

Narrative Information for Biennial Agencies---DA 400

Division of the Budget
State of Kansas

Agency: Kansas Real Estate Commission
Agency No.: 549

September 5, 2025

Adam Proffitt, Director of the Budget and Secretary of Administration
Division of the Budget
Landon State Office Building, Suite 504
900 SW Jackson
Topeka, Kansas 66612

Mr. Proffitt:

Enclosed is the budget request for the Kansas Real Estate Commission for fiscal year 2026 and 2027. The Commission is requesting no enhancements to the current year budget or the fiscal year 2027 budget. At the direction of the Division of Budget, the budget request does include an increase to the FY 2027 fee fund expenditure limitation to match the salary increase approved by the State Finance Council for FY 2026.

Do not hesitate to contact me if you have any questions or need additional information concerning the budget document.

Sincerely,



Erik Wisner
Executive Director
For the Kansas Real Estate Commission

Explanation of Receipt Estimates---DA 405

Division of the Budget
State of Kansas

Agency: Kansas Real Estate Commission
Agency No.: 549

MISSION:

To protect the public interest in the selling, purchasing and leasing of real estate and developing responsive policies and procedures which are customer service focused and not unduly burdensome to regulated real estate licensees.

STATUTORY HISTORY:

The Kansas Real Estate Commission (KREC) operates under the authority granted by K.S.A. 74-4201 et seq. K.S.A. 58-3034 et seq. prescribes licensing standards for real estate brokers and salespersons. K.S.A. 58-30,101 et seq. governs brokerage relationships between real estate salespersons, brokers, and their clients and customers.

KREC administers a program of licensure, education, and compliance relating to the transacting of real estate by salespersons and brokers in Kansas. The commission is composed of five members appointed by the Governor for staggered four-year terms. One member must be appointed from each congressional district. At least three members shall have been real estate brokers for at least five years and at least one member shall have never been a real estate broker.

AGENCY-WIDE OVERVIEW:

Current year:

KREC has used a licensing system developed by an out-of-state vendor and managed by the Kansas Board of Healing Arts since 2017. Due to product and performance issues, the Commission made the decision in FY22 to move forward with a competitive bid process to engage another vendor to provide licensing services. The Kansas Office of Information Technology System (OITS) is involved in the project as they used the KREC requirements as part of a statewide optional use contract to allow other agencies to use the services of the selected vendor. The state of Kansas awarded the enterprise license system contract to Accela. The funding for the upfront costs Development and maintenance costs for FY23-25 are covered by OITS through ARPA funds. KREC signed a statement of work with the vendor and the new system went live in April 2025.

Budget Years—Allocated Resource Budget:

