

SENATE BILL No. 35

By Committee on Ways and Means

1-16

1 AN ACT making and concerning appropriations for fiscal years ending
2 June 30, 2015, June 30, 2016, June 30, 2017, and June 30, 2018, for
3 state agencies; authorizing certain transfers, imposing certain
4 restrictions and limitations, and directing or authorizing certain
5 receipts, disbursements, procedures and acts incidental to the
6 foregoing; amending K.S.A. 2014 Supp. 74-4914d, 74-4920, 74-50,107
7 and 74-99b34 and repealing the existing sections; also repealing K.S.A.
8 2014 Supp. 74-99b34a.

9

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

11 Section 1. (a) For the fiscal years ending June 30, 2015, June 30,
12 2016, June 30, 2017, and June 30, 2018, appropriations are hereby made,
13 restrictions and limitations are hereby imposed, and transfers, receipts,
14 disbursements, procedures and acts incidental to the foregoing are hereby
15 directed or authorized as provided in this act.

16 (b) This act shall not be subject to the provisions of K.S.A. 75-
17 6702(a), and amendments thereto.

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

20 Sec. 2.

21

LEGISLATIVE COORDINATING COUNCIL

22 (a) On the effective date of this act, of the \$564,782 appropriated for
23 the above agency for the fiscal year ending June 30, 2015, by section 80(a)
24 of chapter 136 of the 2013 Session Laws of Kansas from the state general
25 fund in the legislative coordinating council—operations account, the sum
26 of \$149,834 is hereby lapsed.

27 (b) On the effective date of this act, of the \$3,692,051 appropriated
28 for the above agency for the fiscal year ending June 30, 2015, by section
29 80(a) of chapter 136 of the 2013 Session Laws of Kansas from the state
30 general fund in the legislative research department—operations account,
31 the sum of \$527,084 is hereby lapsed.

32 (c) On the effective date of this act, of the \$3,177,613 appropriated
33 for the above agency for the fiscal year ending June 30, 2015, by section
34 80(a) of chapter 136 of the 2013 Session Laws of Kansas from the state
35 general fund in the office of revisor of statutes—operations account, the
36 sum of \$362,239 is hereby lapsed.

1 Sec. 3.

2 LEGISLATURE

3 (a) On the effective date of this act, of the \$12,995,382 appropriated
4 for the above agency for the fiscal year ending June 30, 2015, by section
5 82(a) of chapter 136 of the 2013 Session Laws of Kansas from the state
6 general fund in the operations (including official hospitality) account, the
7 sum of \$1,573,845 is hereby lapsed.

8 (b) On the effective date of this act, of the \$4,512,330 appropriated
9 for the above agency for the fiscal year ending June 30, 2015, by section
10 82(a) of chapter 136 of the 2013 Session Laws of Kansas from the state
11 general fund in the legislative information system account, the sum of
12 \$152,097 is hereby lapsed.

13 Sec. 4.

14 DIVISION OF POST AUDIT

15 (a) On the effective date of this act, of the \$2,209,038 appropriated
16 for the above agency for the fiscal year ending June 30, 2015, by section
17 84(a) of chapter 136 of the 2013 Session Laws of Kansas from the state
18 general fund in the operations (including legislative post audit committee)
19 account, the sum of \$315,669 is hereby lapsed.

20 Sec. 5.

21 ATTORNEY GENERAL

22
23 (a) On the effective date of this act, or as soon thereafter as moneys
24 are available, notwithstanding the provisions of K.S.A. 2014 Supp. 21-
25 5933, and amendments thereto, or any other statute, the director of
26 accounts and reports shall transfer \$1,000,000 from the medicaid fraud
27 prosecution revolving fund of the attorney general to the state general
28 fund.

29 Sec. 6.

30 STATE TREASURER

31 (a) On the effective date of this act, or as soon thereafter as moneys
32 are available, notwithstanding the provisions of the uniform unclaimed
33 property act, K.S.A. 58-3934 et seq., and amendments thereto, or any other
34 statute, the director of accounts and reports shall transfer \$500,000 from
35 the state treasurer operating fund of the state treasurer to the state general
36 fund.

