

Narrative Information for Biennial Agencies---DA 400

Division of the Budget
State of Kansas

Agency: Kansas Real Estate Commission
Agency No.: 549

September 4, 2024

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 2025 through 2027. The Commission is requesting no enhancements to the current year budget or the fiscal year 2026 and 2027 budgets.

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 issues with the vendor's product and performance 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 of development and maintenance fees for FY23 and 24 will be covered by OITS using an ARPA award. KREC has a signed statement of work in place with the vendor and anticipates the project will go live in November 2024.

Budget Years—Allocated Resource Budget:

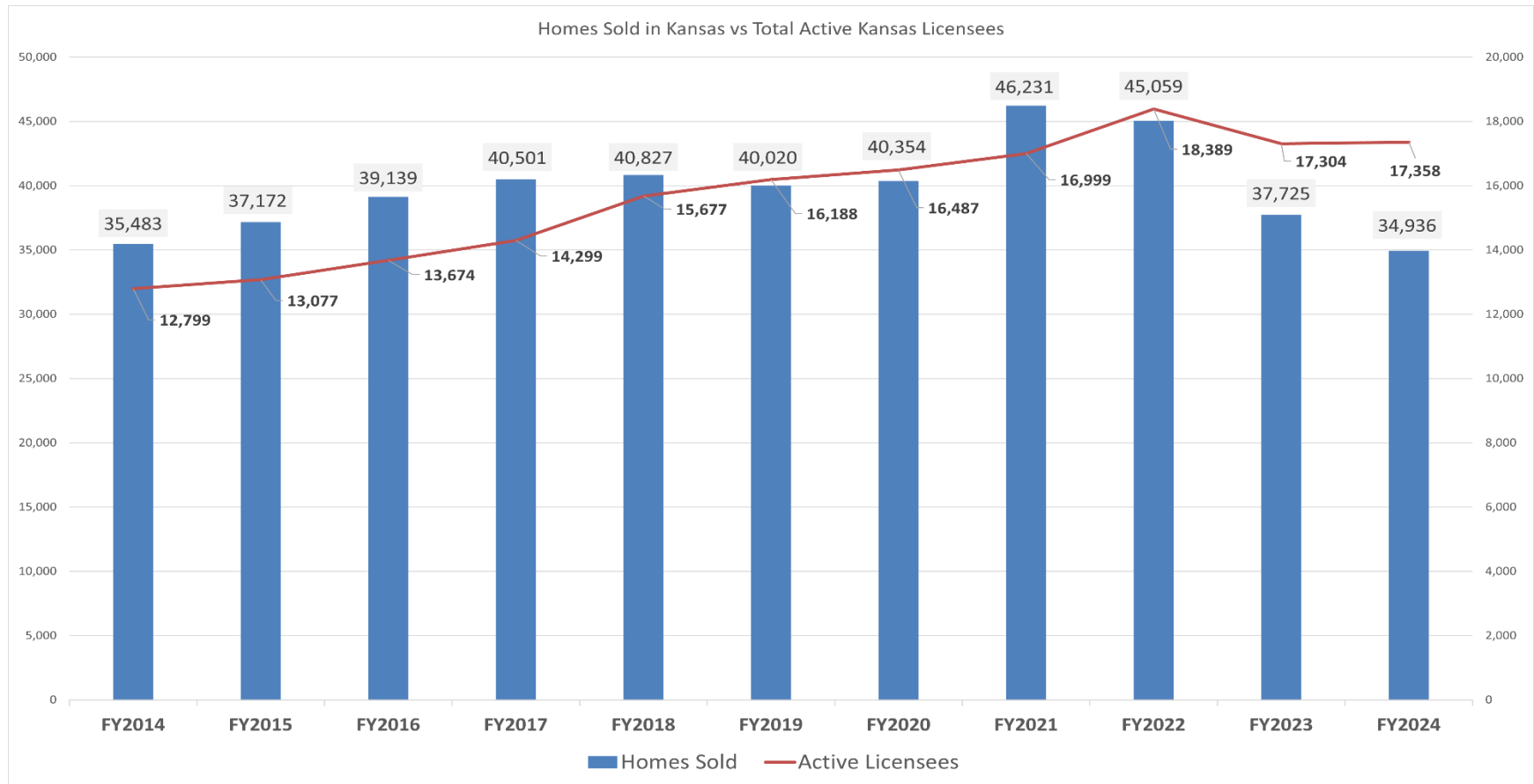
The Commission recruits and retains high quality staff members by allowing flexible work schedules and providing the opportunity to work from home. The Commission currently has seven FTE positions in-office or hybrid and five who work remotely.

