

Message to the Legislature of the State of Kansas
on House Substitute for Senate Bill 249:

I want to thank every member of the Kansas Legislature for your hard work during the 2016 session.

I have taken actions to balance the budget and reduce the growth of state spending. If the Kansas Supreme Court orders an additional \$40 million, or more, in funding for schools, it could result in additional cuts to Medicaid and higher education beyond those enumerated here.

These actions protect public safety and provide support to state hospitals, specifically:

- Increasing SGF to Osawatomie State Hospital and Larned State Hospital by \$11.4 million in FY 2016.
- Increasing SGF to Osawatomie State Hospital and Larned State Hospital by \$5.6 million in FY 2017, including direct care pay increases to Registered Nurses at OSH and Mental Health Technicians at OSH and LSH in order to provide aid in recruitment and retention of qualified nursing and direct care staff.
- Increasing DCF's budget by \$1.1 million to fund pay increases to Social Workers to improve recruitment and retention in these hard to fill positions.
- Realizing \$6.5 million in reduced expenditures from the State General Fund in order to pay for the pay increases that will be realized through implementation of Alvarez and Marsal efficiency recommendations.

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return House Substitute for Senate Bill No. 249 with my signature approving the bill, except for the items enumerated below.

Department for Aging and Disability Services - Mental Health Screenings

Section 20(b) is vetoed in its entirety.

In October 2015, the Department for Aging and Disability Services discontinued its policy of requiring mental health screenings prior to admission to inpatient psychiatric beds at community hospitals and residential treatment facilities. The screenings were discontinued based on the potential loss of funding from the federal government due to federal Mental Health parity regulations. The provision at issue here would return to the former policy, at a cost of more than \$1.8 million. While that cost may be justified by the benefits to be obtained from the screenings, approving this provision could additionally jeopardize substantial federal funding of inpatient Medicaid services. I would be pleased to revisit this issue if the state receives new and different assurances from the federal government on the matter.

KPERS- Transfer of Tobacco Litigation Settlement Revenue

Section 50(c) is vetoed in its entirety.

House Substitute for SB 249 states that if KPERS employer contributions for any state agency is lapsed or transferred in FY 2016, the amount will be certified and repaid with interest of 8.0 percent per annum to the KPERS retirement fund from the State General Fund. The five repayment provisions are prescribed as follows:

- a. The amount of which the actual tax receipt revenues to the State General Fund exceeds the April, 2017, joint estimate of revenue shall repay the KPERS amount lapsed or transferred.
- b. The amount of which the actual tax receipt revenues to the State General Fund exceeds the April, 2018, joint estimate of revenue shall repay the KPERS amount lapsed or transferred.
- c. The amount received from master tobacco settlement litigation revenue in excess of expenditures or transfers that have been made from the Key Endowment for Youth Fund as provided by law in FY 2017 shall be used to repay the KPERS amount lapsed or transferred.
- d. The amount received from master tobacco settlement litigation revenue in excess of expenditures or transfers that have been made from the Key Endowment for Youth Fund as provided by law in FY 2018 shall be used to repay the KPERS amount lapsed or transferred; and
- e. Any amounts remaining to be repaid from the amount lapsed or transferred in FY 2016 will be repaid from the State General Fund by June 30, 2018.

The excess master tobacco settlement litigation revenue is estimated to be \$16.0 million in FY 2017. In order to increase the State General Fund ending balance by \$16.0 million and guard against further reductions to Medicaid and Higher Education, the proviso prescribing excess master tobacco settlement litigation revenue be used to repay the KPERS amount lapsed or transferred in FY 2016 is vetoed. The remaining four provisions relating to the repayment of KPERS employer contributions lapsed or transferred in FY 2016 will remain.



Sam Brownback, Governor

Dated: May 18, 2016

House Substitute for SENATE BILL No. 249

AN ACT making and concerning appropriations for fiscal years ending June 30, 2016, June 30, 2017, and June 30, 2018, for state agencies; authorizing and directing payment of certain claims against the state; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements, procedures and acts incidental to the foregoing; amending K.S.A. 2015 Supp. 74-4914d, as amended by section 106 of House Substitute for Senate Bill No. 161, 74-4920, as amended by section 107 of 2016 House Substitute for Senate Bill No. 161, and 74-99b34, as amended by section 109 of 2016 House Substitute for Senate Bill No. 161, and repealing the existing sections.

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

Section 1. (a) For the fiscal years ending June 30, 2016, June 30, 2017, and June 30, 2018, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, capital improvement projects, fees, receipts, disbursements, procedures and acts incidental to the foregoing are hereby directed or authorized as provided in this act.

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

(c) This act shall be known and may be cited as the omnibus appropriation act of 2016 and shall constitute the omnibus reconciliation spending limit bill for the 2016 regular session of the legislature for purposes of K.S.A. 75-6702(a), and amendments thereto.

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

Sec. 2. (a) The department of corrections is hereby authorized and directed to pay the following amount from the operating expenditures account of the state general fund for a refund of supervision fees to the following claimant:

Scott Davis
767 S Drury Lane
Wichita KS 67207..... \$50.00

(b) The department of corrections is hereby authorized and directed to pay the following amounts from the Lansing correctional facility — facilities operations account of the state general fund for property lost to the following claimants:

Randy Pioletti # 39725
P. O. Box 2
Lansing, KS 66043..... \$233.21

James E. Tackett # 59193
P. O. Box 2
Lansing, KS 66043..... \$30.00

Jose Morales # 71954
P. O. Box 2
Lansing, KS 66043..... \$50.28

Michael D. Wilkins # 108849
P. O. Box 2
Lansing, KS 66043..... \$105.33

(c) The department of corrections is hereby authorized and directed to pay the following amounts from the Hutchinson correctional facility — facilities operations account of the state general fund for property lost to the following claimants:

Charles Denmark Wagner # 93947
P. O. Box 1568
Hutchinson, KS 67504 \$20.00

Davett Smith II # 784535
P. O. Box 1568
Hutchinson, KS 67504 \$199.35

Tyron James # 77522
P. O. Box 311
El Dorado, KS 67042..... \$17.69

Andrew Zeiner # 72623
P. O. Box 2
Lansing, KS 66043..... \$41.56

(d) The department of corrections is hereby authorized and directed to pay the following amounts from the El Dorado correctional facility —

facilities operations account of the state general fund for property lost to the following claimants:

Vernon J. Amos # 55009 P. O. Box 311 El Dorado, KS 67042.....	\$5.17
Raymond D. Boothe # 79444 P. O. Box 311 El Dorado, KS 67042.....	\$4.00

(e) The department of corrections is hereby authorized and directed to pay the following amount from the correctional industries fund of the state general fund for incorrect invoicing to the following claimant:

Landers Segal Color Co. Inc. DBA Lansco Colors 1 Blue Hill Plaza, P. O. Box 1685 Pearl River, NY 10965	\$6,506.21
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Sec. 3. The department for aging and disability services is hereby authorized and directed to pay the following amount from the Larned state hospital — operating expenditures account of the state general fund for property lost to the following claimant:

Donald W. Rhyne 2601 Gabriel Avenue Parsons, KS 67357.....	\$636.23
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Sec. 4. The adjutant general is hereby authorized and directed to pay the following amount from the operating expenditures account of the state general fund for a settlement agreement to the following claimant:

Michaela Isch 219 Park St. Winfield, KS 67156	\$4,000.00
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Sec. 5. There is hereby appropriated from the state general fund, as reimbursements for legal costs incurred for sexually violent predator proceedings, the following amounts to the following claimants:

County Treasurer McPherson County 117 N Maple McPherson, KS 67460	\$37,400.79
County Treasurer Butler County 205 W Central El Dorado, KS 67042.....	\$24,017.43

Sec. 6. The department of revenue is hereby authorized and directed to pay the following amounts from the motor-vehicle fuel tax refund fund, for claims not filed within the statutory filing period prescribed in K.S.A. 79-3458, and amendments thereto, to the following claimants:

Bell, Kenneth 1979 N 300 Rd. Wellsville, KS 66092	\$51.00
Canaan Well Service Inc. 1401 N Park Wellington, KS 67152	\$758.39
Dustrol Inc. P.O. Box 309 Towanda, KS 67144.....	\$138.02
Garten Bros Inc. 2305 Fair Rd. Abilene, KS 67410.....	\$280.80
Golf Club of Kansas P.O. Box 6984 Lees Summit, MO 64064	\$702.22
Hasenkamp, Dan 375 F Road Centralia, KS 66415.....	\$481.68
Horgan, Timothy P. 15700 Trowbridge Rd. Wheaton, KS 66521	\$37.08
Katy Parsons Golf Club P.O. Box 376 Parsons, KS 67357.....	\$33.00

Moxley, Tom J. 1852 S 200 Rd. Council Grove, KS 66846	\$162.00
Pennys Concrete Inc. 23400 W 82nd St. Shawnee Mission, KS 66227	\$6,073.70
Red Bee Ranch 953 S Greenwich Rd. Wichita, KS 67207	\$104.28
Strobel, John R. 31464 N Hwy. 59 Garnett, KS 66032	\$366.34
USD 282 Howard P.O. Box 607 Howard, KS 67349	\$4,188.94
USD 247 Cherokee 506 S Smelter Cherokee, KS 40652	\$9,177.71
Vestring, Louis 9872 NE Stony Creek Rd. Cassoday, KS 66842	\$282.96
White, John T. P.O. Box 114 Allen, KS 66833	\$105.72

Sec. 7. (a) Except as otherwise provided in sections 2 through 6 of this act, the director of accounts and reports is hereby authorized and directed to draw warrants on the state treasurer in favor of the claimants specified in sections 2 through 6 of this act, upon vouchers duly executed by the state agencies directed to pay the amounts specified in such sections to the claimants or their legal representatives or duly authorized agents, as provided by law.