37 Sec. 7.

38 INSURANCE DEPARTMENT

39 (a) On the effective date of this act, or as soon thereafter as moneys
40 are available, notwithstanding the provisions of any statute, the director of
41 accounts and reports shall transfer \$3,000,000 from the workers
42 compensation fund of the insurance department to the state general fund.

43 Sec. 8.

1 JUDICIAL BRANCH

2 (a) On the effective date of this act, of the \$2,000,000 appropriated
3 for the above agency, for the fiscal year ending June 30, 2015, by section
4 1(a) of chapter 82 of the 2014 Session Laws of Kansas from the state
5 general fund in the judiciary operations account, the sum of \$673,754 is
6 hereby lapsed.

7 Sec. 9.

8 STATE CORPORATION COMMISSION

9 (a) On the effective date of this act, or as soon thereafter as moneys
10 are available, notwithstanding the provisions of any statute, the director of
11 accounts and reports shall transfer \$1,000,000 from the conservation fee
12 fund of the state corporation commission to the state general fund.

13 Sec. 10.

14 DEPARTMENT OF ADMINISTRATION

15 (a) On the effective date of this act, of the \$600,000 appropriated for
16 the above agency for the fiscal year ending June 30, 2015, by section
17 112(c) of chapter 136 of the 2013 Session Laws of Kansas from the state
18 economic development initiatives fund in the public broadcasting council
19 grants account, the sum of \$12,000 is hereby lapsed.

20 (b) On the effective date of this act, or as soon thereafter as moneys
21 are available, the director of accounts and reports shall transfer \$12,000
22 from the state economic development initiatives fund to the state general
23 fund.

24 Sec. 11.

25 DEPARTMENT OF REVENUE

26 (a) On the effective date of this act, or as soon thereafter as moneys
27 are available, notwithstanding the provisions of K.S.A. 68-416, and
28 amendments thereto, or of any other statute, the director of accounts and
29 reports shall transfer \$1,219,827 from the division of vehicles operating
30 fund of the department of revenue to the state general fund.

31 (b) On the effective date of this act, or as soon thereafter as moneys
32 are available, notwithstanding the provisions of K.S.A. 75-5159, and
33 amendments thereto, or of any other statute, the director of accounts and
34 reports shall transfer \$4,000,000 from the division of vehicles
35 modernization fund of the department of revenue to the state general fund.

36 Sec. 12.

37 DEPARTMENT OF COMMERCE

38 (a) On the effective date of this act, of the \$250,000 appropriated for
39 the above agency for the fiscal year ending June 30, 2015, by section 59(a)
40 of chapter 142 of the 2014 Session Laws of Kansas from the state general
41 fund in the global trade services grant fund account, the sum of \$5,000 is
42 hereby lapsed.

43 (b) On the effective date of this act, of the \$9,162,358 appropriated

1 for the above agency for the fiscal year ending June 30, 2015, by section
2 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
3 economic development initiatives fund in the operating grant (including
4 official hospitality) account, the sum of \$302,518 is hereby lapsed.

5 (c) On the effective date of this act, of the \$253,139 appropriated for
6 the above agency for the fiscal year ending June 30, 2015, by section
7 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
8 economic development initiatives fund in the older Kansans employment
9 program account, the sum of \$118 is hereby lapsed.

10 (e) On the effective date of this act, of the \$1,831,012 appropriated
11 for the above agency for the fiscal year ending June 30, 2015, by section
12 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
13 economic development initiatives fund in the rural opportunity zones
14 program account, the sum of \$2,599 is hereby lapsed.

15 (f) On the effective date of this act, of the \$8,100 appropriated for the
16 above agency for the fiscal year ending June 30, 2015, by section 124(b)
17 of chapter 136 of the 2013 Session Laws of Kansas from the state
18 economic development initiatives fund in the senior community service
19 employment program account, the sum of \$49 is hereby lapsed.

