The Governor's

Budget Report

FISCAL YEAR 2017

Budget Presentation

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January 13, 2016

Revenue and Expenditure Trends

Expenditure History of State Government

Governor	Fiscal Year	State General Fund	All Funds	SGF % Change	All Funds % Change
Anderson	1965	95,215,222	449,777,505		
Avery	1966	221,920,009	526,543,843	133.1	17.1
	1967	241,072,861	558,164,814	8.6	6.0
Docking	1968	258,550,421	638,406,906	7.2	14.4
	1969	278,314,379	666,880,211	7.6	4.5
	1970	348,267,133	777,243,240	25.1	16.5
	1971	356,632,462	942,138,860	2.4	21.2
	1972	371,858,024	922,000,550	4.3	(2.1)
	1973	395,006,404	960,964,498	6.2	4.2
	1974	488,816,992	1,145,969,010	23.7	19.3
	1975	597,889,463	1,319,138,187	22.3	15.1
Bennett	1976	700,365,931	1,509,833,540	17.1	14.5
	1977	809,545,335	1,711,868,105	15.6	13.4
	1978	840,106,117	1,847,457,288	3.8	7.9
	1979	965,354,050	2,023,232,628	14.9	9.5
Carlin	1980	1,111,784,389	2,396,268,493	15.2	18.4
	1981	1,258,693,971	2,607,135,765	13.2	8.8
	1982	1,333,496,424	2,641,221,484	5.9	1.3
	1983	1,405,851,810	2,909,648,236	5.4	10.2
	1984	1,503,377,054	3,111,338,957	6.9	6.9
	1985	1,634,492,024	3,257,347,002	8.7	4.7
	1986	1,743,003,532	3,501,485,301	6.6	7.5
	1987	1,726,542,634	3,628,860,872	(0.9)	3.6
Hayden	1988	1,920,856,202	3,874,537,764	11.3	6.8
	1989	2,159,908,789	4,287,036,265	12.4	10.6
	1990	2,400,243,344	4,760,529,560	11.1	11.0
	1991	2,495,417,780	5,082,214,717	4.0	6.8
Finney	1992	2,491,269,732	5,487,389,014	(0.2)	8.0
	1993	2,690,098,342	5,933,344,500	8.0	8.1
	1994	3,111,022,992	6,782,504,966	15.6	14.3
	1995	3,309,834,634	7,218,366,400	6.4	6.4
Graves	1996	3,439,227,641	7,628,860,138	3.9	5.7
	1997	3,538,105,834	7,844,649,438	2.9	2.8
	1998	3,799,114,424	8,079,159,778	7.4	3.0
	1999	4,196,192,222	8,306,433,014	10.5	2.8
	2000	4,367,620,519	8,418,129,855	4.1	1.3
	2001	4,429,641,838	8,849,943,864	1.4	5.1
	2002	4,470,520,185	9,896,974,765	0.9	11.8
	2003	4,137,498,483	10,082,038,200	(7.4)	1.9
Sebelius	2004	4,316,450,964	10,197,259,075	4.3	1.1
	2005	4,690,130,075	10,585,476,345	8.7	3.8
	2006	5,139,422,161	11,432,722,453	9.6	8.0
	2007	5,607,710,384	11,968,536,853	9.1	4.7
	2008	6,101,781,014	12,688,687,601	8.8	6.0
	2009	6,064,360,471	13,960,345,475	(0.6)	10.0
Parkinson	2010	5,268,044,507	14,043,948,583	(13.1)	0.6
	2011	5,666,640,566	14,684,870,935	7.6	4.6
Brownback	2012	6,098,130,527	14,395,604,303	7.6	(2.0)
	2013	6,134,809,561	13,969,231,009	0.6	(3.0)
	2014	5,998,716,632	15,015,826,349	(2.2)	7.5
	2015	6,237,000,000	15,089,100,000	4.0	0.5
	2016*	6,322,000,000	15,554,000,000	1.4	3.1
	2017*	6,398,500,000	16,094,800,000	1.2	3.5

** As approved by the Legislature and adjusted for reappropriations and HB 2135 actions announced July 30, 2015*

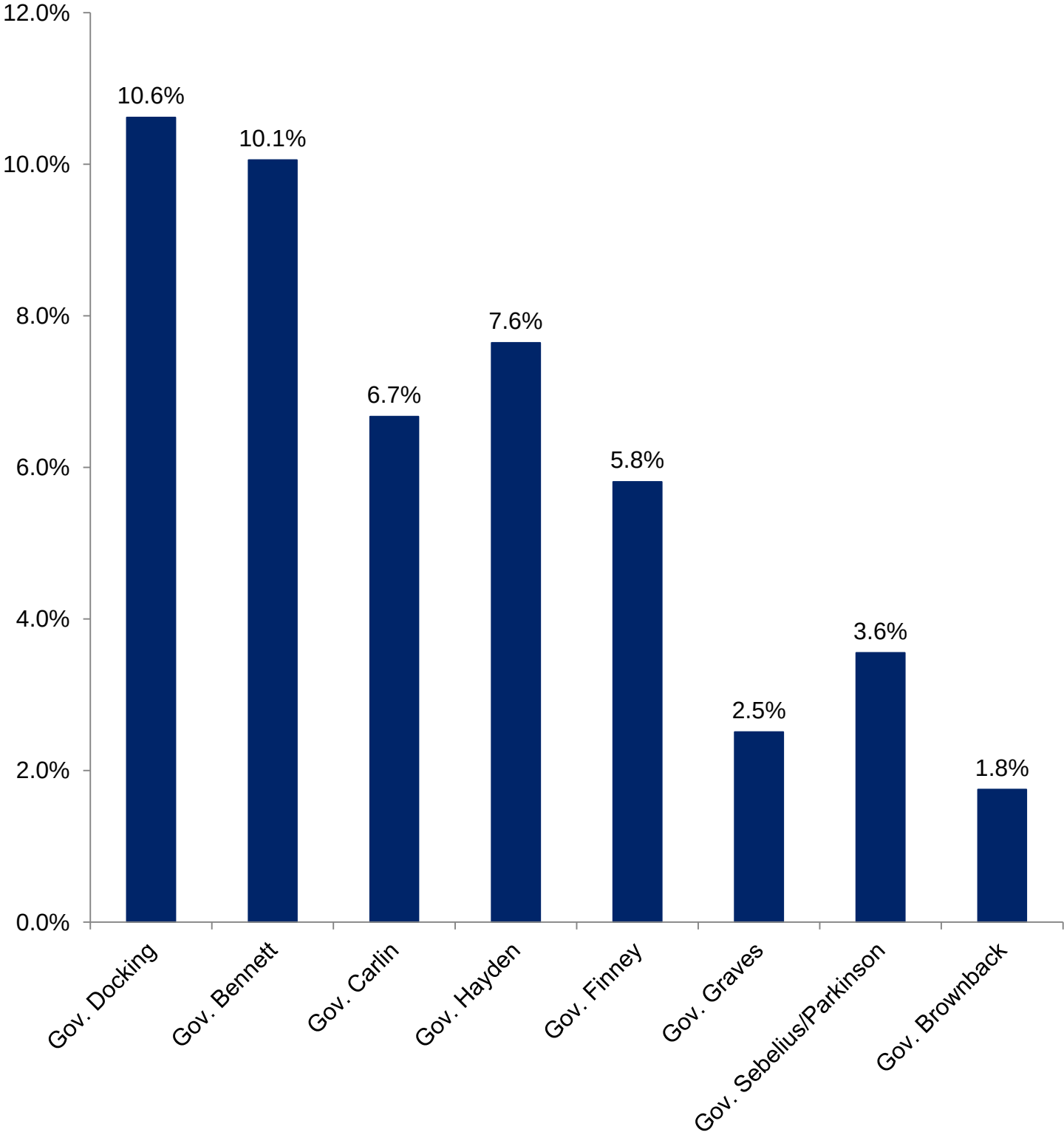
*** Revenue in the Governor's Recommended Budget*

