

OFFICE OF ADMINISTRATIVE HEARINGS

FY 2024 – FY 2026 BUDGET SUMMARY

FIG. 1 BUDGET SUMMARY, FY 2024 – FY 2026

	Actual FY 2024	Agency FY 2025	Legislative Budget Committee FY 2025	Agency FY 2026	Legislative Budget Committee FY 2026
EXPENDITURES:					
State Operations*	\$ 1,729,106	\$ 2,153,817	\$ 2,153,817	\$ 2,164,667	\$ 2,164,667
Salaries and Wages	1,365,602	1,765,904	1,765,904	1,777,098	1,777,098
Contractual Services	355,002	354,269	354,269	355,027	355,027
Commodities	7,897	9,308	9,308	11,610	11,610
Capital Outlay	605	24,336	24,336	20,932	20,932
State Aid and Assistance	\$ -	\$ -	\$ -	\$ -	\$ -
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Capital Budget and Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
TOTAL	\$ 1,729,106	\$ 2,153,817	\$ 2,153,817	\$ 2,164,667	\$ 2,164,667
FINANCING:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Funds	1,729,106	2,153,817	2,153,817	2,164,667	2,164,667
TOTAL	\$ 1,729,106	\$ 2,153,817	\$ 2,153,817	\$ 2,164,667	\$ 2,164,667
PERCENTAGE CHANGE:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	18.9 %	24.6 %	-- %	0.5 %	-- %
FTE Positions	14.0	14.0	14.0	14.0	14.0

* Note: Expenditures for debt service interest are reflected under "Capital Budget and Debt."

AGENCY OVERVIEW

The mission of the Office of Administrative Hearings (OAH) is to conduct efficient, fair, and impartial hearings for constituents and other affected parties, including employees of the State, who contest the actions of state agencies determining their legal rights, and to resolve other types of disputes lawfully referred to OAH by governmental entities. The OAH conducts adjudicative proceedings in accordance with the Kansas Administrative Procedure Act for many state agencies.

The OAH charges agencies a fee for adjudicative proceedings. While agency expenditures are recorded in the accounting system, expenditures for the agency budget are categorized as off-budget expenditures to avoid double-counting payments from one state agency to another.

The OAH establishes a budget for the upcoming fiscal year that provides the funds required for the agency to provide fair hearing services in an efficient manner. The budgeted amount is then divided among the six state agencies that utilize the OAH's services the most, based on a three-year average of past usage. Those six agencies, in order of most to least use, are: (1) Kansas Department for Children and Families; (2) Kansas Department of Health and Environment, Division of Health Care Finance; (3) Kansas Department of Labor; (4) Kansas Department of Health and Environment; (5) Kansas Department for Aging and Disability Services; and (6) the Kansas Civil Service Board.

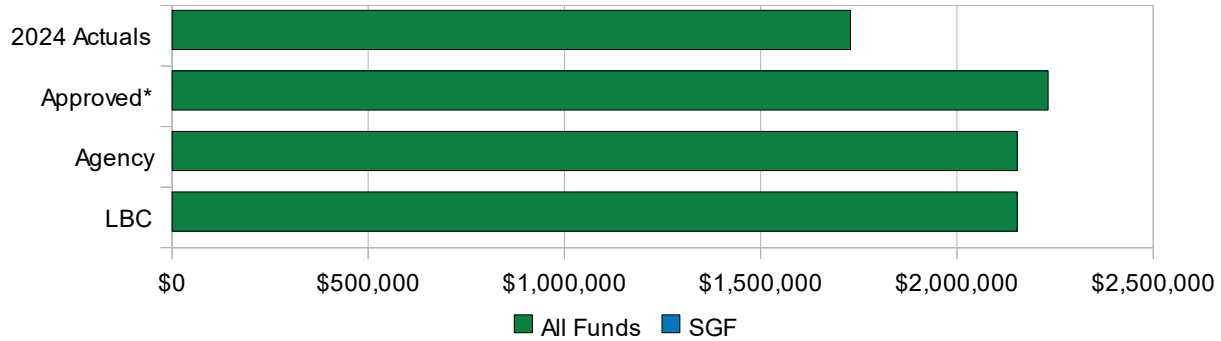
The agency fee is divided by four and each agency makes a quarterly payment, or retainer, to the OAH. Thus, the six agencies pay a set fee for hearing services during the fiscal year. The six agencies also pay direct hearing costs, which include court reporters, interpreters, translators, and

travel expenses for administrative law judges. Quarterly payments fully fund OAH's budget and provide adequate cash flow to meet OAH's monthly fiscal obligations. Other state agencies or governmental entities pay an hourly rate, plus direct hearing costs.

KSA 59-29a26 requires the OAH to provide specific hearings for which counties are financially responsible. Currently, the OAH provides hearings for 36 counties.

