

**SENATE BILL No. 191**

By Committee on Ways and Means

2-13

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

10

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

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

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

21 (c) This act shall not be subject to the provisions of K.S.A. 75-  
22 6702(a), and amendments thereto.

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

25 Sec. 2.

26

**ABSTRACTERS' BOARD OF EXAMINERS**

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

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

1 Sec. 3.

2 KANSAS BOARD OF BARBERING

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

8 Sec. 4.

9 KANSAS STATE BOARD OF COSMETOLOGY

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

15 Sec. 5.

16 KANSAS BOARD OF EXAMINERS IN FITTING  
17 AND DISPENSING OF HEARING INSTRUMENTS

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

24 Sec. 6.

25 BOARD OF NURSING

26 (a) On the effective date of this act, the expenditure limitation  
27 established for the fiscal year ending June 30, 2017, by section 97(c) of  
28 chapter 12 of the 2016 Session Laws of Kansas on the board of nursing fee  
29 fund (482-00-2716-0200) of the board of nursing is hereby decreased from  
30 \$2,459,665 to \$2,431,348.

31 Sec. 7.

32 STATE BOARD OF PHARMACY

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

37 Prescription drug overdose data-driven prevention initiative –  
38 federal fund (531-00-3294-3294).....No limit

39 Sec. 8.

40 STATE BOARD OF VETERINARY EXAMINERS

41 (a) On the effective date of this act, the expenditure limitation  
42 established for the fiscal year ending June 30, 2017, by section 97(c) of  
43 chapter 12 of the 2016 Session Laws of Kansas on the veterinary

1 examiners fee fund (700-00-2727-1100) of the state board of veterinary  
2 examiners is hereby decreased from \$393,111 to \$333,785.

3 Sec. 9.

4 LEGISLATURE

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

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

9 Sec. 10.

10 DIVISION OF POST AUDIT

11 (a) On the effective date of this act, of the \$2,349,908 appropriated  
12 for the above agency for the fiscal year ending June 30, 2017, by section  
13 55(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
14 general fund in the operations (including legislative post audit committee)  
15 account (540-00-1000-0100), the sum of \$144,516 is hereby lapsed.

16 Sec. 11.

17 ATTORNEY GENERAL

18 (a) On the effective date of this act, of the \$4,860,924 appropriated  
19 for the above agency for the fiscal year ending June 30, 2017, by section  
20 59(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
21 general fund in the operating expenditures account (082-00-1000-0103),  
22 the sum of \$2,315 is hereby lapsed.

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

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

28 Sec. 12.

29 KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

30 (a) On the effective date of this act, or as soon thereafter as moneys  
31 are available, notwithstanding the provisions of K.S.A. 38-2102, and  
32 amendments thereto, or any other statute, the director of accounts and  
33 reports shall transfer \$316,078 from the Kansas endowment for youth fund  
34 (365-00-7000-2000) to the state general fund.

35 Sec. 13.

36 STATE CORPORATION COMMISSION

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

42 Energy grants management fund (143-00-3157-3150).....No limit

43 Carbon dioxide injection well and underground storage fund (143-00-

1 2358-2500).....No limit  
 2 Compressed air energy storage fee fund (143-00-2454-2410).....No limit  
 3 Sec. 14.

4 CITIZENS' UTILITY RATEPAYER BOARD

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

10 Sec. 15.

11 DEPARTMENT OF ADMINISTRATION

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

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

15 (b) On the effective date of this act, of the \$2,640,800 appropriated  
 16 for the above agency for the fiscal year ending June 30, 2017, by section  
 17 185(b) of chapter 104 of the 2015 Session Laws of Kansas from the  
 18 expanded lottery act revenues fund in the statehouse improvements – debt  
 19 service account (173-00-1700-1701), the sum of \$2,549,792 is hereby  
 20 lapsed.

21 Sec. 16.

22 STATE BOARD OF TAX APPEALS

23 (a) On the effective date of this act, of the \$798,281 appropriated for  
 24 the above agency for the fiscal year ending June 30, 2017, by section 87(a)  
 25 of chapter 104 of the 2015 Session Laws of Kansas from the state general  
 26 fund in the operating expenditures account (562-00-1000-0103), the sum  
 27 of \$282 is hereby lapsed.

28 Sec. 17.

29 DEPARTMENT OF COMMERCE

30 (a) On the effective date of this act, of the \$8,848,267 appropriated  
 31 for the above agency for the fiscal year ending June 30, 2017, by section  
 32 95(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
 33 economic development initiatives fund in the operating grant (including  
 34 official hospitality) account (300-00-1900-1110), the sum of \$2,294,138 is  
 35 hereby lapsed.

