Kansas State and Local Government Spending:
A Comparison with Other States for State Fiscal Year 2007

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KANSAS STATE AND LOCAL GOVERNMENT SPENDING: A COMPARISON WITH OTHER STATES FOR 2007

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February 2010

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INTRODUCTION

The level of taxation and allocation of public resources are of concern to every citizen, business owner, and policymaker. Each needs and wants public services though they may disagree about what are necessary public services, what level of service is sufficient, how much service is affordable, and who will pay for it. While answers to these questions remain elusive, it is possible to generate information that can shed light on the issue.

To this end, this report and its companion, *Kansas State and Local Government Revenues: A Comparison with Other States for 2007* (Cox, Morris, and Leatherman, 2010) examine state and local government revenue and expenditure patterns in Kansas. Our objective is to help citizens and state and local policymakers gain a better understanding of the mix and level of services provided by government in Kansas and how the state compares to its peers. This information will not alleviate the struggle to find the optimal level and mix of services but may help to affirm the choices state and local governments in Kansas have made or point to needed adjustments.

Expenditure data in this report is from the U.S. Census Bureau. The Census Bureau conducts a Survey of Government Finances annually as well as a Census of Governments every five years. Data from the 2007 Census of Governments, collected in October 2009, is the primary information presented in this report and represents the most current set of comparable data available across states. While economic conditions and dollar amounts of expenditures will have changed since 2007, our objective is to make comparisons among states and it is unlikely that the relative ranking of states has changed substantially over the period. To see changes over time, we include data from the 1999 Survey of Government Finances where it may be beneficial.

This report attempts to answer several key questions: (1) What are the primary categories of expenditure for state and local governments in Kansas? (2) How have state and local government expenditures in Kansas changed over time? (3) How do expenditures by state and local governments in Kansas compare to those in other states?

State and local government expenditures per capita and per $1,000 of personal income in Kansas are compared with those of the other forty-nine states and the District of Columbia. For each category of expenditure, the national average, median, maximum, and minimum are presented along with the corresponding expenditure for Kansas and Kansas’ rank nationally.

This report is provided as a service of the Office of Local Government, a unit of K-State Research and Extension, and represents our commitment to develop information resources of use to local officials and the citizens of Kansas. The Office of Local Government provides information on public issues such as the financing and delivery of public services, but does not prescribe solutions. We hope that the information presented will help policymakers and citizens discuss tax and public finance issues and make informed choices.

GOVERNMENT IN KANSAS

As of 2007, government in Kansas included the state and 3,931 units of local government (U.S. Census Bureau, 2009). Only four states (Illinois, Pennsylvania, Texas, and California) had more units of local government. Local governments in Kansas included: 104 counties, 1 unified government, 626 cities, 1,353 townships, 316 school districts, and 1,531 special districts.

State government exists to provide services to its citizens. In Kansas, these services include enforcing the law, educating youth, caring for public health and the environment, assisting the less fortunate, conserving natural resources, facilitating the transport of people and products, protecting workers, regulating businesses and professions, and stimulating economic development (Drury, 2001). The state carries out few of these functions alone, however. Instead, counties, cities, townships, school districts, and a variety of special districts were established to provide specific types of governmental services. The state constitution and statutes set forth and restrict the powers and duties of these local units of government.

Counties, cities, and other units of local government generally provide different types of public services. Counties, for example, are typically responsible for maintaining local roads
and bridges and providing such services as public health, juvenile justice, and noxious weed eradication. Among other functions, cities generally provide police and fire protection; own or regulate public utilities, such as water, sewer, gas, and electricity; and maintain streets. Historically, townships were responsible for road maintenance, but many have now relinquished this responsibility to the county. Townships may also be responsible for cemeteries, water and sewer systems, and fire protection. School districts provide elementary and secondary education for local youth. Special districts perform one or a limited number of designated functions. Examples include: fire, cemetery, water, sewer, ambulance, library, and conservation.

**EXPENDITURES IN KANSAS**

State and local government expenditures in Kansas totaled almost $21 billion in SFY2007 (U.S. Census Bureau, 2009). Expenditures are all monies paid out by a government other than for retirement of debt, investment in securities, extension of credit, or as agency transactions. Expenditures do not include noncash transactions such as payments in kind.

**Figure 1. Sources of Kansas State & Local Government Revenue, State Fiscal Year 2007**

As shown in Figure 1, education comprised 34 percent of state and local government expenditures in SFY2007; social services 20 percent; transportation 8 percent; insurance trusts and enterprises 12 percent; and public safety 7 percent. Administrative, environment and natural resource, interest, housing program, and miscellaneous expenditures accounted for the remainder of state and local spending (19%).

For the most part, this is relatively unchanged from the allocation of expenditures a decade earlier. In SFY1999, education comprised 36 percent of total expenditures, social services 17 percent, transportation 10 percent, insurance trusts and enterprises 10 percent, public safety 7 percent, and all other categories 19 percent.

**COMPARING EXPENDITURES IN KANSAS TO THOSE IN OTHER STATES**

Comparing expenditures across states may seem straightforward, but states vary in size, wealth, and the level and mix of services they provide. Thus, to compare expenditures across states we must first establish a basis of comparison. This report compares expenditures per capita and per $1,000 of personal income.

