

**Senate Substitute for
Substitute for HOUSE BILL No. 2052**

By Committee on Ways and Means

3-14

1 AN ACT making and concerning appropriations for the fiscal years ending
2 June 30, 2017, June 30, 2018, June 30, 2019, June 30, 2020, June 30,
3 2021, June 30, 2022, June 30, 2023, June 30, 2024, and June 30, 2025,
4 for state agencies; authorizing certain transfers, capital improvement
5 projects and fees, imposing certain restrictions and limitations, and
6 directing or authorizing certain receipts, disbursements, procedures and
7 acts incidental to the foregoing; amending K.S.A. 2016 Supp. 74-4920,
8 75-2263, 75-2319, 75-4209 and 75-6706 and repealing the existing
9 sections; also repealing K.S.A. 2016 Supp. 75-2319d.

10

11 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. (a) For the fiscal years ending June 30, 2017, June 30,
13 2018, June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022, June
14 30, 2023, June 30, 2024, and June 30, 2025, appropriations are hereby
15 made, restrictions and limitations are hereby imposed, and transfers,
16 capital improvement projects, fees, receipts, disbursements, procedures
17 and acts incidental to the foregoing are hereby directed or authorized as
18 provided in this act.

19 (b) The agencies named in this act are hereby authorized to initiate
20 and complete the capital improvement projects specified and authorized by
21 this act or for which appropriations are made by this act, subject to the
22 restrictions and limitations imposed by this act.

23 (c) This act shall not be subject to the provisions of K.S.A. 75-
24 6702(a), and amendments thereto.

25 (d) The appropriations made by this act shall not be subject to the
26 provisions of K.S.A. 46-155, and amendments thereto.

27

Sec. 2.

28

ABSTRACTERS' BOARD OF EXAMINERS

29 (a) On the effective date of this act, the expenditure limitation
30 established for the fiscal year ending June 30, 2017, by section 30(a) of
31 chapter 104 of the 2015 Session Laws of Kansas on the abstracters' fee
32 fund (016-00-2700-0100) of the abstracters' board of examiners is hereby
33 increased from \$23,348 to \$26,348.

34 (b) On the effective date of this act, or as soon thereafter as moneys
35 are available, the director of accounts and reports shall transfer \$1,995

1 from the abstracters' fee fund (016-00-2700-0100) of the abstracters' board
2 of examiners to the general fees fund (173-00-2197-2020) of the
3 department of administration.

4 Sec. 3.

5 KANSAS BOARD OF BARBERING

6 (a) On the effective date of this act, the expenditure limitation
7 established for the fiscal year ending June 30, 2017, by section 97(c) of
8 chapter 12 of the 2016 Session Laws of Kansas on the board of barbering
9 fee fund (100-00-2704-0100) of the Kansas board of barbering is hereby
10 decreased from \$176,734 to \$173,579.

11 Sec. 4.

12 KANSAS STATE BOARD OF COSMETOLOGY

13 (a) On the effective date of this act, the expenditure limitation
14 established for the fiscal year ending June 30, 2017, by section 97(c) of
15 chapter 12 of the 2016 Session Laws of Kansas on the cosmetology fee
16 fund (149-00-2706-0100) of the Kansas state board of cosmetology is
17 hereby increased from \$993,258 to \$994,543.

18 Sec. 5.

19 KANSAS BOARD OF EXAMINERS IN FITTING
20 AND DISPENSING OF HEARING INSTRUMENTS

21 (a) On the effective date of this act, the expenditure limitation
22 established for the fiscal year ending June 30, 2017, by section 40(a) of
23 chapter 104 of the 2015 Session Laws of Kansas on the hearing instrument
24 board fee fund (266-00-2712-9900) of the Kansas board of examiners in
25 fitting and dispensing of hearing instruments is hereby increased from
26 \$26,448 to \$31,933.

27 Sec. 6.

28 BOARD OF NURSING

29 (a) On the effective date of this act, the expenditure limitation
30 established for the fiscal year ending June 30, 2017, by section 97(c) of
31 chapter 12 of the 2016 Session Laws of Kansas on the board of nursing fee
32 fund (482-00-2716-0200) of the board of nursing is hereby decreased from
33 \$2,459,665 to \$2,430,848.

34 Sec. 7.

35 STATE BOARD OF PHARMACY

36 (a) There is appropriated for the above agency from the following
37 special revenue fund or funds for the fiscal year ending June 30, 2017, all
38 moneys now or hereafter lawfully credited to and available in such fund or
39 funds, except that expenditures shall not exceed the following:

40 Prescription drug overdose data-driven

41 prevention initiative – federal

42 fund (531-00-3294-3294).....No limit

43 Sec. 8.

1 STATE BOARD OF VETERINARY EXAMINERS

2 (a) On the effective date of this act, the expenditure limitation
3 established for the fiscal year ending June 30, 2017, by section 97(c) of
4 chapter 12 of the 2016 Session Laws of Kansas on the veterinary
5 examiners fee fund (700-00-2727-1100) of the state board of veterinary
6 examiners is hereby decreased from \$393,111 to \$333,785.

7 Sec. 9.

8 LEGISLATURE

9 (a) There is appropriated for the above agency from the state general
10 fund for the fiscal year ending June 30, 2017, the following:

11 Operations (including official	
12 hospitality) (428-00-1000-0103).....	\$634,413
13 Legislative information	
14 system (428-00-1000-0300).....	\$697,977

15 Sec. 10.

16 DIVISION OF POST AUDIT

17 (a) On the effective date of this act, of the \$2,349,908 appropriated
18 for the above agency for the fiscal year ending June 30, 2017, by section
19 55(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
20 general fund in the operations (including legislative post audit committee)
21 account (540-00-1000-0100), the sum of \$144,516 is hereby lapsed.

22 Sec. 11.

23 ATTORNEY GENERAL

24 (a) On the effective date of this act, of the \$4,860,924 appropriated
25 for the above agency for the fiscal year ending June 30, 2017, by section
26 59(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
27 general fund in the operating expenditures account (082-00-1000-0103),
28 the sum of \$2,315 is hereby lapsed.

29 (b) There is appropriated for the above agency from the following
30 special revenue fund or funds for the fiscal year ending June 30, 2017, all
31 moneys now and hereafter lawfully credited to and available in such fund
32 or funds, except that expenditures shall not exceed the following:

33 Bail enforcement agents fee	
34 fund (082-00-2259-2259).....	No limit

35 Sec. 12.

36 KANSAS PUBLIC EMPLOYEES

37 RETIREMENT SYSTEM

38 (a) On the effective date of this act, or as soon thereafter as moneys
39 are available, notwithstanding the provisions of K.S.A. 38-2102, and
40 amendments thereto, or any other statute, the director of accounts and
41 reports shall transfer \$316,078 from the Kansas endowment for youth fund
42 (365-00-7000-2000) to the state general fund.

43 Sec. 13.

1 STATE CORPORATION COMMISSION

2 (a) There is appropriated for the above agency from the following
3 special revenue fund or funds for the fiscal year ending June 30, 2017, all
4 moneys now or hereafter lawfully credited to and available in such fund or
5 funds, except that expenditures other than refunds authorized by law shall
6 not exceed the following:

- 7 Energy grants management
8 fund (143-00-3157-3150).....No limit
9 Carbon dioxide injection well
10 and underground storage
11 fund (143-00-2358-2500).....No limit
12 Compressed air energy storage fee
13 fund (143-00-2454-2410).....No limit
14 Sec. 14.

15 CITIZENS' UTILITY RATEPAYER BOARD

16 (a) On the effective date of this act, the expenditure limitation
17 established for the fiscal year ending June 30, 2017, by section 97(c) of
18 chapter 12 of the 2016 Session Laws of Kansas on the utility regulatory
19 fee fund (122-00-2030-2000) of the citizens' utility ratepayer board is
20 hereby increased from \$915,214 to \$975,213.

21 Sec. 15.

22 DEPARTMENT OF ADMINISTRATION

23 (a) There is appropriated for the above agency from the state general
24 fund for the fiscal year ending June 30, 2017, the following:

25 Debt service refunding – 2016H.....\$1,295,392

26 (b) On the effective date of this act, of the \$2,640,800 appropriated
27 for the above agency for the fiscal year ending June 30, 2017, by section
28 185(b) of chapter 104 of the 2015 Session Laws of Kansas from the
29 expanded lottery act revenues fund in the statehouse improvements – debt
30 service account (173-00-1700-1701), the sum of \$2,549,792 is hereby
31 lapsed.

32 Sec. 16.

33 STATE BOARD OF TAX APPEALS

34 (a) On the effective date of this act, of the \$798,281 appropriated for
35 the above agency for the fiscal year ending June 30, 2017, by section 87(a)
36 of chapter 104 of the 2015 Session Laws of Kansas from the state general
37 fund in the operating expenditures account (562-00-1000-0103), the sum
38 of \$232 is hereby lapsed.

39 Sec. 17.

40 DEPARTMENT OF COMMERCE

41 (a) On the effective date of this act, of the \$8,848,267 appropriated
42 for the above agency for the fiscal year ending June 30, 2017, by section
43 95(a) of chapter 104 of the 2015 Session Laws of Kansas from the state

1 economic development initiatives fund in the operating grant (including
2 official hospitality) account (300-00-1900-1110), the sum of \$2,294,138 is
3 hereby lapsed.

4 (b) On the effective date of this act, of the \$1,353,181 appropriated
5 for the above agency for the fiscal year ending June 30, 2017, by section
6 95(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
7 economic development initiatives fund in the innovation growth program
8 account (300-00-1900-1187), the sum of \$1,621 is hereby lapsed.

9 (c) On the effective date of this act, or as soon thereafter as moneys
10 are available, the director of accounts and reports shall transfer \$5,000
11 from the state affordable airfare fund (300-00-2679-2600) to the state
12 general fund.

13 (d) On the effective date of this act, or as soon thereafter as moneys
14 are available, the director of accounts and reports shall transfer \$3,026,150
15 from the state economic development initiatives fund to the state general
16 fund.

17 Sec. 18.

18 DEPARTMENT OF LABOR

19 (a) On the effective date of this act, the expenditure limitation
20 established for the fiscal year ending June 30, 2017, by section 97(c) of
21 chapter 12 of the 2016 Session Laws of Kansas on the workmen's
22 compensation fee fund (296-00-2124-2220) of the department of labor is
23 hereby increased from \$14,250,736 to \$14,508,236.

