

BOARD OF ACCOUNTANCY

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

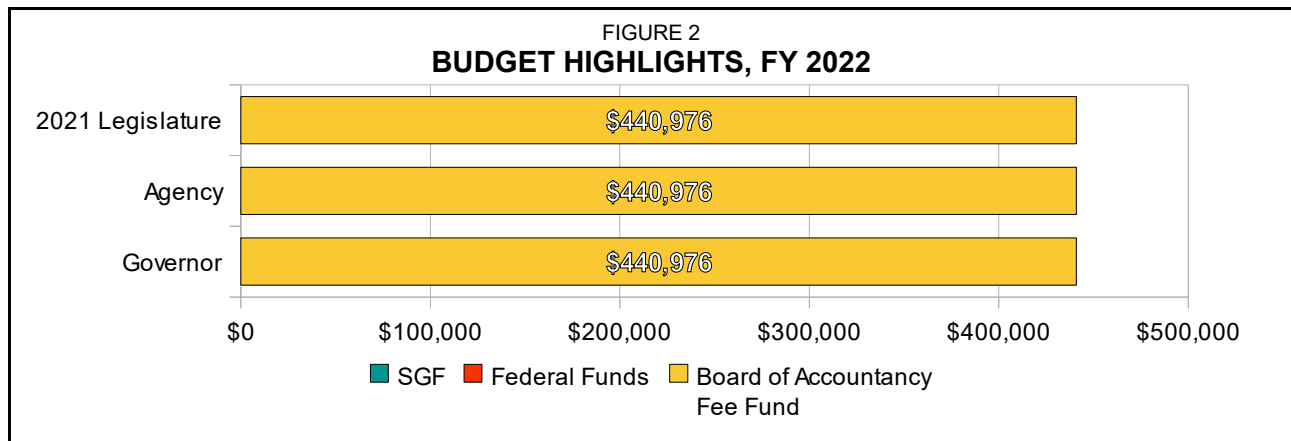
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	399,007	440,976	440,976	443,348	443,348
<i>Subtotal</i>	<u>\$ 399,007</u>	<u>\$ 440,976</u>	<u>\$ 440,976</u>	<u>\$ 443,348</u>	<u>\$ 443,348</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>\$ 399,007</u>	<u>\$ 440,976</u>	<u>\$ 440,976</u>	<u>\$ 443,348</u>	<u>\$ 443,348</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(0.4) %	10.5 %	10.5 %	0.5 %	0.5 %
FTE Positions	3.0	3.0	3.0	3.0	3.0

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 Board of Accountancy consists of seven members and provides for the certification, registration, and regulation of Certified Public Accountants (CPAs) within Kansas. The Board issues permits to practice within the state and also may censure, suspend, or revoke CPA certificates and permits to practice. In addition, the Board approves applications for reciprocity to those who meet minimum qualifying requirements and are initially licensed in another state.

EXECUTIVE SUMMARY

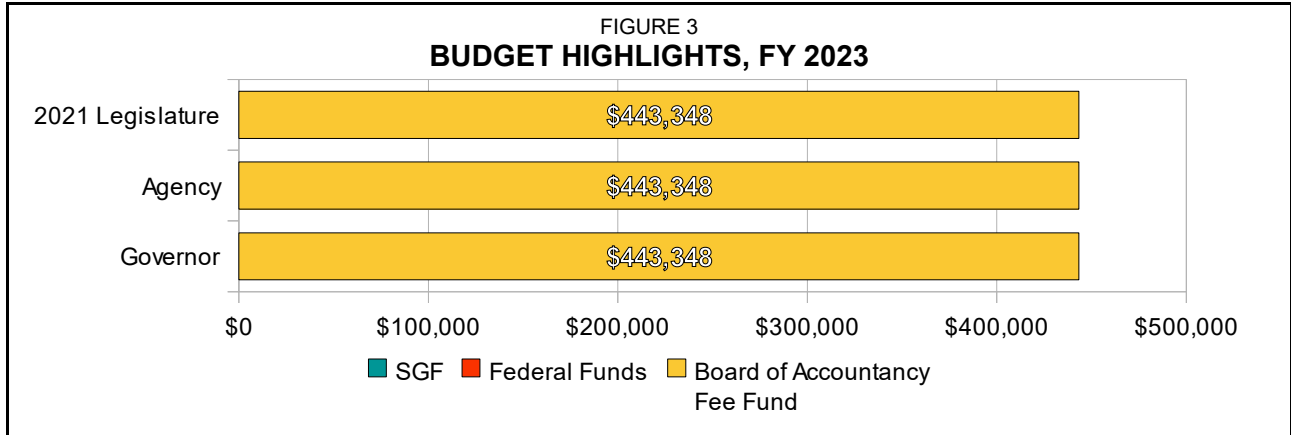
The 2021 Legislature approved a budget of \$440,976, all from the Board of Accountancy Fee Fund, for the Board of Accountancy for FY 2022. No adjustments have been made subsequently to that amount.



