

OFFICE OF ADMINISTRATIVE HEARINGS

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	952,899	967,833	967,833	985,047	985,047
TOTAL	\$ 952,899	\$ 967,833	\$ 967,833	\$ 985,047	\$ 985,047
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	\$ 952,899	\$ 967,833	\$ 967,833	\$ 985,047	\$ 985,047

Percentage Change:

Operating Expenditures					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	6.4	1.6	1.6	1.8	1.8
FTE Positions	4.0	2.0	2.0	2.0	2.0
Non-FTE Perm.Uncl.Pos.	5.0	7.0	7.0	7.0	7.0
TOTAL	9.0	9.0	9.0	9.0	9.0

AGENCY OVERVIEW

The mission of the Office of Administrative Hearings is to conduct fair and impartial hearings for citizens and other affected parties when they contest actions of state agencies determining their legal rights. The Office of Administrative Hearings acts in accordance with all applicable policies, regulations, statutes, and general principles of law.

The Office of Administrative Hearings originally was a program in the Department of Social and Rehabilitation Services, and conducted hearings only for that agency. On July 1, 1998, the Office of Administrative Hearings was moved to the Department of Administration. The agency continued to conduct all adjudicative proceedings for the Kansas Department of Social and Rehabilitation Services pursuant to KSA 75-37,121, but also began providing hearings for other agencies. Section 145 of the 2004 Session Laws created an independent Office of Administrative Hearings, which was phased in and took full effect on July 1, 2009. Agencies that provide adjudicative proceedings in accordance with the Kansas Administrative Procedure Act are required to utilize the Office of Administrative Hearings when the agency head is not involved.

The Office of Administrative Hearings conducts adjudicative proceedings in accordance with the Kansas Administrative Procedure Act for many state agencies and a variety of programs within those agencies. The agencies, and their programs, that have been phased into Office of Administrative Hearings operations include, but are not limited to: the Department for

Children and Families, Kansas Department of Health and Environment, Division of Health Care Finance, Kansas Department for Aging and Disability Services, Kansas Department of Agriculture, Kansas Department of Administration, Kansas Department of Revenue, Kansas Department of Education, Kansas Department of Commerce, Kansas Insurance Department, Kansas Department of Labor, Board of Accountancy, Office of the State Bank Commissioner, Kansas Civil Service Board, Dental Board, Board of Healing Arts, Kansas Human Rights Commission, Kansas Board of Pharmacy, Board of Nursing, Kansas Real Estate Commission, Kansas Public Employee Retirement System, Office of Attorney General, Behavioral Sciences Regulatory Board, Board of Cosmetology, Fire Marshal, and the Kansas Securities Commissioner.

MAJOR ISSUES FROM PRIOR YEARS

Beginning in **FY 2010**, the Office of Administrative Hearings became a separately funded agency from the Department of Administration. Other state agencies are billed for services provided by the agency, which results in all agency expenditures being non-reportable.

The **2011 Legislature** transferred \$150,000, all from the Administrative Hearings Office Fund, to the State General Fund.

The **2012 Legislature** eliminated 70.0 percent of vacant positions that had been unfilled for greater than 120 days. For this agency, 3.0 FTE positions and 0.5 non-FTE positions were eliminated. No adjustments were made to the agency's FTE position limitation.

The **2013 Legislature** added \$54,808, all from non-reportable special revenue funds, to fill a vacant Legal Assistant position in FY 2014. The Legislature also deleted \$53,396 and \$53,436 from FY 2014 and FY 2015, respectively, all from non-reportable special revenue funds, to reflect reduced funding for salaries and wages.

The **2014 Legislature** added \$2,718, all from non-reportable 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.

The **2015 Legislature** added \$32,886, all from non-reportable special revenue funds, for increases in building rent and information technology expenditures to the Office of Information Technology Services for both FY 2016 and FY 2017.

BUDGET SUMMARY AND KEY POINTS

FY 2016 – Current Year. The **agency** requests a revised FY 2016 budget totaling \$967,833, all from the Administrative Hearings Office Fund, which is a decrease of \$630, or 0.1 percent, below the amount approved by the 2015 Legislature. The decrease is primarily due to reductions in travel, rent, and court reporter expenditures, partially offset by an increase in wages associated with salary increases for some employees and increased expenditures related to a database replacement. The request includes 2.0 FTE positions, which is a reduction of 2.0 FTE positions below the approved amount. The FTE reduction is due to the agency converting positions from classified to unclassified.

