

# BOARD OF ACCOUNTANCY

## FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1  
**BUDGET OVERVIEW, FY 2022 – FY 2025**

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
<b>Operating Expenditures:</b>							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	366,793	453,894	453,894	482,372	482,372	426,097	426,097
<i>Subtotal</i>	<u>\$ 366,793</u>	<u>\$ 453,894</u>	<u>\$ 453,894</u>	<u>\$ 482,372</u>	<u>\$ 482,372</u>	<u>\$ 426,097</u>	<u>\$ 426,097</u>
<b>Capital Improvements:</b>							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL</b>	<b><u>\$ 366,793</u></b>	<b><u>\$ 453,894</u></b>	<b><u>\$ 453,894</u></b>	<b><u>\$ 482,372</u></b>	<b><u>\$ 482,372</u></b>	<b><u>\$ 426,097</u></b>	<b><u>\$ 426,097</u></b>
<b>Percentage Change:</b>							
State General Fund	--	--	--	--	--	--	--
All Funds	(8.0) %	23.7 %	23.7 %	6.3 %	6.3 %	(11.7) %	(11.7) %
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0

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.

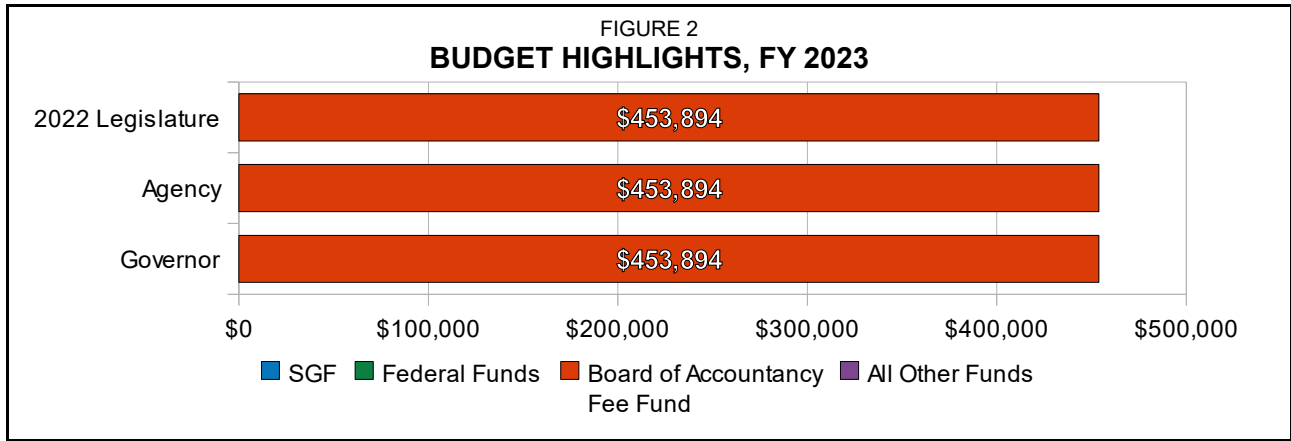
The Board of Accountancy provides for the certification of and regulation of Certified Public Accountants (CPAs) within the State of Kansas. The Board itself is composed of seven individuals, all of whom must be residents of Kansas. Five of the individuals must be CPAs licensed to practice in Kansas; the other two individuals must represent the general public, though they must have an understanding of generally accepted accountancy principles. Board members are appointed to three-year terms.

The Board may adopt and amend rules and regulations that govern the practice of accountancy, such as the educational qualifications of licensees and the professional ethics by which accountants must abide. To ensure that CPAs in Kansas act with “independence, integrity, and objectivity” in their responsibilities, the Board has the power to investigate whether a firm or an individual violated ethical standards and/or rules and regulations imposed by either the Board of Accountancy or the American Institute of Certified Public Accountants. If probable cause of a violation is found, the Board may refer the matter for prosecution or disciplinary action. In an effort to preempt violations, the Board may require accounting firms to submit peer reviews that attest to a firm’s compliance with generally accepted accounting principles and auditing standards.

According to the agency, the Board of Accountancy strives to ensure that every CPA serves not only their clients’ interests, but also the public’s interest, by acting with professional integrity.

### EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$453,894, all from the Board of Accountancy Fee Fund, in expenditures and 3.0 FTE positions for the Board of Accountancy in FY 2023.