The **agency** estimates revised expenditures of \$440,976, all from the Board of Accountancy Fee Fund, in FY 2022. The revised estimate is the same as the FY 2022 amount approved by the 2021 Legislature. The agency estimates increased expenditures for salaries and wages due to base rate adjustments and fringe benefits. The increase is partially offset by decreased expenditures for information technology systems, as the agency begins to transition to the Board of Healing Arts hosted licensure database system. The agency requests 3.0 FTE positions, which is the same as the approved number.

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

The 2021 Legislature approved a budget of \$443,348, all from the Board of Accountancy Fee Fund, for the Board of Accountancy for FY 2023. No adjustments have been made subsequently to that amount.



The **agency** estimates revised expenditures of \$443,348, all from the Board of Accountancy Fee Fund, for FY 2023. The request is the same as the agency's FY 2023 approved amount. The agency estimates increased salary expenditures while the retiring Executive Director trains the new Executive Director. This increase is partially offset by decreased technology expenditures as the agency completes transition to a new licensure database system hosted by the Board of Healing Arts. The agency requests 3.0 FTE positions, which is the same as the FY 2022 revised estimate and the FY 2023 approved number.

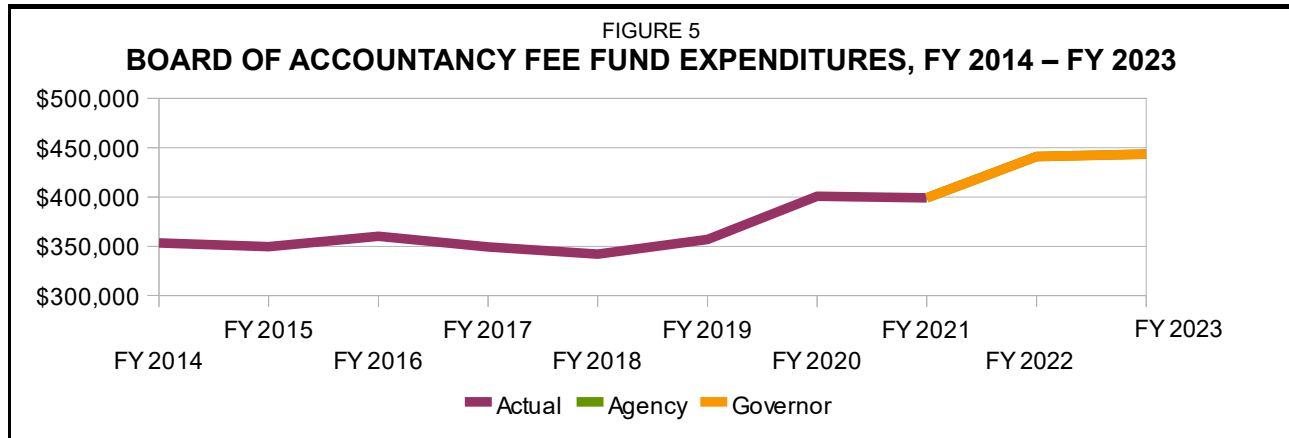
The **Governor** concurs with the agency's revised estimate for FY 2023.

