

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

By Committee on Ways and Means

3-14

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

10

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

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

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

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

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

27

Sec. 2.

28

**ABSTRACTERS' BOARD OF EXAMINERS**

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

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

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

4 Sec. 3.

5 KANSAS BOARD OF BARBERING

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

11 Sec. 4.

12 KANSAS STATE BOARD OF COSMETOLOGY

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

18 Sec. 5.

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

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

27 Sec. 6.

28 BOARD OF NURSING

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

34 Sec. 7.

35 STATE BOARD OF PHARMACY

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

40 Prescription drug overdose data-driven

41 prevention initiative – federal

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

43 Sec. 8.

1 STATE BOARD OF VETERINARY EXAMINERS

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

7 Sec. 9.

8 LEGISLATURE

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

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

15 Sec. 10.

16 DIVISION OF POST AUDIT

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

22 Sec. 11.

23 ATTORNEY GENERAL

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

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

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

35 Sec. 12.

36 KANSAS PUBLIC EMPLOYEES

37 RETIREMENT SYSTEM

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

43 Sec. 13.

1 STATE CORPORATION COMMISSION

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

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

14 Sec. 14.

15 CITIZENS' UTILITY RATEPAYER BOARD

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

21 Sec. 15.

22 DEPARTMENT OF ADMINISTRATION

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

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

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

32 Sec. 16.

33 STATE BOARD OF TAX APPEALS

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

39 Sec. 17.

40 DEPARTMENT OF COMMERCE

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

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

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

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

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

17 Sec. 18.

18 DEPARTMENT OF LABOR

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

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

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

35 Sec. 19.

36 KANSAS COMMISSION ON  
37 VETERANS AFFAIRS OFFICE

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

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

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

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

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

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

22 Sec. 20.

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

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

30 Sec. 21.

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

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

35 Other medical

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

37 Sec. 22.

38 KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES

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

41 Larned state hospital – operating

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

43 Osawatomie state hospital – operating

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

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

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

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

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

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

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

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

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

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

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

23 Sec. 23.

24 KANSAS DEPARTMENT FOR  
25 CHILDREN AND FAMILIES

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

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

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

33 Sec. 24.

34 DEPARTMENT OF EDUCATION

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

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

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

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

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



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

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

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

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

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

31 Sec. 25.

32 STATE LIBRARY

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

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

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

42 Sec. 26.

43 STATE HISTORICAL SOCIETY

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

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

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

16 Sec. 27.

#### 17 KANSAS STATE UNIVERSITY

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

24 Sec. 28.

#### 25 UNIVERSITY OF KANSAS

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

31 Sec. 29.

#### 32 DEPARTMENT OF CORRECTIONS

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

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

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

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

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

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

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

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

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

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

38 ADJUTANT GENERAL

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

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

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

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

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

10 Sec. 31.

11 KANSAS HIGHWAY PATROL

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

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

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

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

28 Sec. 32.

29 ATTORNEY GENERAL – KANSAS BUREAU OF INVESTIGATION

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

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

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

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

5 KANSAS SENTENCING COMMISSION

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

15 Sec. 34.

16 KANSAS DEPARTMENT OF AGRICULTURE

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

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

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

29 Sec. 35.

30 KANSAS DEPARTMENT OF WILDLIFE,  
31 PARKS AND TOURISM

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 Sec. 36.

21 DEPARTMENT OF TRANSPORTATION

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

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

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

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

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

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

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

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



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

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

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

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

~~22 (1) Vehicle model;~~

~~23 (2) vehicle year;~~

~~24 (3) vehicle mileage;~~

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

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

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

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

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

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

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

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

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

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

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

15 ~~(1) Vehicle model;~~

16 ~~(2) vehicle year;~~

17 ~~(3) vehicle mileage;~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 fiscal year commencing on July 1, 2007.

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

19 (A) Specific asset allocation standards and objectives;

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

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

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

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

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

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

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

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

17 (k) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

36 (i) Revenue variances from projections; and

37 (ii) expenditure variances from budgets.

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

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

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

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

1 fund.

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

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

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

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

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

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

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

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

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