

Senate Substitute for HOUSE BILL No. 2002

By Committee on Ways and Means

5-8

1 AN ACT making and concerning appropriations for fiscal years ending
 2 June 30, 2017, June 30, 2018, June 30, 2019, and June 30, 2020, for
 3 state agencies; authorizing certain transfers, capital improvement
 4 projects and fees, imposing certain restrictions and limitations, and
 5 directing or authorizing certain receipts, disbursements, procedures and
 6 acts incidental to the foregoing; amending K.S.A. 2016 Supp. 2-223,
 7 12-1775a, 68-2320, 74-4914d and 74-4920, as amended by section 43
 8 of 2017 Senate Substitute for Substitute for House Bill No. 2052 and
 9 repealing the existing sections; also repealing section 161 of 2017
 10 Substitute for Senate Bill No. 189, section 162 of 2017 Substitute for
 11 Senate Bill No. 189, and K.S.A. 2016 Supp. 2-223, as amended by
 12 section 212 of 2017 Substitute for Senate Bill 189.

13
14 *Be it enacted by the Legislature of the State of Kansas:*

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

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

25 (c) This act shall be known and may be cited as the omnibus
26 appropriation act of 2017 and shall constitute the omnibus reconciliation
27 spending limit bill for the 2017 regular session of the legislature for
28 purposes of K.S.A. 75-6702(a), and amendments thereto.

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

31 Sec. 2.

32 **LEGISLATIVE COORDINATING COUNCIL**

33 (a) There is appropriated for the above agency from the state general
34 fund for the fiscal year ending June 30, 2018, the following:

35 Legislative research department –
 36 operations (425 - 00 - 1000 - 0103).....\$15,000

1 Sec. 3.

2 LEGISLATIVE COORDINATING COUNCIL

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

5 Legislative research department –
6 operations (425 - 00 - 1000 - 0103).....\$15,000

7 Sec. 4.

8 GOVERNOR'S DEPARTMENT

9 (a) During fiscal year 2018, if the state of Kansas has a newly
10 appointed lieutenant governor, then on the effective date of such
11 appointment, of the \$2,177,576 appropriated for the above agency for the
12 fiscal year ending June 30, 2018, by section 28(a) of 2017 Substitute for
13 Senate Bill No. 189 from the state general fund in the governor's
14 department account (252-00-1000-0503), an amount equal to any amount
15 paid in excess of \$1,204.35 per biweekly pay period multiplied by the
16 number of biweekly pay periods remaining in fiscal year 2018 is hereby
17 lapsed: *Provided*, That the compensation paid to such newly appointed
18 lieutenant governor shall not exceed the amount in K.S.A. 75-3103(a), and
19 amendments thereto.

20 Sec. 5.

21 GOVERNOR'S DEPARTMENT

22 (a) During fiscal year 2019, if the state of Kansas has a newly
23 appointed lieutenant governor, then on the effective date of such
24 appointment, of the \$2,182,036 appropriated for the above agency for the
25 fiscal year ending June 30, 2019, by section 29(a) of 2017 Substitute for
26 Senate Bill No. 189 from the state general fund in the governor's
27 department account (252-00-1000-0503), an amount equal to any amount
28 paid in excess of \$1,204.35 per biweekly pay period multiplied by the
29 number of biweekly pay periods remaining in fiscal year 2019 is hereby
30 lapsed: *Provided*, That the compensation paid to such newly appointed
31 lieutenant governor shall not exceed the amount in K.S.A. 75-3103(a), and
32 amendments thereto.

33 (b) During fiscal year 2019, if the state of Kansas had a newly
34 appointed lieutenant governor during fiscal year 2018, then on July 1,
35 2018, of the \$2,182,036 appropriated for the above agency for the fiscal
36 year ending June 30, 2019, by section 29(a) of 2017 Substitute for Senate
37 Bill No. 189 from the state general fund in the governor's department
38 account (252-00-1000-0503), the sum of \$22,680 is hereby lapsed.

39 Sec. 6.

40 STATE BOARD OF INDIGENTS' DEFENSE SERVICES

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

43 Assigned counsel expenditures (328 - 00 - 1000 - 0700).....\$1,300,000

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DEPARTMENT OF REVENUE

(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 shall not exceed the following:

Automated tax system fund.....No limit

(b) On July 1, 2018, and on the first day of each month thereafter during fiscal year 2019, the secretary of revenue shall report to the director of the budget and the director of legislative research: (1) The amount of any increase in the amount of taxes, interest and penalties collected in the immediately preceding month that is attributable to the implementation of the automated tax systems authorized by K.S.A. 75-5147, and amendments thereto; and (2) that portion of such monthly increase in the amount of taxes, interest and penalties which is currently required to pay one or more vendors pursuant to contracts entered into under K.S.A. 75-5147, and amendments thereto, for the acquisition or implementation of such automated tax systems. Upon receipt of each such report from the secretary of revenue, the director of the budget shall certify to the director of accounts and reports the amount reported that is required to be paid to such vendors and the director of accounts and reports shall transfer the amount certified from the state general fund to the automated tax system fund of the department of revenue.

Sec. 12.

DEPARTMENT OF COMMERCE

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

Credit monitoring for AJLA clients.....\$1,200,000

Provided, That any unencumbered balance in excess of \$100 as of June 30, 2017, in the credit monitoring for AJLA clients account is hereby reappropriated for fiscal year 2018.

Sec. 13.

DEPARTMENT OF LABOR

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2018, the following:

Amusement ride safety.....\$267,399

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2018, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures shall not exceed the following:

Amusement ride safety fund.....No limit

Sec. 14.

DEPARTMENT OF LABOR

(a) There is appropriated for the above agency from the state general

1 fund for the fiscal year ending June 30, 2019, the following:
 2 Amusement ride safety.....\$247,399
 3 *Provided*, That any encumbered balance in the amusement ride safety
 4 account in excess of \$100 as of June 30, 2018, is hereby reappropriated for
 5 fiscal year 2019.

6 (b) There is appropriated for the above agency from the following
 7 special revenue fund or funds for the fiscal year ending June 30, 2019, all
 8 moneys now or hereafter lawfully credited to and available in such fund or
 9 funds, except that expenditures shall not exceed the following:
 10 Amusement ride safety fund.....No limit
 11 Sec. 15.

12 DEPARTMENT OF HEALTH AND ENVIRONMENT –
 13 DIVISION OF HEALTH CARE FINANCE

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

16 Other medical assistance (264-00-1000-3026).....\$1,714,838

17 (b) In addition to the other purposes for which expenditures may be
 18 made by the department of health and environment – division of health
 19 care finance from moneys appropriated from the state general fund or from
 20 any special revenue fund or funds for fiscal year 2017 as authorized by
 21 chapter 104 of the 2015 Session Laws of Kansas, chapter 12 or 111 of the
 22 2016 Session Laws of Kansas, 2017 Senate Substitute for Substitute for
 23 House Bill No. 2052, this or any other appropriation act of the 2017
 24 regular session of the legislature, expenditures shall be made by the
 25 department of health and environment – division of health care finance
 26 from such moneys appropriated for fiscal year 2017 to submit a written
 27 report to the senate standing committee on ways and means during fiscal
 28 year 2017 that details full disclosure and reconciliation of the health care
 29 access improvement fund (264-00-2443-2215) and use of funds from the
 30 hospital provider assessment imposed pursuant to K.S.A. 2016 Supp. 65-
 31 6208, and amendments thereto, for state fiscal years 2012 through 2017,
 32 including revenue, expenditures, running balance of the health care access
 33 improvement fund, any deficits and write-offs and any specific actions
 34 taken to reconcile the health care access improvement fund during
 35 calendar year 2011.

