

ABSTRACTERS' BOARD OF EXAMINERS

	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022	Agency Req. FY 2023	Gov. Rec. FY 2023
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	21,901	25,703	25,703	25,716	25,716	25,717	25,717
<i>Subtotal</i>	<i>\$ 21,901</i>	<i>\$ 25,703</i>	<i>\$ 25,703</i>	<i>\$ 25,716</i>	<i>\$ 25,716</i>	<i>\$ 25,717</i>	<i>\$ 25,717</i>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 21,901	\$ 25,703	\$ 25,703	\$ 25,716	\$ 25,716	\$ 25,717	\$ 25,717

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(2.8)	17.4	17.4	0.1	0.1	0.0	0.0
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Abstracters' Board of Examiners was created by the 1941 Legislature (KSA 74-3901 *et seq.*) to administer the Kansas Abstracters' Act (KSA 58-2801 *et seq.*). The Act provides for regulation of individuals and firms that compile and sell abstracts of Kansas real estate.

The Abstracters' Board of Examiners consists of three members appointed by the Governor for overlapping three-year terms. The Board's staff consists of a part-time executive secretary who is not employed the minimum number of hours to account for an FTE position.

The Board licenses and regulates companies and their employees that sell abstracts of land titles to Kansas real estate.

MAJOR ISSUES FROM PRIOR YEARS

The **1994 Legislature** instructed certain state agencies, including the Abstracters' Board of Examiners, to prepare and submit biennial budgets beginning with the fiscal year (FY) 1996-FY 1997 biennium. The legislation also required the Governor to include the biennial request in the Governor's Budget Report.

On July 6, 2009, the **State Finance Council** approved an expenditure limitation increase of \$1,200. The Abstracters' Fee Fund-approved limitation for FY 2009 was \$21,160. The agency had spent more than authorized, and the additional funds allowed the agency to make payroll and cover other operating expenditures related to recordkeeping, which had already been processed for incurred expenses.

Company licenses are issued to properly insured and bonded abstracting companies having at least one licensed abstracter. Sole proprietors are considered companies for this purpose. Each company licensee must be bonded for a minimum of \$25,000 against the loss or destruction of public records and must carry at least \$25,000 in errors and omission insurance. The Board must verify bond and insurance requirements are met prior to issuing a company a license.

Employee licenses are issued to persons who pass an examination prepared and administered by the Board and are employed by a company that is licensed, insured, and bonded.

The Board strives to ensure practicing abstracters are professional so the public may rely on their work products.

The **2012 Legislature** passed HB 2743, which authorized the Abstracters' Board of Examiners to increase the annual fee for each person, firm, partnership, association, or corporation licensed to make, compile, and sell abstracts of title to real estate in Kansas from a limit not to exceed \$50 to a new limit not to exceed \$75 each year.

The **2013 Legislature** deleted \$472 in expenditure authority to hold funding for salaries and wages at the FY 2013 level as adjusted for employer retirement contributions and group health insurance.

BUDGET SUMMARY AND KEY POINTS

FY 2021 Agency Estimate

The **agency** requests a FY 2021 revised estimate totaling \$25,703, all from the Abstracters' Fee Fund. This is the same as the amount approved by the 2020 Legislature. The estimate

does not include any FTE positions, which is the same as the FY 2021 approved number.

FY 2021 Governor Recommendation

The **Governor** concurs with the agency's FY 2021 revised estimate.

FY 2022 Agency Request

The **agency** requests FY 2022 operating expenditures of \$25,716, all from the Abstracters' Fee Fund. This is an increase of \$13, or 0.1 percent, above the FY 2021 revised estimate.

This increase is primarily due to increased salaries and wages fringe benefits. The request does not include any FTE positions, which is the same as the FY 2021 revised estimate.

FY 2022 Governor Recommendation

The **Governor** concurs with the agency's FY 2022 request.

FY 2023 Agency Request

The **agency** requests FY 2023 operating expenditures of \$25,717, all from the Abstracters' Fee Fund. This is an increase of \$1, or less than 0.1 percent, above the FY 2022 request. The

increase is primarily due to increased expenditures for salaries and wages fringe benefits. The request does not include any FTE positions, which is the same as the FY 2022 request.

FY 2023 Governor Recommendation

The **Governor** concurs with the agency's FY 2023 request.

