

HOUSE BILL No. 2038

By Committee on Appropriations

1-16

1 AN ACT making and concerning appropriations for fiscal years ending
2 June 30, 2015, June 30, 2016, June 30, 2017, and June 30, 2018, for
3 state agencies; authorizing certain transfers, imposing certain
4 restrictions and limitations, and directing or authorizing certain
5 receipts, disbursements, procedures and acts incidental to the
6 foregoing; amending K.S.A. 2014 Supp. 74-4914d, 74-4920, 74-50,107
7 and 74-99b34 and repealing the existing sections; also repealing K.S.A.
8 2014 Supp. 74-99b34a.

9
10 *Be it enacted by the Legislature of the State of Kansas:*

11 Section 1. (a) For the fiscal years ending June 30, 2015, June 30,
12 2016, June 30, 2017, and June 30, 2018, appropriations are hereby made,
13 restrictions and limitations are hereby imposed, and transfers, receipts,
14 disbursements, procedures and acts incidental to the foregoing are hereby
15 directed or authorized as provided in this act.

16 (b) This act shall not be subject to the provisions of K.S.A. 75-
17 6702(a), and amendments thereto.

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

20 Sec. 2.

21 **LEGISLATIVE COORDINATING COUNCIL**

22 (a) On the effective date of this act, of the \$564,782 appropriated for
23 the above agency for the fiscal year ending June 30, 2015, by section 80(a)
24 of chapter 136 of the 2013 Session Laws of Kansas from the state general
25 fund in the legislative coordinating council—operations account, the sum
26 of \$149,834 is hereby lapsed.

27 (b) On the effective date of this act, of the \$3,692,051 appropriated
28 for the above agency for the fiscal year ending June 30, 2015, by section
29 80(a) of chapter 136 of the 2013 Session Laws of Kansas from the state
30 general fund in the legislative research department—operations account,
31 the sum of \$527,084 is hereby lapsed.

32 (c) On the effective date of this act, of the \$3,177,613 appropriated
33 for the above agency for the fiscal year ending June 30, 2015, by section
34 80(a) of chapter 136 of the 2013 Session Laws of Kansas from the state
35 general fund in the office of revisor of statutes—operations account, the
36 sum of \$362,239 is hereby lapsed.

1 (a) On the effective date of this act, of the \$2,000,000 appropriated
2 for the above agency, for the fiscal year ending June 30, 2015, by section
3 1(a) of chapter 82 of the 2014 Session Laws of Kansas from the state
4 general fund in the judiciary operations account, the sum of \$673,754 is
5 hereby lapsed.

6 Sec. 9.

7 STATE CORPORATION COMMISSION

8 (a) On the effective date of this act, or as soon thereafter as moneys
9 are available, notwithstanding the provisions of any statute, the director of
10 accounts and reports shall transfer \$1,000,000 from the conservation fee
11 fund of the state corporation commission to the state general fund.

12 Sec. 10.

13 DEPARTMENT OF ADMINISTRATION

14 (a) On the effective date of this act, of the \$600,000 appropriated for
15 the above agency for the fiscal year ending June 30, 2015, by section
16 112(c) of chapter 136 of the 2013 Session Laws of Kansas from the state
17 economic development initiatives fund in the public broadcasting council
18 grants account, the sum of \$12,000 is hereby lapsed.

19 (b) On the effective date of this act, or as soon thereafter as moneys
20 are available, the director of accounts and reports shall transfer \$12,000
21 from the state economic development initiatives fund to the state general
22 fund.

23 Sec. 11.

24 DEPARTMENT OF REVENUE

25 (a) On the effective date of this act, or as soon thereafter as moneys
26 are available, notwithstanding the provisions of K.S.A. 68-416, and
27 amendments thereto, or of any other statute, the director of accounts and
28 reports shall transfer \$1,219,827 from the division of vehicles operating
29 fund of the department of revenue to the state general fund.

30 (b) On the effective date of this act, or as soon thereafter as moneys
31 are available, notwithstanding the provisions of K.S.A. 75-5159, and
32 amendments thereto, or of any other statute, the director of accounts and
33 reports shall transfer \$4,000,000 from the division of vehicles
34 modernization fund of the department of revenue to the state general fund.

