

Kansas Register

Ron Thornburgh, Secretary of State

Vol. 20, No. 22 May 31, 2001 Pages 851-922

| In this issue . . . | Page |
|--|------------|
| Kansas Department of Agriculture | |
| Request for comments on proposed special local need registration..... | 853 |
| Department of Administration—Division of Architectural Services | |
| Notice of commencement of negotiations for architectural/engineering services..... | 853 |
| Secretary of State | |
| Executive appointments..... | 854 |
| Social and Rehabilitation Services and Kansas Department on Aging | |
| Notice concerning nursing facility Medicaid rates..... | 854 |
| Kansas Dental Board | |
| Notice of review of administrative regulations..... | 856 |
| Kansas Department of Commerce and Housing | |
| Notice of hearings on the CDBG program..... | 856 |
| USDA-Natural Resources Conservation Service | |
| Notice of Kansas Technical Committee meeting..... | 856 |
| Kansas Department of Health and Environment | |
| Request for comments on proposed underground injection control permit..... | 856 |
| Requests for comments on proposed water pollution control permits..... | 857, 858 |
| Request for comments on proposed air quality permit..... | 858 |
| Notice concerning Kansas water pollution control permits..... | 859 |
| Legislative interim committee schedule..... | 857 |
| Kansas Water Office | |
| Notice of hearings on the Kansas Water Plan/TMDL..... | 858 |
| Permanent Administrative Regulations | |
| Department of Agriculture..... | 861 |
| Real Estate Appraisal Board..... | 862 |
| Fort Scott Community College | |
| Notice of intent to issue revenue bonds..... | 863 |
| Pooled Money Investment Board | |
| Notice of investment rates..... | 864 |
| Department of Administration—Division of Purchases | |
| Notice to bidders for state purchases..... | 864 |
| State Employees Health Care Commission | |
| Notice of meeting..... | 865 |

(continued on next page)

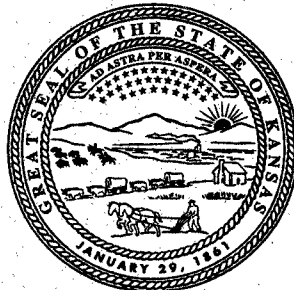
| | |
|--|-----|
| Notice of Bond Redemption | |
| City of Dighton | 865 |
| Notice of Bond Sale | |
| City of Overland Park | 865 |
| City of Andover | 867 |
| Kansas State University | |
| Notice to bidders | 868 |
| Kansas Department of Transportation | |
| Notice to contractors | 869 |
| New State Laws | |
| Senate Bill 366 , concerning health care provider insurance | 870 |
| House Bill 2397 , concerning the state corporation commission; relating to intervention by municipalities in certain proceedings | 876 |
| House Bill 2119 , concerning public bodies; relating to procurement procedures used thereby | 876 |
| House Bill 2268 , concerning electric public utilities; relating to inclusion of certain property in ratebase | 877 |
| House Bill 2336 (Senate Substitute for) , concerning school districts; providing for state financial assistance | 878 |
| Senate Bill 322 (House Substitute for) , concerning retirement; relating to the Kansas public employees retirement system and systems thereunder | 884 |
| Index to administrative regulations | 915 |

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State of Kansas

Department of Agriculture

Request for Comments on Proposed
Special Local Need Registration

Notice is hereby given that Bayer Corporation has requested a Special Local Need (SLN) registration, Section 24(c) FIFRA, to allow for the use of STRATEGO Fungicide (EPA Registration Number 3125-562) on wheat up to Feekes' Growth Stage 10.5. STRATEGO is a premix combination fungicide formulated as a 250 EC and contains both Trifloxystrobin and Propiconazole active ingredients. Letters supporting the request have been received from the Kansas Wheat Growers Association and from Kansas State University.

STRATEGO is currently EPA registered for use on wheat through Feekes' Growth Stage 8. The sole objective of this request is to extend the window of treatment from the completion of flag leaf emergence (stage 8) to the completion of heading (stage 10.5). Experience shows that this fungicide will provide effective control of most major wheat foliage diseases that occur in Kansas if used in a preventive disease control program. STRATEGO is expected to provide a level of control of these diseases that is generally equal to or greater than and also more consistent than the control offered by the current registered alternative fungicides. In addition, STRATEGO offers the benefit of two modes of action, a recommended resistance management tool, along with two different modes of movement within the plant.

Later application will allow growers more time to scout their wheat fields and only apply a fungicide treatment if and when significant disease pressure develops. When application is limited to flag leaf development or before, growers are often forced to make control decisions before the actual threat of disease damage can be accurately assessed. Data also show that later treatment will generally provide more effective disease protection for the crop.

All required residue data and risk assessment information already exist as part of the EPA registrations of Propiconazole (TILT, EPA Reg. No. 100-617) and Trifloxystrobin (FLINT, EPA Reg. No. 100-919). Both of these fungicides, which together make up the active ingredients of STRATEGO, are currently registered for application through Feekes' Growth Stage 10.5. Efficacy information has been provided to the Kansas Department of Agriculture in support of the proposed SLN registration.

Information submitted by the applicant is on file with the department. Anyone wanting to present written comments, data or other evidence in support of or in opposition to the proposed SLN registration may do so on or before June 15. Prepared documents or data should be addressed to Gary Boutz, Pesticide and Fertilizer Program, Kansas Department of Agriculture, 109 S.W. 9th, 3rd Floor, Topeka, 66612-1281.

Jamie Clover Adams
Secretary of Agriculture

Doc. No. 026639

State of Kansas

Department of Administration
Division of Architectural ServicesNotice of Commencement of Negotiations
for Architectural/Engineering Services

Notice is hereby given of the commencement of negotiations for architectural/engineering services for the remodeling of the Woodward Building at the State Complex West (old Topeka State Hospital grounds) for the Department of Administration, Division of Facilities Management. Architectural, food service, mechanical and electrical engineering services are required to prepare project documents for the remodeling of the Woodward Building for use as client housing by Department of Social and Rehabilitation Services Rehabilitation Center for the Blind.

The building contains approximately 11,000 square feet of useable space and a shared mechanical equipment room with the Awl Building; 7,500 square feet of useable space will be remodeled. Project work required is total demolition and replacement of interior construction, including finishes and M/E/P distribution systems in the remodeled area.

Design work includes design of 15 dormitory-style rooms with shared bathroom facilities, a food service kitchen, dining area, common areas, and ancillary offices and spaces. Design work also includes redesign of mechanical and electrical systems from central systems to independent systems, and integration of systems with recently remodeled mechanical and electrical systems for the Awl Building. Construction budget is estimated at \$650,000.

For information regarding the scope of services, contact Gary Hibbs, Design Supervisor, Division of Facilities Management, (785) 368-6484.

If interested, an original and six copies (seven total) of the SF 255 form (plus relevant attachments of information regarding similar projects) should be submitted. These submittals should be concise, relevant to the project and follow the State Building Advisory Commission guidelines for submittal. Copies of the guidelines have previously been distributed to firms; if copies of the guidelines are required, contact Gary Grimes, Division of Architectural Services, 1020 S. Kansas Ave., Topeka, 66612-1311, (785) 296-8899. Submittals not complying with the guidelines will be returned without consideration.

Expressions of interest and the SF 255 submittals should be received by Gary Grimes before 5 p.m. June 15.

Thaine Hoffman, AIA
Director, Division of
Architectural Services

Doc. No. 026648

State of Kansas

Secretary of State

Executive Appointments

Executive appointments made by the Governor, and in some cases by other state officials, are filed with the Secretary of State's office. A complete listing of Kansas state agencies, boards, commissions, and county officials are included in the Kansas Directory, published by the Secretary of State. The directory also is available on the Secretary of State's Web site at www.kssos.org.

The following appointments were recently filed with the Secretary of State:

Civil Service Board

James E. Lowther, 1549 Berkeley Road, Emporia, 66801. Term expires March 15, 2005. Reappointed.

Thomas J. Corcoran, 7171 S.W. Fountaindale Road, Topeka, 66614. Term expires March 15, 2005. Reappointed.

Kansas Development Finance Authority

Thomas C. Blackburn, 9304 Buena Vista, Prairie Village, 66207. Term expires January 15, 2005. Succeeds Paul Thompson.

John G. Montgomery, 222 W. 6th St., Junction City, 66441. Term expires January 15, 2005. Succeeds Daniel Snyder.

Thomas A. Page, 715 N. Stagecoach, Wichita, 67230. Term expires January 15, 2005. Reappointed.

Emergency Medical Services Board

Dr. Dennis M. Allin, 8522 Widmer, Shawnee Mission, 66215. Term expires May 31, 2005. Reappointed.

Dr. Daniel J. Caliendo, 2120 E. Central, Andover, 67002. Term expires May 31, 2005. Reappointed.

Robert D. Kort, 2421 Stowe Drive, Lawrence, 66049. Term expires May 31, 2005. Reappointed.

Joe Megredy, 219 S. Taylor, El Dorado, 67042. Term expires May 31, 2005. Reappointed.

Military Affairs Coordinating Council

Harry "Butch" Felker, Mayor of Topeka, 216 S.E. 7th, Room 352, Topeka, 66603. Term expires November 1, 2002. Succeeds Joan Wagnon.

Wichita State University
Board of Trustees

Joan S. Beren, 572 N. Armour St., Wichita, 67206. Term expires June 30, 2004. Reappointed.

Michael C. Oatman, 544 Wetmore Court, Wichita, 67209. Term expires June 30, 2004. Reappointed.

John L. Rolfe, 4310 Ironwood St., Wichita, 67226. Term expires June 30, 2004. Succeeds Dale Diggs.

Sheryl Wohlford, 9818 W. 18th St. Court North, Wichita, 67212. Term expires June 30, 2003. Succeeds F. Lynn Markel, resigned.

Ron Thornburgh
Secretary of State

State of Kansas

Department of Social and
Rehabilitation Services
Department on Aging

Notice of Final Nursing Facility Medicaid Rates for Ventilator-Dependent Residents, Methodology for Calculating Final Rates, and Rate Justifications; Response to Written Comments; and Notice of Intent to Amend the Medicaid State Plan

Under the Medicaid program, 42 U.S.C. 1396 *et seq.*, the State of Kansas pays nursing facilities, nursing facilities for mental health, and hospital-based long-term care units (hereafter collectively referred to as nursing facilities) a daily rate for care provided to residents who are eligible for Medicaid benefits. The Secretary of Aging administers the Medicaid nursing facility services payment program on behalf of the Secretary of Social and Rehabilitation Services. As required by 42 U.S.C. 1396a(a)(13), as amended by Section 4711 of the Balanced Budget Act of 1997, P.L. No. 105-33, 101 Stat. 251, 507-08 (August 5, 1997), the Secretary of Social and Rehabilitation Services (SRS) and the Secretary of Aging (KDOA) are publishing the final Medicaid per diem rates for Medicaid-certified nursing facilities for state fiscal year 2001, the methodology underlying the establishment of the final nursing facility rates, and the justifications for those final rates for ventilator-dependent residents. SRS and KDOA also are providing notice of the state's intent to submit the final amendment to the Medicaid State Plan to the U. S. Department of Health and Human Services' Health Care Financing Administration (HCFA) on or before June 30, 2001.

I. Methodology Used to Calculate Medicaid Per Diem Rates for Ventilator-Dependent Residents.

The following are the policies and procedures for determining a rate for a ventilator-dependent resident in a nursing facility.

- (1) The request for additional reimbursement for a ventilator-dependent resident shall be submitted to the Kansas Department of Social and Rehabilitation Services (SRS) or the Kansas Department on Aging (KDOA) in writing for prior approval. Each request must include a current care plan for the resident, the most current Minimum Data Set (MDS) resident assessment and an itemized budget for implementing the care plan. The itemized expenses shall not include the cost of durable medical equipment (DME) reimbursed in accordance with the DME program in the Kansas Medical Assistance Programs Manual.
- (2) All of the following criteria shall be present in order for a resident to be considered ventilator dependent:
 - (A) The resident shall not be able to breathe without mechanical ventilation.
 - (B) The resident shall use the ventilator for life support, 24 hours a day, seven days a week.
 - (C) The resident shall have a tracheostomy or endotracheal tube.
- (3) The provider shall be reimbursed the Kansas Medical Assistance Program daily rate determined for the nursing facility plus an additional per diem amount

approved by SRS and KDOA for the ventilator-dependent resident. The additional reimbursement shall be prior authorized by SRS and KDOA. The provider shall submit a budget with the detail of the expenditures requested to care for the ventilator-dependent resident. The reimbursement shall be negotiated based on the prevailing cost of the individualized care plan and subject to an upper payment limit.

The upper payment limit shall be the rate from the Medicare Prospective Payment System (PPS) for skilled nursing facilities as based on the MDS assessment and using the Resource Utilization Groups Version III (RUGs III) classification system. All 44 classifications in the RUGs III system will be used to determine the corresponding Medicare PPS per diem rate.

- (4) No additional amount above the current daily rate shall be allowed until the service is prior authorized by SRS and KDOA.
- (5) The criteria shall be reviewed quarterly to determine if the resident continues to be ventilator-dependent. If a resident is no longer ventilator-dependent, the provider shall not receive additional reimbursement beyond the Kansas Medical Assistance Program per diem rate determined for the facility.
- (6) The additional reimbursement for the ventilator-dependent resident shall be offset to the cost center of benefit on the nursing facility financial and statistical report.

II. Final Medicaid Per Diem Rates for Kansas Nursing Facilities.

The overall per diem rate for a ventilator-dependent resident shall not exceed the lower of the prevailing cost for the individualized care plan or the Medicare PPS rate. The per-diem rate increase for the ventilator-dependent resident will be added to the computed Medicaid rate in effect for the nursing facility.

III. Justifications for the Final Rates.

1. The higher rates will assist in finding placements in nursing facilities that can meet the long-term care needs for ventilator-dependent residents.

2a. Estimated impact of the rate change due to the implementation of the per diem rates for ventilator-dependent residents:

| | |
|--------------------------------------|---------|
| Estimated Average Rate April 1, 2001 | \$91.68 |
| Estimated Average Rate July 1, 2000 | \$91.43 |
| Amount of Change | \$.25 |
| Percent of Change | .27% |

b. The above estimated average rates are in the aggregate. The rate change is resident specific and will have a minor impact on the nursing facility rates.

3. Estimated annual aggregate expenditures in the Medicaid nursing facility services payment program will increase by approximately \$1,000,000.

4. The state estimates that the final rates would continue to make quality care and services available under the Medicaid State Plan at least to the extent that care and services are available to the general population. The state's studies indicate:

a. Service providers operating a total of 320 nursing facilities (representing 97% of all the licensed nursing facilities in Kansas) participate in the Medicaid program, while an additional 46 hospital-based long-term care units also are certified to participate in the Medicaid program;

b. There is at least one Medicaid-certified nursing facility or Medicaid-certified hospital-based long-term care unit in each of the 105 counties in Kansas;

c. The statewide average occupancy rate for nursing facilities participating in Medicaid is 87.2%;

d. The statewide average Medicaid occupancy rate for participating facilities is 54.8%, which is an increase from the prior year; and

e. The final rates would enhance the coverage that is already at 99.19% of the estimated Medicaid health care costs incurred by participating nursing facilities statewide.

5. Federal Medicaid regulations at 42 C.F.R. 447.272 impose an aggregate upper payment limit that states may pay for Medicaid nursing facility services. The state's analysis indicates that the final methodology would result in compliance with the federal regulation.

IV. The State's Response to Written Comments on the Published Proposals.

In response to the "Notice of Proposed Nursing Facility Medicaid Rates for Ventilator-Dependent Residents, Methodology for Calculating Proposed Rates, and Rate Justifications; Notice of Intent to Amend the Medicaid State Plan and Request for Written Comments" published March 8, 2001, Kansas Register (page 326), the state received four written comments. The state thanks those four who provided comments for their interest, efforts and suggestions. The state reviewed, discussed and considered those comments before approving the final rate-setting methodology for ventilator-dependent residents published in this notice.

Two changes were made to the methodology following the review of the written comments. The first was to change "volume ventilator" to "mechanical ventilation" to broaden the use of different equipment. The second was to clarify the resident shall use the ventilator for life support, 24 hours per day, seven days a week.

V. Notice of Intent to Amend the Medicaid State Plan.

The state intends to submit the Medicaid State Plan amendment to HCFA on or before June 30, 2001

J.G. Scott
Budget Director
Social and Rehabilitation Services

Janis DeBoer
Deputy Secretary
Kansas Department on Aging

Doc. No. 026662

State of Kansas

Kansas Dental Board

Notice of Review of
Administrative Regulations

The Kansas Dental Board is involved in a review of its administrative regulations pursuant to Executive Order 00-3. The board is using the following criteria in its review: need, clarity, cost, fairness and effectiveness.

The board is currently reviewing K.A.R. 71-1-8, 71-1-18, 71-1-19, 71-1-20, 71-1-21, 71-2-1, 71-2-2, 71-2-3, 71-2-4 and 71-2-5. A subcommittee of the board has prepared a preliminary report regarding these regulations. Copies of the report are available by contacting the board office, 3601 S.W. 29th, Suite 134, Topeka, 66614, (785) 273-0780.

The board is requesting all interested parties to comment on the regulations currently being reviewed. The board will again consider these regulations at its meeting July 13. Interested parties may submit written comments to the board office prior to the meeting or may attend the meeting and comment at that time.

Jerri A. Freed
Executive Director

Doc. No. 026646

State of Kansas

Department of Commerce
and Housing

Notice of Hearings

The Department of Commerce and Housing, Division of Community Development, will conduct nine public hearings on the division's proposed FFY 2002 programs (state fiscal year 2003). The purpose of the hearings is to gain citizen input on the proposed changes to the federally-funded Community Development Block Grant (CDBG) program, as well as take comments on the performance of past assistance programs such as Main Street, PRIDE, Capacity Building Grants and Flood Mitigation Assistance. All citizens are invited to attend the public hearings scheduled as follows:

| Date | Location | | Time |
|---------|--------------|----------------------------------|------------|
| June 11 | Fredonia | City Hall, 615 Madison | 10:30 a.m. |
| June 12 | Larned | City Hall, 417 Broadway | 1:00 p.m. |
| June 13 | Paola | KCPL Auditorium, 101 W. Ottawa | 10:30 a.m. |
| June 13 | Hoxie | Scout House, 1041 Sheridan Ave. | 1:00 p.m. |
| June 14 | Johnson City | City Hall, 206 S. Main | 1:30 p.m. |
| June 19 | Kingman | Kingman Library, 455 N. Main | 1:30 p.m. |
| June 20 | Holton | City Hall, 430 Pennsylvania Ave. | 10:00 a.m. |
| June 20 | McPherson | City Hall, 400 E. Kansas Ave. | 1:30 p.m. |
| June 21 | Jewell | Community Center, 214 Delaware | 9:30 a.m. |

To request special accommodations, contact the Kansas Department of Commerce and Housing at least five business days in advance of the hearings at (785) 296-2994, TTY (785) 296-3487, or fax (785) 296-3665.

Gary Sherrer
Secretary of Commerce
and Housing

Doc. No. 026661

(Published in the Kansas Register May 31, 2001.)

USDA-Natural Resources
Conservation Service

Notice of Kansas Technical Committee Meeting

The Kansas Technical Committee will meet from 9:30 a.m. to 3 p.m. Tuesday, June 12, at the NRCS Conference Center, 747 Duvall, Salina, to review the Soil and Water Conservation Assistance Program and to seek recommendations on its delivery for fiscal year 2001.

For additional information, contact Steve Parkin, USDA-Natural Resources Conservation Service, 760 S. Broadway, Salina, 67401-4642, (785) 823-4568, e-mail steve.parkin@ks.nrcs.usda.gov.

Mary D. Shaffer
Public Affairs Specialist

Doc. No. 026637

State of Kansas

Department of Health
and Environment

Request for Comments

The Kansas Department of Health and Environment has prepared draft Kansas Underground Injection Control Permits, No. KS-01-173-004, KS-01-173-005, KS-01-173-006, KS-01-173-007 and KS-01-173-008, for proposed new Class I hazardous waste disposal wells for Vulcan Materials, Inc. at its Wichita facility, located in Section 27, T28S, R1W, Sedgwick County.

Vulcan Chemicals is a chloroalkali and chlorosolvent manufacturing facility. Stormwater runoff, contaminated groundwater and process wastewater originating from this facility and the adjacent Autochem Inc. facility are injected. The wastewater consists primarily of sodium, calcium and magnesium chloride brines that vary in pH. The acidic wastes are primarily hydrochloric acid with some sulfuric acid, and the basic wastes are primarily sodium-hydroxide. The average chloride concentration of these brines is approximately 20,000 ppm. Trace organic compounds and chlorinated phenol compounds, soluble brine, also are present. The fluids to be injected are at times considered hazardous by definition of the RCRA and K.S.A. 65-3430 *et seq.* and regulations adopted thereunder. The maximum daily injection volume authorized by the permits is 864,000 gallons per day per well, but the maximum facility injection volume limit of 2,520,000 gallons per day cannot be exceeded.

Copies of the city's application, draft permit, fact sheets and other pertinent documents may be requested by writing the Kansas Department of Health and Environment, TSS - Permit Clerk, Bureau of Water, Forbes Field, Building 283, Topeka, 66620. Appropriate copying charges will be assessed for each request.

Persons wishing to comment on the draft permit must submit written statements to the address above by July 7.

Clyde D. Graeber
Secretary of Health
and Environment

Doc. No. 026669

State of Kansas

Legislature

Interim Committee Schedule

The following committee meetings have been scheduled during the period of June 4-17. Requests for accommodation to participate in committee meetings should be made at least two working days in advance of the meeting by contacting Legislative Administrative Services at (785) 296-2391 or TTY (785) 296-8430. When available, agendas can be found at <http://skyways.lib.ks.us/ksleg/KLRD/klrd.html>.

| Date | Room | Time | Committee | Agenda |
|---------|--------------|------------|--------------------------------|-----------------------|
| June 5 | Independence | 11:00 a.m. | Redistricting Public Hearing | Agenda not available. |
| June 12 | Hays | 2:00 p.m. | Redistricting Public Hearing | Agenda not available. |
| June 13 | Garden City | 10:00 a.m. | Redistricting Public Hearing | Agenda not available. |
| June 14 | 519-S | 1:00 p.m. | Senate Confirmations Committee | Agenda not available. |

Jeff Russell
 Director of Legislative
 Administrative Services

Doc. No. 026658

State of Kansas

Department of Health
 and Environment

Request for Comments

The Kansas Department of Health and Environment has prepared a draft National Pollutant Discharge Elimination System permit for the Johnson County Indian Creek Middle Basin to discharge treated domestic wastewater into Indian Creek.

The proposed permit is based upon an average discharge flow of 9.0 MGD into Indian Creek. This proposed wastewater treatment facility is a mechanical treatment plant consisting of primary and final clarification, a redwood tower trickling filter, chlorination and dechlorination, cascade reaeration and a peak flow basin with physical/chemical treatment. The facility receives domestic wastewater from residential and commercial development and industrial wastewater from local manufacturers. The proposed permit includes limits for biochemical oxygen demand, total suspended solids, ammonia, fecal coliform, total residual chlorine and pH. Monitoring for total phosphorus, total Kjeldahl nitrogen, nitrate, nitrite, temperature, dissolved oxygen, duration of discharge and effluent flow also will be required. The chronic whole effluent toxicity and heavy metals testing will be required annually. A priority pollutant scan will be required to be performed at least once during the life of the permit.

Copies of the city's application, draft permit, fact sheets and other pertinent documents may be requested by writing the Kansas Department of Health and Environment, TSS - Permit Clerk, Bureau of Water, Forbes Field, Building 283, Topeka, 66620. Appropriate copying charges will be assessed for each request.

Persons wishing to comment on the draft permit must submit written statements to the address above by June 30.

Clyde D. Graeber
 Secretary of Health
 and Environment

Doc. No. 026653

State of Kansas

Department of Health
 and Environment

Request for Comments

The Kansas Department of Health and Environment has prepared a draft National Pollutant Discharge Elimination System permit for the City of Wichita Plants No. 1 and 2 to discharge treated domestic wastewater into the Arkansas River.

The proposed permit is based upon an average discharge flow of 54 MGD to the Arkansas River. This wastewater treatment facility, Plants No. 1 and 2, is a mechanical treatment plant consisting of primary clarification, trickling filters, activated sludge aeration basin, final clarification, chlorination and dechlorination, gravity belt sludge thickener, belt filter presses and anaerobic sludge digestion. The facility receives domestic wastewater from residential and commercial development and industrial wastewater from local manufacturers. The proposed permit includes limits for biochemical oxygen demand, total suspended solids, ammonia, fecal coliform, total residual chlorine, dissolved oxygen and pH. Monitoring for total phosphorus, total Kjeldahl nitrogen, nitrate, nitrite, temperature, chlorides, sulfates and effluent flow also will be required. The chronic whole effluent toxicity and heavy metals testing will be required quarterly. A priority pollutant scan will be required to be performed at least once during the life of the permit.

Copies of the city's application, draft permit, fact sheets and other pertinent documents may be requested by writing the Kansas Department of Health and Environment, TSS - Permit Clerk, Bureau of Water, Forbes Field, Building 283, Topeka, 66620. Appropriate copying charges will be assessed for each request.

Persons wishing to comment on the draft permit must submit written statements to the address above by July 7.

Clyde D. Graeber
 Secretary of Health
 and Environment

Doc. No. 026670

State of Kansas

Kansas Water Office**Notice of Hearings**

Formal public hearings will be conducted by the Kansas Water Office on the annual update of the Kansas Water Plan and on the Total Maximum Daily Loads (TMDL) for the Missouri and Marais des Cygnes river basins. The hearings are scheduled as follows:

June 4 - 1 p.m. (Kansas Water Plan)
Room 313-S, State Capitol
300 S.W. 10th Ave., Topeka

June 5 - 1 p.m. (Kansas Water Plan)
City Commission Chambers
1507 Main St., Hays

Comments on the TMDL will be compiled by the Kansas Department of Health and Environment and submitted to the U.S. Environmental Protection Agency when the department submits the TMDLs in June. Comments on the annual update of the Kansas Water Plan will be considered by the Kansas Water Authority in the approval of the plan at its meeting July 11-12. The record of the hearing will be open June 15.

For further information, contact the Kansas Water Office, 109 S.W. 9th, Suite 300, Topeka, 66612, (785) 296-3185.

Al LeDoux
Director

Doc. No. 026635

State of Kansas

**Department of Health
and Environment****Request for Comments**

The Kansas Department of Health and Environment has prepared a draft National Pollutant Discharge Elimination System permit for the Johnson County Tomahawk Creek Main Sewer District No. 1 to discharge treated domestic wastewater into the Blue River via Indian Creek.

The proposed permit is based upon an average discharge flow of 10.0 MGD into Indian Creek. This proposed wastewater treatment facility is a mechanical treatment plant consisting of grit removal, primary and final clarification, a trickling filter, chlorination and dechlorination, and a peak flow basin with physical/chemical treatment. The facility receives domestic wastewater from residential and commercial development and industrial wastewater from local manufacturers. The proposed permit includes limits for carbonaceous biochemical oxygen demand, total suspended solids, ammonia, fecal coliform, total residual chlorine and pH. Monitoring for total phosphorus, total Kjeldahl nitrogen, nitrate, nitrite, temperature, diazinon, duration of discharge and effluent flow also will be required. The chronic whole effluent toxicity and heavy metals testing will be required annually. A priority pollutant scan will be required to be performed at least once during the life of the permit.

Copies of the city's application, draft permit, fact sheets and other pertinent documents may be requested by writ-

ing the Kansas Department of Health and Environment, TSS - Permit Clerk, Bureau of Water, Forbes Field, Building 283, Topeka, 66620. Appropriate copying charges will be assessed for each request.

Persons wishing to comment on the draft permit must submit written statements to the address above by July 7.

Clyde D. Graeber
Secretary of Health
and Environment

Doc. No. 026671

State of Kansas

**Department of Health
and Environment****Request for Comments**

The Kansas Department of Health and Environment is soliciting comments regarding a proposed air quality construction permit. Northern Natural Gas Company, Morton County #1 Compressor Station, has applied for an air quality construction permit in accordance with the provisions of K.A.R. 28-19-300 to replace compressor engines number 5 and 6. Emissions of oxides of nitrogen and carbon monoxide were evaluated during the permit review process.

Northern Natural Gas Company, Morton County #1 Compressor Station, Liberal, owns and operates the stationary source located at Section 25, Township 34 South, Range 40 West, Rolla, Morton County, at which the compressor engine will be exchanged in a major PSD source.

A copy of the proposed permit, permit application, all supporting documentation, and all information relied upon during review of the permit application is available for public inspection for a period of 30 days from the date of publication during normal business hours at the KDHE, Bureau of Air and Radiation, Building 283, Forbes Field, Topeka, and at the KDHE South Central District Office, 130 S. Market, sixth floor, Wichita. To obtain or review the proposed permit and supporting documentation, contact Amer Safadi, (785) 296-1993, at the KDHE central office, or Dave Butler, (316) 337-6020, at the KDHE South Central District Office. The standard departmental cost will be assessed for any copies requested.

Direct written comments or questions regarding the proposed permit to Amer Safadi, KDHE, Bureau of Air and Radiation, Building 283, Forbes Field, Topeka, 66620. In order to be considered in formulating a final permit decision, written comments must be received by the close of business July 2.

A person may request a public hearing be held on the proposed permit. The request for a public hearing shall be in writing and set forth the basis for the request. The written request must be submitted to Connie Carreno, Bureau of Air and Radiation, not later than the close of business July 2 in order for the Secretary of Health and Environment to consider the request.

Clyde D. Graeber
Secretary of Health
and Environment

Doc. No. 026651

State of Kansas

Department of Health and Environment

Notice Concerning Kansas Water Pollution Control Permits

In accordance with Kansas Administrative Regulations 28-16-57 through 63, 28-18-1 through 15, 28-18a-1 through 32, 28-16-150 through 154, 28-46-7, and the authority vested with the state by the administrator of the U.S. Environmental Protection Agency, draft permits have been prepared and/or permit applications have been received for discharges to the waters of the United States and the State of Kansas for the class of discharges described below.

The determinations for permit content are based on staff review, applying the appropriate standards, regulations and effluent limitations of the State of Kansas and the EPA, and when issued will result in a State Water Pollution Control Permit and National Pollutant Discharge Elimination System Authorization subject to certain conditions.

All Kansas Department of Health and Environment district office addresses and telephone numbers are listed below.

Public Notice No. KS-AG-01-141

Application(s) for New or Expansion of Existing Swine Facilities

| Name and Address of Applicant | Owner of Property Where Facility Will Be Located | Receiving Water |
|--|---|------------------------------|
| Husky Hogs, LLC P.O. Box 8 Long Island, KS 67647 | Nelson Hog Farms, LLC Route 2, Box 18 Long Island, KS 67647 | Upper Republican River Basin |
| Legal Description SE/4 of Section 29, T1S, R21W, Norton County | | |
| Kansas Permit No. A-URNT-H003 | Federal Permit No. KS0094102 | |

This is an application for expansion of an existing swine facility from a capacity of 14,000 head (1,400 animal units) to a capacity of 16,000 head (1,600 animal units) of swine weighing 55 pounds or less. A new or modified permit will not be issued without additional public notice.

Public Notice No. KS-AG-01-142/144

Pending Permits for Confined Feeding Facilities

| Name and Address of Applicant | Legal Description | Receiving Water |
|--|---|------------------------------|
| Miller Feed Yard Inc. P.O. Box 459 Satanta, KS 67870 | E/2 of Section 19, T30S, R34W, Haskell County | Cimarron River Basin |
| Kansas Permit No. A-CIHS-C006 | | Federal Permit No. KS0115231 |

This is a renewal permit for an existing facility for 17,500 head (17,500 animal units) of beef cattle.

Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity is provided that meets or exceeds KDHE minimum requirements.

Compliance Schedule: The manure/waste management plan developed by the designer and approved by the department shall be adhered to as a condition of the permit.

| Name and Address of Applicant | Legal Description | Receiving Water |
|---|--|------------------------------|
| L-Bo Land & Livestock P.O. Box 186 Scott City, KS 67871 | SW/4 of Section 13, T18S, R34W, Scott County | Upper Arkansas River Basin |
| Kansas Permit No. A-UA5C-C014 | | Federal Permit No. KS0079316 |

This is a renewal permit for an existing facility for 1,400 head (1,400 animal units) of beef cattle.

Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity is provided that meets or exceeds KDHE minimum requirements.

Compliance Schedule: The manure/waste management plan developed by the designer and approved by the department shall be adhered to as a condition of the permit.

| Name and Address of Applicant | Legal Description | Receiving Water |
|---|---|------------------------|
| Carroll Roth 2273 20th Road Green, KS 67447 | SE/4 of Section 27, T7S, R4E, Clay County | Republican River Basin |
| Kansas Permit No. A-LRCY-S013 | | |

This is a renewal permit for an existing facility for 1574 head (407.6 animal units) of swine.

Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity is provided that meets or exceeds KDHE minimum requirements.

Compliance Schedule: The manure/waste management plan developed by the designer and approved by the department shall be adhered to as a condition of the permit.

Public Notice No. KS-01-062-066

| Name and Address of Applicant | Waterway | Type of Discharge |
|---|--|------------------------------|
| Hiawatha, City of 723 Oregon Hiawatha, KS 66434 | Missouri River via North Fork Wolf Creek | Treated Domestic Wastewater |
| Kansas Permit No. M-MO08-0003 | | Federal Permit No. KS0096440 |
| Legal: NW¼, S32, T2S, R17E, Brown County | | |

Facility Description: The proposed action is to issue a new permit for operation of a new wastewater treatment facility treating primarily domestic wastewater. The proposed permit includes limits for biochemical oxygen demand, total suspended solids, ammonia, fecal coliform and pH. Monitoring for dissolved oxygen and effluent flow also will be required. Included in this permit is a schedule of compliance requiring the permittee to make necessary improvements to achieve compliance with its NPDES permit. The permit requirements are pursuant to the Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f), and Federal Surface Water Criteria, and are water-quality based.

| Name and Address of Applicant | Waterway | Type of Discharge |
|--|--------------------------------|------------------------------|
| Johnson County Unified Wastewater District 7311 W. 130th St., Suite 100 Overland Park, KS 66213 | Blue River via Indian Creek | Treated Domestic Wastewater |
| Kansas Permit No. M-MO27-0001 | | Federal Permit No. KS0055484 |
| Legal: SW¼, S10, T13S, R25E, Johnson County | | |

Facility Name: Tomahawk Creek M.S.D. No. 1 Wastewater Treatment Plant

Facility Description: The proposed action is to reissue an existing permit for operation of an existing wastewater treatment facility treating primarily domestic wastewater. The proposed permit includes limits for carbonaceous biochemical oxygen demand, total suspended solids, ammonia, fecal coliform, total residual chlorine and pH. Monitoring for total phosphorus, total Kjeldahl nitrogen, nitrate, nitrite, temperature, diazinon, effluent flow, chronic whole effluent toxicity and priority pollutants also will be required. In addition, the permittee is required to monitor the receiving stream above and below the plant discharge point and also discharges from the aerated lagoon. The permit requirements are pursuant to the Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f), and Federal Surface Water Criteria, and are water-quality based.

| Name and Address of Applicant | Waterway | Type of Discharge |
|--|--------------|-------------------------------|
| Johnson County Unified Wastewater District 7311 W. 130th St. Suite 100 Overland Park, KS 66213 | Indian Creek | Treated Domestic Wastewater |
| Kansas Permit No. M-MO28-0001 | | Federal Permit No. KS00119601 |

(continued)

Legal: NW¼, S13, T13S, R24E, Johnson County

Facility Name: Indian Creek Middle Basin
Wastewater Treatment Plant

Facility Description: The proposed action is to reissue an existing permit for operation of an existing wastewater treatment facility treating primarily domestic wastewater. The proposed permit includes limits for biochemical oxygen demand, total suspended solids, ammonia, fecal coliform, total residual chlorine and pH. Monitoring for dissolved oxygen, total phosphorus, total Kjeldahl nitrogen, nitrate, nitrite, temperature, diazinon, effluent flow, chronic whole effluent toxicity and priority pollutants also will be required. In addition, the permittee is required to monitor the receiving stream above and below the plant discharge point and also discharges from the aerated lagoon. The permit requirements are pursuant to the Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f), and Federal Surface Water Criteria, and are water-quality based.

| Name and Address of Applicant | Waterway | Type of Discharge |
|---|----------------|-----------------------------|
| Wichita, City of Sewer and Water Department City Hall - Eighth Floor 455 N. Main St. Wichita, KS 67202 | Arkansas River | Treated Domestic Wastewater |

Kansas Permit No. M-AR94-IO01 Federal Permit No. KS0043036

Facility Name: Wichita Wastewater Treatment Plants 1 and 2

Facility Location: 2305 E. 57th St., Wichita, KS 67216

Facility Description: The proposed action is to reissue an existing permit for operation of an existing wastewater treatment facility treating primarily domestic wastewater. The proposed permit includes limits for biochemical oxygen demand, total suspended solids, ammonia, fecal coliform, total residual chlorine, dissolved oxygen and pH. Monitoring for total phosphorus, total Kjeldahl nitrogen, nitrate, nitrite, temperature, chlorides, sulfates and effluent flow also will be required. In addition, the permittee is required to conduct a chronic whole effluent toxicity test and a priority pollutant scan. The permit requirements are pursuant to the Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f), and Federal Surface Water Criteria, and are water-quality based.

| Name and Address of Applicant | Waterway | Type of Discharge |
|--|---|--|
| N.R. Hamm Quarry, Inc. P.O. Box 17 Perry, KS 66073 | Kansas River via Stranger Creek via various tributaries | Pit Dewatering and Uncontaminated Stormwater Runoff |

Facility Name: Tonganoxie Quarry #15

Kansas Permit No. I-KS71-PO03 Federal Permit No. KS0088439

Legal: NW¼, S7, T11S, R21E and S½, SW¼, S6, T11S, R20E, Leavenworth County

Facility Description: The proposed action is to modify and reissue an existing permit for the discharge of wastewater during quarry operation. This facility is a limestone quarrying operation without washing. Monitoring of the stormwater runoff from the quarry, including any discharges from settling ponds will be required. The permit requirements are pursuant to the Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f), and Federal Surface Water Criteria, and are water-quality based.

Public Notice No. KS-PT-01-010/011

| Name and Address of Applicant | Receiving Facility | Type of Discharge |
|--|---|----------------------|
| John Zink Company L.L.C. Strother Field Industrial Park 11920 E. Apache St. Tulsa, OK 74116 | Strother Field Industrial Park WWTP | Processed Wastewater |

Kansas Permit No. P-WA17-IO02

Facility Description: The proposed action is to reissue an existing pretreatment permit for this facility. This facility manufactures combustion equipment for gas, oil and solid fuel burners. Steel parts for

burners are processed in a three-stage conversion coating (phosphating) operation before they are painted. The proposed permit includes limits for total toxic organics, cadmium, chromium, copper, lead, nickel, silver, total cyanide, zinc and pH. Process wastewater is treated before being released to the city sanitary sewer. The permit limits are pursuant to state and federal pretreatment requirements.

| Name and Address of Applicant | Receiving Facility | Type of Discharge |
|--|---------------------|----------------------|
| Oxwell Inc. 600 E. 15th St. Wellington, KS 67152 | Wellington MWWTP | Processed Wastewater |

Kansas Permit No. P-AR92-0001

Facility Description: The proposed action is to reissue a pretreatment permit for this facility. This facility manufactures, tests and overhauls aircraft instruments, helicopter parts and oil coolers and pumps. This facility performs chemical conversion coating on aluminum parts and discharges contaminated rinse water. The proposed permit includes limits for total toxic organics, cadmium, chromium, copper, lead, nickel, silver, total cyanide, zinc and pH. Process wastewater is treated before being released to the city sanitary sewer. The permit limits are pursuant to state and federal pretreatment requirements.

Public Notice No. KS-EG-01-002

In accordance with K.A.R. 28-46-7 and the authority vested with the state by the administrator of the U.S. Environmental Protection Agency, draft permits have been prepared for the use of the well(s) described below within the State of Kansas.

Name and Address of Applicant
Vulcan Materials Company
P. O. Box 12283
Wichita, KS 67277-2283

| Well and Permit No. | Location |
|---------------------|--|
| #3 KS-01-173-004 | 1177 feet from the south line and 4015 feet from the east line of Section 27, Township 28 South, Range 1 West, Sedgwick County, Kansas |
| #4 KS-01-173-005 | 1787 feet from the south line and 3790 feet from the east line of Section 27, Township 28 South, Range 1 West, Sedgwick County, Kansas |
| #7 KS-01-173-006 | 2019 feet from the south line and 4178 feet from the east line of Section 27, Township 28 South, Range 1 West, Sedgwick County, Kansas |
| #8 KS-01-173-007 | 1640 feet from the south line and 4325 feet from the east line of Section 27, Township 28 South, Range 1 West, Sedgwick County, Kansas |
| #9 KS-01-173-008 | 1545 feet from the south line and 4040 feet from the east line of Section 27, Township 28 South, Range 1 West, Sedgwick County, Kansas |

Facility Description: Vulcan Materials is a chloroalkali and chlorosolvent manufacturing facility. Stormwater runoff, contaminated groundwater and process wastewater originating from this facility and the adjacent Autofina, Inc. facility are injected. The wastewater consists primarily of sodium, calcium and magnesium chloride brines that vary in pH.

Persons wishing to comment on or object to the draft permits and/or permit applications must submit their comments in writing to the Kansas Department of Health and Environment if they wish to have the comments or objections considered in the decision making process. Comments or objections should be submitted to the attention of Shonda Domme for agricultural permits or ap-

plications, or to the permit clerk for all other permits, at the Kansas Department of Health and Environment, Division of Environment, Bureau of Water, J Street and 2 North, Forbes Field, Building 283, Topeka, 66620.

All comments regarding the draft permit or application notice postmarked or received on or before June 30 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate Kansas permit number (KS-AG-01-141/144, KS-01-062/066, KS-PT-01-010/011, KS-EG-01-002) and name of applicant/application as listed when preparing comments.

If no objections are received during the public notice period regarding any proposed permit, the Secretary of Health and Environment will issue the final determination regarding issuance or denial of the proposed permit. If response to this notice indicates significant public interest, a public hearing may be held in conformance with K.A.R. 28-16-61 (28-46-21 for UIC). Media coordination for publication and/or announcement of the public notice or public hearing is handled by the Kansas Department of Health and Environment.

For agricultural permits and applications, a copy of the permit application, supporting documentation and a KDHE-developed fact sheet, if appropriate, is available for review at the appropriate district office:

Northwest District Office, 2301 E. 13th,
Hays, 67601-2651, (785) 625-5664

North Central District Office, 2501 Market Place,
Salina, 67401-7699, (785) 827-9639

Northeast District Office, 800 W. 24th,
Lawrence, 66046-4417, (785) 842-4600

Southwest District Office, 302 W. McArtor Road,
Dodge City, 67801-6098, (316) 225-0596

South Central District Office, 130 S. Market, 6th Floor,
Wichita, 67202-3802, (316) 337-6020

Southeast District Office, 1500 W. 7th,
Chanute, 66720, (316) 431-2390

Application information and components of plans and specifications for all new facilities and for expansions of existing swine facilities may be reviewed on the Internet at <http://www.kdhe.state.ks.us/feedlots/stindex.html>.

For all other proposed permits, the draft permit(s), including proposed effluent limitations and special conditions, fact sheets as appropriate, comments received and other information, are on file and may be inspected at the offices of the Kansas Department of Health and Environment, Bureau of Water.

Division of Environment offices are open from 8 a.m. to 5 p.m. Monday through Friday, excluding holidays. These documents are available upon request at the copying cost assessed by KDHE. Additional copies of this public notice also may be obtained at the Division of Environment.

Clyde D. Graeber
Secretary of Health
and Environment

Doc. No. 026652

State of Kansas

Department of Agriculture

Permanent Administrative Regulations

Article 3.—COMMERCIAL FEEDING STUFFS

4-3-47. Adoption by reference. The "official feed terms" on pages 211 through 224 and the "official names and definitions of feed ingredients as established by the association of American feed control officials" on pages 228 through 330 in the "2001 official publication," copyrighted in 2001 by the association of American feed control officials incorporated, are adopted by reference and shall apply to commercial feeding stuffs in this state. Copies of these definitions and terms may be obtained from the office of the agricultural commodity assurance program, Kansas department of agriculture, Topeka, Kansas. (Authorized by K.S.A. 2-1013; implementing K.S.A. 2-1002 and K.S.A. 2000 Supp. 2-1013; effective May 1, 1981; amended May 1, 1982; amended May 1, 1984; amended May 1, 1988; amended Oct. 21, 1991; amended Dec. 12, 1994; amended June 15, 2001.)

4-3-49. Good manufacturing practices—adoption by reference. Parts 225 and 226 of title 21 of the code of federal regulations, revised on April 1, 2000, are hereby adopted by reference and shall apply to good manufacturing practices for the production of commercial feeding stuffs in Kansas. Copies of the regulations, or pertinent portions of the regulations, shall be available from the office of the agricultural commodity assurance program, Kansas department of agriculture, Topeka, Kansas. (Authorized by and implementing K.S.A. 2000 Supp. 2-1013; effective, T-88-46, Nov. 10, 1987; effective May 1, 1988; amended Oct. 21, 1991; amended Dec. 12, 1994; amended, T-4-2-13-01, Feb. 13, 2001; amended June 15, 2001.)

4-3-51. Prohibited feed stuffs—adoption by reference. Part 589 of title 21 of the code of federal regulations, revised on April 1, 2000, is hereby adopted by reference and shall apply to the production of all commercial feeding stuffs and custom-mixed feed in Kansas. Copies of the regulations, or pertinent portions of the regulations, shall be available from the office of the agricultural commodity assurance program, Kansas department of agriculture, Topeka, Kansas. (Authorized by and implementing K.S.A. 2000 Supp. 2-1013; effective, T-4-2-13-01, Feb. 13, 2001; effective June 15, 2001.)

Jamie Clover Adams
Secretary of Agriculture

Doc. No. 026656

State of Kansas

Real Estate Appraisal Board

Permanent Administrative
Regulations

Article 6.—CONTINUING EDUCATION

117-6-3. Education; obtaining course approval. (a)

To request board approval of a course to meet any education requirement of the act or portion of it, for each course the sponsor shall perform the following:

(1) Appoint a coordinator, who shall monitor the course and assure compliance with the appropriate statutes and regulations;

(2) submit all information, materials, and fees required by the board for course approval at least 30 days before the first scheduled class session, including the following:

(A) A completed application for course registration on a form prescribed by the board;

(B) the procedure for maintaining attendance records;

(C) the proposed dates and times of the course offering;

(D) the total amount of the attendance fee;

(E) the total number of class sessions and the length of time per session;

(F) the total number of hours in the course and the number of credit hours requested;

(G) if approval of the course is requested according to K.A.R. 117-2-1, 117-3-1, or 117-4-1, the amount of time allotted for the required examination;

(H) a course syllabus, including a detailed course outline and course objectives;

(I) an instructor resume, demonstrating that the instructor meets the qualifications in relation to knowledge of the subject matter and ability to teach;

(J) the methods of instruction or teaching techniques to be used in the course;

(K) a copy of any textbook or manual that will be used;

(L) a copy of all handout materials that will be used; and

(M) the course approval fee prescribed by K.A.R. 117-7-1.

(b) For continuing education purposes, each instructor shall demonstrate knowledge of the subject matter as indicated by either of the following:

(1) A college degree in an academic area related to the course; or

(2) at least three years of experience in the subject area directly related to the course.

(c) For prelicensing education or qualifying education purposes, according to K.A.R. 117-2-1, 117-3-1, and 117-4-1, each instructor shall demonstrate knowledge of the subject as indicated by any of the following:

(1) Possessing a current appraiser license or certification pursuant to K.S.A. 58-4109(a)(1), (2), or (3), and amendments thereto;

(2) holding a current appraiser's license or certification issued by another state; or

(3)(A) Providing evidence of completion of all the required courses specified in K.A.R. 117-2-1, 117-3-1, or 117-4-1 within the past five years; and

(B) providing an appraisal log sheet that shows the equivalent of two years of appraiser experience within the past five calendar years in the subject area related to the course. One thousand hours shall constitute one year of appraisal experience.

(d) For purposes of continuing education or prelicensing education on the "uniform standards of professional appraisal practice," the only course that will be accepted by the board for either prelicensing or continuing education shall be the national "uniform standards of professional appraisal practice" course that has been developed by the appraisal foundation. Each instructor shall demonstrate knowledge of the subject matter as indicated by the following:

(1) Attending and passing a 15-classroom-hour, board-approved "uniform standards of professional appraisal practice" course within the previous three years; and

(2)(A) Possessing a current appraiser license or certification issued pursuant to K.S.A. 58-4109(a)(1), (2), or (3), and amendments thereto, or by another state; or

(B) providing evidence of completion of all the required courses outlined in K.A.R. 117-2-1, 117-3-1, or 117-4-1 within the past five calendar years.

(e) For prelicensing education or qualifying education purposes, according to K.A.R. 117-2-1, 117-3-1, and 117-4-1, the ability to teach effectively shall be demonstrated by one of the following:

(1) Within the preceding two years, completing a board-approved program for instructors that is designed to develop the ability to communicate;

(2) holding a current teaching certificate issued by any state department of education or an equivalent agency;

(3) holding a four-year undergraduate degree in education; or

(4) having experience teaching in schools, seminars, or in an equivalent setting.

(f) Each instructor shall perform the following:

(1) Comply with all laws and regulations pertaining to appraiser continuing education;

(2) provide students with the most current and accurate information;

(3) maintain an atmosphere conducive to learning in a classroom; and

(4) provide assistance to the students and respond to questions relating to course material.

(g) Course approvals shall expire on June 30 of each year. By May 1 a notification that includes the necessary forms shall be sent by the board informing each sponsor that an application for renewal is necessary. Course renewal applications and necessary forms shall be received by the board before October 1, or the course approvals shall not be renewed. After notice and opportunity for a hearing, course approval or renewal of a course approval may be denied or revoked by the board under either of the following conditions:

(1) The course sponsor procured or attempted to procure course approval by knowingly making a false statement, submitting false information, or refusing to provide complete information in response to a question in an application for course approval or renewal of course approval.

(2) The course sponsor engages in any form of fraud or misrepresentation.

(h) The sponsor shall not advertise a course as approved unless written approval has been granted by the board.

(i) The sponsor shall conduct each course in a classroom or other facility that is adequate to comfortably accommodate the number of students enrolled.

(j) Each sponsor shall maintain, for at least five years, accurate records relating to course offerings, instructors, and student attendance. If a sponsor ceases operations, the coordinator appointed under paragraph (a)(1) above shall be responsible for maintaining the records or providing a custodian acceptable to the board.

(k) Each sponsor shall provide each student with a certificate of completion on a form prescribed by the board within seven days of the date the student completes the course. The sponsor may require payment of course tuition as a condition for completing the course. (Authorized by and implementing K.S.A. 58-4105; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended May 3, 1996; amended Jan. 9, 1998; amended Nov. 30, 1998; amended April 20, 2000; amended June 15, 2001.)

117-6-4. Education; denial or revocation of course approval. (a) After notice and opportunity for a hearing, approval of a course that is offered to meet the prelicensing requirements may be denied or revoked by the board if the course does not fulfill the requirements listed in K.A.R. 117-2-1, K.A.R. 117-3-1, or K.A.R. 117-4-1.

(b) After notice and opportunity for a hearing, approval or renewal of a course that is offered to meet the continuing education requirements may be denied or revoked by the board if the course does not fulfill the requirements listed in K.A.R. 117-6-2 and K.A.R. 117-6-3. (Authorized by K.S.A. 58-4105(a); implementing K.S.A. 58-4109, K.S.A. 1999 Supp. 58-4112, and K.S.A. 58-4117; effective June 15, 2001.)

Article 7.—FEES

117-7-1. Fees. The following fees shall be submitted to the board. (a) For application for certification or licensure, the fee shall be \$50.

(b) For original certification or licensure, the fee shall be \$250.

(c) For renewal of a certificate or license, the fee shall be \$265.

(d) For late renewal of a certificate or license, the fee shall be the amount specified in subsection (c) and an additional \$50.

(e) Except as provided in subsection (h) of this regulation, for approval of a course of instruction to meet any portion of the education requirements of K.A.R. 117-2-1, 117-3-1, or 117-4-1, the fee shall be \$100.

(f) Except as provided in subsection (h) of this regulation, for approval of a course of instruction to meet the continuing education requirements of K.A.R. 117-6-1, the fee shall be \$50.

(g) Except as provided in subsection (h) of this regulation, for renewal of any course of instruction, the fee shall be \$25.

(h) For approval or renewal of any course of instruction that is endorsed by the appraisal qualifications board, the fee shall be \$10. (Authorized by and implementing K.S.A. 58-4107; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended, T-117-4-22-92, April 22, 1992; amended June 22, 1992; amended Feb. 6, 1995; amended Jan. 28, 2000; amended June 15, 2001.)

Sally L. Pritchett
Director

Doc. No. 026660

(Published in the Kansas Register May 31, 2001.)

Fort Scott Community College Fort Scott, Kansas

Notice of Intent to Issue Revenue Bonds

The Board of Trustees (the governing body) of Fort Scott Community College, Fort Scott, Kansas, duly adopted a resolution May 22, 2001, declaring necessary and authorizing improvements to the Dormitory System by constructing a new student housing facility and certain site improvements on the campus of Fort Scott Community College, Fort Scott, Kansas (the project), which project consists of a new 103-bed dormitory and certain site improvements, all at an estimated construction cost of \$2,654,000, and under the authority of K.S.A. 76-6a12 to 76-6a25, inclusive, as amended and supplemented (the act).

The resolution declares necessary and authorizes the issuance and sale of system revenue bonds of the college in an amount of not to exceed \$2,900,000, such bonds to be used, along with any other available funds of the college, to pay the costs of the project and provide for a bond reserve deposit, construction period interest and related costs of issuance.

Unless an action to contest the legality of the proposed revenue bonds of the college shall be filed in a court of law within 30 days of the date of publication of this notice, the right to contest the legality of any revenue bonds issued in compliance with the aforesaid resolution and other proceedings duly and legally had and taken by the governing body prior to the date of publication of this notice, and the right to contest the validity of the provisions of such proceedings, shall cease to exist, and no court shall thereafter have the authority to inquire into such matters. After the expiration of said 30 days from the date of publication of this notice, no one shall have any right to commence an action contesting the validity of such revenue bonds or the provisions of such proceedings of the governing body, all such revenue bonds shall be conclusively presumed to be legal, and no court shall thereafter have the authority to inquire into such matters.

Dated May 22, 2001.

Board of Trustees
Fort Scott Community College
Fort Scott, Kansas
By: Douglas R. Ropp
Chairperson
Attest: Carolyn K. Sinn
Secretary

Doc. No. 026654

State of Kansas

Pooled Money Investment Board

Notice of Investment Rates

The following rates are published in accordance with K.S.A. 75-4210. These rates and their uses are defined in K.S.A. 2000 Supp. 12-1675(b)(c)(d), and K.S.A. 75-4201(l) and 75-4209(a)(1)(B).