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The commission experienced significant growth in licensee numbers 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, there was a dramatic increase in home sales in FY21 brought on by remote work due to the pandemic. Licenses counts flattened in FY22 through FY24 (the chart below is only active licensees). KREC anticipates license counts to remain flat from FY25-27. We anticipate an increase in homes sold in FY26 and 27 but that will be offset by licensees who remained in the industry and placed their license in a referral company or on inactive status instead of allowing it to expire.



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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 Estimate	FY 26 Estimate	FY 27 Estimate
Total number of active Real Estate Licenses	17,304	17,358	17,300	17,400	17,500
Total number of original Real Estate Licenses issued	1,728	1,542	1,400	1,500	1,600
Total number of applicants taking Kansas licensing examination	3,111	2,873	2,500	2,800	2,925
Percent of candidates for salespersons' examination eligible for licensure	57%	57%	60%	60%	60%
Percent of candidates for brokers' license examination eligible for licensure	61%	55%	50%	53%	55%
Number of completed real estate applications denied	24	18	21	20	20
Number of hearings requested because of application denied	10	3	7	10	10
Average regulatory cost per real estate license*	\$81.02	\$74.93	\$84.63	\$86.61	\$88.09
Percent of licenses that take more than one business day to be issued	1%	1%	1%	1%	1%
Percentage of licenses renewed online	95%	96%	97%	97%	97%
Percentage of licensees who use online system to make license changes	97%	97%	98%	98%	98%

* 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 Estimate	FY 26 Estimate	FY 27 Estimate
Total number of approved salesperson pre-license courses	44	44	45	45	45
Number of schools providing continuing education	57	55	55	55	55
Number of KREC newsletter subscribers	24,582	25,516	26,000	26,000	26,000

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 Estimate	FY 26 Estimate	FY 27 Estimate
Number of complaints logged	329	330	325	310	300
Percent of closed complaints resulting in disciplinary action*	13%	15%	20%	18%	18%
Number of compliance reviews performed	300	336	325	375	400
Percent of companies found with violations because of compliance reviews	56%	56%	55%	55%	55%
Number of transactions of companies that had compliance reviews	24,156	31,719	30,000	38,000	40,000
Percent of licensees who consent to electronic service of disciplinary action	78%	79%	90%	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 2025: \$1,009,555 FY 2026: \$1,025,872 FY 2027: \$1,040,971

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 25% annually in FY26 and 27. Monumental building surcharge rates are increasing by \$4,300 in FY26 and another \$1,700 in FY27.

FY 2025: \$448,278 FY 2026: \$474,711 FY 2027: \$493,589

Object Code 300 Commodities:

Major expenditures in this category are for motor vehicle fuel and office supplies..

FY 2025: \$4,135 FY 2026: \$4,195 FY 2027: \$4,260

Object Codes 400 Capital Outlay:

The major expenditure in this category is IT equipment including monitors and docking stations for leased laptop computers.