35 Sec. 12.

36 DEPARTMENT OF COMMERCE

37 (a) On the effective date of this act, of the \$250,000 appropriated for
38 the above agency for the fiscal year ending June 30, 2015, by section 59(a)
39 of chapter 142 of the 2014 Session Laws of Kansas from the state general
40 fund in the global trade services grant fund account, the sum of \$5,000 is
41 hereby lapsed.

42 (b) On the effective date of this act, of the \$9,162,358 appropriated
43 for the above agency for the fiscal year ending June 30, 2015, by section

1 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
2 economic development initiatives fund in the operating grant (including
3 official hospitality) account, the sum of \$302,518 is hereby lapsed.

4 (c) On the effective date of this act, of the \$253,139 appropriated for
5 the above agency for the fiscal year ending June 30, 2015, by section
6 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
7 economic development initiatives fund in the older Kansans employment
8 program account, the sum of \$118 is hereby lapsed.

9 (e) On the effective date of this act, of the \$1,831,012 appropriated
10 for the above agency for the fiscal year ending June 30, 2015, by section
11 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
12 economic development initiatives fund in the rural opportunity zones
13 program account, the sum of \$2,599 is hereby lapsed.

14 (f) On the effective date of this act, of the \$8,100 appropriated for the
15 above agency for the fiscal year ending June 30, 2015, by section 124(b)
16 of chapter 136 of the 2013 Session Laws of Kansas from the state
17 economic development initiatives fund in the senior community service
18 employment program account, the sum of \$49 is hereby lapsed.

19 (g) On the effective date of this act, of the \$100,000 appropriated for
20 the above agency for the fiscal year ending June 30, 2015, by section
21 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
22 economic development initiatives fund in the strong military bases
23 program account, the sum of \$233 is hereby lapsed.

24 (h) On the effective date of this act, of the \$186,205 appropriated for
25 the above agency for the fiscal year ending June 30, 2015, by section
26 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
27 economic development initiatives fund in the governor's council of
28 economic advisors account, the sum of \$244 is hereby lapsed.

29 (i) On the effective date of this act, of the \$1,568,648 appropriated for
30 the above agency for the fiscal year ending June 30, 2015, by section
31 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
32 economic development initiatives fund in the innovation growth program
33 account, the sum of \$140,173 is hereby lapsed.

34 (j) On the effective date of this act, of the \$200,000 appropriated for
35 the above agency for the fiscal year ending June 30, 2015, by section
36 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
37 economic development initiatives fund in the creative arts industries
38 commission account, the sum of \$851 is hereby lapsed.

39 (k) On the effective date of this act, of the \$450,000 appropriated for
40 the above agency for the fiscal year ending June 30, 2015, by section
41 124(b) of chapter 136 of the 2013 Session Laws of Kansas from the state
42 economic development initiatives fund in the employment incentive for
43 persons with a disability account, the sum of \$108 is hereby lapsed.

1 (l) On the effective date of this act, or as soon thereafter as moneys
2 are available, the director of accounts and reports shall transfer \$836,934
3 from the state economic development initiatives fund to the state general
4 fund.

5 Sec. 13.

6 DEPARTMENT OF HEALTH AND ENVIRONMENT –
7 DIVISION OF HEALTH CARE FINANCE

8 (a) On the effective date of this act, or as soon thereafter as moneys
9 are available, the director of accounts and reports shall transfer
10 \$55,000,000 from the medical programs fee fund of the department of
11 health and environment – division of health care finance to the state
12 general fund.

13 Sec. 14.

14 DEPARTMENT OF HEALTH AND ENVIRONMENT –
15 DIVISION OF ENVIRONMENT

16 (a) On the effective date of this act, or as soon thereafter as moneys
17 are available, notwithstanding the provisions of K.S.A. 65-34,131, and
18 amendments thereto, or of any other statute, the director of accounts and
19 reports shall transfer \$3,000,000 from the UST redevelopment fund of the
20 department of health and environment – division of environment to the
21 state general fund.

22 Sec. 15.

23 KANSAS DEPARTMENT FOR AGING
24 AND DISABILITY SERVICES

25 (a) On the effective date of this act, or as soon thereafter as moneys
26 are available, the director of accounts and reports shall transfer \$3,000,000
27 from the DADS social welfare fund of the Kansas department for aging
28 and disability services to the state general fund.

29 (b) On the effective date of this act, or as soon thereafter as moneys
30 are available, notwithstanding the provisions of K.S.A. 79-4805, and
31 amendments thereto, or of any other statute, the director of accounts and
32 reports shall transfer \$1,200,000 from the problem gambling and
33 addictions grant fund of the Kansas department for aging and disability
34 services to the state general fund.

