

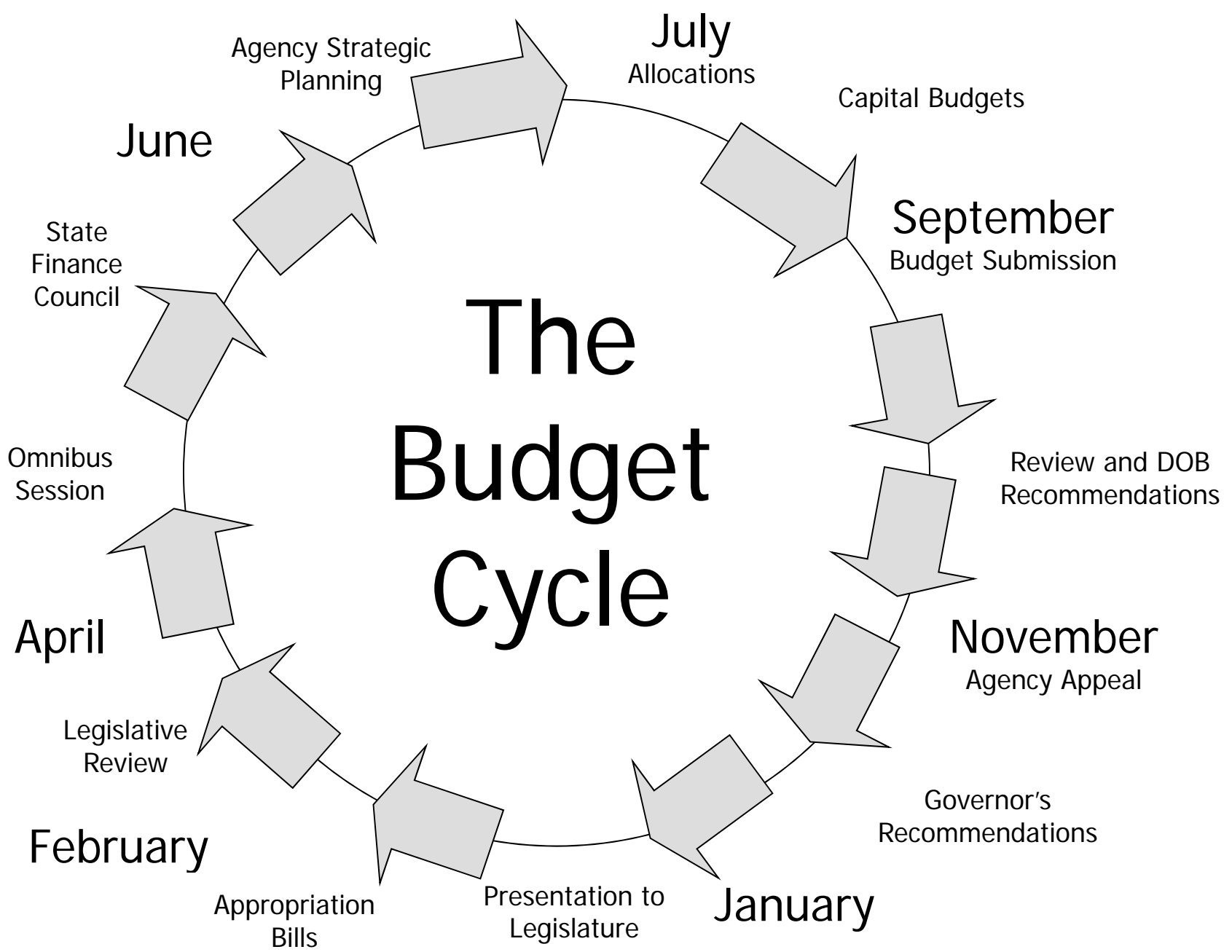
ASTRA

Update on the Kansas Budget

Elaine Frisbie, Kansas Division of the Budget

January 4, 2012

The Budget Cycle



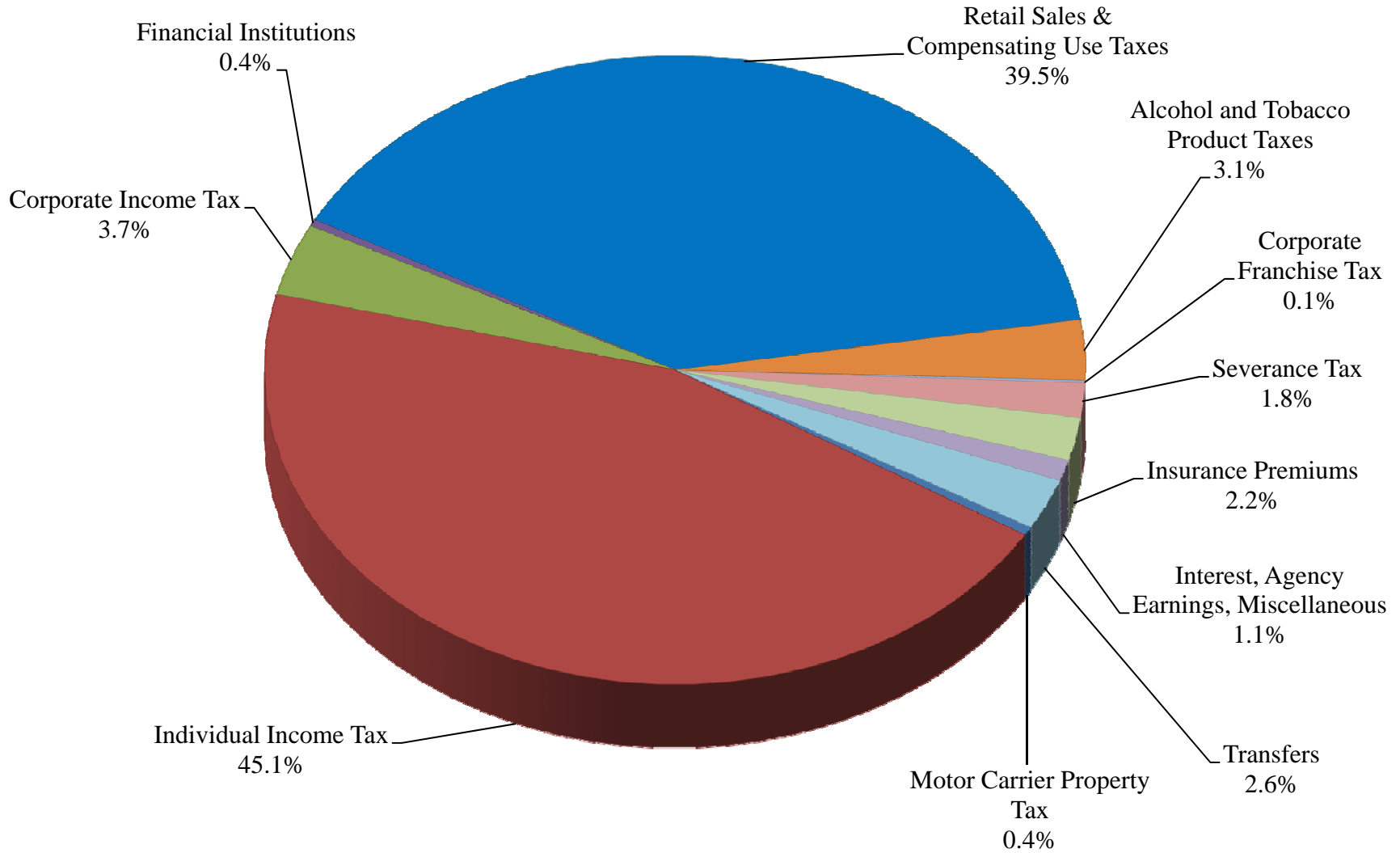
State of Kansas Total "All Funds" Budget
\$13.9 Billion
FY 2012
(July 1, 2011 to June 30, 2012)

State General Fund
\$6.1 Billion

"Everything Else"
State Highway Fund
Unemployment Trust Fund
Economic Development Initiatives Fund
Expanded Lottery Act Revenues Fund
State Water Plan Fund
Children's Initiatives Fund
Federal Funds
Regents Special Revenue Funds
Agency Fee Funds
All Other Funds
\$7.8 Billion