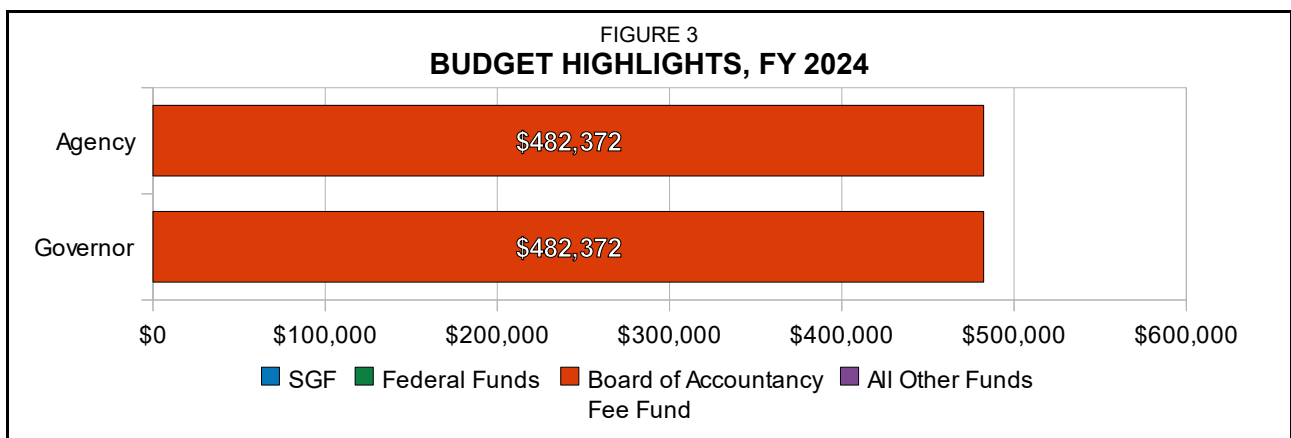


The **agency** submits a revised estimate of \$453,894, all from the Board of Accountancy Fee Fund, in FY 2023. This is the same as the amount approved by the 2022 Legislature. Notable adjustments include:

- **SALARIES AND WAGES.** The agency's revised estimate includes \$252,010 for salaries and wages in FY 2023. This is the amount to maintain existing staff and train an incoming Executive Director prior to the retirement of the current Executive Director.
- **CONTRACTUAL SERVICES.** The agency's revised estimate includes \$196,859 for contractual services in FY 2023. This amount is for the rollout of the new licensure database system, as well as the amount needed to maintain existing service levels.
- **COMMODITIES.** The agency's revised estimate includes \$5,025 for commodities in FY 2023 to purchase necessary items such as data processors, stationery, and other professional materials.

The estimate includes 3.0 FTE positions, which is the same as the FY 2023 approved number.

The **Governor** concurs with the agency's revised estimate in FY 2023.

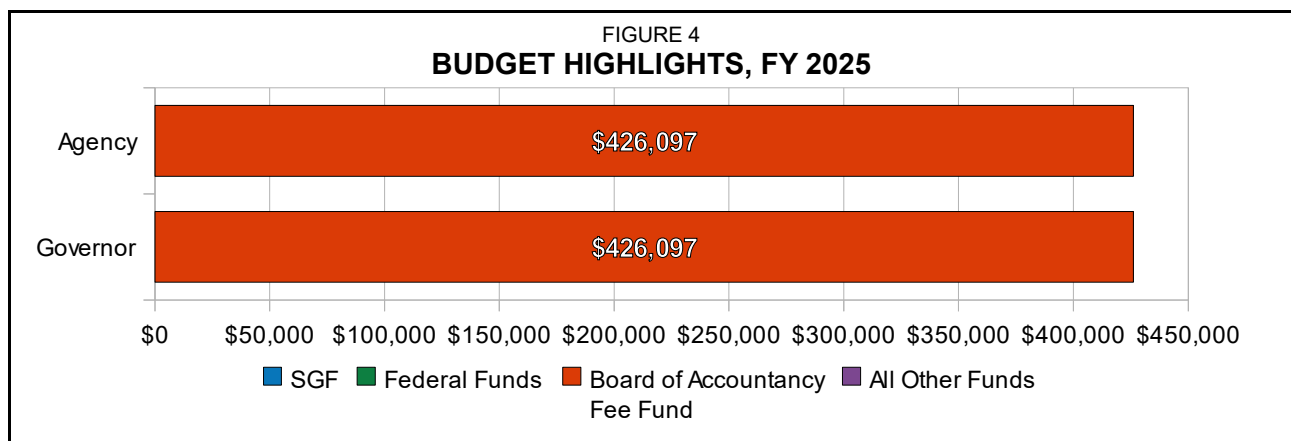


The **agency** requests \$482,372, all from the Board of Accountancy Fee Fund, for FY 2024. This is an increase of \$28,478, or 6.3 percent, above the revised estimate for FY 2023. Notable adjustments include:

- **SALARIES AND WAGES.** The agency’s request includes \$291,060 for salaries and wages for FY 2024. This is an increase of \$39,050, or approximately 15.5 percent, above the FY 2023 amount, which is primarily due to training a new Executive Director prior to the retirement of the current Executive Director.
- **CONTRACTUAL SERVICES.** The agency’s request includes \$186,287 for contractual services for FY 2024. This is a decrease of \$10,572, or approximately 5.4 percent, below the FY 2023 amount, which is primarily due to the agency’s belief that the rollout of the new licensure database system will be complete.

