

HOUSE BILL No. 2121

By Committee on Appropriations

1-31

1 AN ACT making and concerning appropriations for the fiscal years ending
2 June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022, June 30,
3 2023, and June 30, 2024, for the state agencies; authorizing certain
4 transfers, capital improvement projects and fees, imposing certain
5 restrictions and limitations, and directing or authorizing certain
6 receipts, disbursements, procedures and acts incidental to the
7 foregoing; amending K.S.A. 2018 Supp. 75-4209 and 75-6706 and
8 repealing the existing sections; also repealing K.S.A. 2018 Supp. 75-
9 6707.

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

12 Section 1. (a) For the fiscal years ending June 30, 2019, June 30,
13 2020, June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024,
14 appropriations are hereby made, restrictions and limitations are hereby
15 imposed, and transfers, capital improvement projects, fees, receipts,
16 disbursements, procedures and acts incidental to the foregoing are hereby
17 directed or authorized as provided in this act.

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

22 (c) This act shall not be subject to the provisions of K.S.A. 75-
23 6702(a), and amendments thereto.

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

26 Sec. 2.

27 **BOARD OF ACCOUNTANCY**

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

33 Sec. 3.

34 **STATE BANK COMMISSIONER**

35 (a) On the effective date of this act, the expenditure limitation
36 established for the fiscal year ending June 30, 2019, by the state finance

1 council by section 114(f) of chapter 109 of the 2018 Session Laws of
2 Kansas on the bank commissioner fee fund (094-00-2811) of the state
3 bank commissioner is hereby decreased from \$11,542,856 to \$11,356,673.

4 Sec. 4.

5 KANSAS STATE BOARD OF COSMETOLOGY

6 (a) On the effective date of this act, the expenditure limitation
7 established for the fiscal year ending June 30, 2019, by the state finance
8 council by section 114(f) of chapter 109 of the 2018 Session Laws of
9 Kansas on the cosmetology fee fund (149-00-2706-0100) of the Kansas
10 state board of cosmetology is hereby increased from \$1,055,134 to
11 \$1,059,134.

12 Sec. 5.

13 KANSAS DENTAL BOARD

14 (a) On the effective date of this act, the expenditure limitation
15 established for the fiscal year ending June 30, 2019, by the state finance
16 council by section 114(f) of chapter 109 of the 2018 Session Laws of
17 Kansas on the dental board fee fund (167-00-2708-0100) of the Kansas
18 dental board is hereby decreased from \$427,804 to \$414,000.

19 (b) On the effective date of this act, the expenditure limitation for
20 official hospitality established for the fiscal year ending June 30, 2019, by
21 section 17(a) of chapter 104 of the 2017 Session Laws of Kansas on the
22 dental board fee fund (167-00-2708-0100) of the Kansas dental board is
23 hereby increased from \$500 to \$750.

24 Sec. 6.

25 KANSAS BOARD OF EXAMINERS IN FITTING
26 AND DISPENSING OF HEARING INSTRUMENTS

27 (a) On the effective date of this act, the expenditure limitation
28 established for the fiscal year ending June 30, 2019, by section 19(a) of
29 chapter 104 of the 2017 Session Laws of Kansas on the hearing instrument
30 board fee fund (266-00-2712-9900) of the Kansas board of examiners in
31 fitting and dispensing of hearing instruments is hereby increased from
32 \$26,290 to \$26,996.

33 Sec. 7.

34 BOARD OF NURSING

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

40 Sec. 8.

41 STATE BOARD OF PHARMACY

42 (a) On the effective date of this act, the expenditure limitation
43 established for the fiscal year ending June 30, 2019, by the state finance

1 council by section 114(f) of chapter 109 of the 2018 Session Laws of
2 Kansas on the state board of pharmacy fee fund (531-00-2718-0100) of the
3 state board of pharmacy is hereby increased from \$1,622,639 to
4 \$1,663,690.

5 Sec. 9.

6 KANSAS REAL ESTATE COMMISSION

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

12 Sec. 10.

13 STATE BOARD OF TECHNICAL PROFESSIONS

14 (a) On the effective date of this act, the expenditure limitation
15 established for the fiscal year ending June 30, 2019, by the state finance
16 council by section 114(f) of chapter 109 of the 2018 Session Laws of
17 Kansas on the technical professions fee fund (663-00-2729-0100) of the
18 state board of technical professions is hereby decreased from \$764,182 to
19 \$763,182.

