

(Corrected)  
{As Amended by House Committee of the Whole}

Session of 2017

Substitute for HOUSE BILL No. 2052

By Committee on Appropriations

2-14

Proposed Amendment to Sub HB 2052  
Senate Ways and Means Committee  
March 13, 2017  
Prepared by David Wiese  
Office of Revisor of Statutes

1 AN ACT making and concerning appropriations for the 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. [74-  
7 4914d,] 74-4920, 75-2319 and 75-6706 and repealing the existing  
8 sections; also repealing K.S.A. 2016 Supp. 75-2319d.  
9

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

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

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

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

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

25 Sec. 2.

26 ABSTRACTERS' BOARD OF EXAMINERS

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

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

DEPARTMENT OF TRANSPORTATION

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2017, by section 97(c) of chapter 12 of the 2016 Session Laws of Kansas on the agency operations account (276-00-4100-0403) of the state highway fund is hereby decreased from \$255,917,332 to \$250,541,503.

Sec. 73. (a) On the effective date of this act, the amount authorized to be expended from each appropriation from the state general fund during the fiscal year ending June 30, 2017, for employer contributions for eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and amendments thereto, under the Kansas public employees retirement system pursuant to K.S.A. 74-4939, and amendments thereto, in the aggregate, is hereby decreased by ~~[\$84,258,000]~~

\$150,000,000

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

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

~~[Sec. 74. (a) On the effective date of this act, the amount authorized to be expended from each appropriation from the state general fund during~~

1 ~~the fiscal year ending June 30, 2017, for employer contributions to the~~  
2 ~~Kansas public employees retirement system for the state of Kansas~~  
3 ~~pursuant to K.S.A. 74-4920, and amendments thereto, in the aggregate, is~~  
4 ~~hereby decreased by \$1,611,667.~~

5 ~~(b) On the effective date certified by the director of the budget under~~  
6 ~~subsection (e)(2), the amount authorized to be expended from each~~  
7 ~~appropriation from the state water plan fund during the fiscal year ending~~  
8 ~~June 30, 2017, for employer contributions to the Kansas public employees~~  
9 ~~retirement system for the state of Kansas pursuant to K.S.A. 74-4920, and~~  
10 ~~amendments thereto, is hereby decreased by the amount resulting from the~~  
11 ~~suspension of employer contributions for the state of Kansas under~~  
12 ~~subsection (e)(1) on and after the effective date certified by the director of~~  
13 ~~the budget under subsection (e)(2).~~

14 ~~(c) On the effective date certified by the director of the budget under~~  
15 ~~subsection (e)(2), the amount authorized to be expended from each~~  
16 ~~appropriation from the state economic development initiatives fund during~~  
17 ~~the fiscal year ending June 30, 2017, for employer contributions to the~~  
18 ~~Kansas public employees retirement system for the state of Kansas~~  
19 ~~pursuant to K.S.A. 74-4920, and amendments thereto, is hereby decreased~~  
20 ~~by the amount resulting from the suspension of employer contributions for~~  
21 ~~the state of Kansas under subsection (e)(1) on and after the effective date~~  
22 ~~certified by the director of the budget under subsection (e)(2).~~

23 ~~(d) On the effective date certified by the director of the budget under~~  
24 ~~subsection (e)(2), the amount authorized to be expended from each special~~  
25 ~~revenue fund during the fiscal year ending June 30, 2017, for employer~~  
26 ~~contributions to the Kansas public employees retirement system for the~~  
27 ~~state of Kansas pursuant to K.S.A. 74-4920, and amendments thereto, is~~  
28 ~~hereby decreased by the amount resulting from the suspension of employer~~  
29 ~~contributions for the state of Kansas under subsection (e)(1) on and after~~  
30 ~~the effective date certified by the director of the budget under subsection~~  
31 ~~(e)(2).~~

32 ~~(e)(1) On and after the date certified by the director of the budget~~  
33 ~~under subsection (e)(2), and notwithstanding the provisions of K.S.A. 74-~~  
34 ~~4914b and 74-4920, and amendments thereto, or any other statute, no state~~  
35 ~~agency shall pay to the Kansas public employees retirement system any~~  
36 ~~amounts during the remainder of the fiscal year ending June 30, 2017, that~~  
37 ~~constitute employer contributions for the state of Kansas.~~

38 ~~(2) During the fiscal year ending June 30, 2017, the director of the~~  
39 ~~budget shall continuously monitor the status of the state general fund with~~  
40 ~~regard to expenditures for any item of appropriation for employer~~  
41 ~~contributions to the Kansas public employee retirement system for the~~  
42 ~~state of Kansas pursuant to K.S.A. 74-4920, and amendments thereto.~~  
43 ~~Periodically, the director of the budget shall estimate such expenditures in~~

