds with the company providing matching funds of \$41,544.

**KIR**

Integris BioServices, LLC (Integris) provides biomarker services, molecule analyses, clinical sample logistics and bioanalytical assays for companies across the United States. People Operations and Accounting Department are implementing new software and will need to train 268 existing employees how to utilize the new software. The cost of the training and course development will cost approximately \$97,150.17. Commerce will cover \$48,508 in KIR funding and the company will match \$48,642.17.

**OFFICE OF SMALL BUSINESS**

Established in February 2024, the Kansas Office of Small Business was created as a central, proactive entity to modernize how entrepreneurs access capital, navigate state services, and grow their businesses. The Office was intentionally designed to lead—to coordinate Kansas’s small business infrastructure, eliminate inefficiencies, and build the capacity necessary for long-term economic competitiveness. Prior to its creation, essential functions such as technical assistance, permitting, certification, procurement readiness, and business development were fragmented across multiple agencies and providers. The Office now serves as a single, visible point of entry for entrepreneurs and small business owners, working across public, private, and nonprofit sectors to align resources and close systemic gaps.

The Office operates under a clear mission: to expand small business and entrepreneurial opportunity and drive economic growth in Kansas by creating pathways to capital, markets, and networks; streamlining processes; reducing barriers; and fostering engagement that supports the success of new and growing businesses. The vision guiding this mission is a Kansas where every individual has the opportunity to start and grow a business, contributing to job creation, local wealth generation, and long-term community resilience.

As of FY 25, Kansas was home to 273,419 small businesses, representing 99.1% of all businesses in the state. These firms employed 599,134 Kansans—accounting for 48.9% of the private-sector workforce. During the same period, small businesses were responsible for a net increase of



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10,601 jobs, even as net job creation across all business sizes totaled only 5,644. This means that small businesses not only fueled job growth but offset employment losses in other segments of the economy—contributing over 180% of the net new jobs in Kansas. Additionally, 10,314 new small business establishments opened while 9,076 closed, resulting in a net gain of 1,238. These figures demonstrate the strategic importance of small businesses to Kansas’s economic resilience and growth.

In its first year, it secured \$2.6 million in grant funding through the Small Business Opportunity Program (SBOP) to deliver legal, accounting, and financial advisory services to very small businesses.

The Office also co-hosted the inaugural Kansas Agency Business Summit with the Department of Administration’s Procurement and Contracts team, convening state agencies and business leaders to address procurement data challenges, refine sourcing strategies, and increase Kansas-based participation in government contracts. Kansas became the first state to host a Mastercard Strive Summit, reinforcing its role as a national leader in reimagining how resource providers and small businesses collaborate. Other major FY25 initiatives included the development of a statewide maturity model for Entrepreneurial Support Organizations and the launch of the ConnectKS digital platform to improve business navigation and access to services: <https://connectks.info/>

**Office of Small Business – Certification**

Administered by the Kansas Department of Commerce, the Certification Program plays a critical role in improving the visibility and competitiveness of Kansas-based small businesses in public and private procurement markets. Through formal state recognition, certification helps eligible firms stand out in competitive bidding environments and connect with procurement officers at the local, state, and federal levels.

The program currently supports certification in key categories including Disadvantaged Business Enterprise (DBE), Minority Business Enterprise (MBE), Woman Business Enterprise (WBE), and Airport Concession Disadvantaged Business Enterprise (ACDBE). In FY25, the Office expanded its engagement strategy to reflect a more inclusive range of business classifications and better align with emerging national and state-level priorities. This included targeted outreach to Military Spouse Enterprises (MSE), Veteran-Owned Businesses (VET), Service-Disabled Veteran-Owned Businesses (SDVET), Emerging Small Businesses (ESB), and Small Local Business Enterprises (SLBE).

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To support early-stage firms and those pursuing multiple certification pathways, the Office also introduced a new option for businesses to self-identify as a Small Business Enterprise (SBE). This preliminary designation allows businesses to build visibility in the state's small business ecosystem and positions them for future certification at the state, federal, or third-party level. These enhancements are part of a broader strategy to ensure Kansas small businesses—particularly those from historically underrepresented groups—are better positioned to access procurement opportunities and participate in inclusive supply chains. The total number of certified businesses in Kansas are:

- FY 2023: 627 certified businesses
- FY 2024: 704 certified businesses
- FY 2025: 723 certified businesses

This growth signals rising demand for certification and validates the Office's continued efforts to broaden access and streamline entry points into procurement pipelines for small businesses across the state.

The Office tracks certification activity annually, including the number of businesses certified, application type, educational sessions delivered, and site visits conducted. The table below provides a summary of these activities across recent fiscal years, with projections through FY 27 for Commerce certifications:

<b>Certification Activity</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Companies Certified	106	306	368	440	590
- New Applications	61	89	205	320	450
- Renewals	45	217	163	205	215
- Suspensions	22	0	0	0	0
Workshops/Presentations Conducted	16	32	25	26	27
Site Visits (Virtual/In-Person)	47	48	50	60	70

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In FY 25, the Office conducted 25 workshops or presentations and completed 50 site visits (virtual or in-person). A total of 368 businesses were certified, including 205 new applicants and 163 renewals. No certifications were suspended during the fiscal year. The increase in certification volume reflects the Office's continued emphasis on technical assistance, outreach, and readiness efforts aligned with the broader goal of strengthening the position of Kansas small businesses in procurement and contracting markets.

**Center for Entrepreneurship**

The Kansas Department of Commerce maintains a long-standing and strategic partnership with the Kansas Center for Entrepreneurship, publicly known as NetWork Kansas, to expand access to capital and technical assistance for entrepreneurs and small businesses across the state. This collaboration plays a role in advancing business growth in both rural and urban-distressed communities through coordinated program delivery, pass-through funding mechanisms, and statewide network development. NetWork Kansas operates under a formal contract with the Department and is governed by a board of directors appointed by the Secretary of Commerce.

NetWork Kansas serves as the implementing entity for Kansas' State Small Business Credit Initiative (SSBCI) and administers all four SSBCI-funded capital programs on behalf of the state. These programs encompass a mix of loan participation and direct venture capital strategies, all designed to leverage private-sector investment and improve credit access for Kansas-based businesses. The structure of these programs allows for flexibility in meeting the financing needs of businesses at various stages, while maintaining alignment with federal SSBCI requirements and the state's broader economic development priorities.

The current Kansas SSBCI capital portfolio includes four distinct program categories:

<b>Program Name</b>	<b>Program Type</b>	<b>SSBCI Allocation</b>
GROWKS Loan Fund	Loan Participation	\$41.8 million
GROWKS Multi-Fund Equity Program	Venture Capital (Fund of Funds)	\$6.0 million
GROWKS Angel Capital Support Program	Venture Capital (Direct Investment)	\$16.8 million
GROWKS Community Equity Ownership Program	Venture Capital (Direct Investment)	\$5.0 million
<b>Total</b>	—	<b>\$69.6 million</b>

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The total SSBCI capital allocation across all programs amounts to \$69.6 million. As of July 2025, Kansas has deployed approximately \$29.9 million, representing 43% of its total allocation. These funds have supported a diverse range of businesses and sectors throughout the state, reflecting Kansas’s ongoing commitment to aligning capital deployment with inclusive, innovation-driven economic development.

**Small Business Opportunity Program**

In FY 25, the Kansas Office of Small Business finalized the design and administrative infrastructure for LaunchKS—a statewide technical assistance initiative developed under the Small Business Opportunity Program (SBOP) and funded by the Federal State Small Business Credit Initiative (SSBCI). Backed by a \$2.6 million award, LaunchKS serves as the state’s model for delivering subsidized professional services to Very Small Businesses (VSBs) and Socially and Economically Disadvantaged Individual (SEDI)-owned businesses.

SBOP was established to advance equitable economic outcomes by building a coordinated system of high-impact technical assistance that strengthens business readiness and improves small business participation in capital markets. LaunchKS is the primary delivery mechanism of SBOP and is designed to address persistent gaps in access to legal, accounting, and financial advisory services—critical functions where many under-resourced businesses face cost and capacity barriers.

Under the LaunchKS model, eligible VSBs will have the ability to apply for \$1,000 technical assistance grants in each of the three service categories: legal, accounting, and financial advisory (LAF). These services will be delivered through a vetted network of Technical Assistance Providers and coordinated by Entrepreneurial Support Organizations to ensure alignment with individual business needs and federal compliance standards. All participating businesses will be verified as either VSBs or SEDI-owned, with a minimum threshold of 67% of support directed to SEDI-owned firms.

In FY 25, the Office completed all foundational components for program launch in FY26, including intake systems, vendor registration, compliance protocols, and the build-out of a centralized Salesforce platform to manage applications, reporting, and payment processing. LaunchKS, guided by the SBOP policy framework, represents a major step toward building a more inclusive, efficient, and performance-driven technical assistance infrastructure for Kansas small businesses.

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Division of the Budget

Agency: Kansas Department of Commerce

State of Kansas

Program: Business Development Division**Kansas Small Business Development Centers**

The Kansas Department of Commerce partners with the Kansas Small Business Development Center (KSBDC) to expand technical assistance and business advising services across the state. Supported through a combination of federal, local, and state funding—including an annual contract with Commerce—KSBDC provides no-cost advising to both new and existing businesses.

This long-standing partnership plays a critical role in Kansas’s small business support infrastructure, helping entrepreneurs improve operations, access capital, and make informed growth decisions. It also serves as an important channel for distributing information about Commerce programs, grant opportunities, and state-led initiatives—ultimately increasing small business engagement with public resources.

In FY 25, KSBDC’s impact included:

<b>Category</b>	<b>Total</b>
Business Advising Sessions	3,390
Capital Funding Facilitated	\$34,926,725
Jobs Supported	10,112
Total Staff (Full & Part-Time)	33

With coordination from the Office of Small Business and the newly appointed Statewide Director, the KSBDC network continues to be delivery partner in driving statewide small business growth and resilience.

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Agency: Kansas Department of Commerce

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Program: Business Development Division**EXPENDITURE JUSTIFICATION BY OBJECT CODES****Object Code 100: Salaries and Wages**

Staffing for the division includes 23.50 positions

FY 2026: \$2,332,788

FY 2027: \$2,348,278

**Object Code 200: Contractual Services**

Expenditures in this category include overhead for the division, travel, and professional fees

FY 2026: \$2,577,405

FY 2027: \$1,963,787

**Object Codes 300: Commodities**

Expenditures in this category are primarily for consumables such as stationery, fuel, and supplies

FY 2026: \$28,850

FY 2027: \$28,850

**Object Code 400: Capital Outlay**

The expenditures in this category include technology upgrades, primarily computer replacement and software

FY 2026: \$4,525

FY 2027: \$5,725

**Object Code 550: State Special Grants**

FY 2026: \$91,097,549

FY 2027: \$26,215,090

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Program: Workforce Services Division

The Workforce Services Division links businesses, job candidates and educational institutions to ensure that employers can find skilled workers and workers can find employment opportunities. The Division accomplishes this by partnering with Local Workforce Development Boards (LWDB) and other state agencies. In addition, a robust 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 28 **KANSASWORKS** workforce centers, online or virtual services and the mobile workforce centers. These employer-driven services include recruiting skilled workers, screening and assessing job candidates and identifying individuals needing skill enhancement.

