

KANSAS BOARD OF EXAMINERS IN FITTING AND DISPENSING OF HEARING INSTRUMENTS

Expenditure	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	23,607	30,503	29,164	29,625	28,948
TOTAL	\$ 23,607	\$ 30,503	\$ 29,164	\$ 29,625	\$ 28,948
Capital Improvements:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 23,607	\$ 30,503	\$ 29,164	\$ 29,625	\$ 28,948
Percentage Change:					
Operating Expenditures					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(19.5)	29.2	23.5	(2.9)	(0.7)
FTE Positions	0.0	0.0	0.0	0.0	0.0
Non-FTE Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0

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 2016 – Current Year. The **agency** requests a revised FY 2016 budget totaling \$30,503, all from special revenue funds, which is an increase of \$1,346, or 4.6 percent, above the amount approved by the 2015 Legislature. The increase is due to supplemental requests to restore salaries and wages to the agency's FY 2014 levels, a computer, and a legislative handbook, offset partially by a reduction in litigation expenditures. The request includes 0.0 FTE positions, which is the same as the approved amount.

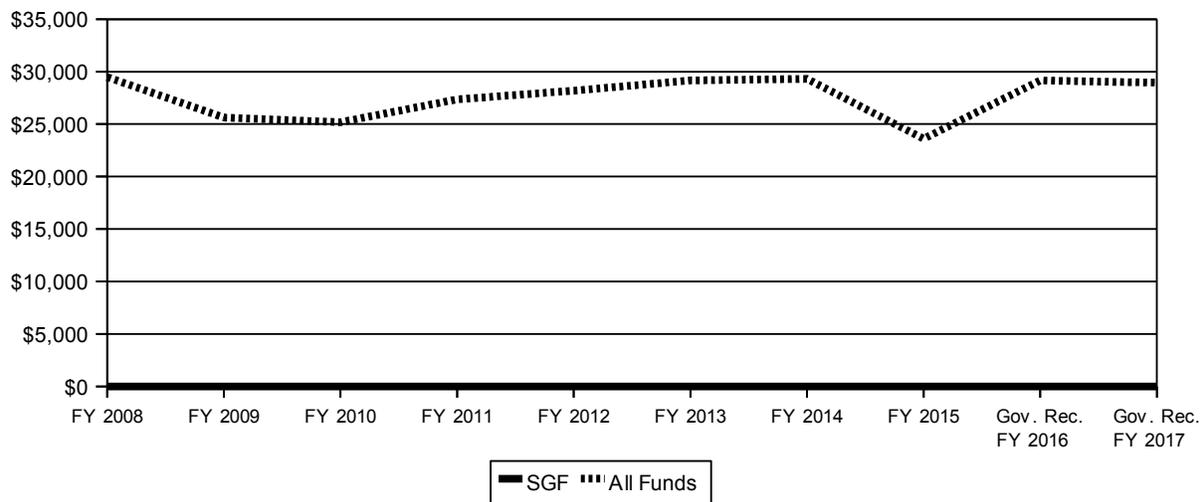
The **Governor** recommends FY 2016 total expenditures of \$29,164. The Governor concurs with the agency's revised FY 2016 budget, with one adjustment. The Governor does not recommend funding the agency's supplemental request to increase salaries and wages.

FY 2017 – Budget Year. The **agency** requests a revised FY 2017 budget totaling \$29,625, all from special revenue funds, which is a decrease of \$323, or 1.1 percent, below the amount approved by the 2015 Legislature. The decrease is due to a reduction in litigation expenditures, offset partially by supplemental requests for increased salaries and wages and a legislative handbook. The request includes 0.0 FTE positions, which is the same as the approved amount.

