

Senate Substitute for Substitute for HOUSE BILL No. 2052

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

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

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

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

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

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

Sec. 2.

ABSTRACTERS' BOARD OF EXAMINERS

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

(b) On the effective date of this act, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$1,995 from the abstracters' fee fund (016-00-2700-0100) of the abstracters' board of examiners to the general fees fund (173-00-2197-2020) of the department of administration.

Sec. 3.

KANSAS BOARD OF BARBERING

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

Sec. 4.

KANSAS STATE BOARD OF COSMETOLOGY

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

Sec. 5.

KANSAS BOARD OF EXAMINERS IN FITTING
AND DISPENSING OF HEARING INSTRUMENTS

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

Sec. 6.

BOARD OF NURSING

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

Sec. 7.

STATE BOARD OF PHARMACY

(a) There is appropriated for the above agency from the following

special revenue fund or funds for the fiscal year ending June 30, 2017, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures shall not exceed the following:

Prescription drug overdose data-driven prevention initiative — federal fund (531-00-3294-3294) No limit

Sec. 8.

STATE BOARD OF VETERINARY EXAMINERS

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

Sec. 9.

LEGISLATURE

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

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

Sec. 10.

DIVISION OF POST AUDIT

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

Sec. 11.

ATTORNEY GENERAL

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

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

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

Sec. 12.

**KANSAS PUBLIC EMPLOYEES
RETIREMENT SYSTEM**

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

Sec. 13.

STATE CORPORATION COMMISSION

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

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

Sec. 14.

CITIZENS' UTILITY RATEPAYER BOARD

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

Sec. 15.

DEPARTMENT OF ADMINISTRATION

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

Debt service refunding — 2016H \$1,295,392

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

Sec. 16.

STATE BOARD OF TAX APPEALS

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

Sec. 17.

DEPARTMENT OF COMMERCE

(a) On the effective date of this act, of the \$8,848,267 appropriated for the above agency for the fiscal year ending June 30, 2017, by section 95(a) of chapter 104 of the 2015 Session Laws of Kansas from the state economic development initiatives fund in the operating grant (including official hospitality) account (300-00-1900-1110), the sum of \$2,294,138 is hereby lapsed.

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

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

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

Sec. 18.

DEPARTMENT OF LABOR

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

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

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

Sec. 19.

KANSAS COMMISSION ON
VETERANS AFFAIRS OFFICE

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

Scratch lotto — Kansas soldiers' home
(694-00-1000-0310) \$14,885
Scratch lotto — veterans services (694-00-1000-0330) \$21,202

(b) On the effective date of this act, the expenditure limitation estab-

lished for the fiscal year ending June 30, 2017, by section 97(c) of chapter 12 of the 2016 Session Laws of Kansas on the soldiers' home fee fund (694-00-2241-2100) of the Kansas commission on veterans affairs office is hereby increased from \$1,564,393 to \$1,612,860.

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

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

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

Sec. 20.

DEPARTMENT OF HEALTH AND ENVIRONMENT —
DIVISION OF PUBLIC HEALTH

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

Sec. 21.

DEPARTMENT OF HEALTH AND ENVIRONMENT —
DIVISION OF HEALTH CARE FINANCE

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

Other medical assistance (264-00-1000-3026) \$25,194,310

Sec. 22.

KANSAS DEPARTMENT FOR AGING
AND DISABILITY SERVICES

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

Larned state hospital — operating expenditures
(410-00-1000-0103) \$6,495,710
Osawatomie state hospital — operating expenditures
(494-00-1000-0100) \$9,000,000
Mental health and retardation services aid and assistance
(039-00-1000-4001) \$10,300,000
Community aid (039-00-1000-3004) \$40,283,925

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

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

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

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

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

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

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

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

Sec. 23.

KANSAS DEPARTMENT FOR
CHILDREN AND FAMILIES

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

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

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

Sec. 24.

DEPARTMENT OF EDUCATION

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

Special education services aid (652-00-1000-0700) \$1,341,828
Supplemental general state aid (652-00-1000-0840) \$3,635,104
KPEERS — employer contributions (652-00-1000-0100) ... \$218,017

(b) On the effective date of this act, of the \$2,760,946,624 appropriated for the above agency for the fiscal year ending June 30, 2017, by section 3(a) of chapter 4 of the 2015 Session Laws of Kansas from the state general fund in the block grants to USDs account (652-00-1000-0500), the sum of \$143,993,394 is hereby lapsed.

