

OFFICE OF ADMINISTRATIVE HEARINGS

Budget Summary – Agency Request

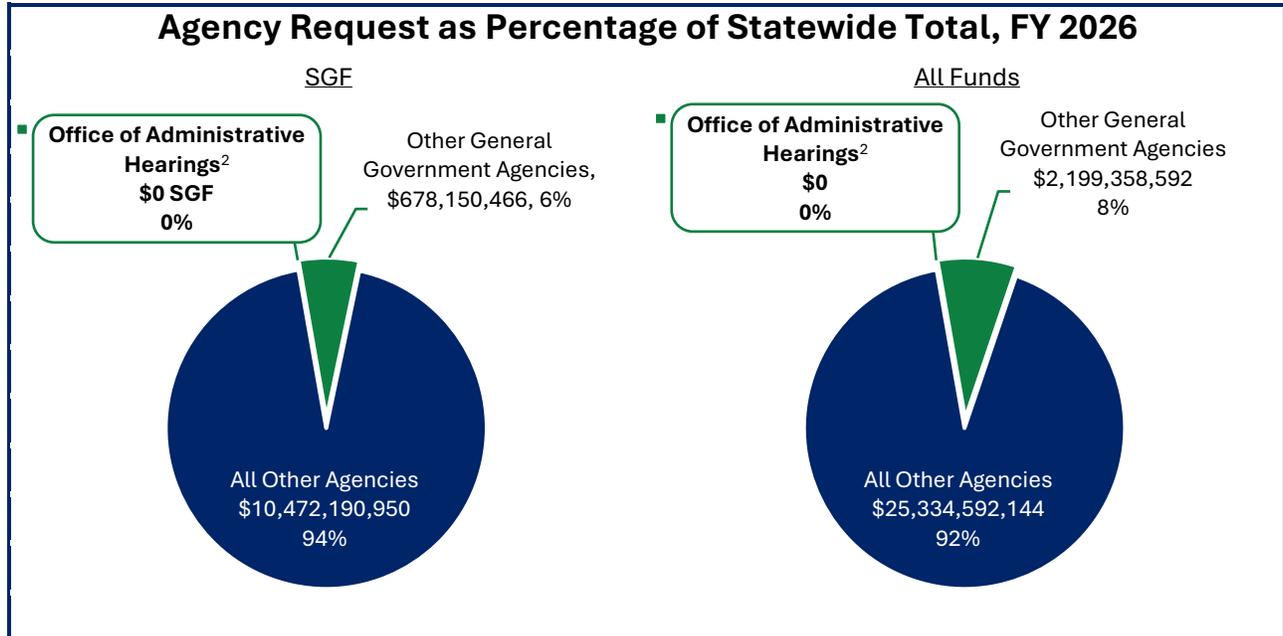
Executive Summary

The mission of the Office of Administrative Hearings (OAH) is to conduct efficient, fair, and impartial hearings for constituents and other affected parties who contest the actions of state agencies and other governmental entities. Through administrative law judges (ALJs), the OAH conducts adjudicative proceedings for a variety of state agencies in accordance with the Kansas Administrative Procedure Act (KAPA). Per the KAPA, certain agencies must go through the OAH to resolve most procedural issues.

The six agencies¹ that most frequently utilize OAH services make quarterly retainment payments to the OAH. All other agencies make payments to the OAH based on hourly services provided by the OAH.

Since the OAH receives its funding from agencies that utilize OAH services, expenditures for the agency are categorized as off-budget expenditures to avoid double counting payments from one state agency to another.