20 Sec. 11.

21 STATE BOARD OF VETERINARY EXAMINERS

22 (a) On the effective date of this act, the expenditure limitation
23 established for the fiscal year ending June 30, 2019, by the state finance
24 council by section 114(f) of chapter 109 of the 2018 Session Laws of
25 Kansas on the veterinary examiners fee fund (700-00-2727-1100) of the
26 state board of veterinary examiners is hereby decreased from \$360,653 to
27 \$359,953.

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

31 Sec. 12.

32 DIVISION OF POST AUDIT

33 (a) On the effective date of this act, of the \$2,499,604 appropriated
34 for the above agency for the fiscal year ending June 30, 2019, by section
35 34(a) of chapter 104 of the 2017 Session Laws of Kansas from the state
36 general fund in the operations (including legislative post audit committee)
37 account (540-00-1000-0100), the sum of \$244,600 is hereby lapsed.

38 Sec. 13.

39 STATE TREASURER

40 (a) On the effective date of this act, the expenditure limitation
41 established for the fiscal year ending June 30, 2019, by the state finance
42 council by section 114(f) of chapter 109 of the 2018 Session Laws of
43 Kansas on the state treasurer operating fund (670-00-2374-2300) of the

1 state treasurer is hereby decreased from \$1,710,088 to \$1,680,886:
 2 *Provided*, That, notwithstanding the provisions of the uniform unclaimed
 3 property act, K.S.A. 58-3934 et seq., and amendments thereto, or any other
 4 statute, of all the moneys received under the uniform unclaimed property
 5 act, K.S.A. 58-3934 et seq., and amendments thereto, during fiscal year
 6 2019, the state treasurer is hereby authorized and directed to credit the first
 7 \$1,680,886 received and deposited in the state treasury to the state
 8 treasurer operating fund: *Provided further*, That, after such aggregate
 9 amount has been credited to the state treasurer operating fund, then all of
 10 the moneys received under the uniform unclaimed property act during
 11 fiscal year 2019 shall be credited as prescribed under the unclaimed
 12 property act, K.S.A. 58-3934 et seq., and amendments thereto: *And*
 13 *provided further*, That all moneys credited to the state treasurer operating
 14 fund during fiscal year 2019 are to reimburse the state treasurer for
 15 accounting, auditing, budgeting, legal, payroll, personnel and purchasing
 16 services and any other governmental services that are performed to
 17 administer the provisions of the uniform unclaimed property act, K.S.A.
 18 58-3934 et seq., and amendments thereto, that are not otherwise
 19 reimbursed under any other provision of law.

20 Sec. 14.

21 INSURANCE DEPARTMENT

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

27 Sec. 15.

28 STATE BOARD OF INDIGENTS' DEFENSE SERVICES

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

31 Assigned counsel expenditures (328-00-1000-0700)..... \$800,000

32 Sec. 16.

33 KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

34 (a) On the effective date of this act, or as soon thereafter as moneys
 35 are available, the director of accounts and reports shall transfer \$280,680
 36 from the MSA compliance fund (565-00-2274-2274) of the department of
 37 revenue to the Kansas endowment for youth fund (365-00-7000-2000) of
 38 the Kansas public employees retirement system.

39 (b) On the effective date of this act, the provisions of section 47(d) of
 40 chapter 109 of the 2018 Session Laws of Kansas concerning the transfer
 41 for fiscal year 2019 are hereby declared to be null and void and shall have
 42 no force and effect.

43 Sec. 17.

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STATE CORPORATION COMMISSION

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

Sec. 18.

DEPARTMENT OF ADMINISTRATION

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

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

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

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

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

Sec. 19.

DEPARTMENT OF ADMINISTRATION

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2020, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Budget stabilization fund..... No limit

Sec. 20.

DEPARTMENT OF REVENUE

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

Sec. 21.

KANSAS LOTTERY

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

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

Sec. 22.

DEPARTMENT OF COMMERCE

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

Sec. 23.

KANSAS COMMISSION ON VETERANS AFFAIRS OFFICE

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

Veterans' home rehabilitation and repair projects (694-00-8100-8250)..... \$87,632

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

Sec. 24.