The **Governor** recommends FY 2017 total expenditures of \$28,948. The Governor concurs with the agency's revised FY 2017 budget with two adjustments. The Governor does not recommend funding the agency's supplemental request for salaries or the legislative handbook.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2008 – FY 2017



OPERATING EXPENDITURES FY 2008 – FY 2017

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
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	0	--	23,607	(19.5)	0.0
2016 Gov. Rec.	0	--	29,164	23.5	0.0
2017 Gov. Rec.	0	--	28,948	(0.7)	0.0
Ten-Year Change Dollars/Percent	\$ 0	-- %	\$ (534)	(1.8)%	(0.5)

Summary of Operating Budget FY 2015 - FY 2017

Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments

	Actual 2015	Agency Estimate				Governor's Recommendation			
		Estimate FY 2016	Estimate 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
By Program:									
Administration	\$ 23,607	\$ 30,503	\$ 29,625	\$ (878)	(2.9)%	\$ 29,164	\$ 28,948	\$ (216)	(0.7)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 19,570	\$ 22,142	\$ 22,144	\$ 2	0.0%	\$ 20,803	\$ 21,574	\$ 771	3.7%
Contractual Services	3,682	6,954	6,974	20	0.3	6,954	6,974	20	0.3
Commodities	355	507	507	0	0.0	507	400	(107)	(21.1)
Capital Outlay	0	900	0	(900)	(100.0)	900	0	(900)	(100.0)
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 23,607	\$ 30,503	\$ 29,625	\$ (878)	(2.9)%	\$ 29,164	\$ 28,948	\$ (216)	(0.7)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 23,607	\$ 30,503	\$ 29,625	\$ (878)	(2.9)%	\$ 29,164	\$ 28,948	\$ (216)	(0.7)%
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	--%	\$ 0	\$ 0	\$ 0	--%
Hearing Instruments Board Fee Fund	23,607	28,003	27,125	(878)	(3.1)	26,664	26,448	(216)	(0.8)
Litigation Fund	0	2,500	2,500	0	0.0	2,500	2,500	0	0.0
TOTAL	\$ 23,607	\$ 30,503	\$ 29,625	\$ (878)	(2.9)%	\$ 29,164	\$ 28,948	\$ (216)	(0.7)%

BUDGET OVERVIEW

A. FY 2016 – Current Year

Adjustments to Approved Budget

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2016	Agency Estimate FY 2016	Agency Change from Approved	Governor Rec. FY 2016	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	29,157	30,503	1,346	29,164	7
TOTAL	\$ 29,157	\$ 30,503	\$ 1,346	\$ 29,164	\$ 7
FTE Positions	0.0	0.0	0.0	0.0	0.0

The **agency** requests a revised FY 2016 budget totaling \$30,503, all from special revenue funds, which is an increase of \$1,346, or 4.6 percent, above the amount approved by the 2015 Legislature. **Absent the supplementals**, the agency estimates operating expenditures of \$28,157, which is a decrease of \$1,000, or 3.4 percent, below the approved amount. The request includes 0.0 FTE positions, which is the same as the approved amount. Major categories of expenditures are detailed below. The estimate also includes a transfer of \$25,000, all from the Hearing Aid Board Fund, as part of the Governor’s July 30 Allotment. The transfer does not impact agency expenditures but is a reduction in its fee fund balance.

- **Salaries and Wages.** The agency requests \$22,142, which is an increase of \$1,339, or 6.4 percent, above the approved amount. The increase is due to a supplemental request that would return salary and wage expenditures approximately to their FY 2014 levels. The increases would be split amongst the Executive Officer and two examiners within the agency.
- **Contractual Services.** The agency requests \$6,954, which is a decrease of \$1,000, or 12.6 percent, below the approved amount. The decrease is due to a reduction in litigation expenditures. The agency indicates it anticipates fewer expenditures on its outstanding court case than previously budgeted.
- **Commodities.** The agency requests \$507, which is an increase of \$107, or 26.8 percent, above the approved amount. The increase is due to a supplemental request for a legislative handbook, which the agency did not budget for in the budget approved by the 2015 Legislature.
- **Capital Outlay.** The agency requests \$900, which is an increase of \$900 above the approved amount. The increase is due to a supplemental request for a desktop computer. The agency indicates its previous computer was damaged in a flood and it is now without a working computer.