Expenditures by Fiscal Year and Version			
	SGF	All Funds	Note
FY 2024 Actual	\$ -	\$ 1,729,106	Actual expenditures
FY 2025 Actual	-	1,880,774	Actual expenditures
FY 2026 Approved	-	2,206,041	2025 SB 125
FY 2026 Agency	-	2,108,217	Revised estimate, submitted September 2025
FY 2027 Agency	-	2,123,910	Agency request, submitted September 2025



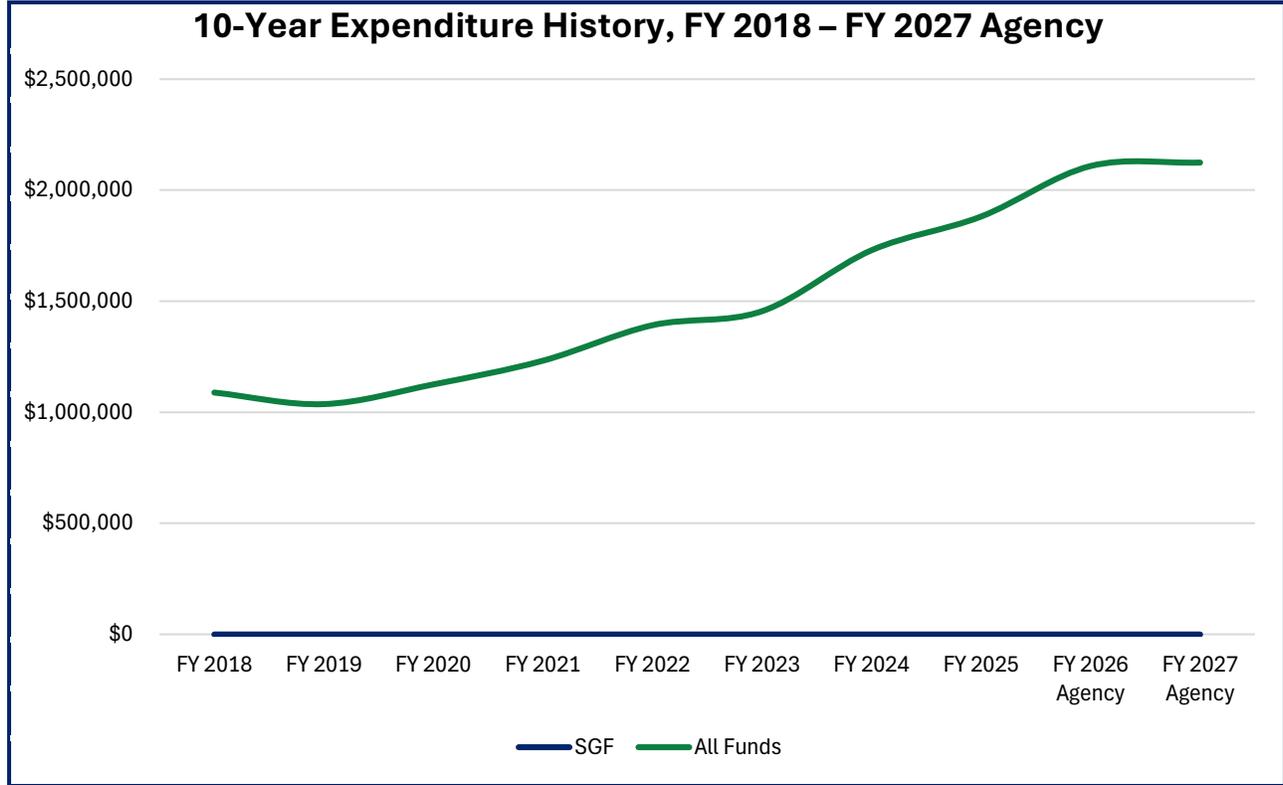
¹ Kansas Department for Children and Families, Kansas Department of Health and Environment—Division of Health Care Finance, Kansas Department of Labor, Kansas Department of Health and Environment, and the Kansas Civil Service Board within the Department of Administration

² Note: This agency's expenditures are entirely off-budget and included in other agency budgets. It is not reflected in statewide totals to avoid double-counting expenditures.