1 ~~fiscal year 2017 and the total amount of anticipated expenditures, demand~~  
2 ~~transfers and encumbrances of moneys in the state general fund for such~~  
3 ~~expenditures during the remainder of fiscal year 2017. Based on such~~  
4 ~~expenditure estimates, the director of the budget shall determine the~~  
5 ~~effective date under subsection (e)(1) necessary to provide the expenditure~~  
6 ~~reduction in subsection (a) and shall certify such effective date to the board~~  
7 ~~of trustees of the Kansas public employees retirement system. At the same~~  
8 ~~time as the director of the budget transmits such certification to the board~~  
9 ~~of trustees of the Kansas public employees retirement system, the director~~  
10 ~~of the budget shall transmit a copy of such certification to the director of~~  
11 ~~legislative research.~~

12 ~~Sec. 75. (a) On or before August 15, 2017, the director of the budget,~~  
13 ~~in consultation with the director of legislative research, shall certify the~~  
14 ~~total amount of fiscal year 2017 employer contributions that were~~  
15 ~~decreased under sections 73 and 74, and amendments thereto, to the~~  
16 ~~director of accounts and reports.~~

17 ~~(b) On or before August 15, 2017, the director of the budget, in~~  
18 ~~consultation with the director of legislative research, shall certify the~~  
19 ~~amount of the unencumbered ending balance in the state general fund to~~  
20 ~~the director of accounts and reports: *Provided*, That upon receipt of such~~  
21 ~~certification, or as soon thereafter as moneys are available, the director of~~  
22 ~~accounts and reports shall transfer an amount equal to 50% of such~~  
23 ~~certified amount from the state general fund to the Kansas public~~  
24 ~~employees retirement fund to repay the amount, or a portion of the~~  
25 ~~amount, of fiscal year 2017 employer contributions that were decreased~~  
26 ~~under sections 73 and 74, and amendments thereto, as certified in~~  
27 ~~subsection (a): *Provided, however*, That the amount of the transfer~~  
28 ~~prescribed by this subsection shall not exceed the total amount of fiscal~~  
29 ~~year 2017 employer contributions that were decreased under sections 73~~  
30 ~~and 74, and amendments thereto, as certified in subsection (a).]~~

31 ~~Sec. 76. On the effective date of this act, the provisions of section 50~~  
32 ~~of chapter 111 of the 2016 Session Laws of Kansas are hereby declared to~~  
33 ~~be null and void and shall have no force and effect.~~

34 ~~Sec. 77. (a) During fiscal year 2017, if the director of the budget~~  
35 ~~certified and the director of accounts and reports transferred any amount~~  
36 ~~appropriated from the following funds: expanded lottery act revenue fund,~~  
37 ~~state water plan fund, economic development initiatives fund, children's~~  
38 ~~initiatives fund, endowment for youth fund, educational buildings fund,~~  
39 ~~state institutions building fund or the correctional institutions building~~  
40 ~~fund, to the state general fund, pursuant to the authority granted in section~~  
41 ~~98(a)(2) of chapter 12 of the 2016 Session Laws of Kansas, then on the~~  
42 ~~effective date of this act, the director of accounts and reports shall lapse~~  
43 ~~the same amount certified and transferred from such fund: *Provided*, That~~

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

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

5 {Sec. 80. (a) During the fiscal year ending June 30, 2017, no state  
6 agency named in chapter 104 of the 2015 Session Laws of Kansas, this  
7 act or other appropriation act of the 2017 regular session of the  
8 legislature shall expend any moneys appropriated for the fiscal year  
9 ending June 30, 2017, from the state general fund or in any special  
10 revenue fund or funds for such state agency by chapter 104 of the 2015  
11 Session Laws of Kansas, chapter 12 of the 2016 Session Laws of  
12 Kansas, chapter 111 of the 2016 Session Laws of Kansas, or in this or  
13 other appropriation act of the 2017 regular session of the legislature,  
14 for acquisition of new or replacement office furniture, equipment or  
15 supplies in excess of \$100 unless such expenditure is specifically  
16 approved by the director of the budget. At the same time the director  
17 of the budget approves such expenditure, the director of the budget  
18 shall transmit a copy of such approval to the director of legislative  
19 research.