1 DEPARTMENT OF HEALTH AND ENVIRONMENT –
2 DIVISION OF PUBLIC HEALTH

3 (a) There is appropriated for the above agency from the following
4 special revenue fund or funds for the fiscal year ending June 30, 2019, all
5 moneys now or hereafter lawfully credited to and available in such fund or
6 funds, except that expenditures other than refunds authorized by law shall
7 not exceed the following:

- 8 Alzheimer's association inclusion –
- 9 federal fund..... No limit
- 10 ESSA preschool development grants birth through five
- 11 federal fund..... No limit
- 12 Right-to-know fee fund (264-00-2325-2325)..... No limit
- 13 Sec. 25.

14 DEPARTMENT OF HEALTH AND ENVIRONMENT –
15 DIVISION OF HEALTH CARE FINANCE

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

18 Health policy operating expenditures (264-00-1000-0010)..... \$2,222,103

19 (b) On the effective date of this act, of the \$162,197,716 appropriated
20 for the above agency for the fiscal year ending June 30, 2019, by section
21 68(a) of chapter 109 of the 2018 Session Laws of Kansas from the state
22 general fund in the other medical assistance account (264-00-1000-3026),
23 the sum of \$29,503,110 is hereby lapsed.

24 (c) During the fiscal year ending June 30, 2019, in addition to the
25 other purposes for which expenditures may be made by the department of
26 health and environment – division of health care finance from moneys
27 appropriated from the state general fund or from any special revenue funds
28 or funds for fiscal year 2019 by chapter 104 of the 2017 Session Laws of
29 Kansas, chapter 109 of the 2018 Session Laws of Kansas, this or any other
30 appropriation act of the 2019 regular session of the legislature,
31 expenditures shall be made by the above agency from such moneys to
32 implement, and require any managed care organization providing state
33 medicaid services under the Kansas medical assistance program to
34 implement, a policy to provide at least a 60-day admission for individuals
35 requiring inpatient treatment in a psychiatric residential treatment facility,
36 as determined by a managed care organization providing state medicaid
37 services under the Kansas medical assistance program, without imposing
38 any prior authorization requirements to receive such admission or
39 treatment.

40 Sec. 26.

41 DEPARTMENT OF HEALTH AND ENVIRONMENT –
42 DIVISION OF ENVIRONMENT

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

1 special revenue fund or funds for the fiscal year ending June 30, 2019, all
2 moneys now or hereafter lawfully credited to and available in such fund or
3 funds, except that expenditures other than refunds authorized by law shall
4 not exceed the following:

5 Volkswagen environmental fund (264-00-7269-7269)..... No limit
6 Sec. 27.

7 KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES

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

10 LTC – medicaid assistance – NF

11 (039-00-1000-0520)..... \$37,535,484

12 Kansas neurological institute – operating expenditures

13 (363-00-1000-0303)..... \$853,494

14 Larned state hospital – operating expenditures

15 (410-00-1000-0103)..... \$871,031

16 Osawatomie state hospital – operating expenditures

17 (494-00-1000-0100)..... \$2,014,366

18 Osawatomie state hospital – certified care expenditures

19 (494-00-1000-0101)..... \$1,122,529

20 Parsons state hospital and training center –

21 operating expenditures (507-00-1000-0100)..... \$951,224

22 (b) There is appropriated for the above agency from the state
23 institutions building fund for the fiscal year ending June 30, 2019, for the
24 capital improvements project or projects specified, the following:

25 Isaac Ray UPS..... \$54,405

26 (c) On the effective date of this act, of the \$7,129,380 appropriated
27 for the above agency for the fiscal year ending June 30, 2019, by section
28 100(a) of chapter 104 of the 2017 Session Laws of Kansas from the state
29 general fund in the LTC – medicaid assistance – PACE account (039-00-
30 1000-0530), the sum of \$730,000 is hereby lapsed.

31 (d) On the effective date of this act, the expenditure limitation
32 established for the fiscal year ending June 30, 2019, by the state finance
33 council by section 114(f) of chapter 109 of the 2018 Session Laws of
34 Kansas on the Larned state hospital fee fund (410-00-2073-2100) of the
35 Kansas department for aging and disability services is hereby decreased
36 from \$3,961,931 to \$3,946,301.

37 (e) On the effective date of this act, the expenditure limitation
38 established for the fiscal year ending June 30, 2019, by section 72(k) of
39 chapter 109 of the 2018 Session Laws of Kansas on the Osawatomie state
40 hospital fee fund (494-00-2079-4200) of the Kansas department for aging
41 and disability services is hereby decreased from \$840,706 to \$716,362.

