

# REAL ESTATE COMMISSION

## FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1  
**BUDGET OVERVIEW, FY 2022 – FY 2025**

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
<b>Operating Expenditures:</b>							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	1,274,462	1,582,983	1,582,983	1,402,581	1,402,581	1,419,035	1,419,035
<i>Subtotal</i>	<u>\$ 1,274,462</u>	<u>\$ 1,582,983</u>	<u>\$ 1,582,983</u>	<u>\$ 1,402,581</u>	<u>\$ 1,402,581</u>	<u>\$ 1,419,035</u>	<u>\$ 1,419,035</u>
<b>Capital Improvements:</b>							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL</b>	<b><u>\$ 1,274,462</u></b>	<b><u>\$ 1,582,983</u></b>	<b><u>\$ 1,582,983</u></b>	<b><u>\$ 1,402,581</u></b>	<b><u>\$ 1,402,581</u></b>	<b><u>\$ 1,419,035</u></b>	<b><u>\$ 1,419,035</u></b>
<b>Percentage Change:</b>							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(4.4) %	24.2 %	24.2 %	(11.4) %	(11.4) %	1.2 %	1.2 %
FTE Positions	12.0	12.0	12.0	12.0	12.0	12.0	12.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

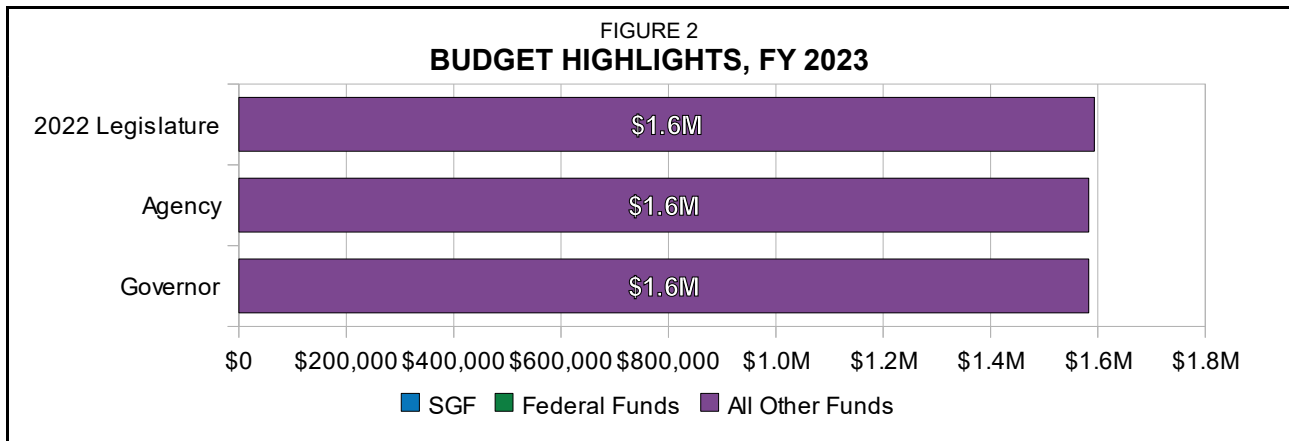
The Real Estate Commission protects the public interest in the selling, purchasing, and leasing of real estate and develops responsive policies and procedures that are customer service focused and not unduly burdensome to regulated real estate licensees.

The agency administers a program of licensure, education, and compliance relating to the transacting of real estate by salespersons and brokers in Kansas. The Commission is composed of five members appointed by the Governor for staggered four-year terms. One member is appointed from each congressional district and one member from the state at large. At least three members shall have been real estate brokers for at least five years, and at least one member shall have never been a real estate broker.

The agency operates under the authority granted by KSA 74-4201 *et seq.*; KSA 58-3034 *et seq.* prescribes licensing standards for real estate brokers and salespersons; and KSA 58-30,101 *et seq.* governs brokerage relationships between real estate salespersons, brokers, and their clients and customers.