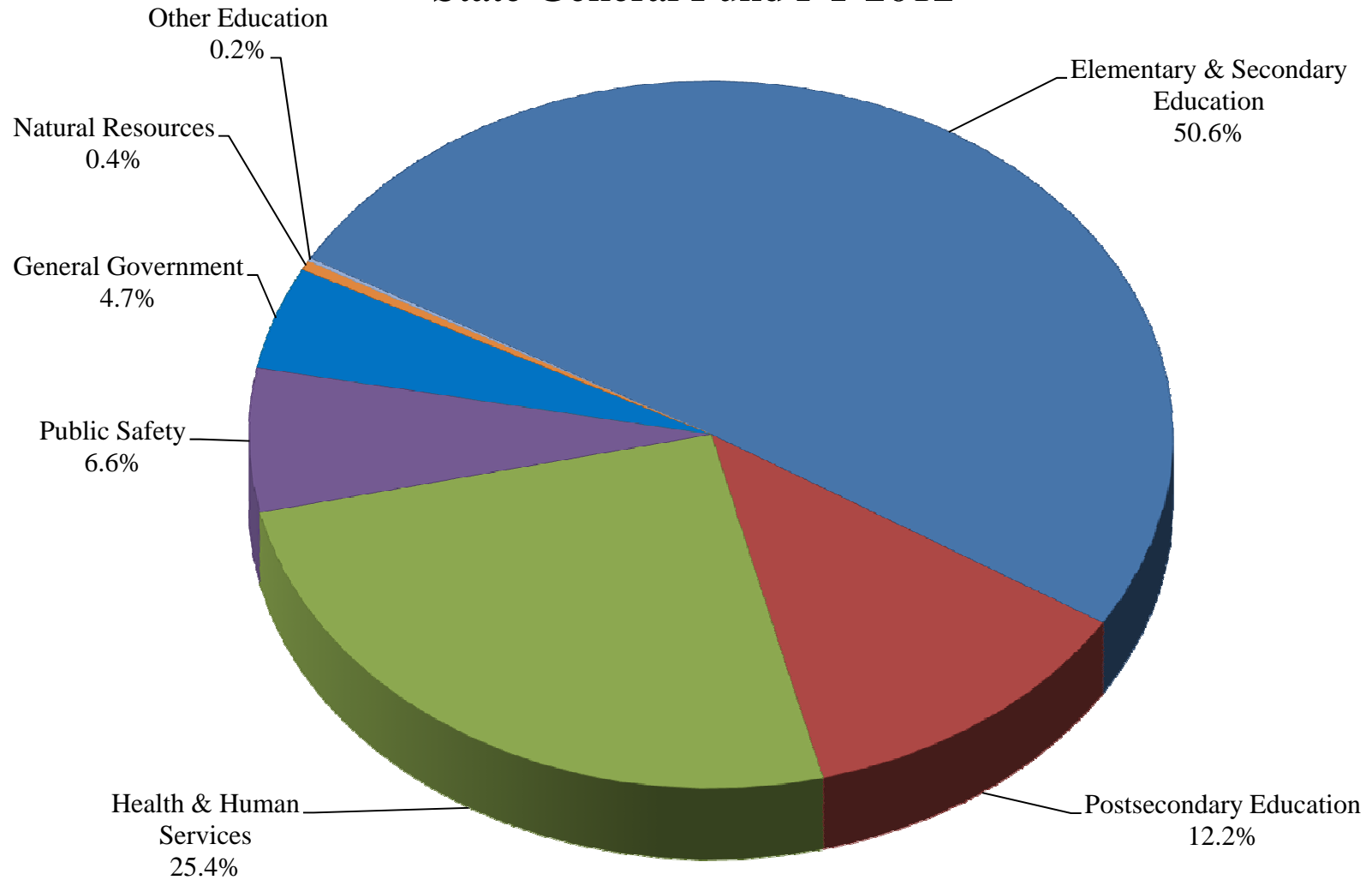
Where State Dollars Come From

State General Fund FY 2012



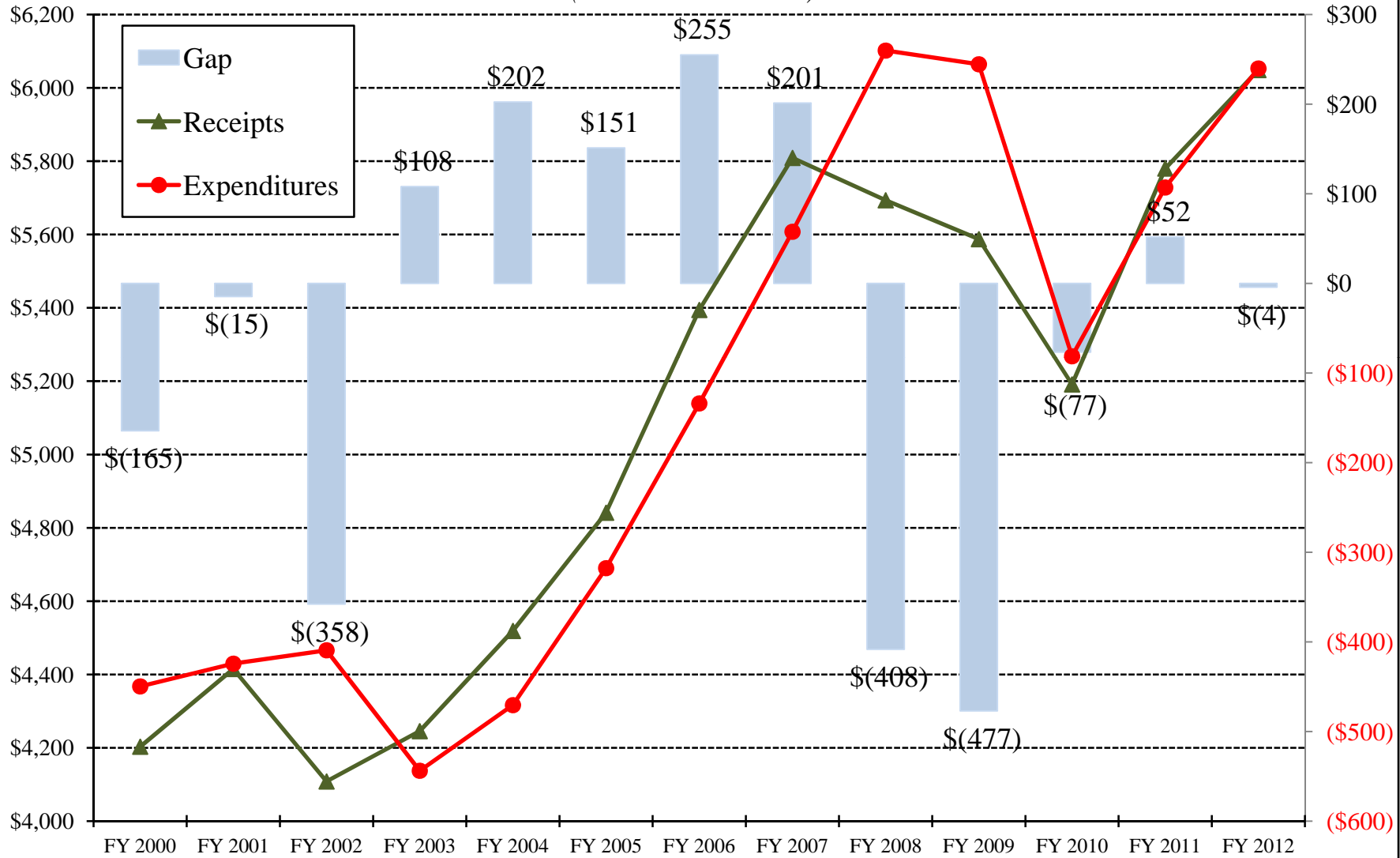
Where State Dollars Go

State General Fund FY 2012



State General Fund Receipts and Expenditures

(Dollars in Millions)