42 (f) On the effective date of this act, the expenditure limitation
43 established for the fiscal year ending June 30, 2019, by the state finance

1 council by section 114(f) of chapter 109 of the 2018 Session Laws of
2 Kansas on the Osawatimie state hospital certified care fund (494-00-2079-
3 4201) of the Kansas department for aging and disability services is hereby
4 decreased from \$2,664,025 to \$2,207,525.

5 (g) On the effective date of this act, the expenditure limitation
6 established for the fiscal year ending June 30, 2019, by the state finance
7 council by section 114(f) of chapter 109 of the 2018 Session Laws of
8 Kansas on the problem gambling and addictions grant fund (039-00-2371-
9 2371) of the Kansas department for aging and disability services is hereby
10 decreased from \$6,829,101 to \$6,825,996.

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

15 (i) On the effective date of this act, of the \$3,845,751 appropriated for
16 the above agency for the fiscal year ending June 30, 2019, by section
17 186(a) of chapter 104 of the 2017 Session Laws of Kansas from the state
18 institutions building fund in the debt service – new state security hospital
19 account (039-00-8100-8320), the sum of \$3,878 is hereby lapsed.

20 (j) On the effective date of this act, of the \$2,602,200 appropriated for
21 the above agency for the fiscal year ending June 30, 2019, by section
22 186(a) of chapter 104 of the 2017 Session Laws of Kansas from the state
23 institutions building fund in the debt service – state hospitals rehabilitation
24 and repair account (039-00-8100-8325), the sum of \$106 is hereby lapsed.

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

29 Sec. 28.

30 KANSAS DEPARTMENT FOR CHILDREN AND FAMILIES

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

33 State operations (including official hospitality)	
34 (629-00-1000-0013).....	\$2,836,425
35 Youth services aid and assistance (629-00-1000-7020).....	\$3,670,777

36 Sec. 29.

37 KANSAS STATE SCHOOL FOR THE BLIND

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

40 Operating expenditures (604-00-1000-0303).....	\$7,528
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41 Sec. 30.

42 KANSAS STATE SCHOOL FOR THE DEAF

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

1 fund for the fiscal year ending June 30, 2019, the following:
 2 Operating expenditures (610-00-1000-0303)..... \$84,553
 3 Sec. 31.

4 STATE HISTORICAL SOCIETY

5 (a) On the effective date of this act, the expenditure limitation
 6 established for the fiscal year ending June 30, 2019, by the state finance
 7 council by section 114(f) of chapter 109 of the 2018 Session Laws of
 8 Kansas on the heritage trust fund (288-00-7379-7600) of the state
 9 historical society for state operations is hereby increased from \$57,992 to
 10 \$59,284.

11 Sec. 32.

12 UNIVERSITY OF KANSAS

13 (a) On the effective date of this act, or as soon thereafter as moneys
 14 are available, the director of accounts and reports shall transfer amounts
 15 specified by the chancellor of the university of Kansas of not to exceed a
 16 total of \$325,000 for all such amounts, from the general fees fund (682-00-
 17 2107-2000) to the following specified funds and accounts of funds:
 18 Federal Perkins loan fund (682-00-7512-7040); educational opportunity
 19 act – federal fund (682-00-3842-3020); university federal fund (682-00-
 20 3147-3140); health professions student loan fund (682-00-7513-7050);
 21 loans for disadvantaged students fund (682-00-7510-7100).

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

25 Sec. 33.

26 STATE BOARD OF REGENTS

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

32 Sec. 34.

33 DEPARTMENT OF CORRECTIONS

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

36 Treatment and programs – medical and mental
 37 (521-00-1000-0152)..... \$1,350,944

38 (b) There is appropriated for the above agency from the following
 39 special revenue fund or funds for the fiscal year ending June 30, 2019, all
 40 moneys now or hereafter lawfully credited to and available in such fund or
 41 funds, except that expenditures other than refunds authorized by law shall
 42 not exceed the following:

43 WIOA adult activities – federal fund

1 (352-00-3270-3270)..... No limit
 2 WIOA youth activities – federal fund
 3 (352-00-3039-3039)..... No limit
 4 WIOA dislocated worker activities – federal fund
 5 (352-00-3428-3428)..... No limit
 6 (c) On the effective date of this act, of the \$3,994,250 appropriated
 7 for the above agency for the fiscal year ending June 30, 2019, by section
 8 215(c) of chapter 104 of the 2017 Session Laws of Kansas from the state
 9 institutions building fund in the debt service – Topeka complex and Larned
 10 juvenile correctional facility account (521-00-8100-8119), the sum of \$162
 11 is hereby lapsed.

