

REAL ESTATE APPRAISAL BOARD

FY 2023 – FY 2025 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	328,500	366,264	366,264	371,842	371,842
<i>Subtotal</i>	<u>\$ 328,500</u>	<u>\$ 366,264</u>	<u>\$ 366,264</u>	<u>\$ 371,842</u>	<u>\$ 371,842</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>\$ 328,500</u>	<u>\$ 366,264</u>	<u>\$ 366,264</u>	<u>\$ 371,842</u>	<u>\$ 371,842</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(1.5) %	11.5 %	11.5 %	1.5 %	1.5 %
FTE Positions	2.0	2.0	2.0	2.0	2.0

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 laws 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.

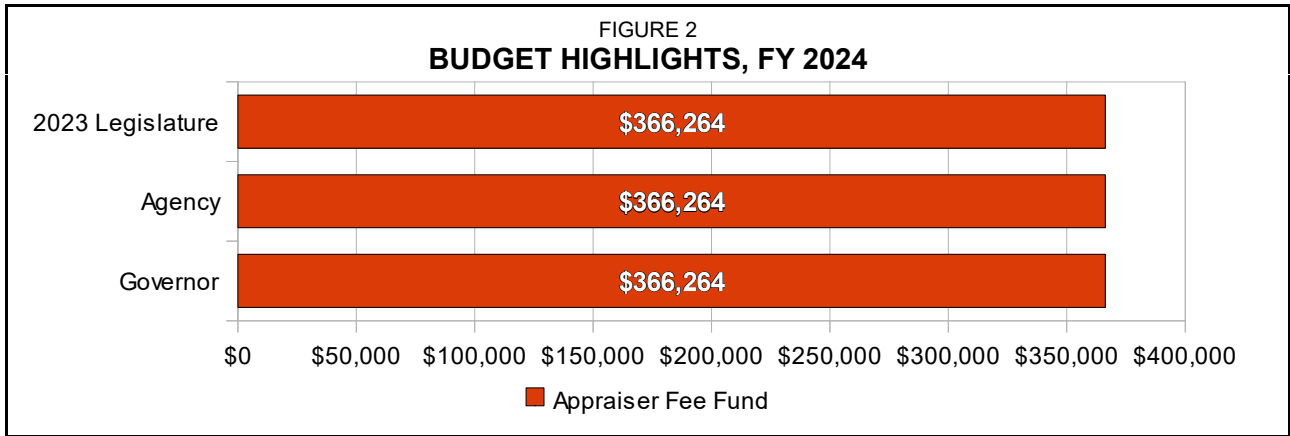
The Board, governed by KSA 58-4101 *et seq.* and KSA 58-4701 *et seq.*, is composed of seven members who are appointed to staggered three-year terms by the Governor. At least one member must represent the general public, at least two members must represent financial institutions, and at least three members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

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

- AGENCY GOALS:**
- Maintain and/or process any changes to statutes or regulations to ensure that the Kansas Appraisal Program is in compliance with the Appraisal Subcommittee requirements.
 - Continue to work diligently to get complaints processed in the one-year time frame mandated by the Appraisal Subcommittee of The Appraisal Foundation.
 - Complete the transition to the new database and work with appraisers, appraisal management companies, and education providers to assist them in using it.
 - Continue to maintain excellent reviews conducted by the Appraisal Subcommittee.

