

**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.

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STATE CORPORATION COMMISSION

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

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

CITIZENS' UTILITY RATEPAYER BOARD

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

Sec. 15.

DEPARTMENT OF ADMINISTRATION

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

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

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

Sec. 16.

STATE BOARD OF TAX APPEALS

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

Sec. 17.

DEPARTMENT OF COMMERCE

(a) On the effective date of this act, of the \$8,848,267 appropriated for the above agency for the fiscal year ending June 30, 2017, by section 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 Sec. 23.

42 KANSAS DEPARTMENT FOR
43 CHILDREN AND FAMILIES

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

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

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

8 Sec. 24.

9 DEPARTMENT OF EDUCATION

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

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

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

16 (b) On the effective date of this act, of the \$2,760,946,624
17 appropriated for the above agency for the fiscal year ending June 30, 2017,
18 by section 3(a) of chapter 4 of the 2015 Session Laws of Kansas from the
19 state general fund in the block grants to USDs account (652-00-1000-
20 0500), the sum of \$229,863,160 is hereby lapsed.

21 (c) On the effective date of this act, of the \$4,971,500 appropriated
22 for the above agency for the fiscal year ending June 30, 2017, by section
23 3(a) of chapter 4 of the 2015 Session Laws of Kansas from the state
24 general fund in the school district juvenile detention facilities and Flint
25 Hills job corps center grants account (652-00-1000-0290), the sum of
26 \$228,672 is hereby lapsed.

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

32 (e) On June 30, 2017, or as soon thereafter as moneys are available,
33 notwithstanding the provisions of K.S.A. 8-267 or 8-272, and amendments
34 thereto, or any other statute, the director of accounts and reports shall
35 transfer \$500,000 from the state safety fund to the state general fund:
36 *Provided*, That the transfer of such amount shall be in addition to any other
37 transfer from the state safety fund to the state general fund as prescribed
38 by law: *Provided further*, That the amount transferred from the state safety
39 fund to the state general fund pursuant to this subsection is to reimburse
40 the state general fund for accounting, auditing, budgeting, legal, payroll,
41 personnel and purchasing services and any other governmental services
42 which are performed on behalf of the department of education by other
43 state agencies which receive appropriations from the state general fund to

1 provide such services.

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

5 Sec. 25.

6

STATE LIBRARY

7 (a) On the effective date of this act, of the \$1,381,187 appropriated
8 for the above agency for the fiscal year ending June 30, 2017, by section
9 117(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
10 general fund in the operating expenditures account (434-00-1000-0300),
11 the sum of \$87,327 is hereby lapsed.

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

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

16 Sec. 26.

17

STATE HISTORICAL SOCIETY

18 (a) On the effective date of this act, of the \$4,075,408 appropriated
19 for the above agency for the fiscal year ending June 30, 2017, by section
20 123(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
21 general fund in the operating expenditures account (288-00-1000-0083),
22 the sum of \$866 is hereby lapsed.

23 (b) On the effective date of this act, of the \$250,000 appropriated for
24 the above agency for the fiscal year ending June 30, 2017, by section
25 201(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
26 general fund in rehabilitation and repair projects account (288-00-1000-
27 8088), the sum of \$1,726 is hereby lapsed.

28 (c) On the effective date of this act, for the fiscal year ending June 30,
29 2017, the expenditure limitation established by section 97(c) of chapter 12
30 of the 2016 Session Laws of Kansas on expenditures for state operations
31 from the heritage trust fund (288-00-7379-7603) of the state historical
32 society is hereby decreased from \$78,373 to \$56,053.

33 Sec. 27.

34

KANSAS STATE UNIVERSITY

35 (a) On the effective date of this act, of the \$3,700,000 appropriated
36 for the above agency for the fiscal year ending June 30, 2017, by section
37 207(c) of chapter 104 of the 2015 Session Laws of Kansas from the
38 Kansas educational building fund in the Seaton Hall, the college of
39 architecture planning and design debt service account (367-00-8001-
40 8320), the sum of \$1,900 is hereby lapsed.

41 Sec. 28.

42

UNIVERSITY OF KANSAS

43 (a) On the effective date of this act, of the \$1,629,288 appropriated

1 for the above agency for the fiscal year ending June 30, 2017, by section
2 213(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
3 general fund in the school of pharmacy debt service account (682-00-
4 1000-0320), the sum of \$1,552,888 is hereby lapsed.

5 Sec. 29.

6 DEPARTMENT OF CORRECTIONS

7 (a) On the effective date of this act, of the \$18,754,000 appropriated
8 for the above agency for the fiscal year ending June 30, 2017, by section
9 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
10 general fund in the purchase of services account (521-00-1000-0300), the
11 sum of \$6,000,000 is hereby lapsed.

12 (b) On the effective date of this act, of the \$21,383,874 appropriated
13 for the above agency for the fiscal year ending June 30, 2017, by section
14 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
15 general fund in the prevention and graduated sanctions community grants
16 account (521-00-1000-0221), the sum of \$1,089,245 is hereby lapsed.

17 (c) On the effective date of this act, of the \$500,000 appropriated for
18 the above agency for the fiscal year ending June 30, 2017, by section
19 221(b) of chapter 104 of the 2015 Session Laws of Kansas from the
20 correctional institutions building fund in the debt service payment for the
21 infrastructure projects bond issues account (521-00-8600-8170), the sum
22 of \$66,829 is hereby lapsed.

23 (d) On the effective date of this act, of the amounts appropriated and
24 reappropriated for the above agency for the fiscal year ending June 30,
25 2017, by sections 221(b) and 258(b) of chapter 104 of the 2015 Session
26 Laws of Kansas from the correctional institutions building fund in the debt
27 service payment for the prison capacity expansion projects bond issue
28 account (521-00-8600-8160), the sum of \$212,046 is hereby lapsed.

29 (e) On the effective date of this act, of the \$3,996,500 appropriated
30 for the above agency for the fiscal year ending June 30, 2017, by section
31 221(c) of chapter 104 of the 2015 Session Laws of Kansas from the state
32 institutions building fund in the debt service – Topeka complex and Larned
33 juvenile correctional facility account (521-00-8100-8119), the sum of
34 \$14,413 is hereby lapsed.