36 Sec. 16.

37 DEPARTMENT OF HEALTH AND ENVIRONMENT –
 38 DIVISION OF HEALTH CARE FINANCE

39 (a) There is appropriated for the above agency from the state general
 40 fund for the fiscal year ending June 30, 2018, the following:

41 Health policy operating expenditures (264-00-1000-0010).....\$31,680

42 Other medical assistance (264-00-1000-3026).....\$6,684,121

43 (b) During fiscal year 2018, in addition to the other purposes for

1 which expenditures may be made by the department of health and
 2 environment – division of health care finance from moneys appropriated
 3 for fiscal year 2018 from the state general fund or from any special
 4 revenue fund or funds by this or any other appropriation act of the 2017
 5 regular session of the legislature, expenditures shall be made by the
 6 department of health and environment – division of health care finance
 7 from such moneys appropriated for fiscal year 2018 to set reimbursement
 8 rates that comply with this proviso for any children's hospital contracting
 9 with a managed care organization providing state medicaid services under
 10 the Kansas program of medical assistance: *Provided*, That any such
 11 contract between the department of health and environment – division of
 12 health care finance and a managed care organization shall require the
 13 managed care organization to reimburse any contracting children's hospital
 14 at rates that yield a cost recovery ratio that is not less than the statewide
 15 average cost recovery ratio for all Kansas hospitals contracting with the
 16 managed care organization: *Provided further*, That, as used in this proviso,
 17 "cost recovery ratio" means the actual hospital reimbursement amount
 18 divided by the specific hospital's costs incurred for providing medicaid
 19 services, as reported in the most recent available medicare cost report
 20 submitted to the federal centers for medicare and medicaid services.

21 Sec. 17.

22 DEPARTMENT OF HEALTH AND ENVIRONMENT –
 23 DIVISION OF HEALTH CARE FINANCE

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

26 Other medical assistance (264-00-1000-3026).....\$18,311,003

27 (b) During fiscal year 2019, in addition to the other purposes for
 28 which expenditures may be made by the department of health and
 29 environment – division of health care finance from moneys appropriated
 30 for fiscal year 2019 from the state general fund or from any special
 31 revenue fund or funds by this or any other appropriation act of the 2017 or
 32 2018 regular session of the legislature, expenditures shall be made by the
 33 department of health and environment – division of health care finance
 34 from such moneys appropriated for fiscal year 2019 to set reimbursement
 35 rates that comply with this proviso for any children's hospital contracting
 36 with a managed care organization providing state medicaid services under
 37 the Kansas program of medical assistance: *Provided*, That any such
 38 contract between the department of health and environment – division of
 39 health care finance and a managed care organization shall require the
 40 managed care organization to reimburse any contracting children's hospital
 41 at rates that yield a cost recovery ratio that is not less than the statewide
 42 average cost recovery ratio for all Kansas hospitals contracting with the
 43 managed care organization: *Provided further*, That, as used in this proviso,

1 "cost recovery ratio" means the actual hospital reimbursement amount
2 divided by the specific hospital's costs incurred for providing medicaid
3 services, as reported in the most recent available medicare cost report
4 submitted to the federal centers for medicare and medicaid services.

5 Sec. 18.

6 KANSAS DEPARTMENT FOR AGING
7 AND DISABILITY SERVICES

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

10 LTC – medicaid assistance –

11 NF (390-00-1000-0520).....\$11,735,500

12 (b) On the effective date of this act, the expenditure limitation
13 established for the fiscal year ending June 30, 2017, by section 22(g) of
14 2017 Senate Substitute for Substitute for House Bill No. 2052 on the
15 Osawatomie state hospital fee fund (494-00-2079-4200) is hereby
16 decreased from \$6,489,674 to \$4,389,674.

17 (c) On the effective date of this act, the expenditure limitation
18 established for the fiscal year ending June 30, 2017, by section 22(h) of
19 2017 Senate Substitute for Substitute for House Bill No. 2052 on the title
20 XIX fund (039-00-2595-4130) is hereby increased from \$35,295,992 to
21 \$40,195,992.

22 Sec. 19.

23 KANSAS DEPARTMENT FOR AGING
24 AND DISABILITY SERVICES

25 (a) There is appropriated for the above agency from the state general
26 fund for the fiscal year ending June 30, 2018, the following:

27 Osawatomie state hospital – operating

28 expenditures (494 - 00 - 1000 - 0100).....\$7,000,000

29 *Provided*, That, of the moneys appropriated in the Osawatomie state
30 hospital – operating expenditures account, \$4,700,000 shall be expended
31 for the purpose of opening and operating 20 additional beds at the
32 Osawatomie state hospital: *Provided further*, That if the secretary is unable
33 to open and operate such additional beds, the secretary shall expend such
34 funds to enter into an agreement for such additional bed space at a third-
35 party facility: *And provided further*, That the provisions of this proviso
36 shall be in addition to the provisions of section 85(q) of 2017 Senate Bill
37 No. 189.

38 LTC – medicaid assistance –

39 NF (390-00-1000-0520).....\$959,398

40 (b) In addition to the other purposes for which expenditures may be
41 made by the Kansas department for aging and disability services from the
42 state general fund or from any special revenue fund or funds for fiscal year
43 2017 or fiscal year 2018 as authorized by chapter 104 of the 2015 Session

1 Laws of Kansas, chapter 12 or 111 of the 2016 Session Laws of Kansas,
 2 2017 Senate Substitute for Substitute for House Bill No. 2052, this or
 3 other appropriation act of the 2017 or 2018 regular session of the
 4 legislature, expenditures shall be made by the above agency to conduct an
 5 engineering survey on all buildings on the grounds of the Osawatomi
 6 state hospital: *Provided*, That such report shall determine whether such
 7 buildings can be renovated and shall include the estimated cost of
 8 renovation and, if the building cannot be renovated, the estimated cost of
 9 demolition: *Provided further*, That such report will be presented to the
 10 joint committee on state building construction, the senate ways and means
 11 committee, and the house of representatives appropriations committee on
 12 or before January 8, 2018.

13 (c) In addition to the other purposes for which expenditures may be
 14 made by the Kansas department for aging and disability services from the
 15 state general fund or from any special revenue fund or funds for fiscal year
 16 2017 or fiscal year 2018 as authorized by chapter 104 of the 2015 Session
 17 Laws of Kansas, chapter 12 or 111 of the 2016 Session Laws of Kansas,
 18 2017 Senate Substitute for Substitute for House Bill No. 2052, this or
 19 other appropriation act of the 2017 or 2018 regular session of the
 20 legislature, expenditures shall be made by the above agency to issue a
 21 request for proposals for the construction of a 100-bed psychiatric care
 22 facility at the Osawatomi state hospital: *Provided*, That the above agency
 23 will issue a report detailing the results of the request to the joint committee
 24 on state building construction, the senate ways and means committee, and
 25 the house of representatives appropriations committee on or before
 26 January 8, 2018.

27 Sec. 20.

28 KANSAS DEPARTMENT FOR AGING
 29 AND DISABILITY SERVICES

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

32 Osawatomi state hospital – operating
 33 expenditures (494 - 00 - 1000 - 0100).....\$4,700,000

34 *Provided*, That, of the moneys appropriated in the Osawatomi state
 35 hospital – operating expenditures account, \$4,700,000 shall be expended
 36 for the purpose of opening and operating 20 additional beds at the
 37 Osawatomi state hospital: *Provided further*, That if the secretary is unable
 38 to open and operate such additional beds, the secretary shall expend such
 39 funds to enter into an agreement for such additional bed space at a third-
 40 party facility: *And provided further*, That the provisions of this proviso
 41 shall be in addition to the provisions of section 86(o) of 2017 Senate Bill
 42 No. 189.

43 LTC – medicaid assistance –

1 NF (390-00-1000-0520).....\$5,359,252
 2 Sec. 21.

3 KANSAS DEPARTMENT FOR
 4 CHILDREN AND FAMILIES

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 Youth services aid and assistance (629-00-1000-7020).....\$2,059,589
 8 Sec. 22.