State populations vary (see Table 1), making it inappropriate to compare dollar amounts of expenditures across states. Instead, we use expenditures per capita, which represent the average expenditure per resident of the state. For example, if we find that social service expenditures per capita in Kansas are $850 for a given year, this indicates that the average Kansan received $850 in social services in that year. Clearly, not all residents were recipients of these services, but per capita dollars provide a measure of the average expenditure per person. As indicated earlier, states with large populations may have economies of scale in providing some public services. If this is the case, their per capita expenditures will be lower.

To compensate for varying levels of income across states (see Table 1), expenditures are compared per $1,000 of personal income. The level of per capita income may affect both the composition and level of a state’s expenditures. A state with a low per capita income may spend more on some programs and less on others than a state with a greater per capita income.

Several additional accounting conventions adopted for comparison purposes are presented in the following paragraphs.

Expenditure values are inflation-adjusted to 2007 dollars (2007$). Inflation distorts trends over time because a dollar today does not have as much purchasing power as a dollar one year or
five years ago. To make fair comparisons of dollar amounts over time, the data must be adjusted to a single year’s value using an inflation index. Here we use the Personal Consumption Expenditures (PCE) chain price index. By removing the effects of inflation, the focus shifts to the real forces affecting changes in expenditures, such as economic conditions and the changing preferences of citizens.

State and local expenditures are combined to account for differences in state and local government responsibilities across states. In some states, for example, the state government finances the majority of K-12 education while in others local governments do so. Thus, to compare expenditures meaningfully across states, all expenditures for education, both state and local, must be included.

Expenditures benefiting both individuals and businesses are aggregated. Some government expenditures benefit individuals, some businesses, and some both. Ideally, expenditures benefiting individuals would be included in the per capita calculation, while those benefiting businesses would be calculated separately as an average per business. Unfortunately, the data from the Census Bureau does not allow us to make this distinction.

Similar expenditures are aggregated. For example, the Census Bureau aggregates expenditures for police protection, fire protection, inspection and regulation, and corrections into public safety. Again, aggregation helps account for differences in the provision of various services across states.

By comparing expenditures per capita, we assume that a state’s residents benefit fully from its expenditures. Out-of-state residents may also benefit. For example, transportation expenditures in Kansas benefit Kansans as well as travelers from other states and out-of-state businesses shipping products into or through the state. The Census Bureau does not provide information on the portion of expenditures benefiting out-of-state residents and businesses.

### Table 1. Population and Per Capita Income, 2007

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>Per Capita Personal Income</th>
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</thead>
<tbody>
<tr>
<td>U.S. Average</td>
<td>5,907,654</td>
<td>$38,614.99</td>
</tr>
<tr>
<td>Minimum</td>
<td>523,252</td>
<td>$28,540.57</td>
</tr>
<tr>
<td>Wyoming</td>
<td></td>
<td>Mississippi</td>
</tr>
<tr>
<td>Median²</td>
<td>4,236,308</td>
<td>$36,272.09</td>
</tr>
<tr>
<td>Kentucky</td>
<td></td>
<td>Wisconsin</td>
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<tr>
<td>Maximum</td>
<td>36,377,534</td>
<td>$62,484.14</td>
</tr>
<tr>
<td>California</td>
<td></td>
<td>District of Columbia</td>
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<tr>
<td>Kansas³</td>
<td>2,777,382</td>
<td>$36,525.04</td>
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<tr>
<td>33</td>
<td>24</td>
<td></td>
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</tbody>
</table>

1 Source of population and personal income data is the Bureau of Economic Analysis’ Regional Economic Information System.

2 The median represents the middle value in a set of numbers ordered from lowest to highest. That is, one-half of the cases fall below the median and one-half exceed the median.

3 The second value represents Kansas’ rank among the 50 states and the District of Columbia.

### OTHER FACTORS TO CONSIDER WHEN MAKING COMPARISONS ACROSS STATES

Readers should use caution when making interstate fiscal comparisons. There are many reasons why expenditure patterns may vary across states. For a complete understanding of variations in spending across states, readers must look beyond the numbers presented in this report.

One factor that may account for differences in the level of expenditures across states is the government’s skill at administering public funds. Some states may be more efficient in the delivery of public services than others, leading them to have lower expenditures than states that do so less efficiently.

Economies of scale may also result in differences in the level of expenditures across states. In the context of state and local finance, the term economies of scale refers to a decrease in the cost per person for a given amount of service as the population served increases. Economies of scale in this sense would exist if the cost per pupil of achieving a given degree of education were smaller for a 5,000-pupil district than a 1,000-pupil district (Fisher, 2007).

Two states with similar levels of total expenditure may allocate that spending very differently to match the needs and the mix of services that their citizens desire. In addition, citizens of one state may be comfortable with higher overall levels of spending by government
than citizens of another. Citizens’ needs and wants depend, in part, on their incomes. Wealthier states may spend more and allocate that spending differently than less wealthy states. Of course, all states have limited budgets and must make trade-offs, spending less for one service in order to spend more on another that is more important to their citizens.

Low expenditures may also indicate that a state is neglecting some of the wants and needs of its citizenry and/or putting off short-run investments. Similarly, it could imply that the government has little need of infrastructure and other investment today because it made large investments of this type in the past. Conversely, a high level of expenditure for a particular category today may indicate the government is in the midst of a major investment or infrastructure program.

Other factors may help explain specific expenditures. Differences in geography and climate, for example, significantly affect certain types of services, such as highway spending. Similarly, the degree of urbanization may impact the types of services citizens need/want and the level of spending on them.

Another important difference is the distribution of responsibilities between public and private entities. In some locations, services such as trash collection have historically been performed by public entities while in others such services are privatized.

