



KANSAS HEALTH INSTITUTE
Informing Policy. Improving Health.



KANSAS HEALTH FOUNDATION

KANSAS BUDGET 101

Part III: Expenditures

Once the state funds have received revenues from their many sources, the state must determine how to spend this money. Each year, the Governor and Legislature work through a series of discussions about how and when state money may be spent in the upcoming years. Money spent for specific purposes falls within buckets called state functions such as Education and Human Services.

This infographic details how the state spends its money.

The Kansas Health Institute and the Kansas Health Foundation produced a primer on the Kansas budget. A series of five infographics were created to tell the story:

- I - Cash Flow
- II - Revenues
- III - Expenditures**
- IV - Education Spending
- V - Health and Human Services Spending

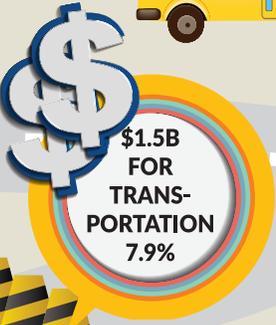
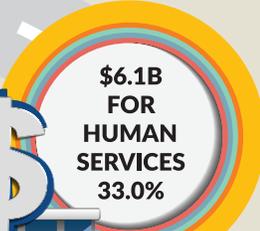
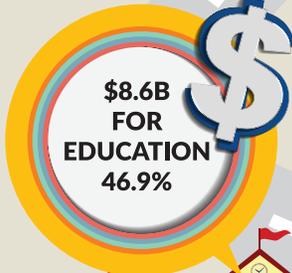
Available at khi.org and kansashealth.org

How does the state spend its money?

FY2020 Budget
\$18.4B

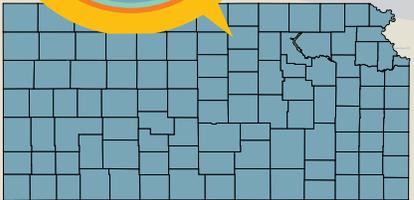
The \$18.4B can be parceled out by category

OR by function.



State Assistance: \$11.9B (64.6% of Category)
 Aid to Local Units: \$6.1B (33.0% of Category)
 Other: \$5.8B (31.6% of Category)

State Operations: \$5.3B (29.0% of Category)
 Salaries and Wages: \$3.1B (16.6% of Category)
 Other: \$2.3B (12.4% of Category)



Up next **Part IV: Education Spending**

Kansas Budget: Expenditures

How Does the State Spend Its Money?



Budgeting Basics

All money spent by the state must first be appropriated by the Kansas Legislature from the All Funds budget which is the sum of the *State General Fund (SGF)* — and *special revenue funds*. Federal funds received by the state are also added to the mix. Legislative appropriations are a series of discussions on how and when funds may be spent in the upcoming years.

The appropriations process budgets money from state funds so they may be spent by government agencies. Spending typically falls within one of six buckets called state functions: *General Government, Human Services, Education, Public Safety, Agriculture and Natural Resources* and *Transportation*. Kansas agencies are grouped underneath these six functions.

Spending also is categorized by major purpose, or class: *State Operations, Aid to Local Units, Other Assistance, and Capital Improvements*. These classes outline objectives for spending state funds.

Policy Spotlights

Legislative Appropriations of State Funds

The State General Fund (SGF) is the most heavily debated state fund as the largest “uncommitted” source from which money may be spent for any purpose. Special Revenue Funds and federal receipts may only be used for specific purposes (e.g., State Highway Fund used to improve state highways). The graph below displays FY 2020 spending as a share of all state funds and as a share of SGF.

All Funds vs State General Fund (By State Function)

	All Funds		SGF-Only	
	Total	Share	Total	Share
General Government	\$1,280,021,039	7.0%	\$344,114,651	4.4%
Human Services	\$6,080,537,867	33.0%	\$2,036,129,765	26.3%
Education	\$8,633,006,474	46.9%	\$4,877,187,012	62.9%
Public Safety	\$723,438,388	3.9%	\$465,808,355	6.0%
Agri. & Natural Resources	\$226,208,418	1.2%	\$16,489,885	0.2%
Transportation	\$1,457,891,344	7.9%	\$-	0.0%
Other Spending	\$9,854,647	0.1%	\$9,837,209	0.1%
Totals	\$18,410,958,177	100%	\$7,749,566,877	100%



Glossary

Appropriation: Government spending authorized by the Kansas Legislature.

Class (spending): Major purpose of expenditure.

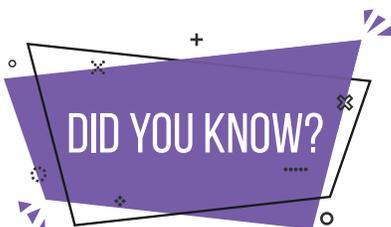
State Function: Categories of government spending.

Constitution and Law

Kansas Constitution Article 2, Section 24 ensures that no state funds may be spent except by specific appropriation made by law through the Kansas Legislature.



K.S.A. 75-6701 to 6704 is referred to as the “spending lid.” In Kansas, the budget must balance and a reserve policy requires at least 7.5 percent of total expenditures to remain in the SGF (*ending balance*). Legislators approved waiving the requirement for FY 2020, as in previous legislative sessions. The budgeted ending balance is 7.1%.



- The “spending lid” allows the governor to make reductions in SGF spending and transfers by percentage in order to retain an ending SGF balance of \$100 million.
- The Secretary of the Department of Administration may limit expenditures from any fund in the event a fund has too little money using the “allotment authority” (K.S.A. 75-3722).