

REAL ESTATE COMMISSION

FY 2023 – FY 2025 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	1,425,156	1,442,840	1,442,840	1,459,273	1,459,273
<i>Subtotal</i>	<u>\$ 1,425,156</u>	<u>\$ 1,442,840</u>	<u>\$ 1,442,840</u>	<u>\$ 1,459,273</u>	<u>\$ 1,459,273</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 1,425,156</u>	<u>\$ 1,442,840</u>	<u>\$ 1,442,840</u>	<u>\$ 1,459,273</u>	<u>\$ 1,459,273</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	11.8 %	1.2 %	1.2 %	1.1 %	1.1 %
FTE Positions	12.0	12.0	12.0	12.0	12.0

The Real Estate Commission protects the public interest in the selling, purchasing, and leasing of real estate, and it develops responsive policies and procedures that are focused on customer service and are not unduly burdensome to regulated real estate licensees.

The agency administers a program of licensure, education, and compliance relating to the transacting of real estate by salespersons and brokers in Kansas. The Commission is composed of five members appointed by the Governor for staggered four-year terms. One member is appointed from each congressional district, and one member is appointed from the state at large. At least three members shall have been real estate brokers for at least five years, and at least one member shall have never been a real estate broker.

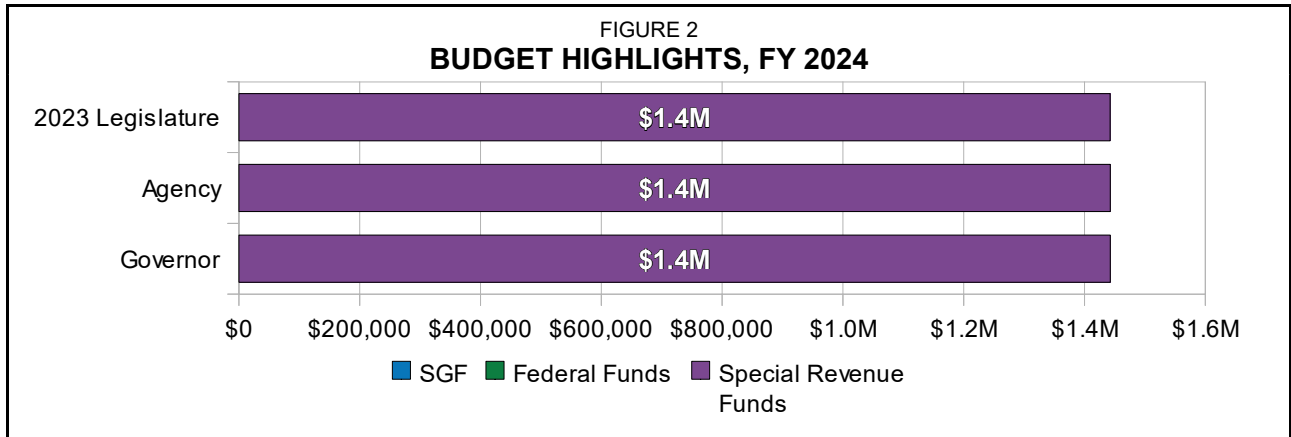
The agency operates under the authority granted by KSA 74-4201 *et seq.*; KSA 58-3034 *et seq.* prescribes licensing standards for real estate brokers and salespersons; and KSA 58-30,101 *et seq.* governs brokerage relationships between real estate salespersons, brokers, and their clients and customers.

STATUTORY BASIS: • KSA 74-4202(b)

- PROGRAM GOALS:**
- License only those individuals who have successfully completed all pre-licensing and continuing education requirements required by Kansas law.
 - Increase licensees' knowledge of Kansas real estate law through education and outreach.
 - Regulate real estate licensed activities to require compliance with commission statutes and regulations.