Effective 5-28-01 through 6-3-01

| Term | Rate |
|-----------|-------|
| 1-89 days | 3.97% |
| 3 months | 3.43% |
| 6 months | 3.69% |
| 1 year | 3.92% |
| 18 months | 4.20% |
| 2 years | 4.42% |

Derl S. Treff
Director of Investments

Doc. No. 026636

State of Kansas

Department of Administration
Division of Purchases

Notice to Bidders

Sealed bids for the following items will be received by the Director of Purchases, Landon State Office Building, 900 S.W. Jackson, Room 102, Topeka, 66612, until 2 p.m. on the date indicated and then will be publicly opened. Interested bidders may call (785) 296-2377 for additional information:

Tuesday, June 12, 2001

03398

Statewide—Flashlights and Accessories

03429

Statewide—Antifreeze and Summer Coolant

Thursday, June 14, 2001

03480

Department of Transportation—Pull Type Crack Seam Machine and Conveyor System, Various Locations

Friday, June 15, 2001

03412

Department of Transportation—Skid Steer Loaders and Attachments, Various Locations

03418

Department of Transportation—Trucks, Various Locations

03425

Topeka Correctional Facility—Furnish and Install Water System

03455

Department of Transportation—Truck Mounted Core Drilling Rig

03459

Department of Transportation—Trailer Mounted Flashing Lights, Various Locations

03466

Department of Transportation—Fujitsu and Visioneer Strobe Scanners

03467

Department of Transportation—High Speed Weigh-In Motion System

03468

Department of Transportation—Salt Brine Production System, Various Locations

Wednesday, June 20, 2001

A-9082

Beloit Juvenile Correctional Facility—ADA Upgrades, Prairie Vista Cottages

A-9086

Topeka Juvenile Correctional Facility—Unit Shower Repairs, Kiowa/Comanche Cottages

A-9241

Fort Hays State University—Campus Sidewalk Replacement, Phase III

Thursday, June 21, 2001

A-9238

Adjutant General's Department—Armory Reroof, Wichita

A-9239

Kansas State University—Transformer Replacement, Derby Dining Center

A-9240

Kansas State University—Water Heater Replacement, Goodnow/Marlott Halls

Request for Proposals

Wednesday, June 6, 2001

03389

Rotary Mowers, Tractor Powered, for the Department of Transportation, Various Locations

Wednesday, June 13, 2001

03473

Papanicolau Screening and Tissue Biopsy Services for the University of Kansas

Friday, June 15, 2001

03452

Loader Backhoe for the Department of Transportation, Various Locations

Monday, June 18, 2001

03411

GASB 33 and 34 Implementation Review for the Department of Transportation

03481

Bituminous Plant Mix for the Department of Transportation (I-35 in Osage and Franklin Counties)

John T. Houlihan
Director of Purchases

Doc. No. 026659

(Published in the Kansas Register May 31, 2001.)

Notice of Mandatory Partial Redemption
City of Dighton, Kansas
First Mortgage Revenue Bonds
(Section 8 Assisted Housing Project)
Series 1978
Dated July 10, 1978
7.60% Due 7/1/2008
No Cusip Assigned

Notice is hereby given that pursuant to Section 302c of the Trust Indenture dated July 10, 1978, the following outstanding bonds, in denominations of \$5,000 each, totaling \$25,000 aggregate principal amount of the above issue, will be redeemed on July 1, 2001 (the redemption date), at a redemption price of 100 percent of the principal amount thereof, plus accrued interest to the redemption date:

| Bond # | Amount |
|--------|---------|
| 92 | \$5,000 |
| 109 | \$5,000 |
| 113 | \$5,000 |
| 119 | \$5,000 |
| 124 | \$5,000 |

The bonds shall be payable upon presentation and surrender thereof on the redemption date to the paying agent, Commerce Bank N.A., Attn: Global Corporate Trust Services, 1 Bank One Plaza IL1-0125, Chicago, IL 60670-0125. Interest shall cease to accrue on all bonds called for redemption on and after July 1, 2001.

The method of presentation and delivery of such bonds for redemption is at the option and risk of the owners of each bond. It is suggested, however, if the securities are sent by mail, that the envelope be sent insured, registered, return receipt.

Such redemption of the bonds is conditional and subject to the deposit of the redemption funds with Commerce Bank, N.A. not later than the opening of business on the redemption date. This notice of redemption shall be of no effect unless such funds are so deposited.

Under the provisions of the National Energy Policy Act of 1992, paying agents making payments of principal on municipal securities may be obligated to withhold an amount equal to 31 percent of the remittances to the individuals who have failed to furnish the paying agent with a valid taxpayer identification number. Holders of the above-described securities who wish to avoid the imposition of this withholding should submit certified taxpayer identification numbers on a Form W-9 when presenting their bonds for collection.

Dated June 1, 2001.

Commerce Bank, N.A.
 Wichita, Kansas
 Trustee

Doc. No. 026638

State of Kansas

State Employees Health Care Commission

Notice of Meeting

The State Employees Health Care Commission will meet at 2:30 p.m. Wednesday, June 6, in the boardroom of the offices of the Kansas Public Employees Retirement System, 611 S. Kansas Ave., Topeka. An agenda may be viewed by accessing the commission's Web site at <http://da.state.ks.us/hcc/meetings.htm>. For further information, contact the Benefits Office at (785) 296-6280.

Dan Stanley
 Chair

Doc. No. 026650

(Published in the Kansas Register May 31, 2001.)

Statutory Notice of Bond Sale
City of Overland Park, Kansas
\$18,520,000*

General Obligation Bonds
Consisting of
\$8,300,000

Internal Improvement Bonds
Series 2001A
and
\$10,220,000*

Internal Improvement Refunding Bonds
Series 2001B

(General obligations payable from
unlimited ad valorem taxes)

Sealed and Electronic Bids

Bids for each series of bonds, submitted in separate sealed envelopes marked either "Bid for Series 2001A Bonds" or "Bid for Series 2001B Bonds," will be received by the undersigned, Director of Finance, Budget and Administration of the City of Overland Park, Kansas, at City Hall, 8500 Santa Fe Drive, Overland Park, KS 66212, until 1 p.m. Monday, June 18, 2001, for the purchase of \$18,520,000* aggregate principal amount of internal improvement bonds consisting of all of the city's \$8,300,000 principal amount of Internal Improvements Bonds, Series 2001A, and all of the city's \$10,220,000* principal amount of Internal Improvement Refunding Bonds, Series 2001B. The Series 2001A and Series 2001B Bonds are herein collectively referred to as the bonds.

Electronic bids for the purchase of all of the Series 2001A Bonds and the purchase of all of the Series 2001B Bonds will only be accepted through BiDCOMP\PARITY (PARITY) electronic bid submission system. Each bidder shall be solely responsible for making the necessary arrangements to access PARITY for the purpose of submitting its electronic bid in a timely manner and in compliance with the requirements of the complete notice of bond sale. The city assumes no responsibility or liability for bids submitted through PARITY. If any provisions in this statutory notice of bond sale conflict with information provided by PARITY, this statutory notice of bond sale will control. The city is using the services of PARITY solely as a communication mechanism to conduct the

(continued)

electronic bidding for the bonds. PARITY is not an agent of the city. Further information about PARITY, including any fee charged and registration requirements, may be obtained from PARITY, 395 Hudson St., 3rd Floor, New York, NY 10014, Customer Support, (212) 806-8361.

All bids will be publicly opened at the time set forth above and will be considered and acted upon by the city council of the city at its regular meeting scheduled for 7:30 p.m. Monday, June 18, 2001. No bid of less than 99.45 percent of the principal amount of the Series 2001A Bonds and accrued interest thereon to the date of delivery of the Series 2001A Bonds will be considered. No bid of less than 99.45 percent of the principal amount of the Series 2001B Bonds and the accrued interest thereon to the date of delivery of the Series 2001B Bonds will be considered.

Bond Details

The bonds will be issued in book-entry form in the denomination of \$5,000 or any integral multiple thereof and will be dated July 1, 2001.

The Series 2001A Bonds will be issued in the principal amount of \$8,300,000 and will become due serially on September 1 in each of the years as follows:

Maturity Schedule Series 2001A Bonds

| Maturity September 1 | Principal Amount |
|-------------------------|---------------------|
| 2002 | \$865,000 |
| 2003 | 860,000 |
| 2004 | 860,000 |
| 2005 | 860,000 |
| 2006 | 860,000 |
| 2007 | 800,000 |
| 2008 | 800,000 |
| 2009 | 800,000 |
| 2010 | 800,000 |
| 2011 | 795,000 |

The Series 2001B Bonds will be issued in the principal amount of \$10,220,000* and will become due serially on September 1 in each of the years as follows:

Maturity Schedule** Series 2001B Bonds

| Maturity September 1 | Principal Amount |
|-------------------------|---------------------|
| 2002 | \$1,820,000 |
| 2003 | 1,850,000 |
| 2004 | 1,440,000 |
| 2005 | 690,000 |
| 2006 | 685,000 |
| 2007 | 655,000 |
| 2008 | 650,000 |
| 2009 | 650,000 |
| 2010 | 595,000 |
| 2011 | 490,000 |
| 2012 | 410,000 |
| 2013 | 285,000 |

**The city reserves the right to change the issue size of the Series 2001B Bonds by not more than \$130,000 in total and \$40,000 per maturity. No oral, telephone, telefax or auction bids will be taken by the city.

The bonds will bear interest from their date at rates to be determined when the bonds are sold as herein provided, which interest will be payable semiannually on March 1 and September 1 in each year, commencing March 1, 2002.

Good Faith Deposit

A good faith deposit in the form of a certified or cashier's check or financial surety bond in the amount of \$166,000 must accompany each bid for the Series 2001A Bonds. A good faith deposit in the form of a certified or cashier's check or financial surety bond in the amount of \$204,400 must accompany each bid for the Series 2001B Bonds.

Costs

The city will pay the cost of printing the bonds and the expense of all legal services, including the opinion of McDowell, Rice, Smith & Gaar, a Professional Corporation, bond counsel, approving the legality of the Series 2001A Bonds and the Series 2001B Bonds and the exclusion of the interest thereon (with specified minor exceptions) from federal and Kansas gross income taxes.

Delivery and Payment

The Series 2001A Bonds and the Series 2001B Bonds will be delivered to each successful bidder properly prepared, executed and registered without cost within approximately 30 days after the date of their award in New York, New York.

Assessed Valuation and Indebtedness

For the computation of the debt limitation relating to the bonds, the assessed valuation of the taxable tangible property within the city as of December 31, 2000, was \$2,271,137,298. The total general obligation bonded indebtedness including the Series 2001A Bonds, but excluding all refunding bonds including the Series 2001B Bonds, as of the date of the bonds, is \$119,940,000.

Additional Information

A complete notice of bond sale, preliminary official statement and bid form approved by the city will be mailed to all interested parties. Additional information regarding the bonds may be obtained from the financial advisor, Evensen Dodge, Inc., 650 Third Avenue South, Suite 1800, Minneapolis, MN 55402, (612) 338-3535, Attention: Stephanie Seroogy; and from the City of Overland Park, Kansas, 8500 Santa Fe Drive, Overland Park, KS 66212, (913) 895-6152, Attention: Kristy Stallings. Arrangements may be made with the financial advisor, Evensen Dodge, Inc., to deliver sealed bids for the bonds to the city. The preliminary official statement for the bonds may be viewed at the city's Web site at www.opkansas.org and at the Web site of Evensen Dodge, Inc. at www.evensendodge.com.

Dated May 31, 2001.

City of Overland Park, Kansas
By: Kristy Stallings
Director of Finance, Budget
and Administration
City Hall
Overland Park, KS 66212

*Preliminary, subject to change.

Doc. No. 026655

(Published in the Kansas Register May 31, 2001.)

**Summary Notice of Bond Sale
City of Andover, Kansas
\$1,841,620**

**General Obligation Internal Improvement Bonds
Series B, 2001**

**(General obligation bonds payable from
unlimited ad valorem taxes)**

Details of the Sale

Subject to the terms and conditions of the complete official notice of bond sale dated May 29, 2001, of the City of Andover, Kansas, in connection with the city's General Obligation Internal Improvement Bonds, Series B, 2001, hereinafter described, written bids shall be received at the office of the city administrator at City Hall, 909 N. Andover Road, Andover, Kansas, or by telefacsimile at (316) 733-4634, at or prior to 4 p.m. Tuesday, June 12, 2001, for the purchase of the bonds. All bids shall be publicly opened, read aloud and tabulated by city staff on said date and at said time, and shall thereafter be considered and acted upon by the governing body of the city at its regular meeting at 7 p.m. on said date.

No oral or auction bids for the bonds shall be considered, and no bids for less than the entire amount of the bonds shall be considered.

Bids shall be accepted only on the official bid form that has been prepared for the public bidding on these bonds, which may be obtained from the city or the city's financial advisor. Bids may be submitted by mail or delivered in person at the address stated above, or may be submitted by telefacsimile at (316) 733-4634, and must be received at the place and not later than the date and time hereinbefore specified. Each bid shall be accompanied by a good faith deposit in the form of a certified or cashier's check drawn on a bank located within the United States and made payable to the order of the city, or in the form of a financial surety bond payable to the order of the city and meeting requirements therefor as set forth in the official notice of bond sale, and shall be in an amount equal to 2 percent of the principal amount of the bonds.

Details of the Bonds

The bonds will be in an aggregate principal amount of \$1,841,620. The bonds shall be issued as fully registered bonds in the denomination of \$5,000, except one bond of the first principal maturity in the denomination of \$1,620, or any integral multiple thereof not exceeding the principal amount of bonds maturing on the respective principal payment dates. The bonds shall bear a dated date of June 15, 2001. The bonds shall bear interest, payable as hereinafter set forth, at the rates specified by the successful bidder for the bonds. Certain of the bonds are subject to redemption prior to their respective maturities as set forth in the official notice of bond sale.

Interest on the bonds shall be payable semiannually on March 1 and September 1 in each year, commencing March 1, 2002, and the bonds shall mature serially on September 1 in each of the years and principal amounts as follows:

| Principal Amount | Year of Maturity |
|------------------|------------------|
| \$66,620 | 2002 |
| 90,000 | 2003 |

| | |
|---------|------|
| 95,000 | 2004 |
| 100,000 | 2005 |
| 110,000 | 2006 |
| 115,000 | 2007 |
| 120,000 | 2008 |
| 120,000 | 2009 |
| 130,000 | 2010 |
| 135,000 | 2011 |
| 140,000 | 2012 |
| 145,000 | 2013 |
| 150,000 | 2014 |
| 160,000 | 2015 |
| 165,000 | 2016 |

Redemption of Bonds

Certain of the bonds are subject to optional redemption prior to their maturities as set forth in the official notice of bond sale. Additionally, a bidder may elect to have all or a portion of the bonds shown in the above maturity schedule issued as one or more term bonds, which would be subject to mandatory redemption requirements. (Reference is made to the official notice of bond sale for complete details regarding redemption of the bonds.)

Payment of Principal and Interest

INTRUST Bank, N.A., Wichita, Kansas, has been designated as paying agent and bond registrar for the bonds (hereinafter called the paying agent), and the principal of the bonds shall be payable upon surrender at the paying agent's principal offices in the City of Wichita, Kansas. Interest shall be paid by the mailing of a check or draft of the paying agent to the registered owners of the bonds.

Book-Entry Option

The successful bidder may elect to have the bonds registered under a book-entry-only system administered through the Depository Trust Company, New York, New York (DTC).

Security for the Bonds

The bonds and the interest thereon shall constitute general obligations of the city, and the full faith, credit and resources of the city shall be pledged to the payment thereof. The city is obligated to levy ad valorem taxes without limitation as to rate or amount upon all of the taxable tangible property within the territorial limits of the city for the purpose of paying the bonds and the interest thereon. (Reference is made to the official notice of bond sale and the preliminary official statement for a further discussion of security for the bonds.)

Delivery of the Bonds

The bonds, duly printed, executed and registered, shall be furnished and delivered at the expense of the city to the successful bidder, or at its direction, on or before Tuesday, June 28, 2001, to DTC for the account of the successful bidder or at such bank or trust company or other qualified depository in the State of Kansas or Kansas City, Missouri, as may be specified by the successful bidder. Delivery elsewhere shall be made at the expense of the successful bidder.

Legal Opinion

The bonds will be sold subject to the legal opinion of Hinkle Elkouri Law Firm, L.L.C., Wichita, Kansas, bond

(continued)

counsel, whose fees will be paid by the city. Bond counsel's approving legal opinion as to the validity of the bonds will be printed on the bonds and delivered to the successful bidder upon delivery of the bonds. (Reference is made to the official notice of bond sale for a discussion of tax exemption and other legal matters.)

Financial Matters

The city's current equalized assessed tangible valuation for computation of bonded debt limitations is:

| | |
|--|--------------------|
| Assessed Tangible Valuation as of August 25, 2000 | \$44,524,841 |
| Motor Vehicle Valuation as of August 25, 2000 | <u>6,794,509</u> |
| Total Assessed Tangible Valuation for Computation of Bonded Indebtedness Limitations | \$51,319,350 |
| Legal limitation of Bonded Debt (30%) | \$15,395,805 |
| Applicable general obligation debt as of June 15, 2001 | <u>- 9,039,763</u> |
| Additional Debt Capacity | \$ 6,356,042 |

Official Statement

The city has prepared a preliminary official statement relating to the bonds, copies of which may be obtained from the city or the city's financial advisor. The preliminary official statement is in a form "deemed final" by the city for the purpose of Securities and Exchange Commission Rule 15c2-12(b)(1,) but is subject to revision, amendment and completion in the final official statement. Upon the sale of the bonds, the city shall furnish the successful bidder with a reasonable number of copies of the final official statement, without additional cost, upon request. Copies of the final official statement in excess of a reasonable number may be ordered by the successful bidder at its expense.

Continuing Disclosure

The city has adopted an ordinance establishing a master undertaking to provide ongoing disclosure concerning the city in connection with its general obligation bonds for the benefit of owners of such bonds and notes, including the bonds described herein, as required under Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12. The ordinance is included as an appendix to the preliminary official statement.

Ratings and Bond Insurance

The city will apply to Standard & Poor's Rating Service, a division of the McGraw-Hill Companies, for a rating on the bonds. The city has applied for a commitment to issue a municipal bond insurance policy relating to the bonds to be effective as of the date of issuance of the bonds. The premium for the bond insurance will be paid by the city. Reference is made to the official statement for a full and complete discussion and information relating to the insurance company and the bond insurance policy.

Additional Information

For additional information regarding the city, the bonds and the sale, interested parties are invited to request copies of the complete official notice of bond sale and official bid form and the city's preliminary official statement for the bonds, all of which may be obtained from the undersigned or from the city's financial advisor, Jerry D. Rayl, Davidson Securities, a Division of Gold

Capital Management, Inc., 245 N. Waco, Suite 525, Wichita, KS 67202, (316) 265-9411.

Jeffrey K. Bridges, Jr.
City Clerk/Administrator
City Hall
909 N. Andover Road
P.O. Box 295
Andover, KS 67007
(316) 733-1303
Fax (316) 733-4634

Doc. No. 026657

State of Kansas

Kansas State University

Notice to Bidders

The State of Kansas, Kansas State University, offers for sale through sealed bids the following land located in Riley County, Kansas. The right is reserved to accept or reject any or all bids or parts of bids and to waive informalities therein.

Description of Land

The property is a tract of land, generally square in shape, totaling 40 acres and having 1,320 feet of frontage along the east side of Browning Avenue and a depth along the north side of the Snowbird Addition of 1,320 feet. No portion of the subject property is located in any flood hazard area. City utilities are located adjacent to the subject property, which serves both Snowbird Addition to the south and the Susan B. Anthony Middle School, adjacent to the west. The legal description of the land is:

The Southwest Quarter of the Northwest Quarter of Section 1, Township 10, Range 7, Riley County

Conditions of Sale

All of the seller's rights, title and interest in the described real estate will be conveyed by quitclaim deed on behalf of Kansas State University by the State Board of Regents. Said real estate will be available not later than 60 days after acceptance of a qualified bid. Bids must be not less than the appraised value of \$645,000.

Bid Guarantee

Each bid will be accompanied by a certified check in the amount of 5 percent of such bid, which sum will be forfeited in case of default by any bidder whose bid is accepted. The State Board of Regents reserves the right to accept or reject any and all bids.

Sealed bids will be received by Kansas State University, Director of Purchasing, Room 21, Anderson Hall, Manhattan, 66506-0108, until 2 p.m. Tuesday, June 26, at which time they will be publicly opened. Interested bidders may call Tom Schellhardt, Associate Vice President for Administration and Finance, at (785) 532-6228 for additional information.

William H. Sesler
Director of Purchasing

Doc. No. 026649

State of Kansas

Department of Transportation

Notice to Contractors

Sealed proposals for the construction of road and bridge work in the following Kansas counties will be received at the Bureau of Construction and Maintenance, KDOT, Topeka, or at the Capitol Plaza Hotel, Topeka, until 2 p.m. June 20, and then publicly opened:

District One—Northeast

Atchison—59-3 K-2858-01 - U.S. 59 bridge 10, White Clay Creek, 9.6 miles (15.4 kilometers) northeast of K-116, bridge replacement. (Federal Funds)

Atchison—59-3 K-5874-01 - U.S. 59, 0.2 mile (0.4 kilometer) east of the west junction of U.S. 73 in Atchison, 0.12 mile (0.2 kilometer), grading and surfacing. (State Funds)

Atchison—73-3 K-6240-01 - Green Street north to Spring Street in Atchison, 0.7 mile (1.2 kilometers), curb and gutter. (State Funds)

Douglas—24-23 K-8285-01 - U.S. 24/U.S. 40 and U.S. 59 in Douglas County, traffic signals. (State Funds)

Leavenworth—52 C-3651-01 - County Route 1400, 0.6 mile (1 kilometer) north of County Route 855, grading. (Federal Funds)

Leavenworth—52 K-7298-01 - Leavenworth County State Lake bridge, bridge deck. (State Funds)

Lyon—56 C-3534-01 - U.S. 56, 2.5 miles (4 kilometers) east of Emporia, 0.3 mile (0.5 kilometer), grading, bridge and surfacing. (Federal Funds)

Shawnee—70-89 K-6358-03 - Crossover construction for I-70 project from 0.5 mile (0.8 kilometer) west of the Wabaunsee-Shawnee county line east to 0.3 mile (0.5 kilometer) west of Valencia Road, 3.7 miles (6 kilometers), detour construction. (Federal Funds)

Wabaunsee—70-99 K-6357-02 - Crossover construction for I-70 project from 0.4 mile (0.6 kilometer) east of the junction of K-30 east 0.5 mile (0.8 kilometer) west of the Wabaunsee-Shawnee county line, 4.1 miles (6.6 kilometers), detour construction. (Federal Funds)

District Two—Northcentral

Cloud—9-15 K-7953-01 - K-9, culvert 546 at Milepost 12.17, culvert construction. (State Funds)

Cloud—194-15 K-7960-01 - K-194, culvert 533, 1.4 miles (2.2 kilometers) south of U.S. 24, culvert construction. (State Funds)

District Two—106 K-5926-01 - Various locations in District 2, 200 miles (321.1 kilometers), signing. (State Funds)

Geary—77-31 K-4509-01 - U.S. 77 Smoky Hill River bridge 40, 1.5 miles (2.4 kilometers) south of I-70, bridge repair. (State Funds)

Marion—56-57 K-5745-01 - U.S. 56 from the south city limits of Lincolnville north to the Marion-Dickinson county line, 8.4 miles (13.5 kilometers), grading, bridge and surfacing. (Federal Funds)

Mitchell—14-2 K-7159-01 - K-14, Mulberry Creek drainage bridge, 5 miles (8.1 kilometers) north of U.S. 24, bridge replacement. (Federal Funds)

Mitchell—181-62 K-7959-01 - K-181, culverts at Mileposts 9.4 and 9.5, culvert construction. (State Funds)

District Three—Northwest

Gove—32 C-3598-01 - County road, 2.1 miles (3.4 kilometers) south and 6.3 miles (10.1 kilometers) east of Gove, 0.1 mile (0.17 kilometer), grading and bridge. (Federal Funds)

Osborne—281-71 K-7963-01 - U.S. 281, north fork Solomon River bridge, bridge painting. (State Funds)

Rooks—183-82 K-5880-01 - U.S. 183 from 7th Street north to U.S. 24 in Stockton, 0.5 mile (0.8 kilometer), pavement reconstruction. (State Funds)

Smith—191-92 K-7962-01 - K-19, culvert 533 at Milepost 0.1 and culvert 534 at Milepost 0.8, culvert construction. (State Funds)

District Four—Southeast

Bourbon—3-6 K-7964-01 - K-3, Marmaton River and Little Osage River, bridge overlay. (State Funds)

Bourbon—69-6 K-7967-01 - U.S. 69 bridges over National Avenue in Fort Scott, bridge overlay. (State Funds)

Butler—8 C-3649-01 - County road 6.5 miles (9 kilometers) east of K-196 at Whitewater River, grading and surfacing. (Federal Funds)

Crawford—57-19 K-6362-01 - K-57, 2nd Cow Creek drainage bridge, 3.2 miles (5.2 kilometers) east of the junction of K-7, bridge replacement. (Federal Funds)

Crawford—57-19 K-6783-01 - K-57 bridges over First Cow Creek, 5.6 miles (9 kilometers) east of K-7, bridge replacement. (Federal Funds)

Miami—169-61 K-7142-01 - U.S. 169, 0.3 mile (0.5 kilometer) southwest of the interchange of old K-263 at Paola northeast to the existing four-lane, 10.7 miles (17.2 kilometers), grading, bridge and surfacing. (Federal Funds)

District Five—Southcentral

Barber—160-4 K-8433-01 - U.S. 160 from the east city limits of Medicine Lodge east to the Barber-Harper county line, 13.1 miles (21.2 kilometers), crack repair. (State Funds)

Harper—160-39 K-6700-01 - Intersection of U.S. 160/K-14 in Harper, 0.18 mile (0.3 kilometer), grading and surfacing. (State Funds)

Harvey-Reno—50-106 K-8430-01 - U.S. 50 from the Reno-Harvey county line east to the east city limits of Burrton; U.S. 50 from Halstead Road east to the Reno-Harvey county line, 12 miles (19.3 kilometers), crack repair. (State Funds)

Pratt—281-76 K-8426-01 - U.S. 281 from the Pratt-Barber county line north to north of the junction of K-64, 12.6 miles (20.3 kilometers), slurry seal. (State Funds)

Reno-Kingman-Sedgwick—106 K-1802-08 - Cheney State Park, surfacing. (State Funds)

Rush—183-83 K-8265-01 - U.S. 183 culvert in LaCrosse near the junction of K-4, culvert construction. (State Funds)

(continued)

Sumner—166-96 K-7976-01 - U.S. 166 bridge over the Kansas Turnpike Authority, bridge painting. (State Funds)

District Six—Southwest

Finney—156-28 K-8432-01 - K-156, 0.5 mile (0.8 kilometer) northeast of the junction of U.S. 400, northeast to the west junction of K-23, 21.7 miles (34.9 kilometers), sealing. (State Funds)

Seward—88 C-3730-01 - County route 1562 from U.S. 83 west 6 miles (9.6 kilometers), surfacing. (Federal Funds)

Proposals will be issued upon request to all prospective bidders who have been prequalified by the Kansas Department of Transportation on the basis of financial condition, available construction equipment and experience. Also, a statement of unearned contracts (Form No. 284) must be filed. There will be no discrimination against anyone because of race, age, religion, color, sex, handicap or national origin in the award of contracts.

Each bidder shall file a sworn statement executed by or on behalf of the person, firm, association or corporation submitting the bid, certifying that such person, firm, association or corporation has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the submitted bid. This sworn statement shall be in the form of an affidavit executed and sworn to by the bidder before a person who is authorized by the laws of the state to administer oaths. The required form of affidavit will be provided by the state to each prospective bidder. Failure to submit the sworn statement as part of the bid approval package will make the bid nonresponsive and not eligible for award consideration.

Plans and specifications for the projects may be examined at the office of the respective county clerk or at the KDOT district office responsible for the work.

E. Dean Carlson
Secretary of Transportation

Doc. No. 026645

State of Kansas

Secretary of State

Certification of New State Laws

I, Ron Thornburgh, Secretary of State of the State of Kansas, do hereby certify that each of the following bills is a correct copy of the original enrolled bill now on file in my office.

Ron Thornburgh
Secretary of State

(Published in the Kansas Register May 31, 2001.)

SENATE BILL No. 366

AN ACT concerning health care provider insurance; amending K.S.A. 40-3401, 40-3403, 40-3404 and 40-3414 and repealing the existing sections.

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

Section 1. K.S.A. 40-3401 is hereby amended to read as follows: 40-3401. As used in this act the following terms shall have the meanings respectively ascribed to them herein.

- (a) "Applicant" means any health care provider.
- (b) "Basic coverage" means a policy of professional liability insurance required to be maintained by each health care provider pursuant to the provisions of subsection (a) or (b) of K.S.A. 40-3402 and amendments thereto.
- (c) "Commissioner" means the commissioner of insurance.
- (d) "Fiscal year" means the year commencing on the effective date of this act and each year, commencing on the first day of that month, thereafter.
- (e) "Fund" means the health care stabilization fund established pursuant to subsection (a) of K.S.A. 40-3403 and amendments thereto.
- (f) "Health care provider" means a person licensed to practice any branch of the healing arts by the state board of healing arts with the exception of physician assistants, a person who holds a temporary permit to practice any branch of the healing arts issued by the state board of healing arts, a person engaged in a postgraduate training program approved by the state board of healing arts, a medical care facility licensed by the department of health and environment, a health maintenance organization issued a certificate of authority by the commissioner of insurance, a podiatrist licensed by the state board of healing arts, an optometrist licensed by the board of examiners in optometry, a pharmacist licensed by the state board of pharmacy, a licensed professional nurse who is authorized to practice as a registered nurse anesthetist, a licensed professional nurse who has been granted a temporary authorization to practice nurse anesthesia under K.S.A. 65-1153 and amendments thereto, a professional corporation organized pursuant to the professional corporation law of Kansas by persons who are authorized by such law to form such a corporation and who are health care providers as defined by this subsection, a Kansas limited liability company organized for the purpose of rendering professional services by its members who are health care providers as defined by this subsection and who are legally authorized to render the professional services for which the limited liability company is organized, a partnership of persons who are health care providers under this subsection, a Kansas not-for-profit corporation organized for the purpose of rendering professional services by persons who are health care providers as defined by this subsection, a nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine, a dentist certified by the state board of healing arts to administer anesthetics under K.S.A. 65-2899 and amendments thereto, a physical therapist registered by the state board of healing arts, a psychiatric hospital licensed under K.S.A. 75-3307b and amendments thereto, or a mental health center or mental health clinic licensed by the secretary of social and rehabilitation services, except that health care provider does not include (1) any state institution for the mentally retarded, (2) any state psychiatric hospital, (3) any person holding an exempt license issued by the state board of healing arts or (4) any person holding a visiting clinical professor license from the state board of healing arts.
- (g) "Inactive health care provider" means a person or other entity who purchased basic coverage or qualified as a self-insurer on or subsequent to the effective date of this act but who, at the time a claim is made for personal injury or death arising out of the rendering of or the failure to render professional services by such health care provider, does not have basic coverage or self-insurance in effect solely because such person is no longer engaged in rendering professional service as a health care provider.
- (h) "Insurer" means any corporation, association, reciprocal exchange, inter-insurer and any other legal entity authorized to write bodily injury or property damage liability insurance in this state, including workers compensation and automobile liability insurance, pursuant to the provisions of the acts contained in article 9, 11, 12 or 16 of chapter 40 of the Kansas Statutes Annotated.

(i) "Plan" means the operating and administrative rules and procedures developed by insurers and rating organizations or the commissioner to make professional liability insurance available to health care providers.

(j) "Professional liability insurance" means insurance providing coverage for legal liability arising out of the performance of professional services rendered or which should have been rendered by a health care provider.

(k) "Rating organization" means a corporation, an unincorporated association, a partnership or an individual licensed pursuant to K.S.A. 40-930 or 40-1114, or both 40-956, and amendments thereto, to make rates for professional liability insurance.

(l) "Self-insurer" means a health care provider who qualifies as a self-insurer pursuant to K.S.A. 40-3414 and amendments thereto.

(m) "Medical care facility" means the same when used in the health care provider insurance availability act as the meaning ascribed to that term in K.S.A. 65-425 and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a medical care facility.

(n) "Mental health center" means a mental health center licensed by the secretary of social and rehabilitation services under K.S.A. 75-3307b and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a mental health center.

(o) "Mental health clinic" means a mental health clinic licensed by the secretary of social and rehabilitation services under K.S.A. 75-3307b and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a mental health clinic.

(p) "State institution for the mentally retarded" means Winfield state hospital and training center, Parsons state hospital and training center and the Kansas neurological institute.

(q) "State psychiatric hospital" means Larned state hospital, Osawatimie state hospital, and Rainbow mental health facility and Topeka state hospital.

(r) "Person engaged in residency training" means:

(1) A person engaged in a postgraduate training program approved by the state board of healing arts who is employed by and is studying at the university of Kansas medical center only when such person is engaged in medical activities which do not include extracurricular, extra-institutional medical service for which such person receives extra compensation and which have not been approved by the dean of the school of medicine and the executive vice-chancellor of the university of Kansas medical center. Persons engaged in residency training shall be considered resident health care providers for purposes of K.S.A. 40-3401 *et seq.*, and amendments thereto; and

(2) a person engaged in a postgraduate training program approved by the state board of healing arts who is employed by a nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine or who is employed by an affiliate of the university of Kansas school of medicine as defined in K.S.A. 76-367 and amendments thereto only when such person is engaged in medical activities which do not include extracurricular, extra-institutional medical service for which such person receives extra compensation and which have not been approved by the chief operating officer of the nonprofit corporation or the chief operating officer of the affiliate and the executive vice-chancellor of the university of Kansas medical center.

(s) "Full-time physician faculty employed by the university of Kansas medical center" means a person licensed to practice medicine and surgery who holds a full-time appointment at the university of Kansas medical center when such person is providing health care.

(t) "Sexual act" or "sexual activity" means that sexual conduct which constitutes a criminal or tortious act under the laws of the state of Kansas.

Sec. 2. K.S.A. 40-3403 is hereby amended to read as follows: 40-3403. (a) For the purpose of paying damages for personal injury or death arising out of the rendering of or the failure to render professional services by a health care provider, self-insurer or inactive health care provider subsequent to the time that such health care provider or self-insurer has qualified for coverage under the provisions of this act, there is hereby

established the health care stabilization fund. The fund shall be held in trust in the state treasury and accounted for separately from other state funds. The board of governors shall administer the fund or contract for the administration of the fund with an insurance company authorized to do business in this state.

(b) (1) There is hereby created a board of governors which shall be composed of such members and shall have such powers, duties and functions as are prescribed by this act. The board of governors shall:

(A) Administer the fund and exercise and perform other powers, duties and functions required of the board under the health care provider insurance availability act;

(B) provide advice, information and testimony to the appropriate licensing or disciplinary authority regarding the qualifications of a health care provider;

(C) prepare and publish, on or before October 1 of each year, a summary of the fund's activity during the preceding fiscal year, including but not limited to the amount collected from surcharges, the highest and lowest surcharges assessed, the amount paid from the fund, the number of judgments paid from the fund, the number of settlements paid from the fund and the amount in the fund at the end of the fiscal year; and

(D) have the authority to grant exemptions from the provisions of subsection (m) of this section when a health care provider temporarily leaves the state for the purpose of obtaining additional education or training or to participate in religious, humanitarian or government service programs. Whenever a health care provider has previously left the state for one of the reasons specified in this paragraph and returns to the state and recommences practice, the board of governors may refund any amount paid by the health care provider pursuant to subsection (m) of this section if no claims have been filed against such health care provider during the provider's temporary absence from the state.

(2) The board shall consist of 10 persons appointed by the commissioner of insurance, as provided by this subsection (b) and as follows:

(A) Three members who are licensed to practice medicine and surgery in Kansas who are doctors of medicine and who are on a list of nominees submitted to the commissioner by the Kansas medical society;

(B) three members who are representatives of Kansas hospitals and who are on a list of nominees submitted to the commissioner by the Kansas hospital association;

(C) two members who are licensed to practice medicine and surgery in Kansas who are doctors of osteopathic medicine and who are on a list of nominees submitted to the commissioner by the Kansas association of osteopathic medicine;

(D) one member who is licensed to practice chiropractic in Kansas and who is on a list of nominees submitted to the commissioner by the Kansas chiropractic association;

(E) one member who is a licensed professional nurse authorized to practice as a registered nurse anesthetist who is on a list of nominees submitted to the commissioner by the Kansas association of nurse anesthetists.

(3) When a vacancy occurs in the membership of the board of governors created by this act, the commissioner shall appoint a successor of like qualifications from a list of three nominees submitted to the commissioner by the professional society or association prescribed by this section for the category of health care provider required for the vacant position on the board of governors. All appointments made shall be for a term of office of four years, but no member shall be appointed for more than two successive four-year terms. Each member shall serve until a successor is appointed and qualified. Whenever a vacancy occurs in the membership of the board of governors created by this act for any reason other than the expiration of a member's term of office, the commissioner shall appoint a successor of like qualifications to fill the unexpired term. In each case of a vacancy occurring in the membership of the board of governors, the commissioner shall notify the professional society or association which represents the category of health care provider required for the vacant position and request a list of three nominations of health care providers from which to make the appointment.

(4) The board of governors shall organize on July 1 of each year and shall elect a chairperson and vice-chairperson from among its membership. Meetings shall be called by the chairperson or by a written notice signed by three members of the board.

(5) The board of governors, in addition to other duties imposed by this act, shall study and evaluate the operation of the fund and make such recommendations to the legislature as may be appropriate to ensure the viability of the fund.

(continued)

(6) (A) The board shall appoint an executive director who shall be in the unclassified service under the Kansas civil service act and may appoint such attorneys, legal assistants, claims managers and compliance auditors who shall also be in the unclassified service under the Kansas civil service act. Such executive director, attorneys, legal assistants, claims managers and compliance auditors shall receive compensation fixed by the board, in accordance with appropriation acts of the legislature, not subject to approval of the governor.

(B) The board may appoint such additional employees, and provide all office space, services, equipment, materials and supplies, and all budgeting, personnel, purchasing and related management functions required by the board in the exercise of the powers, duties and functions imposed or authorized by the health care provider insurance availability act or may enter into a contract with the commissioner of insurance for the provision, by the commissioner, of all or any part thereof.

(7) The commissioner shall:

(A) Provide technical and administrative assistance to the board of governors with respect to administration of the fund upon request of the board;

(B) provide such expertise as the board may reasonably request with respect to evaluation of claims or potential claims.

(c) Subject to subsections (d), (e), (f), (i), (k), (m), (n), (o), (p) and (q), the fund shall be liable to pay: (1) Any amount due from a judgment or settlement which is in excess of the basic coverage liability of all liable resident health care providers or resident self-insurers for any personal injury or death arising out of the rendering of or the failure to render professional services within or without this state;

(2) subject to the provisions of subsection (m), any amount due from a judgment or settlement which is in excess of the basic coverage liability of all liable nonresident health care providers or nonresident self-insurers for any such injury or death arising out of the rendering or the failure to render professional services within this state but in no event shall the fund be obligated for claims against nonresident health care providers or nonresident self-insurers who have not complied with this act or for claims against nonresident health care providers or nonresident self-insurers that arose outside of this state;

(3) subject to the provisions of subsection (m), any amount due from a judgment or settlement against a resident inactive health care provider, an optometrist or pharmacist who purchased coverage pursuant to subsection (n) or a physical therapist who purchased coverage pursuant to subsection (o), for any such injury or death arising out of the rendering of or failure to render professional services;

(4) subject to the provisions of subsection (m), any amount due from a judgment or settlement against a nonresident inactive health care provider, an optometrist or pharmacist who purchased coverage pursuant to subsection (n) or a physical therapist who purchased coverage pursuant to subsection (o), for any injury or death arising out of the rendering or failure to render professional services within this state, but in no event shall the fund be obligated for claims against: (A) Nonresident inactive health care providers who have not complied with this act; or (B) nonresident inactive health care providers for claims that arose outside of this state, unless such health care provider was a resident health care provider or resident self-insurer at the time such act occurred;

(5) subject to subsection (b) of K.S.A. 40-3411, and amendments thereto, reasonable and necessary expenses for attorney fees incurred in defending the fund against claims;

(6) any amounts expended for reinsurance obtained to protect the best interests of the fund purchased by the board of governors, which purchase shall be subject to the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto, but shall not be subject to the provisions of K.S.A. 75-4101 and amendments thereto;

(7) reasonable and necessary actuarial expenses incurred in administering the act, including expenses for any actuarial studies contracted for by the legislative coordinating council, which expenditures shall not be subject to the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto;

(8) periodically to the plan or plans, any amount due pursuant to subsection (a)(3) of K.S.A. 40-3413 and amendments thereto;

(9) reasonable and necessary expenses incurred by the board of governors in the administration of the fund or in the performance of other powers, duties or functions of the board under the health care provider insurance availability act;

(10) return of any unearned surcharge;

(11) subject to subsection (b) of K.S.A. 40-3411, and amendments thereto, reasonable and necessary expenses for attorney fees and other

costs incurred in defending a person engaged or who was engaged in residency training or the private practice corporations or foundations and their full-time physician faculty employed by the university of Kansas medical center or any nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine from claims for personal injury or death arising out of the rendering of or the failure to render professional services by such health care provider;

(12) notwithstanding the provisions of subsection (m), any amount due from a judgment or settlement for an injury or death arising out of the rendering of or failure to render professional services by a person engaged or who was engaged in residency training or the private practice corporations or foundations and their full-time physician faculty employed by the university of Kansas medical center or any nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine;

(13) subject to the provisions of K.S.A. 65-429 and amendments thereto, reasonable and necessary expenses for the development and promotion of risk management education programs and for the medical care facility licensure and risk management survey functions carried out under K.S.A. 65-429 and amendments thereto;

(14) notwithstanding the provisions of subsection (m), any amount, but not less than the required basic coverage limits, owed pursuant to a judgment or settlement for any injury or death arising out of the rendering of or failure to render professional services by a person, other than a person described in clause (12) of this subsection (c), who was engaged in a postgraduate program of residency training approved by the state board of healing arts but who, at the time the claim was made, was no longer engaged in such residency program;

(15) subject to subsection (b) of K.S.A. 40-3411, and amendments thereto, reasonable and necessary expenses for attorney fees and other costs incurred in defending a person described in clause (14) of this subsection (c);

(16) expenses incurred by the commissioner in the performance of duties and functions imposed upon the commissioner by the health care provider insurance availability act, and expenses incurred by the commissioner in the performance of duties and functions under contracts entered into between the board and the commissioner as authorized by this section; and

(17) periodically to the state general fund reimbursements of amounts paid to members of the health care stabilization fund oversight committee for compensation, travel expenses and subsistence expenses pursuant to subsection (e) of K.S.A. 40-3403b, and amendments thereto.

(d) All amounts for which the fund is liable pursuant to subsection (c) shall be paid promptly and in full except that, if the amount for which the fund is liable is \$300,000 or more, it shall be paid, by installment payments of \$300,000 or 10% of the amount of the judgment including interest thereon, whichever is greater, per fiscal year, the first installment to be paid within 60 days after the fund becomes liable and each subsequent installment to be paid annually on the same date of the year the first installment was paid, until the claim has been paid in full. Any attorney fees payable from such installment shall be similarly prorated.

(e) In no event shall the fund be liable to pay in excess of \$3,000,000 pursuant to any one judgment or settlement against any one health care provider relating to any injury or death arising out of the rendering of or the failure to render professional services on and after July 1, 1984, and before July 1, 1989, subject to an aggregate limitation for all judgments or settlements arising from all claims made in any one fiscal year in the amount of \$6,000,000 for each health care provider.

(f) The fund shall not be liable to pay in excess of the amounts specified in the option selected by the health care provider pursuant to subsection (l) for judgments or settlements relating to injury or death arising out of the rendering of or failure to render professional services by such health care provider on or after July 1, 1989.

(g) A health care provider shall be deemed to have qualified for coverage under the fund:

(1) On and after July 1, 1976, if basic coverage is then in effect;

(2) subsequent to July 1, 1976, at such time as basic coverage becomes effective; or

(3) upon qualifying as a self-insurer pursuant to K.S.A. 40-3414 and amendments thereto.

(h) A health care provider who is qualified for coverage under the fund shall have no vicarious liability or responsibility for any injury or death arising out of the rendering of or the failure to render professional

services inside or outside this state by any other health care provider who is also qualified for coverage under the fund. The provisions of this subsection shall apply to all claims filed on or after July 1, 1986.

(i) Notwithstanding the provisions of K.S.A. 40-3402 and amendments thereto, if the board of governors determines due to the number of claims filed against a health care provider or the outcome of those claims that an individual health care provider presents a material risk of significant future liability to the fund, the board of governors is authorized by a vote of a majority of the members thereof, after notice and an opportunity for hearing in accordance with the provisions of the Kansas administrative procedure act, to terminate the liability of the fund for all claims against the health care provider for damages for death or personal injury arising out of the rendering of or the failure to render professional services after the date of termination. The date of termination shall be 30 days after the date of the determination by the board of governors. The board of governors, upon termination of the liability of the fund under this subsection, shall notify the licensing or other disciplinary board having jurisdiction over the health care provider involved of the name of the health care provider and the reasons for the termination.

(j) (1) Upon the payment of moneys from the health care stabilization fund pursuant to subsection (c)(11), the board of governors shall certify to the director of accounts and reports the amount of such payment, and the director of accounts and reports shall transfer an amount equal to the amount certified, reduced by any amount transferred pursuant to paragraph (3) or (4) of this subsection (j), from the state general fund to the health care stabilization fund.

(2) Upon the payment of moneys from the health care stabilization fund pursuant to subsection (c)(12), the board of governors shall certify to the director of accounts and reports the amount of such payment which is equal to the basic coverage liability of self-insurers, and the director of accounts and reports shall transfer an amount equal to the amount certified, reduced by any amount transferred pursuant to paragraph (3) or (4) of this subsection (j), from the state general fund to the health care stabilization fund.

(3) The university of Kansas medical center private practice foundation reserve fund is hereby established in the state treasury. If the balance in such reserve fund is less than \$500,000 on July 1 of any year, the private practice corporations or foundations referred to in subsection (c) of K.S.A. 40-3402, and amendments thereto, shall remit the amount necessary to increase such balance to \$500,000 to the state treasurer for credit to such reserve fund as soon after such July 1 date as is practicable. Upon receipt of each such remittance, the state treasurer shall credit the same to such reserve fund. When compliance with the foregoing provisions of this paragraph have been achieved on or after July 1 of any year in which the same are applicable, the state treasurer shall certify to the board of governors that such reserve fund has been funded for the year in the manner required by law. Moneys in such reserve fund may be invested or reinvested in accordance with the provisions of K.S.A. 40-3406, and amendments thereto, and any income or interest earned by such investments shall be credited to such reserve fund. Upon payment of moneys from the health care stabilization fund pursuant to subsection (c)(11) or (c)(12) with respect to any private practice corporation or foundation or any of its full-time physician faculty employed by the university of Kansas, the director of accounts and reports shall transfer an amount equal to the amount paid from the university of Kansas medical center private practice foundation reserve fund to the health care stabilization fund or, if the balance in such reserve fund is less than the amount so paid, an amount equal to the balance in such reserve fund.

(4) *The graduate medical education administration reserve fund is hereby established in the state treasury. If the balance in such reserve fund is less than \$40,000 on July 1 of any year, the nonprofit corporations organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall remit the amount necessary to increase such balance to \$40,000 to the state treasurer for credit to such reserve fund as soon after such July 1 date as is practicable. Upon receipt of each such remittance, the state treasurer shall credit the same to such reserve fund. When compliance with the foregoing provisions of this paragraph have been achieved on or after July 1 of any year in which the same are applicable, the state treasurer shall certify to the board of governors that such reserve fund has been funded for the year in the manner required by law. Moneys in such reserve fund may be invested or reinvested in accordance with the provisions of K.S.A. 40-3406, and amendments thereto, and any income or interest earned by such investments shall be*

credited to such reserve fund. Upon payment of moneys from the health care stabilization fund pursuant to subsection (c)(11) or (c)(12) with respect to any nonprofit corporations organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine the director of accounts and reports shall transfer an amount equal to the amount paid from the graduate medical education administration reserve fund to the health care stabilization fund or, if the balance in such reserve fund is less than the amount so paid, an amount equal to the balance in such reserve fund.

(5) Upon payment of moneys from the health care stabilization fund pursuant to subsection (c)(14) or (c)(15), the board of governors shall certify to the director of accounts and reports the amount of such payment, and the director of accounts and reports shall transfer an amount equal to the amount certified from the state general fund to the health care stabilization fund.

(k) Notwithstanding any other provision of the health care provider insurance availability act, no psychiatric hospital licensed under K.S.A. 75-3307b and amendments thereto shall be assessed a premium surcharge or be entitled to coverage under the fund if such hospital has not paid any premium surcharge pursuant to K.S.A. 40-3404 and amendments thereto prior to January 1, 1988.

(l) On or after July 1, 1989, every health care provider shall make an election to be covered by one of the following options provided in this subsection (l) which shall limit the liability of the fund with respect to judgments or settlements relating to injury or death arising out of the rendering of or failure to render professional services on or after July 1, 1989. Such election shall be made at the time the health care provider renews the basic coverage in effect on July 1, 1989, or, if basic coverage is not in effect, such election shall be made at the time such coverage is acquired pursuant to K.S.A. 40-3402, and amendments thereto. Notice of the election shall be provided by the insurer providing the basic coverage in the manner and form prescribed by the board of governors and shall continue to be effective from year to year unless modified by a subsequent election made prior to the anniversary date of the policy. The health care provider may at any subsequent election reduce the dollar amount of the coverage for the next and subsequent fiscal years, but may not increase the same, unless specifically authorized by the board of governors. Any election of fund coverage limits, whenever made, shall be with respect to judgments or settlements relating to injury or death arising out of the rendering of or failure to render professional services on or after the effective date of such election of fund coverage limits. Such election shall be made for persons engaged in residency training and persons engaged in other postgraduate training programs approved by the state board of healing arts at medical care facilities or mental health centers in this state by the agency or institution paying the surcharge levied under K.S.A. 40-3404, and amendments thereto, for such persons. *The election of fund coverage limits for a nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall be deemed to be effective at the highest option.* Such options shall be as follows:

(1) **OPTION 1.** The fund shall not be liable to pay in excess of \$100,000 pursuant to any one judgment or settlement for any party against such health care provider, subject to an aggregate limitation for all judgments or settlements arising from all claims made in the fiscal year in an amount of \$300,000 for such provider.

(2) **OPTION 2.** The fund shall not be liable to pay in excess of \$300,000 pursuant to any one judgment or settlement for any party against such health care provider, subject to an aggregate limitation for all judgments or settlements arising from all claims made in the fiscal year in an amount of \$900,000 for such provider.

(3) **OPTION 3.** The fund shall not be liable to pay in excess of \$800,000 pursuant to any one judgment or settlement for any party against such health care provider, subject to an aggregate limitation for all judgments or settlements arising from all claims made in the fiscal year in an amount of \$2,400,000 for such health care provider.

(m) The fund shall not be liable for any amounts due from a judgment or settlement against resident or nonresident inactive health care providers who first qualify as an inactive health care provider on or after July 1, 1989, unless such health care provider has been in compliance with K.S.A.

(continued)

40-3402, and amendments thereto, for a period of not less than five years. If a health care provider has not been in compliance for five years, such health care provider may make application and payment for the coverage for the period while they are nonresident health care providers, nonresident self-insurers or resident or nonresident inactive health care providers to the fund. Such payment shall be made within 30 days after the health care provider ceases being an active health care provider and shall be made in an amount determined by the board of governors to be sufficient to fund anticipated claims based upon reasonably prudent actuarial principles. The provisions of this subsection shall not be applicable to any health care provider which becomes inactive through death or retirement, or through disability or circumstances beyond such health care provider's control, if such health care provider notifies the board of governors and receives approval for an exemption from the provisions of this subsection. Any period spent in a postgraduate program of residency training approved by the state board of healing arts shall not be included in computation of time spent in compliance with the provisions of K.S.A. 40-3402, and amendments thereto.

(n) Notwithstanding the provisions of subsection (m) or any other provision in article 34 of chapter 40 of the Kansas Statutes Annotated to the contrary, the fund shall not be liable for any claim made on or after July 1, 1991, against a licensed optometrist or pharmacist relating to any injury or death arising out of the rendering of or failure to render professional services by such optometrist or pharmacist prior to July 1, 1991, unless such optometrist or pharmacist qualified as an inactive health care provider prior to July 1, 1991.

(o) Notwithstanding the provisions of subsection (m) or any other provision in article 34 of chapter 40 of the Kansas Statutes Annotated to the contrary, the fund shall not be liable for any claim made on or after July 1, 1995, against a physical therapist registered by the state board of healing arts relating to any injury or death arising out of the rendering of or failure to render professional services by such physical therapist prior to July 1, 1995, unless such physical therapist qualified as an inactive health care provider prior to July 1, 1995.

(p) Notwithstanding the provisions of subsection (m) or any other provision in article 34 of chapter 40 of the Kansas Statutes Annotated to the contrary, the fund shall not be liable for any claim made on or after July 1, 1997, against a health maintenance organization relating to any injury or death arising out of the rendering of or failure to render professional services by such health maintenance organization prior to July 1, 1997, unless such health maintenance organization qualified as an inactive health care provider prior to July 1, 1997, and obtained coverage pursuant to subsection (m). Health maintenance organizations not qualified as inactive health care providers prior to July 1, 1997, may purchase coverage from the fund for periods of prior compliance by making application prior to August 1, 1997, and payment within 30 days from notice of the calculated amount as determined by the board of governors to be sufficient to fund anticipated claims based on reasonably prudent actuarial principles.

(q) Notwithstanding anything in article 34 of chapter 40 of the Kansas Statutes Annotated to the contrary, the fund shall in no event be liable for any claims against any health care provider based upon or relating to the health care provider's sexual acts or activity, but in such cases the fund may pay reasonable and necessary expenses for attorney fees incurred in defending the fund against such claim. The fund may recover all or a portion of such expenses for attorney fees if an adverse judgment is returned against the health care provider for damages resulting from the health care provider's sexual acts or activity.

