NARRATIVE INFORMATION FOR BIENNIAL AGENCIES – DA 400	Agency:	Board of Accountancy
Division of the Budget	Program:	Agency Operations
State of Kansas		

Operations Program

Goals:

The Board of Accountancy has 4 basic goals:

1. To approve applications for certificates by exam and reciprocity to those who meet minimum qualifying requirements.

2. To approve applications for permits to practice who meet an experience requirement and to reinstate permits to practice to those who meet certain CPE requirements.

3. To register in state and out of state CPA firms practicing in the state of Kansas.

4. Regulate CPAs and the practice of certified public accountancy work performed.

Objective 1.1

To issue Kansas CPA certificates only to applicants meeting statutory qualifying requirements.

Strategies for Objective 1.1

1. Require those applying for certificates to pass a national uniform qualifying examination.

2. Require successful completion of a course/exam in professional ethics, as well as a signed Oath witnessed by another licensed CPA for issuance of a certificate.

3. Review applications from out-of-state CPAs to ensure they meet statutory qualifications for reciprocity.

Performance Measures for Objective 1.1

Outcome Measures:

1. Percent of certificates by reciprocity applicants not eligible/rejected:

FY 2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
0%	0%	0%	0%

Output Measures:

1. Number of CPA certificates issued to Kansas exam candidates:

FY 2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
48	40	40	40

2. Number of reciprocity/transfer of grades CPA certificates issued:

FY 2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
79	64	64	64

3. Total number of certificate holders:

FY 2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
13,347	13,452	13,482	13,502

Objective 2.2

To issue initial, renewed and reinstated permits to practice only to CPAs meeting statutory and regulatory requirements. Permits are renewed on a biennial basis.

Strategies for Objective 2.2

1. Require verification by a licensed CPA of at least one year of accounting experience for issuance of permit to practice.

2. Require verification on a random audit basis of continuing professional education (required to be submitted biennially) for renewal of permits to practice.

Performance Measures for Objective 2.2

Outcome Measures:

1. Percent of initial applicants denied:

FY 2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
0%	0%	0%	0%

Output Measures:

1. Number of CPAs holding permits at FY end:

FY 2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
3,675	3,700	3,700	3,700

2. Number of renewed permits:

FY 2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
1,793	2,087	2,198	2,087

3. Number of new permits issued:

FY 2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
112	130	130	130

4. Number of reinstated permits issued:

FY 2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
36	30	30	30

5. Number of permit holders not renewing:

FY 2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
126	100	100	100

Objective 3.3

To register firms, both in state and out of state, practicing in Kansas.

Strategies for Objective 3.3

1. Require CPA firms, both in state and out of state, and sole practitioners with an office in Kansas who are subject to Peer Review, to register as a firm on an annual basis.

2. Verification of proof of Peer Review for all in-state and out-of-state firms that perform audits, reviews, agreed upon procedures and forecasts.

Outcome Measures:

1. Number of CPA firms registered to practice:

FY2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY 2029 Base Budget
806	826	826	826

2. Number of firms renewed:

FY2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
795	826	826	826

3. Number of new firms:

FY2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
49	30	30	30

4. Number of firms not renewed:

FY2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
76	24	24	24

Objective 4.4

Regulate CPAs and the services provided relating to the practice of certified public accountancy.

Strategies for Objective 4.4

1. Promptly investigate all complaints and referrals filed with the Board.

2. Resolve as many complaints as possible by Stipulation and Consent Orders requesting specific action.

3. Hold administrative hearings where warranted, and take appropriate disciplinary actions (censure, suspension or revocation of CPA certificate and/or permit to practice and/or the imposition of an administrative fine) against CPAs or CPA firms found in violation of the accountancy laws and regulations.

Performance Measures for Objective 4.4

Outcome Measures

1. Percent of complaints resolved by Consent Orders requesting specific action:

FY2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
31%	98%	98%	98%

2. Percent of complaints dismissed for lack of probable cause or no jurisdiction:

FY2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
1.5%	1%	1%	1%

(NOTE: Several complaints submitted near end of FY26 are still in progress.)

