

## Senate Subcommittee Report

**Agency:** Real Estate Commission

**Bill No.** SB 237

**Bill Sec.** 21

**Analyst:** Chiamopoulos

**Analysis Pg. No.** 1874

**Budget Page No.** 464

| Expenditure Summary            | Agency<br>Request<br>FY 2016 | Governor<br>Recommendation<br>FY 2016 | Senate<br>Subcommittee<br>Adjustments |
|--------------------------------|------------------------------|---------------------------------------|---------------------------------------|
| <b>Operating Expenditures:</b> |                              |                                       |                                       |
| State General Fund             | \$ 0                         | \$ 0                                  | \$ 0                                  |
| Other Funds                    | 1,234,189                    | 1,111,201                             | 0                                     |
| Subtotal                       | \$ 1,234,189                 | \$ 1,111,201                          | \$ 0                                  |
| <b>Capital Improvements:</b>   |                              |                                       |                                       |
| State General Fund             | \$ 0                         | \$ 0                                  | \$ 0                                  |
| Other Funds                    | 0                            | 0                                     | 0                                     |
| Subtotal                       | \$ 0                         | \$ 0                                  | \$ 0                                  |
| <b>TOTAL</b>                   | <b>\$ 1,234,189</b>          | <b>\$ 1,111,201</b>                   | <b>\$ 0</b>                           |
| FTE positions                  | 9.0                          | 9.0                                   | 0.0                                   |
| Non FTE Uncl. Perm. Pos.       | 4.0                          | 3.0                                   | 0.0                                   |
| <b>TOTAL</b>                   | <b>13.0</b>                  | <b>12.0</b>                           | <b>0.0</b>                            |

### Agency Request

The **agency** requests FY 2016 operating expenditures of \$1.2 million, all from special revenue funds, which is an increase of \$66,938, or 5.7 percent, above the FY 2015 revised estimate. The increase is primarily attributable to increases in building rent (\$7,500), professional fees for consulting, litigation, and programming services (\$21,000), the monumental building surcharge and programming services provided by OITS (\$9,700), and an enhancement request of \$116,351, all from the Real Estate Fee Fund and linked to a proposed \$25 fee increase, for an in-house counsel position and travel-related expenditures, which are partially offset by reductions in information technology consulting expenditures (\$32,500) and computer equipment expenditures (\$67,500) that were requested in FY 2015 to replace the agency's electronic records management system. The request includes funding for 9.0 FTE positions, which is the same number included in the agency's FY 2015 revised estimate.

**Absent the enhancement**, the agency requests FY 2016 operating expenditures of \$1.1 million, all from special revenue funds, which is a decrease of \$49,413, or 4.2 percent, below the FY 2015 revised estimate.

### Governor's Recommendation

The **Governor** recommends FY 2016 operating expenditures of \$1.1 million, all from special revenue funds. The recommendation is a decrease of \$122,988, or 10.0 percent, below

the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement request of \$116,351 linked to a proposed \$25 fee increase, as well as recommending a reduction of \$6,637 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's request for 9.0 FTE positions for FY 2016.

The Governor also recommends increasing the amount withheld from the agency's fee fund revenue from 10.0 percent or \$100,000, whichever is less, to 20.0 percent or \$200,000, whichever is less, and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount is estimated at \$100,000 for FY 2016.

### **Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the Governor's recommendation with the following adjustment and notation:

1. Add language to prohibit the agency from expending moneys approved for information technology expenditures for any other purpose for FY 2016.
2. The Subcommittee notes that SB 108 would increase the statutory limit on the agency's original and renewal license fees by \$50. The Subcommittee recommends the agency's enhancement request to fund an in-house counsel position (\$89,361) and travel-related expenditures (\$26,990) and the additional \$100,000 in fee fund revenue remitted to the State General Fund for administrative services that is included in the Governor's budget be reviewed at Omnibus after ascertaining whether SB 108 or similar legislation raising the agency's fee limits has been enacted.

### **Senate Committee Recommendation**

The **Committee** concurs with the Subcommittee's recommendation with the following adjustment:

1. Do not increase the amount from 10.0 percent (maximum \$100,000) to 20.0 percent (maximum \$200,000) that is withheld from the agency's fee fund revenue and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount was estimated to be \$100,000 for FY 2016.

### **Senate Committee of the Whole Recommendation**

The **Committee of the Whole** concurs with the Committee's recommendation.

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## House Budget Committee Report

**Agency:** Real Estate Commission

**Bill No.** HB 2370

**Bill Sec.** 21

**Analyst:** Chiamopoulos

**Analysis Pg. No.** 1874

**Budget Page No.** 464

| Expenditure Summary      | Agency Request<br>FY 2016 | Governor<br>Recommendation<br>FY 2016 | House Budget<br>Committee<br>Adjustments |
|--------------------------|---------------------------|---------------------------------------|--|
| Operating Expenditures:  |                           |                                       |  |
| State General Fund       | \$ 0                      | \$ 0                                  | \$ 0                                     |
| Other Funds              | 1,234,189                 | 1,111,201                             | 0  |
| Subtotal                 | \$ 1,234,189              | \$ 1,111,201                          | \$ 0                                     |
| Capital Improvements:    |                           |                                       |  |
| State General Fund       | \$ 0                      | \$ 0                                  | \$ 0                                     |
| Other Funds              | 0                         | 0                                     | 0  |
| Subtotal                 | \$ 0                      | \$ 0                                  | \$ 0                                     |
| <br>TOTAL                | <br>\$ 1,234,189          | <br>\$ 1,111,201                      | <br>\$ 0                                 |
| <br>FTE positions        | <br>9.0                   | <br>9.0                               | <br>0.0                                  |
| Non FTE Uncl. Perm. Pos. | 4.0                       | 3.0                                   | 0.0                                      |
| TOTAL                    | 13.0                      | 12.0                                  | 0.0                                      |