9 KANSAS DEPARTMENT FOR
 10 CHILDREN AND FAMILIES

11 (a) There is appropriated for the above agency from the state general
 12 fund for the fiscal year ending June 30, 2018, the following:
 13 State operations (including official
 14 hospitality) (629 - 00 - 1000 - 0013).....\$102,732
 15 Youth services aid
 16 assistance (629-00-1000-7020).....\$13,005,800

17 (b) In addition to the other purposes for which expenditures may be
 18 made by the Kansas department for children and families from moneys
 19 appropriated from the temporary assistance to needy families federal fund
 20 (629-00-3323-0530) for fiscal year 2018 by this or any other appropriation
 21 act of the 2017 regular session of the legislature, expenditures shall be
 22 made by the Kansas department for children and families from such
 23 moneys appropriated for fiscal year 2018 in an amount not to exceed
 24 \$3,000,000 for the purpose of funding early childhood home visitation
 25 programs provided by any organization that promotes child wellbeing and
 26 prevents the abuse and neglect of children through intensive home visits:
 27 *Provided, however;* That any such program shall: (1) Be offered to families
 28 whose income is less than 200% of the federal poverty level; (2) comply
 29 with requirements of the temporary assistance to needy families block
 30 grant; and (3) meet any other programmatic requirements of the federal
 31 guidelines for the temporary assistance to needy families program.

32 (c) During fiscal year 2018, in addition to the other purposes for
 33 which expenditures may be made by the Kansas department for children
 34 and families from moneys appropriated for fiscal year 2018 from the state
 35 general fund or from any special revenue fund or funds by this or any
 36 other appropriation act of the 2017 regular session of the legislature,
 37 expenditures shall be made by the Kansas department for children and
 38 families from such moneys appropriated for fiscal year 2018 to provide a
 39 report to the house appropriations committee and the senate ways and
 40 means committee on the progress of and actual expenditures to implement
 41 the acceptance of telephonic signatures for public assistance programs
 42 pursuant to the provisions of 2017 Substitute for Substitute for Senate Bill
 43 No. 95. Such report shall be submitted at the beginning of the 2018 regular

1 session of the legislature.
2 Sec. 23.

3 KANSAS DEPARTMENT FOR
4 CHILDREN AND FAMILIES

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

7 State operations (including official	
8 hospitality) (629 - 00 - 1000 - 0013).....	\$28,441
9 Youth services aid and	
10 assistance (629-00-1000-7020).....	\$6,424,976

11 (b) In addition to the other purposes for which expenditures may be
12 made by the Kansas department for children and families from moneys
13 appropriated from the temporary assistance to needy families federal fund
14 (629-00-3323-0530) for fiscal year 2019 by this or any other appropriation
15 act of the 2017 or 2018 regular session of the legislature, expenditures
16 shall be made by the Kansas department for children and families from
17 such moneys appropriated for fiscal year 2019 in an amount not to exceed
18 \$3,000,000 for the purpose of funding early childhood home visitation
19 programs provided by any organization that promotes child wellbeing and
20 prevents the abuse and neglect of children through intensive home visits:
21 *Provided, however,* That any such program shall: (1) Be offered to families
22 whose income is less than 200% of the federal poverty level; (2) comply
23 with requirements of the temporary assistance to needy families block
24 grant; and (3) meet any other programmatic requirements of the federal
25 guidelines for the temporary assistance to needy families program.

26 (c) During fiscal year 2019, in addition to the other purposes for
27 which expenditures may be made by the Kansas department for children
28 and families from moneys appropriated for fiscal year 2019 from the state
29 general fund or from any special revenue fund or funds by this or any
30 other appropriation act of the 2017 or 2018 regular session of the
31 legislature, expenditures shall be made by the Kansas department for
32 children and families from such moneys appropriated for fiscal year 2019
33 to provide a report to the house appropriations committee and the senate
34 ways and means committee on the progress of and actual expenditures to
35 implement the acceptance of telephonic signatures for public assistance
36 programs pursuant to the provisions of 2017 Substitute for Substitute for
37 Senate Bill No. 95. Such report shall be submitted at the beginning of the
38 2019 regular session of the legislature.

39 Sec. 24.

40 KANSAS STATE SCHOOL FOR THE BLIND

41 (a) There is appropriated for the above agency from the state general
42 fund for the fiscal year ending June 30, 2018, the following:

43 Operating expenditures (604 - 00 - 1000 - 0303).....	\$49,451
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1 Sec. 25.

2 KANSAS STATE SCHOOL FOR THE BLIND

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

5 Operating expenditures (604 - 00 - 1000 - 0303).....\$50,143

6 Sec. 26.

7 KANSAS STATE SCHOOL FOR THE DEAF

8 (a) There is appropriated for the above agency from the state general
9 fund for the fiscal year ending June 30, 2018, the following:

10 Operating expenditures (610 - 00 - 1000 - 0303).....\$64,721

11 Sec. 27.

12 KANSAS STATE SCHOOL FOR THE DEAF

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

15 Operating expenditures (610 - 00 - 1000 - 0303).....\$63,170

16 Sec. 28.

17 STATE HISTORICAL SOCIETY

18 (a) There is appropriated for the above agency from the state general
19 fund for the fiscal year ending June 30, 2018, the following:

20 Operating expenditures (288 - 00 - 1000 - 0083).....\$22,180

21 Sec. 29.

22 STATE HISTORICAL SOCIETY

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

25 Operating expenditures (288 - 00 - 1000 - 0083).....\$22,180

26 Sec. 30.

27 UNIVERSITY OF KANSAS MEDICAL CENTER

28 (a) On July 1, 2017, of the \$96,124,592 appropriated for the above
29 agency for the fiscal year ending June 30, 2018, by section 115(a) of 2017
30 Substitute for Senate Bill No. 189, from the state general fund in the
31 operating expenditures (including official hospitality) account (683-00-
32 1000-0503), the sum of \$1,000,000 is hereby lapsed.

33 (b) On July 1, 2017, or as soon thereafter as moneys are available, the
34 director of accounts and reports shall transfer \$1,000,000 from the state
35 general fund to the rural health bridging psychiatry fund.

36 (c) There is appropriated for the above agency from the following
37 special revenue fund or funds for the fiscal year ending June 30, 2018, all
38 moneys now or hereafter lawfully credited to and available in such fund or
39 funds, except that expenditures shall not exceed the following:

40 Psychiatry medical loan repayment fund.....No limit

41 Rural health bridging psychiatry fundNo limit

42 Sec. 31.

43 UNIVERSITY OF KANSAS MEDICAL CENTER

1 (a) On July 1, 2018, of the \$96,622,300 appropriated for the above
 2 agency for the fiscal year ending June 30, 2019, by section 116(a) of 2017
 3 Substitute for Senate Bill No. 189, from the state general fund in the
 4 operating expenditures (including official hospitality) account (683-00-
 5 1000-0503), the sum of \$1,000,000 is hereby lapsed.

6 (b) On July 1, 2018, or as soon thereafter as moneys are available, the
 7 director of accounts and reports shall transfer \$1,000,000 from the state
 8 general fund to the rural health bridging psychiatry fund.

9 (c) There is appropriated for the above agency from the following
 10 special revenue fund or funds for the fiscal year ending June 30, 2019, all
 11 moneys now or hereafter lawfully credited to and available in such fund or
 12 funds, except that expenditures shall not exceed the following:

13 Psychiatry medical loan repayment fund.....	No limit
14 Rural health bridging psychiatry fund.....	No limit

15 Sec. 32.

16 DEPARTMENT OF CORRECTIONS

17 (a) On the effective date of this act, of the \$12,754,000 appropriated
 18 for the above agency for the fiscal year ending June 30, 2017, by section
 19 29(a) of Senate Substitute for Substitute for House Bill No. 2052 from the
 20 state general fund in the purchase of services account (521-00-1000-0300),
 21 the sum of \$96,866 is hereby lapsed.