FY 2025 ANALYSIS

FIG. 2 BUDGET HIGHLIGHTS, FY 2025



* Note: Includes SGF reappropriations.

FIG. 3 BUDGET COMPARISON, FY 2025

Fund	2024 Actuals	2025 Approved*	2025 Agency	Agency Change from Previous-Year Actuals		Agency Change from Approved*	
SGF	\$ -	\$ -	\$ -	\$ -	-- %	\$ -	-- %
All Other Funds	1,729,106	2,232,452	2,153,817	424,711	24.6	(78,635)	(3.5)
TOTAL	\$ 1,729,106	\$ 2,232,452	\$ 2,153,817	\$ 424,711	24.6 %	\$ (78,635)	(3.5) %

* Note: Includes SGF reappropriations.

BUDGET ANALYSIS

FIG. 4 SUMMARY OF BUDGET REQUEST, FY 2025

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Approved, FY 2025	\$ -	\$ 2,232,452	14.0	\$ -	\$ 2,232,452	14.0
2024 SB 28 & HB 2551	-	2,232,452	14.0	-	2,232,452	14.0
1. SGF Reappropriation	-	-	-	-	-	-
Supplemental Requests	\$ -	\$ -	-	\$ -	\$ -	-
2. No Supplemental Requests	-	-	-	-	-	-
Other Changes	\$ -	\$ (78,635)	-	\$ -	\$ (78,635)	-
3. Employee Pay	-	(54,904)	-	-	(54,904)	-
4. Fringe Benefits	-	(23,731)	-	-	(23,731)	-
5. All Other Adjustments	-	-	-	-	-	-
TOTAL	\$ -	\$ 2,153,817	14.0	\$ -	\$ 2,153,817	14.0

1. SGF REAPPROPRIATION

The agency did not reappropriate any SGF funds from FY 2024 into FY 2025.

2. SUPPLEMENTAL REQUESTS

The agency's revised request does not include any supplemental requests in FY 2025.

3. EMPLOYEE PAY

The agency's revised request includes a decrease of \$54,904, all from the Administrative Hearings Office Fund, from the previously approved amount for salaries and wages in FY 2025. Although the 2024 Legislature approved a salary increase for most State employees, including Administrative Law Judges employed by the agency, there are vacant permanent positions within the agency that are partially offset by an increase in wages for temporary employees.

- **Agency:** Delete \$54,904, all from the Administrative Hearings Office Fund, in salaries and wages expenditures in FY 2025.

- **LBC:** No changes.

4. FRINGE BENEFITS

The agency's revised request includes a decrease of \$23,731, all from the Administrative Hearings Office Fund, from the previously approved amount for fringe benefits in FY 2025. The reduction in funds is due to a decrease in employer contributions for benefits such as group health insurance (\$14,279) and public employee retirement (\$7,420).

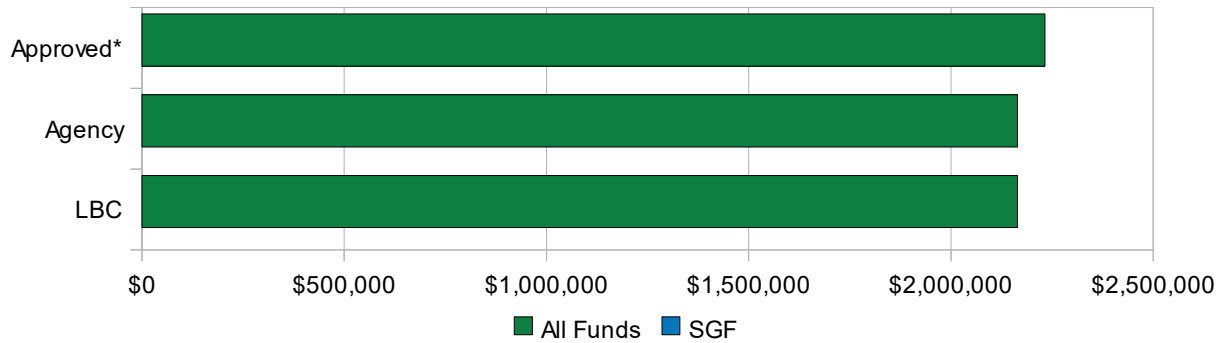
- **Agency:** Delete \$23,731, all from the Administrative Hearings Office Fund, for fringe benefits adjustments in FY 2025.
- **LBC:** No changes.

5. ALL OTHER ADJUSTMENTS

The agency's revised request includes several minor shifts throughout categories of expenditures that do not yield any monetary changes in FY 2025. To illustrate, the agency decreased expenditures for communication services by \$2,201, and increased the total expenditures for computer equipment, office furniture, and office supplies by the same amount in FY 2025.

