

BUDGET ANALYSIS

FISCAL YEAR 2020

Submitted to the 2019 Kansas Legislature

KLRD

*Providing objective research and fiscal
analysis for the Kansas Legislature*

Volume III

General Government (Biennial Budget Agencies)

Kansas Legislative Research Department
February 2019

BUDGET ANALYSIS

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FOREWORD

The *Fiscal Year 2020 Budget Analysis* is provided to assist the Legislature in the review of agency budget requests and the Governor's budget recommendations for fiscal years 2019 and 2020.

Function of Government

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This report contains the individual analyses of state agency budgets, including the agency budget requests and the Governor's recommendations. The Legislative Research Department's analysis pertains to the Governor's recommendations as originally reported in Volumes 1 and 2 of the *Governor's Budget Report* as submitted to the Legislature.

This document groups agencies by the function of government into which each agency is classified. There are six functions of government into which agencies are grouped, with similar agencies grouped that share similar basic purposes.

Volume I of this publication contains the Governor's Budget Report Overview and agencies in Agriculture and Natural Resources, Transportation, Education, and Human Services.

Volume II of this publication contains agencies in Public Safety and General Government.

Volume III of this publication contains biennial budget agencies in General Government.

LEGISLATIVE FISCAL ANALYST ASSIGNMENTS—FY 2020

Abstracters' Board of Examiners **ELYACHARSHUSTER, ISAAC** (785-296-4419)
Adjutant General's Department **KLAASSEN, AARON** (785-296-4396)
Attorney General **PATEL, AMIT** (785-296-3183)

Behavioral Sciences Regulatory Board **DECKARD, AMY** (785-296-4429)
Board of Accountancy **SCOTT, J.G.** (785-296-4397)
Board of Barbering **BAUMANN, BEN** (785-296-3535)
Board of Cosmetology **BAUMANN, BEN** (785-296-3535)
Board of Examiners in Optometry **STITES, ASHLEY** (785-296-4439)
Board of Indigents' Defense Services **ELYACHARSHUSTER, ISAAC** (785-296-4419)
Board of Mortuary Arts **STITES, ASHLEY** (785-296-4439)
Board of Nursing **FYE, DAVID** (785-296-4405)
Board of Pharmacy **STITES, ASHLEY** (785-296-4439)
Board of Regents **MORROW, SHIRLEY** (785-296-3542)
Board of Technical Professions **ELYACHARSHUSTER, ISAAC** (785-296-4419)
Board of Veterinary Examiners **POTTS, VICTORIA** (785-296-7250)

Citizens' Utility Ratepayer Board **POTTS, VICTORIA** (785-296-7250)

Department for Children and Families **STITES, ASHLEY** (785-296-4439)
Department of Administration **WU, STEVEN** (785-296-4447)
Department of Agriculture **POTTS, VICTORIA** (785-296-7250)
Department of Corrections **ELYACHARSHUSTER, ISAAC** (785-296-4419)
Department of Credit Unions **WU, STEVEN** (785-296-4447)
Department of Education **HESS, JOHN** (785-296-7882)
Department of Wildlife, Parks and Tourism **POTTS, VICTORIA** (785-296-7250)

El Dorado Correctional Facility **ELYACHARSHUSTER, ISAAC** (785-296-4419)
Ellsworth Correctional Facility **ELYACHARSHUSTER, ISAAC** (785-296-4419)
Emergency Medical Services Board **KLAASSEN, AARON** (785-296-4396)
Emporia State University **MORROW, SHIRLEY** (785-296-3542)

Fort Hays State University **MORROW, SHIRLEY** (785-296-3542)

Governmental Ethics Commission **DECKARD, AMY** (785-296-4429)

Health Care Stabilization Fund Board of Governors **OUELLETTE, JENNIFER** (785-296-6684)
Hutchinson Correctional Facility **ELYACHARSHUSTER, ISAAC** (785-296-4419)

Judicial Branch **WU, STEVEN** (785-296-4447)
Judicial Council **WU, STEVEN** (785-296-4447)

Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments **BAUMANN, BEN** (785-296-3535)
Kansas Bureau of Investigation **PATEL, AMIT** (785-296-3183)
Kansas Commission on Peace Officers' Standards and Training **KLAASSEN, AARON** (785-296-4396)
Kansas Commission on Veterans' Affairs Office **FYE, DAVID** (785-296-4405)
Kansas Corporation Commission **POTTS, VICTORIA** (785-296-7250)
Kansas Dental Board **BAUMANN, BEN** (785-296-3535)
Kansas Department for Aging and Disability Services **FYE, DAVID** (785-296-4405)
Kansas Department of Commerce **DEAR, DYLAN** (785-296-0665)
Kansas Department of Health and Environment – Division of Health and Health Care Finance **OUELLETTE, JENNIFER** (785-296-6684)

Kansas Department of Health and Environment – Division of Environment **POTTS, VICTORIA** (785-296-7250)
Kansas Department of Labor **HESS, JOHN** (785-296-7882)
Kansas Department of Revenue **DEAR, DYLAN** (785-296-0665)
Kansas Department of Transportation **KLAASSEN, AARON** (785-296-4396)
Kansas Guardianship Program **OUELLETTE, JENNIFER** (785-296-6684)
Kansas Highway Patrol **KLAASSEN, AARON** (785-296-4396)
Kansas Human Rights Commission **BAUMANN, BEN** (785-296-3535)
Kansas Insurance Department **OUELLETTE, JENNIFER** (785-296-6684)
Kansas Juvenile Correctional Complex **ELYACHARSHUSTER, ISAAC** (785-296-4419)
Kansas Lottery **DEAR, DYLAN** (785-296-0665)
Kansas Neurological Institute **FYE, DAVID** (785-296-4405)
Kansas Public Employees Retirement System **PATEL, AMIT** (785-296-3183)
Kansas Racing and Gaming Commission **DEAR, DYLAN** (785-296-0665)
Kansas Sentencing Commission **ELYACHARSHUSTER, ISAAC** (785-296-4419)
Kansas State Board of Healing Arts **STITES, ASHLEY** (785-296-4439)
Kansas State Fair **POTTS, VICTORIA** (785-296-7250)
Kansas State School for the Blind **HESS, JOHN** (785-296-7882)
Kansas State School for the Deaf **HESS, JOHN** (785-296-7882)
Kansas State University **MORROW, SHIRLEY** (785-296-3542)
Kansas State University – Veterinary Medical Center **MORROW, SHIRLEY** (785-296-3542)
Kansas State University – Extension Systems and Agricultural Research Programs **MORROW, SHIRLEY** (785-296-3542)
Kansas Water Office **POTTS, VICTORIA** (785-296-7250)

Lansing Correctional Facility **ELYACHARSHUSTER, ISAAC** (785-296-4419)
Larned Correctional Mental Health Facility **ELYACHARSHUSTER, ISAAC** (785-296-4419)
Larned State Hospital **FYE, DAVID** (785-296-4405)
Legislative Coordinating Council **SCOTT, J.G.** (785-296-4397)
Legislative Division of Post Audit **SCOTT, J.G.** (785-296-4397)
Legislative Research Department **SCOTT, J.G.** (785-296-4397)
Legislature **SCOTT, J.G.** (785-296-4397)

Norton Correctional Facility **ELYACHARSHUSTER, ISAAC** (785-296-4419)

Office of Administrative Hearings **WU, STEVEN** (785-296-4447)
Office of Information and Technology Services **WU, STEVEN** (785-296-4447)
Office of the Governor **DECKARD, AMY** (785-296-4429)
Office of the Revisor of Statutes **SCOTT, J.G.** (785-296-4397)
Office of the State Bank Commissioner **WU, STEVEN** (785-296-4447)
Office of the State Treasurer **PATEL, AMIT** (785-296-3183)
Osawatimie State Hospital **FYE, DAVID** (785-296-4405)

Parsons State Hospital and Training Center **FYE, DAVID** (785-296-4405)
Pittsburg State University **MORROW, SHIRLEY** (785-296-3542)
Pooled Money Investment Board **PATEL, AMIT** (785-296-3183)
Postsecondary Education Systemwide **MORROW, SHIRLEY** (785-296-3542)

Real Estate Appraisal Board **PATEL, AMIT** (785-296-3183)
Real Estate Commission **PATEL, AMIT** (785-296-3183)

Secretary of State **DECKARD, AMY** (785-296-4429)
State Board of Tax Appeals **STITES, ASHLEY** (785-296-4439)
State Fire Marshal **KLAASSEN, AARON** (785-296-4396)
State Historical Society **HESS, JOHN** (785-296-7882)
State Library **HESS, JOHN** (785-296-7882)

Topeka Correctional Facility **ELYACHARSHUSTER, ISAAC** (785-296-4419)

University of Kansas **MORROW, SHIRLEY** (785-296-3542)
University of Kansas Medical Center **MORROW, SHIRLEY** (785-296-3542)

Wichita State University **MORROW, SHIRLEY** (785-296-3542)
Winfield Correctional Facility **ELYACHARSHUSTER, ISAAC** (785-296-4419)

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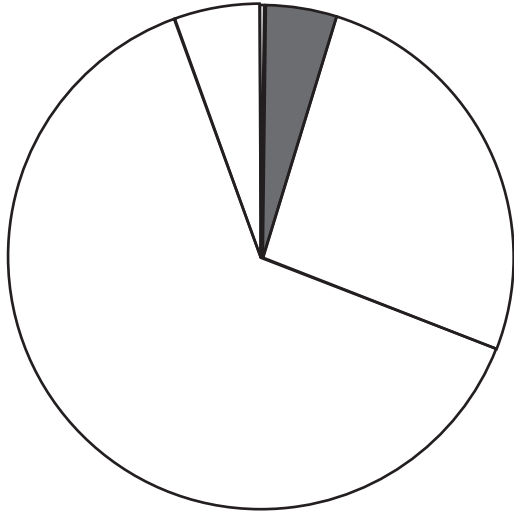
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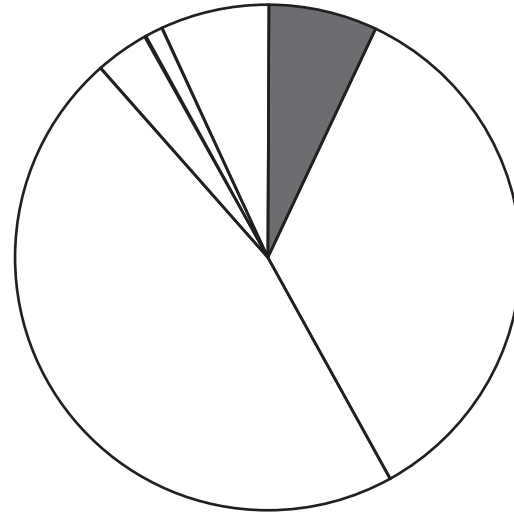
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GENERAL GOVERNMENT

State General Fund



All Funds



General Government is the administrative and regulatory function of state government and includes elected officials, regulatory agencies, the Legislature, the Judiciary, and general administrative agencies.

Agencies in this Function:

Legislative Coordinating Council.....	901
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Board of Pharmacy.....	1739
Real Estate Appraisal Board.....	1761
Real Estate Commission.....	1780
Board of Technical Professions.....	1800
Board of Veterinary Examiners.....	1818

The Governor's FY 2020 recommendation for the General Government function totals \$1.3 billions from all funding sources, including \$359.6 million from the State General Fund.

The FY 2020 recommendation represents a State General Fund increase of 2.8 percent, or \$9.9 million, above FY 2019. Expenditures from all funds decrease by 0.2 percent, or \$2.4 million, below FY 2019.

A total of 5,300.4 FTE positions are recommended by the Governor for the General Government function for FY 2020, which is an increase of 3.2 FTE positions above FY 2019. Of all state FTE positions, 12.9 percent are in this function.

Agencies in this function comprise 4.8 percent of the total State General Fund budget in FY 2020, which is a decrease of 0.2 percent below FY 2019. They comprise 7.0 percent of expenditures from all funding sources for FY 2020, which is 0.5 percent below FY 2019.

The Governor recommended annual budgets for most state agencies. General Government function agencies with only an annual budget are located in Volume II of the *Budget Analysis*. The Governor proposed FY 2021 budgets for fee board agencies, which are statutory biennial agencies and are located in Volume III of the *Budget Analysis*.

ABSTRACTERS' BOARD OF EXAMINERS

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	23,039	25,702	25,702	25,704	25,704	25,703	25,703
<i>Subtotal</i>	<i>\$ 23,039</i>	<i>\$ 25,702</i>	<i>\$ 25,702</i>	<i>\$ 25,704</i>	<i>\$ 25,704</i>	<i>\$ 25,703</i>	<i>\$ 25,703</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 23,039	\$ 25,702	\$ 25,702	\$ 25,704	\$ 25,704	\$ 25,703	\$ 25,703

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(3.7)	11.6	11.6	0.0	0.0	(0.0)	(0.0)
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Abstracters' Board of Examiners was created by the 1941 Legislature (KSA 74-3901 *et seq.*) to administer the Kansas Abstracters' Act (KSA 58-2801 *et seq.*). The Act provides for regulation of individuals and firms that compile and sell abstracts of Kansas real estate.

The Abstracters' Board of Examiners consists of three members appointed by the Governor for overlapping three-year terms. The Board's staff consists of a part-time executive secretary and a part-time secretary. Neither are employed the minimum number of hours to account for an FTE position.

The Board licenses and regulates companies and their employees that sell abstracts of land titles to Kansas real estate. Company licenses are issued to properly insured and bonded

abstracting companies having at least one licensed abstracter. Sole proprietors are considered companies for this purpose. Each company licensee must be bonded for a minimum of \$25,000 against the loss or destruction of public records and must carry at least \$25,000 in errors and omission insurance. The Board must verify bond and insurance requirements are met prior to issuing a company a license.

Employee licenses are issued to persons who pass an examination prepared and administered by the Board and are employed by a company that is licensed, insured, and bonded.

The Board strives to ensure practicing abstracters are professional so the public may rely on their work products.

MAJOR ISSUES FROM PRIOR YEARS

The **1994 Legislature** instructed certain state agencies, including the Abstracters' Board of Examiners, to prepare and submit biennial budgets beginning with the FY 1996-FY 1997 biennium. The legislation also required the Governor to include the biennial request in the Governor's Budget Report.

On July 6, 2009, the **State Finance Council** approved an expenditure limitation increase of \$1,200. The Abstracters' Fee Fund-approved limitation for FY 2009 was \$21,160. The agency had spent more than authorized and the additional funds allowed the agency to make payroll and cover other operating expenditures related to recordkeeping, which had already been processed for incurred expenses.

The **2012 Legislature** passed HB 2743, which authorized the Abstracters' Board of Examiners to increase the annual fee for each person, firm, partnership, association, or corporation licensed to make, compile, and sell abstracts of title to real estate in Kansas from a limit not to exceed \$50 to a new limit not to exceed \$75 each year.

The **2013 Legislature** deleted \$472 in expenditure authority to hold funding for salaries and wages at the FY 2013 level as adjusted for employer retirement contributions and group health insurance.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** estimates a revised FY 2019 budget totaling \$25,702, all from the Abstracters' Fee Fund, which is the same as the amount approved by the 2018 Legislature. The request

includes 0.0 FTE positions, which is the same as the approved number.

FY 2019 Governor Recommendation

The **Governor** concurs with the agency's FY 2019 revised estimate.

FY 2020 Agency Request

The **agency** requests FY 2020 operating expenditures of \$25,704, all from the Abstracters' Fee Fund, which is an increase of \$2, or less than 0.1 percent, above the FY 2019

revised estimate. The request includes 0.0 FTE positions, which is the same number included in the agency's FY 2019 request.

FY 2020 Governor Recommendation

The **Governor** concurs with the agency's FY 2020 request.

FY 2021 Agency Request

The **agency** requests FY 2021 operating expenditures of \$25,703, all from the Abstracters' Fee fund, which is a decrease of \$1, or less than 0.1 percent, below the FY 2020 request. The

request includes 0.0 FTE positions, which is the same number included in the agency's FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency's FY 2021 request.

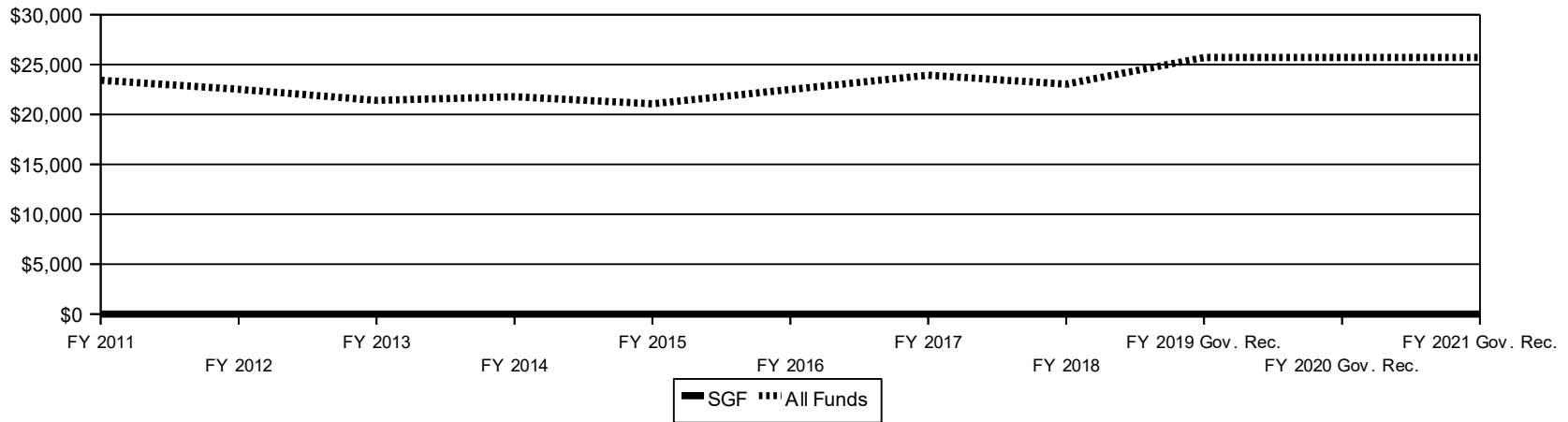
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of business licenses issued	181	181	181	173	178	178	178
Number of individual licenses issued	214	207	211	211	208	208	208
Number of examinations conducted	7	6	5	9	7	7	7
Agency Expenditures							
All Funds (Dollars in Thousands)	\$ 22.5	\$ 23.9	\$ 26.1	\$ 23.0	\$ 25.7	\$ 25.7	\$ 25.7
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 23,420	4.4 %	0.0
2012	0	--	22,519	(3.8)	0.0
2013	0	--	21,410	(4.9)	0.0
2014	0	--	21,777	1.7	0.0
2015	0	--	21,064	(3.3)	0.0
2016	0	--	22,500	6.8	0.0
2017	0	--	23,933	6.4	0.0
2018	0	--	23,039	(3.7)	0.0
2019 Gov. Rec.	0	--	25,702	11.6	0.0
2020 Gov. Rec.	0	--	25,704	0.0	0.0
2021 Gov. Rec.	0	--	25,703	(0.0)	0.0
Eleven-Year Change	\$ 0	-- %	\$ 2,283	9.7 %	0.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 23,039	\$ 25,702	\$ 25,704	\$ 2	0.0 %	\$ 25,702	\$ 25,704	\$ 2	0.0 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 20,409	\$ 21,409	\$ 21,411	\$ 2	0.0 %	\$ 21,409	\$ 21,411	\$ 2	0.0 %
Contractual Services	2,526	4,143	4,143	0	0.0	4,143	4,143	0	0.0
Commodities	104	150	150	0	0.0	150	150	0	0.0
Capital Outlay	0	0	0	0	--	0	0	0	--
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 23,039</i>	<i>\$ 25,702</i>	<i>\$ 25,704</i>	<i>\$ 2</i>	<i>0.0 %</i>	<i>\$ 25,702</i>	<i>\$ 25,704</i>	<i>\$ 2</i>	<i>0.0 %</i>
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 23,039	\$ 25,702	\$ 25,704	\$ 2	0.0 %	\$ 25,702	\$ 25,704	\$ 2	0.0 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Abstracters' Fee Fund	23,039	25,702	25,704	2	0.0	25,702	25,704	2	0.0
TOTAL	\$ 23,039	\$ 25,702	\$ 25,704	\$ 2	0.0 %	\$ 25,702	\$ 25,704	\$ 2	0.0 %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 25,704	\$ 25,703	\$ (1)	(0.0) %	\$ 25,704	\$ 25,703	\$ (1)	(0.0)%
By Major Object of Expenditure:								
Salaries and Wages	\$ 21,411	\$ 21,410	\$ (1)	(0.0) %	\$ 21,411	\$ 21,410	\$ (1)	(0.0)%
Contractual Services	4,143	4,143	0	0.0	4,143	4,143	0	0.0
Commodities	150	150	0	0.0	150	150	0	0.0
Capital Outlay	0	0	0	--	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 25,704</i>	<i>\$ 25,703</i>	<i>\$ (1)</i>	<i>(0.0) %</i>	<i>\$ 25,704</i>	<i>\$ 25,703</i>	<i>\$ (1)</i>	<i>(0.0)%</i>
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 25,704	\$ 25,703	\$ (1)	(0.0) %	\$ 25,704	\$ 25,703	\$ (1)	(0.0)%
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Abstracters' Fee Fund	25,704	25,703	(1)	(0.0)	25,704	25,703	(1)	(0.0)
TOTAL	\$ 25,704	\$ 25,703	\$ (1)	(0.0) %	\$ 25,704	\$ 25,703	\$ (1)	(0.0)%

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency's revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	25,702	25,702	0	25,702	0
TOTAL	\$ 25,702	\$ 25,702	\$ 0	\$ 25,702	\$ 0
FTE Positions	0.0	0.0	0.0	0.0	0.0

The **agency** requests a revised FY 2019 estimate totaling \$25,702, all from the Abstracters' Fee Fund, which is unchanged from the amount approved by the 2018 Legislature. The request includes 0.0 FTE positions, which is the same as the approved number. The request is detailed by category of expenditure below:

- **Salaries and Wages.** The agency's revised estimate includes \$21,409, which is a decrease of \$18, or less than 0.1 percent, below the approved amount;

- **Contractual Services.** The agency's revised estimate includes \$4,143, which is an increase of \$18, or 0.4 percent, above the approved amount; and
- **Commodities.** The agency's revised estimate includes \$150, which is no change from the approved amount.

The **Governor** concurs with the agency's revised estimate totaling \$25,702, all from the Abstracters' Fee Fund, in FY 2019.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY				
	Agency Request		Governor's Recommendation	Difference
Total Request/Recommendation	\$ 25,704		\$ 25,704	\$ 0
FTE Positions	0.0		0.0	0.0
<i>Change from FY 2019:</i>				
<i>Dollar Change:</i>				
State General Fund	\$ 0		\$ 0	
All Other Funds	2		2	
TOTAL	\$ 2		\$ 2	
<i>Percent Change:</i>				
State General Fund	0.0 %		0.0 %	
All Other Funds	0.0		0.0	
TOTAL	0.0 %		0.0 %	
Change in FTE Positions	0.0		0.0	

The **agency** requests FY 2020 operating expenditures of \$25,704, all from the Abstracters' Fee Fund, which is an increase of \$2, or less than 0.1 percent, above the FY 2019 revised estimate. The request includes 0.0 FTE positions, which is the same as the agency's FY 2019 revised estimate. The

increase is attributable to an increase in expenditures for unemployment compensation.

The **Governor** concurs with the agency's request totaling \$25,704, all from the Abstracters' Fee Fund, for FY 2020.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY				
	Agency Request		Governor's Recommendation	Difference
	_____		_____	_____
Total Request/Recommendation	\$ 25,703		\$ 25,703	\$ 0
FTE Positions	0.0		0.0	0.0
<i>Change from FY 2020:</i>				
<i>Dollar Change:</i>				
State General Fund	\$ 0		\$ 0	
All Other Funds	(1)		(1)	
TOTAL	\$ (1)		\$ (1)	
<i>Percent Change:</i>				
State General Fund	0.0 %		0.0 %	
All Other Funds	(0.0)		(0.0)	
TOTAL	(0.0) %		(0.0) %	
Change in FTE Positions	0.0		0.0	

The **agency** requests FY 2021 operating expenditures of \$25,703, all from the Abstracters' Fee Fund, which is a decrease of \$1, or less than 0.1 percent, below the agency's FY 2020 request. The request includes 0.0 FTE positions, which is the same as the agency's FY 2020 request. The decrease is attributable to a decrease in expenditures for unemployment compensation.

The **Governor** concurs with the agency's request totaling \$25,703, all from the Abstracters' Fee Fund, for FY 2021.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, there are no salary adjustments.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, there are no longevity payments.**

Kansas Public Employees Retirement System (KERS) Adjustments. The employer retirement contribution rate for KERS State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KERS State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KERS State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
Abstracters' Fee Fund	100.0	0.0	100.0	0.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Abstracters' Fee Fund

The Abstracters' Board of Examiners is a fee-funded agency. The agency generates fee revenues from three primary sources: annual fees (\$75); examination fees (\$70); and additional exams (\$50) (KSA 58-2801). The revenue received

provides financing for all agency operations, with 90.0 percent retained by the agency and 10.0 percent remitted to the State General Fund.

Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 23,789	\$ 27,570	\$ 27,570	\$ 27,868	\$ 27,868	\$ 28,164	\$ 28,164
Revenue	26,820	26,000	26,000	26,000	26,000	26,000	26,000
Transfers in	0	0	0	0	0	0	0
<i>Funds Available</i>	\$ 50,609	\$ 53,570	\$ 53,570	\$ 53,868	\$ 53,868	\$ 54,164	\$ 54,164
Less:							
Expenditures	\$ 23,039	\$ 25,702	\$ 25,702	\$ 25,704	\$ 25,704	\$ 25,703	\$ 25,703
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	\$ 27,570	\$ 27,868	\$ 27,868	\$ 28,164	\$ 28,164	\$ 28,461	\$ 28,461
Ending Balance as Percent of Expenditures	119.7%	108.4%	108.4%	109.6%	109.6%	110.7%	110.7%
Month Highest Ending Balance	March \$ 33,042	March \$ 38,292	March \$ 38,292	March \$ 38,706	March \$ 38,706	March \$ 39,117	March \$ 39,117
Month Lowest Ending Balance	November \$ 15,032	November \$ 17,421	November \$ 17,421	November \$ 17,609	November \$ 17,609	November \$ 17,796	November \$ 17,796

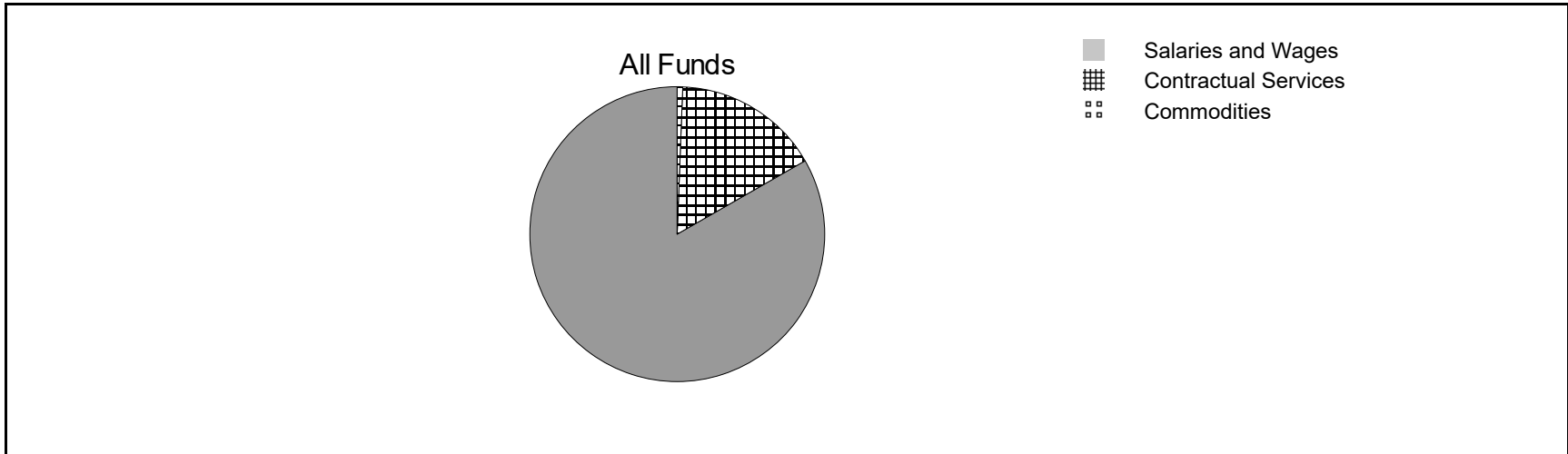
LICENSURE FEES

License	Current Fee	Statutory Limit
License Fee (original and renewal)	\$ 75	\$ 75
Examination Fee	70	*
Additional Examinations	50	*

* KSA 58-2805(a) provides that the examination fee shall be fixed by the Board by rules and regulations in an amount adequate to cover the cost of the examination.

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 21,411	83.3 %	\$ 0	-- %
Contractual Services	4,143	16.1	0	--
Commodities	150	0.6	0	--
TOTAL	\$ 25,704	100.0 %	\$ 0	-- %

BOARD OF ACCOUNTANCY

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	341,970	391,855	403,420	410,616	410,616	416,663	416,663
<i>Subtotal</i>	<i>\$ 341,970</i>	<i>\$ 391,855</i>	<i>\$ 403,420</i>	<i>\$ 410,616</i>	<i>\$ 410,616</i>	<i>\$ 416,663</i>	<i>\$ 416,663</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 341,970	\$ 391,855	\$ 403,420	\$ 410,616	\$ 410,616	\$ 416,663	\$ 416,663

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(2.1)	14.6	18.0	4.8	1.8	1.5	1.5
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Board of Accountancy consists of seven members and provides for the certification, registration, and regulation of Certified Public Accountants (CPAs) within Kansas. The Board issues permits to practice within the state and also may

censure, suspend, or revoke CPA certificates and permits to practice. In addition, the Board approves applications for reciprocity to those who meet minimum qualifying requirements.

MAJOR ISSUES FROM PRIOR YEARS

In the **2009 Session**, HB 2339 clarified the Board's ability to investigate violations of accountancy statutes and rules and regulations, and to allow out-of-state CPAs to practice in Kansas without being individually licensed.

In the **2016 Session**, HB 2512 was passed, which allowed Kansas CPA exam applicants to sit for the exam up to 60 days before meeting the education requirements.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** estimates FY 2019 operating expenditures of \$391,855, all from the Board of Accountancy Fee Fund, which is the same as the amount approved by the 2018 Legislature.

The agency requests 3.0 FTE positions, which is the same as the number approved by the 2018 Legislature.

FY 2019 Governor Recommendation

The **Governor** recommends FY 2019 operating expenditures of \$403,420, which is an increase of \$11,565, or 3.0 percent, above the FY 2019 agency request. The increase is in contractual services for information technology expenditures.

The Governor recommends 3.0 FTE positions, which is the same as the agency's request.

FY 2020 Agency Request

The **agency** requests FY 2020 operating expenditures of \$410,616, all from the Board of Accountancy Fee Fund. The request is an increase of \$18,761, or 4.8 percent, above the FY 2019 revised agency estimate. This increase is primarily

attributable to increases in contractual services expenditures and increased fringe benefit contributions.

The agency requests 3.0 FTE positions, which is the same as the FY 2019 estimate.

FY 2020 Governor Recommendation

The **Governor** recommends FY 2020 operating expenditures of \$410,616. The recommendation is the same as the agency's FY 2019 request.

The Governor recommends 3.0 FTE positions, which is the same as the agency request.

FY 2021 Agency Request

The **agency** requests FY 2021 operating expenditures of \$416,663, all from the Board of Accountancy Fee Fund. This is an increase of \$6,047, or 1.5 percent, above the FY 2020 agency request. This increase is primarily attributable to

increases in contractual services expenditures and increased fringe benefit contributions.

The agency requests 3.0 FTE positions, which is the same as the FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** recommends FY 2021 operating expenditures of \$416,663. The recommendation is the same as the agency's FY 2020 request.

The Governor recommends 3.0 FTE positions, which is the same as the agency request.

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

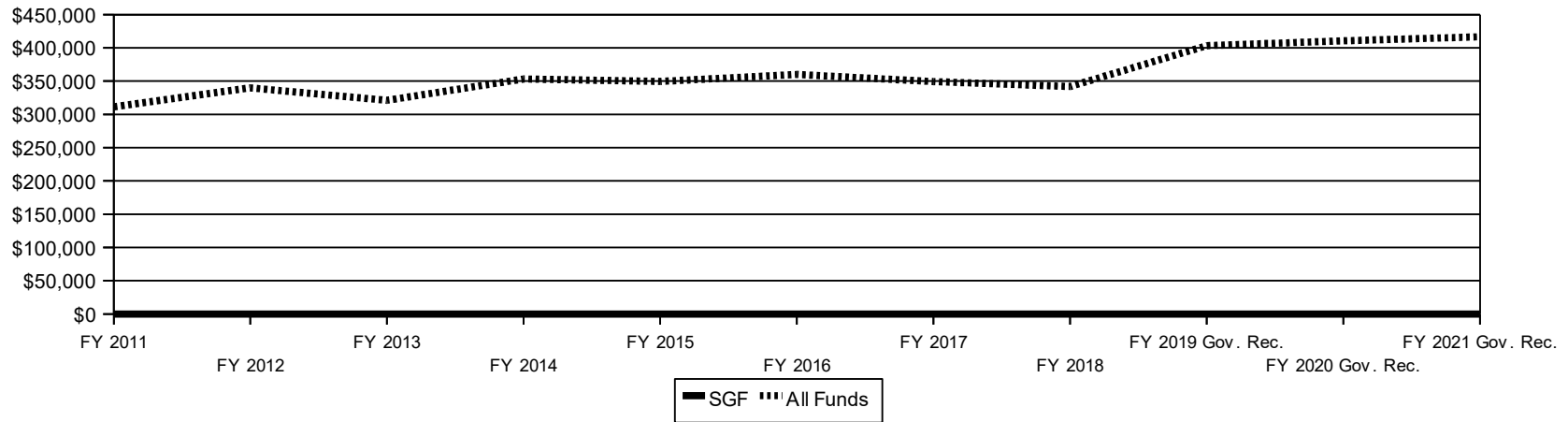
PERFORMANCE MEASURES							
Measure	Actual FY 16	Actual FY 17	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of certificate holders	N/A	N/A	N/A	12,680	12,818	12,957	13,084
Number of permit holders	N/A	N/A	N/A	3,854	3,700	3,712	3,703
Number of CPA firms registered to practice	N/A	809	N/A	846	855	860	867
Complaints and referrals received and investigated	N/A	N/A	N/A	76	85	82	80
Agency Expenditures							
All Funds (Dollars in Thousands)	\$ 360.1	\$ 349.4	\$ 381.5	\$ 342.0	\$ 403.4	\$ 410.6	\$ 416.7
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0

The Board of Accountancy has the following five basic goals.

1. To approve applications for certificates by exam and reciprocity to those who meet minimum qualifying requirements.
2. To approve applications for permits to practice who meet an experience requirement and to reinstate permits to practice to those who meet certain CPE requirements.
3. To register in-state and out-of-state CPA firms practicing in Kansas.
4. Provide the public with qualified licensees to perform certified public accounting services with a high degree of competence, knowledge, integrity, independence, and objectivity.
5. Regulate CPAs and the practice of certified public accountancy work performed.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 311,583	3.1 %	3.0
2012	0	--	339,920	9.1	3.0
2013	0	--	321,253	(5.5)	3.0
2014	0	--	353,361	10.0	3.0
2015	0	--	349,588	(1.1)	3.0
2016	0	--	360,115	3.0	3.0
2017	0	--	349,406	(3.0)	3.0
2018	0	--	341,970	(2.1)	3.0
2019 Gov. Rec.	0	--	403,420	18.0	3.0
2020 Gov. Rec.	0	--	410,616	1.8	3.0
2021 Gov. Rec.	0	--	416,663	1.5	3.0
Eleven-Year Change	\$ 0	-- %	\$ 105,080	33.7 %	0.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 341,970	\$ 391,855	\$ 410,616	\$ 18,761	4.8 %	\$ 403,420	\$ 410,616	\$ 7,196	1.8 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 154,495	\$ 187,438	\$ 189,479	\$ 2,041	1.1 %	\$ 187,438	\$ 189,479	\$ 2,041	1.1 %
Contractual Services	180,604	200,407	217,127	16,720	8.3	211,972	217,127	5,155	2.4
Commodities	6,078	4,010	4,010	0	0.0	4,010	4,010	0	0.0
Capital Outlay	793	0	0	0	--	0	0	0	--
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 341,970</i>	<i>\$ 391,855</i>	<i>\$ 410,616</i>	<i>\$ 18,761</i>	<i>4.8 %</i>	<i>\$ 403,420</i>	<i>\$ 410,616</i>	<i>\$ 7,196</i>	<i>1.8 %</i>
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 341,970	\$ 391,855	\$ 410,616	\$ 18,761	4.8 %	\$ 403,420	\$ 410,616	\$ 7,196	1.8 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Board of Accountancy Fee Fund	341,970	391,855	410,616	18,761	4.8	403,420	410,616	7,196	1.8
TOTAL	\$ 341,970	\$ 391,855	\$ 410,616	\$ 18,761	4.8 %	\$ 403,420	\$ 410,616	\$ 7,196	1.8 %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 410,616	\$ 416,663	\$ 6,047	1.5 %	\$ 410,616	\$ 410,616	\$ 0	0.0 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 189,479	\$ 192,836	\$ 3,357	1.8 %	\$ 189,479	\$ 192,836	\$ 3,357	1.8 %
Contractual Services	217,127	219,817	2,690	1.2	217,127	219,817	2,690	1.2
Commodities	4,010	4,010	0	0.0	4,010	4,010	0	0.0
Capital Outlay	0	0	0	--	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 410,616</i>	<i>\$ 416,663</i>	<i>\$ 6,047</i>	<i>1.5 %</i>	<i>\$ 410,616</i>	<i>\$ 416,663</i>	<i>\$ 6,047</i>	<i>1.5 %</i>
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 410,616	\$ 416,663	\$ 6,047	1.5 %	\$ 410,616	\$ 416,663	\$ 6,047	1.5 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Board of Accountancy Fee Fund	410,616	416,663	6,047	1.5	410,616	416,663	6,047	1.5
TOTAL	\$ 410,616	\$ 416,663	\$ 6,047	1.5 %	\$ 410,616	\$ 416,663	\$ 6,047	1.5 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	391,855	391,855	0	403,420	11,565
TOTAL	<u>\$ 391,855</u>	<u>\$ 391,855</u>	<u>\$ 0</u>	<u>\$ 403,420</u>	<u>\$ 11,565</u>
FTE Positions	3.0	3.0	0.0	3.0	0.0

The **agency** estimates FY 2019 operating expenditures of \$391,855, all from the Board of Accountancy Fee Fund, which is the same as the amount approved by the 2018 Legislature. The increase is in contractual services for increased information technology expenditures.

The agency requests 3.0 FTE positions, which is the same as the number approved by the 2018 Legislature.

The **Governor** recommends FY 2019 operating expenditures of \$403,420, which is an increase of \$11,565, or 3.0 percent, above the FY 2019 agency request. The increase is in contractual services for information technology expenditures.

The Governor recommends 3.0 FTE positions, which is the same as the agency’s request.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 410,616	\$ 410,616	\$ 0
FTE Positions	3.0	3.0	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	18,761	7,196	
TOTAL	\$ 18,761	\$ 7,196	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	4.8	1.8	
TOTAL	4.8 %	1.8 %	
Change in FTE Positions	0.0	0.0	

The **agency** estimates FY 2020 operating expenditures of \$410,616, all from the Board of Accountancy Fee Fund. The request is an increase of \$18,761, or 4.8 percent, above the FY 2019 revised agency estimate. This increase is primarily attributable to increases in contractual services expenditures and increased fringe benefit contributions.

The request includes increased expenditures of \$16,720 for additional Office of Information Technology Services charges for technology services and \$2,041 for increased KPERS and group health insurance employer contributions.

The agency requests 3.0 FTE positions, which is the same as the FY 2019 revised estimate.

The **Governor** recommends FY 2020 operating expenditures of \$410,616. The recommendation is the same as the agency's FY 2019 request.

The Governor recommends 3.0 FTE positions, which is the same as the agency's request.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 416,663	\$ 416,663	\$ 0
FTE Positions	3.0	3.0	0.0
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	6,047	6,047	
TOTAL	\$ 6,047	\$ 6,047	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	1.5	1.5	
TOTAL	1.5 %	1.5 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2021 operating expenditures of \$416,663, all from the Board of Accountancy Fee Fund. The request is an increase of \$6,047, or 1.5 percent, above the FY 2020 agency request. This increase is primarily attributable to

increases in contractual services expenditures and increased fringe benefit contributions.

The request includes increased expenditures of \$2,690 for additional State Building Capital charges and Office of

Information Technology Services charges for technology services. The request also includes \$3,357 for increased KPERS and group health insurance employer contributions and salary expenditures.

The agency requests 3.0 FTE positions, which is the same as the FY 2020 request.

The **Governor** recommends FY 2021 operating expenditures of \$416,663. The recommendation is the same as the agency's FY 2020 request.

The Governor recommends 3.0 FTE positions, which is the same as the agency's request.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$4,826, all from special revenue funds.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, there are no longevity payments.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
Board of Accountancy Fee Fund	100.0	100.0	100.0	100.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Board of Accountancy Fee Fund Analysis

The Board of Accountancy receives revenue from the issuance of certificates, permits, firm registrations, and the issuance and collection of fines. Each year, 10.0 percent of the revenue generated transfers to the State General Fund. The 2005 Legislature established the Special Litigation Reserve Fund for costs incurred in litigation cases that would cause the

Board to expend more than the amount approved by the Legislature. Expenditures may be made only from this reserve fund upon the approval of the State Finance Council. Each year, \$15,000 from the Board of Accountancy Fee Fund is placed into the Special Litigation Reserve Fund until the \$300,000 cap is reached.

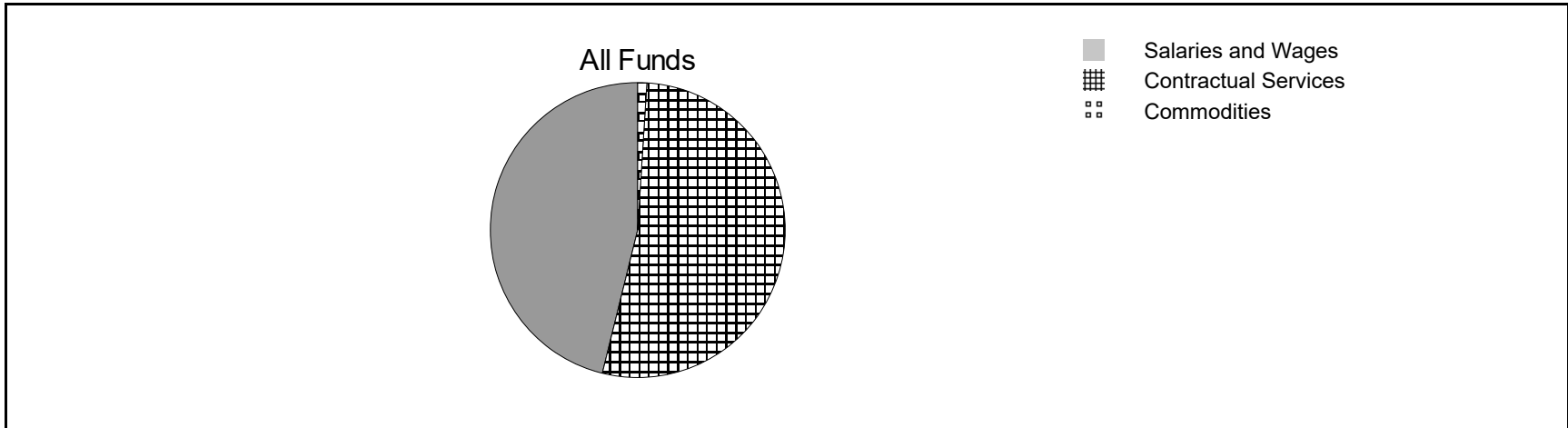
Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 303,248	\$ 334,428	\$ 334,428	\$ 329,154	\$ 329,154	\$ 315,803	\$ 315,803
Revenue	388,150	413,147	413,147	412,265	412,265	412,083	412,083
Transfers in	1,143	1,200	1,200	1,200	1,200	1,200	1,200
<i>Funds Available</i>	<i>\$ 692,541</i>	<i>\$ 748,775</i>	<i>\$ 748,775</i>	<i>\$ 742,619</i>	<i>\$ 742,619</i>	<i>\$ 729,086</i>	<i>\$ 729,086</i>
Less:							
Expenditures	\$ 341,970	\$ 403,421	\$ 403,421	\$ 410,616	\$ 410,616	\$ 416,663	\$ 416,663
Transfers Out	16,143	16,200	16,200	16,200	16,200	16,200	16,200
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 334,428</u>	<u>\$ 329,154</u>	<u>\$ 329,154</u>	<u>\$ 315,803</u>	<u>\$ 315,803</u>	<u>\$ 296,223</u>	<u>\$ 296,223</u>
Ending Balance as Percent of Expenditures	97.8%	81.6%	81.6%	76.9%	76.9%	71.1%	71.1%
	August	August	August	August	August	August	August
Month Highest Ending Balance	\$ 400,791	\$ 400,780	\$ 400,780	\$ 447,590	\$ 447,590	\$ 385,620	\$ 385,620
	May	May	May	May	May	May	May
Month Lowest Ending Balance	\$ 252,451	\$ 252,474	\$ 252,474	\$ 273,781	\$ 273,781	\$ 235,142	\$ 235,142

LICENSURE FEES

License	Current Fee	Statutory Limit
Firm Registration	\$ 40.00	\$ 300.00
Firm Renewal	40.00	300.00
Firm Renewal (late)	60.00	450.00
Certification by Exam	25.00	50.00
Certification by Reciprocity	250.00	350.00
Certification Renewal	150.00	350.00
Certification Renewal (late)	225.00	525.00
Duplicate Certificate	25.00	50.00
Permit to Practice	150.00	175.00
Permit to Practice (late)	225.00	525.00
Reinstatement of Permit to Practice (1 year)	112.50	262.50
Reinstatement of Permit to Practice (2 year)	225.00	525.00
Duplicate Permit to Practice	25.00	50.00
Municipal Public Accountant Renewal	50.00	80.00

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 189,479	46.1 %	\$ 0	-- %
Contractual Services	217,127	52.9	0	--
Commodities	4,010	1.0	0	--
TOTAL	\$ 410,616	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

OFFICE OF THE STATE BANK COMMISSIONER

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	10,479,921	11,526,673	11,526,673	11,849,523	11,849,523	11,970,455	11,970,455
<i>Subtotal</i>	<i>\$ 10,479,921</i>	<i>\$ 11,526,673</i>	<i>\$ 11,526,673</i>	<i>\$ 11,849,523</i>	<i>\$ 11,849,523</i>	<i>\$ 11,970,455</i>	<i>\$ 11,970,455</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	<u>\$ 10,479,921</u>	<u>\$ 11,526,673</u>	<u>\$ 11,526,673</u>	<u>\$ 11,849,523</u>	<u>\$ 11,849,523</u>	<u>\$ 11,970,455</u>	<u>\$ 11,970,455</u>

Percentage Change:

Operating Expenditures

State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(0.5)	10.0	10.0	2.8	2.8	1.0	1.0
FTE Positions	106.0	106.0	106.0	106.0	106.0	106.0	106.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Office of the State Bank Commissioner (OSBC) ensures the integrity of regulated providers of financial services through responsible and proactive oversight while protecting and educating consumers. The agency is responsible for the supervision of state-chartered banks, trust companies/departments, savings and loan associations, money transmitters, mortgage and consumer credit lenders, and credit service organizations. In doing so, the OSBC educates regulated entities to promote compliance with governing laws and regulations. The agency also preserves the dual banking system through the chartering of new state banks, maintenance of existing state charters, and equitable regulation of state banks. Finally, the OSBC is responsible for protecting consumers from unfair or unscrupulous credit practices, and promoting public trust in the state financial system.

Authority for the OSBC was established in KSA §9-101 *et seq.* The OSBC was established by the 1981 Legislature to regulate and examine all financial institutions. The regulation of savings and loan associations, credit unions, and securities activities were later removed. Authority for the OSBC is found in KSA §75-1304 *et seq.*, while the State Banking Board is authorized by KSA §74-3004 *et seq.*

The agency is headed by a commissioner, who is appointed by the Governor to serve a four-year term. A nine-member banking board is appointed by the Governor. The board serves

MAJOR ISSUES FROM PRIOR YEARS

The **1999 Legislature** passed SB 271, which merged the Office of the Consumer Credit Commissioner with and into the

in an advisory capacity to the office and is composed of six banker members (with a minimum of five years of state banking experience) and three public interest members. Four banker members represent each of the state's four congressional districts. The other two banker members represent the state at large. The board has responsibility for the approval of new charters and branch applications from banks that are ineligible, as well as other activities.

The agency, under the supervision of the Commissioner, conducts examinations of the banks and trust companies approximately every 18 months. These examinations include an on-site evaluation of assets, capital adequacy, internal routines and controls, bank management, and other risk areas. The OSBC also works closely with the Federal Reserve Bank and the Federal Insurance Corporation in the regulation and supervision of these entities.

The agency's Banking Division is self-supporting through statutory assessments based on the total assets of the institutions under the agency's supervision. The agency's Consumer and Mortgage Division also is self-supporting through fees for licensing and renewal activities. The agency remits \$100,000 annually to the State General Fund. The remainder of the funds are for expenditures incurred by the agency in the regulation of the entities supervised and to fund consumer education initiatives.

OSBC. The bill created a Division of Consumer and Mortgage Lending within the OSBC, and an unclassified position of

Deputy of Consumer and Mortgage Lending. The Deputy serves as Administrator of the Kansas Uniform Consumer Credit Code.

The **2003 Legislature** approved for FY 2004 a 5.9 percent reduction in operating expenditures for all biennial budget agencies to match the 5.9 percent allotment reductions most other agencies absorbed in FY 2003. The Legislature restored expenditures of \$179,388 (or one-half) of the Governor's recommended decrease of \$358,775 for the OSBC. The amount reduced from this agency's budget totaled \$179,387, which was transferred to the State General Fund.

The **2004 Legislature** authorized the transfer of \$700,000 from the Bank Commissioner Fee Fund to the State General Fund for FY 2005. The amount certified by the Director of the Budget on April 19, 2004, for this agency was \$1,251,028. The 2004 Legislature also added 1.0 FTE position and appropriated \$56,426 from the Bank Commissioner Fee Fund for an attorney position in the Consumer and Mortgage Lending program for FY 2005.

The **2010 Legislature** added \$381,553, all from special revenue funds, for additional salaries and wages for the Examination and Consumer and Mortgage Lending departments in order to maintain operations for FY 2011. The 2009 Legislature had reduced the expenditure authority for FY 2011 below the amount approved for FY 2010 by \$267,536.

The **2013 Legislature** added \$438,797, all from special revenue funds, in salaries and wages to maintain a salary increase to address the problem of retaining examination staff for FY 2014, and added \$136,999, all from special revenue funds, for FY 2015. The 2013 Legislature also deleted \$42,707 and \$93,378, from FY 2014 and FY 2015 respectively, all from special revenue funds, to reflect reduced funding for salaries and wages.

The **2014 Legislature** passed HB 2525, which added change of control provisions and change in officer and director requirements to the statute. An additional change increased the amount of allowed accounts receivable to be used for permissible investment purposes.

The **2016 Legislature** transferred \$1.5 million from the Bank Commissioner Fee Fund to the State General Fund in FY 2016.

The **2017 Legislature** added language to increase expenditure limitation by \$76,650 to compensate for legal fees and transferred \$534,517 from the State General Fund to the Bank Commission Fee Fund for the fee fund settlement agreement.

The **2018 Legislature** passed SB 283, which amended references to collective investment funds and updated laws on acquiring and changing control of banks. The bill also amended the required qualifications for the Deputy Commissioner of the Banking Division by permitting an individual to serve as Deputy Commissioner if the individual has five years of experience as an officer of a state bank holding company or a subsidiary conducting business that is related to banking, or has a combination of this experience.

The Legislature also passed SB 335, which amended the State Banking Code to include savings and loan associations and savings banks; expand the definition of "bank" to include state banks; clarify processes relating to a national bank, federal savings association, or federal savings bank becoming a state bank; and change capital requirements to incorporate the mutual form of ownership of most savings and loans. The bill also allows the Bank Commissioner to issue an order to address any violation of rules and regulations adopted pursuant to the Kansas Money Transmitter Act. Enactment of the bill repeals the Savings and Loan Code.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** requests a revised estimate of \$11.5 million, all from special revenue funds, in FY 2019. The revised estimate is an all funds decrease of \$364,302, or 3.1 percent, below the approved budget in FY 2019. The decrease is primarily due to

turnover in the Banking and Trust Regulation program and adjusted expenditures for financial examiner training programs. The revised estimate also includes 106.0 FTE positions, which is the same as the approved budget in FY 2019.

FY 2019 Governor Recommendation

The **Governor** concurs with the revised estimate in FY 2019.

FY 2020 Agency Request

The **agency** requests \$11.8 million, all from special revenue funds, for FY 2020. The request is an all funds increase of \$322,850, or 2.8 percent, above the revised estimate in FY 2019. The increase is primarily due to scheduled raises and

higher temporary employee pay and employer contributions for employee retirement and group health insurance. The request also includes 106.0 FTE positions, which is the same as the revised estimate in FY 2019.

FY 2020 Governor Recommendation

The **Governor** concurs with the agency request for FY 2020.

FY 2021 Agency Request

The **agency** requests \$12.0 million, all from special revenue funds, for FY 2021. The request is an all funds increase of \$120,932, or 1.0 percent, above the agency request for FY 2020. The increase is primarily due to a shift between classified and unclassified employee pay and higher employer

contributions for employee retirement, partially offset by decreased temporary employee pay and software maintenance fees for FY 2020 that are not anticipated for FY 2021. The request also includes 106.0 FTE positions, which is the same as the agency request for FY 2020.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency request for FY 2021.

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of state-chartered banks	219	208	197	198	190	185	177
Assets of state-chartered banks (in billions)	\$ 39.7	\$ 42.4	\$ 44.2	\$ 59.2	\$ 65.1	\$ 70.3	\$ 70.3
Total assets of problem banks as a percentage of total bank assets	3.5 %	2.9 %	4.0 %	2.3 %	3.5 %	4.0 %	3.8 %
Number of consumer and mortgage lending inquiries	N/A	N/A	N/A	1,659	1,659	1,659	1,659
Agency Expenditures							
All Funds (Dollars in Millions)	\$ 10.4	\$ 10.5	\$ 11.2	\$ 10.5	\$ 11.5	\$ 11.8	\$ 12.0
FTE Positions	106.0	106.0	106.0	106.0	106.0	106.0	106.0

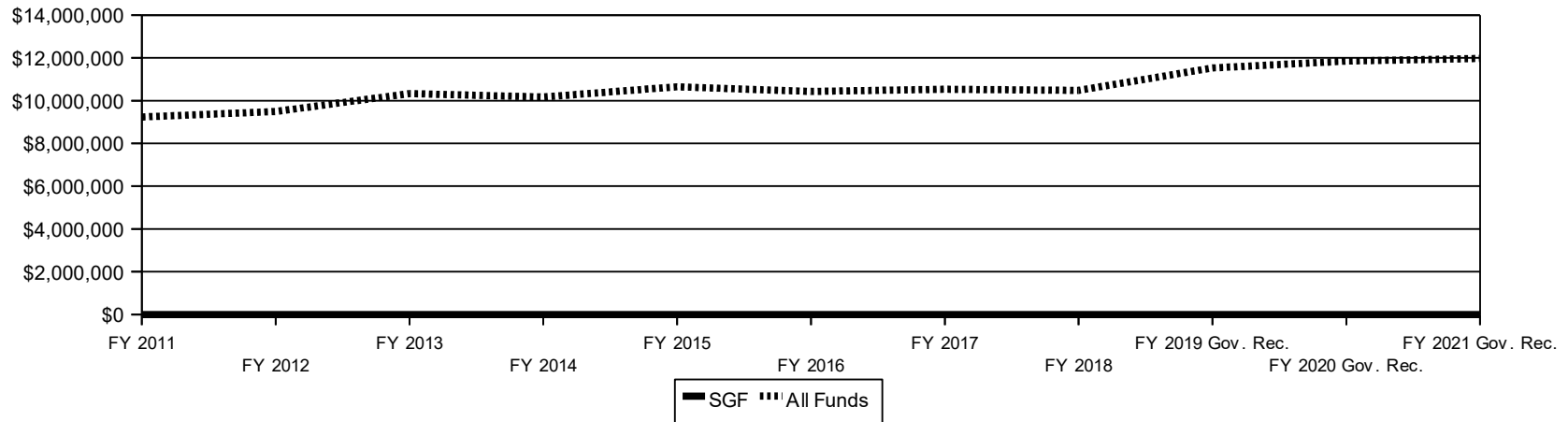
The measures above have been identified by the Office of the State Bank Commissioner in cooperation with the Kansas Division of the Budget and the Kansas Legislative Research Department as key performance measures for the agency.

The agency indicates as the number of state-chartered banks has decreased, the assets of state-chartered banks overall have increased as a result of mergers and acquisitions. The agency estimates the percentage of banks considered problem banks will rise slightly in FY 2019 and for FY 2020.

The agency also indicates an increase in the total assets held by problem banks and in the total assets of state-chartered trust companies may necessitate additional regulatory tasks to ensure banks and trust entities are adequately regulated and assets are protected.

The Governor recommends the agency continue to monitor the number of problem banks and consider filling some of its vacant funded positions to reduce the percentage of banks considered to be problem banks.