35 Sec. 16.

36 KANSAS DEPARTMENT FOR
37 CHILDREN AND FAMILIES

38 (a) On the effective date of this act, or as soon thereafter as moneys
39 are available, the director of accounts and reports shall transfer \$500,000
40 from the children's initiatives fund to the state general fund.

41 Sec. 17.

42 KANSAS HIGHWAY PATROL

43 (a) On the effective date of this act, or as soon thereafter as moneys

1 are available, the director of accounts and reports shall transfer \$1,103,044
 2 from the Kansas highway patrol operations fund of the Kansas highway
 3 patrol to the state general fund.

4 Sec. 18.

5 KANSAS DEPARTMENT OF WILDLIFE,
 6 PARKS AND TOURISM

7 (a) On the effective date of this act, of the amount appropriated for
 8 the above agency for the fiscal year ending June 30, 2015, by the state
 9 finance council by section 109(b) of chapter 142 of the 2014 Session Laws
 10 of Kansas from the state economic development initiatives fund in the
 11 SEDIF travel/tourism operating expense account, the sum of \$124,834 is
 12 hereby lapsed.

13 (b) On the effective date of this act, or as soon thereafter as moneys
 14 are available, the director of accounts and reports shall transfer \$124,834
 15 from the state economic development initiatives fund in the SEDIF
 16 travel/tourism operating expense account of the Kansas department of
 17 wildlife, parks and tourism to the state general fund.

18 (c) On the effective date of this act, of the amount appropriated for
 19 the above agency for the fiscal year ending June 30, 2015, by the state
 20 finance council by section 109(b) of chapter 142 of the 2014 Session Laws
 21 of Kansas from the state economic development initiatives fund in the
 22 state parks operating expenditures account, the sum of \$500,000 is hereby
 23 lapsed.

24 (d) On the effective date of this act, or as soon after each such date as
 25 moneys are available, the director of accounts and reports shall transfer
 26 \$500,000 from the state economic development initiatives fund in the state
 27 parks operating expense account of the Kansas department of wildlife,
 28 parks and tourism to the state general fund.

29 (e) On the effective date of this act, or as soon after each such date as
 30 moneys are available, the director of accounts and reports shall transfer
 31 \$1,000,000 from the department access roads fund of the Kansas
 32 department of wildlife, parks and tourism to the state general fund.

33 (f) On the effective date of this act, or as soon after each such date as
 34 moneys are available, the director of accounts and reports shall transfer
 35 \$400,000 from the bridge maintenance fund of the Kansas department of
 36 wildlife, parks and tourism to the state general fund.

37 Sec. 19.

38 DEPARTMENT OF TRANSPORTATION

39 (a) On the effective date of this act, or as soon thereafter as moneys
 40 are available, the director of accounts and reports shall transfer
 41 \$103,479,087 from the state highway fund of the department of
 42 transportation to the state general fund.

43 Sec. 20. K.S.A. 2014 Supp. 74-4914d is hereby amended to read as

1 follows: 74-4914d. (a) Any additional cost resulting from the normal
2 retirement date and retirement before such normal retirement date for
3 security officers as provided in K.S.A. 74-4914c, and amendments thereto,
4 and disability benefits as provided in K.S.A. 74-4914e, and amendments
5 thereto, shall be added to the employer rate of contribution for the
6 department of corrections as otherwise determined under K.S.A. 74-4920,
7 and amendments thereto, except that the employer rate of contribution for
8 the department of corrections including any such additional cost added to
9 such employer rate of contribution pursuant to this section shall in no
10 event exceed the employer rate of contribution for the department of
11 corrections for the immediately preceding fiscal year by more than the
12 following amounts expressed as a percentage of compensation upon which
13 security officers contribute during the period: (a) For the fiscal year
14 commencing in calendar years 2010 through 2012, an amount not to
15 exceed more than 0.6% of the amount of the immediately preceding fiscal
16 year; (b) for the fiscal year commencing in calendar year 2013, an amount
17 not to exceed more than 0.9% of the amount of the immediately preceding
18 fiscal year; (c) for the fiscal year commencing in calendar year 2014, an
19 amount not to exceed more than 1% of the amount of the immediately
20 preceding fiscal year; (d) for the fiscal year commencing in calendar year
21 2015, an amount not to exceed more than 1.1% of the amount of the
22 immediately preceding fiscal year; and (e) for the fiscal year commencing
23 in calendar year 2016, and in each subsequent calendar year, an amount
24 not to exceed more than 1.2% of the amount of the immediately preceding
25 fiscal year, *without regard to the employer rate of contribution in*
26 *subsection (b).*