FY 2025: \$2,250 FY 2026: \$2,250 FY 2027: \$2,850

Explanation of Receipt Estimates---DA 405

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SR05 - Budget Request Summary - Reporting Level

Agency		Kansas Real Estate Commission			
Program		0000000 Real Estate Commission			
Reporting Level		549-00-01030-0000000-0000-000			
1 Object/Revenue		2	3	4	5
Description		FY 2024 Actuals	FY 2025 Base Budget Request	FY 2026 Base Budget Request	FY 2027 Base Budget Request
Code					
EXPENDITURES					
UNCLASSIFIED REGULAR	511100	660,254	712,395	712,395	712,395
UNCLASSIFIED TEMPORARY	511110	1,260	1,400	1,576	1,576
UNCLASSIFIED OVERTIME PAY	511130	1,557	0	0	0
UNCLASS HOLIDAY INCL IN BASE	511140	22,847	0	0	0
LEAVE PAYMENT ASSESSMENTS	517600	4,936	3,998	4,429	4,987
PUBLIC EE RETIREMENT SYSTEM	518100	92,654	89,337	90,331	87,767
ED INST EE GRP LIFE DISABILITY	518500	9	0	0	0
MEDICARE	519101	9,571	9,716	10,352	10,330
OASDI	519102	40,924	44,254	44,267	44,168
GROUP HEALTH HOSPITALIZATION	519500	110,688	147,542	162,000	179,748
WORKERS COMPENSATION	519700	1,069	913	522	0
Salaries and Wages	1	945,769	1,009,555	1,025,872	1,040,971
INTERGOV LCL COMM SVC OP DISC	520500	11,800	11,310	11,832	11,832
INTERGOV LCL COMM SVC CAP DISC	520510	234	226	237	237
INTERGOV POSTAGE OP DISC	520600	502	1,270	1,350	1,460
CELLULAR PHONES	520910	3,672	3,745	3,800	3,850
PRINT BIND STATE FACILITY ONLY	522100	0	10,000	10,000	10,000
PRINTING AND COPYING	522300	0	50	50	50
ADVERTISING	522400	0	100	100	100
COPY PRINTING EQUIPMENT RENTAL	523100	2,560	3,276	3,276	3,276
BUILDING SPACE RENTAL	523200	48,655	48,655	48,655	48,655
COMPUTER EQUIPMENT RENTAL	523600	2,672	0	0	0
COMPUTER SOFTWARE RENTAL	523700	3,364	3,219	3,358	3,503
OTHER RENTALS	523900	225	240	940	940
PASSENGER CAR SVC CAR WASH	524102	6	0	0	0
REPAIR AND SVC EQUIP FURN	524300	0	0	300	0
REPAIR & SVC OTHER	524900	0	100	100	100
MEALS AND LODGING IN STATE	525180	1,766	3,565	3,672	3,856
NON SUBSISTENCE IN STATE	525190	617	735	757	795
PRIVATE CHARTER OUT STATE	525220	176	500	515	541
AIR RAIL & BUS FARE OUT STATE	525270	452	0	0	0
MEALS AND LODGING OUT STATE	525280	846	0	0	0
PRIVATE VEHICLE MILES	525510	10,471	13,518	13,923	14,619
AIR RAIL AND BUS FARE	525570	4,661	6,150	6,335	6,651
MEALS AND LODGING	525580	17,218	23,500	24,205	25,415
NON SUBSISTENCE	525590	4,783	5,405	5,481	5,971
COMPUTER PROGRAMMING OP DISC	526300	16,953	14,352	18,096	22,128
COMPUTER PROGRAMMING CAP DISC	526310	296	362	440	523
COMPUTER PROGRAMMING NOT DISC	526320	2,852	7,078	7,762	8,360
DATABASE ACCESS FEES NOT DISC	526330	2	0	0	0
JOB RELATED TRAIN & CONF REG	526610	9,263	11,500	12,225	14,085
OTHER FEES	526900	155,481	131,614	143,829	145,586
CREDIT CARD FEES AND CHARGES	526910	35,150	31,038	32,211	31,655