24 (b) On the effective date of this act, the expenditure limitation
25 established for the fiscal year ending June 30, 2017, by section 97(c) of
26 chapter 12 of the 2016 Session Laws of Kansas on the federal indirect cost
27 offset fund (296-00-2302-2280) of the department of labor is hereby
28 increased from \$92,940 to \$101,157.

29 (c) On the effective date of this act, the expenditure limitation for the
30 payment of rehabilitation and repair projects established for the fiscal year
31 ending June 30, 2017, by section 38(c) of chapter 12 of the 2016 Session
32 Laws of Kansas on the workmen's compensation fee fund (296-00-2124-
33 2228) of the department of labor is hereby increased from \$257,500 to
34 \$385,000.

35 Sec. 19.

36 KANSAS COMMISSION ON
37 VETERANS AFFAIRS OFFICE

38 (a) There is appropriated for the above agency from the state general
39 fund for the fiscal year ending June 30, 2017, the following:

40	Scratch lotto – Kansas soldiers'	
41	home (694-00-1000-0310).....	\$14,885
42	Scratch lotto – veterans	
43	services (694-00-1000-0330).....	\$21,202

1 (b) On the effective date of this act, the expenditure limitation
2 established for the fiscal year ending June 30, 2017, by section 97(c) of
3 chapter 12 of the 2016 Session Laws of Kansas on the soldiers' home fee
4 fund (694-00-2241-2100) of the Kansas commission on veterans affairs
5 office is hereby increased from \$1,564,393 to \$1,612,860.

6 (c) On the effective date of this act, the expenditure limitation
7 established for the fiscal year ending June 30, 2017, by section 97(c) of
8 chapter 12 of the 2016 Session Laws of Kansas on the federal domiciliary
9 per diem fund (694-00-3220) of the Kansas commission on veterans affairs
10 office is hereby decreased from \$1,593,136 to \$1,400,109.

11 (d) On the effective date of this act, the expenditure limitation
12 established for the fiscal year ending June 30, 2017, by section 97(c) of
13 chapter 12 of the 2016 Session Laws of Kansas on the federal long term
14 care per diem fund (694-00-3232) of the Kansas commission on veterans
15 affairs office is hereby increased from \$7,480,610 to \$7,832,931.

16 (e) On the effective date of this act, the expenditure limitation
17 established for the fiscal year ending June 30, 2017, by section 97(c) of
18 chapter 12 of the 2016 Session Laws of Kansas on the commission on
19 veterans affairs federal fund (694-00-3241-3340) of the Kansas
20 commission on veterans affairs office is hereby decreased from \$196,050
21 to \$186,994.

22 Sec. 20.

23 DEPARTMENT OF HEALTH AND ENVIRONMENT –
24 DIVISION OF PUBLIC HEALTH

25 (a) On the effective date of this act, of the amounts appropriated and
26 reappropriated for the above agency for the fiscal year ending June 30,
27 2017, by section 103(a) of chapter 104 of the 2015 Session Laws of
28 Kansas from the state general fund in the vaccine purchases account (264-
29 00-1000-0900), the sum of \$1,000,945 is hereby lapsed.

30 Sec. 21.

31 DEPARTMENT OF HEALTH AND ENVIRONMENT –
32 DIVISION OF HEALTH CARE FINANCE

33 (a) There is appropriated for the above agency from the state general
34 fund for the fiscal year ending June 30, 2017, the following:

35 Other medical

36 assistance (264-00-1000-3026).....\$25,194,310

37 Sec. 22.

38 KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES

39 (a) There is appropriated for the above agency from the state general
40 fund for the fiscal year ending June 30, 2017, the following:

41 Larned state hospital – operating

42 expenditures (410-00-1000-0103).....\$6,495,710

43 Osawatomie state hospital – operating

1 expenditures (494-00-1000-0100).....\$9,000,000
2 Mental health and
3 retardation services aid and
4 assistance (039-00-1000-4001).....\$10,300,000

5 (b) On the effective date of this act, of the \$305,121,668 appropriated
6 for the above agency for the fiscal year ending June 30, 2017, by section
7 109(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
8 general fund in the LTC – medicaid assistance – NF account (039-00-
9 1000-0520), the sum of \$38,948,367 is hereby lapsed.

10 (c) On the effective date of this act, of the \$3,855,852 appropriated
11 for the above agency for the fiscal year ending June 30, 2017, by section
12 20(a) of chapter 111 of the 2016 Session Laws of Kansas from the state
13 general fund in the state operations account (039-00-1000-0801), the sum
14 of \$18,012 is hereby lapsed.

15 (d) On the effective date of this act, of the \$20,207,788 appropriated
16 for the above agency for the fiscal year ending June 30, 2017, by section
17 109(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
18 general fund in the Larned state hospital – sexual predator treatment
19 program account (410-00-1000-0200), the sum of \$41,577 is hereby
20 lapsed.

21 (e) On the effective date of this act, the expenditure limitation
22 established for the fiscal year ending June 30, 2017, by section 97(c) of
23 chapter 12 of the 2016 Session Laws of Kansas on the Kansas neurological
24 institute fee fund (363-00-2059-2000) of the Kansas department for aging
25 and disability services is hereby increased from \$1,296,245 to \$1,296,745.

26 (f) On the effective date of this act, the expenditure limitation
27 established for the fiscal year ending June 30, 2017, by section 97(c) of
28 chapter 12 of the 2016 Session Laws of Kansas on the Larned state
29 hospital fee fund (410-00-2073-2100) of the Kansas department for aging
30 and disability services is hereby decreased from \$4,441,913 to \$2,547,409.

31 (g) On the effective date of this act, the expenditure limitation
32 established for the fiscal year ending June 30, 2017, by section 97(c) of
33 chapter 12 of the 2016 Session Laws of Kansas on the Osawatomie state
34 hospital fee fund (494-00-2079-4200) of the Kansas department for aging
35 and disability services is hereby increased from \$5,989,674 to \$6,489,674.

36 (h) On the effective date of this act, the expenditure limitation
37 established for the fiscal year ending June 30, 2017, by section 97(c) of
38 chapter 12 of the 2016 Session Laws of Kansas on the title XIX fund (039-
39 00-2595-4130) of the Kansas department for aging and disability services
40 is hereby decreased from \$42,533,932 to \$35,295,992.

41 ***{(i) In addition to the other purposes for which expenditures may be***
42 ***made by the Kansas department for aging and disability services from***
43 ***the moneys appropriated from the state general fund or any special***

1 *revenue fund or funds for fiscal year 2017 as authorized by chapter 104*
2 *of the 2015 Session Laws of Kansas, chapters 12 and 111 of the 2016*
3 *Session Laws of Kansas, this or other appropriation act of the 2017*
4 *regular session of the legislature, expenditures shall be made by the*
5 *Kansas department for aging and disability services from such moneys*
6 *appropriated in fiscal year 2017 in an amount not less than \$2,000,000*
7 *for the purpose of opening and operating 20 additional beds at the*
8 *Osawatomie state hospital: Provided, That if the secretary is unable to*
9 *open and operate such additional beds, the secretary shall expend such*
10 *funds to enter into an agreement for such additional bed space at a*
11 *third-party facility.*

12 *(j) In addition to the other purposes for which expenditures may be*
13 *made by the Kansas department for aging and disability services from*
14 *the moneys appropriated from the state general fund or any special*
15 *revenue fund or funds for fiscal year 2017 as authorized by chapter 104*
16 *of the 2015 Session Laws of Kansas, chapters 12 and 111 of the 2016*
17 *Session Laws of Kansas, this or other appropriation act of the 2017*
18 *regular session of the legislature, expenditures shall be made by the*
19 *Kansas department for aging and disability services from such moneys*
20 *appropriated in fiscal year 2017 in an amount not less than \$1,000,000*
21 *for the purpose of entering into an agreement with community providers*
22 *for targeted mental health residential treatment.}*

23 Sec. 23.

24 KANSAS DEPARTMENT FOR
25 CHILDREN AND FAMILIES

26 (a) There is appropriated for the above agency from the state general
27 fund for the fiscal year ending June 30, 2017, the following:

28 Youth services aid and
29 assistance (629-00-1000-7020).....\$4,015,411

30 (b) On the effective date of this act, or as soon thereafter as moneys
31 are available, the director of accounts and reports shall transfer \$393,307
32 from the children's initiatives fund to the state general fund.

33 Sec. 24.

34 DEPARTMENT OF EDUCATION

35 (a) There is appropriated for the above agency from the state general
36 fund for the fiscal year ending June 30, 2017, the following:

37 Special education services
38 aid (652-00-1000-0700).....\$1,341,828

39 Supplemental general state
40 aid (652-00-1000-0840).....\$3,635,104

41 ***{KPERs – employer contributions (652-00-1000-0100)\$218,017}***

42 (b) On the effective date of this act, of the \$2,760,946,624
43 appropriated for the above agency for the fiscal year ending June 30, 2017,

1 by section 3(a) of chapter 4 of the 2015 Session Laws of Kansas from the
2 state general fund in the block grants to USDs account (652-00-1000-
3 0500), the sum of \$229,863,160 is hereby lapsed.

4 (c) On the effective date of this act, of the \$4,971,500 appropriated
5 for the above agency for the fiscal year ending June 30, 2017, by section
6 3(a) of chapter 4 of the 2015 Session Laws of Kansas from the state
7 general fund in the school district juvenile detention facilities and Flint
8 Hills job corps center grants account (652-00-1000-0290), the sum of
9 \$228,672 is hereby lapsed.

10 (d) On the effective date of this act, of the \$327,500 appropriated for
11 the above agency for the fiscal year ending June 30, 2017, by section 3(a)
12 of chapter 4 of the 2015 Session Laws of Kansas from the state general
13 fund in the governor's teaching excellence scholarships and awards
14 account (652-00-1000-0770), the sum of \$68,989 is hereby lapsed.

15 (e) On June 30, 2017, or as soon thereafter as moneys are available,
16 notwithstanding the provisions of K.S.A. 8-267 or 8-272, and amendments
17 thereto, or any other statute, the director of accounts and reports shall
18 transfer \$500,000 from the state safety fund to the state general fund:
19 *Provided*, That the transfer of such amount shall be in addition to any other
20 transfer from the state safety fund to the state general fund as prescribed
21 by law: *Provided further*, That the amount transferred from the state safety
22 fund to the state general fund pursuant to this subsection is to reimburse
23 the state general fund for accounting, auditing, budgeting, legal, payroll,
24 personnel and purchasing services and any other governmental services
25 which are performed on behalf of the department of education by other
26 state agencies which receive appropriations from the state general fund to
27 provide such services.

