



Kansas Register

Ron Thornburgh, Secretary of State

Vol. 23, No. 23 June 3, 2004 Pages 817-872

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The KANSAS REGISTER (USPS 0662-190) is an official publication of the State of Kansas, published by authority of K.S.A. 75-430. The Kansas Register is published weekly by the Kansas Secretary of State, 1st Floor, Memorial Hall, 120 S.W. 10th Ave., Topeka, KS 66612-1594. One-year subscriptions are \$80 (Kansas residents must include \$5.76 state and local sales tax). Single copies may be purchased, if available, for \$2 each. **Periodicals postage paid at Topeka, KS.**

POSTMASTER: Send change of address form to Kansas Register, Secretary of State, 1st Floor, Memorial Hall, 120 S.W. 10th Ave., Topeka, KS 66612-1594.

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PUBLISHED BY
Ron Thornburgh
 Secretary of State
 1st Floor, Memorial Hall
 120 S.W. 10th Ave.
 Topeka, KS 66612-1594
 (785) 296-4564
 www.kssos.org



Register Office:
 1st Floor, Memorial Hall
 (785) 296-3489
 Fax (785) 368-8024
 kansasregister@kssos.org

State of Kansas

Kansas Judicial Council

Notice of Meetings

The Kansas Judicial Council and its advisory committees will meet according to the following schedule at the Kansas Judicial Center, 301 S.W. 10th Ave., Topeka:

Date	Committee	Time	Location
June 4	Judicial Council	9:00 a.m.	Room 259
June 4	Legal Forms	9:30 a.m.	Room 269
June 18	PIK-Criminal Law	9:30 a.m.	Room 259
June 25	Juvenile Offender/ Child in Need of Care	9:30 a.m.	Room 259
July 16	PIK-Criminal Law	9:30 a.m.	Room 259
July 23	Juvenile Offender/ Child in Need of Care	9:30 a.m.	Room 259

Hon. Donald L. Allegrucci
Chair

Doc. No. 030763

State of Kansas

**Department of Administration
Division of Facilities Management**

**Notice of Commencement of
Negotiations for Technical Services**

Notice is hereby given of the commencement of negotiations for air and water balancing services and commissioning of mechanical and electrical systems for state construction projects for the 12-month period from July 1, 2004 to June 30, 2005. Negotiations also are commencing for welding x-ray services, infrared testing services, and mechanical and electrical troubleshooting.

Interested individuals or firms in the balancing field must be certified by the National Environmental Balancing Bureau or the Associated Air Balance Council. Said individuals or firms must be engaged in balancing work on a full-time basis. Balance companies that are of the same parent company as the designers or contractors of a particular project will not be considered for that project.

Firms interested in providing these services should submit a completed SF330 Part II form and a letter of interest indicating their qualifications, hourly rates for the various disciplines and geographical areas of the state in which they are willing to work, to Phyllis Fast, Division of Facilities Management, Room 600, Landon State Office Building, 900 S.W. Jackson, Topeka, 66612, (785) 296-5796.

It is the intention of the division to pre-approve a separate group of qualifying firms and award projects on a rotational basis. If a firm anticipates being limited to specific-sized projects, by dollar volume or location in the state, that information also should be supplied with the response.

Any questions or expressions of interest should be directed to Phyllis Fast. Submittals should be received before noon June 18.

D. Keith Meyers
Director, Division of
Facilities Management

Doc. No. 030759

State of Kansas

Children's Cabinet and Trust Fund

Notice of Meetings

The Kansas Children's Cabinet and Trust Fund's Evaluation Committee will conduct two meetings to continue discussions on evaluation activities. The meetings are scheduled from 11 a.m. to 1 p.m. Thursday, June 10, and from 9 to 11 a.m. Friday, June 18. Both meetings will be held in the conference room at the offices of the Kansas Children's Cabinet and Trust Fund, Room 152, Landon State Office Building, 900 S.W. Jackson, Topeka. The public is invited to attend. Persons planning on attending should contact Dyogga Adegbore, executive assistant, at (785) 368-7044.

Joyce A. Cussimano
Executive Director

Doc. No. 030783

State of Kansas

**Department of Administration
Division of Facilities Management**

**Notice of Commencement of
Negotiations for Technical Services**

Notice is hereby given of the commencement of negotiations for surveying, geological investigation and testing services for a 12-month period from July 1, 2004 to June 30, 2005. Pre-construction testing services shall include soils, roofing and hazardous materials such as lead paint and asbestos. Testing and inspection services during construction also are sought, such as soils, asphalt, concrete, steel, welding, spray-on fire-resistant materials and masonry wall construction.

Firms interested in providing these services should submit a completed SF 330 Part II form, a letter of interest indicating the geographical areas of the state in which they are willing to work, and hourly rates of the various disciplines. The above information and any additional information describing the firm's qualifications should be submitted to Phyllis Fast, Division of Facilities Management, Room 600, Landon State Office Building, 900 S.W. Jackson, Topeka, 66612, (785) 296-5796.

It is the intention of the division to pre-approve a separate group of qualifying firms and award projects on a rotational basis. If a firm anticipates being limited to specific-sized projects, by dollar volume or location in the state, that information also should be supplied with the response.

Any questions or expressions of interest should be directed to Phyllis Fast. Submittals should be received before noon June 18.

D. Keith Meyers
Director, Division of
Facilities Management

Doc. No. 030758

State of Kansas

Children's Cabinet and Trust Fund**Notice of Strategy Forum**

The office of the Kansas Children's Cabinet and Trust Fund will sponsor a Strategy Forum for its grantee agencies from 8:30 a.m. to 4:30 p.m. Tuesday, June 8, at the Holiday Inn, 1616 W. Crawford, Salina. Members of the Kansas Children's Cabinet have been invited.

There will be presenters representing various children service programs across the state as well as state agencies present to talk about their programs and their fit with Smart Start Kansas. The public is invited to attend. Persons planning on attending should contact Dyogga Adgebore, executive assistant, at (785) 368-7044.

Joyce A. Cussimano
Executive Director

Doc. No. 030768

State of Kansas

**Department of Administration
Division of Facilities Management****Notice of Commencement of
Negotiations for Architectural Services**

Notice is hereby given of the commencement of negotiations for a new 11,500 square foot Multicultural Resource Center addition to the Kansas Union, at the University of Kansas, Lawrence. The project requires design services for 7,000 square feet consisting of offices, a small conference room, a large conference room, a multi-purpose room, two general purpose rooms, a resource/library room, associated support spaces, and 4,500 square feet of unfinished space. Total project budget is \$3,000,000.

For more information concerning the scope of services, contact Jim Modig, Director, Design and Construction Management, (785) 864-3431.

To be considered, a letter of interest, SF330 Part I and information regarding similar projects should be provided in one bound proposal. Also required are four bound copies of the same information and one CD with one PDF file of the same information. Each submittal should include an e-mail address, be concise and follow the State Building Advisory Commission guidelines, which have previously been distributed to firms. If copies of the guidelines are needed, contact Phyllis Fast, Division of Facilities Management, Room 600, Landon State Office Building, 900 S.W. Jackson, Topeka, 66612, (785) 296-5796. Submittals not complying with the guidelines will not be considered.

Expressions of interest and the SF330 Part I submittals should be received by Phyllis Fast before noon June 18.

D. Keith Meyers
Director, Division of
Facilities Management

Doc. No. 030772

State of Kansas

Secretary of State**Code Mortgage Rate for June**

Pursuant to the provisions of K.S.A. 2003 Supp. 16a-1-301, Section 11, the code mortgage rate during the period of June 1, 2004 through June 30, 2004, is 12 percent.

Ron Thornburgh
Secretary of State

Doc. No. 030753

State of Kansas

Secretary of State**Usury Rate for June**

Pursuant to the provisions of K.S.A. 2003 Supp. 16-207, the maximum effective rate of interest per annum for notes secured by all real estate mortgages and contracts for deed for real estate (except where the note or contract for deed permits adjustment of the interest rate, the term of the loan or the amortization schedule) executed during the period of June 1, 2004 through June 30, 2004, is 7.72 percent.

Ron Thornburgh
Secretary of State

Doc. No. 030752

State of Kansas

**Department of Administration
Division of Facilities Management****Notice of Commencement of
Negotiations for Engineering Services**

Notice is hereby given of the commencement of negotiations for mechanical-electrical-plumbing "on-call" engineering services for small projects at Kansas State University. A one-year contract will be entered, renewable for two additional one-year periods.

For more information concerning the scope of services, contact Jerry Carter, university architect, (785) 532-6377.

To be considered, a letter of interest, SF330 Part I and information regarding similar projects should be provided in one bound proposal. Also required are four bound copies of the same information and one CD with one PDF file of the same information. Each submittal should include an e-mail address, be concise and follow the State Building Advisory Commission guidelines, which have previously been distributed to firms. If copies of the guidelines are needed, contact Phyllis Fast, Division of Facilities Management, Room 600, Landon State Office Building, 900 S.W. Jackson, Topeka, 66612, (785) 296-5796. Submittals not complying with the guidelines will not be considered.

Expressions of interest and the SF330 Part I submittals should be received by Phyllis Fast before noon June 18.

D. Keith Meyers
Director, Division of
Facilities Management

Doc. No. 030771

State of Kansas
Kansas State University
Notice to Bidders

Sealed bids for the item listed below will be received by the Kansas State University Purchasing Office, Manhattan, until 2 p.m. local time on the date indicated and then will be publicly opened. Interested bidders may call (785) 532-6214 or fax (785) 532-5577 for additional information:

Tuesday, June 15, 2004
#4192

Traveling Wave Turntable Optical Parametric Amplifier of Superfluorescence

William H. Sesler
 Director of Purchasing

Doc. No. 030749

State of Kansas
Department of Administration
Division of Purchases

Notice to Bidders

Sealed bids for items listed will be received by the Director of Purchases until 2 p.m. on the date indicated. For more information, call (785) 296-2113:

- 06/14/2004 07440 Chemistry Analyzer
- 06/14/2004 7256R CCTV System
- 06/17/2004 07484 Janitorial Services—Overland Park
- 06/22/2004 07479 Janitorial Services—Hutchinson
- 06/24/2004 07365 Consulting Services
- 08/06/2004 07480 Family Preservation Services
- 08/06/2004 07481 Reintegration—Foster Care Services
- 08/06/2004 07482 Adoption Services

The above referenced bid documents can be downloaded at the following Web site:

<http://da.state.ks.us/purch/rfq/>

Additional files may be located at the following Web site (please monitor this Web site on a regular basis for any changes/addenda):

<http://da.state.ks.us/purch/adds/default/htm>

Contractors wishing to bid on the projects listed below must be prequalified. For more information about the prequalification process, call (785) 296-8899. The following bid documents may be obtained by calling (785) 296-8899:

- 06/17/2004 A-9758 Perimeter Road
- 06/22/2004 A-9898 Marais des Cygnes Wildlife Area—Unit B Marsh
- 06/24/2004 A-9903 Partial Roof Replacement—J.H. Overman Student Center
- 07/01/2004 A9640B Dillon Complex Remodel
- 07/08/2004 A-9785 Readiness Center Addition/Alteration—Kansas City

Keith Meyers
 Director of Purchases

Doc. No. 030781

State of Kansas
Kansas Public Employees Retirement System
Request for Proposals

The Kansas Public Employees Retirement System (KPERs) is issuing a request for proposals to obtain competitive quotations from qualified vendors to replace its information systems and to provide project management services.

For more information on the scope of the project or questions about the RFP, contact John Oliver, Chief Information Officer, KPERs, 611 S. Kansas Ave., Topeka, 66603, (785) 296-0991. The scope of the project also can be found on the KPERs Web site at www.kpers.org.

Written requests for interpretation will be received not later than the close of business June 18 for project management and June 25 for system replacement. Proposals for project management must be received not later than 2 p.m. July 9, and proposals for system replacement not later than 2 p.m. July 30.

Glenn Deck
 Executive Director

Doc. No. 030751

(Published in the Kansas Register June 3, 2004.)

City of Wichita, Kansas

Notice to Bidders

The city of Wichita will receive bids at the Purchasing Office, 455 N. Main, 12th Floor, Wichita, 67201, until 10 a.m. Friday, July 9, for the following project:

(KDOT Project No. 87N-0229-01/472-83686 203317
(OCA Code 706851)
Paving

Harry Street, I-135 to George Washington Blvd.

Plans and specifications for this project will be available June 9. Requests for the bid documents and plans should be directed to City Blue Print, (316) 265-6224, or to Marty Murphy, (316) 268-4488. Other questions should be directed to the respective design engineer at (316) 268-4501.

All bids received will thereafter be publicly opened, read aloud and considered by the Board of Bids and Contracts. All work is to be done under the direction and supervision of the city manager and according to plans and specifications on file in the office of the city engineer. Bidders are required to enclose a bid bond in the amount of 5 percent with each bid as a guarantee of good faith. The Wichita City Council reserves the right to reject any and all bids.

The successful bidder may contact Pam Plank at (316) 268-4499 or Marty Murphy at (316) 268-4488 for extra sets of plans and specifications.

Marty Murphy
 Administrative Aide
 City of Wichita—Engineering

Doc. No. 030748

State of Kansas

Social and Rehabilitation Services

Public Notice

Pursuant to Senate Substitute for House Bill 2912, as passed by the 2004 Kansas Legislature, the state of Kansas plans to spend approximately \$100 million from the Health Care Access Improvement Fund in state fiscal year 2005 to improve health care delivery and related health activities. This would include increases in payment rates for Medicaid services for inpatient hospital services, physician services and Medicaid health maintenance organizations. Specific reimbursement methodologies will be established by the Health Care Access Improvement Panel to be created pursuant to the legislation.

For any comments or additional information, contact Rita Haverkamp, SRS Health Care Policy, Room 651S, Docking State Office Building, 915 S.W. Harrison, Topeka, 66612-2210.

Janet Schalansky
Secretary of Social and
Rehabilitation Services

Doc. No. 030769

(Published in the Kansas Register June 3, 2004.)

**Summary Notice of Bond Sale
City of Rose Hill, Kansas**

\$437,000

General Obligation Bonds, Series 2004-2

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

Bids

Subject to the notice of bond sale dated May 17, 2004, written bids will be received by the clerk of the city of Rose Hill, Kansas (the issuer), on behalf of the governing body at City Hall, 306 N. Rose Hill Road, Rose Hill, KS 67133, until 4 p.m. June 21, 2004, for the purchase of \$437,000 principal amount of General Obligation Bonds, Series 2004-2. No bid of less than 100 percent of the principal amount of the bonds and accrued interest thereon to the date of delivery will be considered.

Bond Details

The bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof, except one bond in the denomination of \$7,000 (or such amount added to \$5,000 or any integral multiple thereof). The bonds will be dated July 1, 2004, and will become due October 1 in the years as follows:

Year	Principal Amount
2005	\$12,000
2006	20,000
2007	25,000
2008	25,000
2009	25,000
2010	25,000
2011	30,000
2012	30,000

2013	30,000
2014	30,000
2015	35,000
2016	35,000
2017	35,000
2018	40,000
2019	40,000

The bonds will bear interest from the date thereof at rates to be determined when the bonds are sold as hereinafter provided, which interest will be payable semiannually on April 1 and October 1 in each year, beginning April 1, 2005.