Revenue History

Actual SGF Receipts	Year to Year % Change
1,097.8	9.0
1,226.5	11.7
1,273.0	3.8
1,363.6	7.1
1,546.9	13.4
1,658.5	7.2
1,641.4	(1.0)
1,778.5	8.4
2,113.1	18.8
2,228.3	5.5
2,300.5	3.2
2,382.3	3.6
2,465.8	3.5
2,932.0	18.9
3,175.7	8.3
3,218.8	1.4
3,448.3	7.1
3,683.8	6.8
4,023.7	9.2
3,978.4	(1.1)
4,203.1	5.6
4,415.0	5.0
4,108.3	(6.9)
4,245.6	3.3
4,518.9	6.4
4,841.3	7.1
5,394.4	11.4
5,809.0	7.7
5,693.4	(2.0)
5,587.4	(1.9)
5,191.3	(7.1)
5,882.1	13.3
6,412.8	9.0
6,341.1	(1.1)
5,653.2	(10.8)
5,928.8	4.9
6,258.0 **	5.6
6,447.5 **	3.0

Compound Annual Growth Rate (CAGR)	SGF	All Funds
Avery average growth	36.3%	7.5%
Docking average growth	10.6%	10.0%
Bennett average growth	10.1%	8.9%
Carlin average growth	6.7%	6.7%
Hayden average growth	7.6%	7.0%
Finney average growth	5.8%	7.3%
Graves average growth	2.5%	3.8%
Sebelius/Parkinson average growth	3.6%	4.3%
Brownback average growth	1.8%	1.3%
Average Cost Growth Rate from FY 1966 to FY 2010	9.1%	7.8%
Average Cost Growth Rate from FY 1980 to FY 2010	5.1%	5.9%
Average Cost Growth Rate from FY 2011 to FY 2017	1.8%	1.3%

State General Fund
Compound Annual Growth Rate



Consensus Revenue Estimates

Table 1
State General Fund Receipts
(Dollars in Thousands)

	FY 2015 (Actual)		Consensus Estimate November 6, 2015 FY 2016 (Revised)		Consensus Estimate November 6, 2015 FY 2017 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax/Fee:						
Motor Carrier	$ 11,145	(68.8) %	$ 10,500	(5.8) %	$ 10,500	-- %
Income Taxes:						
Individual	$ 2,277,541	2.7 %	$ 2,450,000	7.6 %	$ 2,485,000	1.4 %
Corporation	417,400	4.5	410,000	(1.8)	420,000	2.4
Financial Inst.	40,546	25.0	45,000	11.0	47,000	4.4
Total	$ 2,735,486	3.2 %	$ 2,905,000	6.2 %	$ 2,952,000	1.6 %
Excise Taxes:						
Retail Sales	$ 2,132,777	1.5 %	$ 2,300,000	7.8 %	$ 2,380,000	3.5 %
Compensating Use	352,176	2.4	375,000	6.5	395,000	5.3
Cigarette	88,821	(2.0)	140,000	57.6	135,000	(3.6)
Tobacco Products	7,482	3.9	8,000	6.9	8,200	2.5
Cereal Malt Bev.	1,566	(7.1)	1,600	2.2	1,600	--
Liquor Gallonage	19,319	1.2	19,300	(0.1)	19,500	1.0
Liquor Enforcement	68,505	6.1	67,000	(2.2)	69,000	3.0
Liquor Drink	10,537	3.8	10,800	2.5	11,000	1.9
Corp. Franchise	7,287	9.9	6,900	(5.3)	7,100	2.9
Severance	93,213	(25.9)	39,000	(58.2)	58,200	49.2
Gas	26,302	(28.9)	10,100	(61.6)	16,600	64.4
Oil	66,911	(24.6)	28,900	(56.8)	41,600	43.9
Total	$ 2,781,683	0.4 %	$ 2,967,600	6.7 %	$ 3,084,600	3.9 %
Other Taxes:						
Insurance Prem.	$ 187,643	8.6 %	$ 157,500	(16.1) %	$ 159,600	1.3 %
Miscellaneous	1,397	(14.6)	1,200	(14.1)	3,200	166.7
Total	$ 189,039	8.4 %	$ 158,700	(16.0) %	$ 162,800	2.6 %
Total Taxes	$ 5,717,353	1.5 %	$ 6,041,800	5.7 %	$ 6,209,900	2.8 %
Other Revenues:						
Interest	$ 12,320	6.9 %	$ 21,000	70.5 %	$ 9,200	(56.2) %
Net Transfers	143,597	459.4	55,400	(61.4)	17,600	(68.2)
Agency Earnings	55,512	12.0	47,700	(14.1)	49,000	2.7
Total	$ 211,428	901.2 %	$ 124,100	(41.3) %	$ 75,800	(38.9) %
Total Receipts	$ 5,928,781	4.9 %	$ 6,165,900	4.0 %	$ 6,285,700	1.9 %

Consensus Revenue Estimates

Table 2
State General Fund Receipts
FY 2016 Revised
Comparison of November 2015 Estimate to June 2015 Estimate
(Dollars in Thousands)

	FY 2016 CRE Est. as Adj. for Legis.	FY 2016 CRE Revised 11/6/15	Difference	
			Amount	Pct. Chg.
Property Tax/Fee:				
Motor Carrier	$ 11,000	$ 10,500	$ (500)	(4.5) %
Income Taxes:				
Individual	$ 2,461,800	$ 2,450,000	$ (11,800)	(0.5) %
Corporation	445,000	410,000	(35,000)	(7.9)
Financial Inst.	44,000	45,000	1,000	2.3
Total	$ 2,950,800	$ 2,905,000	$ (45,800)	(1.6) %
Excise Taxes:				
Retail Sales	$ 2,390,900	$ 2,300,000	$ (90,900)	(3.8) %
Compensating Use	395,300	375,000	(20,300)	(5.1)
Cigarette	128,900	140,000	11,100	8.6
Tobacco Product	7,700	8,000	300	3.9
Cereal Malt Beverage	1,600	1,600	–	--
Liquor Gallonage	19,100	19,300	200	1.0
Liquor Enforcement	68,000	67,000	(1,000)	(1.5)
Liquor Drink	10,700	10,800	100	0.9
Corporate Franchise	7,100	6,900	(200)	(2.8)
Severance	73,800	39,000	(34,800)	(47.2)
Gas	16,900	10,100	(6,800)	(40.2)
Oil	56,900	28,900	(28,000)	(49.2)
Total	$ 3,103,100	$ 2,967,600	$ (135,500)	(4.4) %
Other Taxes:				
Insurance Premium	$ 156,848	$ 157,500	$ 652	0.4 %
Miscellaneous	1,271	1,200	(71)	(5.6)
Total	$ 158,119	$ 158,700	$ 581	0.4 %
Total Taxes	$ 6,223,019	$ 6,041,800	$ (181,219)	(2.9) %
Other Revenues:				
Interest	$ 17,800	21,000	$ 3,200	18.0 %
Net Transfers	27,374	55,400	28,026	102.4
Agency Earnings	56,840	47,700	(9,140)	(16.1)
Total Other Revenue	$ 102,014	$ 124,100	$ 22,086	21.6 %
Total Receipts	$ 6,325,033	$ 6,165,900	$ (159,133)	(2.5) %