BUDGET TRENDS



OPERATING EXPENDITURES FY 2011 – FY 2021

Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE	
2011	\$	0	\$	9,234,822	16.2 %	99.0
2012		0		9,489,429	2.8	107.0
2013		0		10,331,736	8.9	109.0
2014		0		10,169,917	(1.6)	108.0
2015		0		10,647,140	4.7	108.0
2016		0		10,429,304	(2.0)	106.0
2017		0		10,532,210	1.0	106.0
2018		0		10,479,921	(0.5)	106.0
2019 Gov. Rec.		0		11,526,673	10.0	106.0
2020 Gov. Rec.		0		11,849,523	2.8	106.0
2021 Gov. Rec.		0		11,970,455	1.0	106.0
Eleven-Year Change	\$	0	\$	2,735,633	29.6 %	7.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 1,561,674	\$ 1,896,999	\$ 1,943,423	\$ 46,424	2.4 %	\$ 1,896,999	\$ 1,943,423	\$ 46,424	2.4 %
Bank and Trust Regulation	5,774,154	6,118,701	6,201,798	83,097	1.4	6,118,701	6,201,798	83,097	1.4
Consumer and Mortgage Lending Regulation	3,144,093	3,510,973	3,704,302	193,329	5.5	3,510,973	3,704,302	193,329	5.5
TOTAL	\$ 10,479,921	\$ 11,526,673	\$ 11,849,523	\$ 322,850	2.8 %	\$ 11,526,673	\$ 11,849,523	\$ 322,850	2.8 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 8,410,847	\$ 9,279,562	\$ 9,558,223	\$ 278,661	3.0 %	\$ 9,279,562	\$ 9,558,223	\$ 278,661	3.0 %
Contractual Services	1,742,245	1,855,011	1,893,100	38,089	2.1	1,855,011	1,893,100	38,089	2.1
Commodities	52,369	83,100	81,700	(1,400)	(1.7)	83,100	81,700	(1,400)	(1.7)
Capital Outlay	81,960	139,000	146,500	7,500	5.4	139,000	146,500	7,500	5.4
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 10,287,421</i>	<i>\$ 11,356,673</i>	<i>\$ 11,679,523</i>	<i>\$ 322,850</i>	<i>2.8 %</i>	<i>\$ 11,356,673</i>	<i>\$ 11,679,523</i>	<i>\$ 322,850</i>	<i>2.8 %</i>
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	192,500	170,000	170,000	0	0.0	170,000	170,000	0	0.0
TOTAL	\$ 10,479,921	\$ 11,526,673	\$ 11,849,523	\$ 322,850	2.8 %	\$ 11,526,673	\$ 11,849,523	\$ 322,850	2.8 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Consumer Education Settlement Fund	192,500	170,000	170,000	0	0.0	170,000	170,000	0	0.0
Bank Commissioner Fee Fund	10,287,421	11,356,673	11,679,523	322,850	2.8	11,356,673	11,679,523	322,850	2.8
TOTAL	\$ 10,479,921	\$ 11,526,673	\$ 11,849,523	\$ 322,850	2.8 %	\$ 11,526,673	\$ 11,849,523	\$ 322,850	2.8 %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 1,943,423	\$ 1,954,113	\$ 10,690	0.6 %	\$ 1,943,423	\$ 1,954,113	\$ 10,690	0.6 %
Bank and Trust Regulation	6,201,798	6,309,726	107,928	1.7	6,201,798	6,309,726	107,928	1.7
Consumer and Mortgage Lending Regulation	3,704,302	3,706,616	2,314	0.1	3,704,302	3,706,616	2,314	0.1
TOTAL	\$ 11,849,523	\$ 11,970,455	\$ 120,932	1.0 %	\$ 11,849,523	\$ 11,970,455	\$ 120,932	1.0 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 9,558,223	\$ 9,770,155	\$ 211,932	2.2 %	\$ 9,558,223	\$ 9,770,155	\$ 211,932	2.2 %
Contractual Services	1,893,100	1,803,100	(90,000)	(4.8)	1,893,100	1,803,100	(90,000)	(4.8)
Commodities	81,700	80,700	(1,000)	(1.2)	81,700	80,700	(1,000)	(1.2)
Capital Outlay	146,500	146,500	0	0.0	146,500	146,500	0	0.0
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 11,679,523</i>	<i>\$ 11,800,455</i>	<i>\$ 120,932</i>	<i>1.0 %</i>	<i>\$ 11,679,523</i>	<i>\$ 11,800,455</i>	<i>\$ 120,932</i>	<i>1.0 %</i>
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	170,000	170,000	0	0.0	170,000	170,000	0	0.0
TOTAL	\$ 11,849,523	\$ 11,970,455	\$ 120,932	1.0 %	\$ 11,849,523	\$ 11,970,455	\$ 120,932	1.0 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Consumer Education Settlement Fund	170,000	170,000	0	0.0	170,000	170,000	0	0.0
Bank Commissioner Fee Fund	11,679,523	11,800,455	120,932	1.0	11,679,523	11,800,455	120,932	1.0
TOTAL	\$ 11,849,523	\$ 11,970,455	\$ 120,932	1.0 %	\$ 11,849,523	\$ 11,970,455	\$ 120,932	1.0 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	11,890,975	11,526,673	(364,302)	11,526,673	(364,302)
TOTAL	\$ 11,890,975	\$ 11,526,673	\$ (364,302)	\$ 11,526,673	\$ (364,302)
FTE Positions	106.0	106.0	0.0	106.0	0.0

The **agency** requests a revised estimate of \$11.5 million, all from special revenue funds, in FY 2019. The revised estimate is an all funds decrease of \$364,302, or 3.1 percent, below the approved budget in FY 2019. The decrease is primarily due to turnover in the Banking and Trust Regulation program and adjusted expenditures for financial examiner training programs. The revised estimate also includes 106.0 FTE positions, which is the same as the approved budget in FY 2019. The revised estimate is detailed below by major category of expenditure:

- **Salaries and Wages.** The agency requests a revised estimate of \$9.3 million, all from special

revenue funds, for salary and wage expenditures in FY 2019. The revised estimate is an all funds decrease of \$311,581, or 3.2 percent, below the approved budget in FY 2019. The decrease is primarily due to turnover in the Banking and Trust Regulation program and a departmental reorganization that consolidated responsibilities. The revised estimate also includes lower estimates for overtime pay and adjusted employer contributions for employee retirement and group health insurance;

- **Contractual Services.** The agency requests a revised estimate of \$1.9 million, all from special revenue funds, for contractual services expenditures in FY 2019. The revised estimate is an all funds decrease of \$38,221, or 2.0 percent, below the approved budget in FY 2019. The decrease is primarily due to adjusted expenditures for financial examiner training programs, in-state travel, and office equipment and supply moving expenditures. The agency engages in an ongoing training program that requires financial examiners to maintain current expertise. In-state travel expenditures are incurred during the examination and inspection functions of the agency's statutory responsibilities. The decrease is offset by increased office and meeting room rental expenditures;
- **Commodities.** The agency requests a revised estimate of \$83,100, all from special revenue funds, for commodities expenditures in FY 2019. The revised estimate is an all funds decrease of \$8,500, or 9.3 percent, below the approved budget in FY 2019. The decrease is primarily due to lower than estimated expenditures for data processing equipment; and
- **Capital Outlay.** The agency requests a revised estimate of \$139,000, all from special revenue funds, for capital outlay expenditures in FY 2019. The revised estimate is an all funds decrease of \$6,000, or 4.1 percent, below the approved budget in FY 2019. The decrease is primarily due to lower than estimated expenditures for passenger cars, offset by increased expenditures for office furniture and fixtures.

The **Governor** concurs with the agency's revised estimate.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 11,849,523	\$ 11,849,523	\$ 0
FTE Positions	106.0	106.0	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	322,850	322,850	
TOTAL	\$ 322,850	\$ 322,850	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	2.8	2.8	
TOTAL	2.8 %	2.8 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$11.8 million, all from special revenue funds, for FY 2020. The request is an all funds increase of \$322,850, or 2.8 percent, above the revised estimate in FY 2019. The increase is primarily due to scheduled raises and higher temporary employee pay and employer contributions for employee retirement and group health insurance. The request also includes 106.0 FTE positions, which is the same as the

revised estimate in FY 2019. The request is detailed below by major category of expenditure:

- **Salaries and Wages.** The agency requests \$9.6 million, all from special revenue funds, for salary and wage expenditures for FY 2020. The request is an all funds increase of \$278,661, or 3.0 percent, above the revised estimate in FY 2019.

The increase is primarily due to scheduled raises and higher employer contributions for employee retirement and group health insurance costs, offset by adjusted shrinkage estimates;

- **Contractual Services.** The agency requests \$1.9 million, all from special revenue funds, for contractual services expenditures for FY 2020. The request is an all funds increase of \$38,089, or 2.1 percent, above the revised estimate in FY 2019. The increase is primarily due to software maintenance fees and subsistence for in-state travel. The agency engages in an ongoing training program that requires financial examiners to maintain current expertise. In-state travel expenditures are incurred during the examination and inspection functions of the agency's statutory responsibilities. The increase is offset by decreased expenditures for intergovernmental services, such as accounting expenses paid to the Department of

Administration, security access fees paid to the Kansas Highway Patrol, and background check fees paid to the Kansas Bureau of Investigation;

- **Commodities.** The agency requests \$81,700, all from special revenue funds, for commodities expenditures for FY 2020. The request is an all funds decrease of \$1,400, or 1.7 percent, below the revised estimate in FY 2019. The decrease is primarily due to lower than expected expenditures for field office supplies; and
- **Capital Outlay.** The agency requests \$146,500, all from special revenue funds, for capital outlay expenditures for FY 2020. The request is an all funds increase of \$7,500, or 5.4 percent, above the revised estimate in FY 2019. The increase is primarily due to the replacement and reorganization of office furniture.

The **Governor** concurs with the agency request.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 11,970,455	\$ 11,970,455	\$ 0
FTE Positions	106.0	106.0	0.0
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	120,932	120,932	
TOTAL	\$ 120,932	\$ 120,932	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	1.0	1.0	
TOTAL	1.0 %	1.0 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$12.0 million, all from special revenue funds, for FY 2021. The request is an all funds increase of \$120,932, or 1.0 percent, above the agency request for FY 2020. The increase is primarily due to a shift between classified and unclassified employee pay and higher employer contributions for employee retirement, partially offset by decreased temporary employee pay and software maintenance fees in FY 2020 that are not anticipated for FY 2021. The request also includes 106.0 FTE positions, which is the same as

the agency request for FY 2020. The request is detailed below by major category of expenditure:

- **Salaries and Wages.** The agency requests \$9.8 million, all from special revenue funds, for salary and wage expenditures for FY 2021. The request is an all funds increase of \$211,932, or 2.2 percent, above the agency request for FY 2020. The increase is primarily due to a shift between

classified and unclassified employee pay and higher employer contributions for employee retirement, partially offset by decreases for temporary employee pay;

- **Contractual Services.** The agency requests \$1.8 million, all from special revenue funds, for contractual services expenditures for FY 2021. The request is an all funds decrease of \$90,000,

or 4.8 percent, below the agency request for FY 2020. The decrease is primarily due to higher software maintenance fees in FY 2020 that are not anticipated for FY 2021. The decrease is partially offset by increased dues to professional organizations and expenditures for financial examiner training programs.

The **Governor** concurs with the agency request.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$178,119, all from the Bank Commissioner Fee Fund.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **This agency has no longevity bonus payments for FY 2019 and FY 2020.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
Consumer Education Settlement Fund	1.4	1.4	1.4	1.4
Bank Commissioner Fee Fund	98.6	98.6	98.6	98.6
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Bank Commissioner Fee Fund Analysis

The Bank Commissioner Fee Fund is funded in part by assessments on state-chartered banks and trust companies. Revenue of the Bank Commissioner Fee Fund are generated by fee income through the Bank and Trust Regulation and Consumer and Mortgage Lending Regulation programs. The agency receives no money from the State General Fund.

Banking revenues are in the form of assessments paid by state-chartered banks and trust companies to provide operating funds, pursuant to KSA §9-1703. Assessments for banks, trust companies, and trust departments are calculated prior to the

beginning of each fiscal year. Bank assessments are based on bank assets as reported to the Federal Deposit Insurance Corporation (FDIC) as of the quarter ending March 31, while trust company assessments are based on the total amount of fiduciary assets under management as reported on the December 31 OSBC call report. For trust departments, fiduciary assets reported to the FDIC on the March 31 call report are utilized. The OSBC employs a four-tier rate schedule for determining assessment fees. The agency states that predicting application revenue each year is difficult because the level of revenues received is dependent solely on the submission of applications.

Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 3,801,421	\$ 4,118,932	\$ 4,118,932	\$ 4,289,932	\$ 4,289,932	\$ 4,468,932	\$ 4,468,932
Revenue	10,070,415	11,527,673	11,527,673	11,858,523	11,858,523	11,970,455	11,970,455
Transfers in	534,517	0	0	0	0	0	0
<i>Funds Available</i>	<i>\$ 14,406,353</i>	<i>\$ 15,646,605</i>	<i>\$ 15,646,605</i>	<i>\$ 16,148,455</i>	<i>\$ 16,148,455</i>	<i>\$ 16,439,387</i>	<i>\$ 16,439,387</i>
Less:							
Expenditures	\$ 10,287,421	\$ 11,356,673	\$ 11,356,673	\$ 11,679,523	\$ 11,679,523	\$ 11,800,455	\$ 11,800,455
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	\$ 4,118,932	\$ 4,289,932	\$ 4,289,932	\$ 4,468,932	\$ 4,468,932	\$ 4,638,932	\$ 4,638,932
Ending Balance as Percent of Expenditures	40.0%	37.8%	37.8%	38.3%	38.3%	39.3%	39.3%
Month Highest Ending Balance	July \$ 6,642,033	July \$ 7,196,804	July \$ 7,196,804	July \$ 7,495,584	July \$ 7,495,584	July \$ 7,808,341	July \$ 7,808,341
Month Lowest Ending Balance	June \$ 4,118,851	June \$ 4,462,875	June \$ 4,462,875	June \$ 4,648,154	June \$ 4,648,154	June \$ 4,842,101	June \$ 4,842,101

BANK AND TRUST REGULATION DIVISION – BANK ASSESSMENT RATES (PER MILLION)

Asset Valuation	Current Fee	Statutory Limit
\$0 to \$250,000	\$ 0.150	\$ N/A
Greater than \$250,000, less than or equal to \$500,000	0.145	N/A
Greater than \$500,000, less than or equal to \$1.0 million	0.130	N/A
Greater than \$1.0 million, less than or equal to \$3.0 million	0.090	N/A
Greater than \$3.0 million	0.072	N/A

BANK AND TRUST REGULATION DIVISION – TRUST ASSESSMENT RATES

Rate	Current Fee	Statutory Limit
Inactive	\$ 100	\$ N/A
\$0 to \$1.0 million	1,000	N/A
Greater than \$1.0 million, less than or equal to \$10.0 million	2,500	N/A
Greater than \$10.0 million, less than or equal to \$50.0 million	3,300	N/A
Greater than \$50.0 million, less than or equal to \$100.0 million	4,000	N/A
Greater than \$100.0 million, less than or equal to \$500.0 million	5,000	N/A
Greater than \$500.0 million, less than or equal to \$1.0 billion	5,800	N/A
Greater than \$1.0 billion, less than or equal to \$2.0 billion	7,500	N/A
Greater than \$2.0 billion	14,500	N/A

CONSUMER AND MORTGAGE LENDING DIVISION – LICENSURE FEES

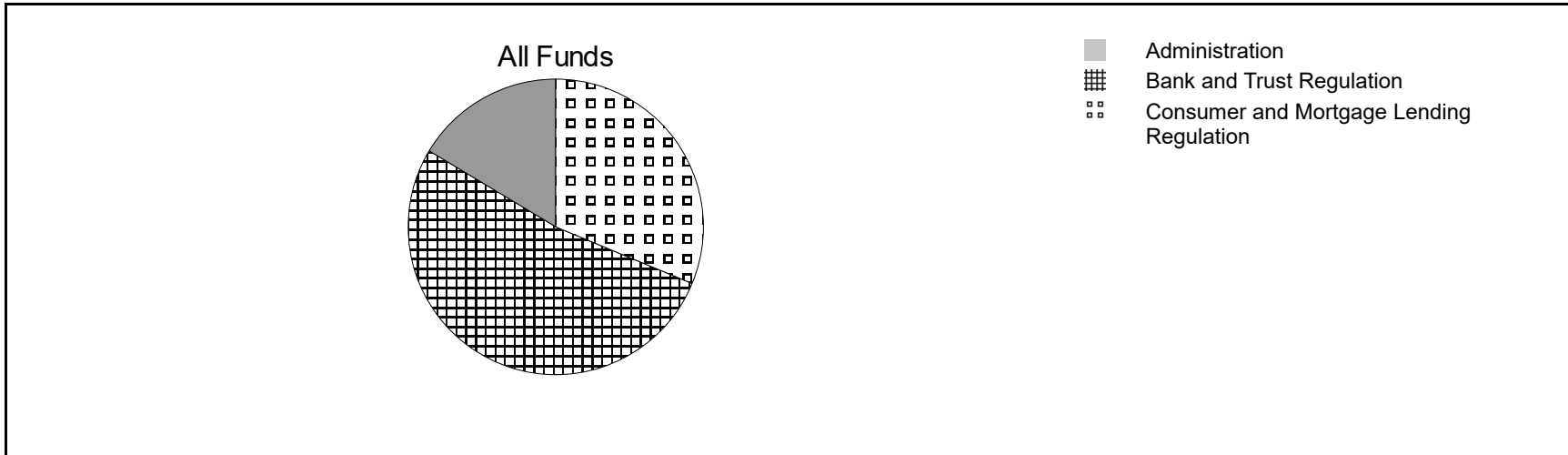
License	Current Fee	Statutory Limit
Company new or renewal license for principal place of business*	\$ 400	\$ 400
Company new or renewal license for branch office	300	300
Loan originator new license	100	100
Loan originator renewal license	50	150
Annual licensing fee** (per \$100,000)	3.00 - 6.00	N/A
Annual licensing fee** (per loan)	0.20 - 2.50	N/A
Notification location fee	25	N/A
Notification Volume Fee (per \$100,000)	5.00 - 10.00	N/A

*Credit Services Organization renewal license fee is \$150.

**Certain credit transactions are assessed on a per-loan basis and other on dollar volume based on the type of transaction.

PROGRAM DETAIL

EXPENDITURES BY PROGRAM—GOVERNOR'S FY 2020 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Administration	\$ 1,943,423	16.4 %	\$ 0	-- %
Bank and Trust Regulation	6,201,798	52.3	0	--
Consumer and Mortgage Lending Regulation	3,704,302	31.3	0	--
TOTAL	\$ 11,849,523	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Bank and Trust Regulation	56.0	56.0	56.0	56.0	56.0	56.0	56.0
Consumer and Mortgage Lending Regulation	36.0	36.0	36.0	36.0	36.0	36.0	36.0
TOTAL	106.0	106.0	106.0	106.0	106.0	106.0	106.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

A. Administration

The Administration program provides support for the supervisory and regulatory functions of the Office of State Bank Commissioner. This program encompasses many functions, including administering and formulating OSBC policies; administering fiscal systems and processes, including formulation of the OSBC budget; providing legal services to staff

in their execution of regulatory requirements; administering the human resource functions of recruitment, payroll, and benefits for employees of the OSBC; supporting information technologies utilized by the OSBC; and resolving banking complaints and inquiries from consumers.

PERFORMANCE MEASURES

<u>Measure</u>	<u>Actual FY 2016</u>	<u>Actual FY 2017</u>	<u>Gov. Rec. FY 2018</u>	<u>Actual FY 2018</u>	<u>Gov. Rec. FY 2019</u>	<u>Gov. Rec. FY 2020</u>	<u>Gov. Rec. FY 2021</u>
There are no performance measures submitted for this program.							
<u>Expenditures</u>							
All Funds (Dollars in Millions)	\$ 1.5	\$ 1.4	\$ 1.7	\$ 1.6	\$ 1.9	\$ 1.9	\$ 2.0
FTE Positions	14.0	13.0	12.0	14.0	14.0	14.0	14.0

ADMINISTRATION
SUMMARY OF EXPENDITURES FY 2018 – FY 2021

Item	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Expenditures:							
Salaries and Wages	\$ 900,567	\$ 1,269,638	\$ 1,269,638	\$ 1,328,623	\$ 1,328,623	\$ 1,364,313	\$ 1,364,313
Contractual Services	620,877	564,861	564,861	542,300	542,300	517,300	517,300
Commodities	19,008	24,000	24,000	19,000	19,000	19,000	19,000
Capital Outlay	21,222	38,500	38,500	53,500	53,500	53,500	53,500
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,561,674</u>	<u>\$ 1,896,999</u>	<u>\$ 1,896,999</u>	<u>\$ 1,943,423</u>	<u>\$ 1,943,423</u>	<u>\$ 1,954,113</u>	<u>\$ 1,954,113</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 1,561,674</u>	<u>\$ 1,896,999</u>	<u>\$ 1,896,999</u>	<u>\$ 1,943,423</u>	<u>\$ 1,943,423</u>	<u>\$ 1,954,113</u>	<u>\$ 1,954,113</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,561,674	1,896,999	1,896,999	1,943,423	1,943,423	1,954,113	1,954,113
TOTAL	<u>\$ 1,561,674</u>	<u>\$ 1,896,999</u>	<u>\$ 1,896,999</u>	<u>\$ 1,943,423</u>	<u>\$ 1,943,423</u>	<u>\$ 1,954,113</u>	<u>\$ 1,954,113</u>
FTE Positions	14.0	14.0	14.0	14.0	14.0	14.0	14.0

The **agency** requests \$1.9 million, all from special revenue funds, for the Administration program for FY 2020. The request is an all funds increase of \$46,424, or 2.4 percent, above the FY 2019 revised estimate. The increase is primarily due to higher temporary employee pay and employer contributions for employee retirement and group health insurance costs, partially offset by decreases for software maintenance fees. The request also includes 14.0 FTE positions, which is the same as the FY 2019 revised estimate.

The **Governor** concurs with the agency request for FY 2020.

The **agency** requests \$2.0 million, all from special revenue funds, for the Administration program for FY 2021. The request is an all funds increase of \$10,690, or 0.6 percent, above the FY 2020 agency request. The increase is primarily due to a shift between classified and unclassified employee pay and higher employer contributions for employee retirement, partially offset by decreases for temporary employee pay and software

maintenance fees. The request also includes 14.0 FTE positions, which is the same as the FY 2020 agency request.

The **Governor** concurs with the agency request for FY 2021.

B. Bank and Trust Regulation

The Bank and Trust Regulation program is responsible for oversight and supervision of all state-chartered banks and trust departments, trust companies, and money transmitter

companies. Total assets supervised in banks and trust entities are approximately \$91.1 billion.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of state-chartered banks	219	208	197	198	190	185	177
Assets of state-chartered banks (in billions)	\$ 39.7	\$ 42.4	\$ 44.2	\$ 59.2	\$ 65.1	\$ 70.3	\$ 70.3
Total assets of problem banks as a percentage of total bank assets	3.5 %	2.9 %	4.0 %	2.3 %	3.5 %	4.0 %	3.8 %
<u>Expenditures</u>							
All Funds (Dollars in Millions)	\$ 5.9	\$ 6.1	\$ 6.1	\$ 5.8	\$ 6.1	\$ 6.2	\$ 6.3
FTE Positions	59.0	60.0	60.0	56.0	56.0	56.0	56.0

**BANK AND TRUST REGULATION
SUMMARY OF EXPENDITURES FY 2018 – FY 2021**

Item	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Expenditures:							
Salaries and Wages	\$ 4,916,804	\$ 5,069,151	\$ 5,069,151	\$ 5,186,398	\$ 5,186,398	\$ 5,276,926	\$ 5,276,926
Contractual Services	790,612	930,050	930,050	904,200	904,200	914,200	914,200
Commodities	25,069	47,000	47,000	46,600	46,600	45,600	45,600
Capital Outlay	41,669	72,500	72,500	64,600	64,600	73,000	73,000
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 5,774,154</u>	<u>\$ 6,118,701</u>	<u>\$ 6,118,701</u>	<u>\$ 6,201,798</u>	<u>\$ 6,201,798</u>	<u>\$ 6,309,726</u>	<u>\$ 6,309,726</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 5,774,154</u>	<u>\$ 6,118,701</u>	<u>\$ 6,118,701</u>	<u>\$ 6,201,798</u>	<u>\$ 6,201,798</u>	<u>\$ 6,309,726</u>	<u>\$ 6,309,726</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	<u>5,774,154</u>	<u>6,118,701</u>	<u>6,118,701</u>	<u>6,201,798</u>	<u>6,201,798</u>	<u>6,309,726</u>	<u>6,309,726</u>
TOTAL	<u>\$ 5,774,154</u>	<u>\$ 6,118,701</u>	<u>\$ 6,118,701</u>	<u>\$ 6,201,798</u>	<u>\$ 6,201,798</u>	<u>\$ 6,309,726</u>	<u>\$ 6,309,726</u>
FTE Positions	56.0	56.0	56.0	56.0	56.0	56.0	56.0

The **agency** requests \$6.2 million, all from special revenue funds, for the Bank and Trust Regulation program for FY 2020. The request is an all funds increase of \$83,097, or 1.4 percent, above the FY 2019 revised estimate. The increase is primarily due to higher employer contributions for employee retirement and group health insurance costs. The increase is also due to higher temporary employee pay, partially offset by adjusted shrinkage rates. The request also includes 56.0 FTE positions, which is the same as the FY 2019 revised estimate.

The **Governor** concurs with the agency request for FY 2020.

The **agency** requests \$6.3 million, all from special revenue funds, for the Bank and Trust Regulation program for FY 2021. The request is an all funds increase of \$107,928, or 1.7 percent, above the FY 2020 agency request. The increase is primarily due to higher regular employee pay and employer contributions for employee retirement and group health insurance costs, partially offset by decreases for temporary employee pay. The

request also includes 56.0 FTE positions, which is the same as the FY 2020 agency request.

The **Governor** concurs with the agency request for FY 2021.

C. Consumer and Mortgage Lending Regulation

The Consumer and Mortgage Lending Regulation program is responsible for the oversight and supervision of consumer credit lenders, mortgage lenders and brokers, debt management companies, sales finance companies, and other credit providers, with approximately \$18.0 billion in loans to Kansas consumers. This program’s duties include promoting reasonable regulation to foster a competitive credit marketplace;

enforcing laws to discourage unscrupulous or illegal credit activities; licensing and regulating consumer and mortgage credit providers; conducting examinations to promote lawful credit practices and adherence to state and federal laws; investigating consumer complaints; and facilitating consumer education and awareness of credit issues.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of consumer and mortgage lending inquiries	N/A	N/A	N/A	1,659	1,659	1,659	1,659
Expenditures							
All Funds (Dollars in Millions)	\$ 3.0	\$ 3.0	\$ 3.3	\$ 3.5	\$ 3.5	\$ 3.7	\$ 3.7
FTE Positions	33.0	33.0	34.0	36.0	36.0	36.0	36.0

**CONSUMER AND MORTGAGE LENDING REGULATION
SUMMARY OF EXPENDITURES FY 2018 – FY 2021**

Item	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Expenditures:							
Salaries and Wages	\$ 2,593,476	\$ 2,940,773	\$ 2,940,773	\$ 3,043,202	\$ 3,043,202	\$ 3,128,916	\$ 3,128,916
Contractual Services	330,756	360,100	360,100	446,600	446,600	371,600	371,600
Commodities	8,292	12,100	12,100	16,100	16,100	16,100	16,100
Capital Outlay	19,069	28,000	28,000	28,400	28,400	20,000	20,000
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 2,951,593</i>	<i>\$ 3,340,973</i>	<i>\$ 3,340,973</i>	<i>\$ 3,534,302</i>	<i>\$ 3,534,302</i>	<i>\$ 3,536,616</i>	<i>\$ 3,536,616</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	192,500	170,000	170,000	170,000	170,000	170,000	170,000
TOTAL	<u>\$ 3,144,093</u>	<u>\$ 3,510,973</u>	<u>\$ 3,510,973</u>	<u>\$ 3,704,302</u>	<u>\$ 3,704,302</u>	<u>\$ 3,706,616</u>	<u>\$ 3,706,616</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	3,144,093	3,510,973	3,510,973	3,704,302	3,704,302	3,706,616	3,706,616
TOTAL	<u>\$ 3,144,093</u>	<u>\$ 3,510,973</u>	<u>\$ 3,510,973</u>	<u>\$ 3,704,302</u>	<u>\$ 3,704,302</u>	<u>\$ 3,706,616</u>	<u>\$ 3,706,616</u>
FTE Positions	36.0	36.0	36.0	36.0	36.0	36.0	36.0

The **agency** requests \$3.7 million, all from special revenue funds, for the Consumer and Mortgage Lending Regulation program for FY 2020. The request is an all funds increase of \$193,329, or 5.5 percent, above the FY 2019 revised estimate. The increase is primarily due to higher temporary employee pay, employer contributions for employee retirement, subsistence for in-state travel, and software maintenance fees. The request also includes 36.0 FTE positions, which is the same as the FY 2019 revised estimate.

The **Governor** concurs with the agency request for FY 2020.

The **agency** requests \$3.7 million, all from special revenue funds, for the Consumer and Mortgage Lending Regulation program for FY 2021. The request is an all funds increase of \$2,314, or 0.1 percent, above the FY 2020 agency request. The increase is primarily due to higher regular employee pay, offset by decreases for temporary employee pay, employer contributions for group health insurance, and software maintenance fees in FY 2020 that are not anticipated for FY 2021. The request also includes 36.0 FTE positions, which is the same as the FY 2020 agency request.

The **Governor** concurs with the agency request for FY 2021.

BOARD OF BARBERING

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	138,435	154,231	151,968	163,614	159,614	163,852	159,852
<i>Subtotal</i>	<i>\$ 138,435</i>	<i>\$ 154,231</i>	<i>\$ 151,968</i>	<i>\$ 163,614</i>	<i>\$ 159,614</i>	<i>\$ 163,852</i>	<i>\$ 159,852</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 138,435	\$ 154,231	\$ 151,968	\$ 163,614	\$ 159,614	\$ 163,852	\$ 159,852

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(8.6)	11.4	9.8	6.1	(2.4)	0.1	(2.4)
FTE Positions	2.3	2.3	2.3	2.3	2.3	2.3	2.3

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The mission of the Kansas Board of Barbering is to protect the health and welfare of the consuming public through the enforcement of existing barber statues and sanitary regulations established for the barbering profession; ensure only qualified and well trained barbers and barber instructors are licensed;

ensure all shops and barber colleges are properly licensed for operation; and provide information to barbers concerning all technical, medical, and scientific data, which may enhance the protection of the public. To protect this mission, it employs an inspector who is a lifetime barber and barber instructor.

MAJOR ISSUES FROM PRIOR YEARS

The **1998, 1999, 2000, 2001, 2002, 2003, 2010, and 2017 Sessions** considered merging the administrative functions of the Board of Barbering and the Board of Cosmetology.

The **2012 Legislature** added \$10,000, all from the Board of Barbering Fee Fund, for the Administrative Officer's salary and other miscellaneous items in both FY 2012 and FY 2013.

The **2014 Legislature** deleted 0.5 FTE positions to change a part-time 0.5 FTE Inspector position to a 0.6 non-FTE position in FY 2014 and for FY 2015.

The **2015 Legislature** added \$3,985, all from the Board of Barbering Fee Fund, to provide health insurance to an Inspector position in FY 2015 and to continue to provide insurance for this position in future years.

The **2017 Legislature** did not approve the Governor's recommendation to merge the Board of Barbering with the Board of Cosmetology. The merger would have added \$114,297 in FY 2018 and \$114,258 for FY 2019 in expenditures and 1.5 non-FTE positions to the Board of Cosmetology. The Board of Barbering Fee Fund would have been transferred to the Board of Cosmetology.

The **2018 Legislature** added language to increase the expenditures from the Board of Barbering Fee Fund for hospitality to \$500 for FY 2018 and FY 2019.

The **2018 Legislature** deleted \$38,091 in FY 2018 and \$37,055 for FY 2019, all from the Board of Barbering Fee Fund, to reduce the Administrator position from a 1.0 FTE position to a 0.5 FTE position, and for a decrease in contractual services.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** requests a revised estimate of \$154,231, all from the Board of Barbering Fee Fund, including a supplemental request of \$2,263 in FY 2019. This is an increase of \$2,263, or 1.5 percent, above the amount approved by the 2018 Legislature. The increase is primarily due to an increase in

contractual services (\$3,795) and commodities (\$1,755), which is partially offset by a decrease in salaries and wages (\$3,287). The revised estimate includes 2.3 FTE positions, which is 0.3 FTE more than the number approved by the 2018 Legislature.

FY 2019 Governor Recommendation

The **Governor** concurs with the agency's revised estimate of \$151,968 in FY 2019, but does not recommend the supplemental funding of \$2,263.

FY 2020 Agency Request

The **agency** requests \$163,614, all from the Board of Barbering Fee Fund, for FY 2020. This is an increase of \$9,383, or 6.1 percent, above the FY 2019 revised estimate. The

increase is due to an increase in salaries and wages. The agency requests 2.3 FTE positions, which is the same number as the FY 2019 revised estimate.

FY 2020 Governor Recommendation

The **Governor** recommends \$159,614, which is a decrease of \$4,000, for FY 2020. The decrease is due to office rent (\$2,000) and office supplies (\$2,000).

FY 2021 Agency Request

The **agency** requests \$163,852, all from the Board of Barbering Fee Fund, for FY 2021. This is an increase of \$238,

or 0.1 percent, above the FY 2020 request. The increase is due to an increase in salaries and wages. The agency requests 2.3

FTE positions, which is the same number as the FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** recommends \$159,852, which is a decrease of \$4,000, for FY 2021. The decrease is due to office rent (\$2,000) and office supplies (\$2,000).

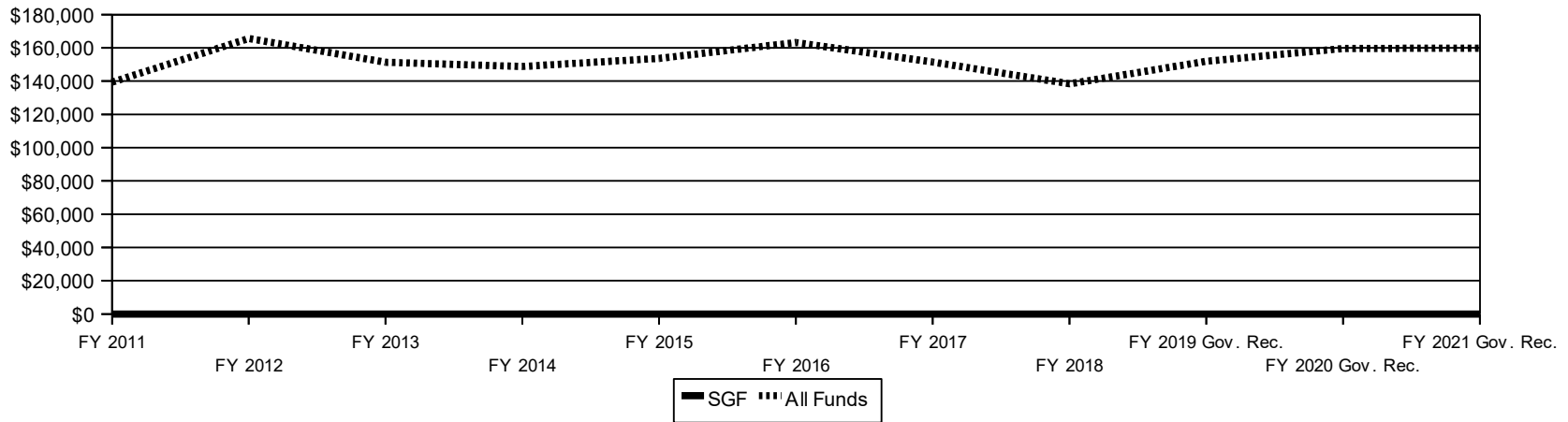
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Percent of barber colleges with sanitation violations	N/A	N/A	N/A	N/A	0 %	0 %	0 %
Percent of barber shops found in violation of statutory and regulatory requirements	N/A	11 %	11 %	11 %	10 %	9 %	8 %
Percent of examinees failing at least one part of a three-part examination	N/A	N/A	36 %	28 %	30 %	25 %	25 %
Percent of expired licenses restored by licensees	N/A	N/A	36 %	28 %	18 %	15 %	14 %
Agency Expenditures							
All Funds	\$ 163,244	\$ 151,470	\$ 150,398	\$ 138,435	\$ 151,968	\$ 159,614	\$ 159,852
FTE Positions	2.5	1.5	2.0	2.3	2.3	2.3	2.3

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 139,410	9,999.0 %	2.4
2012	0	--	165,650	18.8	2.4
2013	0	--	151,342	(8.6)	2.4
2014	0	--	148,806	(1.7)	2.5
2015	0	--	153,679	3.3	2.5
2016	0	--	163,244	6.2	2.5
2017	0	--	151,470	(7.2)	1.5
2018	0	--	138,435	(8.6)	2.3
2019 Gov. Rec.	0	--	151,968	9.8	2.3
2020 Gov. Rec.	0	--	159,614	5.0	2.3
2021 Gov. Rec.	0	--	159,852	0.1	2.3
Eleven-Year Change	\$ 0	-- %	\$ 20,442	14.7 %	(0.1)

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 138,435	\$ 154,231	\$ 163,614	\$ 9,383	6.1 %	\$ 151,968	\$ 159,614	\$ 7,646	5.0 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 94,238	\$ 109,831	\$ 119,214	\$ 9,383	8.5 %	\$ 109,831	\$ 119,214	\$ 9,383	8.5 %
Contractual Services	39,694	39,694	39,694	0	--	39,433	37,694	(1,739)	(4.4)
Commodities	2,706	4,706	4,706	0	--	2,704	2,706	2	0.1
Capital Outlay	1,797	0	0	0	--	0	0	0	--
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 138,435</i>	<i>\$ 154,231</i>	<i>\$ 163,614</i>	<i>\$ 9,383</i>	<i>6.1 %</i>	<i>\$ 151,968</i>	<i>\$ 159,614</i>	<i>\$ 7,646</i>	<i>5.0 %</i>
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 138,435	\$ 154,231	\$ 163,614	\$ 9,383	6.1 %	\$ 151,968	\$ 159,614	\$ 7,646	5.0 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Board of Barbering FF	138,435	154,231	163,614	9,383	6.1	151,968	159,614	7,646	5.0
TOTAL	\$ 138,435	\$ 154,231	\$ 163,614	\$ 9,383	6.1 %	\$ 151,968	\$ 159,614	\$ 7,646	5.0 %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 163,614	163,852	238	0.1 %	\$ 159,614	\$ 159,852	\$ 238	0.1 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 119,214	\$ 119,452	\$ 238	0.2 %	\$ 119,214	\$ 119,452	\$ 238	0.2 %
Contractual Services	39,694	39,694	0	--	37,694	37,694	0	--
Commodities	4,706	4,706	0	--	2,706	2,706	0	--
Capital Outlay	0	0	0	--	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 163,614</i>	<i>\$ 163,852</i>	<i>\$ 238</i>	<i>0.1 %</i>	<i>\$ 159,614</i>	<i>\$ 159,852</i>	<i>\$ 238</i>	<i>0.1 %</i>
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 163,614	\$ 163,852	\$ 238	0.1 %	\$ 159,614	\$ 159,852	\$ 238	0.1 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Board of Barbering FF	163,114	163,352	238	0.1	159,114	159,352	238	0.1
TOTAL	\$ 163,114	\$ 163,352	\$ 238	0.1 %	\$ 159,114	\$ 159,352	\$ 238	0.1 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	151,968	154,231	2,263	151,968	0
TOTAL	\$ 151,968	\$ 154,231	\$ 2,263	\$ 151,968	\$ 0
FTE Positions	2.0	2.3	0.3	2.3	0.3

The **agency** requests a revised estimate of \$154,231, all from special revenue funds, including a supplemental request of \$2,263 in FY 2019. This is an all funds increase of \$2,263, or 1.5 percent, above the amount approved by the 2018 Legislature. The revised estimate includes 2.3 FTE positions, which is an increase of 0.3 FTE positions above the approved number. This is due to the amount of work a current agency employee does, which is more than her current FTE position. Categories of expenditures are detailed below:

- **Salaries and Wages.** The agency estimates \$109,831, which is a decrease of \$3,287, or 2.9

percent, below the amount approved by the 2018 Legislature. The decrease is primarily attributable to decreases in group health hospitalization and unclassified temporary pay due to an agency employee not taking state insurance. The overall decrease is partially offset by an increase of \$5,151 in unclassified salaries;

- **Contractual Services.** The agency estimates \$39,694, which is an increase of \$3,795, or 10.6 percent, above the amount approved by the 2018 Legislature. The increase is primarily attributable

to computer programming and printing. This is due to the need to upgrade technology, creating electronic logs, and providing an online payment system. This increase is partially offset by a decrease of \$1,716 in building rent; and

- **Commodities.** The agency estimates \$4,706, which is a increase of \$1,755, or 59.5 percent, above the amount approved by the 2018 Legislature. The increase is primarily attributable

to the agency ordering office supplies for the coming year, as well as replacing and replenishing agency stationery and envelopes, due to the change of governorship, which requires changes to the agency's letterhead. The agency also needs a new scanner and external hard drive.

The **Governor** concurs with the agency's revised estimate of \$151,968 in FY 2019, but does not recommend the supplement funding of \$2,263.

Supplemental Detail

FY 2019 SUPPLEMENTALS						
Supplementals	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Meals, lodging, stationary and office supplies	\$ 0	\$ 2,263	0.0	\$ 0	\$ 0	0.0

The **agency** requests \$2,263 in supplemental funding for meals and lodging and to purchase stationery and envelopes, a new scanner, and an external hard drive in FY 2019.

The **Governor** does not recommend the supplemental funding of \$2,263.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 163,614	\$ 159,614	\$ (4,000)
FTE Positions	2.3	2.3	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	9,383	7,646	
TOTAL	\$ 9,383	\$ 7,646	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	6.1	5.0	
TOTAL	6.1 %	(2.4) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$163,614, all from special revenue funds, for FY 2020. This is an all funds increase of \$9,383, or 6.1 percent, above the agency's FY 2019 revised estimate. The request includes 2.3 FTE positions, which is no change from the FY 2019 revised estimate.

Categories of expenditure are detailed below:

- **Salaries and Wages.** The agency requests \$119,214, which is an increase of \$9,383, or 8.5 percent, above the agency's FY 2019 revised estimate. The increase is primarily attributable to employer contributions to the public employee

retirement system and increased wages for unclassified temporary employees;

- **Contractual Services.** The agency requests \$39,694, which is no change from the FY 2019 revised estimate; and

- **Commodities.** The agency requests \$4,706, which is no change from the FY 2019 revised estimate.

The **Governor** recommends \$159,614, which is a decrease of \$4,000, for FY 2020. The decrease is due to office rent (\$2,000) and office supplies (\$2,000).

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 163,352	\$ 159,352	\$ (4,000)
FTE Positions	2.3	2.3	0.0
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	238	238	
TOTAL	\$ 238	\$ 238	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	0.1	0.1	
TOTAL	0.1 %	(2.4) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$163,852, all from special revenue funds, for FY 2021. This is an all funds increase of \$238, or 0.1 percent, above the agency's FY 2020 request. The FY 2021 request includes 2.3 FTE positions, which is no change from the agency's FY 2020 request.

Categories of expenditure are detailed below:

- **Salaries and Wages.** The agency requests \$119,452, which is an increase of \$238, or 0.2 percent, above the agency's FY 2020 request;

- **Contractual Services.** The agency requests \$39,694, which is no change from the agency's FY 2020 request; and
- **Commodities.** The agency requests \$4,706, which is no change from the agency's FY 2020 request.

The **Governor** recommends \$159,852, which is a decrease of \$4,000, for FY 2021. The decrease is due to office rent (\$2,000) and office supplies (\$2,000).

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$811.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, there are no longevity payments.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
Board of Barbering Fee Fund	100.0	100.0	100.0	100.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Board of Barber Fee Fund Analysis

The Board of Barbering is a fee-funded agency. The revenue received provides financing for all agency operations, with 90.0 percent being retained by the agency and 10.0 percent being deposited in the State General Fund. The 2011

Legislature lowered the Board's required contribution to the State General Fund from 20.0 percent to 10.0 percent. In addition, 100.0 percent of all fines are deposited in the State General Fund.

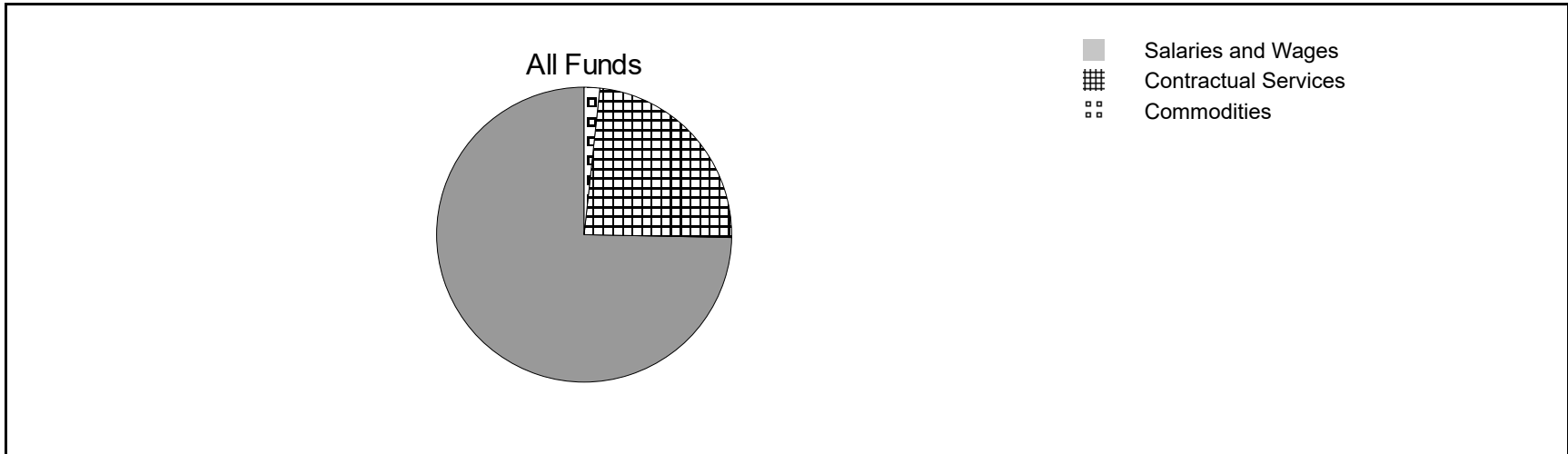
Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 29,948	\$ 38,536	\$ 38,536	\$ 37,755	\$ 40,018	\$ 27,591	\$ 33,854
Revenue	147,023	153,450	153,450	153,450	153,450	153,450	153,450
Transfers in	0	0	0	0	0	0	0
<i>Funds Available</i>	<i>\$ 176,971</i>	<i>\$ 191,986</i>	<i>\$ 191,986</i>	<i>\$ 191,205</i>	<i>\$ 193,468</i>	<i>\$ 181,041</i>	<i>\$ 187,304</i>
Less:							
Expenditures	\$ 138,435	\$ 154,231	\$ 151,968	\$ 163,614	\$ 159,614	\$ 163,852	\$ 159,852
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 38,536</u>	<u>\$ 37,755</u>	<u>\$ 40,018</u>	<u>\$ 27,591</u>	<u>\$ 33,854</u>	<u>\$ 17,189</u>	<u>\$ 27,452</u>
Ending Balance as Percent of Expenditures	27.8%	24.5%	--	16.9%	--	10.5%	--
Month Highest Ending Balance	May \$ 49,596	April \$ 36,704	April \$ 36,704	April \$ 21,916	April \$ 21,916	April \$ 5,123	April \$ 5,123
Month Lowest Ending Balance	July \$ 10,144	February \$ 23,912	February \$ 23,912	February \$ 10,728	February \$ 10,728	February \$ (6,031)	February \$ (6,031)

LICENSURE FEES

<u>License</u>	<u>Current Fee</u>	<u>Statutory Limit</u>
Barber License (original and renewal)	\$ 80	\$ 80
Barber Examination Fee	100	100
Barber Reciprocity Fee	180	180
New Shop License	80	80
Shop License Renewal and Inspection Fee	40	40
Barber Instructor License (original and renewal)	40	90
Barber Instructor Examination Fee	170	170
License to Operate Barber School/College	500	500
Seminar Permit	80	80
Student Learning License	55	55
Duplicate License	5	5

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 119,214	74.7 %	\$ 0	-- %
Contractual Services	37,694	23.6	0	--
Commodities	2,706	1.7	0	--
TOTAL	\$ 159,614	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	2.3	2.3	2.3	2.3	2.3	2.3	2.3

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

BEHAVIORAL SCIENCES REGULATORY BOARD

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	673,485	790,781	790,781	939,864	939,864	947,220	947,220
<i>Subtotal</i>	<i>\$ 673,485</i>	<i>\$ 790,781</i>	<i>\$ 790,781</i>	<i>\$ 939,864</i>	<i>\$ 939,864</i>	<i>\$ 947,220</i>	<i>\$ 947,220</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 673,485	\$ 790,781	\$ 790,781	\$ 939,864	\$ 939,864	\$ 947,220	\$ 947,220

Percentage Change:

Operating Expenditures

State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	1.6	17.4	17.4	18.9	18.9	0.8	0.8
FTE Positions	9.0	9.0	9.0	9.0	9.0	9.0	9.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Behavioral Sciences Regulatory Board was created by the 1980 Legislature to regulate the practice of psychology and social work in Kansas. The Board's jurisdiction has expanded to include the licensing of professional counselors, masters level psychologists, psychotherapists, marriage and family therapists, alcohol and other drug abuse counselors, and behavior analysts. The Board derives its funding entirely through licensing and registration fees assessed to its credentialed practitioners.

MAJOR ISSUES FROM PRIOR YEARS

The **2009 Legislature** passed HB 2162, which amended the licensing requirements for marriage and family therapists in Kansas by removing the requirement of completing a program of study with standards consistent with those of state universities in Kansas. The bill also increased the statutory maximum the Board is permitted to charge for the application fee for the licensure of a psychologist from \$150 to \$225 and reduced the statutory maximum of the original license fee from \$200 to \$150.

The **2010 Legislature** changed alcohol and other drug abuse counselors from registrants to licensees. The two categories created by this legislation are the licensed addiction counselor and the licensed clinical addiction counselor. It also increased the size of the Board from 11 to 12 members.

The **2013 Legislature** changed how fees are paid for licensure examinations under the Licensure of Psychologists Act, KSA 74-5301 *et seq.*, which requires individuals to pay testing costs directly to the examination service in FY 2014.

The 12 members of the Board include two licensed psychologists, two licensed social workers, one licensed professional counselor, one licensed masters level psychologist, one licensed marriage and family therapist, one licensed addiction counselor or licensed clinical addiction counselor, and four public members. The Governor appoints all Board members to serve four-year terms.

The **2014 Legislature** passed HB 2744, which included the Applied Behavior Analysis Licensure Act. This act established a new category of licensure for behavioral analysts and changed rules related to insurance coverage for treatment of autism spectrum disorders. The Board began licensing behavioral analysts on July 1, 2016.

The **Governor's July 30, 2015 allotment** transferred \$500,000 from the Behavioral Sciences Regulatory Board Fee Fund to the State General Fund.

The **2016 Legislature** passed HB 2615, which standardized regulatory statutes administered by the Board, including provisions pertaining to licensure by reciprocity, the reasons for disciplinary action against a licensee, and the licensure fees charged by the Board. The bill further allowed the Board to require fingerprinting and background checks on licensees, established supervisory training standards for professional counselors and marriage and family therapists, and created a new category of licensure for Masters Level Addiction

Counselors. Additionally, the bill grandfathered credentialed or registered alcohol and other drug counselors who comply with specific requirements prior to July 1, 2017.

The **2018 Legislature** passed SB 386 to allow licensure for applicants who earned a graduate degree in a counseling-related field as long as all the remaining qualifications set forth in statute are met. The bill also clarified that the licensure requirement of 45 graduate semester hours in various areas set forth in statute is counseling coursework.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** submits a revised estimate of \$790,781, all from special revenue funds, in FY 2019, which is the same amount approved by the 2018 Legislature. The revised estimate includes 9.0 FTE positions, which is a decrease of 2.0 positions below the approved number. The decrease is attributable to the elimination of 2.0 positions that were not funded.

The agency indicated the revised estimate includes the cost associated with transitioning to the Microsoft Office 365 environment and incorporating servers and computers into the Office of Information Technology Services hosted environment.

FY 2019 Governor Recommendation

The **Governor** concurs with the agency's revised estimate.

FY 2020 Agency Request

The **agency** requests FY 2020 operating expenditures totaling \$939,864, all from special revenue funds. The request is an increase of \$149,083, or 18.9 percent, above the FY 2019 revised estimate. The increase is mainly attributable to increases in contractual services.

The agency request includes 9.0 FTE positions, which is the same as the FY 2019 revised estimate.

FY 2020 Governor Recommendation

The **Governor** concurs with the agency's request.

FY 2021 Agency Request

The **agency** requests FY 2021 expenditures totaling \$947,220, all from special revenue funds. The request is an increase of \$7,356, or 0.8 percent, above the FY 2020 request.

The agency request includes 9.0 FTE positions, which is the same as the FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency's request.

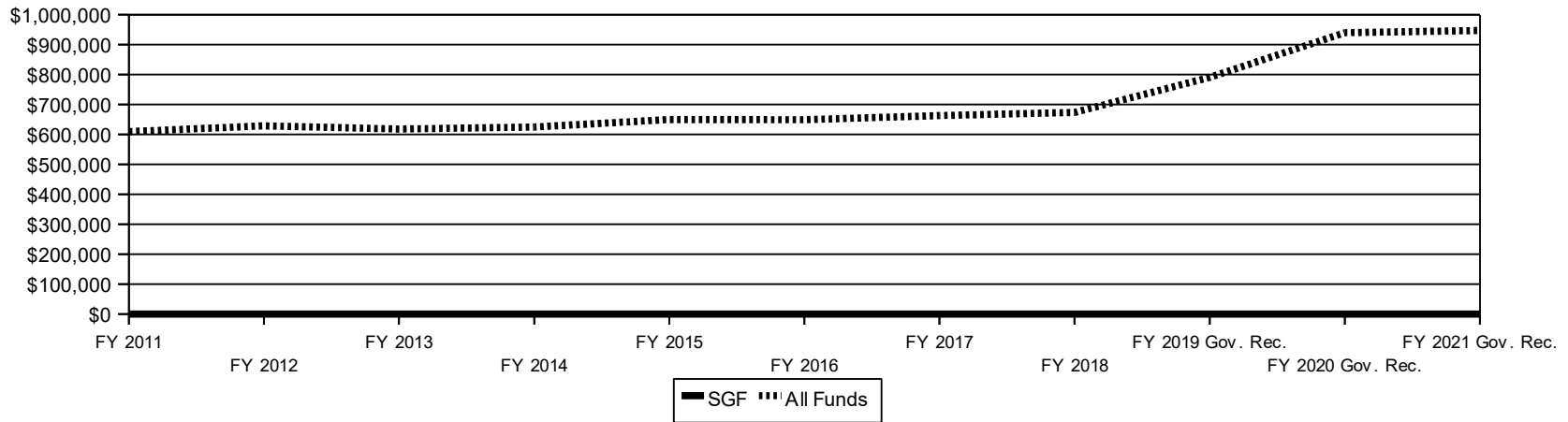
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of reports of alleged violations by practitioners licensed by the Board	N/A	N/A	N/A	126	130	135	132
Percent of investigative reports finalized and submitted to the Complaint Review Committee within 180 days of receipt of complaint	N/A	N/A	N/A	85.0 %	90.0 %	90.0 %	90.0 %
Agency Expenditures							
All Funds (Dollars in Thousands)	\$ 649.3	\$ 761.2	\$ 761.2	\$ 673.5	\$ 790.8	\$ 939.9	\$ 947.2
FTE Positions	9.0	11.0	11.0	9.0	9.0	9.0	9.0

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 609,218	4.9 %	8.0
2012	0	--	628,603	3.2	8.0
2013	0	--	618,070	(1.7)	9.0
2014	0	--	624,529	1.0	9.0
2015	0	--	649,634	4.0	9.0
2016	0	--	649,313	(0.0)	9.0
2017	0	--	662,913	2.1	9.0
2018	0	--	673,485	1.6	9.0
2019 Gov. Rec.	0	--	790,781	17.4	9.0
2020 Gov. Rec.	0	--	939,864	18.9	9.0
2021 Gov. Rec.	0	--	947,220	0.8	9.0
Eleven-Year Change	\$ 0	-- %	\$ 338,002	55.5 %	1.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Licensing and Renewal	\$ 673,282	\$ 687,238	\$ 813,635	\$ 126,397	18.4 %	\$ 687,238	\$ 813,635	\$ 126,397	18.4 %
Investigation & Discipline	203	103,543	126,229	22,686	21.9	103,543	126,229	22,686	21.9
TOTAL	\$ 673,485	\$ 790,781	\$ 939,864	\$ 149,083	18.9 %	\$ 790,781	\$ 939,864	\$ 149,083	18.9 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 509,579	\$ 581,514	\$ 587,922	\$ 6,408	1.1 %	\$ 581,514	\$ 587,922	\$ 6,408	1.1 %
Contractual Services	147,419	193,442	337,417	143,975	74.4	193,442	337,417	143,975	74.4
Commodities	7,598	10,675	10,725	50	0.5	10,675	10,725	50	0.5
Capital Outlay	8,889	5,150	3,800	(1,350)	(26.2)	5,150	3,800	(1,350)	(26.2)
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 673,485</i>	<i>\$ 790,781</i>	<i>\$ 939,864</i>	<i>\$ 149,083</i>	<i>18.9 %</i>	<i>\$ 790,781</i>	<i>\$ 939,864</i>	<i>\$ 149,083</i>	<i>18.9 %</i>
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 673,485	\$ 790,781	\$ 939,864	\$ 149,083	18.9 %	\$ 790,781	\$ 939,864	\$ 149,083	18.9 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
BSRB Fee Fund	673,485	790,781	939,864	149,083	18.9	790,781	939,864	149,083	18.9
All Other Funds	0	0	0	0	--	0	0	0	--
TOTAL	\$ 673,485	\$ 790,781	\$ 939,864	\$ 149,083	18.9 %	\$ 790,781	\$ 939,864	\$ 149,083	18.9 %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Licensing and Renewal	\$ 813,635	\$ 820,720	\$ 7,085	0.9 %	\$ 813,635	\$ 820,720	\$ 7,085	0.9 %
Investigation & Discipline	126,229	126,500	271	0.2	126,229	126,500	271	0.2
TOTAL	\$ 939,864	\$ 947,220	\$ 7,356	0.8 %	\$ 939,864	\$ 947,220	\$ 7,356	0.8 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 587,922	\$ 591,387	\$ 3,465	0.6 %	\$ 587,922	\$ 591,387	\$ 3,465	0.6 %
Contractual Services	337,417	340,708	3,291	1.0	337,417	340,708	3,291	1.0
Commodities	10,725	11,025	300	2.8	10,725	11,025	300	2.8
Capital Outlay	3,800	4,100	300	7.9	3,800	4,100	300	7.9
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 939,864	\$ 947,220	\$ 7,356	0.8 %	\$ 939,864	\$ 947,220	\$ 7,356	0.8 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 939,864	\$ 947,220	\$ 7,356	0.8 %	\$ 939,864	\$ 947,220	\$ 7,356	0.8 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
BSRB Fee Fund	939,864	947,220	7,356	0.8	939,864	947,220	7,356	0.8
All Other Funds	0	0	0	--	0	0	0	--
TOTAL	\$ 939,864	\$ 947,220	\$ 7,356	0.8 %	\$ 939,864	\$ 947,220	\$ 7,356	0.8 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency's revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	790,781	790,781	0	790,781	0
TOTAL	\$ 790,781	\$ 790,781	\$ 0	\$ 790,781	\$ 0
FTE Positions	11.0	9.0	(2.0)	9.0	(2.0)

The **agency** requests a revised estimate of \$790,781, all from special revenue funds, in FY 2019, which is the same amount approved by the 2018 Legislature. The revised estimate includes 9.0 FTE positions, which is a decrease of 2.0 positions below the approved number. The decrease is attributable to the elimination of 2.0 positions that were not funded.

The agency indicated the revised estimate includes the cost associated with transitioning to the Microsoft Office 365 environment and incorporating servers and computers into Office of Information Technology Services (OITS) hosted environment.

The **Governor** concurs with the agency's revised estimate.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 939,864	\$ 939,864	\$ 0
FTE Positions	9.0	9.0	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	149,083	149,083	
TOTAL	\$ 149,083	\$ 149,083	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	18.9	18.9	
TOTAL	18.9 %	18.9 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2020 operating expenditures totaling \$939,864, all from special revenue funds. The request is an increase of \$149,083, or 18.9 percent, above the FY 2019 revised estimate. The increase is mainly attributable to increases in salaries and wages and contractual services. The agency request includes 9.0 FTE positions, which is the same as the FY 2019 revised estimate.

The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests \$587,922 for salaries and wages expenditures, which is an increase of \$6,408, or 1.1 percent, above the FY 2019 revised estimate. The majority of the increase is attributable to increases in employer contributions to the

employee retirement system and health insurance expenditures;

- **Contractual Services.** The agency requests \$337,417 for contractual services, which is an increase of \$143,975, or 74.4 percent, above the FY 2019 revised estimate. The request includes the addition of \$70,000 (to be paid annually) to the Kansas Board of Healing Arts to support the licensing database and increased expenditures for billing by the Office of the Kansas Attorney General for work by attorneys on behalf of the Board, estimated at approximately \$75,000 for FY 2020. Also included are expenditures for OITS service desk users, enterprise security charges, and computer hardware leases. Other adjustments include rent and associated monumental building surcharges, travel, and professional fees. The fees include computer

consulting, expert witness, and court reporter fees;

- **Commodities.** The agency requests commodities totaling \$10,725, which is an increase of \$50, or 0.5 percent, above the FY 2019 revised estimate. The majority of the expenditures are for professional supplies and office supplies; and
- **Capital Outlay.** The majority of requested capital outlay expenditures, which total \$3,800, will be expended for the replacement of office furniture, desktop scanners, a fax machine, and a printer. This is a decrease of \$1,350, or 26.2 percent, below the FY 2019 revised estimate.