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Summary of Expenditures



Fiscal Year	SGF		All Funds		FTE	CPI-U* Change (%)
	Amount	Change (%)	Amount	Change (%)		
FY 2018	\$	-	\$	(3.9)	10.00	0.2
FY 2019		-		(4.8)	10.00	--
FY 2020		-		8.6	10.00	0.8
FY 2021		-		9.5	13.00	2.4
FY 2022		-		13.0	12.00	9.2
FY 2023		-		4.5	14.00	5.8
FY 2024		-		18.9	14.00	3.0
FY 2025		-		8.8	14.00	3.0
FY 2026 Agency		-		12.1	14.00	2.8
FY 2027 Agency		-		0.7	14.00	2.4

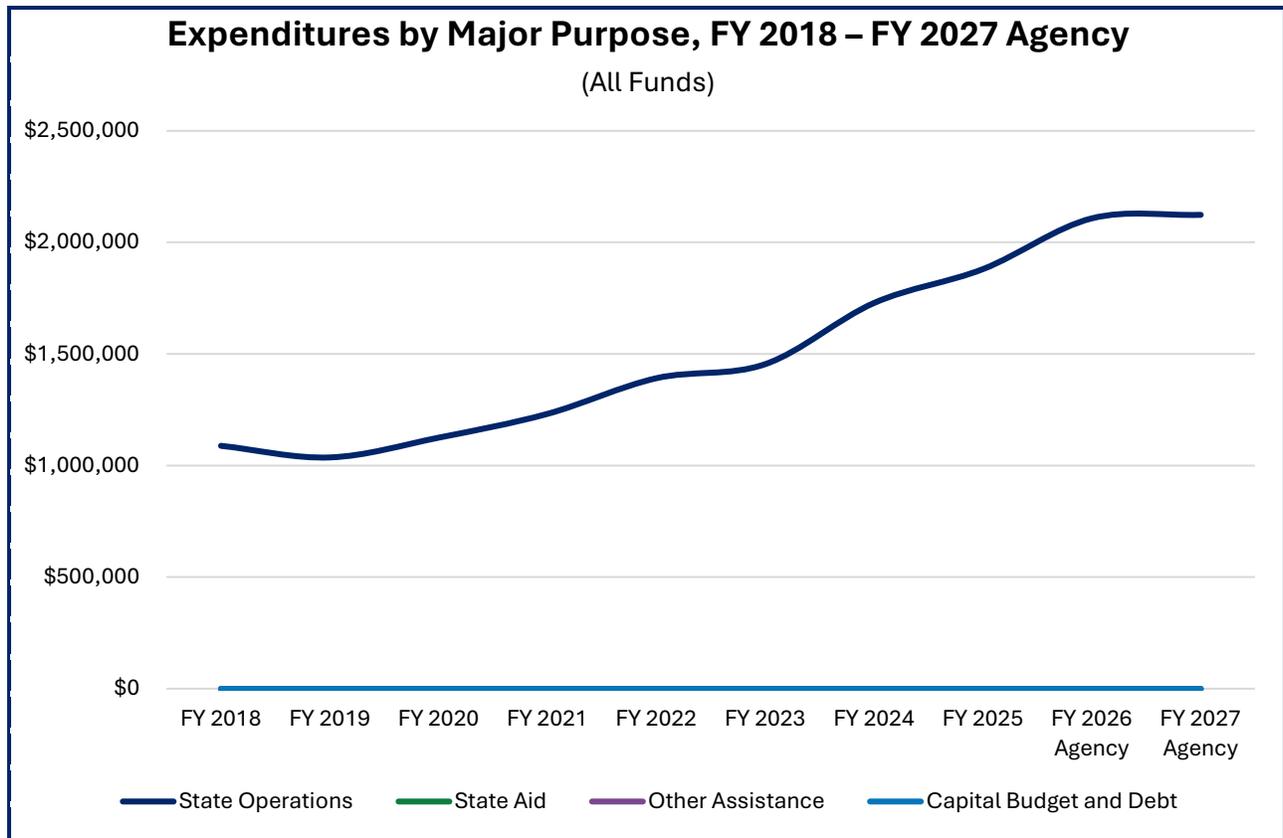
5-Year Change (FY 2023–2027)	\$	-	\$	669,186	46.0	-	11.6
10-Year Change (FY 2018–2027)		-		1,035,336	95.1	4.00	33.1
3-Year Average** (FY 2023–2025)		-	N/A	1,688,201	N/A	14.00	N/A

* Note: Consumer Price Index for All Urban Consumers estimate for FY 2026–2027 is from the Consensus Revenue Estimating Group.

