

REAL ESTATE APPRAISAL BOARD

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	268,759	340,802	340,802	344,867	344,867
<i>Subtotal</i>	<u>\$ 268,759</u>	<u>\$ 340,802</u>	<u>\$ 340,802</u>	<u>\$ 344,867</u>	<u>\$ 344,867</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 268,759</u>	<u>\$ 340,802</u>	<u>\$ 340,802</u>	<u>\$ 344,867</u>	<u>\$ 344,867</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(19.0) %	26.8 %	26.8 %	1.2 %	1.2 %
FTE Positions	2.0	2.0	2.0	2.0	2.0

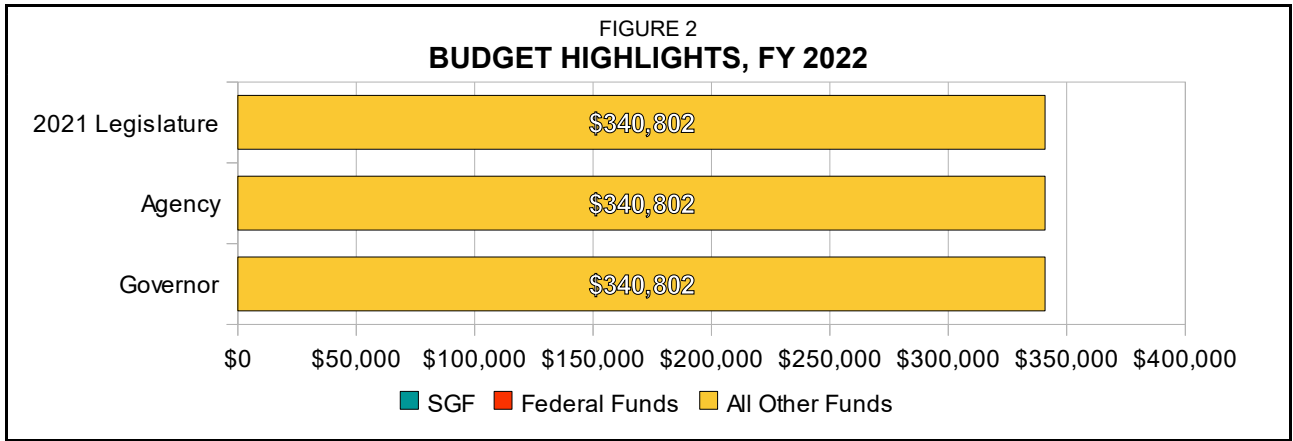
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Real Estate Appraisal Board's mission is to protect consumers of real estate services provided by its licensees by assuring that the licensees are sufficiently trained and tested to assure competency and independent judgment. In addition, the Board protects the public interest by enforcing both federal and state law to assure that its licensees act in accordance with professional standards and ethics. These responsibilities are accomplished through a variety of efforts including testing of potential licensees, pre-license and continuing education requirements, investigation of complaints, and disciplinary action taken against licensees as warranted.

The board, governed by KSA 58-4101 *et seq.* and KSA 58-4701 *et seq.*, is composed of seven members who are appointed to staggered three-year terms by the Governor. At least one member must represent the general public, at least two members must represent financial institutions, and at least three members must be licensed real estate appraisers.

