

## House Republican Caucus Kansas Budget Overview

### State General Fund Receipts

The State General Fund receives the general state taxes - individual income, corporate income, retail sales, estate, cigarette, liquor, etc. The largest sources of State General Fund receipts are:

- **50 percent** - Individual income taxes;
- **35 percent** - Retail sales and compensating use taxes;
- **5 percent** - Corporation and financial income taxes.

### State General Fund Expenditures

The approved State General Fund budget for Fiscal Year 2010 is \$5.6 billion, of which:

- **55 percent** is for K-12 Education;
- **11 percent** is for Higher Education; (for a combined total of **66 percent** for education);
- **21 percent** for social services (Aging, Health Policy Authority, Social and Rehabilitation Services).

State General Fund expenditures have exceeded receipts by \$860 million over the two prior actual fiscal years - \$408 million in Fiscal Year 2008 and \$454 million in Fiscal Year 2009.

### Actual State General Fund Receipts

- Through the end of Fiscal Year 2009 - June 30, 2009 receipts were **\$120.7 million or 2.1 percent below the final estimate for the fiscal year**. Of the shortfall, \$93.0 million (or 77 percent) was in individual income tax collections; \$15 million (or 12 percent) was in retail sales tax collections.
- In order to keeping the State General Fund **ending balance from being negative** (not allowed by Kansas law) on June 30, 2009:
  - \$31.0 million in **tax refunds were held** and not paid until Fiscal Year 2010;
  - \$73.0 million in **local school aid payments were delayed** from Fiscal Year 2009 until Fiscal Year 2010.
- Through the end of the first quarter of (September 30, 2009) for Fiscal Year 2010 (after adjusting for the delayed refunds) the **receipts were \$67 million or 5.3 percent below the estimate**;

Approved Expenditures by 2009 Legislature, as Adjusted for Underspending and Shifting from FY 2009 to FY 2010  
 Governor's Allotments in FY 2010 (\$90.1 million) - Generally 2.0 Percent  
 School Aid Payments Delayed from FY 2009 to FY 2010 (\$73.0 million)  
 April Consensus Revenue Estimates Adjusted for Legislation: 1.0 Percent Growth in Revenue in FY 2011 and 2.0 Percent in FY 2012;  
 Revenues Further Adjusted for Actual Receipts for FY 2009; Actual Receipts for July through September, 2009 (FY 2010)  
 Tax Refunds (\$31.0 million) Delayed from FY 2009 to FY 2010

STATUS OF THE STATE GENERAL FUND  
 FY 2008-FY 2012  
 (in Millions)

	Actual FY 2008	Actual FY 2009	Revised FY 2010	Estimated FY 2011	Estimated FY 2012
Beginning Balance	\$ 935.0	\$ 526.6	\$ 64.1	\$ -	\$ (0.0)
Receipts (April, 2009 Consensus Revenue Estimate)	5,693.4	5,709.7	5,535.9	5,547.7	5,624.0
Subtotal- Approved Receipts	\$ 6,628.4	\$ 6,236.3	\$ 5,600.0	\$ 5,547.7	\$ 5,624.0
Less FY 2009 Actual Receipts Below Estimate	-	(120.7)	-	-	-
July through September, 2009 (FY 2010) Actual Receipts	-	-	(67.2)	(67.2)	(67.2)
Delay FY 2009 Tax Refunds to FY 2010	-	-	(31.0)	(31.0)	-
Total Available Revenue	\$ 6,628.4	\$ 6,115.6	\$ 5,501.8	\$ 5,480.5	\$ 5,556.8
Expenditures	6,101.8	6,266.6	6,009.8	6,256.9	6,360.5
Federal Economic Stimulus Legislation	-	(102.9)	(396.2)	(297.3)	-
Subtotal - Approved Expenditures	6,101.8	6,163.8	5,613.6	5,959.6	6,360.5
Less FY 2009 Underspending and Shifting to FY 2010	-	(39.3)	35.0	-	-
Less Governor's Allotments (generally 2.0 percent)	-	-	(90.1)	-	-
Delay FY 2009 School Aid Payments to FY 2010	-	(73.0)	73.0	-	-
<b>Additional Adjustments to Achieve a Zero Ending Balance</b>	-	-	(129.7)	(479.1)	(803.7)
Total Adjusted Expenditures	6,101.8	6,051.5	5,501.8	5,480.5	5,556.8
Ending Balance	\$ 526.6	\$ 64.1	\$ -	\$ (0.0)	\$ (0.0)
Ending Balance as a Percentage of Expenditures	8.6%	1.1%	0.0%	0.0%	0.0%
Approved Receipts in Excess of Approved Expenditures	\$ (408.4)	\$ (454.1)	\$ (77.7)	\$ (411.9)	\$ (736.5)
Adjusted Receipts in Excess of Adjusted Expenditures	\$ (408.4)	\$ (462.5)	\$ (64.1)	\$ (0.0)	\$ 0.0