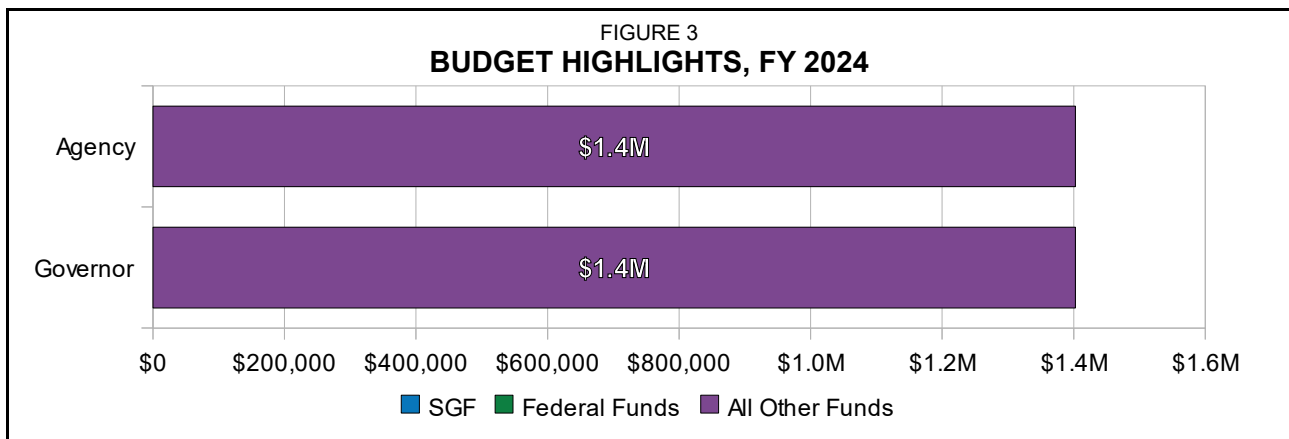
### EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$1.6 million, all from special revenue funds, and 12.0 FTE positions for the Real Estate Commission in FY 2023.



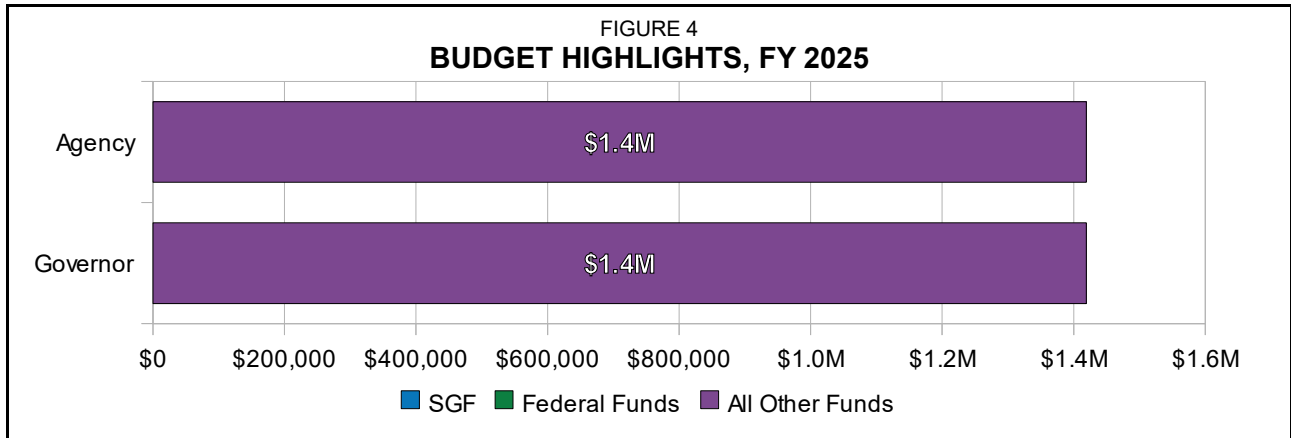
The **agency** submits a revised estimate of \$1.6 million, all from special revenue funds, and 12.0 FTE positions in FY 2023. This is a decrease of \$10,066, or 0.6 percent, below the approved amount. There are slight reductions in all expenditure categories and the elimination of the capital outlay expenditure of \$2,050 for office equipment.