36 (b) On the effective date of this act, of the \$1,353,181 appropriated  
 37 for the above agency for the fiscal year ending June 30, 2017, by section  
 38 95(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
 39 economic development initiatives fund in the innovation growth program  
 40 account (300-00-1900-1187), the sum of \$1,621 is hereby lapsed.

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

1 general fund.

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

6 Sec. 18.

7 DEPARTMENT OF LABOR

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

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

18 (c) On the effective date of this act, the expenditure limitation for the  
19 payment of rehabilitation and repair projects established for the fiscal year  
20 ending June 30, 2017, by section 38(c) of chapter 12 of the 2016 Session  
21 Laws of Kansas on the workmen's compensation fee fund (296-00-2124-  
22 2228) of the department of labor is hereby increased from \$257,500 to  
23 \$385,000.

24 Sec. 19.

25 KANSAS COMMISSION ON VETERANS AFFAIRS OFFICE

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

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

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

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

40 (d) On the effective date of this act, the expenditure limitation  
41 established for the fiscal year ending June 30, 2017, by section 97(c) of  
42 chapter 12 of the 2016 Session Laws of Kansas on the federal long term  
43 care per diem fund (694-00-3232) of the state commission on veterans

1 affairs office is hereby increased from \$7,480,610 to \$7,832,931.

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

7 Sec. 20.

8 DEPARTMENT OF HEALTH AND ENVIRONMENT—  
9 DIVISION OF PUBLIC HEALTH

10 (a) On the effective date of this act, of the amounts appropriated and  
11 reappropriated for the above agency for the fiscal year ending June 30,  
12 2017, by section 103(a) of chapter 104 of the 2015 Session Laws of  
13 Kansas from the state general fund in the vaccine purchases account (264-  
14 00-1000-0900), the sum of \$1,000,945 is hereby lapsed.

15 Sec. 21.

16 DEPARTMENT OF HEALTH AND ENVIRONMENT—  
17 DIVISION OF HEALTH CARE FINANCE

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

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

21 Sec. 22.

22 KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES

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

25 Larned state hospital – operating expenditures  
26 (410-00-1000-0103).....\$6,495,710

27 Osawatomie state hospital – operating expenditures  
28 (494-00-1000-0100).....\$9,000,000

29 Community aid (039-00-1000-3004).....\$40,283,925

30 Mental health and retardation services aid and assistance  
31 (039-00-1000-4001).....\$10,300,000

32 (b) On the effective date of this act, of the \$305,121,668 appropriated  
33 for the above agency for the fiscal year ending June 30, 2017, by section  
34 109(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
35 general fund in the LTC – medicaid assistance – NF account (039-00-  
36 1000-0520), the sum of \$38,948,367 is hereby lapsed.

37 (c) On the effective date of this act, of the \$3,855,852 appropriated  
38 for the above agency for the fiscal year ending June 30, 2017, by section  
39 20(a) of chapter 111 of the 2016 Session Laws of Kansas from the state  
40 general fund in the state operations account (039-00-1000-0801), the sum  
41 of \$18,012 is hereby lapsed.

42 (d) On the effective date of this act, of the \$20,207,788 appropriated  
43 for the above agency for the fiscal year ending June 30, 2017, by section

1 109(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
2 general fund in the Larned state hospital – sexual predator treatment  
3 program account (410-00-1000-0200), the sum of \$41,577 is hereby  
4 lapsed.

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

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

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

20 (h) On the effective date of this act, the expenditure limitation  
21 established for the fiscal year ending June 30, 2017, by section 97(c) of  
22 chapter 12 of the 2016 Session Laws of Kansas on the title XIX fund (039-  
23 00-2595-4130) of the Kansas department for aging and disability services  
24 is hereby decreased from \$42,533,932 to \$35,295,992.

25 Sec. 23.

26 KANSAS DEPARTMENT FOR CHILDREN AND FAMILIES

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

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

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

33 Sec. 24.

34 DEPARTMENT OF EDUCATION

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

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

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

39 (b) On the effective date of this act, of the \$2,760,946,624  
40 appropriated for the above agency for the fiscal year ending June 30, 2017,  
41 by section 3(a) of chapter 4 of the 2015 Session Laws of Kansas from the  
42 state general fund in the block grants to USDs account (652-00-1000-  
43 0500), the sum of \$169,863,160 is hereby lapsed.

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

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

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

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

28 Sec. 25.

29 STATE LIBRARY

30 (a) On the effective date of this act, of the \$1,381,187 appropriated  
 31 for the above agency for the fiscal year ending June 30, 2017, by section  
 32 117(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
 33 general fund in the operating expenditures account (434-00-1000-0300),  
 34 the sum of \$87,327 is hereby lapsed.