27 (b) *On and after the effective date of this act, notwithstanding the*
28 *employer rate of contribution determined under K.S.A. 74-4920(1)(a), and*
29 *amendments thereto, and subsection (a), the employer rate of contribution*
30 *for employees covered by this section shall be 8.65% expressed as a*
31 *percentage of compensation for payroll periods chargeable to the last six*
32 *months of the fiscal year ending June 30, 2015.*

33 Sec. 21. K.S.A. 2014 Supp. 74-4920 is hereby amended to read as
34 follows: 74-4920. (1) (a) Upon the basis of each annual actuarial valuation
35 and appraisal as provided for in ~~subsection (3)(a)~~ of K.S.A. 74-4908(3)(a),
36 and amendments thereto, the board shall certify, on or before July 15 of
37 each year, to the division of the budget in the case of the state and to the
38 agent for each other participating employer an actuarially determined
39 estimate of the rate of contribution which will be required, together with
40 all accumulated contributions and other assets of the system, to be paid by
41 each such participating employer to pay all liabilities which shall exist or
42 accrue under the system, including amortization of the actuarial accrued
43 liability as determined by the board. The board shall determine the

1 actuarial cost method to be used in annual actuarial valuations, to
2 determine the employer contribution rates that shall be certified by the
3 board. Such certified rate of contribution, amortization methods and
4 periods and actuarial cost method shall be based on the standards set forth
5 in ~~subsection (3)(a)~~ of K.S.A. 74-4908(3)(a), and amendments thereto, and
6 shall not be based on any other purpose outside of the needs of the system.

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

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

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

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

38 (4) Each participating employer is hereby authorized to pay the
39 employer's contribution from the same fund that the compensation for
40 which such contribution is made is paid from or from any other funds
41 available to it for such purpose. Each political subdivision, other than an
42 instrumentality of the state, which is by law authorized to levy taxes for
43 other purposes, may levy annually at the time of its levy of taxes, a tax

1 which may be in addition to all other taxes authorized by law for the
2 purpose of making its contributions under this act and, in the case of cities
3 and counties, to pay a portion of the principal and interest on bonds issued
4 under the authority of K.S.A. 12-1774, and amendments thereto, by cities
5 located in the county, which tax, together with any other fund available,
6 shall be sufficient to enable it to make such contribution. In lieu of levying
7 the tax authorized in this subsection, any taxing subdivision may pay such
8 costs from any employee benefits contribution fund established pursuant to
9 K.S.A. 12-16,102, and amendments thereto. Each participating employer
10 which is not by law authorized to levy taxes as described above, but which
11 prepares a budget for its expenses for the ensuing year and presents the
12 same to a governing body which is authorized by law to levy taxes as
13 described above, may include in its budget an amount sufficient to make
14 its contributions under this act which may be in addition to all other taxes
15 authorized by law. Such governing body to which the budget is submitted
16 for approval, may levy a tax sufficient to allow the participating employer
17 to make its contributions under this act, which tax, together with any other
18 fund available, shall be sufficient to enable the participating employer to
19 make the contributions required by this act.

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

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

30 (ii) Except as specifically provided in this subsection, for the fiscal
31 years commencing in the following calendar years, the rate of contribution
32 certified to the state of Kansas and to the participating employers under
33 K.S.A. 74-4931, and amendments thereto, shall in no event exceed the
34 state's contribution rate for the immediately preceding fiscal year by more
35 than the following amounts expressed as a percentage of compensation
36 upon which members contribute during the period: (A) For the fiscal year
37 commencing in calendar years 2010 through 2012, an amount not to
38 exceed more than 0.6% of the amount of the immediately preceding fiscal
39 year; (B) for the fiscal year commencing in calendar year 2013, an amount
40 not to exceed more than 0.9% of the amount of the immediately preceding
41 fiscal year; (C) for the fiscal year commencing in calendar year 2014, an
42 amount not to exceed more than 1% of the amount of the immediately
43 preceding fiscal year; (D) for the fiscal year commencing in calendar year