28 (f) On the effective date of this act, any unencumbered balance in the
29 following account of the children's initiatives fund is hereby lapsed: Pre-k
30 pilot account (652-00-2000-2535).

31 Sec. 25.

32 STATE LIBRARY

33 (a) On the effective date of this act, of the \$1,381,187 appropriated
34 for the above agency for the fiscal year ending June 30, 2017, by section
35 117(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
36 general fund in the operating expenditures account (434-00-1000-0300),
37 the sum of \$87,327 is hereby lapsed.

38 (b) There is appropriated for the above agency from the state general
39 fund for the fiscal year ending June 30, 2017, the following:

40 Grants to libraries and library
41 systems (434-00-1000-0430).....\$87,327

42 Sec. 26.

43 STATE HISTORICAL SOCIETY

1 (a) On the effective date of this act, of the \$4,075,408 appropriated
2 for the above agency for the fiscal year ending June 30, 2017, by section
3 123(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
4 general fund in the operating expenditures account (288-00-1000-0083),
5 the sum of \$866 is hereby lapsed.

6 (b) On the effective date of this act, of the \$250,000 appropriated for
7 the above agency for the fiscal year ending June 30, 2017, by section
8 201(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
9 general fund in rehabilitation and repair projects account (288-00-1000-
10 8088), the sum of \$1,726 is hereby lapsed.

11 (c) On the effective date of this act, for the fiscal year ending June 30,
12 2017, the expenditure limitation established by section 97(c) of chapter 12
13 of the 2016 Session Laws of Kansas on expenditures for state operations
14 from the heritage trust fund (288-00-7379-7603) of the state historical
15 society is hereby decreased from \$78,373 to \$56,053.

16 Sec. 27.

17 KANSAS STATE UNIVERSITY

18 (a) On the effective date of this act, of the \$3,700,000 appropriated
19 for the above agency for the fiscal year ending June 30, 2017, by section
20 207(c) of chapter 104 of the 2015 Session Laws of Kansas from the
21 Kansas educational building fund in the Seaton Hall, the college of
22 architecture planning and design debt service account (367-00-8001-
23 8320), the sum of \$1,900 is hereby lapsed.

24 Sec. 28.

25 UNIVERSITY OF KANSAS

26 (a) On the effective date of this act, of the \$1,629,288 appropriated
27 for the above agency for the fiscal year ending June 30, 2017, by section
28 213(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
29 general fund in the school of pharmacy debt service account (682-00-
30 1000-0320), the sum of \$1,552,888 is hereby lapsed.

31 Sec. 29.

32 DEPARTMENT OF CORRECTIONS

33 (a) On the effective date of this act, of the \$18,754,000 appropriated
34 for the above agency for the fiscal year ending June 30, 2017, by section
35 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
36 general fund in the purchase of services account (521-00-1000-0300), the
37 sum of \$6,000,000 is hereby lapsed.

38 (b) On the effective date of this act, of the \$21,383,874 appropriated
39 for the above agency for the fiscal year ending June 30, 2017, by section
40 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
41 general fund in the prevention and graduated sanctions community grants
42 account (521-00-1000-0221), the sum of \$1,089,245 is hereby lapsed.

43 (c) On the effective date of this act, of the \$500,000 appropriated for

1 the above agency for the fiscal year ending June 30, 2017, by section
2 221(b) of chapter 104 of the 2015 Session Laws of Kansas from the
3 correctional institutions building fund in the debt service payment for the
4 infrastructure projects bond issues account (521-00-8600-8170), the sum
5 of \$66,829 is hereby lapsed.

6 (d) On the effective date of this act, of the amounts appropriated and
7 reappropriated for the above agency for the fiscal year ending June 30,
8 2017, by sections 221(b) and 258(b) of chapter 104 of the 2015 Session
9 Laws of Kansas from the correctional institutions building fund in the debt
10 service payment for the prison capacity expansion projects bond issue
11 account (521-00-8600-8160), the sum of \$212,046 is hereby lapsed.

12 (e) On the effective date of this act, of the \$3,996,500 appropriated
13 for the above agency for the fiscal year ending June 30, 2017, by section
14 221(c) of chapter 104 of the 2015 Session Laws of Kansas from the state
15 institutions building fund in the debt service – Topeka complex and Larned
16 juvenile correctional facility account (521-00-8100-8119), the sum of
17 \$14,413 is hereby lapsed.

18 (f) Notwithstanding the provisions of K.S.A. 2016 Supp. 75-52,164,
19 and amendments thereto, or any other statute, during fiscal year 2017, the
20 director of accounts and reports shall transfer the amount certified
21 pursuant to K.S.A. 2016 Supp. 75-52,164(b), and amendments thereto,
22 from each account of the state general fund of a state agency that has been
23 determined by the secretary of corrections to be actual or projected cost
24 savings to the evidence based juvenile program account of the state
25 general fund of the department of corrections: *Provided*, That the secretary
26 of corrections shall transmit a copy of each such certification to the
27 director of legislative research.

28 (g) On the effective date of this act, of the \$66,945,895 appropriated
29 for the above agency for the fiscal year ending June 30, 2017, by section
30 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
31 general fund in the treatment and programs account (521-00-1000-0152)
32 of the department of corrections, the sum of \$4,335 is hereby lapsed.

33 (h) There is appropriated for the above agency from the state general
34 fund for the fiscal year ending June 30, 2017, the following:

35 Evidence based juvenile
36 program (521-00-1000-0050).....\$6,000,000
37 Sec. 30.

38 ADJUTANT GENERAL

39 (a) There is hereby appropriated for the above agency from the state
40 general fund for the fiscal year ending June 30, 2017, the following:

41 Disaster relief (034-00-1000-0200).....\$300,000

42 (b) On the effective date of this act, of the \$730,269 appropriated for
43 the above agency for the fiscal year ending June 30, 2017, by section

1 228(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
2 general fund in the debt service – rehabilitation and repair of the statewide
3 armories account (034-00-1000-8010), the sum of \$234,962 is hereby
4 lapsed.

5 (c) On the effective date of this act, of the amount reappropriated for
6 the above agency for the fiscal year ending June 30, 2017, by section
7 228(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
8 general fund in the state emergency operations center design account (034-
9 00-1000-8025), the sum of \$429,951 is hereby lapsed.

10 Sec. 31.

11 KANSAS HIGHWAY PATROL

12 (a) On the effective date of this act, or as soon thereafter as moneys
13 are available, the director of accounts and reports shall transfer \$65,387
14 from the Kansas highway patrol operations fund (280-00-2034-1100) of
15 the Kansas highway patrol to the state highway fund (276-00-4100-0403)
16 of the department of transportation.

17 (b) There is appropriated for the above agency from the following
18 special revenue fund or funds for the fiscal year ending June 30, 2017, all
19 moneys now or hereafter lawfully credited to and available in such fund or
20 funds, except that expenditures other than refunds authorized by law shall
21 not exceed the following:

22 State forfeiture fund – pending.....No limit

23 (c) On the effective date of this act, the expenditure limitation
24 established for the fiscal year ending June 30, 2017, by section 225(a) of
25 chapter 104 of the 2015 Session Laws of Kansas on the rehabilitation and
26 repair – training center – Salina account (280-00-2306-2004) of the
27 highway patrol is hereby increased from \$56,355 to no limit.

28 Sec. 32.

29 ATTORNEY GENERAL – KANSAS BUREAU OF INVESTIGATION

30 (a) On the effective date of this act, of the \$18,638,929 appropriated
31 for the above agency for the fiscal year ending June 30, 2017, by section
32 153(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
33 general fund in the operating expenditures account (083-00-1000-0083),
34 the sum of \$421,163 is hereby lapsed.

35 (b) On the effective date of this act, of the \$250,000 appropriated for
36 the above agency for the fiscal year ending June 30, 2017, by section
37 153(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
38 general fund in the meth lab cleanup account (083-00-1000-0200), the sum
39 of \$109,788 is hereby lapsed.

40 (c) There is appropriated for the above agency from the following
41 special revenue fund or funds for the fiscal year ending June 30, 2017, all
42 moneys now or hereafter lawfully credited to and available in such fund or
43 funds, except that expenditures other than refunds authorized by law shall

1 not exceed the following:
2 eCitation national priority safety program – federal
3 fund.....No limit
4 Sec. 33.

5 KANSAS SENTENCING COMMISSION

6 (a) Notwithstanding the provisions of K.S.A. 2016 Supp. 21-6824,
7 and amendments thereto, or any other statute, in addition to other purposes
8 for which expenditures may be made by the Kansas sentencing
9 commission from the substance abuse treatment programs account (626-
10 00-1000-0600) of the state general fund for fiscal year 2017 as authorized
11 by section 157(a) of chapter 104 of the 2015 Session Laws of Kansas,
12 expenditures may be made by the above agency from the substance abuse
13 treatment programs account of the state general fund for fiscal year 2017
14 for operating costs.

15 Sec. 34.

16 KANSAS DEPARTMENT OF AGRICULTURE

17 (a) On the effective date of this act, of the \$9,584,968 appropriated
18 for the above agency for the fiscal year ending June 30, 2017, by section
19 161(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
20 general fund in the operating expenditures account (046-00-1000-0053),
21 the sum of \$11,805 is hereby lapsed.

22 (b) There is appropriated for the above agency from the following
23 special revenue fund or funds for the fiscal year ending June 30, 2017, all
24 moneys now or hereafter lawfully credited to and available in such fund or
25 funds, except that expenditures other than refunds authorized by law shall
26 not exceed the following:

27 USGS water use grant.....No limit
28 Compensatory mitigation fund.....No limit

29 Sec. 35.

30 KANSAS DEPARTMENT OF WILDLIFE,
31 PARKS AND TOURISM

32 (a) There is appropriated for the above agency from the state
33 economic development initiatives fund for the fiscal year ending June 30,
34 2017, the following:

35 Travel and tourism operating
36 expenditures (710-00-1900-1901).....\$29,787

37 (b) On the effective date of this act, of the \$1,755,492 appropriated
38 for the above agency for the fiscal year ending June 30, 2017, by section
39 167(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
40 economic development initiatives fund in the operating expenditures
41 account (710-00-1900-1910), the sum of \$29,787 is hereby lapsed.