The **Governor** recommends FY 2016 total expenditures of \$29,164. The recommendation is a decrease of \$1,339, or 4.4 percent, below the agency's revised FY 2016 estimate. The decrease is attributable to the Governor's recommendation to not fund the agency's supplemental request to increase its salaries and wages to its FY 2014 levels.

Supplemental Detail

Supplementals	FY 2016 SUPPLEMENTALS					
	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Salaries and Wages	\$ 0	\$ 1,339	0.0	\$ 0	\$ 0	0.0
Legislative Handbook	0	107	0.0	0	107	0.0
Desktop Computer	0	900	0.0	0	900	0.0
TOTAL	\$ 0	\$ 2,346	0.0	\$ 0	\$ 1,007	0.0

The **agency** requests supplementals totaling \$2,346, all from the Hearing Instruments Board Fee Fund. The supplemental requests include the following:

- **Wages** - The agency requests \$1,339 to increase salaries and wages to their FY 2014 levels. The increases would be split amongst the Executive Officer and two examiners within the agency;
- **Legislative Handbook** - The agency requests \$107 for a legislative handbook. The agency receives the handbook annually, and it did not include this expenditure in its budget that was approved by the 2015 Legislature; and
- **Desktop Computer** - The agency requests \$900 for a desktop computer. The agency indicates its previous computer was damaged in a flood and it is now without a working computer.

The **Governor** does not recommend the agency's supplemental request.

Governor's Allotments

The 2015 Legislature, through the enactment of Senate Sub. for HB 2135, authorized the Director of the Division of the Budget to lapse appropriations or transfer funding from special revenue funds to the State General Fund (SGF), up to a total of \$100.0 million, at any time during FY 2016 if the Director determines the unencumbered ending balance of the SGF for FY 2016 will be less than \$100.0 million. This authority does not apply to appropriations for the Judicial Branch, Legislative Branch agencies, debt service, employer contributions to the Kansas Public Employees Retirement System (KPERs), the Department of Education (except the agency's operating expenditures account), or demand transfers to the school district capital improvements fund. On July 30, 2015, the Director announced various SGF lapses and transfers totaling \$60.7 million of which \$17.7 million require legislative approval.

On November 6, 2015, the Consensus Revenue Estimating Group met to revise the SGF Revenue Estimate for FY 2016. The estimate was decreased by \$159.1 million, for FY 2016. Excluding Governor recommended legislative adjustments, the ending balance for FY 2016 was estimated to require \$135.9 million in adjustments to achieve a zero ending balance. This estimate assumes that human services caseloads are funded at the recommended level and school finance KPERs contributions are reduced to reflect current estimates. As a result, on November 6, 2015 the Director exercised his authority under Senate Sub. for HB 2135 to make an additional \$56.9 million in revenue adjustments. The Governor further made \$52.6 million in expenditure reductions under the Governor's allotment authority. Finally, the Governor recommended the Legislature make an additional \$14.3 million in revenue adjustments.

Between the July and November adjustments, the Governor has reduced expenditures by a total of \$73.2 million, made \$79.4 million in revenue adjustments, and recommended the Legislature enact an additional \$32.0 million through the allotment authority and authority under 2015 Sen. Sub. for HB 2135 or the special allotment statute. These adjustments, including the recommended Legislative adjustments, would result in a State General Fund ending balance of approximately \$5.6 million in FY 2016. This estimate excludes monthly SGF receipts subsequent to the November 6, 2015 consensus revenue estimate and any further adjustments made within the FY 2016 Governor's Budget Recommendation. The impact of these adjustments on this agency is described below.

GOVERNOR'S ALLOTMENTS			
Allotment	SGF	All Funds	FTE
July Special Allotment			
Transfer from Hearing Aid Board Fund to the State General Fund	\$ 0	\$ 0	0.0
TOTAL	\$ 0	\$ 0	0.0

July Special Allotment The Governor's July 30 special allotment included the transfer of \$25,000, all from the Hearing Aid Board Fund, to the State General Fund in FY 2016. The transfer does not impact agency expenditures but is a reduction in its fee fund balance.