12 Sec. 35.

13 ADJUTANT GENERAL

14 (a) There is appropriated for the above agency from the state general
 15 fund for the fiscal year ending June 30, 2019, the following:
 16 Operating expenditures
 17 (034-00-1000-0053)..... \$84,417
 18 Rehabilitation and repair projects
 19 (034-00-1000-8000)..... \$1,433,118

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

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

30 Sec. 36.

31 KANSAS HIGHWAY PATROL

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

38 Sec. 37.

39 KANSAS DEPARTMENT OF WILDLIFE, PARKS AND TOURISM

40 (a) On the effective date of this act, the expenditure limitation
 41 established for the fiscal year ending June 30, 2019, by the state finance
 42 council by section 114(f) of chapter 109 of the 2018 Session Laws of
 43 Kansas on the wildlife fee fund (710-00-2300-2890) of the Kansas

1 department of wildlife, parks and tourism is hereby decreased from
2 \$34,181,260 to \$33,011,277.

3 (b) On the effective date of this act, the expenditure limitation
4 established for the fiscal year ending June 30, 2019, by the state finance
5 council by section 114(f) of chapter 109 of the 2018 Session Laws of
6 Kansas on the parks fee fund (710-00-2122-2053) of the Kansas
7 department of wildlife, parks and tourism is hereby increased from
8 \$10,036,957 to \$10,543,242.

9 (c) On the effective date of this act, the expenditure limitation
10 established for the fiscal year ending June 30, 2019, by the state finance
11 council by section 114(f) of chapter 109 of the 2018 Session Laws of
12 Kansas on the boating fee fund (710-00-2245-2813) of the Kansas
13 department of wildlife, parks and tourism is hereby decreased from
14 \$1,180,077 to \$1,170,266.

15 (d) On the effective date of this act, the expenditure limitation
16 established for the fiscal year ending June 30, 2019, by the state finance
17 council by section 114(f) of chapter 109 of the 2018 Session Laws of
18 Kansas on the department access roads fund (710-00-2178-2761) of the
19 Kansas department of wildlife, parks and tourism is hereby decreased from
20 \$1,681,693 to \$1,654,684.

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

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

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

38 (h) In addition to the other purposes for which expenditures may be
39 made by the above agency from the parks fee fund for fiscal year 2019 as
40 authorized by section 226(e) of chapter 104 of the 2017 Session Laws of
41 Kansas, expenditures may be made by the above agency from the
42 following capital improvement account or accounts of the parks fee fund
43 for fiscal year 2019 for the following capital improvement project or

1 projects, subject to the expenditure limitations prescribed therefor:
 2 Parks rehabilitation and repair projects (710-00-2122-2066)..... \$180,500
 3 Debt service – Kansas City district office (710-00-2122-2058)..... \$20,594
 4 *Provided*, That all expenditures from such capital improvement accounts
 5 shall be in addition to any expenditure limitation imposed on the parks fee
 6 fund for fiscal year 2019.

7 (i) In addition to the other purposes for which expenditures may be
 8 made by the above agency from the wildlife fee fund for fiscal year 2019
 9 as authorized by section 226(g) of chapter 104 of the 2017 Session Laws
 10 of Kansas, expenditures may be made by the above agency from the
 11 following capital improvement account or accounts of the wildlife fee fund
 12 for fiscal year 2019 for the following capital improvement project or
 13 projects, subject to the expenditure limitations prescribed therefor:

14 Rehabilitation and repair (710-00-2300-3262)..... \$2,447,000
 15 *Provided*, That all expenditures from such capital improvement account
 16 shall be in addition to any expenditure limitation imposed on the wildlife
 17 fee fund for fiscal year 2019.

18 (j) In addition to the other purposes for which expenditures may be
 19 made by the above agency from the boating fee fund for fiscal year 2019
 20 as authorized by section 226(f) of chapter 104 of the 2017 Session Laws of
 21 Kansas, expenditures may be made by the above agency from the
 22 following capital improvement account or accounts of the boating fee fund
 23 for fiscal year 2019 for the following capital improvement project or
 24 projects, subject to the expenditure limitations prescribed therefor:

25 Coast guard boating projects (710-00-2245-2840)..... \$25,000
 26 *Provided*, That all expenditures from such capital improvement account
 27 shall be in addition to any expenditure limitation imposed on the boating
 28 fee fund for fiscal year 2019.