While this report allows readers to see differences in spending across states, it is important to remember that there are often valid reasons for such differences. Thus, we encourage readers to look beyond the information presented here to fully understand variations in spending across states.
TOTAL STATE AND LOCAL EXPENDITURES

Even after accounting for inflation, state and local government expenditures have increased steadily over the past several decades in the U.S. This suggests that state and local governments are providing more services now than they did in the past.

Kansas state and local governments ranked 38th in total state and local expenditures per capita in SFY2007, spending $7,548 per capita. This represented a 24 percent increase from the level of spending per capita in SFY1999, $6,066 (2007$).

Kansas spent considerably less per capita in SFY2007 than both the national average and median, $1,200 and $700 less respectively. The national average was calculated by summing total expenditures across states and dividing by the total U.S. population. The median is the mid-point. Because comparisons include the District of Columbia, the median state ranks 26th. Idaho had the lowest expenditure per capita, $6,575, and the District of Columbia the highest, $18,005.

State and local governments in Kansas ranked 39th in state and local expenditures per $1,000 of personal income in SFY2007. For every $1,000 of income, Kansas state and local governments spent $206.64. This represented a 9 percent decline from 1999 when expenditures totaled $227.14 (2007$) per $1,000 of income.

The national average and median were similar in SFY2007 at $228.36 and $230.88 respectively. Alaska had the highest total expenditures per $1,000 of personal income, $425.28. New Hampshire spent the least, $170.88 per $1,000 of income.

A companion report (Cox, Morris, and Leatherman, 2010) comparing state and local government revenue across states found Kansas to be a moderate tax state. Thus, it is not particularly surprising that the state does not rank near the top in total expenditures. The low level of expenditure may be of concern; however, if it indicates that the state is not fully meeting the needs of its citizens or is putting off short-term investments.

<table>
<thead>
<tr>
<th>Table 2. Total State and Local Expenditures, SFY2007</th>
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<tbody>
<tr>
<td><strong>Expenditure</strong></td>
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<tr>
<td><strong>Per Capita</strong></td>
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<tr>
<td>United States</td>
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<tr>
<td>Minimum</td>
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<td>Idaho</td>
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<td>Median</td>
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<tr>
<td>South Carolina</td>
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<tr>
<td>Maximum</td>
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<tr>
<td>District of Columbia</td>
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<td>Kansas</td>
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<td>38</td>
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</table>
Education has traditionally been the largest expenditure for state and local governments. In SFY2007, education represented the largest proportion of expenditures in all but the District of Columbia, Mississippi, and Tennessee. Education expenditures include those for schools, colleges, and other educational institutions, such as those for the blind, deaf, and handicapped, as well as educational programs for adults and veterans and public library facilities and services (U.S. Census Bureau, 2006). Education expenditures do not include spending by universities for agricultural experiment stations, the cooperative extension service, or teaching hospitals.

In SFY2007, education expenditures in Kansas totaled just over $7 billion and represented 34 percent of total state and local government expenditures. Elementary and secondary education accounted for 63 percent of these expenditures; higher education 33 percent; and educational assistance and subsidies, public libraries, and other educational expenditures the remaining 4 percent.

Local school districts are the primary providers of elementary and secondary education in Kansas. Local public schools are maintained, developed, and operated by locally elected school boards under general supervision of the elected State Board of Education (Drury, 2001). The State Board of Education accredits elementary and high schools, sets teacher requirements, and distributes state aid to districts under legislatively designed formulas. Though the state plays an active role in shaping school policy, local school districts retain considerable autonomy. Districts adopt their own budgets, and in accordance with general state laws they employ and dismiss teachers. In addition, the instructional program is determined primarily at the local level, though state curriculum requirements must be followed.

Kansas maintains six state institutions of higher learning (Emporia State University, Fort Hays State University, Kansas State University, Pittsburg State University, the University of Kansas, and Wichita State University). These universities are governed by the Kansas Board of Regents. Rules adopted by the board govern the organization, educational programs, and other policies and practices of each institution. The
Board of Regents also adopts proposed budgets for, and appoints the head of, each institution under its control. In addition to the six state universities, the Board of Regents supervises and coordinates Kansas’ nineteen community colleges, one municipal university (Washburn University), five technical colleges, and six technical schools.

Kansas spent $2,578 per capita on education in SFY2007. This placed the state 25th in the nation and compared to expenditures of $2,191 (2007$) per person in SFY1999.

State and local education spending averaged $2,613 per capita in SFY2007. The median was similar, $2,561. Education expenditures ranged from $1,877 per person in Tennessee to $3,937 in Wyoming.

Kansas spent $70.59 per $1,000 of personal income on education in SFY2007 and ranked 23rd in the nation. This represented a 14 percent decline from $82.05 (2007$) per $1,000 of income in SFY1999.

Oklahoma had the median value of education expenditure per $1,000 of income in SFY2007, $69.45. Alaska spent the most on education per $1,000 of income, $96.74, and the District of Columbia the least, $43.33.

SOCIAL SERVICE EXPENDITURES

Social service expenditures include those for public welfare and health programs, hospitals, social insurance administration, and veterans’ services. Each is defined as follows.

Public welfare is defined as the support of and assistance to needy persons contingent upon their need. This includes cash assistance paid directly to needy persons under the categorical programs (Supplemental Security Income and Temporary Assistance for Needy Families) and under any other welfare programs; vendor payments made directly to private purveyors for medical care, burials, and other commodities and services provided under welfare programs; and provision and operation by the government of welfare institutions (U.S. Census Bureau, 2006).