42 (c) On the effective date of this act, of the \$1,626,371 appropriated
43 for the above agency for the fiscal year ending June 30, 2017, by section

1 167(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
2 economic development initiatives fund in the state parks operating
3 expenditures account (710-00-1900-1920), the sum of \$500,000 is hereby
4 lapsed.

5 (d) On the effective date of this act, of the \$10,603 appropriated for
6 the above agency for the fiscal year ending June 30, 2017, by section
7 232(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
8 economic development initiatives fund in the debt service – Kansas City
9 district office account (710-00-1900-1960), the sum of \$10,395 is hereby
10 lapsed.

11 (e) On the effective date of this act, the expenditure limitation
12 established for the fiscal year ending June 30, 2017, by section 97(c) of
13 chapter 12 of the 2016 Session Laws of Kansas on the wildlife fee fund
14 (710-00-2300-2890) of the Kansas department of wildlife, parks and
15 tourism is hereby decreased from \$25,513,308 to \$25,476,788.

16 (f) On the effective date of this act, the expenditure limitation
17 established for the fiscal year ending June 30, 2017, by section 97(c) of
18 chapter 12 of the 2016 Session Laws of Kansas on the parks fee fund (710-
19 00-2122-2053) of the Kansas department of wildlife, parks and tourism is
20 hereby increased from \$7,782,766 to \$8,448,214.

21 (g) On the effective date of this act, the expenditure limitation
22 established for the fiscal year ending June 30, 2017, by section 97(c) of
23 chapter 12 of the 2016 Session Laws of Kansas on the boating fee fund
24 (710-00-2245-2813) of the Kansas department of wildlife, parks and
25 tourism is hereby decreased from \$1,324,797 to \$1,324,694.

26 (h) On the effective date of this act, the expenditure limitation
27 established for the fiscal year ending June 30, 2017, by section 97(c) of
28 chapter 12 of the 2016 Session Laws of Kansas on the department access
29 roads fund (710-00-2178-2761) of the Kansas department of wildlife,
30 parks and tourism is hereby increased from \$1,597,880 to \$1,617,880.

31 (i) In addition to the other purposes for which expenditures may be
32 made by the above agency from the wildlife fee fund for fiscal year 2017,
33 expenditures may be made by the above agency from the following capital
34 improvement account or accounts of the wildlife fee fund during fiscal
35 year 2017 for the following capital improvement project or projects,
36 subject to the expenditure limitations prescribed therefor:

37 Leavenworth county SFL spillway.....\$350,000

38 *Provided*, That all expenditures from each such capital improvement
39 account shall be in addition to any expenditure limitations imposed on the
40 wildlife fee fund for fiscal year 2017.

41 (j) In addition to the other purposes for which expenditures may be
42 made by the above agency from the sport fish restoration fund for fiscal
43 year 2017, expenditures may be made by the above agency from the

1 following capital improvement account or accounts of the sport fish
2 restoration fund during fiscal year 2017 for the following capital
3 improvement project or projects, subject to the expenditure limitations
4 prescribed therefor:

5 Leavenworth county SFL spillway.....\$1,050,000

6 *Provided*, That all expenditures from each such capital improvement
7 account shall be in addition to any expenditure limitations imposed on the
8 sport fish restoration fund for fiscal year 2017.

9 (k) In addition to the other purposes for which expenditures may be
10 made by the above agency from the recreational trails program fund for
11 fiscal year 2017, expenditures may be made by the above agency from the
12 following capital improvement account or accounts of the recreational
13 trails program fund during fiscal year 2017 for the following capital
14 improvement project or projects, subject to the expenditure limitations
15 prescribed therefor:

16 Flint hills nature trail.....\$1,600,000

17 *Provided*, That all expenditures from each such capital improvement
18 account shall be in addition to any expenditure limitations imposed on the
19 recreational trails program fund for fiscal year 2017.

20 Sec. 36.

21 DEPARTMENT OF TRANSPORTATION

22 (a) On the effective date of this act, the expenditure limitation
23 established for the fiscal year ending June 30, 2017, by section 97(c) of
24 chapter 12 of the 2016 Session Laws of Kansas on the agency operations
25 account (276-00-4100-0403) of the state highway fund is hereby decreased
26 from \$255,917,332 to \$250,917,332.

27 Sec. 37. (a) On the effective date of this act, the amount authorized to
28 be expended from each appropriation from the state general fund during
29 the fiscal year ending June 30, 2017, for employer contributions for
30 eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and
31 amendments thereto, under the Kansas public employees retirement
32 system pursuant to K.S.A. 74-4939, and amendments thereto, in the
33 aggregate, is hereby decreased by \$150,000,000.

34 (b) (1) On and after the date certified by the director of the budget
35 under subsection (b)(2), and notwithstanding the provisions of K.S.A. 74-
36 4920 and 74-4939, and amendments thereto, or any other statute, no state
37 agency shall pay to the Kansas public employees retirement system any
38 amounts during the remainder of the fiscal year ending June 30, 2017, that
39 constitute the state's contribution for employer contributions for eligible
40 employers as specified in K.S.A. 74- 4931(1), (2) and (3), and
41 amendments thereto, under the Kansas public employees retirement
42 system pursuant to K.S.A. 74-4939, and amendments thereto.

43 (2) During the fiscal year ending June 30, 2017, the director of the

1 budget shall continuously monitor the status of the state general fund with
2 regard to expenditures for any item of appropriation for employer
3 contributions to the Kansas public employee retirement system for the
4 employers who are eligible employers as specified in K.S.A. 74-4931(1),
5 (2) and (3), and amendments thereto, under the Kansas public employees
6 retirement system pursuant to K.S.A. 74-4939, and amendments thereto.
7 Periodically, the director of the budget shall estimate such expenditures in
8 fiscal year 2017 and the total amount of anticipated expenditures, demand
9 transfers and encumbrances of moneys in the state general fund for such
10 expenditures during the remainder of fiscal year 2017. Based on such
11 expenditure estimates, the director of the budget shall determine the
12 effective date under subsection (b)(1) necessary to provide the expenditure
13 reduction in subsection (a) and shall certify such effective date to the board
14 of trustees of the Kansas public employees retirement system. At the same
15 time as the director of the budget transmits such certification to the board
16 of trustees of the Kansas public employees retirement system, the director
17 of the budget shall transmit a copy of such certification to the director of
18 legislative research.

19 Sec. 38. (a) During fiscal year 2017, if the director of the budget
20 certified and the director of accounts and reports transferred any amount
21 appropriated from the following funds: expanded lottery act revenue fund,
22 state water plan fund, economic development initiatives fund, children's
23 initiatives fund, endowment for youth fund, educational buildings fund,
24 state institutions building fund or the correctional institutions building
25 fund, to the state general fund, pursuant to the authority granted in section
26 98(a)(2) of chapter 12 of the 2016 Session Laws of Kansas, then on the
27 effective date of this act, the director of accounts and reports shall lapse
28 the same amount certified and transferred from such fund: *Provided*, That
29 the director of the budget shall notify the director of legislative research of
30 any such lapse.

31 (b) During fiscal year 2017, if the director of the budget certifies any
32 amount appropriated from the following funds: expanded lottery act
33 revenue fund, state water plan fund, economic development initiatives
34 fund, children's initiatives fund, endowment for youth fund, educational
35 buildings fund, state institutions building fund or the correctional
36 institutions building fund, to the state general fund, pursuant to the
37 authority granted in section 98(a)(2) of chapter 12 of the 2016 Session
38 Laws of Kansas, then upon such certification, the director of accounts and
39 reports shall transfer the amount certified and lapse the same amount
40 certified and transferred from such fund: *Provided*, That the director of the
41 budget shall notify the director of legislative research of any such lapse.

42 ~~Sec. 39. (a) During the fiscal year ending June 30, 2017, no state~~
43 ~~agency named in chapter 104 of the 2015 Session Laws of Kansas, this act~~

~~1 or other appropriation act of the 2017 regular session of the legislature;
2 shall expend any moneys appropriated for the fiscal year ending June 30,
3 2017, from the state general fund or in any special revenue fund or funds
4 for such state agency by chapter 104 of the 2015 Session Laws of Kansas,
5 chapter 12 of the 2016 Session Laws of Kansas, chapter 111 of the 2016
6 Session laws of Kansas or in this or other appropriation act of the 2017
7 regular session of the legislature, for acquisition of a new or used
8 passenger car or truck as a replacement for a passenger car or truck owned
9 by the state agency, unless:~~

~~10 (1) The motor vehicle being replaced has an unadjusted odometer
11 reading of 130,000 miles or more for a passenger car or 150,000 miles or
12 more for a truck; or~~

~~13 (2) the passenger car or truck being replaced requires repairs that are
14 estimated to cost more than the amount equal to 33% of the replacement
15 value of a new or used passenger car or truck of the same class, as the case
16 may be, including parts and labor, in order to be safe to drive.~~

~~17 (b) Any state agency named in chapter 104 of the 2015 Session Laws
18 of Kansas, this act or other appropriation act of the 2017 regular session of
19 the legislature shall report on all passenger cars or trucks requested to be
20 replaced to the director of legislative research or such director's designee,
21 including:~~

~~22 (1) Vehicle model;~~

~~23 (2) vehicle year;~~

~~24 (3) vehicle mileage;~~

~~25 (4) cost of replacement; and~~

~~26 (5) an estimate of safety-related repairs necessary for a vehicle to be
27 replaced.~~

~~28 (c) As used in this section:~~

~~29 (1) "State agency" means each state agency named in chapter 104 of
30 the 2015 Session Laws of Kansas, this act or other appropriation act of the
31 2017 regular session of the legislature, except that state agency shall not
32 include the Kansas highway patrol;~~

~~33 (2) "passenger car" has the meaning ascribed thereto in K.S.A. 8-
34 1445, and amendments thereto; and~~

~~35 (3) "truck" has the meaning ascribed thereto in K.S.A. 8-1481, and
36 amendments thereto.~~

~~37 Sec. 40. (a) During the fiscal year ending June 30, 2018, no state
38 agency named in chapter 104 of the 2015 Session Laws of Kansas, this act
39 or other appropriation act of the 2017 regular session of the legislature
40 shall expend any moneys appropriated for the fiscal year ending June 30,
41 2018, from the state general fund or in any special revenue fund or funds
42 for such state agency in this or other appropriation act of the 2017 regular
43 session of the legislature, for acquisition of a new or used passenger car or~~

1 ~~truck as a replacement for a passenger car or truck owned by the state~~
2 ~~agency, unless:~~