22 Sec. 33.

23 ADJUTANT GENERAL

24 (a) There is appropriated for the above agency from the state general
 25 fund for the fiscal year ending June 30, 2018, the following:

26 Disaster relief (034-00-1000-0200).....	\$815,138
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27 (b) On July 1, 2017, of the \$397,703 appropriated for the above
 28 agency for the fiscal year ending June 30, 2018, by section 123(a) of 2017
 29 Substitute for Senate Bill No. 189, from the state general fund in the
 30 environmental clean-up projects account (034-00-1000), the sum of
 31 \$183,810 is hereby lapsed.

32 Sec. 34.

33 ADJUTANT GENERAL

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

36 Disaster relief (034-00-1000-0200).....	\$262,465
37 Operating expenditures (034 - 00 - 1000 - 0053).....	\$20,106

38 Sec. 35.

39 ATTORNEY GENERAL – KANSAS

40 BUREAU OF INVESTIGATION

41 (a) There is appropriated for the above agency from the state general
 42 fund for the fiscal year ending June 30, 2018, the following:

43 Operating expenditures (083 - 00 - 1000 - 0083).....	\$802,569
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1 Sec. 36.

2 ATTORNEY GENERAL – KANSAS
3 BUREAU OF INVESTIGATION

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

6 Operating expenditures (083 - 00 - 1000 - 0083).....\$1,550,557

7 Sec. 37.

8 KANSAS DEPARTMENT OF AGRICULTURE

9 (a) There is appropriated for the above agency from the state general
10 fund for the fiscal year ending June 30, 2018, the following:

11 Operating expenditures (046 - 00 - 1000 - 0053).....\$101,581

12 Sec. 38.

13 KANSAS DEPARTMENT OF AGRICULTURE

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

16 Operating expenditures (046 - 00 - 1000 - 0053).....\$51,581

17 Sec. 39.

18 STATE FAIR BOARD

19 (a) There is appropriated for the above agency from the state general
20 fund for the fiscal year ending June 30, 2018, the following:

21 Operating expenditures.....\$150,000

22 Sec. 40.

23 STATE FAIR BOARD

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

26 Operating expenditures.....\$150,000

27 Sec. 41.

28 DEPARTMENT OF WILDLIFE, PARKS AND TOURISM

29 (a) Notwithstanding the provisions of K.S.A. 75-2935, and
30 amendments thereto, or any other statute, during fiscal year 2018, when
31 implementing the provisions of section 163 of Substitute for Senate Bill
32 No. 189, the secretary of wildlife, parks and tourism shall not require any
33 employee who is employed in a natural resource officer position to transfer
34 into the unclassified service in order to receive a salary increase pursuant
35 to such section.

36 Sec. 42.

37 DEPARTMENT OF WILDLIFE, PARKS AND TOURISM

38 (a) Notwithstanding the provisions of K.S.A. 75-2935, and
39 amendments thereto, or any other statute, during fiscal year 2019, when
40 implementing the provisions of section 164 of Substitute for Senate Bill
41 No. 189, the secretary of wildlife, parks and tourism shall not require any
42 employee who is employed in a natural resource officer position to transfer
43 into the unclassified service in order to receive a salary increase pursuant

1 to such section.

2 Sec. 43.

3 DEPARTMENT OF TRANSPORTATION

4 (a) On July 1, 2017, the expenditure limitation established for the
5 fiscal year ending June 30, 2018, by section 145(b) of 2017 Substitute for
6 Senate Bill No. 189, for the agency operations account of the state
7 highway fund of the department of transportation is hereby increased from
8 \$251,181,356 to \$251,433,736.

9 (b) There is appropriated for the above agency from the following
10 special revenue fund or funds for the fiscal year ending June 30, 2018, all
11 moneys now or hereafter lawfully credited to and available in such fund or
12 funds, except that expenditures shall not exceed the following:
13 Seat belt safety fund.....No limit

14 (c) In addition to the other purposes for which expenditures may be
15 made by the above agency from the moneys appropriated from the state
16 general fund or from any special revenue fund or funds for fiscal year
17 2018 for such state agency as authorized by this or other appropriation act
18 of the 2017 regular session of the legislature, expenditures shall be made
19 by such agency from moneys appropriated from the state general fund or
20 from any special revenue fund or funds for fiscal year 2018 for the
21 purposes of reconstruction and maintenance of existing highways:
22 *Provided*, That the aggregate amount expended on such reconstruction and
23 maintenance projects during fiscal year 2018 shall be in an amount not less
24 than \$400,000,000: *Provided, however*, That if the above agency has
25 insufficient funds to expend on such reconstruction and maintenance
26 projects, then the above agency is hereby authorized and empowered to
27 issue additional bonds pursuant to K.S.A. 68-2320, and amendments
28 thereto, in an amount not to exceed \$400,000,000 during fiscal year 2018
29 and fiscal year 2019.

30 Sec. 44.

31 DEPARTMENT OF TRANSPORTATION

32 (a) There is appropriated for the above agency from the following
33 special revenue fund or funds for the fiscal year ending June 30, 2019, all
34 moneys now or hereafter lawfully credited to and available in such fund or
35 funds, except that expenditures shall not exceed the following:
36 Seat belt safety fund.....No limit

37 (b) In addition to the other purposes for which expenditures may be
38 made by the above agency from the moneys appropriated from the state
39 general fund or from any special revenue fund or funds for fiscal year
40 2019 for such state agency as authorized by this or other appropriation act
41 of the 2017 or 2018 regular session of the legislature, expenditures shall be
42 made by such agency from moneys appropriated from the state general
43 fund or from any special revenue fund or funds for fiscal year 2019 for the

1 purposes of reconstruction and maintenance of existing highways:
2 *Provided*, That the aggregate amount expended on such reconstruction and
3 maintenance projects during fiscal year 2019 shall be in an amount not less
4 than \$400,000,000: *Provided, however*, That if the above agency has
5 insufficient funds to expend on such reconstruction and maintenance
6 projects, then the above agency is hereby authorized and empowered to
7 issue additional bonds pursuant to K.S.A. 68-2320, and amendments
8 thereto, in an amount not to exceed \$400,000,000 during fiscal year 2018
9 and fiscal year 2019.

10 Sec. 45. On the effective date of this act, the provisions of sections
11 161 and 162 of 2017 Substitute for Senate Bill No. 189, are hereby
12 declared to be null and void and shall have no force and effect.

13 Sec. 46. (a) On the effective date of this act, the provisions of section
14 163 of 2017 Substitute for Senate Bill No. 189, for fiscal year 2018 shall
15 not apply to any teacher or licensed personnel at the Kansas state school
16 for the deaf, any teacher or licensed personnel at the Kansas state school
17 for the blind, and employees of the Kansas bureau of investigation who
18 have received pay adjustments as a result of the Kansas bureau of
19 investigation recruitment and retention plan.

20 (b) On the effective date of this act, the provisions of section 164 of
21 2017 Substitute for Senate Bill No. 189, for fiscal year 2019 shall not
22 apply to any teacher or licensed personnel at the Kansas state school for
23 the deaf, any teacher or licensed personnel at the Kansas state school for
24 the blind, and employees of the Kansas bureau of investigation who have
25 received pay adjustments as a result of the Kansas bureau of investigation
26 recruitment and retention plan.

27 (c) As used in this section, the terms "teacher" and "licensed
28 personnel" shall have the meaning ascribed thereto in K.S.A. 76-11a16 and
29 76-11a17, and amendments thereto, as applicable to such school.

30 Sec. 47. On July 1, 2017, K.S.A. 2016 Supp. 2-223 is hereby
31 amended to read as follows: 2-223. (a) There is hereby established in the
32 state treasury the state fair capital improvements fund. All expenditures of
33 moneys in the state fair capital improvements fund shall be used for the
34 payment of capital improvements and maintenance for the state
35 fairgrounds and the payment of capital improvement obligations that have
36 been financed. Capital improvement projects for the Kansas state
37 fairgrounds are hereby approved for the purposes of ~~subsection (b)~~ of
38 K.S.A. 74-8905(b), and amendments thereto, and the authorization of the
39 issuance of bonds by the Kansas development finance authority in
40 accordance with that statute.