35 (f) Notwithstanding the provisions of K.S.A. 2016 Supp. 75-52,164,
36 and amendments thereto, or any other statute, during fiscal year 2017, the
37 director of accounts and reports shall transfer the amount certified
38 pursuant to K.S.A. 2016 Supp. 75-52,164(b), and amendments thereto,
39 from each account of the state general fund of a state agency that has been
40 determined by the secretary of corrections to be actual or projected cost
41 savings to the evidence based juvenile program account of the state
42 general fund of the department of corrections: *Provided*, That the secretary
43 of corrections shall transmit a copy of each such certification to the

1 director of legislative research.

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

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

9 Evidence based juvenile
10 program (521-00-1000-0050).....\$6,000,000
11 Sec. 30.

12 ADJUTANT GENERAL

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

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

16 (b) On the effective date of this act, of the \$730,269 appropriated for
17 the above agency for the fiscal year ending June 30, 2017, by section
18 228(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
19 general fund in the debt service – rehabilitation and repair of the statewide
20 armories account (034-00-1000-8010), the sum of \$234,962 is hereby
21 lapsed.

22 (c) On the effective date of this act, of the amount reappropriated for
23 the above agency for the fiscal year ending June 30, 2017, by section
24 228(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
25 general fund in the state emergency operations center design account (034-
26 00-1000-8025), the sum of \$429,951 is hereby lapsed.

27 Sec. 31.

28 KANSAS HIGHWAY PATROL

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

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

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

40 (c) On the effective date of this act, the expenditure limitation
41 established for the fiscal year ending June 30, 2017, by section 225(a) of
42 chapter 104 of the 2015 Session Laws of Kansas on the rehabilitation and
43 repair – training center – Salina account (280-00-2306-2004) of the

1 highway patrol is hereby increased from \$56,355 to no limit.

2 Sec. 32.

3 ATTORNEY GENERAL – KANSAS BUREAU OF INVESTIGATION

4 (a) On the effective date of this act, of the \$18,638,929 appropriated
5 for the above agency for the fiscal year ending June 30, 2017, by section
6 153(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
7 general fund in the operating expenditures account (083-00-1000-0083),
8 the sum of \$421,163 is hereby lapsed.

9 (b) On the effective date of this act, of the \$250,000 appropriated for
10 the above agency for the fiscal year ending June 30, 2017, by section
11 153(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
12 general fund in the meth lab cleanup account (083-00-1000-0200), the sum
13 of \$109,788 is hereby lapsed.

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

19 eCitation national priority safety program – federal	
20 fund.....	No limit

21 Sec. 33.

22 KANSAS SENTENCING COMMISSION

23 (a) Notwithstanding the provisions of K.S.A. 2016 Supp. 21-6824,
24 and amendments thereto, or any other statute, in addition to other purposes
25 for which expenditures may be made by the Kansas sentencing
26 commission from the substance abuse treatment programs account (626-
27 00-1000-0600) of the state general fund for fiscal year 2017 as authorized
28 by section 157(a) of chapter 104 of the 2015 Session Laws of Kansas,
29 expenditures may be made by the above agency from the substance abuse
30 treatment programs account of the state general fund for fiscal year 2017
31 for operating costs.

32 Sec. 34.

33 KANSAS DEPARTMENT OF AGRICULTURE

34 (a) On the effective date of this act, of the \$9,584,968 appropriated
35 for the above agency for the fiscal year ending June 30, 2017, by section
36 161(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
37 general fund in the operating expenditures account (046-00-1000-0053),
38 the sum of \$11,805 is hereby lapsed.

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

- 1 USGS water use grant.....No limit
- 2 Compensatory mitigation fund.....No limit
- 3 Sec. 35.

4 KANSAS DEPARTMENT OF WILDLIFE,
5 PARKS AND TOURISM

6 (a) There is appropriated for the above agency from the state
7 economic development initiatives fund for the fiscal year ending June 30,
8 2017, the following:

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

11 (b) On the effective date of this act, of the \$1,755,492 appropriated
12 for the above agency for the fiscal year ending June 30, 2017, by section
13 167(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
14 economic development initiatives fund in the operating expenditures
15 account (710-00-1900-1910), the sum of \$29,787 is hereby lapsed.

16 (c) On the effective date of this act, of the \$1,626,371 appropriated
17 for the above agency for the fiscal year ending June 30, 2017, by section
18 167(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
19 economic development initiatives fund in the state parks operating
20 expenditures account (710-00-1900-1920), the sum of \$500,000 is hereby
21 lapsed.

22 (d) On the effective date of this act, of the \$10,603 appropriated for
23 the above agency for the fiscal year ending June 30, 2017, by section
24 232(a) of chapter 104 of the 2015 Session Laws of Kansas from the state
25 economic development initiatives fund in the debt service – Kansas City
26 district office account (710-00-1900-1960), the sum of \$10,395 is hereby
27 lapsed.

28 (e) On the effective date of this act, the expenditure limitation
29 established for the fiscal year ending June 30, 2017, by section 97(c) of
30 chapter 12 of the 2016 Session Laws of Kansas on the wildlife fee fund
31 (710-00-2300-2890) of the Kansas department of wildlife, parks and
32 tourism is hereby decreased from \$25,513,308 to \$25,476,788.

33 (f) On the effective date of this act, the expenditure limitation
34 established for the fiscal year ending June 30, 2017, by section 97(c) of
35 chapter 12 of the 2016 Session Laws of Kansas on the parks fee fund (710-
36 00-2122-2053) of the Kansas department of wildlife, parks and tourism is
37 hereby increased from \$7,782,766 to \$8,448,214.

38 (g) On the effective date of this act, the expenditure limitation
39 established for the fiscal year ending June 30, 2017, by section 97(c) of
40 chapter 12 of the 2016 Session Laws of Kansas on the boating fee fund
41 (710-00-2245-2813) of the Kansas department of wildlife, parks and
42 tourism is hereby decreased from \$1,324,797 to \$1,324,694.

