SESSION of 2019

SENATE BILL No. 72

By Committee on Ways and Means

AN ACT making and concerning appropriations for the fiscal years ending June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024, for the 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. 2018 Supp. 75-4209 and 75-6706 and repealing the existing sections; also repealing K.S.A. 2018 Supp. 75-6707.

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

Section 1. (a) For the fiscal years ending 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.

BOARD OF ACCOUNTANCY

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 Session Laws of Kansas on the board of accountancy fee fund (028-00-2701-0100) of the board of accountancy is hereby increased from $390,655 to $403,420.

Sec. 3.

STATE BANK COMMISSIONER

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance
council by section 114(f) of chapter 109 of the 2018 Session Laws of Kansas on the bank commissioner fee fund (094-00-2811) of the state bank commissioner is hereby decreased from $11,542,856 to $11,356,673.

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, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 Session Laws of Kansas on the cosmetology fee fund (149-00-2706-0100) of the Kansas state board of cosmetology is hereby increased from $1,055,134 to $1,059,134.

Sec. 5.

KANSAS DENTAL BOARD
(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 Session Laws of Kansas on the dental board fee fund (167-00-2708-0100) of the Kansas dental board is hereby decreased from $427,804 to $414,000.
(b) On the effective date of this act, the expenditure limitation for official hospitality established for the fiscal year ending June 30, 2019, by section 17(a) of chapter 104 of the 2017 Session Laws of Kansas on the dental board fee fund (167-00-2708-0100) of the Kansas dental board is hereby increased from $500 to $750.

Sec. 6.

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, 2019, by section 19(a) of chapter 104 of the 2017 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 $26,290 to $26,996.

Sec. 7.

BOARD OF NURSING
(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 Session Laws of Kansas on the board of nursing fee fund (482-00-2716-0200) of the board of nursing is hereby increased from $2,655,711 to $2,706,173.

Sec. 8.

STATE BOARD OF PHARMACY
(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 Session Laws of Kansas on the board of pharmacy fee fund (482-00-2716-0200) of the board of pharmacy is hereby increased from $2,655,711 to $2,706,173.
council by section 114(f) of chapter 109 of the 2018 Session Laws of Kansas on the state board of pharmacy fee fund (531-00-2718-0100) of the state board of pharmacy is hereby increased from $1,622,639 to $1,663,690.

Sec. 9.

KANSAS REAL ESTATE COMMISSION
(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 Session Laws of Kansas on the real estate fee fund (549-00-2721-0100) of the Kansas real estate commission is hereby increased from $1,043,759 to $1,076,152.

Sec. 10.

STATE BOARD OF TECHNICAL PROFESSIONS
(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 Session Laws of Kansas on the technical professions fee fund (663-00-2729-0100) of the state board of technical professions is hereby decreased from $764,182 to $763,182.

Sec. 11.

STATE BOARD OF VETERINARY EXAMINERS
(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 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 $360,653 to $359,953.

(b) On the effective date of this act, expenditures from the veterinary examiners fee fund for the fiscal year ending June 30, 2019, for official hospitality shall not exceed $700.

Sec. 12.

DIVISION OF POST AUDIT
(a) On the effective date of this act, of the $2,499,604 appropriated for the above agency for the fiscal year ending June 30, 2019, by section 34(a) of chapter 104 of the 2017 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 $244,600 is hereby lapsed.

Sec. 13.

STATE TREASURER
(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 Session Laws of Kansas on the state treasurer operating fund (670-00-2374-2300) of the
state treasurer is hereby decreased from $1,710,088 to $1,680,886:
Provided, That, notwithstanding the provisions of the uniform unclaimed property act, K.S.A. 58-3934 et seq., and amendments thereto, or any other statute, of all the moneys received under the uniform unclaimed property act, K.S.A. 58-3934 et seq., and amendments thereto, during fiscal year 2019, the state treasurer is hereby authorized and directed to credit the first $1,680,886 received and deposited in the state treasury to the state treasurer operating fund: Provided further, That, after such aggregate amount has been credited to the state treasurer operating fund, then all of the moneys received under the uniform unclaimed property act during fiscal year 2019 shall be credited as prescribed under the unclaimed property act, K.S.A. 58-3934 et seq., and amendments thereto: And provided further, That all moneys credited to the state treasurer operating fund during fiscal year 2019 are to reimburse the state treasurer for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services that are performed to administer the provisions of the uniform unclaimed property act, K.S.A. 58-3934 et seq., and amendments thereto, that are not otherwise reimbursed under any other provision of law.

