

RANK
27

KANSAS

SUMMARY

On the basis of its fiscal solvency in five separate categories, Kansas ranks 27th among the US states and Puerto Rico for its fiscal health. On a cash basis, Kansas has between 1.24 and 2.22 times the cash needed to cover short-term liabilities. Revenues exceed expenses by 1 percent, producing a surplus of \$27 per capita. On a long-run basis, net assets are 12 percent of total assets, and total liabilities account for 23 percent of total assets. Total debt is \$3.96 billion. Unfunded pension liabilities are \$33.97 billion on a guaranteed-to-be-paid basis, and other postemployment benefits (OPEB) add \$261 million in unfunded liabilities. These three liabilities are equal to 29 percent of total state personal income.

2014 TOTAL LONG-TERM OBLIGATIONS

STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
Kansas	\$0.00 billion	\$3.96 billion	\$130.36 billion	3.0%	\$1,362
National average	\$6.60 billion	\$13.76 billion	\$288.25 billion	6.0%	\$2,144

PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
Kansas	\$9.47 billion	62%	\$33.97 billion	32%
National average	\$20.46 billion	74%	\$86.85 billion	40%

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
Kansas	\$0.26 billion	0%
National average	\$11.14 billion	12%

1. Alaska
2. Nebraska
3. Wyoming
4. North Dakota
5. South Dakota
6. Florida
7. Utah
8. Oklahoma
9. Tennessee
10. Montana
11. Ohio
12. Idaho
13. Nevada
14. Missouri
15. Alabama
16. Texas
17. Indiana
18. South Carolina
19. Virginia
20. New Hampshire
21. North Carolina
22. Colorado
23. Georgia
24. Washington
25. Iowa
26. Minnesota
- 27. Kansas**
28. Arkansas
29. Wisconsin
30. Oregon
31. Arizona
32. Mississippi
33. Louisiana
34. New Mexico
35. Michigan
36. Vermont
37. Rhode Island
38. Delaware
39. Pennsylvania
40. West Virginia
41. Maryland
42. New York
43. Maine
44. California
45. Hawaii
46. Kentucky
47. Illinois
48. New Jersey
49. Massachusetts
50. Connecticut
51. Puerto Rico

UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
Kansas	1.24	2.20	2.22	1.01	\$27	0.12	0.23	\$1,362
National average	2.40	3.18	3.54	1.06	\$448	-0.03	0.47	\$3,069

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio	Primary debt-to-income ratio
Kansas	0.05	0.10	0.10	0.26	0.00	0.03
National average	0.06	0.14	0.13	0.31	0.03	0.06

KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Kansas ranks 31st.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Kansas ranks 38th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Kansas ranks 21st.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Kansas ranks 11th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities, OPEB liabilities, and state debt compared to the state personal income? (Kansas ranks 24th.)

For a complete explanation of the methodology used to calculate Kansas’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2016 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, June 2016).