43 (h) On the effective date of this act, the expenditure limitation

1 established for the fiscal year ending June 30, 2017, by section 97(c) of
2 chapter 12 of the 2016 Session Laws of Kansas on the department access
3 roads fund (710-00-2178-2761) of the Kansas department of wildlife,
4 parks and tourism is hereby increased from \$1,597,880 to \$1,617,880.

5 (i) In addition to the other purposes for which expenditures may be
6 made by the above agency from the wildlife fee fund for fiscal year 2017,
7 expenditures may be made by the above agency from the following capital
8 improvement account or accounts of the wildlife fee fund during fiscal
9 year 2017 for the following capital improvement project or projects,
10 subject to the expenditure limitations prescribed therefor:

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

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

15 (j) In addition to the other purposes for which expenditures may be
16 made by the above agency from the sport fish restoration fund for fiscal
17 year 2017, expenditures may be made by the above agency from the
18 following capital improvement account or accounts of the sport fish
19 restoration fund during fiscal year 2017 for the following capital
20 improvement project or projects, subject to the expenditure limitations
21 prescribed therefor:

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

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

26 (k) In addition to the other purposes for which expenditures may be
27 made by the above agency from the recreational trails program fund for
28 fiscal year 2017, expenditures may be made by the above agency from the
29 following capital improvement account or accounts of the recreational
30 trails program fund during fiscal year 2017 for the following capital
31 improvement project or projects, subject to the expenditure limitations
32 prescribed therefor:

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

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

37 Sec. 36.

38 DEPARTMENT OF TRANSPORTATION

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

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

8 (b) (1) On and after the date certified by the director of the budget
9 under subsection (b)(2), and notwithstanding the provisions of K.S.A. 74-
10 4920 and 74-4939, and amendments thereto, or any other statute, no state
11 agency shall pay to the Kansas public employees retirement system any
12 amounts during the remainder of the fiscal year ending June 30, 2017, that
13 constitute the state's contribution for employer contributions for eligible
14 employers as specified in K.S.A. 74- 4931(1), (2) and (3), and
15 amendments thereto, under the Kansas public employees retirement
16 system pursuant to K.S.A. 74-4939, and amendments thereto.

17 (2) During the fiscal year ending June 30, 2017, the director of the
18 budget shall continuously monitor the status of the state general fund with
19 regard to expenditures for any item of appropriation for employer
20 contributions to the Kansas public employee retirement system for the
21 employers who are eligible employers as specified in K.S.A. 74-4931(1),
22 (2) and (3), and amendments thereto, under the Kansas public employees
23 retirement system pursuant to K.S.A. 74-4939, and amendments thereto.
24 Periodically, the director of the budget shall estimate such expenditures in
25 fiscal year 2017 and the total amount of anticipated expenditures, demand
26 transfers and encumbrances of moneys in the state general fund for such
27 expenditures during the remainder of fiscal year 2017. Based on such
28 expenditure estimates, the director of the budget shall determine the
29 effective date under subsection (b)(1) necessary to provide the expenditure
30 reduction in subsection (a) and shall certify such effective date to the board
31 of trustees of the Kansas public employees retirement system. At the same
32 time as the director of the budget transmits such certification to the board
33 of trustees of the Kansas public employees retirement system, the director
34 of the budget shall transmit a copy of such certification to the director of
35 legislative research.

36 Sec. 38. (a) During fiscal year 2017, if the director of the budget
37 certified and the director of accounts and reports transferred any amount
38 appropriated from the following funds: expanded lottery act revenue fund,
39 state water plan fund, economic development initiatives fund, children's
40 initiatives fund, endowment for youth fund, educational buildings fund,
41 state institutions building fund or the correctional institutions building
42 fund, to the state general fund, pursuant to the authority granted in section
43 98(a)(2) of chapter 12 of the 2016 Session Laws of Kansas, then on the

1 effective date of this act, the director of accounts and reports shall lapse
2 the same amount certified and transferred from such fund: *Provided*, That
3 the director of the budget shall notify the director of legislative research of
4 any such lapse.

5 (b) During fiscal year 2017, if the director of the budget certifies any
6 amount appropriated from the following funds: expanded lottery act
7 revenue fund, state water plan fund, economic development initiatives
8 fund, children's initiatives fund, endowment for youth fund, educational
9 buildings fund, state institutions building fund or the correctional
10 institutions building fund, to the state general fund, pursuant to the
11 authority granted in section 98(a)(2) of chapter 12 of the 2016 Session
12 Laws of Kansas, then upon such certification, the director of accounts and
13 reports shall transfer the amount certified and lapse the same amount
14 certified and transferred from such fund: *Provided*, That the director of the
15 budget shall notify the director of legislative research of any such lapse.

16 Sec. 39. (a) During the fiscal year ending June 30, 2017, no state
17 agency named in chapter 104 of the 2015 Session Laws of Kansas, this act
18 or other appropriation act of the 2017 regular session of the legislature
19 shall expend any moneys appropriated for the fiscal year ending June 30,
20 2017, from the state general fund or in any special revenue fund or funds
21 for such state agency by chapter 104 of the 2015 Session Laws of Kansas,
22 chapter 12 of the 2016 Session Laws of Kansas, chapter 111 of the 2016
23 Session laws of Kansas or in this or other appropriation act of the 2017
24 regular session of the legislature, for acquisition of a new or used
25 passenger car or truck as a replacement for a passenger car or truck owned
26 by the state agency, unless:

27 (1) The motor vehicle being replaced has an unadjusted odometer
28 reading of 130,000 miles or more for a passenger car or 150,000 miles or
29 more for a truck; or

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

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

39 (1) Vehicle model;

40 (2) vehicle year;

41 (3) vehicle mileage;

42 (4) cost of replacement; and

43 (5) an estimate of safety-related repairs necessary for a vehicle to be

1 replaced.