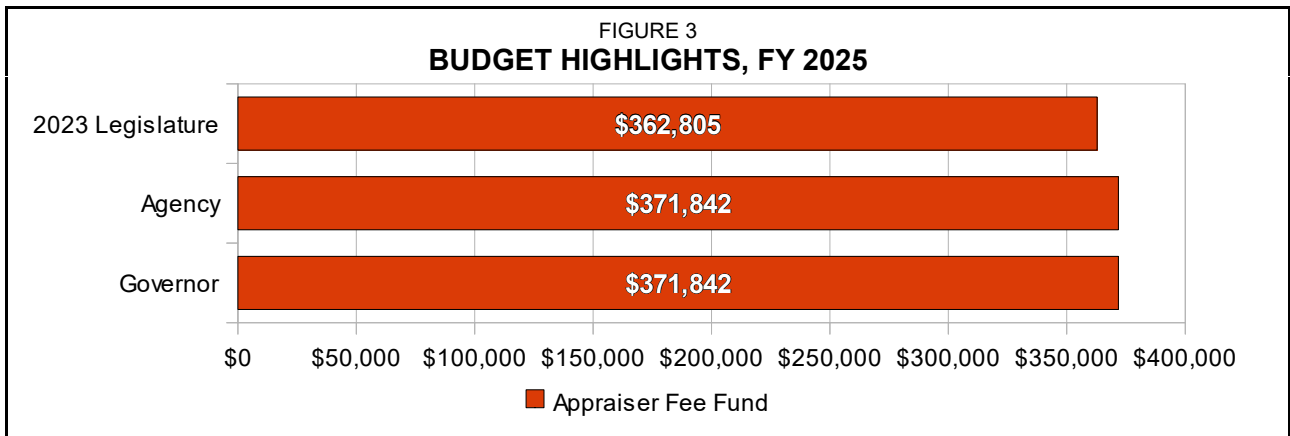
EXECUTIVE SUMMARY

The 2023 Legislature approved a budget of \$366,264, all from special revenue funds, in expenditures and 2.0 FTE positions for the Real Estate Appraisal Board for FY 2024. No changes were made subsequently to this approved amount.



The **agency** requests a revised estimate of \$366,264, all from special revenue funds, in expenditures and 2.0 FTE positions in FY 2024. This is the same as the amount approved by the 2023 Legislature.

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



The **agency** requests a revised estimate of \$371,842, all from special revenue funds, and 2.0 FTE positions for FY 2025. This is an increase of \$9,037, or 2.5 percent, above the amount approved by the 2023 Legislature. This increase is primarily to account for an increase in expenditure limitation that was inadvertently omitted from the Legislative Pay Plan in 2023 SB 25. This adjustment would achieve the intended effect of the pay plan and does not represent a substantive change from the salary adjustments approved by the 2023 Legislature.

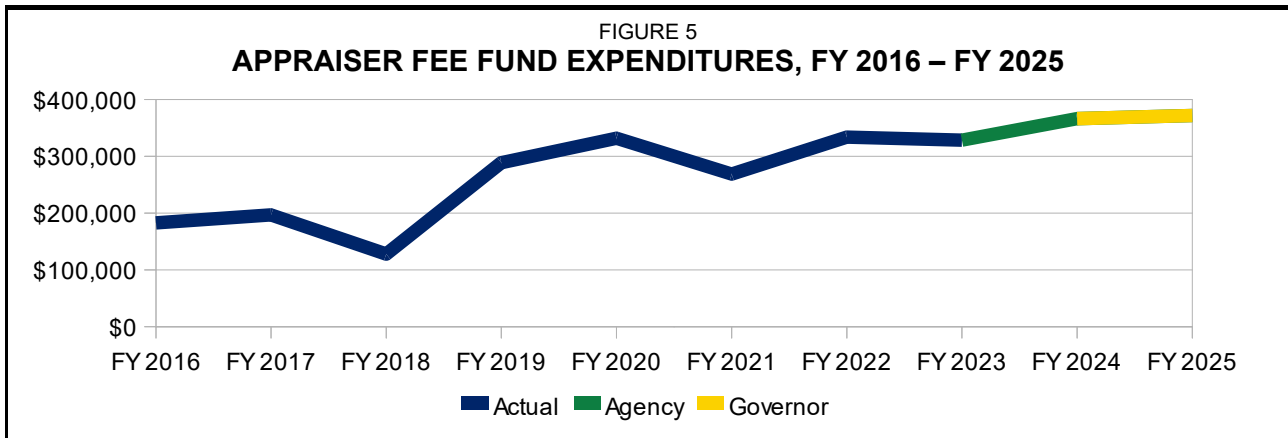
The **Governor** concurs with the agency's FY 2025 revised estimate.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2023 – FY 2025