29 Sec. 38.

30 STATE FINANCE COUNCIL

31 (a) On the effective date of this act, of the \$14,900,000 appropriated
 32 for the above agency for the fiscal year ending June 30, 2019, by section
 33 114(b) of chapter 109 of the 2018 Session Laws of Kansas from the state
 34 general fund in the state employee pay increase account, the sum of
 35 \$1,143,246 is hereby lapsed.

36 Sec. 39.

37 STATE FINANCE COUNCIL

38 (a) There is appropriated for the above agency from the following
 39 special revenue fund or funds for the fiscal year ending June 30, 2020, all
 40 moneys now or hereafter lawfully credited to and available in such fund or
 41 funds, except that expenditures other than refunds authorized by law shall
 42 not exceed the following:

43 Debt prepayment fund..... No limit

1 Sec. 40. K.S.A. 2018 Supp. 75-4209 is hereby amended to read as
2 follows: 75-4209. (a) The director of investments may invest and reinvest
3 state moneys eligible for investment—~~which~~ *that* are not invested in
4 accordance with K.S.A. 75-4237, and amendments thereto, in the
5 following investments:

6 (1) Direct obligations of, or obligations that are insured as to principal
7 and interest by, the United States of America or any agency thereof and
8 obligations and securities of the United States sponsored enterprises,
9 which under federal law may be accepted as security for public funds, on
10 and after the effective date of this act moneys available for investment
11 under this subsection shall not be invested in mortgage-backed securities
12 of such enterprises and of the government national mortgage association,
13 except that any such mortgage-backed securities held prior to the effective
14 date of this act may be held to maturity;

15 (2) repurchase agreements with a bank or a primary government
16 securities dealer, which reports to the market reports division of the federal
17 reserve bank of New York for direct obligations of, or obligations that are
18 insured as to principal and interest by, the United States government or any
19 agency thereof and obligations and securities of United States government
20 sponsored enterprises, which under federal law may be accepted as
21 security for public funds;

22 (3) commercial paper that does not exceed 270 days to maturity and
23 ~~which~~ *that* has received one of the two highest commercial paper credit
24 ratings by a nationally recognized investment rating firm; and

25 (4) corporate bonds—~~which~~ *that* have received one of the two highest
26 ratings by a nationally recognized investment rating firm.

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

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

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

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

43 (f) Investments made by the director of investments under the

1 provisions of this section shall be made with judgment and care, under
2 circumstances then prevailing, which persons of prudence, discretion and
3 intelligence exercise in the management of their own affairs, not for
4 speculation, but for investment, considering the probable safety of their
5 capital as well as the probable income to be derived.

6 (g) Investments under subsection (a) or (b) or under K.S.A. 75-4237,
7 and amendments thereto, shall be for a period not to exceed four years,
8 except that linked deposits authorized under the provisions of K.S.A. 2-
9 3703 through 2-3707, and amendments thereto, shall not exceed a period
10 of 10 years; agricultural production loan deposits authorized under the
11 provisions of K.S.A. 2018 Supp. 75-4268 through 75-4274, and
12 amendments thereto, shall not exceed a period of eight years and housing
13 loan deposits authorized under K.S.A. 2018 Supp. 75-4276 through 75-
14 4282, and amendments thereto, shall not exceed a period of five years or
15 20 years, as applicable pursuant to K.S.A. 2018 Supp. 75-4279, and
16 amendments thereto.

17 (h) Investments in securities under subsection (a)(1) shall be limited
18 to securities ~~which~~ that do not have any more interest rate risk than do
19 direct United States government obligations of similar maturities. For
20 purposes of this subsection, "interest rate risk" means market value
21 changes due to changes in current interest rates.

22 (i) The director of investments shall not invest state moneys eligible
23 for investment under subsection (a), in the municipal investment pool
24 fund, created under K.S.A. 12-1677a, and amendments thereto.

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

29 (k) Moneys and investments in the pooled money investment
30 portfolio shall be invested and reinvested by the director of investments in
31 accordance with investment policies developed, approved, published and
32 updated on an annual basis by the board. Such investment policies shall
33 include at a minimum guidelines ~~which~~ that identify credit standards,
34 eligible instruments, allowable maturity ranges, methods for valuing the
35 portfolio, calculating earnings and yields and limits on portfolio
36 concentration for each type of investment. Any changes in such investment
37 policies shall be approved by the pooled money investment board. Such
38 investment policies may specify the contents of reports, methods of
39 crediting funds and accounts and other operating procedures.