The request includes 3.0 FTE positions, which is the same as the approved number for FY 2024.

The **Governor** concurs with the agency’s request for FY 2024.



The **agency** requests \$426,097, all from the Board of Accountancy Fee Fund, for FY 2025. This is a decrease of \$56,275, or 11.67 percent, below the requested amount for FY 2024. Notable adjustments include:

- **SALARIES AND WAGES.** The agency’s request includes \$240,996 for salaries and wages for FY 2025. This is a decrease of \$50,064, or approximately 17.2 percent, below the FY 2024 requested amount, which is due to the expected completed transition of Executive Directors as the current Executive Director plans to retire by the end of calendar year 2023.
- **CONTRACTUAL SERVICES.** The agency’s request includes \$180,076 for contractual services for FY 2025. This is a decrease of \$6,211, or approximately 3.33 percent, below the requested amount for FY 2024, which is primarily due to the agency’s completed rollout of the new licensure database system and reduced expenditures for job-related training.

The request includes 3.0 FTE positions, which is the same as the requested number for FY 2024.

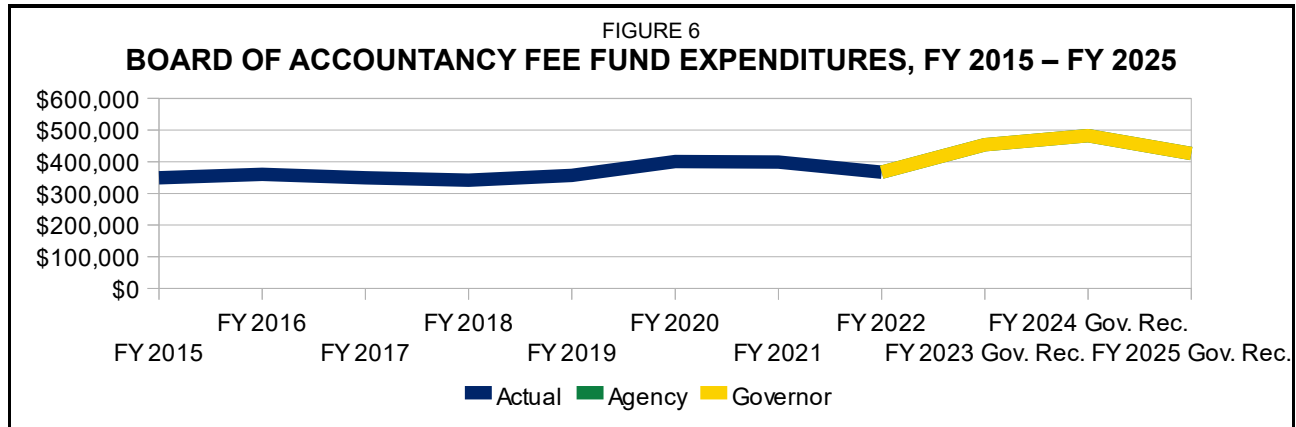
The **Governor** concurs with the agency’s request for FY 2025.

## EXPENDITURES AND FINANCING

FIGURE 5  
**BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025**

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 205,611	\$ 252,010	\$ 252,010	\$ 291,060	\$ 291,060	\$ 240,996	\$ 240,996
Contractual Services	156,193	196,859	196,859	186,287	186,287	180,076	180,076
Commodities	4,917	5,025	5,025	5,025	5,025	5,025	5,025
Capital Outlay	72	-	-	-	-	-	-
Debt Service Interest	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>\$ 366,793</b>	<b>\$ 453,894</b>	<b>\$ 453,894</b>	<b>\$ 482,372</b>	<b>\$ 482,372</b>	<b>\$ 426,097</b>	<b>\$ 426,097</b>
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
<b>Subtotal—Operating</b>	<b>\$ 366,793</b>	<b>\$ 453,894</b>	<b>\$ 453,894</b>	<b>\$ 482,372</b>	<b>\$ 482,372</b>	<b>\$ 426,097</b>	<b>\$ 426,097</b>
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 366,793</b>	<b>\$ 453,894</b>	<b>\$ 453,894</b>	<b>\$ 482,372</b>	<b>\$ 482,372</b>	<b>\$ 426,097</b>	<b>\$ 426,097</b>
<b>Financing:</b>							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund	366,793	453,894	453,894	482,372	482,372	426,097	426,097
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 366,793</b>	<b>\$ 453,894</b>	<b>\$ 453,894</b>	<b>\$ 482,372</b>	<b>\$ 482,372</b>	<b>\$ 426,097</b>	<b>\$ 426,097</b>
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0