		<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Workforce Development	Number of jobs created or retained through Workforce Services	13,876	16,977	17,755	18,110	18,472
Performance Training Services	Number of individuals trained through Workforce Services	1,078	1,201	1,173	1,196	1,220
Employment Services	Number of Kansans served with job search counseling, resume writing and other services	25,563	27,005	17,941	18,300	18,666

**Wagner-Peyser Act**

Wagner-Peyser, a federal law, seeks to improve the functioning of the nation's labor markets by bringing together individuals seeking employment with employers seeking workers. Wagner-Peyser focuses on providing a variety of services including job search assistance, help getting a job referral, and placement assistance for job seekers. Additionally, re-employment services are available for unemployment insurance claimants, as well as recruitment services to employers with job openings.

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Program: Workforce Services Division

The services offered to employers, in addition to referral of job seekers to available job openings, include assistance in development of job order requirements; matching job seeker experience with job requirements and skills; assisting employers with special recruitment needs; arranging job fairs; helping employers analyze hard-to-fill job orders; assisting with job restructuring; and helping employers deal with layoffs. Job seekers who are veterans receive priority referrals to jobs and training as well as special employment services and assistance. In addition, the system provides specialized attention and service to individuals with disabilities, migrant and seasonal farm workers, justice-involved individuals, youth, minorities, and older workers.

**Registered Apprenticeship Program**

The Kansas Office of Registered Apprenticeship (KOA) was established by Executive Order on September 6, 2022, the state's apprenticeship system has seen significant growth. In 2025 alone, the Office reached two major milestones: a 228% increase in recognized employer participation since 2022—reaching a record 1,008 employers—and the addition of 3,500 new apprentices, the most in state history. In addition, the KOA leverages data-driven decision-making to ensure the sustainability and expansion of registered apprenticeship programs across Kansas. In July 2025, the Office released a groundbreaking return on investment (ROI) study conducted by the University of Kansas, which found a median employer ROI of 249%—meaning that for every \$1 invested, employers saw \$2.49 in direct net benefits within five years. The study also highlighted substantial indirect benefits, including increased employee retention, a stronger workplace culture, and more resilient talent pipelines.

The Registered Apprenticeship system is a specifically employer led system to address immediate workforce needs to develop highly trained employee's long term. Registered Apprenticeship is a proven, structured system for training employees in our states most high wage and high demand occupations. All Registered Apprenticeship programs must have five hallmarks to be recognized for certification including: on the job training, related technical instruction, mentorship, wage progression and industry recognized credentials. The related instruction may be provided through training providers, employers, community or technical colleges, online, distance learning, contract vendors or apprenticeship training centers to meet the needs of specific employers in our state.

The Office of Registered Apprenticeship focuses on three areas to expand the use of Registered Apprenticeship in the State of Kansas:

1. Be a resource provider including training and technical assistance for stakeholders and apprentices.
2. Convene partners to create expansive opportunities for apprenticeship services in Kansas including union training programs, employer training programs, community organizations, community colleges and universities, K12 schools, and other entities.



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3. Staff and support the Kansas Apprenticeship Council, appointed by the Secretary of Commerce, which is responsible for regulating apprenticeship programs and advising on expansion.

In addition to state and federal regulatory responsibilities, the appointed Kansas Apprenticeship Council has been refocusing its efforts on expansion and awareness across the state. Part of this effort included executing 6-year strategic plan that includes 7 goals with KPI's. This strategic plan was developed with the Kansas Framework for Growth and directly meets all four pillars of the framework, specifically "Talent". The KOA has been strategic in growing Registered Apprenticeship programs in only high wage and high demand occupations in each of the target sectors identified for accelerated growing including advanced manufacturing, aerospace, distribution and transportation, food & agriculture, and professional & technical services. In addition, the KOA has seen tremendous success with non-traditional Registered Apprenticeship programs for teacher education, nursing and healthcare, and apprenticeship for youth.

The Kansas Office of Registered Apprenticeship leverages multiple funding sources to support and expand apprenticeship programs, including both state and federal funds. Since 2023, two major initiatives—the \$10 million Kansas Apprenticeship Tax and Grant (KATAG) Act and the \$2.5 million Apprenticeship 2 Educator (A2E) Fund—have provided nearly 100 employers and 850 apprentices with tax credits and grant incentives to fuel system growth. The Office also successfully closed out the \$5.6 million SAEI grant, exceeding performance targets by serving nearly 200% of projected participants and 170% of target employers. In addition, the Office is currently managing the \$6.3 million US Department of Labor MeadowLARK grant, which has launched 329 Teacher Educator apprentices, expanded justice-involved apprenticeship opportunities, and strengthened collaboration with the Local Workforce Development Board system. State funding has also provided small competitive grants to existing apprenticeship programs to help them expand their reach and better serve small employers across the state. Lastly, the Office oversees the US Department of Labor State Apprenticeship Expansion Formula grant, which supports Registered Apprenticeship expansion efforts, data collect, research, office modernization, and improved clarity around youth apprenticeship.

To learn more about the Kansas Office of Registered Apprenticeship visit <https://ksapprenticeship.org/>.

**Reemployment Services and Eligibility Assessment (RESEA)**

Studies have shown that by utilizing the Federal RESEA program, a claimant's efforts to find new employment and awareness of their reemployment service needs result in shorter Unemployment Insurance claim durations and fewer erroneous payments. The reemployment of UI claimants and the

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reduction of erroneous payments are high priorities for Kansas, and the RESEA initiative addresses both these priorities. RESEA allows flexibility for grant-funded staff to provide reemployment services to eligible claimants and includes Unemployment Compensation for Ex-service members (UCX) claimants in the queue for services.

Providing reemployment services to UI claimants has gained even greater momentum in Kansas with the passage of the Workforce Innovation and Opportunity Act (WIOA) and the continued receipt of the RESEA grant awarded to the Kansas Department of Labor. Through a memorandum of understanding, Commerce provides contractual staff to deliver workforce services to a minimum of 7,500 eligible claimants. Each RESEA customer receives, at a minimum, the following services:

- UI eligibility review
- Overview of Workforce Center services
- Initial assessment
- Labor market information
- Resume requirement assistance
- Individualized reemployment plan
- Referral to reemployment services

### My (Re)Employment

Beginning June 2021, the My (Re)Employment Plan (MRP) was revived and updated in HB2196. The program remains a collaboration between the Kansas Departments of Commerce, Kansas Department of Labor and **KANSASWORKS** Workforce System and provides enhanced reemployment services to Kansans who are unemployed and looking for work. The program connects unemployment recipients that have received three consecutive Unemployment Insurance payments with **KANSASWORKS.com**. Individuals scheduled for My (Re)Employment Plan are required to complete a Job Search Plan and to create/upload their resume in **KANSASWORKS.com**. Customers needing assistance are encouraged to visit their nearest Workforce Center.

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To emphasize the importance of a planned, dedicated job search to match unemployed workers with jobs, individuals who fail without good cause to participate in this free-of-charge service will lose unemployment benefits until they can demonstrate a reasonable job search. The program is designed to help people achieve their reemployment goals and to reduce time spent on unemployment.

Studies have shown that the longer a person is unemployed, the harder it is to get back to work. Instead of waiting until the end of their entitlement to benefits, recipients are guided to make a planned approach toward getting a new job that emphasizes personal responsibility.

### **Jobs for Veterans Grant**

The Federal Jobs for Veterans State Grants (JVSG) program provides federal funding, through a formula grant, to State Workforce Agencies (SWAs) to hire dedicated staff to provide individualized career and training-related services to veterans and eligible persons with significant barriers to employment and to assist employers in filling their workforce needs with job-seeking veterans. The JVSG program supports the Disabled Veterans' Outreach Program (DVOP) specialist position, and Local Veterans' Employment Representative (LVER) staff. DVOP specialists provide individualized career services to veterans with significant barriers to employment, with the maximum emphasis directed toward serving veterans who are economically or educationally disadvantaged. Veterans with barriers include homeless veterans, veterans with service-connected disabilities validated by the Department of Veterans Affairs (VA0), Veterans who self-attest to having disabilities, currently incarcerated or soon to be released Veterans, Vietnam-Era Veterans and vocational rehabilitation clients enrolled in the Veterans Readiness and Employment (VR&E) program through the VA. Local Veterans' Employment Representatives conduct outreach to employers and business associations and engage in advocacy efforts with hiring executives to increase employment opportunities for veterans and encourage the hiring of disabled veterans.

### **Foreign Labor Certification**

Kansas receives funding from the US Department of Labor to administer the Foreign Labor Certification (FLC) program. Commerce provides the following services for employers having difficulty finding qualified U.S. workers to fill job openings:

- H2-A visas: H-2A visas are granted to foreign workers for temporary agricultural jobs. Commerce assists employers by posting their job orders on **KANSASWORKS.com** to assist them in recruiting U.S. workers. During the recruitment process, it is the responsibility of Wagner-Peyser staff to conduct pre-occupancy safety and suitability inspections whenever the employer furnishes housing. In FY 25, Commerce

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certified 2,354 workers through job opportunities and inspected 893 housing units in all parts of the state. If the recruitment process reveals no U.S. workers are available or willing to take the job, and the employer-provided housing meets all safety standards, the Foreign Labor National Office provides the employer a certification permitting them to bring foreign workers into Kansas.

- H-2B visas: H-2B visas are granted to foreign workers for temporary low-skilled non- agricultural jobs such as construction, landscaping, painting, remodeling, and roofing. Commerce assists employers by posting their job orders on **KANSASWORKS**. If the recruitment process reveals no U.S. workers are available or willing to take the job, the Foreign Labor National Office provides the employer a certification permitting them to bring foreign workers into the state.

### Older Kansans Employment Program (OKEP)

The state-funded Older Kansans Employment Program provides specialized training, career assessment, job-matching, and job search assistance to Kansans aged 55 and older regardless of their income and facilitates the development of job opportunities for older Kansans in private industry. This funding is provided to five community-based nonprofit organizations and two local workforce development boards, who deliver the program services:

- North Central Flint Hills Area Agency on Aging
- Northwest Kansas Area Agency on Aging
- Beyond Barriers
- Senior Services of Wichita
- Southwest Kansas Area Agency on Aging
- Workforce Partnership
- Workforce Alliance

For FY25 there were 1952 seniors that were served, with 602 job placements, with an average wage of \$14.17 per hour.

### Senior Community Services Employment Program (SCSEP)

The federal Senior Community Services Employment Program is a work-based job training program that subsidizes part-time employment to older Kansans who live at or below 125 percent of the federal poverty level. SCSEP participants gain work experience in a variety of community service

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activities at non-profit and public facilities, including school, hospitals, day-care centers, and senior centers. Last program year, SCSEP served 115 participants placing them in community organizations for work-based training; there were 24 seniors placed in permanent jobs with a median wage of \$13.30 per hour. SCSEP is a federal formula grant that requires at least 75% of the funds go directly to pay wages and benefits to those placed in work-based training. This current program year, Kansas expects to receive \$794,090 to place 82 seniors in work experience assignments.