FY 2026 ANALYSIS

FIG. 5 BUDGET HIGHLIGHTS, FY 2026



* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

FIG. 6 BUDGET HIGHLIGHT CHANGES, FY 2026

Fund	2025 Agency	2025 Approved*	2026 Agency	Agency Change from Previous-Year Agency		Agency Change from Approved*	
SGF	\$ -	\$ -	\$ -	\$ -	-- %	\$ -	-- %
All Other Funds	2,153,817	2,232,452	2,164,667	10,850	0.5	(67,785)	(3.0)
TOTAL	\$ 2,153,817	\$ 2,232,452	\$ 2,164,667	\$ 10,850	0.5 %	\$ (67,785)	(3.0) %

* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

BUDGET ANALYSIS

FIG. 7 SUMMARY OF BUDGET REQUEST, FY 2026

	SGF	Agency All Funds	FTE	Legislative Budget Committee SGF	Agency All Funds	FTE
Approved, FY 2025	\$ -	\$ 2,232,452	14.0	\$ -	\$ 2,232,452	14.0
2024 SB 28 & HB 2551	-	2,232,452	14.0	-	2,232,452	14.0
Enhancement Requests	\$ -	\$ -	-	\$ -	\$ -	-
1. No Enhancement Requests	-	-	-	-	-	-
Other Changes	\$ -	\$ (67,785)	-	\$ -	\$ (67,785)	-
2. Employee Pay	-	(54,904)	-	-	(54,904)	-
3. Fringe Benefits	-	(12,537)	-	-	(12,537)	-
4. All Other Adjustments	-	(344)	-	-	(344)	-
TOTAL	\$ -	\$ 2,164,667	14.0	\$ -	\$ 2,164,667	14.0

1. ENHANCEMENT REQUESTS

The agency's request does not include any enhancement requests for FY 2026.

2. EMPLOYEE PAY

The agency's request includes a decrease of \$54,904, all from the Administrative Hearings Office Fund, below the FY 2025 approved amount for salaries and wages for FY 2026. Although the 2024 Legislature approved a salary increase for the Administrative Law Judges employed by the agency, there are vacant permanent positions within the agency that are partially offset by an increase in wages for temporary employees.

- **Agency:** Delete \$54,904, all from the Administrative Hearings Office Fund, in expenditures for salaries and wages for FY 2026.
- **LBC:** No changes.

3. FRINGE BENEFITS

The agency's request includes a decrease of \$12,537, all from the Administrative Hearings Office Fund, below the FY 2025 approved amount for fringe benefits for FY 2026. The reduction in funds is due to a decrease in employer contributions for benefits such as group health insurance and the public employee retirement.

- **Agency:** Delete \$12,537, all from the Administrative Hearings Office Fund, for fringe benefit adjustments for FY 2026.
- **LBC:** No changes.

4. ALL OTHER ADJUSTMENTS

The agency's request includes a decrease of \$344, all from the Administrative Hearings Office Fund, below the FY 2025 approved amount for all other adjustments for FY 2026. Similar to the revised estimate in FY 2025, there are several minor shifts throughout categories of expenditures. For example, the agency's request includes an overall increase of \$801 for office supplies, and an overall increase of \$298 for computer equipment and office furniture. However, those amounts are offset by an overall decrease of \$1,443 in contractual services expenditures, specifically for job-related trainings, operational charges for state buildings, and other communication costs. This results in a net decrease of \$344.

- **Agency:** Delete \$344, all from the Administrative Hearings Office Fund, in expenditures related to all other adjustments for FY 2026.
- **LBC:** No changes.

REFERENCE TABLES

FIG. 8 **10-YEAR EXPENDITURE HISTORY, FY 2017 – FY 2026**

Fiscal Year	SGF	Change	All Funds	Change	FTE	CPI-U Change**
FY 2017	\$	-	% \$ 1,133,106	20.6 %	9.0	0.0 %
FY 2018	-	--	1,088,574	(3.9)	10.0	0.2
FY 2019	-	--	1,036,569	(4.8)	10.0	0.0
FY 2020	-	--	1,125,199	8.6	10.0	0.8
FY 2021	-	--	1,231,972	9.5	13.0	2.4
FY 2022	-	--	1,391,690	13.0	12.0	9.2
FY 2023	-	--	1,454,724	4.5	14.0	5.8
FY 2024	-	--	1,729,106	18.9	14.0	3.0
FY 2025 Agency	-	--	2,153,817	24.6	14.0	2.5
FY 2026 Agency	-	--	2,164,667	0.5	14.0	2.4
10-Yr. Chg. (FY 2017– 2026) \$	-	-- % \$	1,031,561	91.0 %	5.0	33.4 %
3-Yr. Avg. (FY 2022– 2024)*	-		1,525,173		13.3	

* Note: Reflects three most recent years of actuals data.

** Note: Consumer Price Index – All Urban Consumers estimate for FY 2025 and FY 2026 is from the Consensus Revenue Estimating Group.