20 (b) During the fiscal year ending June 30, 2017, the director of  
21 the budget shall provide a list to the house appropriations committee  
22 and the senate ways and means committee of all items approved, the  
23 cost of such items and the reason why such approval could not be  
24 delayed until the following fiscal year.}

25 ~~[Sec. 78. {Sec. 81.} K.S.A. 2016 Supp. 74-4914d is hereby amended~~  
26 ~~to read as follows: 74-4914d. (1) Any additional cost resulting from the~~  
27 ~~normal retirement date and retirement before such normal retirement date~~  
28 ~~for security officers as provided in K.S.A. 74-4914c, and amendments~~  
29 ~~thereto, and disability benefits as provided in K.S.A. 74-4914e, and~~  
30 ~~amendments thereto, shall be added to the employer rate of contribution~~  
31 ~~for the department of corrections as otherwise determined under K.S.A.~~  
32 ~~74-4920, and amendments thereto, except that the employer rate of~~  
33 ~~contribution for the department of corrections including any such~~  
34 ~~additional cost added to such employer rate of contribution pursuant to this~~  
35 ~~section shall in no event exceed the employer rate of contribution for the~~  
36 ~~department of corrections for the immediately preceding fiscal year by~~  
37 ~~more than the following amounts expressed as a percentage of~~  
38 ~~compensation upon which security officers contribute during the period:~~  
39 ~~(a) For the fiscal year commencing in calendar years 2010 through 2012,~~  
40 ~~an amount not to exceed more than 0.6% of the amount of the immediately~~  
41 ~~preceding fiscal year; (b) for the fiscal year commencing in calendar year~~  
42 ~~2013, an amount not to exceed more than 0.9% of the amount of the~~  
43 ~~immediately preceding fiscal year; (c) for the fiscal year commencing in~~

~~1 calendar year 2014, an amount not to exceed more than 1% of the amount  
2 of the immediately preceding fiscal year; (d) for the fiscal year  
3 commencing in calendar year 2015, the employer rate of contribution shall  
4 be 10.91%; (e) for the fiscal year commencing in calendar year 2016, the  
5 employer rate of contribution shall be 10.81%, except as provided by  
6 section 74(e), and amendments thereto; and (f) in each subsequent  
7 calendar year, an amount not to exceed more than 1.2% of the amount of  
8 the immediately preceding fiscal year, to be calculated without regard to  
9 transfers made pursuant to section 50 of chapter 111 of the 2016 Session  
10 Laws of Kansas. As used in this section, "capitalized interest" means  
11 interest payments on the bonds that are prefunded or financed from bond  
12 proceeds as part of the issue for a specified period of time in order to offset  
13 one or more initial debt service payments.]~~

14 ~~Sec. 79: {82.}~~ K.S.A. 2016 Supp. 74-4920 is hereby amended to read  
15 as follows: 74-4920. (1) (a) Upon the basis of each annual actuarial  
16 valuation and appraisal as provided for in K.S.A. 74-4908(3)(a), and  
17 amendments thereto, the board shall certify, on or before July 15 of each  
18 year, to the division of the budget in the case of the state and to the agent  
19 for each other participating employer an actuarially determined estimate of  
20 the rate of contribution which will be required, together with all  
21 accumulated contributions and other assets of the system, to be paid by  
22 each such participating employer to pay all liabilities which shall exist or  
23 accrue under the system, including amortization of the actuarial accrued  
24 liability as determined by the board. The board shall determine the  
25 actuarial cost method to be used in annual actuarial valuations, to  
26 determine the employer contribution rates that shall be certified by the  
27 board. Such certified rate of contribution, amortization methods and  
28 periods and actuarial cost method shall be based on the standards set forth  
29 in K.S.A. 74-4908(3)(a), and amendments thereto, and shall not be based  
30 on any other purpose outside of the needs of the system.

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

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

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

11 (ii) Except as specifically provided in this subsection, for the fiscal  
12 years commencing in the following calendar years, the rate of contribution  
13 certified to the state of Kansas and to the participating employers under  
14 K.S.A. 74-4931, and amendments thereto, shall in no event exceed the  
15 state's contribution rate for the immediately preceding fiscal year by more  
16 than the following amounts expressed as a percentage of compensation  
17 upon which members contribute during the period: (A) For the fiscal year  
18 commencing in calendar years 2010 through 2012, an amount not to  
19 exceed more than 0.6% of the amount of the immediately preceding fiscal  
20 year; (B) for the fiscal year commencing in calendar year 2013, an amount  
21 not to exceed more than 0.9% of the amount of the immediately preceding  
22 fiscal year; (C) for the fiscal year commencing in calendar year 2014, an  
23 amount not to exceed more than 1% of the amount of the immediately  
24 preceding fiscal year; (D) for the fiscal year commencing in calendar year  
25 2015, the employer rate of contribution shall be 10.91%; (E) for the fiscal  
26 year commencing in calendar year 2016, the employer rate of contribution  
27 shall be 10.81%, *except as provided by section 73(b), and amendments*  
28 *thereto, for the participating employers under K.S.A. 74-4931, and*  
29 *amendments thereto* ~~and section 74(e), and amendments thereto, for the~~  
30 ~~state of Kansas~~ and (F) in each subsequent calendar year, an amount not  
31 to exceed more than 1.2% of the amount of the immediately preceding  
32 fiscal year ~~to be calculated without regard to transfers made pursuant to~~  
33 ~~section 50 of chapter 111 of the 2016 Session Laws of Kansas.~~ As used in  
34 this subsection, "capitalized interest" means interest payments on the  
35 bonds that are pre-funded or financed from bond proceeds as part of the  
36 issue for a specified period of time in order to offset one or more initial  
37 debt service payments.

