

RANK
17

KANSAS

SUMMARY

On the basis of its solvency in five separate categories, Kansas ranks 17th among the US states for fiscal health. Kansas has between 0.80 and 1.62 times the cash needed to cover short-term obligations, well below the US average. Revenues only cover 94 percent of expenses, with a worsening net position of -\$283 per capita. In the long run, a net asset ratio of -0.05 indicates that Kansas does not have any assets remaining after debts have been paid. Long-term liabilities are lower than the national average, at 41 percent of total assets, or \$2,527 per capita. Total unfunded pension liabilities that are guaranteed to be paid are \$46.98 billion, or 33 percent of state personal income. OPEB are \$0.01 billion, or less than 1 percent of state personal income.

2016 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	\$7.75 billion	\$141.11 billion	5.5%	\$2,664
National average	\$5.85 billion	\$12.65 billion	\$319.33 billion	3.7%	\$1,830

PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
Kansas	\$9.06 billion	67%	\$46.98 billion	28%
National average	\$23.43 billion	73%	\$135.50 billion	32%

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
Kansas	\$0.01 billion	0%
National average	\$14.51 billion	14%

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

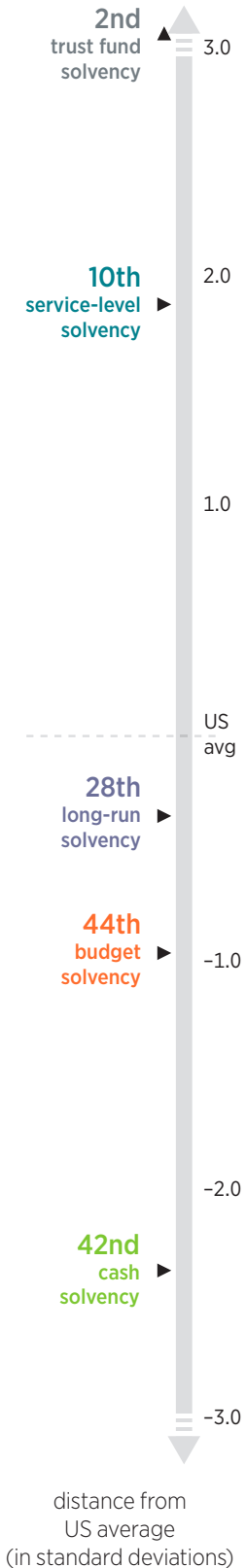
UNDERLYING RATIOS

	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	0.80	1.60	1.62	0.94	-\$283	-0.05	0.41	\$2,527
National average	2.22	2.99	3.22	1.01	-\$72	-0.17	0.63	\$4,387

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
Kansas	0.05	0.10	0.10	0.33	0.00
National average	0.06	0.13	0.13	0.43	0.04

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 42nd.)
- **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 44th.)
- **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 28th.)
- **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 10th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Kansas ranks 2nd.)



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, 2018 Edition” (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, October 2018).