2 (c) As used in this section:

3 (1) "State agency" means each state agency named in chapter 104 of
4 the 2015 Session Laws of Kansas, this act or other appropriation act of the
5 2017 regular session of the legislature, except that state agency shall not
6 include the Kansas highway patrol;

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

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

11 Sec. 40. (a) During the fiscal year ending June 30, 2018, no state
12 agency named in chapter 104 of the 2015 Session Laws of Kansas, this act
13 or other appropriation act of the 2017 regular session of the legislature
14 shall expend any moneys appropriated for the fiscal year ending June 30,
15 2018, from the state general fund or in any special revenue fund or funds
16 for such state agency in this or other appropriation act of the 2017 regular
17 session of the legislature, for acquisition of a new or used passenger car or
18 truck as a replacement for a passenger car or truck owned by the state
19 agency, unless:

20 (1) The motor vehicle being replaced has an unadjusted odometer
21 reading of 130,000 miles or more for a passenger car or 150,000 miles or
22 more for a truck; or

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

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

32 (1) Vehicle model;

33 (2) vehicle year;

34 (3) vehicle mileage;

35 (4) cost of replacement; and

36 (5) an estimate of safety-related repairs necessary for a vehicle to be
37 replaced.

38 (c) As used in this section:

39 (1) "State agency" means each state agency named in chapter 104 of
40 the 2015 Session Laws of Kansas, this act or other appropriation act of the
41 2017 regular session of the legislature, except that state agency shall not
42 include the Kansas highway patrol;

43 (2) "passenger car" has the meaning ascribed thereto in K.S.A. 8-

1 1445, and amendments thereto; and

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

4 Sec. 41. K.S.A. 2016 Supp. 74-4920 is hereby amended to read as
5 follows: 74-4920. (1) (a) Upon the basis of each annual actuarial valuation
6 and appraisal as provided for in K.S.A. 74-4908(3)(a), and amendments
7 thereto, the board shall certify, on or before July 15 of each year, to the
8 division of the budget in the case of the state and to the agent for each
9 other participating employer an actuarially determined estimate of the rate
10 of contribution which will be required, together with all accumulated
11 contributions and other assets of the system, to be paid by each such
12 participating employer to pay all liabilities which shall exist or accrue
13 under the system, including amortization of the actuarial accrued liability
14 as determined by the board. The board shall determine the actuarial cost
15 method to be used in annual actuarial valuations, to determine the
16 employer contribution rates that shall be certified by the board. Such
17 certified rate of contribution, amortization methods and periods and
18 actuarial cost method shall be based on the standards set forth in K.S.A.
19 74-4908(3)(a), and amendments thereto, and shall not be based on any
20 other purpose outside of the needs of the system.

21 (b) (i) For employers affiliating on and after January 1, 1999, upon
22 the basis of an annual actuarial valuation and appraisal of the system
23 conducted in the manner provided for in K.S.A. 74-4908, and amendments
24 thereto, the board shall certify, on or before July 15 of each year to each
25 such employer an actuarially determined estimate of the rate of
26 contribution which shall be required to be paid by each such employer to
27 pay all of the liabilities which shall accrue under the system from and after
28 the entry date as determined by the board, upon recommendation of the
29 actuary. Such rate shall be termed the employer's participating service
30 contribution and shall be uniform for all participating employers. Such
31 additional liability shall be amortized as determined by the board. For all
32 participating employers described in this section, the board shall determine
33 the actuarial cost method to be used in annual actuarial valuations to
34 determine the employer contribution rates that shall be certified by the
35 board.

36 (ii) The board shall determine for each such employer separately an
37 amount sufficient to amortize all liabilities for prior service costs which
38 shall have accrued at the time of entry into the system. On the basis of
39 such determination the board shall annually certify to each such employer
40 separately an actuarially determined estimate of the rate of contribution
41 which shall be required to be paid by that employer to pay all of the
42 liabilities for such prior service costs. Such rate shall be termed the
43 employer's prior service contribution.

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

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

9 (4) Each participating employer is hereby authorized to pay the
10 employer's contribution from the same fund that the compensation for
11 which such contribution is made is paid from or from any other funds
12 available to it for such purpose. Each political subdivision, other than an
13 instrumentality of the state, which is by law authorized to levy taxes for
14 other purposes, may levy annually at the time of its levy of taxes, a tax
15 which may be in addition to all other taxes authorized by law for the
16 purpose of making its contributions under this act and, in the case of cities
17 and counties, to pay a portion of the principal and interest on bonds issued
18 under the authority of K.S.A. 12-1774, and amendments thereto, by cities
19 located in the county, which tax, together with any other fund available,
20 shall be sufficient to enable it to make such contribution. In lieu of levying
21 the tax authorized in this subsection, any taxing subdivision may pay such
22 costs from any employee benefits contribution fund established pursuant to
23 K.S.A. 12-16,102, and amendments thereto. Each participating employer
24 which is not by law authorized to levy taxes as described above, but which
25 prepares a budget for its expenses for the ensuing year and presents the
26 same to a governing body which is authorized by law to levy taxes as
27 described above, may include in its budget an amount sufficient to make
28 its contributions under this act which may be in addition to all other taxes
29 authorized by law. Such governing body to which the budget is submitted
30 for approval, may levy a tax sufficient to allow the participating employer
31 to make its contributions under this act, which tax, together with any other
32 fund available, shall be sufficient to enable the participating employer to
33 make the contributions required by this act.

34 (5) (a) The rate of contribution certified to a participating employer as
35 provided in this section shall apply during the fiscal year of the
36 participating employer which begins in the second calendar year following
37 the year of the actuarial valuation.

