

March 6, 2019

The Honorable Richard Proehl, Chairperson  
House Committee on Transportation  
Statehouse, Room 581-W  
Topeka, Kansas 66612

Dear Representative Proehl:

**SUBJECT:** Fiscal Note for HB 2364 by House Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2364 is respectfully submitted to your committee.

HB 2364 would create the Kansas Aerospace Commission within the Executive Branch of government on July 1, 2019. On the same date, the bill would abolish the Division of Aviation in the Kansas Department of Transportation (KDOT). All powers, duties and functions of the Division of Aviation would be transferred to the Kansas Aerospace Commission. The Kansas Aerospace Commission would be the successor in every way to the Division of Aviation. All employees of the Division of Aviation would be transferred to the Kansas Aerospace Commission.

The Kansas Aerospace Commission would be the official agency of the State of Kansas for the development and coordination of the aerospace industry. The Commission would be administered by the Director of the Kansas Aerospace Commission, who would be appointed by the Governor and subject to confirmation by the Senate. The bill lists the powers and duties of the Kansas Aerospace Commission.

The bill would create the Kansas Aerospace Commission Fund. Monies to the fund would be from appropriations by the Legislature and any gifts, grants or donations from private or public sources.

*The FY 2020 Governor's Budget Report* includes expenditures totaling \$8,120,319 for FY 2020 for the Division of Aviation within KDOT. Of this amount, \$5,000,000 is from the Public Use General Aviation Development Fund, \$2,870,319 is from the State Highway Fund, and \$250,000 is from the Other Federal Grants Fund. The Division of Aviation budget for FY 2020 also includes a total of 9.00 positions, including 8.00 FTE positions and 1.00 Non-FTE

Unclassified Permanent position. KDOT indicates the bill would result in a reduction of all Division of Aviation expenditures and positions in FY 2020. It is assumed that all Division of Aviation expenditures and positions would be added to the Kansas Aerospace Commission. KDOT anticipates the \$5.0 million transfer from the State Highway Fund to the Public Use General Aviation Development Fund that occurs under current law would continue. The fiscal effect associated with shifting the Division of Aviation's budget to the Kansas Aerospace Commission is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in cursive script that reads "L. L. Campbell". The signature is written in black ink and is positioned above the printed name and title.

Larry L. Campbell  
Director of the Budget

cc: Ben Cleeves, Transportation