1 2015, an amount not to exceed more than 1.1% of the amount of the
2 immediately preceding fiscal year; and (E) for the fiscal year commencing
3 in calendar year 2016, and in each subsequent calendar year, an amount
4 not to exceed more than 1.2% of the amount of the immediately preceding
5 fiscal year, *without regard to the rate of employer contribution in*
6 *subsection (17).*

7 (iii) Except as specifically provided in this section, for fiscal years
8 commencing in calendar year 1997 and in each subsequent calendar year,
9 the rate of contribution certified to participating employers other than the
10 state of Kansas shall in no event exceed such participating employer's
11 contribution rate for the immediately preceding fiscal year by more than
12 0.15% of the amount of compensation upon which members contribute
13 during the period.

14 (iv) Except as specifically provided in this subsection, for the fiscal
15 years commencing in the following calendar years, the rate of contribution
16 certified to participating employers other than the state of Kansas shall in
17 no event exceed the contribution rate for such employers for the
18 immediately preceding fiscal year by more than the following amounts
19 expressed as a percentage of compensation upon which members
20 contribute during the period: (A) For the fiscal year commencing in
21 calendar years 2010 through 2013, an amount not to exceed more than
22 0.6% of the amount of the immediately preceding fiscal year; (B) for the
23 fiscal year commencing in calendar year 2014, an amount not to exceed
24 more than 0.9% of the amount of the immediately preceding fiscal year;
25 (C) for the fiscal year commencing in calendar year 2015, an amount not
26 to exceed more than 1% of the amount of the immediately preceding fiscal
27 year; (D) for the fiscal year commencing in calendar year 2016, an amount
28 not to exceed more than 1.1% of the amount of the immediately preceding
29 fiscal year; and (E) for the fiscal year commencing in calendar year 2017,
30 and in each subsequent calendar year, an amount not to exceed more than
31 1.2% of the amount of the immediately preceding fiscal year.

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

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

43 (vii) If the combined employer rate of contribution calculated for the

1 state of Kansas and participating employers under K.S.A. 74-4931, and
2 amendments thereto, is greater than the separate employer rate of
3 contribution for the state of Kansas, the difference in the two rates applied
4 to the actual payroll of the state of Kansas for the applicable fiscal year
5 shall be calculated. This amount shall be certified by the board for deposit
6 as additional employer contributions to the retirement benefit
7 accumulation reserve for the participating employers under K.S.A. 74-
8 4931, and amendments thereto.

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

12 (7) The actuarial cost of the provisions of K.S.A. 74-4950i, and
13 amendments thereto, will be included in the June 30, 1998, actuarial
14 valuation in determining contribution rates for participating employers.
15 The actuarial accrued liability incurred for the provisions of K.S.A. 74-
16 4950i, and amendments thereto, shall be amortized over 15 years.

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

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

32 (10) The cost of the postretirement benefit payment provided
33 pursuant to the provisions of K.S.A. 2014 Supp. 74-49,114b, and
34 amendments thereto, for retirants other than local retirants as described in
35 subsection (11) or insured disability benefit recipients shall be paid in the
36 fiscal year commencing on July 1, 2007.

37 (11) The actuarial accrued liability incurred for the provisions of
38 K.S.A. 2014 Supp. 74-49,114b, and amendments thereto, for the KPERS
39 local group and retirants who were employees of local employers which
40 affiliated with the Kansas police and firemen's retirement system shall be
41 amortized over 10 years.

42 (12) The cost of the postretirement benefit payment provided
43 pursuant to the provisions of K.S.A. 2014 Supp. 74-49,114c, and

1 amendments thereto, for retirants other than local retirants as described in
2 subsection (13) or insured disability benefit recipients shall be paid in the
3 fiscal year commencing on July 1, 2008.

4 (13) The actuarial accrued liability incurred for the provisions of
5 K.S.A. 2014 Supp. 74-49,114c, and amendments thereto, for the KPERS
6 local group and retirants who were employees of local employers which
7 affiliated with the Kansas police and firemen's retirement system shall be
8 amortized over 10 years.