20 (g) On the effective date of this act, of the \$100,000 appropriated for
21 the above agency for the fiscal year ending June 30, 2015, by section
22 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
23 economic development initiatives fund in the strong military bases
24 program account, the sum of \$233 is hereby lapsed.

25 (h) On the effective date of this act, of the \$186,205 appropriated for
26 the above agency for the fiscal year ending June 30, 2015, by section
27 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
28 economic development initiatives fund in the governor's council of
29 economic advisors account, the sum of \$244 is hereby lapsed.

30 (i) On the effective date of this act, of the \$1,568,648 appropriated for
31 the above agency for the fiscal year ending June 30, 2015, by section
32 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
33 economic development initiatives fund in the innovation growth program
34 account, the sum of \$140,173 is hereby lapsed.

35 (j) On the effective date of this act, of the \$200,000 appropriated for
36 the above agency for the fiscal year ending June 30, 2015, by section
37 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
38 economic development initiatives fund in the creative arts industries
39 commission account, the sum of \$851 is hereby lapsed.

40 (k) On the effective date of this act, of the \$450,000 appropriated for
41 the above agency for the fiscal year ending June 30, 2015, by section
42 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
43 economic development initiatives fund in the employment incentive for

1 persons with a disability account, the sum of \$108 is hereby lapsed.

2 (l) On the effective date of this act, or as soon thereafter as moneys
3 are available, the director of accounts and reports shall transfer \$836,934
4 from the state economic development initiatives fund to the state general
5 fund.

6 Sec. 13.

7 DEPARTMENT OF HEALTH AND ENVIRONMENT –
8 DIVISION OF HEALTH CARE FINANCE

9 (a) On the effective date of this act, or as soon thereafter as moneys
10 are available, the director of accounts and reports shall transfer
11 \$55,000,000 from the medical programs fee fund of the department of
12 health and environment – division of health care finance to the state
13 general fund.

14 Sec. 14.

15 DEPARTMENT OF HEALTH AND ENVIRONMENT –
16 DIVISION OF ENVIRONMENT

17 (a) On the effective date of this act, or as soon thereafter as moneys
18 are available, notwithstanding the provisions of K.S.A. 65-34,131, and
19 amendments thereto, or of any other statute, the director of accounts and
20 reports shall transfer \$3,000,000 from the UST redevelopment fund of the
21 department of health and environment – division of environment to the
22 state general fund.

23 Sec. 15.

24 KANSAS DEPARTMENT FOR AGING
25 AND DISABILITY SERVICES

26 (a) On the effective date of this act, or as soon thereafter as moneys
27 are available, the director of accounts and reports shall transfer \$3,000,000
28 from the DADS social welfare fund of the Kansas department for aging
29 and disability services to the state general fund.

30 (b) On the effective date of this act, or as soon thereafter as moneys
31 are available, notwithstanding the provisions of K.S.A. 79-4805, and
32 amendments thereto, or of any other statute, the director of accounts and
33 reports shall transfer \$1,200,000 from the problem gambling and
34 addictions grant fund of the Kansas department for aging and disability
35 services to the state general fund.

36 Sec. 16.

37 KANSAS DEPARTMENT FOR
38 CHILDREN AND FAMILIES

39 (a) On the effective date of this act, or as soon thereafter as moneys
40 are available, the director of accounts and reports shall transfer \$500,000
41 from the children's initiatives fund to the state general fund.

42 Sec. 17.

43 KANSAS HIGHWAY PATROL

1 (a) On the effective date of this act, or as soon thereafter as moneys
2 are available, the director of accounts and reports shall transfer \$1,103,044
3 from the Kansas highway patrol operations fund of the Kansas highway
4 patrol to the state general fund.

