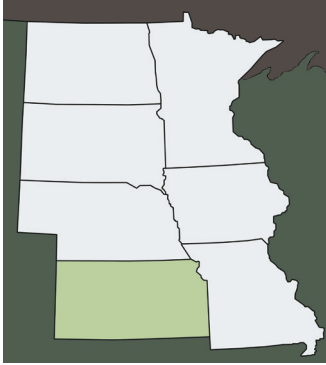# KANSAS Budget Report Card

KANSAS WAS THE ONLY STATE to receive D averages for fiscal 2015 through 2019 in four out of five budgetary categories covered. Its best mark—B in transparency—reflected generally good practices save for a lack of disclosure of deferred infrastructure maintenance costs.

Kansas was penalized in evaluations of budget forecasting for its lack of disclosure of long-term revenue and expenditure forecasts. Instead, the state provides estimates only for the year covered by the budget. In reserve funds, Kansas showed good intentions, but a lack of follow-through hurt its grade. The state established a Budget Stabilization Fund in 2016, with a launch set for the beginning of fiscal 2019. But it had yet to deposit anything into the new rainy day account by the end of the year. Moreover, as of 2019, Kansas was the only state that had not set guidelines for fund use or replenishment.

While its D average in legacy costs reflected years of annual public employee pension contributions below actuarially recommended levels, Kansas did show some improvement in its pension funding ratio: It rose to 70 percent in 2019, 1 percentage point below the total for all states that year. In contrast, its 65 percent funding ratio in 2015 was 7 percentage points below that year's total. The legacy costs category includes other postemployment benefits (OPEB), primarily health care. Since Kansas has minimal obligations for such for them, however, it is a reasonable budgeting practice for it to pay benefits out of operating revenues rather than build reserves.

Kansas's D average in budget maneuvers reflected a recovering economy, and revenues that helped the state lessen the use of one-time actions to achieve balance.

WEST NORTH CENTRAL STATES SIDE BY SIDE: Five-Year Average Grades, Fiscal 2015–19

	BUDGET FORECASTING	BUDGET MANEUVERS	LEGACY COSTS	RESERVE FUNDS	TRANSPARENCY
Iowa	C	A	A	B	C
Kansas	D	D	D	D	B
Minnesota	B	A	C	A	B
Missouri	D-	A	C	B	C
Nebraska	B	A	A	C	B
North Dakota	D-	B	D	A	C
South Dakota	B	A	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: Preparing for the Storm* at VolckerAlliance.org.   © 2021 VOLCKER ALLIANCE INC.

KANSAS Budget Report Card, Fiscal 2015–19

BUDGET FORECASTING

	2015	2016	2017	2018	2019	TREND				
						'15	'16	'17	'18	'19
CATEGORY GRADE	D	D	D	D	D					
Consensus Revenue Forecasts	✓	✓	✓	✓	✓					
Multiyear Expenditure Forecasts	✗	✗	✗	✗	✗					
Multiyear Revenue Forecasts	✗	✗	✗	✗	✗					
Revenue Growth Projections	✗	✗	✗	✗	✗	●	●	●	●	●
5-YEAR AVERAGE D										

BUDGET MANEUVERS

	2015	2016	2017	2018	2019	TREND				
						'15	'16	'17	'18	'19
CATEGORY GRADE	D	D	D	C	C					
Deferring Recurring Expenditures	✗	✗	✗	✗	✗					
Revenue and Cost Shifting	✗	✗	✗	✗	✗					
Funding Recurring Expenditures with Debt	✗	✓	✓	✓	✓				●	●
Using Asset Sales and Up-Front Revenues	✗	✗	✗	✓	✓		●	●		
5-YEAR AVERAGE D						●				

LEGACY COSTS

	2015	2016	2017	2018	2019	TREND				
						'15	'16	'17	'18	'19
CATEGORY GRADE	D	D	D	D	C					
Public Employee OPEB Funding	✓	✓	✓	✓	✓					
Public Employee Pension Funding	✗	✗	✗	✗	✗					
Public Employee Pension Funded Ratio*	65%	65%	67%	69%	70%	●	●	●	●	●
5-YEAR AVERAGE D										

RESERVE FUNDS

	2015	2016	2017	2018	2019	TREND				
						'15	'16	'17	'18	'19
CATEGORY GRADE	D	D	D	D	D					
Positive Reserve or General Fund Balance	✓	✓	✓	✓	✓					
Reserve Funds Disbursement Policy	✗	✗	✗	✗	✗					
Reserve Funds Replenishment Policy	✗	✗	✗	✗	✗					
Reserves Tied to Revenue Volatility	✗	✗	✗	✗	✗	●	●	●	●	●
5-YEAR AVERAGE D										

TRANSPARENCY

	2015	2016	2017	2018	2019	TREND				
						'15	'16	'17	'18	'19
CATEGORY GRADE	B	B	B	B	B					
Consolidated Budget Website	✓	✓	✓	✓	✓					
Provides Debt Tables	✓	✓	✓	✓	✓	●	●	●	●	●
Discloses Deferred Infrastructure Replacement Costs	✗	✗	✗	✗	✗					
Discloses Tax Expenditures	✓	✓	✓	✓	✓					
5-YEAR AVERAGE B										

KEY

✓	Followed best practice
✗	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.