

# KANSAS BOARD OF EXAMINERS IN FITTING AND DISPENSING OF HEARING INSTRUMENTS

	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
<b>Operating Expenditures:</b>							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	29,313	28,627	28,627	29,157	29,157	29,948	29,948
<b>TOTAL</b>	<b>\$ 29,313</b>	<b>\$ 28,627</b>	<b>\$ 28,627</b>	<b>\$ 29,157</b>	<b>\$ 29,157</b>	<b>\$ 29,948</b>	<b>\$ 29,948</b>
<b>Capital Improvements:</b>							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>GRAND TOTAL</b>	<b>\$ 29,313</b>	<b>\$ 28,627</b>	<b>\$ 28,627</b>	<b>\$ 29,157</b>	<b>\$ 29,157</b>	<b>\$ 29,948</b>	<b>\$ 29,948</b>

**Percentage Change:**

<b>Operating Expenditures</b>							
State General Fund	0.0 %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	0.5	(2.3)	(2.3)	1.9	1.9	2.7	2.7
<b>FTE Positions</b>							
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-FTE</b>							
Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>0.0</b>						

## 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 that 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 270 licensees renew their licenses each year and about 40 persons submit applications each year to become licensed.

### MAJOR ISSUES FROM PRIOR YEARS

The **2003 Legislature** enacted 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 provides 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** enacted 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 \$550, 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.

### BUDGET SUMMARY AND KEY POINTS

#### FY 2015 Agency Estimate

The **agency** estimates revised FY 2015 operating expenditures of \$28,627, all from special revenue funds. The estimate is a decrease of \$6,459, or 18.4 percent, below the amount approved by the 2014 Legislature. The decrease is

primarily attributable to the elimination of rent and utilities expenditures (\$2,112) due to the new executive officer working out of existing office space and reductions in travel-related expenditures (\$1,067), litigation expenditures (\$1,000),

computer equipment expenditures (\$1,000), medicare contributions (\$315), and temporary wages (\$697) due to the executive officer transition requiring less funding than projected.

The estimate includes funding for 0.0 FTE positions, the same number approved by the 2014 Legislature.

### **FY 2015 Governor Recommendation**

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

### **FY 2016 Agency Request**

The **agency** requests FY 2016 operating expenditures of \$29,157, all from special revenue funds. The request is an increase of \$530, or 1.9 percent, above the revised FY 2015 estimate. The increase is primarily attributable to an increase in litigation expenditures, which is partially offset by a reduction in

temporary wages as the wages were higher in FY 2015 due to employee bonuses and the transition of the executive officer position. The request includes funding for 0.0 FTE positions, the same number included in the revised FY 2015 estimate.

### **FY 2016 Governor Recommendation**

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

### **FY 2017 Agency Request**

The **agency** requests FY 2017 operating expenditures of \$29,948, all from special revenue funds. The request is an increase of \$791, or 2.7 percent, above the FY 2016 request. The increase is primarily attributable to an additional (27<sup>th</sup>)