Sec. 3. K.S.A. 40-3414 is hereby amended to read as follows: 40-3414. (a) Any health care provider, or any health care system organized and existing under the laws of this state which owns and operates two or more medical care facilities licensed by the department of health and environment, whose aggregate annual insurance premium is or would be \$100,000 or more for basic coverage calculated in accordance with rating procedures approved by the commissioner pursuant to K.S.A. 40-3413 and amendments thereto, may qualify as a self-insurer by obtaining a certificate of self-insurance from the board of governors. Upon application of any such health care provider or health care system, on a form prescribed by the board of governors, the board of governors may issue a certificate of self-insurance if the board of governors is satisfied that the applicant is possessed and will continue to be possessed of ability to pay any judgment for which liability exists equal to the amount of basic coverage required of a health care provider obtained against such appli-

cant arising from the applicant's rendering of professional services as a health care provider. In making such determination the board of governors shall consider (1) the financial condition of the applicant, (2) the procedures adopted and followed by the applicant to process and handle claims and potential claims, (3) the amount and liquidity of assets reserved for the settlement of claims or potential claims and (4) any other relevant factors. The certificate of self-insurance may contain reasonable conditions prescribed by the board of governors. Upon notice and a hearing in accordance with the provisions of the Kansas administrative procedure act, the board of governors may cancel a certificate of self-insurance upon reasonable grounds therefor. Failure to pay any judgment for which the self-insurer is liable arising from the self-insurer's rendering of professional services as a health care provider, the failure to comply with any provision of this act or the failure to comply with any conditions contained in the certificate of self-insurance shall be reasonable grounds for the cancellation of such certificate of self-insurance. The provisions of this subsection shall not apply to the Kansas soldiers' home, the Kansas veterans' home or to any person who is a self-insurer pursuant to subsection (d) or (e).

(b) Any such health care provider or health care system that holds a certificate of self-insurance shall pay the applicable surcharge set forth in subsection (c) of K.S.A. 40-3402 and amendments thereto.

(c) The Kansas soldiers' home and the Kansas veterans' home shall be self-insurers and shall pay the applicable surcharge set forth in subsection (c) of K.S.A. 40-3402 and amendments thereto.

(d) Persons engaged in residency training as provided in subsections (r)(1) and (2) of K.S.A. 40-3401, and amendments thereto, shall be self-insured by the state of Kansas for occurrences arising during such training, and such person shall be deemed a self-insurer for the purposes of the health care provider insurance availability act. Such self-insurance shall be applicable to a person engaged in residency training only when such person is engaged in medical activities which do not include extra-curricular, extra-institutional medical service for which such person receives extra compensation and which have not been approved as provided in subsections (r)(1) and (2) of K.S.A. 40-3401, and amendments thereto.

(e) (1) A person engaged in a postgraduate training program approved by the state board of healing arts at a medical care facility or mental health center in this state may be self-insured by such medical care facility or mental health center in accordance with this subsection (e) and in accordance with such terms and conditions of eligibility therefor as may be specified by the medical care facility or mental health center and approved by the board of governors. A person self-insured under this subsection (e) by a medical care facility or mental health center shall be deemed a self-insurer for purposes of the health care provider insurance availability act. Upon application by a medical care facility or mental health center, on a form prescribed by the board of governors, the board of governors may authorize such medical care facility or mental health center to self-insure persons engaged in postgraduate training programs approved by the state board of healing arts at such medical care facility or mental health center if the board of governors is satisfied that the medical care facility or mental health center is possessed and will continue to be possessed of ability to pay any judgment for which liability exists equal to the amount of basic coverage required of a health care provider obtained against a person engaged in such a postgraduate training program and arising from such person's rendering of or failure to render professional services as a health care provider.

(2) In making such determination the board of governors shall consider (A) the financial condition of the medical care facility or mental health center, (B) the procedures adopted by the medical care facility or mental health center to process and handle claims and potential claims, (C) the amount and liquidity of assets reserved for the settlement of claims or potential claims by the medical care facility or mental health center and (D) any other factors the board of governors deems relevant. The board of governors may specify such conditions for the approval of an application as the board of governors deems necessary. Upon approval of an application, the board of governors shall issue a certificate of self-insurance to each person engaged in such postgraduate training program at the medical care facility or mental health center who is self-insured by such medical care facility or mental health center.

(3) Upon notice and a hearing in accordance with the provisions of the Kansas administrative procedure act, the board of governors may cancel, upon reasonable grounds therefor, a certificate of self-insurance issued pursuant to this subsection (e) or the authority of a medical care

facility or mental health center to self-insure persons engaged in such postgraduate training programs at the medical care facility or mental health center. Failure of a person engaged in such postgraduate training program to comply with the terms and conditions of eligibility to be self-insured by the medical care facility or mental health center, the failure of a medical care facility or mental health center to pay any judgment for which such medical care facility or mental health center is liable as self-insurer of such person, the failure to comply with any provisions of the health care provider insurance availability act or the failure to comply with any conditions for approval of the application or any conditions contained in the certificate of self-insurance shall be reasonable grounds for cancellation of such certificate of self-insurance or the authority of a medical care facility or mental health center to self-insure such persons.

(4) A medical care facility or mental health center authorized to self-insure persons engaged in such postgraduate training programs shall pay the applicable surcharge set forth in subsection (c) of K.S.A. 40-3402 and amendments thereto on behalf of such persons.

(5) As used in this subsection (e), "medical care facility" does not include the university of Kansas medical center or those community hospitals or medical care facilities described in subsection (r)(2) of K.S.A. 40-3401, and amendments thereto.

(f) For the purposes of subsection (a), "health care provider" may include each health care provider in any group of health care providers who practice as a group to provide physician services only for a health maintenance organization, any professional corporations, partnerships or not-for-profit corporations formed by such group and the health maintenance organization itself. The premiums for each such provider, health maintenance organization and group corporation or partnership may be aggregated for the purpose of being eligible for and subject to the statutory requirements for self-insurance as set forth in this section.

(g) The provisions of subsections (a) and (f), relating to health care systems, shall not affect the responsibility of individual health care providers as defined in subsection (f) of K.S.A. 40-3401 and amendments thereto or organizations whose premiums are aggregated for purposes of being eligible for self-insurance from individually meeting the requirements imposed by K.S.A. 40-3402 and amendments thereto with respect to the ability to respond to injury or damages to the extent specified therein and K.S.A. 40-3404 and amendments thereto with respect to the payment of the health care stabilization fund surcharge.

(h) Each private practice corporation or foundation and their full-time physician faculty employed by the university of Kansas medical center and each nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall be deemed a self-insurer for the purposes of the health care provider insurance availability act. The private practice corporation or foundation of which the full-time physician faculty is a member and each nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall pay the applicable surcharge set forth in subsection (a) of K.S.A. 40-3404, and amendments thereto, on behalf of the private practice corporation or foundation and their full-time physician faculty employed by the university of Kansas medical center or on behalf of a nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine.

(i) (1) Subject to the provisions of paragraph (4), for the purposes of the health care provider insurance availability act, each nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall be deemed to have been a health care provider as defined in section 1, and amendments thereto, from and after July 1, 1997.

(2) Subject to the provisions of paragraph (4), for the purposes of the health care provider insurance availability act, each nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall be deemed to have been a self-insurer within the meaning of subsection (h) of this section, and amendments thereto, from and after July 1, 1997.

(3) Subject to the provisions of paragraph (4), for the purposes of the health care provider insurance availability act, the election of fund cov-

erage limits for each nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall be deemed to have been effective at the highest option, as provided in subsection (1) of section 2, and amendments thereto, from and after July 1, 1997.

(4) No nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall be required to pay to the fund any annual premium surcharge for any period prior to the effective date of this act. Any annual premium surcharge for the period commencing on the effective date of this act and ending on June 30, 2001, shall be prorated.

Sec. 4. K.S.A. 40-3404 is hereby amended to read as follows: 40-3404. (a) Except for any health care provider whose participation in the fund has been terminated pursuant to subsection (i) of K.S.A. 40-3403 and amendments thereto, the board of governors shall levy an annual premium surcharge on each health care provider who has obtained basic coverage and upon each self-insurer for each fiscal year. This provision shall not apply to optometrists and pharmacists on or after July 1, 1991 nor to physical therapists on or after July 1, 1995, nor to health maintenance organizations on and after July 1, 1997. Such premium surcharge shall be an amount based upon a rating classification system established by the board of governors which is reasonable, adequate and not unfairly discriminating. The annual premium surcharge upon the university of Kansas medical center for persons engaged in residency training, as described in paragraph (1) of subsection (r)(1) of K.S.A. 40-3401, and amendments thereto, shall be based on an assumed aggregate premium of \$600,000. The annual premium surcharge upon the employers of persons engaged in residency training, as described in paragraph (2) of subsection (r)(2) of K.S.A. 40-3401, and amendments thereto, shall be based on an assumed aggregate premium of \$400,000. The surcharge on such \$400,000 amount shall be apportioned among the employers of persons engaged in residency training, as described in paragraph (2) of subsection (r)(2) of K.S.A. 40-3401, and amendments thereto, based on the number of residents employed as of July 1 of each year. The annual premium surcharge upon any nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall be based upon an assumed aggregate premium of \$10,000. The surcharge on such assumed aggregate premium shall be apportioned among all such nonprofit corporations.

(b) In the case of a resident health care provider who is not a self-insurer, the premium surcharge shall be collected in addition to the annual premium for the basic coverage by the insurer and shall not be subject to the provisions of K.S.A. 40-252, ~~40-1113~~ 40-955 and 40-2801 et seq., and amendments thereto. The amount of the premium surcharge shall be shown separately on the policy or an endorsement thereto and shall be specifically identified as such. Such premium surcharge shall be due and payable by the insurer to the board of governors within 30 days after the annual premium for the basic coverage is received by the insurer, but in the event basic coverage is in effect at the time this act becomes effective, such surcharge shall be based upon the unearned premium until policy expiration and annually thereafter. Within 15 days immediately following the effective date of this act, the board of governors shall send to each insurer information necessary for their compliance with this subsection. The certificate of authority of any insurer who fails to comply with the provisions of this subsection shall be suspended pursuant to K.S.A. 40-222, and amendments thereto, until such insurer shall pay the annual premium surcharge due and payable to the board of governors. In the case of a nonresident health care provider or a self-insurer, the premium surcharge shall be collected in the manner prescribed in K.S.A. 40-3402, and amendments thereto.

(c) In setting the amount of such surcharge, the board of governors may require any health care provider who has paid a surcharge for less than 24 months to pay a higher surcharge than other health care providers.

Sec. 5. K.S.A. 40-3401, 40-3403, 40-3404 and 40-3414 are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register May 31, 2001.)

HOUSE BILL No. 2397

AN ACT concerning the state corporation commission; relating to intervention by municipalities in certain proceedings.

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

Section 1. (a) On timely filing of a petition for intervention, any municipality shall be allowed to intervene, on behalf of persons located within the boundary line of such municipality, in any rate proceeding before the state corporation commission that involves the rates of a public utility serving persons located within the boundary line of such municipality.

(b) For the purposes of this section, "municipality" means any county, township, city, school district or other political or taxing subdivision of the state.

Sec. 2. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register May 31, 2001.)

HOUSE BILL No. 2119

AN ACT concerning public bodies; relating to procurement procedures used thereby; relating to bids and bidding; amending K.S.A. 19-2381 and K.S.A. 2000 Supp. 10-106 and repealing the existing sections.

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

New Section 1. (a) The director of purchases shall conduct a pilot study utilizing the reverse auctioning electronic procurement process for the purchase of selected goods or materials for one or more state agencies in accordance with this section. The director of purchases shall adopt policies and procedures for such pilot project in accordance with and subject to the provisions of this section.

(b) The provisions of K.S.A. 75-430, and amendments thereto, relating to advertisements in the Kansas register and the provisions of K.S.A. 75-3739 *et seq.*, and amendments thereto, regarding procedures for sealed bidding and the opening of bids shall not apply to bids or purchases conducted under the pilot project utilizing the reverse auctioning electronic procurement process in accordance with this section. All bids submitted under the pilot project utilizing the reverse auctioning electronic procurement process in accordance with this section shall be subject to the open records act.

(c) Reverse auctioning shall not be used for the acquisition of any services for construction projects or for the acquisition of any other services.

(d) On or before January 15, 2002, and each six months thereafter, the director of purchases shall submit a written report to the secretary of the legislative coordinating council, the secretary of the senate and the chief clerk of the house of representatives on the activities and results of the pilot project utilizing the reverse auctioning electronic procurement process under this section and make recommendations whether or not the authority to use such procurement process should be continued beyond June 30, 2003. The director of purchases also shall notify each member of the legislature of the availability of copies of such report.

(e) Each year, the legislative post auditor shall conduct a performance audit of the pilot project utilizing the reverse auctioning electronic procurement process under this section and the activities of the division of purchases in relation to such pilot project. In conducting such audit, the post auditor shall include a determination of the applicable factors specified in subsection (b) of K.S.A. 74-7287, and amendments thereto, and such other factors as may be directed by the legislative post audit committee. Such audit shall be conducted as soon after the close of the fiscal year as practicable. Upon completion of such audit, the legislative post audit committee shall review and accept such report.

(f) As used in this section, "reverse auctioning" means a procurement process following procedures approved by the director of purchases where bidders are invited to bid on specific goods through real-time electronic bidding, with the award being made to the lowest responsible and

responsive bidder; during the bidding process, bidders' prices are revealed and bidders shall have the opportunity to modify their bid prices for the duration of the time period established for the bid opening.

(g) The provisions of this section shall expire June 30, 2003.

New Sec. 2. (a) The secretary of transportation is hereby authorized to implement electronic submission of sealed bids as a procurement process accessible by highway construction contractors and other qualified contractors for highway projects. Prior to implementing such procurement process, the secretary of transportation shall adopt any policies and procedures which are necessary for the acceptance of sealed bids by electronic on-line submission.

The secretary of transportation may adopt any rules and regulations necessary to implement the provisions of this section.

(b) The secretary of transportation shall not acquire any goods or services through any process of reverse auctioning.

(c) As used in this section, "sealed bids" may include a procurement process following procedures approved by the secretary of transportation in which bids are received electronically over the internet.

Sec. 3. K.S.A. 2000 Supp. 10-106 is hereby amended to read as follows: 10-106. (a) Municipal bonds shall be sold at public notice sale as follows: The officers having charge of the sale of the bonds shall publish a notice of the sale one time in a newspaper having general circulation in the county where the bonds are issued and in the Kansas register. Such notices shall be published not less than six days nor more than 30 days before the sale and shall contain the following information: (1) Except as provided by subsection (b), the date, time and place at which a public notice auction will be held on such terms and conditions as shall be provided by the municipality or at which written bids will be received and considered for the sale of the bonds for cash at such price as the municipality may accept; (2) the date of issue, total par value and denomination of the bonds being sold; (3) the dates and amounts of maturities of the bond issues; (4) the dates on which interest on the bonds shall become due and payable; (5) the place or places where and the approximate date on which the bonds being sold will be delivered to the purchaser; (6) a statement that a good faith deposit in the form of a certified or cashier's check or surety bond in the amount of 2% of the total par value of the bonds being sold shall accompany each bid or in the case of public sale at auction the same shall be furnished at or prior to the time of sale by each bidder; (7) a statement disclosing whether or not the purchaser of the bonds will be required to pay for the printing thereof and whether or not and to what extent the purchaser of the bonds will be required to pay the expense of legal services rendered to the municipality in connection with the issuance of the bonds including the fees of recognized bond counsel for an opinion as to legality of issuance; (8) the assessed valuation of the municipality; (9) that bidders may be required to be qualified in a manner established by the municipality before submitting a bid; and (10) the total bonded indebtedness of the municipality as of the date on which the bonds being sold are dated including the bonds submitted for bid. The rate of interest may be omitted in advertising and the bidders requested to specify the lowest interest rate or rates on the bonds at which they will pay the purchase price.

If sold at public notice sale with written bids, purchasers shall submit their bids in writing, sealed or sent by telefacsimile or other electronic transmission, as set forth in the notice of sale, for all or any part of the bonds. Each bid shall be accompanied by a certified or cashier's check or surety bond for 2% of the total amount of the bid. In case any purchaser, whose bid is accepted, fails to carry out the contract, the deposit shall be forfeited to the municipality issuing the bonds. Written Bids shall be disclosed publicly and tabulated or compared only at the time and place specified in the notice. At the time and place specified, the bonds shall be sold to the highest and best bidder or bidders, and the bonds may be allotted among the bidders, however, any or all bids may be rejected. No contract for the sale of the bonds shall be made except on bids submitted as provided in this section. No bonds shall be delivered to any purchaser until the amount of the bid is placed in the hands of the officer in charge of the sale. The provisions of this section relating to the public notice sale of bonds shall not apply to bonds secured solely and only by revenues, bonds sold, pursuant to written agreement, to the government of the United States of America or any bureau, department, instrumentality or agency thereof, bonds issued pursuant to K.S.A. 10-427 *et seq.*, and amendments thereto, and all bonds of the same series or which are issued simultaneously with such bonds and bond sales where the total amount of the issue does not exceed \$100,000. In such cases, the bonds may be sold at public notice or private sale as the officers having charge of the

sale of such bonds determine. The practice of providing more than one issue within a twelve-month period for any one project is prohibited unless the project engineer or architect certifies that it is necessary to do so for the orderly construction progress of the project.

(b) As an alternative to providing notice of the date, time and place of public notice auction or receipt of bids provided by subsection (a)(1), the officers having charge of a bond sale may establish a time period of not less than seven nor more than 30 days during which such bonds would be sold. Notice of such sale period shall be published one time in a newspaper having general circulation in the county where the bonds are issued and in the Kansas register and shall be published not less than six days nor more than 30 days before the beginning date of the sale period. The notice shall contain the information specified in subsection (a) except that in place of the time and date of sale, the notice shall specify the time period during which the bonds would be sold and the manner in which persons interested in submitting a bid may register for notice of the bond sale. At least three business days prior to the time and date of the bond sale, the officers having charge of the sale shall give notice to all persons having registered for notice of the bond sale, and bids shall be submitted and received and the sale made in the manner provided in subsection (a).

Sec. 4. K.S.A. 19-2881 is hereby amended to read as follows: 19-2881. (a) Before the board of any park district created under K.S.A. 19-2859 to 19-2880, inclusive, and amendments thereto, shall let any contract for any improvement which is estimated to exceed ~~\$10,000~~ \$20,000, the board shall cause accurate detailed plans and specifications therefor, together with a detailed estimate, of the cost of same, to be made and filed in the office of the secretary of such board. Before letting such contract, the board shall advertise for bids to do such work in accordance with such plans and specifications for at least one week in a newspaper of general circulation in such district. Except as provided by subsection (b), the purchase of materials, contracts for purchase or sale, lease contracts and other contractual services which are estimated to exceed ~~\$10,000~~ \$20,000, shall be made upon competitive bids.

All bids shall be made in writing and signed by the bidder, ~~and presented.~~ All bids shall be submitted or delivered by the bidder, or the bidder's agent or attorney, to the board, ~~at a meeting thereof, and or to a designated representative of the board as specified in the bid notice.~~ The proceedings to open and consider bids shall be conducted at a time and place specified in the bid notice. Such proceedings shall be open to the public. All bids shall be ~~considered and~~ accepted or rejected immediately after their submission by the board at a meeting thereof within 30 days of the opening of the bids. The board may reject any bids and shall not accept a bid in excess of the estimated cost of the work, and a contract let at a price in excess of the estimated cost of the work shall be void.

(b) The district may enter into agreements with any public agency for the purchase of materials, contracts for purchase or sale, lease contracts and other contractual services through such governmental units using the bidding procedure of such public agency.

(c) When used in this section, "public agency" means any state or a political or taxing subdivision thereof.

Sec. 5. K.S.A. 19-2881 and K.S.A. 2000 Supp. 10-106 are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register May 31, 2001.)

HOUSE BILL No. 2268

AN ACT concerning electric public utilities; relating to inclusion of certain property in ratebase; providing for issuance of bonds for certain purposes; providing for certain property tax exemptions; amending K.S.A. 2000 Supp. 66-128 and repealing the existing section.

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

Section 1. K.S.A. 2000 Supp. 66-128 is hereby amended to read as follows: 66-128. (a) The state corporation commission shall determine the reasonable value of all or whatever fraction or percentage of the property of any common carrier or public utility governed by the provisions of this act which property is used and required to be used in its services to the public within the state of Kansas, whenever the commission deems the ascertainment of such value necessary in order to enable the commission to fix fair and reasonable rates, joint rates, tolls and charges. In making

such valuations the commission may avail itself of any reports, records or other things available to the commission in the office of any national, state or municipal officer or board.

(b) (1) For the purposes of this act, *except as provided by subsection (b)(2)*, property of any public utility which has not been completed and dedicated to commercial service shall not be deemed to be used and required to be used in the public utility's service to the public, ~~except that, any property of a public utility.~~

(2) Any public utility property described in subsection (b)(1) may be deemed to be completed and dedicated to commercial service if: ~~(1) (A)~~ Construction of the property will be commenced and completed in one year or less; ~~(2) (B)~~ the property is an electric generation facility that has a capacity of 100 megawatts or less and converts wind, solar, biomass, landfill gas or any other renewable source of energy; ~~or (3) (C)~~ construction of the property has been authorized by a siting permit issued under K.S.A. 66-1,158 et seq. or 66-1,177 et seq., and amendments thereto; ~~(D) the property is an electric generation facility or addition to an electric generation facility, which facility or addition to a facility is placed in service on or after January 1, 2001; or (E) the property is an electric transmission line, as defined by K.S.A. 66-1,177, and amendments thereto, including all towers, poles and other necessary appurtenances to such lines, which will be connected to an electric generation facility and which is placed in service on or after January 1, 2001.~~

(3) Electric generation facilities under the provisions of subsection (b)(2)(D) or (b)(2)(E) shall not include facilities used in generating electricity by nuclear resources or technologies or by using renewable energy resources or technologies, as defined in K.S.A. 79-201, and amendments thereto.

New Sec. 2. The following described property, to the extent herein specified, shall be exempt from all property taxes levied under the laws of the state of Kansas:

(a) All electric generation facilities and additions to electric generation facilities described in subsection (b)(2)(D) of K.S.A. 66-128, and amendments thereto.

(b) The provisions of subsection (a) shall apply: (1) Except as provided in paragraph (2), from and after commencement of construction of such property and for the 10 taxable years immediately following the taxable year in which construction of such property is completed; or (2) for a peak load plant, from and after commencement of construction of such peak load plant and for the four taxable years immediately following the taxable year in which construction of such property is completed.

(c) All pollution control devices purchased for or constructed or installed at electric generation facilities described in subsection (b)(2)(D) of K.S.A. 66-128, and amendments thereto.

(d) The provisions of subsection (c) shall apply: (1) Except as provided in paragraph (2), from and after purchase or commencement of construction or installation of such property and for the 10 taxable years immediately following the taxable year in which such property is purchased or construction or installation of such property is completed; or (2) for a peak load plant, from and after purchase or commencement of construction or installation of such property and for the four taxable years immediately following the taxable year in which such property is purchased or construction or installation of such property is completed.

(e) As used in this section, "peak load plant" means an electric generation facility used during maximum load periods.

(f) The provisions of this section shall apply to all taxable years commencing after December 31, 2000.

New Sec. 3. (a) For the purpose of financing the construction, purchase and installation of pollution control devices at electric generation facilities and additions to electric generation facilities described in subsection (b)(2)(D) of K.S.A. 66-128, and amendments thereto, the Kansas development finance authority is hereby authorized to issue revenue bonds in amounts sufficient to pay the costs of such construction, purchase and installation, including any required interest on the bonds during construction and installation, plus all amounts required for the costs of bond issuance and any required reserves on the bonds. The bonds, and interest thereon, issued pursuant to this section shall be payable from revenues derived from sales of generation from the electric generation facility. As used in this subsection, "pollution control devices" means any device or structure required to meet air emission or water discharge standards imposed by state or federal law.

(b) The provisions of subsection (a) of K.S.A. 74-8905, and amendments thereto, shall not prohibit the issuance of bonds by the Kansas

(continued)

development finance authority for the purposes of this section and any such issuance of bonds is exempt from the provisions of subsection (a) of K.S.A. 74-8905, and amendments thereto, which would operate to preclude such issuance.

(c) Revenue bonds, including refunding revenue bonds, issued hereunder shall not constitute an indebtedness of the state of Kansas, nor shall they constitute indebtedness within the meaning of any constitutional or statutory provision limiting the incurring of indebtedness.

(d) Revenue bonds, including refunding revenue bonds, issued hereunder and the income derived therefrom are and shall be exempt from all state, county and municipal taxation in the state of Kansas, except Kansas estate taxes.

New Sec. 4. The following described property, to the extent herein specified, shall be exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

(a) All electric transmission lines and appurtenances described in subsection (b)(2)(E) of K.S.A. 66-128, and amendments thereto, and the right-of-way on which such lines are located.

(b) The provisions of this section shall apply to property the construction of which is completed after December 31, 2000, and for the 10 taxable years immediately following the taxable year in which construction of such property is completed.

(c) The provisions of this section shall apply to all taxable years commencing after December 31, 2000.

Sec. 5. K.S.A. 2000 Supp. 66-128 is hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register May 31, 2001.)

SENATE Substitute for HOUSE BILL No. 2336

AN ACT concerning school districts; providing for state financial assistance; reauthorizing the school district ad valorem tax levy; making and concerning appropriations for the fiscal year ending June 30, 2002, for the legislative coordinating council; amending K.S.A. 46-1208a, 72-1106, 72-5205 and 72-6420 and K.S.A. 2000 Supp. 72-979, 72-983, 72-6407, 72-6407 as amended by section 1 of this act, 72-6410, 72-6414, 72-6430, 72-6431, 72-8187 and 79-201x and repealing the existing sections; also repealing K.S.A. 72-5206.

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

Section 1. K.S.A. 2000 Supp. 72-6407 is hereby amended to read as follows: 72-6407. (a) "Pupil" means any person who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 maintained by the district or who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 in another district in accordance with an agreement entered into under authority of K.S.A. 72-8233, and amendments thereto, or who is regularly enrolled in a district and attending special education services provided for preschool-aged exceptional children by the district. Except as otherwise provided in this subsection, a pupil in attendance full time shall be counted as one pupil. A pupil in attendance part time shall be counted as that proportion of one pupil (to the nearest $\frac{1}{10}$) that the pupil's attendance bears to full-time attendance. A pupil attending kindergarten shall be counted as $\frac{1}{2}$ pupil. A pupil enrolled in and attending an institution of postsecondary education which is authorized under the laws of this state to award academic degrees shall be counted as one pupil if the pupil's postsecondary education enrollment and attendance together with the pupil's attendance in either of the grades 11 or 12 is at least $\frac{5}{6}$ time, otherwise the pupil shall be counted as that proportion of one pupil (to the nearest $\frac{1}{10}$) that the total time of the pupil's postsecondary education attendance and attendance in grade 11 or 12, as applicable, bears to full-time attendance. A pupil enrolled in and attending an area vocational school, area vocational-technical school or approved vocational education program shall be counted as one pupil if the pupil's vocational education enrollment and attendance together with the pupil's attendance in any of grades nine through 12 is at least $\frac{5}{6}$ time, otherwise the pupil shall be counted as that proportion of one pupil (to the nearest $\frac{1}{10}$) that the total time of the pupil's vocational education attendance and attendance in any of grades nine through 12 bears to full-time attendance. A pupil enrolled in a district and attending special education services, except special education services for preschool-aged exceptional children, provided for by the district shall be counted as one pupil. A pupil enrolled in a district and attending special education services for preschool-aged exceptional chil-

dren provided for by the district shall be counted as $\frac{1}{2}$ pupil. A preschool-aged at-risk pupil enrolled in a district and receiving services under an approved at-risk pupil assistance plan maintained by the district shall be counted as $\frac{1}{2}$ pupil. A pupil in the custody of the secretary of social and rehabilitation services and enrolled in unified school district No. 255 Sedgwick county, Kansas, but housed, maintained, and receiving educational services at the Judge James V. Riddell Boys Ranch, shall be counted as two pupils. A pupil residing at the Flint Hills job corps center shall not be counted. A pupil confined in and receiving educational services provided for by a district at a juvenile detention facility shall not be counted. A pupil enrolled in a district but housed, maintained, and receiving educational services at a state institution shall not be counted.

(b) "Preschool-aged exceptional children" means exceptional children, except gifted children, who have attained the age of three years but are under the age of eligibility for attendance at kindergarten.

(c) "At-risk pupils" means pupils who are eligible for free meals under the national school lunch act and who are enrolled in a district which maintains an approved at-risk pupil assistance plan.

(d) "Preschool-aged at-risk pupil" means an at-risk pupil who has attained the age of four years, is under the age of eligibility for attendance at kindergarten, and has been selected by the state board in accordance with guidelines consonant with guidelines governing the selection of pupils for participation in head start programs. The state board shall select not more than 1,794 preschool-aged at-risk pupils to be counted in the 1999-2000 school year and not more than 2,230 preschool-aged at-risk pupils to be counted in any school year thereafter.

(e) "Enrollment" means, for districts scheduling the school days or school hours of the school term on a trimestral or quarterly basis, the number of pupils regularly enrolled in the district on September 20 plus the number of pupils regularly enrolled in the district on February 20 less the number of pupils regularly enrolled on February 20 who were counted in the enrollment of the district on September 20; and for districts not hereinbefore specified, the number of pupils regularly enrolled in the district on September 20. Notwithstanding the foregoing, if enrollment in a district in any school year has decreased from enrollment in the preceding school year, enrollment of the district in the current school year means whichever is the greater of (1) enrollment in the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled, plus enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled, or (2) the sum of enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled and the average (mean) of the sum of (A) enrollment of the district in the current school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils are enrolled and (B) enrollment in the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled and (C) enrollment in the school year next preceding the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled.

(f) "Adjusted enrollment" means enrollment adjusted by adding at-risk pupil weighting, program weighting, low enrollment weighting, if any, correlation weighting, if any, school facilities weighting, if any, ancillary school facilities weighting, if any, and transportation weighting to enrollment.

(g) "At-risk pupil weighting" means an addend component assigned to enrollment of districts on the basis of enrollment of at-risk pupils.

(h) "Program weighting" means an addend component assigned to enrollment of districts on the basis of pupil attendance in educational programs which differ in cost from regular educational programs.

(i) "Low enrollment weighting" means an addend component assigned to enrollment of districts having under 1,725 enrollment on the basis of costs attributable to maintenance of educational programs by such districts in comparison with costs attributable to maintenance of educational programs by districts having 1,725 or over enrollment.

(j) "School facilities weighting" means an addend component assigned to enrollment of districts on the basis of costs attributable to commencing operation of new school facilities. School facilities weighting may be assigned to enrollment of a district only if the district has adopted a local option budget and budgeted therein the total amount authorized for the school year. School facilities weighting may be assigned to enrollment of the district only in the school year in which operation of a new school facility is commenced and in the next succeeding school year.

(k) "Transportation weighting" means an addend component assigned to enrollment of districts on the basis of costs attributable to the provision or furnishing of transportation.

(l) "Correlation weighting" means an addend component assigned to enrollment of districts having 1,725 or over enrollment on the basis of costs attributable to maintenance of educational programs by such districts as a correlate to low enrollment weighting assigned to enrollment of districts having under 1,725 enrollment.

(m) "Ancillary school facilities weighting" means an addend component assigned to enrollment of districts to which the provisions of K.S.A. 2000 Supp. 72-6441, and amendments thereto, apply on the basis of costs attributable to commencing operation of new school facilities. Ancillary school facilities weighting may be assigned to enrollment of a district only if the district has levied a tax under authority of K.S.A. 2000 Supp. 72-6441, and amendments thereto, and remitted the proceeds from such tax to the state treasurer. Ancillary school facilities weighting is in addition to assignment of school facilities weighting to enrollment of any district eligible for such weighting.

(n) "Juvenile detention facility" means any community juvenile corrections center or facility, the Forbes Juvenile Attention Facility, the Sappa Valley Youth Ranch of Oberlin, Salvation Army/Koch Center Youth Services, the Clarence M. Kelley Youth Center, the *Clarence M. Kelley Transitional Living Center*, Trego County Secure Care Center, St. Francis Academy at Atchison, St. Francis Academy at Ellsworth, St. Francis Academy at Salina, and St. Francis Center at Salina, *King's Achievement Center*, and *Liberty Juvenile Services and Treatment*.

Sec. 2. K.S.A. 2000 Supp. 72-6430 is hereby amended to read as follows: 72-6430. Expenditures of a district for the following purposes are not operating expenses:

(a) Payments to another district in an adjustment of rights as provided in K.S.A. 72-6776, and amendments thereto, or upon transfer of territory as provided in K.S.A. 72-7105, 72-7106 or 72-7107, and amendments to such sections, if paid from any fund other than the general fund.

(b) Payments to another district under K.S.A. 72-7105a, and amendments thereto.

(c) The maintenance of student activities which are reimbursed.

(d) Expenditures from any lawfully authorized fund of a district other than its general fund.

(e) The provision of educational services for pupils residing at the Flint Hills job corps center or for pupils confined in a juvenile detention facility for which the district is reimbursed by a grant of state moneys as provided in K.S.A. 2000 Supp. 72-8187, and amendments thereto. As used in this subsection, the term juvenile detention facility means any community juvenile corrections center or facility, the Forbes Juvenile Attention Facility, the Sappa Valley Youth Ranch of Oberlin, Salvation Army/Koch Center Youth Services, the Clarence M. Kelley Youth Center, the *Clarence M. Kelley Transitional Living Center*, Trego County Secure Care Center, St. Francis Academy at Atchison, St. Francis Academy at Ellsworth, St. Francis Academy at Salina, and St. Francis Center at Salina, *King's Achievement Center*, and *Liberty Juvenile Services and Treatment*.

(f) Programs financed in part or in whole by federal funds which may be expended although not included in the budget of the district, excepting funds received under the provisions of title I of public law 874 (but not including in such exception amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program), to the extent of the federal funds to be provided.

Sec. 3. K.S.A. 2000 Supp. 72-8187 is hereby amended to read as follows: 72-8187. (a) In each school year, to the extent that appropriations are available, each school district which has provided educational services for pupils residing at the Flint Hills job corps center or for pupils confined in a juvenile detention facility is eligible to receive a grant of state moneys in an amount to be determined by the state board of education.

(b) In order to be eligible for a grant of state moneys provided for by this section, each school district which has provided educational services for pupils residing at the Flint Hills job corps center or for pupils confined in a juvenile detention facility shall submit to the state board of education an application for a grant and shall certify the amount expended, and not reimbursed or otherwise financed, in the school year for the services provided. The application and certification shall be prepared in such form and manner as the state board shall require and shall be submitted at a time to be determined and specified by the state board. Approval by the state board of applications for grants of state moneys is prerequisite to the award of grants.

(c) Each school district which is awarded a grant under this section shall make such periodic and special reports of statistical and financial information to the state board as it may request.

(d) All moneys received by a school district under authority of this section shall be deposited in the general fund of the school district and shall be considered reimbursement of the district for the purpose of the school district finance and quality performance act.

(e) The state board of education shall approve applications of school districts for grants, determine the amount of grants and be responsible for payment of grants to school districts. In determining the amount of a grant which a school district is eligible to receive, the state board shall compute the amount of state financial aid the district would have received on the basis of enrollment of pupils residing at the Flint Hills job corps center or confined in a juvenile detention facility if such pupils had been counted as two pupils under the school district finance and quality performance act and compare such computed amount to the amount certified by the district under subsection (b). The amount of the grant the district is eligible to receive shall be an amount equal to the lesser of the amount computed under this subsection or the amount certified under subsection (b). If the amount of appropriations for the payment of grants under this section is insufficient to pay in full the amount each school district is determined to be eligible to receive for the school year, the state board shall prorate the amount appropriated among all school districts which are eligible to receive grants of state moneys in proportion to the amount each school district is determined to be eligible to receive.

(f) As used in this section:

(1) "Enrollment" means the number of pupils who are residing at the Flint Hills job corps center or who are confined in a juvenile detention facility and for whom a school district is providing educational services on September 20, on November 20, or on April 20 of a school year, whichever is the greatest number of pupils; and

(2) "juvenile detention facility" means any community juvenile corrections center or facility, the Forbes Juvenile Attention Facility, the Sappa Valley Youth Ranch of Oberlin, Salvation Army/Koch Center Youth Services, the Clarence M. Kelley Youth Center, the *Clarence M. Kelley Transitional Living Center*, Trego County Secure Care Center, St. Francis Academy at Atchison, St. Francis Academy at Ellsworth, St. Francis Academy at Salina, and St. Francis Center at Salina, *King's Achievement Center*, and *Liberty Juvenile Services and Treatment*.

Sec. 4. On July 1, 2001, K.S.A. 2000 Supp. 72-6407, as amended by section 1 of this act, shall be and is hereby amended to read as follows: 72-6407. (a) "Pupil" means any person who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 maintained by the district or who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 in another district in accordance with an agreement entered into under authority of K.S.A. 72-8233, and amendments thereto, or who is regularly enrolled in a district and attending special education services provided for preschool-aged exceptional children by the district. Except as otherwise provided in this subsection, a pupil in attendance full time shall be counted as one pupil. A pupil in attendance part time shall be counted as that proportion of one pupil (to the nearest $\frac{1}{10}$) that the pupil's attendance bears to full-time attendance. A pupil attending kindergarten shall be counted as $\frac{1}{2}$ pupil. A pupil enrolled in and attending an institution of postsecondary education which is authorized under the laws of this state to award academic degrees shall be counted as one pupil if the pupil's postsecondary education enrollment and attendance together with the pupil's attendance in either of the grades 11 or 12 is at least $\frac{3}{4}$ time, otherwise the pupil shall be counted as that proportion of one pupil (to the nearest $\frac{1}{10}$) that the total time of the pupil's postsecondary education attendance and attendance in grade 11 or 12, as applicable, bears to full-time attendance. A pupil enrolled in and attending an area vocational school, area vocational-technical school or approved vocational education program shall be counted as one pupil if the pupil's vocational education enrollment and attendance together with the pupil's attendance in any of grades nine through 12 is at least $\frac{3}{4}$ time, otherwise the pupil shall be counted as that proportion of one pupil (to the nearest $\frac{1}{10}$) that the total time of the pupil's vocational education attendance and attendance in any of grades nine through 12 bears to full-time attendance. A pupil enrolled in a district and attending special education and related services, except special education and related services for preschool-aged exceptional children, provided for by the district shall be counted as one pupil. A pupil enrolled

(continued)

in a district and attending special education *and related* services for preschool-aged exceptional children provided for by the district shall be counted as ½ pupil. A preschool-aged at-risk pupil enrolled in a district and receiving services under an approved at-risk pupil assistance plan maintained by the district shall be counted as ½ pupil. A pupil in the custody of the secretary of social and rehabilitation services and enrolled in unified school district No. 259, Sedgwick county, Kansas, but housed, maintained, and receiving educational services at the Judge James V. Riddell Boys Ranch, shall be counted as two pupils. A pupil residing at the Flint Hills job corps center shall not be counted. A pupil confined in and receiving educational services provided for by a district at a juvenile detention facility shall not be counted. A pupil enrolled in a district but housed, maintained, and receiving educational services at a state institution shall not be counted.

(b) "Preschool-aged exceptional children" means exceptional children, except gifted children, who have attained the age of three years but are under the age of eligibility for attendance at kindergarten.

(c) "At-risk pupils" means pupils who are eligible for free meals under the national school lunch act and who are enrolled in a district which maintains an approved at-risk pupil assistance plan.

(d) "Preschool-aged at-risk pupil" means an at-risk pupil who has attained the age of four years, is under the age of eligibility for attendance at kindergarten, and has been selected by the state board in accordance with guidelines consonant with guidelines governing the selection of pupils for participation in head start programs. The state board shall select not more than ~~2,220~~ 3,756 preschool-aged at-risk pupils to be counted in the 2001-02 school year and not more than 5,500 preschool-aged at-risk pupils to be counted in any school year thereafter.

(e) "Enrollment" means, for districts scheduling the school days or school hours of the school term on a trimestral or quarterly basis, the number of pupils regularly enrolled in the district on September 20 plus the number of pupils regularly enrolled in the district on February 20 less the number of pupils regularly enrolled on February 20 who were counted in the enrollment of the district on September 20; and for districts not hereinbefore specified, the number of pupils regularly enrolled in the district on September 20. Notwithstanding the foregoing, if enrollment in a district in any school year has decreased from enrollment in the preceding school year, enrollment of the district in the current school year means whichever is the greater of (1) enrollment in the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled, plus enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled, or (2) the sum of enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled and the average (mean) of the sum of (A) enrollment of the district in the current school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils are enrolled and (B) enrollment in the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled and (C) enrollment in the school year next preceding the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled.

(f) "Adjusted enrollment" means enrollment adjusted by adding at-risk pupil weighting, program weighting, low enrollment weighting, if any, correlation weighting, if any, school facilities weighting, if any, ancillary school facilities weighting, if any, *special education and related services weighting*, and transportation weighting to enrollment.

(g) "At-risk pupil weighting" means an addend component assigned to enrollment of districts on the basis of enrollment of at-risk pupils.

(h) "Program weighting" means an addend component assigned to enrollment of districts on the basis of pupil attendance in educational programs which differ in cost from regular educational programs.

(i) "Low enrollment weighting" means an addend component assigned to enrollment of districts having under 1,725 enrollment on the basis of costs attributable to maintenance of educational programs by such districts in comparison with costs attributable to maintenance of educational programs by districts having 1,725 or over enrollment.

(j) "School facilities weighting" means an addend component assigned to enrollment of districts on the basis of costs attributable to commencing operation of new school facilities. School facilities weighting may be assigned to enrollment of a district only if the district has adopted a local option budget and budgeted therein the total amount authorized for the school year. School facilities weighting may be assigned to enrollment of

the district only in the school year in which operation of a new school facility is commenced and in the next succeeding school year.

(k) "Transportation weighting" means an addend component assigned to enrollment of districts on the basis of costs attributable to the provision or furnishing of transportation.

(l) "Correlation weighting" means an addend component assigned to enrollment of districts having 1,725 or over enrollment on the basis of costs attributable to maintenance of educational programs by such districts as a correlate to low enrollment weighting assigned to enrollment of districts having under 1,725 enrollment.

(m) "Ancillary school facilities weighting" means an addend component assigned to enrollment of districts to which the provisions of K.S.A. 2000 Supp. 72-6441, and amendments thereto, apply on the basis of costs attributable to commencing operation of new school facilities. Ancillary school facilities weighting may be assigned to enrollment of a district only if the district has levied a tax under authority of K.S.A. 2000 Supp. 72-6441, and amendments thereto, and remitted the proceeds from such tax to the state treasurer. Ancillary school facilities weighting is in addition to assignment of school facilities weighting to enrollment of any district eligible for such weighting.

(n) "Juvenile detention facility" means any community juvenile corrections center or facility, the Forbes Juvenile Attention Facility, the Sappa Valley Youth Ranch of Oberlin, Salvation Army/Koch Center Youth Services, the Clarence M. Kelley Youth Center, the Clarence M. Kelley Transitional Living Center, Trego County Secure Care Center, St. Francis Academy at Atchison, St. Francis Academy at Ellsworth, St. Francis Academy at Salina, St. Francis Center at Salina, King's Achievement Center, and Liberty Juvenile Services and Treatment.

(o) "*Special education and related services weighting*" means an addend component assigned to enrollment of districts on the basis of costs attributable to provision of special education and related services for pupils determined to be exceptional children.

Sec. 5. On July 1, 2001, K.S.A. 2000 Supp. 72-6410 shall be and is hereby amended to read as follows: 72-6410. (a) "State financial aid" means an amount equal to the product obtained by multiplying base state aid per pupil by the adjusted enrollment of a district.

(b) "Base state aid per pupil" means an amount of state financial aid per pupil. Subject to the other provisions of this subsection, the amount of base state aid per pupil is ~~\$2,770 in the 1990-2000 school year and \$2,820 in the 2000-01 school year and in school years thereafter~~ \$3,870. The amount of base state aid per pupil is subject to reduction commensurate with any reduction under K.S.A. 75-6704, and amendments thereto, in the amount of the appropriation from the state general fund for general state aid. If the amount of appropriations for general state aid is insufficient to pay in full the amount each district is entitled to receive for any school year, the amount of base state aid per pupil for such school year is subject to reduction commensurate with the amount of the insufficiency.

(c) "Local effort" means the sum of an amount equal to the proceeds from the tax levied under authority of K.S.A. 72-6431, and amendments thereto, and an amount equal to any unexpended and unencumbered balance remaining in the general fund of the district, except amounts received by the district and authorized to be expended for the purposes specified in K.S.A. 72-6430, and amendments thereto, and an amount equal to any unexpended and unencumbered balances remaining in the program weighted funds of the district, except any amount in the vocational education fund of the district if the district is operating an area vocational school, and an amount equal to any remaining proceeds from taxes levied under authority of K.S.A. 72-7056 and 72-7072, and amendments thereto, prior to the repeal of such statutory sections, and an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district under the provisions of subsection (a) of K.S.A. 72-1046a, and amendments thereto, and an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district pursuant to contracts made and entered into under authority of K.S.A. 72-6757, and amendments thereto, and an amount equal to the amount credited to the general fund in the current school year from amounts distributed in such year to the district under the provisions of articles 2 and 34 of chapter 12 of Kansas Statutes Annotated and under the provisions of articles 42 and 51 of chapter 79 of Kansas Statutes Annotated, and an amount equal to the amount of payments received by the district

under the provisions of K.S.A. 72-979, and amendments thereto, and an amount equal to the amount of a grant, if any, received by the district under the provisions of K.S.A. 2000 Supp. 72-983, and amendments thereto, and an amount equal to 75% of the federal impact aid of the district.

(d) "Federal impact aid" means an amount equal to the federally qualified percentage of the amount of moneys a district receives in the current school year under the provisions of title I of public law 874 and congressional appropriations therefor, excluding amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program. The amount of federal impact aid defined herein as an amount equal to the federally qualified percentage of the amount of moneys provided for the district under title I of public law 874 shall be determined by the state board in accordance with terms and conditions imposed under the provisions of the public law and rules and regulations thereunder.

Sec. 6. On July 1, 2001, K.S.A. 2000 Supp. 72-6414 shall be and is hereby amended to read as follows: 72-6414. (a) The at-risk pupil weighting of each district shall be determined by the state board by multiplying the number of at-risk pupils included in enrollment of the district by .09. The product is the at-risk pupil weighting of the district.

(b) Except as provided in subsection (d), of the amount a district receives from the at-risk pupil weighting, an amount produced by a pupil weighting of .01 shall be used by the district for achieving mastery of basic reading skills by completion of the third grade in accordance with standards and outcomes of mastery identified by the state board under K.S.A. 2000 Supp. 72-7534, and amendments thereto.

(c) A district shall include such information in its at-risk pupil assistance plan as the state board may require regarding the district's remediation strategies and the results thereof in achieving the third grade reading standards and outcomes of mastery identified by the state board. The reporting requirements shall include information documenting remediation strategies and improvement made by pupils who performed below the expected standard on the second grade diagnostic reading test prescribed by the state board.

(d) A district whose pupils substantially achieve the state board standards and outcomes of mastery of reading skills upon completion of third grade may be released, upon request, by the state board from the requirements of subsection (b).

Sec. 7. On July 1, 2001, K.S.A. 2000 Supp. 72-6431 shall be and is hereby amended to read as follows: 72-6431. (a) The board of each district shall levy an ad valorem tax upon the taxable tangible property of the district in the school years specified in subsection (b) for the purpose of:

(1) Financing that portion of the district's general fund budget which is not financed from any other source provided by law;

(2) paying a portion of the costs of operating and maintaining public schools in partial fulfillment of the constitutional obligation of the legislature to finance the educational interests of the state; and

(3) with respect to any redevelopment district established prior to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the district.

(b) The tax required under subsection (a) shall be levied at a rate of 20 mills in the ~~1999-2000~~ 2001-02 school year and in the ~~2000-01~~ 2002-03 school year.

(c) The proceeds from the tax levied by a district under authority of this section, except the proceeds of such tax levied for the purpose of paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the district, shall be deposited in the general fund of the district.

(d) On June 1 of each year, the amount, if any, by which a district's local effort exceeds the amount of the district's state financial aid, as determined by the state board, shall be remitted to the state treasurer. Upon receipt of any such remittance, the state treasurer shall deposit the same in the state treasury to the credit of the state school district finance fund.

(e) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-1964b, and amendments to such sections thereto.

New Sec. 8. (a) The special education and related services weighting of each district shall be determined in each school year as follows:

(1) Add the amount of payments received by the district under the provisions of K.S.A. 72-979, and amendments thereto, to the amount of a grant, if any, received by the district under the provisions of K.S.A. 2000 Supp. 72-983, and amendments thereto;

(2) divide the sum obtained under (1) by base state aid per pupil. The quotient is the special education and related services weighting of the district.

(b) The provisions of this section shall take effect and be in force from and after July 1, 2001.

Sec. 9. On July 1, 2001, K.S.A. 2000 Supp. 79-201x shall be and is hereby amended to read as follows: 79-201x. For taxable years ~~1999 2001~~ and ~~2000 2002~~, the following described property, to the extent herein specified, shall be and is hereby exempt from the property tax levied pursuant to the provisions of K.S.A. 72-6431, and amendments thereto: Property used for residential purposes to the extent of \$20,000 of its appraised valuation.

New Sec. 10. (a) The legislative coordinating council shall provide for a professional evaluation of school district finance to determine the cost of a suitable education for Kansas children. The evaluation shall include a thorough study of the school district finance and quality performance act with the objective of addressing inadequacies and inequities inherent in the act. In addition to any other subjects the legislative coordinating council deems appropriate, the evaluation shall address the following objectives:

(1) A determination of the funding needed to provide a suitable education in typical K-12 schools of various sizes and locations including, but not limited to, per pupil cost;

(2) a determination of the additional support needed for special education, at-risk, limited English proficient pupils and pupils impacted by other special circumstances;

(3) a determination of funding adjustments necessary to ensure comparable purchasing power for all districts, regardless of size or location; and

(4) a determination of an appropriate annual adjustment for inflation.

(b) In addressing the objectives of the evaluation as specified in subsection (a), consideration shall be given to:

(1) The cost of providing comparable opportunities in the state's small rural schools as well as the larger, more urban schools, including differences in transportation needs resulting from population sparsity as well as differences in annual operating costs;

(2) the cost of providing suitable opportunities in elementary, middle and high schools;

(3) the additional costs of providing special programming opportunities, including vocational education programs;

(4) the additional cost associated with educating at-risk children and those with limited English proficiency;

(5) the additional cost associated with meeting the needs of pupils with disabilities;

(6) the cost of opening new facilities; and

(7) the geographic variations in costs of personnel, materials, supplies and equipment and other fixed costs so that districts across the state are afforded comparable purchasing power.

(c) Within the limits of appropriations therefor, the legislative coordinating council shall secure consultant services to conduct the professional evaluation of school district finance required by this section and provide for a presentation to the governor and the legislature of the findings of the evaluation along with recommendations for components of a school district finance plan that will fulfill the state's obligation to provide a suitable education for Kansas children. The findings of the evaluation and recommendations shall be presented to the governor and the legislature at the beginning of the 2002 legislative session.

(d) The legislative coordinating council shall designate a special committee to assist the council in discharging its responsibilities under this section, including prepare a request for proposals for the conduct of school finance system evaluation; advertise nationally for such proposals; evaluate the proposals; recommend to the council a consultant or consultants best qualified to conduct the study; consult with the council concerning terms and conditions of the consulting contract; act in an advisory capacity to assist the consultant in the conduct of the evaluation; on behalf of the council, receive from the consultant regular reports of progress; and receive the final report of the consultant three weeks prior to formal submission of the report to the 2002 legislature on January 14, 2002. The

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special committee shall be composed of some or all of the members of the legislative educational planning committee as determined by the legislative coordinating council. The legislative coordinating council shall determine the number of members of the special committee who shall be members of the house of representatives, members of the senate, members of the majority party and members of the minority party.

(e) For the purpose of the professional evaluation of school district finance, the term "suitable education" means a curricular program consisting of the subjects and courses required under the provisions of K.S.A. 72-1101, 72-1103 and 72-1117, and amendments thereto, the courses in foreign language, fine arts and physical education required to qualify for a state scholarship under the provisions of K.S.A. 72-6810 through 72-6816, and amendments thereto, and the courses included in the precollege curriculum prescribed by the board of regents under the provisions of K.S.A. 76-717, and amendments thereto.

Sec. 11. On July 1, 2001, K.S.A. 72-1106 shall be and is hereby amended to read as follows: 72-1106. (a) Subject to the other provisions of this section, a school term during which public school shall be maintained in the 1992-93 each school year by each school district organized under the laws of this state shall consist of: (1) For pupils attending kindergarten, not less than 181 school days and each such school day shall consist of not less than 2½ hours; and (2) for pupils attending any of the grades one through 11, not less than 181 school days and each such school day shall consist of not less than six hours; and (3) for pupils attending grade 12, not less than 176 school days and each such school day shall consist of not less than six hours. The minimum number of school days in a school term shall be increased by two school days in the 1993-04 school year. The school term in school years commencing after June 30, 1994, shall consist of not less than 186 school days for pupils attending kindergarten or any of the grades one through 11 and not less than 181 school days for pupils attending grade 12.

(b) Subject to a policy developed and adopted by it, the board of any school district, the board may provide for a school term consisting of school hours. A school term provided for in a policy adopted under this subsection shall consist of: (1) For pupils attending kindergarten, not less than 452½ school hours in the 1992-93 school year, not less than 457½ school hours in the 1993-04 school year, and not less than 465 school hours in each school year commencing after June 30, 1994; and (2) for pupils attending any of the grades one through 11, not less than 1,086 school hours in the 1992-93 school year, not less than 1,098 school hours in the 1993-04 school year, and not less than 1,116 school hours in each school year commencing after June 30, 1994; and (3) for pupils attending grade 12, not less than 1,056 school hours in the 1992-93 school year, not less than 1,068 school hours in the 1993-04 school year, and not less than 1,086 school hours in each school year commencing after June 30, 1994. Each board of education which develops and adopts a policy providing for a school term in accordance with this subsection shall notify the state board of education thereof on or before September 15 in each school year for which the policy is to be in effect.

(c) Subject to a plan developed and adopted by it, the board of any school district, the board may schedule the school days required for a school term provided for under subsection (a), or the school hours required for a school term provided for in a policy adopted under subsection (b), on a trimestral or quarterly basis. Each board of education which develops and adopts a plan providing for the scheduling of the school days or school hours of the school term on a trimestral or quarterly basis shall submit the plan to the state board of education for approval prior to implementation. The plan shall be prepared in such form and manner as the state board shall require and shall be submitted at a time or times to be determined and specified by the state board.

(d) Subject to a policy developed and adopted by the board of any district as an adjunct to the district's disciplinary policy or as a part of the district's school improvement plan, the board may schedule school days in addition to the school days scheduled for a school term provided for under subsection (a), or school hours in addition to the school hours scheduled for a school term provided for in a policy adopted under subsection (b), or both such additional school days and school hours for pupils who are in need of remedial education or who are subject to disciplinary measures imposed under the district's disciplinary policy. Any school day or school hour scheduled for a pupil under a policy adopted under this subsection may be scheduled on weekends, before or after regular school hours, and during the summer months. Inexcusable absence from school

on any school day, or during any school hour by any pupil for whom additional school days or school hours have been scheduled under a policy adopted under this subsection shall be counted as an inexcusable absence from school for the purposes of K.S.A. 72-1113, and amendments thereto.