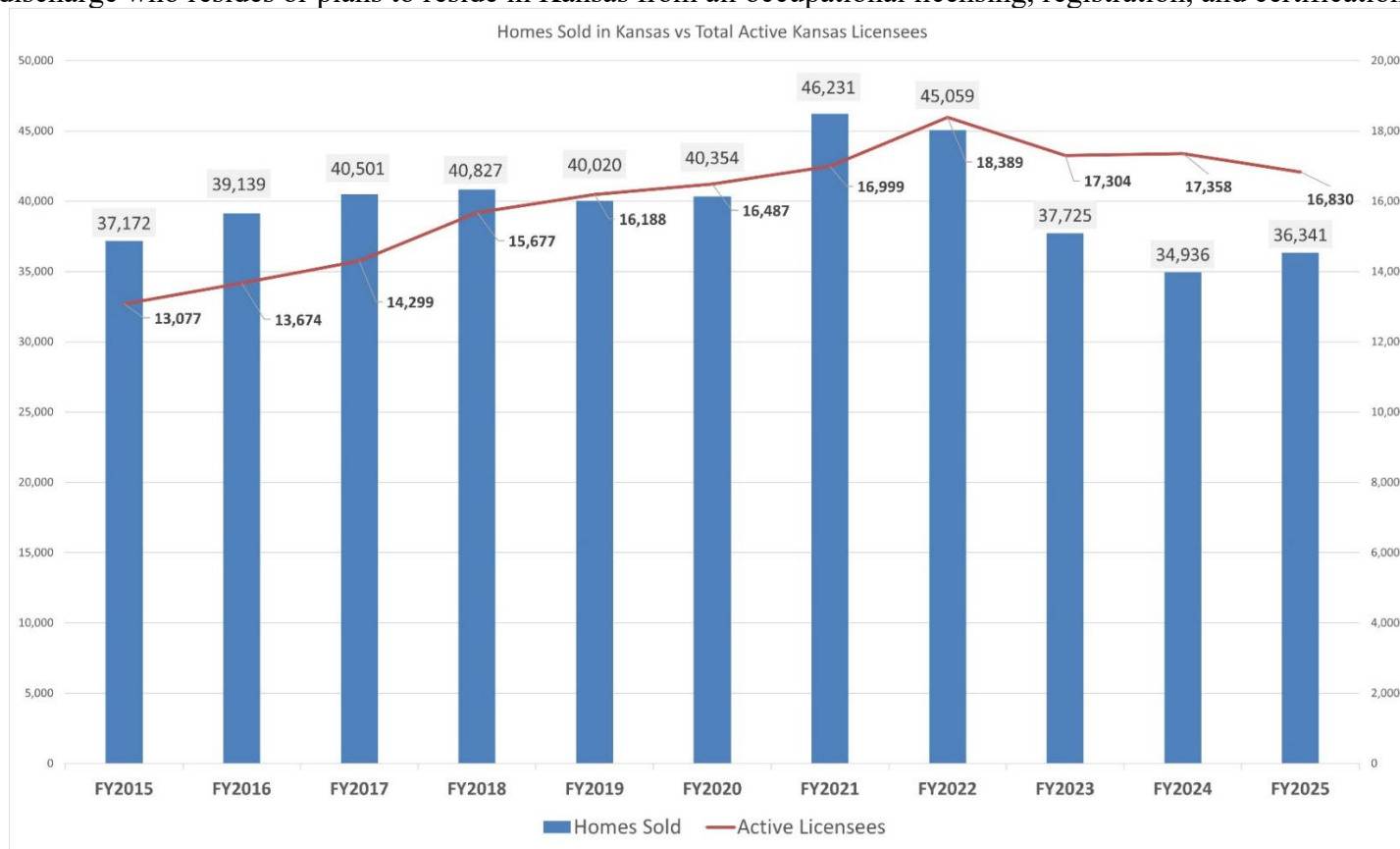
The Commission recruits and retains high quality staff members by allowing flexible scheduling and remote work options. Thee Commission currently has seven FTE positions in-office or hybrid and five fully remote.

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Licensee number grew significantly from FY 15-22. The table below compares Kansas home sales to fiscal year licensee counts. KREC usually sees about an 18 to 24-month lag in licensee count syncing with market conditions. Although home sales remained flat FY 19-20, FY21 saw surge from pandemic driven remote work. License counts leveled off in FY23-25 (the chart below is only active licensees) but are expected to rise in FY26 and 27 with more homes on the market according to the National Association of REALTORS® estimates. The commission estimates any revenue increases from more applications and renewals will be offset by the provisions of 2025 HB 2280 (effective July 1, 2025) that exempt the spouse of a military service member or a former member with an honorable discharge who resides or plans to reside in Kansas from all occupational licensing, registration, and certification fees.



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OBJECTIVES:

To protect the public interest by:

1. Licensing only those individuals who have successfully completed all pre-licensing and continuing education requirements required by Kansas law.
2. Increasing consumers' and licensees' knowledge of Kansas real estate law through education and outreach.
3. Regulating real estate licensed activities to require compliance with commission statutes and regulations.

Strategies for Objective #1:

- Thoroughly review applications for licensure to ensure they meet statutory requirements.
- Contract with a reliable third-party testing service to develop and administer pre-licensure examinations.
- Renew only real estate salesperson and broker licenses meeting mandatory continuing education requirements.
- Provide more online services to licensees including license transfers, change of company affiliation and demographic data.