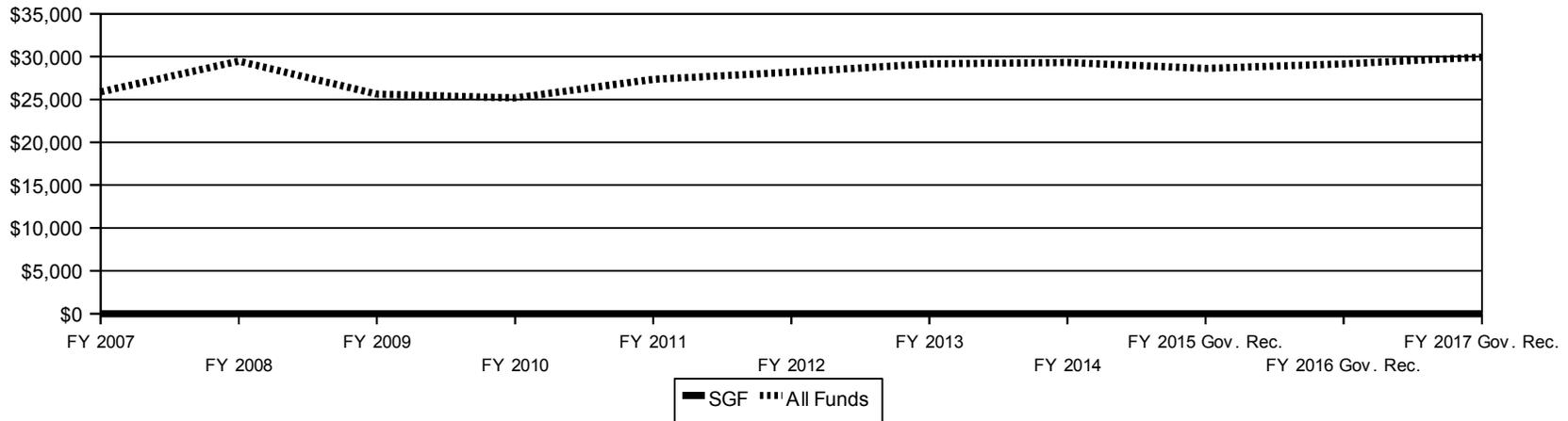
payroll period in FY 2017. The request includes funding for 0.0 FTE positions, the same number included in the FY 2016 request.

### **FY 2017 Governor Recommendation**

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

# BUDGET TRENDS

## OPERATING EXPENDITURES FY 2007 – FY 2017



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	\$ 0	-- %	\$ 25,891	(2.1)%	0.4
2008	0	--	29,482	13.9	0.5
2009	0	--	25,627	(13.1)	0.5
2010	0	--	25,182	(1.7)	0.0
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 Gov. Rec.	0	--	28,627	(2.3)	0.0
2016 Gov. Rec.	0	--	29,157	1.9	0.0
2017 Gov. Rec.	0	--	29,948	2.7	0.0
Eleven-Year Change	\$ 0	-- %	\$ 4,057	15.7 %	(0.4)

**Summary of Operating Budget FY 2014 - FY 2016**

	Actual 2014	Agency Estimate				Governor's Recommendation			
		Estimate FY 2015	Request FY 2016	Dollar Change from FY 15	Percent Change from FY 15	Rec. FY 2015	Rec. FY 2016	Dollar Change from FY 15	Percent Change from FY 15
<b>By Program:</b>									
Administration	\$ 29,313	\$ 28,627	\$ 29,157	\$ 530	1.9 %	\$ 28,627	\$ 29,157	\$ 530	1.9 %
<b>By Major Object of Expenditure:</b>									
Salaries and Wages	\$ 22,185	\$ 21,393	\$ 20,803	\$ (590)	(2.8) %	\$ 21,393	\$ 20,803	\$ (590)	(2.8) %
Contractual Services	5,569	6,934	7,954	1,020	14.7	6,934	7,954	1,020	14.7
Commodities	250	300	400	100	33.3	300	400	100	33.3
Capital Outlay	1,309	0	0	0	--	0	0	0	--
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 29,313	\$ 28,627	\$ 29,157	\$ 530	1.9 %	\$ 28,627	\$ 29,157	\$ 530	1.9 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 29,313	\$ 28,627	\$ 29,157	\$ 530	1.9 %	\$ 28,627	\$ 29,157	\$ 530	1.9 %
<b>Financing:</b>									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Hearing Aid Board Fee Fund	29,313	26,127	25,657	(470)	(1.8)	26,127	25,657	(470)	(1.8)
Litigation Fund	0	2,500	3,500	1,000	40.0	2,500	3,500	1,000	40.0
TOTAL	\$ 29,313	\$ 28,627	\$ 29,157	\$ 530	1.9 %	\$ 28,627	\$ 29,157	\$ 530	1.9 %