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

1 (ii) Except as specifically provided in this subsection, for the fiscal
2 years commencing in the following calendar years, the rate of contribution
3 certified to the state of Kansas and to the participating employers under
4 K.S.A. 74-4931, and amendments thereto, shall in no event exceed the
5 state's contribution rate for the immediately preceding fiscal year by more
6 than the following amounts expressed as a percentage of compensation
7 upon which members contribute during the period: (A) For the fiscal year
8 commencing in calendar years 2010 through 2012, an amount not to
9 exceed more than 0.6% of the amount of the immediately preceding fiscal
10 year; (B) for the fiscal year commencing in calendar year 2013, an amount
11 not to exceed more than 0.9% of the amount of the immediately preceding
12 fiscal year; (C) for the fiscal year commencing in calendar year 2014, an
13 amount not to exceed more than 1% of the amount of the immediately
14 preceding fiscal year; (D) for the fiscal year commencing in calendar year
15 2015, the employer rate of contribution shall be 10.91%; (E) for the fiscal
16 year commencing in calendar year 2016, the employer rate of contribution
17 shall be 10.81%, *except as provided by section 37(b), and amendments*
18 *thereto, for the participating employers under K.S.A. 74-4931, and*
19 *amendments thereto*; and (F) in each subsequent calendar year, an amount
20 not to exceed more than 1.2% of the amount of the immediately preceding
21 fiscal year ~~to be calculated without regard to transfers made pursuant to~~
22 ~~section 50 of chapter 111 of the 2016 Session Laws of Kansas to be~~
23 ~~calculated without regard to transfers made pursuant to section 50 of~~
24 ~~chapter 111 of the 2016 Session Laws of Kansas and for participating~~
25 ~~employers under K.S.A. 74-4931, and amendments thereto, an additional~~
26 ~~percentage of compensation corresponding to the level dollar repayment~~
27 ~~amount certified by the board pursuant to subsection (17). As used in this~~
28 subsection, "capitalized interest" means interest payments on the bonds
29 that are pre-funded or financed from bond proceeds as part of the issue for
30 a specified period of time in order to offset one or more initial debt service
31 payments.

32 (iii) Except as specifically provided in this section, for fiscal years
33 commencing in calendar year 1997 and in each subsequent calendar year,
34 the rate of contribution certified to participating employers other than the
35 state of Kansas shall in no event exceed such participating employer's
36 contribution rate for the immediately preceding fiscal year by more than
37 0.15% of the amount of compensation upon which members contribute
38 during the period.

39 (iv) Except as specifically provided in this subsection, for the fiscal
40 years commencing in the following calendar years, the rate of contribution
41 certified to participating employers other than the state of Kansas shall in
42 no event exceed the contribution rate for such employers for the
43 immediately preceding fiscal year by more than the following amounts

1 expressed as a percentage of compensation upon which members
2 contribute during the period: (A) For the fiscal year commencing in
3 calendar years 2010 through 2013, an amount not to exceed more than
4 0.6% of the amount of the immediately preceding fiscal year; (B) for the
5 fiscal year commencing in calendar year 2014, an amount not to exceed
6 more than 0.9% of the amount of the immediately preceding fiscal year;
7 (C) for the fiscal year commencing in calendar year 2015, an amount not
8 to exceed more than 1% of the amount of the immediately preceding fiscal
9 year; (D) for the fiscal year commencing in calendar year 2016, an amount
10 not to exceed more than 1.1% of the amount of the immediately preceding
11 fiscal year; and (E) for the fiscal year commencing in calendar year 2017,
12 and in each subsequent calendar year, an amount not to exceed more than
13 1.2% of the amount of the immediately preceding fiscal year.

14 (v) As part of the annual actuarial valuation, there shall be a separate
15 employer rate of contribution calculated for the state of Kansas, a separate
16 employer rate of contribution calculated for participating employers under
17 K.S.A. 74-4931, and amendments thereto, a combined employer rate of
18 contribution calculated for the state of Kansas and participating employers
19 under K.S.A. 74-4931, and amendments thereto, and a separate employer
20 rate of contribution calculated for all other participating employers.

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

25 (vii) If the combined employer rate of contribution calculated for the
26 state of Kansas and participating employers under K.S.A. 74-4931, and
27 amendments thereto, is greater than the separate employer rate of
28 contribution for the state of Kansas, the difference in the two rates applied
29 to the actual payroll of the state of Kansas for the applicable fiscal year
30 shall be calculated. This amount shall be certified by the board for deposit
31 as additional employer contributions to the retirement benefit
32 accumulation reserve for the participating employers under K.S.A. 74-
33 4931, and amendments thereto.

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

37 (7) The actuarial cost of the provisions of K.S.A. 74-4950i, and
38 amendments thereto, will be included in the June 30, 1998, actuarial
39 valuation in determining contribution rates for participating employers.
40 The actuarial accrued liability incurred for the provisions of K.S.A. 74-
41 4950i, and amendments thereto, shall be amortized over 15 years.

42 (8) Except as otherwise provided by law, the actuarial cost of any
43 legislation enacted by the Kansas legislature, except the actuarial cost of

1 K.S.A. 74-49,114a, and amendments thereto, shall be in addition to the
2 employer contribution rates certified for the employer contribution rate in
3 the fiscal year immediately following such enactment. Such actuarial cost
4 shall be determined by the qualified actuary employed or retained by the
5 system pursuant to K.S.A. 74-4908, and amendments thereto, and reported
6 to the system and the joint committee on pensions, investments and
7 benefits.

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

14 (10) The cost of the postretirement benefit payment provided
15 pursuant to the provisions of K.S.A. 2016 Supp. 74-49,114b, and
16 amendments thereto, for retirants other than local retirants as described in
17 subsection (11) or insured disability benefit recipients shall be paid in the
18 fiscal year commencing on July 1, 2007.

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

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

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

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

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

42 (16) Notwithstanding any provision of law to the contrary, each
43 participating employer shall remit quarterly, or as the board may otherwise

1 provide, all employee deductions and required employer contributions to
2 the executive director for credit to the Kansas public employees retirement
3 fund within three days after the end of the period covered by the
4 remittance by electronic funds transfer. Remittances of such deductions
5 and contributions received after such date are delinquent. Delinquent
6 payments due under this subsection shall be subject to interest at the rate
7 established for interest on judgments under K.S.A. 16-204(a), and
8 amendments thereto. At the request of the board, delinquent payments
9 which are due or interest owed on such payments, or both, may be
10 deducted from any other moneys payable to such employer by any
11 department or agency of the state.