**Workforce Innovation and Opportunity Act (WIOA)**

Workforce services through the Federal Workforce Innovation and Opportunity Act (WIOA) administered by Commerce are funded through four separate programs: Adult Program, Dislocated Worker Program, Youth Program and Wagner-Peyser Labor Exchange. Nearly all the Adult, Dislocated Worker and Youth funds are allocated by statutory formula to the Local Workforce Development Boards (LWDB) for direct service delivery to eligible individuals per the requirements of the Act. Kansas has consolidated from five Local Workforce Development Areas (LWDA) down to four LWDAs, each overseen by a separate Local Workforce Development Board and guided by the **KANSASWORKS** State Workforce Development Board comprised of individuals appointed by the Governor.

WIOA also requires state workforce agencies to partner with other state agencies that administer Vocational Rehabilitation and Adult Education services. WIOA requires all these partners to submit a collaborative strategic four-year plan, approved by the state Workforce Board, describing how WIOA will be implemented in Kansas within the provisions and limitations of the law. Commerce convened the core partners (Workforce Services, Adult Education, Vocational Rehabilitation) along with other partners and developed the WIOA State Plan that was approved by US Departments of Labor and Education on May 31, 2024.

- **WIOA Youth Program**

- WIOA youth projects support a collaborative and integrated service delivery system to provide high quality services to in-school and out-of-school youth and young adults (ages 14-24). In each of the five local areas, WIOA-eligible youth are assisted through career exploration and guidance; continued support for educational attainment; and opportunities for skills training in in-demand industries and occupations. The goal is that this culminates with a good job in a career pathway or enrollment in post-secondary education.

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- **WIOA Adult and Dislocated Worker Programs**

- Adult and Dislocated Worker Programs provide training and other assistance to individuals age 18 and over who are experiencing job loss or lay off, disability, poverty, lack of in-demand job skills or other significant barriers to employment. Local Workforce Development Boards determine eligibility, develop a career plan and support these individuals as they obtain postsecondary or other training leading to employment.

### **Rapid Response Program**

Rapid Response, a federally funded via the Workforce Innovation and Opportunity Act, is a proactive business-focused and flexible strategy designed to respond to layoffs and plant closure by quickly coordinating services and providing immediate aid to companies and their affected workers. Rapid Response services are available regardless of the size of the company impacted. The state Rapid Response Coordinator works closely with the five-local area Rapid Response Coordinators to contact the companies, ensure timely response, and provide the best services possible to assist the workers in making a smooth transition to new employment.

### **Trade Adjustment Assistance Program**

The Federal Trade Adjustment Assistance (TAA) Program provides comprehensive reemployment services to U.S. workers who have lost their jobs or are at risk of job loss due to the impact of foreign trade. Eligible Worker groups are identified within a certified TAA Petition. In addition to standard reemployment services available through the Workforce Centers, affected workers receive individualized assistance from TAA case managers who provide in-depth benefit details, enroll them in services, and provide counseling/assistance throughout their TAA enrollment.

The TAA program enables trade-affected workers to enhance their skill sets, thereby increasing their competitiveness in the evolving job market. Participants may also be eligible for income support through Trade Readjustment Allowances (TRA) while attending TAA-approved training. Additional benefits may include reimbursement for job search and relocation expenses. Please note that the Reemployment Trade Adjustment Assistance (RTAA), Alternate Trade Adjustment Assistance (ATAA), and a Health Coverage Tax Credit benefits are no longer available, as TAA has entered its termination phase. Workers must apply for the TAA Program to determine eligibility and then must also apply separately for each benefit.

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The Employment and Training Administration (ETA) of the United States Department of Labor expanded protection and support of U.S. Adversely Affected Workers impacted by foreign trade by revising/updating its Trade Adjustment Assistance (TAA) regulations. The Trade Act of 1974, as amended, referred to as the Final Rule, is designed to make it easier for workers to qualify for job search and relocation allowances; increase those allowances in line with the statute; expand training to include more flexibility for apprenticeships; ensure workers have access to individualized assessments; and make it easier for groups of workers to apply for benefits.

Effective July 1, 2021, the TAA Program reverted to a modified version of the Trade Reform Act of 2022 (Reversion 2021). Any eligible workers included in a Trade Adjustment Assistance Petition, filed, and certified on or after July 1, 2021, through June 30, 2022, would be covered by this version. Some of the changes under Reversion 2021 include: limited/conditional group eligibility, Alternative Trade Adjustment Assistance (ATAA), significant limitations on TRA, and shorter TAA training enrollment deadlines.

Due to the lack of Congressional reauthorization, the TAA Program entered its termination phase effective July 1, 2022. Although the termination provision of the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA 2015) prohibits USDOL from certifying petitions for TAA group eligibility as of July 1, 2022, workers certified as eligible to apply for assistance under a petition approved before July 1, 2022, and who were separated on or before June 30, 2022, continue to be entitled to TAA Program Benefits and Services. States are required to continue administering the TAA Program and follow existing regulations for all versions: the 2002 Program, the 2011 Program, the 2015 Program, and the Reversion 2021 Program. In addition, under phase-out termination, states must continue to provide ongoing outreach efforts to identify affected workers and ensure support for all individuals covered under previously certified petitions with qualifying separations on or before June 30, 2022.

**Federal Bonding**

The Federal Bonding program provides fidelity bonds that protect employers against employee fraud and dishonestly for “at-risk” job seekers. The Federal Bonding program is a unique hiring incentive tool that targets individuals whose backgrounds can pose significant barriers to securing or retaining employment, including:

1. Justice-involved men, women, and youth

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2. Individuals in recovery from substance use disorders
3. TANF recipients
4. Individuals with poor credit records
5. Economically disadvantaged youth and adults who lack work histories
6. Individuals dishonorably discharged from the military

The Federal Bonding coverage is provided at no cost to the employer.

**Work Opportunity Tax Credit Program (WOTC)**

The Work Opportunity Tax Credit (WOTC) program is a federal tax credit available to employers who invest in American job seekers who have consistently faced barriers to employment. Employers may meet their business needs and claim a tax credit if they hire an individual who is in a WOTC targeted group.

The WOTC target groups include:

1. Qualified IV-A Recipient
2. Qualified Veteran
  - Veteran Receiving SNAP
  - Disabled Veteran
  - Unemployed Disabled Veteran (6 Months Unemployed)
  - Unemployed Veteran (4 Weeks Unemployed)
  - Unemployed Veteran (6 Months Unemployed)
3. Qualified Ex-felon
4. Designated Community Resident
5. Vocational Rehabilitation Referral
6. Recipients of SNAP Benefits (Food Stamps)



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7. Supplemental Security Income (SSI)
8. Ticket-To-Work
9. Long-Term Family Assistance Recipient
10. Qualified Long-Term Unemployment Recipient

An employer can receive a federal tax credit that varies between the amounts of \$2,400 to \$9,600 per applicant.

**Pathway Home /ReSpECTWORKS (Reentry Specialized Employment Training and Counseling)**

In June 2025, the Kansas Department of Commerce competed with other states and was awarded a \$3,995,301 federal grant for the Pathway Home 6 project. The period of performance is from July 1, 2025 to December 31, 2028. Pathway Home 6 seeks to provide eligible, incarcerated individuals with workforce services within 20 and 270 days of release from a correctional facility. Participating individuals have access to services that aid them in preparation to enter sustainable, living wage employment in a high-demand industry in the local labor market of the community to which they plan to return. These services include, but are not limited to, job preparation; individualized plans that address barriers to employment; career exploration and planning; counseling; assistance obtaining state identification required for employment; and assistance linking residents to the social services required to help them transition back to their communities. A key feature of this program is the intensive case manager, with whom the participant has built a relationship and who will remain with the participant post-release to support skill-building, job attainment, and employment retention. Partnerships with internal and external service providers ensure that participants' barriers to employment are addressed, to aid in their success and reduce recidivism.

**Kansas PROWD (*Partners for Reentry Opportunities in Workforce Development*)**

With a \$3,834,170 grant from the US Department of Labor and the US Bureau of Prisons, Commerce has established partnerships between the federal prison system and the public workforce system to ensure individuals re-entering their communities will have the training and competencies to compete for good jobs with livable wages. The Kansas PROWD grant, through September 2027, provides services to eligible participants while still in the custody of the Bureau of Prisons, as well as after release to the community. Commerce and its partners will provide employment preparation services, competency development, postsecondary education and training, case management, supportive services, and employment placement services to at least 345 individuals.

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Program: Workforce Services Division**Women's Second Chance Employment Counseling and Training Program**

A \$900,000 award of Second Chance Act funds from the Department of Justice, Bureau of Justice Assistance, provides inside-outside employment services to women who reside at Topeka Correctional Facility. The first year of the program is for planning and start-up, with service delivery scheduled to begin in Spring 2025 and continue until December 2027. Women will receive intensive case management, individualized career planning services and technical education while still in custody. These services will then continue after release into the community to help ensure participants successfully obtain and maintain employment in demand occupations. At least 130 women releasing to northeast Kansas will be served.

**RETAINWORKS – RETAIN (*Retaining Employment & Talent After Injury/Illness Network*)**

After 8 years of service delivery, \$21,600,000 RETAIN grant from the US Department of Labor, Office of Disability Employment Policy, is ending service delivery and undergoing intensive sustainability planning over the next 15 months. The program has built relationships between major hospital systems and local workforce development systems to provide coordinated medical care and employment services to those whose illness or injury may result in a work disability.

**Equitable Transition Model Initiative**

On April 4, 2024, Kansas was one of only four states to receive a five-year grant to demonstrate an enhanced model for supporting youth and young adults with disabilities who are transitioning from PreK-12 education to employment and/or postsecondary education. The funding award for year one is \$2,585,150; year two funds are \$3,085,150. Commerce is slated to receive over \$17,000,000 in total to establish partnerships, develop systems for support, establish curriculum for multiple professionals who serve youth and young adults with disabilities, and create professional certification for individuals who provide job coaching for those who need that specific support to be successful at work. The project will be piloted in Garden City in Year One and will move across the state in Years 2-5. Commerce and its partners plan to serve at least 1440 youth and young adults with disabilities, and their families, during the five-year grant period.

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Program: Workforce Services Division**WORKFORCE CENTER OPERATIONS****Background Information and Context**

The federally funded workforce development programs are delivered in part through workforce centers, some of which meet the definition of “one-stop” centers located across Kansas. The one-stop centers provide job candidates all necessary job search services in one location. All Kansans may access various labor exchange and assessment services free of charge. Qualified Kansans may access intensive training and related services. Services for Kansas employers include recruitment, assessment, testing and screening of qualified employees. Partners in the centers include representatives from the Kansas Department of Children and Families for the TANF and Vocational Rehab programs and the Kansas Department of Labor with Unemployment Insurance information. The one-stop centers and/or workforce centers are divided into five different regions. The West Region (Local Area I) has full-time or part-time staff located in Colby, Dodge City, Garden City, Great Bend, Goodland, Hays, Hutchinson, Liberal, Newton and Salina. The Northeast Region (Local Area II) has locations in Junction City, Lawrence, Manhattan and Topeka. The Greater Kansas City Region (Local Area III) Workforce Centers are in Kansas City, Leavenworth, and Overland Park. The South Central (Local Area IV) offices are located in Arkansas City, El Dorado, Wichita and a location at Cowley Community College. Finally, the Southeast Region (Local Area V) staff is in Chanute, Emporia, Fort Scott, Independence, Paola, and Pittsburg. There are a total of 27 full- or part-time locations across the state delivering services to Kansas job candidates and employers. The major program administered by the Department of Commerce through field operations is the Wagner-Peyser program, which is focused on providing labor exchange services to help Kansas businesses find qualified workers and job candidates to find quality employment opportunities. In addition, there are a number of federal programs that compliment this program. All of the programs and services delivered through workforce center operations are summarized near the beginning of this document.