41 (b) On each June 30, the state fair board shall certify to the director of
42 accounts and reports an amount to be transferred from the state fair fee
43 fund to the state fair capital improvements fund, which amount shall be not

1 less than the amount equal to 5% of the total gross receipts during the
2 current fiscal year from state fair activities and non-fair days activities,
3 except that:

4 (1) For the fiscal year ending June 30, ~~2016~~ 2018, notwithstanding
5 the other provisions of this section, on March 1, ~~2016~~ 2018, or as soon
6 thereafter as moneys are available therefor, the director of accounts and
7 reports shall transfer from the state fair fee fund to the state fair capital
8 improvements fund the amount equal to the greater of \$300,000 or the
9 amount equal to 5% of the total gross receipts during fiscal year ~~2016~~
10 2018 from state fair activities and non-fair days activities through March
11 1, ~~2016~~ 2018, except that, subject to approval by the director of the budget
12 prior to March 1, ~~2016~~ 2018, after reviewing the amounts credited to the
13 state fair fee fund and the state fair capital improvements fund, cash flow
14 considerations for the state fair fee fund, and the amount required to be
15 credited to the state fair capital improvements fund pursuant to this
16 subsection to pay the bonded debt service payment due on April 1, ~~2016~~
17 2018, the state fair board may certify an amount on March 1, ~~2016~~ 2018,
18 to the director of accounts and reports to be transferred from the state fair
19 fee fund to the state fair capital improvements fund that is equal to the
20 amount required to be credited to the state fair capital improvements fund
21 pursuant to this subsection to pay the bonded debt service payment due on
22 April 1, ~~2016~~ 2018, and shall certify to the director of accounts and reports
23 on the date specified by the director of the budget the amount equal to the
24 balance of the aggregate amount that is required to be transferred from the
25 state fair fee fund to the state fair capital improvements fund for fiscal year
26 ~~2016~~ 2018. Upon receipt of any such certification, the director of accounts
27 and reports shall transfer moneys from the state fair fee fund to the state
28 fair capital improvements fund in accordance with such certification; and

29 (2) for the fiscal year ending June 30, ~~2017~~ 2019, notwithstanding the
30 other provisions of this section, on March 1, ~~2017~~ 2019, or as soon
31 thereafter as moneys are available therefor, the director of accounts and
32 reports shall transfer from the state fair fee fund to the state fair capital
33 improvements fund the amount equal to the greater of \$300,000 or the
34 amount equal to 5% of the total gross receipts during fiscal year ~~2017~~
35 2019 from state fair activities and non-fair days activities through March
36 1, ~~2017~~ 2019, except that, subject to approval by the director of the budget
37 prior to March 1, ~~2017~~ 2019, after reviewing the amounts credited to the
38 state fair fee fund and the state fair capital improvements fund, cash flow
39 considerations for the state fair fee fund, and the amount required to be
40 credited to the state fair capital improvements fund pursuant to this
41 subsection to pay the bonded debt service payment due on April 1, ~~2017~~
42 2019, the state fair board may certify an amount on March 1, ~~2017~~ 2019,
43 to the director of accounts and reports to be transferred from the state fair

1 fee fund to the state fair capital improvements fund that is equal to the
2 amount required to be credited to the state fair capital improvements fund
3 pursuant to this subsection to pay the bonded debt service payment due on
4 April 1, ~~2017~~ 2019, and shall certify to the director of accounts and reports
5 on the date specified by the director of the budget the amount equal to the
6 balance of the aggregate amount that is required to be transferred from the
7 state fair fee fund to the state fair capital improvements fund for fiscal year
8 ~~2017~~ 2019. Upon receipt of any such certification, the director of accounts
9 and reports shall transfer moneys from the state fair fee fund to the state
10 fair capital improvements fund in accordance with such certification.

11 (c) On each July 1, the director of accounts and reports shall transfer
12 from the state general fund to the state fair capital improvements fund, an
13 amount equal to the amount certified by the state fair board pursuant to
14 subsection (b), except that: (1) No transfer from the state general fund
15 under this subsection shall exceed \$300,000 in any fiscal year except for
16 the fiscal years ending June 30, ~~2016~~ 2018, and June 30, ~~2017~~ 2019, the
17 transfer shall not exceed \$100,000.

18 Sec. 48. On July 1, 2017, K.S.A. 2016 Supp. 12-1775a is hereby
19 amended to read as follows: 12-1775a. (a) Prior to December 31, 1996, the
20 governing body of each city which, pursuant to K.S.A. 12-1771, and
21 amendments thereto, has established a redevelopment district prior to July
22 1, 1996, shall certify to the director of accounts and reports the amount
23 equal to the amount of revenue realized from ad valorem taxes imposed
24 pursuant to K.S.A. 2016 Supp. 72-6470, and amendments thereto, within
25 such redevelopment district. *Except as provided further*, prior to February
26 1, 1997, and annually on that date thereafter, the governing body of each
27 such city shall certify to the director of accounts and reports an amount
28 equal to the amount by which revenues realized from such ad valorem
29 taxes imposed in such redevelopment district are estimated to be reduced
30 for the ensuing calendar year due to legislative changes in the statewide
31 school finance formula. Prior to March 1 of each year, the director of
32 accounts and reports shall certify to the state treasurer each amount
33 certified by the governing bodies of cities under this section for the
34 ensuing calendar year and shall transfer from the state general fund to the
35 city tax increment financing revenue *replacement* fund the aggregate of all
36 amounts so certified. Prior to April 15 of each year, the state treasurer shall
37 pay from the city tax increment financing revenue *replacement* fund to
38 each city certifying an amount to the director of accounts and reports
39 under this section for the ensuing calendar year the amount so certified.
40 *During fiscal years 2018, 2019 and 2020, no moneys shall be transferred*
41 *from the state general fund to the city tax increment financing revenue*
42 *replacement fund pursuant to this subsection.*

43 (b) There is hereby created the tax increment financing revenue

1 replacement fund which shall be administered by the state treasurer. All
2 expenditures from the tax increment financing revenue replacement fund
3 shall be made in accordance with appropriations acts upon warrants of the
4 director of accounts and reports issued pursuant to vouchers approved by
5 the state treasurer or a person or persons designated by the state treasurer.

6 Sec. 49. On July 1, 2017, K.S.A. 2016 Supp. 68-2320 is hereby
7 amended to read as follows: 68-2320. (a) On and after July 1, 1991, the
8 secretary of transportation is hereby authorized and empowered to issue
9 bonds of the state of Kansas, payable solely from revenues accruing to the
10 state highway fund and transferred to the highway bond debt service fund
11 and pledged to their payment, for the purpose of providing funds to pay
12 costs relating to construction, reconstruction, maintenance or improvement
13 of highways in this state and to pay all expenses incidental thereto and to
14 the bonds. The secretary is hereby authorized to issue bonds the total
15 principal amount of which shall not exceed \$890,000,000.

16 (b) In addition to the provisions of subsection (a), on and after July 1,
17 1999, the secretary of transportation is hereby authorized and empowered
18 to issue bonds of the state of Kansas, payable solely from revenues
19 accruing to the state highway fund and transferred to the highway bond
20 debt service fund and pledged to their payment, for the purpose of
21 providing funds to pay costs relating to construction, reconstruction,
22 maintenance or improvement of highways in this state and to pay all
23 expenses incidental thereto and to the bonds. The secretary is hereby
24 authorized to issue bonds the total principal amount of which shall not
25 exceed \$1,272,000,000.