12 *(17) The actuarial cost of the reduction of employer contributions for*
13 *eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and*
14 *amendments thereto, pursuant to the provisions of section 37, and*
15 *amendments thereto, shall be amortized over 20 years as a level dollar*
16 *amount, as certified by the board upon recommendation of the consulting*
17 *actuary, through an additional percentage of compensation for*
18 *participating employers under K.S.A. 74-4931, and amendments thereto.*
19 *This additional percentage of compensation shall first be reflected in*
20 *employer contribution rates for participating employers under K.S.A. 74-*
21 *4931, and amendments thereto, effective on the first day of the first payroll*
22 *period for the fiscal year 2018.*

23 Sec. 42. K.S.A. 2016 Supp. 75-2263 is hereby amended to read as
24 follows: 75-2263. (a) ~~On and after the effective date of this act~~ *Subject to*
25 *the provisions of subsection (j),* the board of trustees is responsible for the
26 management and investment of that portion of state moneys available for
27 investment by the pooled money investment board that is certified by the
28 state treasurer to the board of trustees as being equivalent to the aggregate
29 net amount received for unclaimed property and shall discharge the board's
30 duties with respect to such moneys solely in the interests of the state
31 general fund and shall invest and reinvest such moneys and acquire, retain,
32 manage, including the exercise of any voting rights and disposal of
33 investments of such moneys within the limitations and according to the
34 powers, duties and purposes as prescribed by this section.

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

41 (c) In investing and reinvesting moneys specified in subsection (a)
42 and in acquiring, retaining, managing and disposing of investments of the
43 moneys, the board of trustees shall exercise the judgment, care, skill,

1 prudence and diligence under the circumstances then prevailing, which
2 persons of prudence, discretion and intelligence acting in a like capacity
3 and familiar with such matters would use in the conduct of an enterprise of
4 like character and with like aims by diversifying the investments of the
5 moneys so as to minimize the risk of large losses, unless under the
6 circumstances it is clearly prudent not to do so, and not in regard to
7 speculation but in regard to the permanent disposition of similar moneys,
8 considering the probable income as well as the probable safety of their
9 capital.

10 (d) In the discharge of such management and investment
11 responsibilities the board of trustees may contract for the services of one
12 or more professional investment advisors or other consultants in the
13 management and investment of such moneys and otherwise in the
14 performance of the duties of the board of trustees under this ~~act~~ *section*.

15 (e) The board of trustees shall require that each person contracted
16 with under subsection (d) to provide services shall obtain commercial
17 insurance which provides for errors and omissions coverage for such
18 person in an amount to be specified by the board of trustees. The amount
19 of such coverage specified by the board of trustees shall be at least the
20 greater of \$500,000 or 1% of the funds entrusted to such person up to a
21 maximum of \$10,000,000. The board of trustees shall require a person
22 contracted with under subsection (d) to provide services to give a fidelity
23 bond in a penal sum as may be fixed by law or, if not so fixed, as may be
24 fixed by the board of trustees, with corporate surety authorized to do
25 business in this state. Such persons contracted with the board of trustees
26 pursuant to subsection (d) and any persons contracted with such persons to
27 perform the functions specified in subsection (b) shall be deemed to be
28 fiduciary agents of the board of trustees in the performance of contractual
29 obligations.

30 (f) (1) Subject to the objective set forth in subsection (b) and the
31 standards set forth in subsection (c), the board of trustees shall formulate
32 and adopt policies and objectives for the investment and reinvestment of
33 such moneys and the acquisition, retention, management and disposition of
34 investments of the moneys. Such policies and objectives shall be in writing
35 and shall include:

36 (A) Specific asset allocation standards and objectives;

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

39 (C) a requirement that all investment advisors, and any managers or
40 others with similar duties and responsibilities as investment advisors, shall
41 immediately report all instances of default on investments to the board of
42 trustees and provide such board of trustees with recommendations and
43 options, including, but not limited to, curing the default or withdrawal

1 from the investment.

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

5 (g) Except as provided in subsection (d) and this subsection, the
6 custody of such moneys shall remain in the custody of the state treasurer,
7 except that the board of trustees may arrange for the custody of such
8 moneys as it considers advisable with one or more member banks or trust
9 companies of the federal reserve system or with one or more banks in the
10 state of Kansas, or both, to be held in safekeeping by the banks or trust
11 companies for the collection of the principal and interest or other income
12 or of the proceeds of sale. All such moneys shall be considered moneys in
13 the state treasury for purposes of K.S.A. 75-6704, and amendments
14 thereto.

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

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

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

27 (2) *Upon receiving any such amounts from any such liquidation, the*
28 *state treasurer shall remit the entire amount in accordance with the*
29 *provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of*
30 *each such remittance, the state treasurer shall deposit the entire amount in*
31 *the state treasury and credit any earnings from the liquidation to the state*
32 *general fund and credit the principal that had been invested and*
33 *reinvested to the pooled money investment portfolio.*

34 (j) (k) As used in this section:

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

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

40 (A) Exercises any discretionary authority with respect to
41 administration of the moneys;

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

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

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

7 (E) is a member of the board of trustees or of the staff of the board of
8 trustees.

9 Sec. 43. K.S.A. 2016 Supp. 75-4209 is hereby amended to read as
10 follows: 75-4209. (a) The director of investments may invest and reinvest
11 state moneys eligible for investment which are not invested in accordance
12 with K.S.A. 75-4237, and amendments thereto, in the following
13 investments:

14 (1) Direct obligations of, or obligations that are insured as to principal
15 and interest by, the United States of America or any agency thereof and
16 obligations and securities of the United States sponsored enterprises which
17 under federal law may be accepted as security for public funds, on and
18 after the effective date of this act moneys available for investment under
19 this subsection shall not be invested in mortgage-backed securities of such
20 enterprises and of the government national mortgage association, except
21 that any such mortgage-backed securities held prior to the effective date of
22 this act may be held to maturity;

23 (2) repurchase agreements with a bank or a primary government
24 securities dealer which reports to the market reports division of the federal
25 reserve bank of New York for direct obligations of, or obligations that are
26 insured as to principal and interest by, the United States government or any
27 agency thereof and obligations and securities of United States government
28 sponsored enterprises which under federal law may be accepted as security
29 for public funds;

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

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

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

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

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

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

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

14 (g) Investments under subsection (a) or (b) or under K.S.A. 75-4237,
15 and amendments thereto, shall be for a period not to exceed four years,
16 except that linked deposits authorized under the provisions of K.S.A. 2-
17 3703 through 2-3707, and amendments thereto, shall not exceed a period
18 of 10 years; agricultural production loan deposits authorized under the
19 provisions of K.S.A. 2016 Supp. 75-4268 through 75-4274, and
20 amendments thereto, shall not exceed a period of eight years and housing
21 loan deposits authorized under K.S.A. 2016 Supp. 75-4276 through 75-
22 4282, and amendments thereto, shall not exceed a period of five years or
23 20 years, as applicable pursuant to K.S.A. 2016 Supp. 75-4279, and
24 amendments thereto.