Book-Entry-Only System

The bonds shall be registered under a book-entry-only system administered through DTC.

Paying Agent and Bond Registrar

Kansas State Treasurer, Topeka, Kansas.

Good Faith Deposit

Each bid shall be accompanied by a good faith deposit in the form of a cashier's or certified check drawn on a bank located in the United States or a qualified financial surety bond in the amount of \$8,740 (2 percent of the principal amount of the bonds).

Delivery

The issuer will pay for printing the bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder on or about July 21, 2004, to DTC for the account of the successful bidder.

Assessed Valuation and Indebtedness

The equalized assessed tangible valuation for computation of bonded debt limitations for the year 2003 is \$20,436,937. The total general obligation indebtedness of the issuer as of the date of delivery of the bonds, including the bonds being sold but excluding temporary notes to be retired in conjunction therewith, is \$4,742,000.

Approval of Bonds

The bonds will be sold subject to the legal opinion of Gilmore & Bell, P.C., Wichita, Kansas, bond counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the issuer, printed on the bonds and delivered to the successful bidder when the bonds are delivered.

Additional Information

Additional information regarding the bonds may be obtained from the clerk, (316) 776-2712, fax (316) 776-2769, e-mail: kathy@cityofrosehill.com; or from the financial advisor, George K. Baum & Company, 100 N. Main, Suite 810, Wichita, KS 67202, Attention: Charles M. Bouilly, (316) 264-9351, fax (316) 264-9370, e-mail: bouilly@gkbaum.com.

Dated May 17, 2004.

City of Rose Hill, Kansas

Doc. No. 030773

State of Kansas

Office of the Governor

Executive Order No. 2004-04

WHEREAS, the state of Kansas must continue to be fiscally responsible as we enter the new fiscal year; and

WHEREAS, the moratorium placed on employee bonuses for Executive Branch agencies in Fiscal Year 2003 and Fiscal Year 2004 resulted in fiscal savings;

NOW THEREFORE, I am continuing the moratorium on employee bonuses for Fiscal Year 2005.

This moratorium includes any bonus issued by Executive Directive, contracted agreements, Memorandum of Agreement, cash awards authorized by the Award and Recognition Program and unclassified bonuses used by agencies in the past. No new contracted and Memorandums of Agreement should include bonus provisions.

This moratorium does not apply to the longevity bonus, any cash award based on agency savings authorized by the Employee Suggestion Program, non-monetary awards authorized by the Employee Award and Recognition Program up to a maximum of \$100, and Memorandums of Agreement involving the University of Kansas and the University of Kansas Medical Center university police officers.

Any exceptions to this moratorium must be approved by the Governor's Office.

This document shall be filed with the Secretary of State as Executive Order No. 2004-04 and shall be effective June 6, 2004.

Dated May 27, 2004.

Kathleen Sebelius
Governor

Attest: Ron Thornburgh
Secretary of State

Doc. No. 030784

State of Kansas

State Employees Health Care Commission

Permanent Administrative
Regulations

Article 1.—ELIGIBILITY REQUIREMENTS

108-1-4. Local unit of government employee health care benefits plan. (a) Definitions.

(1) "Commission" means the Kansas state employees health care commission.

(2) "Local unit" means any of the following:

(A) Any county, township, or city;

(B) any community mental health center;

(C) any groundwater management district, rural water-supply district, or public wholesale water supply district;

(D) any county extension council or extension district; or

(E)(i) any city, county, or township public library created under the authority of K.S.A. 12-1215 *et seq.* and amendments thereto;

(ii) any regional library created under the authority of K.S.A. 12-1231, and amendments thereto;

(iii) any library district created under the authority of K.S.A. 12-1236, and amendments thereto;

(iv) the Topeka and Shawnee county library district established under the authority of K.S.A. 12-1260 *et seq.*, and amendments thereto;

(v) the Leavenworth and Leavenworth county library district established under the authority of K.S.A. 12-1270, and amendments thereto;

(vi) any public library established by a unified school district under the authority of K.S.A. 72-1623, and amendments thereto; or

(vii) any regional system of cooperating libraries established under the authority of K.S.A. 75-2547 *et seq.*, and amendments thereto.

(3) "Local unit employee" means any individual who meets one or more of the following criteria:

(A) The individual is an appointed or elective officer or employee of a qualified local unit whose employment is not seasonal or temporary and whose employment requires at least 1,000 hours of work per year.

(B) The individual is an appointed or elective officer or employee who is employed concurrently by two or more qualified local units in positions that involve similar or related tasks and whose combined employment by the qualified local units is not seasonal or temporary and requires at least 1,000 hours of work per year.

(C) The individual is a member of a board of county commissioners of a county that is a qualified local unit, and the compensation paid for service on the board equals or exceeds \$5,000 per year.

(D) The individual is a council member or commissioner of a city that is a qualified local unit, and the compensation paid for service as a council member or commissioner equals or exceeds \$5,000 per year.

(4) "Local unit plan" means the local unit employee health care benefits component of the health care benefits program.

(5) "Qualified local unit" means a local unit that meets the terms, conditions, limitations, exclusions, and other provisions established by the commission for participation in the local unit employee health care benefits component of the health care benefits program and that has entered into a written agreement with the commission to participate in the program.

(b) Active participants. Subject to the provisions of subsection (c), each local unit employee shall be eligible to participate as an active participant in the local unit plan. Eligibility and participation shall be subject to terms, conditions, limitations, exclusions, and other provisions established by the commission, including the amount and method of payment for employee and employer contributions.

(c) Waiting periods.

(1) Each local unit employee whose first day of work for a qualified local unit is on or after the first day on which the employee's qualified local unit participates in the local unit plan shall become eligible for coverage following completion of a 60-day waiting period beginning with the first day of work for the qualified local unit. Each local unit employee shall have 31 days after becoming eligible to elect health insurance coverage.

(continued)

(2) The waiting period established in paragraph (c)(1) shall not apply if all of the following conditions are met:

(A) The person is returning to work for the qualified local unit, is transferring from another qualified local unit, or is transferring from a position that is eligible for coverage under K.A.R. 108-1-1 or K.A.R. 108-1-3.

(B) Immediately before leaving the prior position, the person was enrolled in the local unit plan, the school district plan under K.A.R. 108-1-3, or the health care benefits program under K.A.R. 108-1-1 or was enrolled in the health care insurance plan provided by the employee's qualified local unit.

(C) The break in service between the prior position and the new position does not exceed the following time periods:

(i) 30 or fewer calendar days; or

(ii) 365 or fewer days, if the person was laid off in accordance with the practices of the prior employer.

(3) The waiting period established in paragraph (c)(1) shall not apply to any person who, on that person's first day of work for the qualified local unit, is enrolled in the local unit plan, the school district plan under K.A.R. 108-1-3, or the health care benefits plan under K.A.R. 108-1-1 on any of the following bases:

(A) As a direct bill participant;

(B) under the continuation of benefits coverage provided under public law 99-272, as amended; or

(C) as a spouse or dependent of an active participant in any of those plans.

(4) The waiting period established in paragraph (c)(1) may be waived if the chief administrative officer of the qualified local unit, or the chief administrative officer's designee, meets the following requirements:

(A) The chief administrative officer or the chief administrative officer's designee shall provide both of the following certifications to the commission, or its designee, in writing:

(i) A potential new local unit employee is not entitled to continuation of health benefits available from prior insurance coverage.

(ii) The waiting period poses, or will pose, an obstacle to recruitment.

(B) The chief administrative officer or the chief administrative officer's designee shall submit the request for a waiver before the employee's acceptance of the position.

(5) Each local unit employee who is employed by the employee's qualified local unit immediately before the first day on which the employee's qualified local unit participates in the local unit plan shall be subject to transitional provisions established by the commission regarding waiting periods and the date on which the employee becomes eligible to participate in the local unit plan.

(6) The waiting period described in this subsection may be waived by the commission if the commission determines that failure to grant a waiver would create a manifest injustice or undue hardship on the local unit employee.

(d) Categories of direct bill participants. Subject to the provisions of subsection (e), the classes of persons eligible to participate as members of the local unit plan on a direct bill basis shall be the following:

(1) Any retired local unit employee who meets one of the following conditions:

(A) The employee is receiving state warrants for retirement benefits under the Kansas public employees retirement system or the Kansas police and firemen's retirement system; or

(B) if the qualified local unit is not a participating employer under either the Kansas public employees retirement system or the Kansas police and firemen's retirement system, the employee is receiving retirement benefits under the retirement plan provided by the qualified local unit;

(2) any totally disabled former local unit employee who meets one of the following conditions:

(A) The employee is receiving benefits under the Kansas public employees retirement system or the Kansas police and firemen's retirement system; or

(B) if the qualified local unit is not a participating employer under either the Kansas public employees retirement system or the Kansas police and firemen's retirement system, the employee is receiving disability benefits under the retirement or disability plan provided by the qualified local unit;

(3) any surviving spouse or dependent of a qualifying participant in the local unit plan;

(4) any person who is a local unit employee and who is on approved leave without pay in accordance with the practices of the qualified local unit; and

(5) any individual who was covered by the health care plan offered by the qualified local unit on the day immediately before the first day on which the qualified local unit participates in the local unit plan, except that no individual who is an employee of the qualified local unit and who does not meet the definition of local unit employee in subsection (a) shall be qualified as a direct bill participant under this paragraph.

(e) Conditions for direct bill participants. Each person who is within a class listed in subsection (d) shall be eligible to participate on a direct bill basis only if the person meets both of the following requirements:

(1) The person was covered by the local unit plan or the health care insurance plan offered by the qualified local unit on one of the following bases:

(A) Immediately before the date the person ceased to be eligible for coverage or, for any person identified in paragraph (d)(5), immediately before the first day on which the qualified local unit participates in the local unit plan, the person either was covered as an active participant under subsection (b) or was covered by the health care insurance plan offered by the employee's qualified local unit.

(B) The person is a surviving spouse or dependent of a person who was enrolled as a plan participant under subsection (b) or (d) at the time the plan participant died, and the person was enrolled in spouse or dependent coverage under subsection (g) at the time the plan participant died.

(C) The person is a surviving spouse or dependent of a person who was enrolled as a plan participant under the health care insurance plan offered by the participant's qualified local unit at the time the participant died, and

the person was covered under the same plan at the time the participant died.

(2) The person files a statement of election with the commission's health benefits administrator to continue coverage under the plan. The election to continue coverage shall be submitted on a form prescribed by the commission's health benefits administrator. The form shall be submitted no more than 30 days after the person ceased to be eligible for coverage or, in the case of any individual identified in paragraph (d)(5), no more than 30 days after the first day on which the qualified local unit participates in the local unit plan.

(f) Continuation of benefits (COBRA) coverage. Any individual with rights to extend coverage under provisions of public law 99-272, as amended, may participate in the local unit plan, subject to the provisions of that federal law.

(g) Coverage of spouses and dependents. Any person who is enrolled in the local unit plan under subsection (b), (d), or (f) as a primary participant may enroll the following dependents, subject to the same conditions and limitations that apply to the primary participant:

(1) The primary participant's lawful wife or husband; and

(2) any of the primary participant's eligible dependent children. An eligible dependent child who is enrolled in the local unit plan by one primary participant shall not be eligible to be enrolled by another primary participant in the local unit plan, the school district plan under K.A.R. 108-1-3, or the health care benefits program under K.A.R. 108-1-1.

(h) Eligible dependent participants; definitions. For purposes of subsection (g), "primary participant," "child," and "eligible dependent child" shall be defined as those terms are defined in K.A.R. 108-1-1.

(i) Direct bill participants; continuous coverage provisions.

(1) Except as otherwise provided in this subsection, each direct bill participant enrolled in the local unit plan shall maintain continuous coverage in the program or shall lose eligibility to be in the local unit plan as a direct bill participant under subsection (d).

(2) Any person who discontinues direct bill coverage in the local unit plan and maintains continuous coverage in a medicare risk plan may return to the local unit plan according to the open enrollment procedures.

(j) An individual who is eligible to enroll as an active participant under subsection (b) and whose spouse is eligible for coverage as an active participant under K.A.R. 108-1-1 shall not be eligible for coverage as a dependent under K.A.R. 108-1-1. Any other dependents of the individual and the individual's spouse may be enrolled under the provisions of either K.A.R. 108-1-1 or K.A.R. 108-1-4. (Authorized by K.S.A. 2003 Supp. 75-6501 and K.S.A. 75-6510; implementing K.S.A. 2003 Supp. 75-6501 and K.S.A. 75-6508; effective August 30, 2002; amended March 28, 2003; amended Jan. 9, 2004; amended June 18, 2004.)

Linda J. DeCoursey
Health Benefits Administrator

Doc. No. 030756

State of Kansas

Kansas Insurance Department

Permanent Administrative Regulations

Article 2.—LIFE INSURANCE

40-2-27. Minimum reserve liabilities and nonforfeiture benefits. Sections three through seven of the national association of insurance commissioners' "recognition of the 2001 CSO mortality table for use in determining reserve liabilities and nonforfeiture benefits model regulation," January 2003 edition, are hereby adopted by reference for use in determining the minimum standard of valuation for life insurance policies, with the following exceptions: (a) Subsection 4A is amended by replacing the phrase "January 1, 200[]" and the bracketed text that immediately follows with the following phrase: "the effective date of this regulation." Subsection 4A is amended further by replacing the next bracketed text with the following phrase: "K.S.A. 40-409(d)(1)(i) and (iii) and amendments thereto, 40-428(d-3)(8)(F) and amendments thereto, and subsections 5A and 5B of the model regulation adopted by reference in K.A.R. 40-2-26."

(b) Subsection 4B is amended by replacing the bracketed text with the following phrase: "K.S.A. 40-409(d)(i) and (iii) and amendments thereto, 40-428(d-3)(8)(F) and amendments thereto, and subsections 5A and 5B of the model regulation adopted by reference in K.A.R. 40-2-26."

(c) Subsection 5A(2) is amended by replacing the bracketed text and the word "Section" immediately preceding the bracketed text with the following phrase: "K.S.A. 40-409(d)(5) and amendments thereto."

(d) Subsection 5C is amended by replacing the bracketed text with the following phrase: "Subsection 6C of the model regulation adopted by reference in K.A.R. 40-2-26."

(e) Subsection 5D is amended by replacing the first bracketed text and the word "Sections" immediately preceding the bracketed text with the following phrase: "Section 5A of the model regulation adopted by reference in K.A.R. 40-1-44."

(f) The title of Section 6 is amended by replacing the bracketed text with the following phrase: "the valuation of life insurance policies regulation, K.A.R. 40-2-26."

(g) Subsection 6A is amended by replacing each bracketed text with the following phrase: "the valuation of life insurance policies regulation, K.A.R. 40-2-26."