**Program Access**

Universal access is granted to all employers and Kansans for labor exchange, labor recruitment, assessment, testing and screening services. Qualified access to intensive training and related services is provided to eligible Kansans under the guidance and direction of the local workforce investment board. Specialized placement and job location assistance is available to targeted populations such as veterans, those displaced from work because of foreign competition and migrant and seasonal farm workers.

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Program: Workforce Services Division**Program Eligibility Requirements**

Eligibility requirements vary depending on the program. All programs provide labor exchange, labor recruitment, testing, screening, assessment or training services for employers and job seekers.

**Decision Making and Guidance**

The Department of Commerce is responsible for administration of labor exchange, labor recruitment, general assessment, testing and screening services for employers and job seekers. The Local Workforce Investment Development Board establishes policy and eligibility guidelines and provides the designated administrative entity with any guidance needed to ensure successful Workforce Innovation and Opportunity Act (WIOA) training program administration within the region. Commerce, the local board and/or its designated agents, and other partners work collaboratively within a one-stop environment to deliver these services to employers and jobseekers.

**Additional Performance Measures for Workforce Services**

<b>Workforce Services:</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Employment rate for adults served by Workforce Services	74.0%	74.4%	71.6%	73.0%	74.5%
Employment rate for dislocated workers served through Workforce Services	86.8%	86.9%	80.7%	82.3%	83.9%
Total number of people served	25,563	28,206	18,069	18,430	18,799
Percent of individuals receiving Workforce Services programs that obtain employment	74.9%	75.0%	69.5%	71.0%	72.0%
Number of job openings - KANSASWORKS.com	730,757	408,933	440,145	448,948	457,927

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Number of job seeker resumes - <b>KANSASWORKS.com</b>	8,154	9,895	12,604	12,856	13,113
Number of employer contacts on <b>KANSASWORKS.com</b>	10,254	9,894	9,735	9,930	10,128

<b>Workforce Services WIOA Title I &amp; III Adult:</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Percent employment rate 2nd quarter after exit	79.4%	74.4%	70.8%	72.2%	73.7%
Percent employment rate 4th quarter after exit	75.8%	76.9%	69.6%	71.0%	72.4%
Amount of median earnings 2nd quarter after exit	\$8,420	\$8,410	\$8,060	\$8,221	\$8,386
Percent credential attainment within 4 quarters after exit	69.7%	78.7%	62.8%	64.1%	65.3%
Measurable Skills Gain	52.5%	69.6%	50.0%	51.0%	52.0%

<b>Workforce Services WIOA Title I &amp; III Dislocated Worker:</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Percent employment rate 2nd quarter after exit	86.8%	86.9%	80.7%	82.3%	84.0%
Percent employment rate 4th quarter after exit	87.3%	87.2%	85.4%	87.1%	88.9%
Amount of median earnings 2nd quarter after exit	\$11,109	\$13,052	\$14,829	\$15,126	\$15,428

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Percent credential attainment within 4 quarters after exit	78.8%	84.6%	77.3%	78.9%	80.4%
Measurable Skills Gain	58.1%	88.0%	66.0%	67.3%	68.7%

<b>Workforce Services WIOA Title I &amp; III Youth:</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Percent employment rate 2nd quarter after exit	76.8%	78.1%	73.8%	75.3%	76.8%
Percent employment rate 4th quarter after exit	81.2%	74.4%	73.0%	74.5%	76.8%
Amount of median earnings 2nd quarter after exit	\$4,622	\$5,095	\$4,234	\$4,319	\$4,405
Percent credential attainment within 4 quarters after exit	59.2%	60.2%	52.4%	53.5%	54.5%
Measurable Skills Gain	39.1%	59.6%	43.6%	44.5%	45.4%

<b>Workforce Services WIOA Title I &amp; III Wagner Peyser:</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Percent employment rate 2nd quarter after exit	74.0%	74.8%	69.0%	70.4%	71.8%
Percent employment rate 4th quarter after exit	67.9%	75.7%	68.7%	70.1%	71.5%
Amount of median earnings 2nd quarter after exit	\$8,474	\$8,722	\$8,140	\$8,303	\$8,469

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Program: Workforce Services Division**EXPENDITURE JUSTIFICATION BY OBJECT CODES****Object Code 100: Salaries and Wages**

Staffing for the division includes 149.00 positions

FY 2026: \$10,811,301

FY 2027: \$10,899,432

**Object Codes 200: Contractual Services**

Expenditures in this category include overhead for the division, travel, and professional fees

FY 2026: \$3,704,234

FY 2027: \$3,626,951

**Object Codes 300: Commodities**

Expenditures in this category are primarily for consumables such as stationery, fuel and supplies

FY 2026: \$84,878

FY 2027: \$83,052

**Object Code 400: Capital Outlay**

The expenditures in this category include technology upgrades, primarily computer replacement and software

FY 2026: \$71,250

FY 2027: \$71,250

**Object Code 550: Other Assistance**

Expenditures in this category include grant payments for state and federal grants

FY 2026: \$29,153,997

FY 2027: \$25,860,600

**Object Code 500: Capital Improvements**

FY 2026: \$250,000

FY 2027: \$100,000

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Program: Quality Places Division

The Quality Places Division works to enhance the overall quality of life and economic vitality of communities throughout Kansas. It focuses on creating attractive, sustainable, and vibrant environments that appeal to residents, businesses, and tourists. This division oversees programs that promote the development of public spaces, infrastructure, and cultural amenities, aiming to improve community well-being and foster economic growth. By supporting projects that enhance aesthetics, connectivity, and livability, the Quality Places Division helps Kansas communities attract new investments and retain residents.

These departments within the Division include the Office of Broadband Development, the Office of Rural Prosperity, Community Development Block Grants, Kansas Main Street, and Quality Place Specialists.

Through its programs, the division helps Kansas communities find solutions for infrastructure and quality-of-place investments. The division's mission is to strengthen communities by enhancing their existing assets and creating vibrant and attractive environments where residents and businesses can thrive. Communities that invest in quality-of-place initiatives see long-term economic benefits as well as improvements at both the individual and community levels. Quality of Place is essential for attracting and retaining talent, which drives community economic growth, through business recruitment and business expansion.

**Kansas Main Street**

The Kansas Main Street program had a successful 27-year history beginning in 1985 and ending in 2012. During that time, dozens of communities in Kansas worked to revitalize their downtown districts and make the heart of their communities viable and strong. More than \$800 million in reinvestment took place and more than 4,000 small businesses were started or expanded, creating over 10,000 new jobs. In the last year alone, 28 Designated communities established 90 new businesses, over 600 new jobs, supported 268 private building improvement projects, and generated \$124 million in reinvestment.

Three new Designated communities were added to the program in 2021—Atchison, Baldwin City and Junction City. In 2022, seven Designated communities were added to the program—Eureka, Great Bend, Hays, Newton, Salina, Topeka and Valley Center. WaKeeney was added to the program in 2023 and in 2024 Girard and Kansas City were added to the program. These communities now receive a high-level of technical



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assistance and services, including market analysis, assistance building organizational capacity, design assistance, economic development, and other resources and assistance offered by Kansas Main Street and Main Street America.

In 2025 a new County-Wide Pilot Project Program was initiated by Kansas Main Street. This program is working with 13 communities who have populations under 5,000, within 3 designated Counties. The counties included are Stafford, Sumner, and Cherokee. Without the support and resources from the State program and this project, they do not have the capacity to successfully manage their own Main Street programs. These county programs will receive technical support, market analysis, ongoing training, and design consultation services. They are members of the Kansas Main Street Network program, with the goal of becoming Designated communities after the 2-year pilot project ends. If this project is successful, the goal is to expand it into additional counties in the future.

The Network program was created in 2021 to interested communities who pay an annual fee and are allowed to participate in quarterly trainings typically offered to just Designated communities. To date, there are 67 communities involved in the Network program and those communities have received training and technical assistance in the areas of fund raising, organization, design, promotions, entrepreneurial development, and code issues in downtown buildings, and how to develop upper-floor housing in downtown. We are currently working with an additional 21 communities interested in joining the Network program.

In 2024, the new ROOMS (Residential Opportunities on Main Street) grants were provided to communities to create 37 new upper-floor housing units in downtowns. This \$400,000 leveraged nearly \$6 million in private reinvestment. In 2025, \$250,000 in ROOMS grants were provided to communities to create 29 new upper-floor housing units in downtowns, resulting in nearly \$9 million in private reinvestment.

**Individual Development Account (IDA) Program**

The Individual Development Account (IDA) Program (K.S.A. 74-50,201 - 74-50,208) promotes self-sufficiency for low-income Kansas residents by fostering asset development through a matched savings initiative. The program, overseen by the Department of Commerce, allocates up to \$500,000 in state income tax credits annually.

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These tax credits, valued at 75% of the contribution amount, incentivize donations that serve as matching funds for participants' savings. Program participants can use their accumulated savings for various purposes, such as purchasing a first home, making home repairs, starting or expanding a small business, or pursuing post-secondary education and specialized skills training.

In 2009, Interfaith Housing and Community Services (IHCS), a Hutchinson-based community organization, was designated as the sole provider of IDAs in Kansas due to its successful program administration and effective use of tax credits. In 2015, the Kansas Legislature re-authorized tax credits for individual donors, leading to full utilization of available credits from 2015 through 2021.

In 2022, the Department of Commerce authorized a second nonprofit, Community Housing of Wyandotte County (CHWC), to administer IDAs. Since then, CHWC has been granted \$100,000 in tax credits, while IHCS continues to receive \$400,000 in allocations. Both organizations have shown success in utilizing the credits and are expected to fully utilize all available tax credits during the 2024 and 2025 calendar years.

**Community Development Block Grant**

The Small Cities Community Development Block Grant (CDBG) program currently receives approximately \$15 million in federal funds annually for competitive applications for cities and counties in rural areas of Kansas. The state's allocation has continually decreased or stayed the same from the high of \$20.1 million in 2004. CDBG grant awards provide vital infrastructure, building blocks that stimulate economic development and key improvements to the quality of life across Kansas. All cities and counties in the state of Kansas may qualify for CDBG funding, except for Johnson County, all towns within Johnson County, Kansas City, Manhattan, Lawrence, Topeka, Wichita and Leavenworth. Those communities receive funding directly from HUD to make improvements. Unlike other states, Kansas does not provide state funds for the administration of this program.