5 Sec. 18.

6 KANSAS DEPARTMENT OF WILDLIFE,
7 PARKS AND TOURISM

8 (a) On the effective date of this act, of the amount appropriated for
9 the above agency for the fiscal year ending June 30, 2015, by the state
10 finance council by section 109(b) of chapter 142 of the 2014 Session Laws
11 of Kansas from the state economic development initiatives fund in the
12 SEDIF travel/tourism operating expense account, the sum of \$124,834 is
13 hereby lapsed.

14 (b) On the effective date of this act, or as soon thereafter as moneys
15 are available, the director of accounts and reports shall transfer \$124,834
16 from the state economic development initiatives fund in the SEDIF
17 travel/tourism operating expense account of the Kansas department of
18 wildlife, parks and tourism to the state general fund.

19 (c) On the effective date of this act, of the amount appropriated for
20 the above agency for the fiscal year ending June 30, 2015, by the state
21 finance council by section 109(b) of chapter 142 of the 2014 Session Laws
22 of Kansas from the state economic development initiatives fund in the
23 state parks operating expenditures account, the sum of \$500,000 is hereby
24 lapsed.

25 (d) On the effective date of this act, or as soon after each such date as
26 moneys are available, the director of accounts and reports shall transfer
27 \$500,000 from the state economic development initiatives fund in the state
28 parks operating expense account of the Kansas department of wildlife,
29 parks and tourism to the state general fund.

30 (e) On the effective date of this act, or as soon after each such date as
31 moneys are available, the director of accounts and reports shall transfer
32 \$1,000,000 from the department access roads fund of the Kansas
33 department of wildlife, parks and tourism to the state general fund.

34 (f) On the effective date of this act, or as soon after each such date as
35 moneys are available, the director of accounts and reports shall transfer
36 \$400,000 from the bridge maintenance fund of the Kansas department of
37 wildlife, parks and tourism to the state general fund.

38 Sec. 19.

39 DEPARTMENT OF TRANSPORTATION

40 (a) On the effective date of this act, or as soon thereafter as moneys
41 are available, the director of accounts and reports shall transfer
42 \$103,479,087 from the state highway fund of the department of
43 transportation to the state general fund.

1 Sec. 20. K.S.A. 2014 Supp. 74-4914d is hereby amended to read as
2 follows: 74-4914d. (a) Any additional cost resulting from the normal
3 retirement date and retirement before such normal retirement date for
4 security officers as provided in K.S.A. 74-4914c, and amendments thereto,
5 and disability benefits as provided in K.S.A. 74-4914e, and amendments
6 thereto, shall be added to the employer rate of contribution for the
7 department of corrections as otherwise determined under K.S.A. 74-4920,
8 and amendments thereto, except that the employer rate of contribution for
9 the department of corrections including any such additional cost added to
10 such employer rate of contribution pursuant to this section shall in no
11 event exceed the employer rate of contribution for the department of
12 corrections for the immediately preceding fiscal year by more than the
13 following amounts expressed as a percentage of compensation upon which
14 security officers contribute during the period: (a) For the fiscal year
15 commencing in calendar years 2010 through 2012, an amount not to
16 exceed more than 0.6% of the amount of the immediately preceding fiscal
17 year; (b) for the fiscal year commencing in calendar year 2013, an amount
18 not to exceed more than 0.9% of the amount of the immediately preceding
19 fiscal year; (c) for the fiscal year commencing in calendar year 2014, an
20 amount not to exceed more than 1% of the amount of the immediately
21 preceding fiscal year; (d) for the fiscal year commencing in calendar year
22 2015, an amount not to exceed more than 1.1% of the amount of the
23 immediately preceding fiscal year; and (e) for the fiscal year commencing
24 in calendar year 2016, and in each subsequent calendar year, an amount
25 not to exceed more than 1.2% of the amount of the immediately preceding
26 fiscal year, *without regard to the employer rate of contribution in*
27 *subsection (b).*