### BOARD OF ACCOUNTANCY FEE FUND

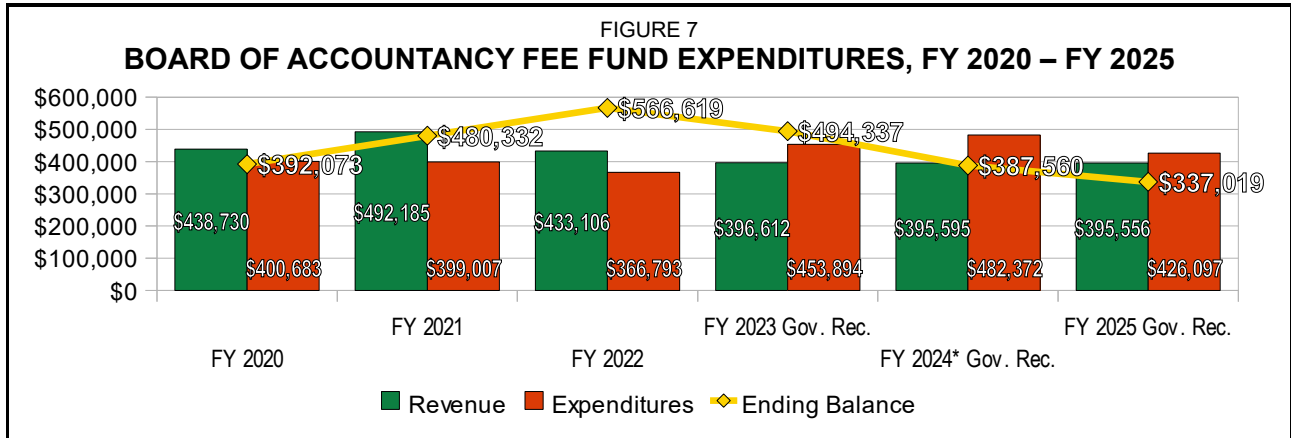


The Board of Accountancy Fee Fund is a statutory fee fund that is the only source of funds for the Board of Accountancy. The revenue deposited into the fee fund provides financing for agency operations. The agency generates revenue from four sources of fees: (1) CPA certificates; (2) permits to practice; (3) firm registrations; and (4) fines.<sup>1</sup>

Certificates are issued to those who (1) pass the CPA licensing examination, and (2) wish to be initially licensed in Kansas, or wish to be licensed in Kansas after being initially licensed in a different state. Permits to practice are issued to licensed CPAs who plan to practice in Kansas; those who plan to continue their practice must renew their permit on a biennial basis. Likewise, CPA firms located in the state, as well as out-of-state firms that employ CPAs licensed to practice in Kansas, must register with the Board on an annual basis. Finally, the Board may impose and collect fines on those who violate ethical standards and/or rules and regulations imposed by either the Board of Accountancy or the American Institute of Certified Public Accountants.

<sup>1</sup> See Figure 8, page 5, for the current fee amounts and the statutory limits of fees.

**BOARD OF ACCOUNTANCY FEE FUND**



\* For FY 2024, the lowest month ending balance for the Board of Accountancy Fee Fund will occur in June, with a balance of \$387,560.

The Board of Accountancy Fee Fund will likely maintain a significant ending balance in FY 2023 through FY 2025. From FY 2020 through FY 2022, the amount of revenue deposited into the fund was greater than the expenditures taken out of the fund. However, this is expected to change by FY 2024 when the ending balance will potentially be less than the revenue earned for the first time since FY 2020. This trend is expected to continue through FY 2025.

The agency estimates that expenditures will increase in FY 2023 through FY 2025 while the transition between Executive Directors takes place. In contrast, the agency estimates that revenue will decrease from FY 2022 to FY 2023, before remaining relatively steady for FY 2024 through FY 2025. The amount of revenue the agency earns depends in part on the number of people who pass the CPA licensing examination and on the number of persons and firms who wish to continue practicing in the State of Kansas. As many of the current permit-holders reach retirement age, they will likely not renew their permits. Per KSA 75-3170a, 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are remitted to, or deposited into, the State General Fund (SGF), up to a maximum of \$100,000 per fiscal year per fund.

FIGURE 8  
**LICENSURE FEES, FY 2023**

License	Current Fee	Statutory Limit	Authority
Initial CPA Certification	\$ 50.00	\$ 50.00	KSA 1-301(b)(1)
CPA Certification (duplicate)	50.00	50.00	KSA 1-301(b)(1)
CPA Certification by Reciprocity	250.00	350.00	KSA 1-301(b)(2)
Initial Permit to Practice (more than one year)	165.00	350.00	KSA 1-301(b)(3)
Initial Permit to Practice (one year or less)	82.50	350.00	KSA 1-301(b)(3)
Renewal of Permit to Practice	165.00	350.00	KSA 1-301(b)(3)
Renewal of Permit to Practice (late)	247.50	350.00	KSA 1-301(b)(4)
Permit to Practice (duplicate)	25.00	50.00	KSA 1-301(b)(5)
Reinstated Permit to Practice (more than one year)	247.50	350.00	KSA 1-301(b)(6)
Reinstated Permit to Practice (one year or less)	\$ 123.75	175.00	KSA 1-301(b)(6)
Initial Firm Registration	100.00	300.00	KSA 1-301(b)(8)
Firm Registration Renewal	100.00	300.00	KSA 1-301(b)(8)
Firm Registration Renewal (late)	150.00	300.00	KSA 1-301(b)(9)

