

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 Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,286,999	1,154,158	0
Subtotal	<u>\$ 1,286,999</u>	<u>\$ 1,154,158</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 1,286,999</u></u>	<u><u>\$ 1,154,158</u></u>	<u><u>\$ 0</u></u>
FTE positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	3.0	0.0
TOTAL	<u><u>13.0</u></u>	<u><u>12.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2017 operating expenditures of \$1.3 million, all from special revenue funds, which is an increase of \$52,810, or 4.3 percent, above the FY 2016 request. The increase is primarily attributable to an additional (27th) payroll period in FY 2017 and increases in KPERS employer contributions, travel expenditures, building rent, and the monumental building surcharge. The request includes an enhancement of \$126,071, all from the Real Estate Fee Fund, linked to a proposed \$25 fee increase. The enhancement includes \$93,436 to fund an in-house counsel position and \$32,635 for travel expenditures related to training and to resuming on-site brokerage audits. The request includes funding for 9.0 FTE positions, which is the same number included in the agency's FY 2016 request.

Absent the enhancement, the agency requests FY 2017 operating expenditures of \$1.2 million, all from special revenue funds, which is an increase of \$43,090, or 3.9 percent, above the FY 2016 request less enhancements.

Governor's Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$1.2 million, all from special revenue funds. The recommendation is a decrease of \$132,841, or 10.3 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement request of \$126,071 linked to a proposed \$25 fee increase, as well

as recommending a reduction of \$6,770 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's request for 9.0 FTE positions for FY 2017.

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 2017.

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 2017.
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 (\$93,436) and travel-related expenditures (\$32,635) 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 2017.

Senate Committee of the Whole Recommendation

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

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 FY 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,286,999	1,154,158	0
Subtotal	\$ 1,286,999	\$ 1,154,158	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 1,286,999	\$ 1,154,158	\$ 0
FTE positions	9.0	9.0	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 2017 operating expenditures of \$1.3 million, all from special revenue funds, which is an increase of \$52,810, or 4.3 percent, above the FY 2016 request. The increase is primarily attributable to an additional (27th) payroll period in FY 2017 and increases in KPERS employer contributions, travel expenditures, building rent, and the monumental building surcharge. The request includes an enhancement of \$126,071, all from the Real Estate Fee Fund, linked to a proposed \$25 fee increase. The enhancement includes \$93,436 to fund an in-house counsel position and \$32,635 for travel expenditures related to training and to resuming on-site brokerage audits. The request includes funding for 9.0 FTE positions, which is the same number included in the agency's FY 2016 request.

Absent the enhancement, the agency requests FY 2017 operating expenditures of \$1.2 million, all from special revenue funds, which is an increase of \$43,090, or 3.9 percent, above the FY 2016 request less enhancements.

Governor's Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$1.2 million, all from special revenue funds. The recommendation is a decrease of \$132,841, or 10.3 percent, below

the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement request of \$126,071 linked to a proposed \$25 fee increase, as well as recommending a reduction of \$6,770 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's request for 9.0 FTE positions for FY 2017.

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 2017.

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 2017.

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 2017.
2. Add language to prohibit the agency from expending moneys approved for information technology expenditures for any other purpose for FY 2017.
3. Delete \$12,557, all from the Real Estate Fee Fund, to reduce the Kansas Public Employees Retirement System employer contribution rate from 13.57 percent to 10.81 percent for FY 2017. This implements the provisions of SB 228.

4. Delete \$1,455, 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 2017.
5. Add language to prohibit the agency from making expenditures on newspapers and magazines, including electronic subscriptions, for FY 2017.

	Governor's Recommendation FY 2017	Legislative Action	Legislative Approved FY 2017	Governor's Vetoed FY 2017	Final Legislative Approved FY 2017
All Funds					
State Operations	\$ 1,154,158	\$ (14,012)	\$ 1,140,146	\$ 0	\$ 1,140,146
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
Subtotal- Operations	\$ 1,154,158	\$ (14,012)	\$ 1,140,146	\$ 0	\$ 1,140,146
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 1,154,158</u>	<u>\$ (14,012)</u>	<u>\$ 1,140,146</u>	<u>\$ 0</u>	<u>\$ 1,140,146</u>

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	<u>\$ 0</u>				

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	<u>12.0</u>	<u>0.0</u>	<u>12.0</u>	<u>0.0</u>	<u>12.0</u>