U.S. Department of Housing and Urban Development (HUD) provides federal funds to states who fund local units of government. One of three objectives must be met: 1) benefit to low- and moderate-income individuals; 2) removal or prevention of slum or blighted conditions; or 3) resolution of an urgent need or immediate threat to health or safety where local funds are not available. These funds are used for a wide variety of activities. The CDBG program awards grants in seven categories: 1) economic development; 2) water/sewer and regional water solutions; 3) community facilities and services; 4) urgent need; 5) housing; 6) commercial rehabilitation; and 7) job training. Cities and counties may apply for these funds at

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announced application rounds. Urgent Need allows a community to replace local capacity destroyed by an unforeseen disaster. In the housing, commercial rehabilitation, and urgent need categories, funds can be accessed anytime during the year depending on need and availability of funds.

A total of 70 project applications were received and 55 were funded in FY 25, representing a 79% approval rate. The CDBG Annual Competition was transitioned to a rolling round format to accelerate the distribution of funds in response to evolving federal requirements. As a result, \$24,979,081 was awarded out of the \$35,185,680 requested, with an estimated 151,697 individuals benefitting from funded projects. Contract administration remains intensive, with 122 open projects statewide requiring ongoing technical assistance, on-site compliance monitoring, and progress tracking in the federal IDIS system to meet established HUD guidelines.

CDBG staff have also been managing the closeout of 24 state and local revolving loan and microloan funds across Kansas, which have historically supported rural communities with start-up capital and business expansion funding. This process involves reviewing semi-annual reports, conducting periodic on-site monitoring, and ensuring full compliance with federal requirements. Finally, staff continue to navigate shifts in federal funding policy while working closely with HUD to maintain program efficiency and accountability.

<b>Community Development Block Grant</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number applications received	48	43*	70	50	45
Percent applications approved	80%	58%	79%	75%	75%
Total requested dollar amount	\$14,721,811	\$8,187,849**	\$35,185,680	\$25,000,000	\$20,000,000
Total dollar amount	\$11,948,412	\$5,271,540	\$24,979,081	\$47,000,000	\$39,000,000
Total number of persons benefitting	91,317	46,288	151,697	120,000	100,000

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Total number of housing units rehabbed	8	44	27	30	30
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\* Applications include final round of CDBG Covid Funding

\*\* This number decreased in 2024 because the program changed the annual competition date from May 2024 to November 2024 so the data will not be captured until the next PBB.

**Neighborhood Stabilization Program**

The Neighborhood Stabilization Program (NSP 1) was established to stabilize communities suffering from foreclosures and abandonment. Through the purchase, rehabilitation and redevelopment of foreclosed and abandoned homes and residential properties, the goal of the program is being achieved. The State of Kansas received \$21.0 million in NSP 1 funding from HUD. Contracts were signed with nine counties and ten cities to invest these dollars to stabilize their neighborhoods. As of August 2016, the State of Kansas NSP 1 program has generated \$7.7 million in program income making the total investment of \$28.7 million into the State. The NSP 1 program has not received any new allocations after October 31, 2018; however, Commerce is responsible for the ongoing management of the program income.

The Neighborhood Stabilization Program 3 (NSP3) was established in FY 11 to stabilize and revitalize communities that have been most severely impacted by foreclosure and abandoned properties. The most severe communities impacted are identified by a Census Tract Score. Kansas was allocated \$5 million in NSP 3 funding from HUD. Due to their high Census Tract Score, the primary recipient of NSP 3 funds is the Unified Government of Wyandotte County. The NSP 3 program has not received any new allocations after October 31, 2018; however, Commerce is still responsible for the ongoing management of the program income. Commerce is working with HUD to close out the NSP 3 program.

**Community Service Tax Credit Program**

This program encourages cash and non-cash contributions to nonprofit organizations for certain community service activities. Kansas income tax credits are awarded yearly on a competitive basis for nonprofits to use as a fundraising tool to encourage individuals, businesses, financial institutions, and insurance companies to donate. Nonprofit recipients must address one of the following areas in order to qualify: community service, including childcare, non-governmental crime prevention, youth apprenticeship and technical training, or healthcare services.

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A tax credit of 70% is allowed in communities of fewer than 15,000 residents and 50% in communities greater than 15,000. The minimum donation is \$250. The program builds nonprofit community capacity to serve the needs of the targeted Kansas recipients.

The application requests for Community Service tax credits are always greater than the annual allocation. FY 26 resulted in a total of 79 applications, the project awards for this round were announced in July 2025. Of the 79 applications, 30 were awarded of which 14 organizations were in communities with populations of less than 15,000 and 16 were in communities with populations of more than 15,000.

<b>Community Service Tax Credit Program</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Actuals*</b>	<b>FY 2027 Estimates</b>
Number applications received	55	59	54	79	80
Percent of applications approved	53%	61%	48%	37%	40%
Total dollar amount of application fees	\$13,750	\$14,750	\$13,500	\$19,500	\$20,000
Total dollar amount	\$4,084,456	\$4,120,751	\$4,100,653	\$3,999,375	\$4,100,000

\*Applications were accepted March through April 2025 and were awarded July 1, 2025.

**OFFICE OF RURAL PROSPERITY**

The Office of Rural Prosperity (ORP) is committed to advancing the vitality and sustainability of rural communities across the state. Since its establishment in 2019, ORP has collaborated closely with local leaders to identify key challenges and opportunities, translating community input into actionable strategies. Most importantly, ORP focuses on building local capacity and empowering communities to implement attainable, high-impact projects that drive long-term prosperity. ORP also serves as a dedicated advocate within state government, ensuring that the priorities and perspectives of rural Kansans are integrated into statewide policy and decision-making.

**Rural Champions:** The Rural Champions Program equips local leaders to address persistent challenges in rural Kansas. The program provides each Champion with a \$20,800 stipend, up to \$25,000 in project implementation funding, and access to expert training and support. The second cohort includes 14 community-driven projects across the state, including the restoration and reuse of a vacant school in Wetmore, healthcare workforce

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recruitment in Rooks County, and the reopening of a grocery store in downtown Grinnell. Champions also develop a guidebook to document their process, allowing other communities to replicate successful strategies and strengthen rural prosperity statewide. Highlighting its innovation, the Rural Champions program earned two 2024 IEDC Silver Awards from the International Economic Development Council for Innovation in Economic Development and Regional Partnerships.

**Historic Economic Asset Lifeline (HEAL):** The Historic Economic Asset Lifeline (HEAL) program is a targeted economic development initiative that supports housing, small business growth, and downtown revitalization in rural communities. HEAL focuses on restoring underutilized or dilapidated buildings, transforming them into assets that support local entrepreneurship, housing, childcare, and broader economic activity. Since its launch in 2021, HEAL has invested \$7.3 million in 109 revitalization projects with \$36.7 million in local matching capital investment, breathing new life into rural downtowns. For FY 26, the program anticipates awarding approximately \$1.5 million, continuing to create opportunities that strengthen local economies and enhance community vitality.

**Rural Murals:** Launched in 2021, the Rural Mural program has helped beautify communities while bringing people together to celebrate local history and culture through art. Since its inception, 97 murals have been completed in 45 Kansas communities, with \$322,088 in funding awarded. In Fall 2025, the final round of \$75,000 will support at least 10 more projects.

**Food Opportunities for Rural Kansas (FORK):** FORK supports communities under 10,000 in retaining or expanding grocery stores and increasing local food access. The program helps rural entrepreneurs develop innovative models, such as cooperatives or regional distribution systems. This program will allow ORP to partner with other philanthropic organizations to address the increasing rate of rural grocery store closures across the state.

**Strategic Economic Expansion and Development (SEED) Grant:** The SEED Grant supports communities under 5,000 by investing in quality-of-life infrastructure that boosts local livability and economic resilience. Funding focuses on childcare and senior centers, rural grocery stores, libraries, and community vibrancy projects. Since 2022, SEED has awarded over \$3.2 million to 191 projects.

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**Towns Grant:** In partnership with the Dane G. Hansen Foundation, Sunflower Foundation, and Kansas Health Foundation, the Towns Grant helps rural communities address local challenges through small-scale projects that deliver quick, visible results. By expanding access to state resources, the program fosters community engagement, builds local capacity, and encourages future investment to strengthen long-term economic prosperity.

**Rural Opportunity Zones:** The Rural Opportunity Zones (ROZ) Program (K.S.A. 74-50,222 - 74-50,223 and 79-32,267) was designed to stem outmigration and recruit new workforce to fill high demand jobs in rural Kansas communities with tax relief and student loan repayment assistance. Qualified individuals establishing new residency in one of the participating ROZ counties can receive student loan repayment assistance for up to \$15,000 over five years. Employers, Counties, Cities, Foundations, and Economic Development organizations can sponsor these individuals by contributing a 100% match for ROZ. In FY 25, 233 residents received student loan repayment benefits, with the state's portion equaling \$440,499. In FY 25, the Kansas Legislature updated the eligibility of ROZ counties to only those with 15,000 population or less, reducing the counties eligible for ROZ to 72.

<b>ROZ</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Total dollar amount ROZ student loan payments—state portion	\$470,190.5	\$474,053	\$440,499	\$350,000	\$350,000
Total number of new ROZ applications received	117	127	153	120	0
Total number of ROZ applications (cumulative over program)	4,205	4382	5814	5934	5934
Total number of ROZ participants funded	345	295	233	255	255
Number of individuals pending funding	102	135	141	135	0

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State of Kansas

Program: Quality Places Division**OFFICE OF BROADBAND DEVELOPMENT**

The Office of Broadband Development (OBD) was established by executive order in FY 21 to lead state efforts in bridging the digital divide in Kansas. The mission of OBD was further enhanced as the COVID-19 pandemic spotlighted the need for robust, equitable and reliable broadband access throughout Kansas. The OBD operates in the following four priority areas:

1. Driving access to robust broadband infrastructure
2. Enabling Kansans to connect through digital adoption, literacy, and opportunity programs
3. Developing Kansas broadband information services to inform investments and priorities
4. Engaging stakeholders through local, regional, and statewide partnerships

OBD continues to support investments in broadband infrastructure and address urgent digital needs for remote education, telehealth, business, and overall quality of place. The Kansas Office of Broadband Development continues toward deploying more than \$720 million in investment from federal grants and matching dollars for infrastructure and digital needs. In FY 25, OBD focused on program management, outreach, and technical assistance across the state.

In 2020, the state authorized \$85 million in broadband funding through the 10-year Eisenhower Legacy Transportation Plan. Through this competitive infrastructure program, OBD has invested \$5 million per year for the first three years and will invest \$10 million per year for the final seven years. Program inception to date will deploy \$25 million to connect 9,107 locations with a matching investment of \$54.7 million, impacting 34 Kansas counties. These projects constructed more than 3,000 route miles of fiber infrastructure to enable high-speed broadband access. OBD will open the Broadband Acceleration Grant Year 5 and 6 with \$20 million available in the fall of 2025. Combining years 5 and 6 will allow Kansas to leverage federal dollars and prevent overbuild.

Federal funding opportunities through the American Rescue Plan Act (ARPA) and the Infrastructure Investment and Jobs Act (IIJA) continues to be the primary responsibility for OBD during FY 25 and FY 26. These multi-year federal programs are overseen by the U.S. Treasury and the National Telecommunications and Information Administration (NTIA), a subsidiary office within the U.S. Department of Commerce.