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

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

38 Sec. 26.

39 STATE HISTORICAL SOCIETY

40 (a) On the effective date of this act, of the \$4,075,408 appropriated  
 41 for the above agency for the fiscal year ending June 30, 2017, by section  
 42 123(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
 43 general fund in the operating expenditures account (288-00-1000-0083),



1 the sum of \$866 is hereby lapsed.

2 (b) On the effective date of this act, of the \$250,000 appropriated for  
3 the above agency for the fiscal year ending June 30, 2017, by section  
4 201(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
5 general fund in rehabilitation and repair projects account (288-00-1000-  
6 8088), the sum of \$1,726 is hereby lapsed.

7 (c) On the effective date of this act, for the fiscal year ending June 30,  
8 2017, the expenditure limitation established by section 97(c) of chapter 12  
9 of the 2016 Session Laws of Kansas on expenditures for state operations  
10 from the heritage trust fund (288-00-7379-7603) of the state historical  
11 society is hereby decreased from \$78,373 to \$56,053.

12 Sec. 27.

#### 13 KANSAS STATE UNIVERSITY

14 (a) On the effective date of this act, of the \$3,700,000 appropriated  
15 for the above agency for the fiscal year ending June 30, 2017, by section  
16 207(c) of chapter 104 of the 2015 Session Laws of Kansas from the  
17 Kansas educational building fund in the Seaton Hall, the college of  
18 architecture planning and design debt service account (367-00-8001-  
19 8320), the sum of \$1,900 is hereby lapsed.

20 Sec. 28.

#### 21 UNIVERSITY OF KANSAS

22 (a) On the effective date of this act, of the \$1,629,288 appropriated  
23 for the above agency for the fiscal year ending June 30, 2017, by section  
24 213(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
25 general fund in the school of pharmacy debt service account (682-00-  
26 1000-0320), the sum of \$1,552,888 is hereby lapsed.

27 Sec. 29.

#### 28 DEPARTMENT OF CORRECTIONS

29 (a) On the effective date of this act, of the \$23,458,646 appropriated  
30 for the above agency for the fiscal year ending June 30, 2017, by section  
31 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
32 general fund in the operating expenditures account (521-00-1000-0603),  
33 the sum of \$43,437 is hereby lapsed.

34 (b) On the effective date of this act, of the \$1,153,353 appropriated  
35 for the above agency for the fiscal year ending June 30, 2017, by section  
36 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
37 general fund in the operating expenditures – juvenile services account  
38 (521-00-1000-0103), the sum of \$3,030 is hereby lapsed.

39 (c) On the effective date of this act, of the \$66,945,895 appropriated  
40 for the above agency for the fiscal year ending June 30, 2017, by section  
41 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
42 general fund in the treatment and programs account (521-00-1000-0151),  
43 the sum of \$11,364 is hereby lapsed.

1 (d) On the effective date of this act, of the \$18,754,000 appropriated  
2 for the above agency for the fiscal year ending June 30, 2017, by section  
3 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
4 general fund in the purchase of services account (521-00-1000-0300), the  
5 sum of \$96,922 is hereby lapsed.

6 (e) On the effective date of this act, of the \$21,383,874 appropriated  
7 for the above agency for the fiscal year ending June 30, 2017, by section  
8 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
9 general fund in the prevention and graduated sanctions community grants  
10 account (521-00-1000-0221), the sum of \$1,089,245 is hereby lapsed.

11 (f) On the effective date of this act, of the \$14,865,914 appropriated  
12 for the above agency for the fiscal year ending June 30, 2017, by section  
13 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
14 general fund in the Topeka correctional facility – facilities operations  
15 account (660-00-1000-0303), the sum of \$34,122 is hereby lapsed.

16 (g) On the effective date of this act, of the \$31,024,792 appropriated  
17 for the above agency for the fiscal year ending June 30, 2017, by section  
18 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
19 general fund in the Hutchinson correctional facility – facilities operations  
20 account (313-00-1000-0303), the sum of \$64,791 is hereby lapsed.

21 (h) On the effective date of this act, of the \$40,727,744 appropriated  
22 for the above agency for the fiscal year ending June 30, 2017, by section  
23 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
24 general fund in the Lansing correctional facility – facilities operations  
25 account (400-00-1000-0303), the sum of \$90,077 is hereby lapsed.

26 (i) On the effective date of this act, of the \$14,334,891 appropriated  
27 for the above agency for the fiscal year ending June 30, 2017, by section  
28 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
29 general fund in the Ellsworth correctional facility – facilities operations  
30 account (177-00-1000-0303), the sum of \$30,913 is hereby lapsed.