<u>Output Measures:</u>	FY 23 Actual	FY 24 Actual	FY 25 Actual	FY 26 Estimate	FY 27 Estimate
Total number of active Real Estate Licenses	17,304	17,358	16,830	17,000	17,200
Total number of original Real Estate Licenses issued	1,728	1,542	1,291	1,500	1,600
Total number of applicants taking Kansas licensing examination	3,111	2,873	2,579	2,650	2,700
Percent of candidates for salespersons' examination eligible for licensure	57%	57%	58%	60%	60%
Percent of candidates for brokers' license examination eligible for licensure	61%	55%	64%	64%	64%
Number of completed real estate original applications denied	24	18	12	10	10
Number of hearings requested because of original application denied	10	3	4	5	5
Average regulatory cost per real estate license*	\$81.02	\$80.43	\$85.60	\$91.26	\$92.13
Percent of licenses that take more than one business day to be issued	1%	1%	0%	1%	1%
Percentage of licenses renewed online	95%	96%	95%	95%	96%
Percentage of licensees who use online system to make license changes	97%	97%	86%	97%	97%

* Calculated using total number of active real estate licensees divided by total expenditures in each fiscal year.

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Strategies for Objective #2:

- Ensure education course outlines submitted for approval meet the objectives of pre-licensing and continuing education by monitoring education courses to ensure education provided by instructors match approved outlines.
- Facilitate meetings with schools and staff members to identify common license and brokerage relationship law violations and new topics to be taught to licensees.
- Produce educational material for licensees and consumers.

<u>Output Measures:</u>	FY 23 Actual	FY 24 Actual	FY 25 Actual	FY 26 Estimate	FY 27 Estimate
Total number of approved salesperson pre-license courses	44	44	38	38	38
Number of schools providing continuing education	57	55	55	55	55
Number of KREC newsletter subscribers	24,582	25,516	26,511	27,500	28,500

Strategies for Objective #3:

- Review trust account records and transaction files of real estate brokers to ensure licensees' compliance with the license law and the Brokerage Relationships in Real Estate Transactions Act.
- Respond promptly to inquiries and complaints made by consumers and licensees.
- Respond promptly with disciplinary action against licensees who violate Kansas real estate practice laws and regulations.

<u>Output Measures:</u>	FY 23 Actual	FY 24 Actual	FY 25 Actual	FY 26 Estimate	FY 27 Estimate
Number of complaints logged	329	330	343	310	300
Percent of closed complaints resulting in disciplinary action*	15%	14%	15%	15%	15%
Number of compliance reviews performed	300	336	345	375	400
Percent of companies found with violations because of compliance reviews	56%	56%	52%	55%	55%
Number of transactions of companies that had compliance reviews	24,156	31,719	27,715	35,000	38,000
Percent of licensees who consent to electronic service of disciplinary action	78%	79%	82%	95%	97%

* Represents only those cases closed during the fiscal year. Cases may carry-over into the next fiscal year before they close. If disciplinary action is recommended, the order may not be drafted yet, the licensee may have accepted the order imposing disciplinary action or the licensee may have requested a hearing on the discipline imposed.

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EXPENDITURE JUSTIFICATION BY OBJECT CODES:

Object Code 100 Salaries and Wages and 1000 Shrinkage:

The commission has 12 funded FTE unclassified positions. The commission funds a portion of the education director's salary from the recovery revolving fund due to her work in monitoring education courses. Monitoring education courses is an allowable expense from the recovery revolving fund. Increase expenditures in FY26 and 27 for salaries related to KPERS and health insurance employer rate changes.

FY 2026: \$1,065,509

FY 2027: \$1,079,883

Object Codes 200 Contractual Services:

Major expenditures in this category are for rent, charges paid to the KBI for licensee background checks and information technology services provided by contract vendors. OITS fees for data, telecom and website services are increasing 15% annually in FY26 and 27. Monumental building surcharge rates are increasing by \$4,300 in FY26 and FY27 compared to FY25.