(b) The director of accounts and reports shall secure prior to the payment of any amount to any claimant, other than amounts authorized to be paid pursuant to section 6 of this act, as motor-vehicle fuel tax refunds or as transactions between state agencies as provided in sections 2 through 6 of this act, a written release and satisfaction of all claims and rights against the state of Kansas and any agencies, officers and employees of the state of Kansas regarding their respective claims.

Sec. 8.

STATE BOARD OF VETERINARY EXAMINERS

(a) On July 1, 2016, the director of accounts and reports shall transfer all moneys in the veterinary examiners fee fund of the Kansas department of agriculture to the veterinary examiners fee fund of the state board of veterinary examiners. On July 1, 2016, all liabilities of the veterinary examiners fee fund of the Kansas department of agriculture are hereby transferred to and imposed on the veterinary examiners fee fund of the state board of veterinary examiners and the veterinary examiners fee fund of the Kansas department of agriculture is hereby abolished.

Sec. 9.

LEGISLATIVE COORDINATING COUNCIL

(a) In addition to the other purposes for which expenditures may be made by the above agency from the legislative coordinating council — operations account of the state general fund for fiscal year 2017, expenditures shall be made by the above agency from the legislative coordinating council — operations account of the state general fund for fiscal year 2017 for the director of legislative administrative services, under the direction of the legislative coordinating council, to administer and supervise the live audio streaming of legislative proceedings: *Provided*, That in providing such live audio streaming, the director shall work in cooperation with the information network of Kansas, inc., created by K.S.A. 74-9303, and amendments thereto, which shall provide any services and equipment that the director and the board of the information network of Kansas, inc., have agreed upon and that the director determines to be necessary for the provision of such live audio streaming.

Sec. 10.

SECRETARY OF STATE

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

Publication of proposed constitutional amendments \$29,833

Sec. 11.

DEPARTMENT OF ADMINISTRATION

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2016, by section 80(c) of chapter 104 of the 2015 Session Laws of Kansas, on the Docking state office building rehab, repair and razing fund of the department of administration is hereby decreased from no limit to \$0.

(b) On the effective date of this act, the provisions of section 80(d) of chapter 104 of the 2015 Session Laws of Kansas are hereby declared to be null and void and shall have no force and effect.

Sec. 12.

DEPARTMENT OF ADMINISTRATION

(a) On or before June 30, 2017, the secretary of administration: (1) Shall determine the amount of moneys appropriated in each account of the state general fund or each special revenue fund or funds appropriated for fiscal year 2017 for the executive branch agencies that are not required to be expended or encumbered due to the department of administration implementing procurement and risk management recommendations, modifying any state employee insurance and benefit program, or implementing any other efficiency recommendation made to the 2016 legislature by the Kansas statewide efficiency review; and (2) shall certify each such amount to the director of the budget, accompanied by such other information with respect thereto as may be prescribed by the director of the budget: *Provided*, That, on or before June 30, 2017, the director of the budget shall certify each amount appropriated from the state general fund, which is certified by the secretary of administration pursuant to this section, to the director of accounts and reports and upon receipt of each such certification, the amount so certified is hereby lapsed: *Provided further*, That, on or before June 30, 2017, the director of the budget shall certify each amount appropriated from each special revenue fund or funds, which is certified by the secretary of administration pursuant to this section, to the director of accounts and reports and upon receipt of each such certification, the amount so certified is hereby transferred to the state general fund: *And provided further*, That, at the same time as the director of the budget transmits each such certification to the director of accounts and reports, the director of the budget shall transmit a copy of each such certification to the director of legislative research: *And provided further*, That the aggregate of all amounts lapsed from appropriations from the state general fund and amounts transferred from special revenue funds pursuant to this subsection, shall be equal to \$6,500,000 or more.

(b) During the fiscal year ending June 30, 2017, the director of the budget may transfer any part of any item of appropriation due to the department of administration implementing procurement and risk management recommendations; modifying any state employee insurance and benefit program; or implementing any other efficiency recommendation made to the 2016 legislature by the Kansas statewide efficiency review in any executive branch agency account of the state general fund or any special revenue fund or funds appropriated for fiscal year 2017 for such executive branch agency to another item of appropriation for the same purposes in any other executive branch agency account of the state general fund or any special revenue fund or funds appropriated for fiscal year 2017 for such other executive branch agency. The director of the budget shall certify each such amount transferred and shall transmit a copy of each such certification to the director of legislative research.

(c) On July 1, 2016, the expenditure limitation established for the fiscal year ending June 30, 2017, by section 81(c) of chapter 104 of the 2015 Session Laws of Kansas, on the Docking state office building rehab, repair and razing fund of the department of administration is hereby decreased from no limit to \$0.

(d) On July 1, 2016, the provisions of section 81(d) of chapter 104 of

the 2015 Session Laws of Kansas are hereby declared to be null and void and shall have no force and effect.

(e) During the fiscal year ending June 30, 2017, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or any special revenue fund or funds for the above agency for fiscal year 2017 by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures may be made by the above agency from the state general fund or from any special revenue fund or funds for fiscal year 2017, for the secretary of administration, as part of the system of payroll accounting formulated under K.S.A. 75-5501, and amendments thereto, to establish a payroll deduction plan for the purpose of allowing insurers, who are authorized to do business in the state of Kansas, to offer to state employees accident, disability, specified disease and hospital indemnity products which may be purchased by such employees: *Provided, however*, That any such insurer and indemnity product shall be approved by the Kansas state employees health care commission prior to the establishment of such payroll deduction: *Provided*, That upon notification of an employing agency's receipt of written authorization by any state employee, the director of accounts and reports shall make periodic deductions of amounts as specified in such authorization from the salary or wages of such state employee for the purpose of purchasing such indemnity products: *Provided further*, That, subject to the approval of the secretary of administration, the director of accounts and reports may prescribe procedures, limitations and conditions for making payroll deductions pursuant to this section.

Sec. 13.

DEPARTMENT OF ADMINISTRATION

(a) During the fiscal year ending June 30, 2018, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or any special revenue fund or funds for the above agency for fiscal year 2018 by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016, 2017 or 2018 regular session of the legislature, expenditures may be made by the above agency from the state general fund or from any special revenue fund or funds for fiscal year 2018, for the secretary of administration, as part of the system of payroll accounting formulated under K.S.A. 75-5501, and amendments thereto, to establish a payroll deduction plan, for the purpose of allowing insurers, who are authorized to do business in the state of Kansas, to offer to state employees accident, disability, specified disease and hospital indemnity products which may be purchased by such employees: *Provided, however*, That any such insurer and indemnity product shall be approved by the Kansas state employees health care commission prior to the establishment of such payroll deduction: *Provided*, That upon notification of an employing agency's receipt of written authorization by any state employee, the director of accounts and reports shall make periodic deductions of amounts as specified in such authorization from the salary or wages of such state employee for the purpose of purchasing such indemnity products: *Provided further*, That, subject to the approval of the secretary of administration, the director of accounts and reports may prescribe procedures, limitations and conditions for making payroll deductions pursuant to this section.

Sec. 14.

DEPARTMENT OF REVENUE

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

MSA compliance compact	\$450,000
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(b) On July 1, 2016, the expenditure limitation established for the fiscal year ending June 30, 2017, pursuant to section 34(c) of 2016 House Substitute for Senate Bill No. 161 on the division of vehicles operating fund (565-00-2089-2020) of the department of revenue is hereby increased from \$47,475,191 to \$48,165,032.