Sec. 14.

INSURANCE DEPARTMENT
(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 Session Laws of Kansas on the securities act fee fund (331-00-2162-0100) of the insurance department is hereby decreased from $2,971,162 to $2,839,224.

Sec. 15.

STATE BOARD OF INDIGENTS' DEFENSE SERVICES
(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2019, the following:
Assigned counsel expenditures (328-00-1000-0700)..................... $800,000

Sec. 16.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
(a) On the effective date of this act, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer $280,680 from the MSA compliance fund (565-00-2274-2274) of the department of revenue to the Kansas endowment for youth fund (365-00-7000-2000) of the Kansas public employees retirement system.
(b) On the effective date of this act, the provisions of section 47(d) of chapter 109 of the 2018 Session Laws of Kansas concerning the transfer for fiscal year 2019 are hereby declared to be null and void and shall have no force and effect.

Sec. 17.
STATE CORPORATION COMMISSION

(a) On the effective date of this act, the expenditure limitation for official hospitality established for the fiscal year ending June 30, 2019, by section 61(e) of chapter 104 of the 2017 Session Laws of Kansas on the public service regulation fund (143-00-2019-0100), the motor carrier license fees fund (143-00-2812-5500) and the conservation fee fund (143-00-2130-2000) of the state corporation commission is hereby increased, in the aggregate, from $2,000 to $2,500.

Sec. 18.

DEPARTMENT OF ADMINISTRATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2019, the following:

Debt setoff settlement................................................................. $9,291,945

(b) On the effective date of this act, of the $250,000 appropriated for the above agency for the fiscal year ending June 30, 2019, by section 66(k) of chapter 104 of the 2017 Session Laws of Kansas from the state institutions building fund in the SIBF – state building insurance account (173-00-8100-8920), the sum of $56,227 is hereby lapsed.

(c) On the effective date of this act, of the $270,000 appropriated for the above agency for the fiscal year ending June 30, 2019, by section 66(l) of chapter 104 of the 2017 Session Laws of Kansas from the correctional institutions building fund in the CIBF – state building insurance account (173-00-8600-8930), the sum of $2,578 is hereby lapsed.

(d) On the effective date of this act, the provisions of section 66(q) of chapter 104 of the 2017 Session Laws of Kansas are hereby declared to be null and void and shall have no force and effect.

Sec. 19.

DEPARTMENT OF ADMINISTRATION

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2020, 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:

Budget stabilization fund......................................................... No limit

Sec. 20.

DEPARTMENT OF REVENUE

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 Session Laws of Kansas on the division of vehicles operating fund (565-00-2089-2020) of the department of revenue is hereby decreased from $48,770,738 to $48,689,925.

Sec. 21.
KANSAS LOTTERY

(a) On the effective date of this act, the aggregate amount authorized by section 78(b) of chapter 104 of the 2017 Session Laws of Kansas to be transferred from the lottery operating fund (450-00-5123-5100) to the state gaming revenues fund (173-00-9011-9100) during the fiscal year ending June 30, 2019, is hereby decreased from $76,000,000 to $70,500,000.