(h) Subsection 7A is amended by replacing the phrase "January 1, 200[]" and the bracketed text that immediately follows with the following phrase: "the effective date of this regulation."

(i) Subsection 7C is amended by replacing the bracketed text with the following phrase: "K.S.A. 40-2404 and amendments thereto." (Authorized by K.S.A. 40-103 and 40-409(f); implementing K.S.A. 40-409; effective June 18, 2004.)

Sandy Praeger
Kansas Insurance Commissioner

Doc. No. 030766

(Published in the Kansas Register June 3, 2004.)

Kansas Statewide Homeless Coalition

Request for Proposals

The Kansas Statewide Homeless Coalition (KSHC), as the lead entity in Kansas' Balance of State Continuum of Care (CoC), is submitting an application for the Department of Housing and Urban Development's (HUD) homeless assistance funding under the CoC process. A continuum of care system is designed to address the critical problem of homelessness through a coordinated community-based process of identifying needs and building a system to address those needs. The KSHC is requesting proposals for the three programs under HUD's CoC process:

- **Supportive Housing Program**—Provides housing, including housing units and group quarters, that has a supportive environment and includes a planned service component.
- **Shelter Plus Care Program**—Provides grants for rental assistance for homeless persons with disabilities through four component programs: Tenant, Sponsor, Project, and Single Room Occupancy (SRO) Rental Assistance.
- **Single Room Occupancy Program**—Provides rental assistance on behalf of homeless individuals in connection with moderate rehabilitation of SRO dwellings.

Timeline for grant application submission:

- Initial letter of intent ("intent to submit") must be postmarked or hand delivered by 4:30 p.m. July 1.
- The initial grant application must be postmarked or received by the close of business (4:30 p.m.) July 8.
- A KSHC review committee will review the applications by the close of business July 14.
- Applications will be mailed back to applicants July 15 so any necessary final corrections may be made.
- All applications must be received at the address below by 4:30 p.m. July 26 so the package can be assembled and mailed July 27.

Letters of intent and applications should be sent to Randy Crandall, (B21-116) VAMC, 2200 Gage Blvd., Topeka, 66622-0001. Questions or comments may be directed to (785) 350-3111, ext. 2090, or to Randy.Crandall@med.va.gov. For more information on CoC or the programs under the CoC, consult HUD's Web site, www.HUD.gov under homeless.

Note: Any application that does not conform to the above submission deadlines will not be considered for review and/or submission with this Kansas Balance of State HUD application package. Agencies/entities that do not want to submit their application under the BoS may mail their application directly to HUD.

HUD requires that all applications submitted under a Balance of State (BoS) exhibit one be given a priority "ranking," which means a numerical priority will be assigned to each application to reflect its standing among all the projects submitted; e.g., there will be a number one prioritized project, a number two project, etc. This prioritization will be established by the Kansas Statewide

Homeless Coalition Board of Directors' grant review committee in keeping with the needs of individuals and families who are experiencing homelessness in Kansas, and the quality/strength of the application.

Randy Crandall
Chair, Kansas Statewide
Homeless Coalition

Doc. No. 030757

State of Kansas

Department of Health and Environment

Notice Concerning Proposed Municipal Solid Waste Landfill Permit

This is the second public notice for the following proposed municipal solid waste landfill. The first public notice was published in The Norton Telegram on April 13, 2004, and in the Kansas Register on April 15, 2004. The Kansas Department of Health and Environment received significant public comments on the proposed landfill during the initial notice period. Therefore, the public review period is being extended and will include a public hearing, as explained below.

KDHE has reviewed an application from Norton County to construct and operate a type of municipal solid waste landfill called a small arid landfill (SAL). The SAL would be located in the Southwest Quarter of Section 25, Township 2 South, Range 23 West, approximately 1 mile northeast from the city of Norton. Other areas of this property have been permitted for waste management activities since 1976.

The existing facility includes a closed municipal solid waste landfill, an inactive solid waste incinerator, an inactive incinerator ash landfill, an active construction and demolition waste landfill, and an active yard waste composting facility. The site also includes a recycling center, tree and brush burn area, waste tire storage and appliance salvaging. The proposed SAL would cover approximately 18 acres on the county's existing 60-acre facility. The SAL is designed with approximately 393,000 cubic yards (approximately 45 years) of capacity for municipal solid waste disposal and daily/intermediate cover material. The bottom of the SAL is proposed at elevations ranging from approximately 2,275 feet to 2,305 feet, resulting in excavation depths as much as 20 feet below the existing ground surface. The completed surface of the SAL (including the final cover) is proposed at elevations ranging from approximately 2,297 feet to 2,335 feet, representing fill depths up to 10 feet above the existing ground surface. The final cover on the SAL is proposed to consist of at least 56 inches of soil with native grasses established on the surface.

Norton County has certified that the application described herein is consistent with the regional solid waste management plan and is compatible with the surrounding land use. KDHE has reviewed the application and found it to be in conformance with the state solid waste statutes and regulations.

KDHE is providing public notice of its intent to issue an amended permit to Norton County to allow the pro-

posed SAL described herein. However, a final decision to issue the permit has not been made, and KDHE will consider information gathered during the public comment period before making a final decision. A copy of the administrative record, which includes the permit application, engineering drawings, draft permit and other information with respect to this permit action, is available for public review through July 16 during normal business hours at the following locations:

Kansas Department of Health and Environment
 Bureau of Waste Management
 1000 S.W. Jackson, Suite 320
 Topeka, 66612-1366
 Contact: Paul Graves
 (785) 296-1596

Norton County Clerk's Office
 Norton County Courthouse
 105 S. Kansas, P.O. Box 70
 Norton, 67654
 Contact: Robert Wyatt
 (785) 877-5710

Additionally, the application form is available for public viewing via the Internet at www.kdhe.state.ks.us/waste. Anyone wishing to comment on the proposed facility should submit written statements by 5 p.m. Friday, July 16, to Paul Graves of KDHE at the address above, via fax to (785) 296-1592, or via e-mail to pgraves@kdhe.state.ks.us. Comments postmarked by July 16 and received within one week thereafter also will be considered.

An informational meeting and public hearing will be held in conjunction with the public comment period. The informational meeting will be at 6 p.m. Wednesday, July 7, in the 4-H Building, 126 E. Park St., Norton. At the informational meeting, KDHE staff will be present in an informal setting to respond to questions from interested individuals. Immediately following the informational meeting, a public hearing will be held at 7 p.m. at the same location. The public hearing will provide a forum for individuals to make formal comments, which will be recorded by KDHE. KDHE will subsequently issue written responses to all formal comments, including written comments received through the end of the public comment period and verbal comments recorded during the public hearing.

After consideration of all formal comments as described above, KDHE will make a final decision on whether to issue the permit. Notice of the decision will be given to the applicant, to anyone who submitted formal comments, and to those who requested notice of the final permit decision.

Roderick L. Bremby
 Secretary of Health
 and Environment

Doc. No. 030779

(Published in the Kansas Register June 3, 2004.)

City of Hays, Kansas

Notice of Proposed DBE Program

The city of Hays has established a Disadvantaged Business Enterprise (DBE) Program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26, for the Hays Regional Airport. The city of Hays anticipates receiving federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, the city will sign an assurance that it will comply with 49 CFR Part 26.

The city's overall goal for FY 2004 is the following: A project-specific goal of 8.2 percent of the federal financial assistance.

The proposed DBE Program is available for public inspection and comment at the office of the city clerk at the Hays City Hall. The city of Hays will accept comments on the goals for 45 days from the date of this notice. Comments may be sent to Terry Urban, Airport Manager, 16th and Main, Hays, 67601.

Carol Sue Berger
 Hays City Clerk

Doc. No. 030764

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-04-161/168

Pending Permits for Confined Feeding Facilities

Name and Address of Applicant	Legal Description	Receiving Water
RB Farm	NW/4 of Section 36,	Marais des
Floyd and Lorri Cotter	T17S, R20E,	Cygnus
4000 Jackson Road	Franklin County	River Basin
Rantoul, KS 66079		

Kansas Permit No. A-MCFR-S029

This is for the transfer of a permit to a new facility owner and assignment of a new permit number for an existing facility for 650 head
 (continued)

(260 animal units) of swine greater than 55 pounds, with no change in the facility's operation or animal capacity.

Name and Address of Applicant	Legal Description	Receiving Water
J-Bar Farms Inc. Herman Janzen 17637 N.W. Prairie Creek Road Newton, KS 67114	NE/4 of Section 05, T23S, R03E, Butler County	Walnut River Basin

Kansas Permit No. A-WABU-B005
This is a renewal and modified permit for an existing facility for 975 head (975 animal units) of beef cattle. The facility's head and animal unit count are being modified (from 1,500 head of mixed weight beef cattle/900 Kansas animal units/1,500 federal animal units) to reflect the current use of the feedlot. No additional pens or retention structures are being proposed.

Name and Address of Applicant	Legal Description	Receiving Water
D & D Swine, Inc. Dan Dible 1616 County Road 36 Menlo, KS 67753	SE/4 of Section 14, T08S, R31W, Thomas County	Solomon River Basin

Kansas Permit No. A-SOTH-S004
This is a renewal permit for an existing facility with a revised animal unit count due to changes in the law requiring hogs 55 pounds or less to be counted as 0.1 animal units. The facility has a maximum capacity for 900 head (360 animal units) of swine weighing greater than 55 pounds and 1,000 head (100 animal units) of swine weighing less than 55 pounds, for a total capacity of 1,900 head (460 animal units) of swine.

Name and Address of Applicant	Legal Description	Receiving Water
Kendal L. Grecian 1133 A 350th Ave. Palco, KS 67657	SE/4 of Section 30, T10S, R21W, Graham County	Saline River Basin

Kansas Permit No. A-SAGH-B003
This is a permit renewal for an existing facility for a maximum of 500 head (500 animal units) of cattle weighing greater than 700 pounds each.

Name and Address of Applicant	Legal Description	Receiving Water
Duane Sell 1476 W. Granite Road Long Island, KS 67647	NW/4 of Section 05, T02S, R20W, Phillips County	Upper Republican River Basin

Kansas Permit No. A-URPL-S008
This is a renewal permit for an existing facility for a maximum of 500 head (200 animal units) of swine weighing greater than 55 pounds each.

Name and Address of Applicant	Legal Description	Receiving Water
2K Feeders Keith Koehn 12786 N.W. Shumway Road Burns, KS 66840	NE/4 of Section 35, T23S, R04E, Butler County	Walnut River Basin

Kansas Permit No. A-WABU-C009 Federal Permit No. KS0090042
This is a renewal permit for an existing facility for 3,500 head (3,500 animal units) of beef cattle.

Name and Address of Applicant	Legal Description	Receiving Water
Jerry P. Morris 8807 S. Spring Lake Road Sedgwick, KS 67135	NE/4 of Section 29, T24S, R02W, Harvey County	Little Arkansas River Basin

Kansas Permit No. A-LAHV-H001 Federal Permit No. KS0093785
This is a renewal permit for an existing facility for 4,800 head (1,920 animal units) of swine greater than 55 pounds.

Name and Address of Applicant	Legal Description	Receiving Water
Royal Farms Dairy, L.L.C 3705 Road F Garden City, KS 67846	N/2 & SW/4 of Section 33, S/2 of Section 28, T24S, R30W, Gray County	Upper Arkansas River Basin

Kansas Permit No. A-UAGY-D001 Federal Permit No. KS0095362
This is a permit modification for an existing and expanding facility. The facility will have 40,200 animal units including 18,000 head (25,200 animal units) of mature dairy cattle and 30,000 head (15,000 animal units) of cattle weighing less than 700 pounds. Additional runoff control structures will be built.

Public Notice No. KS-04-112/115

Name and Address of Applicant	Waterway	Type of Discharge
Edgerton, City of P.O. Box 255 Edgerton, KS 66021	Big Bull Creek via Martin Creek	Treated Domestic Wastewater

Kansas Permit No. M-MC08-IO01 Federal Permit No. KS0046388
Legal: NW¼, NW¼, S8, T15S, R22E, Johnson County

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, phosphorus and pH. Monitoring of nitrate, nitrite, total Kjeldahl nitrogen, total nitrogen and effluent flow also 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.

Name and Address of Applicant	Waterway	Type of Discharge
Melvern, City of P.O. Box 116 Melvern, KS 66510	Marais des Cygnes River via Long Creek	Treated Domestic Wastewater

Kansas Permit No. M-MC23-OO01 Federal Permit No. KS0046027
Legal: SE¼, SE¼, SW¼, S3, T18S, R16E, Osage County

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, fecal coliform and pH. Monitoring of ammonia also 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.

Name and Address of Applicant	Waterway	Type of Discharge
Princeton, City of P.O. Box 58 Princeton, KS 66078	Marais des Cygnes River via Middle Creek	Treated Domestic Wastewater

Kansas Permit No. M-MC38-OO01 Federal Permit No. KS0093891
Legal: SW¼, NE¼, SW¼, S14, T18S, R19E, Franklin County

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 and pH. Monitoring of ammonia and fecal coliform also will be required. Contained in the proposed permit is a schedule of compliance requiring the permittee to complete construction of improvements and achieve compliance with the permit by December 31, 2007. 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 technology based.

Name and Address of Applicant	Waterway	Type of Discharge
Tamko Roofing Products, Inc. 1598 Highway 183 Phillipsburg, KS 67661	Solomon River via Deer Creek via Drainage Creek	Process Wastewater

Kansas Permit No. I-SO31-PO01 Federal Permit No. KS0001392

Facility Description: The proposed action is to reissue an existing permit for the discharge of process wastewater. This facility is engaged in the production of composition and fiberglass roofing materials. Outfall 001 consists of wastewater from the organic felt mill process line. The wastewater is biologically treated in aerated cells. The estimated average flow from this outfall is 10,070 gallons per day. Outfall 003 consists of contact cooling water from the fiberglass line, asphalt processing, organic roofing line and the saturated felt line. The wastewater enters a series of settling basins prior to discharge. The average flow is 86,900 gallons per day. Sanitary wastewater is treated in a septic tank/lateral field system. The proposed permit includes limits for biochemical oxygen demand, total suspended solids, settleable solids and pH. Monitoring of nitrate, nitrite, phosphorus, ammonia, selenium, sulfate and effluent flow also will be required. Contained in the permit is a schedule of compliance requiring the permittee to develop and implement a stormwater pollution prevention plan (SWP3) within one year of the effective date of the 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.

Public Notice No. KS-ND-04-013

Name and Address of Applicant	Legal Location	Type of Discharge
Spivey, City of P.O. Box 9 Spivey, KS 67142	NW¼, NE¼, S14, T30S, R8W, Kingman County	Nonoverflowing

Kansas Permit No. M-AR83-NO01

Facility Description: The proposed action is to reissue an existing permit for operation of the existing wastewater treatment facility treating primarily domestic wastewater. Included in this permit is a schedule of compliance requiring the permittee to obtain the services of a KDHE-certified wastewater treatment plant operator to achieve compliance with this permit. Discharge of wastewater from this treatment facility to surface waters of the state of Kansas is prohibited by this permit.