Health expenditures finance outpatient health services, other than hospital care, including: public health administration; research and education; categorical health programs; treatment and immunization clinics; nursing; environmental health activities such as air and water pollution control; ambulance service if provided separately from fire protection services, and other general public health activities such as mosquito abatement (U.S. Census Bureau, 2006).

Hospital expenditures include those for financing, construction, acquisition, maintenance and operation of hospital facilities, provision of hospital care, and support of public or private hospitals (U.S. Census Bureau, 2006).

Social insurance administration includes the costs of administering unemployment compensation systems, public employment services, and the federal Social Security, Medicare, and Railroad Retirement Trusts (U.S. Census Bureau, 2006). Actual payments to beneficiaries of these programs are accounted for elsewhere (see Enterprise and Insurance Trust Expenditures).

Veterans’ services include cash bonuses to veterans and other financial grants not contingent on need, administration of bonus payments, veterans’ information and guidance services, and other veterans’ services not classified under Public Welfare, Education, Health, Hospitals, or any other major function (U.S. Census Bureau, 2006).

Social service expenditures were the second largest category of expenditure in Kansas in SFY2007 at $4.2 billion and accounted for 20 percent of total expenditures. Social services spending ranged from 5 percent of total expenditures in Rhode Island to 28 percent in Mississippi. It is important to recognize that spending on social service programs is a function of both the level of benefits provided and the percentage of the population eligible to participate in the programs. As social service programs are devolved to the states, and as states set their own rules for eligibility, there may be even larger differences in spending among states.

Hospitals and other health care accounted for 30 percent of social services expenditures in Kansas in 2007, public welfare programs 69 percent, and social insurance administration and veterans’ services 1 percent.
Both state and local governments operate hospitals and provide other types of health services in Kansas. The state agency responsible for public health is the Kansas Department of Health and Environment. By statute, the secretary of health and environment has “general supervision of the health of the citizens of the state” and is charged with making “intelligent and profitable use of collected records of the causes of sickness and death among people” (Drury, 2001, p. 316). Public health services such as immunization, well-baby clinics, and public health nursing are usually provided by local agencies.

State government funds the majority of public welfare and all social insurance administration and veterans’ services in the state of Kansas. The state agency most related to public welfare is the Kansas Department of Social and Rehabilitation Services. The Department administers a variety of cash, medical, and other assistance programs, including assistance to the disabled and temporary assistance for families.

With per capita social service expenditures of $1,529, Kansas ranked 23rd in the nation in SFY2007. In SFY1999, Kansas spent $1,058 (2007$) per person on social services. Per capita social service expenditures ranged from $462 in New Hampshire to $4,594 in the District of Columbia. Expenditures made by Washington, D.C. were nearly $2,000 per capita higher than those in second ranked Alaska. Arizona had the median level of social service spending with expenditures of $1,459 per capita. The national average was slightly at $1,895 per capita.

In SFY2007, Kansas had social service expenditures of $41.86 per $1,000 of personal income and ranked 21st among all states. The state spent almost $2 more per $1,000 of income on social services in SFY1999. In SFY2007, state and local social service expenditures averaged $49.08 per $1,000 of income. The median was lower, $34.50. Mississippi had the highest social service expenditures at $84.11 per $1,000 of income and New Hampshire the lowest, $11.10.
TRANSPORTATION EXPENDITURES

Transportation expenditures are those for the construction, maintenance, operation, and support of highways, streets, bridges, and related structures; airport facilities; public-use parking lots, garages, and meters; and canals and other waterways, harbors, docks, and related marine terminal facilities (U.S. Census Bureau, 2006). Transportation expenditures also include transit subsidies – payments in support of subway, bus, surface rail and street railroad, and other passenger transportation systems, including public support of a private utility or railroad and intergovernmental subsidy payments.

State and local transportation expenditures in Kansas totaled nearly $1.7 billion in SFY2007 and represented 8.2 percent of total state and local expenditures. Transportation expenditures ranged from 1 percent of total expenditures in the District of Columbia to 14 percent in South Dakota. Many factors may explain differences in transportation expenditures across states including geographic size, topography, population, and the degree of urbanization. The need for periodic investments in transportation infrastructure may also explain differences in spending across places at a given point in time.

Highway expenditures accounted for 97 percent of all transportation spending in Kansas in SFY2007. This is not particularly surprising as Kansas had 140,609 miles of public roads in 2008, placing it 3rd among all states in the nation (Kansas Department of Transportation, 2009). Air transport accounted for the majority of the state’s remaining transportation expenditures in SFY2007 (3%).

The Kansas Department of Transportation manages Kansas’ 10,368 miles of state highways (A. Spicer, personal communication, January 13, 2010). Though highways are its most visible responsibility, the Department of Transportation is also concerned with air, rail, and water transport and public transportation.

Cities, counties, and townships are responsible for the remainder of the state’s public roads (130,002 miles in 2008). The only exception is the 238-mile Kansas Turnpike which is under the jurisdiction of the Kansas Turnpike Authority, a seven-member board created for that purpose.
County roads can be classified under one of three systems. Under the NonCounty Unit Road System, the county maintains main traveled roads. Other rural roads (township roads) fall within the jurisdiction of the township. Under the County Unit Road System, construction and maintenance of all roads in the county is a county function. The General County Rural Highway System “is similar to the County Unit System in that the county maintains all public roads outside the cities, and the townships have no road maintenance responsibilities” (Harris, 2008, p. 2) The difference is that under this system, the county must maintain separate funds for the main traveled county roads and the roads that were previously township roads.