**Summary of Operating Budget FY 2016 - FY 2017**

	Agency Estimate				Governor's Recommendation			
	Request FY 2016	Request FY 2017	Dollar Change from FY 16	Percent Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	Percent Change from FY 16
<b>By Program:</b>								
Administration	\$ 29,157	\$ 29,948	\$ 791	2.7 %	\$ 29,157	\$ 29,948	\$ 791	2.7 %
<b>By Major Object of Expenditure:</b>								
Salaries and Wages	\$ 20,803	\$ 21,574	\$ 771	3.7 %	\$ 20,803	\$ 21,574	\$ 771	3.7 %
Contractual Services	7,954	7,974	20	0.3	7,954	7,974	20	0.3
Commodities	400	400	0	0.0	400	400	0	0.0
Capital Outlay	0	0	0	--	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 29,157	\$ 29,948	\$ 791	2.7 %	\$ 29,157	\$ 29,948	\$ 791	2.7 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 29,157	\$ 29,948	\$ 791	2.7 %	\$ 29,157	\$ 29,948	\$ 791	2.7 %
<b>Financing:</b>								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Hearing Aid Board Fee Fund	25,657	26,448	791	3.1	25,657	26,448	791	3.1
Litigation Fund	3,500	3,500	0	0.0	3,500	3,500	0	0.0
TOTAL	\$ 29,157	\$ 29,948	\$ 791	2.7 %	\$ 29,157	\$ 29,948	\$ 791	2.7 %

# BUDGET OVERVIEW

## A. FY 2015 – Current Year

### Adjustments to Approved State General Fund Budget

The agency receives no funding from the State General Fund.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2015	Agency Estimate FY 2015	Agency Change from Approved	Governor Rec. FY 2015	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	35,086	28,627	(6,459)	28,627	(6,459)
TOTAL	<u>\$ 35,086</u>	<u>\$ 28,627</u>	<u>\$ (6,459)</u>	<u>\$ 28,627</u>	<u>\$ (6,459)</u>
FTE Positions	0.0	0.0	0.0	0.0	0.0

The **agency** estimates revised FY 2015 operating expenditures of \$28,627, all from special revenue funds. The estimate is a decrease of \$6,459, or 18.4 percent, below the amount approved by the 2014 Legislature. The decrease is primarily attributable to the elimination of rent and utilities expenditures (\$2,112) due to the new executive officer working out of existing office space and reductions in travel-related expenditures (\$1,067), litigation expenditures (\$1,000),

computer equipment expenditures (\$1,000), medicare contributions (\$315), and temporary wages (\$697) due to the executive officer transition requiring less funding than projected. The estimate includes funding for 0.0 FTE positions, the same number approved by the 2014 Legislature.

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

**B. FY 2016 – Budget Year**

<b>FY 2016 OPERATING BUDGET SUMMARY</b>				
	Agency Request		Governor's Recommendation	Difference
<b>Total Request/Recommendation</b>	\$ 29,157	\$	29,157	\$ 0
<b>FTE Positions</b>	0.0		0.0	0.0
<b><i>Change from FY 2015:</i></b>				
<i>Dollar Change:</i>				
State General Fund	\$ 0	\$	0	
All Other Funds	530		530	
TOTAL	\$ 530	\$	530	
<i>Percent Change:</i>				
State General Fund	0.0 %		0.0 %	
All Other Funds	1.9		1.9	
TOTAL	1.9 %		1.9 %	
Change in FTE Positions	0.0		0.0	

The **agency** requests FY 2016 operating expenditures of \$29,157, all from special revenue funds. The request is an increase of \$530, or 1.9 percent, above the revised FY 2015 estimate. The request includes funding for 0.0 FTE positions, the same number included in the revised FY 2015 estimate.

The agency request includes the following items.

- **Salaries and wages** expenditures of \$20,803, which is a decrease of \$590, or 2.8 percent, below the revised FY 2015 estimate. The decrease is primarily attributable to a reduction in unclassified temporary wages as the wages were higher in FY 2015 due to employee bonuses and the transition of the executive officer position.