Public Notice No. KS-PT-04-002

Name and Address of Applicant	Waterway	Type of Discharge
Seyller Industries LLC 7626 Brighton Road Commerce City, CO 80022	Wathena MWWTP	Processed Wastewater

Kansas Permit No. P-MO23-OO01

Facility Location: 990 Vernon Road, Wathena, KS 66090

Facility Description: The proposed action is to modify and reissue a pretreatment permit for this facility. This facility manufactures mechanic truck and lube bodies made of steel. The steel is phosphated to improve paint adhesion. Outfall 001 consists of wastes from the phosphating system. The proposed permit includes limits for total toxic organics, cadmium, chromium, copper, lead, nickel, silver, zinc, total cyanide and pH. The monitoring of flow also will be required. The permit limits are pursuant to state and federal pretreatment requirements.

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 at-

tention of April Romero for agricultural permits or applications, or to the permit clerk for all other permits, at the Kansas Department of Health and Environment, Division of Environment, Bureau of Water, 1000 S.W. Jackson, Suite 420, Topeka, 66612-1367.

All comments regarding the draft permit or application notice postmarked or received on or before July 3 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate Kansas permit number (KS-AG-04-161/168, KS-04-112/115, KS-ND-04-013, KS-PT-04-002) 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, (620) 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, (620) 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>.

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.

Roderick L. Bremby
Secretary of Health
and Environment

Doc. No. 030778

(Published in the Kansas Register June 3, 2004.)

Heartland Works, Inc.**Request for Proposals**

Heartland Works, Inc. is accepting bids for the purchase of a commercial insurance package policy including general liability, property, inland marine, commercial crime, non-owned auto, commercial umbrella liability and workers compensation insurance. It is not required that all policies be provided by one carrier. To receive a request for proposal, including all specifications, contact the Heartland Works office, 610 S.W. 10th Ave., Suite 210, Topeka, 66612-1616, (785) 234-0500. Bids must be received not later than 3 p.m. Thursday, June 17. Heartland Works welcomes all interested companies to bid.

Nancy Leonard
Administrative Assistant

Doc. No. 030765

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

The Kansas Department of Health and Environment is soliciting comments regarding a proposed modification to an air quality operating permit. West Wichita Gas Gathering, LLC - Cheney Compressor Station has applied for a Class II operating permit modification in accordance with the provisions of K.A.R. 28-19-544. Emissions of NO_x (oxides of nitrogen) and CO (carbon monoxide) were evaluated during the permit review process. The purpose of a Class II permit is to limit the potential-to-emit for these pollutants to below major source thresholds.

West Wichita Gas Gathering, LLC, Tulsa, Oklahoma, owns and operates a natural gas compressor station located at 13521 N.E. 10th St., Cheney, Kansas (legal description: Section 33, Township 27 South, Range 5 West, Kingman County, Kansas).

A copy of the proposed permit, permit application, all supporting documentation and all information relied upon during the permit application review process is available for public review for a period of 30 days from the date of publication during normal business hours at the KDHE, Bureau of Air and Radiation, 1000 S.W. Jackson, Suite 310, Topeka; and at the KDHE South Central District Office, 130 S. Market, Suite 6050, Wichita. To obtain or review the proposed permit and supporting documentation, contact Ann Spitz, (785) 291-3271, at the KDHE central office, or David 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 Ann Spitz, KDHE, Bureau of Air and Radiation, 1000 S.W. Jackson, Suite 310, Topeka, 66612-1366. In order to be considered in formulating a final permit decision, written comments must be received before the close of business July 5.

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 Brie Wilkins, Bureau of Air and Radiation, not later than the close of business July 5 in order for the Secretary of Health and Environment to consider the request.

Roderick L. Bremby
Secretary of Health
and Environment

Doc. No. 030775

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 operating permit. Northwest Cotton Growers Co-op, Inc. has applied for a Class II operating permit in accordance with the provisions of K.A.R. 28-19-540. Emissions of particulate matter less than 10 micrometers (PM₁₀) were evaluated during the permit review process. The purpose of a Class II permit is to limit the potential-to-emit for these pollutants to below major source thresholds.

Northwest Cotton Growers Co-op, Inc., Moscow, owns and operates a cotton ginning facility located at SW1/4, S4-T32S-R36W, Moscow.

A copy of the proposed permit, permit application, all supporting documentation and all information relied upon during the permit application review process is available for public review for a period of 30 days from the date of publication during normal business hours at the KDHE, Bureau of Air and Radiation, 1000 S.W. Jackson, Suite 310, Topeka; and a copy of the proposed permit can be reviewed at the KDHE South Central District Office, 130 S. Market, Suite 6050, Wichita. To obtain or review the proposed permit and supporting documentation, contact Ann Spitz, (785) 291-3271, at the KDHE central office; and to review the proposed permit only, contact Don Mies, (316) 337-6107, 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 Ann Spitz, KDHE, Bureau of Air and Radiation, 1000 S.W. Jackson, Suite 310, Topeka, 66612-1366. In order to be considered in formulating a final permit decision, written comments must be received before the close of business July 5.

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 Brie Wilkins, Bureau of Air and Radiation, not later than the close of business July 5 in order for the Secretary of Health and Environment to consider the request.

Roderick L. Bremby
Secretary of Health
and Environment

Doc. No. 030776

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 operating permit and amending previously-issued construction approval. MGP Ingredients, Inc. has applied for a Class I operating permit in accordance with the provisions of K.A.R. 28-19-510 et seq. The purpose of a Class I permit is to identify the sources and types of regulated air pollutants emitted from the facility; the emission limitations, standards and requirements applicable to each source; and the monitoring, record keeping and reporting requirements applicable to each source as of the effective date of permit issuance. Notice also is given that certain requirements in the construction permits/approvals dated March 10, 1992, September 23, 1999, and February 3, 2000, are being modified by a modification of permit/approval conditions.

MGP Ingredients, Inc., Atchison, owns and operates a facility that produces alcohol, gluten, starch and flour located at 1300 Main St., Atchison.

A copy of the proposed permit, permit application, all supporting documentation, all information relied upon during the permit application review process, and a copy of the modification of approval conditions are available for a 30-day public review during normal business hours at the KDHE, Bureau of Air and Radiation, 1000 S.W. Jackson, Suite 310, Topeka; and a copy of the proposed permit can be reviewed at the KDHE Northeast District Office, 800 W. 24th, Lawrence. To obtain or review either document, contact Jim Stewart, (785) 296-1556, at the KDHE central office; and to review the proposed permit only, contact Pat Simpson, (785) 842-4600, at the KDHE Northeast District Office. The standard departmental cost will be assessed for any copies requested.

Direct written comments or questions regarding the documents to Jim Stewart, KDHE, Bureau of Air and Radiation, 1000 S.W. Jackson, Suite 310, Topeka, 66612-1366. In order to be considered in formulating final document decisions, written comments must be received before the close of business July 5.

A person may request a public hearing be held on the proposed documents. 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 Donna Reno, Bureau of Air and Radiation, not later than the close of business July 5 in order for the Secretary of Health and Environment to consider the request.

The U.S. Environmental Protection Agency has a 45-day review period, which will start concurrently with the 30-day public comment period, within which to object to the proposed permit. If the EPA has not objected in writing to the issuance of the permit within the 45-day review period, any person may petition the administrator of the EPA to review the permit. The 60-day public petition period will directly follow the EPA 45-day review period. If the EPA waives its 45-day review period, the 60-day public petition period will start directly after the 30-day

public comment period. Interested parties may contact KDHE to determine if the EPA's 45-day review period has been waived.

Any such petition shall be based only on objections to the permit that were raised with reasonable specificity during the public comment period provided for in this notice, unless the petitioner demonstrates that it was impracticable to raise such objections within such period, or unless the grounds for such objection arose after such period. Contact Gary Schlicht, U.S. EPA, Region VII, Air Permitting and Compliance Branch, 901 N. 5th St., Kansas City, KS 66101, (913) 551-7097, to determine when the 45-day EPA review period ends and the 60-day petition period commences.

Roderick L. Bremby
Secretary of Health
and Environment

Doc. No. 030774

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. The Boeing Company - Wichita/Tulsa Division has applied for an air quality construction permit in accordance with the provisions of K.A.R. 28-19-300 for an abrasive blast system. Emissions of particulate matter (PM) were evaluated during the permit review process.

The Boeing Company - Wichita/Tulsa Division, Wichita, owns and operates the stationary source located at 3801 S. Oliver, Wichita, at which the shot peen system with blast media recirculation, and a wet scrubber system are to be installed.

A copy of the proposed permit, permit application, all supporting documentation and all information relied upon during the permit application review process is available for public review for a period of 30 days from the date of publication during normal business hours at the KDHE, Bureau of Air and Radiation, 1000 S.W. Jackson, Suite 310, Topeka; and a copy of the proposed permit can be reviewed at the Wichita Department of Environmental Health, 1900 E. 9th, Wichita. To obtain or review the proposed permit and supporting documentation, contact Rick Bolfig, (785) 296-1576, at the KDHE central office; and to review the proposed permit only, contact Randy Owen, (316) 288-8449, at the Wichita Department of Environmental Health. The standard departmental cost will be assessed for any copies requested.

Direct written comments or questions regarding the proposed permit to Rick Bolfig, KDHE, Bureau of Air and Radiation, 1000 S.W. Jackson, Suite 310, Topeka, 66612-1366. In order to be considered in formulating a final permit decision, written comments must be received before the close of business July 5.

A person may request a public hearing be held on the proposed permit. The request for a public hearing shall

(continued)

be in writing and set forth the basis for the request. The written request must be submitted to Brie Wilkins, Bureau of Air and Radiation, not later than the close of business July 5 in order for the Secretary of Health and Environment to consider the request.

Roderick L. Bremby
Secretary of Health
and Environment

Doc. No. 030780

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 operating permit. Ferroloy, Inc. has applied for a Class II operating permit in accordance with the provisions of K.A.R. 28-19-540. Emissions of volatile organic compounds (VOCs) were evaluated during the permit review process. The purpose of a Class II permit is to limit the potential-to-emit for these pollutants to below major source thresholds.

Ferroloy, Inc., Wichita, owns and operates a grey and ductile castings facility located at 515 E. 29th St. East, Wichita.

A copy of the proposed permit, permit application, all supporting documentation and all information relied upon during the permit application review process is available for public review for a period of 30 days from the date of publication during normal business hours at the KDHE, Bureau of Air and Radiation, 1000 S.W. Jackson, Suite 310, Topeka; and a copy of the proposed permit can be reviewed at the Wichita-Sedgwick County Department of Community Health, 1900 E. 9th, Wichita. To obtain or review the proposed permit and supporting documentation, contact Ann Spitz, (785) 291-3271, at the KDHE central office; and to review the proposed permit only, contact Randy Owen, (316) 268-8448, at the Wichita Department of Environmental Health. The standard departmental cost will be assessed for any copies requested.

Direct written comments or questions regarding the proposed permit to Ann Spitz, KDHE, Bureau of Air and Radiation, 1000 S.W. Jackson, Suite 310, Topeka, 66612-1366. In order to be considered in formulating a final permit decision, written comments must be received before the close of business July 5.

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 Brie Wilkins, Bureau of Air and Radiation, not later than the close of business July 5 in order for the Secretary of Health and Environment to consider the request.

Roderick L. Bremby
Secretary of Health
and Environment

Doc. No. 030777

State of Kansas

Department of Health and Environment

Notice of Hearing on Proposed Administrative Regulations

The Kansas Department of Health and Environment, Division of Environment, Bureau of Water, will conduct public hearings at the following locations on the following dates to consider the adoption of new administrative regulations addressing municipal, commercial and industrial wastewater lagoon requirements (K.A.R. 28-16-160 through 28-16-174):

August 19, 7 p.m.

Memorial Hall Auditorium
120 S.W. 10th Ave., Topeka

August 25, 7 p.m.

Dodge City Community College Auditorium
(Little Theater)
2501 N. 14th Ave., Dodge City

August 26, 7 p.m.

Sedgwick County Extension Education Center
7001 W. 21st St. North, Wichita

The time period between the publication of this notice and the last scheduled hearing constitutes the public comment period for the purpose of receiving written public comments on the proposed new administrative regulations. All interested parties may submit written comments prior to the scheduled hearings to Donald Carlson, Kansas Department of Health and Environment, Bureau of Water, 1000 S.W. Jackson, Suite 420, Topeka, 66612-1367. All interested parties will be given a reasonable opportunity to present their views orally on the proposed regulatory action during the hearings. Because of the expected level of public participation at the hearings, KDHE recommends that individuals proposing to present oral testimony at the public hearings provide the hearing officer with a written copy of their comments and recommendations at the hearing. This will ensure that KDHE receives the individual's complete comments and recommendations in the event the hearing officer must limit the extent of oral presentations in order to give all parties an opportunity to present their views at the hearing. The public comment period will officially close at the conclusion of the last scheduled hearing.

Any individual with a disability may request accommodation in order to participate in the public hearings and may request the proposed new regulations and regulatory impact statement in an accessible format. Requests for accommodation should be made at least five working days in advance of the hearing by contacting Dorothy Geisler at (785) 296-5545 or by fax at (785) 296-0086.

Copies of the proposed new regulations and the regulatory impact statement containing the economic impact and environmental benefit statements may be obtained from the Kansas Department of Health and Environment, Bureau of Water, at (785) 296-5545. Copies of the proposed new regulations, the regulatory impact statement and KDHE's "Kansas Sensitive Groundwater Areas for

Wastewater Lagoons - November 1, 2003" may be accessed on KDHE's Bureau of Water home page located at www.kdhe.state.ks.us/water or at www.kdhe.state.ks.us/indust/ProposedLinerRegs.htm. Individuals with questions pertaining to the proposed new regulations can obtain assistance by calling (785) 296-5545. A summary of the proposed new regulations and their regulatory impact follows:

There will be no initial or annual cost required for implementing and enforcing the proposed regulations by other agencies. The initial and annual cost and increased paperwork of implementing the proposed new regulations, by KDHE, is expected to be minimal.

K.A.R. 28-16-160. Definitions. This regulation provides a listing of terms and their definitions used in administering the proposed new regulations. Key terms defined in the regulations include "Equus Beds," "groundwater," "groundwater separation distance," "impermeable synthetic membrane liner," "maximum soil liner seepage rate" or "specific discharge," "maximum synthetic membrane liner leakage rate" and "sensitive groundwater areas." Within the context of the regulatory impact statement, this regulation will not have a direct impact on public health or the environment as it is primarily administrative in nature. The proposed new regulation does not subject the affected parties to additional costs of compliance.