The **Governor** concurs with the agency's FY 2023 revised estimate.



The **agency** requests \$1.4 million, all from special revenue funds, and 12.0 FTE positions for FY 2024. This is a decrease of \$180,402, or 11.4 percent, below the FY 2023 revised estimate. The decrease is mainly in contractual services due to one-time expenditures in FY 2023 for a licensing system that do not reoccur in FY 2024. These decreases are partially offset by increases in all other expenditure categories, including \$48,362 in salaries and wages.

The **Governor** concurs with the agency's FY 2024 request.



The **agency** requests \$1.4 million, all from special revenue funds, and 12.0 FTE positions for FY 2025. This is an increase of \$16,454, or 1.2 percent, above the FY 2024 request. The increase is primarily in salaries and wages (\$9,133) for employer contributions for group health insurance and contractual services (\$5,936) for printing and binding.

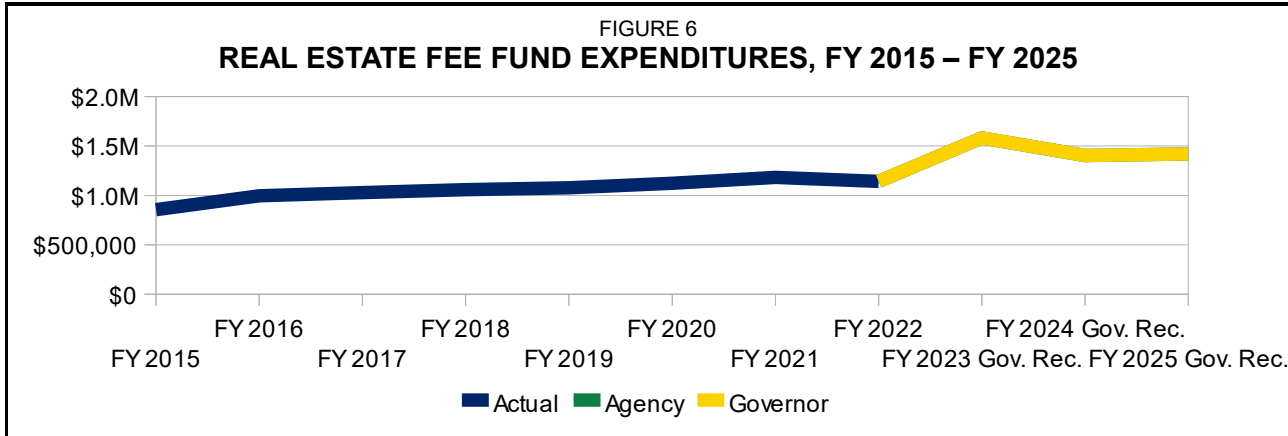
The **Governor** concurs with the agency's FY 2025 request.