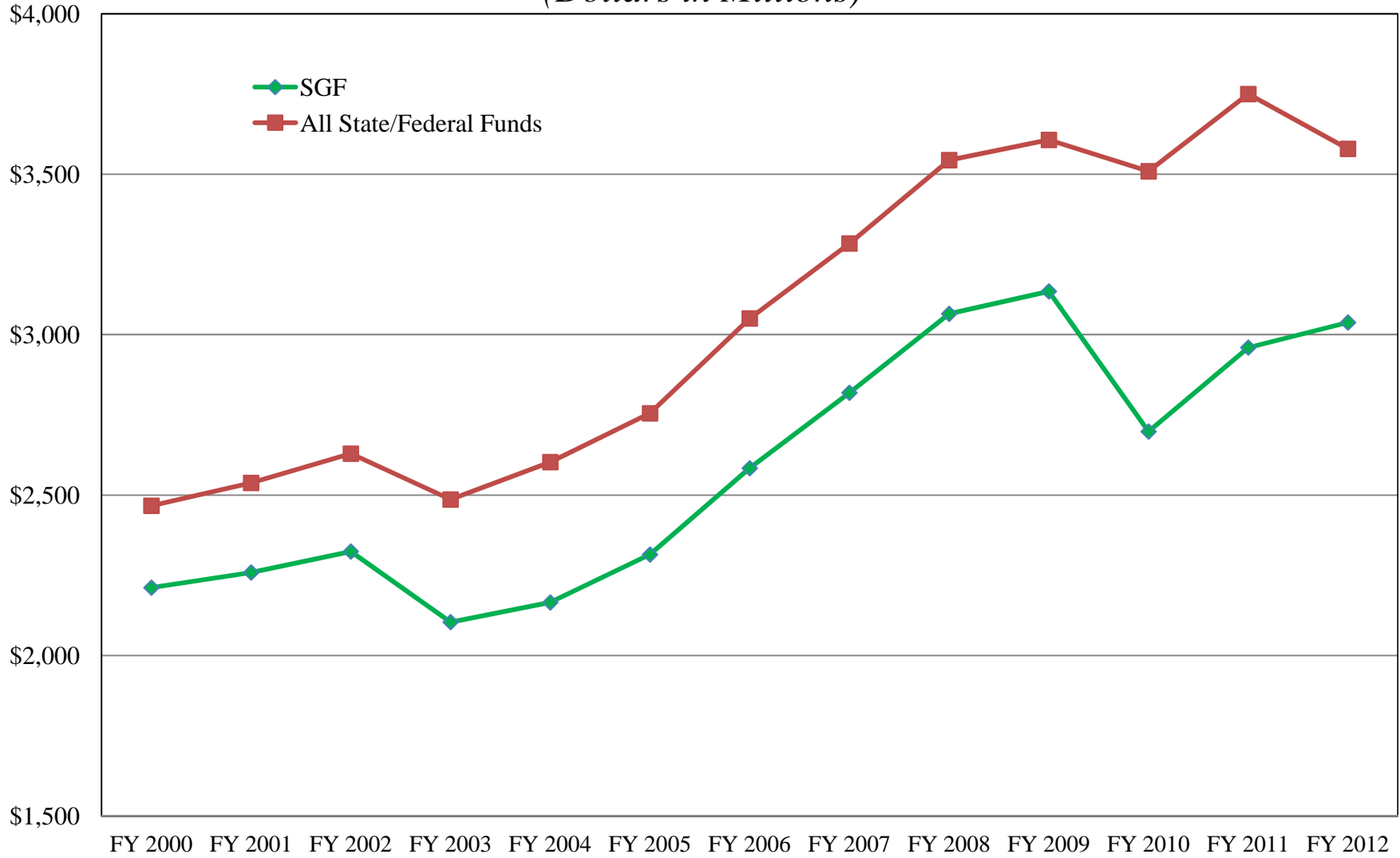


American Recovery and Reinvestment Act (ARRA)
 funds propped up the SGF for a time
(Dollars in Millions)