The **Governor** concurs with the agency's request.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 947,220	\$ 947,220	\$ 0
FTE Positions	9.0	9.0	0.0
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	7,356	7,356	
TOTAL	\$ 7,356	\$ 7,356	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	0.8	0.8	
TOTAL	0.8 %	0.8 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2021 expenditures totaling \$947,220, all from special revenue funds. The request is an increase of \$7,356, or 0.8 percent, above the FY 2020 request. The agency request includes 9.0 FTE positions, the same as the FY 2020 request. The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests \$591,387 for salaries and wages expenditures,

which is an increase of \$3,465, or 0.6 percent, above the FY 2020 request. The majority of the increase is attributable to increases in health insurance expenditures and other fringe benefits;

- **Contractual Services.** The agency requests \$340,708 for contractual services, which is an increase of \$3,291, or 1.0 percent, above the FY 2020 request. The majority of expenditures are

attributable to rent and associated monumental building surcharges, travel, and professional fees. The fees include computer consulting, expert witness, and court reporter fees. The majority of increases are attributable to fees and travel expenditures. The contractual services request includes the continuation of \$70,000 (to be paid annually) to the Kansas Board of Healing Arts to support the licensing database and payments to the Office of the Kansas Attorney General for work by attorneys on behalf of the Board, estimated at approximately \$75,000 for FY 2021. Also included are continued expenditures for OITS service desk users, enterprise security charges, and computer hardware leases;

- **Commodities.** The agency requested commodities totaling \$11,025, which is an increase of \$300, or 2.8 percent, above the FY 2020 request. The majority of the expenditures are for professional supplies and office supplies; and
- **Capital Outlay.** The agency requests capital outlay expenditures totaling \$4,100, which is an increase of \$300, or 7.9 percent, above the FY 2020 request. The majority of capital outlay expenditures are utilized for the replacement of existing equipment.

The **Governor** concurs with the agency's request.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$11,929, all from special revenue funds.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, FY 2019 and FY 2020 longevity payments total \$0.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
BSRB Fee Fund	100.0	100.0	100.0	100.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Behavioral Sciences Regulatory Board Fee Fund Analysis

In accordance with KSA 74-7505, the Behavioral Sciences Regulatory Board Fee Fund replaced the Psychologists Fee Fund and the Social Work Examiners Fee Fund in 1980. The new Board inherited the previous Boards' authorities to set, charge, and collect fees. As a fee-funded agency, the Board currently contributes the lesser of 10.0 percent or \$100,000 of fee revenue to the State General Fund for the cost of support services provided by other state agencies under KSA 75-3170a, and the remainder is held in the agency fee fund. These retained fees fund the agency.

Beginning in FY 2016, the Board approved a reduction in all fees for all licensees. All application and renewal fees will be reduced by \$50 and original licensure fees will be eliminated. The Board instituted these fee reductions to reduce the Fund's carry forward balance. The current proposal includes reducing application and license fees by \$50, while maintaining original license fees.

Rules and regulations establishing fees charged by the agency were presented to the Joint Committee on Administrative Rules and Regulations on January 7, 2019, and were scheduled for public hearing on February 13, 2019.

Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 1,631,058	\$ 2,080,214	\$ 2,080,214	\$ 1,968,683	\$ 1,968,683	\$ 1,814,104	\$ 1,814,104
Revenue	1,122,641	679,250	679,250	785,285	785,285	692,351	692,351
Transfers in	0	0	0	0	0	0	0
<i>Funds Available</i>	<u>\$ 2,753,699</u>	<u>\$ 2,759,464</u>	<u>\$ 2,759,464</u>	<u>\$ 2,753,968</u>	<u>\$ 2,753,968</u>	<u>\$ 2,506,455</u>	<u>\$ 2,506,455</u>
Less:							
Expenditures	\$ 673,485	\$ 790,781	\$ 790,781	\$ 939,864	\$ 939,864	\$ 947,220	\$ 947,220
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 2,080,214</u>	<u>\$ 1,968,683</u>	<u>\$ 1,968,683</u>	<u>\$ 1,814,104</u>	<u>\$ 1,814,104</u>	<u>\$ 1,559,235</u>	<u>\$ 1,559,235</u>
Ending Balance as Percent of Expenditures	308.9%	249.0%	249.0%	193.0%	193.0%	164.6%	164.6%
	June	June	June	June	June	June	June
Month Highest Ending Balance	<u>\$ 2,531,872</u>	<u>\$ 2,396,125</u>	<u>\$ 2,396,125</u>	<u>\$ 2,207,984</u>	<u>\$ 2,207,984</u>	<u>\$ 1,897,777</u>	<u>\$ 1,897,777</u>
	July	July	July	July	July	July	July
Month Lowest Ending Balance	\$ 2,103,231	\$ 1,990,466	\$ 1,990,466	\$ 1,834,177	\$ 1,834,177	\$ 1,576,488	\$ 1,576,488

LICENSURE FEES

License	Current Fee*	Statutory Limit
Renewal Fees:		
Social Worker (Associate & Bachelors)	\$ 100	\$ 150
Social Worker (Masters)	125	200
Social Worker (Specialist Clinical)	150	150
Masters Level Psychologist	150	200
Clinical Psychotherapist	175	200
Psychologist	200	200
Professional Counselor	150	150
Clinical Professional Counselor	175	175
Marriage and Family Therapist	150	175
Clinical Marriage and Family Therapist	175	175
Addiction Counselor	100	150
Clinical Addiction Counselor	150	150
Applied Behavioral Analyst	120	N/A
Application Fees:		
Social Worker (Bachelors)	\$ 100	\$ 150
Social Worker (Masters)	100	150
Social Worker (Specialist Clinical)	100	150
Masters Level Psychologist	100	200
Clinical Psychotherapist	100	200
Psychologist	225	225
Professional Counselor	100	100
Clinical Professional Counselor	100	175
Marriage and Family Therapist	100	150

Clinical Marriage and Family Therapist	\$	100	\$	175
Addiction Counselor		100		150
Clinical Addiction Counselor		100		150
Applied Behavioral Analyst		70		N/A

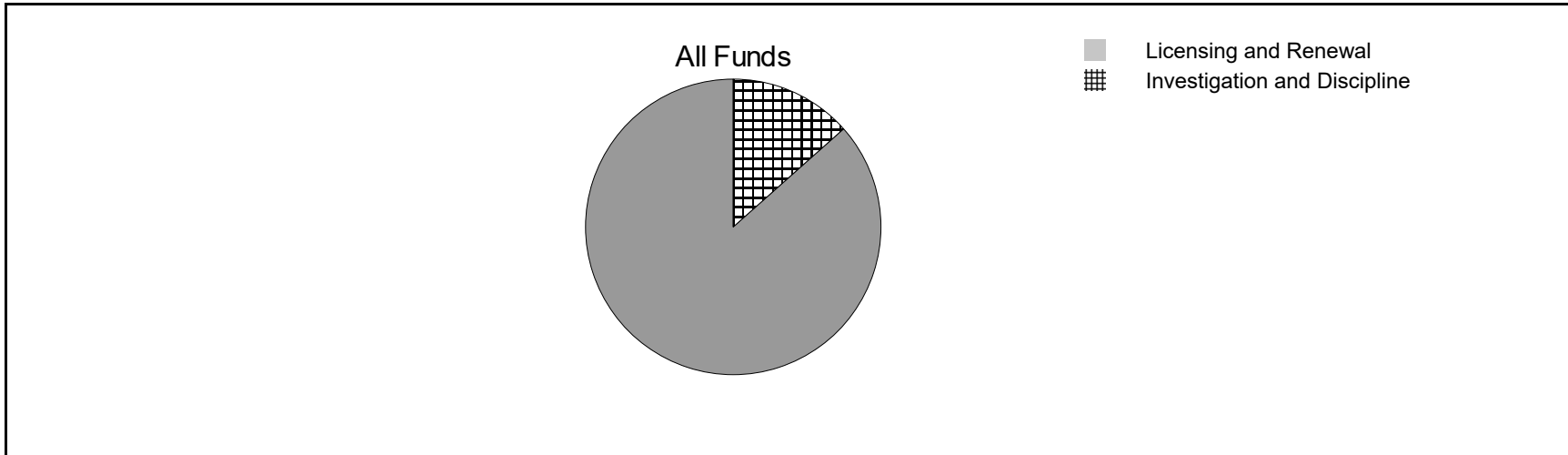
Original License Fees:

Social Worker (Bachelors)	\$	100	\$	150
Social Worker (Masters)		150		150
Social Worker (Specialist Clinical)		150		150
Masters Level Psychologist		150		200
Clinical Psychotherapist		150		200
Psychologist		50		150
Professional Counselor		150		175
Clinical Professional Counselor		150		175
Marriage and Family Therapist		150		175
Clinical Marriage and Family Therapist		150		175
Addiction Counselor		100		150
Clinical Addiction Counselor		150		150
Applied Behavioral Analyst		70		N/A

* Regulations reducing the current application and license fees by \$50 were presented to the Joint Committee on Administrative Rules and Regulations on January 7, 2019, with a public hearing scheduled for February 13, 2019.

PROGRAM DETAIL

EXPENDITURES BY PROGRAM—GOVERNOR'S FY 2020 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Licensing and Renewal	\$ 813,635	86.6 %	\$ 0	-- %
Investigation and Discipline	126,229	13.4	0	--
TOTAL	\$ 939,864	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

Program	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Licensing and Renewal	7.7	7.7	7.7	7.6	7.6	7.6	7.6
Investigation and Discipline	1.3	1.3	1.3	1.4	1.4	1.4	1.4
TOTAL	9.0	9.0	9.0	9.0	9.0	9.0	9.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

A. Licensing and Renewal

The Licensing and Renewal program issues and renews licenses and registrations to those individuals meeting the qualifications. The program also provides information to the Legislature, the public, and other interested parties.

PERFORMANCE MEASURES

Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Percent of renewal applications processed within 30 days	N/A	N/A	N/A	91.0 %	95.0 %	89.0 %	94.0 %
Percent of audits for continuing education requirements with no funding	N/A	N/A	N/A	75.0 %	80.0 %	78.0 %	82.0 %
Agency Expenditures							
All Funds (Dollars in Thousands)	\$ 649.3	\$ 684.4	\$ 684.4	\$ 673.3	\$ 687.2	\$ 813.6	\$ 820.7
FTE Positions	9.0	10.0	10.0	7.7	7.7	7.6	7.6

LICENSING AND RENEWAL
SUMMARY OF EXPENDITURES FY 2018 – FY 2021

Item	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Expenditures:							
Salaries and Wages	\$ 509,579	\$ 513,584	\$ 513,584	\$ 513,236	\$ 513,236	\$ 516,662	\$ 516,662
Contractual Services	147,216	158,926	158,926	286,974	286,974	290,055	290,055
Commodities	7,598	9,578	9,578	9,625	9,625	9,903	9,903
Capital Outlay	8,889	5,150	5,150	3,800	3,800	4,100	4,100
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 673,282</u>	<u>\$ 687,238</u>	<u>\$ 687,238</u>	<u>\$ 813,635</u>	<u>\$ 813,635</u>	<u>\$ 820,720</u>	<u>\$ 820,720</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 673,282</u>	<u>\$ 687,238</u>	<u>\$ 687,238</u>	<u>\$ 813,635</u>	<u>\$ 813,635</u>	<u>\$ 820,720</u>	<u>\$ 820,720</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	673,282	687,238	687,238	813,635	813,635	820,720	820,720
TOTAL	<u>\$ 673,282</u>	<u>\$ 687,238</u>	<u>\$ 687,238</u>	<u>\$ 813,635</u>	<u>\$ 813,635</u>	<u>\$ 820,720</u>	<u>\$ 820,720</u>
FTE Positions	7.7	7.7	7.7	7.6	7.6	7.6	7.6

The **agency** estimates \$687,238, all from special revenue funds, and 7.7 FTE positions in FY 2019. The estimate is a decrease of \$23,492, or 3.3 percent, below the amount approved by the 2018 Legislature. This funding has been shifted to the Investigation and Discipline program. The overall funding for the agency in FY 2019 is the same as the amount approved by the 2018 Legislature.

The **Governor** concurs with the agency's revised estimate.

The **agency** requests \$813,635, all from special revenue funds, and 7.6 FTE positions for FY 2020. The request is an increase of \$126,397, or 18.4 percent, above the FY 2019 estimate. The majority of the increase is in contractual services, mostly associated with the addition of \$70,000 (to be paid annually) to the Kansas Board of Healing Arts to support the licensing database. Also included are increased expenditures for payments to the Office of the Kansas Attorney General for work by attorneys on behalf of the Board, estimated at approximately \$75,000 for FY 2020. Other expenditures are for

OITS service desk users, enterprise security charges, and computer hardware replacement.

The **Governor** concurs with the agency's request.

The **agency** requests \$820,720, all from special revenue funds, and 7.6 FTE positions for FY 2021. The request is an

increase of \$7,085, or 0.9 percent, above the FY 2020 request. The majority of the increases are in salaries and wages and contractual services. The majority of the increase is attributable to increases in health insurance expenditures and other fringe benefits. The majority of increases in contractual services are attributable to fees and travel expenditures.

The **Governor** concurs with the agency's request.

B. Investigation and Discipline

The Investigation and Discipline program protects the public through the timely investigation of allegations of misconduct and implementation of disciplinary actions. In addition, the program

enforces the orders of the Behavioral Sciences Regulatory Board, as well as prevents individuals from unlawful and unauthorized practice of the professions regulated by the Board.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of reports of alleged violations	137	139	N/A	126	130	135	132
Agency Expenditures							
All Funds (Dollars in thousands)	\$ N/A	\$ N/A	\$ N/A	\$ 0.0	\$ 126.2	\$ 126.5	\$ 126.5
FTE Positions	N/A	N/A	N/A	1.3	1.3	1.4	1.4

**INVESTIGATION AND DISCIPLINE
SUMMARY OF EXPENDITURES FY 2018 – FY 2021**

Item	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Expenditures:							
Salaries and Wages	\$ 0	\$ 67,930	\$ 67,930	\$ 74,686	\$ 74,686	\$ 74,725	\$ 74,725
Contractual Services	203	34,516	34,516	50,443	50,443	50,653	50,653
Commodities	0	1,097	1,097	1,100	1,100	1,122	1,122
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 203</u>	<u>\$ 103,543</u>	<u>\$ 103,543</u>	<u>\$ 126,229</u>	<u>\$ 126,229</u>	<u>\$ 126,500</u>	<u>\$ 126,500</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 203</u>	<u>\$ 103,543</u>	<u>\$ 103,543</u>	<u>\$ 126,229</u>	<u>\$ 126,229</u>	<u>\$ 126,500</u>	<u>\$ 126,500</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	203	103,543	103,543	126,229	126,229	126,500	126,500
TOTAL	<u>\$ 203</u>	<u>\$ 103,543</u>	<u>\$ 103,543</u>	<u>\$ 126,229</u>	<u>\$ 126,229</u>	<u>\$ 126,500</u>	<u>\$ 126,500</u>
FTE Positions	1.3	1.3	1.3	1.4	1.4	1.4	1.4

The **agency** estimates \$103,543, all from special revenue funds, and 1.3 FTE positions in FY 2019. The estimate is an increase of \$23,492, or 29.3 percent, above the amount approved by the 2018 Legislature. This funding has been shifted from the Licensing and Renewal program. The overall funding for the agency in FY 2019 is the same as the amount approved by the 2018 Legislature.

The **Governor** concurs with the agency's revised estimate.

The **agency** requests \$126,229, all from special revenue funds, and 1.4 FTE positions for FY 2020. The request is an increase of \$22,686, or 21.9 percent, above the FY 2019

estimate. The majority of the increase is attributable to increases in salaries and wages and contractual services. The position that is split between the two programs is anticipated to increase the amount of time spent working on Investigation and Discipline program duties in FY 2020, resulting in increased salaries and wages expenditures.

The **Governor** concurs the the agency's request.

The **agency** requests \$126,500, all from special revenue funds, and 1.4 FTE positions for FY 2021. The request is an increase of \$271, or 0.2 percent, above the FY 2020 request.

The **Governor** concurs with the agency's request.

BOARD OF COSMETOLOGY

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	992,975	1,059,134	1,059,134	1,142,779	1,142,779	1,163,177	1,163,177
<i>Subtotal</i>	<i>\$ 992,975</i>	<i>\$ 1,059,134</i>	<i>\$ 1,059,134</i>	<i>\$ 1,142,779</i>	<i>\$ 1,142,779</i>	<i>\$ 1,163,177</i>	<i>\$ 1,163,177</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 992,975	\$ 1,059,134	\$ 1,059,134	\$ 1,142,779	\$ 1,142,779	\$ 1,163,177	\$ 1,163,177

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	3.7	6.7	6.7	7.9	7.9	1.8	1.8
FTE Positions	14.0	14.0	14.0	14.0	14.0	14.0	14.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The eight-member Board of Cosmetology regulates cosmetologists, permanent cosmetic technicians, tattoo artists, and body piercers, as well as salons/facilities and educational institutions. The purpose of the agency is to encourage and maintain standards and requirements for entrance into the profession consistent with the need for protection of the health, safety, and welfare of the public; provide standardized national testing; inspect new schools, salons, clinics, tanning facilities, tattooing facilities, and body piercing facilities; investigate complaints; and recommend legislation and promulgate regulations to protect the general public.

MAJOR ISSUES FROM PRIOR YEARS

In **March 2009**, the agency implemented an enhanced licensure database. Among its additional capabilities, an online renewal process became available for licensees and facility owners. This online process not only facilitated the renewal application and fee payment process for licensees, but also streamlined the accounting process for Board staff. Therefore, this online process allows for a quicker “turn around” whereby the license is issued and sent to the licensee in a shorter time frame than the mail-in process. The mail-in renewal option was maintained for those who do not have computer availability.

The **2013 Legislature** maintained funding for salaries and wages at FY 2013 levels after adjusting for both committee action and KPERS increases for FY 2014 and FY 2015. The decreases totaled \$44,879, all from the Cosmetology Fee Fund, for FY 2014 and \$45,329, all from the Cosmetology Fee Fund, for FY 2015.

The Board licenses cosmetology schools, instructors, cosmetologists, electrologists, estheticians, manicurists, cosmetology technicians, body piercers, tattoo artists, and permanent cosmetic facilities. Instructors are required to obtain continuing education hours to maintain their certification. The Board also contracts with an exam company to administer national standardized written and practical examinations to license students training in the cosmetology and body art fields.

The **2014 Legislature** added \$120,000 in FY 2014 and \$108,000 for FY 2015 to upgrade the agency’s licensing database and convert paper records to electronic records. Additionally, the Legislature added \$3,594, all from the Board of Cosmetology Fee Fund, for FY 2015 employee bonuses of \$250 for all non-elected employees.

As a result of the **State Finance Council action on July 2, 2015**, the agency’s FY 2017 expenditure limitation was increased by \$70,000 to fund expenditures associated with the Board of Healing Arts hosting the agency’s online licensing system. The **Governor** recommended a transfer of \$700,000, all from the Cosmetology Fee Fund, as part of the July 30, 2016 allotment. The transfer does not impact agency expenditures but is a reduction in its fee fund balance.

The **2016 Legislature** passed HB 2456, which prohibits minors from tanning at licensed tanning facilities. The bill also

allows a Kansas cosmetologist to qualify for licensure as a barber by completing additional cross-over hours.

The **2017 Legislature** did not approve the Governor's recommendation to merge the Board of Barbering with the Board of Cosmetology. For barbering oversight, the merger would have added \$114,297 for FY 2018 and \$114,258 for FY 2019 in expenditures and 1.5 non-FTE positions to the Board of Cosmetology. The Board of Barbering Fee Fund would have been transferred to the Board of Cosmetology.

The **2018 Legislature** added \$13,962, all from the Board of Cosmetology Fee Fund, for salary adjustments for FY 2019 equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives and one step for employees who received approximately one step on the Statewide Pay Matrix in FY 2018.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** requests a FY 2019 revised budget of \$1.1 million, all from the Cosmetology Fee Fund, including a supplemental request of \$4,000. This is an all funds increase of \$4,000, or 1.3 percent, above the amount approved by the 2018 Legislature. The increase is attributable to increases in

contractual services (\$4,000) for out-of-state travel and subsistence to receive enforcement training. The revised estimate includes 14.0 FTE positions, which is no change from the approved number by the 2018 Legislature.

FY 2019 Governor Recommendation

The **Governor** concurs with the agency's revised estimate.

FY 2020 Agency Request

The **agency** requests \$1.1 million, all from the Cosmetology Fee Fund, for FY 2020. This is an all funds increase of \$83,645, or 7.9 percent, above the agency's FY 2019 revised estimate. The increase is attributable to increases in salaries and wages

(\$35,786) and contractual services (\$47,859). The agency request includes 14.0 FTE positions, which is no change from the FY 2019 revised estimate.

FY 2020 Governor Recommendation

The **Governor** concurs with the agency's request.

FY 2021 Agency Request

The **agency** requests \$1.2 million, all from the Cosmetology Fee Fund, for FY 2021. This an all funds increase of \$20,398, or 1.8 percent, above the agency's FY 2020 request. The increase

is attributable to increases in salaries and wages (\$18,262) and contractual services (\$2,136). The agency request includes 14.0 FTE positions, which is no change from the FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency's request.

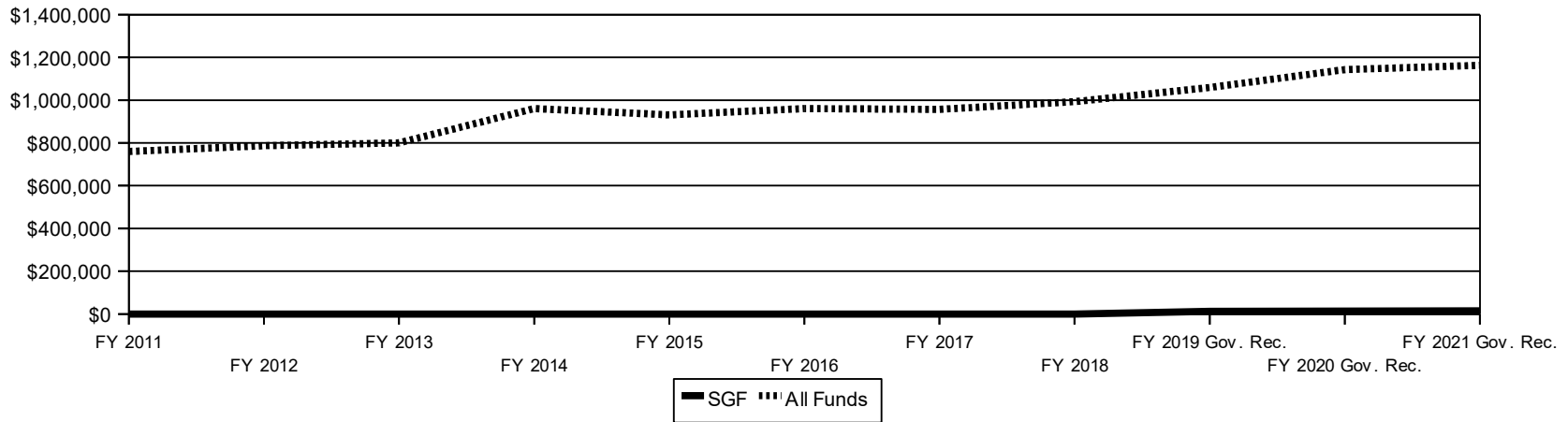
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Percent of disciplinary actions implemented to enforce health, sanitation, and infection control regulations	N/A	N/A	N/A	16.0 %	15.0 %	14.0 %	13.0 %
Percent of facilities inspected for compliance with health, sanitation, and infection control regulations	N/A	83.0 %	85.0 %	85.0 %	85.0 %	86.0 %	87.0 %
Percent of practitioners maintaining current license	N/A	N/A	N/A	87.3 %	87.3 %	87.3 %	87.3 %
<u>Agency Expenditures</u>							
All Funds (Dollars in Thousands)	\$ 960.6	\$ 957.1	\$ 1,023.4	\$ 993.0	\$ 1,059.1	\$ 1,142.8	\$ 1,163.2
FTE Positions	13.5	14.0	14.0	14.0	14.0	14.0	14.0

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 760,284	11.4 %	12.0
2012	0	--	786,827	3.5	11.0
2013	0	--	800,281	1.7	11.0
2014	0	--	960,555	20.0	13.8
2015	0	--	931,281	(3.0)	13.3
2016	0	--	960,584	3.1	13.5
2017	0	--	957,097	(0.4)	14.0
2018	0	--	992,975	3.7	14.0
2019 Gov. Rec.	0	--	1,059,134	6.7	14.0
2020 Gov. Rec.	0	--	1,142,779	7.9	14.0
2021 Gov. Rec.	0	--	1,163,177	1.8	14.0
Eleven-Year Change	\$ 0	-- %	\$ 402,893	53.0 %	2.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 992,975	\$ 1,059,134	\$ 1,142,779	\$ 83,645	7.9 %	\$ 1,059,134	\$ 1,142,779	\$ 83,645	-- %
By Major Object of Expenditure:									
Salaries and Wages	\$ 710,976	\$ 744,105	\$ 779,891	\$ 35,786	4.8 %	\$ 744,105	\$ 779,891	\$ 35,786	4.8 %
Contractual Services	260,348	269,664	317,523	47,859	17.7	269,664	317,523	47,859	17.7
Commodities	18,664	22,415	22,415	0	0.0	22,415	22,415	0	0.0
Capital Outlay	2,987	22,950	22,950	0	0.0	22,950	22,950	0	0.0
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 992,975	\$ 1,059,134	\$ 1,142,779	\$ 83,645	7.9 %	\$ 1,059,134	\$ 1,142,779	\$ 83,645	7.9 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 992,975	\$ 1,059,134	\$ 1,142,779	\$ 83,645	7.9 %	\$ 1,059,134	\$ 1,142,779	\$ 83,645	7.9 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Cosmetology Fee Fund	992,975	1,059,134	1,142,779	83,645	7.9	1,059,134	1,142,779	83,645	7.9
TOTAL	\$ 992,975	\$ 1,059,134	\$ 1,142,779	\$ 83,645	7.9 %	\$ 1,059,134	\$ 1,142,779	\$ 83,645	7.9 %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 1,142,779	\$ 1,163,177	\$ 20,398	1.8 %	\$ 1,142,779	\$ 1,163,177	\$ 20,398	1.8 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 779,891	\$ 798,153	\$ 18,262	2.3 %	\$ 779,891	\$ 798,153	\$ 18,262	2.3 %
Contractual Services	317,523	319,659	2,136	0.7	317,523	319,659	2,136	0.7
Commodities	22,415	22,415	0	0.0	22,415	22,415	0	0.0
Capital Outlay	22,950	22,950	0	0.0	22,950	22,950	0	0.0
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 1,142,779</i>	<i>\$ 1,163,177</i>	<i>\$ 20,398</i>	<i>1.8 %</i>	<i>\$ 1,142,779</i>	<i>\$ 1,163,177</i>	<i>\$ 20,398</i>	<i>1.8 %</i>
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 1,142,779	\$ 1,163,177	\$ 20,398	1.8 %	\$ 1,142,779	\$ 1,163,177	\$ 20,398	1.8 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Board of Cosmetology Fee Fund	1,142,779	1,163,177	20,398	1.8	1,142,779	1,163,177	20,398	1.8
TOTAL	\$ 1,142,779	\$ 1,163,177	\$ 20,398	1.8 %	\$ 1,142,779	\$ 1,163,177	\$ 20,398	1.8 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency's revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,055,134	1,059,134	4,000	1,059,134	4,000
TOTAL	\$ 1,055,134	\$ 1,059,134	\$ 4,000	\$ 1,059,134	\$ 4,000
FTE Positions	14.0	14.0	0.0	14.0	0.0

The **agency** requests a FY 2019 revised estimate of \$1.1 million, all from the Cosmetology Fee Fund, including a supplemental request of \$4,000 for travel and training. This is an all funds increase of \$4,000, or 0.4 percent, above the amount approved by the 2018 Legislature. The increase is due to the supplemental request for travel and training. The revised estimate includes 14.0 FTE positions, which is no change from the approved number by the 2018 Legislature. The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests \$744,105 for salaries and wages in FY 2019,

which is the same amount approved by the 2018 Legislature;

- **Contractual Services.** The agency requests \$269,664 for contractual services in FY 2019. This is an increase of \$4,000, or 1.5 percent, above the amount approved by the 2018 Legislature. The increase is primarily attributable to credit card fees and charges, computer programming operations, other fees to support training for the agency's inspectors and investigators, and meals and lodging;

- **Commodities.** The agency requests \$22,415 for commodities in FY 2019, which is the same as the amount approved by the 2018 Legislature; and

- **Capital Outlay.** The agency requests \$22,950 for capital outlay in FY 2019, which is the same amount approved by the 2018 Legislature.

The **Governor** concurs with the agency's FY 2019 revised estimate.

Supplemental Detail

FY 2019 SUPPLEMENTALS						
Supplementals	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Travel and Training	\$ 0	\$ 4,000	0.0	\$ 0	\$ 4,000	0.0

The **agency** estimates \$4,000, all from special revenue funds, to pay for out-of-state travel and subsistence associated with providing enforcement training to new and existing inspectors in FY 2019. This training is provided by the Council on Licensure, Enforcement and Regulation.

The **Governor** concurs with the agency's FY 2019 supplemental request.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 1,142,779	\$ 1,142,779	\$ 0
FTE Positions	14.0	14.0	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	83,645	83,645	
TOTAL	\$ 83,645	\$ 83,645	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	7.9	7.9	
TOTAL	7.9 %	7.9 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$1.1 million, all from the Cosmetology Fee Fund, for FY 2020. This is an all funds increase of \$83,645, or 7.9 percent, above the agency's FY 2019 revised estimate. The increase is attributable to planned wage increases and employer contributions to employee retirement. The agency request includes 14.0 FTE positions, which is no change from the FY 2019 revised estimate.

The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests \$779,891 for salaries and wages for FY 2020, which is an increase of \$35,786, or 4.8 percent, above the FY 2019 revised estimate. The increase is primarily attributable to employer contributions for employee retirement and planned wage increases;

- **Contractual Services.** The agency requests \$317,523 for contractual services for FY 2020, which is an increase of \$47,859, or 17.7 percent, above the FY 2019 revised estimate. The increase is primarily attributable to attorneys and lawyers fees;

- **Commodities.** The agency requests \$22,415 for commodities for FY 2020, which is the same as the FY 2019 revised estimate; and
- **Capital Outlay.** The agency requests \$22,950 for capital outlay for FY 2020, which is the same as the FY 2019 revised estimate.

The **Governor** concurs with the agency's FY 2020 request.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 1,163,177	\$ 1,163,177	\$ 0
FTE Positions	14.0	14.0	0.0
<i>Change from FY 2020:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	20,398	20,398	
TOTAL	\$ 20,398	\$ 20,398	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	1.8	1.8	
TOTAL	1.8 %	1.8 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$1.2 million, all from the Cosmetology Fee Fund, for FY 2021. This an all funds increase of \$20,398, or 1.8 percent, above the agency's FY 2020 request. The increase is attributable to increases in employer contributions to state employee health insurance; the old age, survivors, and disability insurance tax; and the Office of Information Technology Services. The agency request includes 14.0 FTE positions, which is no change from the FY 2020 request.

The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests \$798,153 for salaries and wages for FY 2021, which is \$18,262, or 2.3 percent, above the FY 2020 request. The increase is primarily attributable to old age, survivors, and disability insurance tax and employer contributions to state employee health insurance;
- **Contractual Services.** The agency requests \$319,659 for contractual services for FY 2021, which is \$2,136, or 0.7 percent, above the FY 2020 request. The increase is primarily attributable to computer programming operations, which is due to technological service increases and desktop replacements, as well as fee increases provided by the Office of Information Technology Services;
- **Commodities.** The agency requests \$22,415 for commodities for FY 2021, which is the same as the FY 2020 request; and
- **Capital Outlay.** The agency requests \$22,950 for capital outlay for FY 2021, which is the same as the FY 2020 request.

The **Governor** concurs with the agency's FY 2021 request.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$13,962, all from special revenue funds.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, FY 2019 longevity payments total \$1,960 and FY 2020 longevity payments total \$2,000, all from special revenue funds.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
Cosmetology Fee Fund	100.0	100.0	100.0	100.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Board of Cosmetology Fee Fund Analysis

The Board of Cosmetology is a fee-funded agency. The revenue received provides financing for all agency operations, with 90.0 percent being retained by the agency and 10.0

percent being deposited in the State General Fund. KSA 65-1904 allows for the collection of revenue by the agency.

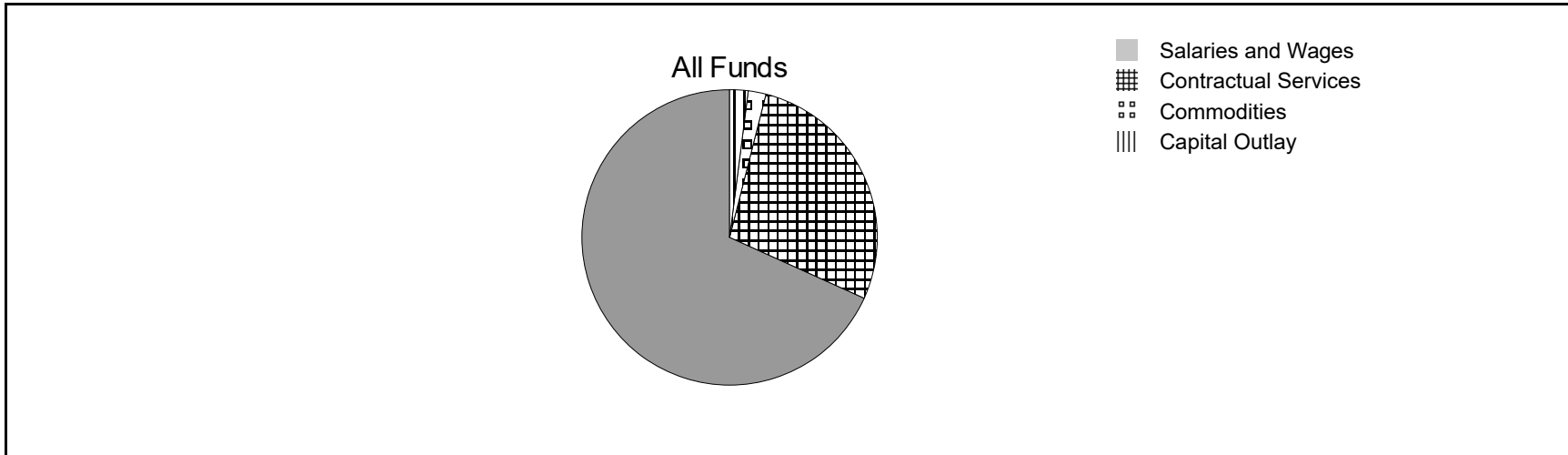
Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 323,244	\$ 382,474	\$ 382,474	\$ 373,840	\$ 373,840	\$ 281,561	\$ 281,561
Revenue	1,052,205	1,050,500	1,050,500	1,050,500	1,050,500	1,050,500	1,050,500
Transfers in	0	0	0	0	0	0	0
<i>Funds Available</i>	<u>\$ 1,375,449</u>	<u>\$ 1,432,974</u>	<u>\$ 1,432,974</u>	<u>\$ 1,424,340</u>	<u>\$ 1,424,340</u>	<u>\$ 1,332,061</u>	<u>\$ 1,332,061</u>
Less:							
Expenditures	\$ 992,975	\$ 1,059,134	\$ 1,059,134	\$ 1,142,779	\$ 1,142,779	\$ 1,163,177	\$ 1,163,177
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 382,474</u>	<u>\$ 373,840</u>	<u>\$ 373,840</u>	<u>\$ 281,561</u>	<u>\$ 281,561</u>	<u>\$ 168,884</u>	<u>\$ 168,884</u>
Ending Balance as Percent of Expenditures	38.5%	35.3%	35.3%	24.6%	24.6%	14.5%	14.5%
Month Highest Ending Balance	June \$ 382,474	May \$ 402,649	May \$ 402,649	April \$ 328,757	April \$ 328,757	August \$ 233,190	August \$ 233,190
Month Lowest Ending Balance	July \$ 234,182	July \$ 342,992	July \$ 342,992	June \$ 285,561	June \$ 285,561	June \$ 174,884	June \$ 174,884

LICENSURE FEES			
License	Current Fee	Statutory Limit	
Cosmetology Profession Practitioners:			
Cosmetologist License (initial)	\$ 60	\$ 60	
Cosmetologist License (renewal)	50	60	
Cosmetologist Instructor License (initial)	75	100	
Cosmetologist Instructor License (renewal)	50	75	
Cosmetologist Technician License (renewal)	45	60	
Electrologist License (initial)	60	60	
Electrologist License (renewal)	50	60	
Esthetician License (initial)	60	60	
Esthetician License (renewal)	50	60	
Esthetics Instructor License (initial)	75	100	
Esthetics Instructor License (renewal)	50	75	
Nail Technician/Manicurist License (initial)	60	60	
Nail Technician/Manicurist License (renewal)	50	60	
Nail Technician/Manicurist Instructor License (initial)	75	100	
Nail Technician/Manicurist Instructor License (renewal)	50	75	
Reciprocity Application Fee	75	75	
Body Art Profession Practitioners:			
Body Piercing License (initial)	\$ 50	\$ *	
Body Piercing License (renewal)	50	*	
Tattooist License (initial)	50	*	
Tattooist License (renewal)	50	*	
Cosmetic/Permanent Tattoo Artist License (initial)	50	*	
Cosmetic/Permanent Tattoo Artist License (renewal)	50	*	

LICENSURE FEES			
License	Current Fee	Statutory Limit	
Cosmetology Profession Establishments:			
Salon or Clinic License (initial)	\$ 60	\$ 100	
Salon or Clinic License (renewal)	50	50	
Body Art Profession Establishments:			
Establishment License* (initial)	\$ 50	\$ *	
Establishment License* (renewal)	50	*	
Tanning Establishments:			
Tanning License* (initial)	\$ 100	\$ *	
Tanning License* (renewal)	75	*	
* Body Art and Tanning licenses have no statutory maximum.			

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 779,891	68.2 %	\$ 0	-- %
Contractual Services	317,523	27.8	0	--
Commodities	22,415	2.0	0	--
Capital Outlay	22,950	2.0	0	--
TOTAL	\$ 1,142,779	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	14.0	14.0	14.0	14.0	14.0	14.0	14.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

DEPARTMENT OF CREDIT UNIONS

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	994,295	1,235,823	1,235,823	1,251,313	1,251,313	1,309,178	1,309,178
<i>Subtotal</i>	<i>\$ 994,295</i>	<i>\$ 1,235,823</i>	<i>\$ 1,235,823</i>	<i>\$ 1,251,313</i>	<i>\$ 1,251,313</i>	<i>\$ 1,309,178</i>	<i>\$ 1,309,178</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 994,295	\$ 1,235,823	\$ 1,235,823	\$ 1,251,313	\$ 1,251,313	\$ 1,309,178	\$ 1,309,178

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(0.8)	24.3	24.3	1.3	1.3	4.6	4.6
FTE Positions	12.0	12.0	12.0	12.0	12.0	12.0	12.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The mission of the Kansas Department of Credit Unions is to protect Kansas citizens from undue risk by ensuring safe and sound operation of state-chartered credit unions. The agency regulates state-chartered credit unions to assure compliance with state and federal laws, and is empowered to conduct examinations, grant new charters, approve mergers, and provide for liquidation procedures when necessary. There are 74 natural-person member-owned state-chartered credit unions and one corporate credit union in Kansas under the agency's supervision.

Concurrently with the Department of Credit Unions, the National Credit Unions Administration (NCUA), a federal agency, administers a network of federal-chartered credit unions operating in Kansas. State-chartered credit unions are required by law to insure their deposits through the NCUA. Federal-chartered credit unions are exempt from the Department of Credit Unions' oversight.

MAJOR ISSUES FROM PRIOR YEARS

The **2004 Legislature** authorized the transfer of remaining balances over \$200,000 from selected biennial budget agency fee funds to the State General Fund in FY 2005. The amount certified by the Director of the Budget on April 19, 2004, for the Department of Credit Unions was \$147,036.

The **2011 Legislature** approved a reduction of the Department's overhead transfer to the State General Fund.

The Department of Credit Unions performs examinations of the state-chartered credit unions at least once every 18 months. The agency's goals are to complete an annual examination of each credit union, handle consumer complaints within 30 days from the date received, and provide timely supervisory call backs on monitoring of problem credit unions. Credit unions pay an annual operation fee based on asset size, which is set by the Credit Union Administrator, and based on expenditure limits approved by the Legislature.

The agency is supervised by the Credit Union Administrator, who is appointed to a four-year term by the Governor, subject to confirmation by the Senate. The Administrator is advised by the Credit Union Council, a seven-member council appointed by the Governor. Each Council member serves a three-year term and is limited to two consecutive terms. Five of the appointed members must be officers of Kansas state-chartered credit unions with at least one member being from each congressional district in the state. The remainder of the members are from the state at-large. No more than four of the seven members can be of the same political party.

Beginning with FY 2012, the transfer was reduced from \$200,000 to \$100,000. The reduction in the overhead transfer allowed the Department to rebuild the carry-over fund back to an amount consistent with the National Association of State Credit Union Supervisors (NASCUS) accreditation standards, which recommends the Department maintain a reserve of one quarter's budget year expenses in its carryover fund.

The **2012 Legislature** approved an increase of \$91,910, all from the Credit Union Fee Fund, to restore funding deleted for savings from the Voluntary Retirement Incentive Program for FY 2013.

The **2013 Legislature** approved an increase of \$36,819, all from the Credit Union Fee Fund, to move employees into unclassified service and increase salaries to address high turnover of credit union examiners for FY 2014 and FY 2015. The Legislature also approved a decrease of \$11,405, all from the Credit Union Fee Fund, for reduced funding for salaries and wages for FY 2015.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** requests a revised estimate of \$1.2 million, all from the Credit Union Fee Fund, in FY 2019. The revised estimate is the same as the approved budget for FY 2019. The revised estimate includes \$210,078 for salary and wage

increases, offset by decreases for in-state travel expenses and office supplies. The revised estimate also includes 12.0 FTE positions, which is the same as the approved budget for FY 2019.

FY 2019 Governor Recommendation

The **Governor** concurs with the revised estimate in FY 2019.

FY 2020 Agency Request

The **agency** requests \$1.3 million, all from the Credit Union Fee Fund, for FY 2020. The request is an all funds increase of \$15,490, or 1.3 percent, above the revised estimate for FY 2019. The increase is primarily due to higher employer

contributions for employee retirement and group health insurance. The request also includes 12.0 FTE positions, which is the same as the revised estimate in FY 2019.

FY 2020 Governor Recommendation

The **Governor** concurs with the agency request for FY 2020.

FY 2021 Agency Request

The **agency** requests \$1.3 million, all from the Credit Union Fee Fund, for FY 2021. The request is an all funds increase of \$57,865, or 4.6 percent, above the agency request for FY 2020. The increase is primarily due to higher compensation for the

agency's Financial Examiners and employer contributions for employee retirement and group health insurance. The request also includes 12.0 FTE positions, which is the same as the agency request for FY 2020.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency request for FY 2021.

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Percent of credit unions receiving regular examinations within the statutory 18-month time frame	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Number of examinations administered	67	60	60	60	53	53	53
Number of state-chartered credit unions	69	65	65	64	61	59	57
Agency Expenditures							
All Funds (Dollars in Millions)	\$ 1.0	\$ 1.0	\$ 1.2	\$ 1.0	\$ 1.2	\$ 1.3	\$ 1.3
FTE Positions	12.0	12.0	12.0	12.0	12.0	12.0	12.0

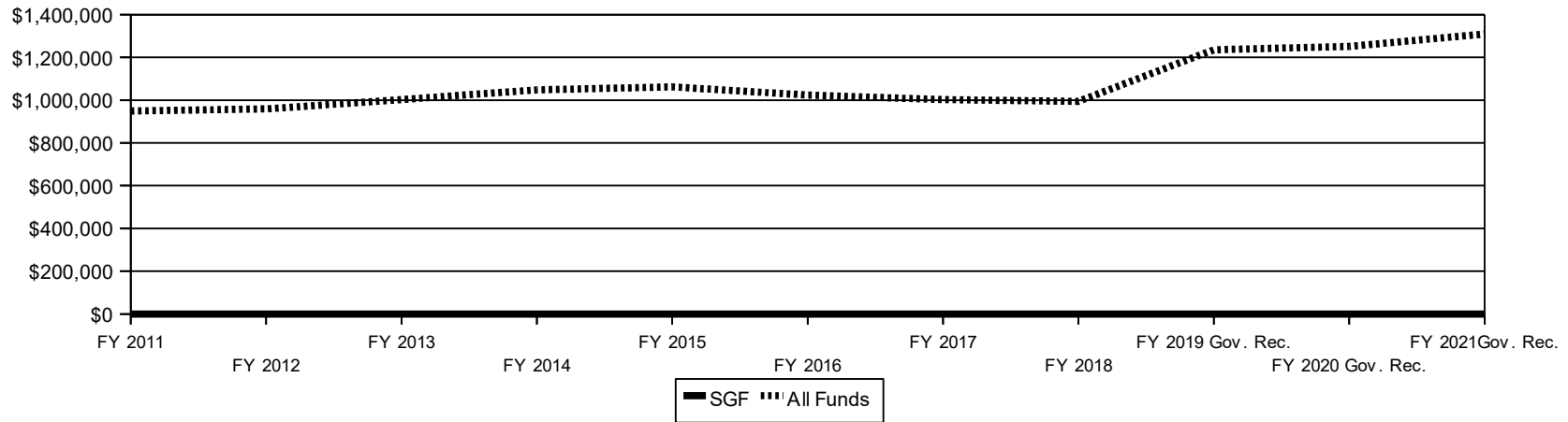
The measures above have been identified by the Department of Credit Unions in cooperation with the Kansas Division of the Budget and the Kansas Legislative Research Department as key performance measures for the agency.

The agency continues to maintain solvency of its fee fund because it sets its fee schedule based on the asset size of

credit unions and the funding needed for agency operations. Although the agency projects a decline in state-chartered banks from FY 2019 through FY 2021, the agency estimates the size of assets in state-chartered credit unions will increase by about \$100.0 million in FY 2019, \$175.0 million for FY 2020, and \$180.0 for FY 2021. The decline in the number of examinations administered is correlative with the decline in the number of state-chartered credit unions.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 949,371	2.5 %	12.0
2012	0	--	959,142	1.0	12.0
2013	0	--	1,003,054	4.6	12.0
2014	0	--	1,048,209	4.5	12.0
2015	0	--	1,062,122	1.3	12.0
2016	0	--	1,023,683	(3.6)	12.0
2017	0	--	1,002,536	(2.1)	12.0
2018	0	--	994,295	(0.8)	12.0
2019 Gov. Rec.	0	--	1,235,823	24.3	12.0
2020 Gov. Rec.	0	--	1,251,313	1.3	12.0
2021 Gov. Rec.	0	--	1,309,178	4.6	12.0
Eleven-Year Change	\$ 0	-- %	\$ 359,807	37.9 %	0.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 994,295	\$ 1,235,823	\$ 1,251,313	\$ 15,490	1.3 %	\$ 1,235,823	\$ 1,251,313	\$ 15,490	1.3 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 775,960	\$ 986,038	\$ 998,045	\$ 12,007	1.2 %	\$ 986,038	\$ 998,045	\$ 12,007	1.2 %
Contractual Services	199,933	208,591	211,216	2,625	1.3	208,591	211,216	2,625	1.3
Commodities	13,914	18,552	19,052	500	2.7	18,552	19,052	500	2.7
Capital Outlay	4,488	22,642	23,000	358	1.6	22,642	23,000	358	1.6
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 994,295	\$ 1,235,823	\$ 1,251,313	\$ 15,490	1.3 %	\$ 1,235,823	\$ 1,251,313	\$ 15,490	1.3 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 994,295	\$ 1,235,823	\$ 1,251,313	\$ 15,490	1.3 %	\$ 1,235,823	\$ 1,251,313	\$ 15,490	1.3 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Credit Union Fee Fund	994,295	1,235,823	1,251,313	15,490	1.3	1,235,823	1,251,313	15,490	1.3
TOTAL	\$ 994,295	\$ 1,235,823	\$ 1,251,313	\$ 15,490	1.3 %	\$ 1,235,823	\$ 1,251,313	\$ 15,490	1.3 %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 1,251,313	\$ 1,309,178	\$ 57,865	4.6 %	\$ 1,251,313	\$ 1,309,178	\$ 57,865	4.6 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 998,045	\$ 1,052,763	\$ 54,718	5.5 %	\$ 998,045	\$ 1,052,763	\$ 54,718	5.5 %
Contractual Services	211,216	213,863	2,647	1.3	211,216	213,863	2,647	1.3
Commodities	19,052	19,552	500	2.6	19,052	19,552	500	2.6
Capital Outlay	23,000	23,000	0	0.0	23,000	23,000	0	0.0
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 1,251,313	\$ 1,309,178	\$ 57,865	4.6 %	\$ 1,251,313	\$ 1,309,178	\$ 57,865	4.6 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 1,251,313	\$ 1,309,178	\$ 57,865	4.6 %	\$ 1,251,313	\$ 1,309,178	\$ 57,865	4.6 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Credit Union Fee Fund	1,251,313	1,309,178	57,865	4.6	1,251,313	1,309,178	57,865	4.6
TOTAL	\$ 1,251,313	\$ 1,309,178	\$ 57,865	4.6 %	\$ 1,251,313	\$ 1,309,178	\$ 57,865	4.6 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,235,823	1,235,823	0	1,235,823	0
TOTAL	<u>\$ 1,235,823</u>	<u>\$ 1,235,823</u>	<u>\$ 0</u>	<u>\$ 1,235,823</u>	<u>\$ 0</u>
FTE Positions	12.0	12.0	0.0	12.0	0.0

The **agency** requests a revised estimate of \$1.2 million, all from the Credit Union Fee Fund, in FY 2019. The revised estimate is the same as the approved budget for FY 2019. The revised estimate includes \$23,860 for salary and wage increases, offset by decreases for in-state travel expenses and office supplies. The revised estimate also includes 12.0 FTE

positions, which is the same as the approved budget for FY 2019.

The **Governor** concurs with the revised estimate in FY 2019.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 1,251,313	\$ 1,251,313	\$ 0
FTE Positions	12.0	12.0	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	15,490	15,490	
TOTAL	\$ 15,490	\$ 15,490	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	1.3	1.3	
TOTAL	1.3 %	1.3 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$1.3 million, all from the Credit Union Fee Fund, for FY 2020. The request is an all funds increase of \$15,490, or 1.3 percent, above the revised estimate for FY 2019. The increase is primarily due to higher employer contributions for employee retirement and group health

insurance. The request also includes 12.0 FTE positions, which is the same as the revised estimate for FY 2019.

The **Governor** concurs with the agency request for FY 2020.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY				
	Agency Request		Governor's Recommendation	Difference
	_____		_____	_____
Total Request/Recommendation	\$ 1,309,178	\$	1,309,178	\$ 0
FTE Positions	12.0		12.0	0.0
<i>Change from FY 2020:</i>				
<i>Dollar Change:</i>				
State General Fund	\$ 0	\$	0	
All Other Funds	57,865		57,865	
TOTAL	\$ 57,865	\$	57,865	
<i>Percent Change:</i>				
State General Fund	-- %		-- %	
All Other Funds	4.6		4.6	
TOTAL	4.6 %		4.6 %	
Change in FTE Positions	0.0		0.0	

The **agency** requests \$1.3 million, all from the Credit Union Fee Fund, for FY 2021. The request is an all funds increase of \$57,865, or 4.6 percent, above the agency request for FY 2020. The increase is primarily due to higher compensation for the agency's Financial Examiners and employer contributions for employee retirement and group health insurance. The request

also includes 12.0 FTE positions, which is the same as the agency request for FY 2020.

The **Governor** concurs with the agency request for FY 2021.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$18,945, all from the Credit Union Fee Fund.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, there are no longevity bonus payments for FY 2019 or FY 2020.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
Credit Union Fee Fund	100.0	100.0	100.0	100.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Credit Union Fee Fund Analysis

The Department of Credit Unions receives revenue from fees based on the December 31 asset size of state-chartered credit unions. Prior to June 1 of each year, the Credit Union Administrator, after advising the Credit Union Council, establishes annual operation fees that are determined to be sufficient to meet the budget requirements of the agency. Fees are assessed according to tiered fee schedules developed by the agency. The agency collects fees twice each fiscal year, primarily in July and January.

Since 1993, the agency has been able to cover expenditures each month from this fund. In FY 2009, the agency increased the fee formula because of declining cash balances

and increasing expenditures. In FY 2012, the agency decreased the fee formula because of its estimated cash balance and the reduction of its mandatory transfer to the State General Fund from 20.0 percent to 10.0 percent, which was estimated to save the agency \$100,000 annually.

The National Association of State Credit Unions Supervisors (NASCUS) recommends maintaining enough of a balance forward each fiscal year to cover the first quarter's expenses. With estimated ending balances of \$386,665 in FY 2019, \$332,806 in FY 2020, and \$243,031 in FY 2021, the agency estimates that its balance will fulfill NASCUS recommendations.

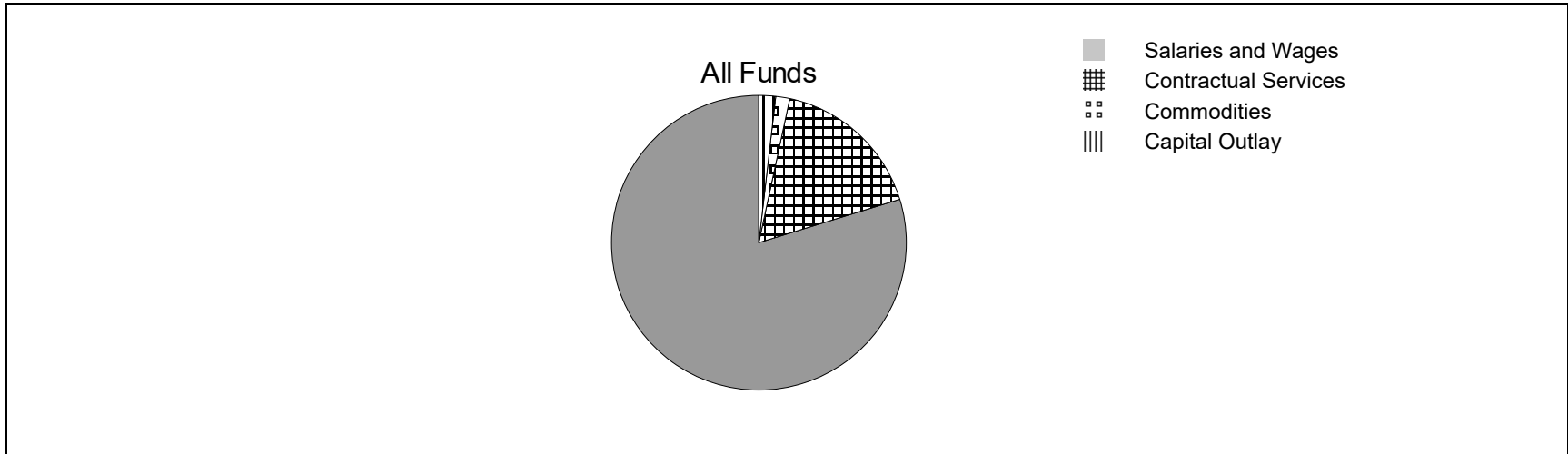
Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 496,848	\$ 546,553	\$ 546,553	\$ 386,665	\$ 386,665	\$ 332,806	\$ 332,806
Revenue	1,044,000	1,075,935	1,075,935	1,197,454	1,197,454	1,219,403	1,219,403
Transfers in	0	0	0	0	0	0	0
<i>Funds Available</i>	<i>\$ 1,540,848</i>	<i>\$ 1,622,488</i>	<i>\$ 1,622,488</i>	<i>\$ 1,584,119</i>	<i>\$ 1,584,119</i>	<i>\$ 1,552,209</i>	<i>\$ 1,552,209</i>
Less:							
Expenditures	\$ 994,295	\$ 1,235,823	\$ 1,235,823	\$ 1,251,313	\$ 1,251,313	\$ 1,309,178	\$ 1,309,178
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	\$ 546,553	\$ 386,665	\$ 386,665	\$ 332,806	\$ 332,806	\$ 243,031	\$ 243,031
Ending Balance as Percent of Expenditures	55.0%	31.3%	31.3%	26.6%	26.6%	18.6%	18.6%
Month Highest Ending Balance	August \$ 1,369,034	August \$ 1,505,994	August \$ 1,505,994	August \$ 1,065,432	August \$ 1,065,432	August \$ 917,027	August \$ 917,027
Month Lowest Ending Balance	June \$ 548,628	June \$ 603,514	June \$ 603,514	June \$ 426,962	June \$ 426,962	June \$ 367,490	June \$ 367,490

DEPARTMENT OF CREDIT UNIONS LICENSURE FEES

Total Assets	Current Fee	Statutory Limit
Less than or equal to \$1.0 million	\$ 0	\$ 0
More than \$1.0 million, less than or equal to \$5.0 million	180	180
More than \$5.0 million, less than or equal to \$20.0 million	90	90
More than \$20.0 million, less than or equal to \$50.0 million	3,600	3,600
More than \$50.0 million, less than \$100.0 million	9,000	9,000
More than \$100.0 million, less than \$150.0 million	18,000	18,000
More than \$150.0 million	27,000	27,000

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 998,045	79.8 %	\$ 0	-- %
Contractual Services	211,216	16.9	0	--
Commodities	19,052	1.5	0	--
Capital Outlay	23,000	1.8	0	--
TOTAL	\$ 1,251,313	100.0 %	\$ 0	100.0 %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	12.0	12.0	12.0	12.0	12.0	12.0	12.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

KANSAS DENTAL BOARD

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	368,083	414,000	414,000	418,500	418,500	420,600	420,600
<i>Subtotal</i>	<i>\$ 368,083</i>	<i>\$ 414,000</i>	<i>\$ 414,000</i>	<i>\$ 418,500</i>	<i>\$ 418,500</i>	<i>\$ 420,600</i>	<i>\$ 420,600</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 368,083	\$ 414,000	\$ 414,000	\$ 418,500	\$ 418,500	\$ 420,600	\$ 420,600

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(1.7)	12.5	12.5	1.1	1.1	0.5	0.5
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Kansas Dental Board was established in 1943 to enforce the Dental Practices Act, KSA 65-1420 to 65-1469. The Board licenses qualified candidates desiring to practice dentistry or dental hygiene in Kansas, administers examinations, and issues credentials to applicants according to licensure regulations. The Board also issues sedation permits to dentists and extended care permits to hygienists.

The Board conducts inspections of licensees to ensure compliance with sanitary and other regulations and investigates complaints of incompetence, negligence, illegal practice, and other violations of the Dental Practices Act. When warranted, administrative hearings are held and the Board is empowered to suspend, restrict, or revoke the license of the practitioner.

MAJOR ISSUES FROM PRIOR YEARS

The **2008 Legislature** passed HB 2072, which made two changes to the Dental Practices Act. First, it allowed dental hygienists who are licensed in other states to provide clinical education at meetings of the Kansas State Dental Association or other dental organizations approved by the Board. Second, it required out-of-state applicants who seek licensure by credential to meet the 24-month continuing education requirement applicable to Kansas licensees.

The **2008 Legislature** also passed HB 2781, which amended KSA 65-1435 to allow dentists to own two satellite offices in addition to their primary location as long as those offices meet the following criteria: the satellite offices are within

In 1998, the Board was expanded from five to nine members, and includes six dentists, two dental hygienists, and one member from the general public. Board members are appointed for four-year terms by the Governor, and of the six licensed dentist Board members, one is to be appointed from each congressional district and two from the state at-large.

Starting in 2006, the Board began staggering the renewal of all licenses based on license numbers. Odd-numbered licenses renew in odd years and even-numbered licenses renew in even years. Prior to 2006, dentists and hygienists renewed in alternating years. Previously, the Board collected more revenue in years when the dental licenses renewed because renewal fees for dentists are higher. The change has allowed the agency to operate with a more consistent revenue stream.

a 125-mile radius of the primary office and the satellite offices are located in counties with populations of less than 10,000.

The **2011 Legislature** passed HB 2181, the Omnibus Health Bill, which allowed the franchise practice of dentistry in Kansas and revised portions of the Dental Practices Act pertaining to definitions and oversight functions of the Board. Under prior law, licensed dentists were prohibited from entering into arrangements with unlicensed proprietors and specifically prohibited from the franchise practice of dentistry.

The **2012 Legislature** passed HB 2631, which made several changes and additions to the Dental Practices Act for the purpose of expanding dental service in the state, including

targeting children who are dentally underserved by creating an additional extended care permit (ECP) level of service for dental hygienists *via* creation of a new permit level (ECP III); encouraging additional capacity for Kansas residents in dental schools; establishing a volunteer license for retired dentists who choose to donate their services in certain settings; expanding the locations where such special volunteer license dentists and dental hygienists may provide free services and be exempt from liability under the Kansas Tort Claims Act; extending the length of time dentists may be employed to provide services to patients after the death or substantial disability of a dentist until the practice can be sold or closed; and directing the ECP III dental hygienist to notify the patient or the patient's legal guardian when the need for treatment by a dentist is indicated.