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

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

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

37 (k) Moneys and investments in the pooled money investment
38 portfolio shall be invested and reinvested by the director of investments in
39 accordance with investment policies developed, approved, published and
40 updated on an annual basis by the board. Such investment policies shall
41 include at a minimum guidelines which identify credit standards, eligible
42 instruments, allowable maturity ranges, methods for valuing the portfolio,
43 calculating earnings and yields and limits on portfolio concentration for

1 each type of investment. Any changes in such investment policies shall be
2 approved by the pooled money investment board. Such investment policies
3 may specify the contents of reports, methods of crediting funds and
4 accounts and other operating procedures.

5 (l) The board shall adopt rules and regulations to establish an overall
6 percentage limitation on the investment of moneys in investments
7 authorized under ~~paragraph (3)~~ of subsection (a)(3), and within such
8 authorized investment, the board shall establish a percentage limitation on
9 the investment in any single business entity.

10 (m) (1) *During the fiscal year ending June 30, 2017, the director of*
11 *the budget shall estimate on June 1, 2017, the amount of the*
12 *unencumbered ending balance in the state general fund for fiscal year*
13 *2017. If the amount of such unencumbered ending balance in the state*
14 *general fund is less than \$50,000,000, the director of the budget shall*
15 *certify the difference between \$50,000,000, and the amount of such*
16 *unencumbered ending balance to the pooled money investment board.*
17 *Upon the liquidation of all investments and reinvestments of state moneys*
18 *pursuant to K.S.A. 2016 Supp. 75-2263(j), and amendments thereto, and*
19 *upon receipt of such certification by the director of the budget, during the*
20 *fiscal year ending June 30, 2017, the pooled money investment board shall*
21 *authorize the director of accounts and reports to transfer an amount equal*
22 *to the amount certified by the director of the budget pursuant to this*
23 *subsection from the pooled money investment portfolio to the state general*
24 *fund. Upon receipt of such authorization, the director of accounts and*
25 *reports shall make such transfer. The chairperson of the pooled money*
26 *investment board shall transmit a copy of such authorization to the*
27 *director of legislative research and the director of the budget.*

28 (2) *On or before June 30, 2018, June 30, 2019, June 30, 2020, June*
29 *30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024, the director of*
30 *accounts and reports shall transfer an amount equal to $\frac{1}{7}$ of the amount*
31 *transferred pursuant to subsection (m)(1) from the state general fund to*
32 *the pooled money investment portfolio.*

33 (3) *During the fiscal year ending June 30, 2018, after any transfer*
34 *made pursuant to subsection (m)(1), the pooled money investment board*
35 *shall authorize the director of accounts and reports to transfer the*
36 *remaining amount of all investments and reinvestments of state moneys*
37 *liquidated pursuant to K.S.A. 2016 Supp. 75-2263(j), and amendments*
38 *thereto, from the pooled money investment portfolio to the state general*
39 *fund. Upon receipt of such authorization, the director of accounts and*
40 *reports shall make such transfer. The chairperson of the pooled money*
41 *investment board shall transmit a copy of such authorization to the*
42 *director of legislative research and the director of the budget.*

43 (4) *On or before June 30, 2019, June 30, 2020, June 30, 2021, June*

1 30, 2022, June 30, 2023, June 30, 2024, and June 30, 2025, the director of
2 accounts and reports shall transfer an amount equal to $\frac{1}{7}$ of the amount
3 transferred pursuant to subsection (m)(3) from the state general fund to
4 the pooled money investment portfolio.

5 Sec. 44. K.S.A. 2016 Supp. 75-2319 is hereby amended to read as
6 follows: 75-2319. (a) There is hereby established in the state treasury the
7 school district capital improvements fund. The fund shall consist of all
8 amounts transferred thereto under the provisions of subsection (c).

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

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

16 (A) Determine the amount of the assessed valuation per pupil (AVPP)
17 of each school district in the state and round such amount to the nearest
18 \$1,000. The rounded amount is the AVPP of a school district for the
19 purposes of this subsection (b)(1);

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

21 (C) prepare a schedule of dollar amounts using the amount of the
22 median AVPP of all school districts as the point of beginning. The
23 schedule of dollar amounts shall range upward in equal \$1,000 intervals
24 from the point of beginning to and including an amount that is equal to the
25 amount of the AVPP of the school district with the highest AVPP of all
26 school districts and shall range downward in equal \$1,000 intervals from
27 the point of beginning to and including an amount that is equal to the
28 amount of the AVPP of the school district with the lowest AVPP of all
29 school districts;

30 (D) determine a state aid percentage factor for each school district by
31 assigning a state aid computation percentage to the amount of the median
32 AVPP shown on the schedule, decreasing the state aid computation
33 percentage assigned to the amount of the median AVPP by one percentage
34 point for each \$1,000 interval above the amount of the median AVPP, and
35 increasing the state aid computation percentage assigned to the amount of
36 the median AVPP by one percentage point for each \$1,000 interval below
37 the amount of the median AVPP. Except as provided by K.S.A. 2016 Supp.
38 75-2319c, and amendments thereto, the state aid percentage factor of a
39 school district is the percentage assigned to the schedule amount that is
40 equal to the amount of the AVPP of the school district. The state aid
41 percentage factor of a school district shall not exceed 100%. The state aid
42 computation percentage is 25%;

43 (E) determine the amount of payments that a school district is

1 obligated to make from its bond and interest fund attributable to general
2 obligation bonds approved for issuance at an election held prior to July 1,
3 2015; and