(e) (e) If the board of any school district, or its designee, shall determine that inclement weather will cause hazardous driving conditions, the board, or its designee, may close any or all of the schools within the district. The amount of time pupils have been in attendance when such determination is made shall be considered a school day of a school term or shall be considered the number of school hours for pupils to be in attendance at school in a day, whichever is applicable. Consonant with the other provisions of this section, a board may schedule any number of days or hours in excess of the regularly scheduled school days or school hours which the board determines will be necessary to compensate for those school days or school hours that schools of the district will remain closed during the school term due to hazardous driving conditions. If the number of days or hours schools remain closed due to hazardous driving conditions exceeds the number of days or hours scheduled by the board to compensate for such school days or school hours, the excess number of days or hours, not to exceed whichever is the lesser of (1) the number of compensatory days or hours scheduled by the board or (2) five days or the number of school hours regularly scheduled in five days, that schools remain closed due to such conditions shall be considered school days or school hours.

(e) (f) The state board of education may waive the requirements of law relating to the duration of the school term upon application for such waiver by a school district. Such waiver may be granted by the state board of education upon: (1) Certification by a board that, due to the persistence of inclement weather, hazardous driving conditions have existed in the school district for an inordinate period of time; and (2) a determination by the state board that the school district cannot reasonably adjust its schedule to comply with statutory requirements. Such waiver shall not exempt a school district from providing a school offering for each pupil which is substantially equivalent to that required by law.

(f) (g) Time reserved for parent-teacher conferences for discussions on the progress of pupils may be considered part of the school term.

(g) (h) Time reserved for staff development or inservice training programs for the purpose of improving staff skills, developing competency in new or highly specialized fields, improving instructional techniques, or curriculum planning and study may be considered part of the school term for an aggregate amount of time equal to the amount of time in excess of the school term which is scheduled by a board of education for similar activities.

(h) (i) Boards of education may employ noncertificated personnel to supervise pupils for noninstructional activities.

Sec. 12. On July 1, 2001, K.S.A. 2000 Supp. 72-979 shall be and is hereby amended to read as follows: 72-979. (a) Payments under this act shall be made in the manner and at such times during each school year as are determined by the state board. All amounts received by a district under this section shall be deposited in the general fund of the district and transferred to its special education fund. If any district is paid more than it is entitled to receive under any distribution made under this act, the state board shall notify the district of the amount of such overpayment, and such district shall remit the same to the state board. The state board shall remit any moneys so received to the state treasurer, and the state treasurer shall deposit the same in the state treasury to the credit of the general fund. If any such district fails so to remit, the state board shall deduct the excess amounts so paid from future payments becoming due to such district. If any district is paid less than the amount to which it is entitled under any distribution made under this act, the state board shall pay the additional amount due at any time within the school year in which the underpayment was made or within 60 days after the end of such school year.

(b) The state board shall prescribe all forms necessary for reporting under this act.

(c) Every board shall make such periodic and special reports of information to the state board as it may request in order to carry out its responsibilities under this act.

Sec. 13. On July 1, 2001, K.S.A. 2000 Supp. 72-983 shall be and is hereby amended to read as follows: 72-983. (a) In each school year, to the extent that appropriations are available, each school district which has provided special education or related services for an exceptional child

whose IEP provides for services which cost in excess of \$25,000 for the school year is eligible to receive a grant of state moneys in an amount equal to 75% of that portion of the costs, incurred by the district in the provision of special education or related services for the child, that is in excess of \$25,000.

(b) In order to be eligible for a grant of state moneys provided for by subsection (a), a school district shall submit to the state board of education an application for a grant, a description of the special education or related services provided, and the name or names of the child or children for whom provided. The application and description shall be prepared in such form and manner as the state board shall require and shall be submitted at a time to be determined and specified by the state board. Approval by the state board of applications for grants of state moneys is prerequisite to the award of grants.

(c) Each school district which is awarded a grant under this section shall make such periodic and special reports of statistical and financial information to the state board as it may request.

(d) All moneys received by a school district under authority of this section shall be deposited in the ~~special education~~ general fund of the school district and transferred to its special education fund. ~~Amounts received under this section and deposited in the special education fund shall be used exclusively to reimburse the school district, in part, for the amount expended in providing special education or related services for the exceptional child or children whose name or names were provided under subsection (b).~~

(e) The state board of education shall:

(1) Prescribe and adopt criteria for identification and determination of excessive costs attributable to the provision of special education and related services for which an application for a grant of state moneys may be made under this section;

(2) approve applications of school districts for grants;

(3) determine the amount of grants and be responsible for payment of such grants to school districts; and

(4) prescribe all forms necessary for reporting under this section.

(f) If the amount of appropriations for the payment of grants under this section is insufficient to pay in full the amount each school district is determined to be eligible to receive for the school year, the state board shall prorate the amount appropriated among all school districts which are eligible to receive grants of state moneys in proportion to the amount each school district is determined to be eligible to receive.

Sec. 14. On July 1, 2001, K.S.A. 72-6420 shall be and is hereby amended to read as follows: 72-6420. (a) There is hereby established in every district a fund which shall be called the special education fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. Notwithstanding any other provision of law, all moneys received by the district from whatever source for special education shall be credited to the special education fund established by this section, except that (1) amounts of payments received by a district under K.S.A. 2000 Supp. 72-979, and amendments thereto, and amounts of grants, if any, received by a district under K.S.A. 72-983, and amendments thereto, shall be deposited in the general fund of the district and transferred to the special education fund, and (2) moneys received by a district pursuant to lawful agreements made under K.S.A. 72-968, and amendments thereto, shall be credited to the special fund established under the agreements.

(b) The expenses of a district directly attributable to special education shall be paid from the special education fund and from special funds established under K.S.A. 72-968, and amendments thereto.

(c) Obligations of a district pursuant to lawful agreements made under K.S.A. 72-968, and amendments thereto, shall be paid from the special education fund established by this section.

(b) ~~The provisions of this section shall take effect and be in force from and after July 1, 1992.~~

Sec. 15. On July 1, 2001, K.S.A. 72-5205 shall be and is hereby amended to read as follows: 72-5205. (a) (1) Each school board shall provide basic vision screening without charge to every pupil enrolled in its each school under the governance of such school board not less than once every two (2) years. All such tests shall be performed by a teacher or some other person designated by the school board. The results of the test and, if necessary, the desirability of examination by a qualified physician, ophthalmologist or optometrist shall be reported to the parents or guardians of such pupils: ~~Provided, That the. Information so reported~~

~~relating to the desirability of examination by a qualified physician, ophthalmologist or optometrist shall not show preference in favor of any such professional person.~~

(2) ~~The requirements of this subsection shall not apply to a pupil who has had a basic vision screening examination within six months prior to the provision of basic vision screening in the school in which the pupil is enrolled.~~

(b) ~~Each pupil needing assistance in achieving mastery of basic reading, writing and mathematics skills shall be encouraged to obtain an eye examination by an optometrist or ophthalmologist to determine if the pupil suffers from conditions which impair the ability to read. Expense for such examination, if not reimbursed through Medicaid, Healthwave, private insurance or other governmental or private program, shall be the responsibility of the pupil's parent or guardian.~~

Sec. 16. K.S.A. 46-1208a is hereby amended to read as follows: 46-1208a. (a) The legislative educational planning committee is hereby established and shall be composed of ~~13~~ 13 members, ~~six seven~~ of whom shall be members of the house of representatives and ~~five six~~ of whom shall be senators. ~~At least five members of the committee shall be of the minority party, with at least two thereof from each house.~~ Members of the legislative educational planning committee shall be appointed by the legislative coordinating council. ~~The legislative coordinating council shall determine the number of members of the committee who shall be members of the majority party and the number of members of the committee who shall be members of the minority party.~~ The committee shall be permanent with membership changing from time to time as the legislative coordinating council shall determine.

(b) The legislative educational planning committee shall plan for public and private postsecondary education in Kansas, including vocational and technical education; ~~explore, study and make recommendations concerning preschool and K-12 education in Kansas; review implementation of legislation relating to educational matters; and consider such other matters as the legislative coordinating council may assign.~~ The committee shall annually make a report and recommendations to the legislature and the governor and may cause the same to be published separately from other documents which are required by law to be submitted to the legislative coordinating council. The reports and recommendations of the committee shall include a developmental schedule for implementation of educational goals established by the committee. The committee shall from time to time update such schedule as new or additional information is developed or refined.

(c) The provisions of the acts contained in article 12 of chapter 46 of the Kansas Statutes Annotated, and amendments thereto, applicable to special committees shall apply to the legislative educational planning committee to the extent that the same do not conflict with the specific provisions of this act applicable to the committee.

(d) Upon request of the legislative educational planning committee, the state board of regents and the state board of education shall provide consultants from the faculties and staffs of institutions and agencies under the respective control and jurisdiction thereof.

(e) The legislative educational planning committee shall meet upon call of its chairperson and may introduce such legislation as it deems necessary in performing its functions.

Sec. 17.

LEGISLATIVE COORDINATING COUNCIL

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Professional evaluation of school district finance
For the fiscal year ending June 30, 2002..... \$225,000

Provided, That expenditures shall be made from the professional evaluation of school district finance account for a study to determine the per pupil cost of a suitable education for Kansas children pursuant to 2001 Senate Substitute for House Bill No. 2336.

Sec. 18. K.S.A. 46-1208a and K.S.A. 2000 Supp. 72-6407, 72-6430 and 72-8187 are hereby repealed.

Sec. 19. On July 1, 2001, K.S.A. 72-1106, 72-5205, 72-5206 and 72-6420 and K.S.A. 2000 Supp. 72-979, 72-983, 72-6407 as amended by section 1 of this act, 72-6410, 72-6414, 72-6431 and 79-201x shall be and are hereby repealed.

Sec. 20. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register May 31, 2001.)

HOUSE Substitute for SENATE BILL No. 322

AN ACT concerning retirement; relating to the Kansas public employees retirement system and systems thereunder; assignment of certain positions under the Kansas civil service act; employee bonus awards; certain contracts for professional or consultant services, procedures and reports; benefits; employer certification of member contributions; purchase of service credit; postretirement benefit increase; lump-sum payments; disability benefits; payments to beneficiaries; executive director; employer contributions; amending K.S.A. 74-4934, 74-4978h and 74-49,102 and K.S.A. 2000 Supp. 13-14a07, 14-10a07, 20-2603, 20-2610a, 74-4902, 74-4904, 74-4908, 74-4911e, 74-4914, 74-4914e, 74-4915, 74-4915b, 74-4915c, 74-4916, 74-4918, 74-4918a, 74-4919, 74-4919b, 74-4920, 74-4921, 74-4922, 74-4925, 74-4927, 74-4927f, 74-4927h, 74-4932, 74-4940, 74-4957, 74-4957a, 74-4958, 74-4958a, 74-4959, 74-4960, 74-4960a, 74-4963, 74-4963a, 74-4964, 74-4964a, 74-4965, 74-4967, 74-4989, 74-4998c, 74-49,128, 75-37,132 and 75-37,135 and repealing the existing sections.

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

Section 1. K.S.A. 2000 Supp. 13-14a07 is hereby amended to read as follows: 13-14a07. (a) If any officer or member of a police or fire department, while in the performance of such officer's or member's duties, is killed or dies as a result of an injury received, or dies of any disease contracted by reason of such officer's or member's occupation as a policeman or fireman, or dies after having retired and leaves a spouse, such spouse, shall receive a monthly pension in an amount equal to 50% of the monthly salary of such deceased officer or member, if such spouse was lawfully married to such policeman or fireman at the time of such policeman's or fireman's retirement. Commencing on the effective date of this act, any surviving spouse, who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such spouse's remarriage, shall be entitled to once again receive benefits pursuant to this section, except that such surviving spouse shall not be entitled to recover any benefits not received after the termination of benefits by reason of such surviving spouse's remarriage but before the effective date of this act. In the event there is no surviving spouse, then any child or children of the deceased shall receive, in equal shares a monthly amount equal to 50% of the monthly salary received at the time of retirement, such sums to be paid until such child or children attain the age of 18 years or until such child or children attain the age of 23 years, if such child or children are full-time students as provided in K.S.A. 74-49,117 and amendments thereto. Commencing on the effective date of this act, any child who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such child's marriage, shall be entitled to once again receive benefits pursuant to this section subject to the limitations contained in this section, except that such child shall not be entitled to recover any benefits not received after the termination of benefits by reason of such child's marriage but before the effective date of this act.

(b) ~~Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and amendments thereto,~~ If any officer or member of such fire or police department, after having become eligible for retirement as provided in K.S.A. 13-14a08 and amendments thereto, is killed while not in the performance of such officer's or member's official duties, or dies, an amount equal to 50% of such officer's or member's monthly salary shall be paid to such persons for the periods of time provided in subsection (a) and shall be subject to all the limitations provided in subsection (a).

(c) Payments to the surviving spouse, child or children under the provisions of subsection (a) or (b) shall begin no later than December 31 of the calendar year immediately following the calendar year in which the member died.

Sec. 2. K.S.A. 2000 Supp. 14-10a07 is hereby amended to read as follows: 14-10a07. (a) If any officer or member of a police or fire department, while in the performance of such officer's or member's duties, is killed or dies as a result of an injury received, or dies of any disease contracted by reason of such officer's or member's occupation as a policeman or fireman, or dies after having retired and leaves a spouse, such spouse, shall receive a monthly pension in an amount equal to 50% of the monthly salary of such deceased officer or member, if such spouse was lawfully married to such policeman or fireman at the time of such policeman's or fireman's retirement. Commencing on the effective date of this act, any surviving spouse, who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such spouse's remarriage, shall be entitled to once again receive benefits pursuant to this section, except that such surviving spouse shall not be entitled to recover any benefits not received after the termination of benefits by

reason of such surviving spouse's remarriage but before the effective date of this act. In the event there is no surviving spouse, then any child or children of the deceased, shall receive, in equal shares a monthly amount equal to 50% of the monthly salary received at the time of death, such sums to be paid until such child or children attain the age of 18 years or until such child or children attain the age of 23 years, if such child or children are full-time students as provided in K.S.A. 74-49,117 and amendments thereto. Commencing on the effective date of this act, any child who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such child's marriage, shall be entitled to once again receive benefits pursuant to this section subject to the limitations contained in this section, except that such child shall not be entitled to recover any benefits not received after the termination of benefits by reason of such child's marriage but before the effective date of this act.

(b) ~~Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and amendments thereto,~~ If any officer or member of such fire or police department, after having become eligible for retirement as provided in K.S.A. 14-10a08 and amendments thereto, is killed while not in the performance of such officer's or member's official duties, or dies, an amount equal to 50% of such officer's or member's monthly salary shall be paid to such persons for the periods of time provided in subsection (a) and shall be subject to all the limitations provided in subsection (a).

(c) Payments to the surviving spouse, child or children under the provisions of subsection (a) or (b) must begin no later than December 31 of the calendar year immediately following the calendar year in which the member died.

Sec. 3. K.S.A. 2000 Supp. 20-2603 is hereby amended to read as follows: 20-2603. (a) Except as otherwise provided in this section, each judge shall contribute 6% of the judge's salary for each payroll period to the fund. Commencing with the first payroll period after 20 years of service by the judge and after the judge reaches 65 years of age, and for each payroll period thereafter, such judge shall contribute 2% of such judge's salary to the fund. Commencing with the first payroll period after the judge has enough years of service to entitle such judge upon retirement to the maximum monthly retirement benefit of 70% of the final average salary of such judge provided under the provisions of K.S.A. 20-2610 and amendments thereto, and for each payroll period thereafter, each judge shall contribute 4% of such judge's salary to the fund or, commencing on and after the effective date of this act, each such judge shall contribute 2% of such judge's salary to the fund.

(b) The director of accounts and reports shall deduct the amount each judge is to contribute to the fund on the payroll of each judge for each payroll period showing the amount deducted and its credit to the fund. Such deductions shall be remitted quarterly, or as the board may otherwise provide, to the executive ~~secretary~~ director of the Kansas public employees retirement system for credit to the fund to the credit of the judge's individual account therein.

(c) Interest on each judge's accumulated contributions at the rate determined under subsection (a) of K.S.A. 74-4922 and amendments thereto shall be added annually to the judge's individual account in the fund.

(d) No member who has retired under the retirement system for judges shall make contributions to that system or receive any service credit under that system for any service after the date of such retirement.

(e) (1) Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, each participating employer, pursuant to the provisions of section 414(h)(2) of the federal internal revenue code, shall pick up and pay the contributions which would otherwise be payable by members as prescribed in subsection (a). The contributions so picked up shall be treated as employer contributions for purposes of determining the amounts of federal income taxes to withhold from the member's compensation.

(2) Member contributions picked up by the employer shall be paid from the same source of funds used for the payment of compensation to a member. A deduction shall be made from each member's compensation equal to the amount of the member's contributions picked up by the employer, provided that such deduction shall not reduce the member's compensation for purposes of computing benefits under the retirement system for judges.

(3) Member contributions picked up by the employer shall be remitted quarterly, or as the board may otherwise provide, to the executive ~~secretary~~ director for credit to the Kansas public employees retirement

fund. Such contributions shall be credited to a separate account within the member's individual account so that amounts contributed by the member may be distinguished from the member contributions picked up by the employer. Interest shall be added annually to members' individual accounts.

Sec. 4. K.S.A. 2000 Supp. 20-2610a is hereby amended to read as follows: 20-2610a. (a) A judge may elect to have such judge's retirement annuity paid under one of the options provided in this section in lieu of having it paid in the form stated in K.S.A. 20-2610 and amendments thereto. Such election shall be made before the date of actual retirement. A specific person shall be designated as joint annuitant at the time of election of the joint and $\frac{1}{2}$ to joint annuitant survivor option, joint and survivor option and the joint and $\frac{3}{4}$ to joint annuitant survivor option. Under no circumstances may an option be changed or canceled nor the named joint annuitant changed after the date of actual retirement of the judge.

(b) The amount of retirement annuity payable under an option shall be based on the age of the judge and, if applicable, the age of the joint annuitant, and shall be such amount as to be the actuarial equivalent of the retirement annuity otherwise payable under K.S.A. 20-2610 and amendments thereto as prescribed in subsection (c). Whenever the amount of any benefit is to be determined on the basis of actuarial assumptions, the assumptions shall be specified in a way that precludes employer discretion. In no case shall the total amount of retirement annuity payable under any option provided in this section be more than 100% of the retirement annuity which would have been otherwise payable if no option had been elected under this section.

(c) The following retirement options, which are subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, are available:

(1) *Joint and $\frac{1}{2}$ to joint annuitant survivor.* A reduced retirement annuity payable to the judge during the judge's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement annuity otherwise payable under K.S.A. 20-2610 and amendments thereto and (B) the percentage equal to 91% minus .4% for each year by which the age of the judge's joint annuitant is less than the judge's age, computed to the nearest whole year, or plus .4% for each year by which the age of the judge's joint annuitant is more than the judge's age, computed to the nearest whole year, with $\frac{1}{2}$ of that monthly amount continued to the judge's joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the judge. In the event that the designated joint annuitant under this option predeceases the retired judge, the amount of the retirement annuity otherwise payable to the judge under this option shall be adjusted automatically to the retirement annuity which the judge would have received if no option had been elected under this section.

(2) *Joint and survivor.* A reduced retirement annuity payable to the judge during the judge's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement annuity otherwise payable under K.S.A. 20-2610 and amendments thereto and (B) the percentage equal to 83% minus .6% for each year by which the age of the judge's joint annuitant is less than the judge's age, computed to the nearest whole year, or plus .6% for each year by which the age of the judge's joint annuitant is more than the judge's age, computed to the nearest whole year, with that monthly amount continued to the joint annuitant during the joint annuitant's remaining lifetime, if any, after the death of judge. In the event that the designated joint annuitant under this option predeceases the retired judge, the amount of the retirement annuity otherwise payable to the judge under this option shall be adjusted automatically to the retirement annuity which the judge would have received if no option had been elected under this section.

(3) *Joint and $\frac{3}{4}$ to joint annuitant survivor.* A reduced retirement annuity payable to the judge during the judge's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement annuity otherwise payable under K.S.A. 20-2610 and amendments thereto and (B) the percentage equal to 87% minus .5% for each year by which the age of the judge's joint annuitant is less than the judge's age, computed to the nearest whole year, or plus .5% for each year by which the age of the judge's joint annuitant is more than the judge's age, computed to the nearest whole year, with $\frac{3}{4}$ of that monthly amount continued to the judge's joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the judge. In the event that the designated joint annuitant under this option predeceases the retired judge, the

amount of the retirement annuity otherwise payable to the judge under this option shall be adjusted automatically to the retirement annuity which the judge would have received if no option had been elected under this section.

(4) *Life with 5 years certain.* A reduced retirement annuity payable to the judge during the judge's lifetime in a monthly amount equal to 98% of the monthly payment of the retirement annuity otherwise payable under K.S.A. 20-2610 and amendments thereto and if the judge dies within the five-year certain period, measured from the commencement of retirement annuity payments, such monthly payments shall be continued to such judge's beneficiary during the balance of the five-year certain period.

(5) *Life with 10 years certain.* A reduced retirement annuity payable to the judge during the judge's lifetime in a monthly amount equal to 95% of the monthly payment of the retirement annuity otherwise payable under K.S.A. 20-2610 and amendments thereto and if the judge dies within the ten-year certain period, measured from the commencement of retirement annuity payments, such monthly payments shall be continued to such judge's beneficiary during the balance of the ten-year certain period.

(6) *Life with 15 years certain.* A reduced retirement annuity payable to the judge during the judge's lifetime in a monthly amount equal to 88% of the monthly payment of the retirement annuity otherwise payable under K.S.A. 20-2610 and amendments thereto and if the judge dies within the fifteen-year certain period, measured from the commencement of retirement annuity payments, such monthly payments shall be continued to such judge's beneficiary during the balance of the fifteen-year certain period.

(7) *Lump sum payment at retirement.* (A) Pursuant to this option, the judge must specify a lump sum amount to be paid to the judge upon the judge's retirement. The lump sum amount will be based on the actuarial present value of the benefit as provided in K.S.A. 20-2610, and amendments thereto. The lump sum amount designated by the judge must be in 10% increments and shall not exceed $\frac{1}{2}$ of the actuarial present value of the benefit provided in K.S.A. 20-2610, and amendments thereto.

(B) Pursuant to this option, the judge must elect to have the remaining actuarial present value paid in a monthly amount under the provisions of K.S.A. 20-2610, and amendments thereto, or subsections (c)(1) through (c)(6) of this section.

(C) ~~The amount of any retirement benefit payable pursuant to this subsection shall remain as provided in this subsection even in the event that the designated joint annuitant pursuant to subsections (c)(1), (c)(2) or (c)(3) predeceases the retirant. In the event that the designated joint annuitant pursuant to subsection (c)(1), (c)(2) or (c)(3), under this option predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under the option shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.~~

(D) The provisions of this subsection shall be effective on and after July 1, 2001.

(d) If a judge, who is eligible to retire, dies without having actually retired, the judge's spouse, if the spouse is the sole beneficiary for the judge's accumulated contributions, may elect to receive benefits as a joint annuitant under one of the options provided in this section in lieu of receiving the judge's accumulated contributions.

(e) On and after July 1, 1993, if a judge with 15 or more years of credited service dies before attaining retirement age, the judge's spouse, if the spouse is the sole beneficiary for the judge's accumulated contributions, may elect to receive benefits under one of the options provided in this section in lieu of receiving the judge's accumulated contributions. Payments under one of the options provided in this section to the judge's spouse if so elected, shall commence on the date that the judge would have first attained retirement age.

(f) Benefits payable to a joint annuitant shall accrue from the first day of the month following the death of a member or retirant and, in the case of the joint and $\frac{1}{2}$ to joint annuitant survivor option, the joint and survivor option and the joint and $\frac{3}{4}$ to joint annuitant survivor option, shall end on the last day of the month in which the joint annuitant dies.

(g) The provisions of the law in effect on the retirement date of a judge under the retirement system for judges shall govern the retirement annuity payable to the retired judge and any joint annuitant, except for retirement benefits payable after July 1, 1993, for judges who retired prior

(continued)

to July 1, 1982, in the event that the designated joint annuitant under the option provided in subsection (c)(1), (2) or (3), as applicable, predeceased the judge, the amount of the retirement benefit otherwise payable to the judge under the option provided in subsection (c)(1), (2) or (3), as applicable, shall be adjusted automatically to the retirement benefit which the judge would have received if no option had been elected under this section.

(h) Upon the death of a joint annuitant who is receiving a retirement benefit under the provisions of this section, there shall be paid to such joint annuitant's beneficiary an amount equal to the excess, if any, of the accumulated contributions of the retired judge over the sum of all retirement benefit payments made to such retired judge and such joint annuitant. Such joint annuitant shall designate a beneficiary by filing in the office of the retirement system such designation at the time of death of the retired judge. If there is no named beneficiary of such joint annuitant living at the time of death of such joint annuitant, any amount provided for by this section shall be paid to, in order of preference as follows:

- (1) The joint annuitant's surviving spouse;
- (2) the joint annuitant's dependent child or children;
- (3) the joint annuitant's dependent parent or parents;
- (4) the joint annuitant's nondependent child or children;
- (5) the joint annuitant's nondependent parent or parents; or
- (6) the estate of the deceased joint annuitant.

(i) In any event, benefits shall be adjusted as necessary to satisfy the incidental death benefits regulations under the federal internal revenue code.

Sec. 5. K.S.A. 2000 Supp. 74-4902 is hereby amended to read as follows: 74-4902. As used in articles 49 and 49a of chapter 74 and amendments thereto, unless otherwise provided or the context otherwise requires:

(1) "Accumulated contributions" means the sum of all contributions by a member to the system which are credited to the member's account, with interest allowed thereon;

(2) "acts" means the provisions of articles 49 and 49a of the Kansas Statutes Annotated and amendments thereto;

(3) "actuarial equivalent" means an annuity or benefit of equal value to the accumulated contributions, annuity or benefit, when computed upon the basis of the actuarial tables in use by the system. Whenever the amount of any benefit is to be determined on the basis of actuarial assumptions, the assumptions shall be specified in a way that precludes employer discretion;

(4) "actuarial tables" means the actuarial tables approved and in use by the board at any given time;

(5) "actuary" means the actuary or firm of actuaries employed or retained by the board at any given time;

(6) "agent" means the individual designated by each participating employer through whom system transactions and communication are directed;

(7) "beneficiary" means any natural person or persons or estate named by a member to receive any benefits as provided for by this act. Designations of beneficiaries by a member who is a member of more than one retirement system made on or after July 1, 1987, shall be the basis of any benefits payable under all systems unless otherwise provided by law. Except as otherwise provided by subsection (33) of this section, if there is no named beneficiary living at time of member's death, any benefits provided for by this act shall be paid to: (A) The member's surviving spouse; (B) the member's dependent child or children; (C) the member's dependent parent or parents; (D) the member's nondependent child or children; (E) the member's nondependent parent or parents; (F) the estate of the deceased member; in the order of preference as specified in this subsection.

(8) "board of trustees," "board" or "trustees" means the managing body of the system which is known as the Kansas public employees retirement system board of trustees;

(9) "compensation" means, except as otherwise provided, all salary, wages and other remuneration payable to a member for personal services performed for a participating employer, including maintenance or any allowance in lieu thereof provided a member as part of compensation, but not including reimbursement for travel or moving expenses or on and after July 1, 1994, payment pursuant to an early retirement incentive program made prior to the retirement of the member. Beginning with the employer's fiscal year which begins in calendar year 1991 or for employers other than the state of Kansas, beginning with the fiscal year

which begins in calendar year 1992, when the compensation of a member who remains in substantially the same position during any two consecutive years of participating service used in calculating final average salary is increased by an amount which exceeds 15%, then the amount of such increase which exceeds 15% shall not be included in compensation, except that (A) any amount of compensation for accumulated sick leave or vacation or annual leave paid to the member, (B) any increase in compensation for any member due to a reclassification or reallocation of such member's position or a reassignment of such member's job classification to a higher range or level and (C) any increase in compensation as provided in any contract entered into prior to January 1, 1991, and still in force on the effective date of this act, pursuant to an early retirement incentive program as provided in K.S.A. 72-5395 *et seq.* and amendments thereto, shall be included in the amount of compensation of such member used in determining such member's final average salary and shall not be subject to the 15% limitation provided in this subsection. Any contributions by such member on the amount of such increase which exceeds 15% which is not included in compensation shall be returned to the member. Unless otherwise provided by law, beginning with the employer's fiscal year coinciding with or following July 1, 1985, compensation shall include any amounts for tax sheltered annuities or deferred compensation plans. Beginning with the employer's fiscal year which begins in calendar year 1991, compensation shall include amounts under sections 403b, 457 and 125 of the federal internal revenue code of 1986 and, as the board deems appropriate, any other section of the federal internal revenue code of 1986 which defers or excludes amounts from inclusion in income. For purposes of applying limits under the federal internal revenue code "compensation" shall have the meaning as provided in K.S.A. 2000 Supp. 74-49,123 and amendments thereto;

(10) "credited service" means the sum of participating service and prior service and in no event shall credited service include any service which is credited under another retirement plan authorized under any law of this state;

(11) "dependent" means a parent or child of a member who is dependent upon the member for at least ½ of such parent or child's support;

(12) "effective date" means the date upon which the system becomes effective by operation of law;

(13) "eligible employer" means the state of Kansas, and any county, city, township, special district or any instrumentality of any one or several of the aforementioned or any noncommercial public television or radio station located in this state which receives state funds allocated by the Kansas public broadcasting commission whose employees are covered by social security. If a class or several classes of employees of any above defined employer are not covered by social security, such employer shall be deemed an eligible employer only with respect to such class or those classes of employees who are covered by social security;

(14) "employee" means any appointed or elective officer or employee of a participating employer whose employment is not seasonal or temporary and whose employment requires at least 1,000 hours of work per year, but not including: (A) Any employee who is a contributing member of the United States civil service retirement system; (B) any employee who is a contributing member of the federal employees retirement system; (C) any employee who is a leased employee of a participating employer. "Leased employee" means the same as provided in section 414 of the federal internal revenue code; and (D) any employee or class of employees specifically exempted by law. After June 30, 1975, no person who is otherwise eligible for membership in the Kansas public employees retirement system shall be barred from such membership by reason of coverage by, eligibility for or future eligibility for a retirement annuity under the provisions of K.S.A. 74-4925 and amendments thereto, except that no person shall receive service credit under the Kansas public employees retirement system for any period of service for which benefits accrue or are granted under a retirement annuity plan under the provisions of K.S.A. 74-4925 and amendments thereto. After June 30, 1982, no person who is otherwise eligible for membership in the Kansas public employees retirement system shall be barred from such membership by reason of coverage by, eligibility for or future eligibility for any benefit under another retirement plan authorized under any law of this state, except that no such person shall receive service credit under the Kansas public employees retirement system for any period of service for which any benefit accrues or is granted under any such retirement plan. Employee shall include persons who are in training at or employed by, or both, a sheltered workshop for the blind operated by the secretary of social and rehabilitation services. The entry date for such persons shall

be the beginning of the first pay period of the fiscal year commencing in calendar year 1986. Such persons shall be granted prior service credit in accordance with K.S.A. 74-4913 and amendments thereto. However, such persons classified as home industry employees shall not be covered by the retirement system. Employees shall include any member of a board of county commissioners of any county and any council member or commissioner of a city whose compensation is equal to or exceeds \$5,000 per year;

(15) "entry date" means the date as of which an eligible employer joins the system. The first entry date pursuant to this act is January 1, 1962;

(16) "executive secretary director" means the managing officer of the system employed by the board under this act;

(17) "final average salary" means in the case of a member who retires prior to January 1, 1977, and in the case of a member who retires after January 1, 1977, and who has less than five years of participating service after January 1, 1967, the average highest annual compensation paid to such member for any five years of the last 10 years of participating service immediately preceding retirement or termination of employment, or in the case of a member who retires on or after January 1, 1977, and who has five or more years of participating service after January 1, 1967, the average highest annual compensation paid to such member on or after January 1, 1967, for any five years of participating service preceding retirement or termination of employment, or, in any case, if participating service is less than five years, then the average annual compensation paid to the member during the full period of participating service, or, in any case, if the member has less than one calendar year of participating service such member's final average salary shall be computed by multiplying such member's highest monthly salary received in that year by 12; in the case of a member who became a member under subsection (3) of K.S.A. 74-4925 and amendments thereto, or who became a member with a participating employer as defined in subsection (3) of K.S.A. 74-4931 and amendments thereto and who elects to have compensation paid in other than 12 equal installments, such compensation shall be annualized as if the member had elected to receive 12 equal installments for any such periods preceding retirement; in the case of a member who retires after July 1, 1987, the average highest annual compensation paid to such member for any four years of participating service preceding retirement or termination of employment; in the case of a member who retires on or after July 1, 1993, who was first hired as an employee, as defined in subsection (14) of K.S.A. 74-4902 and amendments thereto, prior to July 1, 1993, the average highest annual compensation, as defined in subsection (9), paid to such member for any four years of participating service preceding retirement or termination of employment or the average highest annual salary, as defined in subsection (34), paid to such member for any three years of participating service preceding retirement or termination of employment, whichever is greater; and in the case of a member who retires on or after July 1, 1993, and who is first hired as an employee, as defined in subsection (14) of K.S.A. 74-4902 and amendments thereto, on or after July 1, 1993, the average highest annual salary, as defined in subsection (34), paid to such member for any three years of participating service preceding retirement or termination of employment. Final average salary shall not include any purchase of participating service credit by a member as provided in subsection (2) of K.S.A. 74-4919h and amendments thereto which is completed within five years of retirement. For any application to purchase or repurchase service credit for a certain period of service as provided by law received by the system after May 17, 1994, for any member who will have contributions deducted from such member's compensation at a percentage rate equal to two or three times the employee's rate of contribution or will begin paying to the system a lump-sum amount for such member's purchase or repurchase and such deductions or lump-sum payment commences after the commencement of the first payroll period in the third quarter, "final average salary" shall not include any amount of compensation or salary which is based on such member's purchase or repurchase. Any application to purchase or repurchase multiple periods of service shall be treated as multiple applications. For purposes of this subsection, the date that such member is first hired as an employee for members who are employees of employers that elected to participate in the system on or after January 1, 1994, shall be the date that such employee's employer elected to participate in the system. In the case of any former member who was eligible for assistance pursuant to K.S.A. 74-4925 and amendments thereto prior to July 1, 1998, for the purpose of calculating final average salary of such member, such

member's final average salary shall be based on such member's salary while a member of the system or while eligible for assistance pursuant to K.S.A. 74-4925 and amendments thereto, whichever is greater;

(18) "fiscal year" means, for the Kansas public employees retirement system, the period commencing July 1 of any year and ending June 30 of the next;

(19) "Kansas public employees retirement fund" means the fund created by this act for payment of expenses and benefits under the system and referred to as the fund;

(20) "leave of absence" means a period of absence from employment without pay, authorized and approved by the employer, and which after the effective date does not exceed one year;

(21) "member" means an eligible employee who is in the system and is making the required employee contributions; any former employee who has made the required contributions to the system and has not received a refund if such member is within five years of termination of employment with a participating employer; or any former employee who has made the required contributions to the system, has not yet received a refund and has been granted a vested benefit;

(22) "military service" means service in the uniformed forces of the United States, for which retirement benefit credit must be given under the provisions of USERRA or service in the armed forces of the United States or in the commissioned corps of the United States public health service, which service is immediately preceded by a period of employment as an employee or by the entering into of an employment contract with a participating employer and is followed by return to employment as an employee with the same or another participating employer within 12 months immediately following discharge from such military service, except that if the board determines that such return within 12 months was made impossible by reason of a service-connected disability, the period within which the employee must return to employment with a participating employer shall be extended not more than two years from the date of discharge or separation from military service;

(23) "normal retirement date" means the date on or after which a member may retire with full retirement benefits pursuant to K.S.A. 74-4914 and amendments thereto;

(24) "participating employer" means an eligible employer who has agreed to make contributions to the system on behalf of its employees;

(25) "participating service" means the period of employment after the entry date for which credit is granted a member;

(26) "prior service" means the period of employment of a member prior to the entry date for which credit is granted a member under this act;

(27) "prior service annual salary" means the highest annual salary, not including any amounts received as payment for overtime or as reimbursement for travel or moving expense, received for personal services by the member from the current employer in any one of the three calendar years immediately preceding January 1, 1962, or the entry date of the employer, whichever is later, except that if a member entered the employment of the state during the calendar year 1961, the prior service annual salary shall be computed by multiplying such member's highest monthly salary received in that year by 12;

(28) "retirant" means a member who has retired under this system;

(29) "retirement benefit" means a monthly income or the actuarial equivalent thereof paid in such manner as specified by the member pursuant to this act or as otherwise allowed to be paid at the discretion of the board, with benefits accruing from the first day of the month coinciding with or following retirement and ending on the last day of the month in which death occurs. Upon proper identification a surviving spouse may negotiate the warrant issued in the name of the retirant. *If there is no surviving spouse, the last warrant shall be payable to the designated beneficiary.*

(30) "retirement system" or "system" means the Kansas public employees retirement system as established by this act and as it may be amended;

(31) "social security" means the old age, survivors and disability insurance section of the federal social security act;

(32) "total disability" means a physical or mental disability which prevents the member from engaging, for remuneration or profit, in any occupation for which the member is reasonably suited by education, training or experience;

(33) "trust" means an express trust, created by a trust instrument,

(continued)

including a will, designated by a member to receive payment of the insured death benefit under K.S.A. 74-4927 and amendments thereto and payment of the member's accumulated contributions under subsection (1) of K.S.A. 74-4916 and amendments thereto. A designation of a trust shall be filed with the board. If there is a designated trust at the time of the member's death, the insured death benefit for the member under K.S.A. 74-4927 and amendments thereto and the member's accumulated contributions under subsection (1) of K.S.A. 74-4916 and amendments thereto shall be paid to the trust in lieu of the member's beneficiary. If no will is admitted to probate within six months after the death of the member or no trustee qualifies within such six months or if the designated trust fails, for any reason whatsoever, the insured death benefit under K.S.A. 74-4927 and amendments thereto and the member's accumulated contributions under subsection (1) of K.S.A. 74-4916 and amendments thereto shall be paid in accordance with the provisions of subsection (7) of this section as in other cases where there is no named beneficiary living at the time of the member's death and any payments so made shall be a full discharge and release to the system from any further claims;

(34) "salary" means all salary and wages payable to a member for personal services performed for a participating employer, including maintenance or any allowance in lieu thereof provided a member as part of salary. Salary shall not include reimbursement for travel or moving expenses, payment for accumulated sick leave or vacation or annual leave, severance pay or any other payments to the member determined by the board to not be payments for personal services performed for a participating employer constituting salary or on and after July 1, 1994, payment pursuant to an early retirement incentive program made prior to the retirement of the member. When the salary of a member who remains in substantially the same position during any two consecutive years of participating service used in calculating final average salary is increased by an amount which exceeds 15%, then the amount of such increase which exceeds 15% shall not be included in salary. Any contributions by such member on the amount of such increase which exceeds 15% which is not included in compensation shall be returned to the member. Unless otherwise provided by law, salary shall include any amounts for tax sheltered annuities or deferred compensation plans. Salary shall include amounts under sections 403b, 457 and 125 of the federal internal revenue code of 1986 and, as the board deems appropriate, any other section of the federal internal revenue code of 1986 which defers or excludes amounts from inclusion in income. For purposes of applying limits under the federal internal revenue code "salary" shall have the meaning as provided in K.S.A. 2000 Supp. 74-49,123 and amendments thereto. In any case, if participating service is less than three years, then the average annual salary paid to the member during the full period of participating service, or, in any case, if the member has less than one calendar year of participating service such member's final average salary shall be computed by multiplying such member's highest monthly salary received in that year by 12;

(35) "federal internal revenue code" means the federal internal revenue code of 1954 or 1986, as in effect on July 1, 1998, and as applicable to a governmental plan; and

(36) "USERRA" means the federal uniformed services employment and reemployment rights act of 1994 as in effect on July 1, 1998.

Sec. 6. K.S.A. 2000 Supp. 74-4904 is hereby amended to read as follows: 74-4904. (1) The system may sue and be sued in its official name, but its trustees, officers, employees and agents shall not be personally liable for acts of the system unless such person acted with willful, wanton or fraudulent misconduct or intentionally tortious conduct. Any agreement in settlement of litigation involving the system and the investment of moneys of the fund is a public record as provided in K.S.A. 45-215 *et seq.* and amendments thereto and subject to the provisions of that act. The service of all legal process and of all notices which may be required to be in writing, whether legal proceedings or otherwise, shall be had on the executive secretary director at such executive secretary's director's office. All actions or proceedings directly or indirectly against the system shall be brought in Shawnee county.

(2) Any person aggrieved by any order or decision of the board made without a hearing, may, within 30 days after notice of the order or decision of the board make written request to the board for a hearing thereon. The board shall hear such party or parties in accordance with the provisions of the Kansas administrative procedure act at its next regular meeting or at a special meeting within 60 days after receipt of such request. For the purpose of any hearing under this section, the board may appoint

one or more presiding officers. Any such presiding officer shall be a member of the board, an employee of the board or any other person designated by the board to serve as such presiding officer. Any such appointment shall apply to a particular hearing or to a set or class of hearings as specified by the board in making such appointment. The board shall review an initial order resulting from a hearing under this section. Any member of the board who serves as a presiding officer shall be reimbursed for actual and necessary expenses and shall receive compensation in an amount fixed by the board not to exceed the per diem compensation allowable for members of the board. The board is hereby authorized to enter into a contract with any other person designated by the board to serve as a presiding officer who is not a member or employee of the board and to provide for reimbursement for actual and necessary expenses and compensation for such person serving as a presiding officer.

Sec. 7. K.S.A. 2000 Supp. 74-4908 is hereby amended to read as follows: 74-4908. (1) The board shall appoint an executive secretary director and shall establish the compensation therefor. Subject to the direction of the board, the executive secretary director shall be the managing officer of the system and as such shall have charge of the office, records and supervision and direction of the employees of the system. The executive secretary director shall be in the unclassified service under the Kansas civil service act.

(2) The executive secretary director shall recommend to the board the administrative organization, the number and qualifications of employees necessary to carry out the intent of this act and the directions of the board. Upon approval of the board, the executive secretary director is authorized to employ such persons in accordance with the Kansas civil service act.

(3) The board of trustees shall select and employ or retain a qualified actuary who shall serve at its pleasure as its technical advisor on matters regarding operation of the system. The actuary shall:

(a) Make an annual valuation of the liabilities and reserves of the system, and a determination of the contributions required by the system to discharge its liabilities and administrative costs under this act, and recommend to the board rates of employer contributions required to establish and maintain the system on an actuarial reserve basis. Such recommended employer contributions shall not be based on any other purpose outside of the needs of the system as prescribed by this subsection.

(b) As soon after the effective date as practicable and once every three years thereafter, make a general investigation of the actuarial experience under the system including mortality, retirement, employment turnover and interest, and recommend actuarial tables for use in valuations and in calculating actuarial equivalent values based on such investigation.

(c) Cooperate with and provide any assistance to the actuary, the legislative coordinating council and the joint committee on pensions, investments and benefits related to the independent actuarial audit and evaluation as provided in K.S.A. 2000 Supp. 74-4908a and amendments thereto.

(d) Perform such other duties as may be assigned by the board.

(4) The attorney general of the state shall furnish such legal services as may be necessary upon receipt of a request from the board, except that legal services may be furnished by other counsel as the board in its discretion deems necessary and prudent.

(5) The board shall employ or retain qualified investment counsel or counselors or may negotiate with a trust company to assist and advise in the judicious investment of funds as herein provided.

(6) The board may appoint a deputy executive secretary director, an investment officer, an investment analyst, a real estate manager, a direct placement manager, a chief fiscal officer, a member services officer, an attorney, an assistant investment officer and, an information resource officer and an investment operations analyst to advise and assist the board in the performance of powers, duties and functions relating to the management and investment of the fund and in such other matters as may be directed by the board. Such appointed officers and employees shall be in the unclassified service under the Kansas civil service act. The compensation of such appointed officers and employees shall be established by the board.

(7) The board may establish a program for the paying of bonus awards to unclassified officers and employees pursuant to procedures established by the board.

Sec. 8. K.S.A. 2000 Supp. 74-4911e is hereby amended to read as follows: 74-4911e. (a) Each person who is an elected official on and after January 1, 1985, and who is a member of the Kansas public employees retirement system, may elect to continue to participate in the Kansas public employees retirement system under the provisions of this act after the date such person's service as an elected official terminates unless such person immediately becomes an employee of another participating employer. Such person's election is valid only if such person files notice of such election in the office of the executive secretary director of the Kansas public employees retirement system, in a form acceptable to the system, within 30 days of the termination of such person's service as an elected official.

(b) For the purposes of contributions to and benefits under the Kansas public employees retirement system, compensation of such members shall be a monthly amount equal to the greater of (1) the compensation to which the elected official was entitled for services as an elected official during the period January 15 to February 14, inclusive, of the most recent year, or (2) the monthly amount of such person's compensation at the time that such person's service as an elected official terminates. The employer rate of contribution for the state of Kansas and employee rate of contribution shall be applied to such amounts monthly. Such person shall remit the required employer and employee contributions to the system quarterly in advance with a report as may be required by the system.

(c) Any election by such person under subsection (a) shall remain in effect until revoked in writing and received by the system or such person becomes an employee of another participating employer or upon failure of such person to remit to the system the employer and employee contributions required under subsection (b).

(d) This act or acts amendatory thereof and supplemental thereto shall become a part of the Kansas public employees retirement act as defined in subsection (2) of K.S.A. 74-4902 and amendments thereto and shall be governed thereby in all respects, except if words and phrases used in this act appear to have a different meaning, the provisions of this act shall prevail.

(e) The provisions of subsection (2) of K.S.A. 74-4916 and amendments thereto are not applicable to any person making an election under subsection (a).

(f) No election shall be made as provided in subsection (a) after June 30, 1998.

Sec. 9. K.S.A. 2000 Supp. 74-4914 is hereby amended to read as follows: 74-4914. (1) The normal retirement date for a member of the system shall be the first day of the month coinciding with or following termination of employment with any participating employer not followed by employment with any participating employer within 30 days and the attainment of age 65 or, commencing July 1, 1993, age 62 with the completion of 10 years of credited service or the first day of the month coinciding with or following the date that the total of the number of years of credited service and the number of years of attained age of the member is equal to or more than 85. In no event shall a normal retirement date for a member be before six months after the entry date of the participating employer by whom such member is employed. A member may retire on the normal retirement date or on the first day of any month thereafter upon the filing with the office of the retirement system of an application in such form and manner as the board shall prescribe. Nothing herein shall prevent any person, member or retiree from being employed, appointed or elected as an employee, appointee, officer or member of the legislature. Elected officers may retire from the system on any date on or after the attainment of the normal retirement date, but no retirement benefits payable under this act shall be paid until the member has terminated such member's office.

(2) No retiree shall make contributions to the system or receive service credit for any service after the date of retirement.

(3) Any member who is an employee of an affiliating employer pursuant to K.S.A. 74-4954b and amendments thereto and has not withdrawn such member's accumulated contributions from the Kansas police and firemen's retirement system may retire before such member's normal retirement date on the first day of any month coinciding with or following the attainment of age 55.

(4) Any member may retire before such member's normal retirement date on the first day of any month coinciding with or following termination of employment with any participating employer not followed by employment with any participating employer within 30 days and the attainment of age 55 with the completion of 10 years of credited service, but in no

event before six months after the entry date, upon the filing with the office of the retirement system of an application for retirement in such form and manner as the board shall prescribe.

(5) If a retiree who retired on or after July 1, 1988, is employed or appointed in or to any position or office for which compensation for service is paid in an amount equal to \$15,000 or more in any one such calendar year, by any participating employer for which such retiree was employed or appointed during the final two years of such retiree's participation, such retiree shall not receive any retirement benefit for any month for which such retiree serves in such position or office. The participating employer shall report to the system within 30 days of when the compensation paid to the retiree is equal to or exceeds any limitation provided by this section. Any retiree employed by a participating employer shall not make contributions nor receive additional credit under such system for such service except as provided by this section. Upon request of the executive secretary director of the system, the secretary of revenue shall provide such information as may be needed by the executive secretary director to carry out the provisions of this act. The provisions of this subsection shall not apply to retirees employed as substitute teachers or officers, employees or appointees of the legislature. The provisions of this subsection shall not apply to members of the legislature prior to January 8, 2000. The provisions of this subsection shall not apply to any other elected officials prior to the term of office of such elected official which commences on or after July 1, 2000. The provisions of this subsection shall apply to any other elected official on and after the term of office of such other elected official which commences on or after July 1, 2000. Except as otherwise provided, commencing January 8, 2001, the provisions of this subsection shall apply to members of the legislature. For determination of the amount of compensation paid pursuant to this subsection, for members of the legislature, compensation shall include any amount paid as provided pursuant to subsections (a), (b), (c) and (d) of K.S.A. 46-137a, and amendments thereto, or pursuant to K.S.A. 46-137b, and amendments thereto. Notwithstanding any provision of law to the contrary, when a member of the legislature is paid an amount of compensation of \$15,000 or more in any one calendar year, the member may continue to receive any amount provided in subsections (b) and (d) of K.S.A. 46-137a, and amendments thereto, and still be entitled to receive such member's retirement benefit.

(6) For purposes of this section, any employee of a local governmental unit which has its own pension plan who becomes an employee of a participating employer as a result of a merger or consolidation of services provided by local governmental units, which occurred on January 1, 1994, may count service with such local governmental unit in determining whether such employee has met the years of credited service requirements contained in this section.

Sec. 10. K.S.A. 2000 Supp. 74-4914e is hereby amended to read as follows: 74-4914e. (1) As used in this section:

(a) "Correctional employee" means any member of the system who is a security officer or other employee of the department of corrections and who is in a position for which the duties and responsibilities involve regular contact with inmates as certified by the secretary of corrections;

(b) "disability" means the total inability to perform permanently the duties of the position of a correctional employee in which the correctional employee was employed at the time of disability;

(c) "service-connected" means any physical or mental disability resulting from external force, violence or disease occasioned by an act of duty as a correctional employee and includes, for any correctional employee after five years of credited service, any death or disability resulting from a heart disease or disease of the lung or respiratory tract, except that in the event that the correctional employee ceases to be a contributing member except by reason of a service-connected disability for a period of six months or more and then again becomes a contributing member the provision relating to death or disability resulting from a heart disease or disease of the lung or respiratory tract shall not apply until such correctional employee has again become a contributing member for a period of not less than two years or unless clear and precise evidence is presented that the heart disease or disease of the lung or respiratory tract was in fact occasioned by an act of duty as a correctional employee; and

(d) "final average salary" means the average highest annual compensation paid to a correctional employee for any three of the last five years of participating service immediately preceding the date of disability, or if

(continued)

participating service is less than three years, then the average annual compensation paid to the correctional employee during the full period of participating service or if a correctional employee has less than one calendar year of participating service the correctional employee's final average salary shall be computed by multiplying the correctional employee's highest monthly salary received in that year by 12.

(2) If any active contributing correctional employee becomes totally and permanently disabled due to service-connected causes as defined in subsection (1), such correctional employee shall be retired and the following benefits shall become payable and shall continue until the correctional employee's death or until the correctional employee recovers from the disability if a report of the event in a form acceptable to the board is filed in the office of the executive secretary director of the board within 220 days after the date of the event or act of duty causing such disability and an application for such benefit, in such form and manner as the board shall prescribe, is filed by the correctional employee or the correctional employee's authorized representative in the office of the executive secretary director of the board within two years of the date of disability:

(a) The correctional employee shall receive a retirement benefit equal to 50% of the correctional employee's final average salary. Such benefit shall accrue from the day upon which the correctional employee ceases to draw compensation.

(b) Each of the correctional employee's unmarried children under the age of 18 years or each of the correctional employee's children under the age of 23 years who are full-time students as provided in K.S.A. 74-49,117 and amendments thereto shall receive an annual benefit equal to 10% of the correctional employee's final average salary. Such benefit shall accrue from the day upon which the correctional employee ceases to draw compensation and shall end on the first day of the month in which each such child or children attains the age of 18 years, die or marry, whichever occurs earlier or in which each such child or children attains the age of 23 years, if such child or children are full-time students as provided in K.S.A. 74-49,117 and amendments thereto.

(c) In no case shall the total benefits payable under paragraphs (a) and (b) of this subsection (2) be in excess of 75% of the correctional employee's final average salary.

(d) In the event a correctional employee who is retired under paragraph (a) of this subsection (2), dies within two years after the date of such retirement, then benefits may be payable under subsection (2) of K.S.A. 74-4916 and amendments thereto.

(e) In the event a correctional employee who is retired under paragraph (a) of this subsection (2), dies more than two years after the date of such retirement, and the proximate cause of such death is the service-connected cause from which the disability resulted, then benefits may be payable under subsection (2) of K.S.A. 74-4916 and amendments thereto.

(f) In the event a correctional employee who is retired under subsection (2) dies after the date of retirement and no benefits are payable under paragraphs (d) and (e) the following benefits shall be payable:

(i) To the correctional employee's spouse, if lawfully wedded to the correctional employee at the time of the correctional employee's death, a lump-sum benefit equal to 50% of the correctional employee's final average salary at the time of the correctional employee's retirement.

(ii) To the correctional employee's spouse, if lawfully wedded to the correctional employee at the time of the correctional employee's death, an annual benefit equal to 50% of the correctional employee's retirement benefit payable in monthly installments, to accrue from the first day of the month following the correctional employee's date of death and ending on the first day of the month in which the spouse dies. If there is no surviving spouse, or if after the death of the spouse there remain one or more children under the age of 18 years or one or more children under the age of 23 years who is a full-time student as provided in K.S.A. 74-49,117, and amendments thereto, the annual spouse's benefit shall be payable in equal shares to such children and each child's share shall end on the first day of the month in which such child attains the age of 18 years or dies, whichever occurs earlier or in which such child attains the age of 23 years, if such child is a full-time student as provided in K.S.A. 74-49,117, and amendments thereto.

The provisions of this subsection shall apply in all cases of such correctional employees who die after October 1, 1996.

(3) If any correctional employee who is an active contributing member prior to such correctional employee's normal retirement becomes totally and permanently disabled for a period of 180 days from causes not service-connected, and not as the result of a willfully negligent or intentional act of the correctional employee, such correctional employee shall

be retired and the following benefit shall become payable and shall continue until the correctional employee's death or until the correctional employee recovers from such disability whichever occurs first if a report of the disability in a form acceptable to the board is filed in the office of the executive secretary director of the board within 220 days after the date of the commencement of such disability and if an application for such benefit in such form and manner as the board shall prescribe is filed in the office of the executive secretary director of the board within two years of the date of disability:

A retirement benefit equal to 2% of the correctional employee's final average salary multiplied by the number of years of credited service, except that such retirement benefit shall be at least equal to 25% of the member's final average salary but not to exceed the amount of the retirement benefit provided in paragraph (a) of subsection (2). Such benefit shall not become payable until satisfactory evidence is presented to the board that the correctional employee is and has been for a period of 180 days totally and permanently disabled, but benefits shall accrue from the day upon which the correctional employee ceases to draw compensation.