(c) On July 1, 2016, the amount of \$11,481,784 authorized by section 89(c) of chapter 104 of the 2015 Session Laws of Kansas to be transferred by the director of accounts and reports from the state highway fund of

the department of transportation to the division of vehicles operating fund of the department of revenue on July 1, 2016, October 1, 2016, January 1, 2017, and April 1, 2017, is hereby increased to \$11,513,742.

Sec. 15.

KANSAS LOTTERY

(a) On the effective date of this act, the aggregate of the amounts authorized by section 90(b) of chapter 104 of the 2015 Session Laws of Kansas to be transferred from the lottery operating fund to the state gaming revenues fund during the fiscal year ending June 30, 2016, is hereby increased from \$74,700,000 to \$76,500,000.

Sec. 16.

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:

KBA grant commitments \$6,570,000

Provided, That, if 2016 Senate Bill No. 474, or any other legislation which allows the board of the Kansas bioscience authority to sell the authority or substantially all of the assets of the authority, is not passed by the legislature during the 2016 regular session and enacted into law, or if such legislation is enacted into law but such sale is not completed, then the \$6,570,000 appropriated for the above agency for the fiscal year ending June 30, 2017, by this section from the state general fund in the KBA grant commitments account is hereby lapsed.

Sec. 17.

DEPARTMENT OF HEALTH AND ENVIRONMENT —
DIVISION OF HEALTH CARE FINANCE

(a) On the effective date of this act, of the \$661,573,849 appropriated for the above agency for the fiscal year ending June 30, 2016, by section 104(a) of chapter 104 of the 2015 Session Laws of Kansas from the state general fund in the other medical assistance account (264-00-1000-3026), the sum of \$23,700,000 is hereby lapsed.

(b) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2016, by section 43(e) of 2016 House Substitute for Senate Bill No. 161 on the medical programs fee fund (264-00-2395-0110) of the department of health and environment—division of health care finance is hereby increased from \$91,292,513 to \$127,692,349.

Sec. 18.

DEPARTMENT OF HEALTH AND ENVIRONMENT —
DIVISION OF HEALTH CARE FINANCE

(a) On July 1, 2016, of the \$676,570,074 appropriated for the above agency for the fiscal year ending June 30, 2017, by section 105(a) of chapter 104 of the 2015 Session Laws of Kansas from the state general fund in the other medical assistance account (264-00-1000-3026), the sum of \$24,178,549 is hereby lapsed.

(b) On July 1, 2016, the expenditure limitation established for the fiscal year ending June 30, 2017, by section 44(c) of 2016 House Substitute for Senate Bill No. 161 on the medical programs fee fund (264-00-2395-0110) of the department of health and environment — division of health care finance is hereby increased from \$86,370,660 to \$130,241,472.

Sec. 19.

KANSAS DEPARTMENT FOR
AGING AND DISABILITY SERVICES

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2016, the following:

LTC — medicaid assistance — NF (039-00-1000-0520)...	\$20,054,000
Mental health and retardation services aid and assistance (039-00-1000-4001)	\$3,500,000
Osawatomie state hospital-operating expenditures (494- 00-1000-0100).....	\$9,503,982
Larned state hospital-operating expenditures (410-00- 1000-0103)	\$1,896,018

(b) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2016, by section 47(g) of 2016 House Substitute for Senate Bill No. 161 on the Osawatomie state hos-

pital fee fund (494-00-2079-4200) of the Kansas department for aging and disability services is hereby decreased from \$10,076,414 to \$7,667,778.

(c) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2016, by section 47(k) of 2016 House Substitute for Senate Bill No. 161 on the title XIX fund (039-00-2595-4130) of the Kansas department for aging and disability services is hereby decreased from \$45,963,785 to \$40,570,915.

Sec. 20.

KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES

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

State operations (039-00-1000-0801)	\$3,855,852
LTC — Medicaid assistance — NF (039-00-1000-0520) ..	\$23,859,549
Osawatomie state hospital-operating expenditures (494-00-1000-0100).....	\$1,289,537
Larned state hospital-operating expenditures (410-00-1000-0103)	\$450,000

(b) In addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2017, by section 109 of chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures shall be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2017, to take the necessary steps to reinstate a policy to require mental health screenings for recipients under the Kansas program of medical assistance, prior to inpatient placement: *Provided*, That the above agency shall consult with the Kansas department of health and environment regarding the implementation of such policy.

(c) (1) Notwithstanding the provisions of K.S.A. 76-12a02, and amendments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2017, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2017, for the secretary for aging and disability services to appoint the superintendent at any institution: *Provided*, That any superintendent appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(2) Notwithstanding the provisions of K.S.A. 76-12a03, and amendments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2017, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2017, for the secretary for aging and disability services or an institution's director, or such director's authorized designee, to appoint physicians at an institution: *Provided*, That any physician appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(3) Notwithstanding the provisions of K.S.A. 76-12a04, and amendments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2017, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2017, for the secretary for aging and disability services or an institution's director, or such director's authorized designee, to ap-

point staff and other institution or commission personnel who are not assigned to a particular institution: *Provided*, That any staff or institution or commission personnel appointed on or after July 1, 2016, and on or before June 30, 2018, shall be in the unclassified service of the Kansas civil service act: *Provided, however*, That this paragraph shall not affect the classification of service under the Kansas civil service act for any staff or other personnel appointed prior to July 1, 2016: *And provided further*, That any staff or institution or commission personnel appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(4) Notwithstanding the provisions of K.S.A. 76-12a05, and amendments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2017, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2017, for the superintendent of any institution to appoint employees at such institution: *Provided*, That any employee appointed on or after July 1, 2016, and on or before June 30, 2018, shall be in the unclassified service of the Kansas civil service act: *Provided, however*, That this paragraph shall not affect the classification of service under the Kansas civil service act for any employee appointed prior to July 1, 2016: *And provided further*, That any employee appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(5) For purposes of this subsection, “institution” means Osawatomie state hospital, Larned state hospital, Parsons state hospital and training center or Kansas neurological institute.

(6) (A) Notwithstanding any other provision of law, during the fiscal year ending June 30, 2017, the above agency shall not expend any moneys appropriated for the fiscal year ending June 30, 2017, from the state general fund or in any special revenue fund or funds for such agency by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016 or 2017 regular session of the legislature to outsource or privatize any operations or facilities of the Larned state hospital or Osawatomie state hospital without prior specific authorization by an act of the legislature or an appropriation act of the legislature.

(B) Nothing in this paragraph shall prevent any state agency from renewing, in substantially the same form as an existing agreement, any agreement in existence prior to March 4, 2016, for services at the Larned state hospital or the Osawatomie state hospital during the fiscal year ending June 30, 2017.

(C) Nothing in this paragraph shall prevent any state agency from entering into an agreement for services at the Larned state hospital or the Osawatomie state hospital with a different provider if such agreement is substantially similar to an agreement for services in existence prior to March 4, 2016, during the fiscal year ending June 30, 2017.

Sec. 21.

KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES

(a) (1) Notwithstanding the provisions of K.S.A. 76-12a02, and amendments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2018, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016, 2017 or 2018 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2018, for the secretary for aging and disability services to appoint the superintendent at any institution: *Provided*, That any superintendent appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(2) Notwithstanding the provisions of K.S.A. 76-12a03, and amend-

ments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2018, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016, 2017 or 2018 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2018, for the secretary for aging and disability services or an institution's director, or such director's authorized designee, to appoint physicians at an institution: *Provided*, That any physician appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(3) Notwithstanding the provisions of K.S.A. 76-12a04, and amendments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2018, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016, 2017 or 2018 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2018, for the secretary for aging and disability services or an institution's director, or such director's authorized designee, to appoint staff and other institution or commission personnel who are not assigned to a particular institution: *Provided*, That any staff or institution or commission personnel appointed on or after July 1, 2016, and on or before June 30, 2018, shall be in the unclassified service of the Kansas civil service act: *Provided, however*, That this paragraph shall not affect the classification of service under the Kansas civil service act for any staff or other personnel appointed prior to July 1, 2016: *And provided further*, That any staff or institution or commission personnel appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(4) Notwithstanding the provisions of K.S.A. 76-12a05, and amendments thereto, in addition to the other purposes for which expenditures may be made by the above agency for the fiscal year ending June 30, 2018, by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016, 2017 or 2018 regular session of the legislature, expenditures may be made by the above agency from such moneys appropriated from the state general fund or from any special revenue fund or funds for the fiscal year ending June 30, 2018, for the superintendent of any institution to appoint employees at such institution: *Provided*, That any employee appointed on or after July 1, 2016, and on or before June 30, 2018, shall be in the unclassified service of the Kansas civil service act: *Provided, however*, That this paragraph shall not affect the classification of service under the Kansas civil service act for any employee appointed prior to July 1, 2016: *And provided further*, That any employee appointed by a person, entity or organization under contract with the secretary shall not receive a classification of service under the Kansas civil service act.