K.A.R. 28-16-161. Municipal and commercial lagoons: general provisions. This regulation prohibits new or modified lagoons if groundwater separation is 10 feet or less; establishes a maximum soil liner seepage rate less than 1/4 inch per day unless constructed over sensitive groundwater areas, including the Equus Beds; and establishes a maximum soil liner seepage rate less than 1/10 inch per day for lagoons constructed over sensitive groundwater areas, excluding the Equus Beds. New or modified lagoons over the Equus Beds are required to employ, at a minimum, a single, impermeable synthetic membrane liner. New or modified lagoons over the Equus Beds may employ a constructed soil liner if groundwater separation is greater than 10 feet, in situ soils can provide an effective pollution barrier to protect groundwater, the constructed soil liner can provide a maximum soil liner seepage rate less than 1/10 inch per day, and the design provides for the installation and sampling of groundwater monitoring wells. The regulation allows use of a single, impermeable synthetic membrane liner in lieu of a constructed soil liner. The regulation grandfathers existing municipal and commercial wastewater lagoons except if environmental or public health threats exist or if KDHE orders improvements to be implemented to address noncompliance with statutory, regulatory or permit requirements. The regulation requires a permit to construct, operate or maintain a municipal or commercial wastewater lagoon. The regulation contains four major provisions that would provide for an environmental benefit. While the proposed regulation does not promulgate or amend contaminant-specific standards or program requirements for which a risk analysis might be completed, the four provisions do provide for an environmental benefit. The projected increased capital and

annual costs associated with the implementation of this regulation is expected to be less than \$2,452,000 per year to municipal and commercial facilities.

K.A.R. 28-16-162. Industrial lagoons: general provisions. This regulation prohibits new or modified lagoons if groundwater separation is 10 feet or less; allows earthen lagoons for domestic sewage treatment with a maximum soil liner seepage rate less than 1/4 inch per day and the lagoon is not constructed over sensitive groundwater areas, including the Equus Beds; and allows for earthen lagoons for domestic sewage treatment with a maximum soil liner seepage rate less than 1/10 inch per day if constructed over sensitive groundwater areas, excluding the Equus Beds. New or modified lagoons over the Equus Beds, used solely for domestic sewage, are required to employ a single, impermeable synthetic membrane liner. New or modified lagoons over the Equus Beds, used solely for domestic sewage, may employ a constructed soil liner if groundwater separation is greater than 10 feet, in situ soils can provide an effective pollution barrier to protect groundwater, the constructed soil liner can provide a maximum soil liner seepage rate less than 1/10 inch per day, and the design provides for the installation and sampling of groundwater monitoring wells. The regulation allows the use of a single, impermeable synthetic membrane liner in lieu of a constructed soil liner for domestic sewage. The regulation allows the use of lagoons with a soil liner if the maximum soil liner seepage rate is less than 1/4 inch per day for specific industrial process wastewaters. The regulation lists specific industrial process wastewaters, considered to have a low pollution potential, which may be directed to earthen lagoons with soil liners. The regulation incorporates provisions of KDHE's Policy Memorandum #90-2. The regulation establishes a maximum monitored or calculated leakage rate to be the more stringent of either 1/64 inch per day or the liner manufacturer's criteria for the material and installation procedures specified for the membrane liner. The regulation grandfathers existing industrial lagoons except if environmental or public health threats exist or KDHE orders improvements to be implemented to address noncompliance with statutory, regulatory or permit requirements. The regulation requires a permit to construct, operate or maintain an industrial wastewater lagoon. The regulation establishes three general classes of industrial wastewater lagoons with specific lagoon liner requirements. The proposed regulation does not promulgate or amend contaminant-specific standards for which a risk analysis might be completed. The projected increased capital and annual costs associated with the implementation of this regulation is expected to range from \$893,238 to \$658,050 per year for industrial facilities.

K.A.R. 28-16-163. Required hydrogeologic information for new or modified municipal, commercial, or industrial wastewater lagoons. This regulation establishes the minimum number and depth of borings or excavations that are required; specifies information to be obtained during the hydrogeologic site investigation; exempts erosion-control ponds associated with construction activities from the hydrogeologic information require-

(continued)

ments; and requires KDHE notification prior to conducting any field work and requires the field work be conducted by an engineer or geologist licensed to practice in Kansas. Within the context of the regulatory impact statement, the proposed regulation does not promulgate or amend contaminant-specific standards or program requirements for which a risk analysis might be completed. The projected increased capital and annual costs associated with the implementation of this regulation is expected to be \$56,121 per year for approximately 13 proposed municipal, commercial and industrial lagoon sites.

K.A.R. 28-16-164. Municipal, commercial, and industrial wastewater treatment system lagoons: soil liner design. This regulation requires soil data and calculations be submitted with construction plans and specifications documenting the capability of meeting the maximum soil liner seepage criteria, and requires a minimum thickness of one foot of natural soil or constructed soil liner be provided. Within the context of the regulatory impact statement, the proposed regulation does not promulgate or amend contaminant-specific standards or program requirements for which a risk analysis might be completed. The costs associated with this regulation have been previously summarized in K.A.R. 28-16-163 above.

K.A.R. 28-16-165. Municipal, commercial, and industrial soil liners: postconstruction testing. This regulation requires the development and submission for approval a postconstruction soil liner testing protocol; requires that within 45 days of completing construction, a certification by a licensed professional engineer be provided to KDHE that the lagoon was constructed in accordance with KDHE-approved plans and specifications; requires within eight months of KDHE authorizing use of the lagoon, postconstruction testing and submission of a certification to KDHE by a licensed professional engineer confirming whether the maximum allowable soil liner seepage rate was exceeded; and requires KDHE notification prior to conducting postconstruction testing. While the proposed regulation does not promulgate or amend contaminant-specific standards or program requirements for which a risk analysis might be completed, the regulation does provide an environmental benefit by monitoring the construction of the soil liner and assuring the construction of the soil liner system was completed in accordance with KDHE-approved plans and specifications. The projected increased capital and annual costs are expected to be \$231,280 per year for approximately 28 municipal, commercial and industrial sites that will employ a soil liner system.

K.A.R. 28-16-166. Requirements for impermeable synthetic membrane liners in municipal or commercial wastewater treatment system lagoons. This regulation establishes a minimum liner thickness of 30 mils; requires a certification from the liner manufacturer regarding compatibility for use with the proposed wastewater, confirming the liner is UV resistant, and providing an estimated leakage, permeability or transmissivity rate for the product and installation method that will be specified; establishes basic construction requirements including lagoon embankment compaction, liner anchoring, liner installation, the development and use of a seam testing pro-

tol, providing a minimum of two feet of soil beneath the liner or bedding material, installation of the liner by an experienced contractor or use of an individual with experience in supervising liner installation; requires the development of a contingency plan for operating the lagoon when repairs or routine maintenance is required; and requires compliance with the secretary's direction to cease operations when the secretary determines an imminent or potential threat to public health or the environment exists. Within the context of the regulatory impact statement, this regulation will not have a direct impact on public health or the environment as it is administrative in nature. Refer to the fiscal impact related to synthetic membrane liners summarized in K.A.R. 28-16-161. If a synthetic membrane liner were to be employed, an additional \$110 per site would be required to specify postconstruction testing protocols to be employed.

K.A.R. 28-16-167. Requirements for impermeable synthetic membrane liners in industrial wastewater treatment system lagoons. This regulation requires use of a primary and secondary liner with an intermediate leak detection and monitoring system; requires a minimum liner thickness of 30 mils for each liner; requires a certification from the manufacturer regarding compatibility for use with the proposed wastewater, confirming the liner is UV resistant, and providing an estimated leakage, permeability or transmissivity rate for the product and installation method specified; requires a minimum of two lagoon cells be provided; requires the leak detection and monitoring system provide for a maximum travel time for fluid penetrating the liner to reach the leak detection monitoring location within 24 hours; requires the leak detection system be capable of dewatering a minimum pumping rate of 10 times the maximum allowable synthetic membrane liner leakage rate; establishes basic construction requirements including lagoon embankment compaction, anchoring of the primary and secondary liners, and liner installation in accordance with the manufacturer's instructions; requires the development and implementation of a seam testing protocol; requires a minimum of two feet of soil beneath the secondary liner or liner bedding material; requires the development of a contingency plan to address repairs or routine maintenance of the liner; and requires compliance with the secretary's direction to cease operations when the secretary determines an imminent or potential threat to public health or the environment exists. Within the context of the regulatory impact statement, this regulation will not have a direct impact on public health or the environment. Refer to the fiscal impact related to synthetic membrane liners summarized in K.A.R. 28-16-162. An additional \$110 per site would be required to specify postconstruction testing protocols to be employed.

K.A.R. 28-16-168. Postconstruction testing of municipal, commercial, and industrial impermeable synthetic membrane liners. This regulation requires development and submission for approval of a liner testing protocol; requires that within 45 days of completing construction, a certification, by a licensed professional engineer, be provided to KDHE that lagoon construction and liner installation was done in conformance with KDHE-approved

plans and specifications; requires within two months of KDHE authorization for use of the lagoon, postconstruction testing and submission of a certification to KDHE by a licensed professional engineer confirming whether the maximum synthetic membrane liner leakage rate criteria was exceeded; and requires KDHE notification prior to conducting postconstruction leakage testing. Within the context of the regulatory impact statement, the proposed regulation does not promulgate or amend contaminant-specific standards or program requirements for which a risk analysis might be completed. The proposed regulation will have an environmental benefit by ensuring the adequacy of the impermeable liner. The projected increased capital and annual costs are estimated to be \$10,060 per lagoon. Total estimated annual cost is \$70,420 for approximately seven municipal, commercial and industrial sites that will employ an impermeable synthetic membrane liner system.

K.A.R. 28-16-169. Minimum standards of design, construction, and maintenance. This regulation requires conformance with KDHE's "Minimum Standards of Design for Water Pollution Control Facilities" (1978), and establishes that the proposed regulations control if there happens to be a conflict between the minimum standards of design and the proposed regulations. Within the context of the regulatory impact statement, the proposed regulation does not promulgate or amend contaminant-specific standards or program requirements for which a risk analysis might be completed. The proposed regulation does not subject the affected parties to additional costs of compliance.

K.A.R. 28-16-170. Water, oil, or gas wells. This regulation requires the identification of water, oil or gas wells within 600 feet of any proposed lagoon location; requires a notation on construction plans and specifications of wells that cannot be located but are suspected of being within the proposed construction area warning contractors of their existence; and requires KDHE to be notified if a well that had not been previously identified and located is encountered during construction. Construction activities in the vicinity of the well are to be terminated until such time as the well can be properly investigated, decommissioned and plugged. Within the context of the regulatory impact statement, the proposed regulation does not promulgate or amend contaminant-specific standards or program requirements for which a risk analysis might be completed. The regulation will provide an environmental benefit by preventing the potential for a direct conduit to groundwater. The estimated cost ranges from \$6 to \$25.74 per site.

K.A.R. 28-16-171. Monitoring wells. This regulation allows KDHE to require use of monitoring wells and requires that the location, design and proposed construction be approved by KDHE prior to installation. Installation of monitoring wells is to be done by a KDHE-licensed water well contractor. The regulation requires, when directed by KDHE, development of a groundwater sampling and monitoring protocol. Within the context of the regulatory impact statement, the proposed regulation does not promulgate or amend contaminant-specific standards or program requirements for which a risk analysis

might be completed. The cost to install a three-well monitoring system is estimated at \$4,598 for shallow wells (50 ft.) and \$10,133 for deep (150 ft.) wells. Annual sampling and analysis is estimated at \$206 and annual reporting to KDHE at \$20.

K.A.R. 28-16-172. Plan and specification approval; permit issuance. This regulation provides that KDHE approvals are not a defense for noncompliance or pollution, and prohibits deviation from KDHE-approved plans and specifications unless the proposed deviation is authorized by KDHE prior to implementation. Within the context of the regulatory impact statement, this regulation will not have a direct impact on public health or the environment as it is administrative in nature. The proposed regulation does not subject the affected parties to additional costs of compliance.

K.A.R. 28-16-173. Municipal, commercial, and industrial wastewater lagoons: closure requirements. This regulation requires KDHE be notified of termination of operations or proposed lagoon closure; requires the operator to maintain a valid and effective water pollution control permit until closure is completed and approved by KDHE; requires the development and submission, for KDHE approval, of a closure plan for the lagoon; lists required elements to be addressed by the closure plan; requires periodic updating of the closure plan when conditions at the facility change or when directed by KDHE; and requires that closure be completed within one year of KDHE's authorization to initiate closure. Within the context of the regulatory impact statement, the proposed regulation does not promulgate or amend contaminant-specific standards or program requirements for which a risk analysis might be completed. Notification costs range from \$3 to \$15.37. Maintenance of a viable water pollution control permit may require payment of an annual fee ranging from \$60 to \$320 depending on the type of permit involved. Development of a closure plan is estimated at \$550 for municipal or commercial facilities and at \$500 for industrial facilities.

K.A.R. 28-16-174. Variance of specific requirements. This regulation requires the submission of variance requests to be in writing. Variance requests are to set forth the rationale for the variance and how the proposed alternative provides for protection of public health and the environment. The regulation allows for the granting of a variance if the request meets the intent of the regulations and provides for the protection of public health and the environment. Within the context of the regulatory impact statement, this regulation will not have a direct impact on public health or the environment as it is administrative in nature. The proposed regulation does not subject the affected parties to additional costs of compliance.

Roderick L. Bremby
Secretary of Health
and Environment

Doc. No. 030750

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. 12-1675(b)(c)(d), 75-4201(l) and 75-4209(a)(1)(B).

Effective 5-31-04 through 6-6-04

Term	Rate
1-89 days	1.01%
3 months	1.02%
6 months	1.33%
1 year	1.79%
18 months	2.16%
2 years	2.51%

Derl S. Treff
Director of Investments

Doc. No. 030747

State of Kansas

Kansas Development Finance Authority**Notice of Hearing**

A public hearing will be conducted at 9 a.m. Thursday, June 17, in the offices of the Kansas Development Finance Authority, 555 S. Kansas Ave., Suite 202, Topeka, on the proposal for the K DFA to issue its Agricultural Development Revenue Bond for the project numbered below in the respective maximum principal amount. The bond will be issued to assist the respective borrower named below (who will be the owner and operator of the project) to finance the cost in the amount of the bond of acquiring the project or for the purpose of refunding a bond previously issued to finance the project. The project shall be located as shown:

Project No. 000607—Maximum Principal Amount: \$41,600. Owner/Operator: John E. and Peggy J. Leis. Description: Acquisition of 80 acres of agricultural land and related improvements and equipment to be used by the owner/operator for farming purposes. The project is located at the East Half of the Northeast Quarter of Section 24, Township 24, Range 15, approximately 5 miles north and 1.75 miles east of Yates Center, Kansas, in Woodson County.

The bond, when issued, will be a limited obligation of the K DFA and will not constitute a general obligation or indebtedness of the state of Kansas or any political subdivision thereof, including the K DFA, nor will it be an indebtedness for which the faith and credit and taxing powers of the state of Kansas are pledged. The bond will be payable solely from amounts received from the respective borrower, the obligation of which will be sufficient to pay the principal of, interest and redemption premium, if any, on the bond when it becomes due.