(b) Notwithstanding the provisions of K.S.A. 74-8724, and amendments thereto, or any other statute, during the fiscal year ending June 30, 2019, the director of accounts and reports shall transfer from the lottery operating fund (450-00-5123-5100) to the state gaming revenues fund (173-00-9011-9100) the amount of total profit attributed to the veterans benefits game pursuant to K.S.A. 74-8724, and amendments thereto, during fiscal year 2019: Provided further, That, the transfer to the veterans benefit lottery game fund for the fiscal year ending June 30, 2019, authorized by section 63(e) of chapter 109 of the 2018 Session Laws of Kansas represents and includes the profits derived from the veterans benefits game pursuant to K.S.A. 74-8724, and amendments thereto: Provided further, That, on or before August 1, 2019, the executive director of the lottery shall report the amount of total profit attributed to the veterans benefits game pursuant to K.S.A. 74-8724, and amendments thereto, during fiscal year 2019 to the director of the budget and the director of legislative research.

Sec. 22.

DEPARTMENT OF COMMERCE

(a) On the effective date of this act, of the $2,053,457 appropriated for the above agency for the fiscal year ending June 30, 2019, by section 83(b) of chapter 104 of the 2017 Session Laws of Kansas from the state economic development initiatives fund in the rural opportunity zones program account (300-00-1900-1150), the sum of $213,214 is hereby lapsed.

Sec. 23.

KANSAS COMMISSION ON VETERANS AFFAIRS OFFICE

(a) There is appropriated for the above agency from the state institutions building fund for the fiscal year ending June 30, 2019, for the capital improvements project or projects specified, the following:
Veterans' home rehabilitation and repair projects

(694-00-8100-8250)................................................................. $87,632

(b) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by section 63(d) of chapter 109 of the 2018 Session Laws of Kansas on the veterans benefit lottery game fund (694-00-2303-2303) of the Kansas commission on veterans affairs office is hereby increased from $1,200,000 to no limit.

Sec. 24.
DEPARTMENT OF HEALTH AND ENVIRONMENT –  
DIVISION OF PUBLIC HEALTH  

(a) There is appropriated for the above agency from the following  
special revenue fund or funds for the fiscal year ending June 30, 2019, 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:  
Alzheimer's association inclusion –  
federal fund................................................................................... No limit  
ESSA preschool development grants birth through five  
federal fund................................................................................... No limit  
Right-to-know fee fund (264-00-2325-2325)................................. No limit  

Sec. 25.  

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, 2019, the following:  
Health policy operating expenditures (264-00-1000-0010)......... $2,222,103  
(b) On the effective date of this act, of the $162,197,716 appropriated  
for the above agency for the fiscal year ending June 30, 2019, by section  
68(a) of chapter 109 of the 2018 Session Laws of Kansas from the state  
general fund in the other medical assistance account (264-00-1000-3026),  
the sum of $29,503,110 is hereby lapsed.  
(c) During the fiscal year ending June 30, 2019, in addition to the  
other purposes for which expenditures may be made by the department of  
health and environment – division of health care finance from moneys  
appropriated from the state general fund or from any special revenue funds  
or funds for fiscal year 2019 by chapter 104 of the 2017 Session Laws of  
Kansas, chapter 109 of the 2018 Session Laws of Kansas, this or any other  
appropriation act of the 2019 regular session of the legislature,  
expenditures shall be made by the above agency from such moneys to  
implement, and require any managed care organization providing state  
medicaid services under the Kansas medical assistance program to  
implement, a policy to provide at least a 60-day admission for individuals  
requiring inpatient treatment in a psychiatric residential treatment facility,  
as determined by a managed care organization providing state medicaid  
services under the Kansas medical assistance program, without imposing  
any prior authorization requirements to receive such admission or  
treatment.  

Sec. 26.  

DEPARTMENT OF HEALTH AND ENVIRONMENT –  
DIVISION OF ENVIRONMENT  

(a) There is appropriated for the above agency from the following
special revenue fund or funds for the fiscal year ending June 30, 2019, 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:

Volkswagen environmental fund (264-00-7269-7269).................. No limit

KANSAS DEPARTMENT FOR AGING AND DISABILTY SERVICES

(a) There is appropriated for the above agency from the state general
fund for the fiscal year ending June 30, 2019, the following:

LTC – medicaid assistance – NF
(039-00-1000-0520)................................................................. $37,535,484
Kansas neurological institute – operating expenditures
(363-00-1000-0303)................................................................. $853,494
Larned state hospital – operating expenditures
(410-00-1000-0103)................................................................. $871,031
Osawatomie state hospital – operating expenditures
(494-00-1000-0100)................................................................. $2,014,366
Osawatomie state hospital – certified care expenditures
(494-00-1000-0101)................................................................. $1,122,529
Parsons state hospital and training center –
operating expenditures (507-00-1000-0100)............................ $951,224
(b) There is appropriated for the above agency from the state
institutions building fund for the fiscal year ending June 30, 2019, for the
capital improvements project or projects specified, the following:

Isaac Ray UPS................................................................. $54,405
(c) On the effective date of this act, of the $7,129,380 appropriated
for the above agency for the fiscal year ending June 30, 2019, by section
100(a) of chapter 104 of the 2017 Session Laws of Kansas from the state
general fund in the LTC – medicaid assistance – PACE account (039-00-
1000-0530), the sum of $730,000 is hereby lapsed.
(d) On the effective date of this act, the expenditure limitation
established for the fiscal year ending June 30, 2019, by the state finance
council by section 114(f) of chapter 109 of the 2018 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 $3,961,931 to $3,946,301.
(e) On the effective date of this act, the expenditure limitation
established for the fiscal year ending June 30, 2019, by section 72(k) of
chapter 109 of the 2018 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 decreased from $840,706 to $716,362.
(f) On the effective date of this act, the expenditure limitation
established for the fiscal year ending June 30, 2019, by the state finance
council by section 114(f) of chapter 109 of the 2018 Session Laws of
Kansas on the Osawatomie state hospital certified care fund (494-00-2079-
4201) of the Kansas department for aging and disability services is hereby
decreased from $2,664,025 to $2,207,525.

(g) On the effective date of this act, the expenditure limitation
established for the fiscal year ending June 30, 2019, by the state finance
council by section 114(f) of chapter 109 of the 2018 Session Laws of
Kansas on the problem gambling and addictions grant fund (039-00-2371-
2371) of the Kansas department for aging and disability services is hereby
decreased from $6,829,101 to $6,825,996.

(h) Notwithstanding the provisions of K.S.A. 2018 Supp. 75-5958,
and amendments thereto, or any other statute, and subject to
appropriations, the secretary for aging and disability services may provide
rate increases for nursing facilities for fiscal year 2019.

(i) On the effective date of this act, of the $3,845,751 appropriated for
the above agency for the fiscal year ending June 30, 2019, by section
186(a) of chapter 104 of the 2017 Session Laws of Kansas from the state
institutions building fund in the debt service – new state security hospital
account (039-00-8100-8320), the sum of $3,878 is hereby lapsed.

(j) On the effective date of this act, of the $2,602,200 appropriated for
the above agency for the fiscal year ending June 30, 2019, by section
186(a) of chapter 104 of the 2017 Session Laws of Kansas from the state
institutions building fund in the debt service – state hospitals rehabilitation
and repair account (039-00-8100-8325), the sum of $106 is hereby lapsed.

(k) On the effective date of this act, any unencumbered balance in
each of the following capital improvement accounts of the state
institutions building fund is hereby lapsed: Kansas neurological institute –
energy conservation improvement debt service (363-00-8100-8000).

Sec. 28.

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, 2019, the following:

State operations (including official hospitality)

(629-00-1000-0013).......................................................... $2,836,425
Youth services aid and assistance (629-00-1000-7020).............. $3,670,777

Sec. 29.

KANSAS STATE SCHOOL FOR THE BLIND

(a) There is appropriated for the above agency from the state general
fund for the fiscal year ending June 30, 2019, the following:

Operating expenditures (604-00-1000-0303)............................... $7,528

Sec. 30.

KANSAS STATE SCHOOL FOR THE DEAF

(a) There is appropriated for the above agency from the state general
fund for the fiscal year ending June 30, 2019, the following:
Operating expenditures (610-00-1000-0303)......................... $84,553  

Sec. 31.