40 (l) The board shall adopt rules and regulations to establish an overall
41 percentage limitation on the investment of moneys in investments
42 authorized under subsection (a)(3), and within such authorized investment,
43 the board shall establish a percentage limitation on the investment in any

1 single business entity.

2 (m) (1) During the fiscal year ending June 30, 2017, the director of
3 the budget shall estimate on or before June 27, 2017, the amount of the
4 unencumbered ending balance in the state general fund for fiscal year
5 2017. If the amount of such unencumbered ending balance in the state
6 general fund is less than \$50,000,000, the director of the budget shall
7 certify the difference between \$50,000,000, and the amount of such
8 unencumbered ending balance to the pooled money investment board.
9 Upon the liquidation of all investments and reinvestments of state moneys
10 pursuant to K.S.A. 2018 Supp. 75-2263(j), and amendments thereto, and
11 upon receipt of such certification by the director of the budget, during the
12 fiscal year ending June 30, 2017, the pooled money investment board shall
13 authorize the director of accounts and reports to transfer an amount equal
14 to the amount certified by the director of the budget pursuant to this
15 subsection from the pooled money investment portfolio to the state general
16 fund. Upon receipt of such authorization, the director of accounts and
17 reports shall make such transfer. The chairperson of the pooled money
18 investment board shall transmit a copy of such authorization to the director
19 of legislative research and the director of the budget.

20 (2) On or before June 30, 2019, ~~June 30, 2020, June 30, 2021, June~~
21 ~~30, 2022, June 30, 2023, and June 30, 2024~~, the director of accounts and
22 reports shall transfer an amount equal to ⁺~~1/6~~ of the amount of *moneys that*
23 *were* transferred pursuant to subsection (m)(1) from the state general fund
24 to the pooled money investment portfolio. ~~Any transfer made pursuant to~~
25 ~~this subsection shall be reduced by the amount of moneys credited to any~~
26 ~~fiscal year payment pursuant to K.S.A. 2018 Supp. 75-6707, and~~
27 ~~amendments thereto.~~

28 (3) During the fiscal year ending June 30, 2018, after any transfer
29 made pursuant to subsection (m)(1), the pooled money investment board
30 shall authorize the director of accounts and reports to transfer the
31 remaining amount of all investments and reinvestments of state moneys
32 liquidated pursuant to K.S.A. 2018 Supp. 75-2263(j), and amendments
33 thereto, from the pooled money investment portfolio to the state general
34 fund. Upon receipt of such authorization, the director of accounts and
35 reports shall make such transfer. The chairperson of the pooled money
36 investment board shall transmit a copy of such authorization to the director
37 of legislative research and the director of the budget.

38 (4) On or before June 30, 2019, ~~June 30, 2020, June 30, 2021, June~~
39 ~~30, 2022, June 30, 2023, and June 30, 2024~~, the director of accounts and
40 reports shall transfer an amount equal to ⁺~~1/6~~ of the amount of *moneys that*
41 *were* transferred pursuant to subsection (m)(3) from the state general fund
42 to the pooled money investment portfolio. ~~Any transfer made pursuant to~~
43 ~~this subsection shall be reduced by the amount of moneys credited to any~~

1 ~~fiscal year payment pursuant to K.S.A. 2018 Supp. 75-6707, and~~
2 ~~amendments thereto.~~

3 Sec. 41. K.S.A. 2018 Supp. 75-6706 is hereby amended to read as
4 follows: 75-6706. (a) On July 1, 2017, the budget stabilization fund is
5 hereby established in the state treasury.

6 (b) On or before the 10th day of each month commencing July 1,
7 2017, the director of accounts and reports shall transfer from the state
8 general fund to the budget stabilization fund interest earnings based on:

9 (1) The average daily balance of moneys in the budget stabilization
10 fund, for the preceding month; and

11 (2) the net earnings rate of the pooled money investment portfolio for
12 the preceding month.

13 (c) On and after July 1, ~~2017~~ 2025, no moneys in the budget
14 stabilization fund shall be expended pursuant to this subsection unless the
15 expenditure either has been approved by an appropriation or other act of
16 the legislature or has been approved by the state finance council acting on
17 this matter, which is hereby characterized as a matter of legislative
18 delegation and subject to the guidelines prescribed in K.S.A. 75-3711(c),
19 and amendments thereto.