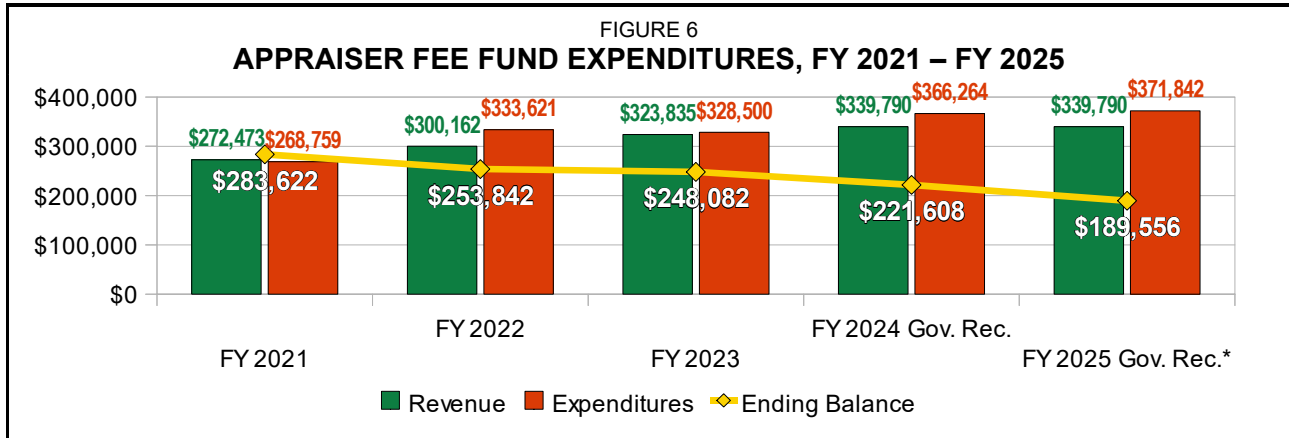
Category of Expenditure:	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 199,138	\$ 212,134	\$ 212,134	\$ 211,446	\$ 211,446
Contractual Services	127,613	151,430	151,430	157,696	157,696
Commodities	1,749	2,700	2,700	2,700	2,700
Capital Outlay	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 328,500</i>	<i>\$ 366,264</i>	<i>\$ 366,264</i>	<i>\$ 371,842</i>	<i>\$ 371,842</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 328,500</i>	<i>\$ 366,264</i>	<i>\$ 366,264</i>	<i>\$ 371,842</i>	<i>\$ 371,842</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 328,500	\$ 366,264	\$ 366,264	\$ 371,842	\$ 371,842
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Appraiser Fee Fund	328,500	366,264	366,264	371,842	371,842
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 328,500	\$ 366,264	\$ 366,264	\$ 371,842	\$ 371,842
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 Board. 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 2025, the lowest month ending balance for the Appraiser Fee Fund will occur in February, with a balance of \$94,580.

The Appraiser Fee Fund receives fees in the amounts noted within the following fee table.

FIGURE 7
LICENSE FEES, FY 2024

License	Current Fee	Statutory Limit	Statutory Authority
Application for Certification and Licensure	\$ 50	\$ 50	KSA 58-4107
Original Certification and Licensure	225	300	KSA 58-4107
Annual Renewal	200	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	1,100	3,500	KSA 58-4708
Appraisal Management Company Late Fee	100	500	KSA 58-4708

FY 2024 ANALYSIS

FIGURE 8

SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	All Funds	FTE
Legislative Approved:			
Amount Approved by 2023 Legislature	\$ -	\$ 366,264	2.0
1. No Changes	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 366,264	2.0
Agency Revised Estimate:			
2. Expenditure Category Adjustments	\$ -	\$ -	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 366,264	2.0
Governor’s Recommendation:			
3. No Changes	\$ -	\$ -	--
TOTAL	\$ -	\$ 366,264	2.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2023 Session, no adjustments were made to the \$366,264 appropriated to the Real Estate Appraisal Board for FY 2024.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$366,264, all from special revenue funds, and 2.0 FTE positions in FY 2024. This is the same as the amount approved by the 2023 Legislature.