31 (j) On the effective date of this act, of the \$12,997,184 appropriated  
32 for the above agency for the fiscal year ending June 30, 2017, by section  
33 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
34 general fund in the Winfield correctional facility – facilities operations  
35 account (712-00-1000-0303), the sum of \$27,133 is hereby lapsed.

36 (k) On the effective date of this act, of the \$15,568,713 appropriated  
37 for the above agency for the fiscal year ending June 30, 2017, by section  
38 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
39 general fund in the Norton correctional facility – facilities operations  
40 account (581-00-1000-0303), the sum of \$35,008 is hereby lapsed.

41 (l) On the effective date of this act, of the \$28,337,847 appropriated  
42 for the above agency for the fiscal year ending June 30, 2017, by section  
43 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state

1 general fund in the El Dorado correctional facility – facilities operations  
2 account (195-00-1000-0303), the sum of \$62,695 is hereby lapsed.

3 (m) On the effective date of this act, of the \$10,625,969 appropriated  
4 for the above agency for the fiscal year ending June 30, 2017, by section  
5 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
6 general fund in the Larned correctional mental health facility – facilities  
7 operations account (408-00-1000-0303), the sum of \$24,765 is hereby  
8 lapsed.

9 (n) On the effective date of this act, of the \$14,630,466 appropriated  
10 for the above agency for the fiscal year ending June 30, 2017, by section  
11 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
12 general fund in the Kansas juvenile correctional complex – facilities  
13 operations account (352-00-1000-0303), the sum of \$28,150 is hereby  
14 lapsed.

15 (o) On the effective date of this act, of the \$8,475,811 appropriated  
16 for the above agency for the fiscal year ending June 30, 2017, by section  
17 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
18 general fund in the Larned juvenile correctional facility – facilities  
19 operations account (412-00-1000-0303), the sum of \$16,962 is hereby  
20 lapsed.

21 (p) On the effective date of this act, of the \$500,000 appropriated for  
22 the above agency for the fiscal year ending June 30, 2017, by section  
23 221(b) of chapter 104 of the 2015 Session Laws of Kansas from the  
24 correctional institutions building fund in the debt service payment for the  
25 infrastructure projects bond issues account (521-00-8600-8170), the sum  
26 of \$66,829 is hereby lapsed.

27 (q) On the effective date of this act, of the amounts appropriated and  
28 reappropriated for the above agency for the fiscal year ending June 30,  
29 2017, by sections 221(b) and 258(b) of chapter 104 of the 2015 Session  
30 Laws of Kansas from the correctional institutions building fund in the debt  
31 service payment for the prison capacity expansion projects bond issue  
32 account (521-00-8600-8160), the sum of \$212,046 is hereby lapsed.

33 (r) On the effective date of this act, of the \$3,996,500 appropriated  
34 for the above agency for the fiscal year ending June 30, 2017, by section  
35 221(c) of chapter 104 of the 2015 Session Laws of Kansas from the state  
36 institutions building fund in the debt service – Topeka complex and Larned  
37 juvenile correctional facility account (521-00-8100-8119), the sum of  
38 \$14,413 is hereby lapsed.

39 (s) Notwithstanding the provisions of K.S.A. 2016 Supp. 75-52,164,  
40 and amendments thereto, or any other statute, during fiscal year 2017, the  
41 director of accounts and reports shall transfer the amount certified  
42 pursuant to K.S.A. 2016 Supp. 75-52,164(b), and amendments thereto,  
43 from each account of the state general fund of a state agency that has been

1 determined by the secretary of corrections to be actual or projected cost  
2 savings to the evidence based juvenile program account of the state  
3 general fund of the department of corrections: *Provided*, That the secretary  
4 of corrections shall transmit a copy of each such certification to the  
5 director of legislative research.

6 (t) On the effective date of this act, of the \$66,945,895 appropriated  
7 for the above agency for the fiscal year ending June 30, 2017, by section  
8 145(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
9 general fund in the treatment and programs account (521-00-1000-0152)  
10 of the department of corrections, the sum of \$6,756 is hereby lapsed.

11 Sec. 30.

12 ADJUTANT GENERAL

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

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

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

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

27 Sec. 31.

28 KANSAS HIGHWAY PATROL

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

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

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

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

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

2 Sec. 32.

3 ATTORNEY GENERAL – KANSAS BUREAU OF INVESTIGATION

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

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

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

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

20 Sec. 33.

21 KANSAS SENTENCING COMMISSION

22 (a) On the effective date of this act, of the \$896,404 appropriated for  
23 the above agency for the fiscal year ending June 30, 2017, by section  
24 157(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
25 general fund in the operating expenditures account (626-00-1000-0303),  
26 the sum of \$2,043 is hereby lapsed.