FY 2026: \$476,974

FY 2027: \$496,340

Object Code 300 Commodities:

Major expenditures in this category are for agency logo apparel for staff and office supplies.

FY 2026: \$3,145

FY 2027: \$3,235

Object Codes 400 Capital Outlay:

The major expenditure in this category is IT equipment specifically leases for agency laptop computers.

FY 2026: \$5,893

FY 2027: \$5,150

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1 Object/Revenue		2 FY 2025 Actuals	3 FY 2026 Base Budget Request	4 FY 2026 Adjusted Budget Request	5 FY 2027 Base Budget Request	6 FY 2027 Agency Change Packages	7 FY 2027 Adjusted Budget Request
Description	Code						
EXPENDITURES							
UNCLASSIFIED REGULAR	511100	673,930	757,586	757,586	757,585	0	757,585
UNCLASSIFIED TEMPORARY	511110	1,295	140	140	140	0	140
UNCLASSIFIED OVERTIME PAY	511130	4,224	0	0	0	0	0
UNCLASS HOLIDAY INCL IN BASE	511140	27,697	0	0	0	0	0
UNCLASS HOL NOT INCL IN BASE	511170	1,251	0	0	0	0	0
LEAVE PAYMENT ASSESSMENTS	517600	3,965	3,559	3,559	3,939	0	3,939
PUBLIC EE RETIREMENT SYSTEM	518100	88,100	96,062	96,062	93,335	0	93,335
MEDICARE	519101	9,781	10,985	10,985	10,987	0	10,987
OASDI	519102	41,821	46,980	46,980	46,979	0	46,979
GROUP HEALTH HOSPITALIZATION	519500	120,273	149,643	149,643	166,331	0	166,331
WORKERS COMPENSATION	519700	906	554	554	523	0	523
UNEMPLOYMENT COMPENSATION	519800	0	0	0	64	0	64
SHRINKAGE	519990	0	0	0	(39,744)	39,744	0
Shrinkage	10	0	0	0	(39,744)	39,744	0
Salaries and Wages	1	973,243	1,065,509	1,065,509	1,079,883	0	1,079,883
INTERGOV LCL COMM SVC OP DISC	520500	11,310	11,832	11,832	11,832	0	11,832
INTERGOV LCL COMM SVC CAP DISC	520510	226	237	237	237	0	237
INTERGOV POSTAGE OP DISC	520600	2,270	1,350	1,350	1,460	0	1,460
CELLULAR PHONES	520910	4,445	3,900	3,900	3,950	0	3,950
PRINT BIND STATE FACILITY ONLY	522100	2,112	3,702	3,702	2,222	0	2,222
PRINTING AND COPYING	522300	0	50	50	50	0	50
ADVERTISING	522400	27	100	100	100	0	100
COPY PRINTING EQUIPMENT RENTAL	523100	3,276	3,276	3,276	3,276	0	3,276
BUILDING SPACE RENTAL	523200	48,655	48,655	48,655	48,655	0	48,655
COMPUTER SOFTWARE RENTAL	523700	3,668	3,825	3,825	3,960	0	3,960
OTHER RENTALS	523900	240	985	985	1,000	0	1,000
REPAIR AND SVC EQUIP FURN	524300	0	300	300	300	0	300
REPAIR & SVC OTHER	524900	0	100	100	100	0	100
PRIVATE CHARTER IN STATE	525120	51	0	0	0	0	0
MEALS AND LODGING IN STATE	525180	2,606	0	0	0	0	0
NON SUBSISTENCE IN STATE	525190	300	500	500	500	0	500
PRIVATE CHARTER OUT STATE	525220	0	515	515	541	0	541
AIR RAIL & BUS FARE OUT STATE	525270	289	0	0	0	0	0
MEALS AND LODGING OUT STATE	525280	237	0	0	0	0	0
PRIVATE VEHICLE MILES	525510	13,292	14,800	14,800	15,700	0	15,700
AIR RAIL AND BUS FARE	525570	7,082	7,500	7,500	10,000	0	10,000
MEALS AND LODGING	525580	22,968	27,877	27,877	29,271	0	29,271
NON SUBSISTENCE	525590	5,366	6,530	6,530	7,040	0	7,040
COMPUTER PROGRAMMING OP DISC	526300	14,763	18,552	18,552	22,476	0	22,476
COMPUTER PROGRAMMING CAP DISC	526310	352	372	372	450	0	450
COMPUTER PROGRAMMING NOT DISC	526320	3,435	4,119	4,119	4,569	0	4,569