3 ~~(1) The motor vehicle being replaced has an unadjusted odometer~~
4 ~~reading of 130,000 miles or more for a passenger car or 150,000 miles or~~
5 ~~more for a truck; or~~

6 ~~(2) the passenger car or truck being replaced requires repairs that are~~
7 ~~estimated to cost more than the amount equal to 33% of the replacement~~
8 ~~value of a new or used passenger car or truck of the same class, as the case~~
9 ~~may be, including parts and labor, in order to be safe to drive.~~

10 ~~(b) Any state agency named in chapter 104 of the 2015 Session Laws~~
11 ~~of Kansas, this act or other appropriation act of the 2017 regular session of~~
12 ~~the legislature shall report on all passenger cars or trucks requested to be~~
13 ~~replaced to the director of legislative research or such director's designee,~~
14 ~~including:~~

15 ~~(1) Vehicle model;~~

16 ~~(2) vehicle year;~~

17 ~~(3) vehicle mileage;~~

18 ~~(4) cost of replacement; and~~

19 ~~(5) an estimate of safety-related repairs necessary for a vehicle to be~~
20 ~~replaced.~~

21 ~~(e) As used in this section:~~

22 ~~(1) "State agency" means each state agency named in chapter 104 of~~
23 ~~the 2015 Session Laws of Kansas, this act or other appropriation act of the~~
24 ~~2017 regular session of the legislature, except that state agency shall not~~
25 ~~include the Kansas highway patrol;~~

26 ~~(2) "passenger car" has the meaning ascribed thereto in K.S.A. 8-~~
27 ~~1445, and amendments thereto; and~~

28 ~~(3) "truck" has the meaning ascribed thereto in K.S.A. 8-1481, and~~
29 ~~amendments thereto.~~

30 ~~Sec. 41, {39,}~~ K.S.A. 2016 Supp. 74-4920 is hereby amended to read
31 as follows: 74-4920. (1) (a) Upon the basis of each annual actuarial
32 valuation and appraisal as provided for in K.S.A. 74-4908(3)(a), and
33 amendments thereto, the board shall certify, on or before July 15 of each
34 year, to the division of the budget in the case of the state and to the agent
35 for each other participating employer an actuarially determined estimate of
36 the rate of contribution which will be required, together with all
37 accumulated contributions and other assets of the system, to be paid by
38 each such participating employer to pay all liabilities which shall exist or
39 accrue under the system, including amortization of the actuarial accrued
40 liability as determined by the board. The board shall determine the
41 actuarial cost method to be used in annual actuarial valuations, to
42 determine the employer contribution rates that shall be certified by the
43 board. Such certified rate of contribution, amortization methods and

1 periods and actuarial cost method shall be based on the standards set forth
2 in K.S.A. 74-4908(3)(a), and amendments thereto, and shall not be based
3 on any other purpose outside of the needs of the system.

4 (b) (i) For employers affiliating on and after January 1, 1999, upon
5 the basis of an annual actuarial valuation and appraisal of the system
6 conducted in the manner provided for in K.S.A. 74-4908, and amendments
7 thereto, the board shall certify, on or before July 15 of each year to each
8 such employer an actuarially determined estimate of the rate of
9 contribution which shall be required to be paid by each such employer to
10 pay all of the liabilities which shall accrue under the system from and after
11 the entry date as determined by the board, upon recommendation of the
12 actuary. Such rate shall be termed the employer's participating service
13 contribution and shall be uniform for all participating employers. Such
14 additional liability shall be amortized as determined by the board. For all
15 participating employers described in this section, the board shall determine
16 the actuarial cost method to be used in annual actuarial valuations to
17 determine the employer contribution rates that shall be certified by the
18 board.

19 (ii) The board shall determine for each such employer separately an
20 amount sufficient to amortize all liabilities for prior service costs which
21 shall have accrued at the time of entry into the system. On the basis of
22 such determination the board shall annually certify to each such employer
23 separately an actuarially determined estimate of the rate of contribution
24 which shall be required to be paid by that employer to pay all of the
25 liabilities for such prior service costs. Such rate shall be termed the
26 employer's prior service contribution.

27 (2) The division of the budget and the governor shall include in the
28 budget and in the budget request for appropriations for personal services
29 the sum required to satisfy the state's obligation under this act as certified
30 by the board and shall present the same to the legislature for allowance and
31 appropriation.

32 (3) Each other participating employer shall appropriate and pay to the
33 system a sum sufficient to satisfy the obligation under this act as certified
34 by the board.

35 (4) Each participating employer is hereby authorized to pay the
36 employer's contribution from the same fund that the compensation for
37 which such contribution is made is paid from or from any other funds
38 available to it for such purpose. Each political subdivision, other than an
39 instrumentality of the state, which is by law authorized to levy taxes for
40 other purposes, may levy annually at the time of its levy of taxes, a tax
41 which may be in addition to all other taxes authorized by law for the
42 purpose of making its contributions under this act and, in the case of cities
43 and counties, to pay a portion of the principal and interest on bonds issued

1 under the authority of K.S.A. 12-1774, and amendments thereto, by cities
2 located in the county, which tax, together with any other fund available,
3 shall be sufficient to enable it to make such contribution. In lieu of levying
4 the tax authorized in this subsection, any taxing subdivision may pay such
5 costs from any employee benefits contribution fund established pursuant to
6 K.S.A. 12-16,102, and amendments thereto. Each participating employer
7 which is not by law authorized to levy taxes as described above, but which
8 prepares a budget for its expenses for the ensuing year and presents the
9 same to a governing body which is authorized by law to levy taxes as
10 described above, may include in its budget an amount sufficient to make
11 its contributions under this act which may be in addition to all other taxes
12 authorized by law. Such governing body to which the budget is submitted
13 for approval, may levy a tax sufficient to allow the participating employer
14 to make its contributions under this act, which tax, together with any other
15 fund available, shall be sufficient to enable the participating employer to
16 make the contributions required by this act.

17 (5) (a) The rate of contribution certified to a participating employer as
18 provided in this section shall apply during the fiscal year of the
19 participating employer which begins in the second calendar year following
20 the year of the actuarial valuation.

21 (b) (i) Except as specifically provided in this section, for fiscal years
22 commencing in calendar year 1996 and in each subsequent calendar year,
23 the rate of contribution certified to the state of Kansas shall in no event
24 exceed the state's contribution rate for the immediately preceding fiscal
25 year by more than 0.2% of the amount of compensation upon which
26 members contribute during the period.

27 (ii) Except as specifically provided in this subsection, for the fiscal
28 years commencing in the following calendar years, the rate of contribution
29 certified to the state of Kansas and to the participating employers under
30 K.S.A. 74-4931, and amendments thereto, shall in no event exceed the
31 state's contribution rate for the immediately preceding fiscal year by more
32 than the following amounts expressed as a percentage of compensation
33 upon which members contribute during the period: (A) For the fiscal year
34 commencing in calendar years 2010 through 2012, an amount not to
35 exceed more than 0.6% of the amount of the immediately preceding fiscal
36 year; (B) for the fiscal year commencing in calendar year 2013, an amount
37 not to exceed more than 0.9% of the amount of the immediately preceding
38 fiscal year; (C) for the fiscal year commencing in calendar year 2014, an
39 amount not to exceed more than 1% of the amount of the immediately
40 preceding fiscal year; (D) for the fiscal year commencing in calendar year
41 2015, the employer rate of contribution shall be 10.91%; (E) for the fiscal
42 year commencing in calendar year 2016, the employer rate of contribution
43 shall be 10.81%, *except as provided by section 37(b), and amendments*

1 *thereto, for the participating employers under K.S.A. 74-4931, and*
2 *amendments thereto; and (F) in each subsequent calendar year, an amount*
3 *not to exceed more than 1.2% of the amount of the immediately preceding*
4 *fiscal year to be calculated without regard to transfers made pursuant to*
5 ~~*section 50 of chapter 111 of the 2016 Session Laws of Kansas to be*~~
6 *calculated without regard to transfers made pursuant to section 50 of*
7 *chapter 111 of the 2016 Session Laws of Kansas and for participating*
8 *employers under K.S.A. 74-4931, and amendments thereto, an additional*
9 *percentage of compensation corresponding to the level dollar repayment*
10 *amount certified by the board pursuant to subsection (17). As used in this*
11 *subsection, "capitalized interest" means interest payments on the bonds*
12 *that are pre-funded or financed from bond proceeds as part of the issue for*
13 *a specified period of time in order to offset one or more initial debt service*
14 *payments.*

15 (iii) Except as specifically provided in this section, for fiscal years
16 commencing in calendar year 1997 and in each subsequent calendar year,
17 the rate of contribution certified to participating employers other than the
18 state of Kansas shall in no event exceed such participating employer's
19 contribution rate for the immediately preceding fiscal year by more than
20 0.15% of the amount of compensation upon which members contribute
21 during the period.

22 (iv) Except as specifically provided in this subsection, for the fiscal
23 years commencing in the following calendar years, the rate of contribution
24 certified to participating employers other than the state of Kansas shall in
25 no event exceed the contribution rate for such employers for the
26 immediately preceding fiscal year by more than the following amounts
27 expressed as a percentage of compensation upon which members
28 contribute during the period: (A) For the fiscal year commencing in
29 calendar years 2010 through 2013, an amount not to exceed more than
30 0.6% of the amount of the immediately preceding fiscal year; (B) for the
31 fiscal year commencing in calendar year 2014, an amount not to exceed
32 more than 0.9% of the amount of the immediately preceding fiscal year;
33 (C) for the fiscal year commencing in calendar year 2015, an amount not
34 to exceed more than 1% of the amount of the immediately preceding fiscal
35 year; (D) for the fiscal year commencing in calendar year 2016, an amount
36 not to exceed more than 1.1% of the amount of the immediately preceding
37 fiscal year; and (E) for the fiscal year commencing in calendar year 2017,
38 and in each subsequent calendar year, an amount not to exceed more than
39 1.2% of the amount of the immediately preceding fiscal year.

40 (v) As part of the annual actuarial valuation, there shall be a separate
41 employer rate of contribution calculated for the state of Kansas, a separate
42 employer rate of contribution calculated for participating employers under
43 K.S.A. 74-4931, and amendments thereto, a combined employer rate of

1 contribution calculated for the state of Kansas and participating employers
2 under K.S.A. 74-4931, and amendments thereto, and a separate employer
3 rate of contribution calculated for all other participating employers.

4 (vi) There shall be a combined employer rate of contribution certified
5 to the state of Kansas and participating employers under K.S.A. 74-4931,
6 and amendments thereto. There shall be a separate employer rate of
7 contribution certified to all other participating employers.