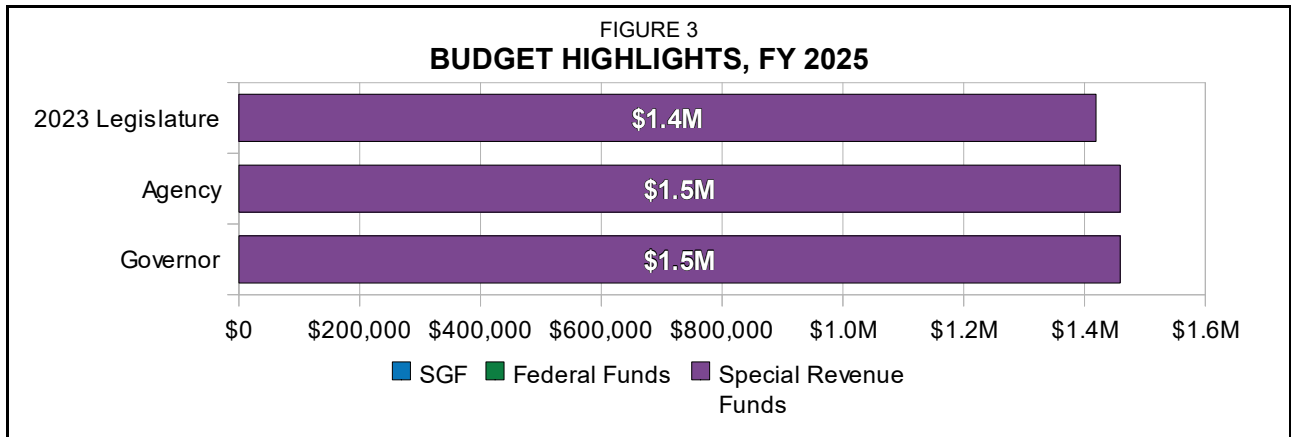
EXECUTIVE SUMMARY

The 2023 Legislature approved a budget of \$1,442,508, all from special revenue funds, in expenditures and 12.0 FTE positions for the Real Estate Commission for FY 2024.



The **agency** requests a revised estimate of \$1.4 million, all from special revenue funds, and 12.0 FTE positions in FY 2024. This is an increase of \$332, or 0.02 percent, above the approved amount. There are slight increases in contractual services (\$1,800, or 0.4 percent) and commodities (\$375, or 8.8 percent), as well as a reduction in salaries and wages (\$1,843, or 0.2 percent).

The **Governor** concurs with the agency's FY 2024 revised estimate.



The **agency** requests \$1.5 million, all from special revenue funds, and 12.0 FTE positions in FY 2025. This is an increase of \$40,238, or 2.8 percent, above the amount approved by the 2023 Legislature. This increase is primarily to account for an increase in expenditure limitation that was inadvertently omitted from the Legislative Pay Plan in 2023 SB 25. This adjustment would achieve the intended effect of the pay plan and does not represent a substantive change from the salary adjustments approved by the 2023 Legislature.

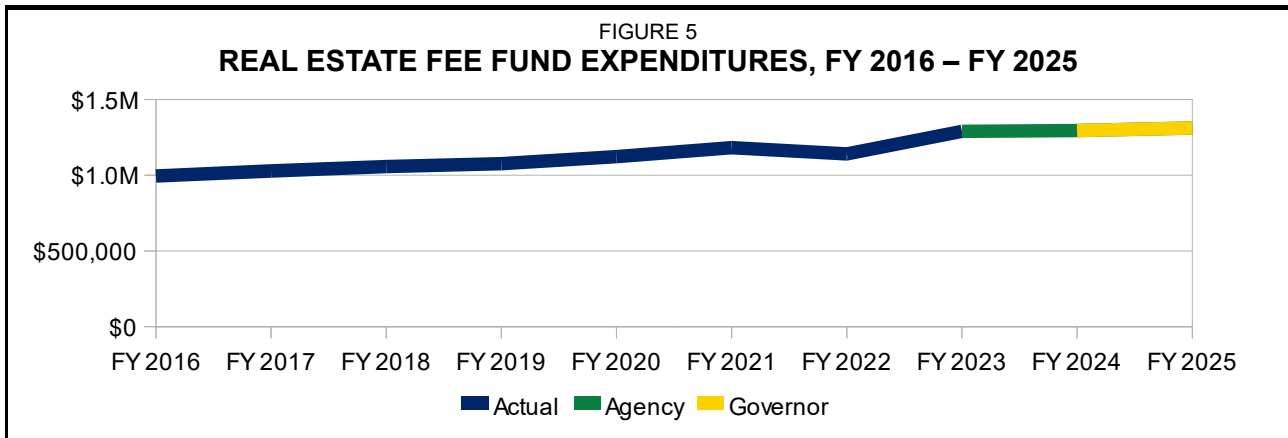
The **Governor** concurs with the agency's FY 2025 revised estimate.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2023 – FY 2025