### Agency Request

The **agency** requests FY 2016 operating expenditures of \$1.2 million, all from special revenue funds, which is an increase of \$66,938, or 5.7 percent, above the FY 2015 revised estimate. The increase is primarily attributable to increases in building rent (\$7,500), professional fees for consulting, litigation, and programming services (\$21,000), the monumental building surcharge and programming services provided by OITS (\$9,700), and an enhancement request of \$116,351, all from the Real Estate Fee Fund and linked to a proposed \$25 fee increase, for an in-house counsel position and travel-related expenditures, which are partially offset by reductions in information technology consulting expenditures (\$32,500) and computer equipment expenditures (\$67,500) that were requested in FY 2015 to replace the agency's electronic records management system. The request includes funding for 9.0 FTE positions, which is the same number included in the agency's FY 2015 revised estimate.

**Absent the enhancement**, the agency requests FY 2016 operating expenditures of \$1.1 million, all from special revenue funds, which is a decrease of \$49,413, or 4.2 percent, below the FY 2015 revised estimate.

### **Governor's Recommendation**

The **Governor** recommends FY 2016 operating expenditures of \$1.1 million, all from special revenue funds. The recommendation is a decrease of \$122,988, or 10.0 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement request of \$116,351 linked to a proposed \$25 fee increase, as well as recommending a reduction of \$6,637 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's request for 9.0 FTE positions for FY 2016.

The Governor also recommends increasing the amount withheld from the agency's fee fund revenue from 10.0 percent or \$100,000, whichever is less, to 20.0 percent or \$200,000, whichever is less, and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount is estimated at \$100,000 for FY 2016.

### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation with the following notation:

1. The Budget Committee notes the agency voiced concerns regarding its projected diminishing fee fund balance due, in part, to the proposed 10.0 percent increase in the amount of fee fund revenue transferred to the State General Fund for administrative purposes that is included in the Governor's budget.

### **House Committee Recommendation**

The **Committee** concurs with the Budget Committee's recommendation with the following adjustment:

1. Do not increase the amount from 10.0 percent (maximum \$100,000) to 20.0 percent (maximum \$200,000) that is withheld from the agency's fee fund revenue and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount was estimated to be \$100,000 for FY 2016.

### **Conference Committee Recommendation (House Sub. for SB 112)**

The **Conference Committee** concurs with the Governor's recommendation with the following adjustments:

1. Do not increase the amount from 10.0 percent (maximum \$100,000) to 20.0 percent (maximum \$200,000) that is withheld from the agency's fee fund revenue and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount was estimated to be \$100,000 for FY 2016.
2. Add language to prohibit the agency from expending moneys approved for information technology expenditures for any other purpose for FY 2016.

3. Delete \$6,392, all from the Real Estate Fee Fund, to reduce the Kansas Public Employees Retirement System employer contribution rate from 12.37 percent to 10.91 percent for FY 2016. This implements the provisions of SB 228.
4. Delete \$1,323, all from the Real Estate Fee Fund, to suspend employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund, for the final seven pay periods for FY 2016.
5. Add language to prohibit the agency from making expenditures on newspapers and magazines, including electronic subscriptions, for FY 2016.

|                      | Governor's<br>Recommendation<br>FY 2016 | Legislative<br>Action | Legislative<br>Approved<br>FY 2016 | Governor's<br>Veto<br>FY 2016 | Final<br>Legislative<br>Approved<br>FY 2016 |
|----------------------|---|-----------------------|------------------------------------|-------------------------------|---|
| All Funds            |   |                       |                                    |                               |   |
| State Operations     | \$ 1,111,201                            | \$ (7,715)            | \$ 1,103,486                       | \$ 0                          | \$ 1,103,486                                |
| Aid to Local Units   | 0                                       | 0                     | 0                                  | 0                             | 0   |
| Other Assistance     | 0                                       | 0                     | 0                                  | 0                             | 0   |
| Subtotal- Operations | \$ 1,111,201                            | \$ (7,715)            | \$ 1,103,486                       | \$ 0                          | \$ 1,103,486                                |
| Capital Improvements | 0                                       | 0                     | 0                                  | 0                             | 0   |
| TOTAL                | \$ 1,111,201                            | \$ (7,715)            | \$ 1,103,486                       | \$ 0                          | \$ 1,103,486                                |

State General Fund

|                      |      |      |      |      |      |
|----------------------|------|------|------|------|------|
| State Operations     | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Aid to Local Units   | 0    | 0    | 0    | 0    | 0    |
| Other Assistance     | 0    | 0    | 0    | 0    | 0    |
| Subtotal-Operating   | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Capital Improvements | 0    | 0    | 0    | 0    | 0    |
| TOTAL                | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

|                             |      |     |      |     |      |
|-----------------------------|------|-----|------|-----|------|
| FTE Positions               | 9.0  | 0.0 | 9.0  | 0.0 | 9.0  |
| Non-FTE Unclass. Perm. Pos. | 3.0  | 0.0 | 3.0  | 0.0 | 3.0  |
| TOTAL                       | 12.0 | 0.0 | 12.0 | 0.0 | 12.0 |