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State of Kansas

Program: Quality Places Division**American Rescue Plan (ARPA) FY 23 – FY 27**

Kansas has received federal funding through the American Rescue Plan Act (ARPA) for a number of broadband programs. These programs include:

ARPA FUNDED PROGRAM	AMOUNT	FY IMPACT
CPF Broadband Infrastructure Access	\$85 million	FY 23 – FY 26
Digital Connectivity Technology (ADOPT)	\$15 million	FY 24 – FY 27
Lasting Infrastructure Network Connectivity (LINC)	\$30 million	FY 23 – FY 27
Digital Opportunities to Connect Kansans (DOCK)	\$5 million	FY 24 – FY 27

In partnership with the Kansas Recovery Office, OBD successfully developed programs to distribute the ARPA Capital Project Fund (CPF) and the Digital Connectivity Technology (ADOPT) for equipment distribution and public wi-fi enablement. This effort resulted in Kansas being one of the first 8 states to receive a CPF broadband infrastructure award, leading to the early FY 23 launch of the multiyear Kansas CPF broadband infrastructure grant program. This highly competitive infrastructure construction program sought to invest in unserved and highly underserved areas of need across the state. The program elicited 141 applications totaling nearly \$600 million in requested funding. By FY 25, OBD closed out 2 of the 24 awarded projects, with a total investment of \$125.3 million impacting 24,567 premises. The program will run through FY 26, with projects expected to complete within two years of award.

The Digital Connectivity Technology (DCT) award was announced during the spring of FY 24. Kansas was the first state in the nation to receive approval for our program, known as Advancing Digital Opportunities to Promote Technology (ADOPT). This program will provide \$15 million to support access to equipment distribution and public wi-fi enablement to underserved Kansans. Applications opened in winter 2024, with \$4 million awarded to 9 projects from 21 applications. The second round of \$10.7 million in funding will be launched in FY25. Remaining dollars will be deployed early FY26.

OBD invested \$35 million from state and local recovery efforts as designated by the Strengthening People and Revitalizing Kansas (SPARK) committee to deploy last-mile and middle-mile broadband infrastructure, provide devices to underserved Kansans, and expand digital skills training. Allocations include the \$30 million investment in the Lasting Infrastructure and Network Connectivity (LINC) program and \$5 million for the Digital

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Opportunities to Connect Kansans (DOCK). Infrastructure priority areas include those lacking access to high-speed internet service at speeds of 100/20 megabits (Mbps) with a sliding scale private match based on rurality. The LINC program received 67 applications requesting \$184 million, and 12 awards were announced in November 2023, with a total investment expected to exceed \$33.9 million. In FY 24, the DOCK program was launched. DOCK enables Kansans to obtain the digital literacy and associated skills necessary to live, learn, work, play and compete in a technology-driven society. The first round of DOCK awarded \$2.8 million to 16 projects, with a second round of \$1.95 million opening in FY 25. In FY 25 the remaining \$1.95 million was awarded to 13 organizations across the state targeting nearly 50,000 Kansans.

**Infrastructure Investment & Jobs Act FY 23 – FY 28**

Approved by Congress in FY 22, the Infrastructure Investment & Jobs Act (IIJA) incorporates multiple funding opportunities for both state allocation and competitive opportunities. Comprehensively, both state allocations and competitive opportunities within IIJA include:

<b>IIJA STATE ALLOCATED OPPORTUNITIES</b>	<b>AMOUNT</b>	<b>FY IMPACT</b>
State Broadband Equity Access and Deployment Program - Kansas	\$451.7 million	FY 23 – FY 28
State Digital Equity Planning Grant Program - Kansas	\$692,664	FY 23 – FY 24
<b>IIJA COMPETITIVE OPPORTUNITIES</b>		
State Middle Mile Infrastructure Program \$1 Billion	\$42.5 million	FY 23 – FY 28
Tribal Broadband Connectivity Program \$980 Million	TBD	FY 23 – FY 28

Within IIJA, the Broadband Equity Access and Deployment (BEAD) allocated \$42.45 billion nationally to expand high-speed internet through planning, infrastructure and adoption programs and the Digital Equity Act (DEA) allocated \$2.75 billion nationally to promote digital opportunities. These programs aim to ensure all people and communities have the skills, technology, and capacity needed to reap the full benefits of the digital economy.

Both BEAD and DEA required comprehensive 5-Year Strategic Plans for the State of Kansas. The BEAD strategic plan encompasses the infrastructure build-out and addresses universal connection, while the DEA plan addressed bridging the digital divide through digital skills, access, and affordability. During FY 24 OBD created, submitted, and received federal approval for the Kansas strategic plans. In May 2024, OBD submitted

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the formal application for the State Digital Equity Capacity Grant Program to use the \$8.2 million allocation to implement the strategic plan. On May 9, 2025, the Kansas Office of Broadband Development received a termination notice from the Trump administration for the Digital Equity Capacity grant program. The Digital Equity Capacity program was created to enhance digital opportunity efforts and expand workforce skills, education, and other resources. The program would have provided grants to address digital skills, civic engagement, device distribution, economic development, online access to health and mental wellness services, online accessibility and affordable access to broadband services for Kansans. This termination notice means all Digital Equity Capacity work must cease and no grants will be awarded. KOBD was ready to submit data and awards in May of 2025; however NTIA provided a policy notice requiring a secondary application round called Benefit of the Bargain. KOBD will meet updated guidance and submit a final proposal to NTIA on September 4, 2025. It's anticipated that construction may begin in Spring of 2026 for the awarded BEAD projects.

In FY 23, OBD was awarded \$42.5 million for the Enabling Middle Mile Broadband Infrastructure (EMMBI) program, known as the Freestate Middle Mile Network. The 600-plus-mile open-access middle-mile project seeks to lower the cost of broadband buildout in rural areas and connect to higher education and healthcare facilities. In FY 24, OBD worked through the Environmental and Historic Preservation processes and updated internet service providers on extending networks at market rates. In FY 25, the project began construction and should be completed by OBD along with grant partners broke ground and began construction. Construction will be complete by FY28.

**USDA Broadband Technical Assistance FY24 - FY26**

In November 2023, OBD was awarded nearly \$1 million from the USDA Rural Utility Service (RUS) to conduct pre-engineering design and cost studies for some of the most rural and distressed energy counties in Kansas. OBD will collaborate with local governments and RUS staff to analyze the studies, develop mitigation strategies, and identify funding sources. KOBD selected an engineering partner through a competitive process in FY25, and engineering studies will begin in fall of FY26.

Robust stakeholder engagement efforts continued across the state in FY 24, and KOBD expects them to extend throughout the life of these programs to inform our collective work and reporting requirements in partnership with the NTIA, Treasury and FCC.

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Agency: Kansas Department of Commerce

State of Kansas

Program: Quality Places Division**Kansas Community Empowerment (formerly PRIDE)**

Kansas Community Empowerment (KCE) is a community-led initiative designed to help local leaders prepare for and manage change through technical assistance, with an emphasis on community self-improvement. KCE is a cooperative program between Kansas State University Extension and the Department of Commerce. Its mission is to enhance the quality of life in Kansas communities through education, leadership development, and recognition.

Currently, 73 communities in Kansas participate in KCE, and since its inception in 1970, the program has supported over 400 communities. KCE focuses on areas such as planning, housing, community services, beautification, and enrichment. Through citizen-led action plans, communities work to create or enhance their local assets. KCE's planning approach is particularly valuable for smaller communities that may lack resources to expand their economic capacities. Additionally, Community Development Specialists provide targeted resources to better support KCE communities.

In FY 23, 86 KCE communities carried out 1,162 projects, with 290 involving youth assistance. Volunteers contributed nearly 52,000 hours of labor, valued at over \$1.54 million (based on the Independent Sector's valuation of volunteer time). These communities also raised more than \$417,162 in public and private funds through local fundraising efforts, reinvesting this money into their communities. Furthermore, they engaged in 519 local partnerships and secured 712 external grants, amounting to \$1,339,332 in reported grant funding.

The Kansas Department of Commerce serves as a key partner in economic and community development for KCE communities, maintaining regular access to the KCE Database to assess community needs. The Director of Community Engagement participates in the program by presenting awards for Communities of Growth, Communities of Action, and Communities of Excellence. They also serve on the Kansas Community Empowerment Board of Directors, which acts as a fundraising partner and steering committee for the KCE Program.

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Division of the Budget

Agency: Kansas Department of Commerce

State of Kansas

Program: Quality Places Division**EXPENDITURE JUSTIFICATION BY OBJECT CODES****Object Code 100: Salaries and Wages**

Staffing for the division includes 33.00 positions

FY 2026: \$3,298,672

FY 2027: \$3,315,420

**Object Code 200: Contractual Services**

Expenditures in this category include overhead for the division, travel and professional fees

FY 2026: \$3,457,475

FY 2027: \$3,331,550

**Object Codes 300: Commodities**

Expenditures in this category are primarily for consumables such as stationery, fuel and supplies

FY 2026: \$30,131

FY 2027: \$30,658

**Object Code 400: Capital Outlay**

The expenditures in this category include technology upgrades, primarily computer replacement and software

FY 2026: \$11,225

FY 2027: \$10,345

**Object Code 500: Aid to Local Units and Other Assistance**

Expenditures are reflective of grant payments from the CDBG, NSP grants

FY 2026: \$15,700,000

FY 2027: \$15,000,000

**Object Code 550: State Special Grants**

FY 2026: \$4,825,957

FY 2027: \$4,230,145

**Narrative Information-DA400**

Division of the Budget

Agency: Kansas Department of Commerce

State of Kansas

Program: International Division

The International 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.

At the start of FY 25, the Division reached full staffing with nine full-time team members, allowing us to solidify our structure into three key focus areas: Export Promotion, Foreign Direct Investment (FDI), and Global Resources. With this strong foundation, we launched several impactful initiatives, including the Exporter Roundtable, K-Globe, a dynamic webinar and training series, Industry Engagement Days, and Cultures & Cuisines Week. We also established valuable new partnerships with the Export-Import Bank of the United States (EXIM) and NASBITE International, enhancing training opportunities and access to export finance and insurance tools for Kansas businesses. The team also launched our weekly International Insights newsletter, keeping Kansas companies informed of the International Division's offerings as well as globally-focused news and events in Kansas, nationally, and globally.

Looking ahead to FY 26, we are excited to introduce additional export-related services. These include KanExcel, a peer mentorship program connecting Kansas exporters, and dedicated office hours to provide direct support from our team and other trade professionals to companies pursuing international growth. Both programs can be offered at minimal cost but provide high-value to Kansas' companies.

On the FDI front, FY 25 brought notable success. Our FDI team—working in collaboration with our international representatives in Germany and Japan—secured \$315 million in foreign direct investment and 441 new jobs for the state. These achievements reflect the strength of our combined domestic and international efforts. The team also led four executive-level missions to seven key global markets, including representation at both the Farnborough and Paris Airshows, reinforcing Kansas' leadership in the global aviation industry. Additionally, we began expanding our airshow footprint by participating in the Avalon Airshow in Australia.

In FY 26, we plan to build on this momentum with leadership missions to five strategic countries, including continued outreach in Japan and Europe, and new efforts in emerging markets such as Taiwan and India. We will also further expand our aviation presence by attending the Dubai Airshow in November 2025.