EXPENDITURES AND FINANCING

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

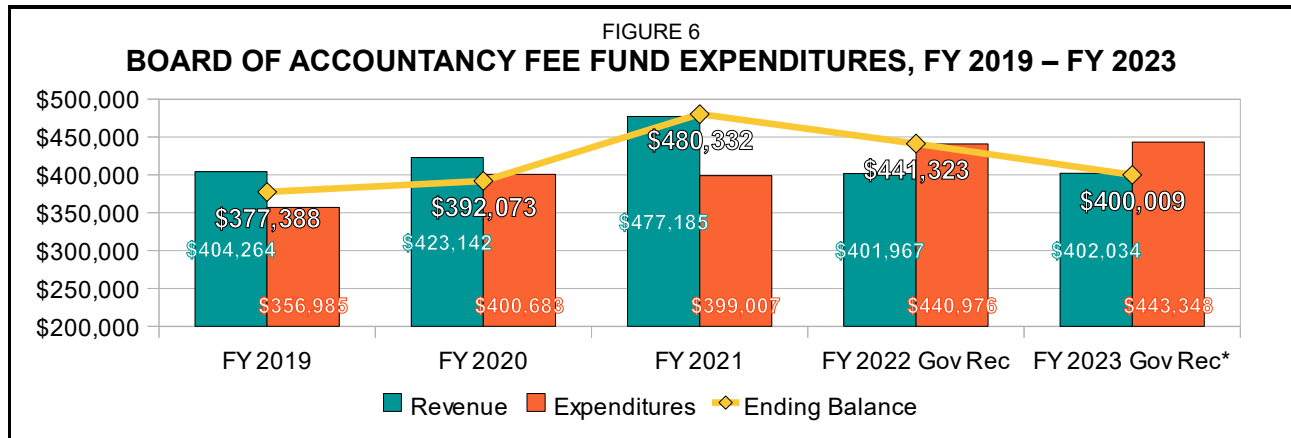
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 211,807	\$ 236,005	\$ 236,005	\$ 253,701	\$ 253,701
Contractual Services	183,990	201,771	201,771	186,447	186,447
Commodities	3,090	3,200	3,200	3,200	3,200
Capital Outlay	120	-	-	-	-
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 399,007</u>	<u>\$ 440,976</u>	<u>\$ 440,976</u>	<u>\$ 443,348</u>	<u>\$ 443,348</u>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<u>\$ 399,007</u>	<u>\$ 440,976</u>	<u>\$ 440,976</u>	<u>\$ 443,348</u>	<u>\$ 443,348</u>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	<u>\$ 399,007</u>	<u>\$ 440,976</u>	<u>\$ 440,976</u>	<u>\$ 443,348</u>	<u>\$ 443,348</u>
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
Board of Accountancy Fee Fund	399,007	440,976	440,976	443,348	443,348
TOTAL	<u>\$ 399,007</u>	<u>\$ 440,976</u>	<u>\$ 440,976</u>	<u>\$ 443,348</u>	<u>\$ 443,348</u>
FTE Positions	3.0	3.0	3.0	3.0	3.0

BOARD OF ACCOUNTANCY FEE FUND



The Board of Accountancy Fee Fund is a statutory fee fund funded through four sources: (1) issuance of certificates to those who pass the CPA and ethics exams and issuance of certificates of reciprocity to those who were initially licensed in another state; (2) permits to practice as a CPA, renewed on a biennial basis; (3) registration of firms and sole practitioners, renewed on an annual basis; and (4) collection of fines imposed by the board on those not complying with laws and regulations. The amounts of such fees are set forth in Figure 7, below.

BOARD OF ACCOUNTANCY FEE FUND



* For FY 2023, the lowest month ending balance for the Board of Accountancy Fee Fund will occur in July, with a balance of \$269,393.

The Board of Accountancy Fee Fund maintains a significant ending balance each year. In FY 2021, the ending balance increased significantly; while expenditures remained steady, revenues increased by 12.7 percent. Beginning in FY 2022, expenditures increased because a vacant position was filled, while revenues decreased from FY 2021 levels. This trend is expected to continue in FY 2023.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Firm Registration	\$ 100	\$ 300	KSA 1-301(b)(8)
Firm Renewal	100	300	KSA 1-301(b)(8)
Firm Renewal (late)	150	450	KSA 1-301(b)(9)
Certification by Reciprocity	250	350	KSA 1-301(b)(2)
Certification Renewal	165	350	KSA 1-301(b)(3)
Certification Renewal (late)	247.50	525	KSA 1-301(b)(4)
Duplicate Certificate	25	50	KSA 1-301(b)(1)
Initial Permit to Practice	165	350	KSA 1-301(b)(3)
Reinstatement of Permit to Practice (1 year)	123.75	175	KSA 1-301(b)(6)
Reinstatement of Permit to practice (2 year)	247.50	350	KSA 1-301(b)(6)
Duplicate Permit to Practice	25	50	KSA 1-301(b)(1)

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	\$ -	\$ 440,976	\$ 440,976	3.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 440,976	\$ 440,976	3.0
Agency Revised Estimate:				
2. Salaries and Wages	\$ -	\$ 4,496	\$ 4,496	--
3. Contractual Services	-	(4,496)	(4,496)	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 440,976	\$ 440,976	3.0
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 440,976	\$ 440,976	3.0

LEGISLATIVE APPROVED

1. No adjustments were made to the \$440,976 appropriated by the 2021 Legislature to the Board of Accountancy in FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised expenditures of \$440,976, all from the Board of Accountancy Fee Fund, in FY 2022. The request is the same as the agency's FY 2022 approved amount. The agency requests 3.0 FTE positions, which is the same as the approved number.