26 (c) (1) In addition to the provisions of subsections (a) and (b), on and
27 after July 1, 2010, the secretary of transportation is hereby authorized and
28 empowered to issue additional bonds of the state of Kansas, payable solely
29 from revenues accruing to the state highway fund and transferred to the
30 highway bond debt service fund and pledged to their payment, for the
31 purpose of providing funds to pay costs relating to construction,
32 reconstruction, maintenance or improvement of highways in this state and
33 to pay all expenses incidental thereto and to the bonds. On and after the
34 effective date of this act, except as provided further, no bonds shall be
35 issued by the secretary pursuant to this subsection unless the secretary
36 certifies that, as of the date of issuance of any such series of additional
37 bonds, the maximum annual debt service on all outstanding bonds issued
38 pursuant to this section and K.S.A. 68-2328, and amendments thereto,
39 including the bonds to be issued on such date, will not exceed 18% of
40 projected state highway fund revenues for the current or any future fiscal
41 year. ~~During the fiscal year ending June 30, 2017, the limitation on the~~
42 ~~amount of the maximum annual debt service on all outstanding bonds~~
43 ~~issued pursuant to this section and K.S.A. 68-2328, and amendments~~

1 ~~thereto, for the purpose of issuing any such series of additional bonds~~
2 ~~authorized by the secretary is 19% of projected state highway fund~~
3 ~~revenues for the current or any future fiscal year~~ *During the fiscal year*
4 *ending June 30, 2018, and the fiscal year ending June 30, 2019, the*
5 *provisions of this subsection which prescribe a limitation on the amount of*
6 *the maximum annual debt service on all outstanding bonds issued*
7 *pursuant to this section and K.S.A. 68-2328, and amendments thereto, for*
8 *the purpose of issuing any such series of additional bonds authorized by*
9 *the secretary are hereby suspended.* The provisions of this section relating
10 to limitations of bonded indebtedness shall not in any way impair the
11 rights and remedies of the holders of any bonds issued prior to the
12 effective date of this act.

13 (2) As used in this subsection:

14 (A) "Maximum annual debt service" means the maximum amount of
15 debt service requirements on all outstanding bonds for the current or any
16 future fiscal year;

17 (B) "debt service requirements" means, for each fiscal year, the
18 aggregate principal and interest payments required to be made during such
19 fiscal year on all outstanding bonds, including the additional bonds to be
20 issued, less any interest subsidy payments expected to be received from
21 the federal government, less any principal and interest payments
22 irrevocably provided for from a dedicated escrow of United States
23 government securities;

24 (C) "projected state highway fund revenues" means all revenues
25 projected by the secretary of transportation to accrue to the state highway
26 fund for the current or any future fiscal year; and

27 (D) "fiscal year" means the fiscal year of the state.

28 (3) Debt service requirements for variable rate bonds outstanding or
29 proposed to be issued for the current or any future fiscal year for which the
30 actual interest rate cannot be determined on the date of calculation shall be
31 deemed to bear interest at an assumed rate equal to the average of the
32 SIFMA swap index, or any successor variable rate index, for the
33 immediately preceding five calendar years plus 1% and an amount
34 determined by the secretary that represents the then current reasonable
35 annual ancillary costs associated with variable rate debt, including credit
36 enhancement, liquidity and remarketing costs; except that, debt service
37 requirements for variable rate bonds that are hedged pursuant to an interest
38 rate exchange or similar agreement that results in synthetic fixed rate debt
39 shall be deemed to bear interest at the synthetic fixed rate plus .5% and an
40 amount determined by the secretary that represents the then current
41 reasonable annual ancillary costs associated with variable rate debt,
42 including credit enhancement, liquidity and remarketing costs.

43 (4) Projected state highway fund revenues for the current or any

1 future fiscal year for which the actual revenues cannot be determined on
2 the date of calculation shall be deemed to be the actual revenues for the
3 most recently completed fiscal year, adjusted in each subsequent fiscal
4 year by a percentage equal to the historical average annual increase or
5 decrease in revenues for the five fiscal year period prior to the current
6 fiscal year, and further adjusted to take into account any increases or
7 decreases in the statutory rates of any taxes or other charges or transfers
8 that comprise a portion of the revenues.

9 (d) In accordance with procurement statutes, the secretary may
10 contract with financial advisors, attorneys and such other professional
11 services as the secretary deems necessary to carry out the provisions of
12 this act, and to do all things necessary or convenient to carry out the
13 powers expressly granted in this act.

14 Sec. 50. On July 1, 2017, K.S.A. 2016 Supp. 74-4914d is hereby
15 amended to read as follows: 74-4914d. (1) Any additional cost resulting
16 from the normal retirement date and retirement before such normal
17 retirement date for security officers as provided in K.S.A. 74-4914c, and
18 amendments thereto, and disability benefits as provided in K.S.A. 74-
19 4914e, and amendments thereto, shall be added to the employer rate of
20 contribution for the department of corrections as otherwise determined
21 under K.S.A. 74-4920, and amendments thereto, except that the employer
22 rate of contribution for the department of corrections including any such
23 additional cost added to such employer rate of contribution pursuant to this
24 section shall in no event exceed the employer rate of contribution for the
25 department of corrections for the immediately preceding fiscal year by
26 more than the following amounts expressed as a percentage of
27 compensation upon which security officers contribute during the period:
28 (a) For the fiscal year commencing in calendar years 2010 through 2012,
29 an amount not to exceed more than 0.6% of the amount of the immediately
30 preceding fiscal year; (b) for the fiscal year commencing in calendar year
31 2013, an amount not to exceed more than 0.9% of the amount of the
32 immediately preceding fiscal year; (c) for the fiscal year commencing in
33 calendar year 2014, an amount not to exceed more than 1% of the amount
34 of the immediately preceding fiscal year; (d) for the fiscal year
35 commencing in calendar year 2015, the employer rate of contribution shall
36 be 10.91%; (e) for the fiscal year commencing in calendar year 2016, the
37 employer rate of contribution shall be 10.81%; ~~and (f) for the fiscal year~~
38 ~~commencing in calendar year 2017, the employer rate of contribution~~
39 ~~shall be 12.01%; and (g) in each subsequent calendar year, an amount not~~
40 ~~to exceed more than 1.2% of the amount of the immediately preceding~~
41 ~~fiscal year, to be calculated without regard to transfers made pursuant to~~
42 ~~section 50 of chapter 111 of the 2016 Session Laws of Kansas. As used in~~
43 ~~this section, "capitalized interest" means interest payments on the bonds~~

1 ~~that are prefunded or financed from bond proceeds as part of the issue for~~
2 ~~a specified period of time in order to offset one or more initial debt service~~
3 ~~payments plus an additional percentage of compensation corresponding to~~
4 ~~the level dollar repayment amount certified by the board pursuant to~~
5 ~~K.S.A. 74-4920(18), and amendments thereto.~~

6 Sec. 51. On July 1, 2017, K.S.A. 2016 Supp. 74-4920, as amended by
7 section 43 of 2017 Senate Substitute for Substitute for House Bill No.
8 2052, is hereby amended to read as follows: 74-4920. (1) (a) Upon the
9 basis of each annual actuarial valuation and appraisal as provided for in
10 K.S.A. 74-4908(3)(a), and amendments thereto, the board shall certify, on
11 or before July 15 of each year, to the division of the budget in the case of
12 the state and to the agent for each other participating employer an
13 actuarially determined estimate of the rate of contribution which will be
14 required, together with all accumulated contributions and other assets of
15 the system, to be paid by each such participating employer to pay all
16 liabilities which shall exist or accrue under the system, including
17 amortization of the actuarial accrued liability as determined by the board.
18 The board shall determine the actuarial cost method to be used in annual
19 actuarial valuations, to determine the employer contribution rates that shall
20 be certified by the board. Such certified rate of contribution, amortization
21 methods and periods and actuarial cost method shall be based on the
22 standards set forth in K.S.A. 74-4908(3)(a), and amendments thereto, and
23 shall not be based on any other purpose outside of the needs of the system.

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

39 (ii) The board shall determine for each such employer separately an
40 amount sufficient to amortize all liabilities for prior service costs which
41 shall have accrued at the time of entry into the system. On the basis of
42 such determination the board shall annually certify to each such employer
43 separately an actuarially determined estimate of the rate of contribution

1 which shall be required to be paid by that employer to pay all of the
2 liabilities for such prior service costs. Such rate shall be termed the
3 employer's prior service contribution.