Consensus Revenue Estimates

Table 3
State General Fund Receipts
FY 2017 Revised
Comparison of November 2015 Estimate to June 2015 Estimate
(Dollars in Thousands)

	FY 2017 CRE Est. as Adj. for Legis.	FY 2017 CRE Revised 11/6/15	Difference	
			Amount	Pct. Chg.
Property Tax/Fee:				
Motor Carrier	$ 11,000	$ 10,500	$ (500)	(4.5) %
Income Taxes:				
Individual	$ 2,494,700	$ 2,485,000	$ (9,700)	(0.4) %
Corporation	455,000	420,000	(35,000)	(7.7)
Financial Inst.	46,000	47,000	1,000	2.2
Total	$ 2,995,700	$ 2,952,000	$ (43,700)	(1.5) %
Excise Taxes:				
Retail Sales	$ 2,489,900	$ 2,380,000	$ (109,900)	(4.4) %
Compensating Use	416,800	395,000	(21,800)	(5.2)
Cigarette	123,400	135,000	11,600	9.4
Tobacco Product	7,900	8,200	300	3.8
Cereal Malt Beverage	1,600	1,600	–	–
Liquor Gallonage	19,200	19,500	300	1.6
Liquor Enforcement	68,500	69,000	500	0.7
Liquor Drink	10,800	11,000	200	1.9
Corporate Franchise	7,300	7,100	(200)	(2.7)
Severance	81,300	58,200	(23,100)	(28.4)
Gas	18,900	16,600	(2,300)	(12.2)
Oil	62,400	41,600	(20,800)	(33.3)
Total	$ 3,226,700	$ 3,084,600	$ (142,100)	(4.4) %
Other Taxes:				
Insurance Premium	$ 159,524	$ 159,600	$ 76	0.0 %
Miscellaneous	3,271	3,200	(71)	(2.2)
Total	$ 162,795	$ 162,800	$ 5	0.0 %
Total Taxes	$ 6,396,195	$ 6,209,900	$ (186,295)	(2.9) %
Other Revenues:				
Interest	$ 8,600	9,200	$ 600	7.0 %
Net Transfers	17,230	17,600	370	2.1
Agency Earnings	58,140	49,000	(9,140)	(15.7)
Total Other Revenue	$ 83,970	$ 75,800	$ (8,170)	(9.7) %
Total Receipts	$ 6,480,165	$ 6,285,700	$ (194,465)	(3.0) %

Fiscal Year-to-Date Revenue Report

FY 2016 State General Fund Receipts
Final Report: December 2015

Revenue Source	FY 2016 Cumulative Est.	FY 2016 Cumulative Actual	Dollar Change From Estimate	Percent Change From Estimate	FY 2015 Cumulative Actual	Dollar Change From Prior FY	Percent Change From Prior FY
Property Tax/Fee:							
Motor Carrier	$4,400,000	$4,689,494	$289,494	6.58 %	$5,313,535	($624,041)	(11.74) %
Income Taxes:							
Individual	$1,110,000,000	$1,087,156,509	($22,843,491)	(2.06) %	$1,098,118,832	($10,962,323)	(1.00) %
Corporate	178,000,000	182,559,433	4,559,433	2.56	196,086,746	(13,527,313)	(6.90)
Financial Inst.	19,200,000	15,432,841	(3,767,159)	(19.62)	18,270,056	(2,837,215)	(15.53)
Total	$1,307,200,000	$1,285,148,783	($22,051,217)	(1.69) %	$1,312,475,634	($27,326,852)	(2.08) %
Excise Taxes:							
Retail Sales	$1,165,000,000	$1,154,529,435	($10,470,565)	(0.90) %	$1,084,093,011	$70,436,424	6.50 %
Compensating Use	187,000,000	191,610,503	4,610,503	2.47	175,664,430	15,946,073	9.08
Cigarette	73,000,000	75,672,259	2,672,259	3.66	45,005,149	30,667,110	68.14
Tobacco Products	4,100,000	4,101,946	1,946	0.05	3,801,893	300,053	7.89
Cereal Malt Beverage	790,000	736,773	(53,227)	(6.74)	821,348	(84,575)	(10.30)
Liquor Gallonage	9,900,000	10,047,171	147,171	1.49	9,925,736	121,435	1.22
Liquor Enforcement	33,500,000	32,214,261	(1,285,739)	(3.84)	33,467,222	(1,252,961)	(3.74)
Liquor Drink	5,300,000	5,333,833	33,833	0.64	5,149,418	184,415	3.58
Severance	12,200,000	10,847,690	(1,352,310)	(11.08)	55,210,051	(44,362,361)	(80.35)
Gas	2,900,000	2,408,641	(491,359)	(16.94)	14,796,709	(12,388,068)	(83.72)
Oil	9,300,000	8,439,049	(860,951)	(9.26)	40,413,342	(31,974,294)	(79.12)
Total	$1,490,790,000	$1,485,093,872	($5,696,128)	(0.38) %	$1,413,138,258	$71,955,613	5.09 %
Subtotal - KDOR Tax Collections	**$2,802,390,000**	**$2,774,932,148**	**($27,457,852)**	**(0.98) %**	**$2,730,927,428**	**$44,004,721**	**1.61 %**
Other Taxes:							
Insurance Premiums	$57,800,000	$65,993,088	$8,193,088	14.17 %	$57,787,525	$8,205,563	14.20 %
Miscellaneous *	2,180,000	2,198,823	18,823	0.86	2,266,938	(68,115)	(3.00)
Total	$59,980,000	$68,191,911	$8,211,911	13.69 %	$60,054,463	$8,137,448	13.55 %
Total Taxes	$2,862,370,000	$2,843,124,059	($19,245,941)	(0.67) %	$2,790,981,891	$52,142,168	1.87 %
% of Total Received:			99.33%			101.87%	
Other Revenues:							
Interest	$17,500,000	$18,368,463	$868,463	4.96 %	$6,584,423	$11,784,039	178.97 %
Net Transfers	(20,710,000)	41,307,799	62,017,799	299.46	(89,976,730)	131,284,529	145.91
Agency Earnings	28,400,000	27,607,202	(792,798)	(2.79)	37,395,141	(9,787,939)	(26.17)
Total	$25,190,000	$87,283,463	$62,093,463	246.50 %	($45,997,165)	$133,280,629	289.76 %
Total Receipts	$2,887,560,000	$2,930,407,523	$42,847,523	1.48 %	$2,744,984,725	$185,422,797	6.75 %
% of Total Received:			101.48%			106.75%	

* Miscellaneous taxes now include corporate franchise taxes and fees.