(4) Any correctional employee who is employed for compensation by an employer other than the department of corrections and whose disability is incurred in the course of such other employment shall not be eligible for any of the benefits provided in subsection (3).

(5) If a correctional employee becomes totally and permanently disabled and no benefits are payable under subsections (2) or (3), the sum of the correctional employee's accumulated contributions shall be paid to the correctional employee.

(6) Any correctional employee receiving benefits under this section shall submit to medical examination, not oftener than annually, by one or more physicians or any other practitioners of the healing arts holding a valid license issued by Kansas state board of healing arts, as the board of trustees may direct. If upon such medical examination the examiners report to the board that the retirant is physically able and capable of resuming employment with the participating employer from whose employment the correctional employee retired, the disability benefits shall terminate. A retirant who has been receiving benefits under the provisions of this section and who returns to employment of a participating employer shall immediately commence accruing service credit which shall be added to that which has been accrued by virtue of previous service.

(7) Any retirant who has been receiving benefits under the provisions of this section for a period of five years shall be deemed finally retired and shall not be subject to further medical examinations, except that if the board of trustees shall have reasonable grounds to question whether the retirant remains totally and permanently disabled, a further medical examination or examinations may be required.

(8) Refusal or neglect to submit to examination as provided in subsection (6) shall be sufficient cause for suspending or discontinuing benefit payments under this section and if such refusal or neglect shall continue for a period of one year, the correctional employee's rights in and to all benefits under the system may be revoked by the board.

(9) Any retirement benefits payable under the provisions of this section shall be in lieu of all other benefits under the system.

(10) Each correctional employee shall report to such member's participating employer any event or act of duty causing disability within 200 days after such event or act of duty. The department of corrections shall file in the office of the executive secretary director of the board, in a form acceptable to the board, a report of the event or act of duty causing disability within 220 days after the event or act of duty.

(11) Benefits payable under this section shall be reduced by the original amount of any disability benefits received under the federal social security act or the workers compensation act. For any correctional employee already retired on the effective date of this act, no reduction of the original social security benefits shall be applicable to benefits paid prior to the effective date of this act. In no case shall a correctional employee who is entitled to receive benefits under this section receive less than \$100 per month.

(12) The provisions of this section shall apply to disabilities occurring after June 30, 1982, and prior to July 1, 1995. At the direction of the board of trustees, the actuary shall conduct an experience evaluation of benefits payable under this section and the board shall provide copies of such study to the governor and members of the legislature.

(13) The provisions of K.S.A. 74-4927 and amendments thereto relating to insured disability benefits shall not be applicable to correctional employees subject to the provisions of this section.

(14) In the event a correctional employee who is retired under sub-

section (3) dies after the date of retirement and no benefits are payable under that subsection, the following benefits shall be payable:

(i) To the correctional employee's spouse, if lawfully wedded to the correctional employee at the time of the correctional employee's death, a lump-sum benefit equal to 50% of the correctional employee's final average salary at the time of the correctional employee's retirement.

(ii) To the correctional employee's spouse, if lawfully wedded to the correctional employee at the time of the correctional employee's death, an annual benefit equal to 50% of the correctional employee's retirement benefit payable in monthly installments, to accrue from the first day of the month following the correctional employee's date of death and ending on the first day of the month in which the spouse dies. If there is no surviving spouse, or if after the death of the spouse there remain one or more children under the age of 18 years or one or more children under the age of 23 years who is a full-time student as provided in K.S.A. 74-49,117, and amendments thereto, the annual spouse's benefit shall be payable in equal shares to such children and each child's share shall end on the first day of the month in which such child attains the age of 18 years or dies, whichever occurs earlier or in which such child attains the age of 23 years, if such child is a full-time student as provided in K.S.A. 74-49,117, and amendments thereto.

The provisions of this subsection shall apply in all cases of such correctional employees who die after October 1, 1996.

Sec. 11. K.S.A. 2000 Supp. 74-4915 is hereby amended to read as follows: 74-4915. (1) Any member who retires on or after such member's normal retirement date shall be entitled to receive an annual retirement benefit equal to the sum obtained by adding an amount for participating service and an amount for prior service determined as provided in this section. The amount for prior service shall be equal to 1% of the member's prior service annual salary multiplied by the number of years of prior service entitled to credit as provided in K.S.A. 74-4913 and amendments thereto, except that for members retiring on or after July 1, 1981, who were last employed by a participating employer which had affiliated with the system under K.S.A. 74-4910, 74-4912, 74-4929 or 74-4991 and amendments thereto, and for the period commencing January 1, 1986, for members retiring before July 1, 1981, who were last employed by a participating employer which had affiliated with the system under K.S.A. 74-4910, 74-4912, 74-4929 or 74-4991 and amendments thereto, except that any increase in benefits under this section shall be reduced by any postretirement benefit adjustments received by such member prior to July 2, 1985, the amount for prior service shall be calculated using final average salary in lieu of prior service annual salary and, in the case of any such member who became a member under subsection (3) of K.S.A. 74-4925 and amendments thereto and for whom a final average salary cannot be otherwise determined, such member's final average salary shall be based on all service for which such member received assistance in a plan under subsection (2) of K.S.A. 74-4925 and amendments thereto as certified by such employer upon request of the board. For any member who retires on or after July 1, 1993, the amount for participating service shall be equal to the total of 1.75% of the member's final average salary multiplied by the number of years of participating service.

(2) (A) Any member who retires on or after July 1, 1993, but before the normal retirement date and has attained age 60 but has not attained age 62 with the completion of 10 years of credited service, shall receive an annual retirement benefit equal to the annual retirement benefit payable had the member retired on the normal retirement date but based upon the member's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of (i) such annual retirement benefit payable had the member retired on the normal retirement date, multiplied by (ii) the product of .2% multiplied by the number of months' difference, to the nearest whole month, between the member's attained age at the time of retirement and age 62.

(B) Any member who retires on or after July 1, 1993, but before the normal retirement date and has attained age 55 but has not attained age 60 with the completion of 10 years of credited service, shall receive an annual retirement benefit equal to the annual retirement benefit payable had the member retired on the normal retirement date but based upon the member's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the total of: (i) (a) The product of such annual retirement benefit payable had the member retired on the normal retirement date, multiplied by (b) the product of .6% multiplied by the number of months'

difference, to the nearest whole month, between the member's attained age at the time of retirement and age 60; and

(ii) on and after July 1, 1993, the product of such annual retirement benefit payable had the member retired on the normal retirement date, multiplied by 4.8%.

(3) Upon death of a retirant, there shall be paid to such retirant's beneficiary an amount equal to the excess, if any, of such retirant's accumulated contributions over the sum of all retirement benefit payments made.

(4) Such annual retirement benefits shall be paid in equal monthly installments except, that the board may provide for the payment of retirement benefits which total less than \$240 a year on other than a monthly basis.

(5) In the event that an application in such form as may be prescribed by the board for any amount due under the provisions of this act, is not filed with the office of the retirement system by the person entitled to same within five years of the date such amount became due and payable, an amount equal to same shall be transferred to the retirement benefit accumulation reserve and such amount shall no longer be due and payable, except that if any such person shall present evidence satisfactory to the board that such person's failure to file such application within that time period was due to lack of knowledge or incapacity on such person's part, the amount equal to the amount originally due shall be transferred from the retirement benefit accumulation reserve to the reserve or reserves from which such transfer was initially made and the amount originally due shall be paid to such person.

(6) *The participating employer, when an employee files an application for retirement, shall certify to the system all member contributions of such employee which have not been reported previously. In the event the amount certified results in an overpayment of retirement benefits, the employer shall be held responsible for the contribution amount previously certified from the time of commencement of the overpayment of retirement benefits until the time that such overpayment is discovered by the system. At the time that such overpayment of retirement benefits is discovered by the system, the system shall adjust the amount of retirement benefits paid to the employee to the correct amount based on the participating employer's certification of member contributions which had not been previously reported. The participating employer of the employee who has had such member's retirement benefits adjusted as provided in this subsection shall notify such employee of such overpayment and such adjustment of retirement benefits. If the contributions previously certified are lower than the actual amount reported, the employer shall be responsible for remitting the correct amount and the member's monthly benefit shall be recalculated based on the amount reported by the employer. When an employee in school employment files such an application, the participating employer responsible for any such amounts as provided in this subsection shall be the employee's eligible employer as specified in subsection (1), (2) or (3) of K.S.A. 74-4931, and amendments thereto, and shall not be the state of Kansas. The provisions of law in effect on the retirement date of a member under the system shall govern the retirement benefit payable to the retirant, any joint annuitant and any beneficiary.*

Sec. 12. K.S.A. 2000 Supp. 74-4915b is hereby amended to read as follows: 74-4915b. (a) Notwithstanding any provision of law to the contrary, any member who is a member of the legislature who is also employed by another participating employer of the Kansas public employees retirement system other than the legislature and is an eligible employee as defined in K.S.A. 74-4902, and amendments thereto, may retire from service from such other participating employer and may continue to serve as a member of the legislature, except that, commencing January 8, 2001, such member of the legislature shall not receive any retirement benefit for any month for which such member of the legislature serves when compensation as provided in subsection (e) is paid in an amount equal to \$15,000 or more in any one such calendar year. Such member's retirement benefit shall be based on the final average salary of such member for service prior to service as a member of the legislature.

(b) No such member who is a member of the legislature who retires as provided in subsection (a) and who continues to serve as a member of the legislature shall accrue any additional service credit for such service as a member of the legislature or be entitled to any benefit provided in K.S.A. 74-4916 or 74-4927, and amendments thereto.

(c) When such member who is a member of the legislature retires as a member of the legislature, such member's final average salary shall be recalculated to include legislative compensation, if such inclusion of such

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compensation increases such member's final average salary, of the member up to the time of retirement from the participating employer other than the legislature as provided in subsection (a).

(d) No such member who is a member of the legislature shall accrue any additional retirement benefits for the period of time between the date the member retired from the participating employer other than the legislature and the date such member retires as a member of the legislature.

(e) The participating employer shall report to the system within 30 days of when the compensation paid to the retirant is equal to or exceeds any limitation provided in subsection (a). Upon request of the executive secretary director of the system, the secretary of revenue shall provide such information as may be needed by the executive secretary director to carry out the provisions of this section. For determination of the amount of legislative compensation, as provided in subsection (a) and this subsection, for members of the legislature, compensation shall include any amount paid as provided pursuant to subsections (a), (b), (c) and (d) of K.S.A. 46-137a, and amendments thereto, or pursuant to K.S.A. 46-137b, and amendments thereto. Notwithstanding any provision of law to the contrary, when a member of the legislature is paid an amount of compensation of \$15,000 or more in any one calendar year, the member may continue to receive any amount provided in subsections (b) and (d) of K.S.A. 46-137a, and amendments thereto, and still be entitled to receive such member's retirement benefit.

(f) The provisions of this section are intended to further the public policy of encouraging persons to serve in elective public office by permitting a member of the system, who is a member through employment with a participating employer in a nonelected position and who holds an elected office as a member of the legislature and who is also a member of the system for such elected office, to retire under the system from such nonelected employment and to continue serving in such elected public office.

(g) The words and phrases used in this section have the meanings respectively ascribed thereto by K.S.A. 74-4902, and amendments thereto, unless a different meaning is plainly required by the context.

(h) The provisions of this section shall be effective on and after July 1, 2000.

Sec. 13. K.S.A. 2000 Supp. 74-4915c is hereby amended to read as follows: 74-4915c. (a) Notwithstanding any provision of law to the contrary, any member who is an elected local official of a municipality who is also employed by another participating employer of the Kansas public employees retirement system other than the municipality and is an eligible employee as defined in K.S.A. 74-4902, and amendments thereto, may retire from service from such other participating employer and may continue to serve as an elected local official, except that such local official shall not receive any retirement benefit for any month for which such local official serves in such office when compensation is paid in an amount equal to \$15,000 or more in any one such calendar year. The participating employer shall report to the system within 30 days of when the compensation paid to the retirant is equal to or exceeds any limitation provided in this subsection. Upon request of the executive secretary director of the system, the secretary of revenue shall provide such information as may be needed by the executive secretary director to carry out the provisions of this section.

(b) No such member who is an elected local official who retires as provided in subsection (a) and who continues to serve as an elected local official shall accrue any additional service credit for such service as an elected local official or be entitled to any benefit provided in K.S.A. 74-4916 or 74-4927, and amendments thereto.

(c) The provisions of this section are intended to further the public policy of encouraging persons to serve in elective public office by permitting a member of the system, who is a member through employment with a participating employer in a nonelected position and who holds an elected office as an elected local official of a municipality and who is also a member of the system for such elected office, to retire under the system from such nonelected employment and to continue serving in such elected public office.

(d) The words and phrases used in this section have the meanings respectively ascribed thereto by K.S.A. 74-4902, and amendments thereto, unless a different meaning is plainly required by the context.

Sec. 14. K.S.A. 2000 Supp. 74-4916 is hereby amended to read as follows: 74-4916. (1) Upon the death of a member before retirement, the

member's accumulated contributions shall be paid to the member's beneficiary.

(2) (a) In the event that a member dies before retirement as a result of an accident arising out of and in the course of the member's actual performance of duty in the employ of a participating employer independent of all other causes and not as a result of a willfully negligent or intentional act of the member, an accidental death benefit shall be payable if: (A) A report of the accident, in a form acceptable to the board, is filed in the office of the executive secretary director of the board within 60 days after the date of the accident causing such death and an application for such benefit, in such form and manner as the board shall prescribe, is filed in the office of the executive secretary director of the board within two years of the date of the accident, but the board may waive such time limits for a reasonable period if in the judgment of the board the failure to meet these limits was due to lack of knowledge or incapacity; and (B) the board finds from such evidence as it may require, to be submitted in such form and manner as it shall prescribe, that the natural and proximate cause of death was the result of an accident arising out of and in the course of the member's employment with a participating employer independent of all other causes at a definite time and place. Such accidental death benefit shall be a lump-sum amount of \$50,000 and an annual amount of $\frac{1}{2}$ of the member's final average salary which shall accrue from the first day of the month following the date of death and which shall be payable in monthly installments or as the board may direct, but, after June 30, 1982, in no case shall the accidental death benefit be less than \$100 per month. The accidental death benefit payments shall be paid to the surviving spouse of such deceased member, such payments to continue so long as such surviving spouse lives or if there is no surviving spouse, or in the case the spouse dies before the youngest child of such deceased member attains age 18 or before the youngest child of such deceased member attains age 23 years, if such child is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto or if there are one or more children of the member who are totally disabled and dependent on the member or spouse, then to the child or children of such member under age 18 or under age 23, if such child or children are full-time students as provided in K.S.A. 74-49,117 and amendments thereto and to the child or children of the member who are totally disabled and dependent on the member or spouse, divided in such manner as the board in its discretion shall determine, to continue until the youngest surviving child dies or attains age 18 or attains age 23 if such child is a full-time student as provided in K.S.A. 79-49,117 and amendments thereto or, in the case of the child or children who are totally disabled and dependent on the member or spouse, until death or until no longer totally disabled, or if there is no surviving spouse or child eligible for accidental death benefits under this subsection (2) at the time of the member's death, then to the parent or parents of such member who are dependent on such member, to continue until the last such parent dies. All payments due under this subsection (2) to a minor shall be made to a legally appointed conservator of such minor or totally disabled child as provided in subsection (7) of K.S.A. 74-4902 and amendments thereto. Commencing on the effective date of this act, any surviving spouse, who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such spouse's remarriage, shall be entitled to once again receive benefits pursuant to this section, except that such surviving spouse shall not be entitled to recover any benefits not received after the termination of benefits by reason of such surviving spouse's remarriage but before the effective date of this act.

(b) In construction of this section of the act there shall be no presumption that the death of the member was the result of an accident nor shall there be a liberal interpretation of the law or evidence in favor of the person claiming under this subsection (2). In the event of the death of a member resulting from a heart, circulatory or respiratory condition there must be clear and precise evidence that death was the result of an accident-independent of all other causes which arose out of and in the course of the member's actual performance of duties in the employ of a participating employer.

(c) The annual benefit under this subsection (2) shall be reduced by any workers compensation benefit payable. If the workers compensation benefit is paid in a lump-sum, the amount of such reduction shall be calculated on a monthly basis over the period of time for which workers compensation benefits would have been payable had such lump-sum not been paid. For any recipient already in receipt of such benefits on the effective date of this act, no change in the original reduction for workers

compensation benefits shall be applicable to benefits paid prior to July 1, 1994. In the event that a member should die as a result of an accident as described in this subsection (2), all elections or options previously made by the deceased member shall become void and of no effect whatsoever and the retirement system shall be liable only for the accidental death benefit, refund of accumulated contributions as described in subsection (1) and any insured death benefit that may be due. The benefit payable under this subsection (2) shall be known and referred to as the "accidental death benefit."

(3) (a) Upon the application of a member, or the member's appointing authority acting for the member, a member who is in the employ of a participating employer and becomes totally and permanently disabled for duty in the employ of a participating employer, by reason of an accident which occurred prior to July 1, 1975, may be retired by the board if: (A) the board finds the total and permanent disability to be the natural and proximate result of an accident causing personal injury or disease independent of all other causes and arising out of and in the course of the member's actual performance of duties as an employee of a participating employer; and (B) a report of the accident, in a form acceptable to the board is filed in the office of the executive secretary director of the board within 200 days after the date of the accident causing such injury; and (C) such application for retirement under this provision, in such form and manner as shall be prescribed by the board, is filed in the office of the executive secretary director of the board within two years of the date of the accident; and (D) after a medical examination of the member has been made by or under the direction of a medical physician or physicians or any other practitioner holding a valid license to practice a branch of the healing arts issued by the state board of healing arts designated by the board and the medical physician or physicians or any other practitioner holding a valid license to practice a branch of the healing arts issued by the state board of healing arts report in writing to the board that the member is physically or mentally totally disabled for duty in the employ of a participating employer and that such disability will probably be permanent; and (E) the board finds that the member became permanently and totally disabled on a date certain based on the evidence furnished and the professional guidance obtained and that such disability was not the result of a willfully negligent or intentional act of the member. If the board shall so retire the applicant, the member shall receive annually an accidental total disability benefit equal to 1/2 of the member's final average salary which shall accrue from the first day of the month following the date of such accidental total and permanent disability as found by the board payable in monthly installments or as the board may direct.

(b) In construction of this subsection (3) there shall be no presumption that the disability of the member was the result of an accident nor shall there be a liberal interpretation of the law or evidence in favor of the member claiming under this subsection (3). In the event of the disability of a member resulting from a heart, circulatory or respiratory condition there must be clear and precise evidence that disability was the result of an accident independent of all other causes which arose out of and in the course of the member's actual performance of duties in the employ of a participating employer.

(c) A member will continue to receive such accidental total disability benefit so long as the member is wholly and continuously disabled by such injury and prevented thereby from engaging in any gainful occupation or employment for which the member is reasonably qualified by reason of education, training or experience. The accidental loss of both hands by actual severance through or above the wrist joint, or the accidental loss of both feet by actual severance through or above the ankle joint or the entire and irrecoverable accidental loss of sight of both eyes, or such severance of one hand and one foot, and such severance of one hand or one foot and such loss of sight of one eye, shall be deemed accidental total and permanent disability and accidental total disability benefits shall be paid so long as the member lives.

(d) Any retiree retired by reason of such accidental total and permanent disability who has been receiving benefits under the provisions of this subsection (3) for a period of five years shall be deemed finally retired and shall not be subject to further medical examinations, except that if the board of trustees has reasonable grounds to question whether the retiree remains totally and permanently disabled, a further medical examination or examinations may be required. Refusal or neglect to submit to examination shall be sufficient cause for suspending or discontinuing the accidental total disability benefit. If the refusal or neglect con-

tinues for a period of one year, all of the member's rights with respect to such accidental total disability benefit may be revoked by the board.

(e) In the event that a retiree who is receiving an accidental total disability benefit dies within five years after the date of the retiree's retirement, an accidental death benefit shall then be payable as provided in subsection (2) of this section.

(f) A member who retires under the provisions of this subsection (3) shall receive such benefits as provided in this subsection (3) in lieu of all other retirement benefits provided under the retirement system except that no member shall be entitled to receive any payments under this subsection (3) for a period for which insured disability benefits are received.

(g) The value, as determined by the board upon recommendation of the actuary, of any workmen's compensation benefits paid or payable to the recipient of an accidental total disability benefit shall be deducted from the amount payable under this section.

(h) The benefit payable under subsection (3) of this section shall be known and referred to as "accidental total disability benefit."

(4) The payment of benefits as provided in this section is subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto.

Sec. 15. K.S.A. 2000 Supp. 74-4918 is hereby amended to read as follows: 74-4918. (1) A member may elect to have such member's retirement benefit paid under one of the options provided in this section in lieu of having it paid in the form stated in K.S.A. 74-4915 and amendments thereto. Such election must be made before the date of actual retirement. A specific person must be designated as joint annuitant at the time of election of the joint and 1/2 to joint annuitant survivor option, the joint and survivor option and the joint and 3/4 to joint annuitant survivor option. Under no circumstances may an option be changed or canceled nor the named joint annuitant changed after the date of actual retirement of the member.

(2) The amount of retirement benefit payable under an option shall be based on the age of the member and, if applicable, the age of the joint annuitant, and shall be such amount as to be the actuarial equivalent of the retirement benefit otherwise payable under K.S.A. 74-4915 and amendments thereto, as prescribed in subsection (3). In no case shall the total amount of retirement benefit paid under any option provided in this section be more than 100% of the retirement benefit which would have been otherwise payable if no option had been elected under this section.

(3) The following retirement options, which are subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, are available:

(A) *Joint and 1/2 to joint annuitant survivor.* A reduced retirement benefit is payable to the retiree during the retiree's lifetime in a monthly amount equal to the product of (i) the monthly payment of the retirement benefit otherwise payable under K.S.A. 74-4915 and amendments thereto and (ii) the percentage equal to 91% minus .4% for each year by which the age of the retiree's joint annuitant is less than the retiree's age, computed to the nearest whole year, or plus .4% for each year by which the age of the retiree's joint annuitant is more than the retiree's age, computed to the nearest whole year, with 1/2 of that monthly amount continued to the retiree's joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the retiree. In the event that the designated joint annuitant under this option predeceases the retiree, the amount of the retirement benefit otherwise payable to the retiree under this option shall be adjusted automatically to the retirement benefit which the retiree would have received if no option had been elected under this section.

(B) *Joint and survivor.* A reduced retirement benefit is payable to the retiree during the retiree's lifetime in a monthly amount equal to the product of (i) the monthly payment of the retirement benefit otherwise payable under K.S.A. 74-4915 and amendments thereto and (ii) the percentage equal to 83% minus .6% for each year by which the age of the retiree's joint annuitant is less than the retiree's age, computed to the nearest whole year, or plus .6% for each year by which the age of the retiree's joint annuitant is more than the retiree's age, computed to the nearest whole year, with that amount continued to the joint annuitant during the joint annuitant's remaining lifetime, if any, after the death of the retiree. In the event that the designated joint annuitant under this option predeceases the retiree, the amount of the retirement benefit otherwise payable to the retiree under this option shall be adjusted au-

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tomatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(C) *Joint and 3/4 to joint annuitant survivor.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to the product of (i) the monthly payment of the retirement benefit otherwise payable under K.S.A. 74-4915 and amendments thereto and (ii) the percentage equal to 87% minus .5% for each year by which the age of the retirant's joint annuitant is less than the retirant's age, computed to the nearest whole year, or plus .5% for each year by which the age of the retirant's joint annuitant is more than the retirant's age, computed to the nearest whole year, with 3/4 of that monthly amount continued to the retirant's joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the retirant. In the event that the designated joint annuitant under this option predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under this option shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(D) *Life with 5 years certain.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to 98% of the monthly payment of the retirement benefit otherwise payable under K.S.A. 74-4915 and amendments thereto and if the retirant dies within the five-year certain period, measured from the commencement of retirement benefit payments, such payments shall be continued to the retirant's beneficiary during the balance of the five-year certain period.

(E) *Life with 10 years certain.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to 95% of the monthly payment of the retirement benefit otherwise payable under K.S.A. 74-4915 and amendments thereto and if the retirant dies within the ten-year certain period, measured from the commencement of retirement benefit payments, such payments shall be continued to the retirant's beneficiary during the balance of the ten-year certain period.

(F) *Life with 15 years certain.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to 88% of the monthly payment of the retirement benefit otherwise payable under K.S.A. 74-4915 and amendments thereto and if the retirant dies within the fifteen-year certain period, measured from the commencement of retirement benefit payments, such payments shall be continued to the retirant's beneficiary during the balance of the fifteen-year certain period.

(C) *Lump sum payment at retirement.* (i) Pursuant to this option, the member must specify a lump sum amount to be paid to the member upon the member's retirement. The lump sum amount will be based on the actuarial present value of the benefit as provided in K.S.A. 74-4915, and amendments thereto. The lump sum amount designated by the member must be in 10% increments and shall not exceed 1/2 of the actuarial present value of the benefit provided in K.S.A. 74-4915, and amendments thereto.

(ii) Pursuant to this option, the member must elect to have the remaining actuarial present value paid in a monthly amount under the provisions of K.S.A. 74-4915, and amendments thereto, or subsections (3)(A) through (3)(F) of this section.

(iii) ~~The amount of any retirement benefit payable pursuant to this subsection shall remain as provided in this subsection even in the event that the designated joint annuitant pursuant to subsection (3)(A), (3)(B) or (3)(C) predeceases the retirant. In the event that the designated joint annuitant pursuant to subsection (3)(A), (3)(B) or (3)(C) under this option predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under this option shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.~~

(iv) The provisions of this subsection shall be effective on and after July 1, 2001.

(4) If a member, who is eligible to retire in accordance with the provisions of K.S.A. 74-4914 and amendments thereto, dies without having actually retired, the member's spouse, if the spouse is the sole beneficiary for the member's accumulated contributions, may elect to receive benefits under one of the options provided in this section in lieu of receiving the member's accumulated contributions.

(5) The benefits of subsection (4) shall be available in the case of death within the first six months after the entry date of the member's participating employer.

(6) On and after January 1, 1991, if a member with 15 or more years of credited service dies before attaining retirement age, the member's spouse, if the spouse is the sole beneficiary for the member's accumulated contributions, may elect to receive benefits under one of the options provided in this section in lieu of receiving the member's accumulated contributions. Payments under one of the options provided in this section to the member's spouse if so elected, shall commence on the date that the member would have attained retirement age.

(7) Benefits payable to a joint annuitant shall accrue from the first day of the month following the death of a member or retirant and, in the case of the joint and 1/2 to joint annuitant survivor option, the joint and survivor option and the joint and 3/4 to joint annuitant survivor option, shall end on the last day of the month in which the joint annuitant dies.

(8) The provisions of the law in effect on the retirement date of a member under the system shall govern the retirement benefit payable to the retirant and any joint annuitant, except, for retirement benefits payable after July 1, 1993, for retirants who retired prior to July 1, 1982, in the event that the designated joint annuitant under the option provided in subsection (3)(A), (B) or (C), as applicable, predeceased the retirant, the amount of the retirement benefit otherwise payable to the retirant under the option provided in subsection (3)(A), (B) or (C), as applicable, shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(9) Upon the death of a joint annuitant who is receiving a retirement benefit under the provisions of this section, there shall be paid to such joint annuitant's beneficiary an amount equal to the excess, if any, of the accumulated contributions of the retirant over the sum of all retirement benefit payments made to such retirant and such joint annuitant. Such joint annuitant shall designate a beneficiary by filing in the office of the retirement system such designation at the time of death of the retirant. If there is no named beneficiary of such joint annuitant living at the time of death of such joint annuitant, any amount provided for by this section shall be paid to, in order of preference as follows:

- (A) The joint annuitant's surviving spouse;
- (B) the joint annuitant's dependent child or children;
- (C) the joint annuitant's dependent parent or parents;
- (D) the joint annuitant's nondependent child or children;
- (E) the joint annuitant's nondependent parent or parents; or
- (F) the estate of the deceased joint annuitant.

Sec. 16. K.S.A. 2000 Supp. 74-4918a is hereby amended to read as follows: 74-4918a. (a) If the member who is married at the time of retirement selects or will receive a retirement benefit or annuity which would provide to such member's spouse upon the member's death no monthly payments or payment which is less than the payment that the spouse would receive as a joint annuitant under the joint and 1/2 to joint annuitant survivor option, as provided in K.S.A. 20-2610a, 74-4918, 74-4964 or 74-4964a and amendments thereto, or selects the lump sum payment at retirement benefit option as provided in subsection (3)(C) of K.S.A. 74-4918, and amendments thereto, at the time of such selection of a retirement benefit or annuity the member shall submit a notarized statement of the marital status of the member and, if the member is currently married, a statement of the spouse's consent or objection to the member's selected retirement benefit or annuity under the provisions of this section signed by the spouse and notarized in such form and manner as provided by the system.

(b) (i) If the spouse of the member does not consent to the member's selection of a retirement benefit or annuity under the provisions of this section before the date of actual retirement, the system shall:

(A) Notify the spouse that the spouse has 90 days to consent or have the member change such member's selected retirement benefit or annuity; and

(B) pay the retirement benefit or annuity at the amount as provided by the joint and 1/2 to joint annuitant survivor option until the spouse consents or for 90 days, whichever is less.

(ii) Upon consent of the spouse or at the end of 90 days, the retirement benefit or annuity must be recalculated and paid as provided by the terms of the member's original selected retirement benefit or annuity retroactively to the date on which the retirement became effective.

(iii) The system is not liable for any damages resulting from false designation of marital status by a member or retirant.

(c) For purposes of this section, "retirement system" or "system" means the Kansas public employees retirement system, the Kansas police and firemen's retirement system and the retirement system for judges.

(d) The provisions of this section shall take effect on and after July 1, 1994.

Sec. 17. K.S.A. 2000 Supp. 74-4919 is hereby amended to read as follows: 74-4919. (1) Each participating employer, beginning with the first payroll for services performed after the entry date, shall deduct from the compensation of each member 4% of such member's compensation as employee contributions. Such deductions shall be remitted quarterly, or as the board may otherwise provide, to the executive secretary ~~director~~ for deposit in the Kansas public employees retirement fund. Such deductions shall be credited to the members' individual accounts and interest shall be added annually to such accounts.

(2) (a) Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, each participating employer, pursuant to the provisions of section 414(h)(2) of the federal internal revenue code, shall pick up and pay the contributions which would otherwise be payable by members as prescribed in subsection (1) commencing with the third quarter of 1984. The contributions so picked up shall be treated as employer contributions for purposes of determining the amounts of federal income taxes to withhold from the member's compensation.

(b) Member contributions picked up by the employer shall be paid from the same source of funds used for the payment of compensation to a member. A deduction shall be made from each member's compensation equal to the amount of the member's contributions picked up by the employer, provided that such deduction shall not reduce the member's compensation for purposes of computing benefits under the system.

(c) Member contributions picked up by the employer shall be remitted quarterly, or as the board may otherwise provide, to the executive secretary ~~director~~ for credit to the Kansas public employees retirement fund. Such contributions shall be credited to a separate account within the member's individual account so that amounts contributed by the member commencing with the third quarter of 1984 may be distinguished from the member contributions picked up by the employer. Interest shall be added annually to members' individual accounts.

Sec. 18. K.S.A. 2000 Supp. 74-4919b is hereby amended to read as follows: 74-4919b. (a) Any employee of a participating employer who becomes a member of the system as provided in K.S.A. 74-4911 or 74-4935 and amendments thereto, who has previously been a member of the system and who has forfeited participating and prior service credit by reason of termination of employment with a participating employer and withdrawal of such member's accumulated contributions, may have all or a part of such forfeited service reinstated as provided in K.S.A. 74-4901 through 74-4930 and amendments thereto.

(b) Any member, if not actively employed, who has previously been a member of the system and who has forfeited participating and prior service credit by reason of termination of employment with a participating employer and withdrawal of such member's accumulated contributions may have all or a part of such forfeited service reinstated as provided in K.S.A. 74-4901 through 74-4930 and amendments thereto. Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, such member may purchase such service credit by means of a single lump-sum payment. The lump-sum payment shall be an amount determined by the actuary using the member's annual rate of compensation when last participating, the actuarial assumptions and tables currently in use by the retirement system and the member's attained age. ~~The provisions of this subsection shall not apply to repurchase of previously forfeited service credit as provided in subsection (b) of K.S.A. 74-4911b and amendments thereto.~~

Sec. 19. K.S.A. 2000 Supp. 74-4920 is hereby amended to read as follows: 74-4920. (1) (a) Upon the basis of each annual actuarial valuation and appraisal as provided for in subsection (3)(a) of K.S.A. 74-4908 and amendments thereto, the board shall certify, on or before July 15 of each year, to the division of the budget in the case of the state and to the agent for each other participating employer an actuarially determined estimate of the rate of contribution which will be required, together with all accumulated contributions and other assets of the system, to be paid by each such participating employer to pay all liabilities which shall exist or accrue under the system, including amortization of the actuarial accrued liability over a period of 40 years commencing on July 1, 1993, and the actuarial accrued liability for members of the faculty and other persons who are employed by the state board of regents or by educational institutions under its management assisted by the state board of regents in the purchase of retirement annuities as provided in K.S.A. 74-4925 and amendments thereto, as provided in this section. The actuarial accrued

liability for all participating employers other than the state board of regents relating to members of the faculty and other persons described in this section, shall be amortized by annual payments that increase 4% for each year remaining in the amortization period. For all participating employers other than the state board of regents relating to members of the faculty and other persons described in this section, the projected unit credit actuarial cost method shall be used in annual actuarial valuations, commencing with the 1993 valuation, to determine the employer contribution rates that shall be certified by the board. The actuarial accrued liability for members of the faculty and other persons described in this subsection assisted by the state board of regents in the purchase of retirement annuities as provided in K.S.A. 74-4925 and amendments thereto shall be amortized by annual level payments over a period of 11 years commencing July 1, 1993. Such certified rate of contribution shall be based on the standards set forth in subsection (3)(a) of K.S.A. 74-4908 and amendments thereto and shall not be based on any other purpose outside of the needs of the system.

(b) (i) For employers affiliating on and after January 1, 1999, upon the basis of an annual actuarial valuation and appraisal of the system conducted in the manner provided for in K.S.A. 74-4908 and amendments thereto, the board shall certify, on or before July 15 of each year to each such employer an actuarially determined estimate of the rate of contribution which shall be required to be paid by each such employer to pay all of the liabilities which shall accrue under the system from and after the entry date as determined by the board, upon recommendation of the actuary. Such rate shall be termed the employer's participating service contribution and shall be uniform for all participating employers. Such additional liability shall be amortized over a period of 34 years commencing on July 1, 1999, by annual payments that increase 4% for each year remaining in the amortization period. For all participating employers described in this section, the projected unit credit actuarial cost method shall be used in annual actuarial valuations to determine the employer contribution rates that shall be certified by the board.

(ii) The board shall determine for each such employer separately an amount sufficient to amortize over a period of not to exceed 34 years commencing July 1, 1999, all liabilities for prior service costs which shall have accrued at the time of entry into the system. On the basis of such determination the board shall annually certify to each such employer separately an actuarially determined estimate of the rate of contribution which shall be required to be paid by that employer to pay all of the liabilities for such prior service costs. Such rate shall be termed the employer's prior service contribution.

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

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

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

(continued)

gether with any other fund available, shall be sufficient to enable the participating employer to make the contributions required by this act.

(5) The rate of contribution certified to a participating employer as provided in this section shall apply during the fiscal year of the participating employer which begins in the second calendar year following the year of the actuarial valuation. For the fiscal year commencing in calendar year 1993, the employer rate of contribution for the state of Kansas and for participating employers under K.S.A. 74-4931 and amendments thereto shall be 3.1% of the amount of compensation upon which members contribute during the period. For the fiscal year commencing in calendar year 1994, the employer rate of contribution for the state of Kansas and for participating employers under K.S.A. 74-4931 and amendments thereto shall be 3.2% of the amount of compensation upon which members contribute during the period. For the fiscal year commencing in calendar year 1995, the rate of contribution certified to a participating employer shall in no event exceed such participating employer's contribution rate for the immediately preceding fiscal year by more than 0.1% of the amount of compensation upon which members contribute during the period. Except as specifically provided in this section, for fiscal years commencing in calendar year 1996 and in each subsequent calendar year, the rate of contribution certified to the state of Kansas shall in no event exceed the state's contribution rate for the immediately preceding fiscal year by more than 0.2% of the amount of compensation upon which members contribute during the period. Except as specifically provided in this section, for fiscal years commencing in calendar year 1997 and in each subsequent calendar year, the rate of contribution certified to participating employers other than the state of Kansas shall in no event exceed such participating employer's contribution rate for the immediately preceding fiscal year by more than 0.15% of the amount of compensation upon which members contribute during the period. There shall be an employer rate of contribution certified to the state of Kansas and participating employers under K.S.A. 74-4931 and amendments thereto. There shall be a separate employer rate of contribution certified to all other participating employers other than the state of Kansas.

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

(7) The actuarial cost of the provisions of K.S.A. 1998 Supp. 74-4950i will be included in the June 30, 1998, actuarial valuation in determining contribution rates for participating employers. The actuarial accrued liability incurred for the provisions of K.S.A. 1998 2000 Supp. 74-4950i shall be amortized over 15 years.

(8) Except as otherwise provided by law, the actuarial cost of any legislation enacted by the Kansas legislature, except the actuarial cost of K.S.A. 2000 Supp. 74-49,114a, and amendments thereto, shall be in addition to the employer contribution rates certified for the employer contribution rate in the fiscal year immediately following such enactment.

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

(10) For employers affiliating on and after January 1, 1999, the rates of contribution certified to the participating employer as provided in this section shall apply during the fiscal year immediately following such certification, but the rate of contribution during the first year following the employer's entry date shall be equal to 7% of the amount of compensation on which members contribute during the year. Any amount of such first year's contribution which may be in excess of the necessary current service contribution shall be credited by the board to the respective employer's prior service liability.

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

(12) Notwithstanding any provision of law to the contrary, each participating employer shall remit quarterly, or as the board may otherwise provide, all employee deductions and required employer contributions to the executive secretary director for credit to the Kansas public employees retirement fund within three days after the end of the period covered by the remittance by electronic funds transfer. Remittances of such deduc-

tions and contributions received after such date are delinquent. Delinquent payments due under this subsection shall be subject to interest at the rate established for interest on judgments under subsection (a) of K.S.A. 16-204 and amendments thereto. At the request of the board, delinquent payments which are due or interest owed on such payments, or both, may be deducted from any other moneys payable to such employer by any department or agency of the state.

Sec. 20. K.S.A. 2000 Supp. 74-4921 is hereby amended to read as follows: 74-4921. (1) There is hereby created in the state treasury the Kansas public employees retirement fund. All employee and employer contributions shall be deposited in the state treasury to be credited to the Kansas public employees retirement fund. The fund is a trust fund and shall be used solely for the exclusive purpose of providing benefits to members and member beneficiaries and defraying reasonable expenses of administering the fund. Investment income of the fund shall be added or credited to the fund as provided by law. All benefits payable under the system, refund of contributions and overpayments, purchases or investments under the law and expenses in connection with the system unless otherwise provided by law shall be paid from the fund. The director of accounts and reports is authorized to draw warrants on the state treasurer and against such fund upon the filing in the director's office of proper vouchers executed by the chairperson or the executive secretary director of the board. As an alternative, payments from the fund may be made by credits to the accounts of recipients of payments in banks, savings and loan associations and credit unions. A payment shall be so made only upon the written authorization and direction of the recipient of payment and upon receipt of such authorization such payments shall be made in accordance therewith. Orders for payment of such claims may be contained on (a) a letter, memorandum, telegram, computer printout or similar writing, or (b) any form of communication, other than voice, which is registered upon magnetic tape, disc or any other medium designed to capture and contain in durable form conventional signals used for the electronic communication of messages.

(2) The board shall have the responsibility for the management of the fund and shall discharge the board's duties with respect to the fund solely in the interests of the members and beneficiaries of the system for the exclusive purpose of providing benefits to members and such member's beneficiaries and defraying reasonable expenses of administering the fund and shall invest and reinvest moneys in the fund and acquire, retain, manage, including the exercise of any voting rights and disposal of investments of the fund within the limitations and according to the powers, duties and purposes as prescribed by this section.

(3) Moneys in the fund shall be invested and reinvested to achieve the investment objective which is preservation of the fund to provide benefits to members and member beneficiaries, as provided by law and accordingly providing that the moneys are as productive as possible, subject to the standards set forth in this act. No moneys in the fund shall be invested or reinvested if the sole or primary investment objective is for economic development or social purposes or objectives.

(4) In investing and reinvesting moneys in the fund and in acquiring, retaining, managing and disposing of investments of the fund, the board shall exercise the judgment, care, skill, prudence and diligence under the circumstances then prevailing, which persons of prudence, discretion and intelligence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, and not in regard to speculation but in regard to the permanent disposition of similar funds, considering the probable income as well as the probable safety of their capital.

(5) Notwithstanding subsection (4): (a) Total investments in common stock may be made in the amount of up to 60% of the total book value of the fund;

(b) the board may invest or reinvest moneys of the fund in alternative investments if the following conditions are satisfied:

(i) The total of such alternative investments does not exceed more than 5% of the total investment assets of the fund. If the total of such alternative investments exceeds more than 5% of the total investment assets of the fund on the effective date of this act, the board shall not invest or reinvest any moneys of the fund in alternative investments until the total of such alternative investments is less the 5% of the total investment assets of the fund subject to the 5% limitation contained in this subsection. Nothing in this subsection requires the board to liquidate or

sell the system's holdings in any alternative investment held by the system on the effective date of this act, unless such liquidation or sale would be in the best interest of the members and beneficiaries of the system and be prudent under the standards contained in this section. The 5% limitation contained in this section shall not have been violated if the total of such alternative investments exceeds 5% of the total investment assets of the fund as a result of market forces acting to increase the value of such alternative investments relative to the rest of the system's investments; however, the board shall not invest or reinvest any moneys of the fund in alternative investments until the total of such alternative investments is less than 5% of the total investment assets of the fund subject to the 5% limitation contained in this subsection;

(ii) if in addition to the system, there are at least two other sophisticated investors, as defined by section 301 of the securities and exchange act of 1933;

(iii) the system's share in any individual alternative investment is limited to an investment representing not more than 20% of any such individual alternative investment;

(iv) the system has received a favorable and appropriate recommendation from a qualified, independent expert in investment management or analysis in that particular type of alternative investment;

(v) the alternative investment is consistent with the system's investment policies and objectives as provided in subsection (6);

(vi) the individual alternative investment does not exceed more than 2.5% of the total alternative investments made under this subsection. If the alternative investment is made pursuant to participation by the system in a multi-investor pool, the 2.5% limitation contained in this subsection is applied to the underlying individual assets of such pool and not to investment in the pool itself. The total of such alternative investments made pursuant to participation by the system in any one individual multi-investor pool shall not exceed more than 20% of the total of alternative investments made by the system pursuant to this subsection. Nothing in this subsection requires the board to liquidate or sell the system's holdings in any alternative investments made pursuant to participation by the system in any one individual multi-investor pool held by the system on the effective date of this act, unless such liquidation or sale would be in the best interest of the members and beneficiaries of the system and be prudent under the standards contained in this section. The 20% limitation contained in this subsection shall not have been violated if the total of such investment in any one individual multi-investor pool exceeds 20% of the total alternative investments of the fund as a result of market forces acting to increase the value of such a multi-investor pool relative to the rest of the system's alternative investments; however, the board shall not invest or reinvest any moneys of the fund in any such individual multi-investor pool until the value of such individual multi-investor pool is less than 20% of the total alternative investments of the fund;

(vii) the board has received and considered the investment manager's due diligence findings submitted to the board as required by subsection (6)(c); and

(viii) prior to the time the alternative investment is made, the system has in place procedures and systems to ensure that the investment is properly monitored and investment performance is accurately measured.

For purposes of this act, "alternative investment" means nontraditional investments outside the established nationally recognized public stock exchanges and government securities market. Alternative investments shall include, but not be limited to, private placements, venture capital, partnerships, limited partnerships and leveraged buyout partnerships;

(c) except as otherwise provided, the board may invest or reinvest moneys of the fund in real estate investments if the following conditions are satisfied:

(i) The system has received a favorable and appropriate recommendation from a qualified, independent expert in investment management or analysis in that particular type of real estate investment;

(ii) the real estate investment is consistent with the system's investment policies and objectives as provided in subsection (6); and

(iii) the board has received and considered the investment manager's due diligence findings submitted to the board as required by subsection (6)(c); and

(d) the board shall not invest or reinvest moneys of the fund in any banking institution, savings and loan association or credit union which positions the system as a shareholder or owner of such banking institution, savings and loan association or credit union.

(6) Subject to the objective set forth in subsection (3) and the standards set forth in subsections (4) and (5) the board shall formulate policies

and objectives for the investment and reinvestment of moneys in the fund and the acquisition, retention, management and disposition of investments of the fund. Such policies and objectives shall include:

(a) Specific asset allocation standards and objectives;

(b) establishment of criteria for evaluating the risk versus the potential return on a particular investment;

(c) a requirement that all investment managers submit such manager's due diligence findings on each investment to the board or investment advisory committee for approval or rejection prior to making any alternative investment;

(d) a requirement that all investment managers shall immediately report all instances of default on investments to the board and provide the board with recommendations and options, including, but not limited to, curing the default or withdrawal from the investment; and

(e) establishment of criteria that would be used as a guideline for determining when no additional add-on investments or reinvestments would be made and when the investment would be liquidated.

The board shall review such policies and objectives, make changes considered necessary or desirable and readopt such policies and objectives on an annual basis.

(7) The board may enter into contracts with one or more persons whom the board determines to be qualified, whereby the persons undertake to perform the functions specified in subsection (2) to the extent provided in the contract. Performance of functions under contract so entered into shall be paid pursuant to rates fixed by the board subject to provisions of appropriation acts and shall be based on specific contractual fee arrangements. The system shall not pay or reimburse any expenses of persons contracted with pursuant to this subsection, except that after approval of the board, the system may pay approved investment related expenses subject to provisions of appropriation acts. The board shall require that a person contracted with to obtain commercial insurance which provides for errors and omissions coverage for such person in an amount to be specified by the board, provided that such coverage shall be at least the greater of \$500,000 or 1% of the funds entrusted to such person up to a maximum of \$10,000,000. The board shall require a person contracted with to give a fidelity bond in a penal sum as may be fixed by law or, if not so fixed, as may be fixed by the board, with corporate surety authorized to do business in this state. Such persons contracted with the board pursuant to this subsection and any persons contracted with such persons to perform the functions specified in subsection (2) shall be deemed to be agents of the board and the system in the performance of contractual obligations.

(8) (a) In the acquisition or disposition of securities, the board may rely on the written legal opinion of a reputable bond attorney or attorneys, the written opinion of the attorney of the investment counselor or managers, or the written opinion of the attorney general certifying the legality of the securities.

(b) The board shall employ or retain qualified investment counsel or counselors or may negotiate with a trust company to assist and advise in the judicious investment of funds as herein provided.

(9) (a) Except as provided in subsection (7) and this subsection, the custody of money and securities of the fund shall remain in the custody of the state treasurer, except that the board may arrange for the custody of such money and securities as it considers advisable with one or more member banks or trust companies of the federal reserve system or with one or more banks in the state of Kansas, or both, to be held in safekeeping by the banks or trust companies for the collection of the principal and interest or other income or of the proceeds of sale. The services provided by the banks or trust companies shall be paid pursuant to rates fixed by the board subject to provisions of appropriation acts.

(b) The state treasurer and the board shall collect the principal and interest or other income of investments or the proceeds of sale of securities in the custody of the state treasurer and pay same when so collected into the fund.

(c) The principal and interest or other income or the proceeds of sale of securities as provided in clause (a) of this subsection (9) shall be reported to the state treasurer and the board and credited to the fund.

(10) The board shall with the advice of the director of accounts and reports establish the requirements and procedure for reporting any and all activity relating to investment functions provided for in this act in order to prepare a record monthly of the investment income and changes made during the preceding month. The record will reflect a detailed summary of investment, reinvestment, purchase, sale and exchange transactions

(continued)

and such other information as the board may consider advisable to reflect a true accounting of the investment activity of the fund.

(11) The board shall provide for an examination of the investment program annually. The examination shall include an evaluation of current investment policies and practices and of specific investments of the fund in relation to the objective set forth in subsection (3), the standard set forth in subsection (4) and other criteria as may be appropriate, and recommendations relating to the fund investment policies and practices and to specific investments of the fund as are considered necessary or desirable. The board shall include in its annual report to the governor as provided in K.S.A. 74-4907, and amendments thereto, a report or a summary thereof covering the investments of the fund.

(12) (a) An annual financial-compliance audit of the system, including any performance audit subjects which are directed to be included in such annual audit by the legislative post audit committee, performance audits of the system as prescribed under the Kansas governmental operations law, and such other audits as are directed by the legislative post audit committee under the Kansas legislative post audit act shall be conducted. The annual financial-compliance audit shall include, but not be limited to, a review of alternative investments of the system with any estimates of permanent impairments to the value of such alternative investments reported by the system pursuant to K.S.A. 74-4907, and amendments thereto.

(b) In accordance with this subsection (12), the annual financial-compliance audit may include one or more performance audit subjects as directed by the legislative post audit committee. In considering performance audit subjects to be included in any financial-compliance audit conducted pursuant to this subsection (12), the legislative post audit committee shall consider recommendations and requests for performance audits, relating to the system or the management thereof, by the joint committee on pensions, investments and benefits or by any other committee or individual member of the legislature. Commencing with the financial-compliance audit for the fiscal year ending June 30, 1998, the legislative post audit committee shall specify if one or more performance audit subjects shall be included in the financial-compliance audit conducted pursuant to this subsection (12), in addition to such other subjects as may be directed to be included in the financial-compliance audit by the legislative post audit committee. Except as otherwise determined by the legislative post audit committee pursuant to this subsection (12), commencing with the financial-compliance audit for the fiscal year ending June 30, 1998, one or more performance audit subjects specified by the legislative post audit committee shall be included at least once every two fiscal years in a financial-compliance audit conducted pursuant to this subsection (12). The legislative post audit committee may direct that one or more performance audit subjects are to be included in a financial-compliance audit conducted pursuant to this subsection (12) not more than once during a specific period of three fiscal years, in lieu of once every two fiscal years.

(c) The auditor to conduct the financial-compliance audit required pursuant to this subsection (12) shall be specified in accordance with K.S.A. 46-1122, and amendments thereto. If the legislative post audit committee specifies under such statute that a firm, as defined by K.S.A. 46-1112, and amendments thereto, is to perform all or part of the audit work of such audit, such firm shall be selected and shall perform such audit work as provided in K.S.A. 46-1123, and amendments thereto, and K.S.A. 46-1125 through 46-1127, and amendments thereto. The audits required pursuant to this subsection (12) shall be conducted in accordance with generally accepted governmental auditing standards. The financial-compliance audit required pursuant to this subsection (12) shall be conducted as soon after the close of the fiscal year as practicable, but shall be completed no later than six months after the close of the fiscal year. The post auditor shall annually compute the reasonably anticipated cost of providing the financial-compliance audit pursuant to this subsection (12), subject to review and approval by the contract audit committee established by K.S.A. 46-1120, and amendments thereto. Upon such approval, the system shall reimburse the division of post audit for the amount approved by the contract audit committee. The furnishing of the financial-compliance audit pursuant to this subsection (12) shall be a transaction between the legislative post auditor and the system and shall be settled in accordance with the provisions of K.S.A. 75-5516, and amendments thereto.

(d) Any internal assessment or examination of alternative investments of the system performed by any person or entity employed or retained by the board which evaluates or monitors the performance of alternative

investments shall be reported to the legislative post auditor so that such report may be reviewed in accordance with the annual financial-compliance audits conducted pursuant to this subsection (12).

Sec. 21. K.S.A. 2000 Supp. 74-4922 is hereby amended to read as follows: 74-4922. The executive secretary director shall maintain such records as are necessary to determine the following reserves:

(a) *Member's accumulated contribution reserve.* This reserve shall be maintained within the fund for each member and for each member having a vested benefit. Each such reserve account shall be credited with the employee's contributions upon receipt thereof and shall be credited on June 30 each year with interest: (1) At the actuarial assumption rate adopted by the board on the balance in the employee's account as of the preceding December 31 for those who first became members prior to July 1, 1993; and (2) 4% for those who first became members on and after July 1, 1993. For the purposes of crediting interest upon accumulated contributions, the term member shall include the beneficiary of a member during the twelve-month period following the death of a member and the beneficiary of a member pursuant to subsection (6) of K.S.A. 74-4918 and amendments thereto during any period commencing on the date of death of such member and ending on the date that the member would have attained retirement age. Refunds of employee's accumulated contributions prior to retirement shall be made from this reserve. Upon commencement of payments of the retirement benefit, the amount in this reserve account for the retiring member or members, shall be transferred to the retirement benefit payment reserve.

(b) *Retirement benefit accumulation reserve.* This reserve within the fund shall be credited with the portion of employer contributions for retirement benefits both for prior service and for participating service and with income of the fund not otherwise directed by law to a different reserve. The board shall credit interest to all other reserves and reserve accounts as provided by law at rates determined by the board. Interest so credited shall be transferred from the retirement benefit accumulation reserve. Separate reserve accounts shall not be maintained for each participating employer joining the system on the first entry date. The board shall determine whether or not separate reserve accounts shall be maintained for each participating employer joining the system after the first entry date.

(c) *Retirement benefit payment reserve:* (i) This reserve within the fund will be credited with the amount transferred from the member's accumulated contributions reserve and from the retirement benefit accumulation reserve and with interest allocated to this reserve at the rate determined each year by the board. This reserve shall be charged with payments of retirement benefits including payments upon death of the excess of member's accumulated contributions over retirement benefit payments paid to date of death. Annually, upon receipt of the actuarial valuation as of the end of the previous fiscal year the board shall cause certain adjustments to be made which shall be made prior to the end of the fiscal year immediately following the fiscal year for which the actuarial valuation is applicable.

(ii) The amount of these adjustments shall be the difference between the amount required by the current actuarial valuation and the amount required by the previous year's actuarial valuation plus amounts transferred to this reserve less amounts paid out of this reserve during the fiscal year to be adjusted. Such adjustments required to maintain this reserve on an actuarial reserve basis as of June 30 of the previous fiscal year shall be accomplished by transfers to or from, as applicable, the retirement benefit accumulation reserve.

(d) *Expense reserve.* This reserve within the fund shall be credited with interest allocated to this reserve at the rate determined each year by the board. It shall be charged with payments of all expenses incurred in connection with the administration of the system.