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Description	Code						
DATABASE ACCESS FEES NOT DISC	526330	2	0	0	0	0	0
JOB RELATED TRAIN & CONF REG	526610	9,351	12,497	12,497	15,989	0	15,989
OTHER FEES	526900	147,997	143,990	143,990	143,990	0	143,990
CREDIT CARD FEES AND CHARGES	526910	35,000	33,113	33,113	32,282	0	32,282
ATTORNEYS AND LAWYERS	527200	55,230	60,000	60,000	62,500	0	62,500
ADVERTISING AND MARKETING	527500	0	200	200	200	0	200
INFORMATION SYSTEMS CONSULTING	527910	51,014	54,357	54,357	57,891	0	57,891
OTHER PROFESSIONAL FEES	527990	1,637	5,775	5,775	6,125	0	6,125
DUES AND SUBSCRIPTIONS	529100	8,081	6,752	6,752	8,460	0	8,460
SURETY BOND AND INS PREMIUMS	529600	13	13	13	14	0	14
OFFICIAL HOSPITALITY	529700	851	1,000	1,000	1,000	0	1,000
EMPLOYEE AWARDS NOT IRS REPORT	529840	0	200	200	200	0	200
OTHER CONTRACTUAL SERVICES	529900	90	0	0	0	0	0
Contractual Services	2	456,236	476,974	476,974	496,340	0	496,340
CLOTHING	530100	15	1,400	1,400	1,400	0	1,400
FOOD FOR HUMAN CONSUMPTION	532010	891	845	845	910	0	910
OTHER EQUIP MATERIALS PARTS	534900	29	0	0	0	0	0
GASOLINE	535100	493	400	400	400	0	400
STATIONERY AND OFFICE SUPPLIES	537100	2,284	300	300	300	0	300
HOUSEHOLD SUPPLIES	539200	185	200	200	225	0	225
Commodities	3	3,897	3,145	3,145	3,235	0	3,235
OFFICE FURNITURE NON CAP	540391	0	1,000	1,000	0	0	0
OTHER EQUIPMENT NON CAP	540991	0	250	250	250	0	250
MICROCOMPUTER EQUIPMENT	541310	2,672	3,643	3,643	3,900	0	3,900
MICROCOMPUTER EQUIP NON CAP	541390	3,805	1,000	1,000	1,000	0	1,000
INFO PROCESSING EQUIP NON CAP	541690	676	0	0	0	0	0
SOFTWARE NON CAPITAL	541890	120	0	0	0	0	0
Capital Outlay	4	7,273	5,893	5,893	5,150	0	5,150
TOTAL EXPENDITURES for 0000000 Real Estate Commission (549-00-01030-0000000-0000-000)		1,440,649	1,551,521	1,551,521	1,544,864	39,744	1,584,608
MEANS OF FUNDING							
REAL ESTATE FF	0100	1,329,742	1,391,207	1,391,207	1,382,770	38,194	1,420,964
REAL ESTATE FF-OFFICIAL HOSP	0104	851	1,000	1,000	1,000	0	1,000
REAL ESTATE FF	2721	1,330,593	1,392,207	1,392,207	1,383,770	38,194	1,421,964
BACKGROUND INVESTIGATION FF	2700	110,000	112,122	112,122	112,000	0	112,000
BACKGROUND INVESTIGATION FF	2722	110,000	112,122	112,122	112,000	0	112,000
REAL ESTATE RECOVERY REVLC FD	4200	56	47,192	47,192	49,094	1,550	50,644