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

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

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

11 (B) prepare a schedule of dollar amounts using the amount of the
12 AVPP of the school district with the lowest AVPP of all school districts as
13 the point of beginning. The schedule of dollar amounts shall range upward
14 in equal \$1,000 intervals from the point of beginning to and including an
15 amount that is equal to the amount of the AVPP of the school district with
16 the highest AVPP of all school districts;

17 (C) determine a state aid percentage factor for each school district by
18 assigning a state aid computation percentage to the amount of the lowest
19 AVPP shown on the schedule and decreasing the state aid computation
20 percentage assigned to the amount of the lowest AVPP by one percentage
21 point for each \$1,000 interval above the amount of the lowest AVPP.
22 Except as provided by K.S.A. 2016 Supp. 75-2319c, and amendments
23 thereto, the state aid percentage factor of a school district is the percentage
24 assigned to the schedule amount that is equal to the amount of the AVPP of
25 the school district. The state aid computation percentage is 75%;

26 (D) 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 on or after July
29 1, 2015; and

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

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

37 (4) For general obligation bonds approved for issuance at an election
38 held on or after July 1, 2016, the amount determined under subsection (b)
39 (2)(E) is the amount of payment the school district shall receive from the
40 school district capital improvements fund in the school year, except the
41 total amount of payments school districts receive from the school district
42 capital improvements fund in the school year for such bonds shall not
43 exceed the six-year average amount of capital improvement state aid as

1 determined by the state board of education.

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

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

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

15 (b) enrollment growth and imminent overcrowding as demonstrated
16 by successive increases in enrollment of the school district in the
17 immediately preceding three school years;

18 (c) impact on the delivery of educational services as demonstrated by
19 restrictive inflexible design or limitations on installation of technology;
20 and

21 (d) energy usage and other operational inefficiencies as demonstrated
22 by a district-wide energy usage analysis, district-wide architectural
23 analysis or other similar evaluation.

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

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

33 (5) The sum of the amounts determined under subsection (b)(3) and
34 the amount determined or allocated to the district by the state board of
35 education pursuant to subsection (b)(4), is the amount of payment the
36 school district is entitled to receive from the school district capital
37 improvements fund in the school year.

38 (c) The state board of education shall certify to the director of
39 accounts and reports the entitlements of school districts determined under
40 the provisions of subsection (b), and an amount equal thereto shall be
41 transferred by the director from the state general fund to the school district
42 capital improvements fund for distribution to school districts. All transfers
43 made in accordance with the provisions of this subsection shall be

1 considered to be demand transfers from the state general fund, except that
2 all such transfers during the fiscal years ending ~~June 30, 2013~~, June 30,
3 ~~2014~~ 2017, June 30, ~~2015~~ 2018, and June 30, ~~2016~~ 2019, shall be
4 considered to be revenue transfers from the state general fund.

5 (d) Payments from the school district capital improvements fund shall
6 be distributed to school districts at times determined by the state board of
7 education to be necessary to assist school districts in making scheduled
8 payments pursuant to contractual bond obligations. The state board of
9 education shall certify to the director of accounts and reports the amount
10 due each school district entitled to payment from the fund, and the director
11 of accounts and reports shall draw a warrant on the state treasurer payable
12 to the treasurer of the school district. Upon receipt of the warrant, the
13 treasurer of the school district shall credit the amount thereof to the bond
14 and interest fund of the school district to be used for the purposes of such
15 fund.

16 (e) The provisions of this section apply only to contractual
17 obligations incurred by school districts pursuant to general obligation
18 bonds issued upon approval of a majority of the qualified electors of the
19 school district voting at an election upon the question of the issuance of
20 such bonds.

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

28 Sec. 45. K.S.A. 2016 Supp. 75-6706 is hereby amended to read as
29 follows: 75-6706. (a) On July 1, 2017, the budget stabilization fund is
30 hereby established in the state treasury.

31 (b) On or before the 10th day of each month commencing July 1,
32 2017, the director of accounts and reports shall transfer from the state
33 general fund to the budget stabilization fund interest earnings based on:

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

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

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

1 thereto.

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

7 (A) Risk-based budget stabilization fund practices utilized in other
8 states.

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

10 (i) Revenue variances from projections; and

11 (ii) expenditure variances from budgets.

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

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

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

17 (F) Circumstances under which expenditures may be made from the
18 fund.

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

22 ~~(3) Notwithstanding the provisions of sections 52 and 53 of chapter~~
23 ~~104 of the 2015 Session Laws of Kansas, section 18 of chapter 12 of the~~
24 ~~2016 Session Laws of Kansas, this or any other appropriation act of the~~
25 ~~2016 regular session of the legislature, the legislative budget committee~~
26 ~~may meet not more than 10 days to study and review such policies as~~
27 ~~determined by the chairperson of the committee.~~

28 (e) *On or before August 15, 2019, the director of the budget, in*
29 *consultation with the director of legislative research, shall certify the*
30 *amount of the unencumbered ending balance in the state general fund for*
31 *fiscal year 2019. Upon making such certification, the director of the*
32 *budget shall authorize the director of accounts and reports to transfer*
33 *10% of such ending balance from the state general fund to the budget*
34 *stabilization fund.*

35 Sec. 46. K.S.A. 2016 Supp. 74-4920, 75-2263, 75-2319, 75-2319d,
36 75-4209 and 75-6706 are hereby repealed.

37 Sec. 47. If any fund or account name described by words and the
38 numerical accounting code that follows such fund or account name do not
39 match, it shall be conclusively presumed that the legislature intended that
40 the fund or account name described by words is the correct fund or
41 account name, and such fund or account name described by words shall
42 control over a contradictory or incorrect numerical accounting code.

43 Sec. 48. *Severability.* If any provision or clause of this act or

1 application thereof to any person or circumstance is held invalid, such
2 invalidity shall not affect other provisions or applications of the act which
3 can be given effect without the invalid provision or application, and to this
4 end the provisions of this act are declared to be severable.

5 Sec. 49. *Appeals to exceed expenditure limitations.* (a) Upon written
6 application to the governor and approval of the state finance council,
7 expenditures from special revenue funds may exceed the amounts
8 specified in this act.

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

13 Sec. 50. This act shall take effect and be in force from and after its
14 publication in the Kansas register.