8 (vii) If the combined employer rate of contribution calculated for the
9 state of Kansas and participating employers under K.S.A. 74-4931, and
10 amendments thereto, is greater than the separate employer rate of
11 contribution for the state of Kansas, the difference in the two rates applied
12 to the actual payroll of the state of Kansas for the applicable fiscal year
13 shall be calculated. This amount shall be certified by the board for deposit
14 as additional employer contributions to the retirement benefit
15 accumulation reserve for the participating employers under K.S.A. 74-
16 4931, and amendments thereto.

17 (6) The actuarial cost of any legislation enacted in the 1994 session of
18 the Kansas legislature will be included in the June 30, 1994, actuarial
19 valuation in determining contribution rates for participating employers.

20 (7) The actuarial cost of the provisions of K.S.A. 74-4950i, and
21 amendments thereto, will be included in the June 30, 1998, actuarial
22 valuation in determining contribution rates for participating employers.
23 The actuarial accrued liability incurred for the provisions of K.S.A. 74-
24 4950i, and amendments thereto, shall be amortized over 15 years.

25 (8) Except as otherwise provided by law, the actuarial cost of any
26 legislation enacted by the Kansas legislature, except the actuarial cost of
27 K.S.A. 74-49,114a, and amendments thereto, shall be in addition to the
28 employer contribution rates certified for the employer contribution rate in
29 the fiscal year immediately following such enactment. Such actuarial cost
30 shall be determined by the qualified actuary employed or retained by the
31 system pursuant to K.S.A. 74-4908, and amendments thereto, and reported
32 to the system and the joint committee on pensions, investments and
33 benefits.

34 (9) Notwithstanding the provisions of subsection (8), the actuarial
35 cost of the provisions of K.S.A. 74-49,109 et seq., and amendments
36 thereto, shall be first reflected in employer contribution rates effective with
37 the first day of the first payroll period for the fiscal year 2005. The
38 actuarial accrued liability incurred for the provisions of K.S.A. 74-49,109
39 et seq., and amendments thereto, shall be amortized over 10 years.

40 (10) The cost of the postretirement benefit payment provided
41 pursuant to the provisions of K.S.A. 2016 Supp. 74-49,114b, and
42 amendments thereto, for retirants other than local retirants as described in
43 subsection (11) or insured disability benefit recipients shall be paid in the

1 fiscal year commencing on July 1, 2007.

2 (11) The actuarial accrued liability incurred for the provisions of
3 K.S.A. 2016 Supp. 74-49,114b, and amendments thereto, for the KPERS
4 local group and retirants who were employees of local employers which
5 affiliated with the Kansas police and firemen's retirement system shall be
6 amortized over 10 years.

7 (12) The cost of the postretirement benefit payment provided
8 pursuant to the provisions of K.S.A. 2016 Supp. 74-49,114c, and
9 amendments thereto, for retirants other than local retirants as described in
10 subsection (13) or insured disability benefit recipients shall be paid in the
11 fiscal year commencing on July 1, 2008.

12 (13) The actuarial accrued liability incurred for the provisions of
13 K.S.A. 2016 Supp. 74-49,114c, and amendments thereto, for the KPERS
14 local group and retirants who were employees of local employers which
15 affiliated with the Kansas police and firemen's retirement system shall be
16 amortized over 10 years.

17 (14) The board with the advice of the actuary may fix the contribution
18 rates for participating employers joining the system after one year from the
19 first entry date or for employers who exercise the option contained in
20 K.S.A. 74-4912, and amendments thereto, at rates different from the rate
21 fixed for employers joining within one year of the first entry date.

22 (15) Employer contributions shall in no way be limited by any other
23 act which now or in the future establishes or limits the compensation of
24 any member.

25 (16) Notwithstanding any provision of law to the contrary, each
26 participating employer shall remit quarterly, or as the board may otherwise
27 provide, all employee deductions and required employer contributions to
28 the executive director for credit to the Kansas public employees retirement
29 fund within three days after the end of the period covered by the
30 remittance by electronic funds transfer. Remittances of such deductions
31 and contributions received after such date are delinquent. Delinquent
32 payments due under this subsection shall be subject to interest at the rate
33 established for interest on judgments under K.S.A. 16-204(a), and
34 amendments thereto. At the request of the board, delinquent payments
35 which are due or interest owed on such payments, or both, may be
36 deducted from any other moneys payable to such employer by any
37 department or agency of the state.

38 (17) *The actuarial cost of the reduction of employer contributions for*
39 *eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and*
40 *amendments thereto, pursuant to the provisions of section 37, and*
41 *amendments thereto, shall be amortized over 20 years as a level dollar*
42 *amount, as certified by the board upon recommendation of the consulting*
43 *actuary, through an additional percentage of compensation for*

1 *participating employers under K.S.A. 74-4931, and amendments thereto.*
2 *This additional percentage of compensation shall first be reflected in*
3 *employer contribution rates for participating employers under K.S.A. 74-*
4 *4931, and amendments thereto, effective on the first day of the first payroll*
5 *period for the fiscal year 2018.*

6 Sec. ~~42.~~ **{40.}** K.S.A. 2016 Supp. 75-2263 is hereby amended to read
7 as follows: 75-2263. (a) ~~On and after the effective date of this act~~ *Subject*
8 *to the provisions of subsection (j),* the board of trustees is responsible for
9 the management and investment of that portion of state moneys available
10 for investment by the pooled money investment board that is certified by
11 the state treasurer to the board of trustees as being equivalent to the
12 aggregate net amount received for unclaimed property and shall discharge
13 the board's duties with respect to such moneys solely in the interests of the
14 state general fund and shall invest and reinvest such moneys and acquire,
15 retain, manage, including the exercise of any voting rights and disposal of
16 investments of such moneys within the limitations and according to the
17 powers, duties and purposes as prescribed by this section.

18 (b) Moneys specified in subsection (a) shall be invested and
19 reinvested to achieve the investment objective which is preservation of
20 such moneys and accordingly providing that the moneys are as productive
21 as possible, subject to the standards set forth in this ~~act~~ *section*. No such
22 moneys shall be invested or reinvested if the sole or primary investment
23 objective is for economic development or social purposes or objectives.

24 (c) In investing and reinvesting moneys specified in subsection (a)
25 and in acquiring, retaining, managing and disposing of investments of the
26 moneys, the board of trustees shall exercise the judgment, care, skill,
27 prudence and diligence under the circumstances then prevailing, which
28 persons of prudence, discretion and intelligence acting in a like capacity
29 and familiar with such matters would use in the conduct of an enterprise of
30 like character and with like aims by diversifying the investments of the
31 moneys so as to minimize the risk of large losses, unless under the
32 circumstances it is clearly prudent not to do so, and not in regard to
33 speculation but in regard to the permanent disposition of similar moneys,
34 considering the probable income as well as the probable safety of their
35 capital.

36 (d) In the discharge of such management and investment
37 responsibilities the board of trustees may contract for the services of one
38 or more professional investment advisors or other consultants in the
39 management and investment of such moneys and otherwise in the
40 performance of the duties of the board of trustees under this ~~act~~ *section*.

41 (e) The board of trustees shall require that each person contracted
42 with under subsection (d) to provide services shall obtain commercial
43 insurance which provides for errors and omissions coverage for such

1 person in an amount to be specified by the board of trustees. The amount
2 of such coverage specified by the board of trustees shall be at least the
3 greater of \$500,000 or 1% of the funds entrusted to such person up to a
4 maximum of \$10,000,000. The board of trustees shall require a person
5 contracted with under subsection (d) to provide services to give a fidelity
6 bond in a penal sum as may be fixed by law or, if not so fixed, as may be
7 fixed by the board of trustees, with corporate surety authorized to do
8 business in this state. Such persons contracted with the board of trustees
9 pursuant to subsection (d) and any persons contracted with such persons to
10 perform the functions specified in subsection (b) shall be deemed to be
11 fiduciary agents of the board of trustees in the performance of contractual
12 obligations.

13 (f) (1) Subject to the objective set forth in subsection (b) and the
14 standards set forth in subsection (c), the board of trustees shall formulate
15 and adopt policies and objectives for the investment and reinvestment of
16 such moneys and the acquisition, retention, management and disposition of
17 investments of the moneys. Such policies and objectives shall be in writing
18 and shall include:

19 (A) Specific asset allocation standards and objectives;

20 (B) establishment of criteria for evaluating the risk versus the
21 potential return on a particular investment; and

22 (C) a requirement that all investment advisors, and any managers or
23 others with similar duties and responsibilities as investment advisors, shall
24 immediately report all instances of default on investments to the board of
25 trustees and provide such board of trustees with recommendations and
26 options, including, but not limited to, curing the default or withdrawal
27 from the investment.

28 (2) The board of trustees shall review such policies and objectives,
29 make changes considered necessary or desirable and readopt such policies
30 and objectives on an annual basis.

31 (g) Except as provided in subsection (d) and this subsection, the
32 custody of such moneys shall remain in the custody of the state treasurer,
33 except that the board of trustees may arrange for the custody of such
34 moneys as it considers advisable with one or more member banks or trust
35 companies of the federal reserve system or with one or more banks in the
36 state of Kansas, or both, to be held in safekeeping by the banks or trust
37 companies for the collection of the principal and interest or other income
38 or of the proceeds of sale. All such moneys shall be considered moneys in
39 the state treasury for purposes of K.S.A. 75-6704, and amendments
40 thereto.

41 (h) All interest or other income of the investments of the moneys
42 invested under this section, after payment of any management fees, shall
43 be deposited in the state treasury to the credit of the state general fund.

1 (i) ~~On or after the effective date of this act and periodically thereafter,~~
2 *Subject to the provisions of subsection (j),* the state treasurer shall certify to
3 the board of trustees a portion of state moneys available for investment by
4 the pooled money investment board that is equivalent to the aggregate net
5 amount received for unclaimed property. The state treasurer shall transfer
6 the amount certified to the board of trustees.

7 (j) (1) *During fiscal year 2017, the board of trustees shall liquidate*
8 *all investments and reinvestments of state moneys certified by the state*
9 *treasurer to the board of trustees pursuant to subsection (a).*

10 (2) *Upon receiving any such amounts from any such liquidation, the*
11 *state treasurer shall remit the entire amount in accordance with the*
12 *provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of*
13 *each such remittance, the state treasurer shall deposit the entire amount in*
14 *the state treasury and credit any earnings from the liquidation to the state*
15 *general fund and credit the principal that had been invested and*
16 *reinvested to the pooled money investment portfolio.*

17 (k) As used in this section:

18 (1) "Board of trustees" means the board of trustees of the Kansas
19 public employees retirement system established by K.S.A. 74-4905, and
20 amendments thereto.