STATE HISTORICAL SOCIETY  
(a) On the effective date of this act, the expenditure limitation  
established for the fiscal year ending June 30, 2019, by the state finance  
council by section 114(f) of chapter 109 of the 2018 Session Laws of  
Kansas on the heritage trust fund (288-00-7379-7600) of the state  
historical society for state operations is hereby increased from $57,992 to  
$59,284.

Sec. 32.

UNIVERSITY OF KANSAS  
(a) On the effective date of this act, or as soon thereafter as moneys  
are available, the director of accounts and reports shall transfer amounts  
specified by the chancellor of the university of Kansas of not to exceed a  
total of $325,000 for all such amounts, from the general fees fund (682-00-  
2107-2000) to the following specified funds and accounts of funds:  
Federal Perkins loan fund (682-00-7512-7040); educational opportunity  
act – federal fund (682-00-3842-3020); university federal fund (682-00-  
3147-3140); health professions student loan fund (682-00-7513-7050);  
loans for disadvantaged students fund (682-00-7510-7100).

(b) On the effective date of this act, the provisions of section 130(c)  
of chapter 104 of the 2017 Session Laws of Kansas are hereby declared to  
be null and void and shall have no force and effect.

Sec. 33.

STATE BOARD OF REGENTS  
(a) The appropriation to the national guard educational assistance  
account (561-00-1000-1300) for the fiscal year ending June 30, 2019,  
authorized by section 93(a) of chapter 109 of the 2018 Session Laws of  
Kansas represents and includes the profits derived from the veterans  
benefits game pursuant to K.S.A. 74-8724, and amendments thereto.

Sec. 34.

DEPARTMENT OF CORRECTIONS  
(a) There is appropriated for the above agency from the state general  
fund for the fiscal year ending June 30, 2019, the following:  
Treatment and programs – medical and mental
(521-00-1000-0152)....................................................... $1,350,944

(b) There is appropriated for the above agency from the following  
special revenue fund or funds for the fiscal year ending June 30, 2019, 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:
WIOA adult activities – federal fund
ADJUTANT GENERAL

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2019, the following:

Operating expenditures
(034-00-1000-0053).................................................................................. $84,417

Rehabilitation and repair projects
(034-00-1000-8000).................................................................................. $1,433,118

(b) On the effective date of this act, the expenditure limitation for official hospitality established for the fiscal year ending June 30, 2019, by section 141(a) of chapter 104 of the 2017 Session Laws of Kansas on the operating expenditures account (034-00-1000-0053) of the state general fund of the adjutant general is hereby increased from $1,250 to $2,500.

(c) On the effective date of this act, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer $120,000 from the state highway fund of the department of transportation to the office of emergency communications fund (034-00-2496-2496) of the adjutant general.

Sec. 36.

KANSAS HIGHWAY PATROL

(a) On the effective date of this act, the amount of $13,088,460.00 authorized by section 145(d) of chapter 104 of the 2017 Session Laws of Kansas to be transferred by the director of accounts and reports from the state highway fund of the department of transportation to the Kansas highway patrol operations fund (280-00-2034-1100) of the Kansas highway patrol on April 1, 2019, is hereby decreased to $12,891,586.00.

Sec. 37.

KANSAS DEPARTMENT OF WILDLIFE, PARKS AND TOURISM

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 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 $34,181,260 to $33,011,277.

(b) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 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 $10,036,957 to $10,543,242.

(c) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 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 $1,180,077 to $1,170,266.

(d) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 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 decreased from $1,681,693 to $1,654,684.

(e) On the effective date of this act, of the amount appropriated for the above agency for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 Session Laws of Kansas from the state economic development initiatives fund in the travel and tourism operating expenditures account (710-00-1900-1901), the sum of $8,962 is hereby lapsed.

(f) On the effective date of this act, of the amount appropriated for the above agency for the fiscal year ending June 30, 2019, by the state finance council by section 114(f) of chapter 109 of the 2018 Session Laws of Kansas from the state economic development initiatives fund in the operating expenditures account (710-00-1900-1910), the sum of $8,742 is hereby lapsed.

(g) On the effective date of this act, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer $59,630 from the state highway fund of the department of transportation to the department access roads fund (710-00-2178-2760) of the Kansas department of wildlife, parks and tourism.