The **2014 Legislature** passed HB 2611, which amended KSA 65-1435 to reduce the amount of time a dentist actively must work in a dental office he or she owns or advertise under their name to 20.0 percent of the time patients are being treated in that office. Under prior law, a dentist had to be present a majority of the time patients were being treated.

The **2017 Legislature** authorized a transfer of up to \$18,000 in FY 2018 and for FY 2019 from the Dental Board Fee Fund to the Pharmacy Fee Fund in the Kansas Board of Pharmacy for the operation and maintenance of the Kansas Prescription Monitoring Program (K-TRACS).

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** estimates a revised budget for operating expenditures of \$414,000, all from special revenue funds, in FY 2019. This is a decrease of \$13,804, or 3.2 percent, below the amount approved by the 2018 Legislature. The decrease is primarily due to a decrease in contractual services. The revised

estimate includes 3.0 FTE positions, which is the same number approved by the 2018 Legislature. The agency also requests increasing its hospitality expenditure limitation from \$500 to \$1,000.

FY 2019 Governor Recommendation

The **Governor** concurs with the agency's expenditures request, but recommends only increasing the allowable hospitality expenditures limitation by \$250 in FY 2019. The

Governor also recommends reallocating \$4,000 from travel expenditures to contractual services to better align with actual expenditures over the last five years.

FY 2020 Agency Request

The **agency** requests \$418,500, all from special revenue funds, for operating expenditures for FY 2020. This is an increase of \$4,500, or 1.1 percent, above the FY 2019 revised

estimate. This increase includes \$2,637 in salaries and wages and \$1,863 in contractual services from the agency's FY 2019 revised estimate.

FY 2020 Governor Recommendation

The **Governor** concurs with the agency's expenditures request, but recommends only increasing the allowable hospitality expenditures limitation by \$250 for a total of \$750 for FY 2020 and recommends reallocating \$4,000 from travel expenditures to contractual services to better align with actual

expenditures over the last five years. Also, the Governor recommends \$18,000 be transferred from the Dental Board Fee Fund to the Board of Pharmacy for continued funding of the K-TRACS program for FY 2020.

FY 2021 Agency Request

The **agency** requests \$420,600, all from special revenue funds, for operating expenditures for FY 2021. This increase

includes an increase of \$243 in salaries and wages and \$1,857 in contractual services above the agency's FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency's expenditures request, but recommends only increasing the allowable hospitality expenditures limitation by \$250 for a total of \$750 for FY 2021 and recommends reallocating \$4,000 from travel expenditures to contractual services to better align with actual

expenditures over the last five years. Also, the Governor recommends \$18,000 be transferred from the Dental Board Fee Fund to the Board of Pharmacy for continued funding of the K-TRACS program for FY 2021.

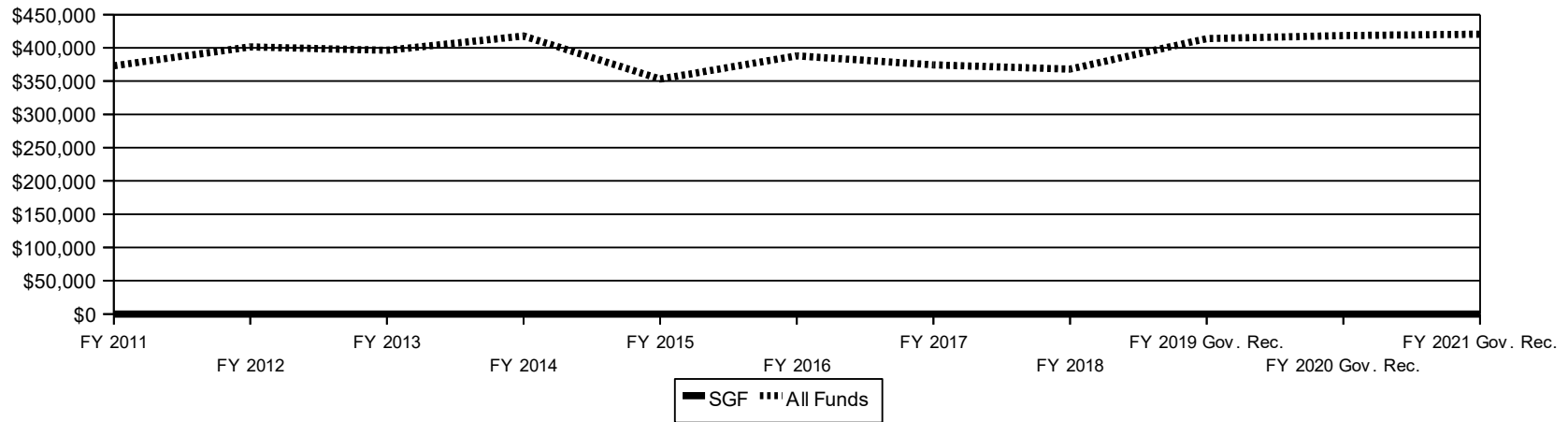
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of complaints received	65	83	100	98	100	100	100
Number of disciplinary actions	8	8	8	5	8	8	8
Number of dental office inspections	360	360	360	360	360	360	360
Cost per license	\$ N/A	\$ N/A	\$ N/A	\$ 71.3	\$ 79.2	\$ 79.3	\$ 78.8
Agency Expenditures							
All Funds (Dollars in Thousands)	\$ 388.1	\$ 374.5	\$ 422.1	\$ 368.1	\$ 414.0	\$ 418.5	\$ 420.6
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 373,237	1.6 %	3.0
2012	0	--	401,457	7.6	3.0
2013	0	--	396,337	(1.3)	3.0
2014	0	--	417,868	5.4	3.0
2015	0	--	353,244	(15.5)	3.0
2016	0	--	388,081	9.9	3.0
2017	0	--	374,518	(3.5)	3.0
2018	0	--	368,083	(1.7)	3.0
2019 Gov. Rec.	0	--	414,000	12.5	3.0
2020 Gov. Rec.	0	--	418,500	1.1	3.0
2021 Gov. Rec.	0	--	420,600	0.5	3.0
Eleven-Year Change	\$ 0	-- %	\$ 47,363	12.7 %	0.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration*	\$ 368,083	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Licensing	0	286,000	290,500	4,500	1.6	286,000	290,500	4,500	1.6
Legal	0	92,000	92,000	0	0.0	92,000	92,000	0	0.0
Inspections	0	36,000	36,000	0	0.0	36,000	36,000	0	0.0
TOTAL	\$ 368,083	\$ 414,000	\$ 418,500	\$ 4,500	1.1 %	\$ 414,000	\$ 418,500	\$ 4,500	1.1 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 191,631	\$ 200,181	\$ 202,818	\$ 2,637	1.3 %	\$ 200,181	\$ 202,818	\$ 2,637	1.3 %
Contractual Services	170,121	208,819	210,682	1,863	0.9	208,819	210,682	1,863	0.9
Commodities	5,437	5,000	5,000	0	0.0	5,000	5,000	0	0.0
Capital Outlay	894	0	0	0	--	0	0	0	--
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 368,083</i>	<i>\$ 414,000</i>	<i>\$ 418,500</i>	<i>\$ 4,500</i>	<i>1.1 %</i>	<i>\$ 414,000</i>	<i>\$ 418,500</i>	<i>\$ 4,500</i>	<i>1.1 %</i>
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 368,083	\$ 414,000	\$ 418,500	\$ 4,500	1.1 %	\$ 414,000	\$ 418,500	\$ 4,500	1.1 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Dental Board Fee Fund	368,083	414,000	418,500	4,500	1.1	414,000	418,500	4,500	1.1
All Other Funds	0	0	0	0	--	0	0	0	--
TOTAL	\$ 368,083	\$ 414,000	\$ 418,500	\$ 4,500	1.1 %	\$ 414,000	\$ 418,500	\$ 4,500	1.1 %

* In 2018, the agency restructured programs to better define services for performance-based budgeting. The agency has structured programs around primary functions the agency performs, which include Licensing, Legal, and Inspections.

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration*	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Licensing	290,500	292,600	2,100	0.7	290,500	292,600	2,100	0.7
Legal	92,000	92,000	0	0.0	92,000	92,000	0	0.0
Inspections	36,000	36,000	0	0.0	36,000	36,000	0	0.0
TOTAL	\$ 418,500	\$ 420,600	\$ 2,100	0.5 %	\$ 418,500	\$ 420,600	\$ 2,100	0.5 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 202,818	\$ 203,061	\$ 243	0.1 %	\$ 202,818	\$ 203,061	\$ 243	0.1 %
Contractual Services	210,682	212,539	1,857	0.9	210,682	212,539	1,857	0.9
Commodities	5,000	5,000	0	0.0	5,000	5,000	0	0.0
Capital Outlay	0	0	0	--	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 418,500</i>	<i>\$ 420,600</i>	<i>\$ 2,100</i>	<i>0.5 %</i>	<i>\$ 418,500</i>	<i>\$ 420,600</i>	<i>\$ 2,100</i>	<i>0.5 %</i>
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 418,500	\$ 420,600	\$ 2,100	0.5 %	\$ 418,500	\$ 420,600	\$ 2,100	0.5 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Dental Board Fee Fund	418,500	420,600	2,100	0.5	418,500	420,600	2,100	0.5
All Other Funds	0	0	0	--	0	0	0	--
TOTAL	\$ 418,500	\$ 420,600	\$ 2,100	0.5 %	\$ 418,500	\$ 420,600	\$ 2,100	0.5 %

* In 2018, the agency restructured programs to better define services for performance-based budgeting. The agency has structured programs around primary functions the agency performs, which include Licensing, Legal, and Inspections.

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	427,804	414,000	(13,804)	414,000	(13,804)
TOTAL	\$ 427,804	\$ 414,000	\$ (13,804)	\$ 414,000	\$ (13,804)
FTE Positions	3.0	3.0	0.0	3.0	0.0

The **agency** requests a revised estimate of \$414,000, all from special revenue funds, in FY 2019. This is an all funds decrease of \$13,804, or 3.2 percent, below the amount approved by the 2018 Legislature. The revised estimate includes 3.0 FTE positions, which is no change from the approved amount. The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency estimates \$200,181, which is an increase of \$5,297, or 2.7 percent, above the amount approved by the 2018 Legislature. The increase is primarily attributable

to the amount needed to maintain current staff, specifically due to the legislative pay plan implemented for state employees by 2018 legislature;

- **Contractual Services.** The agency estimates \$208,819, which is a decrease of \$18,644, or 8.2 percent, below the amount approved by the 2018 Legislature. The decrease is primarily attributable to decreases in the other fees category, due to its attorney and inspector working under indefinite quantity contracts. Also, the state buildings

operating charge decreased due to the decrease in square footage expenditures; and

- **Commodities.** The agency requests \$5,000, which is a decrease of \$457, or 8.4 percent, below the amount approved by the 2018 Legislature. The decrease is primarily attributable to a decrease in office supply expenditures.

The **Governor** concurs with the agency's expenditures request, but recommends increasing the allowable hospitality expenditures limitation by \$250 for a total of \$750 in FY 2019. The Governor also recommends reallocating \$4,000 from travel expenditures to contract services to better align with actual expenditures over the last five years.

Supplemental Detail

FY 2019 SUPPLEMENTALS						
Supplementals	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Hospitality increase	\$ 0	\$ 0	0.0	\$ 0	\$ 0	0.0

The **agency** requests an increase of \$500 in hospitality expenditures, all from the Dental Board Fee Fund, within existing resources in FY 2019. The agency's budget in FY 2019 includes \$500, all from the Dental Board Fee Fund, for hospitality expenditures and this request would increase the agency's allowable hospitality expenditures to \$1,000, all from the Dental Board Fee Fund, in FY 2019.

The **Governor** recommends increasing hospitality expenditures by \$250, all from the Dental Board Fee Fund, within existing resources in FY 2019. The recommendation would provide \$750 in total hospitality expenditures in FY 2019, an increase of \$250 above the amount approved by the 2018 Legislature.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 418,500	\$ 418,500	\$ 0
FTE Positions	3.0	3.0	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	4,500	4,500	
TOTAL	\$ 4,500	\$ 4,500	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	1.1	1.1	
TOTAL	1.1 %	1.1 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$418,500, all from special revenue funds, for operating expenditures for FY 2020. This is an all funds increase of \$2,100, or 0.5 percent, above the agency's FY 2019 revised estimate. The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests \$202,818, which is an increase of \$2,637, or 1.3

percent, above the FY 2019 revised estimate. The increase is primarily attributable to increases in employee fringe benefits;

- **Contractual Services.** The agency requests \$210,682, which is an increase of \$1,863, or 0.9 percent, above the FY 2019 revised estimate. The increase is primarily attributable to minor

adjustments for projected services, including computer maintenance and central mailing services; and

- **Commodities.** The agency requests \$5,000, which is the same amount as the FY 2019 revised estimate for office supplies and equipment.

The **Governor** concurs with the agency's expenditures request, but recommends increasing the allowable hospitality expenditures limitation by \$250 for a total of \$750 for FY 2020 and recommends reallocating \$4,000 from travel expenditures to contract services to better align with actual expenditures over the last five years. Also, the Governor recommends \$18,000 be transferred from the Dental Board Fee Fund to the Board of Pharmacy for continued funding of the K-TRACS program for FY 2020.

Enhancements Detail

FY 2020 ENHANCEMENTS							
Enhancements	Agency Request			Governor's Recommendation			
	SGF	All Funds	FTE	SGF	All Funds	FTE	
Hospitality increase	\$ 0	\$ 0	0.0	\$ 0	\$ 0	0.0	

The **agency** requests an increase of \$500 in hospitality expenditures, all from the Dental Board Fee Fund, within existing resources in FY 2020. The agency's budget for FY 2020 includes \$500, all from the Dental Board Fee Fund, for hospitality expenditures and this request would increase the agency's allowable hospitality expenditures to \$1,000, all from the Dental Board Fee Fund, for FY 2020.

The **Governor** recommends increasing hospitality expenditures by \$250, all from the Dental Board Fee Fund, within existing resources for FY 2020. This recommendation would provide \$750 in total hospitality expenditures for FY 2020.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 420,600	\$ 420,600	\$ 0
FTE Positions	3.0	3.0	0.0
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	2,100	2,100	
TOTAL	\$ 2,100	\$ 2,100	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	0.5	0.5	
TOTAL	0.5 %	0.5 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$420,600, all from special revenue funds, for operating expenditures for FY 2021. This is an all funds increase of \$2,100, or 0.5 percent, above the agency's FY 2020 request. The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests \$203,061, which is an increase of \$243, or 0.1 percent, above the agency's FY 2020 request.

The increase is primarily attributable to increases in employee fringe benefits;

- **Contractual Services.** The agency requests \$212,539, which is an increase of \$1,857, or 0.9 percent, above the the agency's FY 2020 request. The increase is primarily attributable to services, including regular computer maintenance and central mailing services; and

- **Commodities.** The agency requests \$5,000, which is the same amount as the agency's FY 2020 request for office supplies and equipment.

The **Governor** concurs with the agency's request, but recommends increasing hospitality expenditures by \$250 for a

total of \$750 for FY 2021. The Governor also recommends reallocating \$4,000 from travel expenditures to contract services to better align with actual expenditures over the last five years. Also, the Governor recommends \$18,000 be transferred from the Dental Board Fee Fund to the Board of Pharmacy for continued funding of the K-TRACS program for FY 2021.

Enhancements Detail

FY 2021 ENHANCEMENTS							
Enhancements	Agency Request			Governor's Recommendation			
	SGF	All Funds	FTE	SGF	All Funds	FTE	
Hospitality increase	\$ 0	\$ 0	0.0	\$ 0	\$ 0	0.0	

The **agency** requests an increase of \$500 in hospitality expenditures, all from the Dental Board Fee Fund, within existing resources in FY 2021. The agency's budget for FY 2021 includes \$500, all from the Dental Board Fee Fund, for hospitality expenditures and this request would increase the agency's allowable hospitality expenditures to \$1,000, all from the Dental Board Fee Fund, for FY 2021.

The **Governor** recommends increasing hospitality expenditures by \$250, all from the Dental Board Fee Fund, within existing resources for FY 2021. This recommendation would provide \$750 in total hospitality expenditures for FY 2021.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$1,032, all from special revenue funds.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, FY 2019 longevity payments total \$560, all from special revenue funds, and FY 2020 longevity payments total \$600, all from special revenue funds.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
Dental Board Fee Fund	100.0 %	100.0 %	100.0 %	100.0 %
Special Litigation Reserve Fund	0.0	0.0	0.0	0.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Dental Board Fee Fund Analysis

The Dental Board receives most of its revenue from biennial registration fees. The 1995 Legislature passed legislation changing the Board's practice of annual licensing to biennial licensing. This change reduced the Board's mailing expenses and related costs. Starting in FY 2015, the biennial fee for dentists was reduced from \$300 to \$275, with a statutory maximum of \$325. The biennial fee for dental hygienists was reduced from \$150 to \$125, with a statutory maximum of \$160. These biennial fees will be effective FY 2015 through FY 2018. Projected savings to licensees from reduced fees is more than \$350,000. Fees will be reassessed by the agency after FY 2018.

The agency also collects receipts from credential verifications, certification fees, corporation fees, license verifications, penalties, directories of dental personnel, and application fees for examinations. The Board created a *pro rata* fee that helped with the collection of biennial fees listed above. The schedule breaks the fee a licensee pays into 24-month blocks. The agency's statutory fee limits were increased by the 2005 Legislature.

Prior to 2006, dental and hygienist licenses were renewed in alternating years. Since the fee for dental licenses is greater than that of hygienist licenses, the Kansas Dental Board was collecting more revenue in years when the dental licenses renewed and less in the years when the hygienist licenses renewed. Starting in 2006, the Board staggered the renewal of all licenses based on license numbers. Odd-numbered licenses renew in odd years and even-numbered licenses renew in even years.

In FY 2011, the Special Litigation Fund was established to ensure adequate resources in the event of significant legal action against licensees. The agency periodically requests transfers from the Dental Board Fee Fund to the Special Litigation Reserve Fund to ensure necessary funding. The Board does not currently anticipate the need to make transfers into the special litigation reserve fund in FY 2018 or for FY 2019.

The 2017 Legislature authorized a transfer of up to \$18,000 in FY 2018 and for FY 2019 from the Dental Board Fee Fund to

the Pharmacy Fee Fund in the Kansas Board of Pharmacy for the operation and maintenance of the Kansas Prescription Monitoring Program (K-TRACS).

As a fee-funded agency, the Kansas Dental Board currently contributes the lesser of 10.0 percent or \$100,000 of fee

revenue to the State General Fund for the cost of support services provided by other state agencies under KSA 75-3170a. The table below summarizes estimated receipts and fund balances based upon the agency estimate and the Governor's recommendation, including the \$18,000 transfer to the Kansas Board of Pharmacy.

Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 683,633	\$ 766,165	\$ 766,165	\$ 784,120	\$ 784,120	\$ 842,418	\$ 824,418
Revenue	464,057	449,955	449,955	476,798	476,798	453,038	453,038
Transfers in	0	0	0	0	0	0	0
<i>Funds Available</i>	<u>\$ 1,147,690</u>	<u>\$ 1,216,120</u>	<u>\$ 1,216,120</u>	<u>\$ 1,260,918</u>	<u>\$ 1,260,918</u>	<u>\$ 1,295,456</u>	<u>\$ 1,277,456</u>
Less:							
Expenditures	\$ 368,083	\$ 414,000	\$ 414,000	\$ 418,500	\$ 418,500	\$ 420,600	\$ 420,600
Transfers Out	13,442	18,000	18,000	0	18,000	0	18,000
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 766,165</u>	<u>\$ 784,120</u>	<u>\$ 784,120</u>	<u>\$ 842,418</u>	<u>\$ 824,418</u>	<u>\$ 874,856</u>	<u>\$ 838,856</u>
Ending Balance as Percent of Expenditures	208.2%	189.4%	189.40%	201.3%	197.00%	208.0%	199.40%
Month Highest Ending Balance	January <u>\$ 888,099</u>	June <u>\$ 784,120</u>	June <u>\$ 784,120</u>	June <u>\$ 824,418</u>	June <u>\$ 824,418</u>	June <u>\$ 838,856</u>	June <u>\$ 838,856</u>
Month Lowest Ending Balance	September \$ 616,510	July \$ 766,638	July \$ 766,638	July \$ 785,182	July \$ 785,182	June \$ 824,799	June \$ 824,799

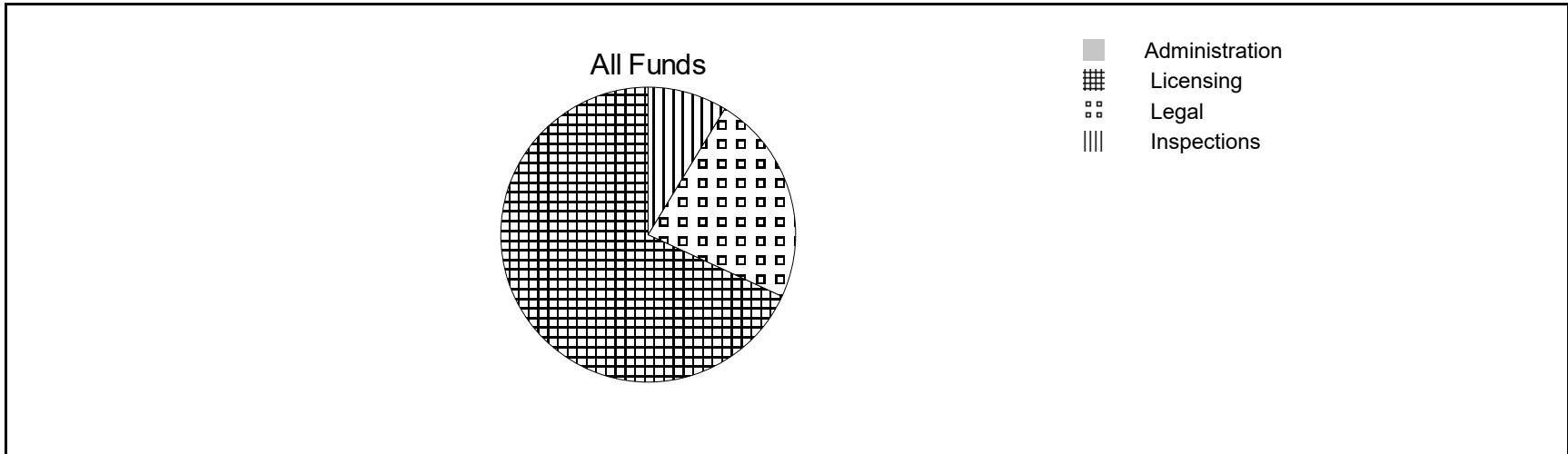
The Governor recommends transferring \$18,000 for FY 2019, FY 2020, and FY 2021 for continued funding of K-TRACS in the Board of Pharmacy.

LICENSURE FEES

License	Current Fee	Statutory Limit
Examination fee for dental applicants	\$ 200	\$ 200
Subsequent examination fee for dental applicants	0	100
Examination fee for specialty qualifications	200	200
Credentials/qualifications fee	300	300
Duplicate certificate fee	25	25
Certificate fee, including certificate for credentials/qualifications	0	25
Biennial license renewal fee for dentists	275	325
Examination fee for dental hygienist applicants	100	100
Subsequent examination fee for dental hygienist applicants	0	100
Biennial license renewal fee for dental hygienists	125	160
Reinstatement of a revoked license	2,000	2,000
Processing fee for failure to notify of change of address	0	100
Registration fee to operate a mobile dental facility or portable operation	350	500
Sedation permit fee level I	100	200
Sedation permit fee level II	150	200
Sedation permit fee level III	200	200

PROGRAM DETAIL

EXPENDITURES BY PROGRAM—GOVERNOR’S FY 2020 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Administration*	\$ 0	-- %	\$ 0	-- %
Licensing	282,000	68.1	0	--
Legal	96,000	23.2	0	--
Inspections	36,000	8.7	0	--
TOTAL	\$ 414,000	100.0 %	\$ 0	100.0 %

* In 2018, the agency restructured programs to better define services for performance-based budgeting. The agency has structured programs around primary functions the agency performs, which include Licensing, Legal, and Inspections.

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

Program	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Administration*	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Licensing	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Legal	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inspections	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	3.0	3.0	3.0	3.0	3.0	3.0	3.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

(*In 2018, the agency restructured programs to better define services for performance-based budgeting. The agency has structured programs around primary functions the agency performs, which include Licensing, Legal, and Inspections.)

A. Licensing

The Licensing program issues new licenses, processes renewals, completes verifications to other state boards, responds to public records requests, answers practice questions from licensees, processes complaints, organizes board

meetings, publishes a semiannual newsletter, responds to correspondence, and performs other administrative functions for the Kansas Dental Board. The agency's 3.0 FTE positions are within this program.

PERFORMANCE MEASURES						
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020
There are no performance measures submitted for this program.						
Agency Expenditures						
All Funds (Dollars in Thousands)	\$ 388.1	\$ 374.5	\$ 422.1	\$ 368.1	\$ 414.0	\$ 418.5
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0

LICENSING SUMMARY OF EXPENDITURES FY 2018 – FY 2021							
Item	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Expenditures:							
Salaries and Wages	\$ 0	\$ 200,181	\$ 200,181	\$ 202,818	\$ 202,818	\$ 203,061	\$ 203,061
Contractual Services	0	80,819	76,819	82,682	78,682	84,539	80,539
Commodities	0	5,000	5,000	5,000	5,000	5,000	5,000
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 0</i>	<i>\$ 286,000</i>	<i>\$ 282,000</i>	<i>\$ 290,500</i>	<i>\$ 286,500</i>	<i>\$ 292,600</i>	<i>\$ 288,600</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	\$ 0	\$ 286,000	\$ 282,000	\$ 290,500	\$ 286,500	\$ 292,600	\$ 288,600
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	0	286,000	282,000	290,500	286,500	292,600	288,600
TOTAL	\$ 0	\$ 286,000	\$ 282,000	\$ 290,500	\$ 286,500	\$ 292,600	\$ 288,600
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0

The **agency** requests a revised estimate totaling \$286,000, all from special revenue funds, for the Licensing program in FY 2019. This is an all funds increase of \$1,228, or 0.4 percent, from the amount approved by the 2018 Legislature for the activities performed within the Licensing program. Expenditures for this program were previously approved within the Administration program. The agency's revised estimate includes 3.0 FTE positions, which is the same as the approved number.

The **Governor** recommends \$282,000 all from special revenue funds, for the Licensing program in FY 2019. This is an all funds decrease of \$4,000, or 1.4 percent, below the agency's revised estimate. This decrease is due to the reallocation of funds from travel expenditures to contract services in the Legal program to better align with actual expenditures over the last five years.

The **agency** requests \$290,500, all from special revenue funds, for the Licensing program for FY 2020. This is an all funds increase of \$4,500, or 1.6 percent, above the agency's revised FY 2019 estimate for the activities performed within the Licensing program. The agency request includes 3.0 FTE positions, which is the same as the agency's FY 2019 revised estimate.

B. Legal

The agency contracts for legal services associated with hearings to determine necessary disciplinary action, such as suspension, restriction, or revocation of a practitioner's license. Administrative hearings are held by the Board as warranted

The **Governor** recommends \$286,500 all from special revenue funds, for the Licensing program for FY 2020. This is an all funds decrease of \$4,000, or 1.4 percent, below the agency's requested amount. This decrease is due to the reallocation of funds from travel expenditures to contract services to better align with actual expenditures over the last five years.

The **agency** requests \$292,600, all from special revenue funds, for the Licensing program for FY 2021. This is an all funds increase of \$2,100, or 0.7, percent increase above the agency's FY 2020 request for the activities performed within the Licensing program. The agency's request includes 3.0 FTE positions, which is no change from the agency's FY 2020 request.

The **Governor** recommends \$288,600 all from special revenue funds, for the Licensing program for FY 2021. This is an all funds decrease of \$4,000, or 1.4 percent, below the agency's requested amount. This decrease is due to the reallocation of funds from travel expenditures to contract services in the Legal program to better align with actual expenditures over the last five years.

following an investigation resulting from a complaint of incompetence, negligence, illegal practice, or other violations of the Dental Practices Act.

PERFORMANCE MEASURES						
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020
There are no performance measures submitted for this program.						
Agency Expenditures						
All Funds (Dollars in Thousands)	\$ 388.1	\$ 374.5	\$ 422.1	\$ 368.1	\$ 414.0	\$ 418.5
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0

LEGAL SUMMARY OF EXPENDITURES FY 2018 – FY 2021							
Item	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Expenditures:							
Salaries and Wages	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contractual Services	0	92,000	96,000	92,000	96,000	92,000	96,000
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 0</i>	<i>\$ 92,000</i>	<i>\$ 96,000</i>	<i>\$ 92,000</i>	<i>\$ 96,000</i>	<i>\$ 92,000</i>	<i>\$ 96,000</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	\$ 0	\$ 92,000	\$ 96,000	\$ 92,000	\$ 96,000	\$ 92,000	\$ 96,000
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	0	92,000	96,000	92,000	96,000	92,000	96,000
TOTAL	\$ 0	\$ 92,000	\$ 96,000	\$ 92,000	\$ 96,000	\$ 92,000	\$ 96,000
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** requests a revised estimate totaling \$92,000, all from special revenue funds, for the Legal program in FY 2019. This is a decrease of \$14,000, or 13.2 percent, below the amount approved by the 2018 Legislature. Expenditures for this program were previously approved within the Administration program. The agency's revised request includes 0.0 FTE positions, which is the same as the approved number, due to these services being contracted out.

The **Governor** recommends \$96,000 all from special revenue funds, for the Legal program in FY 2019. This is an all funds increase of \$4,000, or 4.3 percent, above the the agency's requested amount. This increase is due to the reallocation of funds from travel expenditures in the Licensing program to contract services to better align with actual expenditures over the last five years.

The **agency** requests expenditures totaling \$92,000, all from special revenue funds, for the Legal program for FY 2020. This is no change from the agency's revised FY 2019 estimate. The agency's request includes 0.0 FTE positions, which is the same as the agency's revised FY 2019 estimate.

C. Inspections

Similar to the Legal program, activities within the Inspections program are contracted from outside the agency. A contract

The **Governor** recommends \$96,000 all from special revenue funds, for the Legal program for FY 2020. This is an all funds increase of \$4,000, or 4.3 percent, above the agency's requested amount. This increase is due to the reallocation of funds from travel expenditures to contract services to better align with actual expenditures over the last five years.

The **agency** requests expenditures totaling \$92,000, all from special revenue funds, for the Legal program for FY 2021. This is no change from the amount requested for FY 2020. The agency's request includes 0.0 FTE positions, which is the same as the agency's FY 2020 request.

The **Governor** recommends \$96,000, all from special revenue funds, for the Legal program for FY 2021. This is an all funds increase of \$4,000, or 4.3 percent, above the agency's requested amount. This increase is due to the reallocation of funds from travel expenditures in the Licensing program to contract services to better align with actual expenditures over the last five years.

dentist investigates complaints and performs sanitation inspections of dental offices throughout the state.

PERFORMANCE MEASURES						
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020
There are no performance measures submitted for this program.						
Agency Expenditures						
All Funds (Dollars in thousands)	\$ 388.1	\$ 374.5	\$ 422.1	\$ 368.1	\$ 414.0	\$ 418.5
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0

INSPECTIONS							
SUMMARY OF EXPENDITURES FY 2018 – FY 2021							
Item	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Expenditures:							
Salaries and Wages	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contractual Services	0	36,000	36,000	36,000	36,000	36,000	36,000
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 0</i>	<i>\$ 36,000</i>	<i>\$ 36,000</i>	<i>\$ 36,000</i>	<i>\$ 36,000</i>	<i>\$ 36,000</i>	<i>\$ 36,000</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	\$ 0	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	0	36,000	36,000	36,000	36,000	36,000	36,000
TOTAL	\$ 0	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** requests a revised estimate totaling \$36,000, all from special revenue funds, for the Inspections program in FY 2019. Overall, there is no change from the amount approved by the 2018 Legislature for the activities performed within the Inspections program. Expenditures were previously approved within the Administration program. The agency's revised estimate includes 0.0 FTE positions, which is the same as the approved number, due to these services being contracted out.

The **Governor** concurs with the agency's request in FY 2019.

The **agency** requests \$36,000, all from special revenue funds, for the Inspections program for FY 2020. Overall, there is no change from the amount approved by the 2018 Legislature for the activities performed within the Inspections program. The

agency's request includes 0.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's request for FY 2020.

The **agency** requests \$36,000, all from special revenue funds, for the Inspections program for FY 2021. Overall, there is no change from the amount approved by the 2018 Legislature for the activities performed within the Inspections program. The agency request includes 0.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's request for FY 2021.

GOVERNMENTAL ETHICS COMMISSION

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 385,375	\$ 386,406	\$ 386,406	\$ 414,641	\$ 386,406	\$ 514,640	\$ 386,406
Other Funds	196,684	274,035	270,035	274,480	295,813	190,263	311,596
<i>Subtotal</i>	<i>\$ 582,059</i>	<i>\$ 660,441</i>	<i>\$ 656,441</i>	<i>\$ 689,121</i>	<i>\$ 682,219</i>	<i>\$ 704,903</i>	<i>\$ 698,002</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 582,059	\$ 660,441	\$ 656,441	\$ 689,121	\$ 682,219	\$ 704,903	\$ 698,002

Percentage Change:

Operating Expenditures							
State General Fund	3.1 %	0.3 %	0.3 %	7.3 %	0.0 %	24.1 %	0.0 %
All Funds	(3.4)	13.5	12.8	4.3	3.9	2.3	2.3
FTE Positions	7.5	7.5	7.5	8.0	7.5	8.0	7.5

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Governmental Ethics Commission is charged with administering, interpreting, and enforcing the Campaign Finance Act and laws relating to conflicts of interest, financial disclosure, and the regulation of lobbying. These laws establish the public's right to information about the financial affairs of Kansas' public officials, lobbyists, and candidates for state and local office. In addition, the Commission renders advisory opinions and can adopt rules and regulations.

Each year, the Commission receives thousands of financial disclosure reports filed by candidates, political parties and party committees, public officials, and lobbyists. During non-election

years, the Commission staff conduct comprehensive audits of previous filings; process new candidate Appointment of Treasurer forms and Political Action Committee Statement of Organization forms; ensure all persons subject to Commission regulation receive all pertinent campaign finance information for upcoming elections; process failure to file notices; and file complaints. During election years, the Commission devotes 80.0 percent to 90.0 percent of staff time to answering campaign-related questions, assisting candidates and candidate treasurers in completing their reports, and reviewing the receipts and expenditure reports filed. In addition to these responsibilities, the Commission enforces and assures lobbyists' compliance with state lobbying laws.

MAJOR ISSUES FROM PRIOR YEARS

The **2013 Legislature** deleted \$42,243, all from the State General Fund, for FY 2014 and FY 2015 operating expenditures. The Legislature also reduced funding for salaries and wages for FY 2014 and FY 2015.

The **2014 Legislature** added \$5,000, all from special revenue funds, in FY 2014 for information technology. The agency previously shared server space with the Department of Agriculture, but had to make alternative arrangements following the Department of Agriculture's relocation to Manhattan, Kansas.

The **2015 Legislature** passed HB 2183, which increased the agency's statutory maximum fees for candidates and lobbyists. The estimated increase to the agency fee fund for FY 2016 was \$51,201.

The **2018 Legislature** added \$8,437, including \$6,062 from the State General Fund, for salary adjustments for FY 2019 equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives and one step for employees who received approximately one step on the Statewide Pay Matrix in FY 2018.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** requests a FY 2019 revised estimate of \$660,441, including \$386,406 from the State General Fund. The revised estimate is an all funds increase of \$4,000, or 0.6 percent, above the FY 2019 approved amount. This includes a special revenue fund increase of \$4,000, or 1.5 percent, above the approved amount. The increase is primarily attributable to

increased expenditures for the increased investigator hours supplemental request and increased employer contributions to group health insurance. The agency requests funding for 7.5 FTE positions, which is the same number as the FY 2019 approved number.

FY 2019 Governor Recommendation

The **Governor** recommends \$656,441, including \$386,406 from the State General Fund, which is the same as the FY 2019 approved amount. However, the recommendation is a decrease

of \$4,000 below the agency's revised estimate. The decrease is attributable to the Governor not recommending the agency's supplemental request.

FY 2020 Agency Request

The **agency** requests FY 2020 operating expenditures of \$689,121, including \$414,641 from the State General Fund. The request is an all funds increase of \$28,680, or 4.3 percent, above the FY 2019 revised estimate. This includes \$414,641 from the State General Fund, which is an increase of \$28,235, or 7.3 percent, and a special revenue fund increase of \$445, or

0.2 percent, above the FY 2019 revised estimate. The increase is primarily attributable to the requested enhancement to convert a contract position to a part-time investigator position. The agency requests funding for 8.0 FTE positions, which is 0.5 positions more than the FY 2019 revised estimate due to the requested enhancement to add a part-time investigator position.

FY 2020 Governor Recommendation

The **Governor** recommends FY 2020 expenditures of \$682,219, including \$386,406 from the State General Fund, and 7.5 FTE positions. The recommendation is a decrease of \$6,902, including \$28,235 from the State General Fund, and 0.5

FTE positions below the agency's request. The decrease is attributable to the Governor not recommending the agency's enhancement request.

FY 2021 Agency Request

The **agency** requests FY 2021 operating expenditures of \$704,903, including \$514,640 from the State General Fund. The request is an all funds increase of \$15,782, or 2.3 percent, above the FY 2020 request. This includes \$514,640 from the State General Fund, which is an increase of \$99,999, or 24.1 percent, above the FY 2020 request. It also includes a special revenue fund decrease of \$84,217, or 30.7 percent, below the

FY 2020 request. The all funds increase is primarily attributable to increased postage expenditures due to FY 2021 being an election year. The State General Fund increase and special revenue fund decrease is due to the enhancement request for a funding shift from fee funds to the State General Fund. The request includes funding for 8.0 FTE positions, which is the same number in the FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** recommends FY 2021 expenditures of \$698,002, including \$386,406 from the State General Fund, and 7.5 FTE positions. The recommendation is a decrease of \$6,901, including \$128,234 from the State General Fund, and

0.5 FTE positions below the agency's request. The decrease is attributable to the Governor not recommending the agency's enhancement request.

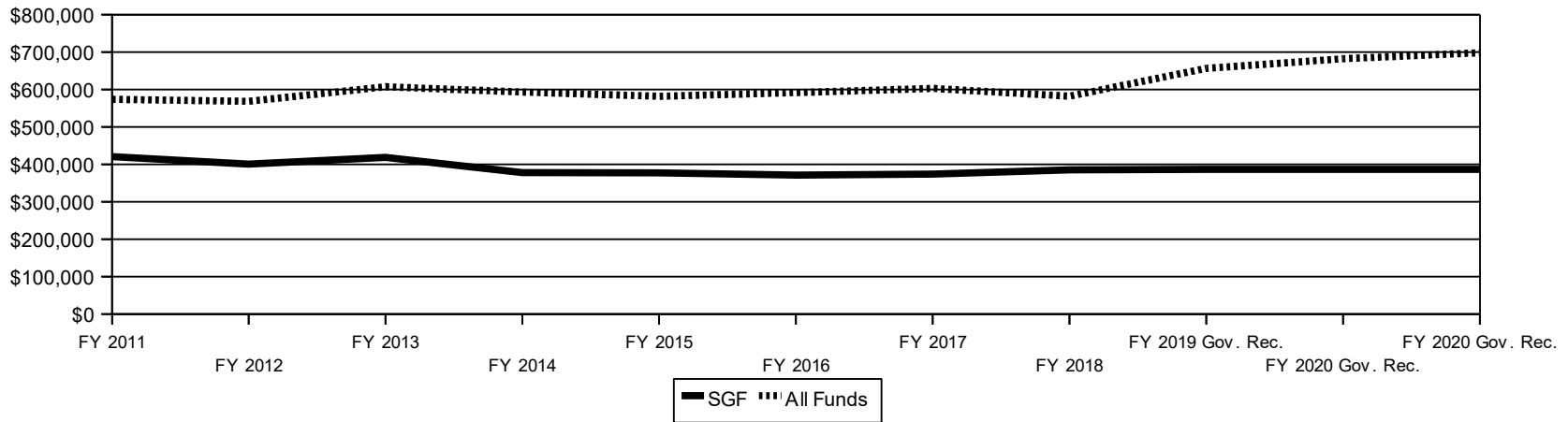
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY2016	Actual FY2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of lobbyist registrations and expenditure reports filed	8,195	7,902	7,898	9,334	9,420	9,530	9,570
Percent of compliance reviews completed	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Number of statement of substantial interest filed	5,606	5,669	5,600	5,683	5,620	5,695	5,620
Agency Expenditures							
All Funds (Dollars in Thousands)	\$ 591.6	\$ 602.8	\$ 629.1	\$ 582.1	\$ 656.4	\$ 682.2	\$ 698.0
FTE Positions	8.0	7.5	7.5	7.5	7.5	7.5	7.5

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 420,616	1.3 %	\$ 573,735	2.8 %	9.0
2012	400,437	(4.8)	568,463	(0.9)	9.5
2013	418,755	4.6	607,264	6.8	7.0
2014	378,023	(9.7)	593,121	(2.3)	7.5
2015	377,076	(0.3)	581,836	(1.9)	8.0
2016	371,259	(1.5)	591,555	1.7	8.0
2017	373,656	0.6	602,849	1.9	7.5
2018	385,375	3.1	582,059	(3.4)	7.5
2019 Gov. Rec.	386,406	0.3	656,441	12.8	7.5
2020 Gov. Rec.	386,406	0.0	682,219	3.9	7.5
2021 Gov. Rec.	386,406	0.0	698,002	2.3	7.5
Eleven-Year Change	\$ (34,210)	(8.1)%	\$ 124,267	21.7 %	(1.5)

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 582,059	\$ 660,441	\$ 689,121	\$ 28,680	4.3 %	\$ 656,441	\$ 682,219	\$ 25,778	3.9 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 462,033	\$ 495,253	\$ 538,435	\$ 43,182	8.7 %	\$ 495,253	\$ 510,200	\$ 14,947	3.0 %
Contractual Services	117,402	156,688	141,551	(15,137)	(9.7)	152,688	162,884	10,196	6.7
Commodities	2,605	6,500	6,500	0	0.0	6,500	6,500	0	0.0
Capital Outlay	19	2,000	2,635	635	31.8	2,000	2,635	635	31.8
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 582,059	\$ 660,441	\$ 689,121	\$ 28,680	4.3 %	\$ 656,441	\$ 682,219	\$ 25,778	3.9 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 582,059	\$ 660,441	\$ 689,121	\$ 28,680	4.3 %	\$ 656,441	\$ 682,219	\$ 25,778	3.9 %
Financing:									
State General Fund	\$ 385,375	\$ 386,406	\$ 414,641	\$ 28,235	7.3 %	\$ 386,406	\$ 386,406	\$ 0	0.0 %
All Other Funds	196,684	274,035	274,480	445	0.2	270,035	295,813	25,778	9.5
TOTAL	\$ 582,059	\$ 660,441	\$ 689,121	\$ 28,680	4.3 %	\$ 656,441	\$ 682,219	\$ 25,778	3.9 %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 689,121	\$ 704,903	\$ 15,782	2.3 %	\$ 682,219	\$ 698,002	\$ 15,783	2.3 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 538,435	\$ 540,636	\$ 2,201	0.4 %	\$ 510,200	\$ 512,402	\$ 2,202	0.4 %
Contractual Services	141,551	155,132	13,581	9.6	162,884	176,465	13,581	8.3
Commodities	6,500	6,500	0	0.0	6,500	6,500	0	0.0
Capital Outlay	2,635	2,635	0	0.0	2,635	2,635	0	0.0
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 689,121</i>	<i>\$ 704,903</i>	<i>\$ 15,782</i>	<i>2.3 %</i>	<i>\$ 682,219</i>	<i>\$ 698,002</i>	<i>\$ 15,783</i>	<i>2.3 %</i>
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 689,121	\$ 704,903	\$ 15,782	2.3 %	\$ 682,219	\$ 698,002	\$ 15,783	2.3 %
Financing:								
State General Fund	\$ 414,641	\$ 514,640	\$ 99,999	24.1 %	\$ 386,406	\$ 386,406	\$ 0	0.0 %
All Other Funds	274,480	190,263	(84,217)	(30.7)	295,813	311,596	15,783	5.3
TOTAL	\$ 689,121	\$ 704,903	\$ 15,782	2.3 %	\$ 682,219	\$ 698,002	\$ 15,783	2.3 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The 2018 Legislature approved a State General Fund budget of \$386,406 for the Governmental Ethics Commission in FY 2019, which is the same amount as requested.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 386,406	\$ 386,406	\$ 0	\$ 386,406	\$ 0
All Other Funds	270,035	274,035	4,000	270,035	0
TOTAL	\$ 656,441	\$ 660,441	\$ 4,000	\$ 656,441	\$ 0
FTE Positions	7.5	7.5	0.0	7.5	0.0

The **agency** requests a FY 2019 revised estimate of \$660,441, including \$386,406 from the State General Fund. The revised estimate is an all funds increase of \$4,000, or 0.6 percent, above the approved amount. This includes a special revenue fund increase of \$4,000, or 1.5 percent, above the FY 2019 approved amount. The increase is primarily attributable to increased expenditures for a contracted investigator and increased employer contributions to group health insurance. The agency requests funding for 7.5 FTE positions, which is the same number as the approved.

Major categories of expenditures are provided below:

- **Salaries and Wages.** The agency estimates \$495,253, including \$354,748 from the State General Fund, in FY 2019. This is an all funds increase of \$1,505, or 0.3 percent, above the approved amount, all from special revenue funds. The increase is primarily attributable to increased employer contributions to group health insurance;

- **Contractual Services.** The agency estimates \$156,688, including \$31,658 from the State General Fund, in FY 2019. This is an all funds increase of \$2,495, or 1.6 percent, and a State General Fund increase of \$8,500, or 36.7 percent, above the approved amount. The increase is primarily attributable to increased expenditures for a contracted investigator;
- **Commodities.** The agency estimates \$6,500, all from special revenue funds, in FY 2019. This is the same as the approved amount. The approved amount was all from the State General Fund, while the revised estimate draws the same amount all from special revenue funds; and

- **Capital Outlay.** The agency requests \$2,000, all from special revenue funds, in FY 2019. This is the same as the approved amount. The approved amount was all from the State General Fund, while the revised estimate draws the same amount all from special revenue funds.

The **Governor** recommends \$656,441, including \$386,406 from the State General Fund, which is the same as the FY 2019 approved amount. However, the recommendation is a decrease of \$4,000 below the agency's revised estimate. The decrease is attributable to the Governor not recommending the agency's supplemental request.

Supplemental Detail

FY 2019 SUPPLEMENTALS								
Supplementals	Agency Estimate			Governor's Recommendation				
	SGF	All Funds	FTE	SGF	All Funds	FTE		
Increased Investigator Hours	\$ 0	\$ 4,000	0.0	\$ 0	\$ 0	0.0		

The **agency** requests \$4,000, all from special revenue funds, for increased expenditures for a part-time hourly contracted investigator.

The **Governor** does not recommend the additional funding.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 689,121	\$ 682,219	\$ (6,902)
FTE Positions	8.0	7.5	(0.5)
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 28,235	\$ 0	
All Other Funds	445	25,778	
TOTAL	\$ 28,680	\$ 25,778	
<i>Percent Change:</i>			
State General Fund	7.3 %	0.0 %	
All Other Funds	0.2	9.5	
TOTAL	4.3 %	3.9 %	
Change in FTE Positions	0.5	0.0	

The **agency** requests FY 2020 operating expenditures of \$689,121, including \$414,641 from the State General Fund. The request is an all funds increase of \$28,680, or 4.3 percent, above the FY 2019 revised estimate. This includes \$414,641 from the State General Fund, which an increase of \$28,235, or 7.3 percent, and a special revenue fund increase of \$445, or 0.2 percent, above the FY 2019 revised estimate. The increase is primarily attributable to the requested enhancement convert a part time contract investigator to a part-time investigator

position. The agency requests funding for 8.0 FTE positions, which is 0.5 positions more than the FY 2019 revised estimate. The increase is due to the requested enhancement to add a part-time investigator position.

Major categories of expenditures are provided below:

- **Salaries and Wages.** The agency requests \$538,435, including \$358,626 from the State General Fund, for FY 2020. This is an all funds increase of \$43,182, or 8.7 percent, and a State General Fund increase of \$3,878, or 1.1 percent, above the FY 2019 revised estimate. The increase is primarily attributable to the requested enhancement of a part-time investigator position;
- **Contractual Services.** The agency requests \$141,551, including \$56,015 from the State General Fund, for FY 2020. This is an all funds decrease of \$15,137, or 9.7 percent, and a State General Fund increase of \$24,357, or 76.9 percent, from the FY 2019 revised estimate. The decrease is primarily attributable to a decrease in expenditures for a contracted investigator that

the agency is requesting to convert to a state employee position;

- **Commodities.** The agency requests \$6,500, all from special revenue funds, which is the same amount as requested in FY 2019; and
- **Capital Outlay.** The agency requests \$2,635, all from special revenue funds, for FY 2020. This is an increase of \$635, or 31.8 percent, above the FY 2019 revised estimate. The increase is due to increased expenditures for computer equipment.

The **Governor** recommends FY 2020 expenditures of \$682,219, including \$386,406 from the State General Fund, and 7.5 FTE positions. The recommendation is a decrease of \$6,902, including \$28,235 from the State General Fund, and 0.5 FTE positions below the agency's request. The decrease is attributable to the Governor not recommending the agency's enhancement request.

Enhancements Detail

Enhancements	FY 2020 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Part-time Investigator	\$ 28,235	\$ 6,902	0.5	\$ 0	\$ 0	0.0

The **agency** requests \$28,235 from the State General Fund, and a corresponding decrease of \$21,333 from the Ethics Commission Fee Fund, to provide for a part-time investigator. Since the retirement of the previous investigator, the agency has changed the position to a contracted position. The agency

indicated finding qualified, interested individuals to fill a part-time contract position has been difficult. Considering increased workload and marginal cost savings, the agency requests an enhancement for funds for a part-time investigator position.

The **Governor** does not recommend the enhancement request.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 704,903	\$ 698,002	\$ (6,901)
FTE Positions	8.0	7.5	(0.5)
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 99,999	\$ 0	
All Other Funds	(84,217)	15,783	
TOTAL	\$ 15,782	\$ 15,783	
<i>Percent Change:</i>			
State General Fund	24.1 %	0.0 %	
All Other Funds	(30.7)	5.3	
TOTAL	2.3 %	2.3 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2021 operating expenditures of \$704,903, including \$514,640 from the State General Fund. The request is an all funds increase of \$15,782, or 2.3 percent, above the FY 2020 request. This includes \$514,640 from the State General Fund, which is an increase of \$99,999, or 24.1 percent, above the FY 2020 request. It also includes a special

revenue fund decrease of \$84,217, or 30.7 percent, below the FY 2020 request. The all funds increase is primarily attributable to increased postage expenditures due FY 2021 being an election year. The State General Fund increase and special revenue fund decrease is due to the requested fee fund shortfall

enhancement. The request includes funding for 8.0 FTE positions, which is the same number as the FY 2020 request.

Major categories of expenditures are provided below:

- **Salaries and Wages.** The agency requests \$540,636, including \$460,389 from the State General Fund, for FY 2021. This is an all funds increase of \$2,201, or 0.4 percent, and a State General Fund increase of \$101,763, or 28.4 percent, above the FY 2020 request. The State General Fund increase is due to the requested fee funding shortfall enhancement. The all funds increase is primarily attributable to increased employer contributions to group health insurance;
- **Contractual Services.** The agency requests \$155,132, including \$54,251 from the State General Fund, for FY 2021. This is an all funds increase of \$13,581, or 9.6 percent, and a State General Fund decrease of \$1,764, or 3.1

percent, from the FY 2020 request. The increase is primarily attributable to increased expenditures on postage due to FY 2021 being an election year;

- **Commodities.** The agency requests \$6,500, all from special revenue funds, for FY 2021. This is the same as the FY 2020 request; and
- **Capital Outlay.** The agency requests \$2,635, all from special revenue funds, for FY 2021. This is the same as the FY 2020 request.

The **Governor** recommends FY 2021 expenditures of \$698,002, including \$386,401 from the State General Fund, and 7.5 FTE positions. The recommendation is a decrease of \$6,901, including \$128,234 from the State General Fund, and 0.5 FTE positions below the agency's request. The decrease is attributable to the Governor not recommending the agency's enhancement request.

Enhancements Detail

Enhancements	FY 2021 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Part-time Investigator	\$ 28,234	\$ 6,901	0.5	\$ 0	\$ 0	0.0
Fee Fund Shortfall	100,000	0	0.0	0	0	0.0
TOTAL	\$ 128,234	\$ 6,901	0.5	\$ 0	\$ 0	0.0

The **agency** requests two enhancements totaling \$106,901, including \$128,235 from the State General Fund, for FY 2021.

Part-time Investigator. The **agency** requests \$6,901, including \$28,235 from the State General Fund, and a corresponding decrease of \$21,333 from the Governmental Ethics Commission Fee Fund to provide for a part-time investigator. Since the retirement of the previous investigator, the agency has changed the position to a contracted position. The agency indicated finding qualified, interested individuals to fill a part-time contract position has been difficult.

Fee Funding Shortfall. The agency requests \$100,000 from the State General Fund, and a corresponding decrease of \$100,000 from the Governmental Ethics Commission Fee Fund, for providing an increased share of the agency's funding from the State General Fund more in line with historical funding patterns. The agency states that decreased budget share from the State General Fund has decreased Fee Fund balances to unsustainable levels. The agency noted without the modification, the Fee Fund will be depleted in FY 2022.

The **Governor** does not recommend either of the agency's enhancement requests for FY 2021.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$8,437, including \$6,062 from the State General Fund.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, there are no longevity payments.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
State General Fund	60.2 %	56.6 %	73.0 %	55.4 %
Gov Ethics Commission Fee Fund	39.8	43.4	27.0	44.6
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Governmental Ethics Commission Fee Fund

The Governmental Ethics Commission Fee Fund was established in 1991 by KSA 25-4119e. Receipts to the Fund come from candidate filings, political action committee registrations, lobbyist registrations, civil penalties and fines imposed by the Commission, and charges for publications. The

Kansas Secretary of State and county clerks collect state candidate and lobbyist registration fees. The fees are remitted quarterly to the Commission's fee fund. The utilization of the fee fund varies greatly over a four-year period depending on election and non-election years as well as the type of election.

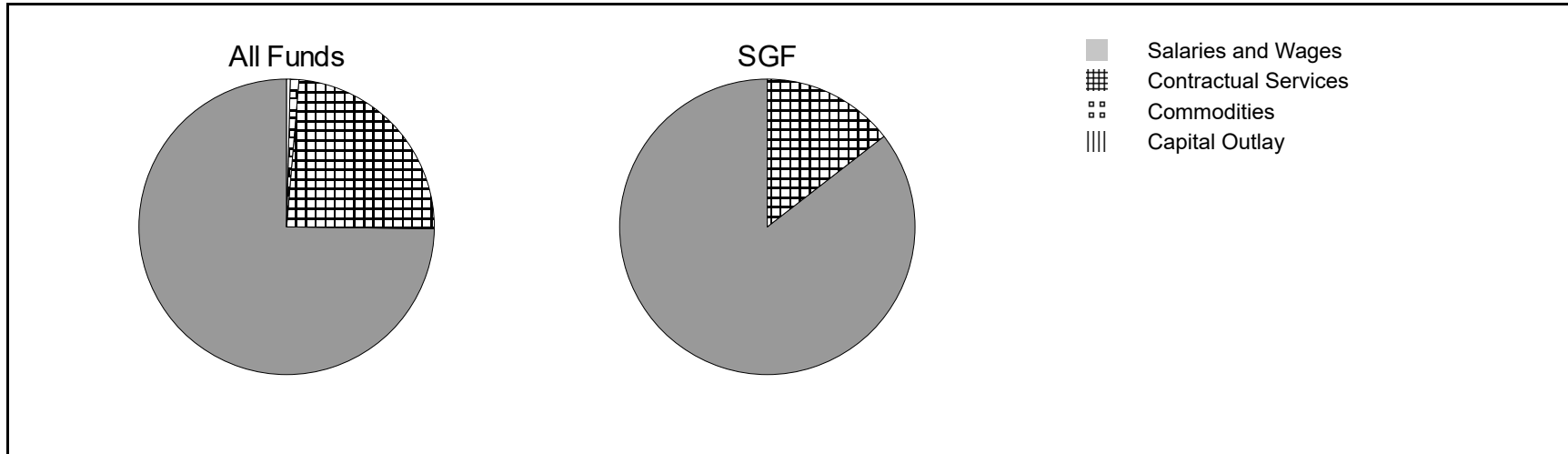
Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 337,075	\$ 369,499	\$ 369,499	\$ 269,464	\$ 273,464	\$ 239,034	\$ 221,701
Revenue	229,108	174,000	174,000	244,050	244,050	205,500	205,500
Transfers in	0	0	0	0	0	0	0
<i>Funds Available</i>	<i>\$ 566,183</i>	<i>\$ 543,499</i>	<i>\$ 543,499</i>	<i>\$ 513,514</i>	<i>\$ 517,514</i>	<i>\$ 444,534</i>	<i>\$ 427,201</i>
Less:							
Expenditures	\$ 196,684	\$ 274,035	\$ 270,035	\$ 274,480	\$ 295,813	\$ 190,263	\$ 311,596
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 369,499</u>	<u>\$ 269,464</u>	<u>\$ 273,464</u>	<u>\$ 239,034</u>	<u>\$ 221,701</u>	<u>\$ 254,271</u>	<u>\$ 115,605</u>
Ending Balance as Percent of Expenditures	187.9%	98.3%	101.3%	87.1%	74.9%	133.6%	37.1%
Month Highest Ending Balance	April \$ 404,367	April \$ 294,892	April \$ 299,270	April \$ 261,591	April \$ 242,622	April \$ 278,266	April \$ 126,514
Month Lowest Ending Balance	November \$ 332,070	November \$ 242,168	November \$ 245,763	November \$ 214,821	November \$ 199,243	November \$ 228,514	November \$ 103,895

LICENSURE FEES

License	Current Fee	Statutory Limit
Filing fee for candidates for Governor and Lieutenant Governor	\$ 650	\$ 650
Filing fee for candidates for other offices elected statewide	650	650
Filing fee for candidate for State Legislature, State Board of Education, and select local offices	50	50
Fee for Political Action Committees with anticipated receipts of \$2,501 or more	300	300
Fee for Political Action Committees with anticipated receipts more than \$500, but less than \$2,500	50	50
Fee for Political Action Committees with anticipated receipts of \$500 or less	25	25
Lobbyist fee for anticipated spending of \$1,000 or less on behalf of any one employer (per employer)	50	50
Lobbyist fee for anticipated spending of more than \$1,000 on behalf of any one employer (per employer)	350	350
Fee for non-owner, non-partner lobbying firms employees	450	450

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 510,200	74.8 %	\$ 330,391	85.5 %
Contractual Services	162,884	23.9	56,015	14.5
Commodities	6,500	1.0	0	--
Capital Outlay	2,635	0.4	0	--
TOTAL	\$ 682,219	100.0 %	\$ 386,406	100.0 %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	7.5	7.5	7.5	8.0	7.5	8.0	7.5

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

KANSAS STATE BOARD OF HEALING ARTS

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	6,307,218	5,506,205	5,506,205	6,180,005	6,180,005	6,366,086	6,366,086
<i>Subtotal</i>	<i>\$ 6,307,218</i>	<i>\$ 5,506,205</i>	<i>\$ 5,506,205</i>	<i>\$ 6,180,005</i>	<i>\$ 6,180,005</i>	<i>\$ 6,366,086</i>	<i>\$ 6,366,086</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	<u>\$ 6,307,218</u>	<u>\$ 5,506,205</u>	<u>\$ 5,506,205</u>	<u>\$ 6,180,005</u>	<u>\$ 6,180,005</u>	<u>\$ 6,366,086</u>	<u>\$ 6,366,086</u>

Percentage Change:

Operating Expenditures

State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	7.4	(12.7)	(12.7)	12.2	12.2	3.0	3.0
FTE Positions	60.0	62.0	62.0	62.0	62.0	62.0	62.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Kansas State Board of Healing Arts, created in 1957, licenses and regulates medical, osteopathic, and chiropractic doctors. Additionally, the agency issues temporary permits, postgraduate training permits, special permits, institutional licenses, temporary education licenses, visiting professor licenses, and visiting clinical professor licenses under the Healing Arts Act.