** Note : Reflects the three most recent years of actuals data.

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Expenditures by Category, FY 2024 – FY 2027 Agency
(All Funds)

	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State Operations						
Salaries and Wages	81.6 %	\$ 1,365,602	\$ 1,543,255	\$ 1,818,472	\$ 1,720,648	\$ 1,728,819
Contractual Services	16.8	355,002	317,082	355,027	355,027	361,293
Commodities	0.6	7,897	4,754	11,610	11,610	10,560
Capital Outlay	1.0	605	15,683	20,932	20,932	23,238
Operating Adjustments	--	-	-	-	-	-
Subtotal	100.0 %	\$ 1,729,106	\$ 1,880,774	\$ 2,206,041	\$ 2,108,217	\$ 2,123,910
State Aid and Assistance						
Aid to Locals	-- %	\$ -	\$ -	\$ -	\$ -	\$ -
Other Assistance	--	-	-	-	-	-
Subtotal	-- %	\$ -				
Capital Budget and Debt						
Capital Improvements	-- %	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Principal	--	-	-	-	-	-
Debt Service Interest	--	-	-	-	-	-
Subtotal	-- %	\$ -				
Reappropriations	-- %	\$ -				
GRAND TOTAL	100.0 %	\$ 1,729,106	\$ 1,880,774	\$ 2,206,041	\$ 2,108,217	\$ 2,123,910

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State Operations

Expenditures by Classification, FY 2024 – FY 2027 Agency						
(State Operations, All Funds)						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Salaries and Wages						
Employee Pay	62.4 %	\$ 1,032,994	\$ 1,188,904	\$ 1,410,034	\$ 1,315,674	\$ 1,315,673
Employee Benefits	19.2	332,608	354,351	408,438	404,974	413,146
Shrinkage	--	-	-	-	-	-
Subtotal	81.6 %	\$ 1,365,602	\$ 1,543,255	\$ 1,818,472	\$ 1,720,648	\$ 1,728,819
Contractual Services						
Communication	2.2 %	\$ 41,583	\$ 22,877	\$ 46,782	\$ 46,782	\$ 40,880
Fees (Professional)	0.6	16,833	8,480	12,752	12,752	11,002
Fees (Other Services)	4.5	71,606	85,622	94,696	94,696	97,806
Freight and Express	--	-	-	-	-	-
Printing and Advertising	0.1	988	790	1,501	1,501	1,201
Rent and Leases	5.7	138,675	113,486	119,800	119,800	123,232
Repair and Servicing	2.2	70,783	70,000	45,802	45,802	55,252
Travel and Subsistence	1.5	13,497	14,202	32,377	32,377	29,518
Utilities	--	-	-	-	-	-
Other	0.1	1,037	1,625	1,317	1,317	2,402
Subtotal	16.8 %	\$ 355,002	\$ 317,082	\$ 355,027	\$ 355,027	\$ 361,293
Commodities						
Clothing	-- %	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment and Parts	--	-	-	-	-	-
Food	--	-	41	-	-	-
Fuel	--	-	-	-	-	-
Motor Vehicle Parts	0.1	250	-	301	301	201
Supplies (Office)	0.5	7,575	4,680	10,922	10,922	10,022
Supplies (Professional)	0.1	-	-	251	251	201
Supplies (Research)	--	-	-	-	-	-
Other	0.1	72	33	136	136	136
Subtotal	0.6 %	\$ 7,897	\$ 4,754	\$ 11,610	\$ 11,610	\$ 10,560
Capital Outlay						
Books	-- %	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Hardware	0.5	-	10,339	11,002	11,002	14,502
Computer Software	--	-	2,600	-	-	2,601
Equipment, Furniture	0.5	605	2,744	9,930	9,930	6,135
Information Processing	--	-	-	-	-	-
Telecommunications	--	-	-	-	-	-
Other	--	-	-	-	-	-
Subtotal	1.0 %	\$ 605	\$ 15,683	\$ 20,932	\$ 20,932	\$ 23,238
Operating Adjustments	-- %	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	100.0 %	\$ 1,729,106	\$ 1,880,774	\$ 2,206,041	\$ 2,108,217	\$ 2,123,910