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

36 Sec. 34.

37 KANSAS DEPARTMENT OF AGRICULTURE

38 (a) On the effective date of this act, of the \$9,584,968 appropriated  
39 for the above agency for the fiscal year ending June 30, 2017, by section  
40 161(a) of chapter 104 of the 2015 Session Laws of Kansas from the state  
41 general fund in the operating expenditures account (046-00-1000-0053),  
42 the sum of \$11,805 is hereby lapsed.

43 (b) There is appropriated for the above agency from the following

1 special revenue fund or funds for the fiscal year ending June 30, 2017, all  
 2 moneys now or hereafter lawfully credited to and available in such fund or  
 3 funds, except that expenditures other than refunds authorized by law shall  
 4 not exceed the following:

- 5 USGS water use grant.....No limit
- 6 Compensatory mitigation fund.....No limit

7 Sec. 35.  
 8 KANSAS DEPARTMENT OF WILDLIFE, PARKS AND TOURISM

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

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

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

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

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

30 (e) On the effective date of this act, the expenditure limitation  
 31 established for the fiscal year ending June 30, 2017, by section 97(c) of  
 32 chapter 12 of the 2016 Session Laws of Kansas on the wildlife fee fund  
 33 (710-00-2300-2890) of the Kansas department of wildlife, parks and  
 34 tourism is hereby decreased from \$25,513,308 to \$25,476,788.

35 (f) On the effective date of this act, the expenditure limitation  
 36 established for the fiscal year ending June 30, 2017, by section 97(c) of  
 37 chapter 12 of the 2016 Session Laws of Kansas on the parks fee fund (710-  
 38 00-2122-2053) of the Kansas department of wildlife, parks and tourism is  
 39 hereby increased from \$7,782,766 to \$8,448,214.

40 (g) On the effective date of this act, the expenditure limitation  
 41 established for the fiscal year ending June 30, 2017, by section 97(c) of  
 42 chapter 12 of the 2016 Session Laws of Kansas on the boating fee fund  
 43 (710-00-2245-2813) of the Kansas department of wildlife, parks and

1 tourism is hereby decreased from \$1,324,797 to \$1,324,694.

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

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

13 Leavenworth county SFL spillway.....\$350,000  
14 *Provided*, That all expenditures from each such capital improvement  
15 account shall be in addition to any expenditure limitations imposed on the  
16 wildlife fee fund for fiscal year 2017.

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

24 Leavenworth county SFL spillway.....\$1,050,000  
25 *Provided*, That all expenditures from each such capital improvement  
26 account shall be in addition to any expenditure limitations imposed on the  
27 sport fish restoration fund for fiscal year 2017.

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

35 Flint hills nature trail.....\$1,600,000  
36 *Provided*, That all expenditures from each such capital improvement  
37 account shall be in addition to any expenditure limitations imposed on the  
38 recreational trails program fund for fiscal year 2017.

39 Sec. 36.

40 DEPARTMENT OF TRANSPORTATION

41 (a) On the effective date of this act, the expenditure limitation  
42 established for the fiscal year ending June 30, 2017, by section 97(c) of  
43 chapter 12 of the 2016 Session Laws of Kansas on the agency operations

1 account (276-00-4100-0403) of the state highway fund is hereby decreased  
2 from \$255,917,332 to \$250,912,332.

3 Sec. 37. (a) On the effective date of this act, the amount authorized to  
4 be expended from each appropriation from the state general fund during  
5 the fiscal year ending June 30, 2017, for employer contributions for  
6 eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and  
7 amendments thereto, under the Kansas public employees retirement  
8 system pursuant to K.S.A. 74-4939, and amendments thereto, in the  
9 aggregate, is hereby decreased by \$90,000,000.

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

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

38 Sec. 38. (a) During fiscal year 2017, if the director of the budget  
39 certified and the director of accounts and reports transferred any amount  
40 appropriated from the following funds: expanded lottery act revenue fund,  
41 state water plan fund, economic development initiatives fund, children's  
42 initiatives fund, endowment for youth fund, educational buildings fund,  
43 state institutions building fund or the correctional institutions building



1 fund, to the state general fund, pursuant to the authority granted in section  
2 98(a)(2) of chapter 12 of the 2016 Session Laws of Kansas, then on the  
3 effective date of this act, the director of accounts and reports shall lapse  
4 the same amount certified and transferred from such fund: *Provided*, That  
5 the director of the budget shall notify the director of legislative research of  
6 any such lapse.