In addition, the Board administers statutes for the examination and licensure of podiatrists under the Podiatry Act and enforces the provisions of the Kansas Physical Therapy Act by licensing physical therapists and certifying physical therapist assistants. Physician assistants, occupational therapists, occupational therapy assistants, respiratory therapists, athletic

trainers, naturopathic doctors, and radiologic technologists are also licensed by the Board.

The Board is composed of 15 members: five doctors of medicine, three doctors of osteopathy, three doctors of chiropractic medicine, one licensed podiatrist, and three members of the general public. Each Board member is appointed for a four-year term by the Governor.

To assist the Board, the agency has formed numerous review committees and councils. The review committees are the podiatry, osteopathic, M.D. #1, M.D. #2, M.D. #3, chiropractic, and naturopathic formulary advisory review committees. The councils are the athletic trainers, occupational therapist, respiratory care, naturopathic, physical therapy, radiologic technology, and physician assistant councils.

MAJOR ISSUES FROM PRIOR YEARS

The **2008 Legislature** passed House Sub. for SB 491, which created a prescription monitoring program for controlled substances and a methamphetamine precursor scheduling task force to study the possibility and practicality of making methamphetamine precursors schedule III or IV drugs. The task force included one member appointed by the Board of Healing Arts.

The **2008 Legislature** also passed Senate Sub. for HB 2207, which authorized the Board to suspend or limit the registration of any person dispensing contact lenses through the mail to Kansas residents if the Board determined there is cause to believe continuation of such dispensation would constitute an imminent danger to public health and safety.

Additionally, the **2008 Legislature** passed HB 2188, which changes the process of selecting a medical malpractice screening panel and also increased compensation for members of the panel.

The mega bill of the **2008 Session**, HB 2620, included several provisions affecting the Board of Healing Arts:

- Authorization of non-disciplinary resolution through either a written agreement for a professional development plan, written recommendations to a licensee, or the issuance of a letter of concern if the Board determines certain factors are met;

- Authorization of fingerprinting and criminal background checks as part of an original application for or reinstatement of a license in connection with an investigation;
- Requirement that the Board adopt a formal list of graduated sanctions for violations of the Healing Arts Act, which may be used as a reference in imposing sanctions;
- Requirement that the Board provide six different items in the physician profiles it publishes online prior to July 1, 2010;
- Addition of the ability to place probationary conditions on a license; and
- Addition of the ability for the Board to take disciplinary action or enter into a non-disciplinary resolution when a licensee has engaged in a single act that, “if continued, would reasonably be expected to constitute an inability to practice the healing arts with reasonable skill and safety to patients or unprofessional conduct.”

The **2009 Legislature** took the following actions:

- Transferred \$53,080, all from the Healing Arts Fee Fund, to the State General Fund in FY 2009. The amount represented a decrease of 21.5 percent from the Governor’s FY 2009 budget recommendation;
- Transferred \$55,289, all from the Healing Arts Fee Fund, to the State General Fund in FY 2010.

The amount represented a decrease of 21.5 percent from the Governor’s FY 2010 budget recommendation;

- Deleted \$105,333, all from the Healing Arts Fee Fund, to hold the agency budget for FY 2011 at the level recommended by the Legislature for FY 2010; and
- Authorized the conversion of 6.0 unclassified, temporary positions to 6.0 permanent FTEs. These positions were three attorneys, one legal assistant, one public information officer, and one legislative analyst, all hired for the purpose of reviewing complaints, clearing cases, responding to Board actions in a timely manner, and improving the transparency of the Board.

The **2010 Legislature** passed House Sub. for SB 83, which created the Naturopathic Doctors Licensure Act and amended the Physical Therapy Practice Act. The Legislature added \$22,000, all from the Healing Arts Fee Fund, for FY 2011 to change the regulatory status of naturopathic doctors and to create new licensure categories for physical therapists, as authorized by House Sub. for SB 83.

The **2010 Legislature** also passed SB 500, which allows the use of the word “doctor” or the letters “M.D.,” “D.O.,” or “D.C.” by an unlicensed medical doctor, doctor of osteopathic medicine, or doctor of chiropractic medicine if the individual has earned a professional degree from an accredited healing arts school or college and does not use such word or initials in a way that would mislead the public, patients, or other health care providers to think the individual is engaged in the practice of healing arts or is licensed to practice healing arts in the state.

The **2011 Legislature** passed HB 2182, a mega health bill with provisions related to numerous health care professions and issues. Included in the bill is a provision related to physical therapy, amending the Physical Therapy Act by allowing expandable professional designations for physical therapists, including the use of designations of educational degrees, certification, or credentials earned.

The **2012 Legislature** passed HB 2178, which requires state licensing agencies to issue a license to a nonresident military spouse for the spouse to lawfully practice a regulated profession in Kansas. The licensee must meet certain requirements as enumerated in the legislation, including the following items:

- Hold a current license in another jurisdiction;
- Not have had the license limited, suspended, or revoked;
- Not been disciplined in another jurisdiction;
- Pay required fees by the Kansas licensing agency; and
- Submit a signed application and affidavit that the application information provided is correct.

The **2012 Legislature** also passed SB 330, which amended statutes related to professional malpractice liability screening panels to allow any judge of a district court to convene such a panel, and deleted the option of having the chief judge in a district with more than one division convene a panel.

The **2013 Legislature** passed HB 2066, which allows physical therapists to initiate treatment without referral from a licensed health care practitioner.

The **2014 Legislature** passed Senate Sub. for HB 2146, which allows for collaborative practice between physicians and pharmacists and requires the creation of a joint committee of three pharmacists and three physicians to guide implementation.

The **2014 Legislature** also passed HB 2673, which makes technical updates to the Healing Arts Act and expands the authorized scope of practice for podiatrists.

Additionally, the **2014 Legislature** passed HB 2516, which requires physician assistants and advanced practice registered nurses to participate in the Health Care Stabilization Fund.

The **2015 Legislature** passed HB 2225, which created the concierge medicine bill and amendment that created a new resident active license for physicians in residency programs.

The **2016 Legislature** passed HB 2615, which allowed for the continuing education credit for charitable health care providers, the Acupuncture Practice Act, the Physical Therapy Practice Act and the ability to perform dry needling, the Behavioral Sciences Regulatory Board, the Interstate Medical Licensure Compact, and the Independent Practice of Midwifery Act.

The **2017 Legislature** passed Senate Sub. for HB 2027, which made several amendments to the Healing Arts Act. It allows a physician providing services to a patient pursuant to a medical retainer agreement to bill for anatomic pathology services under certain conditions. Additionally, it provides a grandfather provision that allows certain institutional license holders to practice outside of specified institutions within a protocol. Further, it provides civil immunity and recovery of attorney fees for anyone who reports, in good faith, violations of the practice act to the Board and is later involved in a civil suit.

The **2018 Legislature** approved transfers into the Pharmacy Fee Fund from the agencies that regulate a profession with prescribing authority—the Board of Healing Arts, the Board of Nursing, the Dental Board, and the Optometry Board—for FY 2018 and FY 2019.

The **2018 Legislature** passed Senate Sub. for HB 2028, which established the Kansas Telemedicine Act. The bill requires the Board of Healing Arts, following consultation with the Board of Pharmacy and Board of Nursing, to adopt rules and regulations relating to the prescribing of drugs, including controlled substances, *via* telemedicine. The Board of Healing Arts is required to adopt rules and regulations necessary to effectuate the provisions of the Act by December 31, 2018.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** requests a revised estimate of \$5.5 million, all from special revenue funds, in FY 2019. There are no changes from the FY 2019 approved amount. This estimate includes 62.0

FTE positions, which is 2.0 FTE positions above the approved amount.

FY 2019 Governor Recommendation

The **Governor** concurs with the agency's revised estimate in FY 2019.

FY 2020 Agency Request

The **agency** requests \$6.2 million, all from special revenue funds, for FY 2020. This is an increase of \$673,800, or 12.2 percent, above the revised FY 2019 estimate. This increase is primarily attributable to computer equipment and software expenditures and the proposed expansion of the Kansas Medical Society's Impaired Provider Program. The program

aims to respond to rising incidences of physician burnout. This request includes 62.0 FTE positions, which is the same as the FY 2019 revised request. This increase is due to the agency directly hiring two temporary positions instead of using a temporary service.

FY 2020 Governor Recommendation

The **Governor** concurs with the agency's request for FY 2020. The Governor's recommendation also includes a transfer of \$109,500, all from the Board of Healing Arts Fee Fund to the Board of Pharmacy, for continuation of a multi-agency

agreement from FY 2018 and FY 2019 to share expenses for the Kansas Prescription Monitoring Program, also known as K-TRACS.

FY 2021 Agency Request

The **agency** requests \$6.4 million, all from special revenue funds, for FY 2021. This is an increase of \$186,081, or 3.0 percent, above the FY 2020 requested amount. This increase is primarily attributable to computer equipment and software

expenditures and the proposed expansion of the Kansas Medical Society's Impaired Provider Program. This request includes 62.0 FTE positions, which is the same number as the FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency's request for FY 2021. The Governor's recommendation also includes a transfer of \$109,500, all from the Board of Healing Arts Fee Fund to the Board of Pharmacy, for continuation of a multi-agency

agreement from FY 2018 and FY 2019 to share expenses for the Kansas Prescription Monitoring Program, also known as K-TRACS.

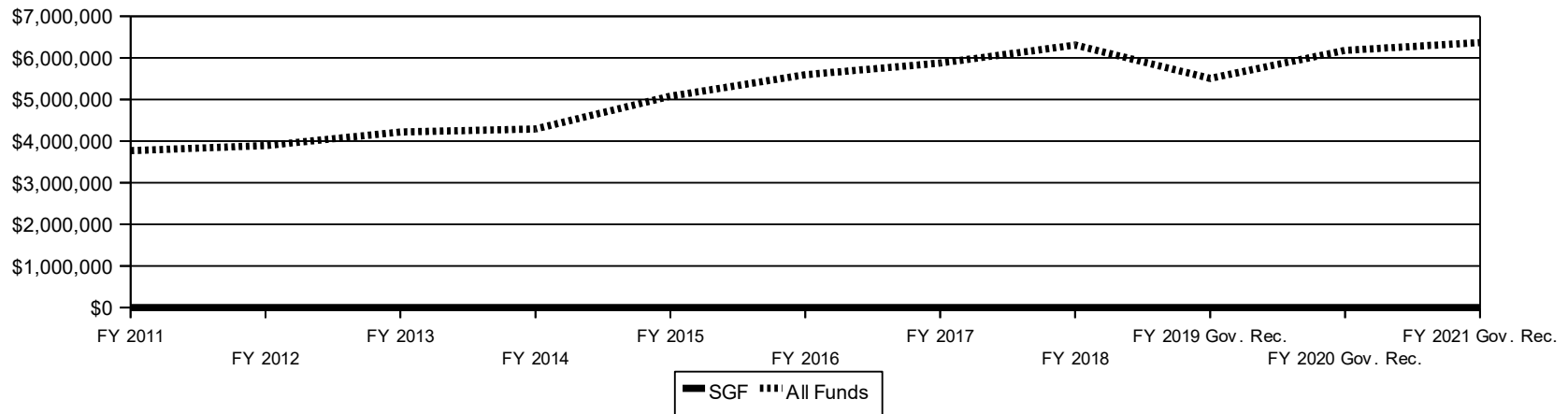
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Investigation and disciplinary program case statistics:							
New cases opened	705	528	700	1,037	1,000	1,000	1,000
Total cases closed	735	593	750	907	870	870	870
Expenditures							
All Funds (Dollars in Millions)	\$ 5.6	\$ 5.9	\$ 5.3	\$ 6.3	\$ 5.5	\$ 6.2	\$ 6.4
FTE Positions	53.0	60.0	60.0	60.0	62.0	62.0	62.0

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 3,769,616	(2.4)%	45.0
2012	0	--	3,890,984	3.2	45.0
2013	0	--	4,216,506	8.4	45.0
2014	0	--	4,289,284	1.7	47.0
2015	0	--	5,077,129	18.4	47.0
2016	0	--	5,593,043	10.2	53.0
2017	0	--	5,874,166	5.0	60.0
2018	0	--	6,307,218	7.4	60.0
2019 Gov. Rec.	0	--	5,506,205	(12.7)	62.0
2020 Gov. Rec.	0	--	6,180,005	12.2	62.0
2021 Gov. Rec.	0	--	6,366,086	3.0	62.0
Eleven-Year Change	\$ 0	-- %	\$ 2,596,470	68.9 %	17.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 6,307,218	\$ 5,506,205	\$ 6,180,005	\$ 673,800	12.2 %	\$ 5,506,205	\$ 6,180,005	\$ 673,800	12.2 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 3,631,268	\$ 4,352,288	\$ 4,404,145	\$ 51,857	1.2 %	\$ 4,352,288	\$ 4,404,145	\$ 51,857	1.2 %
Contractual Services	2,339,710	1,103,217	1,705,260	602,043	54.6	1,103,217	1,705,260	602,043	54.6
Commodities	47,312	31,200	40,200	9,000	28.8	31,200	40,200	9,000	28.8
Capital Outlay	288,928	19,500	30,400	10,900	55.9	19,500	30,400	10,900	55.9
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 6,307,218	\$ 5,506,205	\$ 6,180,005	\$ 673,800	12.2 %	\$ 5,506,205	\$ 6,180,005	\$ 673,800	12.2 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 6,307,218	\$ 5,506,205	\$ 6,180,005	\$ 673,800	12.2 %	\$ 5,506,205	\$ 6,180,005	\$ 673,800	12.2 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Healing Arts Fee Fund	6,290,718	5,471,205	6,145,005	673,800	12.3	5,471,205	6,145,005	673,800	12.3
Medical Records Maintenance Fund	16,500	35,000	35,000	0	0.0	35,000	35,000	0	0.0
TOTAL	\$ 6,307,218	\$ 5,506,205	\$ 6,180,005	\$ 673,800	12.2 %	\$ 5,506,205	\$ 6,180,005	\$ 673,800	12.2 %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 6,180,005	\$ 6,366,086	\$ 186,081	3.0 %	\$ 6,180,005	\$ 6,366,086	\$ 186,081	3.0 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 4,404,145	\$ 4,414,954	\$ 10,809	0.2 %	\$ 4,404,145	\$ 4,414,954	\$ 10,809	0.2 %
Contractual Services	1,705,260	1,882,832	177,572	10.4	1,705,260	1,882,832	177,572	10.4
Commodities	40,200	44,900	4,700	11.7	40,200	44,900	4,700	11.7
Capital Outlay	30,400	23,400	(7,000)	(23.0)	30,400	23,400	(7,000)	(23.0)
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 6,180,005</i>	<i>\$ 6,366,086</i>	<i>\$ 186,081</i>	<i>3.0 %</i>	<i>\$ 6,180,005</i>	<i>\$ 6,366,086</i>	<i>\$ 186,081</i>	<i>3.0 %</i>
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 6,180,005	\$ 6,366,086	\$ 186,081	3.0 %	\$ 6,180,005	\$ 6,366,086	\$ 186,081	3.0 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Healing Arts FF	6,145,005	6,331,086	186,081	3.0	6,145,005	6,331,086	186,081	3.0
Medical Records Maintenance Fund	35,000	35,000	0	0.0	35,000	35,000	0	0.0
TOTAL	\$ 6,180,005	\$ 6,366,086	\$ 186,081	3.0 %	\$ 6,180,005	\$ 6,366,086	\$ 186,081	3.0 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	5,506,205	5,506,205	0	5,506,205	0
TOTAL	\$ 5,506,205	\$ 5,506,205	\$ 0	\$ 5,506,205	\$ 0
FTE Positions	60.0	62.0	2.0	62.0	2.0

The **agency** requests a revised estimate of \$5.5 million, all from special revenue funds, in FY 2019. There are no changes from the FY 2018 approved amount, but adjustments have been made to expenditures within different categories. The estimate includes 62.0 FTE positions, which is an increase of 2.0 FTE positions above the FY 2019 approved amount. The agency directly hired two temporary positions instead of using a temporary service. The agency did not add additional positions in FY 2019.

The estimate is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$4.4 million in FY 2019. This is an increase of \$156,445, or 3.7 percent, above the approved amount. This increase is attributable to the transition from classified regular to unclassified regular and temporary positions;
- **Contractual Services.** The agency requests expenditures of \$1.1 million in FY 2019. This is a

decrease of \$155,445, or 12.4 percent, below the approved amount. This decrease is attributable to a decrease in expenditures associated with the Impaired Provider Program;

- **Commodities.** The agency requests expenditures of \$31,200 in FY 2019. This is a decrease of \$1,000 below the approved amount; and

- **Capital Outlay.** The agency requests expenditures of \$19,500 in FY 2019. This is the same as the approved amount.

The **Governor** concurs with the agency's revised estimate in FY 2019.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 6,180,005	\$ 6,180,005	\$ 0
FTE Positions	62.0	62.0	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	673,800	673,800	
TOTAL	\$ 673,800	\$ 673,800	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	12.2	12.2	
TOTAL	12.2 %	12.2 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$6.2 million, all from special revenue funds, for FY 2020. This is an increase of \$673,800, or 12.2 percent, above the revised FY 2019 estimate. This increase is primarily attributable to increased expenditures for computer equipment and software and expenditures associated with expanding the Impaired Provider Program.

The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$4.4 million for salaries and wages for FY 2020. This is an increase of \$51,857, or 1.2 percent, above the revised FY 2019 estimate. This increase is attributable to an

increase in group health insurance expenditures and employer contributions to KPERS;

- **Contractual Services.** The agency requests \$1.7 million for contractual services for FY 2020. This is an increase of \$602,043, or 54.6 percent, above the revised FY 2019 estimate. This increase is attributable to increased expenditures on computer equipment and software, job-related training and conferences, attorneys fees, court reporting fees, and the expansion of the Impaired Provider Program;
- **Commodities.** The agency requests \$40,200 for commodities for FY 2020. This is an increase of \$9,000, or 28.8 percent, above the revised FY 2019 estimate. This increase is primarily

attributable to an increase in data processing and office supplies; and

- **Capital Outlay.** The agency requests \$30,400 for capital outlay for FY 2020. This is an increase of \$10,900, or 55.9 percent, above the revised FY 2019 estimate. This increase is attributable to an increase in expenditures for office furniture and computer equipment.

The **Governor** concurs with the agency's request for FY 2020. The Governor's recommendation also includes a transfer of \$109,500, all from the Board of Healing Arts Fee Fund to the Board of Pharmacy, for continuation of a multi-agency agreement from FY 2018 and FY 2019 to share expenses for the Kansas Prescription Monitoring Program, also known as K-TRACS.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 6,366,086	\$ 6,366,086	\$ 0
FTE Positions	62.0	62.0	0.0
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	186,081	186,081	
TOTAL	\$ 186,081	\$ 186,081	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	3.0	3.0	
TOTAL	3.0 %	3.0 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$6.4 million, all from special revenue funds, for FY 2021. This is an increase of \$186,081, or 3.0 percent, above the FY 2020 request. This increase is primarily attributable to increased expenditures for computer equipment and software and expenditures associated with expanding the Impaired Provider Program. The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$4.4 million for salaries and

wages for FY 2021. This is an increase of \$10,809, or 0.2 percent, above the FY 2020 request. This increase is primarily attributable to an increase in group health insurance expenditures and employer contributions to KPERS, partially offset by decreased expenditures on unclassified temporary positions;

- **Contractual Services.** The agency requests \$1.9 million for contractual services for FY 2021.

This is an increase of \$177,572, or 10.4 percent, above the FY 2020 request. This increase is primarily attributable to increased expenditures for computer programming, job-related training and conferences, and the expansion of the Impaired Provider Program;

- **Commodities.** The agency requests \$44,900 for commodities for FY 2021. This is an increase of \$4,700, or 11.7 percent, above the FY 2020 request. This increase is primarily attributable to an increase in data processing and office supplies; and

- **Capital Outlay.** The agency requests \$23,400 for capital outlay for FY 2021. This is a decrease of \$7,000, or 23.0 percent, below the FY 2020 request. This decrease is attributable to a decrease in expenditures for office furniture.

The **Governor** concurs with the agency's request for FY 2021. The Governor's recommendation also includes a transfer of \$109,500, all from the Board of Healing Arts Fee Fund to the Board of Pharmacy, for continuation of a multi-agency agreement from FY 2018 and FY 2019 to share expenses for the Kansas Prescription Monitoring Program, also known as K-TRACS.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$65,798, including \$0 from the State General Fund.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, FY 2019 longevity payments total \$1,000, including \$0 from the State General Fund, and FY 2020 longevity payments total \$1,000, including \$0 from the State General Fund.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
Healing Arts Fee Fund	99.4	99.4	99.5	99.5
Medical Records Maintenance Fund	0.6	0.6	0.5	0.5
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Healing Arts Fee Fund

The Board of Healing Arts is financed by special revenue funds, mainly derived from licensing and registration fees, deposited in the Healing Arts Fee Fund pursuant to KSA 65-2885. Maximum fees are established in statute and the actual rates are set by rule and regulation. The fees vary based on the type of license or registration sought.

The Board is able to process license and registration applications online; however, the licensee or registrant also has the option of submitting a paper renewal. Fees are slightly reduced for online renewals. The Board's regulations also

establish fees for late renewals or reinstatement of a revoked license. Included below is a table of the Board's renewal fees, which constitute the bulk of the fund revenue.

As a fee-funded agency, the Board currently contributes the lesser of 10.0 percent, or \$100,000 of fee revenue to the State General Fund for the cost of support services provided by other state agencies pursuant to KSA 75-3170a. The table below summarizes the estimated receipts and fund balances based on the agency estimate and the Governor's recommendation.

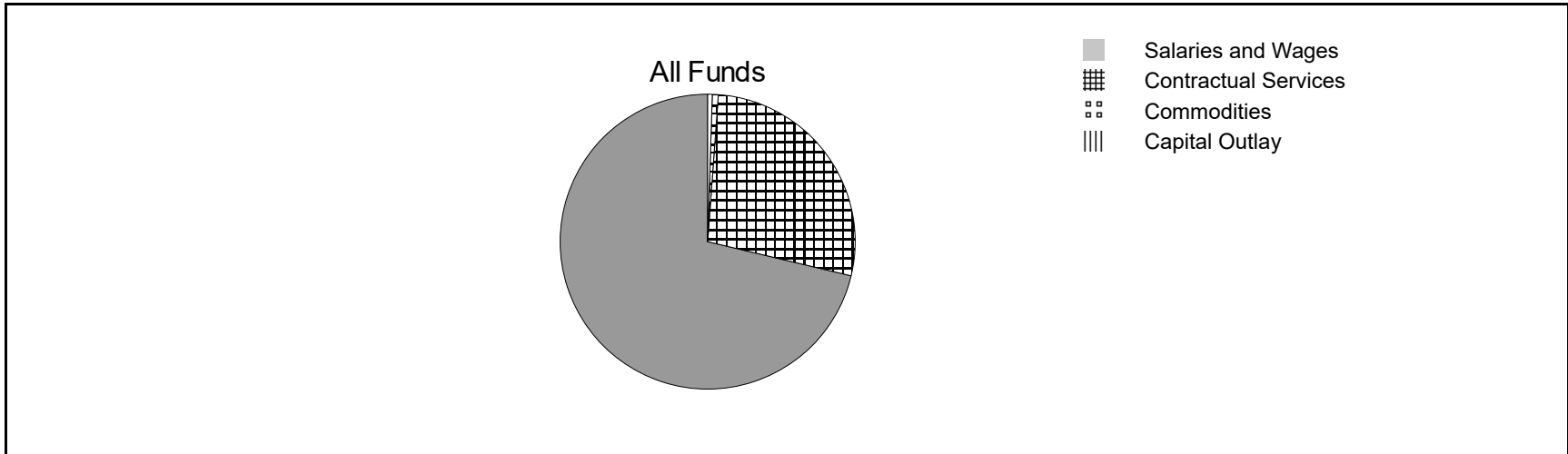
Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 3,542,175	\$ 2,684,999	\$ 2,684,999	\$ 2,819,042	\$ 2,709,542	\$ 2,874,099	\$ 2,655,099
Revenue	5,517,488	5,605,248	5,605,248	6,200,062	6,200,062	6,352,695	6,352,695
Transfers in	1,164,811	2,000	2,000	2,000	2,000	2,000	2,000
<i>Funds Available</i>	<i>\$ 10,224,474</i>	<i>\$ 8,292,247</i>	<i>\$ 8,292,247</i>	<i>\$ 9,021,104</i>	<i>\$ 8,911,604</i>	<i>\$ 9,228,794</i>	<i>\$ 9,009,794</i>
Less:							
Expenditures	\$ 6,290,718	\$ 5,471,205	\$ 5,471,205	\$ 6,145,005	\$ 6,145,005	\$ 6,331,086	\$ 6,331,086
Transfers Out	1,248,757	2,000	111,500	2,000	111,500	2,000	111,500
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 2,684,999</u>	<u>\$ 2,819,042</u>	<u>\$ 2,709,542</u>	<u>\$ 2,874,099</u>	<u>\$ 2,655,099</u>	<u>\$ 2,895,708</u>	<u>\$ 2,567,208</u>
Ending Balance as Percent of Expenditures	42.7%	51.5%	49.5%	46.8%	43.2%	45.7%	40.5%
	July	July	July	July	July	July	July
Month Highest Ending Balance	\$ <u>3,745,853</u>	\$ <u>3,448,651</u>	\$ <u>3,448,651</u>	\$ <u>3,450,825</u>	\$ <u>3,450,825</u>	\$ <u>3,365,406</u>	\$ <u>3,365,406</u>
	April	April	April	April	April	April	April
Month Lowest Ending Balance	\$ 2,312,748	\$ 2,131,440	\$ 2,131,440	\$ 1,930,634	\$ 1,930,634	\$ 1,783,821	\$ 1,783,821

KANSAS STATE BOARD OF HEALING ARTS LICENSURE RENEWAL FEES

License	Current Fee	Statutory Limit
Doctors of Medicine and Surgery	\$ 330	\$ 500
Doctors of Osteopathic Medicine and Surgery	330	500
Doctors of Chiropractic Medicine	330	500
Doctors of Podiatric Medicine	330	500
Doctors of Naturopathic Medicine	125	150
Physician Assistants	150	150
Physical Therapists	70	70
Physical Therapist Assistants	70	70
Occupational Therapists	75	80
Occupational Therapy Assistants	75	80
Respiratory Therapists	75	80
Athletic Trainers	70	70
Radiologic Technologists	50	80
Certified Nurse Midwives	100	100
Acupuncturists	150	300

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 4,404,145	71.3 %	\$ 0	-- %
Contractual Services	1,705,260	27.6	0	--
Commodities	40,200	0.7	0	--
Capital Outlay	30,400	0.5	0	--
TOTAL	\$ 6,180,005	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	60.0	62.0	62.0	62.0	62.0	62.0	62.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

KANSAS BOARD OF EXAMINERS IN FITTING AND DISPENSING OF HEARING INSTRUMENTS

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	30,220	26,996	26,996	26,948	26,948	26,907	26,907
<i>Subtotal</i>	<u>\$ 30,220</u>	<u>\$ 26,996</u>	<u>\$ 26,996</u>	<u>\$ 26,948</u>	<u>\$ 26,948</u>	<u>\$ 26,907</u>	<u>\$ 26,907</u>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u>\$ 30,220</u>	<u>\$ 26,996</u>	<u>\$ 26,996</u>	<u>\$ 26,948</u>	<u>\$ 26,948</u>	<u>\$ 26,907</u>	<u>\$ 26,907</u>

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	17.9	(10.7)	(10.7)	(0.2)	(0.2)	(0.2)	(0.2)
FTE Positions	0.5	0.5	0.0	0.5	0.0	0.5	0.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments regulates hearing aid dispensers by determining the competence of new practitioners entering the field, ensuring licensees keep their equipment calibrated and meet continuing education requirements, and investigating complaints. The Board consists of three licensed hearing aid

dispensers and two public members who are appointed by the Governor. The staff consists of one unclassified, part-time employee who serves as the Executive Officer. Approximately 300 licensees renew their licenses each year and about 35 or 40 individuals submit applications each year to become licensed.

MAJOR ISSUES FROM PRIOR YEARS

The **2003 Legislature** passed SB 199, which amended the statutes related to hearing aid licensure. The bill created a new exemption for a licensed audiologist who is employed by a public-funded school district, educational service center, or special education cooperative serving preschool through high school-age students. The bill also provided that if a person who is exempt from licensure is licensed by another state agency, that other agency must consult with the Board of Hearing Aid Examiners if a complaint is received regarding conduct that would be covered by the Hearing Aid Licensure Act.

The **2006 Legislature** passed HB 2285, which amended several statutes and added new sections to the Hearing Aid Act. The Act became the Hearing Instrument Act. The bill renamed and addressed the composition of the Board of Examiners in Fitting and Dispensing of Hearing Instruments, established new disciplinary and licensing procedures and criteria, prohibited certain acts, established new administrative procedures, and

clarified that licensed audiologists also must be licensed under the Act if they fit or dispense hearing instruments. Additionally, the bill gave the Board broader rule and regulation-making authority with which to implement the Act.

The **2014 Legislature** added \$5,000 in FY 2014 and \$3,500 for FY 2015, all from special revenue funds, for litigation-related expenditures.

The **2017 Legislature** added a 0.5 FTE position to accurately reflect the Executive Officer's position within the agency. The 2017 Legislature also approved one-time expenditures of \$5,500, all from special revenue funds, for the construction and establishment of an agency website.

The **2018 Legislature** added \$5,241, all from special revenue funds, to complete construction of a new agency website in FY 2018.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** submits a revised estimate of \$26,996, including a supplemental request of \$706 for rental fees, all from special revenue funds, in FY 2019. This is an increase of \$706,

or 2.7 percent, above the amount approved by the 2018 Legislature.

FY 2019 Governor Recommendation

The **Governor** recommends \$26,996, all from special revenue funds, which is no change from the agency's FY 2019 revised estimate. The Governor also recommends decreasing

the agency's FTE positions by 0.5 as it does not meet the qualifications of an FTE position.

FY 2020 Agency Request

The **agency** requests \$26,948, including a supplemental request of \$960 for rental fees, all from special revenue funds, in FY 2020. This is an all funds decrease of \$48, or 0.2 percent,

below the agency's FY 2020 request. This is primarily due to decreases in contractual services.

FY 2020 Governor Recommendation

The **Governor** recommends \$26,948, all from special revenue funds, which is no change from the agency's FY 2020 request, but also recommends decreasing the agency's FTE

positions by 0.5 as it does not meet the qualifications of an FTE position.

FY 2021 Agency Request

The **agency** requests \$26,907, including a supplemental request of \$960 for rental fees, all from special revenue funds, in FY 2021. This is a decrease of \$41, or 0.2 percent, below the agency's FY 2020 request.

This is primarily due to decreased salaries and wages and fringe benefit contributions.

FY 2021 Governor Recommendation

The **Governor** recommends \$26,907, all from special revenue funds, which is no change from the agency's FY 2021 request, but also recommends decreasing the agency's FTE

positions by 0.5 as it does not meet the qualifications of an FTE position.

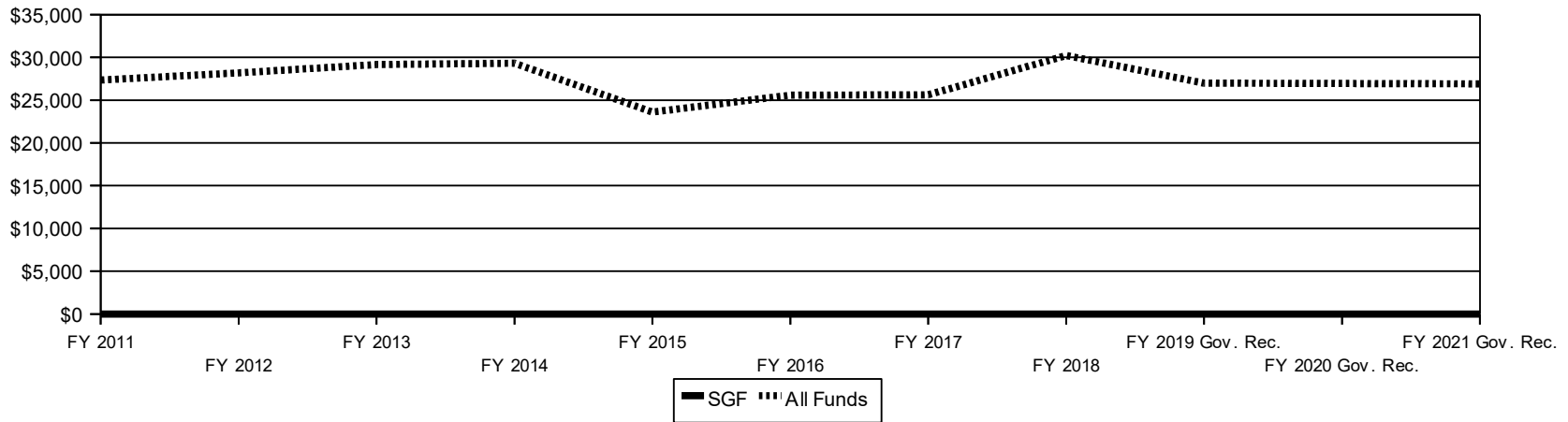
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of license renewals	N/A	270	325	160	480	325	330
Number of new applicants	N/A	39	35	20	35	35	35
Agency Expenditures							
All Funds	\$ 25,584	\$ 25,627	\$ 32,284	\$ 30,220	\$ 26,996	\$ 26,948	\$ 26,907
FTE Positions	0.0	0.0	0.5	0.5	0.0	0.0	0.0

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 27,357	8.6 %	0.0
2012	0	--	28,188	3.0	0.0
2013	0	--	29,164	3.5	0.0
2014	0	--	29,313	0.5	0.0
2015	0	--	23,607	(19.5)	0.0
2016	0	--	25,584	8.4	0.0
2017	0	--	25,627	0.2	0.0
2018	0	--	30,220	17.9	0.5
2019 Gov. Rec.	0	--	26,996	(10.7)	0.0
2020 Gov. Rec.	0	--	26,948	(0.2)	0.0
2021 Gov. Rec.	0	--	26,907	(0.2)	0.0
Eleven-Year Change	\$ 0	-- %	\$ (450)	(1.6)%	0.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 30,220	\$ 26,996	\$ 26,948	\$ (48)	(0.2)%	\$ 26,996	\$ 26,948	\$ (48)	(0.2)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 20,001	\$ 20,912	\$ 20,914	\$ 2	0.0 %	\$ 20,912	\$ 20,914	\$ 2	0.0 %
Contractual Services	9,914	5,784	5,734	(50)	(0.9)	5,784	5,734	(50)	(0.9)
Commodities	305	300	300	0	0.0	300	300	0	0.0
Capital Outlay	0	0	0	0	--	0	0	0	--
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 30,220	\$ 26,996	\$ 26,948	\$ (48)	(0.2) %	\$ 26,996	\$ 26,948	\$ (48)	(0.2) %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 30,220	\$ 26,996	\$ 26,948	\$ (48)	(0.2) %	\$ 26,996	\$ 26,948	\$ (48)	(0.2) %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Hearing Aid Fee Fund	30,220	26,996	26,948	48	(0.2)	26,996	26,948	(48)	(0.2)
TOTAL	\$ 30,220	\$ 26,996	\$ 26,948	\$ (48)	(0.2) %	\$ 26,996	\$ 26,948	\$ (48)	(0.2) %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 26,948	\$ 26,907	\$ (41)	(0.2)%	\$ 26,948	\$ 26,907	\$ (41)	(0.2)%
By Major Object of Expenditure:								
Salaries and Wages	\$ 20,914	\$ 20,858	\$ (56)	(0.3)%	\$ 20,914	\$ 20,858	\$ (56)	(0.3)%
Contractual Services	5,734	5,734	0	0.0	5,734	5,734	0	0.0
Commodities	300	315	15	5.0	300	315	15	5.0
Capital Outlay	0	0	0	--	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 26,948	\$ 26,907	\$ (41)	(0.2)%	\$ 26,948	\$ 26,907	\$ (41)	(0.2)%
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 26,948	\$ 26,907	\$ (41)	(0.2)%	\$ 26,948	\$ 26,907	\$ (41)	(0.2)%
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Hearing Aid Fee Fund	26,948	26,907	(41)	(0.2)	26,948	26,907	(41)	(0.2)
TOTAL	\$ 26,948	\$ 26,907	\$ (41)	(0.2)%	\$ 26,948	\$ 26,907	\$ (41)	(0.2)%

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency's revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	26,290	26,996	706	26,996	706
TOTAL	\$ 26,290	\$ 26,996	\$ 706	\$ 26,996	\$ 706
FTE Positions	0.5	0.5	0.0	0.0	(0.5)

The **agency** submits a revised estimate of \$26,996, including a supplemental request of \$706 for rental fees, all from special revenue funds, in FY 2019. This is an increase of \$706, or 2.7 percent, above the amount approved by the 2018 Legislature. The revised estimate includes 0.5 FTE positions, which is no change from the approved amount. The revised estimate is detailed below by category of expenditure:

- **Salaries and Wages.** The agency estimates \$20,912 for salaries and wages in FY 2019. This is \$28, or 0.1 percent, below the amount

approved by the 2018 Legislature and reflects decreases in fringe benefit contributions;

- **Contractual Services.** The agency estimates \$5,784 for contractual services in FY 2019. This is an increase of \$834, or 16.8 percent, above the amount approved by the 2018 Legislature. The increase is primarily attributable to the increase of rental space used for the examination at Emporia State University; and

- **Commodities.** The agency estimates \$300 for commodities in FY 2019. This is \$100, or 25.0 percent, below the amount approved by the 2018 Legislature. The decrease is primarily attributable to professional scientific supplies.

The **Governor** recommends \$26,996, all from special revenue funds, which is no change from the agency's FY 2019 revised estimate. The Governor also recommends decreasing the agency's FTE positions by 0.5, because an FTE position is used to identify employees who receive benefits, including KPERS. The agency has no employees who receive these benefits.

Supplemental Detail

FY 2019 SUPPLEMENTALS						
Supplementals	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Exam Space Rental Rates	\$ 0	\$ 706	0.0	\$ 0	\$ 706	0.0

The **agency** requests an increase in expenditure limitation totaling \$706 to pay for exam rental space at Emporia State University in FY 2019. Previously, Emporia State University had not charged the agency for room rental space when conducting biannual exams on campus. There was a recent change in

policy at the university and the university will begin charging the agency to rent rooms on campus.

The **Governor** concurs with the agency's supplemental request in FY 2019.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY				
	Agency Request		Governor's Recommendation	Difference
	_____		_____	_____
Total Request/Recommendation	\$ 26,948	\$	26,948	\$ 0
FTE Positions	0.5		0.0	(0.5)
Change from FY 2019:				
<i>Dollar Change:</i>				
State General Fund	\$ 0	\$	0	
All Other Funds	48		(48)	
TOTAL	\$ 48	\$	(48)	
<i>Percent Change:</i>				
State General Fund	-- %		-- %	
All Other Funds	0.2		(0.2)	
TOTAL	0.2 %		(0.2) %	
Change in FTE Positions	0.0		0.0	

The **agency** requests \$26,948, including a supplemental request for rental fees of \$960, all from special revenue funds, for FY 2020. This is an all funds decrease of \$48, or 0.2 percent, below the agency's FY 2019 revised estimate. The request includes 0.5 FTE positions, which is no change from the FY 2019 number.

The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests \$20,914 for salaries and wages for FY 2020. The request is an increase of \$2, or less than 0.1 percent, above the FY 2019 revised estimate;

- **Contractual Services.** The agency requests \$5,734 for contractual services for FY 2020. The request is a decrease of \$50, or 0.9 percent, below the FY 2019 revised estimate. The decrease is attributable to the increase of rental space used for the examination at Emporia State University; and

- **Commodities.** The agency requests \$300 for commodities in FY 2020, which is the same as the FY 2019 revised estimate.

The **Governor** recommends \$26,948, all from special revenue funds, which is no change from the agency's FY 2020 request, but recommends decreasing the agency's FTE positions by 0.5, because an FTE position is used to identify employees who receive benefits, including KPERS. The agency has no employees who receive these benefits.

Enhancements Detail

Enhancements	FY 2020 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Exam Rental Space	\$ 0	\$ 960	0.0	\$ 0	\$ 960	0.0

The **agency** requests an increase in expenditure limitation totaling \$960 to pay for exam rental space at Emporia State University for FY 2020. Previously, Emporia State University had not charged the agency for room rental space when conducting biannual exams on campus. There was a recent

change in policy at the university and the university will begin charging the agency to rent rooms on campus.

The **Governor** concurs with the agency's enhancement request for FY 2020.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY				
	Agency Request		Governor's Recommendation	Difference
	_____		_____	_____
Total Request/Recommendation	\$ 26,907	\$	26,907	\$ 0
FTE Positions	0.5		0.0	(0.5)
Change from FY 2020:				
<i>Dollar Change:</i>				
State General Fund	\$ 0	\$	0	
All Other Funds	(41)		(41)	
TOTAL	\$ (41)	\$	(41)	
<i>Percent Change:</i>				
State General Fund	-- %		-- %	
All Other Funds	(0.2)		(0.2)	
TOTAL	(0.2) %		(0.2) %	
Change in FTE Positions	0.0		0.0	

The **agency** \$26,907, including a supplemental request of \$960 for rental fees, all from special revenue funds, for FY 2021, This is a decrease of \$41, or 0.2 percent, below the agency's FY 2020 request. This is primarily due to decreased salaries and wages and fringe benefit contributions. The FY 2021 request includes 0.5 FTE positions, which is no change from the FY 2020 request.

The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests \$20,858 for salaries and wages for FY 2021. The request is a decrease of \$56, or 0.3 percent, below the FY 2020 request and reflects decreases in fringe benefit contributions;

- **Contractual Services.** The agency requests \$5,734 for contractual services for FY 2021, which is no change from the FY 2020 request; and
- **Commodities.** The agency requests \$315 for commodities in FY 2021. The request is an increase of \$15, or 5.0 percent, above the FY 2020 request. This is primarily due to data

processing supplies and stationery and office supplies.

The **Governor** recommends \$26,907, all from special revenue funds, which is no change from the agency's FY 2021 request, but recommends decreasing the agency's FTE positions by 0.5, because an FTE position is used to identify employees who receive benefits, including KPERs. The agency has no employees who receive these benefits.

Enhancements Detail

Enhancements	FY 2021 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Exam Space Rental Rates	\$ 0	\$ 960	0.0	\$ 0	\$ 960	0.0

The **agency** requests an increase in expenditure limitation totaling \$960 to pay for exam rental space at Emporia State University for FY 2021. Previously, Emporia State University had not charged the agency for room rental space when conducting biannual exams on campus. There was a recent

change in policy at the university and the university will begin charging the agency to rent rooms on campus.

The **Governor** concurs with the agency's request for FY 2021.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$0.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, FY 2019 longevity payments total \$0, and FY 2020 longevity payments total \$0.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
Hearing Aid Board Fee Fund	100.0 %	100.0 %	100.0 %	100.0 %
Litigation Fund	0.0	0.0	0.0	0.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Hearing Aid Board Fee Fund Analysis

The Board of Examiners in Fitting and Dispensing of Hearing Instruments is a regulatory board fully funded by the Hearing Aid Board Fee Fund. The majority of receipts come from licensing fees for practicing dispensers. Of the total revenue generated, 90.0 percent is kept by the agency and 10.0 percent is remitted to the State General Fund. In Spring 2016, the Board approved a renewal fee increase of \$25 and a \$10 increase on the practical portion of examinations to finance the

initial cost of constructing and maintaining a new agency website. The agency periodically requests transfers from the Hearing Aid Board Fee Fund to the Litigation Fund to ensure necessary funding is available when required. There are no planned transfers in FY 2018 or for FY 2019. In FY 2019, the Board plans to decrease renewal fees by \$25 because the agency website is now complete.

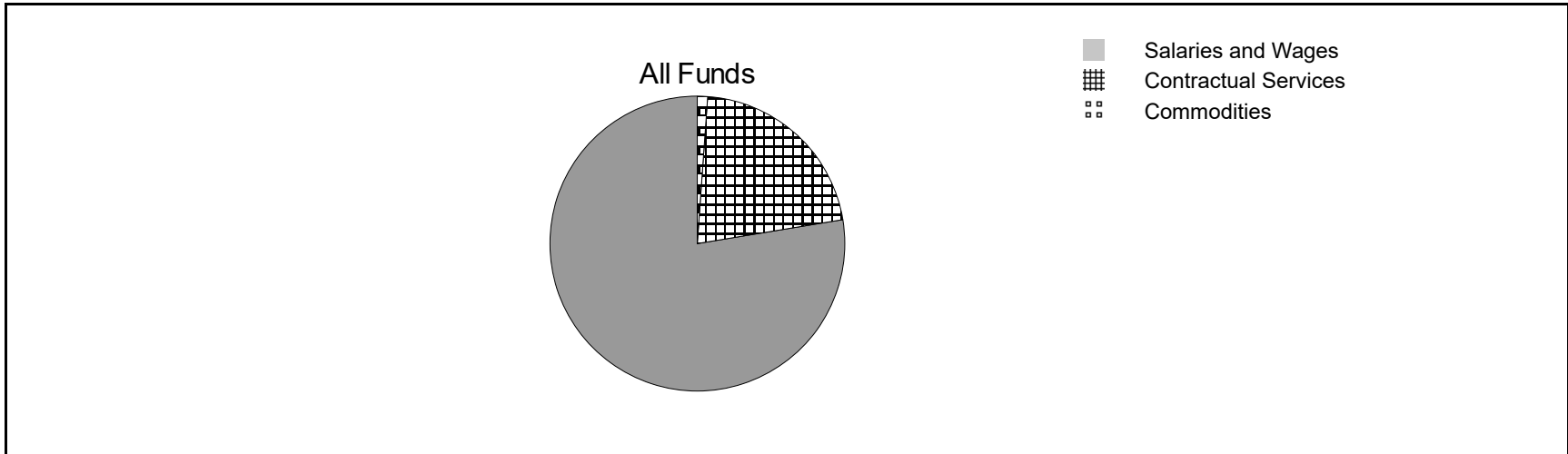
Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 66,660	\$ 81,058	\$ 81,058	\$ 88,546	\$ 88,546	\$ 101,972	\$ 101,972
Revenue	44,618	34,484	34,484	40,374	40,374	41,004	41,004
Transfers in	0	0	0	0	0	0	0
<i>Funds Available</i>	<i>\$ 111,278</i>	<i>\$ 115,542</i>	<i>\$ 115,542</i>	<i>\$ 128,920</i>	<i>\$ 128,920</i>	<i>\$ 142,976</i>	<i>\$ 142,976</i>
Less:							
Expenditures	\$ 30,220	\$ 26,996	\$ 26,996	\$ 26,948	\$ 26,948	\$ 26,907	\$ 26,907
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 81,058</u>	<u>\$ 88,546</u>	<u>\$ 88,546</u>	<u>\$ 101,972</u>	<u>\$ 101,972</u>	<u>\$ 116,069</u>	<u>\$ 116,069</u>
Ending Balance as Percent of Expenditures	268.2%	328.0%	328.0%	378.4%	378.4%	431.4%	431.4%
Month Highest Ending Balance	June \$ 81,058	June \$ 88,546	June \$ 88,546	June \$ 101,972	June \$ 101,972	June \$ 116,069	June \$ 116,069
Month Lowest Ending Balance	April \$ 53,869	March \$ 66,780	March \$ 66,780	February \$ 74,089	February \$ 74,089	February \$ 87,589	February \$ 87,589

LICENSURE FEES

License	Current Fee	Statutory Limit
License Application	\$ 100	\$ 150
Temporary License	100	150
Temporary License Renewal	100	150
License	125	150
Certification of Registration or Endorsement Renewal	100	150
Certification of Registration or Endorsement Late Renewal	200	200
Certification of Registration or Endorsement Reinstatement	300	300
Inactive License or Renewal of Inactive License	25	25
Conversion of Inactive License to Active License	100	125
Written Examination Fee	35	50
Practical Examination Fee	25	35
State Licensure Verification Fee	15	25
Replacement of Certificate or License	15	25
Change of Sponsor	15	25
Insufficient Funds	25	35

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 20,914	77.6 %	\$ 0	-- %
Contractual Services	5,734	21.3	0	--
Commodities	300	1.1	0	--
TOTAL	\$ 26,948	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	0.5	0.5	0.0	0.5	0.0	0.5	0.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The **Governor** recommends decreasing the agency's FTE positions by 0.5, because an FTE position is used to identify employees who receive benefits, including KPERS. The agency has no employees who receive these benefits.

BOARD OF MORTUARY ARTS

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	264,815	330,887	330,887	318,862	318,862	325,571	325,571
<i>Subtotal</i>	<i>\$ 264,815</i>	<i>\$ 330,887</i>	<i>\$ 330,887</i>	<i>\$ 318,862</i>	<i>\$ 318,862</i>	<i>\$ 325,571</i>	<i>\$ 325,571</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 264,815	\$ 330,887	\$ 330,887	\$ 318,862	\$ 318,862	\$ 325,571	\$ 325,571

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(1.0)	25.0	25.0	(3.6)	(3.6)	2.1	2.1
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Kansas Board of Mortuary Arts regulates embalmers, funeral directors, assistant funeral directors, apprentice embalmers, crematory operators, funeral establishments, branch funeral establishments, and crematories. The five-member Board ensures funeral homes, crematories, licensees, apprentices, and student embalmers operate according to state laws, and that they serve in the best interest of the consumer by meeting and maintaining licensing and regulatory requirements. To accomplish these things, the Board provides information

detailing the Kansas licensing process; provides assistance to potential licensees who may not understand or meet licensing requirements; maintains information on all individuals who seek and maintain licenses; inspects funeral homes and crematory facilities twice a year; investigates complaints regarding the practice of the mortuary arts profession; and takes appropriate disciplinary measures, if warranted. The Board also informs Kansas consumers about laws related to the death process, funeral pre-arrangements, and the funeral process.

MAJOR ISSUES FROM PRIOR YEARS

During the **2010 Session**, Senate Sub. for HB 2310 was passed and required any person wishing to become a crematory operator to make written application to the Board of Mortuary Arts and to meet the agency's requirements on age and training. A person's license is automatically suspended if at the end of one year of being licensed, the individual has not met the required training. The agency is to maintain licenses for crematory operators and collect renewal fees.

Also during the **2010 Session**, Senate Sub. for HB 2310 increased the maximum limits for a number of fees established by the agency, deleted the embalmer's examination fee, and

established a \$200 limit for a crematory operator's license and renewal fee.

During the **2011 Session**, HB 2083 was passed and required funeral directors in charge of a facility that closes to notify individuals with pre-arranged funeral agreements they need to transfer the pre-arranged agreements to another facility. A copy of the notification must be submitted to the State Board of Mortuary Arts.

During the **2015 Session**, the Legislature approved an increase to the Executive Secretary's salary by \$4,355 in FY 2015, \$5,212 for FY 2016, and \$5,264 for FY 2017.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** requests \$330,887, all from the Board of Mortuary Arts Fee Fund, and 3.0 FTE positions, which is the same as the number approved by the 2018 Legislature.

FY 2019 Governor Recommendation

The **Governor** concurs with the agency's revised estimate.

FY 2020 Agency Request

The **agency** requests \$318,862, all from the Board of Mortuary Arts Fee Fund, for FY 2020. This is a decrease of \$12,025, or 3.6 percent, below the agency's FY 2019 revised estimate. This decrease is primarily attributable to decreased

expenditures for agency vehicles that were not budgeted to reoccur in FY 2020. The request includes 3.0 FTE positions, which is the same as the FY 2019 revised estimate.

FY 2020 Governor Recommendation

The **Governor** concurs with the agency's request.

FY 2021 Agency Request

The **agency** requests \$325,571, all from the Board of Mortuary Arts Fee Fund, for FY 2021. This is an increase of \$6,709, or 2.1 percent, above the agency's FY 2020 request. This increase is primarily attributable to increased expenditures

on group health insurance, communication, rent, travel and subsistence, and office and data supplies. The request includes 3.0 FTE positions, which is the same as the FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency's request.

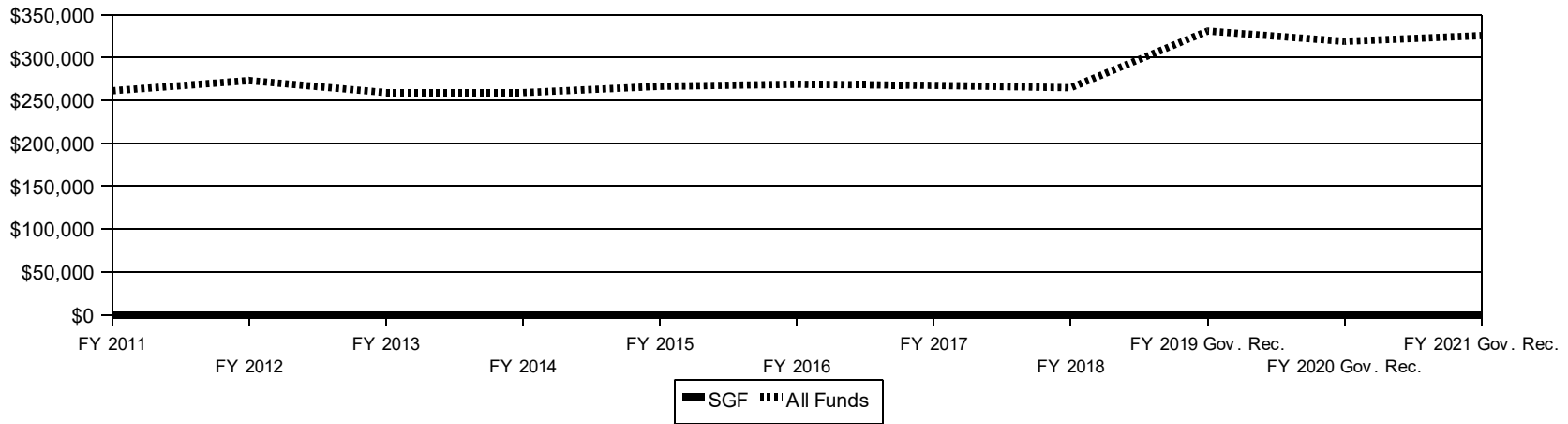
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of complaints received	44	N/A	48	40	40	42	45
Number of current licenses on file	2,195	2,150	2,210	2,168	2,170	2,173	2,175
Percent of complaints requiring investigation	N/A	N/A	N/A	75.0 %	80.0 %	73.8 %	66.6 %
<u>Agency Expenditures</u>							
All Funds (Dollars in Thousands)	\$ 268.8	\$ 267.5	\$ 295.3	\$ 264.8	\$ 330.9	\$ 318.8	\$ 325.6
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 261,223	10.3 %	3.0
2012	0	--	273,158	4.6	3.0
2013	0	--	259,055	(5.2)	3.0
2014	0	--	259,020	(0.0)	3.0
2015	0	--	266,484	2.9	3.0
2016	0	--	268,835	0.9	3.0
2017	0	--	267,511	(0.5)	3.0
2018	0	--	264,815	(1.0)	3.0
2019 Gov. Rec.	0	--	330,887	25.0	3.0
2020 Gov. Rec.	0	--	318,862	(3.6)	3.0
2021 Gov. Rec.	0	--	325,571	2.1	3.0
Eleven-Year Change	\$ 0	-- %	\$ 64,348	24.6 %	0.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 265,815	\$ 330,887	\$ 318,862	\$ (12,025)	(3.6) %	\$ 330,887	\$ 318,862	\$ (12,025)	(3.6) %
By Major Object of Expenditure:									
Salaries and Wages	\$ 202,968	\$ 214,690	\$ 217,353	\$ 2,663	1.2 %	\$ 214,690	\$ 217,353	\$ 2,663	1.2 %
Contractual Services	55,864	80,870	93,059	12,189	15.1	80,870	93,059	12,189	15.1
Commodities	5,806	9,425	7,450	(1,975)	(21.0)	9,425	7,450	(1,975)	(21.0)
Capital Outlay	177	25,902	1,000	(24,902)	(96.1)	25,902	1,000	(24,902)	(96.1)
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 264,815</i>	<i>\$ 330,887</i>	<i>\$ 318,862</i>	<i>\$ (12,025)</i>	<i>(3.6) %</i>	<i>\$ 330,887</i>	<i>\$ 318,862</i>	<i>\$ (12,025)</i>	<i>(3.6) %</i>
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 264,815	\$ 330,887	\$ 318,862	\$ (12,025)	(3.6) %	\$ 330,887	\$ 318,862	\$ (12,025)	(3.6) %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Mortuary Arts Fee Fund	264,815	330,887	318,862	(12,025)	(3.6)	330,887	318,862	(12,025)	(3.6)
TOTAL	\$ 264,815	\$ 330,887	\$ 318,862	\$ (12,025)	(3.6) %	\$ 330,887	\$ 318,862	\$ (12,025)	(3.6) %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 318,862	\$ 325,571	\$ 6,709	2.1 %	\$ 318,862	\$ 325,571	\$ 6,709	2.1 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 217,353	\$ 218,123	\$ 770	0.4 %	\$ 217,353	\$ 218,123	\$ 770	0.4 %
Contractual Services	93,059	97,723	4,664	5.0	93,059	97,723	4,664	5.0
Commodities	7,450	8,725	1,275	17.1	7,450	8,725	1,275	17.1
Capital Outlay	1,000	1,000	0	0.0	1,000	1,000	0	0.0
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 318,862</i>	<i>\$ 325,571</i>	<i>\$ 6,709</i>	<i>2.1 %</i>	<i>\$ 318,862</i>	<i>\$ 325,571</i>	<i>\$ 6,709</i>	<i>2.1 %</i>
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 318,862	\$ 325,571	\$ 6,709	2.1 %	\$ 318,862	\$ 325,571	\$ 6,709	2.1 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Mortuary Arts Fee Fund	318,862	325,571	6,709	2.1	318,862	325,571	6,709	2.1
TOTAL	\$ 318,862	\$ 325,571	\$ 6,709	2.1 %	\$ 318,862	\$ 325,571	\$ 6,709	2.1 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency's revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	330,887	330,887	0	330,887	0
TOTAL	\$ 330,887	\$ 330,887	\$ 0	\$ 330,887	\$ 0
FTE Positions	3.0	3.0	0.0	3.0	0.0

The **agency** requests \$330,887, all from the Board of Mortuary Arts Fee Fund, which is the same as the amount approved by the FY 2018 Legislature. The agency's estimate includes 3.0 FTE positions. While the overall estimate is unchanged, there were budgetary changes within the major categories of expenditures described below:

- **Salaries and Wages.** The revised estimate includes \$214,690 for salaries and wages in FY 2019. This is a decrease of \$6,067, or 2.7 percent, below the amount approved by the 2018 Legislature. The decrease is primarily attributable

to decreased expenditures on unclassified regular and classified regular positions;

- **Contractual Services.** The revised estimate includes \$80,870 for contractual services in FY 2019. This is an increase of \$4,565, or 6.0 percent, above the approved amount. The increase is attributable to increased expenditures on other contractual services, travel and subsistence, and fees for other services; and

- **Capital Outlay.** The revised estimate includes \$25,902 for capital outlay in FY 2019. This is an increase of \$1,502, or 6.2 percent, above the approved amount. This increase is primarily attributable to increased expenditures on agency

vehicles and furniture and fixtures and equipment, partially offset by decreased expenditures on microcomputer equipment.

The **Governor** concurs with the agency's revised estimate.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 318,862	\$ 318,862	\$ 0
FTE Positions	3.0	3.0	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	(12,025)	(12,025)	
TOTAL	\$ (12,025)	\$ (12,025)	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	(3.6)	(3.6)	
TOTAL	(3.6) %	(3.6) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$318,862, all from the Board of Mortuary Arts Fee Fund, for FY 2019. This is a decrease of \$12,025, or 3.6 percent, below the agency's FY 2019 revised estimate. This decrease is due to reduced expenditures on capital outlay and commodities, partially offset by increased expenditures on contractual services and salaries and wages.

Categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests \$217,353 for salaries and wages for FY 2020. This is an increase of \$2,663, or 1.2 percent, above the agency's FY 2019 revised estimate. This increase is primarily attributable to

increased employer contributions on group health insurance and KPERS;

- **Contractual Services.** The agency requests \$93,059 for contractual services for FY 2020. This is an increase of \$12,189, or 15.1 percent, above the agency's FY 2019 revised estimate. This increase is primarily attributable to increased expenditures on fees for professional services and other services, partially offset by decreased expenditures on communication, rent, and repairs and services;
- **Commodities.** The agency requests \$7,450 for commodities for FY 2020. This is a decrease of

\$1,975, or 21.0 percent, below the agency's FY 2019 revised estimate. This increase is primarily attributable to decreased expenditures on vehicle parts and office and data supplies; and

- **Capital Outlay.** The agency requests \$1,000 for capital outlay for FY 2020. This is a decrease of \$24,902, or 96.1 percent, below the agency's FY 2019 revised estimate. This decrease is primarily attributable to decreased expenditures on agency vehicles.

The **Governor** concurs with the agency's request.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 325,571	\$ 325,571	\$ 0
FTE Positions	3.0	3.0	0.0
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	6,709	6,709	
TOTAL	\$ 6,709	\$ 6,709	
<i>Percent Change:</i>			
State General Fund	-- %	0.0 %	
All Other Funds	2.1	2.1	
TOTAL	2.1 %	2.1 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$325,571, all from the Board of Mortuary Arts Fee Fund, for FY 2021. This is an increase of \$6,709, or 2.1 percent, above the agency's FY 2020 request. The increase is attributable to higher expenditures on salaries and wages, contractual services, and commodities. Categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests \$218,123 for salaries and wages for FY 2021. This is an increase of \$770, or 0.4 percent,

above the agency's FY 2020 request. This increase is primarily attributable to increased employer contributions on group health insurance;

- **Contractual Services.** The agency requests \$97,723 for contractual services for FY 2021. This is an increase of \$4,664, or 5.0 percent, above the agency's FY 2020 request. This increase is primarily attributable to increased

expenditures on communication, rent, and travel and subsistence;

- **Commodities.** The agency requests \$8,725 for commodities for FY 2021. This is an increase of \$1,275, or 17.1 percent, above the agency's FY 2020 request. This increase is primarily attributable to increased expenditures on vehicle

parts and supplies and office and data supplies; and

- **Capital Outlay.** The agency requests \$1,000 for capital outlay for FY 2021, which is the same amount as the agency's FY 2020 request.

The **Governor** concurs with the agency's request.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$6,502, all from special revenue funds.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, FY 2019 longevity payments total \$1,000, all from special revenue funds, and FY 2020 longevity payments total \$1,000, all from special revenue funds.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
Mortuary Arts Fee Fund	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Mortuary Arts Fee Fund

The Kansas State Board of Mortuary Arts is a fee-funded agency funded solely by the Board of Mortuary Arts Fee Fund. Pursuant to KSA 65-1718, revenues deposited into the Fee Fund include those from the issuance and renewal of licenses;

administration of exams for funeral directors and assistant funeral directors; sale of rule books, lists, and duplicate licenses; and continuing education programming.

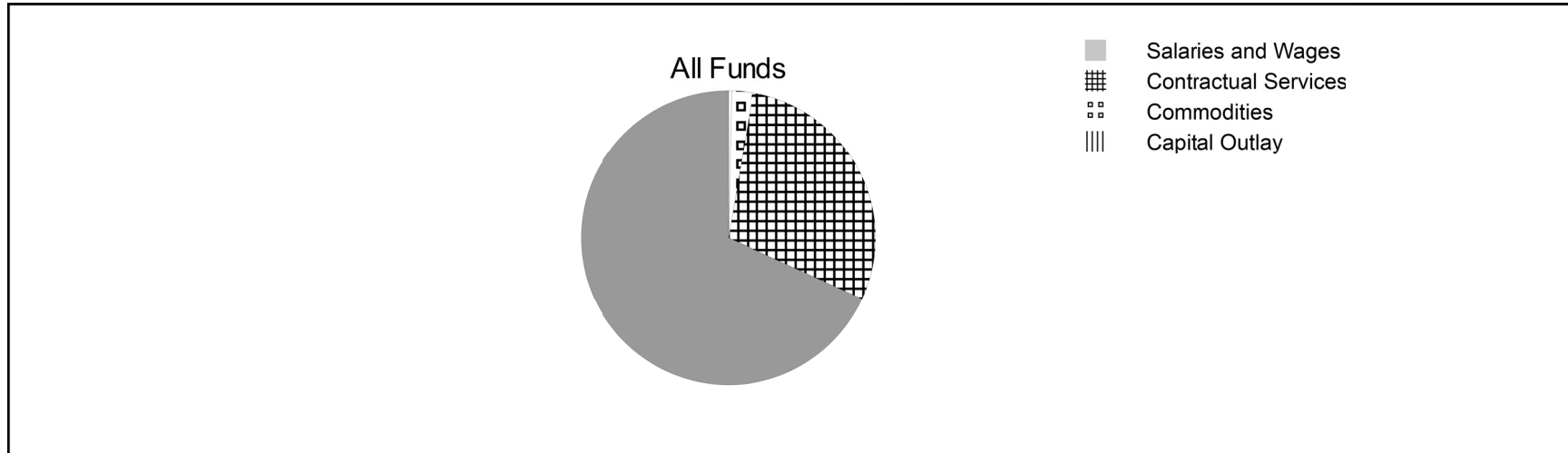
Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 316,537	\$ 337,814	\$ 337,814	\$ 258,706	\$ 258,706	\$ 234,913	\$ 234,913
Revenue	286,092	251,779	251,779	295,069	295,069	251,779	251,779
Transfers in	0	0	0	0	0	0	0
<i>Funds Available</i>	\$ 602,629	\$ 589,593	\$ 589,593	\$ 553,775	\$ 553,775	\$ 486,692	\$ 486,692
Less:							
Expenditures	\$ 264,815	\$ 330,887	\$ 330,887	\$ 318,862	\$ 318,862	\$ 325,571	\$ 325,571
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	\$ 337,814	\$ 258,706	\$ 258,706	\$ 234,913	\$ 234,913	\$ 161,121	\$ 161,121
Ending Balance as Percent of Expenditures	127.6%	78.2%	78.2%	73.7%	73.7%	49.5%	49.5%
Month Highest Ending Balance	April	July	July	March	March	July	July
	\$ 343,985	\$ 322,793	\$ 3,227,930	\$ 252,569	\$ 252,569	\$ 220,504	\$ 220,504
Month Lowest Ending Balance	October	June	June	November	November	June	June
	\$ 306,164	\$ 258,706	\$ 258,706	\$ 233,840	\$ 233,840	\$ 161,121	\$ 161,121

LICENSURE FEES

License	Current Fee	Statutory Limit
Embalmer endorsement application fee	\$ 350	\$ 500
Embalmer reciprocity application fee	350	500
Funeral director examination fee	200	400
Funeral director reciprocity application fee	350	500
Embalmer/funeral director reciprocity application fee	350	500
Assistant funeral director application fee	150	300
Assistant funeral director examination fee	50	300
Embalmer license and renewal fee	168	350
Funeral director license and renewal fee	228	450
Crematory operator license and renewal fee	50	200
Assistant funeral director license and renewal fee	180	400
Apprentice embalmer registration fee	100	250
Funeral establishment license fee	650	1000
Branch establishment license fee	650	1000
Crematory license fee	650	1000
Crematory renewal fee	650	1000
Funeral establishment/crematory license fee	950	1500
Funeral establishment/crematory renewal fee	950	1500
Branch establishment/crematory license fee	950	1500
Branch establishment/crematory renewal fee	950	1500
Duplicate license	15	30
Rulebook	5	20
Continuing education program sponsor application	0	25
Continuing education program license application	0	25
List of licenses	10	N/A
List of funeral homes	5	N/A

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 217,353	68.2 %	\$ 0	-- %
Contractual Services	93,059	29.2	0	--
Commodities	7,450	2.3	0	--
Capital Outlay	1,000	0.3	0	--
	\$ 318,862	100.0 %	\$ 0	100.0

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

BOARD OF NURSING

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	2,732,173	3,223,173	3,211,173	3,109,090	3,097,090	3,089,110	3,077,110
<i>Subtotal</i>	<i>\$ 2,732,173</i>	<i>\$ 3,223,173</i>	<i>\$ 3,211,173</i>	<i>\$ 3,109,090</i>	<i>\$ 3,097,090</i>	<i>\$ 3,089,110</i>	<i>\$ 3,077,110</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	<u>\$ 2,732,173</u>	<u>\$ 3,223,173</u>	<u>\$ 3,211,173</u>	<u>\$ 3,109,090</u>	<u>\$ 3,097,090</u>	<u>\$ 3,089,110</u>	<u>\$ 3,077,110</u>

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	12.9	18.0	17.5	(3.5)	(3.6)	(0.6)	(0.6)
FTE Positions	26.0	27.0	27.0	27.0	27.0	27.0	27.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Board of Nursing was created in 1913 to regulate the practice of nursing by maintaining licensure of covered classes, surveying schools, and conducting disciplinary activities. The Board consists of 11 members appointed by the Governor, each serving a four-year term. As required by law, six Board members are registered professional nurses, two are licensed practical nurses, and three are members of the public. The following three divisions assist in facilitating the responsibilities of the agency.

Licensing Division. The Board's licensing division evaluates nursing schools and maintains the licensure of practical nurses, registered nurses, advanced practice registered nurses, registered nurse anesthetists, and mental health technicians.

Education Division. The Board's education division is tasked with developing stronger ties with professional organizations and nurses across Kansas by providing staff for speaking engagements, setting up information booths at conventions, and conducting presentations about nursing regulation to nursing students. In addition, the Board is responsible for reviewing and approving continuing education providers and programs for its licensees and accredits schools that meet the Board's rules and regulations.

Legal Division. The Board's legal division investigates complaints concerning unlawful practices and may, after hearings, suspend or revoke a practitioner's license. The Board also may discipline licensees who violate the Nurse Practice Act by classifying the violation, investigating actionable categories, and disposing of cases accordingly.

MAJOR ISSUES FROM PRIOR YEARS

The **2008 Legislature** passed HB 2620, which authorized the Board of Nursing to require applicants for an original license to practice as a professional nurse, practical nurse, or mental health technician to be fingerprinted and to submit to a state and national criminal history record check. The bill also authorizes the Board of Nursing to set a fee for fingerprinting in an amount needed to reimburse the Board for the cost of fingerprinting and the criminal record check and to deposit such fees into the Board's Criminal Background and Fingerprinting Fund created by the bill.

The **2009 Legislature** transferred \$43,683 from the Board of Nursing Fee Fund to the State General Fund in FY 2009. The

Legislature also transferred \$57,064 from the Fee Fund to the State General Fund in FY 2010.

In addition, the **2009 Legislature** added \$61,500 from the Board of Nursing Fee Fund for the replacement of information technology software and hardware in FY 2010. The Legislature deleted \$4,329 from the Fee Fund to hold the overall agency budget in FY 2011 at the FY 2010 level.

The **2010 Legislature** passed HB 2619, which altered the scope of practice for registered nurse anesthetists (RNAs). The bill allows RNAs, upon the order of a physician or dentist and as a member of a physician- or dentist-directed health care team,

to order or administer appropriate medication and anesthetic agents pre- and post-analgesia and during the peri-anesthetic or pre-analgesic periods. The bill also allows RNAs to order necessary medications and tests in the peri-anesthetic or pre-analgesic periods and to take appropriate action during those times.

The **2011 Legislature** passed HB 2182, which amended the law to update the title of an advanced registered nurse practitioner (ARNP) to advanced practice registered nurse (APRN), changed licensure and education requirements for the role of APRNs, and permitted reinstatement of lapsed nurse licenses upon meeting specified requirements. The reinstatement provision expired January 1, 2012.

The **2015 Legislature** passed Senate Sub. for HB 2135, which authorized the Director of the Budget, if the Director determined the unencumbered ending balance of the State General Fund for FY 2016 would be less than \$100.0 million, to lapse appropriations or transfer funding from special revenue funds to the State General Fund, up to a total of \$100.0 million, for FY 2016. Under this authority, \$250,000 was transferred from the Board of Nursing Fee Fund to the State General Fund in FY 2016.

The **2016 Legislature** added \$17,943 in FY 2016 and \$22,724 for FY 2017, all from special revenue funds, for a salary increase to an Assistant Attorney General position.

The **2017 Legislature** approved an interagency agreement to share the cost of funding the Kansas Prescription Monitoring Program, also known as K-TRACS. The Board of Nursing will transfer \$36,000 for FY 2018 and \$37,000 for FY 2019, all from the Board of Nursing Fee Fund, to the Board of Pharmacy. During this time period, the agencies will work to attempt to reach a permanent funding solution for the program.

In addition, the **2017 Legislature** added funding for a 2.5 percent adjustment for all state employees with less than five years of service (except for Highway Patrol law enforcement personnel, legislators, teachers, and licensed personnel and employees at the Schools for the Deaf and the Blind, employees at the Kansas Bureau of Investigation who are part of the Recruitment and Retention Plan, and other statewide elected officials); a 5.0 percent adjustment for state employees who have not had a pay adjustment in five years; and a 2.5 percent adjustment for judges and non-judicial staff for FY 2018 and FY 2019. For the Board of Nursing, the Legislature added \$35,706, all from the Board of Nursing Fee Fund, for both FY 2018 and FY 2019.

The **2018 Legislature** passed HB 2496, which enacted the Nurse Licensure Compact (Compact) and amended the Kansas Nurse Practice Act to enable the Board to carry out the provisions of the Compact and establish the duties of registered nurses (RNs) and licensed practical nurses (LPNs) under the Compact. The Compact allows RNs and LPNs to have one multi-state license, with the privilege to practice in the home state of Kansas and in other Compact states physically, electronically, telephonically, or any combination of those. The Board testified that passage of the Compact would decrease licensure revenue significantly, so HB 2496 increased RN and LPN single-state license fee caps and added multi-state licensure fee caps for applicants for licenses, biennial license renewals, license reinstatements, and license reinstatements with a temporary permit. The 2018 Legislature added \$347,000, all from special revenue funds, and 1.0 FTE position to implement the Compact for FY 2019. This amount included \$255,000 from an anticipated grant from the National Council of State Board of Nursing for implementation expenditures including communication, information technology, and data integrity preparation. The amount also included \$92,000, all from the Board of Nursing Fee Fund, for 1.0 FTE investigator position for incidents occurring out of state, the annual National

Licensure Compact membership fee, and supplies and construction of a new office for the investigator position.

In addition, the **2018 Legislature** added \$26,812, all from special revenue funds, for salary adjustments for FY 2019

equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives and one step for employees who received approximately one step on the Statewide Pay Matrix in FY 2018.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** estimates FY 2019 expenditures of \$3.2 million, all from special revenue funds. The revised estimate is a decrease of \$110,812, or 3.3 percent, below the amount approved by the 2018 Legislature. The decrease is primarily attributable to the agency estimating fewer grant-funded expenditures for implementation of the Nursing Licensure

Compact than previously estimated. The decrease is also attributable to the agency beginning to use salary shrinkage in its budget, partially offset by an increase in estimated legal expenditures to investigate complaints. The revised estimate includes 27.0 FTE positions, which is the same number approved by the 2018 Legislature.

FY 2019 Governor Recommendation

The **Governor** recommends \$3.2 million, all from special revenue funds, in FY 2019. This is a decrease of \$12,000, or 0.4 percent, below the agency's revised estimate in FY 2019.

The decrease is attributable to the Governor recommending an increase in salary shrinkage in FY 2019.

FY 2020 Agency Request

The **agency** requests FY 2020 expenditures of \$3.1 million, all from special revenue funds. This is a decrease of \$114,083, or 3.5 percent, below the FY 2019 revised estimate. The decrease is primarily attributable to one-time expenditures in FY 2019 for the implementation of the Nursing Licensure Compact.

The decrease is partially offset by an increase in employer fringe benefit expenditures for employees and a decrease in employee salary shrinkage. The request includes 27.0 FTE positions, which is the same number as the FY 2019 revised estimate.

FY 2020 Governor Recommendation

The **Governor** recommends \$3.1 million, all from special revenue funds, for FY 2020. This is a decrease of \$12,000, or 0.4 percent, below the the agency's request for FY 2020. The decrease is attributable to the Governor recommending an increase in salary shrinkage for FY 2020. The Governor's

recommendation also includes a transfer of \$37,000, all from the Board of Nursing Fee Fund to the Board of Pharmacy, for continuation of a multi-agency agreement from FY 2018 and FY 2019 to share expenses for the Kansas Prescription Monitoring Program, also known as K-TRACS.

FY 2021 Agency Request

The **agency** requests FY 2021 expenditures of \$3.1 million, all from special revenue funds. This is a decrease of \$19,980, or 0.6 percent, below the FY 2020 request. The decrease is primarily attributable to a decrease in computers, software, and office supplies and an increase in estimated employee salary

shrinkage. The decrease is partially offset by an increase in employer fringe benefit expenditures for state employees. The request includes 27.0 FTE positions, which is the same number as the FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** recommends \$3.1 million, all from special revenue funds, for FY 2021. This is a decrease of \$12,000, or 0.4 percent, below the agency's request for FY 2021. The decrease is attributable to the Governor recommending an increase in salary shrinkage for FY 2021. The Governor's

recommendation also includes a transfer of \$37,000, all from the Board of Nursing Fee Fund to the Board of Pharmacy, for continuation of a multi-agency agreement from FY 2018 and FY 2019 to share expenses for the Kansas Prescription Monitoring Program, also known as K-TRACS.

PERFORMANCE MEASURES

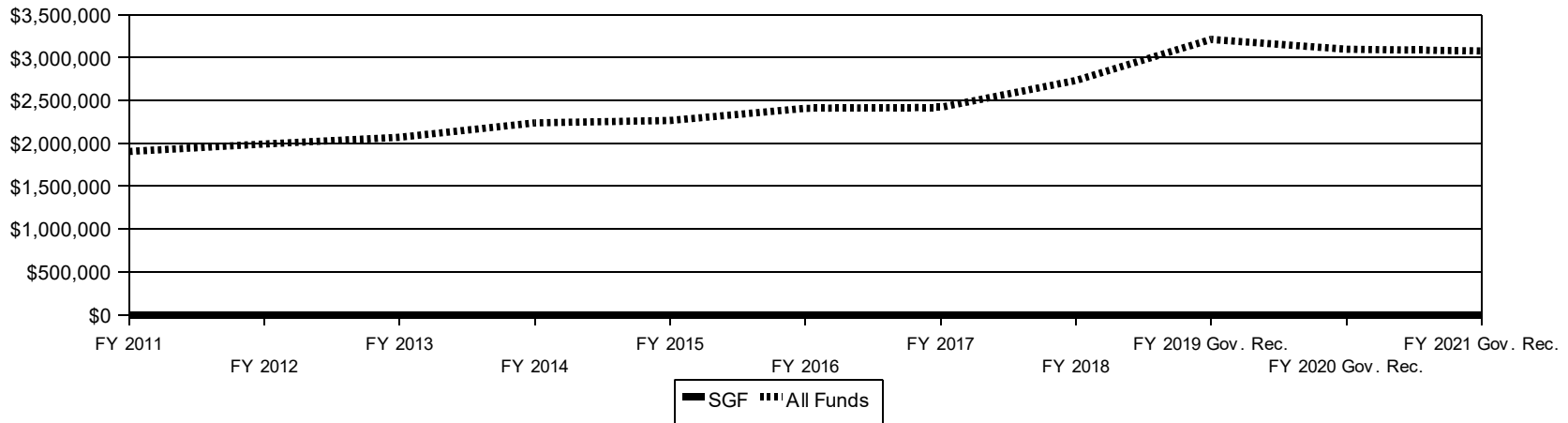
The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of investigations open (in thousands)	2.2*	2.1*	2.5*	2.0	2.1	2.1	2.1
Percent of initial applications processed within three business days	N/A	N/A	N/A	98.3 %	95.0 %	98.0 %	98.0 %
Percent of reinstatement licensure applications processed within three business days	N/A	N/A	N/A	90.6 %	95.0 %	98.0 %	98.0 %
Percent of applications information entered in licensing software accurately	N/A	N/A	N/A	95.9 %	95.0 %	95.0 %	95.0 %
Number of nurses practicing without a current nursing license	N/A	N/A	N/A	104	100	100	100
Percent of investigations completed within nine months receiving a complaint	N/A	N/A	N/A	65.1 %	65.0 %	65.0 %	65.0 %
Agency Expenditures							
All Funds (Dollars in Millions)	\$ 2.4	\$ 2.4	\$ 2.9	\$ 2.7	\$ 3.2	\$ 3.1	\$ 3.1
FTE Positions	26.0	26.0	26.0	26.0	27.0	27.0	27.0

* Information prior to Actual FY 2018 represents the number of investigations conducted, rather than the number of investigations open.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 1,904,440	(2.9)%	23.0
2012	0	--	1,991,188	4.6	24.0
2013	0	--	2,070,282	4.0	23.0
2014	0	--	2,237,476	8.1	26.0
2015	0	--	2,266,011	1.3	26.0
2016	0	--	2,407,320	6.2	26.0
2017	0	--	2,419,135	0.5	26.0
2018	0	--	2,732,173	12.9	26.0
2019 Gov. Rec.	0	--	3,211,173	17.5	27.0
2020 Gov. Rec.	0	--	3,097,090	(3.6)	27.0
2021 Gov. Rec.	0	--	3,077,110	(0.6)	27.0
Eleven-Year Change	\$ 0	-- %	\$ 1,172,670	61.6 %	4.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 2,732,173	\$ 3,223,173	\$ 3,109,090	\$ (114,083)	(3.5) %	\$ 3,211,173	\$ 3,097,090	\$ (114,083)	(3.6) %
By Major Object of Expenditure:									
Salaries and Wages	\$ 1,673,404	\$ 1,911,180	\$ 1,942,073	\$ 30,893	1.6 %	\$ 1,899,180	\$ 1,930,073	\$ 30,893	1.6 %
Contractual Services	949,043	1,224,185	1,076,117	(148,068)	(12.1)	1,224,185	1,076,117	(148,068)	(12.1)
Commodities	23,942	21,900	23,900	2,000	9.1	21,900	23,900	2,000	9.1
Capital Outlay	85,784	65,908	67,000	1,092	1.7	65,908	67,000	1,092	1.7
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 2,732,173</i>	<i>\$ 3,223,173</i>	<i>\$ 3,109,090</i>	<i>\$ (114,083)</i>	<i>(3.5) %</i>	<i>\$ 3,211,173</i>	<i>\$ 3,097,090</i>	<i>\$ (114,083)</i>	<i>(3.6) %</i>
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 2,732,173	\$ 3,223,173	\$ 3,109,090	\$ (114,083)	(3.5) %	\$ 3,211,173	\$ 3,097,090	\$ (114,083)	(3.6) %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Board of Nursing Fee Fund	2,418,593	2,718,173	2,779,090	60,917	2.2	2,706,173	2,767,090	60,917	2.3
Criminal Background and Fingerprint Fund	307,121	330,000	330,000	0	0.0	330,000	330,000	0	0.0
All Other Funds	6,459	175,000	0	(175,000)	(100.0)	175,000	0	(175,000)	(100.0)
TOTAL	\$ 2,732,173	\$ 3,223,173	\$ 3,109,090	\$ (114,083)	(3.5) %	\$ 3,211,173	\$ 3,097,090	\$ (114,083)	(3.6) %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 3,109,090	\$ 3,089,110	\$ (19,980)	(0.6) %	\$ 3,097,090	\$ 3,077,110	\$ (19,980)	(0.6)%
By Major Object of Expenditure:								
Salaries and Wages	\$ 1,942,073	\$ 1,953,280	\$ 11,207	0.6 %	\$ 1,930,073	\$ 1,941,280	\$ 11,207	0.6 %
Contractual Services	1,076,117	1,068,230	(7,887)	(0.7)	1,076,117	1,068,230	(7,887)	(0.7)
Commodities	23,900	17,600	(6,300)	(26.4)	23,900	17,600	(6,300)	(26.4)
Capital Outlay	67,000	50,000	(17,000)	(25.4)	67,000	50,000	(17,000)	(25.4)
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 3,109,090</i>	<i>\$ 3,089,110</i>	<i>\$ (19,980)</i>	<i>(0.6) %</i>	<i>\$ 3,097,090</i>	<i>\$ 3,077,110</i>	<i>\$ (19,980)</i>	<i>(0.6) %</i>
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 3,109,090	\$ 3,089,110	\$ (19,980)	(0.6) %	\$ 3,097,090	\$ 3,077,110	\$ (19,980)	(0.6)%
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Board of Nursing Fee Fund	2,779,090	2,759,110	(19,980)	(0.7)	2,767,090	2,747,110	(19,980)	(0.7)
Criminal Background and Fingerprint Fund	330,000	330,000	0	0.0	330,000	330,000	0	0.0
All Other Funds	0	0	0	--	0	0	0	--
TOTAL	\$ 3,109,090	\$ 3,089,110	\$ (19,980)	(0.6) %	\$ 3,097,090	\$ 3,077,110	\$ (19,980)	(0.6)%

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

This agency's revised estimate does not include State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	3,333,985	3,223,173	(110,812)	3,211,173	(122,812)
TOTAL	\$ 3,333,985	\$ 3,223,173	\$ (110,812)	\$ 3,211,173	\$ (122,812)
FTE Positions	27.0	27.0	0.0	27.0	0.0

The **agency** estimates FY 2019 expenditures of \$3.2 million, all from special revenue funds. The revised estimate is a decrease of \$110,812, or 3.3 percent, below the amount approved by the 2018 Legislature. The decrease is primarily attributable to the agency estimating fewer grant-funded expenditures for implementation of the Nursing Licensure Compact than previously estimated. The decrease is also attributable to the agency beginning to use salary shrinkage in its budget, partially offset by an increase in estimated legal expenditures to investigate complaints. The revised estimate includes 27.0 FTE positions, which is the same number approved by the 2018 Legislature.

The revised estimate is detailed below by category of expenditure:

- **Salaries and Wages.** The agency estimates \$1.9 million, all from special revenue funds, for salaries and wages in FY 2019. This is a decrease of \$51,732, or 2.6 percent, below the amount approved by the 2018 Legislature. The decrease is primarily attributable to the agency beginning to use salary shrinkage in its budget to account for employee turnover and time periods that employee positions are unfilled. The

decrease is partially offset by increased salary expenditures on temporary positions. The agency reports it contracted with a previous executive administrator to serve as a consultant to assist with implementation of the Nursing Licensure Compact and to serve temporarily in the Education Division while the agency was interviewing to fill two vacant positions;

- **Contractual Services.** The agency estimates \$1.2 million, all from special revenue funds, for contractual services in FY 2019. This is an increase of \$186,112, or 17.9 percent, above the amount approved by the 2018 Legislature. The increase is primarily attributable to the agency reallocating communication and data integrity preparation expenditures for implementation of the Nursing Licensure Compact to the appropriate category of expenditure. The increase is also attributable to the agency re-estimating legal expenditures to investigate complaints;
- **Commodities.** The agency estimates \$21,900, all from special revenue funds, for commodities in FY 2019. This is a decrease of \$10,000, or 31.3 percent, below the amount approved by the 2018 Legislature. The decrease is attributable to a decrease in stationery and office supplies;

- **Capital Outlay.** The agency estimates \$65,908, all from special revenue funds, for capital outlay in FY 2019. This is an increase of \$19,808, or 43.0 percent, above the amount approved by the 2018 Legislature. The increase is attributable to the agency reallocating information technology expenditures for implementation of the Nursing Licensure Compact to the appropriate category of expenditure; and
- **Other Assistance.** The agency does not request other assistance expenditures in FY 2019. The 2018 Legislature approved \$255,000, all from special revenue funds, for grant-funded implementation of the Nursing Licensure Compact in FY 2019. In the revised estimate, the agency projects grant-funded implementation expenditures totaling \$175,000 in FY 2019 and has reallocated these expenditures to contractual services and capital outlay.

The **Governor** recommends \$3.2 million, all from special revenue funds, in FY 2019. This is a decrease of \$12,000, or 0.4 percent, below the agency's revised estimate in FY 2019. The decrease is attributable to the Governor recommending an increase in salary shrinkage in FY 2019.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 3,109,090	\$ 3,097,090	\$ (12,000)
FTE Positions	27.0	27.0	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	(114,083)	(114,083)	
TOTAL	\$ (114,083)	\$ (114,083)	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	(3.5)	(3.6)	
TOTAL	(3.5) %	(3.6) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2020 expenditures of \$3.1 million, all from special revenue funds. This is a decrease of \$114,083, or 3.5 percent, below the FY 2019 revised estimate. The decrease is primarily attributable to one-time expenditures in FY 2019 for the implementation of the Nursing Licensure Compact. The decrease is partially offset by an increase in employer fringe benefit expenditures for employees and a decrease in employee salary shrinkage. The request includes 27.0 FTE

positions, which is the same number as the FY 2019 revised estimate. The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests \$1.9 million, all from special revenue funds, for salaries and wages for FY 2020. This is an increase of \$30,893, or 1.6 percent, above the

FY 2019 revised estimate. The increase is primarily attributable to an increase in employer fringe benefit expenditures for employees and a decrease in employee salary shrinkage;

- **Contractual Services.** The agency requests \$1.1 million, all from special revenue funds, for contractual services for FY 2020. This is a decrease of \$148,068, or 12.1 percent, below the FY 2019 revised estimate. The decrease is primarily attributable to a decrease in computer services expenditures related to one-time expenditures in FY 2019 for the implementation of the Nursing Licensure Compact. The decrease is partially offset by an increase in give-aways provided by the agency to students at presentations around the state. (*Note:* The agency reports this increase from \$500 in FY 2019 to \$5,000 for FY 2020 was erroneously entered in its budget submission, and the agency states it does not anticipate increasing the amount of expenditures for this item above the amount in the FY 2019 revised estimate.);

- **Commodities.** The agency requests \$23,900, all from special revenue funds, for commodities for FY 2020. This is an increase of \$2,000, or 9.1 percent, above the FY 2019 revised estimate. The increase is attributable to an increase in stationery and office supplies; and
- **Capital Outlay.** The agency requests \$67,000, all from special revenue funds, for capital outlay for FY 2020. This is an increase of \$1,092, or 1.7 percent, above the FY 2019 revised estimate. The increase is attributable to an increase in computer equipment expenditures.

The **Governor** recommends \$3.1 million, all from special revenue funds, for FY 2020. This is a decrease of \$12,000, or 0.4 percent, below the the agency's request for FY 2020. The decrease is attributable to the Governor recommending an increase in salary shrinkage for FY 2020. The Governor's recommendation also includes a transfer of \$37,000, all from the Board of Nursing Fee Fund, to the Board of Pharmacy for continuation of a multi-agency agreement from FY 2018 and FY 2019 to share expenses for the Kansas Prescription Monitoring Program, also known as K-TRACS.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 3,089,110	\$ 3,077,110	\$ (12,000)
FTE Positions	27.0	27.0	0.0
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	(19,980)	(19,980)	
TOTAL	\$ (19,980)	\$ (19,980)	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	(0.6)	(0.6)	
TOTAL	(0.6) %	(0.6) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2021 expenditures of \$3.1 million, all from special revenue funds. This is a decrease of \$19,980, or 0.6 percent, below the FY 2020 request. The decrease is primarily attributable to a decrease in computers, software, and office supplies and an increase in estimated employee salary shrinkage. The decrease is partially offset by an increase in employer fringe benefit expenditures for state employees. The request includes 27.0 FTE positions, which is the same number

as the FY 2020 request. The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests \$2.0 million, all from special revenue funds, for salaries and wages for FY 2021. This is an increase of \$11,207, or 0.6 percent, above the FY 2020 request. The increase is primarily attributable to an increase in employer fringe

benefit expenditures for state employees, partially offset by an increase in salary shrinkage as the agency anticipates upcoming retirements of some employees;

- **Contractual Services.** The agency requests \$1.1 million, all from special revenue funds, for contractual services for FY 2021. This is a decrease of \$7,887, or 0.7 percent, below the FY 2020 request. The decrease is primarily attributable to decreased expenditures on give-aways provided by the agency to students at presentations around the state;
- **Commodities.** The agency requests \$17,600, all from special revenue funds, for commodities for FY 2021. This is a decrease of \$6,300, or 26.4 percent, below the FY 2020 request. The decrease is attributable to decreased

expenditures on stationery and office supplies; and

- **Capital Outlay.** The agency requests \$50,000, all from special revenue funds, for capital outlay for FY 2021. This is a decrease of \$17,000, or 25.4 percent, below the FY 2020 request. The decrease is attributable to decreased expenditures on computers and software.

The **Governor** recommends \$3.1 million, all from special revenue funds, for FY 2021. This is a decrease of \$12,000, or 0.4 percent, below the agency's request for FY 2021. The decrease is attributable to the Governor recommending an increase in salary shrinkage for FY 2021. The Governor's recommendation also includes a transfer of \$37,000, all from the Board of Nursing Fee Fund, to the Board of Pharmacy for continuation of a multi-agency agreement from FY 2018 and FY 2019 to share expenses for the Kansas Prescription Monitoring Program, also known as K-TRACS.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$26,812, all from special revenue funds.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, FY 2019 longevity payments total \$4,840 and FY 2020 longevity payments total \$5,000, all from special revenue funds.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
Board of Nursing Fee Fund	89.4	89.3	89.3	89.3
Criminal Background and Fingerprint Fund	10.6	10.7	10.7	10.7
Other Funding Sources	0.0	0.0	0.0	0.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Board of Nursing Fee Fund

The Board is responsible for examining, licensing, and renewing licenses of qualified nurse applicants and conducting hearings upon charges for limitation, suspension, or revocation of a license. According to KSA 74-1108, the executive administrator of the Board can levy fees, charges, or penalties for these services. KSA 74-1106 authorizes the Board of Nursing to apply for and receive grant funds, as well as receive donations, bequests, and gifts. The agency reports that as of May 12, 2017, licensure verification for registered nurses (RNs) and licensed practical nurses (LPNs) is done through Nursys.com (a national database) so revenue from verifications is expected to decrease by approximately \$100,000 annually. This change is reflected in the estimated revenues in FY 2018 and for FY 2019. The 2017 Legislature approved transfers of \$36,000 in FY 2018 and \$37,000 for FY 2019 from the Board of Nursing Fee Fund to the Board of Pharmacy, as part of a multi-agency agreement to share costs associated with the Kansas Prescription Monitoring Program, also known as K-TRACS.

In the Governor's recommendation for FY 2020 and FY 2021, the Governor recommends continuation of the transfer totaling \$37,000 from the Board of Nursing Fee Fund to the Board of Pharmacy for K-TRACS.

The 2018 Legislature passed 2018 HB 2496 establishing provisions for the implementation of the Nursing Licensure Compact, including classifying the traditional license for professional nurses and practice nurses as a single-state license and creating a new category of licensure for multi-state applicants. The bill also increased the statutory limit for the application for a professional nurse license from \$75 to \$150, increased the statutory limit for the application for a practice nurse license from \$50 to \$100, increased the statutory limit for the biennial renewal of license for professional nurses and practical nurses from \$60 to \$120, increased the statutory limit for reinstatement of license fee from \$70 to \$150, and increased the statutory limit on reinstatement of license with a temporary

permit from \$100 to \$175. In addition, the bill set the statutory limit for a multi-state license for a professional nurse or practice nurse at \$300, set the statutory limit for the biennial renewal of a multi-state license for professional nurses and practical nurses

at \$200, and set the statutory limits for multi-state reinstatement of a license and multi-state reinstatement of licenses with temporary permit at \$300.

Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 1,140,607	\$ 1,082,936	\$ 1,082,936	\$ 680,763	\$ 692,763	\$ 355,673	\$ 342,673
Revenue	2,391,627	2,353,000	2,353,000	2,454,000	2,454,000	2,454,000	2,454,000
Transfers in	0	0	0	0	0	0	0
<i>Funds Available</i>	<u>\$ 3,532,234</u>	<u>\$ 3,435,936</u>	<u>\$ 3,435,936</u>	<u>\$ 3,134,763</u>	<u>\$ 3,146,763</u>	<u>\$ 2,809,673</u>	<u>\$ 2,796,673</u>
Less:							
Expenditures	\$ 2,418,593	\$ 2,718,173	\$ 2,706,173	\$ 2,779,090	\$ 2,767,090	\$ 2,759,110	\$ 2,747,110
Transfers Out	30,705	37,000	37,000	0	37,000	0	37,000
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 1,082,936</u>	<u>\$ 680,763</u>	<u>\$ 692,763</u>	<u>\$ 355,673</u>	<u>\$ 342,673</u>	<u>\$ 50,563</u>	<u>\$ 12,563</u>
Ending Balance as Percent of Expenditures	44.8%	25.0%	25.6%	12.8%	12.4%	1.8%	0.5%
Month Highest Ending Balance	March <u>\$ 1,134,140</u>	March <u>\$ 1,064,796</u>	March <u>\$ 1,076,796</u>	March <u>\$ 701,925</u>	March <u>\$ 688,835</u>	March <u>\$ 378,730</u>	March <u>\$ 340,730</u>
Month Lowest Ending Balance	December <u>\$ 958,651</u>	June <u>\$ 680,763</u>	June <u>\$ 692,763</u>	June <u>\$ 355,673</u>	June <u>\$ 342,673</u>	June <u>\$ 50,563</u>	June <u>\$ 12,563</u>

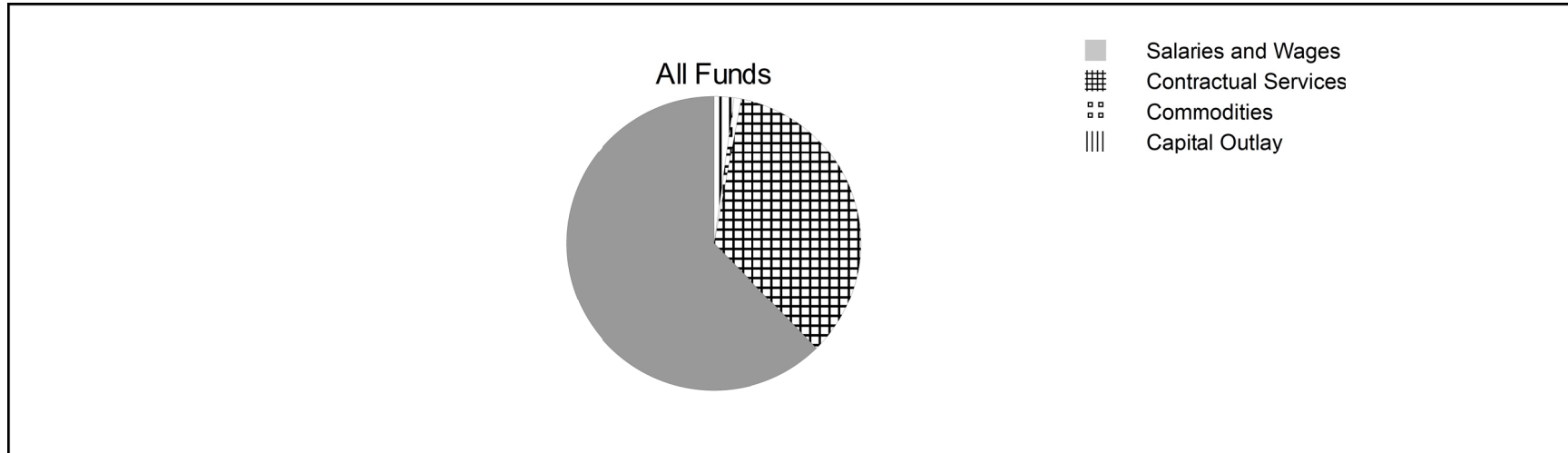
BOARD OF NURSING LICENSURE FEES

License	Current Fee	Statutory Limit
Professional Nurse (application for single-state license)	\$ 75	\$ 150
Professional Nurse (application for multi-state license)	N/A	300
Professional Nurse (biennial renewal fee for single-state license)	55	120
Professional Nurse (biennial renewal fee for multi-state license)	N/A	200
Practical Nurse (application for single-state license)	50	100
Practical Nurse (application for multi-state license)	N/A	300
Practical Nurse (biennial renewal fee single-state license)	55	60
Practical Nurse (biennial renewal fee multi-state license)	N/A	200
Advanced Practice Registered Nurse (application for license)	50	50
Advanced Practice Registered Nurse (biennial renewal fee)	55	60
Registered Nurse Anesthetist (application for license)	75	75
Registered Nurse Anesthetist (biennial renewal fee)	55	60
Mental Health Technician (application for license)	50	50
Mental Health Technician (biennial renewal fee)	55	60

Note: The Board of Nursing is currently working towards the establishment of new fees under the Nursing Licensure Compact, which would begin July 1, 2019. The Board is seeking to raise the professional nurse single-state license fee to \$100 and the biennial renewal fee to \$85 and to raise the practical nurse single-state license to \$75 and the biennial renewal fee to \$85. Also, the Board is seeking to set both the professional nurse and practical nurse multi-state license fees at \$125 and the biennial renewal fees at \$85.

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 1,930,073	62.3 %	\$ 0	-- %
Contractual Services	1,076,117	34.7	0	--
Commodities	23,900	0.8	0	--
Capital Outlay	67,000	2.2	0	--
TOTAL	\$ 3,097,090	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	26.0	27.0	27.0	27.0	27.0	27.0	27.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

BOARD OF EXAMINERS IN OPTOMETRY

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	149,996	167,363	167,363	163,360	163,360	163,935	163,935
<i>Subtotal</i>	<i>\$ 149,996</i>	<i>\$ 167,363</i>	<i>\$ 167,363</i>	<i>\$ 163,360</i>	<i>\$ 163,360</i>	<i>\$ 163,935</i>	<i>\$ 163,935</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 149,996	\$ 167,363	\$ 167,363	\$ 163,360	\$ 163,360	\$ 163,935	\$ 163,935

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	5.8	11.6	11.6	(2.4)	(2.4)	0.4	0.4
FTE Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Kansas Board of Examiners in Optometry was created in 1909 to administer and enforce the provisions of the Optometry Act so the highest quality of eye care is provided to

the citizens of Kansas. The Board is responsible for evaluating the qualifications of new applicants for the practice of optometry through examinations and review of qualifications.

MAJOR ISSUES FROM PRIOR YEARS

The **2010 Legislature** passed SB 489, which amended current law concerning the dispensing of contact lenses to Kansas residents by a person or entity not licensed to practice optometry, medicine, or surgery in the state. The bill allowed the mailing or delivery of contact lenses using a commercial courier or overnight or other delivery services.

The **2012 Legislature** passed HB 2525, which updated Kansas optometry law to reflect the current, single licensure level for optometrists as required by the Kansas State Board of Examiners in Optometry by eliminating language referring to three different levels of licensure, as well as clarifying the minor surgical procedures Kansas optometrists are allowed to perform. The bill also created the Optometry Litigation Fund, capped at \$400,000, which is used to pay all costs and fees associated with litigation expenditures for the Board. Additionally, the bill requires all applicants for licensure to submit fingerprints to the Board and requires all new optometry graduates to have 24 hours of continuing education during their first year.

The **2014 Legislature** granted the Board authority to transfer \$200,000 from the Optometry Fee Fund to the Optometry Litigation Fund in FY 2014 and \$75,000 for FY 2015 in response to higher than expected litigation costs for the

agency. Beginning for FY 2016, the annual transfer limit is \$50,000.

The **2014 Legislature** also passed SB 285, the Vision Care Services Act, which bars clauses in service contracts between insurers and optometrists that set fixed prices for services not included as covered services in the contract.

The **2015 Legislature** added 0.2 FTE positions to increase the agency's executive officer from a 0.8 FTE position to a 1.0 FTE position for FY 2016.

The **2016 Legislature** added \$10,000 for public service announcements related to the dangers of using cosmetic contact lenses without a prescription in FY 2016 and for FY 2017. The Legislature also added \$5,000 for increased administrative fees from Kansas.gov for maintenance of the agency's online licensing program in FY 2016 and for FY 2017.

In addition, the **2016 Legislature** transferred \$100,000 from the Optometry Fee Fund and \$50,000 from the Optometry Litigation Fund to the State General Fund for the Governor's July 30, 2015, allotment in FY 2016.

The **2017 Legislature** approved \$11,250 for FY 2018 and \$11,625 for FY 2019, all from special revenue funds, for

subscription fees to use the Optometric Education (OE) Tracker Database system.

The **2017 Legislature** added language to transfer up to \$6,500 for FY 2018 and up to \$6,500 for FY 2019, all from the Optometry Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Kansas Prescription Monitoring Program (also known as K-TRACS).

The **2018 Legislature** approved transfers into the Pharmacy Fee Fund from the agencies that regulate a profession with prescribing authority: the Board of Healing Arts, the Board of Nursing, the Dental Board, and the Optometry Board for FY 2018 and FY 2019.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** requests a FY 2019 revised estimate of \$167,363, all from special revenue funds, and 1.0 FTE position.

This is the same as the amount approved by the 2018 Legislature.

FY 2019 Governor Recommendation

The **Governor** concurs with the agency's revised estimate in FY 2019.

FY 2020 Agency Request

The **agency** requests \$163,360, all from special revenue funds, for FY 2020. This is a decrease of \$4,003, or 2.4 percent, below the FY 2019 revised estimate. The decrease is primarily attributable to decreased expenditures in contractual services,

partially offset by increased expenditures on salaries and wages and commodities. The request includes 1.0 FTE position, which is the same as the FY 2019 revised estimate.

FY 2020 Governor Recommendation

The **Governor** concurs with the agency's request for FY 2020.

FY 2021 Agency Request

The **agency** requests \$163,935, all from special revenue funds, for FY 2021. This is an increase of \$575, or 0.4 percent, above the FY 2020 request. The increase is primarily attributable to increased expenditures on salaries and wages

and contractual services, partially offset by decreased expenditures on commodities. The request includes 1.0 FTE position, which is the same as the FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency's request for FY 2021.

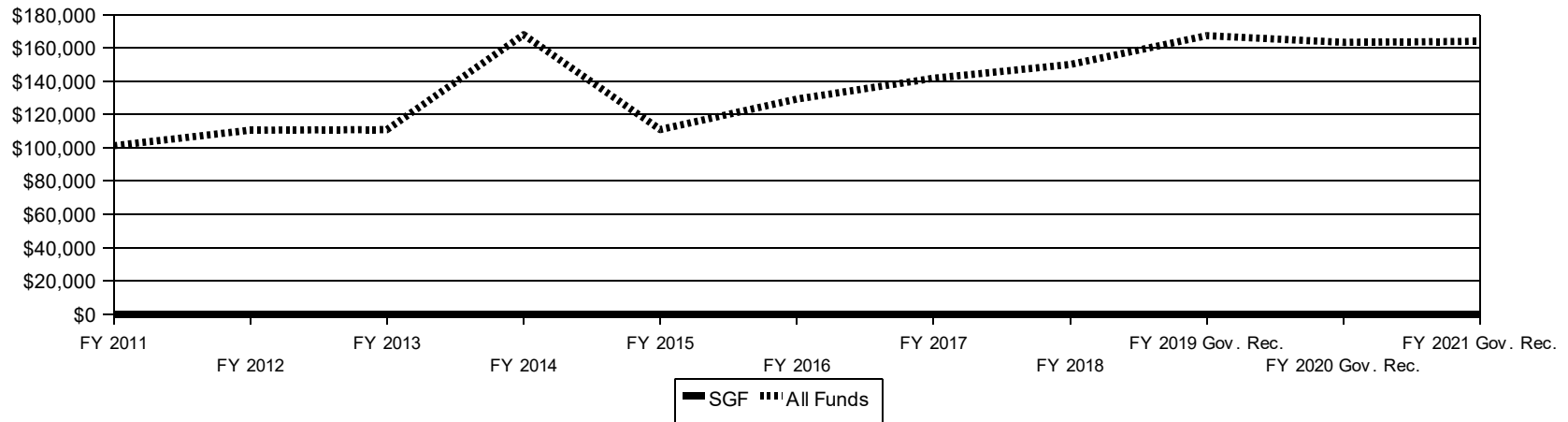
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of consumer complaints	N/A	10	N/A	49	N/A	10	N/A
Average time to closure on consumer complaints (in days)	N/A	N/A	N/A	11	40	16	90
Number of license renewals	N/A	N/A	N/A	328	400	350	415
<u>Agency Expenditures</u>							
All Funds (Dollars in Thousands)	\$ 129.2	\$ 141.8	\$ 166.2	\$ 150.0	\$ 167.4	\$ 163.4	\$ 163.9
FTE Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$	0	\$	(33.1)%	0.8
2012		0		9.3	0.8
2013		0		0.3	0.8
2014		0		51.4	0.8
2015		0		(33.9)	0.8
2016		0		16.5	1.0
2017		0		9.7	1.0
2018		0		5.8	1.0
2019 Gov. Rec.		0		11.6	1.0
2020 Gov. Rec.		0		(2.4)	1.0
2021 Gov. Rec.		0		0.4	1.0
Eleven-Year Change	\$	0	\$	62.0 %	0.2

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 149,996	\$ 167,363	\$ 163,360	\$ (4,003)	(2.4) %	\$ 167,363	\$ 163,360	\$ (4,003)	(2.4) %
By Major Object of Expenditure:									
Salaries and Wages	\$ 69,112	\$ 71,173	\$ 72,034	\$ 861	1.2 %	\$ 71,173	\$ 72,034	\$ 861	1.2 %
Contractual Services	79,936	95,080	89,416	(5,664)	(6.0)	95,080	89,416	(5,664)	(6.0)
Commodities	948	1,110	1,910	800	72.1	1,110	1,910	800	72.1
Capital Outlay	0	0	0	0	--	0	0	0	--
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 149,996</i>	<i>\$ 167,363</i>	<i>\$ 163,360</i>	<i>\$ (4,003)</i>	<i>(2.4) %</i>	<i>\$ 167,363</i>	<i>\$ 163,360</i>	<i>\$ (4,003)</i>	<i>(2.4) %</i>
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 149,996	\$ 167,363	\$ 163,360	\$ (4,003)	(2.4) %	\$ 167,363	\$ 163,360	\$ (4,003)	(2.4) %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Criminal History and Fingerprinting Fund	1,081	2,500	2,500	0	0.0	2,500	2,500	0	0.0
Optometry Fee Fund	148,915	164,863	160,860	(4,003)	(2.4)	164,863	160,860	(4,003)	(2.4)
TOTAL	\$ 149,996	\$ 167,363	\$ 163,360	\$ (4,003)	(2.4) %	\$ 167,363	\$ 163,360	\$ (4,003)	(2.4) %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 163,360	\$ 163,935	\$ 575	0.4 %	\$ 163,360	\$ 163,935	\$ 575	0.4 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 72,034	\$ 72,311	\$ 277	0.4 %	\$ 72,034	\$ 72,311	\$ 277	0.4 %
Contractual Services	89,416	90,114	698	0.8	89,416	90,114	698	0.8
Commodities	1,910	1,510	(400)	(20.9)	1,910	1,510	(400)	(20.9)
Capital Outlay	0	0	0	--	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 163,360	\$ 163,935	\$ 575	0.4 %	\$ 163,360	\$ 163,935	\$ 575	0.4 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 163,360	\$ 163,935	\$ 575	0.4 %	\$ 163,360	\$ 163,935	\$ 575	0.4 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Criminal History and Fingerprinting Fund	2,500	2,500	0	0.0	2,500	2,500	0	0.0
Optometry Fee Fund	160,860	161,435	575	0.4	160,860	161,435	575	0.4
TOTAL	\$ 163,360	\$ 163,935	\$ 575	0.4 %	\$ 163,360	\$ 163,935	\$ 575	0.4 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency's revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	167,363	167,363	0	167,363	0
TOTAL	\$ 167,363	\$ 167,363	\$ 0	\$ 167,363	\$ 0
FTE Positions	1.0	1.0	0.0	1.0	0.0

The **agency** requests a FY 2019 revised estimate of \$167,363, all from special revenue funds. While the overall estimate is unchanged from the amount approved by the 2018 Legislature, there were budgetary changes within the major categories of expenditures described below:

- **Salaries and Wages.** The agency estimates \$71,173 for salaries and wages in FY 2019. This is an increase of \$445, or 0.6 percent, above the amount approved by the 2018 Legislature. The increase is primarily attributable to increased expenditures on an unclassified temporary position;

- **Contractual Services.** The agency estimates \$95,080 for contractual services in FY 2019. This is a decrease of \$445, or 0.5 percent, below the FY 2019 approved amount. The decrease is attributable to decreased expenditures on meals and lodging; and
- **Commodities.** The agency estimates \$1,110 for commodities in FY 2019, which is the same as the FY 2019 approved amount.

The **Governor** concurs with the agency's revised estimate in FY 2019.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 163,360	\$ 163,360	\$ 0
FTE Positions	1.0	1.0	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	(4,003)	(4,003)	
TOTAL	<u><u>\$ (4,003)</u></u>	<u><u>\$ (4,003)</u></u>	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	(2.4)	(2.4)	
TOTAL	<u><u>(2.4) %</u></u>	<u><u>(2.4) %</u></u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$163,360, all from special revenue funds, for FY 2020. This is a decrease of \$4,003, or 2.4 percent, below the FY 2019 revised estimate. The decrease is primarily attributable to decreased expenditures on contractual services. The request includes 1.0 FTE position, which is the same as the FY 2019 revised estimate.

Categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests \$72,034 for salaries and wages for FY 2020. This is an increase of \$861, or 1.2 percent, above the FY 2019 revised estimate. The increase is primarily attributable to increased expenditures on group health insurance and KPERS;

- **Contractual Services.** The agency requests \$89,416 for contractual services for FY 2020. This is a decrease of \$5,664, or 6.0 percent, below the FY 2019 revised estimate. The decrease is primarily attributable to decreased expenditures on advertising and marketing and dues and subscriptions, partially offset by increased expenditures on computer programming, database access fees, and printing; and

- **Commodities.** The agency requests \$1,910 for commodities for FY 2020. This is an increase of \$800, or 72.1 percent, above the FY 2019 revised estimate. The increase is attributable to increased expenditures on data processing supplies and other supplies and materials.

The **Governor** concurs with the agency's request for FY 2020.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 163,935	\$ 163,935	\$ 0
FTE Positions	1.0	1.0	0.0
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	575	575	
TOTAL	\$ 575	\$ 575	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	0.4	0.4	
TOTAL	0.4 %	0.4 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$163,935, all from special revenue funds, for FY 2021. This is an increase of \$575, or 0.4 percent, above the FY 2020 request. The increase is attributable to increased expenditures on salaries and wages and contractual services, partially offset by decreased expenditures on commodities. The request includes 1.0 FTE position, which is the same as the FY 2020 request.

Categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests \$72,311 for salaries and wages for FY 2021. This is an increase of \$277, or 0.4 percent, above the FY 2020 request. The increase is primarily attributable to increased expenditures on group health insurance;

- **Contractual Services.** The agency requests \$90,114 for contractual services for FY 2021. This is an increase of \$698, or 0.8 percent, above the FY 2020 request. The increase is primarily attributable to increased expenditures on computer programming and database access fees; and

- **Commodities.** The agency requests \$1,510 for commodities for FY 2021. This is a decrease of \$400, or 20.9 percent, below the FY 2020 request. The decrease is attributable to decreased expenditures on data processing supplies.

The **Governor** concurs with the agency's request for FY 2021.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$0.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, FY 2019 and FY 2020 longevity payments total \$0.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
Optometry Fee Fund	98.5 %	98.5 %	98.5 %	98.5 %
Criminal History and Fingerprinting Fund	1.5	1.5	1.5	1.5
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Board of Examiners in Optometry Fee Fund

The Board of Examiners in Optometry Fee Fund generates revenue from the collection of fees related to the licensing of optometrists. Of these collections, 10.0 percent are remitted to the State General Fund and remaining funds are credited to the Optometry Fee Fund.

The fee structure was changed from annual to biennial license renewal by the 2003 Legislature with the passage of HB 2169. The bill also raised the maximum renewal fee to \$800. The Board has made this transition, and now one-half of the licensees renew in even years and the other half in odd years. Other revenue is derived from examination fees, mailing list fees, and fees for new licenses.

As a fee-funded agency, the Board currently contributes the lesser of 10.0 percent, or \$100,000, of fee revenue to the State

General Fund for the cost of support services provided by other state agencies under KSA 75-3170a.

All moneys in the Optometry Litigation Fund originate from the Optometry Fee Fund, with \$50,000 transfers planned in FY 2019, FY 2020, and FY 2021.

The table below summarizes estimated receipts and fund balances based upon the agency estimate and the Governor's recommendation. The transfers out in FY 2019, FY 2020, and FY 2021 reflect a \$50,000 transfer from the Optometry Fee Fund to the Optometry Litigation Fund. The additional \$6,500 in FY 2019 reflects a transfer from the Optometry Fee Fund to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Kansas Prescription Monitoring Program (K-TRACS) authorized by KSA 65-1683 through 65-1694.

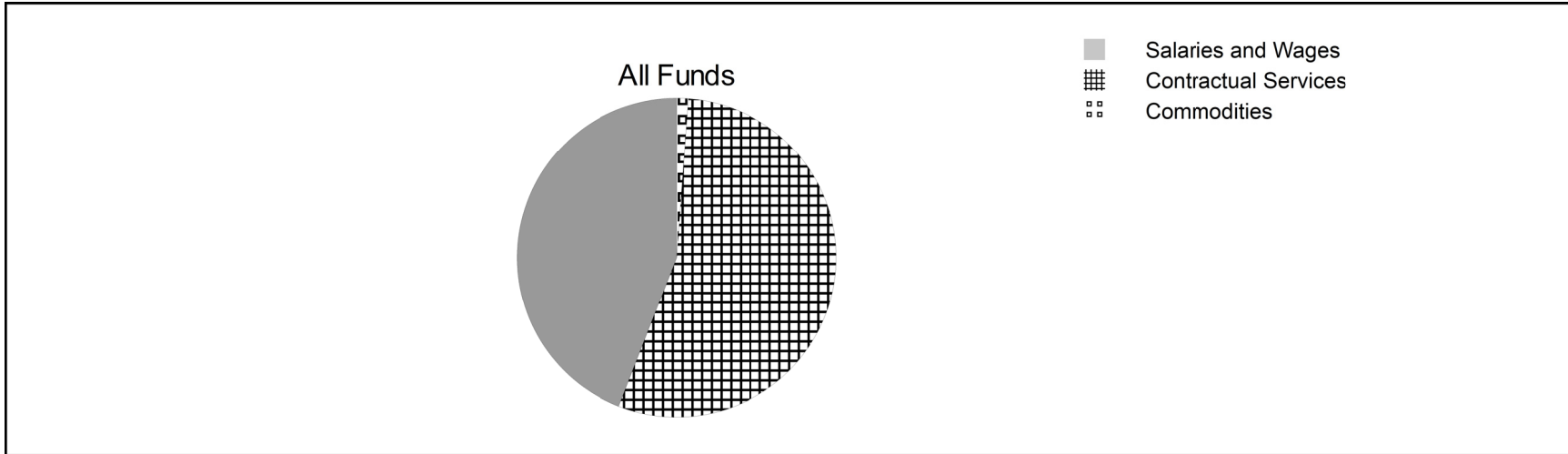
Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 213,488	\$ 156,205	\$ 156,205	\$ 96,897	\$ 146,897	\$ 28,092	\$ 121,592
Revenue	146,326	162,055	162,055	142,055	142,055	168,055	168,055
Transfers in	0	0	0	0	0	0	0
<i>Funds Available</i>	<i>\$ 359,814</i>	<i>\$ 318,260</i>	<i>\$ 318,260</i>	<i>\$ 238,952</i>	<i>\$ 288,952</i>	<i>\$ 196,147</i>	<i>\$ 289,647</i>
Less:							
Expenditures	\$ 148,915	\$ 164,863	\$ 164,863	\$ 160,860	\$ 160,860	\$ 161,435	\$ 161,435
Transfers Out	54,694	56,500	6,500	50,000	6,500	50,000	6,500
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	\$ 156,205	\$ 96,897	\$ 146,897	\$ 28,092	\$ 121,592	\$ (15,288)	\$ 121,712
Ending Balance as Percent of Expenditures	104.9%	58.8%	89.1%	17.5%	75.6%	(9.5%)	75.4%
Month Highest Ending Balance	May \$ 231,889	June \$ 204,530	June \$ 204,530	June \$ 212,315	June \$ 212,315	June \$ 226,123	June \$ 226,123
Month Lowest Ending Balance	February \$ 151,117	February \$ 102,385	February \$ 102,385	February \$ 117,771	February \$ 117,771	February \$ 125,579	February \$ 125,579

LICENSURE FEES

License	Current Fee	Statutory Limit
Initial license examination fee	\$ 150	\$ 450
First examination retake fee	75	150
Subsequent examination retakes fee	45	150
Initial license	30	150
Renewal (biennial)	450	800
Reciprocal license	150	450
Reactivation of license	100	450

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 72,034	44.1 %	\$ 0	-- %
Contractual Services	89,416	54.7	0	--
Commodities	1,910	1.2	0	--
TOTAL	\$ 163,360	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

BOARD OF PHARMACY

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 1,209,667	\$ 0	\$ 1,263,224	\$ 0
Other Funds	2,241,010	2,297,208	2,297,208	1,687,074	1,918,327	1,711,569	1,975,048
<i>Subtotal</i>	<i>\$ 2,241,010</i>	<i>\$ 2,297,208</i>	<i>\$ 2,297,208</i>	<i>\$ 2,896,741</i>	<i>\$ 1,918,327</i>	<i>\$ 2,974,793</i>	<i>\$ 1,975,048</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	<u>\$ 2,241,010</u>	<u>\$ 2,297,208</u>	<u>\$ 2,297,208</u>	<u>\$ 2,896,741</u>	<u>\$ 1,918,327</u>	<u>\$ 2,974,793</u>	<u>\$ 1,975,048</u>

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	4.4 %	-- %
All Funds	22.6	2.5	2.5	26.1	(16.5)	2.7	3.0
FTE Positions	12.0	14.0	14.0	14.0	14.0	14.0	14.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Board of Pharmacy is responsible for the enforcement of the Pharmacy Act and the Controlled Substance Act. The mission of the Board is to ensure all persons and entities conducting business relating to the practice of pharmacy in Kansas are properly licensed and registered to protect public

health, safety, and welfare and to promote understanding of pharmacy-related practices. The seven-member Board is appointed by the Governor for overlapping four-year terms and is composed of six licensed pharmacists and one public member.