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Expenditures by Fund

Expenditures by Fund, FY 2024 – FY 2027 Agency						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State General Fund	-- % \$	- \$	- \$	- \$	- \$	-
Administrative Hearings Office Fund	100.0	1,729,106	1,880,774	2,206,041	2,108,217	2,123,910
TOTAL	100.0 % \$	1,729,106 \$	1,880,774 \$	2,206,041 \$	2,108,217 \$	2,123,910

Fund Analysis

Funding for the OAH is derived entirely from the Administrative Hearings Office Fund. Each year, the OAH establishes a budget that allows the agency to resolve disputes in an efficient manner while maintaining adequate cash flow.

The budgeted amount is divided among the six state agencies³ that utilize the OAH’s services the most, based on a three-year average of past usage. Rather than paying the total amount at once, the six agencies make quarterly payments at a set fee to the OAH for hearing services throughout the year. The quarterly payments include direct hearing costs such as court reporters, interpreters or translators, and travel expenses for administrative law judges. State agencies or governmental entities, including counties, that are not among the most frequent users of OAH services pay an hourly rate plus direct hearing costs to the OAH.

Administrative Hearings Office Fund					
FY 2024 – FY 2027 Agency					
	FY 2024 Actual	FY 2025 Actual	FY 2026 Agency	FY 2027 Agency	
Beginning Balance	\$ 790,044	\$ 1,138,145	\$ 1,219,681	\$ 1,329,681	
Revenue					
Technical and Skilled Services Fee	\$ 1,933,260	\$ 1,962,310	\$ 2,218,217	\$ 2,273,910	
Encumbrances	143,947	-	-	-	
Subtotal – Revenue	\$ 2,077,207	\$ 1,962,310	\$ 2,218,217	\$ 2,273,910	
Total Amount Available	\$ 2,867,251	\$ 3,100,455	\$ 3,437,898	\$ 3,603,591	
Expenditures					
Salaries and Wages	\$ 1,365,602	\$ 1,543,255	\$ 1,720,648	\$ 1,728,819	
Contractual Services	355,002	317,082	355,027	361,293	
Commodities	7,897	4,754	11,610	10,560	
Capital Outlay	605	15,683	20,932	23,238	
Subtotal – Expenditures	\$ 1,729,106	\$ 1,880,774	\$ 2,108,217	\$ 2,123,910	
Ending Balance	\$ 1,138,145	\$ 1,219,681	\$ 1,329,681	\$ 1,479,681	

³ Kansas Department for Children and Families, Kansas Department of Health and Environment—Division of Health Care Finance, Kansas Department of Labor, Kansas Department of Health and Environment, and the Kansas Civil Service Board within the Department of Administration

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FY 2026 Analysis

Summary of Agency Budget Request, FY 2026					
	SGF	Administrative Hearings Office Fund	Total	FTE Positions	
Approved, FY 2026					
1. 2025 SB 125, without Reappropriations	\$ -	\$ 2,206,041	\$ 2,206,041	14.0	
Reappropriations					
No Reappropriations	\$ -	\$ -	\$ -	--	
Supplemental Requests					
No Supplemental Requests	\$ -	\$ -	\$ -	--	
Agency Changes					
2. Agency Adjustments	\$ -	\$ (97,824)	\$ (97,824)	--	
TOTAL – Agency Revised Estimate	\$ -	\$ 2,108,217	\$ 2,108,217	14.0	

Approved Budget

1. 2025 SB 125

The 2025 Legislature passed, and the Governor enacted, one bill appropriating and adjusting funding for state agencies. The Office of Administrative Hearings was approved a budget of \$2.2 million in off-budget expenditures, all from the Administrative Hearings Office Fund, in FY 2026.