Sec. 22. K.S.A. 2000 Supp. 74-4925 is hereby amended to read as follows: 74-4925. (1) The state board of regents shall:

(a) Assist all those members of the faculty and other persons who are employed by the state board of regents or by educational institutions under its management and who are in the unclassified service under the Kansas civil service act as provided in subsection (1)(f) of K.S.A. 75-2935 and amendments thereto, except health care employees, as defined by subsection (1)(f) of K.S.A. 75-2935 and amendments thereto, in the purchase of retirement annuities for their service rendered after December 31, 1961. Effective on the first day of the first payroll period commencing with or following July 1, 1994, county extension agents employed by Kansas state university under K.S.A. 2-615 and amendments thereto shall be eligible for assistance by the state board of regents in the purchase of

retirement annuities under this section. The state board of regents shall not assist any such person who is employed after December 31, 1961, until such person has been employed for a waiting period of at least one year except that (i) the state board of regents may assist any newly employed person immediately if at the time of the commencement of employment the person is covered by a valid retirement annuity contract issued by a company described in subsection (2) which was entered into pursuant to a retirement pension plan adopted for faculty members or other persons, or both, employed by an institution of higher education and to which such person or such person's employer on such person's behalf has been making contributions for at least one year, and (ii) all periods of employment with (A) participating employers under the Kansas public employees retirement system, for which employment participating service credit accrued, or (B) institutions of higher education in other states for which employment retirement benefits accrued under a retirement system or plan provided for such employment, shall be credited toward satisfaction of such one-year waiting period if served, in either case, during the five years immediately preceding employment with the state board of regents or with an educational institution under its management in the unclassified service under the Kansas civil service act as provided in subsection (1)(f) of K.S.A. 75-2935 and amendments thereto, in addition to such employment with the state board of regents or with an educational institution under its management; no period of employment as a student employee, as a seasonal or temporary employee or as a part-time employee, whose employment requires less than 1,000 hours of work per year, shall be credited toward the one-year waiting period under subsection (1)(a); this act shall not apply to persons employed in such temporary and part-time positions designated by the state board of regents as exceptions hereto;

(b) require such members of the faculty and others described in subsection (1)(a) who are so assisted by the state board of regents to contribute an amount toward the purchase of such retirement annuities of 5.5% of their salaries, such contributions to be made through payroll deductions and on a pretax basis;

(c) contribute an amount toward the purchase of such retirement annuities equal to the percentage amount, as prescribed by K.S.A. 74-4925e and amendments thereto, of the total amount of the salaries on which such members of the faculty and others described in subsection (1)(a) contribute during such period for which the contribution of the state board of regents is made;

(d) provide, under such rules and regulations as the state board of regents may adopt, for the retirement of any such member of the faculty or other person described in subsection (1)(a) on account of age or condition of health, retirement of such member of the faculty or other person described in subsection (1)(a) on account of age to be not earlier than the 55th birthday and prior to January 1, 1994, not later than the end of the academic year following the 70th year. On and after January 1, 1994, there shall be no mandatory retirement on account of age. Any person who retires under this section and who receives benefits from the Kansas public employees retirement system for prior service credit shall have such benefits calculated in accordance with the applicable provisions of K.S.A. 74-4914 and 74-4915 and amendments thereto.

(2) For the purposes of this section the state board of regents may contract with:

(a) Any life insurance company authorized to do business in this state; or

(b) any life insurance company organized and operated without profit to any private shareholder or individual exclusively for the purpose of aiding and strengthening educational institutions by issuing insurance and annuity contracts only to or for the benefit of such institution and individuals engaged in the services of such institutions, whether or not such company is authorized to do business in Kansas. No premium tax or income tax shall be due or payable on such annuity contract or contracts for such retirement programs issued by a company described in this subsection (2)(b), except that neither the purchase nor the issuance of such retirement annuities from or by a company described in this subsection (2)(b) shall constitute the effecting of a contract of insurance.

(3) (a) Such member of the faculty or other person described in subsection (1)(a) shall also be a member of the Kansas public employees retirement system, but only for the purpose of granting retirement benefits based on prior service only which was rendered prior to January 1, 1962, which shall be credited to the member as provided in subsection (1) of K.S.A. 74-4913 and amendments thereto, except that such member of the faculty or other person described in subsection (1)(a) who was

employed prior to July 1, 1962, who has not yet retired and who is employed on July 1, 1988, on an academic year contract, shall receive credit for 12 months of prior service for each nine months of prior service for which such member or person was employed on an academic year contract prior to July 1, 1962. For the purpose of determining eligibility for a vested benefit, service by such a member of the faculty or other person after December 31, 1961, shall be construed to be credited service under subsection (2) of K.S.A. 74-4917 and amendments thereto.

(b) Any member of the faculty or other person described in subsection (1)(a) who retires after 10 years of continuous service immediately preceding retirement shall be granted a retirement benefit based on prior service only which was rendered prior to January 1, 1962. Application for such benefit shall be in such form and manner as the board shall prescribe.

(4) For the purpose of establishing a procedure whereby the state board of regents and any member of the faculty or other person described in subsection (1)(a), subject to rules and regulations of the state board of regents, may take advantage of section 403(a) or (b) of the federal internal revenue code of 1986 or any other section of the federal internal revenue code of 1986 which defers or excludes amounts from inclusion in income, any member of the faculty or any other person described in subsection (1)(a), whether or not such person has satisfied the one-year waiting period requirement under subsection (1)(a), may request in writing that the state board of regents reduce such person's annual salary, as fixed by the board, in an amount equal to not less than 5% nor more than the percentage allowed under section 403(b) of the federal internal revenue code of 1986, as designated by such member of the faculty or other person described in subsection (1)(a), of the gross amount of such annual salary. In the event of such request by a faculty member or other person who is required to make the contribution as provided in subsection (1)(b), such person shall not be required to make such contribution and the state board of regents shall provide a sum equal to the percentage amount, as prescribed by K.S.A. 74-4925e and amendments thereto, of the gross annual salary of the member of the faculty or other person and shall purchase for and on behalf of each such person whose salary has been so reduced a retirement annuity contract or contracts, the annual premiums for which shall be equal to the sum of the amount of the salary reduction of the member of the faculty or other person and the amount paid by the state board of regents. In the event of such request by a faculty member or other person who is serving the one-year waiting period pursuant to subsection (1)(a) who is not required to make the contribution as provided in subsection (1)(b), the state board of regents shall purchase for and on behalf of each such person whose salary has been so reduced a retirement annuity contract or contracts, the annual premiums for which shall be equal to the sum of the amount of the salary reduction of the member of the faculty or other person, but the state board of regents shall not provide the sum equal to the percentage amount, as prescribed by K.S.A. 74-4925e and amendments thereto, of the gross annual salary of such person as provided for such person who is required to make the contribution as provided in subsection (1)(b). Such retirement annuity contracts may be purchased by the state board of regents from companies described in subsection (2)(a) and subsection (2)(b) or from noninsurance companies who offer retirement plans that meet the requirements of section 403(b) of the federal internal revenue code of 1986, except that the state board of regents may require that the first 5% of the gross amount of such person's annual salary which is reduced under this subsection (4) and the amount equal to the percentage amount, as prescribed by K.S.A. 74-4925e and amendments thereto, of the gross amount of such person's annual salary which is provided by the state board of regents for the purchase of retirement annuity contracts under this subsection (4), if required to be provided under this subsection (4), shall be used to purchase such retirement annuity contracts from such company or companies as may be designated by the state board of regents for such purposes. The director of accounts and reports is authorized to draw warrants on the state treasurer upon the filing with the director of proper vouchers for the amount of the premium on the retirement annuity contract to be paid pursuant to the terms of such contracts and this act.

(5) All employees who are described in subsection (1)(a) and who commence such employment on and after July 1, 1976, shall receive assistance under subsection (1) and shall be covered by a valid retirement annuity contract issued by a company described in subsection (2).

(6) Any employee of the state board of regents or of an educational institution under its management, other than an elected official, who is

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receiving or is eligible for assistance by the state board of regents in the purchase of a retirement annuity under this section and who becomes ineligible for such assistance because such employee's position is reclassified to a position in the classified service under the Kansas civil service act or who becomes ineligible for such assistance because such employee transfers to a position in the classified service under the Kansas civil service act with the state board of regents or an educational institution under its management, shall become a member of the Kansas public employees retirement system in accordance with the provisions of subsection (5) of K.S.A. 74-4911 and amendments thereto, unless such employee files a written election in the office of the Kansas public employees retirement system, in the form and manner prescribed by the board of trustees thereof, to remain eligible for assistance by the state board of regents under this section prior to the first day of the first complete payroll period occurring after the effective date of such reclassification or transfer. Failure to file such written election shall be presumed to be an election not to remain eligible for assistance by the state board of regents under this section and to become a member of the Kansas public employees retirement system under subsection (5) of K.S.A. 74-4911 and amendments thereto. Such election, whether to remain eligible for such assistance or to become a member of such system, shall be effective as of the effective date of such reclassification or transfer and shall be irrevocable.

(7) The state board of regents shall adopt uniform policies applicable to members of the faculty and other persons, who are employed by the state board of regents or by any educational institution under its management and who are in the unclassified service under the Kansas civil service act as provided in subsection (1)(f) of K.S.A. 75-2935 and amendments thereto, except health care employees, as defined by subsection (1)(f) of K.S.A. 75-2935 and amendments thereto, for the purposes of administering the provisions of this section and the provision of retirement annuities and other benefits hereunder. All assistance provided by the state board of regents for such persons, and agreements entered into therefor, pursuant to this section prior to the effective date are hereby authorized, confirmed and validated.

(8) Any employee described in subsection (1)(a) who is on leave of absence and who accepts a position in the executive branch of government may file a written election in the office of the Kansas public employees retirement system, in the form and manner prescribed by the board, to remain eligible for assistance by the state board of regents under this section prior to the first day of the first complete payroll period occurring after the commencement of such service in the executive branch of government. Failure to file such written election shall be presumed to be an election not to remain eligible for assistance by the state board of regents. The state board of regents shall contribute an amount toward the purchase of retirement annuities on behalf of such employee equal to the sum of the amounts provided in subsection (1)(c).

(9) *Any employee described in subsection (1)(a) who is on leave of absence and who is elected or appointed as a member of the legislature may file a written election in the office of the Kansas public employees retirement system, in the form and manner prescribed by the board, to remain eligible for assistance by the state board of regents under this section prior to the first day of the first complete payroll period occurring after the commencement of such service in the legislature or for any employee who is a member of the legislature on January 8, 2001, prior to the first day of the first complete payroll period occurring after July 1, 2001. Failure to file such written election shall be presumed to be an election not to remain eligible for assistance by the state board of regents. For any employee who files an election as provided in this subsection and who was a member of the legislature on January 8, 2001, such election shall be effective on January 8, 2001. The state board of regents shall contribute an amount toward the purchase of retirement annuities on behalf of such employee equal to the percentage amount, as prescribed by K.S.A. 74-4925e, and amendments thereto, on the biweekly rate of the salary of such employee with the state board of regents in effect on the date preceding such leave of absence and continuing throughout such leave of absence. Any such employee who makes an election as provided by this subsection shall be eligible for the insured death benefit and insured disability benefit in the same manner as provided under the provisions of K.S.A. 74-4927a, and amendments thereto. The provisions of this section are intended to further the public policy of encouraging persons to serve in elective office.*

Sec. 23. K.S.A. 2000 Supp. 74-4927 is hereby amended to read as

follows: 74-4927. (1) The board may establish a plan of death and long-term disability benefits to be paid to the members of the retirement system as provided by this section. The long-term disability benefit shall not be payable until the member has been prevented from carrying out each and every duty pertaining to the member's employment as a result of sickness or injury for a period of 180 days and the annual benefit shall not exceed an amount equal to 66⅔% of the member's annual rate of compensation on the date such disability commenced and shall be payable in equal monthly installments. In the event that a member's compensation is not fixed at an annual rate but on an hourly, weekly, biweekly, monthly or any other basis than annual, the board shall prescribe by rule and regulation a formula for establishing a reasonable rate of annual compensation to be used in determining the amount of the death or long-term disability benefit for such member. Such plan shall provide that:

(A) For deaths occurring prior to January 1, 1987, the right to receive such death benefit shall cease upon the member's attainment of age 70 or date of retirement whichever first occurs. The right to receive such long-term disability benefit shall cease (i) for a member who becomes eligible for such benefit before attaining age 60, upon the date that such member attains age 65 or the date of such member's retirement, whichever first occurs, (ii) for a member who becomes eligible for such benefit at or after attaining age 60, the date that such member has received such benefit for a period of five years, upon the date that such member attains age 70, or upon the date of such member's retirement, whichever first occurs, (iii) for all disabilities incurred on or after January 1, 1987, for a member who becomes eligible for such benefit at or after attaining age 70, the date that such member has received such benefit for a period of 12 months or upon the date of such member's retirement, whichever first occurs, and (iv) for all disabilities incurred on or after January 1, 1987, for a member who becomes eligible for such benefit at or after attaining age 75, the date that such member has received such benefit for a period of six months or upon the date of such member's retirement, whichever first occurs.

(B) Long-term disability benefit payments shall be in lieu of any accidental total disability benefit that a member may be eligible to receive under subsection (3) of K.S.A. 74-4916 and amendments thereto. The member must make an initial application for social security disability benefits and, if denied such benefits, the member must pursue and exhaust all administrative remedies of the social security administration which include, but are not limited to, reconsideration and hearings. Such plan may provide that any amount which a member receives as a social security benefit or a disability benefit or compensation from any source by reason of any employment including, but not limited to, workers compensation benefits may be deducted from the amount of long-term disability benefit payments under such plan. During the period in which such member is pursuing such administrative remedies prior to a final decision of the social security administration, social security disability benefits may be estimated and may be deducted from the amount of long-term disability benefit payments under such plan. Such long-term disability payments shall accrue from the later of the 181st day of total disability or the first day upon which the member ceases to draw compensation from the employer. If the social security benefit, workers compensation benefit, other income or wages or other disability benefit by reason of employment, or any part thereof, is paid in a lump-sum, the amount of the reduction shall be calculated on a monthly basis over the period of time for which the lump-sum is given. In no case shall a member who is entitled to receive long-term disability benefits receive less than \$50 per month. As used in this section, "workers compensation benefits" means the total award of disability benefit payments under the workers compensation act notwithstanding any payment of attorney fees from such benefits as provided in the workers compensation act.

(C) The plan may include other provisions relating to qualifications for benefits; schedules and graduation of benefits; limitations of eligibility for benefits by reason of termination of employment or membership; conversion privileges; limitations of eligibility for benefits by reason of leaves of absence, military service or other interruptions in service; limitations on the condition of long-term disability benefit payment by reason of improved health; requirements for medical examinations or reports; or any other reasonable provisions as established by rule and regulation of uniform application adopted by the board.

(D) On and after April 30, 1981, the board may provide under the plan for the continuation of long-term disability benefit payments to any former member who forfeits the entitlement to continued service credit under the retirement system or continued assistance in the purchase of

retirement annuities under K.S.A. 74-4925 and amendments thereto and to continued long-term disability benefit payments and continued death benefit coverage, by reason of the member's withdrawal of contributions from the retirement system or the repurchase of retirement annuities which were purchased with assistance received under K.S.A. 74-4925 and amendments thereto. Such long-term disability benefit payments may be continued until such individual dies, attains age 65 or is no longer disabled, whichever occurs first.

(E) Any visually impaired person who is in training at and employed by a sheltered workshop for the blind operated by the secretary of social and rehabilitation services and who would otherwise be eligible for the long-term disability benefit as described in this section shall not be eligible to receive such benefit due to visual impairment as such impairment shall be determined to be a preexisting condition.

(2) (A) In the event that a member becomes eligible for a long-term disability benefit under the plan authorized by this section such member shall be given participating service credit for the entire period of such disability. Such member's final average salary shall be computed in accordance with subsection (17) of K.S.A. 74-4902 and amendments thereto except that the years of participating service used in such computation shall be the years of salaried participating service.

(B) In the event that a member eligible for a long-term disability benefit under the plan authorized by this section shall be disabled for a period of five years or more immediately preceding retirement, such member's final average salary shall be adjusted upon retirement by the actuarial salary assumption rates in existence during such period of disability. Effective July 1, 1993, such member's final average salary shall be adjusted upon retirement by 5% for each year of disability after July 1, 1993, but before July 1, 1998. Effective July 1, 1998, such member's final average salary shall be adjusted upon retirement by an amount equal to the lesser of: (i) The percentage increase in the consumer price index for all urban consumers as published by the bureau of labor statistics of the United States department of labor minus 1%; or (ii) four percent per annum, measured from the member's last day on the payroll to the month that is two months prior to the month of retirement, for each year of disability after July 1, 1998.

(C) In the event that a member eligible for a long-term disability benefit under the plan authorized by this section shall be disabled for a period of five years or more immediately preceding death, such member's current annual rate shall be adjusted by the actuarial salary assumption rates in existence during such period of disability. Effective July 1, 1993, such member's current annual rate shall be adjusted upon death by 5% for each year of disability after July 1, 1993, but before July 1, 1998. Effective July 1, 1998, such member's current annual rate shall be adjusted upon death by an amount equal to the lesser of: (i) The percentage increase in the consumer price index for all urban consumers published by the bureau of labor statistics of the United States department of labor minus 1%; or (ii) four percent per annum, measured from the member's last day on the payroll to the month that is two months prior to the month of death, for each year of disability after July 1, 1998.

(3) (A) To carry out the legislative intent to provide, within the funds made available therefor, the broadest possible coverage for members who are in active employment or involuntarily absent from such active employment, the plan of death and long-term disability benefits shall be subject to adjustment from time to time by the board within the limitations of this section. The plan may include terms and provisions which are consistent with the terms and provisions of group life and long-term disability policies usually issued to those employers who employ a large number of employees. The board shall have the authority to establish and adjust from time to time the procedures for financing and administering the plan of death and long-term disability benefits authorized by this section. Either the insured death benefit or the insured disability benefit or both such benefits may be financed directly by the system or by one or more insurance companies authorized and licensed to transact group life and group accident and health insurance in this state.

(B) The board may contract with one or more insurance companies, which are authorized and licensed to transact group life and group accident and health insurance in Kansas, to underwrite or to administer or to both underwrite and administer either the insured death benefit or the long-term disability benefit or both such benefits. Each such contract with an insurance company under this subsection shall be entered into on the basis of competitive bids solicited and administered by the board. Such competitive bids shall be based on specifications prepared by the board.

(i) In the event the board purchases one or more policies of group insurance from such company or companies to provide either the insured death benefit or the long-term disability benefit or both such benefits, the board shall have the authority to subsequently cancel one or more of such policies and, notwithstanding any other provision of law, to release each company which issued any such canceled policy from any liability for future benefits under any such policy and to have the reserves established by such company under any such canceled policy returned to the system for deposit in the group insurance reserve of the fund.

(ii) In addition, the board shall have the authority to cancel any policy or policies of group life and long-term disability insurance in existence on the effective date of this act and, notwithstanding any other provision of law, to release each company which issued any such canceled policy from any liability for future benefits under any such policy and to have the reserves established by such company under any such canceled policy returned to the system for deposit in the group insurance reserve of the fund. Notwithstanding any other provision of law, no premium tax shall be due or payable by any such company or companies on any such policy or policies purchased by the board nor shall any brokerage fees or commissions be paid thereon.

(4) (A) There is hereby created in the state treasury the group insurance reserve fund. Investment income of the fund shall be added or credited to the fund as provided by law. The cost of the plan of death and long-term disability benefits shall be paid from the group insurance reserve fund, which shall be administered by the board. Except as otherwise provided by this subsection, each participating employer shall appropriate and pay to the system in such manner as the board shall prescribe in addition to the employee and employer retirement contributions an amount equal to .6% of the amount of compensation on which the members' contributions to the Kansas public employees retirement system are based for deposit in the group insurance reserve fund. Notwithstanding the provisions of this subsection, no participating employer shall appropriate and pay to the system any amount provided for by this subsection for deposit in the group insurance reserve fund for the period commencing on April 1, 2000, and ending on ~~June 30, 2001~~ December 31, 2001.

(B) The director of the budget and the governor shall include in the budget and in the budget request for appropriations for personal services a sum to pay the state's contribution to the group insurance reserve fund as provided by this section and shall present the same to the legislature for allowances and appropriation.

(C) The provisions of subsection (4) of K.S.A. 74-4920 and amendments thereto shall apply for the purpose of providing the funds to make the contributions to be deposited to the group insurance reserve fund.

(D) Any dividend or retrospective rate credit allowed by an insurance company or companies shall be credited to the group insurance reserve fund and the board may take such amounts into consideration in determining the amounts of the benefits under the plan authorized by this section.

(5) The death benefit provided under the plan of death and long-term disability benefits authorized by this section shall be known and referred to as insured death benefit. The long-term disability benefit provided under the plan of death and long-term disability benefits authorized by this section shall be known and referred to as long-term disability benefit.

(6) The board is hereby authorized to establish an optional death benefit plan. Except as provided in subsection (7), such optional death benefit plan shall be made available to all employees who are covered or may hereafter become covered by the plan of death and long-term disability benefits authorized by this section. The cost of the optional death benefit plan shall be paid by the applicant either by means of a system of payroll deductions or direct payment to the board. The board shall have the authority and discretion to establish such terms, conditions, specifications and coverages as it may deem to be in the best interest of the state of Kansas and its employees which should include term death benefits for the person's period of active state employment regardless of age, but in no case, on and after January 1, 1989, shall the maximum allowable coverage be less than \$200,000. The cost of the optional death benefit plan shall not be established on such a basis as to unreasonably discriminate against any particular age group. The board shall have full administrative responsibility, discretion and authority to establish and continue such optional death benefit plan and the director of accounts and reports of the department of administration shall when requested by the board

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and from funds appropriated or available for such purpose establish a system to make periodic deductions from state payrolls to cover the cost of the optional death benefit plan coverage under the provisions of this subsection (6) and shall remit all deductions together with appropriate accounting reports to the system. There is hereby created in the state treasury the optional death benefit plan reserve fund. Investment income of the fund shall be added or credited to the fund as provided by law. All funds received by the board, whether in the form of direct payments, payroll deductions or otherwise, shall be accounted for separately from all other funds of the retirement system and shall be paid into the optional death benefit plan reserve fund, from which the board is authorized to make the appropriate payments and to pay the ongoing costs of administration of such optional death benefit plan as may be incurred in carrying out the provisions of this subsection (6).

(7) Any employer other than the state of Kansas which is currently a participating employer of the Kansas public employees retirement system or is in the process of affiliating with the Kansas public employees retirement system may also elect to affiliate for the purposes of subsection (6). All such employers shall make application for affiliation with such system, to be effective on January 1 next following application. Such optional death benefit plan shall not be available for employees of employers specified under this subsection until after July 1, 1988.

Sec. 24. K.S.A. 2000 Supp. 74-4927f is hereby amended to read as follows: 74-4927f. (a) For the purposes of providing the "insured death benefit" as prescribed in K.S.A. 74-4927 and amendments thereto, to all persons who are members of the retirement system for judges, the term "member" as used in K.S.A. 74-4927 and amendments thereto, and as used in this section shall include members of the retirement system for judges.

(b) Except as otherwise provided by this subsection, the employer of any member who is a member of the retirement system for judges shall pay to the Kansas public employees retirement system in such manner as the board of trustees shall prescribe, an amount equal to .4% of the amount of compensation on which the member's contributions to the retirement system for judges are based for deposit in the group insurance reserve of the Kansas public employees retirement fund, in lieu of the amount required to be paid under subsection (4) of K.S.A. 74-4927 and amendments thereto. Notwithstanding the provisions of this subsection, no employer shall pay to the system any amount provided for by this subsection for deposit in the group insurance reserve fund for the fiscal year ending June 30, 2001 period commencing on April 1, 2000, and ending on December 31, 2001.

Sec. 25. K.S.A. 2000 Supp. 74-4927h is hereby amended to read as follows: 74-4927h. (1) The provisions of this section shall apply to employees of the state board of regents and institutions under its management covered by the provisions of K.S.A. 74-4925 and 74-4927a and amendments thereto. This section shall be administered by the board of trustees of the Kansas public employees retirement system.

(2) (a) In the event that a member dies before retirement as a result of an accident arising out of and in the course of the member's actual performance of duty in the employ of a participating employer independent of all other causes and not as a result of a willfully negligent or intentional act of the member, an accidental death benefit shall be payable if: (A) A report of the accident, in a form acceptable to the board, is filed in the office of the executive secretary/director of the board within 60 days of the date of the accident causing such death, and an application for such benefit, in such form and manner as the board shall prescribe, is filed in the office of the executive secretary/director of the board within two years of the date of the accident, but the board may waive such time limits for a reasonable period if in the judgment of the board the failure to meet these limits was due to lack of knowledge or incapacity; and (B) the board finds from such evidence as it may require, to be submitted in such form and manner as it shall prescribe, that the natural and proximate cause of death was the result of an accident arising out of and in the course of the member's employment with a participating employer independent of all other causes at a definite time and place. Such accidental death benefit shall be a lump-sum amount of \$50,000 and an annual amount of 1/2 of the member's final average salary which shall accrue from the first day of the month following the date of death and which shall be payable in monthly installments or as the board may direct, but in no case shall the accidental death benefit be less than \$100 per month. The accidental death benefit payments shall be paid to the surviving spouse of such deceased member, such payments to continue so long as such sur-

viving spouse lives or until such surviving spouse remarries. If there is no surviving spouse, or in the case the spouse dies or remarries before the youngest child of such deceased member attains age 18 years or before the youngest child of such deceased member attains age 23, if such child is a full-time student as provided in K.S.A. 74-49,117, or if there are one or more children of the member who are totally disabled and dependent on the member or spouse, the accidental death benefit payments shall be paid to the child or children of such member under age 18 years or under age 23 years, if such child or children are full-time students as provided in K.S.A. 74-49,117 and to the child or children of the member who are totally disabled and dependent on the member or spouse, such payments to be divided in such manner as the board in its discretion shall determine and to continue until the youngest surviving child dies or attains age 18 years or attains age 23 years, if such child is a full-time student as provided in K.S.A. 74-49,117, in the case of the child or children who are totally disabled and dependent on the member or spouse, until death or until no longer totally disabled. If there is no surviving spouse or child eligible for accidental death benefits under this subsection (2) at the time of the member's death, the accidental death benefit payments shall be paid to the parent or parents of such member who are dependent on such member, such payments to continue until the last such parent dies. All payments due under this subsection (2) to a minor shall be made to a legally appointed conservator of such minor or totally disabled child as provided in subsection (7) of K.S.A. 74-4902 and amendments thereto.

(b) In construction of this section, there shall be no presumption that the death of the member was the result of an accident nor shall there be a liberal interpretation of the law or evidence in favor of the person claiming under this subsection (2). In the event of the death of a member resulting from a heart, circulatory or respiratory condition, there must be clear and precise evidence that death was the result of an accident independent of all other causes which arose out of and in the course of the member's actual performance of duties in the employ of a participating employer.

(c) The value, as determined by the board upon recommendation of the actuary, of any worker's compensation benefits paid or payable to the recipient or recipients of an annual benefit under this subsection (2) shall be deducted from the amounts which become payable under this section. In the event that a member should die as a result of an accident as described in this subsection (2), all elections or options previously made by the deceased member shall become void and of no effect whatsoever and the retirement system shall be liable only for the accidental death benefit and any insured death benefit that may be due. The benefit payable under this subsection (2) shall be known and referred to as the "accidental death benefit."

(3) Any costs to the board from the claims arising under this section shall be included in the rate certified by the board to finance the costs of members under subsection (3) of K.S.A. 74-4925 and amendments thereto.

(4) The payment of benefits as provided in this section is subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto.

Sec. 26. K.S.A. 2000 Supp. 74-4932 is hereby amended to read as follows: 74-4932. As used in this act, unless the context otherwise requires:

(1) "Accumulated contributions" means the sum of all contributions by a member to the system which shall be credited to such member's account, with interest allowed thereon, plus such member's contributions transferred from the school employees savings fund of the state school retirement system;

(2) "compensation" means the same as defined in subsection (9) of K.S.A. 74-4902 and amendments thereto;

(3) "school year" means the twelve-month period beginning September 1 and ending August 31;

(4) "employee" means any employee of a participating employer which is an eligible employer, as specified in K.S.A. 74-4931 and amendments thereto, whose employment is not seasonal or temporary and whose employment requires at least 630 hours of work per year or 3.5 hours of work per day for at least 180 days or any employee who is concurrently employed by two or more eligible employers, as specified in K.S.A. 74-4931 and amendments thereto, whose combined employment is not seasonal or temporary and whose combined employment requires at least 630 hours of work per year or 3.5 hours of work per day for at least 180 days. Employee shall not include:

(a) Any employee who is covered by or eligible for or who will be-

come eligible for retirement benefits under any retirement plan or system provided by K.S.A. 74-4925 and amendments thereto;

(b) any employee who is a contributing member of the United States civil service retirement system;

(c) any employee or class of employees specifically exempt by law, except those persons who were formerly employees of one or more of the participating employers which are eligible employers as specified in K.S.A. 74-4931 and amendments thereto, who are covered by and have contributions on deposit with the state school retirement system and who have not retired under that system on the day next preceding entry date;

(d) any employee who on entry date is covered by or eligible for or will become eligible for retirement benefits under a separate retirement system authorized or established under K.S.A. 72-1758 to 72-1769, inclusive, and amendments thereto, or K.S.A. 72-6780 and amendments thereto, except that this paragraph (d) shall not include any employee, who before September 1, 1974, elects to become a member of the Kansas public employees retirement system as provided in K.S.A. 74-4935a and amendments thereto; or

(e) on and after July 1, 1975, no person who is otherwise eligible for membership in the Kansas public employees retirement system shall be barred from such membership by reason of coverage by, eligibility for or future eligibility for a retirement annuity under the provisions of K.S.A. 74-4925 and amendments thereto. However, no person shall receive service credit under the Kansas public employees retirement system for any period of service for which benefits accrue or are granted under a retirement annuity plan under the provisions of K.S.A. 74-4925 and amendments thereto;

(5) "executive secretary director" means the managing officer of the system as defined in subsection (16) of K.S.A. 74-4902 and amendments thereto;

(6) "military service" means the same as defined in subsection (22) of K.S.A. 74-4902 and amendments thereto, and includes such service when followed by return to employment with the same or another participating employer on or before the beginning of the next school year following discharge or separation from such military service;

(7) "normal retirement date" means the same as defined in subsection (23) of K.S.A. 74-4902 and amendments thereto, as modified by subsection (1) of K.S.A. 74-4937 and amendments thereto;

(8) "school employment" means the employment of a member when employed by an eligible employer as specified in any of subsections subsection (1), (2) or (3) of K.S.A. 74-4931 and amendments thereto; and

(9) "USERRA" means the same as defined in subsection (35) of K.S.A. 74-4902 and amendments thereto.

Sec. 27. K.S.A. 74-4934 is hereby amended to read as follows: 74-4934. (1) On and after July 1, 1970, the state school retirement board is abolished and such board shall have no further legal authority or powers. On such date all of the powers provided in K.S.A. 72-5501 to 72-5534 and amendments thereto shall devolve upon and be performed by the board of trustees of the Kansas public employees retirement system, and all powers heretofore exercised by the state school retirement board, including management and control of the assets and funds of the state school retirement system, shall be and become vested in the board of trustees of the Kansas public employees retirement system. Whenever in the statutes of this state the words "state school retirement board" or words of like effect are used, the same shall be deemed to mean the board of trustees of the Kansas public employees retirement system. The board of trustees of the Kansas public employees retirement system is authorized to execute transfer endorsements for any stock or security of the state school retirement system and such endorsements may be in the name of the state school retirement board.

(2) On January 1, 1971, there shall be transferred from the school employees savings fund of the state school retirement system such moneys and securities, and accumulated earnings thereon, as are equal to the accumulated contributions (savings annuity deductions or accumulated deductions) of the members of the state school retirement system on deposit with the state school retirement system who become members of this system on January 1, 1971, as provided in K.S.A. 74-4935. Such transfer of securities in the school employees savings fund shall be on the basis of the book value of such securities. The member's account in this system shall be credited with the amount in his savings annuity account (savings annuity deductions or accumulated deductions) so transferred.

(3) "Executive secretary director" as used in K.S.A. 72-5501 to 72-5534, inclusive, and amendments thereto means the same as is provided

in subsection (5) of K.S.A. 74-4932. The duties provided in such statutes to be performed by the executive secretary director shall be performed by the person holding the office defined in subsection (5) of K.S.A. 74-4932. Employees of the state school retirement board shall continue in state service and retain all their rights under the Kansas civil service act.

Sec. 28. K.S.A. 2000 Supp. 74-4940 is hereby amended to read as follows: 74-4940. (a) Subject to the provisions of subsection (b), all members in school employment who are subject to the continuing contract law shall be paid their contractual compensation in not less than 12 substantially equal installments, paid once, or more often, each month commencing in September of each school year.

(b) Upon written authorization from any member in school employment who is subject to the continuing contract law, an employer shall pay the balance of such member's contractual compensation for the school year in one payment upon completion of all contractual obligations of the member. The authorization shall be filed with the employer not later than April 1 of the school year in and for which the balance payment is first authorized. A written authorization under this subsection shall remain in effect until revoked in writing by the member filing the authorization. So long as the authorization of such member remains in effect, the balance of the member's contractual compensation shall be paid each school year in accordance with the provisions of this subsection. Such payment shall be made no later than June 30 of the school year. For the purposes of the Kansas public employees retirement system, the employer shall make the appropriate employee contribution deduction from the payment and shall report and remit the amount so deducted to the executive secretary director at the time monthly deductions and quarterly reports would normally be made under K.S.A. 74-4919, and amendments thereto, if the authorization for one payment was not in effect.

(c) Notwithstanding the provisions of subsections (a) and (b), each member in school employment who is subject to the continuing contract law, who has completed the balance of such member's contractual obligations and retires prior to the end of a school year under K.S.A. 74-4937, and amendments thereto, shall be paid the balance of the member's contractual compensation in one payment during the calendar month immediately preceding the date of retirement. For the purposes of the Kansas public employees retirement system, the employer shall make the appropriate employee contribution deduction from the payment and shall report and remit the amount so deducted to the executive secretary director at the time monthly deductions and reports are made under K.S.A. 74-4919, and amendments thereto, for the period in which the payment is made except that such report and remittance shall not include any amount which would have been reported normally in the next ensuing period under subsection (b). No employee contribution deduction shall be made from such amount and such amount shall not be included as compensation in determining the member's final average salary.

(d) An employer of members in school employment who are not subject to the continuing contract law may adopt a policy providing that any or all such members shall be paid their contractual compensation each school year in not less than 12 substantially equal installments, paid once, or more often, each month commencing in the first month of any such member's school employment. A copy of any such policy shall be provided to each such member in school employment.

(e) As used in this section, the term "school employment" means the employment of a member when employed by an eligible employer as specified in any of subsections (1), (2) or (3) of K.S.A. 74-4931, and amendments thereto.

Sec. 29. K.S.A. 2000 Supp. 74-4957 is hereby amended to read as follows: 74-4957. (1) The normal retirement date for a member of the system who is appointed or employed prior to July 1, 1989, and who does not make an election pursuant to K.S.A. 74-4955a and amendments thereto shall be the first day of the month coinciding with or following termination of employment not followed by employment with any participating employer within 30 days and the attainment of age 55 and the completion of 20 years of credited service. Any member may retire on such member's normal retirement date or on the first day of any month thereafter.

(2) *Early retirement.* Any member who is appointed or employed prior to July 1, 1989, and who does not make an election pursuant to K.S.A. 74-4955a and amendments thereto may retire before such member's normal retirement date on the first day of any month coinciding with or following termination of employment not followed by employ-

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ment with any participating employer within 30 days and the attainment of age 50 and the completion of 20 years of credited service.

(3) Notwithstanding the provisions of subsections (1) and (2) of this section and K.S.A. 74-4955a, 74-4957a, 74-4958a, 74-4960a, 74-4963a and 74-4964a and amendments thereto, the normal retirement date for any member who was, up to the entry date of such member's employer, covered by a pension system under the provisions of K.S.A. 13-14a01 to 13-14a14, inclusive, or 14-10a01 to 14-10a15, inclusive, and amendments thereto, shall be the first day of the month coinciding with or following the attainment of age 50 and the completion of 25 years of credited service.

(4) In no event shall a member be eligible to retire until such member has been a contributing member of the system for 12 months of participating service, and shall have given such member's employer prior notice of retirement.

(5) If a retirant who retired on or after July 1, 1994, is employed, elected or appointed in or to any position or office for which compensation for service is paid in an amount equal to \$15,000 or more in any one such calendar year, by the same state agency or the same police or fire department of any county, city, township or special district or the same sheriff's office of a county during the final two years of such retirant's participation, such retirant shall not receive any retirement benefit for any month for which such retirant serves in such position or office. The participating employer shall report to the system within 30 days of when the compensation paid to the retirant is equal to or exceeds any limitation provided by this section. Any retirant employed by a participating employer in the Kansas police and firemen's retirement system shall not make contributions nor receive additional credit under such system for such service except as provided by this section. Upon request of the executive secretary director of the system, the secretary of revenue shall provide such information as may be needed by the executive secretary director to carry out the provisions of this act.

Sec. 30. K.S.A. 2000 Supp. 74-4957a is hereby amended to read as follows: 74-4957a. (1) The normal retirement date for a member of the system who is appointed or employed on or after July 1, 1989, or who makes an election pursuant to K.S.A. 74-4955a and amendments thereto to be covered by the provisions of this act shall be the first day of the month coinciding with or following termination of employment not followed by employment with any participating employer within 30 days and the attainment of age 55 and the completion of 20 years of credited service, age 50 and the completion of 25 years of credited service or age 60 with the completion of 15 years of credited service. Any such member may retire on such member's normal retirement date or on the first day of any month thereafter.

(2) Any member may retire before such member's normal retirement date on the first day of any month coinciding with or following termination of employment not followed by employment with any participating employer within 30 days and the attainment of age 50 and the completion of 20 years of credited service.

(3) In no event shall a member be eligible to retire until such member has been a contributing member of the system for 12 months of participating service, and shall have given such member's employer prior notice of retirement.

(4) If a retirant who retired on or after July 1, 1996, is employed, elected or appointed in or to any position or office for which compensation for service is paid in an amount equal to \$15,000 or more in any one such calendar year, by the same state agency or the same police or fire department of any county, city, township or special district or the same sheriff's office of a county during the final two years of such retirant's participation, such retirant shall not receive any retirement benefit for any month for which such retirant serves in such position or office. The participating employer shall report to the system within 30 days of when the compensation paid to the retirant is equal to or exceeds any limitation provided by this section. Any retirant employed by a participating employer in the Kansas police and firemen's retirement system shall not make contributions nor receive additional credit under such system for such service except as provided by this section. Upon request of the executive secretary director of the system, the secretary of revenue shall provide such information as may be needed by the executive secretary director to carry out the provisions of this act.

(5) The provisions of this section shall be effective on and after July 1, 1989, and shall apply only to members who were appointed or employed prior to July 1, 1989, and who made an election pursuant to K.S.A.

74-4955a and amendments thereto; and persons appointed or employed on or after July 1, 1989.

Sec. 31. K.S.A. 2000 Supp. 74-4958 is hereby amended to read as follows: 74-4958. (1) Any member who retires on or after July 1, 1994, shall be entitled to receive an age and service retirement benefit equal to 2.5% of such member's final average salary multiplied by the number of years of credited service except that in no case shall such retirement benefit exceed 80% of such member's final average salary.

(2) Any member who is appointed or employed prior to July 1, 1989, who does not make an election pursuant to K.S.A. 74-4955a and amendments thereto and who retires before such member's normal retirement date shall receive an early retirement benefit equal to the annual retirement benefit payable had the member retired on the normal retirement date reduced by an amount equal to the product of (A) such annual retirement benefit payable had the member retired on the normal retirement date, multiplied by (B) the product of .4% multiplied by the number of months difference, to the nearest whole month, between the member's attained age at the time of retirement and age 55.

(3) Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and amendments thereto; Upon the death after retirement of a member who was covered, up to the entry date of the member's employer, by a pension system under the provisions of K.S.A. 12-5001 to 12-5007, inclusive, and amendments thereto, or K.S.A. 13-14a01 to 13-14a14, inclusive, and amendments thereto, or K.S.A. 14-10a01 to 14-10a15, inclusive, and amendments thereto, and who had not elected to retire under one of the options provided under K.S.A. 74-4964 and amendments thereto, the member's spouse, if such spouse was the member's lawfully wedded spouse for a period of not less than one year at the time of the member's retirement or if such spouse had been the member's lawfully wedded spouse for at least three years after the time of the member's retirement, shall receive: (A) Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and amendments thereto, a lump-sum benefit equal to 1/2 the member's final average salary at the time of the member's retirement; and shall receive (B) an annual spouse's benefit equal to 75% of the member's retirement benefit payable in monthly installments, to accrue from the last day of the month following the member's date of death and ending on the last day of the month in which the spouse dies. Commencing on the effective date of this act, any surviving spouse, who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such spouse's remarriage, shall be entitled to once again receive benefits pursuant to this section, except that such surviving spouse shall not be entitled to recover any benefits not received after the termination of benefits by reason of such surviving spouse's remarriage but before the effective date of this act. If there is no surviving spouse, or if after the death of the spouse there remain one or more children under the age of 18 years or one or more children under the age of 23 years who is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto, the annual spouse's benefit shall be payable, subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, in equal shares to such children and each child's share shall end on the last day of the month in which such child attains the age of 18 years or dies, whichever occurs earlier or in which such child attains the age of 23 years if such child is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto. Commencing on the effective date of this act, any child who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such child's marriage, shall be entitled to once again receive benefits pursuant to this section subject to the limitations contained in this section, except that such child shall not be entitled to recover any benefits not received after the termination of benefits by reason of such child's marriage but before the effective date of this act. All payments due under this section to a minor shall be made to a legally appointed conservator of such minor as provided in subsection (7) of K.S.A. 74-4902 and amendments thereto. No person shall be entitled to receive more than one benefit under the provisions of this subsection. Any person who otherwise meets the qualifications to receive more than one benefit under this subsection shall elect the benefit such person shall receive.

(4) Upon the death after retirement of a member who had not elected to retire under one of the options provided under K.S.A. 74-4964 and amendments thereto, such member's beneficiary shall receive an amount equal to the excess, if any, of such member's accumulated contributions over the sum of all retirement benefit payments made.

(5) The provisions of law in effect on the retirement date of a member

under the system shall govern the retirement benefit payable to the retiree, any joint annuitant and any beneficiary.

Sec. 32. K.S.A. 2000 Supp. 74-4958a is hereby amended to read as follows: 74-4958a. (1) Any member who retires on or after July 1, 1993, shall be entitled to receive an age and service retirement benefit equal to 2.5% of such member's final average salary multiplied by the number of years of credited service except that in no case shall such retirement benefit exceed 80% of such member's final average salary.

(2) Any member who retires before such member's normal retirement date shall receive an early retirement benefit equal to the annual retirement benefit payable had the member retired on the normal retirement date reduced by an amount equal to the product of (A) such annual retirement benefit payable had the member retired on the normal retirement date, multiplied by (B) the product of 4% multiplied by the number of months difference, to the nearest whole month, between the member's attained age at the time of retirement and age 55.

(3) Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and amendments thereto, upon the death after retirement of a member who was covered, up to the entry date of the member's employer, by a pension system under the provisions of K.S.A. 12-5001 to 12-5007, inclusive, and amendments thereto, or K.S.A. 13-14a01 to 13-14a14, inclusive, and amendments thereto, or K.S.A. 14-10a01 to 14-10a15, inclusive, and amendments thereto, and who had not elected to retire under one of the options provided under K.S.A. 74-4964 and amendments thereto, the member's spouse, if such spouse was the member's lawfully wedded spouse for a period of not less than one year at the time of the member's retirement or if such spouse had been the member's lawfully wedded spouse for at least three years after the time of the member's retirement, shall receive: (A) Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and amendments thereto, a lump-sum benefit equal to $\frac{1}{2}$ the member's final average salary at the time of the member's retirement; and shall receive (B) an annual spouse's benefit equal to 75% of the member's retirement benefit payable in monthly installments, to accrue from the first day of the month following the member's date of death and ending on the last day of the month in which the spouse dies. Commencing on the effective date of this act, any surviving spouse, who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such spouse's remarriage, shall be entitled to once again receive benefits pursuant to this section, except that such surviving spouse shall not be entitled to recover any benefits not received after the termination of benefits by reason of such surviving spouse's remarriage but before the effective date of this act. If there is no surviving spouse, or if after the death of the spouse there remain one or more children under the age of 18 years or one or more children under the age of 23 years who is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto, the annual spouse's benefit shall be payable, subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, in equal shares to such children and each child's share shall end on the last day of the month in which such child attains the age of 18 years or dies, whichever occurs earlier or in which such child attains the age of 23 years, if such child is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto. Commencing on the effective date of this act, any child who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such child's marriage, shall be entitled to once again receive benefits pursuant to this section subject to the limitations contained in this section, except that such child shall not be entitled to recover any benefits not received after the termination of benefits by reason of such child's marriage but before the effective date of this act. All payments due under this section to a minor shall be made to a legally appointed conservator of such minor as provided in subsection (7) of K.S.A. 74-4902 and amendments thereto. No person shall be entitled to receive more than one benefit under the provisions of this subsection. Any person who otherwise meets the qualifications to receive more than one benefit under this subsection shall elect the benefit such person shall receive.

(4) Upon the death after retirement of a member who had not elected to retire under one of the options provided under K.S.A. 74-4964 and amendments thereto, such member's beneficiary shall receive an amount equal to the excess, if any, of such member's accumulated contributions over the sum of all retirement benefit payments made.

(5) The provisions of this section shall be effective on and after July 1, 1989 and shall apply only to members who were appointed or employed prior to July 1, 1989, and who made an election pursuant to K.S.A. 74-

4955a and amendments thereto; and persons appointed or employed on or after July 1, 1989.

(6) The provisions of law in effect on the retirement date of a member under the system shall govern the retirement benefit payable to the retiree, any joint annuitant and any beneficiary.

Sec. 33. K.S.A. 2000 Supp. 74-4959 is hereby amended to read as follows: 74-4959. (1) Upon the death from service-connected causes as defined in this act, of an active contributing member prior to retirement, the following benefits shall be payable if a report of the event, in a form acceptable to the board, is filed in the office of the executive secretary director of the board within 200 days after the date of the act of duty causing such death and an application for such benefits, in such form and manner as prescribed by the board, is filed in the office of the executive secretary director of the board within two years of the date of death, but the board may waive such time limits for a reasonable period if in the judgment of the board the failure to meet these limits was due to lack of knowledge or incapacity:

(a) To the member's spouse, if lawfully wedded to the member at the time of the member's death, an annual spouse's benefit equal to 50% of the member's final average salary, which shall accrue from the first day of the month coinciding with or following the member's death and shall end on the first day of the month in which the spouse's death occurs. Commencing on the effective date of this act, any surviving spouse, who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such spouse's remarriage, shall be entitled to once again receive benefits pursuant to this section, except that such surviving spouse shall not be entitled to recover any benefits not received after the termination of benefits by reason of such surviving spouse's remarriage but before the effective date of this act.

(b) Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, to the member's children under the age of 18 years or under the age of 23 years, if such children are full-time students as provided in K.S.A. 74-49,117 and amendments thereto an annual children's benefit equal to 10% of the member's final average salary for each such child, which shall accrue from the first day of the month coinciding with or following the member's death and shall end on the last day of the month in which such child attains the age of 18 years or dies, whichever occurs earlier or in which such child attains the age of 23 years, if such child is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto, except that if there is no eligible spouse, or if upon the death of the spouse there remain one or more children under the age of 18 years or under the age of 23 years, if such children are full-time students as provided in K.S.A. 74-49,117 and amendments thereto, the annual spouse's benefit shall be paid in equal shares to such children and each child's share shall end on the last day of the month in which such child attains the age of 18 years or dies, whichever occurs earlier or in which such child attains the age of 23 years, if such child is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto. Commencing on the effective date of this act, any child who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such child's marriage, shall be entitled to once again receive benefits pursuant to this section subject to the limitations contained in this section, except that such child shall not be entitled to recover any benefits not received after the termination of benefits by reason of such child's marriage but before the effective date of this act.

(c) In no case shall benefits payable under the provisions of paragraphs (a) and (b) of this subsection (1) exceed 75% of the member's final average salary.

(2) Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and amendments thereto, upon the death from causes not service-connected of an active contributing member prior to retirement, the member's spouse, if lawfully wedded to the member at the time of the member's death, shall receive immediately a lump-sum benefit equal to 100% of the member's final average salary and shall be entitled to receive an annual death benefit equal to the member's retirement benefit calculated as if the member had retired on the member's normal retirement date, but based upon the member's final average salary and years of credited service on the date of death but not to exceed the amount of the annual spouse's benefit provided in paragraph (a) of subsection (1). An application for such benefits in such form and manner as prescribed by the board must be filed in the office of the executive secretary director of the board within two years of the date of death, but the board may waive such time

(continued)

limit for a reasonable period if in the judgment of the board the failure to meet this limit was due to the lack of knowledge or incapacity. On and after July 1, 1993, the annual spouse's benefit under this subsection (2) shall accrue from the first day of the month coinciding with or following the member's death and shall continue until the spouse's death. Commencing on the effective date of this act, any surviving spouse, who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such spouse's remarriage, shall be entitled to once again receive benefits pursuant to this section, except that such surviving spouse shall not be entitled to recover any benefits not received after the termination of benefits by reason of such surviving spouse's remarriage but before the effective date of this act. If there is no eligible spouse or if after the death of the spouse there remain one or more children of the member under the age of 18 years or one or more children of the member under the age of 23 years, if such children are full-time students as provided in K.S.A. 74-49,117 and amendments thereto, the spouse's benefit shall be payable, subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, in equal shares to such children and each child's share shall end on the last day of the month in which such child attains the age of 18 years or dies, whichever occurs earlier or in which such child attains the age of 23 years, if such child is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto. Commencing on the effective date of this act, any child who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such child's marriage, shall be entitled to once again receive benefits pursuant to this section subject to the limitations contained in this section, except that such child shall not be entitled to recover any benefits not received after the termination of benefits by reason of such child's marriage but before the effective date of this act.

(3) Upon the death of a member prior to retirement, if no benefits are payable under the provisions of subsection (1) or (2), the sum of the following shall be paid to the member's beneficiary: (a) The member's accumulated contributions; and (b) a lump sum death benefit equal to 100% of the member's current annual salary reduced by the sum of the member's accumulated contributions paid as provided by this section.

(4) All payments due under this section to a minor shall be made to a legally appointed conservator of such minor as provided in subsection (7) of K.S.A. 74-4902 and amendments thereto.

Sec. 34. K.S.A. 2000 Supp. 74-4960 is hereby amended to read as follows: 74-4960. (1) If any active contributing member becomes totally and permanently disabled due to service-connected causes as defined in subsection (10) of K.S.A. 74-4952 and amendments thereto, such member shall be retired and the following benefits shall become payable and shall continue until the member's death or until the member recovers from the disability if: A report of the event in a form acceptable to the board is filed in the office of the executive secretary/director of the board within 220 days after the date of the event or act of duty causing such disability; and an application for such benefit, in such form and manner as the board prescribes, is filed by the member or the member's authorized representative in the office of the executive secretary/director of the board within two years of the date of disability, *except the board may waive such two-year requirement if the board is presented with evidence that clearly warrants such a waiver.*

(a) On and after July 1, 1993, the member shall receive a retirement benefit equal to 50% of the member's final average salary or, if the member has no dependents, as defined in subsection (1)(b), the retirement benefit the member would have been entitled to as provided under K.S.A. 74-4958 and amendments thereto had the member retired, whichever is greater. Such benefit shall accrue from the day upon which the member ceases to draw compensation.

(b) *Except as otherwise provided by this subsection*, each of the member's children under the age of 18 years or each of the member's children under the age of 23 years who is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto shall receive an annual benefit equal to 10% of the member's final average salary. Such benefit shall accrue from the day upon which the member ceases to draw compensation and shall end on the last day of the month in which each such child or children shall attain the age of 18 years or die, whichever occurs earlier or in which such children attain the age of 23 years, if such child is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto. Commencing on the effective date of this act, any child who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such child's marriage, shall be entitled to once again receive benefits

pursuant to this section subject to the limitations contained in this section, except that such child shall not be entitled to recover any benefits not received after the termination of benefits by reason of such child's marriage but before the effective date of this act. *For a member who becomes totally and permanently disabled as provided in this section on and after July 1, 2001, only the member's children who were born, conceived or adopted prior to the commencement of the member's disability are entitled to the annual benefit as provided in this subsection.*

(c) In no case shall the total of the benefits payable under paragraphs (a) and (b) of this subsection (1) be in excess of 75% of the member's final average salary.

(d) In the event a member who is retired under subsection (1) dies within two years after the date of such retirement and no benefits are payable under subsection (3) of K.S.A. 74-4958 and amendments thereto, then benefits may be payable under subsection (1) of K.S.A. 74-4959 and amendments thereto.

(e) In the event a member who is retired under subsection (1) dies more than two years after the date of such retirement, and the proximate cause of such death is the service-connected cause from which the disability resulted and no benefits are payable under subsection (3) of K.S.A. 74-4958 and amendments thereto, then benefits may be payable under subsection (1) of K.S.A. 74-4959 and amendments thereto. The provisions of this paragraph (e) of this subsection (1) shall apply in all cases of such members who die after June 30, 1978.

(f) In the event a member who is retired under subsection (1) dies after the date of such retirement, and no benefits are payable under paragraphs (d) and (e) of subsection (1), nor under subsection (3) of K.S.A. 74-4958 and amendments thereto, the following benefits shall be payable:

(i) To the member's spouse, if lawfully wedded to the member at the time of the member's death, a lump-sum benefit equal to 50% of the member's final average salary at the time of the member's retirement.

(ii) To the member's spouse, if lawfully wedded to the member at the time of the member's death, an annual benefit equal to 50% of the member's retirement benefit payable in monthly installments, to accrue from the first day of the month following the member's date of death and ending on the last day of the month in which the spouse dies. Commencing on the effective date of this act, any surviving spouse, who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such spouse's remarriage, shall be entitled to once again receive benefits pursuant to this section, except that such surviving spouse shall not be entitled to recover any benefits not received after the termination of benefits by reason of such surviving spouse's remarriage but before the effective date of this act. If there is no surviving spouse, or if after the death of the spouse there remain one or more children under the age of 18 years or one or more children under the age of 23 years who is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto, the annual spouse's benefit shall be payable, subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, in equal shares to such children and each child's share shall end on the last day of the month in which such child attains the age of 18 years or dies, whichever occurs earlier or in which such child attains the age of 23 years, if such child is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto. Commencing on the effective date of this act, any child who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such child's marriage, shall be entitled to once again receive benefits pursuant to this section subject to the limitations contained in this section, except that such child shall not be entitled to recover any benefits not received after the termination of benefits by reason of such child's marriage but before the effective date of this act.

The provisions of paragraph (f) of subsection (1) shall apply in all cases of such members who die after December 1, 1984.

(2) (a) If any active contributing member, prior to such member's normal retirement, becomes totally and permanently disabled for a period of 180 days from causes not service-connected, and not as the result of a willfully negligent or intentional act of the member, such member shall be retired and the following benefit shall become payable and shall continue until the member's death or until the member recovers from such disability, whichever occurs first, if a report of the disability in a form acceptable to the board is filed in the office of the executive secretary/director of the board within 220 days after the date of the commencement of such disability and if an application for such benefit in such form and manner as the board shall prescribe is filed in the office of the executive

secretary director of the board within two years of the date of disability, except that the board may waive such two-year requirement, if the board is presented with evidence that clearly warrants such a waiver.