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

18 Sec. 39. K.S.A. 2016 Supp. 74-4920 is hereby amended to read as  
19 follows: 74-4920. (1) (a) Upon the basis of each annual actuarial valuation  
20 and appraisal as provided for in K.S.A. 74-4908(3)(a), and amendments  
21 thereto, the board shall certify, on or before July 15 of each year, to the  
22 division of the budget in the case of the state and to the agent for each  
23 other participating employer an actuarially determined estimate of the rate  
24 of contribution which will be required, together with all accumulated  
25 contributions and other assets of the system, to be paid by each such  
26 participating employer to pay all liabilities which shall exist or accrue  
27 under the system, including amortization of the actuarial accrued liability  
28 as determined by the board. The board shall determine the actuarial cost  
29 method to be used in annual actuarial valuations, to determine the  
30 employer contribution rates that shall be certified by the board. Such  
31 certified rate of contribution, amortization methods and periods and  
32 actuarial cost method shall be based on the standards set forth in K.S.A.  
33 74-4908(3)(a), and amendments thereto, and shall not be based on any  
34 other purpose outside of the needs of the system.

35 (b) (i) For employers affiliating on and after January 1, 1999, upon  
36 the basis of an annual actuarial valuation and appraisal of the system  
37 conducted in the manner provided for in K.S.A. 74-4908, and amendments  
38 thereto, the board shall certify, on or before July 15 of each year to each  
39 such employer an actuarially determined estimate of the rate of  
40 contribution which shall be required to be paid by each such employer to  
41 pay all of the liabilities which shall accrue under the system from and after  
42 the entry date as determined by the board, upon recommendation of the  
43 actuary. Such rate shall be termed the employer's participating service

1 contribution and shall be uniform for all participating employers. Such  
2 additional liability shall be amortized as determined by the board. For all  
3 participating employers described in this section, the board shall determine  
4 the actuarial cost method to be used in annual actuarial valuations to  
5 determine the employer contribution rates that shall be certified by the  
6 board.

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

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

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

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

1 for approval, may levy a tax sufficient to allow the participating employer  
2 to make its contributions under this act, which tax, together with any other  
3 fund available, shall be sufficient to enable the participating employer to  
4 make the contributions required by this act.

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

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

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

1 (iii) Except as specifically provided in this section, for fiscal years  
2 commencing in calendar year 1997 and in each subsequent calendar year,  
3 the rate of contribution certified to participating employers other than the  
4 state of Kansas shall in no event exceed such participating employer's  
5 contribution rate for the immediately preceding fiscal year by more than  
6 0.15% of the amount of compensation upon which members contribute  
7 during the period.

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

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

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

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

1 accumulation reserve for the participating employers under K.S.A. 74-  
2 4931, and amendments thereto.

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

6 (7) The actuarial cost of the provisions of K.S.A. 74-4950i, and  
7 amendments thereto, will be included in the June 30, 1998, actuarial  
8 valuation in determining contribution rates for participating employers.  
9 The actuarial accrued liability incurred for the provisions of K.S.A. 74-  
10 4950i, and amendments thereto, shall be amortized over 15 years.

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

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

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

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

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

41 (13) The actuarial accrued liability incurred for the provisions of  
42 K.S.A. 2016 Supp. 74-49,114c, and amendments thereto, for the KPERS  
43 local group and retirants who were employees of local employers which

1 affiliated with the Kansas police and firemen's retirement system shall be  
2 amortized over 10 years.

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

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

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

24 (17) *The actuarial cost of the reduction of employer contributions for*  
25 *eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and*  
26 *amendments thereto, pursuant to the provisions of section 37, and*  
27 *amendments thereto, shall be amortized over 20 years as a level dollar*  
28 *amount, as certified by the board upon recommendation of the consulting*  
29 *actuary, through an additional percentage of compensation for*  
30 *participating employers under K.S.A. 74-4931, and amendments thereto.*  
31 *This additional percentage of compensation shall first be reflected in*  
32 *employer contribution rates for participating employers under K.S.A. 74-*  
33 *4931, and amendments thereto, effective on the first day of the first payroll*  
34 *period for the fiscal year 2018.*

35 Sec. 40. K.S.A. 2016 Supp. 75-2263 is hereby amended to read as  
36 follows: 75-2263. (a) ~~On and after the effective date of this act~~ *Subject to*  
37 *the provisions of subsection (j),* the board of trustees is responsible for the  
38 management and investment of that portion of state moneys available for  
39 investment by the pooled money investment board that is certified by the  
40 state treasurer to the board of trustees as being equivalent to the aggregate  
41 net amount received for unclaimed property and shall discharge the board's  
42 duties with respect to such moneys solely in the interests of the state  
43 general fund and shall invest and reinvest such moneys and acquire, retain,

1 manage, including the exercise of any voting rights and disposal of  
2 investments of such moneys within the limitations and according to the  
3 powers, duties and purposes as prescribed by this section.