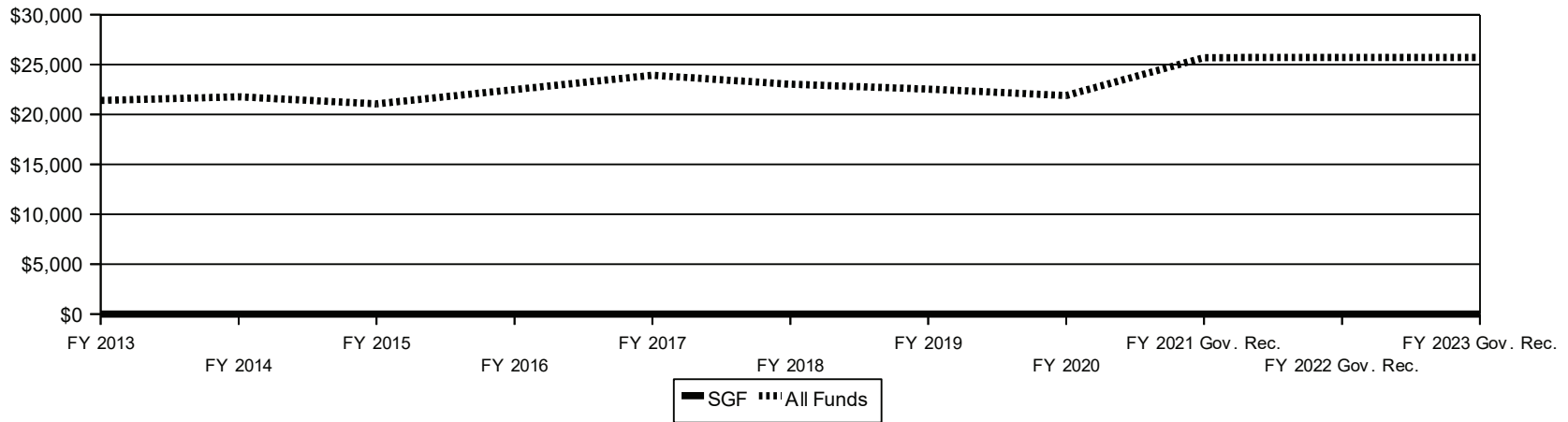
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of Individual Licenses Issued	211	208	208	172	172	172
Number of Business Licenses Issued	173	178	178	192	192	192
Number of Examinations Conducted	9	7	7	3	5	5
Cost Per License	N/A	\$ 66.59	\$ 66.59	\$ 60.17	\$ 70.61	\$ 70.65
Agency Expenditures						
All Funds (Dollars in Thousands)	\$ 23.0	\$ 22.5	\$ 25.7	\$ 21.9	\$ 25.7	\$ 25.7
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0

BUDGET TRENDS

OPERATING EXPENDITURES FY 2013 – FY 2023



Fiscal Year	SGF	Percent Change	All Funds	Percent Change	FTE
2013	\$ 0	-- %	\$ 21,410	(4.9)%	0.0
2014	0	--	21,777	1.7	0.0
2015	0	--	21,064	(3.3)	0.0
2016	0	--	22,500	6.8	0.0
2017	0	--	23,933	6.4	0.0
2018	0	--	23,039	(3.7)	0.0
2019	0	--	22,542	(2.2)	0.0
2020	0	--	21,901	(2.8)	0.0
2021 Gov. Rec.	0	--	25,703	17.4	0.0
2022 Gov. Rec.	0	--	25,716	0.1	0.0
2023 Gov. Rec.	0	--	25,717	0.0	0.0
Eleven-Year Change	\$ 0	-- %	\$ 4,307	20.1 %	0.0

Summary of Operating Budget FY 2020 – FY 2022

	Actual 2020	Agency Estimate				Governor's Recommendation			
		Estimate FY 2021	Request FY 2022	Dollar Change from FY 21	Percent Change from FY 21	Rec. FY 2021	Rec. FY 2022	Dollar Change from FY 21	Percent Change from FY 21
By Program:									
Administration	\$ 21,901	\$ 25,703	\$ 25,716	\$ 13	0.1 %	\$ 25,703	\$ 25,716	\$ 13	0.1 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 19,647	\$ 21,442	\$ 21,455	\$ 13	0.1 %	\$ 21,442	\$ 21,455	\$ 13	0.1 %
Contractual Services	2,254	3,961	3,961	0	0.0	3,961	3,961	0	0.0
Commodities	0	300	300	0	0.0	300	300	0	0.0
Capital Outlay	0	0	0	0	--	0	0	0	--
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 21,901</i>	<i>\$ 25,703</i>	<i>\$ 25,716</i>	<i>\$ 13</i>	<i>0.1 %</i>	<i>\$ 25,703</i>	<i>\$ 25,716</i>	<i>\$ 13</i>	<i>0.1 %</i>
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 21,901	\$ 25,703	\$ 25,716	\$ 13	0.1 %	\$ 25,703	\$ 25,716	\$ 13	0.1 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Abstracters' Fee Fund	21,901	25,703	25,716	13	0.1	25,703	25,716	13	0.1
TOTAL	\$ 21,901	\$ 25,703	\$ 25,716	\$ 13	0.1 %	\$ 25,703	\$ 25,716	\$ 13	0.1 %