(5) For purposes of this subsection, "institution" means Osawatomie state hospital, Larned state hospital, Parsons state hospital and training center or Kansas neurological institute.

(6) (A) Notwithstanding any other provision of law, during the fiscal year ending June 30, 2018, the above agency shall not expend any moneys appropriated for the fiscal year ending June 30, 2018, from the state general fund or in any special revenue fund or funds for such agency by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or any other appropriation act of the 2016, 2017 or 2018 regular session of the legislature to enter into any agreement or take any action to outsource or privatize any operations or facilities of the Larned state hospital or Osawatomie state hospital without prior specific authorization by an act of the legislature or an appropriation act of the legislature.

(B) Nothing in this paragraph shall prevent any state agency from renewing, in substantially the same form as an existing agreement, any agreement in existence prior to March 4, 2016, for services at the Larned

state hospital or the Osawatomie state hospital during the fiscal year ending June 30, 2018.

(C) Nothing in this paragraph shall prevent any state agency from entering into an agreement for services at the Larned state hospital or the Osawatomie state hospital with a different provider if such agreement is substantially similar to an agreement for services in existence prior to March 4, 2016, during the fiscal year ending June 30, 2018.

Sec. 22.

KANSAS DEPARTMENT FOR CHILDREN AND FAMILIES

(a) On the effective date of this act, of the \$119,261,255 appropriated for the above agency for the fiscal year ending June 30, 2016, by section 110(a) of chapter 104 of the 2015 Session Laws of Kansas from the state general fund in the youth services aid and assistance account (629-00-1000-7020), the sum of \$4,620,000 is hereby lapsed.

Sec. 23.

KANSAS DEPARTMENT FOR CHILDREN AND FAMILIES

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

State operations (including official hospitality) (629-00-1000-0013) \$902,000

(b) On July 1, 2016, of the \$117,440,880 appropriated for the above agency for the fiscal year ending June 30, 2017, by section 111(a) of chapter 104 of the 2015 Session Laws of Kansas from the state general fund in the youth services aid and assistance account (629-00-1000-7020), the sum of \$1,534,000 is hereby lapsed.

(c) On July 1, 2016, during the fiscal year ending June 30, 2017, in addition to any limitations established in section 50(e) of 2016 House Substitute for Senate Bill No. 161 on the temporary assistance to needy families federal fund of the above agency, any such programs, projects, improvements or services directly or indirectly beneficial to the physical and mental health, welfare, safety and overall well-being of children in Kansas pursuant to K.S.A. 38-2102 and 38-2103, and amendments thereto, shall be for those families that meet at least one risk criteria that qualifies under the purposes of the federal guidelines for temporary assistance to needy families program: *Provided*, That on July 1, 2016, the provisions of section 50(e)(1) of 2016 House Substitute for Senate Bill No. 161 are hereby declared to be null and void and shall have no force and effect.

Sec. 24.

DEPARTMENT OF EDUCATION

(a) If, during the fiscal year ending June 30, 2016, any item of appropriation for employer contributions for the state of Kansas and 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, has been lapsed or transferred pursuant to the provisions of section 98(a)(1) of 2016 House Substitute for Senate Bill No. 161, then, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or any special revenue fund or funds for the above agency for fiscal year 2016 by chapter 4 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 regular session of the legislature, expenditures shall be made by the above agency from the state general fund or from any special revenue fund or funds for fiscal year 2016, to calculate the cost-of-living weighting pursuant to the provisions of K.S.A. 2015 Supp. 72-6475, and amendments thereto, for fiscal year 2016 as if such item of appropriation had not been lapsed or transferred.

Sec. 25.

KANSAS STATE UNIVERSITY

(a) On July 1, 2016, the Salina, college of technology account of the state general fund of Kansas state university is hereby redesignated as the Kansas state university polytechnic campus account of the state general fund of Kansas state university.

Sec. 26.

WICHITA STATE UNIVERSITY

(a) In addition to the other purposes for which expenditures may be made by Wichita state university from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2016 or fiscal year 2017 authorized by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 regular session of the legislature, expenditures shall be made by Wichita state university from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2016 or for fiscal year 2017 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project to construct parking garage 1: *Provided*, That such capital improvement project is hereby approved for Wichita state university for the purposes of K.S.A. 74-8905(b), and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That Wichita state university may make expenditures from the money received from the issuance of any such bonds for such capital improvement project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$7,200,000, plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project, credit enhancement costs and any required reserves for payment of principal and interest on the bonds: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such capital improvement projects shall be financed by appropriations from any appropriate special revenue fund or funds: *And provided further*, That Wichita state university shall make provisions for the maintenance of parking garage 1.

Sec. 27.

DEPARTMENT OF CORRECTIONS

(a) On the effective date of this act, of the \$20,124,000 appropriated for the above agency for the fiscal year ending June 30, 2016, by section 144(a) of chapter 104 of the 2015 Session Laws of Kansas from the state general fund in the purchase of services account (521-00-1000-0300), the sum of \$3,154,000 is hereby lapsed.

Sec. 28.

DEPARTMENT OF CORRECTIONS

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

Purchase of services.....	\$319,000
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(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2017, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Kansas juvenile justice improvement fund.....	No limit
Juvenile alternatives to detention fund.....	No limit

Provided, That notwithstanding the provisions of K.S.A. 79-4803, and amendments thereto, or any other statute, expenditures may be made by the above agency from the juvenile alternatives to detention fund for per diem payments to detention centers: *Provided, however*, That expenditures from the juvenile alternatives to detention fund for per diem payments to detention centers shall not exceed \$2,258,988.

Sec. 29.

ADJUTANT GENERAL

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2016, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures shall not exceed the following:

Fire management assistance grant — federal fund	No limit
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Sec. 30.

ADJUTANT GENERAL

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

Fire management assistance grant — federal fund No limit

Sec. 31.

KANSAS HIGHWAY PATROL

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

Kansas highway patrol staffing and training fund..... No limit

Sec. 32.

EMERGENCY MEDICAL SERVICES BOARD

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2016, by section 154(a) of chapter 104 of the 2015 Session Laws of Kansas for the emergency medical services operating fund of the emergency medical services board is hereby increased from \$1,322,955 to \$1,362,955.

Sec. 33.

EMERGENCY MEDICAL SERVICES BOARD

(a) On July 1, 2016, the expenditure limitation established for the fiscal year ending June 30, 2017, by section 155(a) of chapter 104 of the 2015 Session Laws of Kansas for the emergency medical services operating fund of the emergency medical services board is hereby increased from \$1,349,331 to \$1,379,331.

Sec. 34.

DEPARTMENT OF AGRICULTURE

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

Kansas conservation reserve enhancement program
fund No limit

(b) Any unencumbered balance in excess of \$100 as of June 30, 2016, in the conservation reserve enhancement program account of the state water plan fund is hereby reappropriated for the above agency for fiscal year 2017: *Provided*, That during fiscal year 2017, moneys in this account shall be expended only for the purposes for which expenditures may be made from the Kansas conservation reserve enhancement program fund of the department of agriculture pursuant to the provisions of 2016 Senate Bill No. 330.

Sec. 35.

KANSAS DEPARTMENT OF WILDLIFE, PARKS AND TOURISM

(a) Notwithstanding the provisions of the provisos in section 167(a) of chapter 104 of the 2015 Session Laws of Kansas on the reimbursement for annual licenses issued to national guard members account, reimbursement for annual park permits issued to national guard members account or reimbursement for annual licenses issued to Kansas disabled veterans account of the state economic development initiatives fund for the Kansas department of wildlife, parks and tourism, during the fiscal year ending June 30, 2017, the secretary of wildlife, parks and tourism, with the approval of the director of the budget, may transfer any part of any item of appropriation for the fiscal year ending June 30, 2017, from the reimbursement for annual licenses issued to national guard members account, reimbursement for annual park permits issued to national guard members account or reimbursement for annual licenses issued to Kansas disabled veterans account of the state economic development initiatives fund for the Kansas department of wildlife, parks and tourism to another item of appropriation for fiscal year 2017 in the reimbursement for annual licenses issued to national guard members account, reimbursement for annual park permits issued to national guard members account or reimbursement for annual licenses issued to Kansas disabled veterans account of the state economic development initiatives fund for the Kansas de-

partment of wildlife, parks and tourism. The secretary of wildlife, parks and tourism shall certify each such transfer to the director of accounts and reports and shall transmit a copy of each such certification to the director of legislative research.

Sec. 36.

DEPARTMENT OF TRANSPORTATION

(a) On July 1, 2016, the expenditure limitation established for the fiscal year ending June 30, 2017, by section 169(b) of chapter 104 of the 2015 Session Laws of Kansas for the agency operations account of the state highway fund of the department of transportation is hereby increased from \$256,601,308 to \$256,690,608.