All individuals who appear at the hearing will be given an opportunity to express their views, and all written comments previously filed with the K DFA at its offices at 555 S. Kansas Ave., Suite 202, Topeka, 66603, will be considered. Additional information regarding the project may be obtained by contacting the K DFA.

Any individual affected by the above-described project may, at or prior to the hearing, file a written request with the K DFA that a local hearing be held on the proposal to issue a bond to finance said project. A local hearing, if requested, would be conducted in the county where the project in question is located.

Stephen R. Weatherford
President

Doc. No. 030782

(Published in the Kansas Register June 3, 2004.)

City of Chanute, Kansas**Notice of Proposed DBE Program**

The city of Chanute has established a Disadvantaged Business Enterprise (DBE) Program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26, for the Chanute Martin Johnson Airport. The city anticipates receiving federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, the city will sign an assurance that it will comply with 49 CFR Part 26.

The city's project-specific goal in FY 2004 is 5.3 percent of the federal financial assistance.

The proposed DBE Program is available for public inspection and comment at the Chanute City Hall. The city will accept comments on the goals for 45 days from the date of this notice. Comments may be sent to Brad Eilts, Economic Development Director, 101 S. Lincoln, Chanute, 66720-0907.

Brad Eilts
Economic Development Director

Doc. No. 030770

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 June 3, 2004.)

HOUSE Substitute for SENATE BILL No. 395

AN ACT concerning commerce; relating to special obligation bonds; redevelopment districts; acquisition of property; eminent domain; payment sources; implementation by rules and regulations; amending K.S.A. 12-1771, as amended by section 26 of 2004 Senate Substitute for Substitute for House Bill No. 2647, and 12-1773 and K.S.A. 2003 Supp. 12-1771b, 12-1774, 12-1780b and 12-1780c and repealing the existing sections.

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

Section 1. On and after July 1, 2004, K.S.A. 12-1771, as amended by section 26 of 2004 Senate Substitute for Substitute for House Bill No. 2647, is hereby amended to read as follows: 12-1771. (a) *Resolution procedure for a redevelopment district.* Any city proposing to establish a redevelopment district within an eligible area

shall adopt a resolution stating that the city is considering the establishment of a redevelopment district or when the Kansas bioscience authority proposes to establish a bioscience development district. Such resolution shall:

- (1) Give notice that a public hearing will be held to consider the establishment of a redevelopment district or bioscience development district and fix the date, hour and place of such public hearing;
- (2) describe the proposed boundaries of the redevelopment district or bioscience development district;
- (3) describe the district plan;
- (4) state that a description and map of the proposed redevelopment district or bioscience development district are available for inspection at a time and place designated;
- (5) state that the governing body will consider findings necessary for the establishment of a redevelopment district or bioscience development district.

Notice shall be given as provided in subsection (b) of K.S.A. 12-1772, and amendments thereto.

(b) *Posthearing procedure.* Upon the conclusion of the public hearing, the governing body may pass an ordinance. (1) An ordinance for a redevelopment district shall: (A) Make findings that the redevelopment district proposed to be developed is an eligible area; and the conservation, development or redevelopment of such area is necessary to promote the general and economic welfare of the city; (B) contain the district plan as approved; and (C) contain the legal description of the redevelopment district and may establish the redevelopment district. Such ordinance shall contain a district plan that identifies all of the proposed redevelopment project areas and identifies in a general manner all of the buildings and facilities that are proposed to be constructed or improved in each redevelopment project area. The boundaries of such district shall not include any area not designated in the notice required by subsection (a).

(2) An ordinance for a bioscience development district shall make findings that the area satisfies the definition of a bioscience area and the creation of a bioscience district will contribute to the development of bioscience in the state and promote the general and economic welfare of the city. Such ordinance shall also contain the district plan as approved and contain the legal description of the bioscience development district. Such ordinance shall contain a development district plan that identifies all of the proposed bioscience development project areas and identifies in a general manner all of the buildings and facilities that are proposed to be constructed or improved in each bioscience development project area. The boundaries of such district shall not include any area not designated in the notice required by subsection (a). No bioscience development district shall be established without the approval of the bioscience authority. In creating a bioscience development district, eminent domain shall not be used to acquire agricultural land.

(c) The governing body of a city may establish a redevelopment district within that city, and, with the bioscience authority's approval, may establish a bioscience development district within that city. Such city may establish a district inclusive of land outside the boundaries of the city or wholly outside the boundaries of such city upon written consent of the board of county commissioners. Prior to providing written consent, the board of county commissioners shall be subject to the same procedure for public notice and hearing as is required of a city pursuant to subsection (a) for the establishment of a redevelopment district or bioscience development district. One or more redevelopment projects or bioscience development projects may be undertaken by a city within a redevelopment district or bioscience development district after such redevelopment district or bioscience development district has been established in the manner provided by this section.

(d) No privately owned property subject to ad valorem taxes shall be acquired and redeveloped under the provisions of K.S.A. 12-1770 *et seq.*, and amendments thereto, if the board of county commissioners or the board of education levying taxes on such property determines by resolution adopted within 30 days following the con-

clusion of the hearing for the establishment of the redevelopment district or bioscience development district required by subsection (b) that the proposed redevelopment district or bioscience development district will have an adverse effect on such county or school district. The board of county commissioners or board of education shall deliver a copy of such resolution to the city. The city shall within 30 days of receipt of such resolution pass an ordinance terminating the redevelopment district or bioscience development district.

(e) *Addition to area; substantial change.* Any addition of area to the redevelopment district or bioscience development district or any substantial change as defined in K.S.A. 12-1770a, and amendments thereto, to the district plan shall be subject to the same procedure for public notice and hearing as is required for the establishment of the district.

(f) Any addition of any area to the redevelopment district or bioscience development district shall be subject to the same procedure for public notice and hearing as is required for the establishment of the redevelopment district or bioscience development district. The base year assessed valuation of the redevelopment district or bioscience development district following the addition of area shall be revised to reflect the base year assessed valuation of the original area and the added area as of the date of the original establishment of the redevelopment district or bioscience development district.

(g) A city may remove real property from a redevelopment district or bioscience development district by an ordinance of the governing body. If more than a de minimus amount of real property is removed from a redevelopment district or bioscience development district, the base year assessed valuation of the redevelopment district or bioscience development district shall be revised to reflect the base year assessed valuation of the remaining real property as of the date of the original establishment of the redevelopment district or bioscience development district.

(h) A city may divide the real property in a redevelopment district or bioscience development district, including real property in different redevelopment district or bioscience development project areas within a redevelopment district or bioscience development district, into separate redevelopment districts or bioscience development districts. The base year assessed valuation of each resulting redevelopment district or bioscience development district following such division of real property shall be revised to reflect the base year assessed valuation of the area of each resulting redevelopment district or bioscience development district as of the date of the original establishment of the redevelopment district or bioscience development district. Any division of real property within a redevelopment district or bioscience development district into more than one redevelopment district or bioscience development district shall be subject to the same procedure of public notice and hearing as is required for the establishment of the redevelopment district or bioscience development district.

(i) If a city has undertaken a redevelopment project or bioscience development project within a redevelopment district or bioscience development district, and either the city wishes to subsequently remove more than a de minimus amount of real property from the redevelopment district or bioscience development district or the city wishes to subsequently divide the real property in the redevelopment district or bioscience development district into more than one redevelopment district or bioscience development district, then prior to any such removal or division the city must provide a feasibility study which shows that the tax increment revenue from the resulting redevelopment district or bioscience development district within which the redevelopment district or bioscience development project is located is expected to be sufficient to pay the redevelopment project costs or bioscience development project costs.

(j) Removal of real property from one redevelopment district or bioscience development district and addition of all or a portion of that real property to another redevelopment district or bioscience development district may be accomplished by the adoption of an

(continued)

ordinance and in such event the determination of the existence or nonexistence of an adverse effect on the county or school district under subsection (d) shall apply to both such removal and such addition of real property to a redevelopment district or bioscience development district.

(k) Any addition to, removal from or division of real property or a substantial change as defined in K.S.A. 12-1770a, and amendments thereto, to a bioscience development district may be made only with the approval of the bioscience authority.

(l) A bioscience development district may be established in the unincorporated area of a county by resolution of the board of county commissioners governing the area if:

(1) The Kansas bioscience authority has proposed to establish a bioscience development district there; and

(2) the board of county commissioners follows the notice, hearing and approval procedures required of a city to establish a bioscience development district.

(m) When establishing a bioscience development district as described in subsection (l), any references to "city" contained in this section shall mean "county".

Sec. 2. K.S.A. 2003 Supp. 12-1771b is hereby amended to read as follows: 12-1771b. (a) The boundaries of any redevelopment district in a major tourism area including an auto race track facility located in Wyandotte county, shall, without regard to that portion of the district pertaining to the auto race track facility, be as follows: Beginning at the intersection of Interstate 70 and Interstate 435; West along Interstate 70 to 118th Street; North along 118th Street to State Avenue; Northeasterly along proposed relocated State Avenue to 110th Street; North along 110th Street to Parallel Parkway; East along Parallel Parkway to Interstate 435; South along Interstate 435 to Interstate 70.

(b) Any major tourism area may include an additional area not exceeding 400 acres of additional property, excluding roads and highways, in addition to the property necessary for the auto race track facility upon a finding by the governor that the development plan and each project within such additional area will enhance the major tourism area. For the development of each project within such additional area the city shall select qualified developers pursuant to a request for proposals in accordance with written official procedures approved by the governing body of the city. Any project within such additional area that is financed in whole or in part by special obligation bonds payable from revenues derived from subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, shall not be entitled to any real property tax abatements or the revenues described in K.S.A. 12-1775, and amendments thereto. Any project within such additional area must be approved by the governor and construction must be commenced by July 1, 2002. ~~The city shall prepare and submit annually to the governor, the secretary of commerce and the legislature by each October 1, commencing October 1, 1999, and continuing until October 1, 2002, a report describing the status of any projects within such additional area.~~ Any business located in Kansas within 50 miles of a major tourism area that relocates into a major tourism area shall not receive any of the benefits of K.S.A. 12-1770 *et seq.*, and amendments thereto.

(c) If a city determines that revenues from sources other than property taxes will be sufficient to pay any special obligation bonds issued to finance a redevelopment project for an auto race track facility as described in subsection (a) of K.S.A. 12-1770a, and amendments thereto, and the secretary of commerce makes a finding that such project will create a major tourism area pursuant to subsection (n) of K.S.A. 12-1770a, and amendments thereto, all real and personal property, constituting an auto race track facility described in subsection (a) of K.S.A. 12-1770a, and amendments thereto, in such redevelopment district shall be exempt from property taxation for a period ending on the earlier of (1) the date which is 30 years after the date of the finding by the secretary of commerce with respect to such major tourism area; or (2) the date on which no such special

obligation bonds issued to finance such auto race track facility in a major tourism area remain outstanding.

(d) The city which is authorized to issue bonds pursuant to the provisions of K.S.A. 12-1770 *et seq.* in order to finance a redevelopment project in a major tourism area as defined by K.S.A. 12-1770a, and amendments thereto, shall obtain underwriting services required by the city for the issuance of such bonds pursuant to written proposals received in accordance with this section.

(e) Each city which is authorized to issue such bonds shall establish written official procedures for obtaining underwriting services required for the issuance of such bonds, including specifications for requests for proposals and criteria for evaluation of proposals on a competitive basis. The proposal evaluation criteria shall include factors based on cost, capacity to provide the required services, qualifications and experience.

(f) Prior to the issuance of any such bonds to finance a redevelopment project in a major tourism area after the effective date of this act, the city shall publish notice of a request for proposals to provide the underwriting services that are required by the city with regard to the proposed bond issuance and shall mail requests for proposals to qualified interested parties upon request for such notice. The city shall award contracts for such underwriting services from the proposals received in accordance with the procedures and evaluation criteria adopted by the city for such purpose. A city shall publish such notice in the official newspaper of the city.

(g) A redevelopment project in a major tourism area for an auto race track facility, shall be completed within 30 years from the date the secretary makes the finding that the redevelopment project will create a major tourism area pursuant to subsection (n) of K.S.A. 12-1770a, and amendments thereto.

(h) The maximum maturity on bonds issued to finance projects pursuant to this act shall not exceed 20 years except that: (1) Such maximum period of special obligation bonds not payable from revenues described by subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, issued to finance an auto race track facility shall not exceed 30 years; and (2) such maximum period, if the governor determines and makes and submits a finding to the speaker of the house of representatives and the president of the senate that a maturity greater than 20 years, but in no event exceeding 30 years, is necessary for the economic feasibility of the financing of an auto race track facility with special obligation bonds payable primarily from revenues described by subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, may be extended in accordance with such determination and finding.

Sec. 3. K.S.A. 12-1773 is hereby amended to read as follows: 12-1773. (a) Any city which has adopted a project plan in accordance with the provisions of this act may purchase or otherwise acquire real property in connection with such project plan. Upon a $\frac{2}{3}$ vote of the members of the governing body thereof a city may acquire by condemnation any interest in real property, including a fee simple title thereto, which it deems necessary for or in connection with any project plan of an area located within the redevelopment district. Prior to the exercise of such eminent domain power, the city shall offer to the owner of any property which will be subject to condemnation with respect to any redevelopment project, other than one which includes an auto race track facility *or a special bond project*, compensation in an amount equal to the highest appraised valuation amount determined for property tax purposes by the county appraiser for any of the three most recent years next preceding the year of condemnation, except that, if in the year next preceding the year of condemnation any such property had been damaged or destroyed by fire, flood, tornado, lightning, explosion or other catastrophic event, the amount offered should be equal to the appraised valuation of the property which would have been determined taking into account such damage or destruction unless such property has been restored, renovated or otherwise improved. However no city shall exercise such eminent domain power to acquire real property in a conservation area. Any such city may exercise the power of eminent

domain in the manner provided by K.S.A. 26-501 et seq., and amendments thereto. In addition to the compensation or damage amount finally awarded thereunder with respect to any property subject to proceedings thereunder as a result of the construction of an auto race track facility or a special bond project, such city shall provide for the payment of an amount equal to 25% of such compensation or damage amount. In addition to any compensation or damages allowed under the eminent domain procedure act, such city shall also provide for the payment of relocation assistance as provided in K.S.A. 12-1777, and amendments thereto.

(b) Any property acquired by a city under the provisions of this act may be sold, transferred or leased to a developer, in accordance with the project plan and under such other conditions as may be agreed upon. Such city may use the proceeds of special obligation bonds issued under K.S.A. 12-1774, and amendments thereto, or full faith and credit tax increment bonds issued under K.S.A. 12-1774, and amendments thereto, or any uncommitted funds derived from those sources set forth in paragraph (1) of subsection (a) of K.S.A. 12-1774, and amendments thereto, to pay the redevelopment project costs as defined in K.S.A. 12-1770a, and amendments thereto, to implement the project plan.