## EXPENDITURES AND FINANCING

**FIGURE 5**  
**BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025**

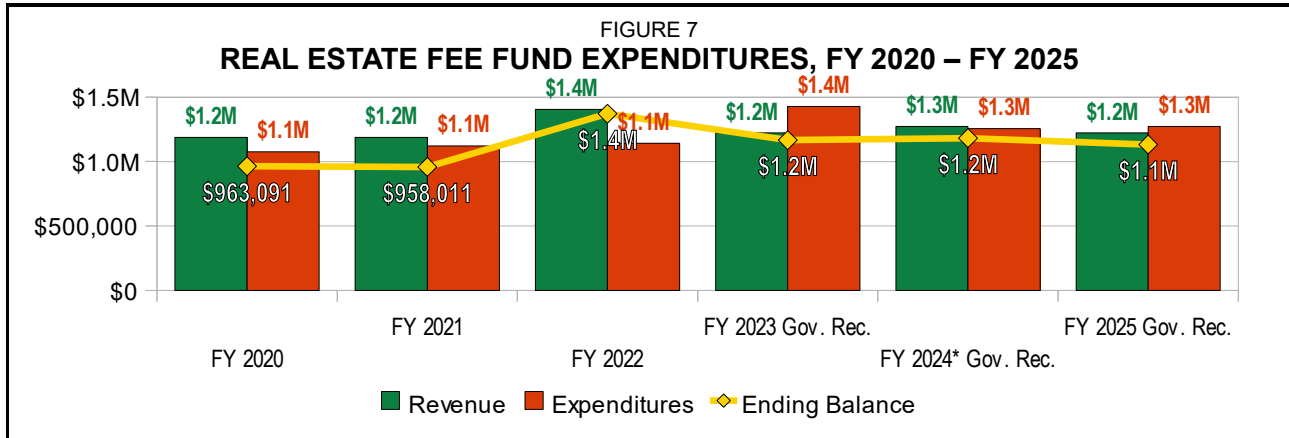
Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 809,344	\$ 874,063	\$ 874,063	\$ 922,425	\$ 922,425	\$ 931,558	\$ 931,558
Contractual Services	455,381	707,478	707,478	472,856	472,856	478,792	478,792
Commodities	3,488	1,442	1,442	4,250	4,250	4,135	4,135
Capital Outlay	6,249	-	-	3,050	3,050	4,550	4,550
Debt Service Interest	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>\$ 1,274,462</b>	<b>\$ 1,582,983</b>	<b>\$ 1,582,983</b>	<b>\$ 1,402,581</b>	<b>\$ 1,402,581</b>	<b>\$ 1,419,035</b>	<b>\$ 1,419,035</b>
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
<b>Subtotal—Operating</b>	<b>\$ 1,274,462</b>	<b>\$ 1,582,983</b>	<b>\$ 1,582,983</b>	<b>\$ 1,402,581</b>	<b>\$ 1,402,581</b>	<b>\$ 1,419,035</b>	<b>\$ 1,419,035</b>
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 1,274,462</b>	<b>\$ 1,582,983</b>	<b>\$ 1,582,983</b>	<b>\$ 1,402,581</b>	<b>\$ 1,402,581</b>	<b>\$ 1,419,035</b>	<b>\$ 1,419,035</b>
<b>Financing:</b>							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund	1,274,462	1,582,983	1,582,983	1,402,581	1,402,581	1,419,035	1,419,035
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 1,274,462</b>	<b>\$ 1,582,983</b>	<b>\$ 1,582,983</b>	<b>\$ 1,402,581</b>	<b>\$ 1,402,581</b>	<b>\$ 1,419,035</b>	<b>\$ 1,419,035</b>
FTE Positions	12.0	12.0	12.0	12.0	12.0	12.0	12.0

### REAL ESTATE FEE FUND



The Real Estate Fee Fund is the primary receipting and expenditure fund of the Commission. The fund is where all license, application, and other fees are deposited (per KSA 58-3074). The revenue received provides financing for all agency operations, with 90.0 percent being retained by the agency and 10.0 percent being deposited into the State General Fund (SGF) up to a maximum of \$100,000 per fiscal year per fund.

## REAL ESTATE FEE FUND



\* For FY 2024, the lowest month ending balance for the Real Estate Fee Fund will occur in September, with a balance of \$912,183.

The Real Estate Fee Fund receives fees in the amounts noted within the following fee table that are related to the licensure, education, and compliance of the transacting of real estate by salespersons and brokers in Kansas.

FIGURE 8  
**LICENSE FEES, FY 2023**

License	Current Fee	Statutory Limit	Authority
Real Estate Broker Application	\$ 50	\$ 50	KSA 58-3063
Real Estate Broker License (Original and Renewal)	175	200	KSA 58-3063
Real Estate Salesperson Application	15	25	KSA 58-3063
Real Estate Salesperson License	125	150	KSA 58-3063
Course Approval (Provider)	75	75	KSA 58-3063
Course Approval (Licensee)	20	20	KSA 58-3063
License Reinstatement	125	150	KSA 58-3063
Background Investigation	60	Cost Recovery*	
Open Company Office (Primary and Branch)	100	100	KSA 58-3063

\* Each individual applying for a new license after July 1, 2007, is required to be fingerprinted and submit to a criminal history record check through the Kansas Bureau of Investigation (KBI) or the Federal Bureau of Investigation. The fee is used to pay for the cost of the criminal history check, participation in the KBI Rap Back Program, and the Commission's administrative costs. The KBI Rap Back Program provides an update regarding new criminal arrests and dispositions for any licensees who have been fingerprinted.