Cities maintain their own streets. Exceptions are links to state highways, which may be under the sole control of the Department of Transportation for small cities or administered in cooperation with the Department for larger cities.

Kansas ranked 19th in transportation expenditures per capita for SFY2007. The per capita amount, $621, was not significantly changed from SFY1999.

In SFY2007, transportation expenditures per capita ranged from $178 in the District of Columbia to $2,349 in Alaska. Alaska’s expenditure was almost two times that in second ranked Wyoming, $1,239. The low level of expenditure in Washington, D.C. is not surprising given its relatively small size. Similarly, the high level of expenditure by Alaska is not unexpected given its size and low population density. In addition to the high cost of road maintenance, many small airports are part of Alaska’s transportation system. Second ranked Wyoming is also a large state with low population density.

Kansas had transportation expenditures of $16.99 per $1,000 of personal income in SFY2007 and ranked 21st in the nation. In SFY1999, the state and local governments in Kansas spent $23.35 (2007$) per capita on transportation.

State and local transportation expenditures averaged $14.70 per $1,000 of income in SFY2007. The median was slightly higher, $16.32. Washington, D.C. and Alaska again ranked lowest and highest at $2.85 and $58.67 respectively.

PUBLIC SAFETY EXPENDITURES

Public safety expenditures include those for police protection, fire protection, correction, and protective inspection and regulation. Protective inspection and regulation is the regulation of private enterprise for the protection of the public and inspection of hazardous activities except for major functions, such as fire prevention, health, natural resources, etc (U.S. Census Bureau, 2006).

Nationally, public safety expenditures have been on the rise in recent years. Concerns about food, product, and environmental safety have increased spending on protective inspection and regulation. In addition, police protection and correction expenditures have increased as states have passed “get tough on crime” legislation, such as the “three strikes” law (Stallmann, 2001).

Public safety expenditures represented 7 percent of state and local government expenditures in Kansas in SFY2007, totaling over $1.3 billion. This represents an increase over the past several decades as public safety expenditures accounted for 4 percent of total expenditures in 1967. Police protection accounted for 50 percent of Kansas’ public safety expenditures in SFY2007, corrections 28 percent, and fire protection 18 percent, with protective inspection and regulation accounting for the remainder.

Police protection includes those expenditures intended to preserve law and order and traffic safety. At the state level, agencies such as the Kansas Highway Patrol and Kansas Bureau of Investigation carry out these functions. Though state agencies are important, most law enforcement is performed locally. County sheriffs and city and county police officers maintain law and order at the local level. In addition, they along with county attorneys are responsible for enforcing both state and local laws (Drury, 2001).

Like police protection, fire protection is primarily carried out at the local level by city and county fire departments and volunteer fire forces. The Kansas State Fire Marshall’s Office provides support to local fire departments and conducts fire inspection/investigation and fire prevention activities statewide.

Both state and local governments in Kansas have responsibilities related to the confinement and correction of adults and minors convicted of offenses against the law. Local correctional
facilities include county jails and community corrections facilities. The Kansas Department of Corrections maintains adult correctional facilities in nine locations statewide. The Kansas Juvenile Justice Authority maintains three juvenile correctional facilities.

With public safety expenditures of $491 per capita, Kansas ranked 41st in the nation in SFY2007. This represented a 13 percent increase from SFY1999 when state and local governments in Kansas spent $436 (2007$) per capita.

In SFY2007, the median level of public safety spending per capita was $550 and the national average was $674. Washington, D.C. had the highest per capita public safety expenditures, $1,682, much more than in second ranked California, $1,035. West Virginia had the lowest expenditure per capita, $389.

In SFY2007, Kansas ranked 43rd in the nation with expenditures on public safety per $1,000 of personal income of $13.44. This represented an 18 percent decline from $16.34 (2007$) per $1,000 of income in SFY1999.

Median and average expenditures were somewhat higher than those in Kansas in SFY2007, $15.70 and $17.47 respectively. Washington, D.C. again had the highest public safety expenditures, $26.92 per $1,000 of income. North Dakota had the lowest, $10.98.

<table>
<thead>
<tr>
<th>Table 6. State and Local Public Safety Expenditures, SFY2007</th>
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<tbody>
<tr>
<td>Expenditure Per Capita</td>
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<tr>
<td>------------------------</td>
</tr>
<tr>
<td>United States</td>
</tr>
<tr>
<td>Minimum</td>
</tr>
<tr>
<td>West Virginia</td>
</tr>
<tr>
<td>Montana</td>
</tr>
<tr>
<td>Kansas</td>
</tr>
<tr>
<td>41</td>
</tr>
</tbody>
</table>

Figure 10. Public Safety Expenditures Per Capita, SFY2007

Figure 11. Public Safety Expenditures Per $1,000 Personal Income, SFY 2007
ENVIRONMENT AND NATURAL RESOURCE EXPENDITURES

Environment and natural resource expenditures include those for the conservation, promotion, and development of natural resources, such as soil, water, forests, minerals, and wildlife. In addition, they include support for recreational and cultural/scientific facilities and activities, and the building and operation of convention centers and exhibition halls (U.S. Census Bureau, 2006).

State and local governments in Kansas devoted less than 2 percent of their budgets to environmental and natural resource programs in SFY2007, spending almost $349 million. Parks and recreation accounted for 67 percent of this spending; agricultural programs, including state spending on the extension service and agricultural experiment stations, promotion of agriculture, and regulation, 33 percent.