28 (b) *On and after the effective date of this act, notwithstanding the*
29 *employer rate of contribution determined under K.S.A. 74-4920(1)(a), and*
30 *amendments thereto, and subsection (a), the employer rate of contribution*
31 *for employees covered by this section shall be 8.65% expressed as a*
32 *percentage of compensation for payroll periods chargeable to the last six*
33 *months of the fiscal year ending June 30, 2015.*

34 Sec. 21. K.S.A. 2014 Supp. 74-4920 is hereby amended to read as
35 follows: 74-4920. (1) (a) Upon the basis of each annual actuarial valuation
36 and appraisal as provided for in ~~subsection (3)(a) of~~ K.S.A. 74-4908(3)(a),
37 and amendments thereto, the board shall certify, on or before July 15 of
38 each year, to the division of the budget in the case of the state and to the
39 agent for each other participating employer an actuarially determined
40 estimate of the rate of contribution which will be required, together with
41 all accumulated contributions and other assets of the system, to be paid by
42 each such participating employer to pay all liabilities which shall exist or
43 accrue under the system, including amortization of the actuarial accrued

1 liability as determined by the board. The board shall determine the
2 actuarial cost method to be used in annual actuarial valuations, to
3 determine the employer contribution rates that shall be certified by the
4 board. Such certified rate of contribution, amortization methods and
5 periods and actuarial cost method shall be based on the standards set forth
6 in ~~subsection (3)(a)~~ of K.S.A. 74-4908(3)(a), and amendments thereto, and
7 shall not be based on any other purpose outside of the needs of the system.

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

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

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

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

39 (4) Each participating employer is hereby authorized to pay the
40 employer's contribution from the same fund that the compensation for
41 which such contribution is made is paid from or from any other funds
42 available to it for such purpose. Each political subdivision, other than an
43 instrumentality of the state, which is by law authorized to levy taxes for

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

21 (5) (a) The rate of contribution certified to a participating employer as
22 provided in this section shall apply during the fiscal year of the
23 participating employer which begins in the second calendar year following
24 the year of the actuarial valuation.

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

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

1 preceding fiscal year; (D) for the fiscal year commencing in calendar year
2 2015, an amount not to exceed more than 1.1% of the amount of the
3 immediately preceding fiscal year; and (E) for the fiscal year commencing
4 in calendar year 2016, and in each subsequent calendar year, an amount
5 not to exceed more than 1.2% of the amount of the immediately preceding
6 fiscal year, *without regard to the rate of employer contribution in*
7 *subsection (17).*

8 (iii) Except as specifically provided in this section, for fiscal years
9 commencing in calendar year 1997 and in each subsequent calendar year,
10 the rate of contribution certified to participating employers other than the
11 state of Kansas shall in no event exceed such participating employer's
12 contribution rate for the immediately preceding fiscal year by more than
13 0.15% of the amount of compensation upon which members contribute
14 during the period.

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

33 (v) As part of the annual actuarial valuation, there shall be a separate
34 employer rate of contribution calculated for the state of Kansas, a separate
35 employer rate of contribution calculated for participating employers under
36 K.S.A. 74-4931, and amendments thereto, a combined employer rate of
37 contribution calculated for the state of Kansas and participating employers
38 under K.S.A. 74-4931, and amendments thereto, and a separate employer
39 rate of contribution calculated for all other participating employers.

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

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

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

13 (7) The actuarial cost of the provisions of K.S.A. 74-4950i, and
14 amendments thereto, will be included in the June 30, 1998, actuarial
15 valuation in determining contribution rates for participating employers.
16 The actuarial accrued liability incurred for the provisions of K.S.A. 74-
17 4950i, and amendments thereto, shall be amortized over 15 years.

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

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

33 (10) The cost of the postretirement benefit payment provided
34 pursuant to the provisions of K.S.A. 2014 Supp. 74-49,114b, and
35 amendments thereto, for retirants other than local retirants as described in
36 subsection (11) or insured disability benefit recipients shall be paid in the
37 fiscal year commencing on July 1, 2007.