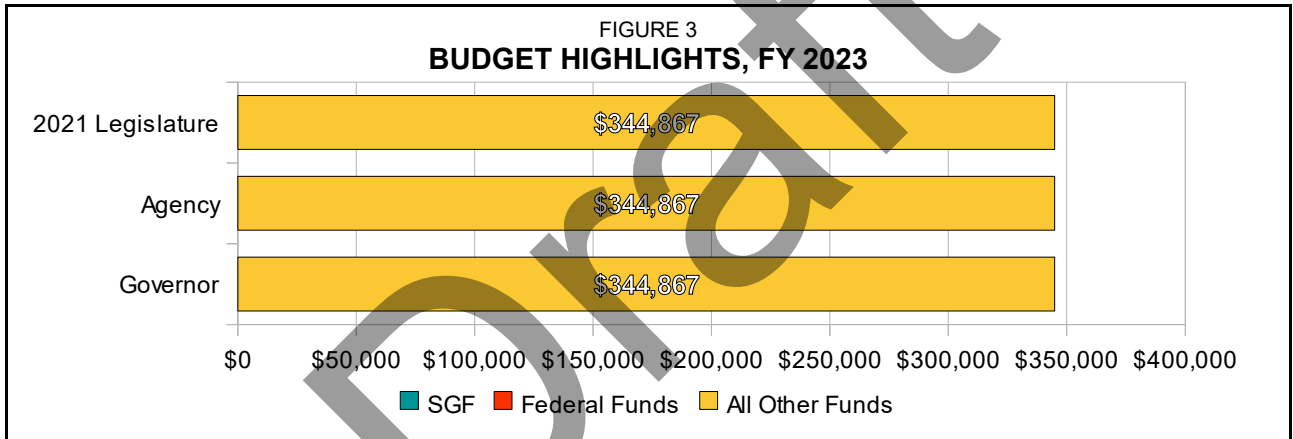
EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$340,802, all from special revenue funds, for the Real Estate Appraisal Board in FY 2022. No adjustments have been made subsequently to that amount.



The **agency** requests a revised estimate of \$340,802, all from special revenue funds, for expenditures in FY 2022. This is same as the FY 2022 approved amount. The agency estimate also includes includes 2.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.



The **agency** requests a revised estimate of \$344,867, all from special revenue funds, for expenditures for FY 2023. This is same as the FY 2023 approved amount. The agency estimate also includes includes 2.0 FTE positions, which is the same as the approved number.

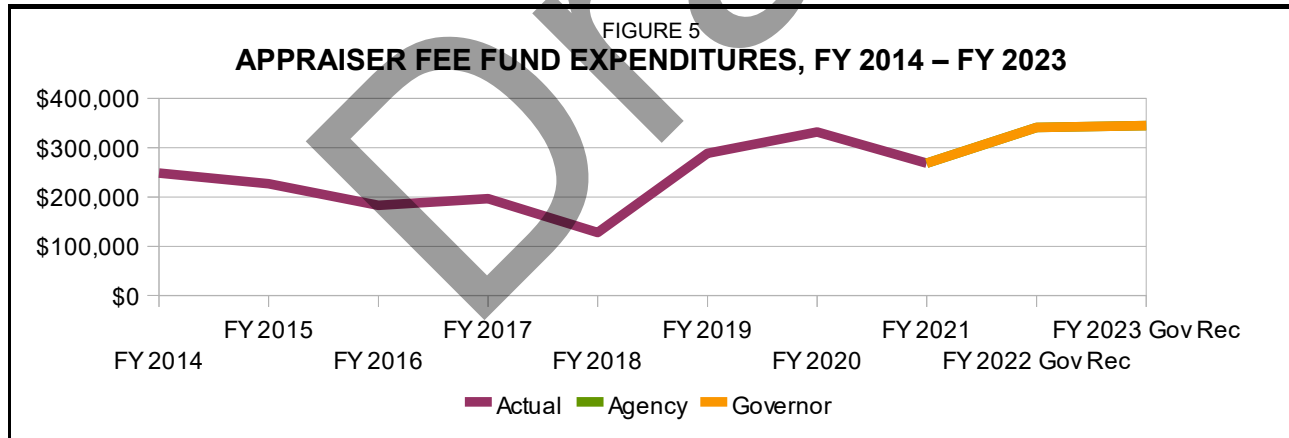
The **Governor** concurs with the agency's FY 2023 revised estimate.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