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

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

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

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

41 (b) (i) Except as specifically provided in this section, for fiscal years
42 commencing in calendar year 1996 and in each subsequent calendar year,
43 the rate of contribution certified to the state of Kansas shall in no event

1 exceed the state's contribution rate for the immediately preceding fiscal
2 year by more than 0.2% of the amount of compensation upon which
3 members contribute during the period.

4 (ii) Except as specifically provided in this subsection, for the fiscal
5 years commencing in the following calendar years, the rate of contribution
6 certified to the state of Kansas and to the participating employers under
7 K.S.A. 74-4931, and amendments thereto, shall in no event exceed the
8 state's contribution rate for the immediately preceding fiscal year by more
9 than the following amounts expressed as a percentage of compensation
10 upon which members contribute during the period: (A) For the fiscal year
11 commencing in calendar years 2010 through 2012, an amount not to
12 exceed more than 0.6% of the amount of the immediately preceding fiscal
13 year; (B) for the fiscal year commencing in calendar year 2013, an amount
14 not to exceed more than 0.9% of the amount of the immediately preceding
15 fiscal year; (C) for the fiscal year commencing in calendar year 2014, an
16 amount not to exceed more than 1% of the amount of the immediately
17 preceding fiscal year; (D) for the fiscal year commencing in calendar year
18 2015, the employer rate of contribution shall be 10.91%; (E) for the fiscal
19 year commencing in calendar year 2016, the employer rate of contribution
20 shall be 10.81%, except as provided by section 37(b) of 2017 Senate
21 *Substitute for Substitute for House Bill No. 2052*, and amendments thereto,
22 for the participating employers under K.S.A. 74-4931, and amendments
23 thereto; ~~and (F) for the fiscal year commencing in calendar year 2017, the~~
24 ~~employer rate of contribution shall be 12.01% and for participating~~
25 ~~employers under K.S.A. 74-4931, and amendments thereto, an additional~~
26 ~~percentage of compensation corresponding to the level dollar repayment~~
27 ~~amount certified by the board pursuant to subsection (17); and (G) in each~~
28 ~~subsequent calendar year, an amount not to exceed more than 1.2% of the~~
29 ~~amount of the immediately preceding fiscal year plus an additional~~
30 ~~percentage of compensation corresponding to the level dollar repayment~~
31 ~~amount certified by the board pursuant to subsection (18) and for~~
32 ~~participating employers under K.S.A. 74-4931, and amendments thereto,~~
33 ~~an additional percentage of compensation corresponding to the level dollar~~
34 ~~repayment amount certified by the board pursuant to subsection (17). As~~
35 ~~used in this subsection, "capitalized interest" means interest payments on~~
36 ~~the bonds that are pre-funded or financed from bond proceeds as part of~~
37 ~~the issue for a specified period of time in order to offset one or more initial~~
38 ~~debt service payments.~~

39 (iii) Except as specifically provided in this section, for fiscal years
40 commencing in calendar year 1997 and in each subsequent calendar year,
41 the rate of contribution certified to participating employers other than the
42 state of Kansas shall in no event exceed such participating employer's
43 contribution rate for the immediately preceding fiscal year by more than

1 0.15% of the amount of compensation upon which members contribute
2 during the period.

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

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

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

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

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

1 (7) The actuarial cost of the provisions of K.S.A. 74-4950i, and
2 amendments thereto, will be included in the June 30, 1998, actuarial
3 valuation in determining contribution rates for participating employers.
4 The actuarial accrued liability incurred for the provisions of K.S.A. 74-
5 4950i, and amendments thereto, shall be amortized over 15 years.

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

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

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

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

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

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

41 (14) The board with the advice of the actuary may fix the contribution
42 rates for participating employers joining the system after one year from the
43 first entry date or for employers who exercise the option contained in

1 K.S.A. 74-4912, and amendments thereto, at rates different from the rate
2 fixed for employers joining within one year of the first entry date.

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

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

19 (17) The actuarial cost of the reduction of employer contributions for
20 eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and
21 amendments thereto, pursuant to the provisions of section 37 of 2017
22 *Senate Substitute for Substitute for House Bill No. 2052*, and amendments
23 thereto, shall be amortized over 20 years as a level dollar amount, as
24 certified by the board upon recommendation of the consulting actuary,
25 through an additional percentage of compensation for participating
26 employers under K.S.A. 74-4931, and amendments thereto. This additional
27 percentage of compensation shall first be reflected in employer
28 contribution rates for participating employers under K.S.A. 74-4931, and
29 amendments thereto, effective on the first day of the first payroll period for
30 the fiscal year 2018.

31 (18) *The actuarial cost of the lapse or transfer of amounts pursuant*
32 *to section 98(a)(1) of chapter 12 of the 2016 Session Laws of Kansas that*
33 *would have been attributable to employer contributions for the state of*
34 *Kansas and participating employers under K.S.A. 74-4931, and*
35 *amendments thereto, plus interest at a rate of 8% per annum through June*
36 *30, 2017, shall be amortized over 20 years as a level dollar amount, as*
37 *certified by the board upon recommendation of the consulting actuary,*
38 *through an additional percentage of compensation for the state of Kansas*
39 *and participating employers under K.S.A. 74-4931, and amendments*
40 *thereto, effective on the first day of the first payroll period for the fiscal*
41 *year 2019.*

42 Sec. 52. K.S.A. 2016 Supp. 2-223, as amended by section 212 of
43 2017 Substitute for Senate Bill 189, is hereby repealed.

1 Sec. 53. On July 1, 2017, section 161 of 2017 Substitute for Senate
2 Bill No. 189 and section 162 of 2017 Substitute for Senate Bill No. 189
3 and K.S.A. 2016 Supp. 2-223, 12-1775a, 68-2320, 74-4914d and 74-4920,
4 as amended by section 43 of 2017 Senate Substitute for Substitute for
5 House Bill No. 2052 are hereby repealed.

6 Sec. 54. If any fund or account name described by words and the
7 numerical accounting code that follows such fund or account name do not
8 match, it shall be conclusively presumed that the legislature intended that
9 the fund or account name described by words is the correct fund or
10 account name, and such fund or account name described by words shall
11 control over a contradictory or incorrect numerical accounting code.

12 Sec. 55. *Severability*. If any provision or clause of this act or
13 application thereof to any person or circumstance is held invalid, such
14 invalidity shall not affect other provisions or applications of this act that
15 can be given effect without the invalid provision or application, and to this
16 end the provisions of this act are declared to be severable.

17 Sec. 56. *Appeals to exceed expenditure limitations*. (a) Upon written
18 application to the governor and approval of the state finance council,
19 expenditures from special revenue funds may exceed the amounts
20 specified in this act.

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

25 Sec. 57. *Savings*. (a) Any unencumbered balance as of June 30, 2017,
26 in any special revenue fund, or account thereof, of any state agency named
27 in this act that is not otherwise specifically appropriated or limited for
28 fiscal year 2018 by this or any other appropriation act of the 2017 regular
29 session of the legislature, is hereby appropriated for the fiscal year ending
30 June 30, 2018, for the same use and purpose as the same was heretofore
31 appropriated.

32 (b) Any unencumbered balance as of June 30, 2018, in any special
33 revenue fund, or account thereof, of any state agency named in this act that
34 is not otherwise specifically appropriated or limited for fiscal year 2019 by
35 this act or any other appropriation act of the 2017 or 2018 regular session
36 of the legislature, is hereby appropriated for the fiscal year ending June 30,
37 2019, for the same use and purpose as the same was heretofore
38 appropriated.

39 (c) This section shall not apply to the expanded lottery act revenues
40 fund, the state economic development initiatives fund, the children's
41 initiatives fund, the state water plan fund, the Kansas endowment for youth
42 fund, the Kansas educational building fund, the state institutions building
43 fund, or the correctional institutions building fund, or to any account of

1 any of such funds.