(b) In addition to the other purposes for which expenditures may be made by the above agency from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2017 for such state agency as authorized by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures may be made by such state agency from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2017 for the purposes of directing the director of unmanned aircraft systems (UAS) to focus on research and development efforts through and between state educational institutions, as defined in K.S.A. 76-711, and amendments thereto: *Provided*, That the director shall work with state educational institutions on the development and growth of new and existing UAS research and development programs: *Provided further*, That the director shall work with the state educational institutions on the creation of partnerships with the UAS industry to develop and sustain public-private partnerships focused on UAS research and development in Kansas: *And provided further*, That the director shall work in conjunction with the department of commerce to develop economic development initiatives related to the UAS program and the work of the state educational institutions: *And provided further*, That the director shall work with local governments and economic development groups, in conjunction with the state educational institutions, in the communities of the state educational institutions on local economic growth initiatives centered on the UAS industry: *And provided further*, That the director shall work with Kansas local governments to promote the benefits of a robust Kansas UAS industry to the general public and work to ensure any locally developed UAS policies or ordinances are consistent with state and federal regulation: *And provided further*, That the director shall work to position the state educational institutions as national leaders for UAS research and development and the state of Kansas as a national leader within the UAS industry: *And provided further*, That the director shall develop relationships with national leaders within the UAS industry and national intergovernmental, transportation and UAS organizations to better position the state of Kansas and the state educational institutions as national leaders with the UAS industry: *And provided further*, That the director shall work, in conjunction with the state educational institutions, to seek out and apply for grants to advance UAS research and development programs: *And provided further*, That the director shall study the use of UAS for purposes of inspection and surveillance methods in conjunction with the UAS programs of the department of transportation, the Kansas national guard, the Kansas highway patrol, the Kansas bureau of investigation and state educational institutions in the UAS triangle: *And provided further*, That the director shall report to legislature on areas where cooperation in training and usage of UAS for inspection and surveillance methods is occurring or may occur in the future: *And provided further*, That the director shall use office space made available by Kansas state university polytechnic campus for at least half of the director's office time: *And provided further*, That the director shall make recommendations regarding state laws and rules and regulations which are complementary to federal UAS regulatory and policy efforts and balance privacy concerns with the need for robust UAS economic development in the state of Kansas: *And provided further*, That the director shall develop a five-year strategic plan regarding research and development efforts through and between the state educational institutions and provide a re-

port to the legislature on the implementation of this plan on or before the first day of the 2017 regular legislative session.

Sec. 37. (a) If any state agency is certified to administer a program or service funded by the CIF grants account of the children's initiatives fund previously administered by a different state agency pursuant to section 50(f) of 2016 House Substitute for Senate Bill No. 161, the director of the budget shall direct the director of accounts and reports to create any new required special revenue fund or funds in the newly appointed administering authority and transfer all associated appropriations and expenditure authority.

(b) In addition to the other purposes for which expenditures may be made by the Kansas children's cabinet from the children's cabinet administration account of the Kansas endowment for youth fund for fiscal year 2017 by section 111(d) of chapter 104 of the 2015 Session Laws of Kansas, section 50 of 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures shall be made by the Kansas children's cabinet from the children's cabinet administration account for fiscal year 2017 to determine which state agency shall be the administrative authority for the Kansas children's cabinet: *Provided*, That if the Kansas children's cabinet determines that the administrative authority for the Kansas children's cabinet is different than the administrative authority in fiscal year 2016, the Kansas children's cabinet shall certify such change to the director of the budget and the director of legislative research: *Provided further*, That upon receipt of such certification, the director of the budget shall direct the director of accounts and reports to create: (1) Any new, required special revenue fund or funds in the newly appointed administrative authority and transfer all associated appropriations and expenditure authority; and (2) any new, required account of the Kansas endowment for youth fund in the newly appointed administrative authority and transfer all associated appropriations and reappropriations.

(c) If the Kansas department for children and families authorizes an expenditure of moneys from the temporary assistance for needy families federal fund in fiscal year 2017 for programs, projects, improvements, services and other purposes administered by another agency pursuant to section 50(e) of 2016 House Substitute for Senate Bill No. 161, the director of the budget shall direct the director of accounts and reports to create a temporary assistance for needy families federal fund with no limit expenditure authority in the agency designated to receive temporary assistance for needy families funding.

Sec. 38. (a) On the effective date of this act, during fiscal year 2016, the expenditure limitations on the accounts in the children's initiatives fund, the state economic development initiatives fund and the state water plan fund shall be decreased by the amount of moneys transferred to the state general fund pursuant to the certifications of section 80(s) of chapter 104 of the 2015 Session Laws of Kansas concerning information technology projects.

(b) On July 1, 2016, during fiscal year 2017, the expenditure limitations on the accounts in the children's initiatives fund, the state economic development initiatives fund and the state water plan fund shall be decreased by the amount of moneys transferred to the state general fund pursuant to the certifications of section 81(s) of chapter 104 of the 2015 Session Laws of Kansas concerning information technology projects.

(c) On July 1, 2016, during fiscal year 2017, the term "information technology projects" referred to in sections 81(s) and 170(c) of chapter 104 of the 2015 Session Laws of Kansas and section 95(b) of 2016 House Substitute for Senate Bill No. 161, shall include information technology-related expenditures including: (1) Services, labor (full-time, part-time or contract), contract payments, purchases related to planning, designing, developing, testing, implementing, training, operating, supporting, securing and maintaining any of the data, applications and/or technologies listed in this subsection; (2) all data under the custodianship of the executive branch; (3) all computer applications under the custodianship of the executive branch; and (4) all technology, digital information involving any form of computer storage, including, but not limited to, mainframes, servers, networks and network-related items, including switches, routers, cables, fiber, telecommunications and personal computer's, laptops, tab-

let computers, mobile phones, digital storage in any form or format, printers and fax machines, and cloud computing.

Sec. 39. (a) During the fiscal ending June 30, 2017, in addition to the other purposes for which expenditures may be made by the chief executive officer of the state board of regents, from moneys appropriated from the state general fund or any special revenue fund or funds for the state board of regents for fiscal year 2017 by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures shall be made by the chief executive officer of the state board of regents from the state general fund or from any special revenue fund or funds for fiscal year 2017, for and on behalf of Kansas state university to sell and convey all of the rights, title and interest in the following described tracts of real estate, improvements thereon and easements, all located in Riley county, Kansas, subject to the provisions of this section:

A tract of land in the West Half of Section 1, Township 11 South, Range 07 East of the Sixth Principal Meridian, Riley County, Kansas described as follows:

Beginning at a point that is S 01°44'12" E 2518.00 feet from the Northwest Corner of the West Half of said Section 1, said point being the Northwest Corner of the Raleigh L. Eggers and Miriam Glee Eggers tract recorded in Book 693 pages 297-300 in the Riley County Registrar of Deeds Office: hence N 01°44'12" W 10.25 along the West Line of the Northwest Quarter of said Section 1: hence S 89°55'25" E 324.06 feet to a point on the North of the said Eggers tract: hence S 88°15'48" W 323.90 feet to the point of beginning, containing 1660 square feet. Subject to easements and restrictions of record.

(b) Conveyance of such rights, title and interest in such real estate, improvements thereon and easements, shall be in accordance with the procedures prescribed therefor by the state board of regents and shall be executed in the name of the state board of regents by its chairperson and chief executive officer. All proceeds from the sale of such real estate, improvements thereon and easements shall be deposited in the state treasury to the credit of the gifts account of the restricted fees fund of Kansas state university — extension systems and agriculture research programs.

(c) No conveyance of real estate, improvements thereon and easements authorized by this section shall be made or accepted by the state board of regents until the deeds, titles and conveyances have been reviewed and approved by the attorney general.

Sec. 40. (a) On the effective date of this act, the provisions of section 179 of chapter 104 of the 2015 Session Laws of Kansas are hereby declared to be null and void and shall have no force and effect.

Sec. 41. (a) During fiscal year 2016 and fiscal year 2017, notwithstanding any other provision of law, no state agency shall expend any moneys appropriated for fiscal year 2016 or fiscal year 2017 from the state general fund or from any special revenue fund or funds by chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature to integrate, consolidate or otherwise alter the structure of the following home and community based waiver services under the Kansas program of medical assistance, or to submit to the centers for medicare and medicaid services any proposal to integrate, consolidate or alter such waiver services, if such integration, consolidation or alteration is designed or intended to be implemented before fiscal year 2019: Medical services; behavioral health services; transportation; nursing facilities; other long-term care; autism; frail elderly; technology assistance; physical disability; traumatic brain injury; intellectual/developmental disability; or serious emotional disturbance: *Provided*, That the department for health and environment and the Kansas department for aging and disability services shall prepare and submit reports to the house committee on appropriations, the senate committee on ways and means and the Robert G. (Bob) Bethell joint committee on home and community based services and KanCare oversight on or before January 1, 2017, and March 1, 2017, describing the status of any plan to integrate, consolidate or structurally alter such waiver services, including

any proposed waiver applications or amendments, any service definitions and the proposed rate structure for each such service.