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1 Object/Revenue		2 FY 2024 Actuals	3 FY 2025 Base Budget Request	4 FY 2026 Base Budget Request	5 FY 2027 Base Budget Request
Description	Code				
ATTORNEYS AND LAWYERS	527200	52,900	53,900	56,420	59,066
ADVERTISING AND MARKETING	527500	0	200	200	200
INFORMATION SYSTEMS CONSULTING	527910	47,925	51,014	54,357	57,891
COURT REPORTING FEES	527980	2,085	0	0	0
OTHER PROFESSIONAL FEES	527990	30	6,350	6,600	6,750
DUES AND SUBSCRIPTIONS	529100	1,373	3,874	2,252	4,060
SURETY BOND AND INS PREMIUMS	529600	0	12	13	14
OFFICIAL HOSPITALITY	529700	371	1,000	1,000	1,000
EMPLOYEE AWARDS NOT IRS REPORT	529840	0	200	200	200
OTHER CONTRACTUAL SERVICES	529900	1,395	220	220	220
Contractual Services	2	440,756	448,278	474,711	493,589
CLOTHING	530100	1,517	1,400	1,400	1,400
FOOD FOR HUMAN CONSUMPTION	532010	934	885	945	1,010
OTHER EQUIP MATERIALS PARTS	534900	29	0	0	0
GASOLINE	535100	273	500	500	500
STATIONERY AND OFFICE SUPPLIES	537100	177	1,000	1,000	1,000
HOUSEHOLD SUPPLIES	539200	170	350	350	350
Commodities	3	3,100	4,135	4,195	4,260
HOUSEHOLD EQUIPMENT	540200	89	0	0	0
OFFICE FURNITURE NON CAP	540391	0	1,000	1,000	1,000
OTHER EQUIPMENT NON CAP	540991	0	250	250	250
MICROCOMPUTER EQUIPMENT	541310	3,800	0	1,000	1,000
MICROCOMPUTER EQUIP NON CAP	541390	2,610	1,000	0	0
INFO PROCESSING EQUIP NON CAP	541690	0	0	0	600
Capital Outlay	4	6,499	2,250	2,250	2,850
TOTAL EXPENDITURES for 0000000 Real Estate Commission (549-00-01030-0000000-0000-000)		1,396,124	1,464,218	1,507,028	1,541,670
MEANS OF FUNDING					
REAL ESTATE FF	0100	1,265,667	1,349,453	1,353,013	1,382,770
REAL ESTATE FF-OFFICIAL HOSP	0104	397	1,000	1,000	1,000
REAL ESTATE FF	2721	1,266,064	1,350,453	1,354,013	1,383,770
BACKGROUND INVESTIGATION FF	2700	119,940	104,185	112,122	112,000
BACKGROUND INVESTIGATION FF	2722	119,940	104,185	112,122	112,000
REAL ESTATE RECOVERY REVLG FD	4200	10,120	9,580	40,893	45,900
REAL ESTATE RECOVERY REVLG FD	7368	10,120	9,580	40,893	45,900
TOTAL FUNDING for 0000000 Real Estate Commission		1,396,124	1,464,218	1,507,028	1,541,670
AUTHORIZED EMPLOYEES					
TE		0.00	12.00	12.00	0.00
TOTAL AUTHORIZED EMPLOYEES for 0000000 Real Estate Commission (549-00-01030-0000000-0000-000)		0.00	12.00	12.00	0.00

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Division of the Budget
State of Kansas

Agency: Kansas Real Estate Commission
Agency No.: 549

406/410 series report

Dept. Name:

Agency Name: Kansas Real Estate Commission

Agency Reporting

Level:

Version: 2026-A-02-00549

Division of the Budget
KANSAS

Obj. Code	OBJECTS OF EXPENDITURE	FY 2024 Actuals	FY 2025 Base Budget Request	FY 2026 Base Budget Request	FY 2027 Base Budget Request
	Salaries and Wages	945,769	1,009,555	1,025,872	1,040,971
	TOTAL Salaries and Wages	945,769	1,009,555	1,025,872	1,040,971
52000	Communication	16,208	16,551	17,219	17,379
52200	Printing and Advertising	0	10,150	10,150	10,150
52300	Rents	57,476	55,390	56,229	56,374
52400	Reparing and Servicing	6	100	400	100
52500	Travel and Subsistence	37,133	48,573	49,944	52,656
52510	InState Travel and Subsistence	2,383	4,300	4,429	4,651
52520	Out of State Travel and Subsis	1,474	500	515	541
52600	Fees-other Services	219,997	195,944	214,563	222,337
52700	Fee-Professional Services	102,940	111,464	117,577	123,907
52900	Other Contractual Services	3,139	5,306	3,685	5,494
	TOTAL Contractual Services	440,756	448,278	474,711	493,589
53000	Clothing	1,517	1,400	1,400	1,400
53200	Food for Human Consumption	934	885	945	1,010
53400	Maint Constr Material Supply	29	0	0	0
53500	Vehicle Part Supply Accessory	273	500	500	500
53700	Office and Data Supplies	177	1,000	1,000	1,000
53900	Other Supplies and Materials	170	350	350	350
	TOTAL Commodities	3,100	4,135	4,195	4,260
	TOTAL Capital Outlay	6,499	2,250	2,250	2,850
	TOTAL REPORTABLE EXPENDITURES	1,396,124	1,464,218	1,507,028	1,541,670
	SUBTOTAL State Operations	1,396,124	1,464,218	1,507,028	1,541,670
	TOTAL EXPENDITURES	1,396,124	1,464,218	1,507,028	1,541,670

Explanation of Receipt Estimates---DA 405

Division of the Budget
State of Kansas

Agency: Kansas Real Estate Commission
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Series	Fund Code	FUND/ACCOUNT TITLE	FY 2024 Actuals	FY 2025 Base Budget Request	FY 2026 Base Budget Request	FY 2027 Base Budget Request
1	2721	0100 REAL ESTATE FF	935,769	1,000,175	985,879	995,971
1	2721	2721 SUBTOTAL for 2721's	935,769	1,000,175	985,879	995,971
1	7368	4200 REAL ESTATE RECOVERY REVLG FD	10,000	9,380	39,993	45,000
1	7368	7368 SUBTOTAL for 7368's	10,000	9,380	39,993	45,000
	222	TOTAL Salaries and Wages	945,769	1,009,555	1,025,872	1,040,971
2	2721	0100 REAL ESTATE FF	320,325	342,893	360,689	379,689
2	2721	0104 REAL ESTATE FF-OFFICIAL HOSP	371	1,000	1,000	1,000
2	2721	2721 SUBTOTAL for 2721's	320,696	343,893	361,689	380,689
2	2722	2700 BACKGROUND INVESTIGATION FF	119,940	104,185	112,122	112,000
2	2722	2722 SUBTOTAL for 2722's	119,940	104,185	112,122	112,000
2	7368	4200 REAL ESTATE RECOVERY REVLG FD	120	200	900	900
2	7368	7368 SUBTOTAL for 7368's	120	200	900	900
	262	TOTAL Contractual Services	440,756	448,278	474,711	493,589
3	2721	0100 REAL ESTATE FF	3,100	4,135	4,195	4,260
3	2721	2721 SUBTOTAL for 2721's	3,100	4,135	4,195	4,260
	272	TOTAL Commodities	3,100	4,135	4,195	4,260
4	2721	0100 REAL ESTATE FF	6,473	2,250	2,250	2,850
4	2721	0104 REAL ESTATE FF-OFFICIAL HOSP	26	0	0	0
4	2721	2721 SUBTOTAL for 2721's	6,499	2,250	2,250	2,850
	292	TOTAL Capital Outlay	6,499	2,250	2,250	2,850
	292	TOTAL All Funds	1,396,124	1,464,218	1,507,028	1,541,670