2 Sec. 58. (a) During the fiscal year ending June 30, 2018, all moneys
3 that are lawfully credited to and available in any bond special revenue
4 fund and that are not otherwise specifically appropriated or limited by this
5 or other appropriation act of the 2017 regular session of the legislature, are
6 hereby appropriated for the fiscal year ending June 30, 2018, for the state
7 agency for which the bond special revenue fund was established for the
8 purposes authorized by law for expenditures from such bond special
9 revenue fund.

10 (b) During the fiscal year ending June 30, 2019, all moneys that are
11 lawfully credited to and available in any bond special revenue fund and
12 that are not otherwise specifically appropriated or limited by this or other
13 appropriation act of the 2017 or 2018 regular session of the legislature, are
14 hereby appropriated for the fiscal year ending June 30, 2019, for the state
15 agency for which the bond special revenue fund was established for the
16 purposes authorized by law for expenditures from such bond special
17 revenue fund.

18 (c) As used in this section, "bond special revenue fund" means any
19 special revenue fund or account thereof established in the state treasury
20 prior to or on or after the effective date of this act for the deposit of the
21 proceeds of bonds issued by the Kansas development finance authority, for
22 the payment of debt service for bonds issued by the Kansas development
23 finance authority, or for any related purpose in accordance with applicable
24 bond covenants.

25 Sec. 59. *Federal grants.* (a) During the fiscal year ending June 30,
26 2018, each federal grant or other federal receipt that is received by a state
27 agency named in this act and that is not otherwise appropriated to that state
28 agency for fiscal year 2018 by this or other appropriation act of the 2017
29 regular session of the legislature, is hereby appropriated for fiscal year
30 2018, for that state agency for the purpose set forth in such federal grant or
31 receipt, except that no expenditure shall be made from and no obligation
32 shall be incurred against any such federal grant or other federal receipt that
33 has not been previously appropriated or reappropriated or approved for
34 expenditure by the governor, until the governor has authorized the state
35 agency to make expenditures therefrom.

36 (b) During the fiscal year ending June 30, 2019, each federal grant or
37 other federal receipt that is received by a state agency named in this act
38 and that is not otherwise appropriated to that state agency for fiscal year
39 2019 by this or other appropriation act of the 2017 or 2018 regular session
40 of the legislature, is hereby appropriated for fiscal year 2019 for that state
41 agency for the purpose set forth in such federal grant or receipt, except that
42 no expenditure shall be made from and no obligation shall be incurred
43 against any such federal grant or other federal receipt that has not been

1 previously appropriated or reappropriated or approved for expenditure by
2 the governor, for fiscal year 2019, until the governor has authorized the
3 state agency to make expenditures from such federal grant or other federal
4 receipt for fiscal year 2019.

5 (c) In addition to the other purposes for which expenditures may be
6 made by any state agency that is named in this act and that is not otherwise
7 authorized by law to apply for and receive federal grants, expenditures
8 may be made by such state agency from moneys appropriated for fiscal
9 year 2018 and fiscal year 2019 by this act or any other appropriation act of
10 the 2017 or 2018 regular session of the legislature to apply for and receive
11 federal grants during fiscal year 2018 and fiscal year 2019, which federal
12 grants are hereby authorized to be applied for and received by such state
13 agencies: *Provided*, That no expenditure shall be made from and no
14 obligation shall be incurred against any such federal grant or other federal
15 receipt that has not been previously appropriated or reappropriated or
16 approved for expenditure by the governor, until the governor has
17 authorized the state agency to make expenditures therefrom.

18 Sec. 60. (a) (1) Any correctional institutions building fund
19 appropriation heretofore appropriated to any state agency named in this or
20 other appropriation act of the 2017 regular session of the legislature, and
21 having an unencumbered balance as of June 30, 2017, in excess of \$100 is
22 hereby reappropriated for the fiscal year ending June 30, 2018, for the
23 same uses and purposes as originally appropriated unless specific
24 provision is made for lapsing such appropriation.

25 (2) This subsection shall not apply to the unencumbered balance in
26 any account of the correctional institutions building fund that was
27 encumbered for any fiscal year commencing prior to July 1, 2016.

28 (b) (1) Any correctional institutions building fund appropriation
29 heretofore appropriated to any state agency named in this or other
30 appropriation act of the 2017 or 2018 regular session of the legislature, and
31 having an unencumbered balance as of June 30, 2018, in excess of \$100 is
32 hereby reappropriated for the fiscal year ending June 30, 2019, for the
33 same uses and purposes as originally appropriated unless specific
34 provision is made for lapsing such appropriation.

35 (2) This subsection shall not apply to the unencumbered balance in
36 any account of the correctional institutions building fund that was
37 encumbered for any fiscal year commencing prior to July 1, 2017.

38 Sec. 61. (a) (1) Any Kansas educational building fund appropriation
39 heretofore appropriated to any institution named in this or other
40 appropriation act of the 2017 regular session of the legislature and having
41 an unencumbered balance as of June 30, 2017, in excess of \$100 is hereby
42 reappropriated for the fiscal year ending June 30, 2018, for the same use
43 and purpose as originally appropriated, unless specific provision is made

1 for lapsing such appropriation.

2 (2) This subsection shall not apply to the unencumbered balance in
3 any account of the Kansas educational building fund that was encumbered
4 for any fiscal year commencing prior to July 1, 2016.

5 (b) (1) Any Kansas educational building fund appropriation
6 heretofore appropriated to any institution named in this or other
7 appropriation act of the 2017 or 2018 regular session of the legislature and
8 having an unencumbered balance as of June 30, 2018, in excess of \$100 is
9 hereby reappropriated for the fiscal year ending June 30, 2019, for the
10 same use and purpose as originally appropriated, unless specific provision
11 is made for lapsing such appropriation.

12 (2) This subsection shall not apply to the unencumbered balance in
13 any account of the Kansas educational building fund that was encumbered
14 for any fiscal year commencing prior to July 1, 2017.

15 Sec. 62. (a) (1) Any state institutions building fund appropriation
16 heretofore appropriated to any state agency named in this or other
17 appropriation act of the 2017 regular session of the legislature and having
18 an unencumbered balance as of June 30, 2017, in excess of \$100 is hereby
19 reappropriated for the fiscal year ending June 30, 2018, for the same use
20 and purpose as originally appropriated, unless specific provision is made
21 for lapsing such appropriation.

22 (2) This subsection shall not apply to the unencumbered balance in
23 any account of the state institutions building fund that was encumbered for
24 any fiscal year commencing prior to July 1, 2016.

25 (b) (1) Any state institutions building fund appropriation heretofore
26 appropriated to any state agency named in this or other appropriation act
27 of the 2017 or 2018 regular session of the legislature and having an
28 unencumbered balance as of June 30, 2018, in excess of \$100 is hereby
29 reappropriated for the fiscal year ending June 30, 2019, for the same use
30 and purpose as originally appropriated, unless specific provision is made
31 for lapsing such appropriation.

32 (2) This subsection shall not apply to the unencumbered balance in
33 any account of the state institutions building fund that was encumbered for
34 any fiscal year commencing prior to July 1, 2017.

35 Sec. 63. (a) Any transfers of money during the fiscal year ending June
36 30, 2018, from any special revenue fund of any state agency named in this
37 act to the audit services fund of the division of post audit under K.S.A.
38 2016 Supp. 46-1121, and amendments thereto, shall be in addition to any
39 expenditure limitation imposed on any such fund for the fiscal year ending
40 June 30, 2018.

41 (b) Any transfers of money during the fiscal year ending June 30,
42 2019, from any special revenue fund of any state agency named in this act
43 to the audit services fund of the division of post audit under K.S.A. 2016

1 Supp. 46-1121, and amendments thereto, shall be in addition to any
2 expenditure limitation imposed on any such fund for the fiscal year ending
3 June 30, 2019.

4 Sec. 64. This act shall take effect and be in force from and after its
5 publication in the Kansas register.