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1 Object/Revenue		2 FY 2025 Actuals	3 FY 2026 Base Budget Request	4 FY 2026 Adjusted Budget Request	5 FY 2027 Base Budget Request	6 FY 2027 Agency Change Packages	7 FY 2027 Adjusted Budget Request
Description	Code						
REAL ESTATE RECOVERY REVLG FD	7368	56	47,192	47,192	49,094	1,550	50,644
TOTAL FUNDING for 0000000 Real Estate Commission (549-00-01030-0000000-0000-000)		1,440,649	1,551,521	1,551,521	1,544,864	39,744	1,584,608
AUTHORIZED EMPLOYEES							
FTE		0.00	12.00	12.00	12.00	0.00	12.00
TOTAL AUTHORIZED EMPLOYEES for 0000000 Real Estate Commission (549-00-01030-0000000-0000-000)		0.00	12.00	12.00	12.00	0.00	12.00

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Obj. Code	OBJECTS OF EXPENDITURE	FY 2025 Actuals	FY 2026 Base Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Base Budget Request	FY 2027 Agency Change Packages	FY 2027 Adjusted Budget Request
	Salaries and Wages	973,243	1,065,509	1,065,509	1,079,883	0	1,079,883
519990	SHRINKAGE	0	0	0	(39,744)	39,744	0
	TOTAL Salaries and Wages	973,243	1,065,509	1,065,509	1,040,139	39,744	1,079,883
52000	Communication	18,251	17,319	17,319	17,479	0	17,479
52200	Printing and Advertising	2,139	3,852	3,852	2,372	0	2,372
52300	Rents	55,839	56,741	56,741	56,891	0	56,891
52400	Repairing and Servicing	0	400	400	400	0	400
52500	Travel and Subsistence	48,708	56,707	56,707	62,011	0	62,011
52510	InState Travel and Subsistence	2,957	500	500	500	0	500
52520	Out of State Travel and Subsis	526	515	515	541	0	541
52600	Fees-other Services	210,900	212,643	212,643	219,756	0	219,756
52700	Fee-Professional Services	107,881	120,332	120,332	126,716	0	126,716
52900	Other Contractual Services	9,035	7,965	7,965	9,674	0	9,674
	TOTAL Contractual Services	456,236	476,974	476,974	496,340	0	496,340
53000	Clothing	15	1,400	1,400	1,400	0	1,400
53200	Food for Human Consumption	891	845	845	910	0	910
53400	Maint Constr Material Supply	29	0	0	0	0	0
53500	Vehicle Part Supply Accessory	493	400	400	400	0	400
53700	Office and Data Supplies	2,284	300	300	300	0	300
53900	Other Supplies and Materials	185	200	200	225	0	225
	TOTAL Commodities	3,897	3,145	3,145	3,235	0	3,235
	TOTAL Capital Outlay	7,273	5,893	5,893	5,150	0	5,150
	TOTAL REPORTABLE EXPENDITURES	1,440,649	1,551,521	1,551,521	1,544,864	39,744	1,584,608
	SUBTOTAL State Operations	1,440,649	1,551,521	1,551,521	1,544,864	39,744	1,584,608
	TOTAL EXPENDITURES	1,440,649	1,551,521	1,551,521	1,544,864	39,744	1,584,608