MAJOR ISSUES FROM PRIOR YEARS

The **2008 Legislature** passed HB 2578, the Utilization of Unused Medications Act, which creates a voluntary program in which adult care homes, mail service pharmacies, and medical care facilities can donate unused medications to indigent health clinics, federally qualified health centers, or community health centers for distribution to medically indigent Kansas residents. The Board assisted the Kansas Department of Health and Environment in establishing a clearinghouse whereby all drugs could be donated to one location.

The **2008 Legislature** also passed House Sub. for SB 491, which created the Prescription Monitoring Program to monitor Schedule II through Schedule IV substances and other drugs of concern. The Board is required to develop and maintain a database of prescriptions for controlled substances and drugs of concern as a tool for pharmacists to monitor for patients misusing, abusing, or diverting controlled substances.

The **2009 Legislature** authorized the creation of a statewide electronic logging system for the sale of methamphetamine precursors in pharmacies. The legislation required the Board to establish and provide the electronic system at no cost to the pharmacy. The Legislature did not fund the project, but the

agency did receive permission to accept donations, gifts, or grants for funding of this project.

The **2009 Legislature** also permitted the Board to fingerprint or perform a background check on any original or reinstatement license applicant as a consumer protection action. Applicants are required to pay the fee associated with a Kansas Bureau of Investigation fingerprint or background check. The agency collects these funds, which then go directly to the Kansas Bureau of Investigation.

The **2010 Legislature** expanded the Utilization of Unused Medications Act to permit out-of-state mail order pharmacies to donate unused drugs.

The **2012 Legislature** passed SB 134, which requires the Board to conduct a study, in consultation with industry, on electronic transmission of prior authorization and step therapy programs relating to prescription medication. The study was to be completed and submitted to the Legislature by January 15, 2013. The agency also is authorized to conduct pilot projects for new technology implementation when necessary, but no state moneys may be used for the pilot projects.

SB 134 also expanded the Prescription Monitoring Program, known as K-TRACS, to send information to physicians, dispensers, and law enforcement if a patient appears to be misusing, abusing, or diverting controlled substances. The law allows medical examiners to access the Prescription Monitoring Program to investigate and determine cause of death.

In addition, SB 134 authorized the agency to apply for and accept grants, and to accept any donations, gifts, or bequests to further the Prescription Monitoring Program. Any funding received by the agency is submitted for deposit to the State Treasury to the credit of Non-Federal Gifts and Grants Fund of the agency.

The **2014 Legislature** passed Senate Sub. for HB 2146, which gives the agency authority to require pharmacy technicians to pass examinations and meet continuing education requirements and requires the agency to license pharmacy interns. The bill also added collaborative drug therapy management as a class of pharmacy practice, eliminated single registration for manufacturers and distributors operating multiple facilities, and changed the timing for license renewals.

The **2017 Legislature** approved transfers into the Pharmacy Fee Fund from the agencies that regulate a profession with prescribing authority: the Board of Healing Arts, the Board of Nursing, the Dental Board, and the Board of Examiners in Optometry.

The **2017 Legislature** passed HB 2030, which changed the minimum age from 18 to 12 years of age for a person to whom a pharmacist, pharmacy student, or pharmacy intern may administer a vaccine, other than the influenza vaccine. In addition, HB 2030 allows individuals or parents/guardians of a minor to opt-out of the existing requirements to report all immunizations to appropriate county or state registries.

The **2017 Legislature** passed Senate Sub. for HB 2055, which made various amendments to the Kansas Pharmacy Act. The bill deleted, added, or modified definitions to be consistent with federal standards; inserted provisions to bring the Act into compliance with federal law; modified requirements for wholesale distributors; inserted requirements for an automated dispensing system, a third-party logistics provider, and an outsourcing facility; changed requirements for pharmacy technicians; set caps on registration fees for third-party logistics providers, outsourcing facilities, repackagers, and automated dispensing systems; and expanded the rules and regulations authority of the Board in several areas.

The **2017 Legislature** passed HB 2217, which amended the Kansas Pharmacy Act to create standards governing the use of emergency opioid antagonists approved by the FDA to treat an opioid overdose. The bill requires the Board to issue a statewide opioid antagonist protocol. Additionally, the bill provides protection from civil and criminal liability for individuals acting in good faith and with reasonable care in administering an opioid antagonist.

The **2017 Legislature** passed House Sub. for SB 51, which added several drugs to and modified drug classes under the Uniform Controlled Substances Act. The bill also expanded the authority of the Board to provide greater flexibility in the emergency scheduling of controlled substance analogs (also known as “designer drugs”) and new drugs, and amended the duration of the temporary scheduling by the Board.

The **2018 Legislature** approved transfers into the Pharmacy Fee Fund from the agencies that regulate a profession with prescribing authority—the Board of Healing Arts, the Board of Nursing, the Dental Board, and the Board of Examiners in Optometry—in FY 2018 and FY 2019.

The **2018 Legislature** passed SB 351, which creates the Kansas Pharmacy Patients Fair Practices Act that specifies co-payments applied by a health carrier for a prescription drug may not exceed the total submitted charges by the network

pharmacy. Additionally, a pharmacy or pharmacist has the right to provide a covered person with information regarding the amount of the covered person's cost share for a prescription drug.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** requests a revised estimate of \$2.3 million, all from special revenue funds, in FY 2019. This is an increase of \$41,051, or 1.8 percent, above the approved FY 2019 budget. This increase is attributable to the agency's supplemental

request for a K-TRACS (the Prescription Monitoring Program) Assistant Director position. The revised estimate includes 14.0 FTE positions, which is an increase of 2.0 positions above the approved number.

FY 2019 Governor Recommendation

The **Governor** concurs with the agency's revised estimate.

FY 2020 Agency Request

The **agency** requests \$2.9 million, including \$1.2 million from the State General Fund, for FY 2020. This is an all funds increase of \$599,533, or 26.1 percent, above the FY revised 2019 estimate. The request includes the enhancement request

of \$1.2 million from the State General Fund for the ongoing operation and maintenance of K-TRACS. The request includes 14.0 FTE positions, which is the same as the FY 2019 revised estimate.

FY 2020 Governor Recommendation

The **Governor** recommends FY 2020 operating expenditures of \$1.9 million, all from special revenue funds. The recommendation is a decrease of \$978,414, or 33.8 percent, below the agency's FY 2020 request. The decrease is primarily attributable to the Governor not recommending the agency's enhancement request for \$1.2 million from the State General

Fund for ongoing operation and maintenance of K-TRACS. The Governor instead recommends increasing expenditures by \$231,253, all from the Board of Pharmacy Fee Fund, to fully fund salaries and wages to support K-TRACS. The Governor also recommends continuing the \$171,000 transfer with portions coming from the Healing Arts Fee Fund, Dental Board Fee

Fund, Board of Nursing Fee Fund, and Board of Examiners in Optometry Fee Fund for the operation and maintenance of K-

TRACS. This recommendation includes 14.0 FTE positions, which is the same as the FY 2020 request.

FY 2021 Agency Request

The **agency** requests \$3.0 million, including \$1.3 million from the State General Fund, for FY 2021. This is an all funds increase of \$78,052, or 2.7 percent, above the FY 2020 request. This request includes the enhancement request of \$1.3 million

from the State General Fund for the ongoing operation and maintenance of K-TRACS. The request includes 14.0 FTE positions, which is the same as the FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** recommends FY 2021 operating expenditures of \$2.0 million, all from special revenue funds. The recommendation is a decrease of \$999,745, or 33.6 percent, below the agency's FY 2021 request. The decrease is primarily attributable to the Governor not recommending the agency's enhancement request for \$1.3 million from the State General Fund for ongoing operation and maintenance of K-TRACS. The Governor instead recommends increasing expenditures by

\$263,479, all from the Board of Pharmacy Fee Fund, to fully fund salaries and wages to support K-TRACS. The Governor also recommends continuing the \$171,000 transfer with portions coming from the Healing Arts Fee Fund, Dental Board Fee Fund, Board of Nursing Fee Fund, and Board of Examiners in Optometry Fee Fund for the operation and maintenance of K-TRACS. This recommendation includes 14.0 FTE positions, which is the same as the FY 2021 request.

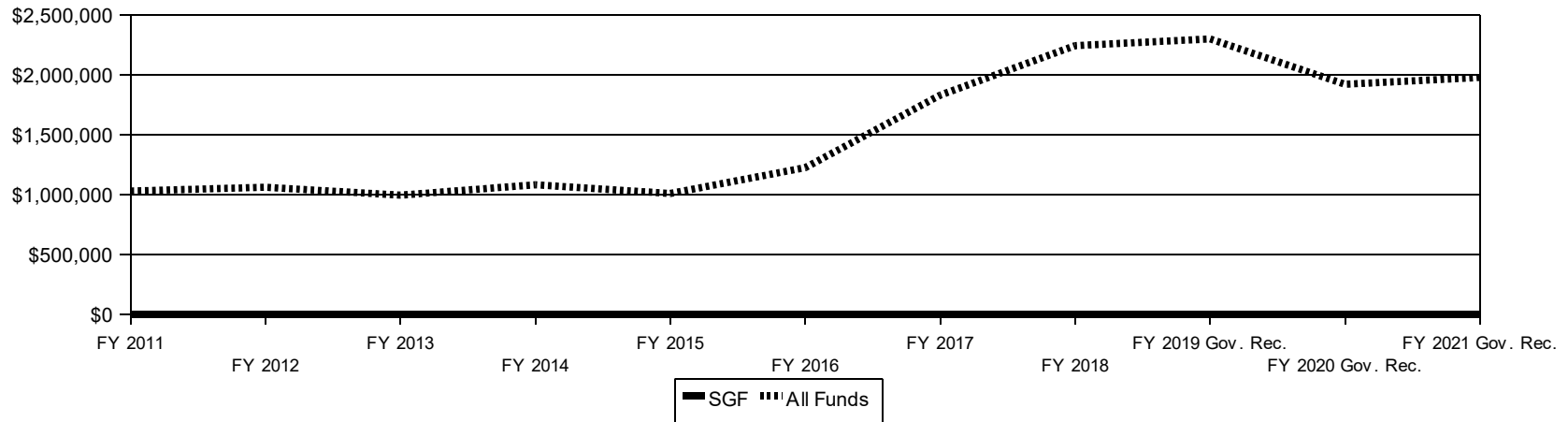
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of complaints received	112	114	116	101	125	125	125
Number of disciplinary actions imposed	64	69	75	345	350	350	350
Percent of initial applications processed within 30 days of completion during previous fiscal year	N/A	N/A	N/A	97.9 %	98.0 %	98.1 %	98.2 %
Number of continuing education courses approved for previous fiscal year	N/A	N/A	N/A	47	50	52	55
Percent of registered prescribers in K-TRACS	N/A	N/A	N/A	44.2%	44.6 %	48.0 %	50.0 %
Agency Expenditures							
All Funds (Dollars in Millions)	\$ 1.2	\$ 1.8	\$ 2.1	\$ 2.2	\$ 2.3	\$ 1.9	\$ 2.0
FTE Positions	12.0	12.0	12.0	12.0	14.0	14.0	14.0

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 1,026,676	30.4 %	8.0
2012	0	--	1,058,908	3.1	10.0
2013	0	--	992,663	(6.3)	10.0
2014	0	--	1,079,214	8.7	9.0
2015	0	--	1,006,901	(6.7)	11.0
2016	0	--	1,222,327	21.4	11.0
2017	0	--	1,827,469	49.5	12.0
2018	0	--	2,241,010	22.6	12.0
2019 Gov. Rec.	0	--	2,297,208	2.5	14.0
2020 Gov. Rec.	0	--	1,918,327	(16.5)	14.0
2021 Gov. Rec.	0	--	1,975,048	3.0	14.0
Eleven-Year Change	\$ 0	-- %	\$ 948,372	92.4 %	6.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 2,241,010	\$ 2,297,208	\$ 2,896,741	\$ 599,533	26.1 %	\$ 2,297,208	\$ 1,918,327	\$ (378,881)	(16.5)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 924,705	\$ 1,086,948	\$ 1,171,327	\$ 84,379	7.8 %	\$ 1,086,948	\$ 1,171,327	\$ 84,379	7.8 %
Contractual Services	608,753	679,653	1,653,114	973,461	143.2	679,653	680,200	547	0.1
Commodities	22,887	25,000	28,800	3,800	15.2	25,000	25,800	800	3.2
Capital Outlay	53,915	39,857	43,500	3,643	9.1	39,857	41,000	1,143	2.9
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 1,610,260	\$ 1,831,458	\$ 2,896,741	\$ 1,065,283	58.2 %	\$ 1,831,458	\$ 1,918,327	\$ 86,869	4.7 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	630,750	465,750	0	(465,750)	(100.0)	465,750	0	(465,750)	(100.0)
TOTAL	\$ 2,241,010	\$ 2,297,208	\$ 2,896,741	\$ 599,533	26.1 %	\$ 2,297,208	\$ 1,918,327	\$ (378,881)	(16.5)%
Financing:									
State General Fund	\$ 0	\$ 0	\$ 1,209,667	\$ 1,209,667	-- %	\$ 0	\$ 0	\$ 0	-- %
Board of Pharmacy Fee Fund	1,465,177	1,663,690	1,660,200	(3,490)	(0.2)	1,663,690	1,891,453	227,763	13.7
Harold Rogers Prescription Fund	114,287	50,000	0	(50,000)	(100.0)	50,000	0	(50,000)	(100.0)
Prescription Drug Overdose - DDPI	661,546	583,518	26,874	(556,644)	(95.4)	583,518	26,874	(556,644)	(95.4)
TOTAL	\$ 2,241,010	\$ 2,297,208	\$ 2,896,741	\$ 599,533	26.1 %	\$ 2,297,208	\$ 1,918,327	\$ (378,881)	(16.5)%

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 2,896,741	\$ 2,974,793	\$ 78,052	2.7 %	\$ 1,918,327	\$ 1,975,048	\$ 56,721	3.0 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 1,171,327	\$ 1,203,248	\$ 31,921	2.7 %	\$ 1,171,327	\$ 1,203,248	\$ 31,921	2.7 %
Contractual Services	1,653,114	1,696,945	43,831	2.7	680,200	702,700	22,500	3.3
Commodities	28,800	30,100	1,300	4.5	25,800	27,100	1,300	5.0
Capital Outlay	43,500	44,500	1,000	2.3	41,000	42,000	1,000	2.4
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 2,896,741	\$ 2,974,793	\$ 78,052	2.7 %	\$ 1,918,327	\$ 1,975,048	\$ 56,721	3.0 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 2,896,741	\$ 2,974,793	\$ 78,052	2.7 %	\$ 1,918,327	\$ 1,975,048	\$ 56,721	3.0 %
Financing:								
State General Fund	\$ 1,209,667	\$ 1,263,224	\$ 53,557	4.4 %	\$ 0	\$ 0	\$ 0	-- %
Board of Pharmacy Fee Fund	1,660,200	1,711,569	51,369	3.1	1,891,453	1,975,048	83,595	4.4
Harold Rogers Prescription Fund	0	0	0	--	0	0	0	--
Prescription Drug Overdose - DDPI	26,874	0	(26,874)	(100.0)	26,874	0	(26,874)	(100.0)
TOTAL	\$ 2,896,741	\$ 2,974,793	\$ 78,052	2.7 %	\$ 1,918,327	\$ 1,975,048	\$ 56,721	3.0 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	2,256,157	2,297,208	41,051	2,297,208	41,051
TOTAL	\$ 2,256,157	\$ 2,297,208	\$ 41,051	\$ 2,297,208	\$ 41,051
FTE Positions	12.0	14.0	2.0	14.0	2.0

The **agency** submits a revised estimate of \$2.3 million, all from special revenue funds, in FY 2019. This is an increase of \$41,051, or 1.8 percent, above the FY 2019 approved budget. This increase is attributable to increased funding for a K-TRACS (the Prescription Monitoring Program) Assistant Director position. The request includes funding for 14.0 FTE positions, which is an increase of 2.0 FTE positions above the FY 2019 approved number. This increase is attributable to the addition of a K-TRACS Assistant Director and a Public Service Administrator.

The revised estimate includes the following items:

- Salaries and Wages.** The agency requests \$1.1 million for salaries and wages in FY 2019. This is an increase of \$75,793, or 7.5 percent, above the approved FY 2019 amount. The increase is primarily attributable to increased expenditures on unclassified regular positions and an increase in employer contributions to group health insurance and KPERs;

- **Contractual Services.** The agency requests \$679,653 for contractual services in FY 2019. This is a decrease of \$30,231, or 4.3 percent, below the FY 2019 approved amount. This decrease is primarily attributable to decreased expenditures on other fees and printing;
- **Commodities.** The agency requests \$25,000 for commodities, which is the same as the FY 2019 approved amount;

- **Capital Outlay.** The agency requests \$39,857 for capital outlay in FY 2019. This is a decrease of \$4,511, or 10.2 percent, below the approved FY 2019 amount; and
- **Other Assistance.** The agency requests \$465,750 for other assistance, which is the same as the approved FY 2019 amount.

The **Governor** concurs with the agency's FY 2019 revised estimate.

Supplemental Detail

Supplementals	FY 2019 SUPPLEMENTALS					
	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
K-TRACS Assistant Director	\$ 0	\$ 41,051	1.0	\$ 0	\$ 41,051	1.0

The **agency** requests the addition of \$41,051, all from the Board of Pharmacy Fee Fund, to hire a K-TRACS Assistant Director to manage K-TRACS, supervise all regular and grant-funded K-TRACS staff, and provide additional support for the Prescription Monitoring Program Advisory Committee.

The **Governor** recommends the supplemental funding of \$41,051, all from the Board of Pharmacy Fee Fund, and 1.0 FTE position to hire a K-TRACS Assistant Director.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 2,896,741	\$ 1,918,327	\$ (978,414)
FTE Positions	14.0	14.0	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 1,209,667	\$ 0	
All Other Funds	(610,134)	(378,881)	
TOTAL	\$ 599,533	\$ (378,881)	
<i>Percent Change:</i>			
State General Fund	0.0 %	0.0 %	
All Other Funds	(26.6)	(16.5)	
TOTAL	26.1 %	(16.5) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$2.9 million, including \$1.2 million from the State General Fund, for FY 2020. This is an all funds increase of \$599,533, or 26.1 percent, above the FY 2019 revised estimate. This increase is primarily attributable to increased operations costs for K-TRACS.

The request includes the following items:

- **Salaries and Wages.** The agency requests \$1,171,327, including \$83,606 from the State General Fund, for salaries and wages for FY 2020. This is an all funds increase of \$84,379, or 7.8 percent, above the FY 2019 revised estimate. The increase is primarily attributable to increased

expenditures on unclassified regular positions and an increase in employer contributions to group health insurance and KPERS;

- **Contractual Services.** The agency requests \$1,653,114, including \$972,914 from the State General Fund, for contractual services for FY 2020. This is an all funds increase of \$973,461, or 143.2 percent, above the FY 2019 revised estimate. This increase is primarily attributable to the agency's enhancement request for K-TRACS funding for operations costs previously covered by federal grant funding and increased computer software costs;
- **Commodities.** The agency requests \$28,800, including \$3,000 from the State General Fund, for commodities for FY 2020. This is an increase of \$3,800, or 15.2 percent, above the FY 2019 revised estimate. This increase is primarily attributable to increased expenditures for office supplies; and

- **Capital Outlay.** The agency requests \$43,500, including \$2,500 from the State General Fund, for capital outlay for FY 2020. This is an increase of \$3,643, or 9.1 percent, above the FY 2019 revised estimate. This increase is primarily attributable to increased expenditures for computer equipment and software.

The **Governor** recommends FY 2020 operating expenditures of \$1.9 million, all from special revenue funds. This recommendation is a decrease of \$978,414, or 33.8 percent, below the agency's FY 2020 request. The decrease is primarily attributable to the Governor not recommending the agency's enhancement request for \$1.2 million from the State General Fund for the ongoing operation and maintenance of K-TRACS. The Governor instead recommends increasing expenditures by \$231,253, all from the Board of Pharmacy Fee Fund, to fully fund salaries and wages in support of K-TRACS. The Governor also recommends continuing the \$171,000 transfer with portions coming from the Healing Arts Fee Fund, Dental Board Fee Fund, Board of Nursing Fee Fund, and Board of Examiners in Optometry Fee Fund for the operation and maintenance of K-TRACS. This recommendation includes 14.0 FTE positions, which is the same as the Governor's FY 2020 request.

Enhancements Detail

Enhancements	FY 2020 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
K-TRACS funding	\$ 1,209,667	\$ 1,209,667	0.0	\$ 0	\$ 0	0.0
Hospitality	0	(300)	0.0	0	(300)	0.0
Change Salaries from SGF to Fee Fund	0	0	0.0	0	83,606	0.0
K-TRACS Salaries and Wages	0	0	0.0	0	147,647	0.0
TOTAL	\$ 1,209,667	\$ 1,209,367	0.0	\$ 0	\$ 230,953	0.0

The **agency** requests the addition of \$1.2 million from the State General Fund for the ongoing operation and maintenance of K-TRACS. The agency also requests an increase of \$500 for hospitality expenditures, offset by a decrease of \$800 in travel expenditures, resulting in an all funds decrease of \$300 in Board of Pharmacy expenditures.

The **Governor** does not recommend the agency's enhancement request of \$1.2 million from the State General

Fund for the operation and maintenance of K-TRACS. The Governor instead recommends increasing expenditures by \$231,253, all from the Board of Pharmacy Fee Fund, to fully fund salaries and wages in support of K-TRACS.

The Governor concurs with the agency's request to increase hospitality.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 2,974,793	\$ 1,975,048	\$ (999,745)
FTE Positions	14.0	14.0	0.0
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 53,557	\$ 0	
All Other Funds	24,495	56,721	
TOTAL	\$ 78,052	\$ 56,721	
<i>Percent Change:</i>			
State General Fund	4.4 %	0 %	
All Other Funds	1.5	3.0	
TOTAL	2.7 %	3.0 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$3.0 million, including \$1.3 million from the State General Fund, for FY 2021. This is an all funds increase of \$78,052, or 2.7 percent, above the FY 2020 request. This increase is primarily attributable to increased operations costs for K-TRACS. The request includes the following items:

- **Salaries and Wages.** The agency requests \$1,203,248, including \$263,479 from the State General Fund, for salaries and wages for FY 2021. This is an all funds increase of \$31,921, or 2.7 percent, above the FY 2020 request. The increase is primarily attributable to increased expenditures on unclassified regular positions

and an increase in group health insurance and KPERS;

- **Contractual Services.** The agency requests \$1,696,945, including \$994,245 from the State General Fund, for contractual services for FY 2021. This is an all funds increase of \$43,831, or 2.7 percent, above the FY 2020 request. This increase is primarily attributable to increased computer software costs;
- **Commodities.** The agency requests \$30,100, including \$3,000 from the State General Fund,

for commodities for FY 2021. This is an increase of \$1,300, or 4.5 percent, above the FY 2020 request. This increase is primarily attributable to increased expenditures for vehicle maintenance; and

- **Capital Outlay.** The agency requests \$44,500, including \$2,500 from the State General Fund, for capital outlay for FY 2021. This is an increase of \$1,000, or 2.3 percent, above the revised FY 2019 estimate. This increase is attributable to increased expenditures on professional books and agency vehicles.

The **Governor** recommends FY 2021 operating expenditures of \$2.0 million, all from special revenue funds. The recommendation is a decrease of \$999,745, or 33.6 percent, below the agency's FY 2021 request. The decrease is primarily attributable to the Governor not recommending the agency's enhancement request for \$1.3 million from the State General Fund for ongoing operation and maintenance of K-TRACS. The Governor recommends increasing expenditures by \$263,479, all from the Board of Pharmacy Fee Fund, to fully fund salaries and wages to support K-TRACS. This recommendation includes 14.0 FTE positions, which is the same as the FY 2021 request.

Enhancements Detail

Enhancements	FY 2021 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
K-TRACS funding	\$ 1,263,224	\$ 1,263,224	0.0	\$ 0	\$ 0	0.0
Hospitality Fund	0	(300)	0.0	0	(300)	0.0
Change Salaries from SGF to FF	0	0	0.0	0	263,479	0.0
TOTAL	\$ 1,263,224	\$ 1,262,924	0.0	\$ 0	\$ 263,179	0.0

The **agency** requests the addition of \$1.3 million from the State General Fund for the ongoing operation and maintenance of K-TRACS. The agency also requests an increase of \$500 for hospitality expenditures, offset by a decrease of \$800 in travel expenditures, resulting in an all funds decrease of \$300 in Board of Pharmacy expenditures.

The **Governor** does not recommend the agency's enhancement request of \$1.3 million from the State General

Fund for the operation and maintenance of K-TRACS. The Governor recommends increasing expenditures by \$263,479, all from the Board of Pharmacy Fee Fund, to fully fund salaries and wages to support K-TRACS.

The Governor concurs with the agency's request to increase hospitality.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$16,275, all from special revenue funds.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, FY 2019 longevity payments total \$1,320 and FY 2020 longevity payments total \$1,400, all from special revenue funds.**

Kansas Public Employees Retirement System (KERS) Adjustments. The employer retirement contribution rate for KERS State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KERS State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KERS State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
State General Fund	41.8 %	0.0 %	42.5 %	0.0 %
Board of Pharmacy Fee Fund	57.3	98.6	57.5	100.0
Prescription Drug Overdose-DDPI	0.9	1.4	0.0	0.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

State Board of Pharmacy Fee Fund

The State Board of Pharmacy Fee Fund receives fees from the licensing of pharmacists, pharmacy technicians, pharmacies, drug manufacturers and distributors, and retail dealers, as well as the administration of pharmacist licensing examinations. Licenses and permits are renewed on a biennial basis.

Historically, the agency's cash flow fluctuated throughout the year because different classes of licenses expired on dates established by statute. The 2014 Legislature eliminated these set expiration dates and empowered the Board to set the renewal schedule for licensees. Pharmacists and pharmacy technicians will continue to renew biennially, with odd-numbered licenses and registrations renewing in odd-numbered years and even-numbered registrations renewing in even-numbered years.

Additionally, in order to address the growing balance in the Fee Fund, the Board reduced all application, renewal, and late fees by 20.0 percent, effective July 1, 2014.

As a fee-funded agency, the Board currently contributes the lesser of 10.0 percent, or \$100,000, of fee revenue to the State General Fund for the cost of support services provided by other state agencies under KSA 75-3170a. The table below summarizes estimated receipts and fund balances based upon the agency estimate and the Governor's recommendation. The transfers in FY 2019, FY 2020, and FY 2021 for \$171,000 reflect the transfers from the Healing Arts Fee Fund, Dental Board Fee Fund, Board of Nursing Fee Fund, and Board of Examiners in Optometry Fee Fund for the operation and maintenance of K-TRACS.

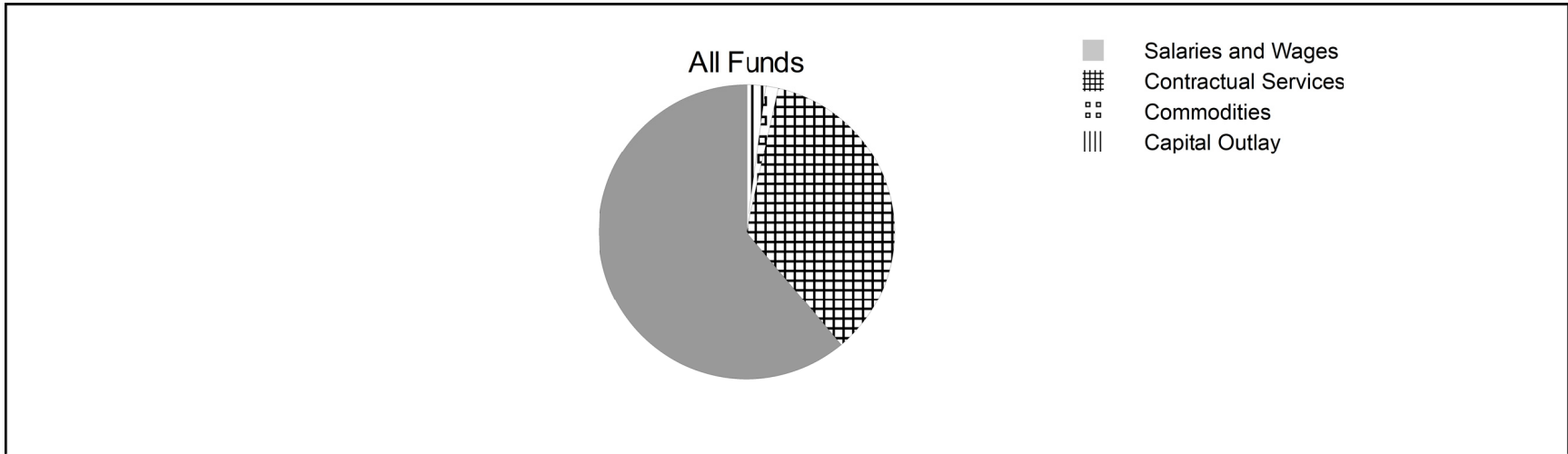
Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 1,561,832	\$ 1,455,218	\$ 1,455,218	\$ 1,195,128	\$ 1,195,128	\$ 767,628	\$ 707,375
Revenue	1,225,776	1,232,600	1,232,600	1,232,700	1,232,700	1,232,700	1,232,700
Transfers in	132,787	171,000	171,000	0	171,000	0	171,000
<i>Funds Available</i>	<i>\$ 2,920,395</i>	<i>\$ 2,858,818</i>	<i>\$ 2,858,818</i>	<i>\$ 2,427,828</i>	<i>\$ 2,598,828</i>	<i>\$ 2,000,328</i>	<i>\$ 2,111,075</i>
Less:							
Expenditures	\$ 1,465,177	\$ 1,663,690	\$ 1,663,690	\$ 1,660,200	\$ 1,891,453	\$ 1,711,569	\$ 1,975,048
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 1,455,218</u>	<u>\$ 1,195,128</u>	<u>\$ 1,195,128</u>	<u>\$ 767,628</u>	<u>\$ 707,375</u>	<u>\$ 288,759</u>	<u>\$ 136,027</u>
Ending Balance as Percent of Expenditures	99.3%	71.8%	71.8%	46.2%	37.4%	16.9%	6.9%
Month Highest Ending Balance	July \$ 1,417,852	July \$ 1,475,293	July \$ 1,394,412	July \$ 1,196,128	July \$ 1,113,072	July \$ 766,628	July \$ 617,518
Month Lowest Ending Balance	April \$ 970,569	April \$ 756,757	April \$ 1,110,788	April \$ 406,128	April \$ 688,544	April \$ (64,372)	June \$ 136,027

LICENSURE FEES

License	Current Fee	Statutory Limit
Pharmacists by Exam	\$ 40	\$ 350
Pharmacists by Reciprocity	64	250
Pharmacy Registration	112	150
Pharmacy Technician	20	50
Manufacturer Registration	240	500
Wholesale Distributor Registration	240	500
Non-prescription Drug Wholesaler	40	50
Institutional Drug Room	20	40
Veterinary medical teaching hospital pharmacy	40	40
Retailer Dealer Permit	10	12
Ambulance	20	N/A
Sample Distribution Permit	24	50
Place of Business that sells Durable Medical Equipment Registration	240	300
Non-resident Pharmacy	112	150

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 1,171,327	61.1 %	\$ 0	-- %
Contractual Services	680,200	35.5	0	--
Commodities	25,800	1.3	0	--
Capital Outlay	41,000	2.1	0	--
TOTAL	\$ 1,918,327	100.0 %	\$ 0	100.0 %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	12.0	14.0	14.0	14.0	14.0	14.0	14.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

REAL ESTATE APPRAISAL BOARD

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	246,914	326,326	326,326	331,906	331,906	334,160	334,160
<i>Subtotal</i>	<i>\$ 246,914</i>	<i>\$ 326,326</i>	<i>\$ 326,326</i>	<i>\$ 331,906</i>	<i>\$ 331,906</i>	<i>\$ 334,160</i>	<i>\$ 334,160</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	<u>\$ 246,914</u>	<u>\$ 326,326</u>	<u>\$ 326,326</u>	<u>\$ 331,906</u>	<u>\$ 331,906</u>	<u>\$ 334,160</u>	<u>\$ 334,160</u>

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(5.9)	32.2	32.2	1.7	1.7	0.7	0.7
FTE Positions	2.0	2.0	2.0	2.0	2.0	2.0	2.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Real Estate Appraisal Board licenses and certifies real estate appraisers in the State of Kansas. The Board was created for this purpose in 1990 in response to federal law requiring appraisers involved in federally related transactions to have a state license or certification. When it was created, the Board was attached to the Real Estate Commission for administrative purposes. The 1993 Legislature amended the State Certified and Licensed Real Property Appraisers Act to separate the Real Estate Appraisal Board from the Real Estate Commission and charge the Appraisal Board with administering

MAJOR ISSUES FROM PRIOR YEARS

The **2012 Legislature** passed SB 345, requiring real estate appraisal management companies working in Kansas to register with the Real Estate Appraisal Board effective October 1, 2012. The purpose of this act is to protect lenders, financial institutions, clients, consumers, and the public from economic and financial harm and the potential for such harm that may result from interference with the independence, objectivity, and impartiality of the real estate appraisal process.

The **2014 Legislature** added \$604, all from special revenue funds, for FY 2015 for employee bonuses of \$250 for all full-time employees, except elected officials, who were employed on December 6, 2013.

The **2018 Legislature** added a Special Litigation Reserve Fund and transferred \$20,000 from the Appraiser Fee Fund to

the Act. The Board's staff is made up of 2.0 FTE positions: the Executive Director and a Public Service Administrator.

The Real Estate Appraisal Board is composed of seven members who are appointed to staggered three-year terms by the Governor. At least one member must represent the general public, at least two members must represent financial institutions, and at least three members must be licensed real estate appraisers. The Real Estate Appraisal Board is financed through fees obtained from the examination and licensure of real estate appraisers and appraisal management companies.

the Special Litigation Reserve Fund for any litigation costs expended above the approved budget.

The **2018 Legislature** deleted \$142,342, all from the Appraisal Management Fee Fund, and added the same amount to the Appraiser Fee Fund to consolidate the agency's two operating fee funds into one and eliminate the Appraisal Management Fee Fund for FY 2019.

The **2018 Legislature** added \$1,642, all from special revenue funds, for salary adjustments for FY 2019 equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives and one step for employees who received approximately one step on the Statewide Pay Matrix in FY 2018.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** requests a FY 2019 revised estimate of \$326,326, all from special revenue funds, which is the same amount approved by the 2018 Legislature. The agency requests

funding for 2.0 FTE positions, which is the same as the approved number.

FY 2019 Governor Recommendation

The **Governor** concurs with the agency's revised estimate in FY 2019.

FY 2020 Agency Request

The **agency** requests FY 2020 operating expenditures of \$331,906, all from special revenue funds, which is an increase of \$5,580, or 1.7 percent, above the agency's FY 2019 revised estimate. The increase is primarily attributable to increased employer contributions to the public employees retirement

system and increased contractual services expenditures consistent with cost indices provided by the Division of the Budget. The request includes funding for 2.0 FTE positions, which is the same number requested in the agency's FY 2019 revised estimate.

FY 2020 Governor Recommendation

The **Governor** concurs with the agency's request for FY 2020.

FY 2021 Agency Request

The **agency** requests FY 2021 operating expenditures of \$334,160, all from special revenue funds, which is an increase of \$2,254, or 0.7 percent, above the agency's FY 2020 request. The increase is primarily attributable to contractual services

expenditures consistent with cost indices provided by the Division of the Budget. The request includes funding for 2.0 FTE positions, which is the same number requested in the agency's FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency's request for FY 2021.

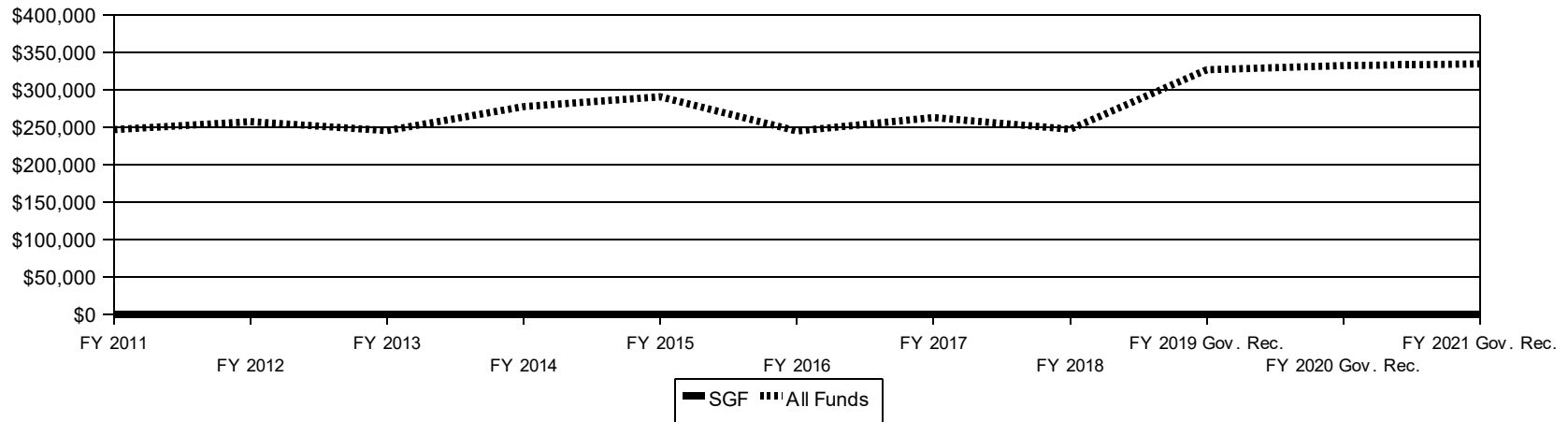
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of active real estate appraisal licenses	1,074	960	1,050	1,008	1,011	1,016	1,011
Number of appraisal management companies registered	115	116	116	119	120	123	123
Number of complaints handled	38	35	32	39	40	40	40
Agency Expenditures							
All Funds (Dollars in Thousands)	\$ 224.5	\$ 262.5	\$ 321.1	\$ 246.9	\$ 326.3	\$ 331.9	\$ 334.2
FTE Positions	2.0	2.0	2.0	2.0	2.0	2.0	2.0

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	0.0 %	\$ 246,374	(6.8)%	2.0
2012	0	--	256,989	4.3	2.0
2013	0	--	245,121	(4.6)	2.0
2014	0	--	277,138	13.1	2.0
2015	0	--	290,198	4.7	2.0
2016	0	--	244,547	(15.7)	2.0
2017	0	--	262,497	7.3	2.0
2018	0	--	246,914	(5.9)	2.0
2019 Gov. Rec.	0	--	326,326	32.2	2.0
2020 Gov. Rec.	0	--	331,906	1.7	2.0
2021 Gov. Rec.	0	--	334,160	0.7	2.0
Eleven-Year Change	\$ 0	-- %	\$ 87,786	35.6 %	0.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 246,914	\$ 326,326	\$ 331,906	\$ 5,580	1.7 %	\$ 326,326	\$ 331,906	\$ 5,580	1.7 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 160,697	\$ 165,935	\$ 167,956	\$ 2,021	1.2 %	\$ 165,935	\$ 167,956	\$ 2,021	1.2 %
Contractual Services	80,313	152,891	155,400	2,509	1.6	152,891	155,400	2,509	1.6
Commodities	3,884	4,300	5,050	750	17.4	4,300	5,050	750	17.4
Capital Outlay	2,020	3,200	3,500	300	9.4	3,200	3,500	300	9.4
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 246,914	\$ 326,326	\$ 331,906	\$ 5,580	1.7 %	\$ 326,326	\$ 331,906	\$ 5,580	1.7 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 246,914	\$ 326,326	\$ 331,906	\$ 5,580	1.7 %	\$ 326,326	\$ 331,906	\$ 5,580	1.7 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Appraisal Management Companies Fee Fund	119,150	0	0	0	--	0	0	0	--
Appraiser Fee Fund	127,764	326,326	331,906	5,580	1.7	326,326	331,906	5,580	1.7
Federal Registry Clearing Fund	0	0	0	0	--	0	0	0	--
TOTAL	\$ 246,914	\$ 326,326	\$ 331,906	\$ 5,580	1.7 %	\$ 326,326	\$ 331,906	\$ 5,580	1.7 %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 331,906	\$ 334,160	\$ 2,254	0.7 %	\$ 331,906	\$ 334,160	\$ 2,254	0.7 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 167,956	\$ 168,310	\$ 354	0.2 %	\$ 167,956	\$ 168,310	\$ 354	0.2 %
Contractual Services	155,400	156,950	1,550	1.0	155,400	156,950	1,550	1.0
Commodities	5,050	5,400	350	6.9	5,050	5,400	350	6.9
Capital Outlay	3,500	3,500	0	0.0	3,500	3,500	0	0.0
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 331,906	\$ 334,160	\$ 2,254	0.7 %	\$ 331,906	\$ 334,160	\$ 2,254	0.7 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 331,906	\$ 334,160	\$ 2,254	0.7 %	\$ 331,906	\$ 334,160	\$ 2,254	0.7 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Appraisal Management Companies Fee Fund	0	0	0	--	0	0	0	--
Appraiser Fee Fund	331,906	334,160	2,254	0.7	331,906	334,160	2,254	0.7
Federal Registry Clearing Fund	0	0	0	--	0	0	0	--
TOTAL	\$ 331,906	\$ 334,160	\$ 2,254	0.7 %	\$ 331,906	\$ 334,160	\$ 2,254	0.7 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	326,326	326,326	0	326,326	0
TOTAL	\$ 326,326	\$ 326,326	\$ 0	\$ 326,326	\$ 0
FTE Positions	2.0	2.0	0.0	2.0	0.0

The **agency** requests a FY 2019 revised estimate of \$326,326, all from special revenue funds, which is the same amount approved by the 2018 Legislature. The agency requests funding for 2.0 FTE positions, which is the same as the approved number.

Major categories of expenditures are provided below:

- **Salaries and Wages.** The agency requests \$165,935, which is a decrease of \$553, or 0.3 percent, below the approved amount. The decrease is primarily attributable to a change in

salary expenditures due to the retirement of 1.0 FTE employee and the hiring of a replacement;

- **Contractual Services.** The agency requests \$152,891, which is a decrease of \$1,947, or 1.3 percent, below the approved amount. The decrease is primarily attributable to a decrease for attorney fees due to the amount of expected litigation;
- **Commodities.** The agency requests \$4,300, which is an increase of \$1,800, or 72.0 percent,

above the approved amount. The increase is primarily attributable to increased expenditures for office supplies, consistent with the cost indices established by the Division of the Budget; and

- **Capital Outlay.** The agency requests \$3,200, which is an increase of \$700, or 28.0 percent,

above the approved amount. The increase is primarily attributable to increased expenditures for printing equipment, consistent with the cost indices established by the Division of the Budget.

The **Governor** concurs with the agency's revised estimate in FY 2019.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 331,906	\$ 331,906	\$ 0
FTE Positions	2.0	2.0	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	5,580	5,580	
TOTAL	\$ 5,580	\$ 5,580	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	1.7	1.7	
TOTAL	1.7 %	1.7 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2020 operating expenditures of \$331,906, all from special revenue funds, which is an increase of \$5,580, or 1.7 percent, above the agency's FY 2019 revised estimate. The increase is primarily attributable to increased employer contributions to the public employees retirement system and increased contractual services expenditures consistent with cost indices provided by the Division of the Budget. The request includes funding for 2.0 FTE positions,

which is the same number requested in the agency's FY 2019 revised estimate.

Major categories of expenditures are provided below:

- **Salaries and Wages.** The agency requests \$167,956, which is an increase of \$2,021, or 1.2 percent, above the FY 2019 revised estimate.

The increase is primarily due to increased employer contributions to the public employees retirement system and group health insurance;

- **Contractual Services.** The agency requests \$155,400, which is an increase of \$2,509, or 1.6 percent, above the FY 2019 revised estimate. The increase is primarily attributable to increased expenditures for attorneys, consistent with cost indices established by the Division of the Budget;
- **Commodities.** The agency requests \$5,050, which is an increase of \$750, or 17.4 percent, above the FY 2019 revised estimate. The

increase is primarily due to increased expenditures for data processing supplies, consistent with cost indices established by the Division of the Budget; and

- **Capital Outlay.** The agency requests \$3,500, which is an increase of \$300, or 9.4 percent, above the FY 2019 revised estimate. The increase is primarily due to increased expenditures for printing supplies, consistent with cost indices established by the Division of the Budget.

The **Governor** concurs with the agency's request for FY 2020.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 334,160	\$ 334,160	\$ 0
FTE Positions	2.0	2.0	0.0
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	2,254	2,254	
TOTAL	\$ 2,254	\$ 2,254	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	0.7	0.7	
TOTAL	0.7 %	0.7 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2021 operating expenditures of \$334,160, all from special revenue funds, which is an increase of \$2,254, or 0.7 percent, above the agency's FY 2020 request. The increase is primarily attributable to contractual services expenditures consistent with cost indices provided by the Division of the Budget. The request includes funding for 2.0 FTE positions, which is the same number in the agency's FY 2020 request.

Major categories of expenditure are provided below:

- **Salaries and Wages.** The agency requests \$168,310, which is an increase of \$354, or 0.2 percent, above the FY 2020 request. The increase is primarily attributable to increased employer contributions to group health insurance;

- **Contractual Services.** The agency requests \$156,950, which is an increase of \$1,550, or 1.0 percent, above the FY 2020 request. The increase is primarily attributable to increased expenditures for consultant and attorney fees, consistent with the cost indices established by the Division of the Budget;
- **Commodities.** The agency requests \$5,400, which is an increase of \$350, or 6.9 percent, above the FY 2020 request. The increase is

primarily attributable to increased expenditures for office supplies, consistent with the cost indices established by the Division of the Budget; and

- **Capital Outlay.** The agency requests \$3,500, which is the same amount as the FY 2020 request.

The **Governor** concurs with the agency's request for FY 2021.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$1,642.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **This agency does not have longevity payments for FY 2019, FY 2020, or FY 2021.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
Appraisal Management Companies Fee Fund	0.0	0.0	0.0	0.0
Appraiser Fee Fund	100.0	100.0	100.0	100.0
Federal Registry Clearing Fund	0.0	0.0	0.0	0.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Appraiser Fee Fund

The Real Estate Appraisal Board is a fee-funded agency. The revenue received provides financing for agency operations, with 90.0 percent being retained by the agency and 10.0

percent being deposited into the State General Fund (KSA 58-4107). Most of the revenue in the Appraiser Fee Fund is generated from new and renewal license fees.

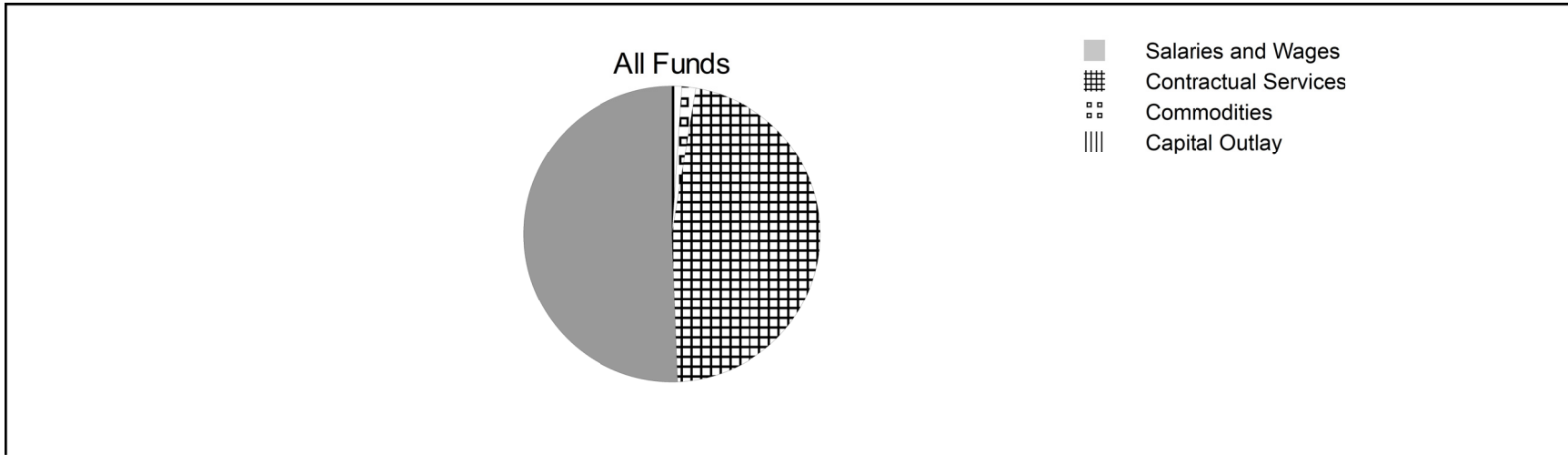
Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 186,883	\$ 214,591	\$ 214,591	\$ 278,199	\$ 278,199	\$ 205,366	\$ 205,366
Revenue	175,472	279,073	279,073	279,073	279,073	279,073	279,073
Transfers in	0	130,861	130,861	0	0	0	0
<i>Funds Available</i>	\$ 362,355	\$ 624,525	\$ 624,525	\$ 557,272	\$ 557,272	\$ 484,439	\$ 484,439
Less:							
Expenditures	\$ 127,764	\$ 326,326	\$ 326,326	\$ 331,906	\$ 331,906	\$ 334,160	\$ 334,160
Transfers Out	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	\$ 214,591	\$ 278,199	\$ 278,199	\$ 205,366	\$ 205,366	\$ 130,279	\$ 130,279
Ending Balance as Percent of Expenditures	168.0%	85.3%	85.3%	61.9%	61.9%	39.0%	39.0%
Month Highest Ending Balance	June \$ 214,591	July \$ 329,703	July \$ 329,703	July \$ 261,578	July \$ 261,578	July \$ 188,393	July \$ 188,393
Month Lowest Ending Balance	March \$ 95,322	May \$ 128,883	May \$ 128,883	May \$ 55,498	May \$ 55,498	May \$ 0	May \$ 0

LICENSURE FEES

License	Current Fee	Statutory Limit
Application for Certification and Licensure	\$ 50	\$ 50
Original Certification and Licensure	225	300
Annual Renewal	150	300
Late Renewal	50	50
Certification Letter	10	25
New Continuing Education Course Approval	50	100
New Pre-licensing Course Approval	100	100
Renewal of Courses	25	25
Approval and Renewal of all Appraisal Qualifications	10	25
Reinstatement of License Fee	50	50
Temporary Practice Permit	50	50
AMC Registration	1,500	3,500
AMC Renewal Fee	900	3,500
AMC Late Fee	100	500

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 167,956	50.6 %	\$ 0	-- %
Contractual Services	155,400	46.8	0	--
Commodities	5,050	1.5	0	--
Capital Outlay	3,500	1.1	0	--
TOTAL	\$ 331,906	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

REAL ESTATE COMMISSION

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	1,209,396	1,274,895	1,274,895	1,293,434	1,293,434	1,327,599	1,327,599
<i>Subtotal</i>	<i>\$ 1,209,396</i>	<i>\$ 1,274,895</i>	<i>\$ 1,274,895</i>	<i>\$ 1,293,434</i>	<i>\$ 1,293,434</i>	<i>\$ 1,327,599</i>	<i>\$ 1,327,599</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	<u>\$ 1,209,396</u>	<u>\$ 1,274,895</u>	<u>\$ 1,274,895</u>	<u>\$ 1,293,434</u>	<u>\$ 1,293,434</u>	<u>\$ 1,327,599</u>	<u>\$ 1,327,599</u>

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	4.2	5.4	5.4	1.5	1.5	2.6	2.6
FTE Positions	11.8	11.8	11.8	11.8	11.8	11.8	11.8

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Kansas Real Estate Commission (KREC) is composed of five members who are appointed by the Governor. Members are appointed to staggered four-year terms. One member is chosen from each of the state's four congressional districts and the fifth member is appointed from the state at-large. Kansas law requires that at least three members have experience as real estate brokers for a minimum of five years and at least one member shall never have been engaged in the real estate business (KSA 74-4201).

The mission of KREC is to protect the public interest in the selling, purchasing, and leasing of real estate and developing responsive policies and procedures, which are customer service focused and not unduly burdensome to regulated real estate licensees. These responsibilities are divided into three main categories:

- **Licensing.** The Commission reviews all applications for real estate salespersons and brokers licensure, license renewal, and processes all requests for license cancellation and reinstatement;

MAJOR ISSUES FROM PRIOR YEARS

The **2009 Legislature** transferred \$200,000 from the Real Estate Recovery Revolving Fund to the Real Estate Fee Fund for the purpose of converting the Commission's licensing system to a Microsoft web-based system. Any excess funding from the conversion amount returns to the Real Estate Recovery Revolving Fund.

- **Education.** The Commission is responsible for increasing consumers' and licensees' knowledge of Kansas real estate practice law through education and outreach; and
- **Compliance.** The Commission also is responsible for ensuring real estate-licensed activities comply with state regulations and statutes. The KREC examines the records maintained by real estate brokers and investigates complaints from the public.

In addition, the KREC administers the Real Estate Recovery Revolving Fund, which was created to reimburse persons who suffer monetary damages by reason of certain acts committed in connection with a real estate sales transaction by a licensed real estate broker or salesperson or by an unlicensed employee of a licensed broker. Damages awarded from the Fund are not included in the data that follows. Attorney fees associated with defending the Fund are reportable and are included in the data.

The **2012 Legislature** added \$27,939, all from the Real Estate Fee Fund, to restore expenditures deleted in the Governor's recommendation for the Voluntary Retirement Incentive Program for FY 2013.

The **2013 Legislature** added \$76,885 for FY 2014 and \$87,226 for FY 2015, all from the Real Estate Fee Fund, to hold the agency's operating budget at the FY 2012 level.

The **2014 Legislature** approved expenditures of \$27,500 in FY 2014 and \$77,500 for FY 2015, all from the Real Estate Recovery Revolving Fund, for the purpose of replacing the Commission's electronic records management system.

The **2014 Legislature** also added \$2,718, all from the Real Estate Fee Fund, for FY 2015 for employee bonuses of \$250 for all full-time employees, except elected officials, who were employed on December 6, 2013.

The **2015 Legislature** passed SB 108, which increased the statutory limit by \$50 on the agency's two-year licensing fees charged to real estate brokers and salespersons. The change will increase receipts into the agency's fee fund by an estimated \$168,853 for FY 2016 and \$154,028 for FY 2017.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** requests a revised FY 2019 estimate of \$1.3 million, all from special revenue funds, which is an increase of \$74,232, or 6.2 percent, above the amount approved by the 2018 Legislature. The increase is primarily attributable to increased expenditures for 1.0 added FTE position and additional contractual services expenditures for the agency's FY 2019 supplemental request for credit card convenience fees

The **2016 Legislature** passed SB 352, which allowed non-Kansas residents to apply for a broker's license if they: 1) are brokers in another state, and 2) meet all the requirements imposed by the Kansas Real Estate Brokers' and Salespersons' License Act. The bill is expected to generate less than \$2,500 of revenue, which will be placed in the Real Estate Fee Fund for FY 2017.

The **2017 Legislature** authorized the transfer of \$195,671, all from the State General Fund, to the Real Estate Fee Fund for FY 2018 as part of the Fee Fund Settlement Agreement that dealt with a funds sweep in 2009.

The **2018 Legislature** added \$19,379, all from special revenue funds, for salary adjustments for FY 2019 equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives and one step for employees who received approximately one step on the Statewide Pay Matrix in FY 2018.

expenditures. These increases are partially offset by a decrease in capital outlay due to the leasing rather than purchasing of agency computers. The agency requests funding for 11.8 FTE positions, which is 1.0 FTE position more than the FY 2019 approved number. The FTE increase is due to an added compliance position.

FY 2019 Governor Recommendation

The **Governor** concurs with the agency's revised estimate in FY 2019.

FY 2020 Agency Request

The **agency** requests FY 2020 operating expenditures of \$1.3 million, all from special revenue funds, which is an increase of \$18,539, or 1.5 percent, above the agency's FY 2019 revised estimate. The increase is primarily attributable to increased expenditures for salaries and wages with a partially offsetting

decrease in capital outlay due to a one-time purchase of office equipment in FY 2019. The request includes funding for 11.8 FTE positions, which is the same number included in the agency's FY 2019 revised estimate.

FY 2020 Governor Recommendation

The **Governor** concurs with the agency's request for FY 2020.

FY 2021 Agency Request

The **agency** requests FY 2021 operating expenditures of \$1.3 million, all from special revenue funds, which is an increase of \$34,165, or 2.6 percent, above the FY 2020 request. The increase is primarily attributable to increased employer

contributions to group health hospitalization and projected replacement of computer monitors. The request includes funding for 11.8 FTE positions, which is the same number included in the agency's FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency's request for FY 2021.