Output Measures:

1. Complaints/referrals received and investigated:

FY2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
32	50	50	50

2. Hearings, Stipulations and Consent Orders:

FY2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
10	40	40	40

Overview of Agency Budget at Each Request Level:

In 2005, the legislature approved a special litigation reserve fund for the Board to use for unforeseen litigation expenses incurred that were not included in the budget. The Board will transfer moneys from its fee fund to the special litigation reserve fund up to an amount of $20,000 for the years ended June 30, 2026, 2027 and 2028.

Expenditure Justification:

Object Code 100-Salaries and Wages:

The agency currently has 3 FTE positions, to include the Executive Director, an Administrative Officer and an Administrative Professional position.

FY 2027 Current Resources: $257,587 represents the amount needed to maintain current staff. Additional salary increases are not included. Of note, employee health insurance rates will increase by 10% beginning January 1, 2027.

FY 2028 Current Resources: $274,928 represents the amount needed to maintain current staff. Additional salary increases are not included. This increased dollar amount considers the additional payroll for FY2028 for a total of 27 payrolls.

FY 2029 Current Resources: $270,415 represents the amount needed to maintain current staff. Additional salary increases are not included. (This amount is based off FY27 payroll model due to extra payroll represented in FY2028.)

Object Codes 200-290 Contractual Services: The agency's major expenditures in this category are for rent, communication expenses; in-state travel for Board members to attend meetings; out-of-state travel to attend conferences during the year; computer services; credit card fees; and professional services fees to contractually engage qualified persons or firms for legal services and to conduct investigations of complaints received by the agency; and to pay fees incurred in disciplinary proceedings. In 2025, the budget for FY 2026 was submitted with the anticipation that the agency would be completing a database conversion, resulting in a reduction in computer services fees. This has not occurred, and the agency has been advised that the conversion will not occur until the third quarter of FY 2027. As a result, current and increased costs for computer services are reinstated for all of FY 2027 and carried through in FY 2028 and 2029. Throughout the database implementation and conversion, the agency will continue to incur costs for OITS programming services, and computer services/server storage to support the old database (Access) for approximately 2 years post implementation of the new database (Accela).

FY 2027 Current Resources: $231,332 represents the amount needed to maintain current service levels, which includes $1,600 for official hospitality.

This includes a Change Package Request of an additional $5,000 to cover the costs of the new Esper rule-making software implemented across all state agencies at end of FY2026. An estimated 20 total regulations will be reviewed and updated initially due to HB 2573 which passed on April 23, 2026. The need to review and update regulations is a significant undertaking and will likely span over 3 fiscal years as we continue to evolve and update our agency regulations in response to HB 2573 and the changing trends of the certified public accounting industry.

FY 2028 Current Resources: $229,794 represents the amount needed to maintain current service levels, which includes $1,600 for official hospitality. Increases from FY 2026 to FY2027 include increase in membership fees, computer programming fees/server fees related to hosting current software and implementing new database software, job-related training conference fees, costs of other professional fees (internal MOUs) to support the agency, costs of postage and supplies needed to print and mail licensure documents.

This includes a Change Package Request of an additional $3,000 to cover the costs of the new Esper rule-making software implemented across all state agencies at end of FY2026. An estimated 12 total regulations will be reviewed and updated due to HB 2573 which passed on April 23, 2026. The need to review and update regulations is a significant undertaking and will likely span over 3 fiscal years as we continue to evolve and update our agency regulations in response to HB 2573 and the changing trends of the certified public accounting industry.

FY 2029 Current Resources: $228,794 represents the amount needed to maintain current service levels, which includes $1,600 for official hospitality.

This includes a Change Package Request of an additional $2,000 to cover the costs of the new Esper rule-making software implemented across all state agencies at end of FY2026. An estimated 12 total regulations will be reviewed and updated due to HB 2573 which passed on April 23, 2026. The need to review and update regulations is a significant undertaking and will likely span over 3 fiscal years as we continue to evolve and update our agency regulations in response to HB 2573 and the changing trends of the certified public accounting industry.