(h) In addition to the other purposes for which expenditures may be made by the above agency from the parks fee fund for fiscal year 2019 as authorized by section 226(e) of chapter 104 of the 2017 Session Laws of Kansas, expenditures may be made by the above agency from the following capital improvement account or accounts of the parks fee fund for fiscal year 2019 for the following capital improvement project or
projects, subject to the expenditure limitations prescribed therefor:

Parks rehabilitation and repair projects (710-00-2122-2066)........ $180,500
Debt service – Kansas City district office (710-00-2122-2058)...... $20,594

Provided, That all expenditures from such capital improvement accounts shall be in addition to any expenditure limitation imposed on the parks fee fund for fiscal year 2019.

(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 2019 as authorized by section 226(g) of chapter 104 of the 2017 Session Laws of Kansas, expenditures may be made by the above agency from the following capital improvement account or accounts of the wildlife fee fund for fiscal year 2019 for the following capital improvement project or projects, subject to the expenditure limitations prescribed therefor:
Rehabilitation and repair (710-00-2300-3262)........................... $2,447,000

Provided, That all expenditures from such capital improvement account shall be in addition to any expenditure limitation imposed on the wildlife fee fund for fiscal year 2019.

(j) In addition to the other purposes for which expenditures may be made by the above agency from the boating fee fund for fiscal year 2019 as authorized by section 226(f) of chapter 104 of the 2017 Session Laws of Kansas, expenditures may be made by the above agency from the following capital improvement account or accounts of the boating fee fund for fiscal year 2019 for the following capital improvement project or projects, subject to the expenditure limitations prescribed therefor:
Coast guard boating projects (710-00-2245-2840)......................... $25,000

Provided, That all expenditures from such capital improvement account shall be in addition to any expenditure limitation imposed on the boating fee fund for fiscal year 2019.

Sec. 38.

STATE FINANCE COUNCIL

(a) On the effective date of this act, of the $14,900,000 appropriated for the above agency for the fiscal year ending June 30, 2019, by section 114(b) of chapter 109 of the 2018 Session Laws of Kansas from the state general fund in the state employee pay increase account, the sum of $1,143,246 is hereby lapsed.

Sec. 39.

STATE FINANCE COUNCIL

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2020, 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:
Debt prepayment fund................................................................. No limit
Sec. 40. K.S.A. 2018 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 that 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 that has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm; and

(4) corporate bonds which that 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. 2018 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. 2018 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. 2018 Supp. 75-4279, and amendments thereto.

(h) Investments in securities under 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 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. 2018 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 $50,000,000, of the amount of moneys that were transferred pursuant to subsection (m)(1) from the state general fund to the pooled money investment portfolio. Any transfer made pursuant to this subsection shall be reduced by the amount of moneys credited to any fiscal year payment pursuant to K.S.A. 2018 Supp. 75-6707, and amendments thereto.

(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. 2018 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 $50,000,000, of the amount of moneys that were transferred pursuant to subsection (m)(3) from the state general fund to the pooled money investment portfolio. Any transfer made pursuant to this subsection shall be reduced by the amount of moneys credited to any
fiscal year payment pursuant to K.S.A. 2018 Supp. 75-6707, and amendments thereto.

Sec. 41. K.S.A. 2018 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, 2025, 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) The legislative budget committee shall study and review the policy 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.

(e) On or before August 15, 2021, 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 2021. Such ending balance shall not include the transfers made pursuant to K.S.A. 2018 Supp. 75-6707, and amendments thereto. 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. The debt
prepayment fund is hereby established in the state treasury.