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

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

(e) On June 30, 2017, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 8-267 or 8-272, and amendments thereto, or any other statute, the director of accounts and reports shall transfer \$500,000 from the state safety fund to the state general fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the state safety fund to the state general fund as prescribed by law: *Provided further*, That the amount transferred from the state safety fund to the state general fund pursuant to this subsection

is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the department of education by other state agencies which receive appropriations from the state general fund to provide such services.

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

Sec. 25.

STATE LIBRARY

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

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

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

Sec. 26.

STATE HISTORICAL SOCIETY

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

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

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

Sec. 27.

KANSAS STATE UNIVERSITY

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

Sec. 28.

UNIVERSITY OF KANSAS

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

Sec. 29.

DEPARTMENT OF CORRECTIONS

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

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

(c) On the effective date of this act, of the \$500,000 appropriated for the above agency for the fiscal year ending June 30, 2017, by section 221(b) of chapter 104 of the 2015 Session Laws of Kansas from the cor-

rectional institutions building fund in the debt service payment for the infrastructure projects bond issues account (521-00-8600-8170), the sum of \$66,829 is hereby lapsed.

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

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

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

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

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

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

ADJUTANT GENERAL

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

Disaster relief (034-00-1000-0200) \$2,109,429

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

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

Sec. 31.

KANSAS HIGHWAY PATROL

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

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

State forfeiture fund — pending..... No limit

(c) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2017, by section 225(a) of chapter 104 of the 2015 Session Laws of Kansas on the rehabilitation and repair

— training center — Salina account (280-00-2306-2004) of the highway patrol is hereby increased from \$56,355 to no limit.

Sec. 32.

ATTORNEY GENERAL — KANSAS BUREAU OF INVESTIGATION

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

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

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

eCitation national priority safety program — federal fund	No limit
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Sec. 33.

KANSAS SENTENCING COMMISSION

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

Sec. 34.

KANSAS DEPARTMENT OF AGRICULTURE

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

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

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

Sec. 35.

KANSAS DEPARTMENT OF WILDLIFE, PARKS AND TOURISM

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

Travel and tourism operating expenditures (710-00-1900-1901)	\$29,787
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(b) On the effective date of this act, of the \$1,755,492 appropriated for the above agency for the fiscal year ending June 30, 2017, by section 167(a) of chapter 104 of the 2015 Session Laws of Kansas from the state economic development initiatives fund in the operating expenditures account (710-00-1900-1910), the sum of \$29,787 is hereby lapsed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 36.

DEPARTMENT OF TRANSPORTATION

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

Sec. 37. (a) On the effective date of this act, the amount authorized

to be expended from each appropriation from the state general fund during the fiscal year ending June 30, 2017, for employer contributions for eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and amendments thereto, under the Kansas public employees retirement system pursuant to K.S.A. 74-4939, and amendments thereto, in the aggregate, is hereby decreased by \$64,130,234.

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

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

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

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

Sec. 39. (a) During the fiscal year ending June 30, 2017, in addition to the other purposes for which expenditures may be made by the secretary of corrections, from moneys appropriated from the state general fund or any special revenue fund or funds for the department of corrections for fiscal year 2017 by chapter 104 of the 2015 Session Laws of Kansas, chapters 12 and 111 of the 2016 Session Laws of Kansas, this act or any other appropriation act of the 2017 regular session of the legislature, expenditures shall be made by the secretary of corrections from the state general fund or from any special revenue fund or funds for fiscal year 2017, for the secretary, on behalf of the state of Kansas, to sell and

convey all of the rights, title and interest in the following tracts of real estate located in Leavenworth county, Kansas, subject to the provisions of this section:

TRACT I

The Fractional East $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of Section 30, Township 9 South, Range 23 East of the 6th P.M., Leavenworth County, Kansas, LESS any part thereof taken or used for road purposes.