## FY 2023 ANALYSIS

FIGURE 9  
**SUMMARY OF BUDGET REQUEST, FY 2023**

	SGF		Special Revenue Funds	All Funds	FTE
<b>Legislative Approved:</b>					
Amount Approved by 2022 Legislature	\$	-	\$ 1,593,049	\$ 1,593,049	12.0
1. No Changes		-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$	-	\$ 1,593,049	\$ 1,593,049	12.0
<b>Agency Revised Estimate:</b>					
2. All Other Adjustments		-	(10,066)	(10,066)	--
<i>Subtotal—Agency Revised Estimate</i>	\$	-	\$ 1,582,983	\$ 1,582,983	12.0
<b>Governor's Recommendation:</b>					
3. No Changes		-	-	-	--
<b>TOTAL</b>	<b>\$</b>	<b>-</b>	<b>\$ 1,582,983</b>	<b>\$ 1,582,983</b>	<b>12.0</b>

### **LEGISLATIVE APPROVED**

1. Subsequent to the 2022 Session, no adjustments were made to the \$1.6 million appropriated to the Real Estate Commission for FY 2023.

### **AGENCY ESTIMATE**

The **agency** submits a revised estimate of \$1.6 million, all from special revenue funds, and 12.0 FTE positions in FY 2023. This is a decrease of \$10,066, or 0.6 percent, below the approved amount.

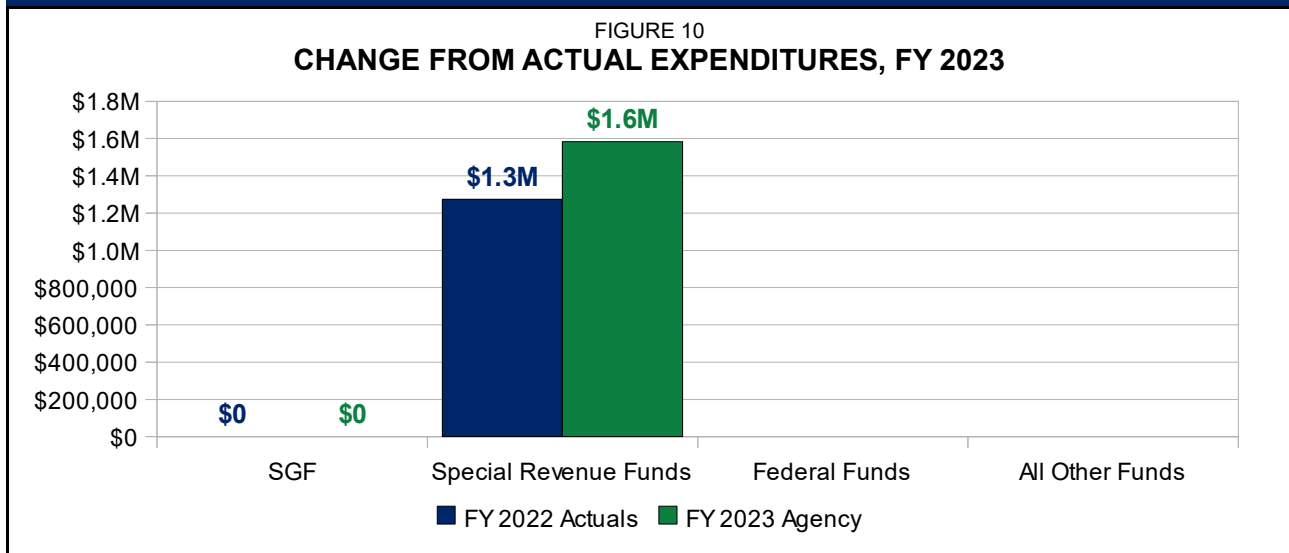
2. **ALL OTHER ADJUSTMENTS.** There were slight reductions in all expenditure categories totaling \$10,066 in the agency's FY 2023 revised estimate. These reductions include the elimination of capital outlay expenditure of \$2,050 for office equipment.