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

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

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

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

42 (f) (1) Subject to the objective set forth in subsection (b) and the  
43 standards set forth in subsection (c), the board of trustees shall formulate

1 and adopt policies and objectives for the investment and reinvestment of  
2 such moneys and the acquisition, retention, management and disposition of  
3 investments of the moneys. Such policies and objectives shall be in writing  
4 and shall include:

5 (A) Specific asset allocation standards and objectives;

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

8 (C) a requirement that all investment advisors, and any managers or  
9 others with similar duties and responsibilities as investment advisors, shall  
10 immediately report all instances of default on investments to the board of  
11 trustees and provide such board of trustees with recommendations and  
12 options, including, but not limited to, curing the default or withdrawal  
13 from the investment.

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

17 (g) Except as provided in subsection (d) and this subsection, the  
18 custody of such moneys shall remain in the custody of the state treasurer,  
19 except that the board of trustees may arrange for the custody of such  
20 moneys as it considers advisable with one or more member banks or trust  
21 companies of the federal reserve system or with one or more banks in the  
22 state of Kansas, or both, to be held in safekeeping by the banks or trust  
23 companies for the collection of the principal and interest or other income  
24 or of the proceeds of sale. All such moneys shall be considered moneys in  
25 the state treasury for purposes of K.S.A. 75-6704, and amendments  
26 thereto.

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

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

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

39 (2) *Upon receiving any such amounts from any such liquidation, the*  
40 *state treasurer shall remit the entire amount in accordance with the*  
41 *provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of*  
42 *each such remittance, the state treasurer shall deposit the entire amount in*  
43 *the state treasury and credit any earnings from the liquidation to the state*



1 *general fund and credit the principal that had been invested and*  
2 *reinvested to the pooled money investment portfolio.*

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

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

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

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

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

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

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

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

21 Sec. 41. K.S.A. 2016 Supp. 75-4209 is hereby amended to read as  
22 follows: 75-4209. (a) The director of investments may invest and reinvest  
23 state moneys eligible for investment which are not invested in accordance  
24 with K.S.A. 75-4237, and amendments thereto, in the following  
25 investments:

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

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

42 (3) commercial paper that does not exceed 270 days to maturity and  
43 which has received one of the two highest commercial paper credit ratings

1 by a nationally recognized investment rating firm; and

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

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

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

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

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

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

26 (g) Investments under subsection (a) or (b) or under K.S.A. 75-4237,  
27 and amendments thereto, shall be for a period not to exceed four years,  
28 except that linked deposits authorized under the provisions of K.S.A. 2-  
29 3703 through 2-3707, and amendments thereto, shall not exceed a period  
30 of 10 years; agricultural production loan deposits authorized under the  
31 provisions of K.S.A. 2016 Supp. 75-4268 through 75-4274, and  
32 amendments thereto, shall not exceed a period of eight years and housing  
33 loan deposits authorized under K.S.A. 2016 Supp. 75-4276 through 75-  
34 4282, and amendments thereto, shall not exceed a period of five years or  
35 20 years, as applicable pursuant to K.S.A. 2016 Supp. 75-4279, and  
36 amendments thereto.

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

42 (i) The director of investments shall not invest state moneys eligible  
43 for investment under subsection (a), in the municipal investment pool

1 fund, created under K.S.A. 12-1677a, and amendments thereto.

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

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

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

22 (m) (1) *Upon the liquidation of all investments and reinvestments of*  
23 *state moneys pursuant to K.S.A. 2016 Supp. 75-2263(j), and amendments*  
24 *thereto, during the fiscal year ending June 30, 2017, the pooled money*  
25 *investment board shall authorize the director of accounts and reports to*  
26 *transfer \$254,000,000 from the pooled money investment portfolio to the*  
27 *state general fund. Upon receipt of such authorization, the director of*  
28 *accounts and reports shall make such transfer. The chairperson of the*  
29 *pooled money investment board shall transmit a copy of such*  
30 *authorization to the director of legislative research and the director of the*  
31 *budget.*

32 (2) *On or before June 30, 2018, June 30, 2019, June 30, 2020, June*  
33 *30, 2021, and June 30, 2022, the director of accounts and reports shall*  
34 *transfer \$45,000,000 from the state general fund to the pooled money*  
35 *investment portfolio. On or before June 30, 2023, the director of accounts*  
36 *and reports shall transfer \$29,000,000 from the state general fund to the*  
37 *pooled money investment portfolio.*

38 Sec. 42. K.S.A. 2016 Supp. 75-2319 is hereby amended to read as  
39 follows: 75-2319. (a) There is hereby established in the state treasury the  
40 school district capital improvements fund. The fund shall consist of all  
41 amounts transferred thereto under the provisions of subsection (c).