State General Fund Outlook Comparison

State General Fund Outlook

(Dollars in Millions)

	FY 2015 Actual	FY 2016 Leg. Appvd.	FY 2016 Gov. Rec.	FY 2017 Leg. Appvd.	FY 2017 Gov. Rec.
Beginning Balance	$ 379.7	$ 75.7	$ 71.5	$ 87.7	$ 35.1
Total Revenues	5,928.8	6,334.1	6,258.0	6,510.0	6,447.5
Total Available	$ 6,308.5	$ 6,409.8	$ 6,329.5	$ 6,597.7	$ 6,482.6
Total Expenditures	(6,237.0)	(6,322.1)	(6,294.4)	(6,398.5)	(6,394.7)
Ending Balance	$ 71.5	$ 87.7	$ 35.1	$ 199.2	$ 87.9

FY 2016 Adjustments

Adjustments to FY 2016 Revenue

FY 2016 Approved Revenues	$6,334.1
Incorporate "Other Revenue" into CRE	(9.1)
November 2015 CRE Projection	(159.1)
November 2015 Allotment Transfers	56.9
Additonal Transfers in Gov. Recommendation	24.2
KDOR Debt Collection	7.5
Eliminate Job Creation Fund Transfer	3.5
FY 2016 Revised Gov. Recommendation	**$6,258.0**
November 2015 Allotment Transfers	
KDOT Transfer to SGF	$47.9
Children's Initiative Fund Encumbrance Change	9.0
Total	**$56.9**
Additional Transfers in Gov. Recommendations*	
KDOT Transfer to SGF	$2.1
Unused Ethanol Producer Incentive Payments	3.5
Lapse EDIF Block Grant Reappropriation	2.0
Kansas Existing Industry Fund	1.9
EDIF Transfer from Released Encumbrances	1.9
Reduce KBA Transfer	5.0
Kansas Partnership Fund	3.7
Other	4.0
Total	**$24.2**

**Requires Approval in Rescission Bill*

Adjustments to FY 2016 Expenditures

FY 2016 Approved Total Expenditures	$6,372.1
Reappropriations	18.4
K-12 Consensus Expenditure Estimates	(13.8)
Human Services Consensus Caseloads	16.6
Gov. Recommendations for Reductions	(98.9)
FY 2016 Revised Gov. Recommendation	**$6,294.4**
FY 2016 Expenditure Reductions	
July Allotments	($20.8)
November Allotments	(52.6)
S-CHIP SGF Reduction due to Enhanced Match*	(17.7)
Lapse Leftover K-12 Extraordinary Needs Fund	(2.9)
Unused K-12 Assessed Valuation*	(1.4)
Other*	(3.5)
Total	**($98.9)**
July 2015 Allotment Expenditure Reductions	
KDHE HCAIP Change	($4.0)
KDOR Policy Changes	(1.0)
KCVA SGF and Fee Fund Offset	(1.3)
Unused KDADS PD Waiting List	(1.0)
KDOC Reduced Caseloads	(2.1)
Lapse Reapproprations	(9.1)
Other	(2.4)
Total	**($20.8)**
November 2015 Allotment Expenditure Reductions	
Revised Medicaid Estimates	($25.1)
KDHE HCAIP Change	(3.0)
DCF KEES Savings	(2.2)
Revised K-12 KPERS Estimates	(15.7)
Lapse Unused Higher Ed Scholarship	(1.4)
OSH/KDADS Fee Fund Switch	(2.5)
Overestimation of Bond Debt Service Costs	(2.7)
Total	**($52.6)**

**Requires Approval in Rescission Bill*

FY 2017 Adjustments

Adjustments to FY 2017 Revenue

FY 2017 Approved Revenues	$6,510.0
Incorporate "Other Revenue" Into CRE	(29.9)
November 2015 CRE Projection	(194.5)
Additonal Transfers in Gov. Recommendation	116.6
Eliminate Job Creation Fund Transfer	3.5
KDOR Debt Collection	41.7
FY 2017 Revised Gov. Recommendation	$6,447.4
Additional Transfers in Gov. Recommendations	
KDOT Transfer to SGF	$25.0
Transfer CIF into SGF	50.6
KBA Privatization*	25.0
Reduce KBA Transfer	7.0
Commerce Changes	2.3
Unused Ethanol Producer Incentive Payments	3.5
Other	3.2
Total	**$116.6**

**Requires Enacting Legislation*

Adjustments to FY 2017 Expenditures

FY 2017 Approved Total Expenditures	$6,398.5
K-12 Consensus Estimates	27.0
Human Services Consensus Caseloads	30.8
Move CIF into SGF Expenditures	44.1
Gov. Recommendations for Reductions	(105.7)
FY 2017 Revised Gov. Recommendation	$6,394.7
K-12 Revised Consensus Estimates	
Revised Mineral Production Fund in Block Grant	$17.0
Revised 20-Mills Tax Levy in Block Grant	5.7
Revised KPERS for Community Colleges	4.3
Total	$27.0
FY 2017 Expenditure Reductions	
KDHE Medicaid Savings	
End Duplication of KanCare Health Homes	($13.4)
HCAIP Change	(7.0)
Revised Medicare Part B Estimate	(11.6)
KDHE Misc.	(3.0)
KDHE Medicaid Savings from Step Therapy*	(10.6)
KDADS KanCare Transfer	(4.4)
SCHIP SGF Reduction from Enhanced Match	(25.5)
Revised KPERS Estimates for Block Grant	(23.9)
Kansas State Global Food Systems	(4.0)
KDOR Debt Collection Positions	2.4
Other	(4.7)
Total	($105.7)

**Requires Enacting Legislation*

State General Fund Outlook

(Dollars in Millions)