21 (2) "Fiduciary" means a person who, with respect to the moneys
22 invested under this section, is a person who:

23 (A) Exercises any discretionary authority with respect to
24 administration of the moneys;

25 (B) exercises any authority to invest or manage such moneys or has
26 any authority or responsibility to do so;

27 (C) provides investment advice for a fee or other direct or indirect
28 compensation with respect to such moneys or has any authority or
29 responsibility to do so;

30 (D) provides actuarial, accounting, auditing, consulting, legal or other
31 professional services for a fee or other direct or indirect compensation with
32 respect to such moneys or has any authority or responsibility to do so; or

33 (E) is a member of the board of trustees or of the staff of the board of
34 trustees.

35 ~~Sec. 43.~~ *{41.}* K.S.A. 2016 Supp. 75-4209 is hereby amended to read
36 as follows: 75-4209. (a) The director of investments may invest and
37 reinvest state moneys eligible for investment which are not invested in
38 accordance with K.S.A. 75-4237, and amendments thereto, in the
39 following investments:

40 (1) Direct obligations of, or obligations that are insured as to principal
41 and interest by, the United States of America or any agency thereof and
42 obligations and securities of the United States sponsored enterprises which
43 under federal law may be accepted as security for public funds, on and

1 after the effective date of this act moneys available for investment under
2 this subsection shall not be invested in mortgage-backed securities of such
3 enterprises and of the government national mortgage association, except
4 that any such mortgage-backed securities held prior to the effective date of
5 this act may be held to maturity;

6 (2) repurchase agreements with a bank or a primary government
7 securities dealer which reports to the market reports division of the federal
8 reserve bank of New York for direct obligations of, or obligations that are
9 insured as to principal and interest by, the United States government or any
10 agency thereof and obligations and securities of United States government
11 sponsored enterprises which under federal law may be accepted as security
12 for public funds;

13 (3) commercial paper that does not exceed 270 days to maturity and
14 which has received one of the two highest commercial paper credit ratings
15 by a nationally recognized investment rating firm; and

16 (4) corporate bonds which have received one of the two highest
17 ratings by a nationally recognized investment rating firm.

18 (b) When moneys are available for deposit or investments, the
19 director of investments may invest in SKILL act projects and bonds
20 pursuant to K.S.A. 74-8920, and amendments thereto, and in state agency
21 bonds and bond projects.

22 (c) When moneys are available for deposits or investments, the
23 director of investments may invest in preferred stock of Kansas venture
24 capital, inc., under terms and conditions prescribed by K.S.A. 74-8203,
25 and amendments thereto, but such investments shall not in the aggregate
26 exceed a total amount of \$10,000,000.

27 (d) When moneys are available for deposits or investments, the
28 director of investments may invest in loans pursuant to legislative
29 mandates, except that not more than the greater of 10% or \$140,000,000 of
30 the state moneys shall be invested. *The provisions of this subsection shall*
31 *not apply to the provisions of subsection (m).*

32 (e) Interest on investment accounts in banks is to be paid at maturity,
33 but not less than annually.

34 (f) Investments made by the director of investments under the
35 provisions of this section shall be made with judgment and care, under
36 circumstances then prevailing, which persons of prudence, discretion and
37 intelligence exercise in the management of their own affairs, not for
38 speculation, but for investment, considering the probable safety of their
39 capital as well as the probable income to be derived.

40 (g) Investments under subsection (a) or (b) or under K.S.A. 75-4237,
41 and amendments thereto, shall be for a period not to exceed four years,
42 except that linked deposits authorized under the provisions of K.S.A. 2-
43 3703 through 2-3707, and amendments thereto, shall not exceed a period

1 of 10 years; agricultural production loan deposits authorized under the
2 provisions of K.S.A. 2016 Supp. 75-4268 through 75-4274, and
3 amendments thereto, shall not exceed a period of eight years and housing
4 loan deposits authorized under K.S.A. 2016 Supp. 75-4276 through 75-
5 4282, and amendments thereto, shall not exceed a period of five years or
6 20 years, as applicable pursuant to K.S.A. 2016 Supp. 75-4279, and
7 amendments thereto.

8 (h) Investments in securities under ~~paragraph (1)~~ of subsection (a)(1)
9 shall be limited to securities which do not have any more interest rate risk
10 than do direct United States government obligations of similar maturities.
11 For purposes of this subsection, "interest rate risk" means market value
12 changes due to changes in current interest rates.

13 (i) The director of investments shall not invest state moneys eligible
14 for investment under subsection (a), in the municipal investment pool
15 fund, created under K.S.A. 12-1677a, and amendments thereto.

16 (j) The director of investments shall not invest moneys in the pooled
17 money investment portfolio in derivatives. As used in this subsection,
18 "derivatives" means a financial contract whose value depends on the value
19 of an underlying asset or index of asset values.

20 (k) Moneys and investments in the pooled money investment
21 portfolio shall be invested and reinvested by the director of investments in
22 accordance with investment policies developed, approved, published and
23 updated on an annual basis by the board. Such investment policies shall
24 include at a minimum guidelines which identify credit standards, eligible
25 instruments, allowable maturity ranges, methods for valuing the portfolio,
26 calculating earnings and yields and limits on portfolio concentration for
27 each type of investment. Any changes in such investment policies shall be
28 approved by the pooled money investment board. Such investment policies
29 may specify the contents of reports, methods of crediting funds and
30 accounts and other operating procedures.

31 (l) The board shall adopt rules and regulations to establish an overall
32 percentage limitation on the investment of moneys in investments
33 authorized under ~~paragraph (3)~~ of subsection (a)(3), and within such
34 authorized investment, the board shall establish a percentage limitation on
35 the investment in any single business entity.

36 (m) (1) *During the fiscal year ending June 30, 2017, the director of*
37 *the budget shall estimate on June 1, 2017, the amount of the*
38 *unencumbered ending balance in the state general fund for fiscal year*
39 *2017. If the amount of such unencumbered ending balance in the state*
40 *general fund is less than \$50,000,000, the director of the budget shall*
41 *certify the difference between \$50,000,000, and the amount of such*
42 *unencumbered ending balance to the pooled money investment board.*
43 *Upon the liquidation of all investments and reinvestments of state moneys*

1 pursuant to K.S.A. 2016 Supp. 75-2263(j), and amendments thereto, and
2 upon receipt of such certification by the director of the budget, during the
3 fiscal year ending June 30, 2017, the pooled money investment board shall
4 authorize the director of accounts and reports to transfer an amount equal
5 to the amount certified by the director of the budget pursuant to this
6 subsection from the pooled money investment portfolio to the state general
7 fund. Upon receipt of such authorization, the director of accounts and
8 reports shall make such transfer. The chairperson of the pooled money
9 investment board shall transmit a copy of such authorization to the
10 director of legislative research and the director of the budget.

11 (2) On or before June 30, 2018, June 30, 2019, June 30, 2020, June
12 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024, the director of
13 accounts and reports shall transfer an amount equal to $\frac{1}{7}$ of the amount
14 transferred pursuant to subsection (m)(1) from the state general fund to
15 the pooled money investment portfolio.

16 (3) During the fiscal year ending June 30, 2018, after any transfer
17 made pursuant to subsection (m)(1), the pooled money investment board
18 shall authorize the director of accounts and reports to transfer the
19 remaining amount of all investments and reinvestments of state moneys
20 liquidated pursuant to K.S.A. 2016 Supp. 75-2263(j), and amendments
21 thereto, from the pooled money investment portfolio to the state general
22 fund. Upon receipt of such authorization, the director of accounts and
23 reports shall make such transfer. The chairperson of the pooled money
24 investment board shall transmit a copy of such authorization to the
25 director of legislative research and the director of the budget.

26 (4) On or before June 30, 2019, June 30, 2020, June 30, 2021, June
27 30, 2022, June 30, 2023, June 30, 2024, and June 30, 2025, the director of
28 accounts and reports shall transfer an amount equal to $\frac{1}{7}$ of the amount
29 transferred pursuant to subsection (m)(3) from the state general fund to
30 the pooled money investment portfolio.

31 ~~Sec. 44.~~ ~~{42.}~~ K.S.A. 2016 Supp. 75-2319 is hereby amended to read
32 as follows: 75-2319. (a) There is hereby established in the state treasury
33 the school district capital improvements fund. The fund shall consist of all
34 amounts transferred thereto under the provisions of subsection (c).

35 (b) In each school year, each school district which is obligated to
36 make payments from its capital improvements fund shall be entitled to
37 receive payment from the school district capital improvements fund in an
38 amount determined by the state board of education as provided in this
39 subsection.

40 (1) For general obligation bonds approved for issuance at an election
41 held prior to July 1, 2015, the state board of education shall:

42 (A) Determine the amount of the assessed valuation per pupil (AVPP)
43 of each school district in the state and round such amount to the nearest

1 \$1,000. The rounded amount is the AVPP of a school district for the
2 purposes of this subsection (b)(1);

3 (B) determine the median AVPP of all school districts;

4 (C) prepare a schedule of dollar amounts using the amount of the
5 median AVPP of all school districts as the point of beginning. The
6 schedule of dollar amounts shall range upward in equal \$1,000 intervals
7 from the point of beginning to and including an amount that is equal to the
8 amount of the AVPP of the school district with the highest AVPP of all
9 school districts and shall range downward in equal \$1,000 intervals from
10 the point of beginning to and including an amount that is equal to the
11 amount of the AVPP of the school district with the lowest AVPP of all
12 school districts;

13 (D) determine a state aid percentage factor for each school district by
14 assigning a state aid computation percentage to the amount of the median
15 AVPP shown on the schedule, decreasing the state aid computation
16 percentage assigned to the amount of the median AVPP by one percentage
17 point for each \$1,000 interval above the amount of the median AVPP, and
18 increasing the state aid computation percentage assigned to the amount of
19 the median AVPP by one percentage point for each \$1,000 interval below
20 the amount of the median AVPP. Except as provided by K.S.A. 2016 Supp.
21 75-2319c, and amendments thereto, the state aid percentage factor of a
22 school district is the percentage assigned to the schedule amount that is
23 equal to the amount of the AVPP of the school district. The state aid
24 percentage factor of a school district shall not exceed 100%. The state aid
25 computation percentage is 25%;

26 (E) determine the amount of payments that a school district is
27 obligated to make from its bond and interest fund attributable to general
28 obligation bonds approved for issuance at an election held prior to July 1,
29 2015; and

30 (F) multiply the amount determined under subsection (b)(1)(E) by the
31 applicable state aid percentage factor.