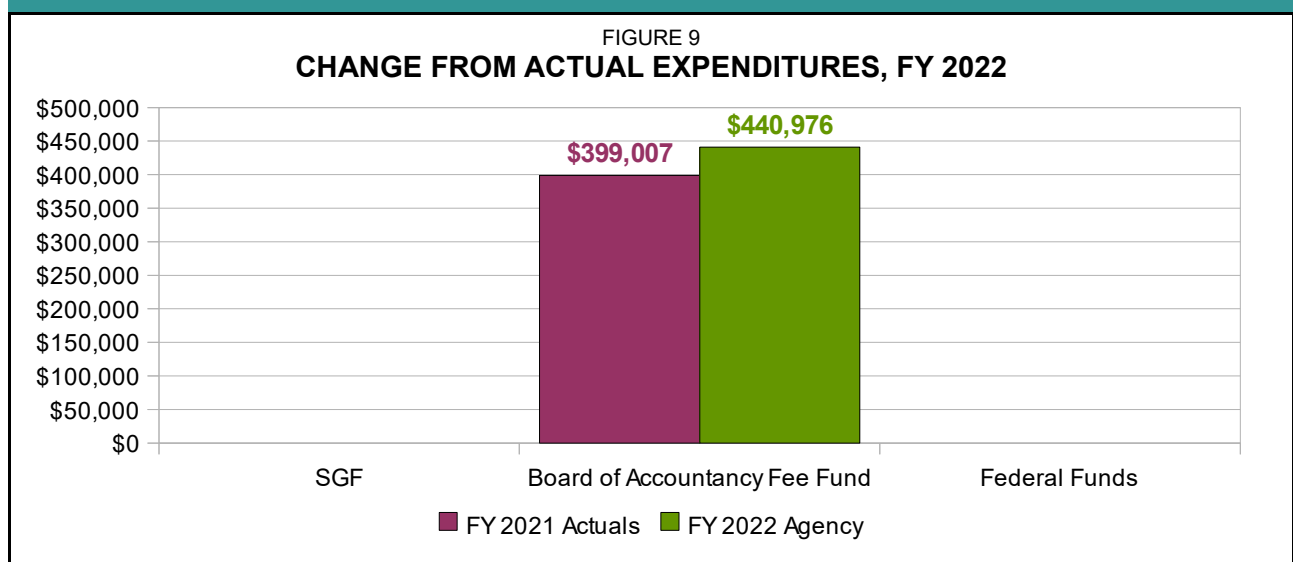
2. **SALARIES AND WAGES.** The agency estimates an increase to salaries and wages of \$4,496, or 1.9 percent, above the agency's approved amount. The total FY 2022 request for salaries and wages is \$236,005. The increase is attributable to base rate adjustments and fringe benefits.
3. **CONTRACTUAL SERVICES.** The agency estimates an overall decrease to contractual services of \$4,496. The total FY 2022 request for contractual services is \$201,771. The decrease is primarily due to decreased expenditures for information technology fees, as the agency transitions to a new licensure database system hosted by the Board of Healing Arts. The decrease to contractual services is partially offset by increased expenditures for assigned counsel fees and travel.

GOVERNOR'S RECOMMENDATION

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

4. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency's FY 2022 revised estimate is \$440,976, all from the Board of Accountancy Fee Fund. This is an increase of \$41,969, or 10.5 percent, above FY 2021 actual expenditures. Although the FY 2022 revised estimate is an increase over FY 2021 actual expenditures, it is the same as the FY 2022 approved amount. This increase is primarily due to an increase in benefits payments as a contract worker transitions to become an employee of the agency, increased travel following the COVID-19 pandemic, and increased information technology expenditures due to a period of overlap while the agency transitions to a new database system.

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	\$ -	\$ 443,348	\$ 443,348	3.0
1. No Changes		-		--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 443,348	\$ 443,348	3.0
Agency Request:				
2. Salaries and Wages—Executive Director Transition	\$ -	\$ 21,825	\$ 21,825	3.0
3. Contractual Services—Database System Transition	-	(21,825)	(21,825)	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 443,348	\$ 443,348	3.0
Governor's Recommendation:				
4. No Changes	\$ -	-	-	--
TOTAL	\$ -	\$ 443,348	\$ 443,348	3.0

LEGISLATIVE APPROVED

1. No adjustments were made to the \$443,348 appropriated by the 2021 Legislature to the Board of Accountancy in FY 2023.