	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Gov. Rec.	FY 2017 Gov. Rec.
Beginning Balance	$ 188.3	$ 503.0	$ 709.3	$ 379.7	$ 71.5	$ 35.1
Revenues						
Taxes	6,160.5	6,333.2	5,632.1	5,717.4	6,041.8	6,209.9
Interest	9.7	11.1	11.5	12.3	21.0	9.2
Agency Earnings	62.1	57.9	49.6	55.5	47.7	49.0
Transfers:						
School Capital Improvement Aid	(104.8)	(111.5)	(129.7)	(145.0)	(163.3)	(181.0)
KDOT	205.0	.2	15.0	173.7	187.3	155.8
CIF Encumbrance Change	--	--	--	--	9.0	--
Biosciences Initiatives	(11.3)	(12.3)	(10.0)	(13.0)	(8.0)	(6.0)
Kansas Partnership Fund	--	--	--	--	3.7	--
Unused Ethanol Producer Incentive Payments	--	--	--	--	3.5	3.5
Transfer CIF into SGF	--	--	--	--	--	50.6
KBA Privatization*	--	--	--	--	--	25.0
All Other Transfers	91.7	62.6	84.7	127.9	104.3	86.3
Other Revenue Adjustments:						
KDOR Debt Collection	--	--	--	--	7.5	41.7
Eliminate Job Creation Fund Transfer	--	--	--	--	3.5	3.5
Total Available	$ 6,601.1	$ 6,844.1	$ 6,362.5	$ 6,308.5	$ 6,329.5	$ 6,482.6
Expenditures						
Aid to K-12 Schools/KPERS School	3,066.4	3,080.7	2,951.8	3,105.4	3,156.1	3,176.6
Higher Education	739.2	770.2	761.9	779.9	778.2	794.3
Health/Human Service Caseloads	990.0	970.9	1,006.1	1,129.0	1,086.0	1,086.4
KPERS State Employer Contribution	39.3	39.7	41.0	46.8	50.3	51.7
Judiciary	102.5	106.1	96.5	97.4	102.0	105.7
General Government	272.5	235.3	252.7	107.3	157.1	195.2
Public Safety	394.5	386.1	383.9	388.5	392.3	397.0
Agriculture & Natural Resources	26.9	18.5	16.4	16.9	15.2	16.4
All Other Expenditures	466.8	527.2	472.5	565.8	557.3	571.4
Total Expenditures	$ 6,098.1	$ 6,134.8	$ 5,982.8	$ 6,237.0	$ 6,294.4	$ 6,394.7
Ending Balance	$ 503.0	$ 709.3	$ 379.7	$ 71.5	$ 35.1	$ 87.9
As Percentage of Expenditures	*8.2%*	*11.6%*	*6.3%*	*1.1%*	*0.6%*	*1.4%*

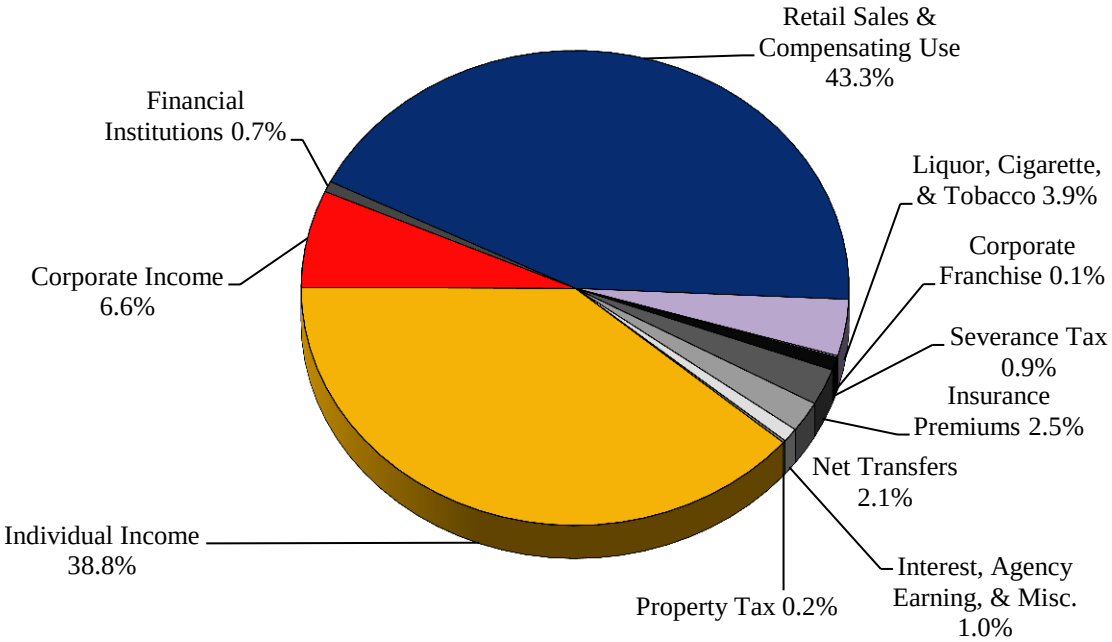
Key Expenditure Changes from FY 2016 Approved Budget

July 2015 Allotments	(20.8)	--
November 2015 Allotments	(52.7)	--
Reappropriations	18.4	--
K-12 Consensus Estimates:		
Revised Mineral Production Fund in Block Grant	--	17.0
Revised 20-Mills Tax Levy in Block Grant	--	5.7
Revised KPERS for Community Colleges	--	4.3
Revised KPERS Estimates for Block Grant	--	(23.9)
Human Services Consensus Caseload	16.6	30.8
KDHE Medicaid Savings:		
SCHIP SGF Reduction due to Enhanced Match	(17.7)	(25.5)
End Duplication of KanCare Health Homes	--	(13.4)
Hospital Provider Tax Savings	--	(7.0)
Revised Medicare Part B Estimates	--	(11.6)
KDHE Misc.	--	(3.0)
KDHE Medicaid Savings from Step Therapy*	--	(10.6)
KDADS KanCare Transfer	--	(3.0)
Kansas State Global Food Systems	(1.0)	(4.0)
Move CIF into SGF Expenditures	--	44.1

**KBA Privatization and Medicaid Step Therapy requires enacting legislation.*
KDOT Transfers do not include ordinary or extraordinary transfers to agencies.
Aid to K-12 Schools/KPERS School expenditures do not include all state sources of funding.
Revenues for the Governor's Recommendation reflect Consensus Revenue Estimate from November 2015 as adjusted by the Governor.
Employer contributions to KPERS from the SGF on behalf of state employees are estimated.
The lower section of the table includes adjustments that are embedded in the expenditure categories of the upper section.