(f) On or before the 10th day of each month commencing on July 1,
2019, the director of accounts and reports shall transfer from the state
general fund to the debt prepayment fund interest earnings based on:

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

(g) The provisions of subsections (h), (i), (j) and (k) shall be in effect

(h) When state tax receipts for a fiscal year increase by more than
3% over state tax receipts for the preceding fiscal year: (1) Any increase
in excess of 3% up to the next 1% of excess state tax receipts collected
shall be deposited in the budget stabilization fund; and (2) any increase in
excess of 4% up to the next \( 1/2 \)% of excess state tax receipts collected shall
be deposited in the debt prepayment fund. Nothing in this subsection shall
require state tax receipts to be deposited in the budget stabilization fund
when the budget stabilization fund balance exceeds 15% of the preceding
fiscal year's state tax receipts. Nothing in this subsection shall require
state tax receipts to be deposited in the debt prepayment fund when the
debt prepayment fund balance exceeds 15% of the preceding fiscal year's
total amount of principal of bonded indebtedness services by
appropriations from the state general fund.

(i) (1) Withdrawals from the budget stabilization fund may occur in
the current fiscal year only when the current fiscal year's estimated state
tax receipts are less than the amount of actual state tax receipts collected
or otherwise received in the preceding fiscal year. The amount subject to
withdrawal shall not exceed the difference between the current fiscal
year's estimated state tax receipts and the amount of actual state tax
receipts collected or otherwise received in the preceding fiscal year, except
that such difference shall be reduced by the amount of the current fiscal
year's estimated state tax receipts not collected or otherwise received as a
result of any kind of tax reduction legislation passed by the legislature and
enacted into law in the current or preceding fiscal year.

(2) Withdrawals from the budget stabilization fund may occur in the
ensuing fiscal year only when the ensuing fiscal year's estimated state tax
receipts are less than the amount of estimated state tax receipts in the
current fiscal year. The amount subject to withdrawal shall not exceed the
difference between the ensuing fiscal year's estimated state tax receipts
and the amount of estimated state tax receipts in the current fiscal year,
except that such difference shall be reduced by the amount of the ensuing fiscal year’s estimated state tax receipts not collected or otherwise received as a result of any kind of tax reduction legislation passed by the legislature and enacted into law in the current or preceding fiscal year.

(3) If the conditions of subsection (i)(1) or (i)(2) are met, the director of the budget may certify such amount for the current or ensuing fiscal year, as applicable. Whenever for any fiscal year it appears that the resources of the general fund are likely to be insufficient to cover the appropriations made against such general fund and the conditions of subsection (i)(1) or (i)(2) are met, the director of the budget may, in such amount as the director may determine, transfer moneys from the budget stabilization fund to the state general fund. The amount of any such transfer shall not exceed the amount of such insufficiency. The director shall transmit a copy of each such transfer to the director of legislative research.

(4) For the purposes of subsections (i)(1) and (i)(2), the director of the budget, in consultation with the director of legislative research, shall certify whether any kind of tax reduction legislation was passed by the legislature and enacted into law, and if so, the director of the budget shall certify the amount of such reduction.

(j)(1) Withdrawals from the debt prepayment fund may occur only to provide for calling and redeeming selected bonds for which debt service is paid by appropriations from the state general fund in accordance with their terms on or after their first optional redemption date and prior to maturity.

(2) Prior to any withdrawal from the debt prepayment fund authorized by this subsection, the director of the budget shall be responsible for determining and selecting which bonds will produce the greatest debt service savings to the state general fund, and for certifying that the selected bonds are available for optional redemption.

(3) The director of the budget shall certify the amount, if any, of any such called and redeemed bonds to the state finance council. No moneys in the debt prepayment fund shall be expended pursuant to this subsection unless the expenditure 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. This matter may be submitted to the state finance council for approval at any time, including periods of time during which the legislature is in session.

(k) As used in this section, "state tax receipts" means receipts from any state income tax, sales tax, compensating use tax or other excise tax or tax in the nature of an excise tax, or estate or inheritance tax, or tax in the nature of an estate or inheritance tax, but shall not include receipts
from any property tax, or tax in the nature of a property tax, or any tax on motor fuels.

Sec. 42. 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 that 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. 43. 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, the 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. 44. 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. 45. K.S.A. 2018 Supp. 75-4209, 75-6706 and 75-6707 are hereby repealed.

Sec. 46. This act shall take effect and be in force from and after its publication in the Kansas register.