Sec. 42. (a) In addition to the other purposes for which expenditures may be made by any executive branch state agency during fiscal year 2017, if expenditures are made by such state agency for a parent education grant program, then expenditures shall be made by such state agency from moneys appropriated for fiscal year 2017 by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature to require that such program expenditures shall be matched by the school district in an amount which is equal to not less than 65% of the grant.

Sec. 43. (a) In addition to the exceptions established in section 98(c) of 2016 House Substitute for Senate Bill No. 161, during fiscal year 2016, the provisions of section 98(a)(1) of 2016 House Substitute for Senate Bill No. 161 and during fiscal year 2017, the provisions of section 98(a)(2) of 2016 House Substitute for Senate Bill No. 161 shall not apply to any item of appropriation which provides funding for any state agency for domestic violence prevention grants.

Sec. 44. During the fiscal year ending June 30, 2017, the provisions of section 99 of 2016 House Substitute for Senate Bill No. 161 establishing expenditure limitations for any special revenue fund for fiscal year 2017 shall not apply to the Johnson county education research triangle fund (682-00-2393-2390) of the university of Kansas.

Sec. 45. (a) In addition to the exceptions established in section 98(c) of 2016 House Substitute for Senate Bill No. 161, during fiscal year 2016, the provisions of section 98(a)(1) of 2016 House Substitute for Senate Bill No. 161 and during fiscal year 2017, the provisions of section 98(a)(2) of 2016 House Substitute for Senate Bill No. 161 shall not apply to any item of appropriation which provides funding to any state agency for school districts educating students in kindergarten or any of the grades one through 12.

Sec. 46. During fiscal year 2016 and fiscal year 2017, if any state agency submits a request for proposal for an entity to provide services and management at Larned state hospital or Osawatomie state hospital, such request for proposal shall include a requirement for an electronic medical record solution for records at Larned state hospital or Osawatomie state hospital: *Provided*, That any such electronic medical record solution shall: (a) Implement ongoing support of electronic health records developed on a fully integrated architecture that includes pharmacy and the revenue cycle; (b) provide a clinical, operational and financial system that meets federal regulatory standards, including standards for reimbursement; and (c) enable the exchange of health information with outside electronic medical record systems, public health organizations, clinicians, administrative staff and provider organizations and enable physicians to view health data within the physician's workflow from other providers across care delivery venues: *Provided further*, That any such electronic medical record solution may be hosted at a location remote from Larned state hospital or Osawatomie state hospital but shall not host patient data offshore: *Provided, however*, That the selection of any entity to provide such services and management at Larned state hospital or Osawatomie state hospital shall be approved in an act of the legislature or an appropriation act of the legislature pursuant to the provisions of section 100 of 2016 House Substitute for Senate Bill No. 161.

Sec. 47. On the effective date of this act, notwithstanding the provisions of any statute, no state agency shall expend any moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2016 or fiscal year 2017 as authorized by chapters 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature, to demolish the Docking state office building or to reconstruct, relocate, or renovate the power plant or energy center without prior specific authorization by an act of the legislature or an appropriation act of the legislature: *Provided*, That no expenditures may be made from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2016 or fiscal year

2017 as authorized by chapters 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature by any state agency to sell, lease, transfer or otherwise convey the land on which building no. 3 (Docking state office building) is situated without prior specific authorization in an act of the legislature or an appropriation act of the legislature.

Sec. 48. During the fiscal year ending June 30, 2017, notwithstanding the provisions of section 98(a) of 2016 House Substitute for Senate Bill No. 161, if the director of the budget uses the allotment authority granted under section 98(a) of 2016 House Substitute for Senate Bill No. 161, which applies to any state educational institution, as defined in K.S.A. 76-711, and amendments thereto, such allotment shall be calculated as a uniform percentage amount from the total of all operating budget accounts of the state general fund and any special revenue fund or funds of each state educational institution.

Sec. 49. (a) In addition to the other purposes for which expenditures may be made by state agencies from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2017 as authorized by chapter 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this or other appropriation act of the 2016 or 2017 regular session of the legislature, expenditures shall be made by state agencies from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2017 for the purpose of identifying all surplus real estate of state agencies and seeking to market such surplus real estate in order to receive the best price for the state, as soon as practicable. All surplus real estate to be sold pursuant to this section shall be identified and approved for sale by the secretary of administration by November 1, 2016.

(b) Any sale of surplus real estate pursuant to this section shall not be subject to the provisions of K.S.A. 75-3043a, and amendments thereto. The secretary of administration or the secretary's designee shall approve any sale price of any surplus real estate before such property is offered for sale.

(c) (1) Notwithstanding the provisions of K.S.A. 75-6609(f), and amendments thereto, any proceeds from the sale of such surplus real estate, after deduction of the expenses of such sale, shall be deposited in the state treasury as prescribed by this subsection. All proceeds from each such sale deposited in the state treasury shall be credited to the surplus real estate fund or another appropriate special revenue fund of the state agency which owned the surplus real estate, as is prescribed by law or as may be determined by the state agency, unless otherwise required by restrictions of the state's title to the real estate being sold.

(2) The amount of expenses and the costs for each sale of surplus real estate pursuant to this section shall be transferred and credited to the property contingency fund created under K.S.A. 75-3652, and amendments thereto, and may be expended for any operations of the department of administration.

(3) Any state agency owning real estate may apply to the director of accounts and reports to establish a surplus real estate special revenue fund in the state treasury. Subject to the provisions of appropriation acts, moneys in a surplus real estate special revenue fund may be expended for the operating expenditures of the state agency.

(d) The provisions of this section shall expire on June 30, 2017.

Sec. 50. (a) During the fiscal year ending June 30, 2016, if the director of the budget lapses or transfers any amount pursuant to section 98(a)(1) of 2016 House Substitute for Senate Bill No. 161 from the state general fund or from the expanded lottery act revenues fund that would be attributable to employer contributions for any state agency, pursuant to K.S.A. 2015 Supp. 74-4920, as amended by 2016 House Substitute for Senate Bill No. 161, the director of the budget shall certify such amount or amounts. Such amount or amounts shall be repaid with an interest rate of 8% per annum to the Kansas public employees retirement fund from the state general fund, in the manner prescribed in this section.

(b) On June 30, 2017, the director of the budget and the director of legislative research shall certify the amount which the actual tax receipt revenues to the state general fund exceed the April, 2017, joint estimate

of revenue pursuant to K.S.A. 75-6701, and amendments thereto. Upon receipt of such certification, the director of accounts and reports shall transfer such certified amount from the state general fund to the Kansas public employees retirement fund to repay the amount lapsed or transferred pursuant to subsection (a), including any interest payments.

(c) If any amounts remain to be repaid from the amount lapsed or transferred pursuant to subsection (a), including any interest payments, on June 30, 2017, notwithstanding the provisions of K.S.A. 38-2102, and amendments thereto, or any other statute, the director of the budget and the director of legislative research shall certify the amount of moneys received by the state pursuant to the tobacco litigation settlement agreements entered into by the attorney general on behalf of the state of Kansas, or pursuant to any judgment rendered, regarding the litigation against tobacco industry companies and related entities which are in excess of all expenditures or transfers that have been made from the Kansas endowment for youth fund, as provided by law in the fiscal year ending June 30, 2017. Upon receipt of such certification, the director of accounts and reports shall transfer such certified amount from the state general fund to the Kansas public employees retirement fund to repay the amount lapsed or transferred pursuant to subsection (a), including any interest payments.

(d) If any amounts remain to be repaid from the amount lapsed or transferred pursuant to subsection (a), including any interest payments, on June 30, 2018, the director of the budget and the director of legislative research shall certify the amount which the actual tax receipt revenues to the state general fund exceed the April, 2018, joint estimate of revenue pursuant to K.S.A. 75-6701, and amendments thereto. Upon receipt of such certification, the director of accounts and reports shall transfer such certified amount from the state general fund to the Kansas public employees retirement fund to repay the amount lapsed or transferred pursuant to subsection (a), including any interest payments.