Sec. 4. K.S.A. 2003 Supp. 12-1774 is hereby amended to read as follows: 12-1774. (a) (1) Any city shall have the power to issue special obligation bonds in one or more series to finance the undertaking of any redevelopment project in accordance with the provisions of this act. Such special obligation bonds shall be made payable, both as to principal and interest:

(A) From tax increments allocated to, and paid into a special fund of the city under the provisions of K.S.A. 12-1775, and amendments thereto;

(B) from revenues of the city derived from or held in connection with the undertaking and carrying out of any redevelopment project or projects under this act including historic theater sales tax increments and environmental increments;

(C) from any private sources, contributions or other financial assistance from the state or federal government;

(D) from a pledge of a portion or all of the revenue received by the city from any transient guest, state and local sales and use taxes collected pursuant to K.S.A. 12-1696 et seq., 79-3601 et seq., 79-3701 et seq. and 12-187 et seq., and amendments thereto, and which are collected from taxpayers doing business within that portion of the city's redevelopment district established pursuant to K.S.A. 12-1771, and amendments thereto, occupied by a redevelopment project if there first is a finding by the secretary of commerce that based upon the feasibility study the redevelopment project will create a major tourism area for the state or if the project is the restoration of a historic theater as defined in subsection (l) of K.S.A. 12-1770a, and amendments thereto, or the project has been designated as a special bond project as defined in subsection (z) of K.S.A. 12-1770a, and amendments thereto, *except that, with respect to a redevelopment district established prior to January 1, 2003, for which, prior to January 1, 2003, the secretary of commerce made a finding as provided in this subsection that a redevelopment project would create a major tourism area for the state, such special obligation bonds shall be payable both as to principal and interest, from a pledge of all of the revenue from any transient guest, state and local sales and use taxes collected from taxpayers as provided in this subsection whether or not revenues from such taxes are received by the city. The proceeds of special obligation bonds issued pursuant to this paragraph after the effective date of this act, shall not be used to finance personal property as defined in K.S.A. 79-102, and amendments thereto;*

(E) (i) from a pledge of a portion or all increased revenue received by the city from franchise fees collected from utilities and other businesses using public right-of-way within the redevelopment district; (ii) from a pledge of a portion or all of the revenue received by the city from sales taxes collected pursuant to K.S.A. 12-187, and amendments thereto, or

(F) *with the approval of the county, from a pledge of all of the revenues received by the county from any transient guest, local sales and use taxes which are collected from taxpayers doing business within that portion of the redevelopment district established pursuant to K.S.A. 12-1771, and amendments thereto; or*

(F) (G) by any combination of these methods except that for a project which has been designated as a special bond project as defined in subsection (z) of K.S.A. 12-1770a and amendments thereto, 100% of city and county sales taxes collected pursuant to K.S.A. 12-187, and amendments thereto, shall be pledged for such project except for amounts committed to other use by election of voters prior to the effective date of this act.

The city may pledge such revenue to the repayment of such special obligation bonds prior to, simultaneously with, or subsequent to the issuance of such special obligation bonds.

(2) Bonds issued under paragraph (1) of subsection (a) shall not be general obligations of the city, nor in any event shall they give rise to a charge against its general credit or taxing powers, or be payable out of any funds or properties other than any of those set forth in paragraph (1) of this subsection and such bonds shall so state on their face.

(3) Bonds issued under the provisions of paragraph (1) of this subsection shall be special obligations of the city and are declared to be negotiable instruments. They shall be executed by the mayor and clerk of the city and sealed with the corporate seal of the city. All details pertaining to the issuance of such special obligation bonds and terms and conditions thereof shall be determined by ordinance of the city. All special obligation bonds issued pursuant to this act and all income or interest therefrom shall be exempt from all state taxes except inheritance taxes. Such special obligation bonds shall contain none of the recitals set forth in K.S.A. 10-112, and amendments thereto. Such special obligation bonds shall, however, contain the following recitals, viz., the authority under which such special obligation bonds are issued, they are in conformity with the provisions, restrictions and limitations thereof, and that such special obligation bonds and the interest thereon are to be paid from the money and revenue received as provided in paragraph (1) of this subsection.

(b) (1) Subject to the provisions of paragraph (2) of this subsection, any city shall have the power to issue full faith and credit tax increment bonds to finance the undertaking of any redevelopment project in accordance with the provisions of K.S.A. 12-1770 et seq., and amendments thereto, other than a project that will create a major tourism area, *is a special bond project* or result in the renovation of an historic theater. Such full faith and credit tax increment bonds shall be made payable, both as to principal and interest: (A) From the revenue sources identified in paragraph (1)(A), (B), (C), (D) and (E) of subsection (a) or by any combination of these sources; and (B) subject to the provisions of paragraph (2) of this subsection, from a pledge of the city's full faith and credit to use its ad valorem taxing authority for repayment thereof in the event all other authorized sources of revenue are not sufficient.

(2) Except as provided in paragraph (3) of this subsection, before the governing body of any city proposes to issue full faith and credit tax increment bonds as authorized by this subsection, the feasibility study required by K.S.A. 12-1772, and amendments thereto, shall demonstrate that the benefits derived from the project will exceed the cost and that the income therefrom will be sufficient to pay the costs of the project. No full faith and credit tax increment bonds shall be issued unless the governing body states in the resolution required by K.S.A. 12-1772, and amendments thereto, that it may issue such bonds to finance the proposed redevelopment project. The governing body may issue the bonds unless within 60 days following the date of the public hearing on the proposed project plan a protest petition signed by 3% of the qualified voters of the city is filed with the city clerk in accordance with the provisions of K.S.A. 25-3601 et seq., and amendments thereto. If a sufficient petition is filed, no full faith and credit tax increment bonds shall be issued until the issuance

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of the bonds is approved by a majority of the voters voting at an election thereon. Such election shall be called and held in the manner provided by the general bond law. The failure of the voters to approve the issuance of full faith and credit tax increment bonds shall not prevent the city from issuing special obligation bonds in accordance with K.S.A. 12-1774, and amendments thereto. No such election shall be held in the event the board of county commissioners or the board of education determines, as provided in K.S.A. 12-1771, and amendments thereto, that the proposed redevelopment district will have an adverse effect on the county or school district.

(3) As an alternative to paragraph (2) of this subsection, any city which adopts a project plan but does not state its intent to issue full faith and credit tax increment bonds in the resolution required by K.S.A. 12-1772, and amendments thereto, and has not acquired property in the redevelopment project area may issue full faith and credit tax increment bonds if the governing body of the city adopts a resolution stating its intent to issue the bonds and the issuance of the bonds is approved by a majority of the voters voting at an election thereon. Such election shall be called and held in the manner provided by the general bond law. The failure of the voters to approve the issuance of full faith and credit tax increment bonds shall not prevent the city from issuing special obligation bonds pursuant to paragraph (1) of subsection (a). Any project plan adopted by a city prior to the effective date of this act in accordance with K.S.A. 12-1772, and amendments thereto, shall not be invalidated by any requirements of this act.

(4) During the progress of any redevelopment project in which the redevelopment project costs will be financed, in whole or in part, with the proceeds of full faith and credit tax increment bonds, the city may issue temporary notes in the manner provided in K.S.A. 10-123, and amendments thereto, to pay the redevelopment project costs for the project. Such temporary notes shall not be issued and the city shall not acquire property in the redevelopment project area until the requirements of paragraph (2) or (3) of this subsection, whichever is applicable, have been met.

(5) Full faith and credit tax increment bonds issued under this subsection shall be general obligations of the city and are declared to be negotiable instruments. They shall be issued in accordance with the general bond law. All such bonds and all income or interest therefrom shall be exempt from all state taxes except inheritance taxes. The amount of the full faith and credit tax increment bonds issued and outstanding which exceeds 3% of the assessed valuation of the city shall be within the bonded debt limit applicable to such city.

(6) Any city issuing special obligation bonds under the provisions of this act may refund all or part of such issue pursuant to the provisions of K.S.A. 10-116a, and amendments thereto.

(c) Any increment in ad valorem property taxes resulting from a redevelopment project in the established redevelopment district undertaken in accordance with the provisions of this act, shall be apportioned to a special fund for the payment of the redevelopment project costs, including the payment of principal and interest on any special obligation bonds or full faith and credit tax increment bonds issued to finance such project pursuant to this act and may be pledged to the payment of principal and interest on such bonds.

(d) For each project financed pursuant to subsection (a)(1)(D), the city shall prepare and submit annually to the governor, the secretary of commerce, Kansas, Inc. and the legislature by October 1 of each year, a report describing the status of any projects within such redevelopment area.

Sec. 5. K.S.A. 2003 Supp. 12-1780b is hereby amended to read as follows: 12-1780b. (a) The governing body of a city may establish one or more special bond projects in any area within such city or wholly outside the boundaries of such city. A special bond project wholly outside the boundaries of such city must be approved by the board of county commissioners through county resolution. The special bond projects shall be eligible for financing by special obligation bonds payable from revenues described by subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto. Each special bond project

shall first be approved by the secretary, *if the secretary determines that the proposed project sufficiently promotes, stimulates and develops the general and economic welfare of the state as described in K.S.A. 12-1770.* The secretary may approve a special bond project located in a redevelopment district established by a city prior to the effective date of this act. A special bond project shall not be granted to any business that proposes to relocate its business from another area of the state into such city, for the purpose of consideration for a special bond project and shall not receive any of the benefits provided by K.S.A. 12-1770 *et seq.*, and amendments thereto. A special bond project shall not be approved by the secretary if the marketing study required by K.S.A. 2003 Supp. 12-1780c, and amendments thereto, indicates a substantial negative impact upon businesses in the project market area or the granting of such project would cause a default in the payment of any outstanding special obligation bonds as authorized pursuant to subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto.

(b) The maximum maturity of special obligation bonds payable primarily from revenues described by subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, to finance special bond projects pursuant to this section shall not exceed 20 years.

~~(c) Any redevelopment project plan in a redevelopment district located in the city of Wichita that is eligible for benefits provided by K.S.A. 12-1774 *et seq.*, and amendments thereto, and includes an arena or arena-like structure shall be subject to approval by a vote by the citizens of Wichita at an election held for this purpose prior to approval by the secretary of commerce. A city that owns a building or structure that was financed in whole or in part by special obligation bonds payable from revenues described in subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, may engage a manager to manage such building or structure. The contractual relationship between the city and the manager of such building or structure shall not be deemed a lease to a developer for purposes of paragraph (15) of subsection (q) of K.S.A. 12-1770a, and amendments thereto.~~

Sec. 6. K.S.A. 2003 Supp. 12-1780c is hereby amended to read as follows: 12-1780c. (a) Any city proposing to undertake a special bond project established pursuant to K.S.A. 2003 Supp. 12-1780b, and amendments thereto, shall prepare a project plan in consultation with the planning commission of the city. *Such project plan shall also be prepared in consultation with the planning commission of the county, if any, if a special bond project is located wholly outside the boundaries of the city.* The project plan shall include:

- (1) A summary of the feasibility study done as defined in K.S.A. 12-1770a, and amendments thereto, which will be an open record;
- (2) a summary of the marketing study done as defined in K.S.A. 12-1770a, and amendments thereto, which will be an open record;
- (3) a reference to the district plan established under K.S.A. 12-1771, and amendments thereto, that identifies the project area that is set forth in the project plan that is being considered;
- (4) a description and map of the location of the facility that is the subject of the special bond project;
- (5) the relocation assistance plan required by K.S.A. 12-1777, and amendments thereto;
- (6) a detailed description of the buildings and facilities proposed to be constructed or improved; and
- (7) any other information the governing body deems necessary to advise the public of the intent of the special bond project plan.

(b) *Resolution requirements.* A copy of the project plan shall be delivered to the board of county commissioners of the county and the board of education of any school district levying taxes on property subject to the special bond project. Upon a finding by the planning commission of the city that the project plan is consistent with the intent of the comprehensive plan for the development of the city, *and a finding by the planning commission of the county, if any, with respect to a special bond project located wholly outside the boundaries of the city, that the project plan is consistent with the intent of the comprehensive plan for the development of the county,* the gov-

erning body of the city shall adopt a resolution stating that the city is considering the adoption of the project plan. Such resolution shall:

(1) Give notice that a public hearing will be held to consider the adoption of the project plan and fix the date, hour and place of such public hearing;

(2) describe the boundaries of the area subject to the special bond project; and

(3) state that the project plan, including a summary of the feasibility study, relocation assistance plan and financial guarantees of the prospective developer and a description and map of the area to be developed are available for inspection during regular office hours in the office of the city clerk.

(c) (1) *Hearing.* The date fixed for the public hearing shall be not less than 30 nor more than 70 days following the date of the adoption of the resolution fixing the date of the hearing.

(2) A copy of the resolution providing for the public hearing shall be by certified mail, return receipt requested sent to the board of county commissioners of the county and the board of education of any school district levying taxes on property subject to the special bond project. The resolution shall be published once in the official city newspaper not less than one week nor more than two weeks preceding the date fixed for the public hearing. A description in sufficient detail to advise the reader of the particular proposed special bond project shall be published with the resolution.

(3) At the public hearing, a representative of the city shall present the city's proposed project plan. Following the presentation of the project plan, all interested persons shall be given an opportunity to be heard. The governing body for good cause shown may recess such hearing to a time and date certain, which shall be fixed in the presence of persons in attendance at the hearing.

(d) The public hearing records and feasibility study shall be subject to the open records act, K.S.A. 45-215, and amendments thereto.

(e) *Posthearing procedure.* Following the public hearing, the governing body may adopt the project plan by ordinance passed upon a $\frac{2}{3}$ vote.

(f) Any substantial changes as defined in K.S.A. 12-1770a, and amendments thereto, to the project plan as adopted shall be subject to a public hearing following publication of notice thereof at least twice in the official city newspaper.

(g) Any project shall be completed within 20 years from the date of the approval of the project plan. Kansas resident employees shall be given priority consideration for employment in construction projects located in a special bond project area.

(h) Any developer of a special bond project shall commence work on such project within two years from the date of adoption of the project plan. Should the developer fail to commence work on the special bond project within the two-year period, funding for such project shall cease and the developer of such project shall have one year to appeal to the secretary for reapproval of such project and the funding for it. Should the project be reapproved, the two-year period for commencement shall apply.

(i) The provisions of this act regarding special bond projects shall expire on and after July 1, 2007.

New Sec. 7. The secretary of commerce is hereby authorized to adopt, amend or repeal rules and regulations as necessary to administer or implement any statutory provision under the department's jurisdiction. Such rules and regulations shall be promulgated in accordance with the rules and regulations filing act, K.S.A. 77-415 et seq., and amendments thereto. Such rules and regulations shall not be inconsistent with or exceed the authority granted to the secretary under the statutory provision to be administered or implemented.

Sec. 8. K.S.A. 12-1773 and K.S.A. 2003 Supp. 12-1771b, 12-1774, 12-1780b and 12-1780c are hereby repealed.

Sec. 9. On and after July 1, 2004, K.S.A. 12-1771, as amended by section 26 of 2004 Senate Substitute for Substitute for House Bill 2647, is hereby repealed.