### **GOVERNOR'S RECOMMENDATION**

The **Governor** concurs with the agency's FY 2023 revised estimate.

3. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2023 revised estimate.

## FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$1.6 million, all from special revenue funds, in FY 2023. This is an increase of \$308,521, or 24.2 percent, above the FY 2022 actual amount. There were increases in salaries and wages (\$64,719) and contractual services (\$252,097) with slight decreases in the other expenditure categories. Salaries and wages were increased due to salary increases and employer contributions for fringe benefits. Contractual services expenditures increased due to printing and binding costs, rental costs, travel expenditures, and consulting fees.

There is an increase of \$10,000 in contractual services in odd years due to the printing and mailing of a law book with statutes and regulations to all supervising brokers.

## FY 2024 ANALYSIS

FIGURE 11  
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
<b>Agency Revised Estimate, FY 2023:</b>	\$ -	\$ 1,582,983	\$ 1,582,983	12.0
<b>Agency Request:</b>				
1. All Other Adjustments	-	(180,402)	(180,402)	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 1,402,581	\$ 1,402,581	12.0
<b>Governor’s Recommendation:</b>				
2. No Changes	\$ -	\$ -	\$ -	--
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 1,402,581</b>	<b>\$ 1,402,581</b>	<b>12.0</b>

### AGENCY REQUEST

The **agency** requests \$1.4 million, all from special revenue funds, in expenditures and 12.0 FTE positions for FY 2024. This is a decrease of \$180,402, or 11.4 percent, below the FY 2023 revised estimate.

1. **ALL OTHER ADJUSTMENTS.** The decrease is mainly in contractual services due to the one-time expenditure of \$245,000 in FY 2023 for a new licensing system that will not reoccur in FY 2024. The contractual services decreases are partially offset by increases in other expenditure categories including \$48,362 in salaries and wages, primarily for employer contributions for fringe benefits including group health insurance.

### GOVERNOR’S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

2. **NO CHANGES.** The **Governor** does not recommend any changes to the agency's FY 2024 request.



## FY 2025 ANALYSIS

FIGURE 12  
**SUMMARY OF BUDGET REQUEST, FY 2025**

	SGF	Special Revenue Funds	All Funds	FTE	
<b>Agency Request, FY 2024:</b>	\$	-	\$ 1,402,581	\$ 1,402,581	12.0
<b>Agency Request:</b>					
1. All Other Adjustments		-	16,454	16,454	--
<i>Subtotal—Agency Request</i>	\$	-	\$ 1,419,035	\$ 1,419,035	12.0
<b>Governor’s Recommendation:</b>					
2. No Changes.	\$	-	\$ 1,419,035	\$ 1,419,035	--
<b>TOTAL</b>	<b>\$</b>	<b>-</b>	<b>\$ 1,419,035</b>	<b>\$ 1,419,035</b>	<b>12.0</b>

### **AGENCY REQUEST**

The **agency** requests \$1.4 million, all from special revenue funds, in expenditures and 12.0 FTE positions for FY 2025. This is an increase of \$16,454, or 1.2 percent, above the FY 2024 expenditures.

1. **ALL OTHER ADJUSTMENTS.** The increase is primarily in salaries and wages (\$9,133) for employer contributions for group health insurance and in contractual services (\$5,936) for printing and binding. There is an increase of \$10,000 in contractual services in the odd years due to the printing and mailing of a law book with statutes and regulations to all supervising brokers.

### **GOVERNOR’S RECOMMENDATION**

The **Governor** concurs with the agency's FY 2025 request.

2. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2025 request.

