



**Kansas Legislative Research Department**

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September 4, 2020

**To:** Legislative Coordinating Council

**Re:** Legislative Budget Committee Recommendations to Expend State General Fund  
Coronavirus Response Moneys

The Legislative Budget Committee (Committee) met on September 3, 2020, and heard requests for funding from the Kansas Department of Commerce and the Kansas State Fair.

The Committee makes the following recommendations.

***Kansas State Fair***

The Committee notes its intent to further review the funding request from the Kansas State Fair at its next meeting.

***Department of Commerce***

The Department of Commerce (Commerce) requested \$5.0 million in fiscal year (FY) 2021 from the State General Fund (SGF) to replenish the Job Creation Program Fund (JCPF). Commerce indicated the unobligated balance of the JCPF is \$1.6 million after current pending offers. Commerce currently has ten offers pending for a total of \$6.6 million. These ten offers would add 2,419 jobs and \$243.0 million in capital investment. Three of the offers are in the Kansas City Metro area, one is in North East Kansas, two are in North Central Kansas, one is in South Central Kansas, one is in Western Kansas, and two are undecided. Commerce also has over 200 projects in the development pipeline.

On June 18th, 2020, the Legislative Coordinating Council approved the transfer of \$5.5 million from the Coronavirus Response Account of the SGF to the JCPF for FY 2020. This is in addition to the \$3.5 million deposited annually in the JCPF from withholding receipts. In the original statute, 2.0 percent of withholding receipts would be transferred to the JCPF. This would be approximately \$35.1 million per year after payment of the IMPACT bonds. The transfer has been capped at \$3.5 million *via* appropriations bills.

In order to support Commerce's ongoing efforts at business recruitment and retention the Committee recommends the Legislative Coordinating Council approve the transfer of an additional \$5.0 million from the Coronavirus Response Account of the SGF to the JCPF for FY 2021. The Committee is also requesting ongoing updates on economic development efforts and expenditures from the JCPF be provided by Commerce.