

The budget hole has been known for years and would have existed even without the recession.

State General Fund Profile — FY 2005 – FY 2009 (Amounts in Millions)

	Approved FY 2005	Approved FY 2006	Revised FY 2007	Projected FY 2008	Projected FY 2009
Beginning Balance	\$ 327.5	\$ 478.7	\$ 620.4	\$ 396.6	\$ (3.4)
Tax Reductions Approved (Total SGF Impact Including Net Transfers)	0.0	0.0	(17.5)	(44.1)	(61.4)
Receipts (April 2005 Consensus) - 4.0 Percent Growth in FY 2008 and FY 2009)	4,841.3	5,308.7	5,310.1	5,407.5	5,611.4
Adjusted Receipts	4,841.3	5,308.7	5,292.6	5,363.4	5,550.0
Total Available	\$ 5,168.8	\$ 5,787.4	\$ 5,913.0	\$ 5,760.0	\$ 5,546.6
K-12 Additional Funding - \$466.2 Million Over 3 Years (SB 549)	--	--	194.5	149.0	122.7
Less All Other Expenditures	4,690.1	5,167.0	5,321.9	5,614.4	5,850.5
Total Expenditures	4,690.1	5,167.0	5,516.4	5,763.4	5,973.2
<b>Ending Balance</b>	<b>\$ 478.7</b>	<b>\$ 620.4</b>	<b>\$ 396.6</b>	<b>\$ (3.4)</b>	<b>\$ (426.6)</b>
Ending Balance as a Percentage of Expenditures	10.2%	12.0%	7.2%	(0.1)%	(7.1)%
Receipts Above Expenditures	\$ 151.2	\$ 141.7	\$ (223.8)	\$ (400.0)	\$ (423.2)

Footnotes:

- 1) FY 2006 and FY 2007 expenditures are as approved by the 2006 Legislature.
- 2) FY 2006 revised receipts and FY 2007 projected receipts reflect the estimates of the Consensus Revenue estimating group as of April 17, 2006, as adjusted for legislation.
- 3) FY 2008 base receipts assume a 4.0 percent growth, plus year-to-date receipts above the estimates; and expenditures include out-year significant obligations (i.e., SRS and Aging caseloads, KPERS, and KDOT bonds, etc.) Other areas of government are frozen at the FY 2007 level.
- 4) \$466.2 million in new K-12 Funding FY 2007 - FY 2009 - SB 549.

This state general fund profile was prepared in the summer of 2006, just after the *Montoy* three-year funding plan, SB 549, was adopted. It shows that lawmakers knew that the state ending balance would be \$426.6M in the hole at the end of the three years. During this three year period the legislature continued to cut revenues (taxes) knowing that they could not meet their constitutional obligation to fund schools.

At the time the school funding plan was adopted, it was known that the state's expenditures would exceed the state's revenues in 2007, 2008 and 2009. There had been a surplus in 2005 and 2006.