## PROGRAM AND PERFORMANCE MEASURES OVERVIEW

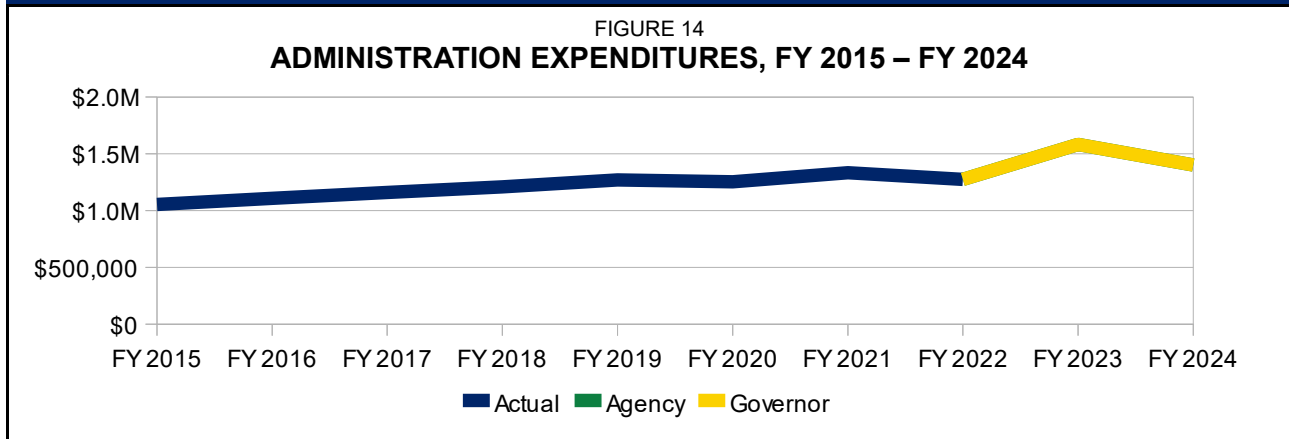
FIGURE 13  
**EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025**

Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
<b>Expenditures:</b>							
Administration	\$ 1,274,462	\$ 1,582,983	\$ 1,582,983	\$ 1,402,581	\$ 1,402,581	\$ 1,419,035	\$ 1,419,035
<b>FTE Positions:</b>							
Administration	12.0	12.0	12.0	12.0	12.0	12.0	12.0

### **PERFORMANCE MEASURES**

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

# ADMINISTRATION



**STATUTORY BASIS:** • KSA 74-4202(b)

**PROGRAM GOALS:**

- License only those individuals who have successfully completed all pre-licensing and continuing education requirements required by Kansas law.
- Increase licensees' knowledge of Kansas real estate law through education and outreach.
- Regulate real estate licensed activities to require compliance with commission statutes and regulations.

The Administration program is the agency's only budgetary program. The program is responsible for the licensure, education and compliance relating to the transacting of real estate by salesperson or brokers.

FIGURE 15  
**ADMINISTRATION, PERFORMANCE MEASURES**

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
<b>Outcome Measure:</b>					
1. Percent of licenses renewed online*	95 %	95 %	95 %	96 %	96 %
2. Number of compliance reviews performed*	249	260	263	300	325
3. Average regulatory cost per real estate license*	\$65.82	\$66.47	\$69.41	\$84.00	\$73.91
<b>Output Measure:</b>					
4. Number of active Real Estate Licenses	16,999	18,389	17,295	18,500	18,500
5. Percentage of Licenses issued within one business day of completion*	99 %	99 %	99 %	99 %	99 %
<b>Financing</b>					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,333,454	1,274,642		1,582,983	1,402,581
<b>TOTAL</b>	<b>\$ 1,333,454</b>	<b>\$ 1,274,642</b>		<b>\$ 1,582,983</b>	<b>\$ 1,402,581</b>
<b>Percentage Change:</b>					
SGF	-- %	-- %		-- %	-- %
All Funds	6.4 %	(4.4) %		24.2 %	(11.4) %
FTE Positions	12.0	12.0		12.0	12.0

\*The Governor's Office does not utilize this measure for evaluation purposes.