ALSO LESS

Beginning at a point in the center of the North Line of the Northeast Quarter of Section 30, Township 9 South, Range 23 East of the 6th P.M., in Leavenworth County, Kansas; thence East 447 feet; thence South 500 feet; thence West 121 feet; thence South 820 feet; thence West 325 feet; thence North 1320 feet to the place of beginning.

ALSO LESS

Beginning from the northeast corner of Section 30, Township 9, Range 22 East, thence due South a distance of 750 feet, thence due West a distance of 750 feet, thence North a distance of 750 feet, and thence East 750 feet to the point of beginning, said parcel of land leased to the City of Lansing, Kansas, for park purposes pursuant to Amended Lease Agreement recorded in Book 870, Page 1295.

AND

TRACT II

Commencing at the Southwest corner of the Northeast Quarter of Section 30, Township 9 South, Range 23 East of the 6th P.M., Leavenworth County, Kansas; thence North 60 rods; thence East 80 rods; thence South 60 rods; thence West 80 rods to the place of beginning, LESS any part thereof taken or used for road purposes.

(b) No sale or conveyance of the real property described in subsection (a) shall be authorized or approved by the secretary of corrections without having first advised and consulted with the joint committee on state building construction.

(c) Notwithstanding the provisions of K.S.A. 2016 Supp. 75-6609(c), and amendments thereto, or any other statute, the sale or conveyance of the real property described in subsection (a) shall not require approval of the state finance council.

(d) When the sale is made, the proceeds thereof shall be deposited in the state treasury in accordance with the provisions of K.S.A. 2016 Supp. 75-6609(f), and amendments thereto.

(e) The conveyance of real property authorized by this section shall not be subject to the provisions of K.S.A. 75-3043a, and amendments thereto.

(f) In the event that the secretary of corrections determines that the legal description of the parcel described by this section is incorrect, the secretary of administration may convey the property utilizing the correct legal description but the deed conveying the property shall be subject to the approval of the attorney general.

Sec. 40. (a) During the fiscal year ending June 30, 2017, in addition to the other purposes for which expenditures may be made by the secretary for children and families, from moneys appropriated from the state general fund or any special revenue fund or funds for the Kansas department for children and families for fiscal year 2017 by chapter 104 of the 2015 Session Laws of Kansas, chapters 12 and 111 of the 2016 Session Laws of Kansas, this act or any other appropriation act of the 2017 regular session of the legislature, expenditures shall be made by the secretary for children and families from the state general fund or from any special revenue fund or funds for fiscal year 2017, for the secretary, on behalf of the state of Kansas, to sell and convey all of the rights, title and interest in the following tracts of real estate located in Neosho county, Kansas, subject to the provisions of this section:

The South Half of the Southeast Quarter (S/2 SE/4) of Section Nineteen (19), Township Twenty-seven (27) South, Range Eighteen (18) East of the 6th P. M., excepting therefrom five (5) tracts of land described as follows:

a. The North Ten (10) acres of the Southeast Quarter of this Southeast Quarter (SE/4 SE/4) of said section Nineteen (19);

b. Beginning at a point on Plummer Avenue, 330 feet south of the northeast corner of the South Half of the Southeast Quarter (S/2 SE/4)

of said Section Nineteen (19), thence west parallel with the north line of said eighty, 1320 feet; thence south 330 feet on a line parallel with the east line of said eighty; thence east 1320 feet on a line parallel with the north line of said eighty; thence north along said east line to the point of beginning, containing 10 acres;

c. Beginning at a point 495 feet north of the southeast corner of said Section Nineteen (19), thence north 165 feet to the southeast corner of 10-acre tract previously sold to Guy Umbarger; thence west along the south line of said Umbarger 10-acre tract, 792 feet; thence south on a line parallel to the east line, 165 feet; thence east on a line parallel to said Umbarger tract to point of beginning, containing approximately 3 acres;

d. Beginning at the southeast corner of said Section Nineteen (19), thence west along the south line of said section 690 feet; thence northerly 445 feet; thence easterly 690 feet to a point on the east line of said section, 445 feet north of the southeast corner of said section; thence south along said east line 445 feet to the point of beginning. The above includes 30 feet of road right-of-way along the south side used for Seventh Street and 30 feet of road right-of-way along the east side used for Plummer Avenue. Including the road rights-of-way, the above includes 7.05 acres, more or less; and

e. Beginning at a point 30 feet north of and 690 feet west of the southeast corner of the Southeast Quarter (SE/4) of said Section Nineteen (19); thence west along right-of-way line of present road, 1950 feet, more or less, to the west line of said Southeast Quarter (SE/4); thence north along the west line of said Southeast Quarter (SE/4), 10 feet; thence east parallel to and 10 feet north of the present right-of-way, 1950 feet, more or less, to a point 690 feet west of and 40 feet north of the southeast corner of said Southeast Quarter (SE/4); thence south 10 feet to the point of beginning, containing .44 acres, more or less, condemned for highway purposes.