38 (11) The actuarial accrued liability incurred for the provisions of
39 K.S.A. 2014 Supp. 74-49,114b, and amendments thereto, for the KPERS
40 local group and retirants who were employees of local employers which
41 affiliated with the Kansas police and firemen's retirement system shall be
42 amortized over 10 years.

43 (12) The cost of the postretirement benefit payment provided

1 pursuant to the provisions of K.S.A. 2014 Supp. 74-49,114c, and
2 amendments thereto, for retirants other than local retirants as described in
3 subsection (13) or insured disability benefit recipients shall be paid in the
4 fiscal year commencing on July 1, 2008.

5 (13) The actuarial accrued liability incurred for the provisions of
6 K.S.A. 2014 Supp. 74-49,114c, and amendments thereto, for the KPERS
7 local group and retirants who were employees of local employers which
8 affiliated with the Kansas police and firemen's retirement system shall be
9 amortized over 10 years.

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

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

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

31 (17) *On and after the effective date of this act, notwithstanding the*
32 *employer rate of contribution determined under subsection (1)(a), for the*
33 *state of Kansas and participating employers under K.S.A. 74-4931, and*
34 *amendments thereto, the employer rate of contribution for the state of*
35 *Kansas and participating employers under K.S.A. 74-4931 shall be 8.65%*
36 *expressed as a percentage of compensation for payroll periods chargeable*
37 *to the last six months of the fiscal year ending June 30, 2015.*

38 Sec. 22. K.S.A. 2014 Supp. 74-50,107 is hereby amended to read as
39 follows: 74-50,107. (a) (1) The secretary shall determine and from time to
40 time shall redetermine the rate at which moneys shall be credited to the
41 IMPACT program repayment fund in order to satisfy all bond repayment
42 obligations which have been incurred to finance program costs for
43 IMPACT programs, which shall be referred to as the debt service rate, and

1 the rate at which moneys shall be credited to the IMPACT program
2 services fund in order to finance program costs that are not financed by
3 bonds, which shall be referred to as the direct funding rate. The total of the
4 debt service rate and the direct funding rate shall be the combined rate.
5 Each rate so determined shall be certified to the secretary of revenue. The
6 combined rate determined under this subsection shall not exceed 2%.

7 (2) Upon receipt of the rates determined and certified under
8 subsection (a)(1), the secretary of revenue shall apply daily the combined
9 rate to that portion of the moneys withheld from the wages of individuals
10 and collected under the Kansas withholding and declaration of estimated
11 tax act, K.S.A. 79-3294 et seq., and amendments thereto. The amount so
12 determined shall be credited as follows: (A) The portion attributable to the
13 debt service rate shall be credited to the IMPACT program repayment
14 fund; and (B) the remaining portion shall be credited to the IMPACT
15 program services fund.

16 (3) The aggregate of all amounts credited to the IMPACT program
17 repayment fund under this section during any fiscal year to pay bond
18 repayment obligations on bonds to finance major project investments shall
19 not exceed the amount which results when the rate of 2% is applied to all
20 moneys withheld from the wages of individuals and received under the
21 Kansas withholding and declaration of estimated tax act.

22 (4) The provisions of this subsection shall remain in effect prior to
23 July 1, 2012.

24 (b) Commencing July 1, 2012, and on the first day of each month
25 thereafter during fiscal year 2013, fiscal year 2014, and fiscal year 2015,
26 the secretary of revenue shall apply a rate of 2% to that portion of moneys
27 withheld from the wages of individuals and collected under the Kansas
28 withholding and declaration of estimated tax act, K.S.A. 79-3294 et seq.,
29 and amendments thereto. The amount so determined shall be credited on a
30 monthly basis as follows: (1) An amount necessary to meet obligations of
31 the debt services for the IMPACT program repayment fund; and (2) an
32 amount to the IMPACT program services fund as needed for program
33 administration; and (3) any remaining amounts to the job creation program
34 fund created pursuant to K.S.A. 2014 Supp. 74-50,224, and amendments
35 thereto. During fiscal year 2013, the aggregate amount that is credited to
36 the job creation program fund pursuant to this subsection shall not exceed
37 \$10,000,000 for such fiscal year. During fiscal years 2014 and 2015 the
38 aggregate amount that is credited to the job creation program fund
39 pursuant to this subsection shall not exceed ~~\$7,500,000~~ \$360,000 for such
40 fiscal year.