## FY 2023 ANALYSIS

FIGURE 9  
**SUMMARY OF BUDGET REQUEST, FY 2023**

	SGF		Special Revenue Funds	All Funds	FTE
<b>Legislative Approved:</b>					
Amount Approved by 2022 Legislature	\$	-	\$ 453,894	\$ 453,894	3.0
1. No Changes		-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$	-	\$ 453,894	\$ 453,894	3.0
<b>Agency Revised Estimate:</b>					
2. Salaries and Wages	\$	-	\$ (12,237)	\$ (12,237)	--
3. Contractual Services		-	10,412	10,412	--
4. Commodities		-	1,825	1,825	--
<i>Subtotal—Agency Revised Estimate</i>	\$	-	\$ 453,894	\$ 453,894	3.0
<b>Governor's Recommendation:</b>					
5. No Changes		-	-	-	--
<b>TOTAL</b>	<b>\$</b>	<b>-</b>	<b>\$ 453,894</b>	<b>\$ 453,894</b>	<b>3.0</b>

### LEGISLATIVE APPROVED

The 2022 Legislature approved \$453,894 for the Board of Accountancy for FY 2023.

- NO CHANGES.** Subsequent to the 2022 Session, no adjustments were made to the \$453,894, appropriated to the Board of Accountancy for FY 2023.

### AGENCY ESTIMATE

The **agency** requests a revised estimate of \$453,894, all from the Board of Accountancy Fee Fund, for FY 2023. This is the same amount approved by the 2022 Legislature.

- SALARIES AND WAGES.** The agency's revised estimate includes \$252,010 for salaries and wages in FY 2023. This decrease of \$12,237, or 4.6 percent, below the approved amount represents the amount needed to maintain existing staff, as well as to train an incoming Executive Director. The current Executive Director plans to retire before the end of the 2023 calendar year, though she expects to spend several months prior to her retirement training the individual who will take her place. The expected decrease in expenditures in this category is partially offset by increased employer contributions for unemployment compensation and group health insurance.
- CONTRACTUAL SERVICES.** The agency's revised estimate includes \$196,859 for contractual services in FY 2023. The increase of \$10,412, or 5.6 percent, above the approved amount is due primarily to a new licensure database system, though it also represents the amount needed to maintain existing service levels, including official hospitality.
- COMMODITIES.** The agency's revised estimate includes \$5,025 for commodities in FY 2023. This is an increase of \$1,825, or 57.0 percent, above the approved amount. The increased amount is for the purchase of necessary items such as data processors, stationery, and other professional materials.

The agency estimate also includes 3.0 FTE positions, which is the same as the number of positions approved by the 2022 Legislature.