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Series	Fund Code	FUND/ACCOUNT TITLE	FY 2025 Actuals	FY 2026 Base Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Base Budget Request	FY 2027 Agency Change Packages	FY 2027 Adjusted Budget Request
1	2721	0100 REAL ESTATE FF	973,243	1,023,962	1,023,962	1,034,884	0	1,034,884
1	2721	2721 SUBTOTAL for 2721's	973,243	1,023,962	1,023,962	1,034,884	0	1,034,884
1	7368	4200 REAL ESTATE RECOVERY REVLG FD	0	41,547	41,547	44,999	0	44,999
1	7368	7368 SUBTOTAL for 7368's	0	41,547	41,547	44,999	0	44,999
		242 TOTAL Salaries and Wages	973,243	1,065,509	1,065,509	1,079,883	0	1,079,883
10	2721	0100 REAL ESTATE FF	0	0	0	(38,194)	38,194	0
10	2721	2721 SUBTOTAL for 2721's	0	0	0	(38,194)	38,194	0
10	7368	4200 REAL ESTATE RECOVERY REVLG FD	0	0	0	(1,550)	1,550	0
10	7368	7368 SUBTOTAL for 7368's	0	0	0	(1,550)	1,550	0
		262 TOTAL Shrinkage	0	0	0	(39,744)	39,744	0
2	2721	0100 REAL ESTATE FF	345,329	358,207	358,207	377,695	0	377,695
2	2721	0104 REAL ESTATE FF-OFFICIAL HOSP	851	1,000	1,000	1,000	0	1,000
2	2721	2721 SUBTOTAL for 2721's	346,180	359,207	359,207	378,695	0	378,695
2	2722	2700 BACKGROUND INVESTIGATION FF	110,000	112,122	112,122	112,000	0	112,000
2	2722	2722 SUBTOTAL for 2722's	110,000	112,122	112,122	112,000	0	112,000
2	7368	4200 REAL ESTATE RECOVERY REVLG FD	56	5,645	5,645	5,645	0	5,645
2	7368	7368 SUBTOTAL for 7368's	56	5,645	5,645	5,645	0	5,645
		302 TOTAL Contractual Services	456,236	476,974	476,974	496,340	0	496,340
3	2721	0100 REAL ESTATE FF	3,897	3,145	3,145	3,235	0	3,235
3	2721	2721 SUBTOTAL for 2721's	3,897	3,145	3,145	3,235	0	3,235
		312 TOTAL Commodities	3,897	3,145	3,145	3,235	0	3,235
4	2721	0100 REAL ESTATE FF	7,273	5,893	5,893	5,150	0	5,150
4	2721	2721 SUBTOTAL for 2721's	7,273	5,893	5,893	5,150	0	5,150
		322 TOTAL Capital Outlay	7,273	5,893	5,893	5,150	0	5,150
		322 TOTAL All Funds	1,440,649	1,551,521	1,551,521	1,544,864	39,744	1,584,608
	Fund Code	FUND/ACCOUNT TITLE	FY 2025 Actuals	FY 2026 Base Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Base Budget Request	FY 2027 Agency Change Packages	FY 2027 Adjusted Budget Request
	0100	REAL ESTATE FF	1,329,742	1,391,207	1,391,207	1,382,770	38,194	1,420,964
	0104	REAL ESTATE FF-OFFICIAL HOSP	851	1,000	1,000	1,000	0	1,000
	2721	SUBTOTAL REAL ESTATE FF	1,330,593	1,392,207	1,392,207	1,383,770	38,194	1,421,964
	2700	BACKGROUND INVESTIGATION FF	110,000	112,122	112,122	112,000	0	112,000
	2722	SUBTOTAL BACKGROUND INVESTIGATION FF	110,000	112,122	112,122	112,000	0	112,000
	4200	REAL ESTATE RECOVERY REVLG FD	56	47,192	47,192	49,094	1,550	50,644
	7368	SUBTOTAL REAL ESTATE RECOVERY REVLG FD	56	47,192	47,192	49,094	1,550	50,644
	392	TOTAL MEANS OF FUNDING	1,440,649	1,551,521	1,551,521	1,544,864	39,744	1,584,608