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

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

17 (16) Notwithstanding any provision of law to the contrary, each
18 participating employer shall remit quarterly, or as the board may otherwise
19 provide, all employee deductions and required employer contributions to
20 the executive director for credit to the Kansas public employees retirement
21 fund within three days after the end of the period covered by the
22 remittance by electronic funds transfer. Remittances of such deductions
23 and contributions received after such date are delinquent. Delinquent
24 payments due under this subsection shall be subject to interest at the rate
25 established for interest on judgments under ~~subsection (a)~~ of K.S.A. 16-
26 204(a), and amendments thereto. At the request of the board, delinquent
27 payments which are due or interest owed on such payments, or both, may
28 be deducted from any other moneys payable to such employer by any
29 department or agency of the state.

30 (17) *On and after the effective date of this act, notwithstanding the*
31 *employer rate of contribution determined under subsection (1)(a), for the*
32 *state of Kansas and participating employers under K.S.A. 74-4931, and*
33 *amendments thereto, the employer rate of contribution for the state of*
34 *Kansas and participating employers under K.S.A. 74-4931 shall be 8.65%*
35 *expressed as a percentage of compensation for payroll periods chargeable*
36 *to the last six months of the fiscal year ending June 30, 2015.*

37 Sec. 22. K.S.A. 2014 Supp. 74-50,107 is hereby amended to read as
38 follows: 74-50,107. (a) (1) The secretary shall determine and from time to
39 time shall redetermine the rate at which moneys shall be credited to the
40 IMPACT program repayment fund in order to satisfy all bond repayment
41 obligations which have been incurred to finance program costs for
42 IMPACT programs, which shall be referred to as the debt service rate, and
43 the rate at which moneys shall be credited to the IMPACT program

1 services fund in order to finance program costs that are not financed by
2 bonds, which shall be referred to as the direct funding rate. The total of the
3 debt service rate and the direct funding rate shall be the combined rate.
4 Each rate so determined shall be certified to the secretary of revenue. The
5 combined rate determined under this subsection shall not exceed 2%.

6 (2) Upon receipt of the rates determined and certified under
7 subsection (a)(1), the secretary of revenue shall apply daily the combined
8 rate to that portion of the moneys withheld from the wages of individuals
9 and collected under the Kansas withholding and declaration of estimated
10 tax act, K.S.A. 79-3294 et seq., and amendments thereto. The amount so
11 determined shall be credited as follows: (A) The portion attributable to the
12 debt service rate shall be credited to the IMPACT program repayment
13 fund; and (B) the remaining portion shall be credited to the IMPACT
14 program services fund.

15 (3) The aggregate of all amounts credited to the IMPACT program
16 repayment fund under this section during any fiscal year to pay bond
17 repayment obligations on bonds to finance major project investments shall
18 not exceed the amount which results when the rate of 2% is applied to all
19 moneys withheld from the wages of individuals and received under the
20 Kansas withholding and declaration of estimated tax act.

21 (4) The provisions of this subsection shall remain in effect prior to
22 July 1, 2012.

23 (b) Commencing July 1, 2012, and on the first day of each month
24 thereafter during fiscal year 2013, fiscal year 2014, and fiscal year 2015,
25 the secretary of revenue shall apply a rate of 2% to that portion of moneys
26 withheld from the wages of individuals and collected under the Kansas
27 withholding and declaration of estimated tax act, K.S.A. 79-3294 et seq.,
28 and amendments thereto. The amount so determined shall be credited on a
29 monthly basis as follows: (1) An amount necessary to meet obligations of
30 the debt services for the IMPACT program repayment fund; and (2) an
31 amount to the IMPACT program services fund as needed for program
32 administration; and (3) any remaining amounts to the job creation program
33 fund created pursuant to K.S.A. 2014 Supp. 74-50,224, and amendments
34 thereto. During fiscal year 2013, the aggregate amount that is credited to
35 the job creation program fund pursuant to this subsection shall not exceed
36 \$10,000,000 for such fiscal year. During fiscal years 2014 and 2015 the
37 aggregate amount that is credited to the job creation program fund
38 pursuant to this subsection shall not exceed ~~\$7,500,000~~ \$360,000 for such
39 fiscal year.

40 (c) Commencing July 1, 2015, and on an annual basis thereafter, the
41 secretary of revenue shall estimate the amount equal to the amount of net
42 savings realized from the elimination, modification or limitation of any
43 credit, deduction or program pursuant to the provisions of this act as

1 compared to the expense deduction provided for in K.S.A. 2014 Supp. 79-
2 32,143a, and amendments thereto. Whereupon such amount of savings in
3 accordance with appropriation acts shall be remitted to the state treasurer
4 in accordance with the provisions of K.S.A. 75-4215, and amendments
5 thereto. Upon receipt of each such remittance, the state treasurer shall
6 deposit the entire amount to the credit of the job creation program fund
7 created pursuant to K.S.A. 2014 Supp. 74-50,224, and amendments
8 thereto. In addition, such other amount or amounts of money may be
9 transferred from the state general fund or any other fund or funds in the
10 state treasury to the job creation program fund in accordance with
11 appropriation acts.