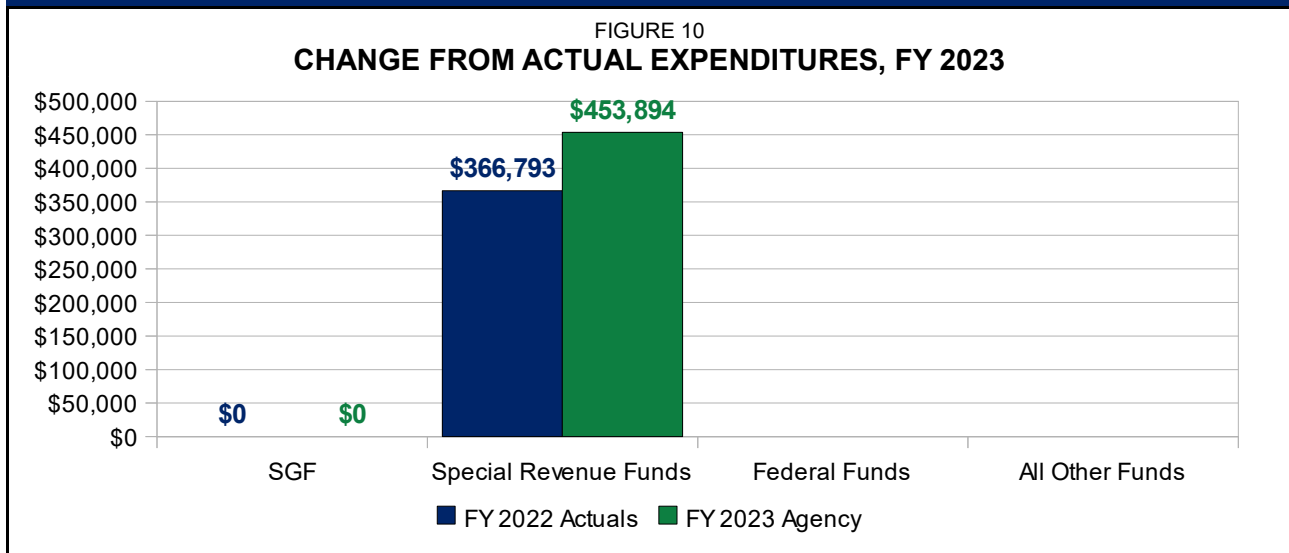
## **GOVERNOR'S RECOMMENDATION**

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The **Governor** concurs with the agency's revised estimate and recommends a budget of \$453,894, all from the Board of Accountancy Fee Fund, in FY 2023. The Governor's recommendation also includes 3.0 FTE positions, which is the same as the number approved by the 2022 Legislature.

5. **NO CHANGES.** The Governor concurs with the agency's revised estimate.

## FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$453,894, all from the Board of Accountancy Fee Fund, in FY 2023. This is an increase of \$87,101, or 23.7 percent, above the agency’s actual expenditures of \$366,793 in FY 2022. The change between FY 2022 and FY 2023 is due to increased expenditures in salaries and wages, commodities, and contractual services.

- **SALARIES AND WAGES.** The agency estimate includes \$252,010 in salaries and wages expenditures in FY 2023. The increase of \$46,399, or 22.6 percent, above the FY 2022 actual amount of \$205,611 is primarily due to an expected change in agency leadership. The current Executive Director plans to retire by the end of calendar year 2023. Prior to retirement, the current Executive Director will spend several months training the incoming Executive Director to ensure a smooth transition of roles. The increased expenditures for salaries and wages will allow both the current Executive Director and the incoming Executive Director to be paid a salary for the months when both are leading the Board of Accountancy.
  
- **CONTRACTUAL SERVICES.** The agency estimate includes \$196,859 in contractual services expenditures in FY 2023. The increase of \$40,666, or 26.04 percent, above the FY 2022 actual amount of \$156,193 is primarily due to additional technology services, as well as job-related trainings and travel. Technology-related expenditures increased from FY 2022 to FY 2023 because the agency is utilizing two different computer programming and data processing systems as it transitions to a new licensure database system. Additionally, following the COVID-19 pandemic, job-related training and travel expenditures increased due to the rise in the number of conferences for which employees of the agency were able to register and attend. The requested amount also represents the amount needed to maintain existing service levels, including official hospitality.
  
- **COMMODITIES.** The agency estimate includes \$5,025 in commodities expenditures in FY 2023. The increase of \$108, or 2.19 percent, above the FY 2022 actual amount of \$4,917 is primarily due to increased expenditures for data processing supplies, as well as stationery and office supplies. However, this slight increase is partially offset by an expected decrease in capital outlay expenditures. The agency estimate includes no capital outlay expenditures in FY 2023, which is a decrease of \$72, or 100.0 percent, below the FY 2022 actual amount of \$72.



## FY 2024 ANALYSIS

FIGURE 11  
**SUMMARY OF BUDGET REQUEST, FY 2024**

	SGF	Special Revenue Funds	All Funds	FTE
<b>Agency Revised Estimate, FY 2023:</b>	\$ -	\$ 453,894	\$ 453,894	3.0
<b>Agency Request:</b>				
1. Salaries and Wages	\$ -	\$ 39,050	\$ 39,050	--
2. Contractual Services	-	(10,572)	(10,572)	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 482,372	\$ 482,372	3.0
<b>Governor’s Recommendation:</b>				
3. No Changes	-	-	-	--
<b>TOTAL</b>	\$ -	\$ 482,372	\$ 482,372	3.0

### **AGENCY REQUEST**

The **agency** requests \$482,372, all from the Board of Accountancy Fee Fund, for FY 2024. This is an increase of \$28,478, or 6.3 percent, above the agency’s revised estimate of \$453,894 for FY 2023. The expected increase in expenditures is due primarily to the hiring, and subsequent training, of a new Executive Director.

1. **SALARIES AND WAGES.** The agency request includes \$291,060 in salaries and wages expenditures for FY 2024. The increase of \$39,050, or 15.5 percent, above the FY 2023 revised estimate of \$252,010 is primarily due to an expected change in agency leadership. The current Executive Director plans to retire by the end of calendar year 2023. Prior to her retirement, she will spend several months training the incoming Executive Director in order to ensure a smooth transition of roles. The increased expenditures for salaries and wages represent the four months of salary when both the current Executive Director and the incoming Executive Director are leading the Board of Accountancy.
  