38 (iii) Except as specifically provided in this section, for fiscal years  
39 commencing in calendar year 1997 and in each subsequent calendar year,  
40 the rate of contribution certified to participating employers other than the  
41 state of Kansas shall in no event exceed such participating employer's  
42 contribution rate for the immediately preceding fiscal year by more than  
43 0.15% of the amount of compensation upon which members contribute

to be calculated without regard to transfers made pursuant to section 50 of chapter 111 of the 2016 Session Laws of Kansas and for participating employers under K.S.A. 74-4931, and amendments thereto, an additional percentage of compensation corresponding to the level dollar repayment amount certified by the board pursuant to subsection (17)

1 fixed for employers joining within one year of the first entry date.

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

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

18 ~~Sec. 80-83.~~ K.S.A. 2016 Supp. 75-2319 is hereby amended to read  
19 as follows: 75-2319. (a) There is hereby established in the state treasury  
20 the school district capital improvements fund. The fund shall consist of all  
21 amounts transferred thereto under the provisions of subsection (c).

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

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

29 (A) Determine the amount of the assessed valuation per pupil (AVPP)  
30 of each school district in the state and round such amount to the nearest  
31 \$1,000. The rounded amount is the AVPP of a school district for the  
32 purposes of this subsection (b)(1);

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

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

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

(17) The actuarial cost of the reduction of employer contributions for eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and amendments thereto, pursuant to the provisions of section 73, and amendments thereto, shall be amortized over 20 years as a level dollar amount, as certified by the board upon recommendation of the consulting actuary, through an additional percentage of compensation for participating employers under K.S.A. 74-4931, and amendments thereto. This additional percentage of compensation shall first be reflected in employer contribution rates for participating employers under K.S.A. 74-4931, and amendments thereto, effective on the first day of the first payroll period for the fiscal year 2018.



1 *balance in the state general fund for the previous fiscal year. Except as*  
2 *provided further, upon making such certification, the director of the budget*  
3 *shall authorize the director of accounts and reports to transfer 10% of*  
4 *such ending balance from the state general fund to the budget stabilization*  
5 *fund. ~~[No transfer to the budget stabilization fund shall occur in fiscal year~~*  
6 *~~2018 unless the amount transferred in section 75(b), and amendments~~*  
7 *~~thereto, is equal to the total amount of fiscal year 2017 employer~~*  
8 *~~contributions that were decreased under sections 73 and 74, and~~*  
9 *~~amendments thereto.]~~*

10 Sec. ~~82.~~ {85.} K.S.A. 2016 Supp. [74-4914d] 74-4920, 75-2319, 75-  
11 2319d and 75-6706 are hereby repealed.

12 Sec. ~~83.~~ {86.} If any fund or account name described by words and  
13 the numerical accounting code that follows such fund or account name do  
14 not match, it shall be conclusively presumed that the legislature intended  
15 that the fund or account name described by words is the correct fund or  
16 account name, and such fund or account name described by words shall  
17 control over a contradictory or incorrect numerical accounting code.

18 Sec. ~~84.~~ {87.} *Severability.* If any provision or clause of this act or  
19 application thereof to any person or circumstance is held invalid, such  
20 invalidity shall not affect other provisions or applications of the act which  
21 can be given effect without the invalid provision or application, and to this  
22 end the provisions of this act are declared to be severable.

23 Sec. ~~85.~~ {88.} *Appeals to exceed expenditure limitations.* (a) Upon  
24 written application to the governor and approval of the state finance  
25 council, expenditures from special revenue funds may exceed the amounts  
26 specified in this act.

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

31 Sec. ~~86.~~ {89.} This act shall take effect and be in force from and after  
32 its publication in the Kansas register.