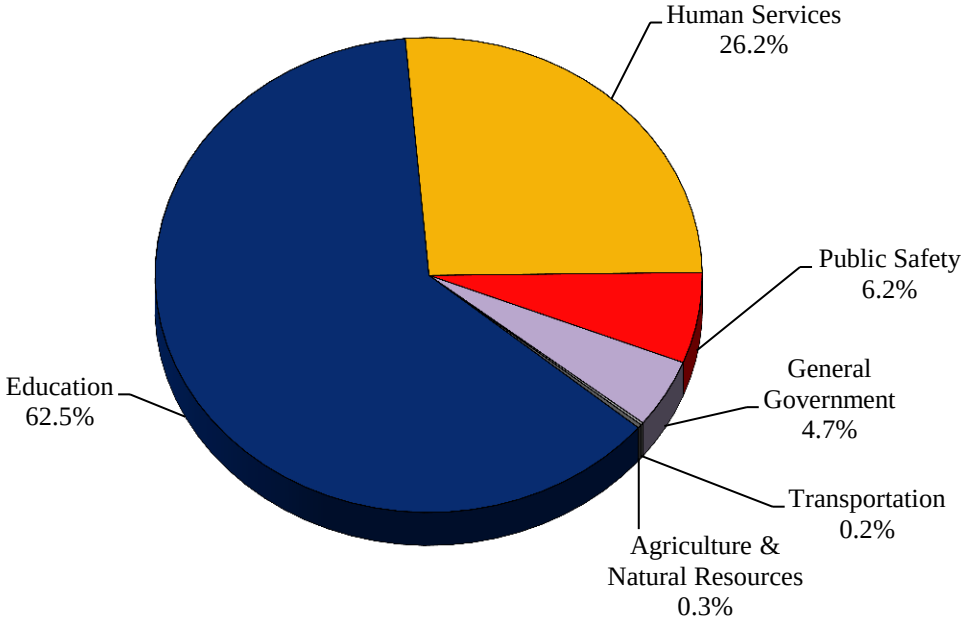
Where State Dollars Come From

State General Fund
Fiscal Year 2017



Where State Dollars Go by Function

State General Fund
Fiscal Year 2017



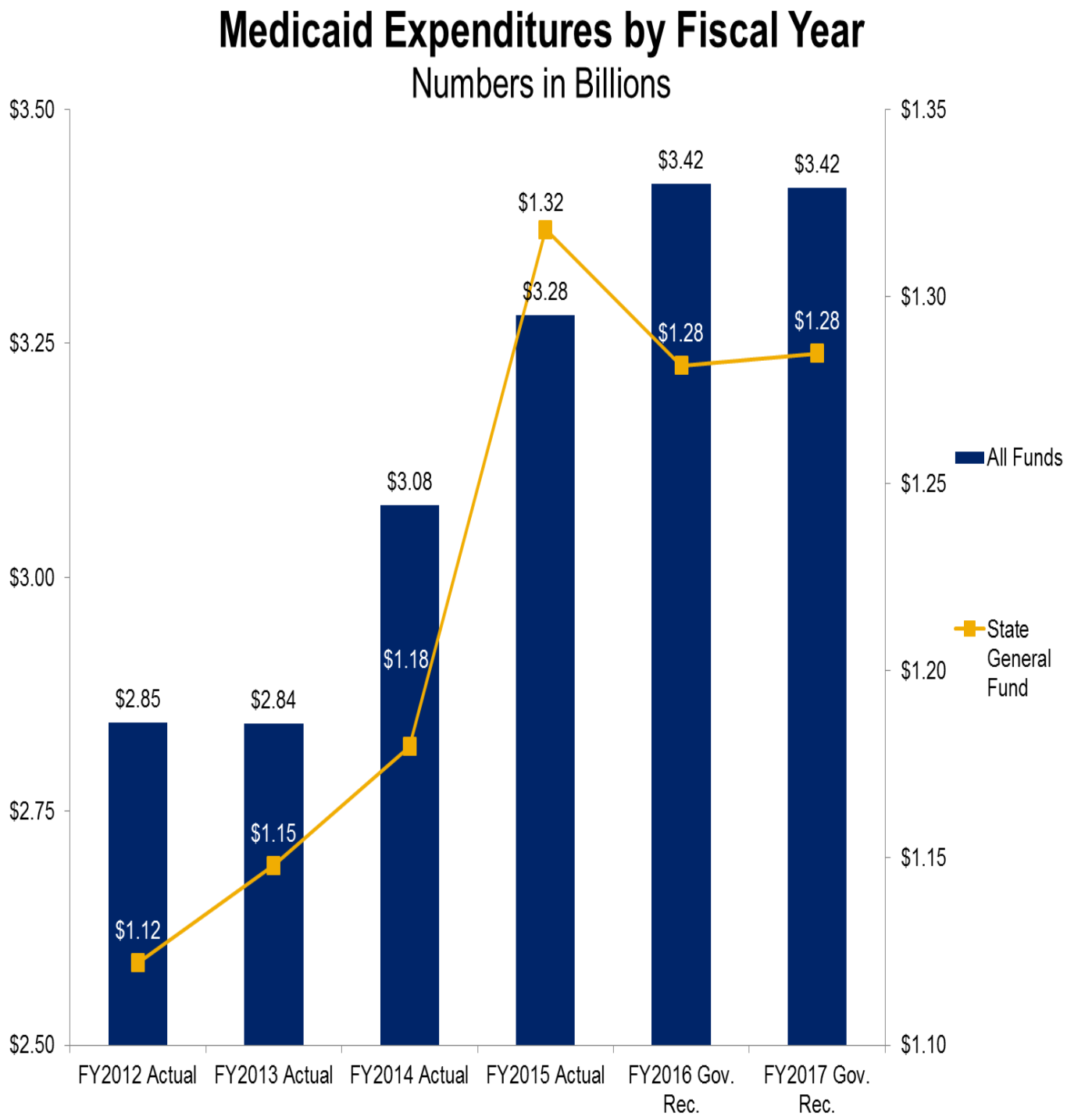
Major Categories of State Aid for K-12 Education in Kansas
State Expenditures Perspective

(Dollars in Thousands)

	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 GOV Rec.	FY 2017 GOV Rec.
Unweighted FTE Enroll.	**455,296**	**456,738**	**458,324**	**460,082**	**460,477**	**461,000**
Weighted FTE Enroll.	**672,771**	**676,208**	**683,317**	**682,500**	--	--
Base State Aid Per Pupil	**$ 3,780**	**$ 3,838**	**$ 3,838**	**$ 3,852**	--	--
Block Grant to Districts						
SGF Appropriation	$ --	$ --	$ --	$ --	$ 2,696,232	$ 2,677,840
20-Mill Local Prop. Tax*	--	--	--	--	596,566	616,917
School Dist. Fin. Fund	--	--	--	--	45,674	45,674
Mineral Production Fund	--	--	--	--	--	11,473
State Highway Fund	--	--	--	--	96,600	96,600
Total--Block Grants	$ --	$ --	$ --	$ --	$ 3,435,072	$ 3,448,505
Extraordinary Needs Aid						
SGF Rev/Demand Transfer	$ --	$ --	$ --	$ 780	$ 9,364	$ 17,521
General State Aid (GSA)						
SGF Approp./Actuals	$ 1,927,435	$ 1,978,613	$ 1,893,464	$ 1,886,700	$ --	$ --
20-Mill Local Prop. Tax*	550,743	558,066	563,961	590,082	--	--
School Dist. Fin. Fund	50,086	46,180	51,096	45,545	--	--
State Highway Fund	--	--	96,600	96,600	--	--
Education Jobs Fund	1,366	--	--	--	--	--
ARRA--SFSF	--	--	--	--	--	--
Total--GSA	$ 2,529,630	$ 2,582,859	$ 2,605,121	$ 2,618,927	$ --	$ --
Supp. General State Aid (LOB)						
SGF Approp./Actuals	$ 339,212	$ 339,222	$ 339,214	$ 452,257	$ --	$ --
Special Education						
SGF Approp./Actuals	$ 428,133	$ 430,426	$ 385,703	$ 418,361	$ 424,903	$ 423,980
State Highway Fund	--	--	43,000	10,000	10,000	10,000
ARRA--Special Ed.	389	--	--	--	--	--
Total--Special Ed.	$ 428,522	$ 430,426	$ 428,703	$ 428,361	$ 434,903	$ 433,980
KPERS--School (USDs)**						
SGF Approp./Actuals	$ 319,991	$ 284,300	$ 318,186	$ 273,802	$ --	$ --
Capital Outlay Aid						
SGF Demand Transfer	--	$ --	$ --	$ 28,927	$ --	$ --
Capital Improvement Aid						
SGF Revenue Transfer	104,788	$ 111,550	$ 129,726	$ 145,009	$ 163,300	$ 181,000
Total--Major Categories	$ 3,722,143	$ 3,748,357	$ 3,820,950	$ 3,948,062	$ 4,042,638	$ 4,081,006
Change from Prior Yr.	*$ (75,331)*	*$ 26,215*	*$ 72,592*	*$ 127,113*	*$ 94,576*	*$ 38,367*
% Chg. from Prior Yr.	*(2.0%)*	*0.7%*	*1.9%*	*3.3%*	*2.4%*	*0.9%*
Per Unweighted FTE	**$ 8,175**	**$ 8,207**	**$ 8,337**	**$ 8,581**	**$ 8,779**	**$ 8,853**
Per Weighted FTE	**$ 5,533**	**$ 5,543**	**$ 5,592**	**$ 5,785**		