2. **CONTRACTUAL SERVICES.** The agency request includes \$186,287 in contractual services expenditures for FY 2024. The decrease of \$10,572, or 5.4 percent, below the FY 2023 revised estimate of \$196,859 is primarily due to the expected completion of the transition from the current licensure database system to a new licensure database system. However, the decrease in contractual services expenditures is partially offset by increases in job-related training and travel expenditures as employees of the agency plan to register for and attend various conferences. The requested amount also represents the amount needed to maintain existing service levels, including official hospitality.

The estimate includes 3.0 FTE positions, which is the same as the approved number of positions for FY 2023.

### **GOVERNOR’S RECOMMENDATION**

The **Governor** concurs with the agency’s request and recommends a budget of \$482,372, all from the Board of Accountancy Fee Fund, for FY 2024. The Governor’s recommendation also includes 3.0 FTE positions, which is the same as the agency’s requested number of positions.

3. **NO CHANGES.** The Governor concurs with the agency’s request.

## FY 2025 ANALYSIS

FIGURE 12  
**SUMMARY OF BUDGET REQUEST, FY 2025**

	SGF		Special Revenue Funds	All Funds	FTE
<b>Agency Request, FY 2024:</b>	\$	-	\$ 482,372	\$ 482,372	3.0
<b>Agency Request:</b>					
1. Salaries and Wages	\$	-	\$ (50,064)	\$ (50,064)	--
2. Contractual Services		-	(6,211)	(6,211)	--
<i>Subtotal—Agency Request</i>	\$	-	\$ 426,097	\$ 426,097	3.0
<b>Governor’s Recommendation:</b>					
3. No Changes		-	-	-	--
<b>TOTAL</b>	<b>\$</b>	<b>-</b>	<b>\$ 426,097</b>	<b>\$ 426,097</b>	<b>3.0</b>

### AGENCY REQUEST

The **agency** requests \$426,097, all from the Board of Accountancy Fee Fund, for FY 2025. This is a decrease of \$56,275, or 11.7 percent, below the requested amount of \$482,372 for FY 2024.

1. **SALARIES AND WAGES.** The agency request includes \$240,996 in salaries and wages expenditures for FY 2025. The decrease of \$50,064, or 17.2 percent, below the FY 2024 requested amount of \$291,060 is primarily due to the expected transition of Executive Directors. The current Executive Director plans to have retired, and thus have finished training an incoming Executive Director, by the end of calendar year 2023.
  
2. **CONTRACTUAL SERVICES.** The agency request includes \$180,076 in contractual services expenditures for FY 2025. The decrease of \$6,211, or 3.3 percent, below the FY 2024 requested amount of \$186,287 is primarily due to the expected completion of the transition from the current licensure database system to the new licensure database system hosted by the Kansas State Board of Healing Arts. Additionally, job-related training expenditures are estimated to decrease following the expected transition of Executive Directors by the end of calendar year 2023. The requested amount also represents the amount needed to maintain existing service levels, including official hospitality.

The request also includes 3.0 FTE positions, which is the same as the requested number of positions for FY 2024.

### GOVERNOR’S RECOMMENDATION

The **Governor** concurs with the agency’s request and recommends a budget of \$426,097, all from the Board of Accountancy Fee Fund, for FY 2025. The Governor’s recommendation also includes 3.0 FTE positions, which is the same as the agency’s requested number of positions.

3. **NO CHANGES.** The Governor concurs with the agency’s request.

## PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 13  
**EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025**

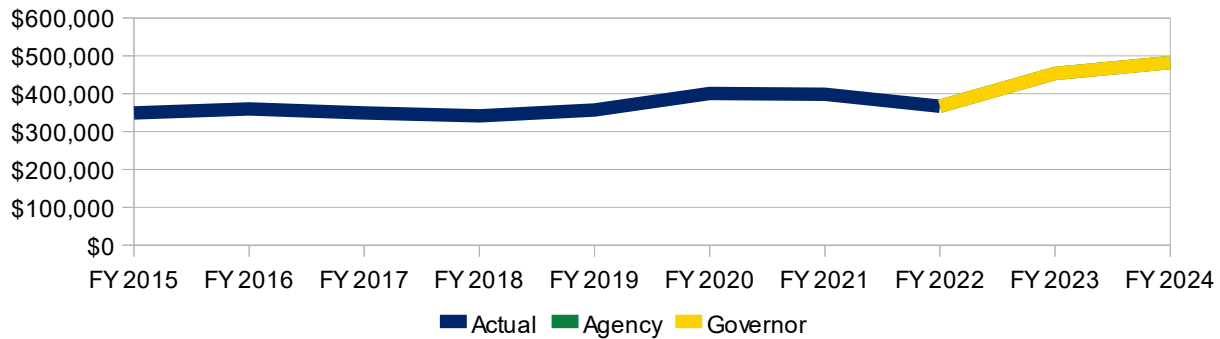
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
<b>Expenditures:</b>							
Administration	\$ 366,793	\$ 453,894	\$ 453,894	\$ 482,372	\$ 482,372	\$ 426,097	\$ 426,097
<b>FTE Positions:</b>							
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0

### **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.

## BOARD OF ACCOUNTANCY – ADMINISTRATION

FIGURE 14  
**BOARD OF ACCOUNTANCY – ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024**



- STATUTORY BASIS:**
- KSA 1-201, 1-202, 1-204, 1-205, 1-206.
  - KSA 1-302, 1-302a, 1-307, 1-308, 1-310, 1-311, 1-312, 1-315, 1-316, 1-318, 1-319.
  - KSA 1-401.
  - KSA 1-501.