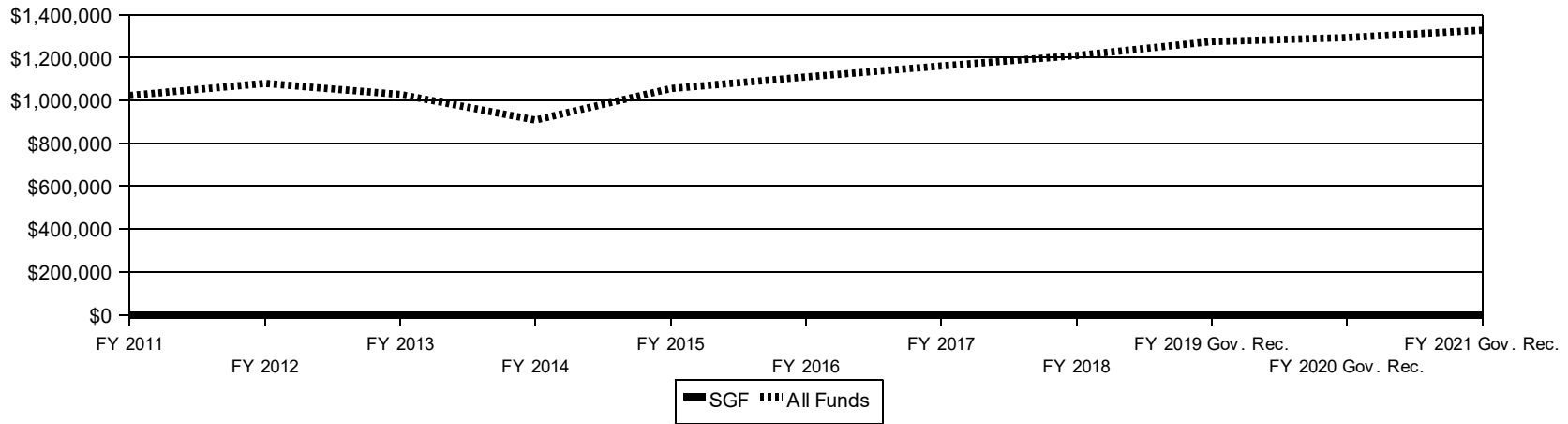
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of active real estate licenses	13,642	14,299	14,975	15,086	16,000	16,200	16,000
Percent of licenses renewed online	68 %	67 %	75 %	81 %	85 %	90 %	95 %
Number of complaints	100	175	185	224	235	235	235
Agency Expenditures							
All Funds (Dollars in Millions)	\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3
FTE Positions	11.0	11.0	10.8	11.8	11.8	11.8	11.8

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 1,023,114	(16.0)%	15.0
2012	0	--	1,079,230	5.5	13.0
2013	0	--	1,027,623	(4.8)	13.0
2014	0	--	908,384	(11.6)	13.0
2015	0	--	1,055,154	16.2	13.0
2016	0	--	1,109,288	5.1	11.0
2017	0	--	1,160,591	4.6	11.0
2018	0	--	1,209,396	4.2	11.8
2019 Gov. Rec.	0	--	1,274,895	5.4	11.8
2020 Gov. Rec.	0	--	1,293,434	1.5	11.8
2021 Gov. Rec.	0	--	1,327,599	2.6	11.8
Eleven-Year Change	\$ 0	-- %	\$ 304,485	29.8 %	(3.2)

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 1,209,396	\$ 1,274,895	\$ 1,293,434	\$ 18,539	1.5 %	\$ 1,274,895	\$ 1,293,434	\$ 18,539	1.5 %
Salaries and Wages	\$ 678,782	\$ 771,160	\$ 791,685	\$ 20,525	2.7 %	\$ 771,160	\$ 791,685	\$ 20,525	2.7 %
Contractual Services	526,595	497,088	498,452	1,364	0.3	497,088	498,452	1,364	0.3
Commodities	2,777	2,647	2,547	(100)	(3.8)	2,647	2,547	(100)	(3.8)
Capital Outlay	1,242	4,000	750	(3,250)	(81.3)	4,000	750	(3,250)	(81.3)
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 1,209,396</i>	<i>\$ 1,274,895</i>	<i>\$ 1,293,434</i>	<i>\$ 18,539</i>	<i>1.5 %</i>	<i>\$ 1,274,895</i>	<i>\$ 1,293,434</i>	<i>\$ 18,539</i>	<i>1.5 %</i>
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 1,209,396	\$ 1,274,895	\$ 1,293,434	\$ 18,539	1.5 %	\$ 1,274,895	\$ 1,293,434	\$ 18,539	1.5 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Real Estate Fee Fund	1,057,006	1,076,152	1,114,222	38,070	3.5	1,076,152	1,114,222	38,070	3.5
Background Investigations Fee Fund	131,713	137,907	132,956	(4,951)	(3.6)	137,907	132,956	(4,951)	(3.6)
Real Estate Recovery Revolving Fund	20,677	60,836	46,256	(14,580)	(24.0)	60,836	46,256	(14,580)	(24.0)
TOTAL	\$ 1,209,396	\$ 1,274,895	\$ 1,293,434	\$ 18,539	1.5 %	\$ 1,274,895	\$ 1,293,434	\$ 18,539	1.5 %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 1,293,434	\$ 1,327,599	\$ 34,165	2.6 %	\$ 1,293,434	\$ 1,327,599	\$ 34,165	2.6 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 791,685	\$ 819,617	\$ 27,932	3.5 %	\$ 791,685	\$ 819,617	\$ 27,932	3.5 %
Contractual Services	498,452	500,785	2,333	0.5	498,452	500,785	2,333	0.5
Commodities	2,547	3,597	1,050	41.2	2,547	3,597	1,050	41.2
Capital Outlay	750	3,600	2,850	380.0	750	3,600	2,850	380.0
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 1,293,434	\$ 1,327,599	\$ 34,165	2.6 %	\$ 1,293,434	\$ 1,327,599	\$ 34,165	2.6 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 1,293,434	\$ 1,327,599	\$ 34,165	2.6 %	\$ 1,293,434	\$ 1,327,599	\$ 34,165	2.6 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Real Estate Fee Fund	1,114,222	1,169,916	55,694	5.0	1,114,222	1,169,916	55,694	5.0
Background Investigations FF	132,956	133,933	977	0.7	132,956	133,933	977	0.7
Real Estate Recovery Revolving Fund	46,256	23,750	(22,506)	(48.7)	46,256	23,750	(22,506)	(48.7)
TOTAL	\$ 1,293,434	\$ 1,327,599	\$ 34,165	2.6 %	\$ 1,293,434	\$ 1,327,599	\$ 34,165	2.6 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,200,663	1,274,895	74,232	1,274,895	74,232
TOTAL	\$ 1,200,663	\$ 1,274,895	\$ 74,232	\$ 1,274,895	\$ 74,232
FTE Positions	10.8	11.8	1.0	11.8	1.0

The **agency** requests a revised FY 2019 estimate of \$1.3 million, all from special revenue funds, which is an increase of \$74,232, or 6.2 percent, above the amount approved by the 2018 Legislature. The increase is primarily attributable to increased expenditures for salaries and wages due to 1.0 added compliance position and for the agency's supplemental request for credit card convenience fees expenditures. These increases are partially offset by decreases in contractual services due to changing a temporary position to part time and the agency's decision to lease rather than purchase computers.

The revised estimate includes a supplemental for \$32,393, all from the Real Estate Commission Fee Fund, to pay for online

credit card convenience fees. The request includes funding for 11.8 FTE positions, which is 1.0 FTE position more than the number approved. The FTE increase is due to an added compliance position for complaint investigations.

Absent the supplemental request, the agency requests FY 2019 operating expenditures of \$1.2 million, all from special revenue funds, which is an increase of \$41,839, or 3.5 percent, above the amount approved by the 2018 Legislature.

Major categories of expenditure are provided below:

- **Salaries and Wages.** The agency requests \$771,160, which is an increase of \$44,384, or 6.1 percent, above the approved amount. The increase is due to an added compliance position responsible for investigating complaints;
- **Contractual Services.** The agency requests \$497,088, which is an increase of \$36,051, or 7.8 percent, above the approved amount. The increase is primarily due to the agency's supplemental request for credit card convenience fees;

- **Commodities.** The agency requests \$2,647, which is a decrease of \$1,003, or 27.5 percent, below the approved amount. The decrease is due to projected printer supplies savings due to the new online licensing system; and
- **Capital Outlay.** The agency requests \$4,000, which is a decrease of \$5,200, or 56.5 percent, below the approved amount. The decrease is attributable to a decrease in expenditures for computer equipment due to the leasing of computers rather than purchasing, partially offset by an increase in expenditures for office furniture due to the purchase of a new desk unit.

The **Governor** concurs with the agency's revised estimate in FY 2019.

Supplemental Detail

FY 2019 SUPPLEMENTALS						
Supplementals	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Credit Card Convenience Fees	\$ 0	\$ 32,393	0.0	\$ 0	\$ 32,393	0.0

The **agency** requests a supplemental of \$32,393, all from the Real Estate Fee Fund, in FY 2019. To encourage licensees to use the agency's online system, the agency decided to absorb the convenience fee so there would not be a higher fee assessed to individuals who use the online system versus licensees who pay with paper check. Because the agency is now paying the convenience fee directly to the credit card vendor (rather than it being assessed directly to the applicant by

the vendor), the agency is required to show this payment as an expense. The supplemental request is to continue to absorb the convenience fees expenditures. The agency states utilization of the online licensing system leads to lower internal costs and staff processing time.

The **Governor** concurs with the agency's supplemental request in FY 2019.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 1,293,434	\$ 1,293,434	\$ 0
FTE Positions	11.8	11.8	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	18,539	18,539	
TOTAL	\$ 18,539	\$ 18,539	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	1.5	1.5	
TOTAL	1.5 %	1.5 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2020 operating expenditures of \$1.3 million, all from special revenue funds, which is an increase of \$18,539, or 1.5 percent, above the agency's FY 2019 revised estimate. The increase is primarily attributable to increased expenditures for salaries and wages with a partially offsetting decrease in capital outlay due to a one-time purchase of office equipment in FY 2019.

The request includes an enhancement of \$32,773, all from the Real Estate Commission Fee Fund, to pay online credit card convenience fees. The request includes funding for 11.8 FTE positions, which is the same number included in the agency's FY 2019 revised estimate.

Absent the enhancement, the agency requests FY 2020 operating expenditures of \$1.3 million, all from special revenue

funds, which is a decrease of \$14,234, or 1.1 percent, below the FY 2019 revised estimate.

Major categories of expenditure are provided below:

- **Salaries and Wages.** The agency requests \$791,685, which is an increase of \$20,525, or 2.7 percent, above the FY 2019 revised estimate. The increase is primarily due to 1.0 added FTE position and increased employer contributions to the public retirement system and group health insurance;
- **Contractual Services.** The agency requests \$498,452, which is an increase of \$1,364, or 0.3 percent, above the FY 2019 revised estimate. The increase is primarily attributable to an increase in meals and lodging due to the region hosting a national conference and the agency sending attendants to this conference;

- **Commodities.** The agency requests \$2,547, which is a decrease of \$100, or 3.8 percent, below the FY 2019 revised estimate. The decrease is primarily due to a decrease in clothing expenditures partially offset by an increase in office supplies and vehicle supplies; and
- **Capital Outlay.** The agency requests \$750, which is a decrease of \$3,250, or 81.3 percent, below the FY 2019 revised estimate. The decrease is primarily attributable to a decrease in expenditures on computer equipment due to the leasing of computers rather than purchasing them.

The **Governor** concurs with the agency's request for FY 2020.

Enhancements Detail

FY 2020 ENHANCEMENTS						
Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Credit Card Convenience Fees	\$ 0	\$ 32,773	0.0	\$ 0	\$ 32,773	0.0

The **agency** requests an enhancement of \$32,773, all from the Real Estate Fee Fund, for FY 2020. To encourage licensees to use the agency's online system, the agency decided to absorb the convenience fee so there would not be a higher fee assessed to individuals who use the online system versus

licensees who pay with a paper check. Because the agency is now paying the convenience fees directly to the credit card vendor, the agency is required to show this payment as an expense. The enhancement request will cover the convenience fee.

The **Governor** concurs with the agency's enhancement request for FY 2020.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 1,327,599	\$ 1,327,599	\$ 0
FTE Positions	11.8	11.8	0.0
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	34,165	34,165	
TOTAL	\$ 34,165	\$ 34,165	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	2.6	2.6	
TOTAL	2.6 %	2.6 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2021 operating expenditures of \$1.3 million, all from special revenue funds, which is an increase of \$34,165, or 2.6 percent, above the FY 2020 request. The increase is primarily attributable to increased employer contributions to group health hospitalization and projected replacement of computer monitors.

The request includes an enhancement of \$32,012, all from the Real Estate Fee Fund, to pay the online credit card convenience fees. The request includes funding for 11.8 FTE positions, which is the same number included in the agency's FY 2020 request.

Absent the enhancement, the agency requests FY 2021 operating expenditures of \$1.3 million, which is an increase of \$2,153, or 0.2 percent, above the agency's FY 2020 request.

Major categories of expenditure are provided below:

- **Salaries and Wages.** The agency requests \$819,617, which is an increase of \$27,932, or 3.5 percent, above the agency's FY 2020 request. The increase is primarily due to increased employer contributions to group health insurance;
- **Contractual Services.** The agency requests \$500,785, which is an increase of \$2,333, or 0.5 percent, above the agency's FY 2020 request. The increase is due to increased expenditures on computer programming;

- **Commodities.** The agency requests \$3,597, which is an increase of \$1,050, or 41.2 percent, above the agency's FY 2020 request. The increase is due to increased maintenance costs on older agency vehicles; and

- **Capital Outlay.** The agency requests \$3,600, which is an increase of \$2,850, or 380.0 percent, above the agency's FY 2020 request. The increase is due to the projected replacement of several computer monitors.

The **Governor** concurs with the agency's request for FY 2021.

Enhancements Detail

Enhancements	FY 2021 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Credit Card Convenience Fees	\$ 0	\$ 32,012	0.0	\$ 0	\$ 32,012	0.0

The **agency** requests an enhancement of \$32,012, all from the Real Estate Fee Fund, for FY 2021. To encourage licensees to use the agency's online system, the agency decided to absorb the convenience fee so there would not be a higher fee assessed to individuals who use the online system versus licensees who pay with paper check. Because the agency is now paying the convenience fee directly to the credit card

vendor, the agency is required to show this payment as an expense. The enhancement request is to continue to absorb the convenience fees.

The **Governor** concurs with the agency's enhancement request for FY 2021.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$19,379.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **This agency does not have longevity payments for FY 2019, FY 2020, or FY 2021.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
Real Estate Fee Fund	86.1 %	86.1 %	88.1 %	88.1 %
Background Investigations Fee Fund	10.3	10.3	10.1	10.1
Real Estate Recovery Revolving Fund	3.6	3.6	1.8	1.8
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Real Estate Fee Fund

KREC is a fee-funded agency. The revenue received provides financing for all agency operations with 90.0 percent being retained by the agency and 10.0 percent being deposited into the State General Fund. The agency generates fee revenues from four primary sources: application fees, \$15;

broker fees, \$175; salesperson fees, \$125; and course approvals, \$75. Licenses are issued for a two-year period. The increase in available funds in FY 2018 is due to the 2017 Legislature authorizing the repayment of \$195,671 swept from the Fund in FY 2009.

Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 474,173	\$ 827,033	\$ 827,033	\$ 921,581	\$ 921,581	\$ 993,259	\$ 993,259
Revenue	1,214,195	1,170,700	1,170,700	1,185,900	1,185,900	1,155,500	1,155,500
Transfers in	195,671	0	0	0	0	0	0
<i>Funds Available</i>	<i>\$ 1,884,039</i>	<i>\$ 1,997,733</i>	<i>\$ 1,997,733</i>	<i>\$ 2,107,481</i>	<i>\$ 2,107,481</i>	<i>\$ 2,148,759</i>	<i>\$ 2,148,759</i>
Less:							
Expenditures	\$ 1,057,006	\$ 1,076,152	\$ 1,076,152	\$ 1,114,222	\$ 1,114,222	\$ 1,169,916	\$ 1,169,916
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 827,033</u>	<u>\$ 921,581</u>	<u>\$ 921,581</u>	<u>\$ 993,259</u>	<u>\$ 993,259</u>	<u>\$ 978,843</u>	<u>\$ 978,843</u>
Ending Balance as Percent of Expenditures	78.2%	85.6%	85.6%	89.1%	89.1%	83.7%	83.7%
Month Highest Ending Balance	June <u>\$ 827,033</u>	June <u>\$ 921,581</u>	June <u>\$ 921,581</u>	June <u>\$ 993,259</u>	June <u>\$ 993,259</u>	June <u>\$ 978,843</u>	June <u>\$ 978,843</u>
Month Lowest Ending Balance	April \$ 463,734	August \$ 791,957	August \$ 791,957	January \$ 880,144	January \$ 880,144	April \$ 889,207	April \$ 889,207

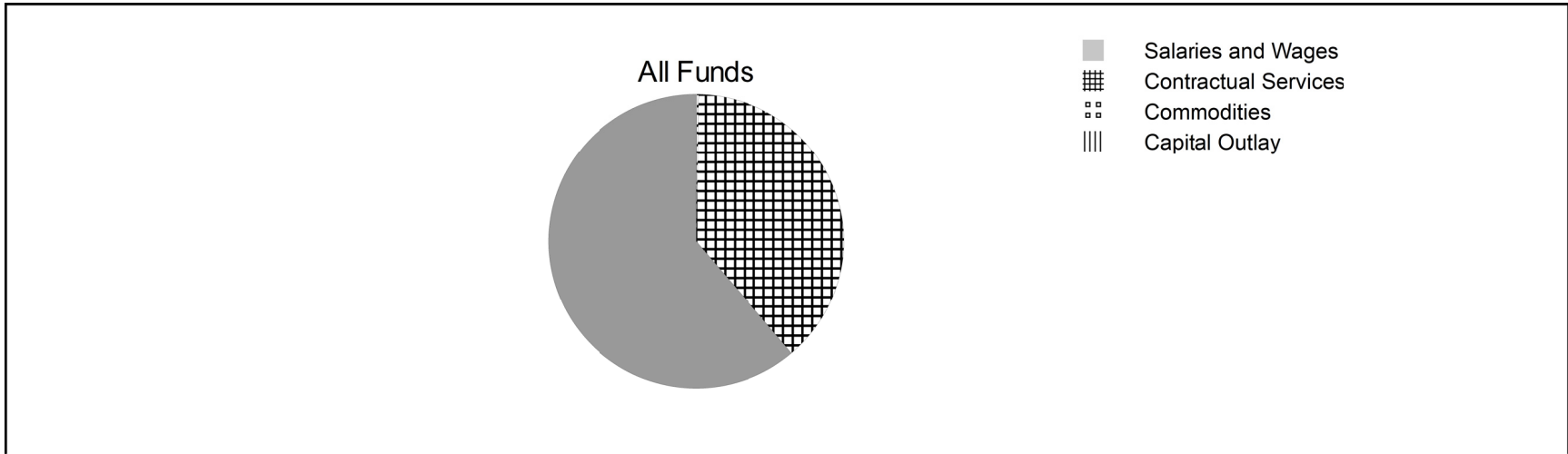
LICENSURE FEES

License	Current Fee	Statutory Limit
Real estate broker application fee	\$ 50	\$ 50
Real estate broker license fee (original and renewal)	175	200
Real estate salesperson application fee	15	25
Real estate salesperson license fee	125	150
Course approval	75	75
License reinstatement	15	15
Background investigation	60	Expense Recovery*
Open company office	100	100

* Each individual applying for a new license after July 1, 2007, is required to be fingerprinted and submit to a criminal history record check through the KBI/FBI. The fee is used to pay for the cost of the criminal history check, participation in the KBI Rap Back Program and the Commission's administrative costs. The KBI Rap Back Program provides an update regarding new criminal arrests and dispositions for any licensees who have been fingerprinted.

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 791,685	61.2 %	\$ 0	-- %
Contractual Services	498,452	38.5	0	--
Commodities	2,547	0.2	0	--
Capital Outlay	750	0.1	0	--
TOTAL	\$ 1,293,434	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	11.8	11.8	11.8	11.8	11.8	11.8	11.8

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

BOARD OF TECHNICAL PROFESSIONS

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	716,003	763,182	763,182	768,694	768,694	775,111	775,111
<i>Subtotal</i>	<i>\$ 716,003</i>	<i>\$ 763,182</i>	<i>\$ 763,182</i>	<i>\$ 768,694</i>	<i>\$ 768,694</i>	<i>\$ 775,111</i>	<i>\$ 775,111</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 716,003	\$ 763,182	\$ 763,182	\$ 768,694	\$ 768,694	\$ 775,111	\$ 775,111

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	16.5	6.6	6.6	0.7	0.7	0.8	0.8
FTE Positions	5.0	5.0	5.0	5.0	5.0	5.0	5.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

Established in 1976, the purpose of the Board of Technical Professions is to establish and maintain a high standard of integrity, skills, and practice in the technical professions and to safeguard the life, health, property, and welfare of the public. The Board exists to protect the interests of the people of Kansas by assuring the practices of engineering, architecture, land surveying, landscape architecture, and geology are carried out only by those persons proven to be qualified as prescribed by statutes and the Board's rules and regulations.

The Board of Technical Professions is a 13-member board consisting of four licensed professional engineers, including one who also must be engaged in private practice as an engineer and one who also may be licensed as a surveyor; two licensed surveyors; three licensed architects; one licensed landscape

architect; one licensed geologist; and two public members. The members are appointed by the Governor to serve four-year terms, but may not serve more than three successive terms. For all appointments other than the public members, the member shall be chosen from a list submitted to the Governor by the respective professional society or association.

The Board currently licenses approximately 2,761 architects, 12,347 professional engineers, 670 professional surveyors, 383 landscape architects, and 633 professional geologists (for a total of over 17,400 individuals and over 2,700 business entities). The Board is authorized 5.0 FTE positions: one unclassified executive director, one unclassified assistant executive director, one unclassified public service administrator, and two unclassified administrative specialist employees.

MAJOR ISSUES FROM PRIOR YEARS

The **1976 Legislature** combined the Engineers Examiners Registration Board, the Architects Registration Board, and the Landscape Architects Registration Board into the Board of Technical Professions.

The **2009 Legislature** made revisions to the requirements for a Certificate of Authorization requiring all business entities to obtain a Certificate of Authorization, and definitions were added regarding business entities. The Legislature transferred \$13,600 from the Technical Professions Fee Fund to the State General Fund in FY 2009. They transferred \$19,154 from the Technical Professions Fee Fund to the State General Fund in FY 2010.

The **2009 Legislature** also passed SB 349, which revised several statutes, including changing the term "land surveyor" to "professional surveyor" and the term "geologist" to "professional geologist."

In **2012**, the agency lowered fees for new licenses and biennial license renewals from \$70 to \$60 and lowered fees for biennial business license renewals from \$95 to \$85.

The **2013 Legislature** maintained funding for salaries and wages at FY 2013 levels after adjusting for both committee action and Kansas Public Employees Retirement System (KPERS) increases for FY 2014 and FY 2015. The reductions

totaled \$363 for FY 2014 and \$299 for FY 2015, all from the Technical Professions Fee Fund.

The **2014 Legislature** added \$1,208, all from the Technical Professions Fee Fund, for FY 2015 for employee bonuses of \$250 for all full-time employees, except elected officials, who were employed on December 6, 2013.

The State Finance Council decided, in **June 2015**, to grant the Board of Technical Professions authority to spend an additional \$70,000 for FY 2016 and FY 2017 to provide for a collaborative licensing system that would provide hosting services for this and other state agencies housed under the Board of Healing Arts' licensing system.

In **July 2015**, the Governor exercised the authority granted to him by 2015 Senate Sub. for HB 2135 to transfer \$200,000 from the Technical Professions Fee Fund to the State General Fund.

In **2016**, the agency raised fees for new licenses and biennial license renewals from \$60 to \$70 and raised fees for biennial business license renewals from \$85 to \$95.

The **2018 Legislature** added \$4,493, all from special revenue funds, for salary adjustments for FY 2019 equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives and one step for employees who received approximately one step on the Statewide Pay Matrix in FY 2018.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** requests a FY 2019 revised estimate of \$763,182, all from special revenue funds. This is a decrease of \$1,000, or 0.1 percent, below the amount approved by the 2018 Legislature. The decrease is primarily attributable to decreased

expenditures for a contracted attorney due to changing from a private attorney to an assistant state attorney. The agency requests funding for 5.0 FTE positions, which is the same number as the FY 2019 approved.

FY 2019 Governor Recommendation

The **Governor** concurs with the agency's FY 2019 revised estimate.

FY 2020 Agency Request

The **agency** requests FY 2020 operating expenditures of \$768,694, all from special revenue funds. This is an increase of \$5,512, or 0.7 percent, above the agency's FY 2019 revised estimate. The increase is primarily attributable to additional

expenditures on employer contributions to group health insurance and KPERS. The request includes funding for 5.0 FTE positions, which is the same number as the FY 2019 revised estimate.

FY 2020 Governor Recommendation

The **Governor** concurs with the agency's FY 2020 request.

FY 2021 Agency Request

The **agency** requests FY 2021 operating expenditures of \$775,111, all from special revenue funds. This is an increase of \$6,417, or 0.8 percent, above the FY 2020 request. The increase is primarily attributable to additional expenditures on

employer contributions to group health insurance, partially offset by decreased expenditures for a contracted attorney. The request includes funding for 5.0 FTE positions, which is the same number included in the agency's FY 2020 request.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency's FY 2021 request.

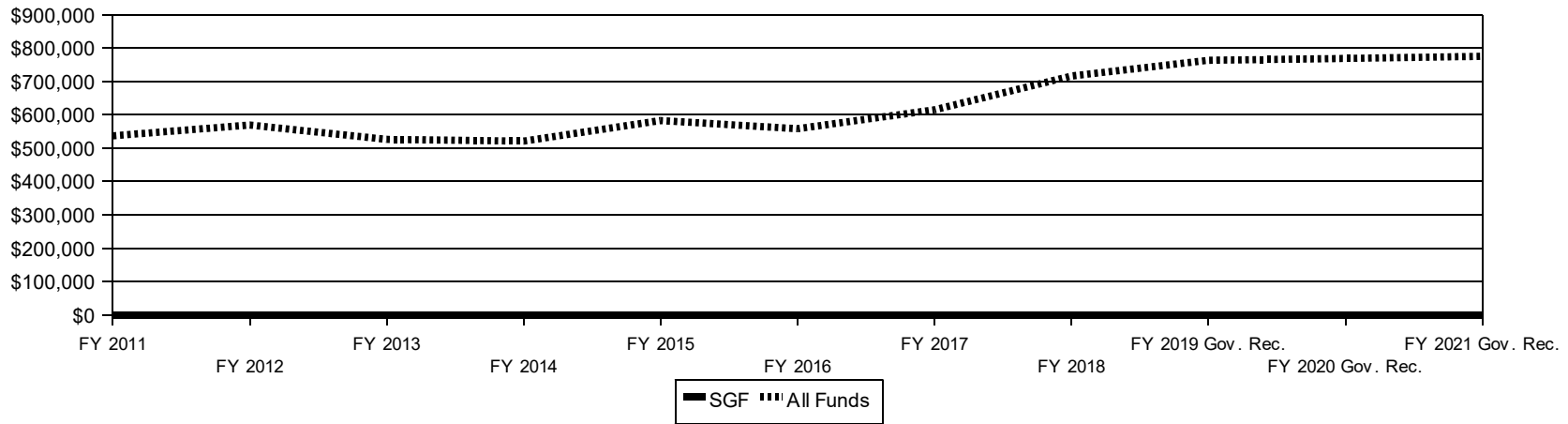
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Number of individual licenses	16,581	16,984	17,324	17,206	17,537	17,537	17,537
Number of business licenses	2,698	2,730	2,760	2,789	2,810	2,810	2,810
Number of individual license renewals	N/A	N/A	N/A	9,223	9,400	9,400	9,400
Number of business license renewals	N/A	N/A	N/A	1,104	1,125	1,125	1,125
<u>Agency Expenditures</u>							
All Funds (Dollars in Thousands)	\$ 557.9	\$ 614.9	\$ 720.2	\$ 716.0	\$ 763.2	\$ 768.7	\$ 775.1
FTE Positions	5.0	5.0	5.0	5.0	5.0	5.0	5.0

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 536,666	9.0 %	5.0
2012	0	--	568,959	6.0	5.0
2013	0	--	526,138	(7.5)	5.0
2014	0	--	520,794	(1.0)	5.0
2015	0	--	582,510	11.9	5.0
2016	0	--	557,919	(4.2)	5.0
2017	0	--	614,857	10.2	5.0
2018	0	--	716,003	16.5	5.0
2019 Gov. Rec.	0	--	763,182	6.6	5.0
2020 Gov. Rec.	0	--	768,694	0.7	5.0
2021 Gov. Rec.	0	--	775,111	0.8	5.0
Eleven-Year Change	\$ 0	-- %	\$ 238,445	44.4 %	0.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 716,003	\$ 763,182	\$ 768,694	\$ 5,512	0.7 %	\$ 763,182	\$ 768,694	\$ 5,512	0.7 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 298,657	\$ 316,280	\$ 323,569	\$ 7,289	2.3 %	\$ 316,280	\$ 323,569	\$ 7,289	2.3 %
Contractual Services	360,736	416,452	414,675	(1,777)	(0.4)	416,452	414,675	(1,777)	(0.4)
Commodities	21,911	17,700	17,700	0	0.0	17,700	17,700	0	0.0
Capital Outlay	34,699	12,750	12,750	0	0.0	12,750	12,750	0	0.0
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 716,003	\$ 763,182	\$ 768,694	\$ 5,512	0.7 %	\$ 763,182	\$ 768,694	\$ 5,512	0.7 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 716,003	\$ 763,182	\$ 768,694	\$ 5,512	0.7 %	\$ 763,182	\$ 768,694	\$ 5,512	0.7 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Technical Professions FF	716,003	763,182	768,694	5,512	0.7	763,182	768,694	5,512	0.7
TOTAL	\$ 716,003	\$ 763,182	\$ 768,694	\$ 5,512	0.7 %	\$ 763,182	\$ 768,694	\$ 5,512	0.7 %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 768,694	\$ 775,111	\$ 6,417	0.8 %	\$ 768,694	\$ 775,111	\$ 6,417	0.8 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 323,569	\$ 347,686	\$ 24,117	7.5 %	\$ 323,569	\$ 347,686	\$ 24,117	7.5 %
Contractual Services	414,675	396,975	(17,700)	(4.3)	414,675	396,975	(17,700)	(4.3)
Commodities	17,700	17,700	0	0.0	17,700	17,700	0	0.0
Capital Outlay	12,750	12,750	0	0.0	12,750	12,750	0	0.0
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 768,694</i>	<i>\$ 775,111</i>	<i>\$ 6,417</i>	<i>0.8 %</i>	<i>\$ 768,694</i>	<i>\$ 775,111</i>	<i>\$ 6,417</i>	<i>0.8 %</i>
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 768,694	\$ 775,111	\$ 6,417	0.8 %	\$ 768,694	\$ 775,111	\$ 6,417	0.8 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Technical Professions FF	768,694	775,111	6,417	0.8	768,694	775,111	6,417	0.8
TOTAL	\$ 768,694	\$ 775,111	\$ 6,417	0.8 %	\$ 768,694	\$ 775,111	\$ 6,417	0.8 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	764,182	763,182	(1,000)	763,182	(1,000)
TOTAL	\$ 764,182	\$ 763,182	\$ (1,000)	\$ 763,182	\$ (1,000)
FTE Positions	5.0	5.0	0.0	5.0	0.0

The **agency** requests a FY 2019 revised estimate of \$763,182, all from special revenue funds. This is a decrease of \$1,000, or 0.1 percent, below the amount approved by the 2018 Legislature. The decrease is primarily attributable to decreased expenditures for a contracted attorney. The agency requests funding for 5.0 FTE positions, which is the same number as the FY 2019 approved.

Major categories of expenditure are provided below:

- **Salaries and Wages.** The agency requests \$316,280, which is an increase of \$8,227, or 2.7

percent, above the approved amount. The increase is due to salary adjustments according to the Statewide Pay Matrix and increased employer contributions to group health insurance and the employee retirement;

- **Contractual Services.** The agency requests \$416,452, which is a decrease of \$10,478, or 2.5 percent, below the approved amount. The decrease is primarily attributable to decreased expenditures for a contracted attorney due to

changing from a private attorney to an assistant state attorney;

- **Commodities.** The agency requests \$17,770, which is an increase of \$1,050, or 6.3 percent, above the approved amount. The increase is due to increased expenditures for stationery and office supplies; and

- **Capital Outlay.** The agency requests \$12,750, which is an increase of \$201, or 1.6 percent, above the approved amount. The increase is due to expenditures for servicing office equipment.

The **Governor** concurs with the agency's FY 2019 revised estimate.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 768,694	\$ 768,694	\$ 0
FTE Positions	5.0	5.0	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	5,512	5,512	
TOTAL	\$ 5,512	\$ 5,512	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	0.7	0.7	
TOTAL	0.7 %	0.7 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2020 operating expenditures of \$768,694, all from special revenue funds. This is an increase of \$5,512, or 0.7 percent, above the agency's FY 2019 revised estimate. The increase is primarily attributable to increased employer contributions to group health insurance and the employee retirement. The request includes funding for 5.0 FTE positions, which is the same number as the FY 2019 revised estimate.

Major categories of expenditures are provided below:

- **Salaries and Wages.** The agency requests 323,569, which is an increase of \$7,289, or 2.3 percent, above the FY 2019 revised estimate. The increase is primarily attributable to increased employer contributions to group health insurance and the employee retirement;

- **Contractual Services.** The agency requests \$414,675, which is a decrease of \$1,777, or 0.4 percent, below the FY 2019 revised estimate. The decrease is primarily attributable to decreased expenditures for postage and advertising, partially offset by increased the state building capital charge;

- **Commodities.** The agency requests \$17,770, which is the same amount included in the FY 2019 revised estimate; and
- **Capital Outlay.** The agency requests \$12,750, which is the same amount included in the FY 2019 revised estimate.

The **Governor** concurs with the agency's FY 2020 request.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 775,111	\$ 775,111	\$ 0
FTE Positions	5.0	5.0	0.0
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	6,417	6,417	
TOTAL	\$ 6,417	\$ 6,417	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	0.8	0.8	
TOTAL	0.8 %	0.8 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2021 operating expenditures of \$775,111, all from special revenue funds. This is an increase of \$6,417, or 0.8 percent, above the FY 2020 request. The increase is primarily attributable to increased employer contributions to group health insurance, partially offset by decreased expenditures for a contracted attorney. The request includes funding for 5.0 FTE positions, which is the same number as the agency's FY 2020 request.

Major categories of expenditure are provided below:

- **Salaries and Wages.** The agency requests \$347,686, which is an increase of \$24,117, or 7.5 percent, above the agency's FY 2020 request. The increase is primarily attributable to increased employer contributions to group health insurance;

- **Contractual Services.** The agency requests \$396,975, which is a decrease of \$17,700, or 4.3 percent, below the agency's FY 2020 request. The decrease is primarily attributable to decreased expenditures for a contracted attorney and decreased expenditures for postage and private vehicle miles;
- **Commodities.** The agency requests \$17,700, which is the same amount as the agency's FY 2020 request; and
- **Capital Outlay.** The agency requests \$12,750, which is the same amount as the agency's FY 2020 request.

The **Governor** concurs with the agency's FY 2021 request.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$4,493, all from special revenue funds.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, FY 2019 longevity payments total \$1,000 all from special revenue funds, and FY 2020 longevity payments total \$1,000, all from special revenue funds.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
Technical Professions Fee Fund	100.0	100.0	100.0	100.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Technical Professions Fee Fund

The Board of Technical Professions is a fee-funded agency. The agency receives its revenue from new and renewal license fees for individuals and businesses, as well as from license reinstatement and replacement fees and reciprocity

license fees. The revenue received provides financing for all operations, with 90.0 percent being retained by the agency and 10.0 percent being deposited into the State General Fund.

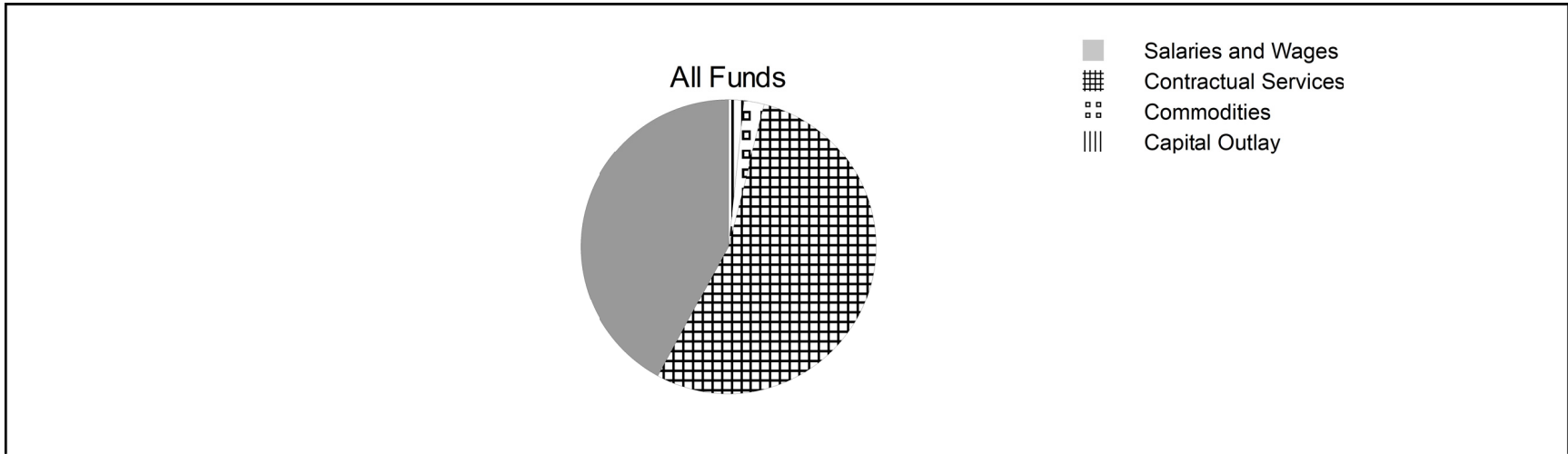
Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 1,690,639	\$ 1,813,067	\$ 1,813,067	\$ 2,034,765	\$ 2,034,765	\$ 2,250,951	\$ 2,250,951
Revenue	838,431	984,880	984,880	984,880	984,880	984,880	984,880
Transfers in	0	0	0	0	0	0	0
<i>Funds Available</i>	<i>\$ 2,529,070</i>	<i>\$ 2,797,947</i>	<i>\$ 2,797,947</i>	<i>\$ 3,019,645</i>	<i>\$ 3,019,645</i>	<i>\$ 3,235,831</i>	<i>\$ 3,235,831</i>
Less:							
Expenditures	\$ 716,003	\$ 763,182	\$ 763,182	\$ 768,694	\$ 768,694	\$ 775,111	\$ 775,111
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 1,813,067</u>	<u>\$ 2,034,765</u>	<u>\$ 2,034,765</u>	<u>\$ 2,250,951</u>	<u>\$ 2,250,951</u>	<u>\$ 2,460,720</u>	<u>\$ 2,460,720</u>
Ending Balance as Percent of Expenditures	253.2%	266.6%	266.6%	292.8%	292.8%	317.5%	317.5%
Month Highest Ending Balance	June <u>\$ 1,813,067</u>	June <u>\$ 2,034,765</u>	June <u>\$ 2,034,765</u>	June <u>\$ 2,250,951</u>	June <u>\$ 2,250,951</u>	June <u>\$ 2,460,720</u>	June <u>\$ 2,460,720</u>
Month Lowest Ending Balance	February <u>\$ 1,429,920</u>	February <u>\$ 1,528,893</u>	August <u>\$ 1,716,778</u>	February <u>\$ 1,716,584</u>	August <u>\$ 1,937,292</u>	February <u>\$ 1,899,629</u>	August <u>\$ 2,152,101</u>

BOARD OF TECHNICAL PROFESSIONS LICENSURE FEES

License	Current Fee	Statutory Limit
Individual License (original and renewal)	\$ 70	\$ 200
Individual License Reinstatement	100	200
Business Entity License (original)	170	300
Business Entity License (renewal)	95	300
Business License Reinstatement	100	200
License by Reciprocity	250	500
Replacement License	20	20

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 323,569	42.1 %	\$ 0	-- %
Contractual Services	414,675	53.9	0	--
Commodities	17,700	2.3	0	--
Capital Outlay	12,750	1.7	0	--
TOTAL	\$ 768,694	100.0 %	\$ 0	100.0 %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

BOARD OF VETERINARY EXAMINERS

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020	Agency Req. FY 2021	Gov. Rec. FY 2021
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	345,795	359,953	359,953	363,950	363,950	367,017	367,017
<i>Subtotal</i>	<i>\$ 345,795</i>	<i>\$ 359,953</i>	<i>\$ 359,953</i>	<i>\$ 363,950</i>	<i>\$ 363,950</i>	<i>\$ 367,017</i>	<i>\$ 367,017</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 345,795	\$ 359,953	\$ 359,953	\$ 363,950	\$ 363,950	\$ 367,017	\$ 367,017

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	3.6	4.1	4.1	1.1	1.1	0.8	0.8
FTE Positions	4.0	4.0	4.0	4.0	4.0	4.0	4.0

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Board of Veterinary Examiners was established in 1907 for the purpose of protecting the public health and safety by insuring, through examination and registration, a minimum standard of skill and ability in veterinarians practicing in Kansas. The Board also is responsible for the examination and registration of veterinary technicians. In addition, the Board registers and inspects veterinary premises. The Board investigates complaints by consumers against practicing veterinarians along with allegations of unethical practice and

MAJOR ISSUES FROM PRIOR YEARS

The **2013 Legislature** added \$309,920, all from the Veterinary Examiners Fee Fund, and 4.0 FTE positions to keep the agency as a stand-alone agency for FY 2014. The Legislature also added language creating a task force to examine whether the agency should continue as a stand-alone agency. Task Force members included one member appointed by the Governor, the executive director of the American Association of Veterinary State Boards, the vice president of the State Board of Veterinary Examiners, the Kansas Animal Health Commissioner, and the executive vice president of the Kansas Veterinary Medical Association.

The **2013 Legislature** also added \$311,384, all from the Veterinary Examiners Fee Fund, and 4.0 FTE positions to keep the agency as a stand-alone agency for FY 2015.

The **2014 Legislature**, in SB 278, merged the Board of Veterinary Examiners into the Kansas Department of Agriculture on a trial basis for two years. If no subsequent action was taken

cases of intentional or unknowing infringement on the laws governing the practice of veterinary medicine. In cases of violations of the Veterinary Practice Act, the Board may condition, limit, or restrict the right of licensees to practice, issue reprimands, impose fines, and suspend or revoke licenses. When necessary, cases are referred by the Board to the Office of the Attorney General for prosecution. The 1980 Legislature established a five-member board, and the 1993 Legislature increased the number of members to seven.

by the Legislature, the Board of Veterinary Examiners would become a stand-alone agency again beginning in FY 2017.

The **2016 Legislature** transferred the Veterinary Examiners Fee Fund to the Board of Veterinary Examiners, making the Board a stand-alone agency beginning for FY 2017.

The **2017 Legislature** added \$598 in FY 2017, \$1,788 for FY 2018, and \$3,179 for FY 2019, all from special revenue funds, to restore KPERs employer contributions to the approved levels in each respective fiscal year.

The **2018 Legislature** added \$3,696, all from special revenue funds, for salary adjustments for FY 2019 equivalent to two steps on the Statewide Pay matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives and one step for employees who received approximately one step on the Statewide Pay matrix in FY 2018.

BUDGET SUMMARY AND KEY POINTS

FY 2019 Agency Estimate

The **agency** estimates revised total expenditures of \$359,953, all from special revenue funds, in FY 2019. This is an all funds decrease of \$700, or 0.2 percent, below the FY 2019 amount approved by the Legislature. The decrease is due to

reduced expenditures on salaries and wages. The revised estimate includes 4.0 FTE positions, which is the same as the FY 2019 approved number.

FY 2019 Governor Recommendation

The **Governor** concurs with the agency's FY 2019 revised estimate.

FY 2020 Agency Request

The **agency** requests total expenditures of \$363,950, all from special revenue funds, for FY 2020. This is an all funds increase of \$3,997, or 1.1 percent, above the agency's revised FY 2019 estimate. The increase is largely due to increased

expenditures on salaries and wages and vehicle mileage. The request includes 4.0 FTE positions, which is the same as the FY 2019 revised estimate.

FY 2020 Governor Recommendation

The **Governor** concurs with the agency's FY 2020 request.

FY 2021 Agency Request

The **agency** requests total expenditures of \$367,017, all from special revenue funds, for FY 2021. This is an all funds increase of \$3,067, or 0.8 percent, above the agency's FY 2020

request. The increase is primarily due to increased expenditures on travel and subsistence. The request includes 4.0 FTE positions, which is the same as the FY 2020 requested amount.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency's FY 2021 request.

PERFORMANCE MEASURES

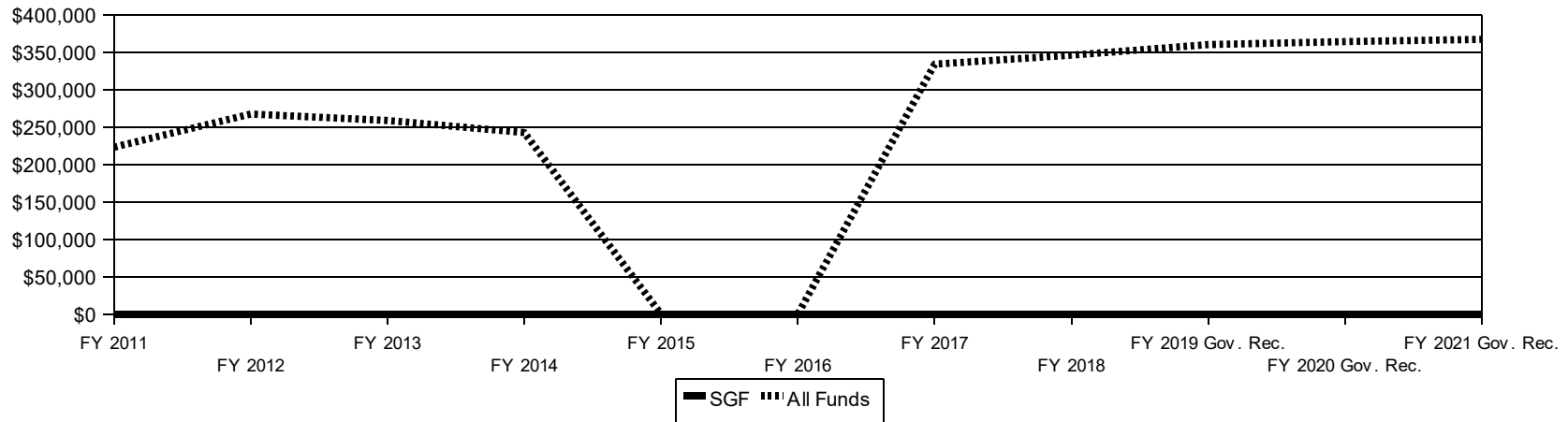
The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES							
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020	Gov. Rec. FY 2021
Percent of new premises registered	N/A	N/A	N/A	100.0 %	100.0 %	100.0 %	100.0 %
Percent of allegations of veterinarian impairment investigated	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent of successful completion of National Vet Exam and National Vet Tech Exam	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Agency Expenditures							
All Funds (Dollars in Thousands)	\$ N/A	\$ 333.8	\$ 348.0	\$ 345.8	\$ 360.0	\$ 364.0	\$ 367.0
FTE Positions	N/A	4.0	4.0	4.0	4.0	4.0	4.0

Note: The agency was not a stand-alone agency in FY 2016. It became a stand-alone agency again in FY 2017.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2011 – FY 2021



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2011	\$ 0	-- %	\$ 222,851	(15.0)%	3.0
2012	0	--	267,159	19.9	3.0
2013	0	--	258,633	(3.2)	3.0
2014	0	--	242,391	(6.3)	4.0
2015	0	--	0	(100.0)	0.0
2016	0	--	0	--	0.0
2017	0	--	333,785	--	4.0
2018	0	--	345,795	3.6	4.0
2019 Gov. Rec.	0	--	359,953	4.1	4.0
2020 Gov. Rec.	0	--	363,950	1.1	4.0
2021 Gov. Rec.	0	--	367,017	0.8	4.0
Eleven-Year Change	\$ 0	-- %	\$ 144,166	64.7 %	1.0

Summary of Operating Budget FY 2018 – FY 2020

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 345,795	\$ 359,953	\$ 363,950	\$ 3,997	1.1 %	\$ 359,953	\$ 363,950	\$ 3,997	1.1 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 248,481	\$ 260,261	\$ 262,588	\$ 2,327	0.9 %	\$ 260,261	\$ 262,588	\$ 2,327	0.9 %
Contractual Services	69,850	84,957	86,372	1,415	1.7	84,957	86,372	1,415	1.7
Commodities	6,609	8,935	9,040	105	1.2	8,935	9,040	105	1.2
Capital Outlay	20,855	5,800	5,950	150	2.6	5,800	5,950	150	2.6
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 345,795	\$ 359,953	\$ 363,950	\$ 3,997	1.1 %	\$ 359,953	\$ 363,950	\$ 3,997	1.1 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 345,795	\$ 359,953	\$ 363,950	\$ 3,997	1.1 %	\$ 359,953	\$ 363,950	\$ 3,997	1.1 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Veterinary Examiners Fee Fund	345,795	359,953	363,950	3,997	0.0	359,953	363,950	3,997	1.1
TOTAL	\$ 345,795	\$ 359,953	\$ 363,950	\$ 3,997	1.1 %	\$ 359,953	\$ 363,950	\$ 3,997	1.1 %

Summary of Operating Budget FY 2020 – FY 2021

	Agency Estimate				Governor's Recommendation			
	Request FY 2020	Request FY 2021	Dollar Change from FY 20	Percent Change from FY 20	Rec. FY 2020	Rec. FY 2021	Dollar Change from FY 20	Percent Change from FY 20
By Program:								
Administration	\$ 363,950	\$ 367,017	\$ 3,067	0.8 %	\$ 363,950	\$ 367,017	\$ 3,067	0.8 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 262,588	\$ 263,177	\$ 589	0.2 %	\$ 262,588	\$ 263,177	\$ 589	0.2 %
Contractual Services	86,372	88,170	1,798	2.1	86,372	88,170	1,798	2.1
Commodities	9,040	9,470	430	4.8	9,040	9,470	430	4.8
Capital Outlay	5,950	6,200	250	4.2	5,950	6,200	250	4.2
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 363,950</i>	<i>\$ 367,017</i>	<i>\$ 3,067</i>	<i>0.8 %</i>	<i>\$ 363,950</i>	<i>\$ 367,017</i>	<i>\$ 3,067</i>	<i>0.8 %</i>
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 363,950	\$ 367,017	\$ 3,067	0.8 %	\$ 363,950	\$ 367,017	\$ 3,067	0.8 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Veterinary Examiners Fee Fund	363,950	367,017	3,067	0.0	363,950	367,017	3,067	0.8
TOTAL	\$ 363,950	\$ 367,017	\$ 3,067	0.8 %	\$ 363,950	\$ 367,017	\$ 3,067	0.8 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	360,653	359,953	(700)	359,953	(700)
TOTAL	\$ 360,653	\$ 359,953	\$ (700)	\$ 359,953	\$ (700)
FTE Positions	4.0	4.0	0.0	4.0	0.0

The **agency** estimates FY 2019 expenditures of \$359,953, all from special revenue funds, which is a decrease of \$700, or 0.2 percent, below the approved amount. This decrease is due to reduced expenditures on salaries and wages, partially offset by increased expenditures on contractual services, commodities, and capital outlay. Expenditures are detailed below:

- **Salaries and Wages.** The agency estimates salaries and wages expenditures of \$260,261, which is a decrease of \$29,416, or 10.2 percent, below the approved amount. The agency

indicates the decrease is due to the decision to maintain a part-time executive director and removing the KPERS contribution amount for the executive director position;

- **Contractual Services.** The agency estimates contractual services expenditures of \$84,957, which is an increase of \$21,280, or 33.4 percent, above the approved amount. The increase is due to increased expenditures on rent for a larger office and increases in costs for services from the

Office of Information Technology Services and the Office of the Attorney General;

- **Commodities.** The agency estimates commodities expenditures of \$8,935, which is an increase of \$3,636, or 68.6 percent, above the approved amount. The increase is due to increased expenditures on travel for the inspector and investigator to audit veterinarians who do not operate out of a registered premises (ambulatory medicine); and

- **Capital Outlay.** The agency estimates commodities expenditures of \$5,800, which is an increase of \$3,800, or 190.0 percent, above the approved amount. The increase is due to the expected purchase of a body camera for the agency's investigator.

The **Governor** concurs with the agency's FY 2019 revised estimate.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 363,950	\$ 363,950	\$ 0
FTE Positions	4.0	4.0	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	3,997	3,997	
TOTAL	\$ 3,997	\$ 3,997	
<i>Percent Change:</i>			
State General Fund	0.0 %	0.0 %	
All Other Funds	1.1	1.1	
TOTAL	1.1 %	1.1 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests a total of \$363,950, all from special revenue funds, for FY 2020. This is an increase of \$3,997, or 1.1 percent, above the FY 2019 revised estimate. This increase is due to increased expenditures on salaries and wages, contractual services, commodities, and capital outlay.

Expenditures are detailed below:

- **Salaries and Wages.** The agency requests salaries and wages expenditures of \$262,588, which is an increase of \$2,327, or 0.9 percent, above the FY 2019 revised estimate. This increase is due to increased expenditures on

employer contributions to KPERS and group health insurance;

- **Contractual Services.** The agency requests contractual services expenditures of \$86,372, which is an increase of \$1,415, or 1.7 percent, above the FY 2019 revised estimate. This is due to increased expenditures on professional fees and vehicle mileage;
- **Commodities.** The agency requests commodities expenditures of \$9,040, which is an

increase of \$105, or 1.2 percent, above the FY 2019 revised estimate. This is due to increased expenditures on gasoline; and

- **Capital Outlay.** The agency requests capital outlay expenditures of \$5,950, which is an increase of \$150, or 2.6 percent, above the FY 2019 revised estimate. The increase is due to increased expenditures on office furniture.

The **Governor** concurs with the agency's FY 2020 request.

C. FY 2021 – Budget Year

FY 2021 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 367,017	\$ 367,017	\$ 0
FTE Positions	4.0	4.0	0.0
Change from FY 2020:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	3,067	3,067	
TOTAL	\$ 3,067	\$ 3,067	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	0.8	0.8	
TOTAL	0.8 %	0.8 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2021 expenditures of \$367,017, all from special revenue funds, which is an increase of \$3,067, or 0.8 percent, above the FY 2020 request. This is due to increases in salaries and wages, contractual services, commodities, and capital outlay. Expenditures are detailed below:

- **Salaries and Wages.** The agency requests salaries and wages expenditures of \$263,177, which is an increase of \$589, or 0.2 percent,

above the FY 2020 requested amount. This is due to increased expenditures on employer contributions to group health insurance;

- **Contractual Services.** The agency requests contractual services expenditures of \$88,170, which is an increase of \$1,798, or 2.1 percent, above the FY 2020 request. This increase is due to increased expenditures on travel and subsistence, as well as professional fees;

- **Commodities.** The agency requests commodities expenditures of \$9,470, which is an increase of \$430, or 4.8 percent, above the FY 2020 request. This is primarily due to increased gasoline and office supplies expenditures; and

- **Capital Outlay.** The agency requests capital outlay expenditures of \$6,200, which is an increase of \$250, or 4.2 percent, above the FY 2020 request. This is due to increased expenditures on office furniture and software.

The **Governor** concurs with the agency's FY 2021 request.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$3,696, all from special revenue funds.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, there are no longevity payments.**

Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020	Agency Req. Percent of Total FY 2021	Gov. Rec. Percent of Total FY 2021
Veterinary Examiners Fee Fund (includes official hospitality subfund)	100.0 %	100.0 %	100.0 %	100.0 %
State General Fund	0.0	0.0	0.0	0.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Veterinary Examiners Fee Fund

The Board of Veterinary Examiners is a fee-funded agency. The revenue received provides financing for all agency operations, with 90.0 percent being retained by the agency and 10.0 percent being deposited into the State General Fund. The Board of Veterinary Examiners generates fee revenues for licensing, registering, and giving examinations to veterinarians

and veterinary technicians who wish to practice veterinary medicine in Kansas. The Board also charges fees for the registration and inspection of veterinary premises. All licenses and registrations are renewed annually and include a fee for this service (KSA 47-820).

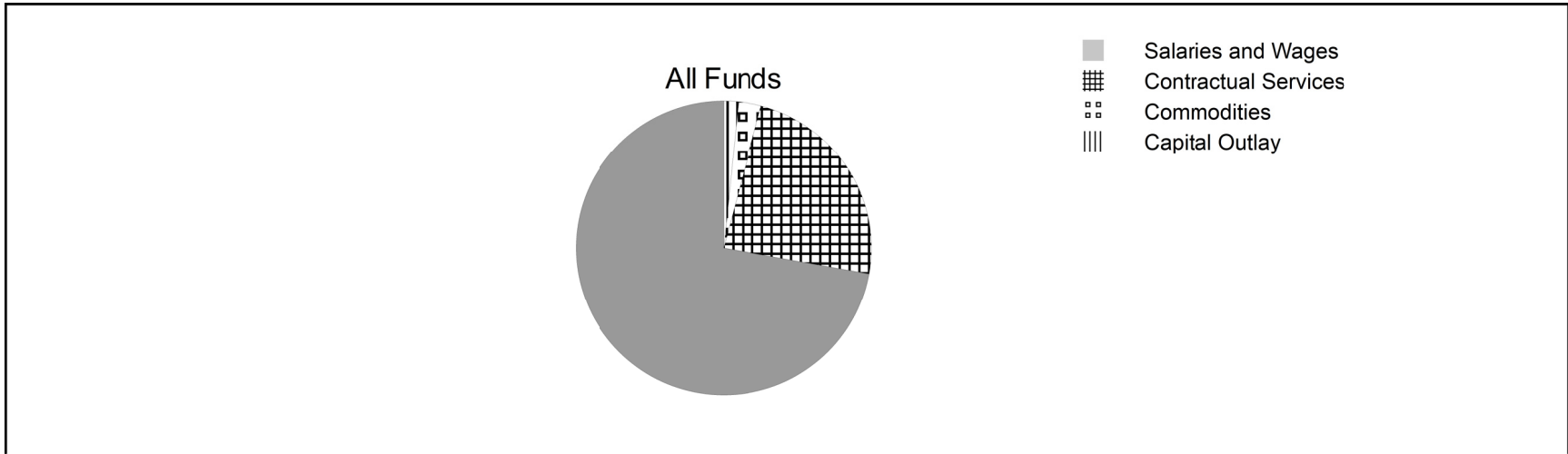
Resource Estimate	Actual FY 2018	Agency Estimate FY 2019	Governor Rec. FY 2019	Agency Request FY 2020	Governor Rec. FY 2020	Agency Request FY 2021	Governor Rec. FY 2021
Beginning Balance	\$ 219,010	\$ 187,218	\$ 187,218	\$ 183,890	\$ 183,890	\$ 180,692	\$ 180,692
Revenue	314,003	356,625	356,625	360,752	360,752	362,970	362,970
Transfers in	0	0	0	0	0	0	0
<i>Funds Available</i>	<u>\$ 533,013</u>	<u>\$ 543,843</u>	<u>\$ 543,843</u>	<u>\$ 544,642</u>	<u>\$ 544,642</u>	<u>\$ 543,662</u>	<u>\$ 543,662</u>
Less:							
Expenditures	\$ 345,795	\$ 359,953	\$ 359,953	\$ 363,950	\$ 363,950	\$ 367,017	\$ 367,017
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 187,218</u>	<u>\$ 183,890</u>	<u>\$ 183,890</u>	<u>\$ 180,692</u>	<u>\$ 180,692</u>	<u>\$ 176,645</u>	<u>\$ 176,645</u>
Ending Balance as Percent of Expenditures	54.1%	51.1%	51.1%	49.6%	49.6%	48.1%	48.1%
Month Highest Ending Balance	July	July	July	July	July	July	July
	<u>\$ 253,686</u>	<u>\$ 253,388</u>	<u>\$ 253,388</u>	<u>\$ 262,000</u>	<u>\$ 262,000</u>	<u>\$ 269,000</u>	<u>\$ 269,000</u>
Month Lowest Ending Balance	May	May	May	May	May	May	May
	<u>\$ 70,168</u>	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ 66,000</u>	<u>\$ 66,000</u>	<u>\$ 64,000</u>	<u>\$ 64,000</u>

LICENSURE FEES

License	Current Fee	Statutory Limit
Veterinary Medicine License (application)	\$ 125	\$ 250
Veterinary Medicine License (annual renewal)	95	100
Veterinary Medicine License (renewal, if renewal is for an initial license that was issued after April 30 of the preceding license year)	20	100
Veterinary Medicine License (late renewal penalty)	100	0
Veterinary Premise Registration (application)	75	150
Veterinary Premise Registration (renewal)	50	50
Veterinary Premise Registration (late renewal penalty)	50	50
Veterinary Premise Inspection	75	150
Veterinary Premises Noncompliance Inspections	100	150
Veterinary Technician Registration (application)	20	50
Veterinary Technician Registration (renewal)	10	25
Institutional License (application)	50	250
Institutional License (annual renewal)	25	100

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2020 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Salaries and Wages	\$ 262,588	72.1 %	\$ 0	-- %
Contractual Services	86,372	23.7	0	--
Commodities	9,040	2.5	0	--
Capital Outlay	5,950	1.6	0	--
TOTAL	\$ 363,950	100.0 %	\$ 0	100.0 %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2021

<u>Program</u>	<u>Actual FY 2018</u>	<u>Agency Est. FY 2019</u>	<u>Gov. Rec. FY 2019</u>	<u>Agency Req. FY 2020</u>	<u>Gov. Rec. FY 2020</u>	<u>Agency Req. FY 2021</u>	<u>Gov. Rec. FY 2021</u>
Administration	4.0	4.0	4.0	4.0	4.0	4.0	4.0

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.