For the special litigation reserve fund, the following language needs to be included in the appropriation bill: "Provided, That no expenditures shall be made from the special litigation reserve fund for the fiscal year ending June 30, 2027, 2028 and 2029, except upon the approval of the director of the budget after ascertaining that: (1) Unforeseeable occurrence or unascertainable effects of a foreseeable occurrence characterize the need for the requested expenditure, and delay until the next legislative session on the requested action would be contrary to clause (3) of this proviso, (2) the requested expenditure is not one that was rejected in the next preceding session of the legislature and is not contrary to known legislative policy; and (3) the requested action will assist the above agency in attaining an objective or goal which bears a valid relationship to powers and functions of the above agency. During the fiscal year ending June 30, 2026, 2027 and 2028, the Executive Director of the Board of Accountancy, with the approval of the Director of the Budget, may transfer moneys from the Board of Accountancy fee fund to the special litigation reserve fund of the board of accountancy; provided, that the aggregate of such transfer for the fiscal year ending June 30, 2026, 2027 and 2028 shall not exceed $20,000; and provided further, that the Executive Director of the board of accountancy shall certify each such transfer of moneys to the director of accounts and reports and shall transmit a copy of each such certification to the director of the budget and the director of the legislative research department.

Object Codes 300-390 Commodites:

The agency has expenditure in this category for supplies related to the operation of agency functions, the majority of which are related to certificates, licenses, and firm registrations.

FY 2027 Current Resources: $8,167 represents the amount needed to maintain current service levels to include increases for replenishing computer cartridges, and stock for stationery and licensing.

FY 2028 Current Resources: $8,335 represents the amount needed to maintain current service levels to include increases for replenishing computer cartridges, and stock for stationery and licensing. 3 desktop scanners and printers are near end-of-life expectancy and anticipated to be replaced.

FY 2029 Current Resources: $8,335 represents the amount needed to maintain current service levels to include increases for replenishing computer cartridges, and stock for stationery and licensing. 3 desktop scanners and printers are near end-of-life expectancy and anticipated to be replaced.

Object Code 400 Capital Outlay:

FY2027 Current Resources: No capital outlay expenditures are anticipated.
FY2028 Current Resources: No capital outlay expenditures are anticipated.
FY2029 Current Resources: No capital outlay expenditures are anticipated.

Receipt Estimates:

The Board receives revenues from four sources: (1) issuance of certificates (both Kansas and reciprocity); (2) issuance of permits to practice; (3) fines; and (4) firm registrations.

1. Total Certificate Receipts:

The Board issues a CPA certificate to all Kansas CPA exam candidates who pass all 4 parts of the CPA exam and the AICPA's ethics exam. Certificates by reciprocity are issued to CPAs who are physically located and work in Kansas, but whose initial certificate was issued from another state. Certificates issued to Kansas CPA exam candidates $50 per certificate, and certificates by reciprocity at $250 per certificate:

FY2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
$19,260	$18,000	$18,000	$18,000

2. Total Permit to Practice Receipts:

The Board requires a permit to practice allowing use of the CPA designation in the practice of certified public accountancy. Permits are issued and renewed at a cost of $165 per biennial period. Permits are reinstated at a cost of $247.50.

FY2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
$271,421	$366,486	$382,457	$376.944

3. Total Fines and Miscellaneous Receipts:

The Board has statutory authority to impose an administrative fine against CPAs and CPA firms not complying with the laws and regulations. Fees also are charged for Open Records requests.

FY2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
$9,639	$30,000	$30,000	$30,000

4. Total Firm Registration Receipts:

The Board requires both in-state and out-of-state firms, that practice certified public accountancy in this state, to register with the Board. This includes unincorporated sole practitioners subject to peer review.

FY2026 Actual	FY2027 Base Budget	FY2028 Base Budget	FY2029 Base Budget
$71,550	$82,600	$82,600	$82,600