41 (c) Commencing July 1, 2015, and on an annual basis thereafter, the
42 secretary of revenue shall estimate the amount equal to the amount of net
43 savings realized from the elimination, modification or limitation of any

1 credit, deduction or program pursuant to the provisions of this act as
2 compared to the expense deduction provided for in K.S.A. 2014 Supp. 79-
3 32,143a, and amendments thereto. Whereupon such amount of savings in
4 accordance with appropriation acts shall be remitted to the state treasurer
5 in accordance with the provisions of K.S.A. 75-4215, and amendments
6 thereto. Upon receipt of each such remittance, the state treasurer shall
7 deposit the entire amount to the credit of the job creation program fund
8 created pursuant to K.S.A. 2014 Supp. 74-50,224, and amendments
9 thereto. In addition, such other amount or amounts of money may be
10 transferred from the state general fund or any other fund or funds in the
11 state treasury to the job creation program fund in accordance with
12 appropriation acts.

13 Sec. 23. K.S.A. 2014 Supp. 74-99b34 is hereby amended to read as
14 follows: 74-99b34.(a) The bioscience development and investment fund is
15 hereby created. The bioscience development and investment fund shall not
16 be a part of the state treasury and the funds in the bioscience development
17 and investment fund shall belong exclusively to the authority.

18 (b) Distributions from the bioscience development and investment
19 fund shall be for the exclusive benefit of the authority, under the control of
20 the board and used to fulfill the purpose, powers and duties of the
21 authority pursuant to the provisions of K.S.A. 2014 Supp. 74-99b01 et
22 seq., and amendments thereto.

23 (c) The secretary of revenue and the authority shall establish the base
24 year taxation for all bioscience companies and state universities. The
25 secretary of revenue, the authority and the board of regents shall establish
26 the number of bioscience employees associated with state universities and
27 report annually and determine the increase from the taxation base annually.
28 The secretary of revenue and the authority may consider any verifiable
29 evidence, including, but not limited to, the NAICS code assigned or
30 recorded by the department of labor for companies with employees in
31 Kansas, when determining which companies should be classified as
32 bioscience companies.

33 (d) (1) Except as provided in subsection (d)(2), (d)(3), (h); ~~or (i) or~~
34 ~~(j)~~, for a period of 15 years from the effective date of this act, the state
35 treasurer shall pay annually 95% of withholding above the base, as
36 certified by the secretary of revenue, upon Kansas wages paid by
37 bioscience employees to the bioscience development and investment fund.
38 Such payments shall be reconciled annually. On or before the 10th day of
39 each month, the director of accounts and reports shall transfer from the
40 state general fund to the bioscience development and investment fund
41 interest earnings based on:

42 (A) The average daily balance of moneys in the bioscience
43 development and investment fund for the preceding month; and

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

3 (2) (A) For fiscal year~~2013~~ 2015, fiscal year~~2014~~ 2016, *fiscal year*
4 2017, and fiscal year~~2015~~ 2018, the first \$1,000,000 that the secretary of
5 revenue certifies to the state treasurer of the annual 95% of withholding
6 above the base, upon Kansas wages paid by bioscience employees, shall be
7 transferred by the director of accounts and reports from the state general
8 fund to the following: The center of innovation for biomaterials in
9 orthopaedic research – Wichita state university fund.