Agency Changes

2. Agency Adjustments

The agency's revised estimate includes a decrease of \$97,824, all from the Administrative Hearings Office Fund, from the approved amount for all other adjustments in FY 2026. This is due entirely to the agency budgeting less for employee pay, including pay for both regular (\$31,270) and temporary (\$63,090) unclassified employees. The reduction is primarily due to one Attorney position being reclassified as a Legal Assistant position, in addition to previously vacant positions now being filled, such as one Legal Assistant position. Similarly, the agency is anticipating expending less on employer contributions for fringe benefits (\$3,464) than originally estimated in FY 2026.

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FY 2027 Analysis

Summary of Agency Budget Request, FY 2027					
	SGF	Administrative Hearings Office Fund	Total	FTE Positions	
Approved, FY 2026					
2025 SB 125, without Reappropriations	\$ -	\$ 2,206,041	\$ 2,206,041	14.0	
Enhancement Requests					
No Enhancement Requests	\$ -	\$ -	\$ -	--	
Agency Changes					
1. Personnel Changes	\$ -	\$ (89,653)	\$ (89,653)	--	
2. All Other Adjustments	-	7,522	7,522	--	
Subtotal – Agency Changes	\$ -	\$ (82,131)	\$ (82,131)	--	
TOTAL – Agency Request	\$ -	\$ 2,123,910	\$ 2,123,910	14.0	

Agency Changes

1. Personnel Changes

The agency's request includes a decrease of \$89,653, all from the Administrative Hearings Office Fund, from the FY 2026 approved amount because it has budgeted less for employee pay. This includes both regular (\$31,271) and temporary (\$63,090) unclassified employees.

The reduction is primarily due to one Attorney position being reclassified as a Legal Assistant position, in addition to previously vacant positions that the agency believes will remain filled, such as one Legal Assistant position. These are the same changes reflected in the agency's revised estimate in FY 2026.

Included within the adjustment is an increase for employer contributions to group health insurance and unemployment compensation (\$21,899), offset by decreases for employer contributions to all other fringe benefits (\$17,191). With this adjustment, the agency's revised estimate includes a total of \$1.7 million for unclassified employee pay for FY 2027.

2. All Other Adjustments

The agency's request includes an increase of \$7,522, all from the Administrative Hearings Office Fund, above the previously approved amount for all other adjustments for FY 2027. There are a variety of adjustments throughout the categories of expenditures, including the following:

- Computer and Database Upgrades:** The request includes an increase of \$30,515 for computer and database upgrades, including updating the agency website to include pertinent information on the administrative claims process and adding technological upgrades to the administrative hearings courtroom. The agency has a goal of modernizing aspects of the administrative claims process to make the procedure more streamlined for agencies and claimants, which is why the OAH is upgrading the E-File portal system. The E-File system was custom-designed and requires annual maintenance and periodic software programming to provide enhanced features, including case management. According to the OAH, the E-File portal leads to cost-savings for the State because agencies save resources by not having to print, copy, and mail a multitude of files that require office supplies and staff time to assemble. The OAH is contemplating

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additional ways to streamline the filing process, including the possibility of creating an identification number for attorneys so they could complete one e-filing consent form and have access to all of their administrative hearing claims. Furthermore, the OAH states that the updates to the E-File portal system will make the administrative hearings process more efficient as all parties, including the administrative law judges, receive real-time notice of all filings made in their cases.

- **Job-Related Training and Travel:** The request includes a decrease of \$10,859 for job-related training and travel. The agency is budgeting less for job-related training and conferences (\$8,000), which in turn reduces the budgeted amount for travel fares, as well as meals and lodging (\$2,859).
- **Communication and Professional Services:** The request includes a decrease of \$10,317 for a variety of contractual services. Specifically, the agency reduced the budget for cellular, commercial, and intergovernmental communication services (\$6,452) as more funding will be expended on computer and data services. In addition, the agency reduced the budget for professional and other fees and other contractual services (\$5,465) while slightly increasing the budget for membership dues and court reporter fees (\$1,600).