Summary of Operating Budget FY 2022 – FY 2023

	Agency Estimate				Governor's Recommendation			
	Request FY 2022	Request FY 2023	Dollar Change from FY 22	Percent Change from FY 22	Rec. FY 2022	Rec. FY 2023	Dollar Change from FY 22	Percent Change from FY 22
By Program:								
Administration	\$ 25,716	\$ 25,717	\$ 1	0.0 %	\$ 25,716	\$ 25,717	\$ 1	0.0 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 21,455	\$ 21,456	\$ 1	0.0 %	\$ 21,455	\$ 21,456	\$ 1	0.0 %
Contractual Services	3,961	3,961	0	0.0	3,961	3,961	0	0.0
Commodities	300	300	0	0.0	300	300	0	0.0
Capital Outlay	0	0	0	--	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 25,716	\$ 25,717	\$ 1	0.0 %	\$ 25,716	\$ 25,717	\$ 1	0.0 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 25,716	\$ 25,717	\$ 1	0.0 %	\$ 25,716	\$ 25,717	\$ 1	0.0 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Abstracters' Fee Fund	25,716	25,717	1	0.0	25,716	25,717	1	0.0
TOTAL	\$ 25,716	\$ 25,717	\$ 1	0.0 %	\$ 25,716	\$ 25,717	\$ 1	0.0 %

BUDGET OVERVIEW

A. FY 2021 – Current Year

Adjustments to Approved State General Fund Budget

The agency's revised estimate does not include any State General Fund (SGF) expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2021	Agency Estimate FY 2021	Agency Change from Approved	Governor Rec. FY 2021	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	25,703	25,703	0	25,703	0
TOTAL	\$ 25,703	\$ 25,703	\$ 0	\$ 25,703	\$ 0
FTE Positions	0.0	0.0	0.0	0.0	0.0

The **agency** requests a revised estimate for FY 2021 operating expenditures of \$25,703, all from the Abstracters' Fee Fund. This is the same as the amount approved by the 2020 Legislature. The revised estimate does not include any FTE

positions, which is the same as the agency's FY 2021 approved number.

The **Governor** concurs with the agency's FY 2021 revised estimate.

B. FY 2022 – Budget Year

FY 2022 OPERATING BUDGET SUMMARY				
	Agency Request		Governor's Recommendation	Difference
Total Request/Recommendation	\$ 25,716		\$ 25,716	\$ 0
FTE Positions	0.0		0.0	0.0
<i>Change from FY 2021:</i>				
<i>Dollar Change:</i>				
State General Fund	\$ 0		\$ 0	
All Other Funds	13		13	
TOTAL	\$ 13		\$ 13	
<i>Percent Change:</i>				
State General Fund	0.0 %		0.0 %	
All Other Funds	0.1		0.1	
TOTAL	0.1 %		0.1 %	
Change in FTE Positions	0.0		0.0	

The **agency** requests FY 2022 operating expenditures of \$25,716, all from the Abstracters' Fee Fund. This is an increase of \$13, or 0.1 percent, above the FY 2021 revised estimate. This increase is primarily due to expenditures for salaries and wages fringe benefits. The estimate does not include any FTE

positions, which is the same as the FY 2021 revised estimate number.

The **Governor** concurs with the agency's FY 2022 request.

C. FY 2023 – Budget Year

FY 2023 OPERATING BUDGET SUMMARY				
	Agency Request		Governor's Recommendation	Difference
	_____		_____	_____
Total Request/Recommendation	\$ 25,717		\$ 25,717	\$ 0
FTE Positions	0.0		0.0	0.0
<i>Change from FY 2022:</i>				
<i>Dollar Change:</i>				
State General Fund	\$ 0		\$ 0	
All Other Funds	1		1	
TOTAL	\$ 1		\$ 1	
<i>Percent Change:</i>				
State General Fund	0.0 %		0.0 %	
All Other Funds	0.0		0.0	
TOTAL	0.0 %		0.0 %	
Change in FTE Positions	0.0		0.0	

The **agency** requests FY 2023 operating expenditures of \$25,717, all from the Abstracters' Fee Fund. This is an increase of \$1, or less than 0.1 percent, above the FY 2022 request. The increase is due to increased salaries and wages fringe benefits.

