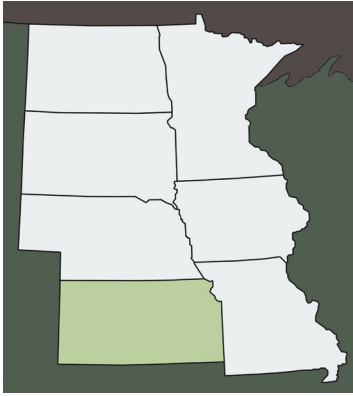


## KANSAS Budget Report Card



KANSAS RECEIVED SOME of the lowest average grades of any state for fiscal 2016 through 2018, with four Ds and one B.

While it uses the consensus method of budget forecasting, the state nonetheless posted a D average in the category—the second-lowest mark possible. Kansas shuns multiyear expenditure and revenue forecasts and fails to provide clear justifications for shorter-term revenue estimates.

The state’s policies also earned it a D in the reserve funds. A budget stabilization fund created by legislation in 2016 was initially scheduled to be implemented in July 2017, but a law enacted that year pushed the first scheduled deposit into the fund to fiscal 2020.

Kansas’s use of budget maneuvers left it with a D average in that category as well, although it showed a small improvement in 2018 as it stopped deferring recurring expenditures. The move helped earn the state a C that year.

It also received a D average in legacy costs, largely because for many years it put less money into its pension funds than the state’s actuaries have determined is necessary. In fiscal 2016, Kansas deferred \$97.4 million in contributions to its primary retirement system. While the state had planned to make the delayed contribution, plus interest, in fiscal 2018, the amount was not paid until March 2019 after the governor signed an appropriation bill into law.

The state’s average B for transparency reflected its failure to disclose deferred infrastructure replacement costs.


### WEST NORTH CENTRAL STATES SIDE BY SIDE: Three-Year Average Grades, 2016-18


	BUDGET FORECASTING	BUDGET MANEUVERS	LEGACY COSTS	RESERVE FUNDS	TRANSPARENCY
Iowa	C	A	A	B	C
Kansas	D	D	D	D	B
Minnesota	B	A	D	A	B
Missouri	D	A	C	B	C
Nebraska	B	A	A	C	B
North Dakota	D	B	D	A	C
South Dakota	B	B	A	B	B
US AVERAGE	C	B	C	B	B


**NOTE** States are grouped by US Census Bureau divisions.


Average grades are based on annual numerical scores. For more information, download *Truth and Integrity in State Budgeting: Preventing the Next Fiscal Crisis* at [VolckerAlliance.org](http://VolckerAlliance.org).


## KANSAS Budget Report Card

BUDGET FORECASTING						
		2016	2017	2018		
	CATEGORY GRADE	D	D	D		
	Consensus Revenue Forecasts	✓	✓	✓		
	Multiyear Expenditure Forecasts	X	X	X		
	Multiyear Revenue Forecasts	X	X	X		
	Revenue Growth Projections	X	X	X		
3-YEAR AVERAGE			D	3-YEAR TREND		—

BUDGET MANEUVERS						
		2016	2017	2018		
	CATEGORY GRADE	D	D	C		
	Deferring Recurring Expenditures	X	X	✓		
	Revenue and Cost Shifting	X	X	X		
	Funding Recurring Expenditures with Debt	✓	✓	✓		
	Using Asset Sales and Up-Front Revenues	X	X	X		
3-YEAR AVERAGE			D	3-YEAR TREND		↗

LEGACY COSTS						
		2016	2017	2018		
	CATEGORY GRADE	D	D	D		
	Public Employee OPEB Funding	✓	✓	✓		
	Public Employee Pension Funding	X	X	X		
	Public Employee Pension Funded Ratio*	65%	67%	67%		
3-YEAR AVERAGE			D	3-YEAR TREND		—

RESERVE FUNDS						
		2016	2017	2018		
	CATEGORY GRADE	D	D	D		
	Positive Reserve or General Fund Balance	✓	✓	✓		
	Reserve Funds Disbursement Policy	X	X	X		
	Reserve Funds Replenishment Policy	X	X	X		
	Reserves Tied to Revenue Volatility	X	X	X		
3-YEAR AVERAGE			D	3-YEAR TREND		—

TRANSPARENCY						
		2016	2017	2018		
	CATEGORY GRADE	B	B	B		
	Consolidated Budget Website	✓	✓	✓		
	Provides Debt Tables	✓	✓	✓		
	Discloses Deferred Infrastructure Replacement Costs	X	X	X		
	Discloses Tax Expenditures	✓	✓	✓		
3-YEAR AVERAGE			B	3-YEAR TREND		—

### KEY

✓	Followed best practice
X	Did not follow best practice

**BUDGET FORECASTING** evaluates whether and how states estimated long-term revenue and expenditure trends. **BUDGET MANEUVERS** evaluates whether states used one-time revenues, borrowings, asset sales, and other measures to achieve short-term budgetary balance. **LEGACY COSTS** evaluates whether states provided adequate funding, as defined by retirement system actuaries, for pensions and other promised retirement benefits for public workers. **RESERVE FUNDS** evaluates states' rainy day funds and other fiscal reserves, as well as any policies governing their use and replenishment. **TRANSPARENCY** evaluates the accessibility to the public of states' budget practices.

\* SOURCE Bloomberg; 2017 data also used for 2018.