(e) If any amounts remain to be repaid from the amount lapsed or transferred pursuant to subsection (a), including any interest payments, on June 30, 2018, notwithstanding the provisions of K.S.A. 38-2102, and amendments thereto, or any other statute, the director of the budget and the director of legislative research shall certify the amount of moneys received by the state pursuant to the tobacco litigation settlement agreements entered into by the attorney general on behalf of the state of Kansas, or pursuant to any judgment rendered, regarding the litigation against tobacco industry companies and related entities which are in excess of all expenditures or transfers that have been made from the Kansas endowment for youth fund, as provided by law in the fiscal year ending June 30, 2018. Upon receipt of such certification, the director of accounts and reports shall transfer such certified amount from the Kansas endowment for youth fund to the Kansas public employees retirement fund to repay the amount lapsed or transferred pursuant to subsection (a), including any interest payments.

(f) If any amounts remain to be repaid from the amount lapsed or transferred pursuant to subsection (a), including any interest payments, on June 30, 2018, after the transfers pursuant to subsections (b) through (e) have been made from the state general fund to the Kansas public employees retirement fund, the director of the budget and the director of legislative research shall certify the remaining amount to be repaid from the amount lapsed or transferred pursuant to subsection (a), including any interest payments. Upon receipt of such certification, the director of accounts and reports shall transfer such certified amount from the state general fund to the Kansas public employees retirement fund.

Sec. 51. K.S.A. 2015 Supp. 74-4914d, as amended by section 106 of House Substitute for Senate Bill No. 161, is hereby amended to read as follows: 74-4914d. (1) Any additional cost resulting from the normal retirement date and retirement before such normal retirement date for security officers as provided in K.S.A. 74-4914c, and amendments thereto, and disability benefits as provided in K.S.A. 74-4914e, and amendments thereto, shall be added to the employer rate of contribution for the department of corrections as otherwise determined under K.S.A. 74-4920, and amendments thereto, except that the employer rate of contribution for the department of corrections including any such additional

cost added to such employer rate of contribution pursuant to this section shall in no event exceed the employer rate of contribution for the department of corrections for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which security officers contribute during the period: (a) For the fiscal year commencing in calendar years 2010 through 2012, an amount not to exceed more than 0.6% of the amount of the immediately preceding fiscal year; (b) for the fiscal year commencing in calendar year 2013, an amount not to exceed more than 0.9% of the amount of the immediately preceding fiscal year; (c) for the fiscal year commencing in calendar year 2014, an amount not to exceed more than 1% of the amount of the immediately preceding fiscal year; (d) for the fiscal year commencing in calendar year 2015, the employer rate of contribution shall be 10.91%; ~~except as provided by K.S.A. 74-4920(17), and amendments thereto;~~ (e) for the fiscal year commencing in calendar year 2016, the employer rate of contribution shall be 10.81%; ~~except as provided by K.S.A. 74-4920(18), and amendments thereto;~~ and (f) in each subsequent calendar year, an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year, to be calculated ~~as if no certification is made reducing or increasing the rate of employer contribution as provided in K.S.A. 74-4920(17) or (18), and amendments thereto without regard to transfers made pursuant to section 50 of this act.~~ As used in this section, “capitalized interest” means interest payments on the bonds that are prefunded or financed from bond proceeds as part of the issue for a specified period of time in order to offset one or more initial debt service payments.

Sec. 52. K.S.A. 2015 Supp. 74-4920, as amended by section 107 of House Substitute for Senate Bill No. 161, is hereby amended to read as follows: 74-4920. (1) (a) Upon the basis of each annual actuarial valuation and appraisal as provided for in K.S.A. 74-4908(3)(a), and amendments thereto, the board shall certify, on or before July 15 of each year, to the division of the budget in the case of the state and to the agent for each other participating employer an actuarially determined estimate of the rate of contribution which will be required, together with all accumulated contributions and other assets of the system, to be paid by each such participating employer to pay all liabilities which shall exist or accrue under the system, including amortization of the actuarial accrued liability as determined by the board. The board shall determine the actuarial cost method to be used in annual actuarial valuations, to determine the employer contribution rates that shall be certified by the board. Such certified rate of contribution, amortization methods and periods and actuarial cost method shall be based on the standards set forth in K.S.A. 74-4908(3)(a), and amendments thereto, and shall not be based on any other purpose outside of the needs of the system.

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

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

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

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

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

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

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

(ii) Except as specifically provided in this subsection, for the fiscal years commencing in the following calendar years, the rate of contribution certified to the state of Kansas and to the participating employers under K.S.A. 74-4931, and amendments thereto, shall in no event exceed the state's contribution rate for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which members contribute during the period: (A) For the fiscal year commencing in calendar years 2010 through 2012, an amount not to exceed more than 0.6% of the amount of the immediately preceding fiscal year; (B) for the fiscal year commencing in calendar year 2013, an amount not to exceed more than 0.9% of the amount of the immediately preceding fiscal year; (C) for the fiscal year commencing in calendar year 2014, an amount not to exceed more than 1% of the amount of the immediately preceding fiscal year; (D) for the fiscal year commencing in calendar year 2015, the employer rate of contribution shall be 10.91%; ~~except as provided by subsection (17);~~ (E) for the fiscal year commencing in calendar year 2016, the employer rate of contribution shall be 10.81%; ~~except as provided by subsection (18);~~ and (F) in each subsequent calendar year, an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year to be calculated ~~as if no certification is made reducing or increasing the rate of employer contribution as provided in subsection (17) or (18) without regard to transfers made pursuant to section 50 of this act.~~ As used in this subsection, "capitalized interest" means interest payments on the bonds that are pre-funded or financed

from bond proceeds as part of the issue for a specified period of time in order to offset one or more initial debt service payments.

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

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

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

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

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

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

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

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

(9) Notwithstanding the provisions of subsection (8), the actuarial cost of the provisions of K.S.A. 74-49,109 et seq., and amendments thereto, shall be first reflected in employer contribution rates effective

with the first day of the first payroll period for the fiscal year 2005. The actuarial accrued liability incurred for the provisions of K.S.A. 74-49,109 et seq., and amendments thereto, shall be amortized over 10 years.

(10) The cost of the postretirement benefit payment provided pursuant to the provisions of K.S.A. 2015 Supp. 74-49,114b, and amendments thereto, for retirants other than local retirants as described in subsection (11) or insured disability benefit recipients shall be paid in the fiscal year commencing on July 1, 2007.

(11) The actuarial accrued liability incurred for the provisions of K.S.A. 2015 Supp. 74-49,114b, and amendments thereto, for the KPERS local group and retirants who were employees of local employers which affiliated with the Kansas police and firemen's retirement system shall be amortized over 10 years.

(12) The cost of the postretirement benefit payment provided pursuant to the provisions of K.S.A. 2015 Supp. 74-49,114c, and amendments thereto, for retirants other than local retirants as described in subsection (13) or insured disability benefit recipients shall be paid in the fiscal year commencing on July 1, 2008.

(13) The actuarial accrued liability incurred for the provisions of K.S.A. 2015 Supp. 74-49,114c, and amendments thereto, for the KPERS local group and retirants who were employees of local employers which affiliated with the Kansas police and firemen's retirement system shall be amortized over 10 years.

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

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

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

~~(17) On and after the effective date of this act, during the fiscal year ending June 30, 2016, if the director of the budget lapses or transfers any amount from the state general fund or from any special revenue fund or funds that would be attributable to employer contributions for any state agency pursuant to section 98(a)(1) of this act, the director of the budget shall certify such amount or amounts and transmit such certification to the board. Upon receipt of such certification, the board shall certify the employer rate of contribution for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, for the fiscal year ending June 30, 2016, at 10.91% minus a percentage of compensation that corresponds to the dollar amount certified by the director of the budget pursuant to this subsection.~~

~~(18) On July 1, 2016, if the director of the budget lapses or transferred any amount from the state general fund or from any special revenue fund or funds that would be attributable to employer contributions for any state agency during the fiscal year ending June 30, 2016, pursuant to section 98(a)(1) of this act, the board shall certify the employer rate of contribution for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, for the first quarter of the fiscal year ending June 30, 2017, at 10.81% plus a percentage of compensation that corresponds to four times the dollar amount, plus 8%, certified by the director of the budget pursuant to subsection (17). For the final three quarters of the fiscal year ending June 30, 2017, the board shall certify~~

~~the employer rate of contribution for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, at 10.81%.~~

~~(19) An amount of money corresponding to the employer rate of contribution for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, for the first quarter of the fiscal year ending June 30, 2017, established in subsection (18) shall be paid by the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, to the Kansas public employees retirement fund on or before September 30, 2016.~~

Sec. 53. K.S.A. 2015 Supp. 74-99b34, as amended by section 109 of 2016 House Substitute for Senate Bill No. 161, is hereby amended to read as follows: 74-99b34. (a) The bioscience development and investment fund is hereby created. The bioscience development and investment fund shall not be a part of the state treasury and the funds in the bioscience development and investment fund shall belong exclusively to the authority.