Fund Code	FUND/ACCOUNT TITLE	FY 2024 Actuals	FY 2025 Base Budget Request	FY 2026 Base Budget Request	FY 2027 Base Budget Request
0100	REAL ESTATE FF	1,265,667	1,349,453	1,353,013	1,382,770
0104	REAL ESTATE FF-OFFICIAL HOSP	397	1,000	1,000	1,000
2721	SUBTOTAL REAL ESTATE FF	1,266,064	1,350,453	1,354,013	1,383,770
2700	BACKGROUND INVESTIGATION FF	119,940	104,185	112,122	112,000
2722	SUBTOTAL BACKGROUND INVESTIGATION FF	119,940	104,185	112,122	112,000
4200	REAL ESTATE RECOVERY REVLG FD	10,120	9,580	40,893	45,900
7368	SUBTOTAL REAL ESTATE RECOVERY REVLG FD	10,120	9,580	40,893	45,900
356	TOTAL MEANS OF FUNDING	1,396,124	1,464,218	1,507,028	1,541,670

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Fund Number: 2721 0100 Name: REAL ESTATE FF	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	1,400,999	1,472,959	1,338,006	1,253,413
420400 CLERICAL SERVICES	144	3,500	3,500	3,500
421100 LICENSE PERSONAL SERVICES	(900)	0	0	0
421110 LICENSE BUSINESS	1,322,225	1,211,000	1,264,920	1,242,700
454090 OTHER FINES PENALTIES FORFEIT	29,998	20,000	20,000	20,000
461190 SALE OF ASSET GAIN OR LOSS	6,160	0	0	0
766020 OPERATING TRANSFERS OUT	(20,000)	(20,000)	(20,000)	(20,000)
Total Available	2,738,626	2,687,459	2,606,426	2,499,613
Total Reportable Expenditures	1,265,667	1,349,453	1,353,013	1,382,770
Total Expenditures	1,265,667	1,349,453	1,353,013	1,382,770
Balance Forward	1,472,959	1,338,006	1,253,413	1,116,843
Fund Number: 2722 2700 Name: BACKGROUND INVESTIGATION FF	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	2,849	(12,991)	(12,991)	(12,991)
469090 OTHER NONREVENUE RECEIPTS	104,100	104,185	112,122	112,000
Total Available	106,949	91,194	99,131	99,009
Total Reportable Expenditures	119,940	104,185	112,122	112,000
Total Expenditures	119,940	104,185	112,122	112,000
Balance Forward	(12,991)	(12,991)	(12,991)	(12,991)
Fund Number: 2821 2821 Name: SPECIAL LITIGATION RESERVE FD	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	80,000	100,000	120,000	140,000
766010 OPERATING TRANSFERS IN	20,000	20,000	20,000	20,000
Total Available	100,000	120,000	140,000	160,000
Total Expenditures	0	0	0	0
Balance Forward	100,000	120,000	140,000	160,000
Fund Number: 7368 4200 Name: REAL ESTATE RECOVERY REVLG FD	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	331,571	342,948	353,368	330,975
430150 AVERAGE DAILY BALANCE INTEREST	15,946	10,000	10,000	10,000
469010 RECOVERY OF PRIOR FY EXP	5,551	10,000	8,500	7,000
Total Available	353,068	362,948	371,868	347,975
Total Reportable Expenditures	10,120	9,580	40,893	45,900
Total Expenditures	10,120	9,580	40,893	45,900
Balance Forward	342,948	353,368	330,975	302,075

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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 into 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 Estimate	FY 2026 Estimate	FY 2027 Estimate
\$1,310,376	\$1,357,627	\$1,234,500	\$1,288,420	\$1,266,200

2722 Background Investigation Fee Fund

Each individual 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 \$60. The fee pays for the cost of the criminal history check, continued update regarding new criminal arrests and the commission's administrative costs. FY25-27 revenue is lower due to the decreased number of original license applications.

FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate
\$120,730	\$104,100	\$104,185	\$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 Estimate	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 in FY23 and 24 due to high interest rates on deposits.

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