A retirement benefit equal to 2.5% of the member's final average salary multiplied by the number of years of credited service or the retirement benefit the member would have been entitled to as provided under K.S.A. 74-4958 and amendments thereto had the member retired, whichever is greater, multiplied by the number of years of credited service except that such retirement benefit shall be at least equal to 25% of the member's final average salary but shall not exceed the amount of the retirement benefit provided in paragraph (a) of subsection (1). Such benefit shall not become payable until satisfactory evidence shall be presented to the board that the member is and has been totally and permanently disabled for a period of 180 days, but benefits shall accrue from the day upon which the member ceases to draw compensation.

(b) Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and amendments thereto, In the event a member who is retired under subsection (2) dies after the date of such retirement, and no benefits are payable under subsection (3) of K.S.A. 74-4958 and amendments thereto, the following benefits shall be payable:

(i) Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and amendments thereto, to the member's spouse, if lawfully wedded to the member at the time of the member's death and if no benefits are payable under subsection (3) of K.S.A. 74-4958, and amendments thereto, a lump-sum benefit equal to 50% of the member's final average salary at the time of the member's retirement.

(ii) To the member's spouse, if lawfully wedded to the member at the time of the member's death, an annual benefit equal to 50% of the member's retirement benefit payable in monthly installments, to accrue from the first day of the month following the member's date of death and ending on the last day of the month in which the spouse dies. Commencing on the effective date of this act, any surviving spouse, who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such spouse's remarriage, shall be entitled to once again receive benefits pursuant to this section, except that such surviving spouse shall not be entitled to recover any benefits not received after the termination of benefits by reason of such surviving spouse's remarriage but before the effective date of this act. If there is no surviving spouse, or if after the death of the spouse there remain one or more children under the age of 18 years or one or more children under the age of 23 years who are full-time students as provided in K.S.A. 74-49,117 and amendments thereto, the annual spouse's benefit shall be payable, subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, in equal shares to such children and each child's share shall end on the last day of the month in which such child attains the age of 18 years or dies, whichever occurs earlier or in which such child attains the age of 23 years, if such child is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto. Commencing on the effective date of this act, any child who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such child's marriage, shall be entitled to once again receive benefits pursuant to this section subject to the limitations contained in this section, except that such child shall not be entitled to recover any benefits not received after the termination of benefits by reason of such child's marriage but before the effective date of this act.

The provisions of paragraph (b) of subsection (2) shall apply in all cases of such members who die after July 1, 1989.

(3) Any member who was employed for compensation by an employer other than the member's participating employer and whose disability was incurred in the course of such other employment shall not be eligible for any of the benefits provided in subsection (2).

(4) If a member becomes totally and permanently disabled and no benefits are payable under subsection (1) or (2), the sum of the member's accumulated contributions shall be paid to the member.

(5) Any member receiving benefits under this section shall submit to medical examination, not more frequent than annually, by one or more physicians or any other practitioners of the healing arts holding a valid license issued by Kansas state board of healing arts, as the board of trustees may direct. If upon such medical examination, the examiner's report to the board states that the retirant is physically able and capable of resuming employment with the same or a different participating employer, the disability benefits shall terminate. A retirant who has been receiving benefits under the provisions of this section and who returns to employ-

ment, as defined in subsection (4) of K.S.A. 74-4952 and amendments thereto, of a participating employer shall immediately commence accruing service credit which shall be added to that which has been accrued by virtue of previous service.

(6) Any retirant who has been receiving benefits under the provisions of this section for a period of five years shall be deemed finally retired and shall not be subject to further medical examinations, except that if the board of trustees shall have reasonable grounds to question whether the retirant remains totally and permanently disabled, a further medical examination or examinations may be required.

(7) Refusal or neglect to submit to examination as provided in subsection (5) shall be sufficient cause for suspending or discontinuing benefit payments under this section and if such refusal or neglect shall continue for a period of one year, the member's rights in and to all benefits under this system may be revoked by the board.

(8) Any retirement benefits payable under the provisions of this section shall be in lieu of normal retirement benefits as provided in subsections (1) and (2) of K.S.A. 74-4958 and amendments thereto.

(9) Each member shall report to such member's participating employer any event or act of duty causing disability within 200 days after such event or act of duty. The member's participating employer shall file in the office of the executive secretary director of the board, in a form acceptable to the board, a report of the event or act of duty causing disability within 220 days after the event or act of duty.

(10) In any case of any event occurring prior to July 1, 1979, and after June 30, 1998, for which a report of the event was made by the participating employer to the director of workers' compensation in accordance with K.S.A. 44-557 and amendments thereto, such report to the director of workers' compensation shall satisfy the requirement under subsection (1) of this section to file a report of such event, in a form acceptable to the board within 220 days. No such report to the director of workers' compensation shall be deemed to satisfy such requirement with respect to events occurring on or after July 1, 1979, and prior to July 1, 1998.

(11) All payments due under this section to a minor shall be made to a legally appointed conservator of such minor.

(12) The provisions of this section shall apply only to members who were appointed or employed prior to July 1, 1989, and who did not make an election pursuant to K.S.A. 74-4955a and amendments thereto.

(13) Any retirant who has been receiving benefits under the provisions of this section and who returns to employment with the same or different participating employer in the system shall be deemed no longer retired.

(14) Upon the death of a member after retirement, if no benefits are payable under the provisions of this section, the excess, if any, of the retirant's accumulated contributions over the sum of all benefits paid shall be paid to the member's beneficiary.

Sec. 35. K.S.A. 2000 Supp. 74-4960a is hereby amended to read as follows: 74-4960a. (1) If any active contributing member who is appointed or employed on or after July 1, 1989, or who makes an election pursuant to K.S.A. 74-4955a and amendments thereto to be covered by the provisions of this act becomes disabled as defined in subsection (2), such member shall receive a monthly benefit equal to 50% of the member's final average salary at the time such member was disabled payable in monthly installments, accruing from the first day upon which the member ceases to draw compensation, if a report of the disability in such form and manner as the board shall prescribe is filed in the office of the executive secretary director of the board within 220 days after the date of the commencement of such disability and if an application for such benefit in such form and manner as the board shall prescribe is filed in the office of the executive secretary director of the board within two years of the date of the commencement of such disability, except that the board may waive such two-year requirement, if the board is presented with evidence that clearly warrants such a waiver.

(2) For the purposes of this section, "disabled" means total inability to perform permanently the duties of the position of policeman or fireman.

(3) Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and amendments thereto, In the event a member who is disabled and entitled to such benefits as provided in subsection (1) dies after the date of such disability, and no benefits are payable under subsection (3) of K.S.A. 74-4958 and amendments thereto, the following benefits shall be payable:

(continued)

(i) Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and amendments thereto, to the member's spouse, if lawfully wedded to the member at the time of the member's death, and if no benefits are payable under subsection (3) of K.S.A. 74-4955a, and amendments thereto, a lump-sum benefit equal to 50% of the member's final average salary at the time such member was disabled.

(ii) To the member's spouse, if lawfully wedded to the member at the time of the member's death, an annual benefit equal to 50% of the member's benefit payable in monthly installments, to accrue from the first day of the month following the member's date of death and ending on the last day of the month in which the spouse dies. Commencing on the effective date of this act, any surviving spouse, who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such spouse's remarriage, shall be entitled to once again receive benefits pursuant to this section, except that such surviving spouse shall not be entitled to recover any benefits not received after the termination of benefits by reason of such surviving spouse's remarriage but before the effective date of this act. If there is no surviving spouse, or if after the death of the spouse there remain one or more children under the age of 18 years or one or more children under the age of 23 years who is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto, the annual spouse's benefit shall be payable, subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, in equal shares to such children and each child's share shall end on the last day of the month in which such child attains the age of 18 years or dies, whichever occurs earlier or in which such child attains the age of 23 years, if such child is a full-time student as provided in K.S.A. 74-49,117 and amendments thereto. Commencing on the effective date of this act, any child who was receiving benefits pursuant to this section and who had such benefits terminated by reason of such child's marriage, shall be entitled to once again receive benefits pursuant to this section subject to the limitations contained in this section, except that such child shall not be entitled to recover any benefits not received after the termination of benefits by reason of such child's marriage but before the effective date of this act.

(4) Any member who was employed for compensation by an employer other than the member's participating employer and whose disability was incurred in the course of such other employment shall not be eligible for any of the benefits provided in subsection (1) or (3).

(5) If a member becomes totally and permanently disabled and no benefits are payable under subsection (1), the sum of the member's accumulated contributions shall be paid to the member.

(6) Any member receiving benefits under this section shall submit to medical examination, not more frequent than annually, by one or more physicians or any other practitioners of the healing arts holding a valid license issued by the state board of healing arts to practice a branch of the healing arts, as the board of trustees may direct. If upon such medical examination, the examiner's report to the board states that the member is physically able and capable of resuming employment with the same or a different participating employer, the disability benefits shall terminate. A member who has been receiving benefits under the provisions of this section and who returns to employment, as defined in subsection (4) of K.S.A. 74-4952 and amendments thereto, of a participating employer shall immediately commence accruing service credit which shall be added to that which has been accrued by virtue of previous service.

(7) Any member who has been receiving benefits under the provisions of this section for a period of five years shall be deemed permanent and shall not be subject to further medical examinations, except that if the board of trustees shall have reasonable grounds to question whether the member remains totally and permanently disabled, a further medical examination or examinations may be required.

(8) Refusal or neglect to submit to examination as provided in subsection (6) shall be sufficient cause for suspending or discontinuing benefit payments under this section and if such refusal or neglect shall continue for a period of one year, the member's rights in and to all benefits under this system may be revoked by the board.

(9) In the event that a member becomes disabled and is eligible for benefits provided in this section, such member shall be given participating service credit for the entire period of such disability.

(10) Any member who is receiving benefits pursuant to this section shall file annually a statement of earnings for the previous year in such form and manner as the board shall prescribe. Any disability benefit paid to a member entitled to such benefit pursuant to this section shall be reduced by the board in an amount equal to a \$1 reduction in such benefit

for every \$2 of earnings of such member which were earned during the previous year while such member was disabled. Such reduction shall apply only to a member's earnings which exceed \$10,000.

(11) Any benefits provided pursuant to this section and any participating service credit given pursuant to subsection (9) shall terminate upon the earliest date such member is eligible for retirement upon attainment of the normal retirement date as provided in K.S.A. 74-4964a and amendments thereto.

(12) Any member who has received benefits under the provisions of this section for a period of five years or more immediately preceding retirement shall have such member's final average salary adjusted upon retirement by the actuarial salary assumption rates in existence during such period. Effective July 1, 1993, each member's current annual rate shall be adjusted upon retirement by 5% for each year of disability after July 1, 1993, but before July 1, 1998. Effective July 1, 1998, such member's current annual rate shall be adjusted upon retirement by an amount equal to the lesser of: (1) The percentage increase in the consumer price index for all urban consumers as published by the bureau of labor statistics of the United States department of labor minus one percent; or (2) four percent per annum, measured from the member's last day on the payroll to the month that is two months prior to the month of retirement, for each year of disability after July 1, 1998.

(13) All payments due under this section to a minor shall be made to a legally appointed conservator of such minor.

(14) The provisions of this section shall be effective on and after July 1, 1989 and shall apply only to members who were appointed or employed prior to July 1, 1989, and who made an election pursuant to K.S.A. 74-4955a and amendments thereto; and persons appointed or employed on or after July 1, 1989.

(15) Any retiree who has been receiving benefits under the provisions of this section and who returns to employment with the same or different participating employer in the system shall be deemed no longer retired.

(16) Upon the death of a member after retirement, if no benefits are payable under the provisions of this section, the excess, if any, of the retiree's accumulated contributions over the sum of all benefits paid shall be paid to the member's beneficiary.

Sec. 36. K.S.A. 2000 Supp. 74-4963 is hereby amended to read as follows: 74-4963. (1) Upon termination of employment prior to the completion of 20 years of credited service, after 30 days after such termination a member may withdraw such member's accumulated contributions or elect to leave such accumulated contributions on deposit with the system. If the member elects to leave the accumulated contributions on deposit with the system and if the member returns to employment with the same or another participating employer within five years, such member shall receive credit for such member's service prior to such termination. If the member does not elect to leave the accumulated contributions on deposit or if the member does not return to covered employment within five years, such member shall no longer be a member of the system and the sum of such member's accumulated contributions then on deposit with this system shall be paid to such member after making application in a form prescribed by the board and after the system has a reasonable time to process the application for withdrawal. Upon proper notification by the system, member contributions not on deposit with the system shall be paid to the member by the participating employer.

(2) If, after termination and withdrawal of accumulated contributions, a former member returns to covered employment, except as otherwise provided in subsection (1), the former member shall become a member of the system as provided in subsection (2) of K.S.A. 74-4955 and amendments thereto. Any former member returning to covered employment may, at the former member's option, pay to the system within 31 days of the former member's return to covered employment, the total of the former member's withdrawn accumulated contributions plus interest at a rate specified by the board, in which case the member shall receive full credit for the member's service prior to the member's termination. Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, members who do not elect to repay within 31 days of return to covered employment may elect to purchase previously forfeited service any time prior to retirement. Such purchase shall be made by a lump-sum payment equal to 1.75% of the member's current annual salary for each quarter of previously forfeited participating service which the member elects to repurchase. purchase service credit for such previously forfeited service credit, subject to the provisions of K.S.A. 2000 Supp. 74-49,123, and amendments thereto, at an additional rate of con-

tribution, in addition to the employee's rate of contribution as provided in K.S.A. 74-4919, and amendments thereto, based upon the member's attained age at the time of purchase and using actuarial assumptions and tables in use by the retirement system at such time of purchase for such periods of service. Such additional rate of contribution shall commence at the beginning of the quarter following such election and shall remain in effect until all quarters of such service have been purchased. Subject to the provisions of K.S.A. 2000 Supp. 74-49,123, and amendments thereto, such member may elect to effect such purchase by means of a single lump-sum payment in lieu of the increased amount of the employee's contribution rate otherwise provided for in this act in an amount equal to the then present value of the benefits being purchased determined by the actuary using the member's attained age, annual compensation at the time of purchase and the actuarial assumptions and tables then in use by the retirement system. The lump-sum payment shall be made immediately upon being notified of the amount due. Upon receipt of such payment by the system the member shall receive full credit for the number of previously forfeited quarters of participating service which the member has elected to repurchase. Any member who repurchases all of the member's previously forfeited participating service credit shall also receive all of the member's previously forfeited prior service credit.

(3) Upon termination and withdrawal of accumulated contributions, any member whose employment was, up to the member's employer's entry date, covered by a pension system established under the provisions of K.S.A. 13-14a01 through 13-14a14, and amendments thereto, or K.S.A. 14-10a01 through 14-10a15, and amendments thereto, shall be entitled to receive from the member's employer the sum of the member's accumulated contributions to the previous pension system.

(4) If a member has completed 20 years of credited service at date of termination, the member shall be granted automatically a vested retirement benefit in the system, but any time prior to the commencement of retirement benefit payments and before attaining age 55 the member may withdraw the member's accumulated contributions, whereupon the member's membership in this system ceases and no other amounts shall be payable for the member's prior and participating service credit. Eligibility of such member, who has not withdrawn the member's accumulated contributions, for retirement benefits and procedures for making application for retirement benefits shall be in accordance with K.S.A. 74-4957 and amendments thereto, except that in lieu of the three-month notice of intention to retire being made to the employer, such member shall make application for retirement in a form prescribed by the board and retirement benefits shall accrue from the first day of the month following receipt of such application. The amount of the retirement benefit shall be determined as provided in K.S.A. 74-4958 and amendments thereto.

(5) If a member, who has a vested retirement benefit, again becomes an employee of a participating employer, the amount of the member's vested retirement benefit shall remain in effect, and any retirement benefit such member subsequently accrues shall be calculated separately based on credited service after again becoming an employee and shall be added to that which had been vested by virtue of previous service. Eligibility of such member for retirement benefits and procedures for making application for retirement benefits shall be in accordance with K.S.A. 74-4957 and amendments thereto.

(6) Any member of this system who was previously a member of the Kansas public employees retirement system or the retirement system for judges and who forfeited service credit under either of those systems by reason of termination of employment and withdrawal of their contributions to that system, may elect, subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, to purchase service credit for the previously forfeited service credit by means of a single lump-sum payment and such service shall be recredited to that system. The amount of the lump-sum payment shall be determined by the actuary using the member's then current annual rate of compensation and the actuarial assumptions and tables then currently in use by that retirement system.

(7) The provisions of this section shall apply only to members who were appointed or employed prior to July 1, 1989, and who did not make an election pursuant to K.S.A. 74-4955a and amendments thereto.

Sec. 37. K.S.A. 2000 Supp. 74-4963a is hereby amended to read as follows: 74-4963a. (1) Upon termination of employment prior to the completion of 15 years of credited service, after 30 days after such termination a member may withdraw such member's accumulated contributions or elect to leave such accumulated contributions on deposit with the system.

If the member elects to leave the accumulated contributions on deposit with the system and if the member returns to employment with the same or another participating employer within five years, such member shall receive credit for such member's service prior to such termination. If the member does not elect to leave the accumulated contributions on deposit or if the member does not return to covered employment within five years, such member shall no longer be a member of the system and the sum of such member's accumulated contributions then on deposit with this system shall be paid to such member after making application in a form prescribed by the board and after the system has a reasonable time to process the application for withdrawal. Upon proper notification, by the system, member contributions not on deposit with the system shall be paid to the member by the participating employer.

(2) If, after termination and withdrawal of accumulated contributions, a former member returns to covered employment, except as otherwise provided in subsection (1), the former member shall become a member of the system as provided in subsection (2) of K.S.A. 74-4955 and amendments thereto. Any former member returning to covered employment may, at the former member's option, pay to the system within 31 days of the former member's return to covered employment, the total of the former member's withdrawn accumulated contributions plus interest at a rate specified by the board, in which case the member shall receive full credit for the member's service prior to the member's termination. Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, members who do not elect to repay within 31 days of return to covered employment may elect to purchase previously forfeited service any time prior to retirement. Such purchase shall be made by a lump-sum payment equal to 1.75% of the member's current annual salary for each quarter of previously forfeited participating service which the member elects to repurchase. purchase service credit for such previously forfeited service credit, subject to the provisions of K.S.A. 2000 Supp. 74-49,123, and amendments thereto, at an additional rate of contribution, in addition to the employee's rate of contribution as provided in K.S.A. 74-4919, and amendments thereto, based upon the member's attained age at the time of purchase and using actuarial assumptions and tables in use by the retirement system at such time of purchase for such periods of service. Such additional rate of contribution shall commence at the beginning of the quarter following such election and shall remain in effect until all quarters of such service have been purchased. Subject to the provisions of K.S.A. 2000 Supp. 74-49,123, and amendments thereto, such member may elect to effect such purchase by means of a single lump-sum payment in lieu of the increased amount of the employee's contribution rate otherwise provided for in this act in an amount equal to the then present value of the benefits being purchased determined by the actuary using the member's attained age, annual compensation at the time of purchase and the actuarial assumptions and tables then in use by the retirement system. The lump-sum payment shall be made immediately upon being notified of the amount due. Upon receipt of such payment by the system the member shall receive full credit for the number of previously forfeited quarters of participating service which the member has elected to repurchase. Any member who repurchases all of the member's previously forfeited participating service credit shall also receive all of the member's previously forfeited prior service credit.

(3) Upon termination and withdrawal of accumulated contributions, any member whose employment was, up to the member's employer's entry date, covered by a pension system established under the provisions of K.S.A. 13-14a01 through 13-14a14, and amendments thereto, or K.S.A. 14-10a01 through 14-10a15, and amendments thereto, shall be entitled to receive from the member's employer the sum of the member's accumulated contributions to the previous pension system.

(4) If a member has completed 15 years of credited service at date of termination, the member shall be granted automatically a vested retirement benefit in the system, but any time prior to the commencement of retirement benefit payments and before attaining age 55 the member may withdraw the member's accumulated contributions, whereupon the member's membership in this system ceases and no other amounts shall be payable for the member's prior and participating service credit. Eligibility of such member, who has not withdrawn the member's accumulated contributions, for retirement benefits and procedures for making application for retirement benefits shall be in accordance with K.S.A. 74-4957 and amendments thereto, except that in lieu of the three-month notice of intention to retire being made to the employer, such member

(continued)

shall make application for retirement in a form prescribed by the board and retirement benefits shall accrue from the first day of the month following receipt of such application. The amount of the retirement benefit shall be determined as provided in K.S.A. 74-4958 and amendments thereto.

(5) If a member, who has a vested retirement benefit, again becomes an employee of a participating employer, the amount of the member's vested retirement benefit shall remain in effect, and any retirement benefit such member subsequently accrues shall be calculated separately based on credited service after again becoming an employee and shall be added to that which had been vested by virtue of previous service. Eligibility of such member for retirement benefits and procedures for making application for retirement benefits shall be in accordance with K.S.A. 74-4957 and amendments thereto.

(6) Any member of this system who was previously a member of the Kansas public employees retirement system or the retirement system for judges and who forfeited service credit under either of those systems by reason of termination of employment and withdrawal of their contributions to that system, may elect, subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, to purchase service credit for the previously forfeited service credit by means of a single lump-sum payment and such service shall be recredited to that system. The amount of the lump-sum payment shall be determined by the actuary using the member's then current annual rate of compensation and the actuarial assumptions and tables then currently in use by that retirement system.

(7) The provisions of this section shall be effective on and after July 1, 1989 and shall apply only to members who were appointed or employed prior to July 1, 1989, and who made an election pursuant to K.S.A. 74-4955a and amendments thereto; and persons appointed or employed on or after July 1, 1989.

Sec. 38. K.S.A. 2000 Supp. 74-4964 is hereby amended to read as follows: 74-4964. (1) A member may elect to have such member's retirement benefit paid under one of the options provided in this section in lieu of having it paid in the form stated in subsections (1) and (2) of K.S.A. 74-4958 and amendments thereto. Such election must be made before the date of actual retirement. Only a specific individual person may be designated as a joint annuitant at the time of election of the joint and $\frac{1}{2}$ to joint annuitant survivor option, the joint and survivor option and the joint and $\frac{3}{4}$ to joint annuitant survivor option. Under no circumstances may an option be changed or canceled nor the named joint annuitant changed after the date of actual retirement of the member.

(2) The amount of a retirement benefit payable under an option shall be based on the age of the member and, if applicable, the age of the joint annuitant, and shall be such amount as to be the actuarial equivalent of the retirement benefit otherwise payable under subsections (1) or (2) of K.S.A. 74-4958 and amendments thereto as prescribed under subsection (5). In no case shall the total amount of retirement benefit paid under any option provided in this section be more than 100% of the retirement benefit which would have been otherwise payable if no option had been elected under this section.

(3) If a member who was, up to the entry date of such member's employer, covered by a pension system under the provisions of K.S.A. 13-14a01 to 13-14a14, inclusive or 14-10a01 through 14-10a15, inclusive, and amendments thereto so elects one of the options under this section, payment of such option shall be in lieu of any payments provided in subsection (3) of K.S.A. 74-4958 and amendments thereto.

(4) Such election of an option shall become null and void upon the death of a member prior to such member's retirement, except that if a member, who is eligible to retire in accordance with the provisions of subsections (1) and (2) of K.S.A. 74-4958 and amendments thereto, dies without having actually retired the member's spouse, if the spouse is beneficiary for the member's accumulated contributions, and no benefits are payable under subsections (1) and (2) of K.S.A. 74-4959 and amendments thereto, may elect to receive benefits under one of the options provided in this section, in lieu of receiving the member's accumulated contributions.

(5) The following retirement options which are subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, are available:

(A) *Joint and $\frac{1}{2}$ to joint annuitant survivor.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement annuity otherwise payable under K.S.A. 74-4958 and amendments

thereto and (B) the percentage equal to 94.5% minus .2% for each year by which the age of the retirant's joint annuitant is less than the retirant's age, computed to the nearest whole year, or plus .2% for each year by which the age of the retirant's joint annuitant is more than the retirant's age, computed to the nearest whole year, with $\frac{1}{2}$ of that monthly amount continued to the retirant's joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the retirant. In the event that the designated joint annuitant under this option predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under this option shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(B) *Joint and survivor.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement annuity otherwise payable under K.S.A. 74-4958 and amendments thereto and (B) the percentage equal to 88% minus .4% for each year by which the age of the retirant's joint annuitant is less than the retirant's age, computed to the nearest whole year, or plus .4% for each year by which the age of the retirant's joint annuitant is more than the retirant's age, computed to the nearest whole year, with that monthly amount continued to the joint annuitant during the joint annuitant's remaining lifetime, if any, after the death of retirant. In the event that the designated joint annuitant under this option predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under this option shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(C) *Joint and $\frac{3}{4}$ to joint annuitant survivor.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement annuity otherwise payable under K.S.A. 74-4958 and amendments thereto and (B) the percentage equal to 91% minus .3% for each year by which the age of the retirant's joint annuitant is less than the retirant's age, computed to the nearest whole year, or plus .3% for each year by which the age of the retirant's joint annuitant is more than the retirant's age, computed to the nearest whole year, with $\frac{3}{4}$ of that monthly amount continued to the retirant's joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the retirant. In the event that the designated joint annuitant under this option predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under this option shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(D) *Life with 5 years certain.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to 99% of the monthly payment of the retirement benefit otherwise payable under K.S.A. 74-4958 and amendments thereto, and if the retirant dies within the five-year certain period, measured from the commencement of retirement benefit payments, such payments will be continued to the retirant's beneficiary during the balance of the five-year certain period.

(E) *Life with 10 years certain.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to 98% of the monthly payment of the retirement benefit otherwise payable under K.S.A. 74-4958 and amendments thereto, and if the retirant dies within the ten-year certain period, measured from the commencement of retirement benefit payments, such payments will be continued to the retirant's beneficiary during the balance of the ten-year certain period.

(F) *Life with 15 years certain.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to 92% of the monthly payment of the retirement benefit otherwise payable under K.S.A. 74-4958 and amendments thereto, and if the retirant dies within the fifteen-year certain period, measured from the commencement of retirement benefit payments, such payments will be continued to the retirant's beneficiary during the balance of the fifteen-year certain period.

(G) *Lump sum payment at retirement.* (i) Pursuant to this option, the member must specify a lump sum amount to be paid to the member upon the member's retirement. The lump sum amount will be based on the actuarial present value of the benefit as provided in K.S.A. 74-4958 and amendments thereto. The lump sum amount designated by the member must be in 10% increments and shall not exceed $\frac{1}{2}$ of the actuarial present value of the benefit provided in K.S.A. 74-4958, and amendments thereto.

(ii) Pursuant to this option, the member must elect to have the remaining actuarial present value paid in a monthly amount under the provisions of K.S.A. 74-4958, and amendments thereto, or subsections (5)(A) through (5)(F) of this section.

(iii) ~~The amount of any retirement benefit payable pursuant to this subsection shall remain as provided in this subsection even in the event that the designated joint annuitant pursuant to subsections (5)(A), (5)(B) or (5)(C) predeceases the retirant. In the event that the designated joint annuitant pursuant to subsection (5)(A), (5)(B) or (5)(C) under this option predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under this option shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.~~

(iv) The provisions of this subsection shall be effective on and after July 1, 2001.

(6) On and after July 1, 1996, if a member with 20 or more years of credited service dies before attaining retirement age, the member's spouse, if the spouse is the sole beneficiary for the member's accumulated contributions, may elect to receive benefits under one of the options provided in this section in lieu of receiving the member's accumulated contributions or in lieu of receiving benefits as provided in K.S.A. 74-4959 and amendments thereto. Payments under one of the options provided in this section to the member's spouse if so elected, shall commence on the date that the member would have attained retirement age.

(7) Benefits payable to a joint annuitant shall accrue from the first day of the month following the death of a member or retirant and, in the case of the joint and $\frac{1}{2}$ to joint annuitant survivor option, the joint and survivor option and the joint and $\frac{3}{4}$ to joint annuitant survivor option, shall end on the last day of the month in which the joint annuitant dies.

(8) The provisions of the law in effect on the retirement date of a member under the system shall govern the retirement benefit payable to the retirant and any joint annuitant, except, for retirement benefits payable after July 1, 1993, for retirants who retired prior to July 1, 1982, in the event that the designated joint annuitant under the option provided in subsection (5)(A), (B) or (C), as applicable, predeceased the retirant, the amount of the retirement benefit otherwise payable to the retirant under the option provided in subsection (5)(A), (B) or (C), as applicable, shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(9) Upon the death of a joint annuitant who is receiving a retirement benefit under the provisions of this section, there shall be paid to such joint annuitant's beneficiary an amount equal to the excess, if any, of the accumulated contributions of the retirant over the sum of all retirement benefit payments made to such retirant and such joint annuitant. Such joint annuitant shall designate a beneficiary by filing in the office of the retirement system such designation at the time of death of the retirant. If there is no named beneficiary of such joint annuitant living at the time of death of such joint annuitant, any amount provided for by this section shall be paid to, in order of preference as follows:

- (A) The joint annuitant's surviving spouse;
- (B) the joint annuitant's dependent child or children;
- (C) the joint annuitant's dependent parent or parents;
- (D) the joint annuitant's nondependent child or children;
- (E) the joint annuitant's nondependent parent or parents; or
- (F) the estate of the deceased joint annuitant.

(10) The provisions of this section shall apply only to members who were appointed or employed prior to July 1, 1989, and who did not make an election pursuant to K.S.A. 74-4955a and amendments thereto.

Sec. 39. K.S.A. 2000 Supp. 74-4964a is hereby amended to read as follows: 74-4964a. (1) A member may elect to have such member's retirement benefit paid under one of the options provided in this section in lieu of having it paid in the form stated in subsections (1) and (2) of K.S.A. 74-4958 and amendments thereto. Such election must be made before the date of actual retirement. Only a specific individual person may be designated as a joint annuitant at the time of election of the joint and $\frac{1}{2}$ to joint annuitant survivor option, the joint and survivor option and the joint and $\frac{3}{4}$ to joint annuitant survivor option. Under no circumstances may an option be changed or canceled nor the named joint annuitant changed after the date of actual retirement of the member.

(2) The amount of a retirement benefit payable under an option shall be based on the age of the member and, if applicable, the age of the joint annuitant, and shall be such amount as to be the actuarial equivalent of

the retirement benefit otherwise payable under subsections (1) or (2) of K.S.A. 74-4958 and amendments thereto as prescribed under subsection (5). In no case shall the total amount of retirement benefit paid under any option provided in this section be more than 100% of the retirement benefit which would have been otherwise payable if no option had been elected under this section.

(3) If a member who was, up to the entry date of such member's employer, covered by a pension system under the provisions of K.S.A. 13-14a01 through 13-14a14, inclusive or 14-10a01 through 14-10a15, inclusive, and amendments thereto so elects one of the options under this section, payment of such option shall be in lieu of any payments provided in subsection (3) of K.S.A. 74-4958 and amendments thereto.

(4) Such election of an option shall become null and void upon the death of a member prior to such member's retirement, except that if a member, who is eligible to retire in accordance with the provisions of subsections (1) and (2) of K.S.A. 74-4958 and amendments thereto, dies without having actually retired the member's spouse, if the spouse is beneficiary for the member's accumulated contributions, and no benefits are payable under subsections (1) and (2) of K.S.A. 74-4959 and amendments thereto, may elect to receive benefits under one of the options provided in this section, in lieu of receiving the member's accumulated contributions.

(5) The following retirement options which are subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, are available:

(A) *Joint and $\frac{1}{2}$ to joint annuitant survivor.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement annuity otherwise payable under K.S.A. 74-4958 and amendments thereto and (B) the percentage equal to 94.5% minus .2% for each year by which the age of the retirant's joint annuitant is less than the retirant's age, computed to the nearest whole year, or plus .2% for each year by which the age of the retirant's joint annuitant is more than the retirant's age, computed to the nearest whole year, with $\frac{1}{2}$ of that monthly amount continued to the retirant's joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the retirant. In the event that the designated joint annuitant under this option predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under this option shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(B) *Joint and survivor.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement annuity otherwise payable under K.S.A. 74-4958 and amendments thereto and (B) the percentage equal to 88% minus .4% for each year by which the age of the retirant's joint annuitant is less than the retirant's age, computed to the nearest whole year, or plus .4% for each year by which the age of the retirant's joint annuitant is more than the retirant's age, computed to the nearest whole year, with that monthly amount continued to the joint annuitant during the joint annuitant's remaining lifetime, if any, after the death of retirant. In the event that the designated joint annuitant under this option predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under this option shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(C) *Joint and $\frac{3}{4}$ to joint annuitant survivor.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement annuity otherwise payable under K.S.A. 74-4958 and amendments thereto and (B) the percentage equal to 91% minus .3% for each year by which the age of the retirant's joint annuitant is less than the retirant's age, computed to the nearest whole year, or plus .3% for each year by which the age of the retirant's joint annuitant is more than the retirant's age, computed to the nearest whole year, with $\frac{3}{4}$ of that monthly amount continued to the retirant's joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the retirant. In the event that the designated joint annuitant under this option predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under this option shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

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(D) *Life with 5 years certain.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to 99% of the monthly payment of the retirement benefit otherwise payable under K.S.A. 74-4958 and amendments thereto, and if the retirant dies within the five-year certain period, measured from the commencement of retirement benefit payments, such payments will be continued to the retirant's beneficiary during the balance of the five-year certain period.

(E) *Life with 10 years certain.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to 98% of the monthly payment of the retirement benefit otherwise payable under K.S.A. 74-4958 and amendments thereto, and if the retirant dies within the ten-year certain period, measured from the commencement of retirement benefit payments, such payments will be continued to the retirant's beneficiary during the balance of the ten-year certain period.

(F) *Life with 15 years certain.* A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to 92% of the monthly payment of the retirement benefit otherwise payable under K.S.A. 74-4958 and amendments thereto, and if the retirant dies within the fifteen-year certain period, measured from the commencement of retirement benefit payments, such payments will be continued to the retirant's beneficiary during the balance of the fifteen-year certain period.

(G) *Lump sum payment at retirement.* (i) Pursuant to this option, the member must specify a lump sum amount to be paid to the member upon the member's retirement. The lump sum amount will be based on the actuarial present value of the benefit as provided in K.S.A. 74-4958a, and amendments thereto. The lump sum amount designated by the member must be in 10% increments and shall not exceed $\frac{1}{2}$ of the actuarial present value of the benefit provided in K.S.A. 74-4958a, and amendments thereto.

(ii) Pursuant to this option, the member must elect to have the remaining actuarial present value paid in a monthly amount under the provisions of K.S.A. 74-4958a, and amendments thereto, or subsections (5)(A) through (5)(F) of this section.

(iii) ~~The amount of any retirement benefit payable pursuant to this subsection shall remain as provided in this subsection even in the event that the designated joint annuitant pursuant to subsections (5)(A), (5)(B) or (5)(C) predeceases the retirant. In the event that the designated joint annuitant pursuant to subsection (5)(A), (5)(B) or (5)(C) under this option predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under this option shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.~~

(iv) The provisions of this subsection shall be effective on and after July 1, 2001.

(6) On and after July 1, 1996, if a member with 20 or more years of credited service dies before attaining retirement age, the member's spouse, if the spouse is the sole beneficiary for the member's accumulated contributions, may elect to receive benefits under one of the options provided in this section in lieu of receiving the member's accumulated contributions or in lieu of receiving benefits as provided in K.S.A. 74-4959 and amendments thereto. Payments under one of the options provided in this section to the member's spouse if so elected, shall commence on the date that the member would have attained retirement age.

(7) Benefits payable to a joint annuitant shall accrue from the first day of the month following the death of a member or retirant and, in the case of the joint and $\frac{1}{2}$ to joint annuitant survivor option, the joint and survivor option and the joint and $\frac{3}{4}$ to joint annuitant survivor option, shall end on the last day of the month in which the joint annuitant dies.

(8) The provisions of the law in effect on the retirement date of a member under the system shall govern the retirement benefit payable to the retirant and any joint annuitant, except, for retirement benefits payable after July 1, 1993, for retirants who retired prior to July 1, 1982, in the event that the designated joint annuitant under the option provided in subsection (5)(A), (B) or (C), as applicable, predeceased the retirant, the amount of the retirement benefit otherwise payable to the retirant under the option provided in subsection (5)(A), (B) or (C), as applicable, shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(9) Upon the death of a joint annuitant who is receiving a retirement benefit under the provisions of this section, there shall be paid to such joint annuitant's beneficiary an amount equal to the excess, if any, of the

accumulated contributions of the retirant over the sum of all retirement benefit payments made to such retirant and such joint annuitant. Such joint annuitant shall designate a beneficiary by filing in the office of the retirement system such designation at the time of death of the retirant. If there is no named beneficiary of such joint annuitant living at the time of death of such joint annuitant, any amount provided for by this section shall be paid to, in order of preference as follows:

- (A) The joint annuitant's surviving spouse;
- (B) the joint annuitant's dependent child or children;
- (C) the joint annuitant's dependent parent or parents;
- (D) the joint annuitant's nondependent child or children;
- (E) the joint annuitant's nondependent parent or parents; or
- (F) the estate of the deceased joint annuitant.

(10) The provisions of this section shall be effective on and after July 1, 1989, and shall apply only to members who were appointed or employed prior to July 1, 1989, and who made an election pursuant to K.S.A. 74-4955a and amendments thereto; and persons appointed or employed on or after July 1, 1989.

Sec. 40. K.S.A. 2000 Supp. 74-4965 is hereby amended to read as follows: 74-4965. (1) Except as otherwise provided in this section, each participating employer shall, beginning with the first payroll period for services performed after the entry date, deduct from the compensation of each member 7% of such member's compensation as employee contributions, except that in the case of a member whose employment is covered by social security and the member is a member of the class certified in the case of *Brazelton v. Kansas public employees retirement system*, 227 K. 443, 607 P.2d 510 (1980), the deduction from such member's compensation shall be reduced by the amount of such member's contributions to social security.

(2) For any member other than a member who is a member of the class certified in the case of *Brazelton v. Kansas public employees retirement system*, 227 K. 443, 607 P.2d 510 (1980), no employee contributions shall be reduced because of contributions to social security.

(3) All such deductions shall be remitted quarterly, or as the board may otherwise provide, to the executive secretary director for credit to the Kansas public employees retirement fund and shall be credited to the members' individual accounts. Interest on each member's accumulated contributions at the rate determined under subsection (a) of K.S.A. 74-4922 and amendments thereto shall be added annually to the member's individual account.

(4) For all payroll periods commencing on or after the effective date of this act, each participating employer shall deduct from the compensation of each member who has received 32 years of credited service, 2% of such member's compensation as employee contributions.

(5) (a) Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, each participating employer, pursuant to the provisions of section 414(h)(2) of the federal internal revenue code, shall pick up and pay the contributions which would otherwise be payable by members as prescribed in subsection (1) commencing with the third quarter of 1984. The contributions so picked up shall be treated as employer contributions for purposes of determining the amounts of federal income taxes to withhold from the member's compensation.

(b) Member contributions picked up by the employer shall be paid from the same source of funds used for the payment of compensation to a member. A deduction shall be made from each member's compensation equal to the amount of the member's contributions picked up by the employer, provided that such deduction shall not reduce the member's compensation for purposes of computing benefits under the system.

(c) Member contributions picked up by the employer shall be remitted quarterly, or as the board may otherwise provide, to the executive secretary director for credit to the Kansas public employees retirement fund. Such contributions shall be credited to a separate account within the member's individual account so that amounts contributed by the member commencing with the third quarter of 1984 may be distinguished from the member contributions picked up by the employer. Interest shall be added annually to members' individual accounts.

Sec. 41. K.S.A. 2000 Supp. 74-4967 is hereby amended to read as follows: 74-4967. (1) Upon the basis of an annual actuarial valuation and appraisal of the system conducted in the manner provided for in K.S.A. 74-4908 and amendments thereto, the board shall certify, on or before July 15 of each year to each participating employer an actuarially determined estimate of the rate of contribution which shall be required to be paid by each such participating employer to pay all of the liabilities which

shall accrue under the system from and after the entry date as determined by the board, upon recommendation of the actuary. Such rate shall be uniform for all participating employers, and shall be comprised of a rate for benefits accruing after June 30, 1993, and a rate for amortization of the additional liability for benefits provided by this act which is attributable to service rendered before July 1, 1993. Such additional liability shall be amortized over a period of 40 years commencing on July 1, 1993, by annual payments that increase 4% for each year remaining in the amortization period. The employer's rate of contribution determined under this section shall not include the costs of administration of the system.

(2) The board shall determine for each employer separately an amount sufficient to amortize over a period of not to exceed 40 years all liabilities for past service costs which shall have accrued at the time of entry into the system. On the basis of such determination the board shall annually certify to each participating employer separately an actuarially determined estimate of the rate of contribution which shall be required to be paid by that participating employer to pay all of the liabilities for such past service costs. Such rate shall be termed the employer's prior service contribution. The board may enter into agreements with any participating employer which has employees or retirees under the special pension systems established under K.S.A. 13-14a01 to 13-14a14, inclusive, and amendments thereto or K.S.A. 14-10a01 to 14-10a15, inclusive, and amendments thereto, for the purpose of scheduling the payment of such past service costs in an orderly manner which will tend to stabilize the annual total financial burden on such employers in meeting their present and future obligations under this system and such special systems, but in no event shall the annual prior service contribution be less than the interest cost on the total of such past service liability.

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

(4) Each participating employer is hereby authorized to pay the employer's contribution from the same fund that the compensation for which such contribution is made is paid from or from any other funds available to it for such purpose. Each employer may levy annually at the time of its levy of taxes, a tax which may be in addition to all other taxes authorized by law for the purpose of making its contributions under this act, and, in the case of cities and counties, to pay a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located in such county which tax, together with any other fund available, shall be sufficient to enable it to make such contribution. In lieu of levying the tax authorized in this subsection, any taxing subdivision may pay such costs from any employee benefits contribution fund established pursuant to K.S.A. 12-16,102 and amendments thereto.

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

(6) The rate of contribution certified to each participating employer as provided in this section shall apply during the fiscal year of such participating employer which begins in the second calendar year following the year of the actuarial valuation, but the rate of contribution during the first year following the employer's entry date shall be equal to 16% of the amount of compensation on which members contribute during the year.

(7) Each participating employer shall remit quarterly, or as the board may otherwise provide, all employee deductions and required employer contributions to the executive secretary/director for credit to the Kansas public employees retirement fund within 20 days after the end of the period covered by the remittance or within 25 days after forms or written instructions from the system were mailed by the system to such employer, whichever is later. Remittances of such deductions and contributions received after such date are delinquent. Delinquent payments due under this subsection (7) shall be subject to interest at the rate established for interest on judgments under subsection (a) of K.S.A. 16-204 and amendments thereto. At the request of the board, delinquent payments which are due or interest owed on such payments, or both, may be deducted from any other moneys payable to such employer by any department or agency of the state.

(8) Except as otherwise provided by law, the actuarial cost of any legislation enacted by the Kansas legislature, except the actuarial cost of K.S.A. 2000 Supp. 74-49,114a, shall be reflected in the employer contribution rate in the fiscal year immediately following such enactment.

Sec. 42. K.S.A. 74-4978h is hereby amended to read as follows: 74-4978h. Beginning with the first payment of compensation for services of

a patrolman after becoming a special member of the Kansas police and firemen's retirement system, the employer shall deduct from the compensation of such special member 8% as employee contribution. Such deductions shall be remitted, as the board may provide, to the executive secretary/director for credit to the Kansas public employees retirement fund, and such deduction shall be credited to the member's individual account.

Sec. 43. K.S.A. 2000 Supp. 74-4989 is hereby amended to read as follows: 74-4989. (1) (a) Except as provided in (b), pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and amendments thereto, upon the death of a retiree, the board of trustees of the Kansas public employees retirement system shall pay a lump-sum death benefit to: The retiree's beneficiary which shall not exceed \$4,000 for such retiree, less any amount payable for funeral benefits under the applicable provisions of any local police or fire pension plan, as defined by subsection (c) of K.S.A. 12-5001 and amendments thereto, or to a funeral establishment as directed by the retiree and filed in the office of the system prior to such retiree's death.

(b) Notwithstanding the provisions of K.S.A. 74-4923 and amendments thereto, any amounts owed the system shall be deducted from such lump-sum death benefit.

(2) As used in this section, "retiree" means any person who is a member or special member of the Kansas public employees retirement system, the Kansas police and firemen's retirement system, the state school retirement system or the retirement system for judges and who has retired.

Sec. 44. K.S.A. 2000 Supp. 74-4998c is hereby amended to read as follows: 74-4998c. (a) Except as otherwise provided in this section, for all payroll periods commencing on or after July 1, 1988, but prior to the end of the term of office in which such elected official is serving on the effective date of this act, each elected state official shall contribute 5% of the elected state official's salary for each payroll period to the fund. For all payroll periods commencing on or after July 1, 1988, but prior to the end of the term of office in which such elected official is serving on the effective date of this act, the employer shall deduct from the compensation of each member who has received 30 years of credited service 2% of such member's compensation as employee contributions. Each elected state official shall make contributions as provided in K.S.A. 74-4919 and amendments thereto in lieu of contributions as provided in this section, for all payroll periods during any term of office of such elected state official which commences after the effective date of this act. The provisions of K.S.A. 74-4919c, 74-4919d, 74-4919e, 74-4919h or 74-4919j and amendments thereto shall apply to elected state officials, except that, subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, such elected state officials shall purchase prior and participating service credit at the rate of 10% or 15% for the payroll periods commencing on or after July 1, 1988, but prior to the end of the term of office in which such elected official is serving on the effective date of this act.

(b) The director of accounts and reports shall deduct the amount each elected state official is to contribute to the fund on the payroll of each elected state official for each payroll period showing the amount deducted and its credit to the fund. Such deductions shall be remitted as the board may provide, to the executive secretary/director of the Kansas public employees retirement system for credit to the fund to the credit of the elected state official's individual account therein.

(c) For purposes of contributions to and benefits under the Kansas public employees retirement system of such elected state officials who are members of the legislature, the salary or compensation of such elected state official shall be as provided in K.S.A. 74-4995 and amendments thereto.

(d) (1) Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, the state of Kansas pursuant to the provisions of section 414(h)(2) of the federal internal revenue code of 1986, as in effect on July 1, 1998, shall pick up and pay the contributions which would otherwise be payable by elected state officials as prescribed in subsection (a) commencing with the effective date of this act. Contributions so picked up shall be treated as employer contributions for purposes of determining the amounts of federal income taxes to withhold from the elected state official's compensation.

(2) Member contributions picked up by the state shall be paid from the same source of funds used for the payment of compensation to an

(continued)

elected state official. A deduction shall be made from each elected state official's compensation equal to the amount of the elected state official's contributions picked up by the state, provided that such deduction shall not reduce the elected state official's compensation for purposes of computing benefits under the retirement system.

(3) Member contributions picked up by the state shall be remitted as the board may provide, to the executive secretary director for credit to the Kansas public employees retirement fund.

(e) No former member of the legislature shall be required to make contributions as otherwise required by this section.

Sec. 45. K.S.A. 74-49,102 is hereby amended to read as follows: 74-49,102. Beginning with the first payroll for services performed after July 1, 1975, of each person who is a member of the Kansas public employees retirement system pursuant to subsection (b) of K.S.A. 74-4999 and amendments thereto, the employer shall deduct from the compensation of such person 4% of such person's compensation as employee contributions. Such deductions shall be remitted quarterly, or as the board of trustees of the Kansas public employees retirement system may otherwise provide, to the executive secretary director of the system for credit to the Kansas public employees retirement fund. Such deductions shall be credited to the members' individual accounts and interest shall be added annually to such accounts beginning as provided in subsection (d) of K.S.A. 74-49,103 and amendments thereto.

Sec. 46. K.S.A. 2000 Supp. 74-49,128 is hereby amended to read as follows: 74-49,128. The lump sum death benefits, survivor benefits and funeral expenses that are provided to surviving spouses, minor children and other beneficiaries as a result of a ~~non-duty-related death or retirement~~ death pursuant to K.S.A. ~~13-14a07, 13-14a11, 14-10a07, 14-10a11, 74-4958, 74-4958a, 74-4959, 74-4960, 74-4960a and 74-4989~~, and amendments thereto, are in the nature of life insurance; are provided by the participating employers for the protection of members' spouses, survivors or beneficiaries as provided in those sections; and are not subject to regulation of the state of Kansas department of insurance. The provisions of this section shall be effective on and after July 1, 2000.

Sec. 47. K.S.A. 2000 Supp. 75-37,132 is hereby amended to read as follows: 75-37,132. (a) Except as provided in this section, all contracts for professional and consultant services, shall be negotiated in accordance with the provisions of K.S.A. 75-37,102, and amendments thereto.

(b) The provisions of subsection (a) shall not apply to any contract for professional or consultant services that the director of purchases determines meets one or more of the criteria established in subsections (a) and (h) of K.S.A. 75-3739, and amendments thereto. When the director of purchases approves a contract for professional or consultant services under this subsection, the director may delegate authority to the agency to enter into the contract under conditions and procedures prescribed by the director.

(c) The provisions of subsection (a) shall not apply to any contract for professional or consultant services that is not anticipated to exceed \$25,000 in any fiscal year. Such a contract shall be entered into by the state agency on the basis of competitive negotiations with at least two individuals or firms unless the head of the agency determines that competitive negotiations are not in the best interest of the state. The agency head shall make a report to the director of purchases at least once in each calendar quarter during the term of each contract for professional or consultant services that exceeds \$5,000 and that was entered into without competitive negotiations.

(d) The director of purchases shall prepare a detailed report at least once in each calendar quarter during the term of each contract for professional or consultant services that exceeds \$5,000 that is entered into under subsection (b) and all contracts for professional or consultant services reported to the director under subsection (c). The director of purchases shall submit such report to the legislative coordinating council, the chairperson of the committee on ways and means of the senate, the chairperson of the committee on appropriations of the house of representatives and the chairperson of the Kansas performance review board.

(e) All contracts for architectural services, engineering services, construction management or ancillary technical services entered into by a state agency shall be entered into in accordance with the provisions of K.S.A. 75-430a, 75-1250 through 75-1266 and 75-5801 through 75-5807, and amendments thereto.

(f) All contracts for professional services entered into by the board of governors of the health care stabilization fund shall be entered into in

accordance with the provisions of K.S.A. 40-3410 and 40-3411, and amendments thereto.

(g) Upon written certification from the commissioner of insurance to the director of purchases and the legislative budget committee that an emergency exists and the best interests of the state would be jeopardized by compliance with subsection (a), the provisions of subsections (a) and (c) shall not apply to contracts for legal services performed under article 36 of chapter 40 of the Kansas Statutes Annotated.

(h) *In the case of any contract for professional services or consultant services for the board of trustees of the Kansas public employees retirement system that is negotiated in accordance with the provisions of K.S.A. 75-37,102, and amendments thereto:*

(1) *The negotiating committee shall be composed of the members of the board of trustees, notwithstanding the provisions of subsection (b) of K.S.A. 75-37,102, and amendments thereto, to the contrary; and*

(2) *the board of trustees shall report each contract for professional services or consultant services entered pursuant to this subsection to the director of purchases, including the rationale of the board of trustees if the bid or proposal selected by the board of trustees was not the lowest cost bid or proposal submitted and a report of such contract and such rationale shall be included in the report submitted by the director of purchases pursuant to subsection (e) of K.S.A. 75-37,102, and amendments thereto.*

Sec. 48. K.S.A. 2000 Supp. 75-37,135 is hereby amended to read as follows: 75-37,135. (a) (1) Prior to entering a contract for legal services where the amount of the fees paid to an attorney or firm of attorneys reasonably may exceed \$1,000,000, the director of purchases shall submit the proposed request for proposal to the legislative budget committee. Within 30 days after submission of such request for proposal, the committee may hold a public hearing on the proposed request for proposal and shall issue a report to the director of purchases. The report shall include any proposed changes to the proposed request for proposal suggested by the committee. The committee is not authorized to waive the evidentiary privileges of the state, or any of the persons or entities that state attorneys are representing or acting in concert with in any litigation or anticipated litigation. The committee, the director of purchases and their employees shall take all reasonable steps to protect such privilege. The director of purchases shall review the report and adopt a final request for proposal as deemed appropriate in view of the report and shall file the final request for proposal with the legislative budget committee.

(2) If the proposed request for proposal does not contain the changes proposed by the committee, the director of purchases shall submit with the final request for proposal a letter stating the reasons why such proposed changes were not adopted. The director of purchases shall not release the final request for proposal until at least 10 days after the date of submission of the final request for proposal to the legislative budget committee.

(3) If the legislative budget committee makes no suggested changes to the proposed request for proposal or fails to report any suggested changes within 60 days of the submission of the proposed request for proposal to such committee, the director of purchases may release the request for proposal.

(b) After awarding a contract for legal services where the amount of the fees paid to an attorney or firm of attorneys reasonably may exceed \$1,000,000, the director of purchases shall submit the contract to the legislative budget committee. Within 30 days after submission of such contract, the committee may hold a public hearing on the contract and shall issue a report to the director of purchases. The report shall include any concerns of the committee.

(c) The provisions of this section shall not apply in any action in which the state of Kansas or any state agency, officer or employee is a defendant and a contract for legal services is to be entered. The director of purchases shall prepare a report each calendar quarter while such legal proceeding is in progress. Such report shall include the case citation and the date upon which the action was filed. The director of purchases shall submit the report to the legislative coordinating council, the chairperson of the committee on ways and means of the senate, the chairperson of the committee on appropriations of the house of representatives and the chairperson of the Kansas performance review board.

(d) The director of purchases shall prepare a detailed report at least once in each calendar quarter of each legal proceeding which has been completed and for which a contingency fee arrangement was entered.

Such report shall disclose the hours worked on the case, the expenses incurred, the aggregate fee amount and a breakdown as to the hourly rate, based on hours worked divided into fee recovered, less expenses. The director of purchases shall submit the report to the legislative coordinating council, the chairperson of the committee on ways and means of the senate, the chairperson of the committee on appropriations of the house of representatives and the chairperson of the Kansas performance review board.

(e) Reasonable attorney fees to be paid by the state or defendant in an action where the attorney was hired by the state with a contingency fee agreement shall be approved by the judge after an evidentiary hearing and prior to final disposition of the case by the district court. Any individual may provide information to the court and be heard before the court with regard to the reasonableness of attorney fees paid by the state or defendant under the contingency fee agreement. Compensation for reasonable attorney fees for services performed in an appeal of a judgment in any such action to the court of appeals shall be approved after an evidentiary hearing by the chief judge or by the presiding judge of the panel hearing the case. Compensation for reasonable attorney fees for services performed in an appeal of a judgment in any such action to the supreme court shall be approved after an evidentiary hearing by the departmental justice for the department in which the appeal originated. In determining the reasonableness of such compensation, the judge or justice shall consider the following:

- (1) The time and labor required, the novelty and difficulty of the questions involved and the skill requisite to perform the legal service properly.
- (2) The likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the attorney.
- (3) The fee customarily charged in the locality for similar legal services.
- (4) The amount involved and the results obtained.
- (5) The time limitations imposed by the client or by the circumstances.
- (6) The nature and length of the professional relationship with the client.
- (7) The experience, reputation and ability of the attorney or attorneys performing the services.
- (8) Whether the fee is fixed or contingent.