42 (b) In each school year, each school district which is obligated to  
43 make payments from its capital improvements fund shall be entitled to

1 receive payment from the school district capital improvements fund in an  
2 amount determined by the state board of education as provided in this  
3 subsection.

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

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

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

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

20 (D) determine a state aid percentage factor for each school district by  
21 assigning a state aid computation percentage to the amount of the median  
22 AVPP shown on the schedule, decreasing the state aid computation  
23 percentage assigned to the amount of the median AVPP by one percentage  
24 point for each \$1,000 interval above the amount of the median AVPP, and  
25 increasing the state aid computation percentage assigned to the amount of  
26 the median AVPP by one percentage point for each \$1,000 interval below  
27 the amount of the median AVPP. Except as provided by K.S.A. 2016 Supp.  
28 75-2319c, and amendments thereto, the state aid percentage factor of a  
29 school district is the percentage assigned to the schedule amount that is  
30 equal to the amount of the AVPP of the school district. The state aid  
31 percentage factor of a school district shall not exceed 100%. The state aid  
32 computation percentage is 25%;

33 (E) determine the amount of payments that a school district is  
34 obligated to make from its bond and interest fund attributable to general  
35 obligation bonds approved for issuance at an election held prior to July 1,  
36 2015; and

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

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

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

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

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

16 (D) determine the amount of payments that a school district is  
17 obligated to make from its bond and interest fund attributable to general  
18 obligation bonds approved for issuance at an election held on or after July  
19 1, 2015; and

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

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

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

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

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

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

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

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

11 (d) energy usage and other operational inefficiencies as demonstrated  
12 by a district-wide energy usage analysis, district-wide architectural  
13 analysis or other similar evaluation.

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

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

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

28 (c) The state board of education shall certify to the director of  
29 accounts and reports the entitlements of school districts determined under  
30 the provisions of subsection (b), and an amount equal thereto shall be  
31 transferred by the director from the state general fund to the school district  
32 capital improvements fund for distribution to school districts. All transfers  
33 made in accordance with the provisions of this subsection shall be  
34 considered to be demand transfers from the state general fund, except that  
35 all such transfers during the fiscal years ending ~~June 30, 2013~~, June 30,  
36 ~~2014~~ 2017, June 30, ~~2015~~ 2018, and June 30, ~~2016~~ 2019, shall be  
37 considered to be revenue transfers from the state general fund.

38 (d) Payments from the school district capital improvements fund shall  
39 be distributed to school districts at times determined by the state board of  
40 education to be necessary to assist school districts in making scheduled  
41 payments pursuant to contractual bond obligations. The state board of  
42 education shall certify to the director of accounts and reports the amount  
43 due each school district entitled to payment from the fund, and the director

1 of accounts and reports shall draw a warrant on the state treasurer payable  
2 to the treasurer of the school district. Upon receipt of the warrant, the  
3 treasurer of the school district shall credit the amount thereof to the bond  
4 and interest fund of the school district to be used for the purposes of such  
5 fund.

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

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

18 Sec. 43. K.S.A. 2016 Supp. 74-4920, 75-2263, 75-2319, 75-2319d  
19 and 75-4209 are hereby repealed.

20 Sec. 44. If any fund or account name described by words and the  
21 numerical accounting code which follows such fund or account name do  
22 not match, it shall be conclusively presumed that the legislature intended  
23 that the fund or account name described by words is the correct fund or  
24 account name, and such fund or account name described by words shall  
25 control over a contradictory or incorrect numerical accounting code.

26 Sec. 45. *Severability*. If any provision or clause of this act or  
27 application thereof to any person or circumstance is held invalid, such  
28 invalidity shall not affect other provisions or applications of the act which  
29 can be given effect without the invalid provision or application, and to this  
30 end the provisions of this act are declared to be severable.

31 Sec. 46. *Appeals to exceed expenditure limitations*. (a) Upon written  
32 application to the governor and approval of the state finance council,  
33 expenditures from special revenue funds may exceed the amounts  
34 specified in this act.

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

39 Sec. 47. This act shall take effect and be in force from and after its  
40 publication in the Kansas register.