The request does not include any FTE positions, which is the same as the FY 2022 request number.

The **Governor** concurs with the agency's FY 2023 request.

Governor's Recommended Salary and Wage Adjustments

For FY 2022, the Governor recommends adding \$31.5 million, including \$11.3 million SGF, for a 2.5 percent state employee base pay adjustment. The plan would increase salaries for classified and unclassified employees in the Executive Branch, Legislative Branch, and Judicial Branch. Legislative and elected officials would be excluded from this salary adjustment. The funds would be appropriated to and certified for distribution by the State Finance Council if approved. Employees of state universities are also not included in the proposed pay plan; however, the Governor recommends adding \$10.4 million, all SGF, to the university operating grants. This amount is equivalent to what the pay plan would have provided for university employees, but the funds are included in the Kansas Board of Regents budget for use at their discretion.

Longevity Bonus Payments. In FY 2021 and for FY 2022, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2021 payment is \$3.0 million, including \$1.1 million SGF. For FY 2022, the estimated cost is \$3.1 million, including \$1.1 million SGF. **This agency has no longevity payments for FY 2021, FY 2022, or FY 2023.**

Kansas Public Employees Retirement System (KPERs). The employer retirement contribution rate, including Death and Disability contributions, for the KPERs State and School Group is scheduled to be 14.23 percent in FY 2021 and 15.09 percent for FY 2022. The FY 2021 rate excludes the 1.0 percent KPERs Death and Disability

contribution that is currently subject to a moratorium described below.

The Governor recommends the KPERs State and School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 25 years beginning in FY 2022, an extension of 10 years to the current plan. Reamortization would reduce employer contributions for the KPERs State and School Group in the short term. It is estimated that resetting the amortization period to 25 years could produce budget savings of \$177.3 million, including \$158.7 million SGF, for FY 2022. The Governor's recommendation would also incorporate \$25.8 million in KPERs layering payments into the amortization schedules. **No savings from this policy are currently included in this agency's budget.**

KPERs Death and Disability Group Insurance Fund. During FY 2021, a moratorium on employer contributions to the KPERs Death and Disability Group Insurance Fund was in effect. The fund had a sufficient balance to suspend payments on a temporary basis without affecting employee benefits. The moratorium was implemented *via* the Governor's allotment authority; therefore, the Legislative and Judicial branches are currently excluded from the moratorium. The total savings for the moratorium are estimated at \$46.7 million in contributions from the SGF. Included in this amount were savings of approximately \$40.3 million from KPERs School Group contributions in the Kansas State Department of Education budget. No similar moratorium is proposed for FY 2022, requiring the addition of \$46.7 million to annualize the payments for the full fiscal year.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2022	Gov. Rec. Percent of Total FY 2022	Agency Req. Percent of Total FY 2023	Gov. Rec. Percent of Total FY 2023
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
Abstracters' Fee Fund	100.0	100.0	100.0	100.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

(Note: Totals may not add due to rounding.)

Abstracters' Fee Fund Analysis

The Abstracter's Board of Examiners is a fee-funded agency. The agency generates fee revenues from three primary sources: annual license fees (\$75 each); examination fees (\$70 each); and additional exams (\$50 each) (KSA 58-2801). The revenue received provides financing for all agency operations,

with 90.0 percent retained by the agency and 10.0 percent remitted to the SGF. KSA 75-3170a(a) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are deposited into the SGF, up to a maximum of \$100,000 per fiscal year per fund.

Resource Estimate	Actual FY 2020	Agency Estimate FY 2021	Governor Rec. FY 2021	Agency Request FY 2022	Governor Rec. FY 2022	Agency Request FY 2023	Governor Rec. FY 2023
Beginning Balance	\$ 31,443	\$ 34,405	\$ 34,405	\$ 33,702	\$ 33,702	\$ 32,986	\$ 32,986
Revenue	24,863	25,000	25,000	25,000	25,000	25,000	25,000
Transfers in	0	0	0	0	0	0	0
<i>Funds Available</i>	<i>\$ 56,306</i>	<i>\$ 59,405</i>	<i>\$ 59,405</i>	<i>\$ 58,702</i>	<i>\$ 58,702</i>	<i>\$ 57,986</i>	<i>\$ 57,986</i>
Less:							
Expenditures	\$ 21,901	\$ 25,703	\$ 25,703	\$ 25,716	\$ 25,716	\$ 25,717	\$ 25,717
Transfers Out	0	0	0	0	0	0	0
Off-Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 34,405</u>	<u>\$ 33,702</u>	<u>\$ 33,702</u>	<u>\$ 32,986</u>	<u>\$ 32,986</u>	<u>\$ 32,269</u>	<u>\$ 32,269</u>
Ending Balance as Percent of Expenditures	157.1%	131.1%	131.1%	128.3%	128.3%	125.5%	125.5%
Month Highest Ending Balance	February \$ 41,351	February \$ 41,463	February \$ 41,463	February \$ 40,751	February \$ 40,751	February \$ 40,035	February \$ 40,035
Month Lowest Ending Balance	November \$ 23,046	November \$ 24,216	November \$ 24,216	November \$ 23,507	November \$ 23,507	November \$ 22,791	November \$ 22,791