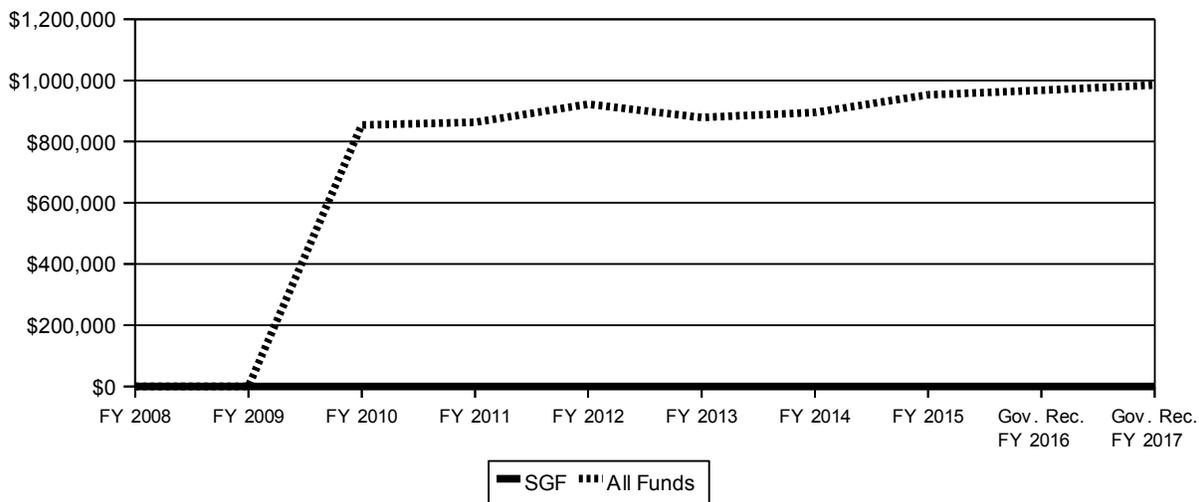
The **Governor** concurs with the agency's FY 2016 recommendation.

FY 2017 – Budget Year. The **agency** requests a revised FY 2017 budget totaling \$985,047, all from the Administrative Hearings Office Fund, which is a decrease of \$9,725, or 1.0 percent, below the amount approved by the 2015 Legislature. The decrease is primarily due to reductions in travel, rent, and court reporter expenditures, partially offset by an increase in wages associated with salary increases for some employees and increased expenditures related to a database replacement. The request includes 2.0 FTE positions, which is a reduction of 2.0 FTE positions below the approved amount. The FTE reduction is due to the agency converting positions from classified to unclassified.

The **Governor** concurs with the agency's FY 2017 recommendation.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2008 – FY 2017



OPERATING EXPENDITURES FY 2008 – FY 2017

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2008	\$ 0	-- %	\$ 0	-- %	0.0
2009	0	--	0	--	0.0
2010	0	--	854,182	--	13.0
2011	0	--	863,153	1.1	13.0
2012	0	--	922,203	6.8	13.0
2013	0	--	878,814	(4.7)	10.0
2014	0	--	895,318	1.9	4.0
2015	0	--	952,899	6.4	4.0
2016 Gov. Rec.	0	--	967,833	1.6	2.0
2017 Gov. Rec.	0	--	985,047	1.8	2.0
Ten-Year Change Dollars/Percent	\$ 0	-- %	\$ 985,047	-- %	2.0

Summary of Operating Budget FY 2015 - FY 2017

	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	\$ 952,899	\$ 967,833	\$ 985,047	\$ 17,214	1.8 %	\$ 967,833	\$ 985,047	\$ 17,214	1.8 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 720,553	\$ 745,551	\$ 772,109	\$ 26,558	3.6 %	\$ 745,551	\$ 772,109	\$ 26,558	3.6 %
Contractual Services	178,780	192,401	196,358	3,957	2.1	192,401	196,358	3,957	2.1
Commodities	26,403	6,525	7,080	555	8.5	6,525	7,080	555	8.5
Capital Outlay	20,307	16,500	9,500	(7,000)	(42.4)	16,500	9,500	(7,000)	(42.4)
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 946,043	\$ 960,977	\$ 985,047	\$ 24,070	2.5 %	\$ 960,977	\$ 985,047	\$ 24,070	2.5 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	6,856	6,856	0	(6,856)	(100.0)	6,856	0	(6,856)	(100.0)
TOTAL	\$ 952,899	\$ 967,833	\$ 985,047	\$ 17,214	1.8 %	\$ 967,833	\$ 985,047	\$ 17,214	1.8 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Administrative Hearings Office Fund	952,899	967,833	985,047	17,214	1.8	967,833	985,047	17,214	1.8
TOTAL	\$ 952,899	\$ 967,833	\$ 985,047	\$ 17,214	1.8 %	\$ 967,833	\$ 985,047	\$ 17,214	1.8 %

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	968,463	967,833	(630)	967,833	(630)
TOTAL	\$ 968,463	\$ 967,833	\$ (630)	\$ 967,833	\$ (630)
FTE Positions	4.0	2.0	(2.0)	2.0	(2.0)

The **agency** requests a revised FY 2016 budget totaling \$967,833, all from the Administrative Hearings Office Fund, which is a decrease of \$630, or 0.1 percent, below the amount approved by the 2015 Legislature. The request includes 2.0 FTE positions, which is a reduction of 2.0 FTE positions below the approved amount. The FTE reduction is due to the agency converting positions from classified to unclassified. Major categories of expenditures are detailed below.