12 Sec. 23. K.S.A. 2014 Supp. 74-99b34 is hereby amended to read as
13 follows: 74-99b34.(a) The bioscience development and investment fund is
14 hereby created. The bioscience development and investment fund shall not
15 be a part of the state treasury and the funds in the bioscience development
16 and investment fund shall belong exclusively to the authority.

17 (b) Distributions from the bioscience development and investment
18 fund shall be for the exclusive benefit of the authority, under the control of
19 the board and used to fulfill the purpose, powers and duties of the
20 authority pursuant to the provisions of K.S.A. 2014 Supp. 74-99b01 et
21 seq., and amendments thereto.

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

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

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

43 (B) the net earnings rate of the pooled money investment portfolio for

1 the preceding month.

2 (2) (A) For fiscal year~~2013~~ 2015, fiscal year~~2014~~ 2016, *fiscal year*
3 2017, and fiscal year~~2015~~ 2018, the first \$1,000,000 that the secretary of
4 revenue certifies to the state treasurer of the annual 95% of withholding
5 above the base, upon Kansas wages paid by bioscience employees, shall be
6 transferred by the director of accounts and reports from the state general
7 fund to the following: The center of innovation for biomaterials in
8 orthopaedic research – Wichita state university fund.

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

19 (3) (A) For fiscal year~~2013~~ 2015, fiscal year~~2014~~ 2016, *fiscal year*
20 2017, and fiscal year~~2015~~ 2018, the next \$5,000,000 that the secretary of
21 revenue certifies to the state treasurer of the annual 95% of withholding
22 above the base, upon Kansas wages paid by bioscience employees above
23 the first \$1,000,000 certified pursuant to subsection (d)(2)(A), shall be
24 transferred by the director of accounts and reports from the state general
25 fund to the following: The national bio agro-defense facility fund at
26 Kansas state university.

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

39 (e) The cumulative amounts of funds paid by the state treasurer to the
40 bioscience development and investment fund shall not exceed
41 \$581,800,000.

42 (f) The division of post audit is hereby authorized to conduct a post
43 audit in accordance with the provisions of the legislative post audit act,

1 K.S.A. 46-1106 et seq., and amendments thereto.

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

6 (h) During the fiscal year ending June 30, 2016, the aggregate amount
7 that is directed to be transferred from the state general fund to the
8 bioscience development and investment fund pursuant to subsection (d)(1)
9 plus interest earnings pursuant to subsection (d)(1) shall not exceed
10 \$35,000,000 for such fiscal year.

11 (i) During the fiscal year ending June 30, 2015, the aggregate amount
12 that is directed to be transferred from the state general fund to the
13 bioscience development and investment fund pursuant to subsection (d)(1)
14 plus interest earnings pursuant to subsection (d)(1) shall not exceed
15 ~~\$32,000,000~~ \$27,000,000 for such fiscal year.

16 ~~(j) During the fiscal year ending June 30, 2014, the aggregate amount~~
17 ~~that is directed to be transferred from the state general fund to the~~
18 ~~bioscience development and investment fund pursuant to subsection (d)(1)~~
19 ~~plus interest earnings pursuant to subsection (d)(1) shall not exceed~~
20 ~~\$10,000,000 for such fiscal year.~~

21 Sec. 24. *Severability*. If any provision or clause of this act or
22 application thereof to any person or circumstance is held invalid, such
23 invalidity shall not affect other provisions or applications of the act which
24 can be given effect without the invalid provision or application, and to this
25 end the provisions of this act are declared to be severable.

26 Sec. 25. *Appeals to exceed expenditure limitations*. (a) Upon written
27 application to the governor and approval of the state finance council,
28 expenditures from special revenue funds may exceed the amounts
29 specified in this act.

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

34 Sec. 26. K.S.A. 2014 Supp. 74-4914d, 74-4920, 74-50,107, 74-99b34
35 and 74-99b34a are hereby repealed.

36 Sec. 27. This act shall take effect and be in force from and after its
37 publication in the Kansas register.