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Division of the Budget	Agency: <u>Kansas Department of Commerce</u>
State of Kansas	Program: <u>International Division</u>

**Kansas Exports**

In 2024, Kansas achieved a record-high export value of \$14.46 billion, representing an increase of nearly \$381 million, or 2.7 percent, compared to the previous year. This new milestone surpasses prior peaks of \$14.08 billion in 2023 and \$14.01 billion in 2022. The growth can be attributed to strong manufacturing and meat products, resilient global demand, and favorable prices. Despite declines in certain agricultural sectors, Kansas maintained its competitive edge in the global market, driven by strong performances in aerospace, electrical machinery, and key ag sectors.

Kansas exports in 2024 exhibited robust performance with significant growth in key commodity categories and steadfast trade relationships with major international markets. The combined value of the top ten exported commodities reached \$11.37 billion. Notably, the electric machinery category saw an increase of \$240 million, meat products rose by \$213 million, and cereals grew by \$85 million. In contrast, the special classification category (goods that were previously imported and are now being exported without significant transformation) declined by \$119 million, oil seeds decreased by \$100 million, and industrial machinery dropped by \$94 million. Four of the top five export destinations—Mexico, Canada, Japan, and China—remained unchanged from 2023. The United Kingdom surpassed the Republic of Korea to become Kansas’ fifth-largest export market in 2024.

In the broader five-state region encompassing Kansas, Colorado, Missouri, Nebraska, and Oklahoma, the average export value was \$12.07 billion, which is \$2.39 billion less than the Sunflower State.

The International Team equips Kansas companies with the tools and insights they need to successfully navigate export markets, including licensure, certification requirements, and risk management. Our staff offers hands-on support by:

- Collecting export data and conducting research on foreign markets and potential business partners
- Coordinating with local, state, federal, and international agencies
- Collaborating on export-focused seminars and educational events
- Recruiting and assisting Kansas companies participating in international trade shows and missions
- Hosting inbound foreign delegations to foster international business relationships
- Providing guidance on required international trade documentation

**Export Promotion/Outreach**

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Division of the Budget

Agency: Kansas Department of Commerce

State of Kansas

Program: International Division

In FY 25, the International Division began to implement new export promotion programs. For example, we executed 13 Exporter Roundtables to reach exporters or potential exporters in their communities across Kansas. The program launched in July 2024, and we hosted one Exporters Roundtable in each city every month. This program enabled us to reach over 200 individuals, who are now aware of our export promotion programs and strategies for conducting export business successfully.

In addition, the Export Promotion team revamped KITMAP and KITSAP to become one more streamlined grant program called K-GLOBE. This program launched in November 2024. With the pandemic behind us and a full staff, we increased our in-person engagement along with monthly webinars on a variety of international topics hosted by our Global Resources team. Some of these webinars have been export-focused.

**State Trade Expansion Program**

In FY 24, Kansas continued to administer the federal State Trade Expansion Program (STEP) to provide assistance to Kansas companies to market and sell their products and services internationally. The purpose of the STEP Grant is to assist eligible small businesses in starting exporting or expanding into additional foreign markets. Every year, U.S. states and territories submit proposals to compete for limited federal funds. The matching fund grant program is administered by the U.S. Small Business Administration's Office of International Trade. It requires a 25% match from the state. Funds were used to assist eligible small businesses with their export training, trade missions and trade shows, and market entry support needs. During the current STEP 11 award cycle which is still ongoing, the Kansas team provided STEP assistance to 24 eligible small businesses. Award recipients reported \$12,211,364 in actual export sales.

**Kansas International Trade Show Assistance Program**

The Kansas International Trade Show Assistance Program (KITSAP) helped introduce Kansas companies to foreign markets by funding their participation in international trade shows. Eligible companies are those whose product or service originates in Kansas or whose products receive substantial value-added processing in Kansas. In FY 25, the International Division received 17 applications overall and approved 11 applications for funding, resulting in \$32,841 used to support Kansas companies to attend international trade shows. Importantly, as a result of their international trade show participation, several funded companies have also now found new foreign agents or distributors. This program has not been merged into K-Globe and has been discontinued as a stand-alone program.



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State of Kansas

Program: International Division

	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of Kansas International Trade Show Assistance Program (KITSAP) applications received	17	28	17	N/A	N/A
Percent of KITSAP applications approved	70%	71%	65%	N/A	N/A
Total dollar amount of approved KITSAP agreements	\$27,371	\$50,172	\$32,841	N/A	N/A

**Kansas International Trade Marketing Assistance Program**

The Kansas International Trade Marketing Assistance Program (KITMAP) helped introduce Kansas companies to foreign markets by funding their participation in various export-related marketing activities. Eligible companies are those whose product or service originates in Kansas or whose products receive substantial value-added processing in Kansas. In FY 25, the International Division received 17 applications overall and approved 11 applications for funding, resulting in \$19,151.00 used to support Kansas companies to attend export marketing activities. Importantly, as a result of their international trade show participation, several funded companies have also now found new foreign agents or distributors. This program has not been merged into K-Globe and has been discontinued as a stand-alone program.

	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of Kansas International Trade Marketing Assistance Program (KITMAP) applications received	46	12	17	N/A	N/A

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State of Kansas

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Percent of KITMAP applications approved	67%	46%	64%	N/A	N/A
Total dollar amount of reimbursed KITMAP agreements	\$53,655	\$25,629	\$19,151	N/A	N/A

**Kansas Global Business Expansion Program (K-GLOBE)**

The Export Promotion team revamped KITMAP and KITSAP to become one more streamlined grant program called K-GLOBE. This program launched in November 2024. Eligible companies are those whose product or service originates in Kansas or whose products receive substantial value-added processing in Kansas. In FY 25, the International Division received 9 applications overall and approved 5 applications for funding, resulting in \$23,424 used to support Kansas companies to attend export marketing activities. Importantly, as a result of their international trade show participation, several funded companies have also now found new foreign agents or distributors.

	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Actuals</b>	<b>FY 2026 Estimates</b>	<b>FY 2027 Estimates</b>
Number of Kansas Global Business Expansion (K-GLOBE) applications received	N/A	N/A	9	25	25
Percent of K-GLOBE applications approved	N/A	N/A	56%	80%	80%
Total dollar amount of approved K-GLOBE agreements	N/A	N/A	\$23,424	\$100,000	\$100,000

**Kansas-Mexico Representation**

The Kansas Mexico Representation provides many valuable services to Kansas companies that are interested in exporting to Mexico. These services include business partner searches, market studies, customized in-country visits, trade lead sharing, and individual trade counseling. In

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Division of the Budget

Agency: Kansas Department of Commerce

State of Kansas

Program: International Division

FY 25, the Kansas Mexico Representatives successfully executed three business partner searches that identified more than 42 sales agents and distributors and provided consulting services to several Kansas manufacturers.

**Kansas-Europe (German-speaking Region) Representation**

The team based in Germany is focused on identifying foreign direct investment opportunities. This involves contacting companies in key sectors with potential interest in Kansas as a location for expanding their US footprint. In FY 25, the team arranged meetings at Farnborough Airshow (20 meetings), Lt. Governor's Mission to Germany in November 2024 (6 meetings, 5 of which were company visits), SelectUSA Investment Summit 2025 (16 meetings), and Lt. Governor's Europe Mission (4 company meetings, 1 consultant meeting, and 12 meetings attended by staff at the Paris Airshow 2025). During the fiscal year, the team attended 8 trade shows and met with 113 companies on behalf of Kansas.

**Kansas Japan Representation**

The Japan team began representing Kansas in June 2023 with a focus on identifying foreign direct investment opportunities and providing information to companies considering establishment of US operations. During FY 25, they had 91 virtual or face-to-face meetings with potential investors and multiplier organizations and attended 41 exhibitions and conferences to generate new leads in key industry sectors. They arranged for a Lt. Governor-led mission to Japan in October 2024, including meetings with key corporate investors in Kansas. The team has also been directly involved in working with several Japanese companies that have selected Kansas for their new manufacturing operations.

**Governor's Exporter of the Year**

Each year, the Governor's Exporter of the Year Award is presented to a single Kansas company for exceptional international marketing success. This award encourages the growth of the state's international commerce by showcasing successful exporters as role models to the Kansas business community. The recipients are prime examples of how exporting is a significant catalyst for company growth and diversification. A rigorous selection process is used for this award involving site visits to finalist companies as well as in-person presentations. The award was presented as part of the statewide To the Stars banquet held in Great Bend this past fiscal year.

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Division of the Budget

Agency: Kansas Department of Commerce

State of Kansas

Program: International Division**International Business Recruitment**

In FY 25, the international foreign direct investment (FDI) team worked on successful business recruitment and expansion projects that resulted in \$315 million in foreign direct investment and 441 new jobs.

With representatives now established in two of the state's key markets, Japan and Germany, the international investment team was able to undertake a number of international marketing initiatives to network with business contacts. International Division staff arranged several leadership missions, including a Governor's mission to the Farnborough Air Show in England and a Lt. Governor's mission to Japan, South Korea and Vietnam in 2024 to support business recruitment efforts there. The Lt. Governor also traveled to Spain and Germany in the fall of 2024 to meet with companies and expand our business network in those important markets, and he led a Kansas delegation to the Paris Air Show in 2025 to support growth in this key sector. In addition, Commerce staff participated in the SelectUSA Investment Summit held in Washington DC to meet with executives of international investors and exhibited at the CleanPower 2025 renewable energy event.

**Global Resources**

Global Resources is the newest sub-division within the International Division, created to strengthen Kansas' international business ecosystem through enhanced resources, cultural understanding, and infrastructure. Its mission is broad in scope—encompassing international business culture, trade policy awareness, education, diplomacy, and partnerships. The team works extensively across sectors, fostering collaboration with global organizations, industry, higher education, and local communities.

In 2024, Global Resources became an official Regional Export Promotion Program (REPP) partner of the Export-Import Bank of the United States (EXIM). That year, EXIM products supported \$1 billion in Kansas exports, with \$135 million in financial services utilized by 16 companies across the state. In recognition of this impactful engagement, the International Division was honored with the 2024 EXIM REPP Award, awarded in the spring of 2025.

Global Resources also established a strategic partnership with NASBITE International, significantly expanding access to export education and professional development in global business. This collaboration enabled Kansas to offer a broader range of educational programming and enhanced the national visibility of the Kansas Department of Commerce. This included offering NASBITE's Certified Global Business

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State of Kansas

Program: International Division

Professional (CGBP) training, a nationally recognized certification for international business development professionals. In 2024 alone, the team delivered 14 free webinars—covering topics such as tariff mitigation—and 2 in-depth, fee-based trainings, reaching a total of 818 business professionals. In FY26, the partnership has already led to the first regional NASBITE International & Kansas Department of Commerce conference.

The team played a pivotal role in connecting international diplomats and economic development leaders with Kansas’ research institutions through targeted, industry-focused events. These included forums on aviation, animal health, and human health, with representatives from 11 countries participating in Kansas-based events. One virtual session—focused on animal health collaboration with the Czech Republic—drew 69 participants. Global Resources also partnered with universities to engage students in international business research projects, including a study supporting the Wichita Airport, and provided workforce development training to help cultivate future global trade professionals.