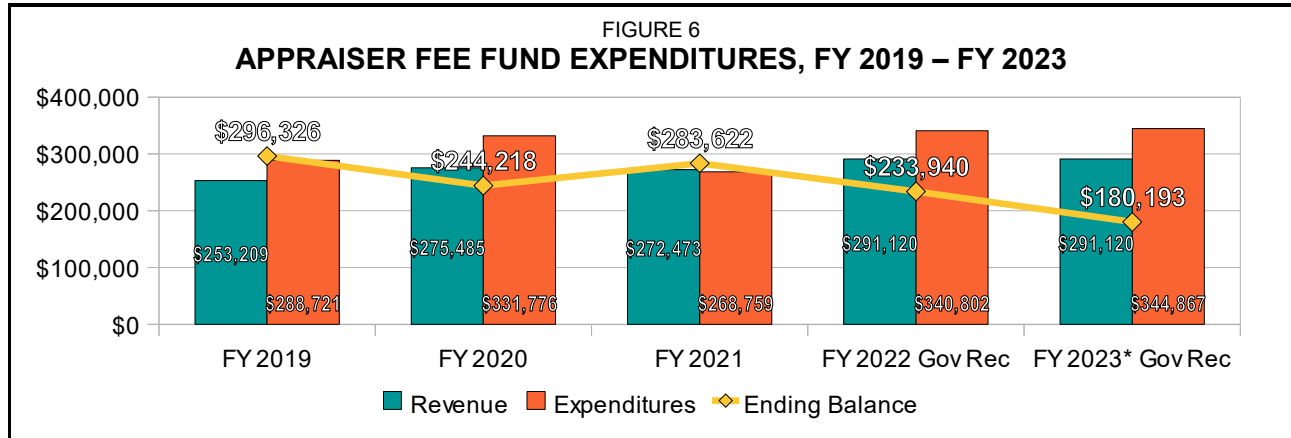
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 182,734	\$ 186,466	\$ 186,466	\$ 186,667	\$ 186,667
Contractual Services	83,640	150,336	150,336	154,200	154,200
Commodities	2,129	3,000	3,000	3,000	3,000
Capital Outlay	256	1,000	1,000	1,000	1,000
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 268,759</i>	<i>\$ 340,802</i>	<i>\$ 340,802</i>	<i>\$ 344,867</i>	<i>\$ 344,867</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 268,759</i>	<i>\$ 340,802</i>	<i>\$ 340,802</i>	<i>\$ 344,867</i>	<i>\$ 344,867</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 268,759	\$ 340,802	\$ 340,802	\$ 344,867	\$ 344,867
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Appraiser Fee Fund	268,759	340,802	340,802	344,867	344,867
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 268,759	\$ 340,802	\$ 340,802	\$ 344,867	\$ 344,867
FTE Positions	2.0	2.0	2.0	2.0	2.0

APPRAISER FEE FUND



The Appraiser 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 58-4107). 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).

APPRAISER FEE FUND



* For FY 2023, the lowest month ending balance for the Appraiser Fee Fund will occur in July, with a balance of \$140,432.

The Appraiser Fee Fund receives fees in the amounts noted within the following fee table that are related to the licensure, education, and compliance for the certified and licensed persons who conduct real property appraisals in Kansas.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Application for Certification and Licensure	\$ 50	\$ 50	KSA 58-4107
Original Certification and Licensure	225	300	KSA 58-4107
Annual Renewal	150	300	KSA 58-4107
Late Renewal Fee	50	50	KSA 58-4107
Certification Letter	10	25	KSA 58-4107
New Continuing Education Course Approval	50	100	KSA 58-4107
New Pre-licensing Course Approval	100	100	KSA 58-4107
Renewal of Courses	25	25	KSA 58-4107
Approval and Renewal of all Appraisal Qualifications	10	25	KSA 58-4107
Reinstatement of License Fee	50	50	KSA 58-4107
Temporary Practice Permit	50	50	KSA 58-4107
Appraisal Management Company Registration	1,500	3,500	KSA 58-4708
Appraisal Management Company Renewal Fee	900	3,500	KSA 58-4708
Appraisal Management Company Late Fee	100	500	KSA 58-4708

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 340,802	\$ 340,802	2.0
1. No Changes	-	-	-	-
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 340,802	\$ 340,802	2.0
Agency Revised Estimate:				
2. No Changes	-	-	-	-
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 340,802	\$ 340,802	2.0
Governor’s Recommendation:				
3. No Changes	-	-	-	-
TOTAL	\$ -	\$ 340,802	\$ 340,802	2.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$340,802 appropriated to the Real Estate Appraisal Board for FY 2022.

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$340,802 appropriated to the Real Estate Appraisal Board for FY 2022.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$340,802, all from special revenue funds, for expenditures in FY 2022. This is same as the FY 2022 approved amount. There are increased expenditures in salaries and wages of \$4,419, or 2.4 percent, for base salary increases and capital outlay of \$1,000 for printers. The agency reallocated contractual service expenditures from outside counsel fees to a new information technology database project.