32 (2) For general obligation bonds approved for issuance at an election
33 held on or after July 1, 2015, the state board of education shall:

34 (A) Determine the amount of the AVPP of each school district in the
35 state and round such amount to the nearest \$1,000. The rounded amount is
36 the AVPP of a school district for the purposes of this subsection (b)(2);

37 (B) prepare a schedule of dollar amounts using the amount of the
38 AVPP of the school district with the lowest AVPP of all school districts as
39 the point of beginning. The schedule of dollar amounts shall range upward
40 in equal \$1,000 intervals from the point of beginning to and including an
41 amount that is equal to the amount of the AVPP of the school district with
42 the highest AVPP of all school districts;

43 (C) determine a state aid percentage factor for each school district by

1 assigning a state aid computation percentage to the amount of the lowest
2 AVPP shown on the schedule and decreasing the state aid computation
3 percentage assigned to the amount of the lowest AVPP by one percentage
4 point for each \$1,000 interval above the amount of the lowest AVPP.
5 Except as provided by K.S.A. 2016 Supp. 75-2319c, and amendments
6 thereto, the state aid percentage factor of a school district is the percentage
7 assigned to the schedule amount that is equal to the amount of the AVPP of
8 the school district. The state aid computation percentage is 75%;

9 (D) determine the amount of payments that a school district is
10 obligated to make from its bond and interest fund attributable to general
11 obligation bonds approved for issuance at an election held on or after July
12 1, 2015; and

13 (E) multiply the amount determined under subsection (b)(2)(D) by
14 the applicable state aid percentage factor.

15 (3) For general obligation bonds approved for issuance at an election
16 held on or before June 30, 2016, the sum of the amount determined under
17 subsection (b)(1)(F) and the amount determined under subsection (b)(2)(E)
18 is the amount of payment the school district is entitled to receive from the
19 school district capital improvements fund in the school year.

20 (4) For general obligation bonds approved for issuance at an election
21 held on or after July 1, 2016, the amount determined under subsection (b)
22 (2)(E) is the amount of payment the school district shall receive from the
23 school district capital improvements fund in the school year, except the
24 total amount of payments school districts receive from the school district
25 capital improvements fund in the school year for such bonds shall not
26 exceed the six-year average amount of capital improvement state aid as
27 determined by the state board of education.

28 (A) The state board of education shall determine the six-year average
29 amount of capital improvement state aid by calculating the average of the
30 total amount of moneys expended per year from the school district capital
31 improvements fund in the immediately preceding six fiscal years, not to
32 include the current fiscal year.

33 (B) (i) Subject to clause (ii), the state board of education shall
34 prioritize the allocations to school districts from the school district capital
35 improvements fund in accordance with the priorities set forth as follows in
36 order of highest priority to lowest priority:

37 (a) Safety of the current facility and disability access to such facility
38 as demonstrated by a state fire marshal report, an inspection under the
39 Americans with disabilities act, 42 U.S.C. § 12101 et seq., or other similar
40 evaluation;

41 (b) enrollment growth and imminent overcrowding as demonstrated
42 by successive increases in enrollment of the school district in the
43 immediately preceding three school years;

1 (c) impact on the delivery of educational services as demonstrated by
2 restrictive inflexible design or limitations on installation of technology;
3 and

4 (d) energy usage and other operational inefficiencies as demonstrated
5 by a district-wide energy usage analysis, district-wide architectural
6 analysis or other similar evaluation.

7 (ii) In allocating capital improvement state aid, the state board shall
8 give higher priority to those school districts with a lower AVPP compared
9 to the other school districts that are to receive capital improvement state
10 aid under this section.

11 (C) On and after July 1, 2016, the state board of education shall
12 approve the amount of state aid payments a school district shall receive
13 from the school district capital improvements fund pursuant to subsection
14 (b)(5) prior to an election to approve the issuance of general obligation
15 bonds.

16 (5) The sum of the amounts determined under subsection (b)(3) and
17 the amount determined or allocated to the district by the state board of
18 education pursuant to subsection (b)(4), is the amount of payment the
19 school district is entitled to receive from the school district capital
20 improvements fund in the school year.

21 (c) The state board of education shall certify to the director of
22 accounts and reports the entitlements of school districts determined under
23 the provisions of subsection (b), and an amount equal thereto shall be
24 transferred by the director from the state general fund to the school district
25 capital improvements fund for distribution to school districts. All transfers
26 made in accordance with the provisions of this subsection shall be
27 considered to be demand transfers from the state general fund, except that
28 all such transfers during the fiscal years ending ~~June 30, 2013~~, June 30,
29 ~~2014~~ 2017, June 30, ~~2015~~ 2018, and June 30, ~~2016~~ 2019, shall be
30 considered to be revenue transfers from the state general fund.

31 (d) Payments from the school district capital improvements fund shall
32 be distributed to school districts at times determined by the state board of
33 education to be necessary to assist school districts in making scheduled
34 payments pursuant to contractual bond obligations. The state board of
35 education shall certify to the director of accounts and reports the amount
36 due each school district entitled to payment from the fund, and the director
37 of accounts and reports shall draw a warrant on the state treasurer payable
38 to the treasurer of the school district. Upon receipt of the warrant, the
39 treasurer of the school district shall credit the amount thereof to the bond
40 and interest fund of the school district to be used for the purposes of such
41 fund.

42 (e) The provisions of this section apply only to contractual
43 obligations incurred by school districts pursuant to general obligation

1 bonds issued upon approval of a majority of the qualified electors of the
2 school district voting at an election upon the question of the issuance of
3 such bonds.

4 (f) On or before the first day of the legislative session in 2017, and
5 each year thereafter, the state board of education shall prepare and submit
6 a report to the legislature that includes information on school district
7 elections held on or after July 1, 2016, to approve the issuance of general
8 obligation bonds and the amount of payments school districts were
9 approved to receive from the school district capital improvements fund
10 pursuant to subsection (b)(4)(C).

11 ~~Sec. 45, §43.~~ K.S.A. 2016 Supp. 75-6706 is hereby amended to read
12 as follows: 75-6706. (a) On July 1, 2017, the budget stabilization fund is
13 hereby established in the state treasury.

14 (b) On or before the 10th day of each month commencing July 1,
15 2017, the director of accounts and reports shall transfer from the state
16 general fund to the budget stabilization fund interest earnings based on:

17 (1) The average daily balance of moneys in the budget stabilization
18 fund, for the preceding month; and

19 (2) the net earnings rate of the pooled money investment portfolio for
20 the preceding month.

21 (c) On and after July 1, 2017, no moneys in the budget stabilization
22 fund shall be expended pursuant to this subsection unless the expenditure
23 either has been approved by an appropriation or other act of the legislature
24 or has been approved by the state finance council acting on this matter
25 which is hereby characterized as a matter of legislative delegation and
26 subject to the guidelines prescribed in K.S.A. 75-3711(c), and amendments
27 thereto.

28 (d) (1) ~~During the 2016 interim between regular sessions of the~~
29 ~~legislature,~~ The legislative budget committee shall study and review the
30 policy concerning the balance of, transfers to and expenditures from the
31 budget stabilization fund. The legislative budget committee study and
32 review shall include, but not be limited to, the following:

33 (A) Risk-based budget stabilization fund practices utilized in other
34 states.

35 (B) The appropriate number of years to review the state general fund:

36 (i) Revenue variances from projections; and

37 (ii) expenditure variances from budgets.

38 (C) The entity to certify the amount necessary in the budget
39 stabilization fund to maintain the appropriate risk-based balance.

40 (D) Plan to fund the budget stabilization fund.

41 (E) Process and circumstances to reach the appropriate risk-based
42 balance, including the amount of risk that is acceptable.

43 (F) Circumstances under which expenditures may be made from the

1 fund.

2 (2) The legislative budget committee may make recommendations
3 and introduce legislation as it deems necessary to implement such
4 recommendations.

5 ~~(3) Notwithstanding the provisions of sections 52 and 53 of chapter~~
6 ~~104 of the 2015 Session Laws of Kansas, section 18 of chapter 12 of the~~
7 ~~2016 Session Laws of Kansas, this or any other appropriation act of the~~
8 ~~2016 regular session of the legislature, the legislative budget committee~~
9 ~~may meet not more than 10 days to study and review such policies as~~
10 ~~determined by the chairperson of the committee.~~

11 (e) *On or before August 15, 2019, the director of the budget, in*
12 *consultation with the director of legislative research, shall certify the*
13 *amount of the unencumbered ending balance in the state general fund for*
14 *fiscal year 2019. Upon making such certification, the director of the*
15 *budget shall authorize the director of accounts and reports to transfer*
16 *10% of such ending balance from the state general fund to the budget*
17 *stabilization fund.*

18 ~~Sec. 46. {44.}~~ K.S.A. 2016 Supp. 74-4920, 75-2263, 75-2319, 75-
19 2319d, 75-4209 and 75-6706 are hereby repealed.

20 ~~Sec. 47. {45.}~~ If any fund or account name described by words and
21 the numerical accounting code that follows such fund or account name do
22 not match, it shall be conclusively presumed that the legislature intended
23 that the fund or account name described by words is the correct fund or
24 account name, and such fund or account name described by words shall
25 control over a contradictory or incorrect numerical accounting code.

26 ~~Sec. 48. {46.}~~ *Severability.* If any provision or clause of this act or
27 application thereof to any person or circumstance is held invalid, such
28 invalidity shall not affect other provisions or applications of the act which
29 can be given effect without the invalid provision or application, and to this
30 end the provisions of this act are declared to be severable.

31 ~~Sec. 49. {47.}~~ *Appeals to exceed expenditure limitations.* (a) Upon
32 written application to the governor and approval of the state finance
33 council, expenditures from special revenue funds may exceed the amounts
34 specified in this act.

35 (b) This section shall not apply to the expanded lottery act revenues
36 fund, state economic development initiatives fund, the children's initiatives
37 fund, the state water plan fund or the Kansas endowment for youth fund,
38 or to any account of any of such funds.

39 ~~Sec. 50. {48.}~~ This act shall take effect and be in force from and after
40 its publication in the Kansas register.