** Beginning in FY 2015, the previously locally distributed 20-mill property tax levy is remitted to and distributed by the state to school districts. For comparative information, amounts for the 20-mill local property tax have been included prior to FY 2015.*

*** KPERS-School expenditures reflect only aid to USDs, and do not include amounts for community colleges.For FY 2016 and FY 2017, KPERS-School amounts are included in the Block Grant calculation.*


Medicaid Expenditures by Fiscal Year
Numbers in Billions
$3.50
$3.25
$3.00
$2.75
$2.50
$1.35
$1.30
$1.25
$1.20
$1.15
$1.10
$2.85
$2.84
$3.08
$3.28
$3.42
$3.42
$1.12
$1.15
$1.18
$1.32
$1.28
$1.28
All Funds
State General Fund
FY2012 Actual
FY2013 Actual
FY2014 Actual
FY2015 Actual
FY2016 Gov. Rec.
FY2017 Gov. Rec.

Children's Initiatives Fund Changes

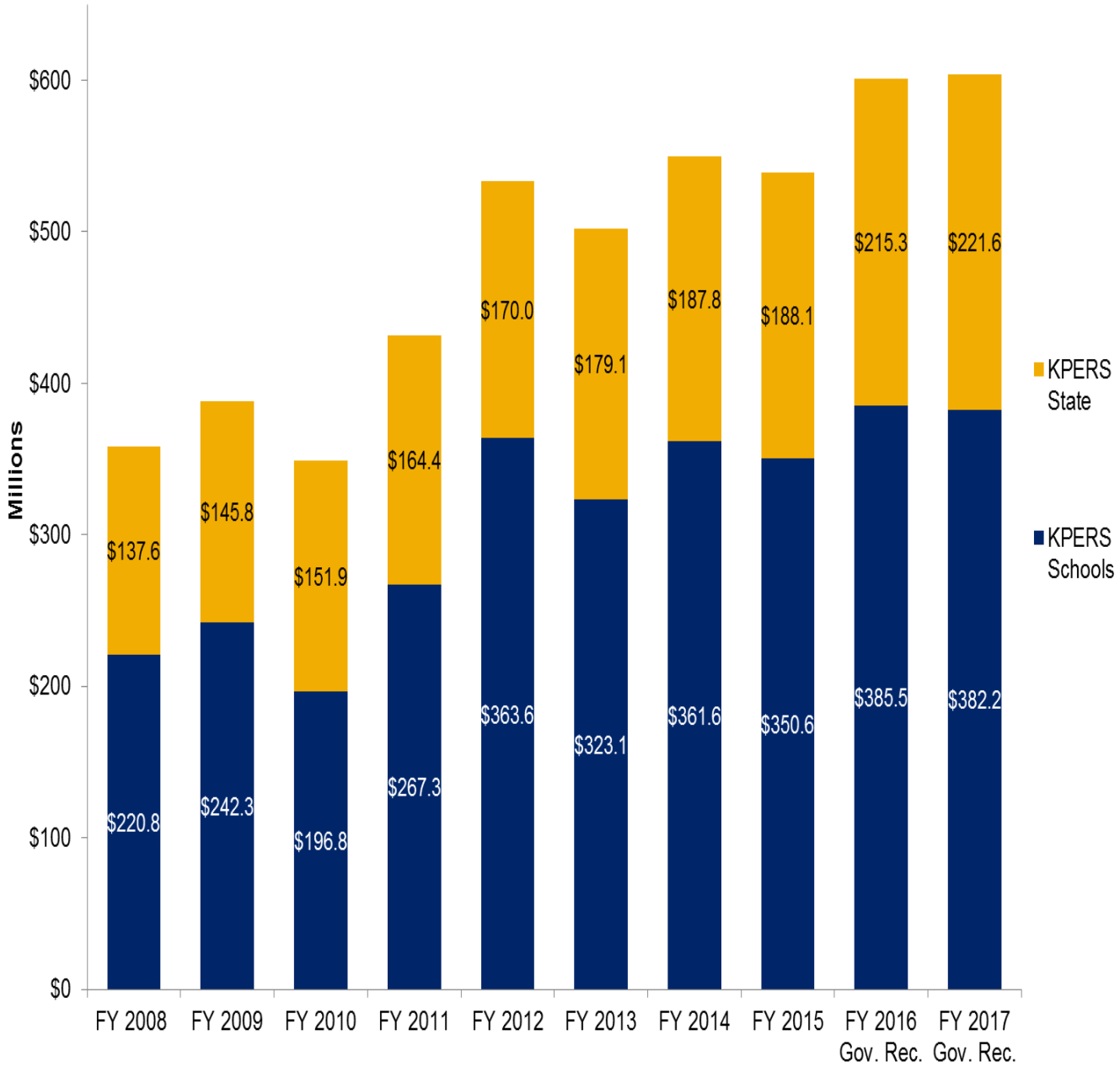
1. Parents as Teachers
2. CIF into SGF
3. Change Administrative Agent

Children's Initiatives Fund Programs

Program or Project	CIF Funding FY 2016	SGF Funding FY 2017
Department for Aging & Disability Services		
Children's Mental Health Initiative	3,800,000	3,800,000
Department for Children & Families		
Early Childhood Block Grants	12,706,273	--
ECBG--Autism Diagnosis	50,000	--
Child Care	5,033,679	5,033,679
Family Preservation	2,154,357	2,154,357
Quality Initiative for Infants & Toddlers	500,000	--
Children's Cabinet Accountability Fund	375,000	--
Total--Dept. for Children & Families	$ 20,819,309	$ 7,188,036
Department of Health & Environment		
Infants & Toddlers	5,800,000	--
Smoking Prevention	946,236	946,236
Healthy Start/Home Visitor	237,914	237,914
SIDS Network Grant	96,374	96,374
Newborn Hearing Aid Loan Program	47,161	47,161
Total--Dept. of Health & Environment	$ 7,127,685	$ 1,327,685
Department of Education		
Parent Education*	7,237,635	7,237,635
Pre-K Program	4,799,812	4,799,812
Kansas Reading Success Program	2,100,000	2,100,000
Early Childhood Block Grants	--	12,706,273
ECBG--Autism Diagnosis	--	50,000
Quality Initiative for Infants & Toddlers	--	500,000
Children's Cabinet Accountability Fund	--	375,000
Infants & Toddlers	--	5,800,000
Total--Department of Education	$ 14,137,447	$ 33,568,720
Total	$ 45,884,441	$ 45,884,441