The **agency** estimate also includes includes 2.0 FTE positions, which is the same as the approved number.

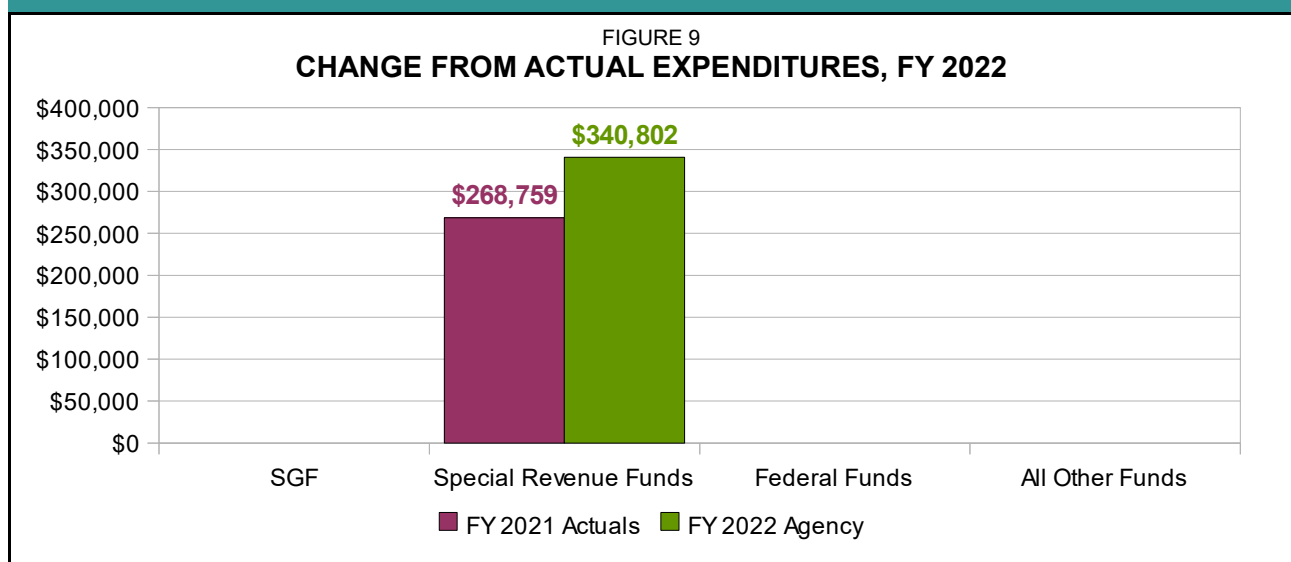
2. **NO CHANGES.** The agency made no changes to the legislative approved amount in FY 2022.

GOVERNOR’S RECOMMENDATION

The **Governor** concurs with the agency’s FY 2022 revised estimate.

3. **NO CHANGES.** The Governor made no changes to the agency’s FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised expenditures of \$340,802, all from special revenue funds, in FY 2022. This is an increase of \$72,043, or 26.8 percent, above the FY 2021 actual expenditures. The increase is attributable to expenditure increases above the FY 2021 actual expenditure amounts in the following categories:

- Salaries and wages: an increase of \$3,732, or 2.0 percent;
- Contractual services: an increase of \$66,696, or 79.9 percent;
- Commodities: an increase of \$871, or 40.9 percent; and
- Capital outlay: an increase of \$744, or 290.6 percent.

The increases are due to the implementation of a new database, increased attorney fees, an increase in complaints received by the agency, and an increase in applications.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 344,867	\$ 344,867	2.0
1. No Changes				
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 344,867	\$ 344,867	2.0
Agency Request:				
2. No Changes	-	-	-	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 344,867	\$ 344,867	2.0
Governor’s Recommendation:				
3. No Changes	-	-	-	-
TOTAL	\$ -	\$ 344,867	\$ 344,867	2.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$344,867 appropriated to the Real Estate Appraisal Board for FY 2023.

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$340,802 appropriated to the Real Estate Appraisal Board for FY 2022.