- **Contractual services** expenditures of \$7,954, which is an increase of \$1,020, or 14.7 percent, above the revised FY 2015 estimate. The increase is primarily attributable to a \$1,000 increase in litigation expenditures. The agency reduced litigation expenditures by \$1,000 in its revised FY 2015 estimate due to legal delays and would like to shift the funding to FY 2016.
- **Commodities** expenditures of \$400, which is an increase of \$100, or 33.3 percent, above the

revised FY 2015 estimate. The increase is attributable to increases in data processing and office supplies.

The **Governor** concurs with the agency's request. 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 \$3,976 for FY 2016.

**C. FY 2017 – Budget Year**

<b>FY 2017 OPERATING BUDGET SUMMARY</b>				
	Agency Request		Governor's Recommendation	Difference
<b>Total Request/Recommendation</b>	\$ 29,948	\$	29,948	\$ 0
<b>FTE Positions</b>	0.0		0.0	0.0
<b>Change from FY 2016:</b>				
<i>Dollar Change:</i>				
State General Fund	\$ 0	\$	0	
All Other Funds	791		791	
TOTAL	\$ 791	\$	791	
<i>Percent Change:</i>				
State General Fund	0.0 %		0.0 %	
All Other Funds	2.7		2.7	
TOTAL	2.7 %		2.7 %	
Change in FTE Positions	0.0		0.0	

The **agency** requests FY 2017 operating expenditures of \$29,948, all from special revenue funds. The request is an increase of \$791, or 2.7 percent, above the FY 2016 request. The request includes funding for 0.0 FTE positions, the same number included in the FY 2016 request.

The agency request includes the following items.

- **Salaries and wages** expenditures of \$21,574, which is an increase of \$771, or 3.7 percent, above the FY 2016 request. The increase is attributable to an additional (27<sup>th</sup>) payroll period in FY 2017.
- **Contractual services** expenditures of \$7,974, which is an increase of \$20, or 0.3 percent,

above the FY 2016 request. The increase is attributable to an increase in in-state travel expenditures.

- **Commodities** expenditures of \$400, which is the same as the amount requested for FY 2016.

The **Governor** concurs with the agency's request. 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 \$3,976 for FY 2017.

## Governor's Recommended Salary and Wage Adjustments

**State Employee Pay Increases.** The 2014 Legislature approved funding of \$11.3 million, including \$4.5 million from the State General Fund, in FY 2015 for a \$250 bonus for all full-time employees except elected officials who were employed on December 6, 2013, and which was paid December 6, 2014. **For this agency, the FY 2015 bonus totals \$550, all from special revenue funds, and affects two employees.**

**Longevity Bonus Payments.** For FY 2016 and FY 2017, 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 2016 payments is \$7.2 million, including \$2.8 million from the State General Fund. For FY 2017, the estimated cost for the payments is \$7.7 million, including \$3.0 million from the State General Fund. **For this agency, FY 2016 longevity payments total \$0, and FY 2017 longevity payments total \$0.**

**Group Health Insurance.** The Governor recommends Group Health and Hospitalization employer contributions of \$282.8 million, including \$108.2 million from the State General Fund, for FY 2016 and \$289.2 million, including \$110.7 million from the State General Fund, for FY 2017. For FY 2016 and FY 2017, the Governor recommends reducing the employer contributions for group health insurance by 8.5 percent. **For this agency this is a reduction of \$0 for FY 2016. This is a reduction of \$0 for FY 2017.**

**Kansas Public Employees Retirement System (KPERs) Rate Adjustments.** The FY 2015 employer retirement contribution for KPERs regular and school members was scheduled to be 11.27 percent, an increase of 1.0 percent from 10.27 in FY 2014. The Governor reduced the employer contribution rate from 11.27 percent to 8.65 percent for the second half of FY 2015, for an effective contribution rate of 9.96 percent as part of the Governor's allotment plan. For FY 2016, the Governor recommends the retirement rate increase by 2.41 percent from 9.96 percent to 12.37 percent. For FY 2017, the Governor recommends the retirement rate increase by 1.2 percent from 12.37 percent to 13.57 percent. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERs fund.

In addition, the employer contribution for the KPERs death and disability insurance rate will be increased to 1.0 percent, from 0.85 percent, for FY 2016 and for FY 2017.