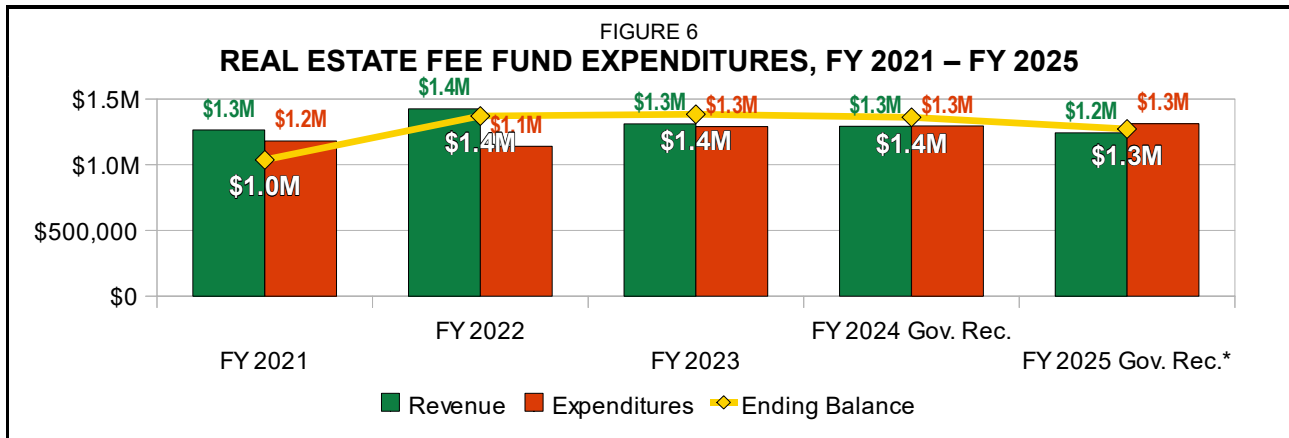
	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Category of Expenditure:					
Salaries and Wages	\$ 876,016	\$ 960,509	\$ 960,509	\$ 968,225	\$ 968,225
Contractual Services	541,937	474,656	474,656	481,948	481,948
Commodities	3,970	4,625	4,625	4,550	4,550
Capital Outlay	3,233	3,050	3,050	4,550	4,550
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 1,425,156</u>	<u>\$ 1,442,840</u>	<u>\$ 1,442,840</u>	<u>\$ 1,459,273</u>	<u>\$ 1,459,273</u>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<u>\$ 1,425,156</u>	<u>\$ 1,442,840</u>	<u>\$ 1,442,840</u>	<u>\$ 1,459,273</u>	<u>\$ 1,459,273</u>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	<u>\$ 1,425,156</u>	<u>\$ 1,442,840</u>	<u>\$ 1,442,840</u>	<u>\$ 1,459,273</u>	<u>\$ 1,459,273</u>
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund	1,425,156	1,442,840	1,442,840	1,459,273	1,459,273
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	<u>\$ 1,425,156</u>	<u>\$ 1,442,840</u>	<u>\$ 1,442,840</u>	<u>\$ 1,459,273</u>	<u>\$ 1,459,273</u>
FTE Positions	12.0	12.0	12.0	12.0	12.0

REAL ESTATE FEE FUND



The Real Estate Fee Fund is the primary receipting and expenditure fund of the Commission. The fund is where all license, application, and other fees are deposited (per KSA 58-3074). 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 (SGF), up to a maximum of \$100,000 per fiscal year per fund.