Both state and local governments in Kansas maintain parks and other recreational facilities. Cities and counties maintain a variety of such facilities ranging from parks, swimming pools, and golf courses to stadiums, museums, and zoos. The Kansas Department of Wildlife and Parks is the state agency responsible for providing the public opportunities to use and appreciate the state’s natural resources. To this end, they maintain a number of state parks, fishing lakes, wildlife areas, game preserves, and other properties. The Department of Wildlife and Parks also works to conserve and enhance the state’s wildlife and its habitat.

State government is primarily responsible for funding agricultural programs in Kansas. The Kansas Department of Commerce has responsibilities related to the promotion and marketing of agricultural products. The Department’s Rural Development Division is committed to improving the economic condition of Kansas producers and boosting the prosperity of rural communities. To do so, the Division supports agritourism development, agriculture value added loans, the ‘Simply Kansas’ trademark program, international marketing programs, and energy incentives.

Regulation of agriculture is the Kansas Department of Agriculture’s responsibility. The Department ensures the safety of the meat, milk and egg supply; the responsible and judicious use
of pesticides and nutrients; and the integrity of weighing and measuring devices in commerce.

Both state and local governments in Kansas fund soil and water conservation and flood control programs. County conservation districts carry out local programs of natural resource conservation. Conservation districts address a wide range of environmental concerns including agricultural and urban erosion and sediment control, water quality, water quantity, range and pasture management, fish and wildlife habitat, and other natural resource management issues.

To facilitate the work of county conservation districts, Kansas has a State Conservation Commission. The Commission assists conservation district supervisors, coordinates the programs of the districts, and enlists the cooperation and assistance of federal and state agencies in the work of the districts.

As water issues have become more complex, a variety of local agencies have been created to take on the problems (Drury, 2001). Drainage and irrigation districts are authorized for the prevention of floods and establishment of irrigation systems. Watershed districts conform to natural watersheds and have broad powers to manage their affairs and cooperate with other local, state, and federal government agencies. County commissioners are authorized to establish rural water supply districts. Groundwater management districts, water assurance districts, and public wholesale water supply districts are also authorized under Kansas law. The Kansas Water Office and Water Authority were created to coordinate the efforts of state, federal, and local agencies engaged in water management.

With environment and natural resources expenditures of $126 per capita, Kansas ranked 38th in the nation in SFY2007. The state spent nearly $50 more per capita in SFY1999, $174 (2007$). Washington D.C. spent the most on environmental and natural resource programs in 2007, $659 per capita. Connecticut spent the least per capita, $94. The national average was $199. States with the highest spending per capita on environmental and natural resource programs are largely concentrated in the western United States.

Kansas ranked 38th in environment and natural resource expenditures per $1,000 of personal income in SFY2007 with spending of $3.44. This represented a 47 percent decline from spending in SFY1999, $6.53 (2007$).

State and local environment and natural resource expenditures averaged $5.16 in SFY2007. The median was $4.86. Expenditures ranged from $1.70 per $1,000 of income in Connecticut to $13.82 in Alaska.

**HOUSING PROGRAM EXPENDITURES**

Housing program expenditures include those for housing and other community development, sewerage, and solid waste management. Sewerage refers to those expenditures for providing sanitary and storm sewers and sewage disposal facilities and services, and payments to other governments for such purposes (U.S. Census Bureau, 2006). Solid waste management includes expenditures for street cleaning, solid waste collection and disposal, and the provision of sanitary landfills.

Three percent of state and local expenditures were devoted to housing and related programs in Kansas in SFY2007. Spending on these functions totaled $633 million. Sewerage accounted for 48 percent of housing program expenditures in Kansas, housing and community development programs 32 percent, and other sanitation 20 percent.

Local governments make the majority of these types of expenditures in Kansas, as they are the units responsible for operating and maintaining waste- and storm-water systems and collecting and disposing of refuse. In fact, the state made only nine percent of housing program expenditures in SFY2007. State agencies with responsibilities in this area are the Department of Health and Environment and the Department of Commerce. The Department of Health and Environment’s Bureau of Water provides for the supervision of public water systems and the Department’s Bureau of Waste Management administers regulatory programs for solid and hazardous waste. The Department of Commerce is responsible for implementing and administering housing programs and preserving and enhancing the livability of Kansas communities.
Kansas ranked 46th in the nation in SFY2007 with housing program expenditures of $228 per capita. The state spent $70 less per capita in SFY1999, $157 (2007$). Though Kansas’ level of expenditure on housing programs is relatively low, it is fairly consistent with that of neighboring states.

Nevada spent the least per capita on housing and related programs in state fiscal year, $201, and Washington, D.C. the most, $1,656. The median level of housing program expenditures per capita was $321, and the average was slightly higher at $375.

Kansas ranked 49th in housing program expenditures per $1,000 of personal income in SFY2007 with spending of $6.24. Again, this level of spending is comparable to that by neighboring states. It does represent a 6 percent increase from spending in SFY1999, $5.89 (2007$).

Louisiana had the largest housing program expenditure per $1,000 of income in SFY2007, $26.63, and Nevada the smallest, $5.05.
ADMINISTRATIVE EXPENDITURES

Administrative expenditures include those for financial administration; judicial and legal systems; general public buildings; and activities of the governing body, office of the chief executive, and central staff services and agencies concerned with personnel administration, recording, planning, zoning, and the like (U.S. Census Bureau, 2006). Financial administration includes the cost of central agencies for accounting, auditing, and budgeting; the supervision of local government finances; tax administration; collection, custody, and disbursement of funds; administration of employee retirement systems; debt and investment administration; and the like. Judicial and legal expenditures finance courts and associated activities including law libraries, prosecutorial and defendant programs, and juries.