B. FY 2017 – Budget Year

Adjustments to Approved Budget

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	29,948	29,625	(323)	28,948	(1,000)
TOTAL	\$ 29,948	\$ 29,625	\$ (323)	\$ 28,948	\$ (1,000)
FTE Positions	0.0	0.0	0.0	0.0	0.0

The **agency** requests a revised FY 2017 budget totaling \$29,625, all from special revenue funds, which is a decrease of \$323, or 1.1 percent, below the amount approved by the 2015 Legislature. The request includes 0.0 FTE positions, which is the same as the approved amount. Major categories of expenditures are detailed below.

- **Salaries and Wages.** The agency requests \$22,144, which is an increase of \$570, or 2.6 percent, above the approved amount. The increase is due to a supplemental request to restore the salaries and wage expenditures to its FY 2014 levels.
- **Contractual Services.** The agency requests \$6,974, which is a decrease of \$1,000, or 12.5 percent, below the approved amount. The decrease is due to a reduction in litigation expenditures. The agency indicates it anticipates less expenditures on its outstanding court case than previously budgeted.
- **Commodities.** The agency requests \$507, which is an increase of \$107, or 26.8 percent, above the approved amount. The increase is due to a supplemental request for a legislative handbook, which the agency did not budget for in the budget approved by the 2015 Legislature.

The **Governor** recommends FY 2017 total expenditures of \$28,948. The recommendation is a decrease of \$677, or 2.3 percent, below the agency's FY 2017 estimate. The decrease is attributable to the Governor's recommendation to not fund the agency's FY 2017 supplemental requests.

Supplemental Detail

FY 2017 SUPPLEMENTALS							
Supplementals	Agency Estimate			Governor's Recommendation			
	SGF	All Funds	FTE	SGF	All Funds	FTE	
Salaries and Wages	\$ 0	\$ 570	0.0	\$ 0	\$ 0	0.0	
Legislative Handbook	0	107	0.0	0	0	0.0	
TOTAL	\$ 0	\$ 677	0.0	\$ 0	\$ 0	0.0	

The **agency** requests supplementals totaling \$677, all from the Hearing Instruments Board Fee Fund. The supplemental requests include the following:

- **Wages** - The agency requests \$570 for to increase salaries and wages to their FY 2014 levels. The increases would be split amongst the Executive Officer and two examiners within the agency; and
- **Legislative Handbook** - The agency requests \$107 for a legislative handbook. The agency receives the handbook annually, and it did not include this expenditure in its budget that was approved by the 2015 Legislature.

The **Governor** does not recommend funding either supplemental.

Funding Sources

Funding Source	Agency Est. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	0.0 %	0.0 %
Hearing Instruments Board Fee Fund	91.6	91.4
Litigation Fund	8.4	8.6
TOTAL	100.0 %	100.0 %