(b) During fiscal year 2017, the real property described in subsection (a) shall be sold or conveyed to the Neosho memorial regional medical center, at the price agreed upon between the parties.

(c) No sale or conveyance of the real property described in subsection (a) shall be authorized or approved by the secretary for children and families without having first advised and consulted with the joint committee on state building construction.

(d) Notwithstanding the provisions of K.S.A. 2016 Supp. 75-6609(c), and amendments thereto, or any other statute, the sale or conveyance of the real property described in subsection (a) shall not require approval of the state finance council.

(e) When the sale is made, the proceeds thereof shall be deposited in the state treasury in accordance with the provisions of K.S.A. 2016 Supp. 75-6609(f), and amendments thereto.

(f) The conveyance of real property authorized by this section shall not be subject to the provisions of K.S.A. 75-3043a, and amendments thereto.

(g) In the event that the secretary for children and families determines that the legal description of the parcel described by this section is incorrect, the secretary of administration may convey the property utilizing the correct legal description but the deed conveying the property shall be subject to the approval of the attorney general.

(h) On the effective date of this act, the provisions of section 104(d) of chapter 12 of the 2016 Session Laws of Kansas are hereby declared to be null and void and shall have no force and effect.

Sec. 41. (a) During the fiscal year ending June 30, 2017, in addition to the other purposes for which expenditures may be made by the secretary for children and families, from moneys appropriated from the state general fund or any special revenue fund or funds for the Kansas department for children and families for fiscal year 2017 by chapter 104 of the 2015 Session Laws of Kansas, chapters 12 and 111 of the 2016 Session Laws of Kansas, this act or any other appropriation act of the 2017 regular session of the legislature, expenditures shall be made by the secretary for children and families from the state general fund or from any special revenue fund or funds for fiscal year 2017, for the secretary, on behalf of the state of Kansas, to sell and convey all of the rights, title and interest

in the following tracts of real estate located in Sedgwick county, Kansas, subject to the provisions of this section:

Lot 5, except the North 2 feet, all of Lot 7, and the North 4 feet of Lot 9, Palisade Avenue, Fair Grounds addition to the City of Wichita, Sedgwick County, Kansas; commonly known as 2105 Palisade, Wichita, Kansas.

(b) No sale or conveyance of the real property described in subsection (a) shall be authorized or approved by the secretary for children and families without having first advised and consulted with the joint committee on state building construction.

(c) Notwithstanding the provisions of K.S.A. 2016 Supp. 75-6609(c), and amendments thereto, or any other statute, the sale or conveyance of the real property described in subsection (a) shall not require approval of the state finance council.

(d) When the sale is made, the proceeds thereof shall be deposited in the state treasury in accordance with the provisions of K.S.A. 2016 Supp. 75-6609(f), and amendments thereto.

(e) The conveyance of real property authorized by this section shall not be subject to the provisions of K.S.A. 75-3043a, and amendments thereto.

(f) In the event that the secretary for children and families determines that the legal description of the parcel described by this section is incorrect, the secretary of administration may convey the property utilizing the correct legal description but the deed conveying the property shall be subject to the approval of the attorney general.

Sec. 42. On the effective date of this act, the provisions of section 50 of chapter 111 of the 2016 Session Laws of Kansas are hereby declared to be null and void and shall have no force and effect.