- **Salaries and Wages.** The agency requests \$745,551, which is an increase of \$16,715, or 2.3 percent, above the approved amount. The increase is primarily due to salary increases for some employees.
- **Contractual Services.** The agency requests \$192,401, which is a decrease of \$33,770, or 14.9 percent, below the approved amount. The decrease is primarily due to reduced expenditures on travel, court reporters, and rent, as well as some information technology expenditures that were reclassified under capital outlay.
- **Commodities.** The agency requests \$6,525, which is an increase of \$2,205, or 51.0 percent, above the approved amount. The increase is primarily due to expenditures on computer parts related to the agency's database replacement.
- **Capital Outlay.** The agency requests \$16,500, which is an increase of \$14,359, or 670.7 percent, above the approved amount. The increase is primarily due to software expenditures related to the agency's database replacement.

The **Governor** concurs with the agency's FY 2016 request.

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	994,772	985,047	(9,725)	985,047	(9,725)
TOTAL	\$ 994,772	\$ 985,047	\$ (9,725)	\$ 985,047	\$ (9,725)
FTE Positions	4.0	2.0	(2.0)	2.0	(2.0)

The **agency** requests a revised FY 2017 budget totaling \$985,047, all from the Administrative Hearings Office Fund, which is a decrease of \$9,725, or 1.0 percent, below the amount approved by the 2015 Legislature. The request includes 2.0 FTE positions, which is a reduction of 2.0 FTE positions below the approved amount. The FTE reduction is due to the agency converting positions from classified to unclassified. Major categories of expenditures are detailed below.

- **Salaries and Wages.** The agency requests \$772,109, which is an increase of \$16,964, or 2.2 percent, above the approved amount. The increase is primarily due to salary increases for some employees.
- **Contractual Services.** The agency requests \$196,358, which is a decrease of \$29,813, or 13.2 percent, below the approved amount. The decrease is primarily due to reduced expenditures on travel, court reporters, and rent, as well as some information technology expenditures that were reclassified under capital outlay.
- **Commodities.** The agency requests \$7,080, which is an increase of \$2,760, or 63.9 percent, above the approved amount. The increase is primarily due to expenditures on computer parts related to the agency's database upgrade.
- **Capital Outlay.** The agency requests \$9,500, which is an increase of \$7,359, or 343.7 percent, above the approved amount. The increase is primarily due to software expenditures related to the agency's database upgrade.

The **Governor** concurs with the agency's FY 2017 request.

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 %
Administrative Hearings Office Fund	100.0	100.0
TOTAL	100.0 %	100.0 %

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

Administrative Hearings Office Fund Analysis

Funding for the agency is derived entirely from the Administrative Hearings Office Fund. State agencies that provide adjudicative proceedings in accordance with the Kansas Administrative Procedure Act are required to utilize the Office of Administrative Hearings when the agency head is not involved. Agencies are billed based upon contracts entered into with the Office of Administrative Hearings. The contracts take into account the level of service provided and the amount of cases that are filed with the Office of Administrative Hearings.

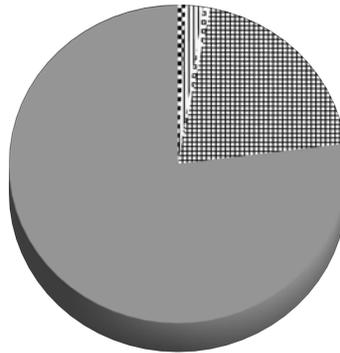
Resource Estimate	Actual FY 2015	Agency Estimate FY 2016	Gov. Rec. FY 2016	Agency Estimate FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 287,249	\$ 397,982	\$ 397,982	\$ 397,982	\$ 397,982
Revenue	1,063,632	967,833	967,833	985,047	985,047
Transfers in	0	0	0	0	0
Total Funds Available	\$ 1,350,881	\$ 1,365,815	\$ 1,365,815	\$ 1,383,029	\$ 1,383,029
Less: Expenditures	952,899	967,833	967,833	985,047	985,047
Transfers Out	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0
Ending Balance	\$ 397,982	\$ 397,982	\$ 397,982	\$ 397,982	\$ 397,982
Ending Balance as Percent of Expenditures	41.8%	41.1%	41.1%	40.4%	40.4%
Month Highest Ending Balance	April \$ 490,914	June \$ 397,982	June \$ 397,982	June \$ 397,982	June \$ 397,982
Month Lowest Ending Balance	September \$ 291,968	August \$ 249,300	August \$ 249,300	August \$ 246,655	August \$ 397,982

OBJECT DETAIL

Expenditures by Object

Governor's FY 2017 Recommendation

All Funds



■ Salaries and Wages	▣ Contractual Services	▤ Commodities
▥ Capital Outlay	▦ Other Assistance	

Object	Gov. Rec. All Funds FY 2017	Percent of Total
Salaries and Wages	\$ 772,109	78.4 %
Contractual Services	196,358	19.9
Commodities	7,080	0.7
Capital Outlay	9,500	1.0
Other Assistance	--	0.0
TOTAL	\$ 985,047	100.0 %

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	4.0	2.0	2.0	2.0	2.0

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2015	Actual FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of appeals filed	3,700	3,395	3,400	3,500
Number of agencies contracting with the agency for services	26	25	25	25
Percentage of telephone hearings	90.0%	90.0%	90.0%	90.0%