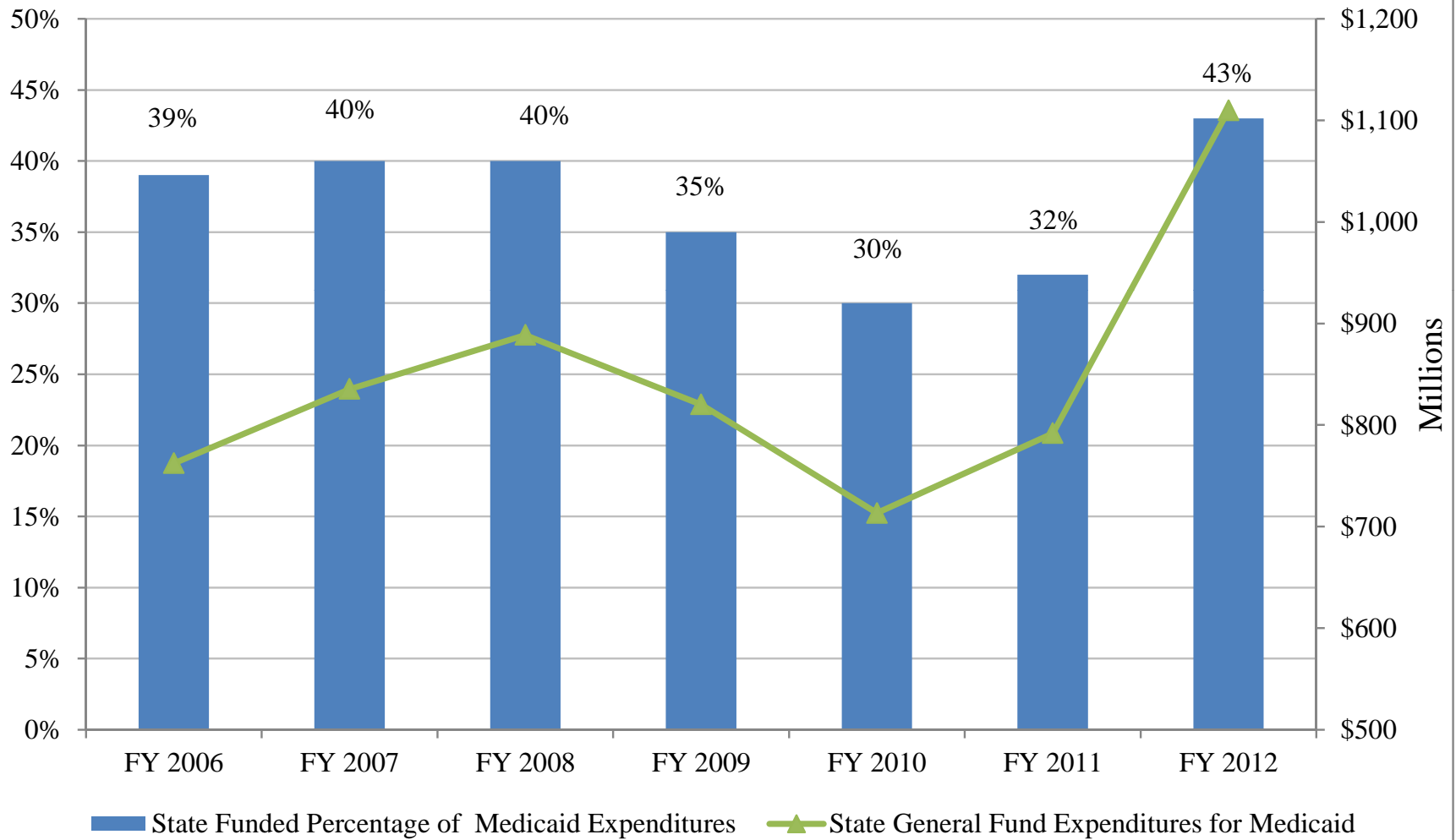
	FY 2009	FY 2010	FY 2011
Medicaid	\$121.2	\$231.9	\$224.3
Education Fiscal Stabilization	--	255.7	111.7
Flexible Fiscal Stabilization	--	40.3	44.3
K-12 Special Education	--	56.5	54.9
K-12 Education Jobs	--	--	92.4
Total	\$121.2	\$584.5	\$527.6