10 (B) There is hereby established in the state treasury the center of
11 innovation for biomaterials in orthopaedic research – Wichita state
12 university fund which shall be administered by Wichita state university.
13 All moneys credited to the fund shall be used for research and
14 development. All expenditures from the center of innovation for
15 biomaterials in orthopaedic research – Wichita state university fund shall
16 be made in accordance with appropriation acts and upon warrants of the
17 director of accounts and reports issued pursuant to expenditures approved
18 by the president of Wichita state university or by the person or persons
19 designated by the president of Wichita state university.

20 (3) (A) For fiscal year~~2013~~ 2015, fiscal year~~2014~~ 2016, *fiscal year*
21 2017, and fiscal year~~2015~~ 2018, the next \$5,000,000 that the secretary of
22 revenue certifies to the state treasurer of the annual 95% of withholding
23 above the base, upon Kansas wages paid by bioscience employees above
24 the first \$1,000,000 certified pursuant to subsection (d)(2)(A), shall be
25 transferred by the director of accounts and reports from the state general
26 fund to the following: The national bio agro-defense facility fund at
27 Kansas state university.

28 (B) There is hereby established in the state treasury the national bio
29 agro-defense facility fund which shall be administered by Kansas state
30 university in accordance with the strategic plan adopted by the governor's
31 national bio agro-defense facility steering committee. All moneys credited
32 to the fund shall be used in accordance with the governor's national bio
33 agro-defense facility steering committee's plan with the approval of the
34 president of Kansas state university. All expenditures from the national bio
35 agro-defense facility fund shall be made in accordance with appropriation
36 acts and upon warrants of the director of accounts and reports issued
37 pursuant to expenditures approved by the steering committee and the
38 president of Kansas state university or by the person or persons designated
39 by the president of Kansas state university.

40 (e) The cumulative amounts of funds paid by the state treasurer to the
41 bioscience development and investment fund shall not exceed
42 \$581,800,000.

43 (f) The division of post audit is hereby authorized to conduct a post

1 audit in accordance with the provisions of the legislative post audit act,
2 K.S.A. 46-1106 et seq., and amendments thereto.

3 (g) At the direction of the authority, the fund may be held in the
4 custody of and invested by the state treasurer, provided that the bioscience
5 development and investment fund shall at all times be accounted for in a
6 separate report from all other funds of the authority and the state.

7 (h) During the fiscal year ending June 30, 2016, the aggregate amount
8 that is directed to be transferred from the state general fund to the
9 bioscience development and investment fund pursuant to subsection (d)(1)
10 plus interest earnings pursuant to subsection (d)(1) shall not exceed
11 \$35,000,000 for such fiscal year.

12 (i) During the fiscal year ending June 30, 2015, the aggregate amount
13 that is directed to be transferred from the state general fund to the
14 bioscience development and investment fund pursuant to subsection (d)(1)
15 plus interest earnings pursuant to subsection (d)(1) shall not exceed
16 ~~\$32,000,000~~ \$27,000,000 for such fiscal year.

17 ~~(j) During the fiscal year ending June 30, 2014, the aggregate amount~~
18 ~~that is directed to be transferred from the state general fund to the~~
19 ~~bioscience development and investment fund pursuant to subsection (d)(1)~~
20 ~~plus interest earnings pursuant to subsection (d)(1) shall not exceed~~
21 ~~\$10,000,000 for such fiscal year.~~

22 Sec. 24. *Severability.* If any provision or clause of this act or
23 application thereof to any person or circumstance is held invalid, such
24 invalidity shall not affect other provisions or applications of the act which
25 can be given effect without the invalid provision or application, and to this
26 end the provisions of this act are declared to be severable.

27 Sec. 25. *Appeals to exceed expenditure limitations.* (a) Upon written
28 application to the governor and approval of the state finance council,
29 expenditures from special revenue funds may exceed the amounts
30 specified in this act.

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

35 Sec. 26. K.S.A. 2014 Supp. 74-4914d, 74-4920, 74-50,107, 74-99b34
36 and 74-99b34a are hereby repealed.

37 Sec. 27. This act shall take effect and be in force from and after its
38 publication in the Kansas register.