REAL ESTATE FEE FUND



* For FY 2025, the lowest month ending balance for the Real Estate Fee Fund will occur in August, with a balance of \$1.1 million.

The Real Estate Fee Fund receives fees in the amounts noted within the following fee table that are related to the licensure, education, and compliance of the transacting of real estate by salespersons and brokers in Kansas.

FIGURE 7
LICENSE FEES, FY 2024

License	Current Fee	Statutory Limit	Authority
Real Estate Broker Application	\$ 50	\$ 50	KSA 58-3063
Real Estate Broker License (Original and Renewal)	175	200	KSA 58-3063
Real Estate Salesperson Application	15	25	KSA 58-3063
Real Estate Salesperson License	125	150	KSA 58-3063
Course Approval (Provider)	75	75	KSA 58-3063
Course Approval (Licensee)	20	20	KSA 58-3063
Background Investigation	60	Cost Recovery*	
Open Company Office (Primary and Branch)	100	100	KSA 58-3063

* 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 Kansas Bureau of Investigation (KBI) or the Federal Bureau of Investigation. 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.

FY 2024 ANALYSIS

FIGURE 8

SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE	
Legislative Approved:					
Amount Approved by 2023 Legislature	\$	-	\$ 1,442,508	\$ 1,442,508	12.0
1. No Changes	-	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$	-	<i>1,442,508</i>	<i>\$ 1,442,508</i>	<i>12.0</i>
Agency Revised Estimate:					
2. Salaries and Wages	\$	-	\$ (1,843)	\$ (1,843)	--
3. Contractual Services	-	-	1,800	1,800	--
4. Commodities	-	-	375	375	--
<i>Subtotal—Agency Revised Estimate</i>	\$	-	<i>1,442,840</i>	<i>\$ 1,442,840</i>	<i>12.0</i>
Governor’s Recommendation:					
5. No Changes	\$	-	-	-	--
TOTAL	\$	-	\$ 1,442,840	\$ 1,442,840	12.0

LEGISLATIVE APPROVED

Subsequent to the 2023 Session, no adjustments were made to the \$1.4 million appropriated to the Real Estate Commission for FY 2024.

1. **NO CHANGES.** There were no adjustments made to the \$1.4 million appropriated in FY 2024.

AGENCY ESTIMATE

ALL OTHER ADJUSTMENTS. The **agency** submits a revised estimate of \$1.4 million, all from special revenue funds, in FY 2024. This is an increase of \$332, or 0.02 percent, above the FY 2024 approved amount.

The **agency’s** estimate includes the following adjustments:

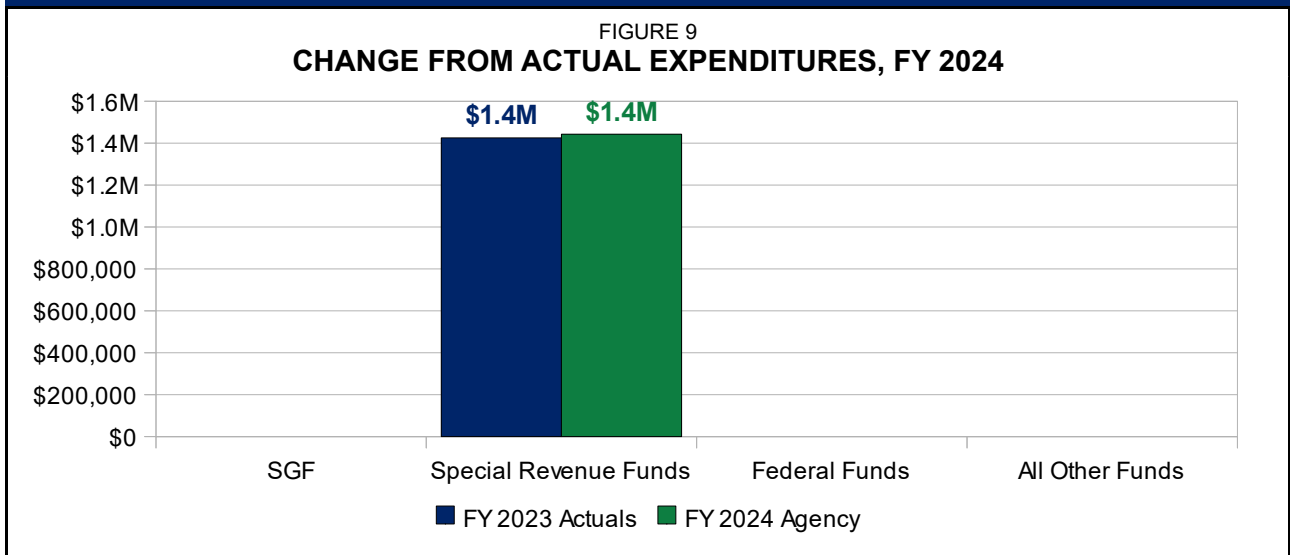
2. **SALARIES AND WAGES.** There is a reduction of \$1,843, or 0.2 percent, in salaries and wages.
3. **CONTRACTUAL SERVICES.** There is an increase of \$1,800, or 0.4 percent, in contractual services. This includes increases in travel costs and printing, as well as decreases in information services consulting fees.
4. **COMMODITIES.** There is an increase of \$375, or 8.8 percent, in commodities for food.

GOVERNOR’S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 revised estimate.

5. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2024 revised estimate.

FY 2024 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$1.4 million, all from special revenue funds, in FY 2024. This is an increase of \$17,684, or 1.2 percent, above the FY 2023 actual amount. The increase is mainly due to an increase in salaries and wages of \$84,493 for the 2023 Legislative Pay Plan and fringe benefits. There is a decrease in contractual services of \$67,281. This reduction is primarily associated with FY 2023 expenditures where the agency paid the upfront costs of development and the first-year maintenance fee for a new license system.

FY 2025 ANALYSIS

FIGURE 10

SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate*:				
Revised Estimate without Major Changes	\$ -	\$ 1,419,035	\$ 1,419,035	12.0
Enhancement Requests:				
1. Pay Plan Shortfall	\$ -	\$ 39,927	\$ 39,927	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 1,459,273</i>	<i>\$ 1,459,273</i>	<i>12.0</i>
Governor’s Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 1,459,273	\$ 1,459,273	12.0

* *Staff note:* The 2023 Legislature approved a budget of \$1,419,035, all from special revenue funds, and 12.0 FTE positions for FY 2025.

AGENCY ESTIMATE

The **agency** requests \$1.5 million, all from special revenue funds, in expenditures and 12.0 FTE positions for FY 2025. This is an increase of \$16,433, or 1.1 percent, above the FY 2024 revised estimate and \$40,238, or 2.8 percent, above the amount approved by the 2023 Legislature. The request includes \$39,927 for the following enhancement request:

1. **PAY PLAN SHORTFALL.** The agency requests \$39,927 to continue funding the pay plan implemented by the 2023 Legislature. This increase is primarily to account for an increase in expenditure limitation that was inadvertently omitted from the Legislative Pay Plan in 2023 SB 25. This adjustment would achieve the intended effect of the pay plan and does not represent a substantive change from the salary adjustments approved by the 2023 Legislature.

GOVERNOR’S RECOMMENDATION

The **Governor** concurs with the agency's FY 2025 revised estimate.

2. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2025 revised estimate.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

FIGURE 11 SUPPLEMENTAL AND ENHANCEMENT REQUESTS, FY 2024 – FY 2025						
Request	SGF	Agency All Funds	FTE	SGF	Governor All Funds	FTE
FY 2025 Enhancements:						
1. Pay Plan	\$	- \$ 39,927	-	\$	- \$ 39,927	-

1. **PAY PLAN.** The agency requests \$39,927 for FY 2025 to continue funding the pay plan approved by the 2023 Legislature.

The Governor recommends adoption of this request.