State and Federal Funding for K-12 Education

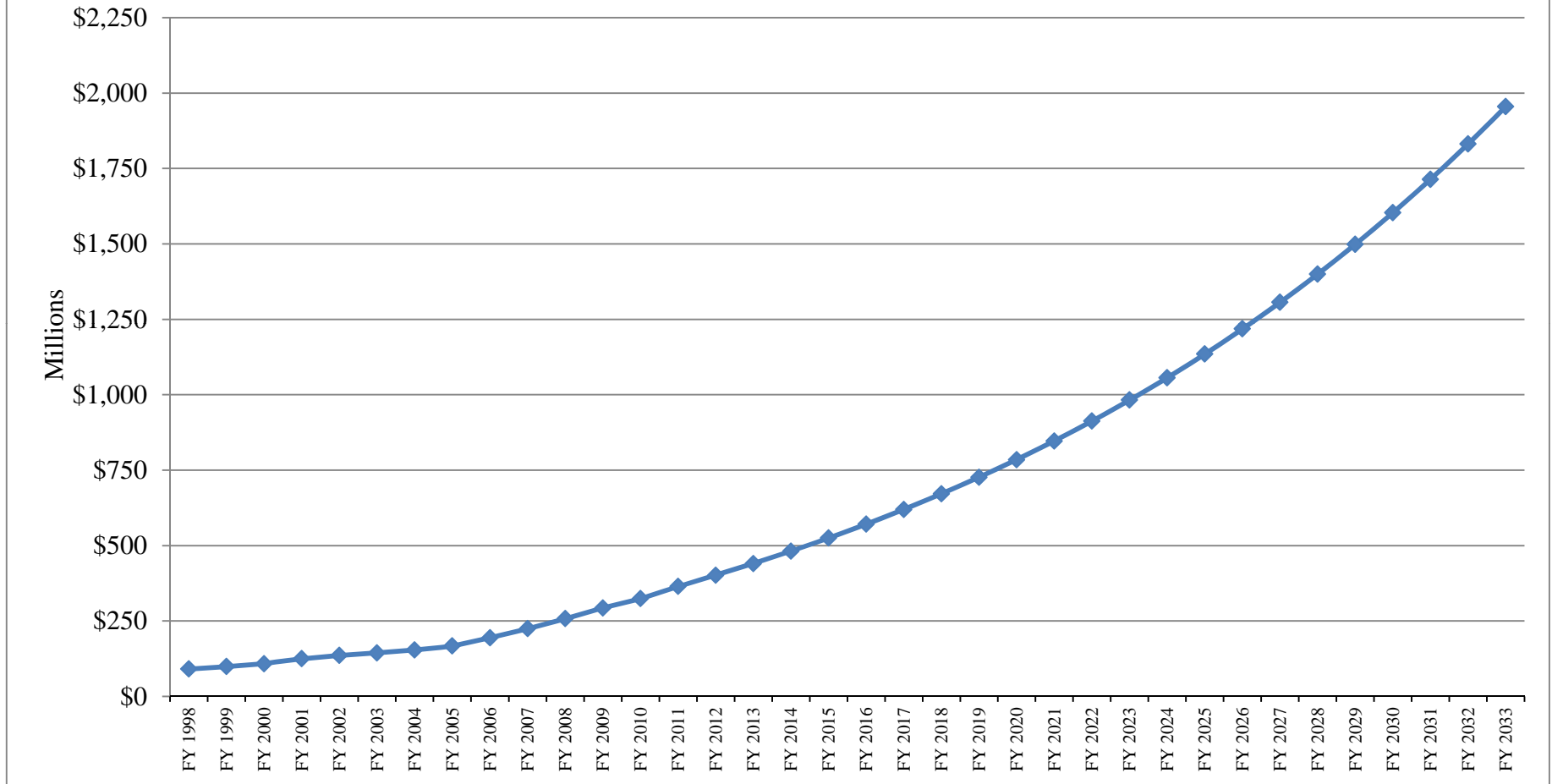
(Dollars in Millions)



SGF Expenditures and State Percentage of Funding Medicaid



KPERs Statutory Required Employer Contribution Scheduled to Increase 387% FY 2012-2033



Source: KPERs Actual State Contributions 1998-2010 Actuarial Projections of Required Statutory Increase 2011-2033

Outlook for the State General Fund Assuming No Structural Reforms

(Dollars in Millions)