To keep stakeholders informed, the Global Resources team launched the “International Insights” newsletter, a weekly publication that highlights international opportunities, programs, and news relevant to Kansas businesses at the state, national, and global levels.

Finally, Global Resources hosted two major statewide cultural events: the Kansas Global Holiday Market and Kansas Global Cuisines & Culture Week. These celebrations showcased Kansas’ rich cultural diversity, featured more than 20 communities, and highlighted global traditions from Swedish to Vietnamese heritage. Combined, the events welcomed 2,000–3,000 attendees and significantly expanded public engagement with international cultures throughout the state.

**Renewable Energy**

The state has seen significant growth in renewable energy, especially in wind energy, as nearly 4,400 wind turbines now dot the landscape of the Kansas prairie, producing enough energy to power over 3 million homes and representing total investment of over \$20 billion. Wind energy has been the largest energy source for generating electricity in Kansas since 2019, when it surpassed coal for the first time. In 2024, wind energy provided over 50% of electricity generation in Kansas, the third-largest share for any state. With 9,492 megawatts of renewable energy in operation, Kansas currently ranks among the top five states for installed wind capacity and is 7<sup>th</sup> for overall clean power generation. As a leader in wind energy, Kansas also offers an ideal location for companies committed to meeting corporate sustainability goals by

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Agency: Kansas Department of Commerce

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Program: International Division

powering their facilities with renewable energy. The state provides competitively priced wind energy, helping corporate purchasers such as Google, T-Mobile, Target, Kohler, Textron Aviation, Spirit AeroSystems and others to meet their sustainability goals.

Kansas also has a strong solar rating, ranking among the top 10 states for sunny days. The state's first utility-scale solar farm, the 189MW Pixley Solar Project, came online in April 2025 in Barber County. In addition, the new 150-megawatt Boot Hill Solar Farm is currently under construction in Ford County, and there are several utility-scale solar energy projects currently under development, with significant investment anticipated in the coming years. A number of projects involving energy storage systems have also been proposed. In addition to commercial solar farms, a number of smaller 1 MW projects have come online across the state.

Commerce staff have been exploring investment attraction and development potential in the growing hydrogen sector. The availability of renewable energy and other resources in Kansas could make the state an attractive location for green hydrogen production.

Biofuels are also making an important contribution to the state's economy, bringing millions of dollars of revenue and economic development to Kansas and the rural communities where production plants are located, and feedstock is sourced. Kansas is the 8th-largest ethanol-producing state, with 12 operating biofuel facilities (ethanol and biodiesel) and production capacity of over 630 million gallons per year. Additional biofuel facilities are being developed, as well as other biomass-to-energy operations. Kansas ranks among the top 10 states with the largest biodiesel-producing capacity. The state's one biodiesel plant can produce 91 million gallons per year.

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Division of the Budget

Agency: Kansas Department of Commerce

State of Kansas

Program: International Division**EXPENDITURE JUSTIFICATION BY OBJECT CODES****Object Code 100: Salaries and Wages**

Staffing for the division includes 8.0 positions

FY 2026: \$922,574

FY 2027: \$927,117

**Object Code 200: Contractual Services**

Expenditures in this category include overhead for the division, travel and professional fees

FY 2026: \$566,575

FY 2027: \$622,974

**Object Codes 300: Commodities**

Expenditures in this category are primarily for consumables such as stationery, fuel, and supplies

FY 2026: \$13,236

FY 2027: \$15,998

**Object Code 400: Capital Outlay**

The expenditures in this category include technology upgrades, primarily computer replacement and software

FY 2026: \$275

FY 2027: \$275

**Object Code 550: Federal and State Special Grants**

Expenditures are reflective of grant payments

FY 2026: \$79,800

FY 2027: \$154,800

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Division of the Budget

Agency: Kansas Department of Commerce

State of Kansas

Program: Tourism Division

The Kansas Tourism Division's mission is to inspire travel to and throughout Kansas 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 and economic prosperity for all Kansans. Programs from the Kansas Tourism Division are built to ensure that all travelers feel welcome and are provided the resources they need to create awe-inspiring experiences in Kansas.

The Tourism Division's primary function is to market the state as a premier travel destination. Tourism's efforts include promotion to domestic and international travelers, 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 building state pride for Kansans by encouraging them to travel and explore their home state. Key marketing initiatives include platforms such as TravelKS.com, the Sunflower Summer program, travel publications, multiple social media sites, print advertising, digital and broadcast advertising, e-newsletters, media and content creator relationships, photography, and videography. The Tourism Division also operates the Travel Information Centers in Goodland and Belle Plaine and the newly launched Mobile Visitor Center. These Visitor Centers serve an important role in welcoming and orienting visitors to Kansas by showcasing Kansas experiences & opportunities. Kansas Tourism also produces a subscription lifestyle magazine, KANSAS!, that is geared toward creating state pride among Kansans, and encouraging them to explore. In 2025, an additional issue, KANSAS! kids, was added geared towards 4<sup>th</sup> – 6<sup>th</sup> graders. The Tourism Division is also responsible for the Kansas Byways program and the Kansas Agritourism program.

Another vital function of the Tourism Division is to provide support to Kansas tourism industry partners, by providing information and education, grants, financial support, engagement, and promotion. Tourism Industry Partners are a diverse mix of tourism businesses, representing all 105 counties in Kansas, including Destination Marketing Organizations such as CVB's, Chambers of Commerce, cities or counties, lodging facilities, attractions, museums and historical sites, event organizers, and other tourism related organizations. A close relationship and effective communication with each of these entities helps to improve the overall Kansas tourism product and experience for visitors. The Division provides specific grants to enhance the tourism product, such as Attraction Development Grants and Marketing Grants.

To stay abreast of the ever-changing tourism landscape, the Tourism Division invests in research to guide strategy and measure impact. We track visitor volume, spending, and hotel data, sharing finding with industry stakeholders to strengthen local decision-making. Education initiatives provide training for both staff and industry partners through conferences, workshops, and seminars.



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Agency: Kansas Department of Commerce

State of Kansas

Program: Tourism Division

The Tourism Division is funded through EDIF and fee funds. Fee funds revenue is generated from KANSAS! magazine subscriptions and sales, advertising sales, partner cooperative marketing programs, and the logo sign program revenue from KDOT.

**Travel Marketing and Advertising Programs**

Kansas Tourism's main goal is to increase visitation to and throughout Kansas. Tourism evaluates, implements and refines an annual marketing plan to increase brand awareness, optimize advertising strategies to generate the highest return on investment, and develop advertising that differentiates Kansas and promotes the unique and authentic experiences in the state. Our approach is the following:

- Expand the Kansas tourism marketing efforts, using innovative messages and diverse platforms to change perceptions and to inspire travel.
- Utilize social media and other digital tactics to create and communicate with Kansas enthusiasts and drive traffic to landing pages within TravelKS.com as defined by targeted marketing initiatives.
- Provide fresh, relevant & engaging content on TravelKS.com and multiple other websites supported by the Division.
- Produce and distribute high quality publications that highlight the Kansas travel and tourism experiences, such as an annual state travel guide, a Kansas byways guide, and the subscription KANSAS! Magazine.
- Promote Kansas travel & tourism opportunities and services to visitors at two state managed Travel Information Centers and the traveling Mobile Visitor Center which attends out-of-state and in-state travel shows and events.
- Expand consumer database to reach more prospective travelers with Kansas messaging.

**Support Programs for local Kansas Tourism Industry Partners**

Through these programs the Tourism Division supports communities, organizations, businesses, and travel and tourism development initiatives in local destination marketing and development programs. In addition, Tourism provides educational and financial assistance programs that benefit local cities, counties and tourism related businesses that contribute to the overall wellbeing of the travel and tourism industry in Kansas with educational and informational opportunities. This is accomplished through a number of avenues:

- Provide educational and informational opportunities for travel and tourism industry stakeholders through monthly virtual information Huddles.

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Program: Tourism Division

- Offer cooperative marketing opportunities for local communities and tourism related partners.
- Partner with the Travel Industry Association of Kansas (TIAK) to host the Kansas Tourism Conference.
- Develop and distribute information on the Division activities, industry trends/data and marketing partnership opportunities.
- Maintain current and relevant resources on TravelKS.com/industry website for travel and tourism industry partners and public access.
- Manage grant programs to assist in local tourism development and marketing initiatives including the Attraction Development Grant and a local Tourism Marketing grant.
- Administer Agritourism registrations per K.S.A. 32-1430-1438a, Agritourism Promotion Act and promote Agritourism businesses to visitors.

**Tourism Signage and Kansas Byways Programs**

Tourism Signage Program goals are to advance Kansas as a travel and tourism destination by approving well placed and adequate signage for tourism related businesses through soliciting and evaluating tourism sign applications and making signage recommendations to KDOT. The Kansas Byways Program works to increase travel on the 12 Kansas byways to stimulate the economies of local communities along the byways through marketing of the byways and by providing support and education for local byway committees.

**Research and Education Programs**

The Research and Education Programs provide staff and industry members with travel insights, education, data and research to sustain the Kansas tourism industry. Through the Research Program we collect research that measures visitor volume and spending, visitor spending in individual cities/counties, and the collection of monthly hotel data reports (occupancy, daily rates, revenues, supply). Our Education Programs provide opportunities and platforms for stakeholders and staff to attend industry specific conferences and educational seminars.

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Division of the Budget

Agency: Kansas Department of Commerce

State of Kansas

Program: Tourism Division**Performance Measures for Tourism**

	<b>FY 2022 Actuals</b>	<b>FY 2023 Actuals</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Estimates</b>	<b>FY 2026 Estimates</b>	<b>FY27 Estimates</b>
Number of visitors to Kansas	33,700,000	36,400,000	37,900,000	38,400,000	39,500,000	39,500,000
Amount of statewide Transient Guest Tax collections	\$51,430,093	\$59,781,952	\$62,872,264	\$65,232,034	\$67,000,000	\$67,500,000
Visitor spending in the state	\$7,000,000,000	\$7,700,000,000	\$8,000,000,000	\$8,200,000,000	\$8,300,000,000	\$8,400,000,000
Number of registered Agritourism businesses in Kansas	428	431	430	433	435	440

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Division of the Budget

Agency: Kansas Department of Commerce

State of Kansas

Program: Tourism Division**EXPENDITURE JUSTIFICATION BY OBJECT CODES****Object Code 100: Salaries and Wages**

Staffing for the division includes 21.50 positions

FY 2026: \$1,604,241

FY 2027: \$1,613,370

**Object Code 200: Contractual Services**

Expenditures in this category include overhead for the division, travel and professional fees

FY 2026: \$4,577,938

FY 2027: \$4,350,200

**Object Codes 300: Commodities**

Expenditures in this category are primarily for consumables such as stationery, fuel and supplies

FY 2026: \$51,974

FY 2027: \$51,931

**Object Code 400: Capital Outlay**

The expenditures in this category include technology upgrades, primarily computer replacement and software

FY 2026: \$7,250

FY 2027: \$7,250

**Object Code 550: Federal and State Special Grants**

Expenditures are reflective of grant payments

FY 2026: \$4,280,207

FY 2027: \$4,279,900