AGENCY REQUEST

The **agency** estimates revised expenditures of \$443,348, all from the Board of Accountancy Fee Fund, for FY 2023. The revised estimate is the same as the agency's FY 2023 approved amount. The agency requests 3.0 FTE positions, which is the same as the FY 2022 revised estimate and the FY 2023 approved number.

Significant items in the agency's estimate include the following:

2. **SALARIES AND WAGES—EXECUTIVE DIRECTOR TRANSITION.** The agency estimates an increase of \$21,825, or 9.4 percent, above the FY 2023 approved amount for salaries and wages. The salaries and wages increase is due to a planned transition of Executive Directors. The current Executive Director intends to retire at the end of 2023. During a transition period, the agency will pay both the retiring Executive Director and the incoming Executive Director.
3. **CONTRACTUAL SERVICES—DATABASE SYSTEM TRANSITION.** The agency estimates a decrease of \$21,825, or 10.5 percent, below the FY 2023 approved amount for contractual services. This decrease is primarily due to the expected completion of the transition from the OITS licensure database system to a database system hosted by the Board of Healing Arts.

GOVERNOR'S RECOMMENDATION

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

4. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2022 revised estimate.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

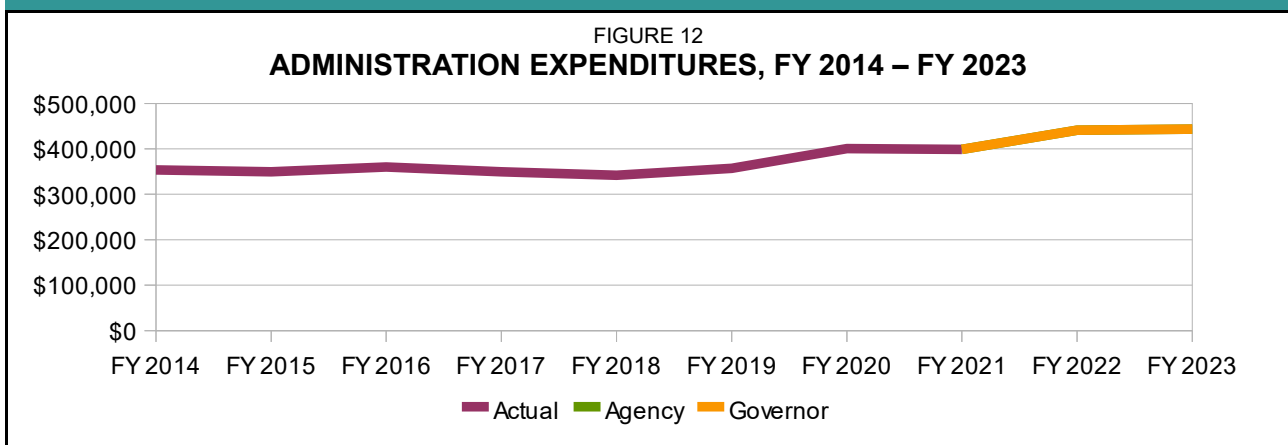
FIGURE 11
EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023

Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 399,007	\$ 440,976	\$ 440,976	\$ 443,348	\$ 443,348
FTE Positions:					
Administration	3.0	3.0	3.0	3.0	3.0

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:

- Licensing: KSA 1-201; 1-202; 1-204; 1- 205; 1-302; 1-302a; 1-307; 1-308; 1-310; 1-315; 1-316; 1-501
- Enforcement: KSA 1-205; 1-206; 1-311; 1-312; 1-316; 1-318; 1-319; 1-401

PROGRAM GOALS:

- Approve applications for certificates by exam and reciprocity to those who meet minimum qualifying requirements.
- Approve applications for permits to practice to those who meet an experience requirement and reinstate permits to those who meet certain continuing education requirements.
- Register in-state and out-of-state CPA firms practicing in the state of Kansas.
- Enforcement: Regulate CPAs and the services provided relating to the practice of certified public accountancy.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Certificates	12,934	13,031	12,927	13,151	13,272
2.Number of Permit Holders	3,813	3,841	3,826	3,747	3,755
3.Number of CPA Firms	845	850	838	855	860
4.Number of Complaints and Referrals Received and Investigated	97	95	101	92	90
Output Measure:					
5.Number of New Certificate Holders*	116	123	127	120	121
6.Number of New Permits*	125	126	131	120	122
7.Number of New CPA Firms*	56	47	54	56	57
8.Number of Hearings Held*	66	38	54	62	60
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	400,683	399,007		440,976	443,348
TOTAL	\$ 400,683	\$ 399,007		\$ 440,976	\$ 443,348
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	12.2 %	(0.4) %		10.5 %	0.5 %
FTE Positions	3.0	3.0		3.0	3.0

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