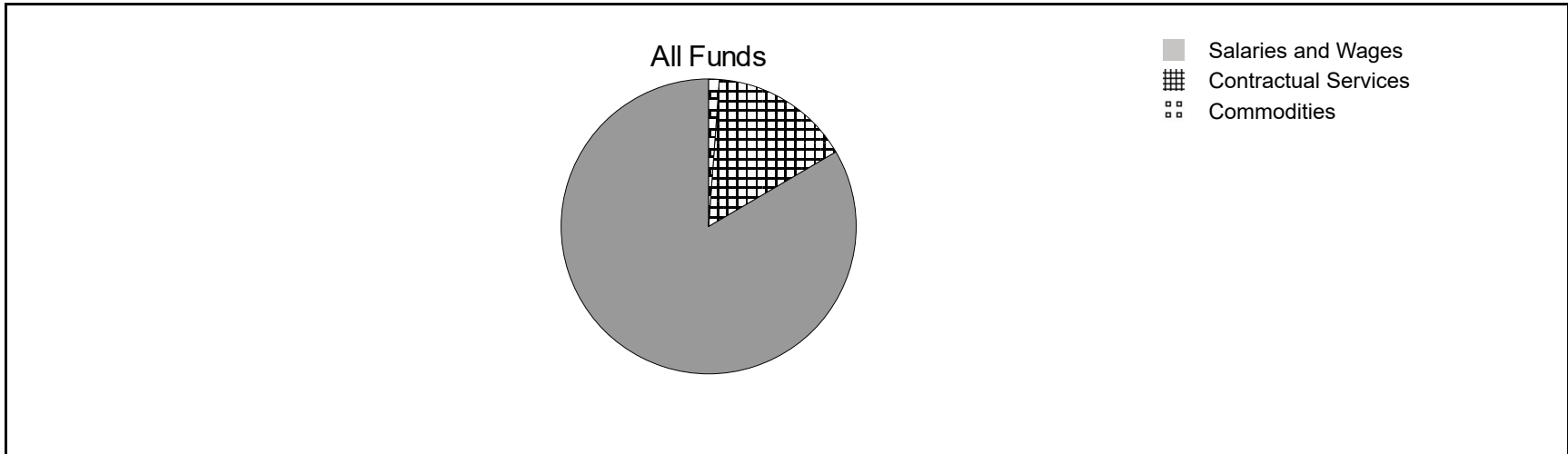
ABSTRACTERS' BOARD OF EXAMINERS LICENSURE FEES

License	Current Fee	Statutory Limit
Original License Fee	\$ 75	\$ 75
Renewal License Fee	75	75
Examination Fee	70	*
Additional Examinations Fee	50	*

* KSA 58-2805(a) provides that the examination fee shall be fixed by the Board by rules and regulations in an amount adequate to cover the cost of the examination.

CATEGORY DETAIL

EXPENDITURES BY CATEGORY—GOVERNOR’S FY 2022 RECOMMENDATION



Category	Gov. Rec. All Funds FY 2022	Percent of Total	Gov. Rec. SGF FY 2022	Percent of Total
Salaries and Wages	\$ 21,455	83.4 %	\$ 0	-- %
Contractual Services	3,961	15.4	0	--
Commodities	300	1.2	0	--
TOTAL	\$ 25,716	100.0 %	\$ 0	100.0 %

FTE POSITIONS BY PROGRAM FY 2020 – FY 2023

<u>Program</u>	<u>Actual FY 2020</u>	<u>Agency Est. FY 2021</u>	<u>Gov. Rec. FY 2021</u>	<u>Agency Req. FY 2022</u>	<u>Gov. Rec. FY 2022</u>	<u>Agency Req. FY 2023</u>	<u>Gov. Rec. FY 2023</u>
Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0

(Note: For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.)