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Fund Number: 2721 0100 Name: REAL ESTATE FF	FY 2025 Actuals	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	1,489,492	1,444,118	1,321,331
421100 LICENSE PERSONAL SERVICES	(100)	0	0
421110 LICENSE BUSINESS	1,263,915	1,264,920	1,242,700
454090 OTHER FINES PENALTIES FORFEIT	40,553	23,500	23,500
766020 OPERATING TRANSFERS OUT	(20,000)	(20,000)	(20,000)
Total Available	2,773,860	2,712,538	2,567,531
Total Reportable Expenditures	1,329,742	1,391,207	1,420,964
Total Expenditures	1,329,742	1,391,207	1,420,964
Balance Forward	1,444,118	1,321,331	1,146,567
Fund Number: 2722 2700 Name: BACKGROUND INVESTIGATION FF	FY 2025 Actuals	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	8,514	32,379	32,379
469090 OTHER NONREVENUE RECEIPTS	133,865	112,122	112,000
Total Available	142,379	144,501	144,379
Total Reportable Expenditures	110,000	112,122	112,000
Total Expenditures	110,000	112,122	112,000
Balance Forward	32,379	32,379	32,379
Fund Number: 2821 2821 Name: SPECIAL LITIGATION RESERVE FD	FY 2025 Actuals	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	100,000	120,000	140,000
766010 OPERATING TRANSFERS IN	20,000	20,000	20,000
Total Available	120,000	140,000	160,000
Total Expenditures	0	0	0
Balance Forward	120,000	140,000	160,000
Fund Number: 7368 4200 Name: REAL ESTATE RECOVERY REVLG FD	FY 2025 Actuals	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	342,948	362,554	333,862
430150 AVERAGE DAILY BALANCE INTEREST	14,662	13,500	12,000
469010 RECOVERY OF PRIOR FY EXP	5,000	5,000	5,000
Total Available	362,610	381,054	350,862
Total Reportable Expenditures	56	47,192	50,644
Total Expenditures	56	47,192	50,644
Balance Forward	362,554	333,862	300,218

Explanation of Receipt Estimates---DA 405

Division of the Budget
State of Kansas

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2721 Real Estate Fee Fund

The Real Estate Fee Fund is the primary receipting and expenditure fund of the commission. The fund is where all license, application and other fees are deposited. This fund is cyclical with the economy and housing market as licensees enter and exit the real estate business. FY22 had record revenues due to the boom in the housing market which led to a record number of license applications and renewals. License applications plateaued in FY23 and 24. The commission anticipated revenues will drop in FY25, plateau in FY26 and slightly increase in FY27. Even numbered fiscal years have higher revenues due to more licensees having expiration dates in that year of their two-year renewal cycle.

FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
\$1,310,376	\$1,357,627	\$1,304,468	\$1,288,420	\$1,266,200

2722 Background Investigation Fee Fund

Everyone applying for a new license is required to be fingerprinted and submit to a criminal history record check through the KBI/FBI. The KBI/FBI criminal history check fee is currently \$70. The fee pays for the cost of the criminal history check, continued updates regarding new criminal arrests (rapback program) and the commission's administrative costs. FY26-27 revenue is lower due to the decreased number of original license applications.

FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
\$120,730	\$104,100	\$133,865	\$112,122	\$112,000

2821 Special Litigation Reserve Fund

The 2020 Legislature created the Special Litigation Reserve Fund. The commission can transfer up to \$20,000 from the Real Estate Fee Fund in any fiscal year upon the approval of the Director of Budget. The Special Litigation Reserve Fund is used for costs incurred in litigation that would cause KREC to expend more than its approved budget.

FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
\$20,000	\$20,000	\$20,000	\$20,000	\$20,000

Explanation of Receipt Estimates---DA 405

Division of the Budget
State of Kansas

Agency: Kansas Real Estate Commission
Agency No.: 549

7368 Real Estate Revolving Recovery Fund

The Revolving Recovery Fund is funded by the transfer of earnest money deposited in a broker's trust account for more than five years that cannot be returned to the rightful owner and by interest earned on the monies in the fund. Usually, the rightful owner cannot be found or a dispute regarding the earnest money existed between the buyer and seller and was not resolved through a release or court order. If a court finds the consumer was injured because of a licensee's violation of certain provisions of Kansas law, the court can order a claim to be paid from the fund. The commission is authorized to use any amount in the fund exceeding \$250,000 for educational and consumer outreach purposes. This is an interest-bearing fund, so interest payments dramatically increased since FY22 due to high interest rates on deposits.

FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
\$20,164	\$21,497	\$19,662	\$18,500	\$17,000