20 (d) (1) The legislative budget committee shall study and review the
21 policy concerning the balance of, transfers to and expenditures from the
22 budget stabilization fund. The legislative budget committee study and
23 review shall include, but not be limited to, the following:

24 (A) Risk-based budget stabilization fund practices utilized in other
25 states.

26 (B) The appropriate number of years to review the state general fund:

27 (i) Revenue variances from projections; and

28 (ii) expenditure variances from budgets.

29 (C) The entity to certify the amount necessary in the budget
30 stabilization fund to maintain the appropriate risk-based balance.

31 (D) Plan to fund the budget stabilization fund.

32 (E) Process and circumstances to reach the appropriate risk-based
33 balance, including the amount of risk that is acceptable.

34 (F) Circumstances under which expenditures may be made from the
35 fund.

36 (2) The legislative budget committee may make recommendations
37 and introduce legislation as it deems necessary to implement such
38 recommendations.

39 ~~(e) On or before August 15, 2021, the director of the budget, in~~
40 ~~consultation with the director of legislative research, shall certify the~~
41 ~~amount of the unencumbered ending balance in the state general fund for~~
42 ~~fiscal year 2021. Such ending balance shall not include the transfers made~~
43 ~~pursuant to K.S.A. 2018 Supp. 75-6707, and amendments thereto. Upon~~

1 ~~making such certification, the director of the budget shall authorize the~~
2 ~~director of accounts and reports to transfer 10% of such ending balance~~
3 ~~from the state general fund to the budget stabilization fund. The debt~~
4 ~~prepayment fund is hereby established in the state treasury.~~

5 (f) *On or before the 10th day of each month commencing on July 1,*
6 *2019, the director of accounts and reports shall transfer from the state*
7 *general fund to the debt prepayment fund interest earnings based on:*

8 (1) *The average daily balance of moneys in the debt prepayment*
9 *fund, for the preceding month; and*

10 (2) *the net earnings rate of the pooled money investment portfolio for*
11 *the preceding month.*

12 (g) *The provisions of subsections (h), (i), (j) and (k) shall be in effect*
13 *during fiscal years 2020, 2021, 2022, 2023 and 2024.*

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

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

38 (2) *Withdrawals from the budget stabilization fund may occur in the*
39 *ensuing fiscal year only when the ensuing fiscal year's estimated state tax*
40 *receipts are less than the amount of estimated state tax receipts in the*
41 *current fiscal year. The amount subject to withdrawal shall not exceed the*
42 *difference between the ensuing fiscal year's estimated state tax receipts*
43 *and the amount of estimated state tax receipts in the current fiscal year;*

1 *except that such difference shall be reduced by the amount of the ensuing*
2 *fiscal year's estimated state tax receipts not collected or otherwise*
3 *received as a result of any kind of tax reduction legislation passed by the*
4 *legislature and enacted into law in the current or preceding fiscal year.*

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

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

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

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

31 (3) *The director of the budget shall certify the amount, if any, of any*
32 *such called and redeemed bonds to the state finance council. No moneys in*
33 *the debt prepayment fund shall be expended pursuant to this subsection*
34 *unless the expenditure has been approved by the state finance council*
35 *acting on this matter, which is hereby characterized as a matter of*
36 *legislative delegation and subject to the guidelines prescribed in K.S.A.*
37 *75-3711(c), and amendments thereto. This matter may be submitted to the*
38 *state finance council for approval at any time, including periods of time*
39 *during which the legislature is in session.*

40 (k) *As used in this section, "state tax receipts" means receipts from*
41 *any state income tax, sales tax, compensating use tax or other excise tax*
42 *or tax in the nature of an excise tax, or estate or inheritance tax, or tax in*
43 *the nature of an estate or inheritance tax, but shall not include receipts*

1 *from any property tax, or tax in the nature of a property tax, or any tax on*
2 *motor fuels.*

3 Sec. 42. *Severability.* If any provision or clause of this act or
4 application thereof to any person or circumstance is held invalid, such
5 invalidity shall not affect other provisions or applications of the act that
6 can be given effect without the invalid provision or application, and to this
7 end the provisions of this act are declared to be severable.

8 Sec. 43. *Appeals to exceed expenditure limitations.* (a) Upon written
9 application to the governor and approval of the state finance council,
10 expenditures from special revenue funds may exceed the amounts
11 specified in this act.

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

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

22 Sec. 45. K.S.A. 2018 Supp. 75-4209, 75-6706 and 75-6707 are
23 hereby repealed.

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