State and local governments in Kansas used four percent of their budgets, $917 million, for administrative expenditures that could not be attributed to a specific program in SFY2007. Financial administration accounted for 32 percent of these expenditures, judicial and legal 30 percent, public buildings 12 percent, and other general administration the remaining 26 percent.

Low administrative expenditures may indicate an efficient governmental administrative system and/or economics of scale in administration. They may also reflect a lower level of public service provision, which requires less administration.

In SFY2007, Kansas ranked 37th in the nation with per capita administrative expenditures of $330. This represented a 3 percent increase from $319 (2007$) per capita in SFY1999.

Median expenditures in SFY2007 were $387 per capita by the state of Maine. The national average was slightly higher at $397 per capita. Administrative expenditures ranged from $236 per capita in Texas to $1,064 in Alaska.

Kansas had administrative expenditures of $9.04 per $1,000 of personal income in SFY2007. This placed the state 35th in the nation and was nearly $3 less than spending per capita in SFY1999, $11.96 (2007$).

State and local administrative expenditures averaged $10.29 per $1,000 of personal income in SFY2007. Expenditures ranged from $6.37 per $1,000 of income in Texas to $26.57 in Alaska.
INTEREST EXPENDITURES
State and local governments have three major sources of revenues: taxes and fees, revenues from other governments, and debt. Governments may issue bonds, especially for capital outlays. The capital and interest on the bonds are later repaid from taxes and fees. Thus, interest is an additional expenditure for governments. Interest expenditures include both interest on long-term credit obligations of the government and its agencies, whether backed by the government’s full faith and credit or nonguaranteed, and interest bearing short-term credit obligations (U.S. Census Bureau, 2006).

State and local governments in Kansas spent over $812 million or 4 percent of their total budget on interest in SFY2007. Interest expenditures ranged from 2 percent of total expenditures in Wyoming to 6 percent in Massachusetts.

Interest expenditures by state and local governments in Kansas were $293 per capita in SFY2007, placing it 25th among all states. This represented a 48 percent increase from spending in SFY1999, $198 (2007$).

The median level of expenditure in SFY 2007 was $291 per capita by the state of Michigan and the national average was $309. Georgia spent the least per capita on interest, $136, and Alaska the most, $648.

Kansas was the median value with interest expenditures of $8.01 per $1,000 of personal income in SFY2007. This was an 8 percent increase from SFY1999, $7.42 (2007$).

Georgia spent the least in SFY2007, $4.07 per $1,000 of income, and Alaska the most, $16.18. The average expenditure was $8.00 per $1,000 of income.

ENTERPRISE AND INSURANCE TRUST EXPENDITURES
Enterprise expenditures are those that state and local governments incur in the operation of utilities and liquor stores. Utility expenditures are those related to the operation, maintenance, and construction of government owned and operated water supply, electric light and power, gas supply, and mass transit systems (U.S. Census Bureau, 2006). Liquor store expenditures are those for the purchase of liquor for resale and provision and operation of government-maintained alcoholic...
beverage monopoly systems. There are 17 states with this monopoly over liquor distribution and retail. Kansas is not one of these states.

Insurance trust expenditures consist of social insurance payments to beneficiaries, public employee retirement annuities and other benefits, and withdrawals, of insurance or employee retirement contributions. In effect, it only includes amounts paid to beneficiaries or members of the systems (U.S. Census Bureau, 2006)

Enterprise and insurance trust expenditures by state and local governments in Kansas totaled $2.4 billion in SFY2007. This represented 11.6 percent of total expenditures. Insurance trust expenditures represented 51 percent of this spending. Utilities comprised the remaining 49 percent – water supply 21 percent, electric power 24 percent, gas supply 3 percent, and transit one percent.

State and local enterprise and insurance trust expenditures were $872 per capita in Kansas for SFY2007. This placed the state 40th in the nation. The state spent $280 less per capita in SFY1999, $590 (2007$).

Enterprise and insurance trust expenditures ranged from $445 per capita in West Virginia to $3,580 in Washington, D.C. The level of expenditure in the District of Columbia was significantly more than that in second ranked Nebraska, $2,434.

Kansas ranked 40th in enterprise and insurance trust expenditures per $1,000 of personal income in SFY2007 with expenditures of $23.87. This represented an 8 percent increase from SFY1999 when the state spent $22.09 (2007$) per $1,000 of income.

In SFY2007, the median was $28.91 per $1,000 of income, and the national average was slightly higher at $34.59. Nebraska had the highest enterprise and insurance trust expenditures, $66.91 per $1,000 of income. Again, West Virginia had the lowest, $15.16 per $1,000 of income.
MISCELLANEOUS EXPENDITURES

Miscellaneous expenditures are those general expenditures not falling within any standard functional category and unallocated amounts relating to two or more functions (U.S. Census Bureau, 2006). They include expenditures for the provision and operation of commercial facilities not classified under particular functions, such as banks and hail insurance systems. The majority of states, including Kansas, do not have expenditures for these types of commercial facilities.

Miscellaneous expenditures totaled almost $1.3 billion for state and local governments in Kansas in SFY2007. This represented 6 percent of total expenditures. Miscellaneous expenditures ranged from 2 percent of total government expenditures in Nevada to 14 percent in Alaska.