AGENCY REQUEST

The **agency** requests a revised estimate of \$344,867, all from special revenue funds, for expenditures for FY 2023. This is same as the FY 2023 approved amount. The agency estimate also includes includes 2.0 FTE positions, which is the same as the approved number.

2. **NO CHANGES.** The agency made no changes to the legislative approved amount.

GOVERNOR’S RECOMMENDATION

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

3. **NO CHANGES.** The Governor made no changes to the agency’s FY 2023 revised estimate.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 11

EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023

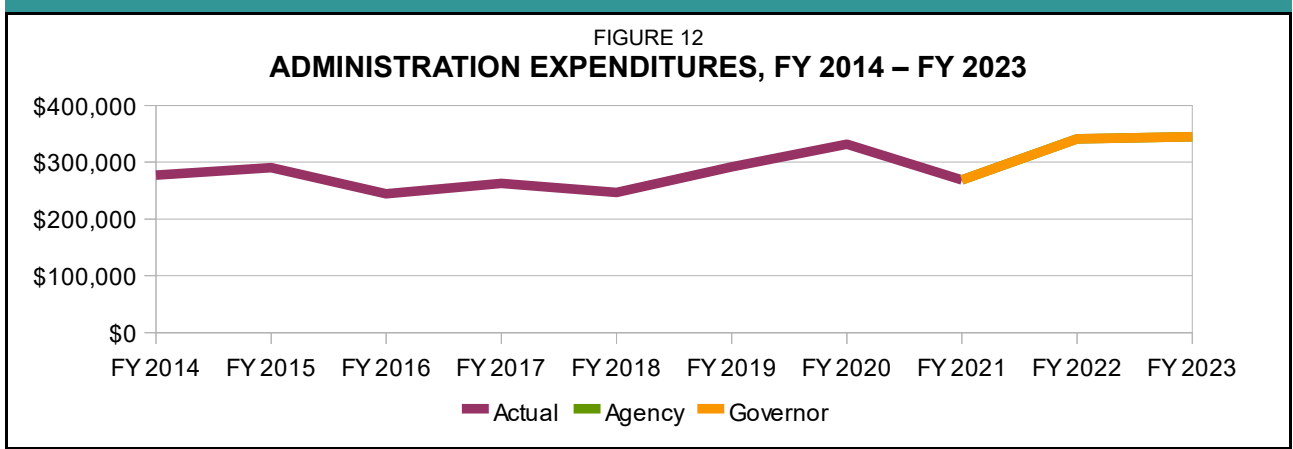
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 268,759	\$ 340,802	\$ 340,802	\$ 344,867	\$ 344,867
FTE Positions:					
Administration	2.0	2.0	2.0	2.0	2.0

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.

Draft

ADMINISTRATION



STATUTORY BASIS: • KSA 58-4101 *et seq.*, 58-4701 *et seq.*

PROGRAM GOALS:

- Continue to work diligently to get complaints processed in the one-year time frame mandated by the Appraisal Subcommittee (ASC) of The Appraisal Foundation.
- Continue to maintain excellent reviews conducted by the ASC.

The Administration program is the agency's only budgetary program. It is responsible for the licensure, education, and compliance of the

certified and licensed persons who conduct real property appraisals in Kansas.

Draft

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Current active real estate appraisers	992	979	985	1,000	1,000
2. Number of new real estate appraisal licenses issued*	81	82	76	90	90
3. Percent of real estate appraisal licensees denied*	5.0 %	7.0 %	5.7 %	5.0%	5.0%
4. Current active appraisal management companies	116	112	114	125	125
5. Number of new real estate appraisal management companies registered*	11	10	8	10	10
6. Percentage of appraisal licenses found in violation with a biennial renewal audit of continuing education*	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
7. Percentage of licenses renewed online or by email*	50.0 %	20.0 %	35.0 %	30.0 %	30.0 %
8. Number of appraiser complaints*	22	20	25	20	20
9. Percent of closed complaints resulting in disciplinary action being taken*	10.0 %	20.0 %	13.3 %	25.0 %	25.0 %
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	331,776	268,759		340,802	344,867
TOTAL	\$ 331,776	\$ 268,759		\$ 340,802	\$ 344,867
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	13.7 %	(19.0) %		26.8 %	1.2 %
FTE Positions	2.0	2.0		2.0	2.0

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