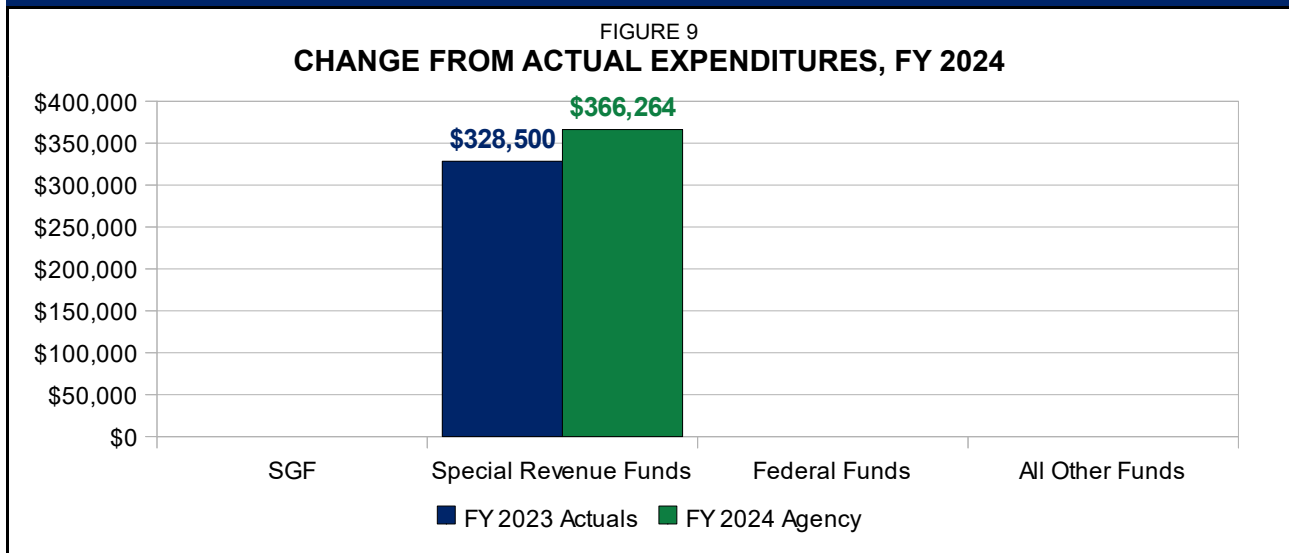
2. **EXPENDITURE CATEGORY ADJUSTMENTS.** While the agency does not request an increase to its expenditure limitation, the agency's revised estimate includes adjustments between and within categories of expenditures. There are increased expenditures in salaries and wages of \$7,220, or 3.5 percent, for base salary increases. The increase is offset by decreased expenditures in contractual services of \$5,920, or 3.8 percent, and \$1,300 for commodities. The agency went above the approved amount for rent (\$1,500 increase) and fees (\$5,000 increase), which they paid for with the savings from going under budget on private vehicle mileage (\$2,500 decrease), intergovernmental postage (\$2,250 decrease), credit card fees and charges (\$2,000 decrease), computer programming services, and data processing services (\$1,300 decrease). Because the agency balanced these changes, they stayed within the approved budget.

GOVERNOR’S RECOMMENDATION

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

3. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2024 revised estimate.

FY 2024 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$366,264, all from special revenue funds, in FY 2024. This is an increase of \$37,264, or 11.5 percent, above the FY 2023 actual amount. The change is mainly due to an increase of \$9,037 for the Legislative Pay Plan in 2023 SB 25; an increase of \$3,959 for other salaries and wages; and an increase of \$23,817 for increased costs associated with rentals (copier, office space, and escalator fee), travel, and professional fees (contracted reviewers, quality-assurance consultant, contracted attorneys, and court reporter services).

FY 2025 ANALYSIS

FIGURE 10

SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	All Funds	FTE
Agency Revised Estimate*:			
Revised Estimate without Major Changes	\$ -	\$ 362,805	2.0
Enhancement Request:			
1. Pay Plan Shortfall	\$ -	\$ 9,037	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 371,842</i>	<i>2.0</i>
Governor’s Recommendation:			
2. No Changes	\$ -	\$ -	--
TOTAL	\$ -	\$ 371,842	2.0

* *Staff note:* The 2023 Legislature approved a budget of \$362,805, all from the Appraiser Fee Fund, and 2.0 FTE positions for FY 2025.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$371,842, all from the Appraiser Fee Fund, in expenditures and 2.0 FTE positions for FY 2025. This is an increase of \$5,578, or 1.5 percent, above the FY 2024 revised estimate, and an increase of \$9,037, or 2.5 percent, above the amount approved by the FY 2023 Legislature.

The request includes the following enhancement request:

1. **PAY PLAN SHORTFALL.** The request includes \$9,037 from special revenue funds for FY 2025 to account for an increase in expenditure limitations that was inadvertently left out of the Legislative Pay Plan in 2023 SB 25. This adjustment would achieve the intended effect of the pay plan and does not represent a substantive change from the salary adjustments approved by the 2023 Legislature.

GOVERNOR’S RECOMMENDATION

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

2. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2025 revised estimate.

ENHANCEMENT REQUESTS

FIGURE 11 ENHANCEMENT REQUESTS, FY 2025						
Request	SGF	Agency All Funds	FTE	SGF	Governor All Funds	FTE
FY 2025 Enhancement:						
1. Pay Plan	\$	-	\$ 9,037	-	\$	9,037
						-

1. **PAY PLAN.** The agency requests \$9,037 for FY 2025 to continue funding the pay plan approved by the 2023 Legislature.

The Governor recommends adoption of this request.