**Parent Education Program is funded only with TANF in FY 2017*

Contributions to KPERS



KDOT

Percentage of bridges on the State Highway System that are in good condition:

- 86% in FY 2015
- 87% in FY 2014

Percentage of interstate and non-interstate pavement in good condition:

- 98% of Interstate system pavement in FY 15
- 97% of interstate system pavement in FY 14
- 89% of non-Interstate system in FY 15
- 85% of non-Interstate system in FY 14

The projected construction lettings in FY 2015, FY 2016 and FY 2017:

- The actual project construction lettings in FY 2015 totaled $581,341,962
- The projected construction lettings in FY 2016 are estimated at $657,368,796
- The projected construction lettings in FY 2017 are estimated at $796,395,207

KDOT

T-WORKS Program Cashflow

(Dollars in Thousands)

	2011	2012	2013	2014	2015	2016	2017
Beginning Balance	$ 363,890	$ 723,678	$ 400,315	$ 564,214	$ 597,686	$ 655,824	$ 622,186
Resources							
Motor Fuel Taxes	432,730	431,549	411,852	438,677	436,058	437,833	439,133
Sales & Compensating Tax	292,782	312,514	319,546	485,458	511,724	518,253	534,771
Registration Fees	167,386	166,316	186,962	201,051	208,935	206,000	206,000
Drivers Licenses Fees	8,999	8,844	8,755	7,960	7,090	7,090	7,090
Special Vehicle Permits	2,107	2,489	2,403	2,634	2,763	2,763	2,763
Interest on Funds	9,616	7,142	12,360	4,659	6,184	4,613	5,244
Misc. Revenues	27,165	28,516	28,077	32,038	9,998	18,843	14,920
Transfers In	2,503	4,897	2,576	3,893	2,497	4,813	1,401
Transfers Out	(257,871)	(307,587)	(110,097)	(264,028)	(424,488)	(435,563)	(400,054)
Subtotal	$ 685,418	$ 654,680	$ 862,433	$ 912,341	$ 760,761	$ 764,645	$ 811,268
Federal & Local Contstruction Reimb.	664,081	479,585	442,414	461,360	453,958	312,320	389,554
Net from Bond Sales	322,910	--	243,183	--	298,629	400,000	--
Net TRF Loan Transactions	14,851	9,862	22,166	10,928	9,582	5,074	5,087
Total Receipts	$1,687,260	$1,144,127	$1,570,196	$1,384,629	$1,522,930	$1,482,039	$1,205,909
Available Resources	$2,051,150	$1,867,806	$1,970,511	$1,948,844	$2,120,617	$2,137,863	$1,828,095
Expenditures:							
Maintenance	139,519	135,445	134,417	128,674	133,053	131,586	136,235
Construction	574,918	727,982	729,299	675,065	768,664	775,659	736,708
Modes (Aviation, Pub. Trans., Rail)	32,309	57,425	22,483	33,045	26,646	57,198	53,065
Local Support	336,135	271,736	271,989	291,043	294,274	297,971	309,360
Administrative & Transportation Planning	63,346	94,015	69,777	57,533	58,956	63,854	65,088
Subtotal	$1,146,227	$1,286,603	$1,227,965	$1,185,360	$1,281,593	$1,326,268	$1,300,456
Debt Service	181,245	180,888	178,332	165,798	183,200	189,410	199,767
Total Expenditures	$1,327,472	$1,467,491	$1,406,297	$1,351,158	$1,464,793	$1,515,678	$1,500,223
Ending Balance	$ 723,678	$ 400,315	$ 564,214	$ 597,686	$ 655,824	$ 622,186	$ 327,871
Minimum Ending Balance Requirement*	$ 509,746	$ 350,270	$ 352,648	$ 296,934	$ 302,146	$ 304,779	$ 282,371

Totals may not add because of rounding

* *Required ending balances reflect:*

Amounts required to satisfy debt service on bonds and provide for orderly payment of bills.

Funds allocated by statute for distribution to specific programs.

Other Key Issues

KDOR Debt Collection

- Alvarez and Marsal (A&M) have recommended filling vacant audit and collections positions at KDOR in order to gain efficiency and effectiveness in debt collection.
- Historically, the average auditor produces about $900k in collections annually and a collection agent produces $1 million in collections annually.
- The FY 2016 rescission bill includes a recommendation to fund 21 vacant positions, which is estimated to generate $7.5 million in additional revenue. The FY 2017 recommendation is to hire an additional 27 staff, along with the 21 staff to be hired in FY 2016, is estimated to generate $41.7 million.
- In an effort to be conservative with the projection, the KDOR estimate is significantly less than the revenue projection that A&M has provided.

Kansas Bioscience Authority

- At its December meeting, the KBA board voted to shift the organization's mission to the private market in 2016.
- The move will allow portfolio companies to partner with experienced investors in the private sector, retaining KS bioscience jobs and paving the way for the continued growth of the sector in KS.
- The FY 17 revised budget includes a $25 million revenue transfer to the SGF from the initial returns on the sale of the KBA assets to private investors. It is expected that the sale will yield additional returns.
- This would require enacting legislation, as the authorizing KS Economic Growth Act requires legislative approval for the disposition of assets.

Other Key Issues

Information Technology and the Educational Building Fund

- FY 2016 budget had $15 million of savings from IT efficiencies and projects in Cabinet agencies.
- The FY 2016 revised budget recommends reducing the $15 million of savings to $7 million.
- To offset the reduction, the FY 2016 budget recommends adding flexibility for the Regents Universities to spend $8 million of an Education Building Fund balance on IT in order to reduce the Higher Education Block Grant by the same amount.
- Total expenditures remain the same as in the FY 2016 approved budget between the Higher Education block grant and Education Building Fund

Proviso's

- Parents as Teachers means testing
- Change IT certification of FY 2016 savings from $15.0 to $7.0 million
- Allow Educational Building Fund balance of $8.0 million in FY 2016 to be spent on IT services.
- Ability for Dept. of Revenue to send post cards for renewal notices
- Two year moratorium on 80% of surplus property going to KPERS and instead 100% goes to SGF
- Adjutant General to use sale of Wichita property on general repairs and maintenance of facilities

Other Key Issues

Budget Bills

- Rescission Bill for FY 2016
- Supplemental Bill for FY 2017
- Judicial Bill for FY 2016 and FY 2017

Enacting Legislation Needed

- Medicaid Step Therapy for FY 2017 savings
- KBA Privatization for FY 2017 revenue

A&M Recommendations

For additional information, visit the Kansas Division of the Budget's website at

http://budget.ks.gov