In SFY2007, Kansas state and local governments had miscellaneous expenditures of $463 per capita. This placed the state 16th in a ranking of all states and compared to spending of $318 (2007$) per capita in SFY1999.

Miscellaneous expenditures ranged from $141 per capita in Nevada to $2,343 in Alaska. Alaska spent nearly two times that of second ranked District of Columbia, $1,413.

Kansas had the 13th largest miscellaneous expenditures per $1,000 of personal income in SFY2007 at $12.67. This represented a 6 percent increase from SFY1999, $11.92 (2007$).

State and local miscellaneous expenditures averaged $10.69 per $1,000 of personal income in SFY2007. The median was lower at $9.24. Alaska again spent the most on miscellaneous expenditures, $58.50 per $1,000 of income. Nevada spent the least, $3.54 per $1,000 of income.

Table 12. State and Local Miscellaneous Expenditures, SFY2007

<table>
<thead>
<tr>
<th>Expenditure Per Capita</th>
<th>Expenditure Per $1,000 of Personal Income</th>
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</thead>
<tbody>
<tr>
<td>United States</td>
<td>$413</td>
</tr>
<tr>
<td>Nevada</td>
<td>$141</td>
</tr>
<tr>
<td>Montana</td>
<td>$330</td>
</tr>
<tr>
<td>Alaska</td>
<td>$2,343</td>
</tr>
<tr>
<td>Kansas</td>
<td>$463</td>
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<tr>
<td></td>
<td>16</td>
</tr>
<tr>
<td>Minimum</td>
<td>$3.54 to $6.20</td>
</tr>
<tr>
<td>Nevada</td>
<td>$6.34 to $7.89</td>
</tr>
<tr>
<td>Montana</td>
<td>$7.95 to $12.75</td>
</tr>
<tr>
<td>Alaska</td>
<td>$14.25 to $58.50</td>
</tr>
<tr>
<td>Median</td>
<td>$9.24</td>
</tr>
<tr>
<td>Maximum</td>
<td>$58.50</td>
</tr>
<tr>
<td>Kansas</td>
<td>$12.67</td>
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<td>13</td>
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Washington, D.C.
CONCLUSIONS

It is difficult to draw definitive conclusions from the information presented due to the number of factors that may affect state rankings. We can, however, point out some of the more obvious findings and speculate about their causes and implications.

In 2007, Kansas ranked near the median level of population and per capita personal income, 33rd and 24th among all states respectively. Thus, we might expect expenditures for most functions to be near the midpoint. We would, however, expect characteristics unique to the state to affect spending for certain functions. For example, Kansas’ relatively low population density and large rural expanses may impact spending on categories such as transportation and education.

The state ranked below the median in total spending as shown in Table 13, 38th per capita and 39th per $1,000 of personal income. This might suggest that the state’s citizens have relatively fewer wants and needs than those elsewhere, assuming that spending levels reflect the will of the electorate. It also may indicate that the cost of providing services is relatively lower in Kansas or that state and local governments are relatively more efficient in service delivery.

Though Kansas ranked low on overall spending, rankings varied considerably by category. As illustrated in Table 13, Kansas ranked below the median in 2007 on public safety, environment, housing programs, administrative and insurance trusts and enterprises. Fewer service demands, more efficient service delivery, and greater levels of service privatization are all possible explanations for low social service, public safety, housing, and insurance trust/enterprise spending in Kansas. Kansas’ low rank on interest expenditures likely reflects the state’s “pay as you go” mentality. Though this attitude may help avoid debt costs, it could also indicate the state is under-funding infrastructure maintenance and/or under-investing in projects that enhance future productivity.

The state ranked above the median on transportation and miscellaneous spending. High spending on transportation may suggest relatively greater road mileage in the state or heavy investment in transportation infrastructure in SFY2007. The many items that fall into the miscellaneous category make it difficult to explain the relatively high level of spending on it.

Kansas ranked at or near the median for spending on education, social services, and interest in 2007. Education expenditures are slightly higher than the median, which may reflect greater demand for educational services or the large number of small school districts in the state. A higher number of districts may result in fewer economies of scale and/or less efficient service delivery.

Overall, in Kansas we find real per capita expenditures rising over time for virtually all categories, while real expenditures per $1,000 of income have increased at a lesser rate or have decreased. The rise in per capita expenditures over time suggests that either the cost of providing the same level of service per person has grown over time or that governments are providing more services per person today than in the past. Declines in spending per $1,000 of income suggest that the real wealth of Kansas residents as measured by income has increased relatively faster than the cost of providing government services. Kansans, then, were better able to afford the services they received in 2007 than 1999.

In summary, state and local government expenditure patterns in Kansas show the state to be one that values self-reliance, fiscal responsibility, and small government. Readers must decide for themselves whether the patterns observed in the data fit their impressions of the situation in Kansas. The authors do not intend to recommend or advocate any particular spending priorities. Rather, we hope this information will inform citizens and policymakers and aid future decision-making.
<table>
<thead>
<tr>
<th>Table 13. State and Local Government Expenditures in Kansas by Type, 2007$</th>
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<tr>
<td><strong>Per Capita</strong></td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>Education</strong></td>
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<td><strong>Social Service</strong></td>
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<td><strong>Administrative</strong></td>
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<td><strong>Interest</strong></td>
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<td><strong>Enterprise</strong></td>
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<tr>
<td><strong>Miscellaneous</strong></td>
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REFERENCES


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