Sec. 43. K.S.A. 2016 Supp. 74-4920 is hereby amended to read as follows: 74-4920. (1) (a) Upon the basis of each annual actuarial valuation and appraisal as provided for in K.S.A. 74-4908(3)(a), and amendments thereto, the board shall certify, on or before July 15 of each year, to the division of the budget in the case of the state and to the agent for each other participating employer an actuarially determined estimate of the rate of contribution which will be required, together with all accumulated contributions and other assets of the system, to be paid by each such participating employer to pay all liabilities which shall exist or accrue under the system, including amortization of the actuarial accrued liability as determined by the board. The board shall determine the actuarial cost method to be used in annual actuarial valuations, to determine the employer contribution rates that shall be certified by the board. Such certified rate of contribution, amortization methods and periods and actuarial cost method shall be based on the standards set forth in K.S.A. 74-4908(3)(a), and amendments thereto, and shall not be based on any other purpose outside of the needs of the system.

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

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

liabilities for such prior service costs. Such rate shall be termed the employer's prior service contribution.

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

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

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

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

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

(ii) Except as specifically provided in this subsection, for the fiscal years commencing in the following calendar years, the rate of contribution certified to the state of Kansas and to the participating employers under K.S.A. 74-4931, and amendments thereto, shall in no event exceed the state's contribution rate for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which members contribute during the period: (A) For the fiscal year commencing in calendar years 2010 through 2012, an amount not to exceed more than 0.6% of the amount of the immediately preceding fiscal year; (B) for the fiscal year commencing in calendar year 2013, an amount not to exceed more than 0.9% of the amount of the immediately preceding fiscal year; (C) for the fiscal year commencing in calendar year 2014, an amount not to exceed more than 1% of the amount of the immediately preceding fiscal year; (D) for the fiscal year commencing in calendar year 2015, the employer rate of contribution shall be 10.91%; (E) for the fiscal year commencing in calendar year 2016, the employer rate of contribution shall be 10.81%, *except as provided by section 37(b), and amendments thereto, for the participating employers under K.S.A. 74-4931, and amendments thereto*; and (F) in each subsequent calendar year, an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year ~~to be calculated without regard to transfers made pursuant to section 50 of chapter 111 of the 2016 Session Laws of Kansas~~ *and for participating employers under K.S.A. 74-4931, and*

amendments thereto, an additional percentage of compensation corresponding to the level dollar repayment amount certified by the board pursuant to subsection (17). As used in this subsection, “capitalized interest” means interest payments on the bonds that are pre-funded or financed from bond proceeds as part of the issue for a specified period of time in order to offset one or more initial debt service payments.

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

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

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

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

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

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

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

(8) Except as otherwise provided by law, the actuarial cost of any legislation enacted by the Kansas legislature, except the actuarial cost of K.S.A. 74-49,114a, and amendments thereto, shall be in addition to the employer contribution rates certified for the employer contribution rate in the fiscal year immediately following such enactment. Such actuarial cost shall be determined by the qualified actuary employed or retained by the system pursuant to K.S.A. 74-4908, and amendments thereto, and

reported to the system and the joint committee on pensions, investments and benefits.

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

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

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

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

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

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

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

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

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

Sec. 44. K.S.A. 2016 Supp. 75-2263 is hereby amended to read as follows: 75-2263. (a) ~~On and after the effective date of this act~~ *Subject to the provisions of subsection (j),* the board of trustees is responsible for the management and investment of that portion of state moneys available for investment by the pooled money investment board that is certified by the state treasurer to the board of trustees as being equivalent to the aggregate net amount received for unclaimed property and shall dis-

charge the board's duties with respect to such moneys solely in the interests of the state general fund and shall invest and reinvest such moneys and acquire, retain, manage, including the exercise of any voting rights and disposal of investments of such moneys within the limitations and according to the powers, duties and purposes as prescribed by this section.

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

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

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

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

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

(A) Specific asset allocation standards and objectives;
(B) establishment of criteria for evaluating the risk versus the potential return on a particular investment; and
(C) a requirement that all investment advisors, and any managers or others with similar duties and responsibilities as investment advisors, shall immediately report all instances of default on investments to the board of trustees and provide such board of trustees with recommendations and options, including, but not limited to, curing the default or withdrawal from the investment.

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

(g) Except as provided in subsection (d) and this subsection, the custody of such moneys shall remain in the custody of the state treasurer, except that the board of trustees may arrange for the custody of such moneys as it considers advisable with one or more member banks or trust companies of the federal reserve system or with one or more banks in the state of Kansas, or both, to be held in safekeeping by the banks or trust companies for the collection of the principal and interest or other

income or of the proceeds of sale. All such moneys shall be considered moneys in the state treasury for purposes of K.S.A. 75-6704, and amendments thereto.