	FY 2010 <u>Actual</u>	FY 2011 <u>Gov. Est.</u>	FY 2012 <u>Gov. Rec.</u>	FY 2013 <u>Projected</u>	FY 2014 <u>Projected</u>	FY 2015 <u>Projected</u>	FY 2016 <u>Projected</u>
Beginning Balance	\$ 49.6	\$ (27.1)	\$ 35.7	\$ 7.5	\$ (74.5)	\$ (373.4)	\$ (532.5)
Revenues							
Taxes	4,985.9	5,598.5	5,835.7	6,036.5	5,923.3	6,171.4	6,459.6
Interest	24.6	17.4	11.8	13.0	16.0	20.0	25.0
Agency Earnings	53.4	56.3	56.8	58.0	59.0	60.0	63.0
Transfers:							
School Capital Improvement Aid	(87.7)	(97.2)	(100.0)	(105.0)	(110.0)	(115.0)	(120.0)
Regents Faculty of Distinction	(2.9)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
Regents Research Corp Debt Service	(4.9)	(9.9)	(5.9)	(1.0)	(0.2)	--	--
Biosciences Initiative	(35.0)	(35.0)	(35.0)	(35.0)	(35.0)	(35.0)	(35.0)
Business Incentives	(3.7)	(7.3)	(8.7)	(9.0)	(11.0)	(13.0)	(13.0)
Highway Patrol	36.0	36.0	32.7	35.0	37.0	38.0	38.0
Highway Fund	143.3	149.3	200.0	--	--	--	--
State-Owned Casino Revenue**	29.5	33.2	18.0	74.3	75.8	77.3	80.0
All Other Transfers	<u>52.7</u>	<u>50.1</u>	<u>41.0</u>	<u>30.8</u>	<u>30.8</u>	<u>26.8</u>	<u>26.8</u>
Total Available	\$ 5,240.9	\$ 5,762.7	\$ 6,080.4	\$ 6,103.5	\$ 5,909.6	\$ 5,855.4	\$ 5,990.2
Expenditures							
Aid to K-12 Schools	2,698.8	2,671.9	2,680.5	2,680.5	2,680.5	2,680.5	2,680.5
Higher Education	743.7	756.7	768.2	768.2	768.2	768.2	768.2
Human Services Caseloads	655.9	759.6	998.8	1,048.8	1,098.8	1,148.8	1,198.8
KPERs State/School (Employer)*	226.5	373.7	362.1	402.1	442.1	482.1	522.1
All Other Expenditures	<u>943.2</u>	<u>1,165.2</u>	<u>1,263.4</u>	<u>1,278.4</u>	<u>1,293.4</u>	<u>1,308.4</u>	<u>1,323.4</u>
Total Expenditures	\$ 5,268.0	\$ 5,727.1	\$ 6,072.9	\$ 6,177.9	\$ 6,282.9	\$ 6,387.9	\$ 6,492.9
Ending Balance	(\$27.1)	\$ 35.7	\$ 7.5	(\$74.5)	(\$373.4)	(\$532.5)	(\$502.7)
<i>As Percentage of Expenditures</i>	(0.5%)	0.6%	0.1%	(1.2%)	(5.9%)	(8.3%)	(7.7%)

Totals may not add because of rounding.

*Employer contributions to KPERs for state employees are estimated from the SGF.

Out-year revenue assumptions: sales tax increase reverts to Highway Fund, effective FY 2014.

Out-year expenditure assumptions: Medicaid caseloads increase \$50 M each year; KPERs contribution increases \$40 M each year; and "all other" categories increase \$15 M each year to cover future inmate populations, tapped out fee funds, etc.

**Casino revenue, by statute, is deposited in the ELARF for specified purposes, rather than be transferred to the SGF.

A myriad of issues for the next budget cycle

- Health & Human Service Caseload Programs
- School Finance Formula
- Capacity issues for state adult correctional institutions and sex predator treatment programs
- Funding still needed for prior weather-related disasters
- State labs for KDHE, KBI, Agriculture would benefit from upgrading for capacity, safety and security
- Other state buildings are in various levels of disrepair
- State Highway Fund is scheduled to take a larger share of state sales and compensating use tax revenues in the future
- Employer contributions to KPERS will have to increase
- And many more...

Landon State Office Building
900 S.W. Jackson, Room 504
Topeka, KS 66612



phone: 785-296-2436
fax: 785-296-0231
steve.anderson@budget.ks.gov

Steven J. Anderson, CPA, MBA, Director

Division of the Budget

Sam Brownback, Governor

For further information, refer to
<http://budget.ks.gov>