- PROGRAM GOALS:**
- Approve applications for certificates by exam and certificates by reciprocity to those who meet the minimum qualifying requirements.
  - Approve applications for permits to practice to those who meet an experience requirement, and to reinstate permits to practice to those who meet certain continuing education requirements.
  - Register in-state and out-of-state CPA firms practicing in the state of Kansas.
  - Regulate CPAs and the services provided relating to the practice of certified public accountancy.

The Board of Accountancy is a single-program agency. All of its expenditures are located in its Administration Program and are paid for by the Board of Accountancy Fee Fund. The agency's mission is to instill in the public a high degree of confidence in those holding themselves out to be CPAs in Kansas. The Administration Program attempts to achieve this goal by regulating the profession in numerous ways, including by issuing CPA certificates and licensure permits to individuals, registering CPA firms, and investigating complaints.

FIGURE 15  
**BOARD OF ACCOUNTANCY – ADMINISTRATION, PERFORMANCE MEASURES**

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
<b>Outcome Measure:</b>					
1. Total number of Certificates	13,059	13,205	13,066	13,331	13,451
2. Total number of Permit Holders	3,841	3,812	3,822	3,741	3,611
3. Total number of CPA Firms	828	836	836	842	843
4. Total number of Complaints Filed	95	95	96	95	95
<b>Output Measure:</b>					
5. Total number of New Certificate Holders *	141	146	134	126	120
6. Total number of New Permits *	126	150	134	126	120
7. Total number of New CPA Firms *	47	49	51	47	45
8. Total number of Hearings Held *	64	48	59	65	65

Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	399,007	366,793		453,894	482,372
<b>TOTAL</b>	<b>\$ 399,007</b>	<b>\$ 366,793</b>		<b>\$ 453,894</b>	<b>\$ 482,372</b>
<b>Percentage Change:</b>					
SGF	--	--		--	--
All Funds	(8.0) %	(8.1) %		23.7 %	6.3 %
FTE Positions	3.0	3.0		3.0	3.0

\* The Governor's Office does not utilize this measure for evaluation purposes.

## PERFORMANCE AND BUDGET ANALYSIS

### FY 2023 REQUEST

The **agency** estimates revised expenditures of \$453,894, all from the Board of Accounting Fee Fund, for the Administration Program in FY 2023. This is the same as the 2022 approved amount.

The **Governor** concurs with the agency's revised estimate in FY 2023.

### FY 2024 REQUEST

The **agency** requests \$482,372, all from the Board of Accounting Fee Fund, for the Administration Program for FY 2024. This increase of \$28,478, or 6.3 percent, above the revised estimate for FY 2023, is primarily due to the period of time in which both the current Executive Director and the incoming Executive Director are receiving a salary.

The **Governor** concurs with the agency's request for FY 2024.

### FY 2025 REQUEST

The **agency** requests \$426,097, all from the Board of Accounting Fee Fund, for the Administration Program for FY 2025. This decrease of \$56,275, or 11.67 percent, below the requested amount for FY 2024 is primarily due to the expected completed transition of Executive Directors.

The **Governor** concurs with the agency's request for FY 2025.

## LICENSURE REVENUE

The agency holds several licensing examinations each year. Since FY 2020, the number of individuals who have received their CPA Certification (either initial or reciprocal) and

the number of new individuals who have received their Permit to Practice have increased. Likewise, the total number of certificate-holders in Kansas has increased since FY 2020, whereas the total number of permit-holders in Kansas has remained relatively the same. However, since FY 2020, the number of new CPA firms and the total number of CPA firms have both decreased.

It is likely that more people are taking the licensing exam, and passing the licensing exam, than in recent years because of the COVID-19 pandemic. Essentially, not as many examinations were offered in FY 2020. This resulted in a greater number of persons than usual taking the examination in FY 2021 and FY 2022. However, the agency does not expect that the trend to continue through FY 2023.

The agency does not expect the number of new permits issued will continue to increase. In fact, it expects that the number of total permit holders in Kansas will decrease from 3,812 in FY 2022 (previously 3,813 in FY 2020) to 3,611 in FY 2024. According to the agency, many of the current CPA permit holders are age 65 or older, and it is likely that many of these permit holders will retire and not renew their permits.