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 45. K.S.A. 2016 Supp. 75-4209 is hereby amended to read as follows: 75-4209. (a) The director of investments may invest and reinvest state moneys eligible for investment which are not invested in accordance with K.S.A. 75-4237, and amendments thereto, in the following investments:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(m) (1) *During the fiscal year ending June 30, 2017, the director of the budget shall estimate on or before June 27, 2017, the amount of the unencumbered ending balance in the state general fund for fiscal year 2017. If the amount of such unencumbered ending balance in the state general fund is less than \$50,000,000, the director of the budget shall certify the difference between \$50,000,000, and the amount of such unencumbered ending balance to the pooled money investment board. Upon*

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

(2) *On or before June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024, the director of accounts and reports shall transfer an amount equal to $\frac{1}{6}$ of the amount transferred pursuant to subsection (m)(1) from the state general fund to the pooled money investment portfolio.*

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

(4) *On or before June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024, the director of accounts and reports shall transfer an amount equal to $\frac{1}{6}$ of the amount transferred pursuant to subsection (m)(3) from the state general fund to the pooled money investment portfolio.*

Sec. 46. K.S.A. 2016 Supp. 75-2319 is hereby amended to read as follows: 75-2319. (a) There is hereby established in the state treasury the school district capital improvements fund. The fund shall consist of all amounts transferred thereto under the provisions of subsection (c).

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

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

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

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

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

(D) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the median AVPP shown on the schedule, decreasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each \$1,000 interval above the amount of the median AVPP, and increasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each \$1,000 interval below the amount of the median AVPP. Except as provided by K.S.A. 2016 Supp. 75-2319c, and amendments thereto, the state aid percentage factor of a school district is the percentage assigned to the schedule amount that is equal to the amount of the AVPP of the school district.

The state aid percentage factor of a school district shall not exceed 100%. The state aid computation percentage is 25%;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) energy usage and other operational inefficiencies as demonstrated

by a district-wide energy usage analysis, district-wide architectural analysis or other similar evaluation.

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

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

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

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

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

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

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

Sec. 47. K.S.A. 2016 Supp. 75-6706 is hereby amended to read as follows: 75-6706. (a) On July 1, 2017, the budget stabilization fund is hereby established in the state treasury.

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

- (1) The average daily balance of moneys in the budget stabilization fund, for the preceding month; and
- (2) the net earnings rate of the pooled money investment portfolio for the preceding month.

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

(d) (1) ~~During the 2016 interim between regular sessions of the legislature,~~ The legislative budget committee shall study and review the pol-

icy concerning the balance of, transfers to and expenditures from the budget stabilization fund. The legislative budget committee study and review shall include, but not be limited to, the following:

- (A) Risk-based budget stabilization fund practices utilized in other states.
- (B) The appropriate number of years to review the state general fund:
 - (i) Revenue variances from projections; and
 - (ii) expenditure variances from budgets.
- (C) The entity to certify the amount necessary in the budget stabilization fund to maintain the appropriate risk-based balance.
- (D) Plan to fund the budget stabilization fund.
- (E) Process and circumstances to reach the appropriate risk-based balance, including the amount of risk that is acceptable.
- (F) Circumstances under which expenditures may be made from the fund.

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

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

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

Sec. 48. K.S.A. 2016 Supp. 74-4920, 75-2263, 75-2319, 75-2319d, 75-4209 and 75-6706 are hereby repealed.

Sec. 49. If any fund or account name described by words and the numerical accounting code that follows such fund or account name do not match, it shall be conclusively presumed that the legislature intended that the fund or account name described by words is the correct fund or account name, and such fund or account name described by words shall control over a contradictory or incorrect numerical accounting code.

Sec. 50. *Severability.* If any provision or clause of this act or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Sec. 51. *Appeals to exceed expenditure limitations.* (a) Upon written application to the governor and approval of the state finance council, expenditures from special revenue funds may exceed the amounts specified in this act.

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

Sec. 52. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and was adopted by that body

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.