(b) Distributions from the bioscience development and investment fund shall be for the exclusive benefit of the authority, under the control of the board and used to fulfill the purpose, powers and duties of the authority pursuant to the provisions of K.S.A. 2015 Supp. 74-99b01 et seq., and amendments thereto.

(c) The secretary of revenue and the authority shall establish the base year taxation for all bioscience companies and state universities. The secretary of revenue, the authority and the board of regents shall establish the number of bioscience employees associated with state universities and report annually and determine the increase from the taxation base annually. The secretary of revenue and the authority may consider any verifiable evidence, including, but not limited to, the NAICS code assigned or recorded by the department of labor for companies with employees in Kansas, when determining which companies should be classified as bioscience companies.

(d) (1) Except as provided in subsection (d)(2), (d)(3), (h), (i) or (j), for a period of 15 years from the effective date of this act, the state treasurer shall pay annually 95% of withholding above the base, as certified by the secretary of revenue, upon Kansas wages paid by bioscience employees to the bioscience development and investment fund. Such payments shall be reconciled annually. On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the bioscience development and investment fund interest earnings based on:

(A) The average daily balance of moneys in the bioscience development and investment fund for the preceding month; and

(B) the net earnings rate of the pooled money investment portfolio for the preceding month.

(2) (A) For fiscal year 2016, fiscal year 2017 and fiscal year 2018, the first \$1,000,000 that the secretary of revenue certifies to the state treasurer of the annual 95% of withholding above the base, upon Kansas wages paid by bioscience employees, shall be transferred by the director of accounts and reports from the state general fund to the following: The center of innovation for biomaterials in orthopaedic research — Wichita state university fund.

(B) There is hereby established in the state treasury the center of innovation for biomaterials in orthopaedic research — Wichita state university fund which shall be administered by Wichita state university. All moneys credited to the fund shall be used for research and development. All expenditures from the center of innovation for biomaterials in orthopaedic research — Wichita state university fund shall be made in accordance with appropriation acts and upon warrants of the director of accounts and reports issued pursuant to expenditures approved by the president of Wichita state university or by the person or persons designated by the president of Wichita state university.

(3) (A) For fiscal year 2016, fiscal year 2017 and fiscal year 2018, the next \$5,000,000 that the secretary of revenue certifies to the state treasurer of the annual 95% of withholding above the base, upon Kansas wages paid by bioscience employees above the first \$1,000,000 certified pursuant to subsection (d)(2)(A), shall be transferred by the director of

accounts and reports from the state general fund to the following: The national bio agro-defense facility fund at Kansas state university.

(B) There is hereby established in the state treasury the national bio agro-defense facility fund which shall be administered by Kansas state university in accordance with the strategic plan adopted by the governor's national bio agro-defense facility steering committee. All moneys credited to the fund shall be used in accordance with the governor's national bio agro-defense facility steering committee's plan with the approval of the president of Kansas state university. All expenditures from the national bio agro-defense facility fund shall be made in accordance with appropriation acts and upon warrants of the director of accounts and reports issued pursuant to expenditures approved by the steering committee and the president of Kansas state university or by the person or persons designated by the president of Kansas state university.

(e) The cumulative amounts of funds paid by the state treasurer to the bioscience development and investment fund shall not exceed \$581,800,000.

(f) The division of post audit is hereby authorized to conduct a post audit in accordance with the provisions of the legislative post audit act, K.S.A. 46-1106 et seq., and amendments thereto.

(g) At the direction of the authority, the fund may be held in the custody of and invested by the state treasurer, provided that the bioscience development and investment fund shall at all times be accounted for in a separate report from all other funds of the authority and the state.

(h) During the fiscal year ending June 30, 2016, the aggregate amount that is directed to be transferred from the state general fund to the bioscience development and investment fund pursuant to subsection (d)(1) plus interest earnings pursuant to subsection (d)(1) shall not exceed ~~\$8,000,000~~ \$6,997,663 for such fiscal year.

(i) During the fiscal year ending June 30, 2017, the aggregate amount that is directed to be transferred from the state general fund to the bioscience development and investment fund pursuant to subsection (d)(1) plus interest earnings pursuant to subsection (d)(1) shall not exceed \$6,000,000 for such fiscal year.

(j) During the fiscal year ending June 30, 2018, the aggregate amount that is directed to be transferred from the state general fund to the bioscience development and investment fund pursuant to subsection (d)(1) plus interest earnings pursuant to subsection (d)(1) shall not exceed \$6,000,000 for such fiscal year.

Sec. 54. K.S.A. 2015 Supp. 74-4914d, as amended by section 106 of House Substitute for Senate Bill No. 161, 74-4920, as amended by section 107 of 2016 House Substitute for Senate Bill No. 161, and 74-99b34, as amended by section 109 of 2016 House Substitute for Senate Bill No. 161, are hereby repealed.

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

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

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

Sec. 57. *Savings.* (a) Any unencumbered balance as of June 30, 2016, in any special revenue fund, or account thereof, of any state agency named in chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161 or this act which is not otherwise specifically appropriated or limited for fiscal year 2017 by chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this act or any other appropriation act of the 2016 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 2017, for the same use and purpose as the same was heretofore appropriated.

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

Sec. 58. (a) During the fiscal year ending June 30, 2017, all moneys which are lawfully credited to and available in any bond special revenue fund, which are not otherwise specifically appropriated or limited by chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this act or other appropriation act of the 2016 regular session of the legislature, are hereby appropriated for the fiscal year ending June 30, 2017, for the state agency for which the bond special revenue fund was established for the purposes authorized by law for expenditures from such bond special revenue fund.

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

Sec. 59. *Federal grants.* (a) During the fiscal year ending June 30, 2017, each federal grant or other federal receipt which is received by a state agency named in chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161 or this act and which is not otherwise appropriated to that state agency for fiscal year 2017 by chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this act or other appropriation act of the 2016 regular session of the legislature, is hereby appropriated for fiscal year 2017 for that state agency for the purpose set forth in such federal grant or receipt, except that no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appropriated or reappropriated or approved for expenditure by the governor, for fiscal year 2017, until the governor has authorized the state agency to make expenditures from such federal grant or other federal receipt for fiscal year 2017.

(b) In addition to the other purposes for which expenditures may be made by any state agency which is named in chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161 or this act and which is not otherwise authorized by law to apply for and receive federal grants, expenditures may be made by such state agency from moneys appropriated for fiscal year 2017 by chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this act or any other appropriation act of the 2016 regular session of the legislature to apply for and receive federal grants during fiscal year 2017, which federal grants are hereby authorized to be applied for and received by such state agencies: *Provided*, That no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appropriated or reappropriated or approved for expenditure by the governor, until the governor has authorized the state agency to make expenditures therefrom.

Sec. 60. (a) Any correctional institutions building fund appropriation heretofore appropriated to any state agency named in chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this act or other appropriation act of the 2016 regular session of the legislature, and having an unencumbered balance as of June 30, 2016, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 2017, for the same uses and purposes as originally appropriated unless specific provision is made for lapsing such appropriation.

(b) This section shall not apply to the unencumbered balance in any account of the correctional institutions building fund that was encumbered for any fiscal year commencing prior to July 1, 2015.

Sec. 61. (a) Any Kansas educational building fund appropriation heretofore appropriated to any institution named in chapter 4, 81 or 104 of

the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this act or other appropriation act of the 2016 regular session of the legislature and having an unencumbered balance as of June 30, 2016, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 2017, for the same use and purpose as originally appropriated, unless specific provision is made for lapsing such appropriation.

(b) This section shall not apply to the unencumbered balance in any account of the Kansas educational building fund that was encumbered for any fiscal year commencing prior to July 1, 2015.

Sec. 62. (a) Any state institutions building fund appropriation heretofore appropriated to any state agency named in chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161, this act or other appropriation act of the 2016 regular session of the legislature and having an unencumbered balance as of June 30, 2016, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 2017, for the same use and purpose as originally appropriated, unless specific provision is made for lapsing such appropriation.

(b) This section shall not apply to the unencumbered balance in any account of the state institutions building fund that was encumbered for any fiscal year commencing prior to July 1, 2015.

Sec. 63. (a) Any transfers of money during the fiscal year ending June 30, 2017, from any special revenue fund of any state agency named in chapter 4, 81 or 104 of the 2015 Session Laws of Kansas, 2016 House Substitute for Senate Bill No. 161 or this act to the audit services fund of the division of post audit under K.S.A. 46-1121, and amendments thereto, shall be in addition to any expenditure limitation imposed on any such fund for the fiscal year ending June 30, 2017.

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

I hereby certify that the above BILL originated in the
SENATE, and passed that body

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

Passed the HOUSE
as amended _____

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.