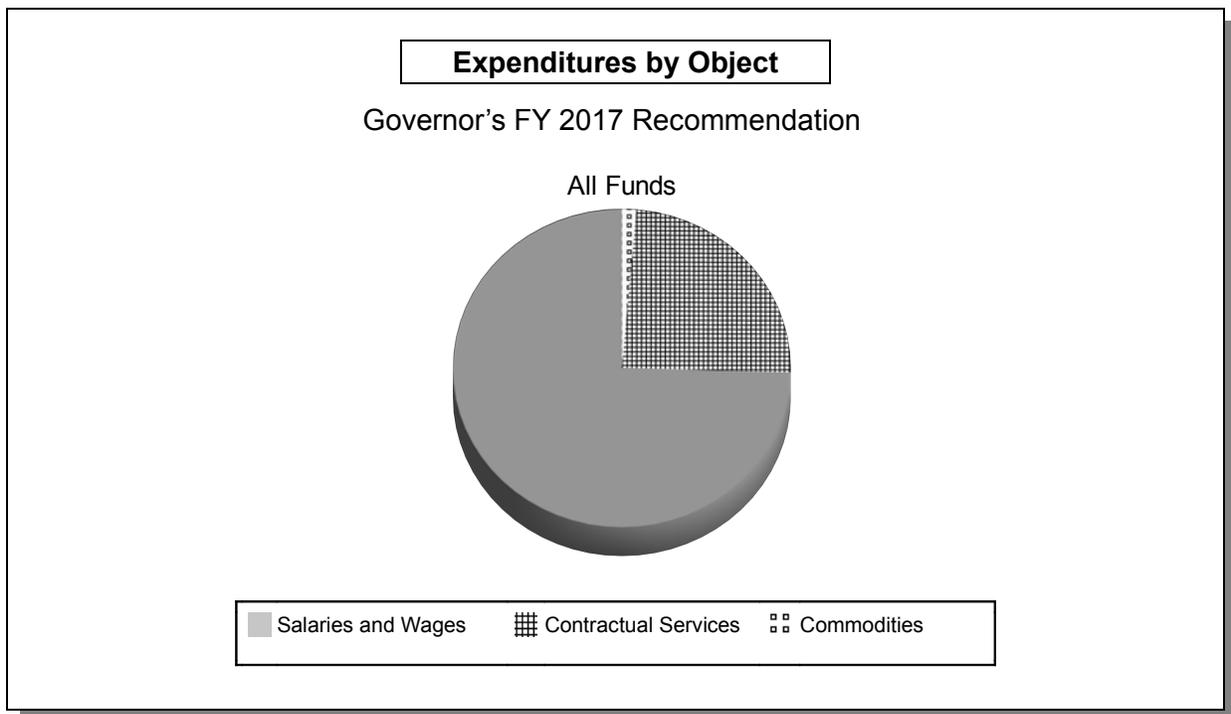
Note: Details may not add to totals due to rounding.

Hearing Instruments 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. In FY 2016, the Governor exercised the authority granted to him by 2015 Senate Sub. for HB 2135 to transfer \$25,000 from the Hearing Instruments Board Fee Fund to the State General Fund.

Resource Estimate	Actual FY 2015	Agency Estimate FY 2016	Gov. Rec. FY 2016	Agency Estimate FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 41,217	\$ 50,190	\$ 50,190	\$ 32,616	\$ 33,955
Revenue	37,580	35,429	35,429	35,780	35,780
Transfers in	0	0	0	0	0
Total Funds Available	\$ 78,797	\$ 85,619	\$ 85,619	\$ 68,396	\$ 69,735
Less: Expenditures	23,607	28,003	26,664	27,125	26,448
Transfers Out	5,000	25,000	25,000	0	0
Off Budget Expenditures	0	0	0	0	0
Ending Balance	<u>\$ 50,190</u>	<u>\$ 32,616</u>	<u>\$ 33,955</u>	<u>\$ 41,271</u>	<u>\$ 43,287</u>
Ending Balance as Percent of Expenditures	212.6%	116.5%	127.3%	152.2%	163.7%
Month Highest Ending Balance	June \$ 50,190	June \$ 32,616	\$ 32,616	June \$ 41,271	\$ 41,271
Month Lowest Ending Balance	April \$ 31,914	February \$ 15,013	\$ 15,013	February \$ 23,159	\$ 23,159

OBJECT DETAIL



Object	Gov. Rec. All Funds FY 2017	Percent of Total	Gov. Rec. SGF FY 2017	Percent of Total
Salaries and Wages	\$ 21,574	74.5 %	\$ 0	-- %
Contractual Services	6,974	24.1	0	--
Commodities	400	1.4	0	--
TOTAL	\$ 28,948	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2015 – FY 2017

Program	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Administration	0.0	0.0	0.0	0.0	0.0

Board of Examiners in Fitting and Dispensing of Hearing Instruments Fees		
	Current Fee	Statutory Limit
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

PERFORMANCE MEASURES				
Measure	Gov. Rec. for FY 2015	Actual FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of licenses issued	270	267	270	270