(f) In the case of any contract for legal services for the board of trustees of the Kansas public employees retirement system negotiated or to be negotiated in accordance with the provisions of K.S.A. 75-37,102, and amendments thereto, where the amount of fees paid to an attorney or to a firm of attorneys reasonably may exceed \$1,000,000, references to the "director of purchases" in subsections (a), (b) and (c) of this section shall be construed to apply to the board of trustees of the Kansas public em-

ployees retirement system and each duty or function prescribed in such subsections shall be assumed and performed by the board of trustees of the Kansas public employees retirement system.

New Sec. 49. The retirement benefit, pension or annuity payments to each retirant of the state school retirement system who retired prior to January 1, 1971, and who had at least 20 years or more of service credit, shall for retirement benefit, pension or annuity payments accruing after June 30, 2001, be in an amount as otherwise provided by law but shall be an amount at least equal to \$500.

New Sec. 50. Any judge who has retired or who retires as provided in K.S.A. 20-2608, and amendments thereto, and who has entered into agreement with the Kansas supreme court to perform assigned judicial duties as provided pursuant to K.S.A. 20-2622, and amendments thereto, may elect to purchase, subject to the provisions of K.S.A. Supp. 74-49,123, service credit for such service under the retirement system for judges. Such purchase shall be by means of a single lump-sum payment. Such lump-sum payment shall be an amount determined by the actuary using the judge's current age, the final average salary of such judge at the time of such judge's retirement, the form of the payment of the annuity to such judge including any retirement option elected by such judge pursuant to K.S.A. 20-2610a, and amendments thereto, and the actuarial assumptions and tables then in use by the system.

New Sec. 51. Except as otherwise provided, any active contributing member of the retirement system who at one time had the state board of regents assist such member in the purchase of retirement annuities as provided in K.S.A. 74-4925, and amendments thereto and who withdrew such member's accumulated contributions upon the termination of such employment as provided in K.S.A. 74-4925, and amendments thereto, may purchase participating service credit for any waiting period required pursuant to K.S.A. 74-4925, and amendments thereto. Such member may purchase, subject to the provisions of K.S.A. 2000 Supp. 74-49,123, and amendments thereto, such service credit by making a single lump-sum payment in an amount determined by the actuary using (1) the member's then current annual rate of compensation, (2) the actuarial assumptions and tables currently in use by the system and (3) the member's attained age.

Sec. 52. K.S.A. 74-4934, 74-4978h and 74-49,102 and K.S.A. 2000 Supp. 13-14a07, 14-10a07, 20-2603, 20-2610a, 74-4902, 74-4904, 74-4908, 74-4911e, 74-4914, 74-4914e, 74-4915, 74-4915b, 74-4915c, 74-4916, 74-4918, 74-4918a, 74-4919, 74-4919b, 74-4920, 74-4921, 74-4922, 74-4925, 74-4927, 74-4927f, 74-4927h, 74-4932, 74-4940, 74-4957, 74-4957a, 74-4958, 74-4958a, 74-4959, 74-4960, 74-4960a, 74-4963, 74-4963a, 74-4964, 74-4964a, 74-4965, 74-4967, 74-4989, 74-4998c, 74-49,128, 75-37,132 and 75-37,135 are hereby repealed.

Sec. 53. This act shall take effect and be in force from and after its publication in the Kansas register.

INDEX TO ADMINISTRATIVE REGULATIONS

This index lists in numerical order the new, amended and revoked administrative regulations and the volume and page number of the *Kansas Register* issue in which more information can be found. Temporary regulations are designated with a (T) in the Action column. This cumulative index supplements the 2000 Volumes of the *Kansas Administrative Regulations*.

AGENCY 1: DEPARTMENT OF ADMINISTRATION

| Reg. No. | Action | Register |
|----------|-------------|---------------|
| 5-8 | Amended (T) | V. 20, p. 175 |
| 1-5-8 | Amended | V. 20, p. 730 |
| 1-5-9 | Amended (T) | V. 20, p. 176 |
| 1-5-9 | Amended | V. 20, p. 730 |

| | | |
|---------|-------------|----------------|
| 1-5-19b | Amended (T) | V. 20, p. 176 |
| 1-5-19b | Amended | V. 20, p. 730 |
| 1-5-19c | Amended (T) | V. 20, p. 176 |
| 1-5-19c | Amended | V. 20, p. 730 |
| 1-5-20 | Amended (T) | V. 20, p. 176 |
| 1-5-20 | Amended | V. 20, p. 731 |
| 1-5-24 | Amended | V. 19, p. 1337 |
| 1-9-23 | Amended | V. 19, p. 944 |
| 1-18-1a | Amended | V. 19, p. 1719 |
| 1-49-1 | Amended | V. 19, p. 724 |

AGENCY 3: KANSAS STATE TREASURER

| Reg. No. | Action | Register |
|----------|--------|----------------|
| 3-2-1 | New | V. 19, p. 1016 |
| 3-2-2 | New | V. 19, p. 1016 |
| 3-2-3 | New | V. 19, p. 1016 |
| 3-3-1 | New | V. 19, p. 1678 |

AGENCY 4: DEPARTMENT OF AGRICULTURE

| Reg. No. | Action | Register |
|----------|-------------|---------------|
| 4-3-49 | Amended (T) | V. 20, p. 246 |
| 4-3-51 | New (T) | V. 20, p. 246 |
| 4-7-213 | Amended | V. 19, p. 117 |
| 4-7-214 | Amended | V. 19, p. 117 |
| 4-7-215 | Revoked | V. 19, p. 118 |
| 4-7-216 | New | V. 19, p. 118 |

| | | |
|---------|---------|----------------|
| 4-8-14a | Amended | V. 19, p. 1679 |
| 4-8-27 | Amended | V. 19, p. 1679 |
| 4-8-28 | Amended | V. 19, p. 1680 |
| 4-8-29 | Amended | V. 19, p. 1680 |
| 4-8-32 | Amended | V. 19, p. 1680 |
| 4-8-34 | Amended | V. 19, p. 1680 |
| 4-8-41 | Amended | V. 19, p. 1680 |
| 4-8-42 | New | V. 19, p. 1680 |
| 4-10-2j | Amended | V. 20, p. 431 |
| 4-10-5 | Amended | V. 20, p. 430 |
| 4-10-5a | New | V. 20, p. 431 |

AGENCY 5: DEPARTMENT OF AGRICULTURE—DIVISION OF WATER RESOURCES

| Reg. No. | Action | Register |
|----------|---------|---------------------|
| 5-1-1 | Amended | V. 19, p. 1476 |
| 5-1-3 | | |
| through | | |
| 5-1-12 | New | V. 19, p. 1480-1483 |
| 5-2-3 | New | V. 19, p. 1484 |
| 5-3-1a | New | V. 19, p. 1484 |
| 5-3-4b | Amended | V. 19, p. 1484 |
| 5-3-4c | New | V. 19, p. 1484 |
| 5-3-4d | New | V. 19, p. 1485 |
| 5-3-4e | New | V. 19, p. 1485 |

(continued)

| | | |
|---------|---------|----------------------|
| 5-3-5d | Amended | V. 19, p. 1485 |
| 5-3-5e | Amended | V. 19, p. 1485 |
| 5-3-5g | | |
| through | | |
| 5-3-5n | New | V. 19, p. 1485, 1486 |
| 5-3-11 | Amended | V. 19, p. 1486 |
| 5-3-16 | Amended | V. 19, p. 1490 |
| 5-3-19 | | |
| through | | |
| 5-3-28 | New | V. 19, p. 1490-1493 |
| 5-4-5 | New | V. 19, p. 1494 |
| 5-4-8 | New | V. 19, p. 1494 |
| 5-5-1 | Amended | V. 19, p. 1495 |
| 5-5-6 | Amended | V. 19, p. 1495 |
| 5-5-13 | New | V. 19, p. 1496 |
| 5-5-14 | New | V. 19, p. 1496 |
| 5-5-16 | New | V. 19, p. 1496 |
| 5-6-3 | | |
| through | | |
| 5-6-15 | New | V. 19, p. 1497-1499 |
| 5-7-4 | Amended | V. 19, p. 1499 |
| 5-7-4a | New | V. 19, p. 1500 |
| 5-7-5 | New | V. 19, p. 1500 |
| 5-8-3 | New | V. 19, p. 1500 |
| 5-8-4 | New | V. 19, p. 1501 |
| 5-8-6 | New | V. 19, p. 1501 |
| 5-8-7 | New | V. 19, p. 1502 |
| 5-8-8 | New | V. 19, p. 1502 |
| 5-9-11 | New | V. 19, p. 1503 |
| 5-12-1 | | |
| through | | |
| 5-12-4 | New | V. 19, p. 1503, 1504 |
| 5-13-1 | | |
| through | | |
| 5-13-11 | New | V. 19, p. 1504-1507 |
| 5-14-1 | | |
| through | | |
| 5-14-7 | New | V. 19, p. 1507-1509 |
| 5-21-4 | Amended | V. 19, p. 1509 |
| 5-21-5 | New | V. 19, p. 1510 |
| 5-21-8 | New | V. 19, p. 1510 |
| 5-21-9 | New | V. 19, p. 1510 |
| 5-23-1 | Amended | V. 19, p. 1510 |
| 5-23-3 | Amended | V. 19, p. 1511 |
| 5-23-3a | New | V. 19, p. 1511 |
| 5-23-4 | Amended | V. 19, p. 1512 |
| 5-23-4a | Amended | V. 19, p. 1513 |
| 5-23-4b | New | V. 19, p. 1513 |
| 5-23-14 | New | V. 19, p. 1514 |
| 5-23-15 | New | V. 19, p. 1514 |
| 5-25-4 | Amended | V. 20, p. 294 |
| 5-40-1 | Amended | V. 19, p. 1514 |
| 5-40-4 | Amended | V. 19, p. 1515 |
| 5-40-11 | New | V. 19, p. 1515 |
| 5-40-14 | New | V. 19, p. 1515 |
| 5-40-15 | New | V. 19, p. 1515 |
| 5-40-16 | New | V. 19, p. 1515 |
| 5-41-1 | Amended | V. 19, p. 1516 |
| 5-41-6 | Amended | V. 19, p. 1516 |
| 5-42-3 | Revoked | V. 19, p. 1516 |
| 5-42-4 | New | V. 19, p. 1517 |
| 5-45-1 | Amended | V. 19, p. 1517 |
| 5-45-4 | Amended | V. 19, p. 1518 |
| 5-45-13 | Amended | V. 19, p. 1518 |
| 5-45-14 | Amended | V. 19, p. 1518 |
| 5-45-18 | New | V. 19, p. 1518 |
| 5-46-1 | New | V. 19, p. 1519 |
| 5-46-3 | New | V. 19, p. 1519 |
| 5-46-4 | New | V. 19, p. 1520 |

AGENCY 7: SECRETARY OF STATE

| Reg. No. | Action | Register |
|----------|---------|----------------|
| 7-24-2 | Amended | V. 20, p. 323 |
| 7-25-1 | Amended | V. 20, p. 325 |
| 7-26-1 | Amended | V. 20, p. 325 |
| 7-26-2 | Amended | V. 20, p. 325 |
| 7-28-1 | Amended | V. 20, p. 325 |
| 7-29-2 | Amended | V. 20, p. 325 |
| 7-32-1 | Amended | V. 19, p. 1269 |
| 7-32-2 | Amended | V. 19, p. 1269 |
| 7-36-4 | Amended | V. 20, p. 326 |
| 7-38-1 | Amended | V. 20, p. 326 |

AGENCY 9: ANIMAL HEALTH DEPARTMENT

| Reg. No. | Action | Register |
|----------|---------|----------------|
| 9-10-33 | New | V. 19, p. 1948 |
| 9-14-2 | Amended | V. 19, p. 1748 |
| 9-15-4 | Amended | V. 19, p. 1748 |
| 9-15-5 | New | V. 19, p. 1948 |

AGENCY 16: ATTORNEY GENERAL

| Reg. No. | Action | Register |
|----------|---------|---------------|
| 16-6-1 | Amended | V. 19, p. 399 |

AGENCY 17: STATE BANK COMMISSIONER

| Reg. No. | Action | Register |
|----------|---------|---------------|
| 17-22-1 | Amended | V. 19, p. 500 |
| 17-23-16 | Amended | V. 19, p. 500 |

AGENCY 28: DEPARTMENT OF HEALTH AND ENVIRONMENT

| Reg. No. | Action | Register |
|------------|---------|-------------------|
| 28-1-2 | Amended | V. 19, p. 141 |
| 28-1-18 | Amended | V. 19, p. 141 |
| 28-1-26 | New | V. 19, p. 142 |
| 28-4-501 | Amended | V. 19, p. 422 |
| 28-4-503 | Amended | V. 19, p. 423 |
| 28-4-504 | Amended | V. 19, p. 423 |
| 28-4-505 | Amended | V. 19, p. 423 |
| 28-4-513 | Amended | V. 19, p. 423 |
| 28-4-530 | Revoked | V. 19, p. 423 |
| 28-4-531 | Revoked | V. 19, p. 423 |
| 28-10-15 | | |
| through | | |
| 28-10-35 | Revoked | V. 20, p. 322 |
| 28-10-37 | Revoked | V. 20, p. 322 |
| 28-10-38 | Revoked | V. 20, p. 322 |
| 28-10-39 | Revoked | V. 20, p. 322 |
| 28-10-75 | | |
| through | | |
| 28-10-88 | Revoked | V. 20, p. 322 |
| 28-10-100 | | |
| through | | |
| 28-10-108 | Revoked | V. 20, p. 322 |
| 28-15-35 | Amended | V. 20, p. 725 |
| 20-15-36 | Amended | V. 20, p. 728 |
| 28-15-36a | Amended | V. 20, p. 728 |
| 28-15-37 | Amended | V. 20, p. 729 |
| 28-16-28b | Amended | V. 19, p. 1720 |
| 28-16-28e | Amended | V. 19, p. 1723 |
| 28-16-57 | Revoked | V. 20, p. 322 |
| 28-16-76 | | |
| through | | |
| 28-16-79 | Revoked | V. 20, p. 322 |
| 28-16-82 | Revoked | V. 20, p. 322 |
| 28-17-15 | Amended | V. 19, p. 1190 |
| 28-19-79 | Revoked | V. 20, p. 492 |
| 28-19-202 | Amended | V. 20, p. 322 |
| 28-19-717 | New | V. 19, p. 1932 |
| 28-19-719 | New | V. 20, p. 492 |
| 28-19-729 | New | V. 19, p. 565 |
| 28-19-729a | | |
| through | | |
| 28-19-729h | New | V. 19, p. 566-569 |
| 28-29-1100 | | |
| through | | |
| 28-29-1107 | New | V. 19, p. 941-943 |
| 28-34-1a | Amended | V. 20, p. 105 |
| 28-34-6a | Amended | V. 20, p. 106 |
| 28-34-9a | Amended | V. 20, p. 107 |
| 28-34-21 | Revoked | V. 20, p. 323 |
| 28-34-26 | Revoked | V. 20, p. 323 |
| 28-34-27 | Revoked | V. 20, p. 323 |
| 28-34-28 | Revoked | V. 20, p. 323 |
| 28-34-30 | Revoked | V. 20, p. 323 |
| 28-34-32b | Amended | V. 20, p. 107 |
| 28-34-50 | Amended | V. 20, p. 453 |
| 28-34-51 | Amended | V. 20, p. 454 |
| 28-34-52 | Revoked | V. 20, p. 455 |
| 28-34-52a | New | V. 20, p. 455 |
| 28-34-52b | New | V. 20, p. 455 |
| 28-34-53 | Amended | V. 20, p. 456 |
| 28-34-54 | Amended | V. 20, p. 456 |
| 28-34-55 | Revoked | V. 20, p. 457 |
| 28-34-55a | New | V. 20, p. 457 |
| 28-34-56 | Revoked | V. 20, p. 457 |

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|-----------|---------|---------------------|
| 28-34-56a | New | V. 20, p. 457 |
| 28-34-57 | Amended | V. 20, p. 457 |
| 28-34-58 | Revoked | V. 20, p. 458 |
| 28-34-58a | New | V. 20, p. 458 |
| 28-34-59 | Revoked | V. 20, p. 459 |
| 28-34-59a | New | V. 20, p. 459 |
| 28-34-60 | Revoked | V. 20, p. 459 |
| 28-34-60a | New | V. 20, p. 459 |
| 28-34-61 | Revoked | V. 20, p. 460 |
| 28-34-61a | New | V. 20, p. 460 |
| 28-34-62a | Amended | V. 20, p. 460 |
| 28-34-75 | | |
| through | | |
| 28-34-93 | Revoked | V. 20, p. 323 |
| 28-34-94a | Revoked | V. 20, p. 323 |
| 28-38-18 | | |
| through | | |
| 28-38-23 | Amended | V. 19, p. 1078-1080 |
| 28-38-26 | Amended | V. 19, p. 1081 |
| 28-38-28 | Amended | V. 19, p. 1081 |
| 28-38-29 | Amended | V. 19, p. 1081 |
| 28-38-30 | New | V. 19, p. 1082 |
| 28-39-410 | Revoked | V. 20, p. 323 |
| 28-59-1 | | |
| through | | |
| 28-59-5 | Amended | V. 20, p. 295, 296 |
| 28-59-5a | Amended | V. 20, p. 297 |
| 28-59-6 | Amended | V. 20, p. 297 |
| 28-59-7 | Amended | V. 20, p. 298 |
| 28-59-8 | Amended | V. 20, p. 298 |
| 28-61-1 | | |
| through | | |
| 28-61-10 | Amended | V. 20, p. 298-303 |
| 28-61-11 | New | V. 20, p. 304 |
| 28-68-1 | Amended | V. 19, p. 1934 |
| 28-68-2 | Amended | V. 19, p. 1934 |
| 28-68-3 | Amended | V. 19, p. 1935 |
| 28-68-6 | Amended | V. 19, p. 1936 |
| 28-72-51 | | |
| through | | |
| 28-72-54 | New | V. 19, p. 989, 990 |

AGENCY 30: SOCIAL AND REHABILITATION SERVICES

| Reg. No. | Action | Register |
|----------|---------|----------------|
| 30-4-50 | Amended | V. 19, p. 1548 |
| 30-4-64 | Amended | V. 20, p. 490 |
| 30-5-59 | Amended | V. 19, p. 1548 |
| 30-5-64 | Amended | V. 19, p. 1549 |
| 30-5-81 | Amended | V. 19, p. 1587 |
| 30-5-108 | Amended | V. 20, p. 491 |
| 30-5-309 | Amended | V. 19, p. 988 |
| 30-10-21 | Amended | V. 19, p. 1550 |

AGENCY 36: DEPARTMENT OF TRANSPORTATION

| Reg. No. | Action | Register |
|----------|---------|----------------|
| 36-2-3 | Revoked | V. 19, p. 1449 |
| 36-2-4 | Revoked | V. 19, p. 1449 |
| 36-2-6 | Revoked | V. 19, p. 1449 |
| 36-2-8 | | |
| through | | |
| 36-2-13 | Revoked | V. 19, p. 1449 |
| 36-15-23 | Revoked | V. 19, p. 1622 |
| 36-34-1 | Revoked | V. 19, p. 1622 |

AGENCY 40: KANSAS INSURANCE DEPARTMENT

| Reg. No. | Action | Register |
|----------|---------|----------------|
| 40-1-30 | Revoked | V. 20, p. 723 |
| 40-1-42 | Amended | V. 20, p. 723 |
| 40-1-43 | Amended | V. 20, p. 723 |
| 40-1-46 | New | V. 20, p. 573 |
| 40-3-26 | Amended | V. 19, p. 303 |
| 40-3-27 | Revoked | V. 19, p. 680 |
| 40-3-32 | Amended | V. 19, p. 303 |
| 40-3-45 | Amended | V. 19, p. 303 |
| 40-3-49 | Amended | V. 19, p. 303 |
| 40-4-35 | Amended | V. 19, p. 1853 |
| 40-12-1 | Revoked | V. 20, p. 723 |

AGENCY 49: DEPARTMENT OF HUMAN RESOURCES

| Reg. No. | Action | Register |
|-----------|---------|--------------------|
| 49-45-1 | | |
| through | | |
| 49-45-4 | Amended | V. 19, p. 504 |
| 49-45-4a | New | V. 19, p. 504 |
| 49-45-5 | | |
| through | | |
| 49-45-9 | Amended | V. 19, p. 504 |
| 49-45-20 | | |
| through | | |
| 49-45-28 | Amended | V. 19, p. 504, 505 |
| 49-45-29 | | |
| through | | |
| 49-45-34 | New | V. 19, p. 505 |
| 49-45a-1 | Amended | V. 19, p. 505 |
| 49-45a-2 | | |
| through | | |
| 49-45a-27 | Revoked | V. 19, p. 506 |
| 49-46-1 | Amended | V. 19, p. 506 |
| 49-47-1 | Amended | V. 19, p. 507 |
| 49-47-1a | New | V. 19, p. 507 |
| 49-47-1b | New | V. 19, p. 507 |
| 49-47-2 | Amended | V. 19, p. 507 |
| 49-48-1 | Amended | V. 19, p. 508 |
| 49-49-1a | New | V. 19, p. 508 |
| 49-50-1 | | |
| through | | |
| 49-50-4 | Amended | V. 19, p. 509, 510 |
| 49-50-6 | | |
| through | | |
| 49-50-15 | Amended | V. 19, p. 510-513 |
| 49-50-17 | | |
| through | | |
| 49-50-20 | Amended | V. 19, p. 513, 514 |
| 49-50-21 | New | V. 19, p. 514 |
| 49-50-22 | New | V. 19, p. 515 |
| 49-51-1 | Amended | V. 19, p. 515 |
| 49-51-2 | Amended | V. 19, p. 515 |
| 49-51-3 | Amended | V. 19, p. 515 |
| 49-51-3a | New | V. 19, p. 516 |
| 49-51-6 | | |
| through | | |
| 49-51-12 | Amended | V. 19, p. 516-518 |
| 49-51-14 | Revoked | V. 19, p. 518 |
| 49-52-5 | | |
| through | | |
| 49-52-9 | Amended | V. 19, p. 518-520 |
| 49-52-11 | Amended | V. 19, p. 520 |
| 49-52-13 | Amended | V. 19, p. 520 |
| 49-52-14 | Amended | V. 19, p. 521 |
| 49-52-15 | Revoked | V. 19, p. 521 |
| 49-52-16 | New | V. 19, p. 521 |
| 49-52-17 | New | V. 19, p. 521 |
| 49-54-1 | | |
| through | | |
| 49-54-3 | Revoked | V. 19, p. 521 |

AGENCY 50: DEPARTMENT OF HUMAN RESOURCES—DIVISION OF EMPLOYMENT

| Reg. No. | Action | Register |
|----------|---------|-------------------|
| 50-1-2 | Amended | V. 20, p. 137 |
| 50-1-3 | Amended | V. 20, p. 138 |
| 50-1-4 | Amended | V. 20, p. 138 |
| 50-2-1 | Amended | V. 20, p. 139 |
| 50-2-3 | Amended | V. 20, p. 139 |
| 50-2-9 | Revoked | V. 20, p. 140 |
| 50-2-12 | Amended | V. 20, p. 140 |
| 50-2-17 | Amended | V. 20, p. 140 |
| 50-2-18 | Amended | V. 20, p. 140 |
| 50-2-19 | Amended | V. 20, p. 140 |
| 50-2-21 | Amended | V. 20, p. 141 |
| 50-2-26 | Amended | V. 20, p. 143 |
| 50-3-1 | | |
| through | | |
| 50-3-5 | Amended | V. 20, p. 143-145 |
| 50-4-2 | Amended | V. 20, p. 146 |

AGENCY 60: BOARD OF NURSING

| Reg. No. | Action | Register |
|----------|---------|---------------|
| 60-4-101 | Amended | V. 20, p. 449 |
| 60-6-101 | Amended | V. 19, p. 344 |
| 60-7-102 | Amended | V. 20, p. 449 |

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|------------|---------|-------------------|
| 60-7-108 | Amended | V. 20, p. 449 |
| 60-8-101 | Amended | V. 20, p. 449 |
| 60-9-105 | Amended | V. 20, p. 449 |
| 60-9-106 | Amended | V. 20, p. 450 |
| 60-11-101 | Amended | V. 19, p. 344 |
| 60-11-103 | Amended | V. 19, p. 345 |
| 60-11-104a | Amended | V. 19, p. 346 |
| 60-11-106 | Amended | V. 19, p. 346 |
| 60-11-108 | Revoked | V. 19, p. 346 |
| 60-11-119 | Amended | V. 20, p. 451 |
| 60-13-101 | Amended | V. 20, p. 451 |
| 60-16-104 | Amended | V. 20, p. 451 |
| 60-17-101 | | |
| through | | |
| 60-17-111 | New | V. 19, p. 346-350 |

AGENCY 63: BOARD OF MORTUARY ARTS

| Reg. No. | Action | Register |
|----------|---------|----------------|
| 63-1-3 | Amended | V. 19, p. 2024 |
| 63-1-4 | Amended | V. 19, p. 2024 |
| 63-1-5 | Amended | V. 19, p. 2025 |
| 63-1-6 | Amended | V. 19, p. 2025 |
| 63-1-12 | Amended | V. 19, p. 2025 |
| 63-2-7 | Amended | V. 19, p. 2025 |
| 63-2-10 | Amended | V. 19, p. 2026 |
| 63-2-11 | Amended | V. 19, p. 2026 |
| 63-2-12 | Amended | V. 19, p. 2026 |
| 63-3-17 | Amended | V. 19, p. 2027 |
| 63-3-18 | Amended | V. 19, p. 2027 |
| 63-3-20 | Amended | V. 19, p. 2027 |
| 63-5-1 | Amended | V. 19, p. 2028 |
| 63-6-1 | Amended | V. 19, p. 2028 |
| 63-6-2 | Amended | V. 19, p. 2028 |
| 63-6-3 | Amended | V. 19, p. 2029 |
| 63-6-6 | Amended | V. 19, p. 2029 |

AGENCY 65: BOARD OF EXAMINERS IN OPTOMETRY

| Reg. No. | Action | Register |
|----------|---------|---------------|
| 65-5-6 | Amended | V. 19, p. 839 |

AGENCY 66: BOARD OF TECHNICAL PROFESSIONS

| Reg. No. | Action | Register |
|----------|---------|---------------|
| 66-6-4 | Amended | V. 20, p. 102 |
| 66-6-6 | Amended | V. 19, p. 70 |
| 66-7-2 | Amended | V. 19, p. 70 |
| 66-8-7 | New | V. 19, p. 70 |
| 66-9-4 | Amended | V. 19, p. 71 |
| 66-9-6 | New | V. 19, p. 71 |
| 66-10-1 | Amended | V. 20, p. 103 |
| 66-10-4 | Amended | V. 20, p. 103 |
| 66-10-11 | Amended | V. 20, p. 104 |
| 66-10-12 | Amended | V. 20, p. 104 |
| 66-10-13 | Amended | V. 20, p. 104 |
| 66-11-4 | New | V. 19, p. 72 |
| 66-12-1 | Amended | V. 19, p. 72 |
| 66-14-1 | Amended | V. 19, p. 72 |
| 66-14-6 | Amended | V. 19, p. 72 |
| 66-14-10 | Amended | V. 20, p. 104 |

AGENCY 67: BOARD OF HEARING AID EXAMINERS

| Reg. No. | Action | Register |
|----------|---------|---------------|
| 67-2-4 | Amended | V. 19, p. 626 |
| 67-3-2 | Amended | V. 19, p. 626 |
| 67-4-7 | Amended | V. 19, p. 626 |
| 67-4-10 | Amended | V. 19, p. 626 |
| 67-4-13 | New | V. 19, p. 626 |
| 67-5-3 | Amended | V. 19, p. 626 |
| 67-5-4 | Amended | V. 19, p. 626 |
| 67-6-4 | Amended | V. 19, p. 626 |
| 67-7-4 | Amended | V. 19, p. 627 |

AGENCY 68: BOARD OF PHARMACY

| Reg. No. | Action | Register |
|----------|---------|----------------|
| 68-5-1 | Amended | V. 19, p. 501 |
| 68-7-11 | Amended | V. 19, p. 501 |
| 68-7-14 | Amended | V. 19, p. 502 |
| 68-7-18 | Amended | V. 19, p. 503 |
| 68-14-8 | Amended | V. 19, p. 1830 |

AGENCY 71: KANSAS DENTAL BOARD

| Reg. No. | Action | Register |
|----------|--------|---------------|
| 71-1-20 | New | V. 19, p. 573 |
| 71-1-21 | New | V. 19, p. 573 |

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| 71-3-8 | New | V. 19, p. 1336 |
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AGENCY 74: BOARD OF ACCOUNTANCY

| Reg. No. | Action | Register |
|----------|---------|----------------|
| 74-1-2 | Amended | V. 19, p. 1791 |
| 74-1-7 | New | V. 19, p. 1792 |
| 74-2-1 | Amended | V. 19, p. 1792 |
| 74-2-3 | Amended | V. 19, p. 1792 |
| 74-2-4 | Amended | V. 19, p. 1792 |
| 74-3-8 | Amended | V. 19, p. 1792 |
| 74-4-1 | Revoked | V. 19, p. 1792 |
| 74-4-1a | New | V. 19, p. 1792 |
| 74-4-2a | New | V. 19, p. 1792 |
| 74-4-3a | New | V. 19, p. 1793 |
| 74-4-4 | Amended | V. 19, p. 1793 |
| 74-4-7 | Amended | V. 19, p. 1793 |
| 74-4-10 | Amended | V. 19, p. 1793 |
| 74-5-2 | Amended | V. 19, p. 1793 |
| 74-5-202 | Amended | V. 19, p. 1794 |
| 74-5-203 | Amended | V. 19, p. 1794 |
| 74-5-205 | New | V. 19, p. 1795 |
| 74-5-405 | Amended | V. 19, p. 1795 |
| 74-6-1 | Amended | V. 19, p. 1795 |
| 74-6-2 | Amended | V. 19, p. 1795 |
| 74-7-2 | Amended | V. 19, p. 1795 |
| 74-11-6 | Amended | V. 19, p. 1796 |
| 74-12-1 | Amended | V. 19, p. 1796 |
| 74-15-1 | New | V. 19, p. 1797 |
| 74-15-2 | New | V. 19, p. 1797 |

AGENCY 75: STATE BANKING DEPARTMENT

| Reg. No. | Action | Register |
|----------|---------|----------------|
| 75-6-2 | Revoked | V. 19, p. 1082 |
| 75-6-6 | Revoked | V. 19, p. 1082 |
| 75-6-24 | Revoked | V. 19, p. 1082 |
| 75-6-26 | Amended | V. 19, p. 1082 |
| 75-6-30 | New | V. 19, p. 1082 |
| 75-6-31 | New | V. 19, p. 1083 |
| 75-6-32 | New | V. 20, p. 175 |

AGENCY 82: STATE CORPORATION COMMISSION

| Reg. No. | Action | Register |
|-----------|---------|----------------|
| 82-3-133 | Amended | V. 20, p. 771 |
| 82-3-133a | New | V. 20, p. 771 |
| 82-3-201 | Amended | V. 20, p. 771 |
| 82-3-206 | Amended | V. 20, p. 771 |
| 82-3-300 | Amended | V. 20, p. 772 |
| 82-3-306 | Amended | V. 20, p. 772 |
| 82-3-307 | Amended | V. 20, p. 773 |
| 82-3-310 | Amended | V. 20, p. 773 |
| 82-3-312 | Amended | V. 20, p. 773 |
| 82-4-1 | Amended | V. 19, p. 1158 |
| 82-4-3 | Amended | V. 19, p. 1159 |
| 82-4-6d | Amended | V. 19, p. 1083 |
| 82-4-8a | Amended | V. 19, p. 1084 |
| 82-4-8h | New | V. 19, p. 1085 |
| 82-4-20 | Amended | V. 19, p. 1085 |
| 82-4-23 | Amended | V. 19, p. 1085 |
| 82-4-24a | Amended | V. 19, p. 1085 |
| 82-4-27c | Amended | V. 19, p. 1085 |
| 82-4-27e | Amended | V. 19, p. 1086 |
| 82-4-27f | Revoked | V. 19, p. 1087 |
| 82-4-27g | Amended | V. 19, p. 1087 |
| 82-4-30a | Amended | V. 19, p. 1087 |
| 82-4-31 | Amended | V. 19, p. 1087 |
| 82-4-32 | Amended | V. 19, p. 1087 |
| 82-4-33 | Amended | V. 19, p. 1087 |
| 82-4-35a | Amended | V. 19, p. 1088 |
| 82-4-37 | Amended | V. 19, p. 1088 |
| 82-4-42 | Amended | V. 19, p. 1088 |
| 82-4-57 | Amended | V. 19, p. 1088 |

AGENCY 88: BOARD OF REGENTS

| Reg. No. | Action | Register |
|----------|--------|-----------------|
| 88-23-1 | | |
| through | | |
| 88-23-6 | New | V. 19, p. 41-43 |

AGENCY 91: DEPARTMENT OF EDUCATION

| Reg. No. | Action | Register |
|----------|---------|----------------|
| 91-1-26 | Revoked | V. 19, p. 1435 |
| 91-1-27 | Revoked | V. 19, p. 1435 |

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| 91-1-27a through 91-1-27d | Revoked | V. 19, p. 1435 | 91-1-153 | Revoked | V. 19, p. 1439 | AGENCY 93: DEPARTMENT OF REVENUE—DIVISION OF PROPERTY VALUATION | | |
| 91-1-28 | Revoked | V. 19, p. 1435 | 91-1-200 through 91-1-211 | New | V. 19, p. 1439-1449 | Reg. No. | Action | Register |
| 91-1-30 | Revoked | V. 19, p. 1435 | 91-5-14 | Amended | V. 20, p. 108 | 93-1-1 through 93-1-4 | Revoked | V. 20, p. 452 |
| 91-1-30a | Revoked | V. 19, p. 1435 | 91-12-22 | Revoked | V. 19, p. 680 | 93-4-6 | Amended | V. 20, p. 452 |
| 91-1-31 through 91-1-35 | Revoked | V. 19, p. 1435 | 91-12-23 | Revoked | V. 19, p. 680 | 93-6-1 through 93-6-4 | Amended | V. 20, p. 452, 453 |
| 91-1-37 | Revoked | V. 19, p. 1435 | 91-12-24a | Revoked | V. 19, p. 680 | AGENCY 99: DEPARTMENT OF AGRICULTURE—DIVISION OF WEIGHTS AND MEASURES | | |
| 91-1-39 through 91-1-58 | Revoked | V. 19, p. 1435, 1436 | 91-12-25 | Revoked | V. 19, p. 680 | Reg. No. | Action | Register |
| 91-1-60 | Revoked | V. 19, p. 1436 | 91-12-27 | Revoked | V. 19, p. 680 | 99-26-1 | Amended | V. 19, p. 840 |
| 91-1-61 | Revoked | V. 19, p. 680 | 91-12-28 | Revoked | V. 19, p. 680 | 99-27-1 | Amended | V. 19, p. 840 |
| 91-1-63 | Revoked | V. 19, p. 1436 | 91-12-30 through 91-12-33 | Revoked | V. 19, p. 680 | AGENCY 100: BOARD OF HEALING ARTS | | |
| 91-1-65 | Revoked | V. 19, p. 1436 | 91-12-35 through 91-12-42 | Revoked | V. 19, p. 680, 681 | Reg. No. | Action | Register |
| 91-1-67 | Revoked | V. 19, p. 1436 | 91-12-44 through 91-12-69 | Revoked | V. 19, p. 681 | 100-6-2 | Amended | V. 19, p. 241 |
| 91-1-68a through 91-1-68e | Amended | V. 19, p. 1588-1592 | 91-12-71 through 91-12-74 | Revoked | V. 19, p. 682 | 100-7-1 | Amended | V. 19, p. 1044 |
| 91-1-70 | Revoked | V. 19, p. 1436 | 91-22-1a | New | V. 19, p. 682 | 100-10a-1 | Amended | V. 19, p. 241 |
| 91-1-70b | Revoked | V. 19, p. 1593 | 91-22-2 | Amended | V. 19, p. 683 | 100-10a-3 | Amended | V. 19, p. 241 |
| 91-1-71 through 91-1-83 | Revoked | V. 19, p. 1436, 1437 | 91-22-3 | Revoked | V. 19, p. 683 | 100-11-1 | Amended | V. 19, p. 1190 |
| 91-1-84a | Revoked | V. 19, p. 1437 | 91-22-4 | Amended | V. 19, p. 683 | 100-22-3 | New | V. 19, p. 571 |
| 91-1-85 through 91-1-91 | Revoked | V. 19, p. 1437 | 91-22-5a | Amended | V. 19, p. 683 | 100-27-1 | New | V. 20, p. 773 |
| 91-1-91a | Revoked | V. 19, p. 1437 | 91-22-7 | Amended | V. 19, p. 683 | 100-28a-1 through 100-28a-16 | New (T) | V. 20, p. 247-251 |
| 91-1-92 | Revoked | V. 19, p. 1437 | 91-22-8 | Revoked | V. 19, p. 683 | 100-28a-1 through 100-28a-16 | New | V. 20, p. 774-778 |
| 91-1-93a | Revoked | V. 19, p. 1437 | 91-22-9 | Amended | V. 19, p. 683 | 100-29-7 | Amended | V. 19, p. 1547 |
| 91-1-101a | Revoked | V. 19, p. 1437 | 91-22-10 through 91-22-18 | Revoked | V. 19, p. 684 | 100-49-4 | Amended | V. 19, p. 1190 |
| 91-1-101b | Revoked | V. 19, p. 1437 | 91-22-19 | Amended | V. 19, p. 684 | 100-54-4 | Amended | V. 19, p. 1547 |
| 91-1-102a | Revoked | V. 19, p. 1437 | 91-22-21 | Revoked | V. 19, p. 684 | 100-55-1 through 100-55-9 | Amended | V. 19, p. 1017-1020 |
| 91-1-102b | Revoked | V. 19, p. 1437 | 91-22-22 | Amended | V. 19, p. 684 | 100-55-4 | Amended | V. 19, p. 1547 |
| 91-1-104b | Revoked | V. 19, p. 1437 | 91-22-23 | Revoked | V. 19, p. 684 | 100-55-11 | New | V. 19, p. 1017-1020 |
| 91-1-104c | Revoked | V. 19, p. 1437 | 91-22-24 | Revoked | V. 19, p. 684 | 100-60-1 | Revoked (T) | V. 20, p. 241 |
| 91-1-105 | Revoked | V. 19, p. 1437 | 91-22-25 | Amended | V. 19, p. 684 | 100-60-1 | Revoked | V. 20, p. 778 |
| 91-1-106 | Revoked | V. 19, p. 1437 | 91-22-26 | Revoked | V. 19, p. 685 | 100-60-2 | Revoked (T) | V. 20, p. 251 |
| 91-1-106a through 91-1-106m | Revoked | V. 19, p. 1437, 1438 | 91-37-2 | Amended | V. 20, p. 724 | 100-60-2 | Revoked | V. 20, p. 778 |
| 91-1-107a | Revoked | V. 19, p. 1438 | 91-37-3 | Amended | V. 20, p. 724 | 100-60-4 | Revoked | V. 20, p. 778 |
| 91-1-108a | Revoked | V. 19, p. 1438 | 91-37-4 | Amended | V. 20, p. 724 | 100-60-5 | Revoked (T) | V. 20, p. 251 |
| 91-1-108b | Revoked | V. 19, p. 1438 | 91-40-1 through 91-40-5 | New | V. 19, p. 685-691 | 100-60-5 | Revoked | V. 20, p. 778 |
| 91-1-108c | Revoked | V. 19, p. 1438 | 91-40-6 | Amended | V. 20, p. 541 | 100-60-6 | Revoked (T) | V. 20, p. 251 |
| 91-1-108a | Revoked | V. 19, p. 1438 | 91-40-7 through 91-40-12 | New | V. 19, p. 692-695 | 100-60-6 | Revoked | V. 20, p. 778 |
| 91-1-109a | Revoked | V. 19, p. 1438 | 91-40-13 | Amended | V. 20, p. 541 | 100-60-6 | Revoked (T) | V. 20, p. 251 |
| 91-1-110a | Revoked | V. 19, p. 1438 | 91-40-9 | Amended | V. 20, p. 542 | 100-60-8 | Revoked | V. 20, p. 779 |
| 91-1-110c | Revoked | V. 19, p. 1438 | 91-40-10 | Amended | V. 20, p. 542 | 100-60-8 through 100-60-15 | Revoked (T) | V. 20, p. 251 |
| 91-1-111a | Revoked | V. 19, p. 1438 | 91-40-16 through 91-40-19 | New | V. 19, p. 695-697 | 100-60-8 through 100-6-15 | Revoked | V. 20, p. 779 |
| 91-1-112c | Revoked | V. 19, p. 1438 | 91-40-17 | Amended | V. 20, p. 543 | 100-60-10 | Amended | V. 19, p. 571 |
| 91-1-112d | Revoked | V. 19, p. 1438 | 91-40-18 | Amended | V. 20, p. 544 | 100-60-13 | Amended | V. 19, p. 572 |
| 91-1-113b | Revoked | V. 19, p. 1438 | 91-40-21 | New | V. 19, p. 697 | 100-69-5 | Amended | V. 19, p. 1547 |
| 91-1-114a | Revoked | V. 19, p. 1438 | 91-40-22 | New | V. 19, p. 697 | AGENCY 102: BEHAVIORAL SCIENCES REGULATORY BOARD | | |
| 91-1-115a | Revoked | V. 19, p. 1438 | 91-40-24 through 91-40-31 | New | V. 19, p. 698-700 | Reg. No. | Action | Register |
| 91-1-117a | Revoked | V. 19, p. 1438 | 91-40-27 | Amended | V. 20, p. 544 | 102-1-3 | Revoked | V. 19, p. 1681 |
| 91-1-118a | Revoked | V. 19, p. 1438 | 91-40-33 through 91-40-39 | New | V. 19, p. 700-702 | 102-1-3a | New | V. 19, p. 1681 |
| 91-1-119a through 91-1-119g | Revoked | V. 19, p. 1438, 1439 | 91-40-33 | Amended | V. 20, p. 544 | 102-1-5 | Revoked | V. 19, p. 1683 |
| 91-1-120 | Revoked | V. 19, p. 1439 | 91-40-36 | Amended | V. 20, p. 545 | 102-1-5a | New | V. 19, p. 1683 |
| 91-1-121 | Revoked | V. 19, p. 1439 | 91-40-37 | Amended | V. 20, p. 545 | 102-1-12 | Amended | V. 19, p. 1684 |
| 91-1-122 | Revoked | V. 19, p. 1439 | 91-40-38 | Amended | V. 20, p. 545 | 102-1-15 | Amended | V. 19, p. 1686 |
| 91-1-123a | Revoked | V. 19, p. 1439 | 91-40-41 through 91-40-48 | New | V. 19, p. 702-704 | 102-1-17 | New | V. 19, p. 1687 |
| 91-1-125 | Revoked | V. 19, p. 1439 | 91-40-50 through 91-40-53 | New | V. 19, p. 705, 706 | 102-1-18 | New | V. 19, p. 1687 |
| 91-1-127a | Revoked | V. 19, p. 1439 | 91-40-52 | Amended | V. 20, p. 545 | 102-1-19 | New | V. 20, p. 572 |
| 91-1-128b | Revoked | V. 19, p. 1439 | 91-40-53 | Amended | V. 20, p. 546 | 102-2-1a | Amended | V. 19, p. 1192 |
| 91-1-129a | Revoked | V. 19, p. 1439 | 91-41-1 through 91-41-4 | New (T) | V. 20, p. 137 | 102-2-2a | Amended | V. 19, p. 1194 |
| 91-1-130 | Revoked | V. 19, p. 1439 | 91-41-1 | New | V. 20, p. 546, 547 | 102-2-3 | Amended | V. 19, p. 1194 |
| 91-1-131 | Revoked | V. 19, p. 1439 | 91-41-1 through 91-41-4 | New | V. 20, p. 546, 547 | 102-2-4a | Amended | V. 19, p. 1195 |
| 91-1-132a | Revoked | V. 19, p. 1439 | 91-41-1 | New | V. 20, p. 546, 547 | 102-2-5 | Amended | V. 19, p. 1195 |
| 91-1-135a | Revoked | V. 19, p. 1439 | 91-41-1 | New | V. 20, p. 546, 547 | 102-2-7 | Amended | V. 19, p. 1195 |
| 91-1-137a | Revoked | V. 19, p. 1439 | 91-41-1 | New | V. 20, p. 546, 547 | 102-2-8 | Amended | V. 19, p. 1195 |
| 91-1-138a | Revoked | V. 19, p. 1439 | 91-41-1 | New | V. 20, p. 546, 547 | 102-2-11 | Amended | V. 19, p. 1200 |
| 91-1-140a | Revoked | V. 19, p. 1439 | 91-41-1 | New | V. 20, p. 546, 547 | 102-2-12 | Amended | V. 19, p. 1201 |
| 91-1-141 | Revoked | V. 19, p. 1439 | 91-41-1 | New | V. 20, p. 546, 547 | 102-2-13 | New | V. 19, p. 1202 |
| 91-1-143 | Revoked | V. 19, p. 1439 | 91-41-1 | New | V. 20, p. 546, 547 | | | |
| 91-1-144 | Revoked | V. 19, p. 1439 | 91-41-1 | New | V. 20, p. 546, 547 | | | |
| 91-1-145 | Revoked | V. 19, p. 1439 | 91-41-1 | New | V. 20, p. 546, 547 | | | |
| 91-1-146a | Amended | V. 19, p. 1593 | 91-41-1 | New | V. 20, p. 546, 547 | | | |
| 91-1-146e | Amended | V. 19, p. 1593 | 91-41-1 | New | V. 20, p. 546, 547 | | | |
| 91-1-148a | Revoked | V. 19, p. 1439 | 91-41-1 | New | V. 20, p. 546, 547 | | | |
| 91-1-149 | Revoked | V. 19, p. 1439 | 91-41-1 | New | V. 20, p. 546, 547 | | | |
| 91-1-150 | Revoked | V. 19, p. 1439 | 91-41-1 | New | V. 20, p. 546, 547 | | | |

| | | |
|----------|---------|----------------|
| 102-2-14 | New | V. 19, p. 1202 |
| 102-2-15 | New | V. 20, p. 572 |
| 102-3-1a | Amended | V. 19, p. 1202 |
| 102-3-2 | Amended | V. 19, p. 1204 |
| 102-3-5a | Amended | V. 19, p. 1205 |
| 102-3-7a | Amended | V. 19, p. 1206 |
| 102-3-14 | New | V. 19, p. 1207 |
| 102-3-15 | New | V. 19, p. 1207 |
| 102-3-16 | New | V. 20, p. 572 |
| 102-4-1a | Amended | V. 19, p. 1208 |
| 102-4-2 | Amended | V. 19, p. 1209 |
| 102-4-4a | Amended | V. 19, p. 1209 |
| 102-4-5a | Amended | V. 19, p. 1211 |
| 102-4-7a | Amended | V. 19, p. 1211 |
| 102-4-14 | New | V. 19, p. 1212 |
| 102-4-15 | New | V. 19, p. 1213 |
| 102-4-16 | New | V. 20, p. 572 |
| 102-5-1 | Amended | V. 19, p. 1213 |
| 102-5-2 | Amended | V. 19, p. 1214 |
| 102-5-4a | Amended | V. 19, p. 1215 |
| 102-5-5 | Amended | V. 19, p. 1216 |
| 102-5-7a | Amended | V. 19, p. 1216 |
| 102-5-13 | New | V. 19, p. 1218 |
| 102-5-14 | New | V. 19, p. 1218 |
| 102-5-15 | New | V. 20, p. 572 |

AGENCY 108: STATE EMPLOYEES HEALTH CARE COMMISSION

| Reg. No. | Action | Register |
|----------|---------|----------------|
| 108-1-1 | Amended | V. 19, p. 2022 |
| 108-1-3 | New | V. 19, p. 68 |

AGENCY 109: BOARD OF EMERGENCY MEDICAL SERVICES

| Reg. No. | Action | Register |
|----------|---------|----------------|
| 109-2-2 | Amended | V. 19, p. 1949 |
| 109-5-1 | Amended | V. 19, p. 1749 |
| 109-5-4 | Amended | V. 19, p. 1750 |
| 109-6-2 | Amended | V. 19, p. 1750 |
| 109-6-3 | New | V. 19, p. 1751 |
| 109-7-1 | Amended | V. 19, p. 1751 |
| 109-10-1 | Amended | V. 19, p. 1751 |
| 9-11-6 | Amended | V. 19, p. 1753 |

| | | |
|----------|---------|----------------|
| 109-13-1 | Amended | V. 19, p. 1754 |
|----------|---------|----------------|

AGENCY 110: DEPARTMENT OF COMMERCE AND HOUSING

| Reg. No. | Action | Register |
|----------|---------|---------------|
| 110-6-1 | Amended | V. 20, p. 177 |
| 110-6-1a | Amended | V. 20, p. 178 |
| 110-6-2 | Amended | V. 20, p. 178 |
| 110-6-3 | Amended | V. 20, p. 178 |
| 110-6-4 | Amended | V. 20, p. 179 |
| 110-6-5 | Amended | V. 20, p. 180 |

AGENCY 111: KANSAS LOTTERY

A complete index listing all regulations filed by the Kansas Lottery from 1988 through 2000 can be found in the Vol. 19, No. 52, December 28, 2000 Kansas Register. The regulations listed below were published after December 31, 2000.

| Reg. No. | Action | Register |
|------------|---------|-------------------|
| 111-2-119 | | |
| through | | |
| 111-2-124 | New | V. 20, p. 416-419 |
| 111-2-125 | New | V. 20, p. 573 |
| 111-2-126 | New | V. 20, p. 573 |
| 111-2-127 | New | V. 20, p. 574 |
| 111-3-12 | Amended | V. 20, p. 40 |
| 111-3-35 | Amended | V. 20, p. 574 |
| 111-4-1795 | | |
| through | | |
| 111-4-1813 | New | V. 20, p. 40-47 |
| 111-4-1814 | | |
| through | | |
| 111-4-1823 | New | V. 20, p. 419-427 |
| 111-4-1818 | Amended | V. 20, p. 575 |
| 111-4-1824 | New | V. 20, p. 575 |
| 111-5-23 | Amended | V. 20, p. 428 |
| 111-5-24 | Amended | V. 20, p. 428 |
| 111-5-27 | Amended | V. 20, p. 429 |
| 111-7-123 | Amended | V. 20, p. 48 |
| 111-7-134 | Amended | V. 20, p. 429 |
| 111-7-152 | Amended | V. 20, p. 49 |
| 111-7-158 | | |
| through | | |
| 111-7-162 | New | V. 20, p. 577 |

AGENCY 112: KANSAS RACING AND GAMING COMMISSION

| Reg. No. | Action | Register |
|-----------|---------|----------------|
| 112-4-1 | Amended | V. 20, p. 765 |
| 112-7-19 | Amended | V. 20, p. 547 |
| 112-7-21 | Amended | V. 19, p. 118 |
| 112-10-38 | Amended | V. 19, p. 119 |
| 112-18-21 | Amended | V. 19, p. 1308 |
| 112-18-22 | Amended | V. 19, p. 119 |

AGENCY 115: DEPARTMENT OF WILDLIFE AND PARKS

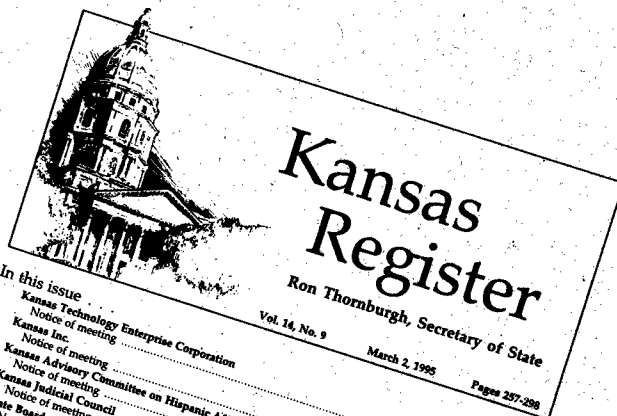
| Reg. No. | Action | Register |
|-----------|---------|----------------|
| 115-2-2 | Amended | V. 19, p. 1875 |
| 115-2-3 | Amended | V. 19, p. 1875 |
| 115-3-1 | Amended | V. 20, p. 766 |
| 115-3-2 | Amended | V. 20, p. 767 |
| 115-4-1 | Revoked | V. 20, p. 767 |
| 115-4-2 | New | V. 20, p. 767 |
| 115-4-3 | Revoked | V. 20, p. 768 |
| 115-4-4 | New | V. 20, p. 768 |
| 115-4-5 | Revoked | V. 20, p. 769 |
| 115-4-6 | Amended | V. 19, p. 1140 |
| 115-4-7 | | |
| through | | |
| 115-4-10 | Revoked | V. 20, p. 769 |
| 115-4-11 | Amended | V. 20, p. 769 |
| 115-4-12 | Revoked | V. 20, p. 770 |
| 115-4-13 | Amended | V. 20, p. 770 |
| 115-7-1 | Amended | V. 19, p. 1876 |
| 115-18-10 | Amended | V. 19, p. 1474 |
| 115-18-13 | Amended | V. 19, p. 1475 |
| 115-18-16 | New | V. 19, p. 1475 |

AGENCY 117: REAL ESTATE APPRAISAL BOARD

| Reg. No. | Action | Register |
|----------|---------|---------------|
| 117-6-3 | Amended | V. 19, p. 472 |
| 117-7-1 | Amended | V. 19, p. 41 |
| 117-8-1 | Amended | V. 19, p. 473 |
| 117-9-1 | Amended | V. 19, p. 41 |



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| In this issue | Page |
|--|------|
| Kansas Technology Enterprise Corporation | 259 |
| Notice of meeting | 259 |
| Kansas Inc. | 259 |
| Notice of meeting | 259 |
| Kansas Advisory Committee on Hispanic Affairs | 259 |
| Notice of meeting | 259 |
| Kansas Judicial Council | 259 |
| Notice of meetings | 259 |
| State Board of Indigents' Defense Services | 260 |
| Notice of meeting | 260 |
| Real Estate Appraisal Board | 261 |
| Notice of hearing on proposed administrative regulations | 261 |
| State Emergency Response Commission | 261 |
| Notice of meeting | 261 |
| Legislative bills introduced February 16-22 | 261 |
| Kansas Law Enforcement Training Commission | 261 |
| Notice of meeting | 261 |
| Social and Rehabilitation Services | 261 |
| Notice of meeting | 261 |
| Request for proposals | 261 |

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