The Governor further proposes offering \$1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution rates of the State/School Group. The Kansas Public Employee Retirement System estimates this plan could reduce employer contributions by \$68.43 million in FY 2016 and \$132.85 in FY 2017. The Kansas Development Finance Authority estimates that the bond service would be \$90.3 million in FY 2016 through FY 2017, assuming the Kansas credit ratings are not downgraded.

## Funding Sources

Funding Source	Agency Req. Percent of Total FY 2016	Gov. Rec. Percent of Total FY 2016	Agency Req. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
Hearing Aid Board Fee Fund	88.0	88.0	88.3	88.3
Litigation Fund	12.0	12.0	11.7	11.7
TOTAL	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

**Note:** Percentages 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 Instruments 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. The Governor recommends increasing the percentage of fee fund revenues remitted to the State General Fund from 10.0 percent to 20.0 percent beginning in FY 2016.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 42,194	\$ 41,206	\$ 41,206	\$ 50,508	\$ 50,508	\$ 57,131	\$ 53,155
Revenue	34,079	35,429	35,429	35,780	31,804	35,780	31,804
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 76,273	\$ 76,635	\$ 76,635	\$ 86,288	\$ 82,312	\$ 92,911	\$ 84,959
Less: Expenditures	29,313	26,127	26,127	25,657	25,657	26,448	26,448
Transfers Out	5,754	0	0	3,500	3,500	3,500	3,500
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 41,206</u>	<u>\$ 50,508</u>	<u>\$ 50,508</u>	<u>\$ 57,131</u>	<u>\$ 53,155</u>	<u>\$ 62,963</u>	<u>\$ 55,011</u>
Ending Balance as Percent of Expenditures	140.6%	193.3%	193.3%	222.7%	207.2%	238.1%	208.0%
Month Highest Ending Balance	June \$ 41,206	June \$ 50,508	June \$ 50,508	June \$ 57,131	June \$ 53,155	June \$ 62,963	June \$ 55,011
Month Lowest Ending Balance	March \$ 27,591	February \$ 30,820	February \$ 30,820	February \$ 37,989	February \$ 37,005	February \$ 44,032	February \$ 39,073

<b>Board of Examiners in Fitting and Dispensing of Hearing Instruments Fees</b>		
	<b>Current Fee</b>	<b>Statutory Limit</b>
License Application	\$100	\$150
Temporary License	100	150
Temporary License Renewal	100	150
License	100	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	150
Written Examination Fee	35	50
Practical Examination Fee	15	35
State Licensure Verification Fee	15	25
Replacement of Certificate or License	15	25
Change of Sponsor	15	25
Insufficient Funds	25	35

# PROGRAM DETAIL

## EXPENDITURES BY OBJECT-- GOVERNOR'S FY 2016 RECOMMENDATION



Object	Gov. Rec. All Funds FY 2016	Percent of Total	Gov. Rec. SGF FY 2016	Percent of Total
Salaries and Wages	\$ 20,803	71.3 %	\$ 0	-- %
Contractual Services	7,954	27.3	0	--
Commodities	400	1.4	0	--
<b>TOTAL</b>	<b>\$ 29,157</b>	<b>100.0 %</b>	<b>\$ 0</b>	<b>-- %</b>

**FTE POSITIONS BY PROGRAM FY 2014 – FY 2017**

<u>Program</u>	<u>Actual FY 2014</u>	<u>Agency Est. FY 2015</u>	<u>Gov. Rec. FY 2015</u>	<u>Agency Req. FY 2016</u>	<u>Gov. Rec. FY 2016</u>	<u>Agency Req. FY 2017</u>	<u>Gov. Rec. FY 2017</u>
Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**PERFORMANCE MEASURES**

<u>Measure</u>	<u>Gov. Rec. for FY 2014</u>	<u>Actual FY 2014</u>	<u>Gov. Rec. FY 2015</u>	<u>Gov. Rec. FY 2016</u>	<u>Gov. Rec. FY 2017</u>
Number of licenses issued	270	259	270	280	280