Sec. 10. This act shall take effect and be in force from and after its publication in the Kansas register.

(Published in the Kansas Register June 3, 2004.)

SENATE BILL No. 520

AN ACT concerning retirement and pensions; relating to the Kansas public employees retirement system and systems thereunder; employer contributions; beneficiaries; investments; affiliation and membership; amending K.S.A. 74-4921, 74-4957 and 74-4967 and K.S.A. 2003 Supp. 20-2605, 74-4902, 74-4920 and 74-4927 and repealing the existing sections.

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

Section 1. K.S.A. 2003 Supp. 20-2605 is hereby amended to read as follows: 20-2605. (a) The board 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 retirement system for judges. The actuary shall:

(1) As soon after the effective date as practicable and once every three years thereafter, make a general investigation of the actuarial experience under the retirement system for judges 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; make a valuation of the liabilities and reserves of the retirement system for judges, and a determination of the contributions required by the retirement system for judges to discharge its liabilities and recommend to the board rates of employer contributions required to establish and maintain the retirement system for judges on an actuarial reserve basis.

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

(b) Upon the basis of the actuarial valuation and appraisal and upon the recommendation of the actuary, the board shall certify, on or before July 15 of each year, to the division of budget an actuarially determined estimate of the rate of contribution which will be required, together with all judges' contributions and other assets of the retirement system for judges to pay all liabilities which shall exist or accrue under the retirement system for judges, including amortization of the unfunded accrued liability ~~over a period of 40 years commencing on July 1, 1993 as determined by the board.~~ The rate of contribution for the state determined under this section shall not include the costs of administration of the system.

(c) 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 the retirement system for judges as certified by the board and shall present the same to the legislature for allowance and appropriation.

(d) Except as otherwise provided by law, the actuarial cost of any legislation enacted by the Kansas legislature, except the actuarial cost of K.S.A. 74-49,114a, and amendments thereto, shall be reflected in the employer contribution rate in the fiscal year immediately following such enactment.

Sec. 2. K.S.A. 2003 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;

(continued)

(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, *subject to the provisions of K.S.A. 74-4927, and amendments thereto*, 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. 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, and any such officer or employee who is concurrently employed performing similar or related tasks by two or more participating employers, who each remit employer and employee contributions on behalf of such officer or employee to the system, and whose combined employment is not seasonal or temporary, and whose combined 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 as provided in section 414 of the federal internal revenue code of a participating employer; 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 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, whose date of membership in the system is prior to July 1, 1993, and any member who is in such member's membership waiting period on July 1, 1993, and whose date of membership in the system is on or after 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 whose date of membership in the system is 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;

(continued)

(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, 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. 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, 2002, and as applicable to a governmental plan; and

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

Sec. 3. K.S.A. 2003 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 as determined by the board. 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 *The board shall determine the* 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, *amortization methods and periods and actuarial cost method* 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 as determined by the board. For all participating employers described in this section, the projected unit credit board shall determine the actuarial cost method shall to be used in annual actuarial valuations to determine the employer contribution rates that shall be certified by the board.

(ii) The board shall determine for each such employer separately an amount sufficient to amortize 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, together with any other fund available, shall be sufficient to enable the participating employer to make the contributions required by this act.

(5) (a) ~~The rate of contribution certified to a participating employer as provided in this section shall apply during the fiscal year of the participating employer which begins in the second calendar year following the year of the actuarial valuation. 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 1994, the employer rate of contribution for participating employers other than the state of Kansas shall be 2.2% of the amount of compensation upon which members contribute during the period. Except as specifically provided in this section, 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.~~

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

(ii) Except as specifically provided in this subsection, for the fiscal years commencing in the following calendar years, the rate of contribution certified to the state of Kansas shall in no event exceed the state's contribution rate for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which members contribute during the period: ~~(A)~~ (A) For the fiscal year commencing in calendar year 2005, an amount not to exceed more than 0.4% of the amount of the immediately preceding fiscal year; ~~(B)~~ (B) for the fiscal year commencing in calendar year 2006, an amount not to exceed more than 0.5% of the amount of the immediately preceding fiscal year; and ~~(C)~~ (C) for the fiscal year commencing in calendar year 2007 and in each subsequent calendar year, an amount not to exceed more than 0.6% of the amount of the immediately preceding fiscal ~~years~~ year.

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

(iv) *Except as specifically provided in this subsection, for the fiscal years commencing in the following calendar years, the rate of contribution certified to participating employers other than the state of Kansas shall in no event exceed the contribution rate for such employers for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which members contribute during the period: (A) For the fiscal year commencing in calendar year 2006, an amount not to exceed more than 0.4% of the amount of the immediately preceding fiscal year; (B) for the fiscal year commencing in calendar year 2007, an amount not to exceed more than 0.5% of the amount of the immediately preceding fiscal year; and (C) for the fiscal year commencing in calendar year 2008 and in each subsequent calendar year, an amount not to exceed more than 0.6% of the amount of the immediately preceding fiscal year.*

(v) There shall be an employer rate of contribution certified to the state of Kansas ~~and. There shall be a separate employer rate of contribution certified to 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. 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. 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. 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) Notwithstanding the provisions of subsection (8), the actuarial cost of the provisions of K.S.A. 74-49,109 *et seq.* and amendments thereto shall be first reflected in employer contribution rates effective with the first day of the first payroll period for the fiscal year 2005. The actuarial accrued liability incurred for the provisions of K.S.A. 74-49,109 *et seq.* and amendments thereto shall be amortized over 10 years.

(10) The 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.

(11) 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.

(12) 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.

(continued)

(13) Notwithstanding any provision of law to the contrary, each participating employer shall remit quarterly, or as the board may otherwise provide, all employee deductions and required employer contributions to the executive director for credit to the Kansas public employees retirement fund within three days after the end of the period covered by the remittance by electronic funds transfer. Remittances of such deductions and contributions received after such date are delinquent. Delinquent payments due under this subsection shall be subject to interest at the rate established for interest on judgments under 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. 4. K.S.A. 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 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 the annual alternative investments investment~~ does not exceed more than ~~5% 1%~~ of the total ~~market value of 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 as measured from the end of the preceding calendar year;~~

(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; and

(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 system has received and considered the investment manager's due diligence findings submitted to the board as required by subsection (6)(c).

(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 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 recommen-

(continued)

dations 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. 5. K.S.A. 2003 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 December 31, 2001, for the period commencing July 1, 2002, and ending December 31, 2002, or for the period commencing April 1, 2003, and ending on June 30, 2004.

(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

(continued)

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 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.~~

(8) *For purposes of the death benefit provided under the plan of death and long-term disability benefits authorized by this section and the optional death benefit plan authorized by subsection (6), commencing on the effective date of this act, in the case of medical or financial hardship of the member as determined by the executive director, or otherwise commencing January 1, 2005, the member may name a beneficiary or beneficiaries other than the beneficiary or beneficiaries named by the member to receive other benefits as provided by the provisions of K.S.A. 74-4901 et seq., and amendments thereto.*

Sec. 6. K.S.A. 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 *or the completion of 32 years of credited service regardless of the age of the member.* 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 employment 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 director of the system, the secretary of revenue shall provide such information as may be needed by the executive director to carry out the provisions of this act.

Sec. 7. K.S.A. 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 as determined by the board.~~ 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 retirants 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 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. 74-49,114a, shall be reflected in the employer contribution rate in the fiscal year immediately following such enactment.

New Sec. 8. Notwithstanding the provisions of K.S.A. 74-4921, and amendments thereto, any employer contributions remitted in accordance with the provisions of K.S.A. 20-2605, 74-4920, 74-4939 and 74-4967, and amendments thereto, for the purpose of paying the actuarial cost of the provisions of K.S.A. 74-49,109 *et seq.*, and amendments thereto, shall be deposited in the K DFA series 2003H bond debt service fund, which is hereby created in the state treasury. Such fund shall be administered by the Kansas public employees retirement system. The executive director of the Kansas public employees retirement system shall certify to the director of accounts and reports an amount to reimburse the state general fund for bond debt service payments authorized pursuant to law for each fiscal year commencing in fiscal year 2005, and ending in fiscal year 2014. The director of accounts and reports shall transfer such amount certified

as provided by this section to the state general fund not later than June 30 of each such fiscal year.

New Sec. 9. On and after the effective date of this act for each fiscal year commencing with fiscal year 2005, notwithstanding the provisions of K.S.A. 74-4939 and amendments thereto or any other statute, all moneys appropriated for the department of education from the state general fund commencing with fiscal year 2005, and each ensuing fiscal year thereafter, by appropriation act of the legislature, in the KPERS — employer contributions account and all moneys appropriated for the department of education from the state general fund or any special revenue fund for each fiscal year commencing with fiscal year 2005, and each ensuing fiscal year thereafter, by any such appropriation act in that account or any other account for payment of employer contributions for school districts, shall be distributed by the department of education to school districts in accordance with this section. Notwithstanding the provisions of K.S.A. 74-4939, and amendments thereto, the department of education shall disburse to each school district that is an eligible employer as specified in subsection (1) of K.S.A. 74-4931 and amendments thereto an amount certified by the board of trustees of the Kansas public employees retirement system which is equal to the participating employer's obligation of such school district to the system in accordance with policies and procedures which are hereby authorized and directed to be adopted by the department of education for the purposes of this section and in accordance with any requirements prescribed by the board of trustees of the Kansas public employees retirement system. Upon receipt of each such disbursement of moneys, the school district shall deposit the entire amount thereof into a special retirement contributions fund of the school district, which shall be established by the school district in accordance with such policies and procedures and which shall be used for the sole purpose of receiving such disbursements from the department of education and making the remittances to the system in accordance with this section and such policies and procedures. Upon receipt of each such disbursement of moneys from the department of education, the school district shall remit, in accordance with the provisions of such policies and procedures and in the manner and on the date or dates prescribed by the board of trustees of the Kansas public employees retirement system, an equal amount to the Kansas public employees retirement system from the special retirement contributions fund of the school district to satisfy such school district's obligation as a participating employer. Notwithstanding the provisions of K.S.A. 74-4939 and amendments thereto, each school district that is an eligible employer as specified in subsection (1) of K.S.A. 74-4931 and amendments thereto shall show within the budget of such school district all amounts received from disbursements into the special retirement contributions fund of such school district. Notwithstanding the provisions of any other statute, no official action of the school board of such school district shall be required to approve a remittance to the system in accordance with this section and such policies and procedures. All remittances of moneys to the system by a school district in accordance with this subsection and such policies and procedures shall be deemed to be expenditures of the school district.

New Sec. 10. (a) (1) Notwithstanding the provisions of K.S.A. 74-4971 and amendments thereto, on or after the effective date of this act, the Kansas highway patrol shall affiliate with the Kansas police and firemen's retirement system established under the provisions of K.S.A. 74-4951 *et seq.* and amendments thereto pursuant to the provisions of this act for membership in the system of members of the capitol area security patrol who have successfully completed the required course of instruction for law enforcement officers approved by the Kansas law enforcement training center and are certified pursuant to the provisions of K.S.A. 74-5607a, and amendments thereto. For purposes of such affiliation for membership in the system of members of the capitol area security patrol, the Kansas

(continued)

highway patrol shall be considered a new participating employer. The Kansas highway patrol shall make application for affiliation with such system in the manner provided by K.S.A. 74-4954 and amendments thereto, to be effective on July 1 next following application. The Kansas highway patrol shall affiliate for membership in the system of such members of the capitol area security patrol for participating service credit.

(2) The Kansas highway patrol shall appropriate and pay a sum sufficient to satisfy any obligations as certified by the board of trustees of the retirement system and the employer contributions of the Kansas highway patrol shall be as provided in subsection (1) of K.S.A. 74-4967 and amendments thereto.

(b) (1) Each such member of the capitol area security patrol employed by the Kansas highway patrol on the date of affiliation, may become a member of the Kansas police and firemen's retirement system on the first day of the payroll period of such member, coinciding with or following the entry date of the Kansas highway patrol as provided in this section, only by filing with the board of trustees of the system, on or before the entry date of the Kansas highway patrol as provided in this section, a written election to become a member of the system. Failure to file such written election shall be presumed to be an election not to become a member of the system. Such election, whether to become or not to become a member, shall be irrevocable.

(2) Each such member of the capitol area security patrol who is on an authorized leave of absence or is in the military service on the entry date of the Kansas highway patrol as provided in this section may become a member of the Kansas police and firemen's retirement system on the first day of the first payroll period of such member, coinciding with such member's return to active employment and payroll of the Kansas highway patrol, only by filing with the board of trustees of the system within 10 days after such return to active employment a written election to become a member of the system. Failure to file such written election shall be presumed to be an election not to become a member of the system. Such election, whether to become a member or not to become a member, shall be irrevocable.

(c) Every such person who is employed as a member of the capitol area security patrol on or after the entry date of the Kansas highway patrol into the Kansas police and firemen's retirement system as provided in this section shall become a member of the Kansas police and firemen's retirement system on the first day of such employment.

(d) If the Kansas highway patrol affiliates as provided in this act and each such member of the capitol area security patrol who elects to become a member as provided in this act, the Kansas highway patrol and each such member shall be subject to the provisions of K.S.A. 74-4951 *et seq.* and amendments thereto as applicable.

(e) The division of the budget and the governor shall include in the budget and in the budget request for appropriations for personnel services the amount required to satisfy the employer's obligation under this act as certified by the board of trustees of the system, and shall present the same to the legislature for allowance and appropriations.

(f) The determination of retirement, death or disability benefits shall be computed upon the basis of "credited service" as used in K.S.A. 74-4951 *et seq.*, and amendments thereto, but shall include only participating service with the person's participating employer, commencing on and after the effective date of affiliation by the participating employer with the Kansas police and fireman's retirement system.

New Sec. 11. (a) (1) Notwithstanding the provisions of K.S.A. 74-4971 and amendments thereto, on or after the effective date of this act, the Kansas highway patrol shall affiliate with the Kansas police and firemen's retirement system established under the provisions of K.S.A. 74-4951 *et seq.* and amendments thereto pursuant to the provisions of this act for membership in the system of members of the motor carriers inspection staff of the Kansas highway patrol

who have successfully completed the required course of instruction for law enforcement officers approved by the Kansas law enforcement training center and are certified pursuant to the provisions of K.S.A. 74-5607a, and amendments thereto. For purposes of such affiliation for membership in the system of such members, the Kansas highway patrol shall be considered a new participating employer. The Kansas highway patrol shall make application for affiliation with such system in the manner provided by K.S.A. 74-4954 and amendments thereto, to be effective on July 1 next following application. The Kansas highway patrol shall affiliate for membership in the system of such members for participating service credit.

(2) The Kansas highway patrol shall appropriate and pay a sum sufficient to satisfy any obligations as certified by the board of trustees of the retirement system and the employer contributions of the Kansas highway patrol shall be as provided in subsection (1) of K.S.A. 74-4967 and amendments thereto.

(b) (1) Each such member of the motor carriers inspection staff employed by the Kansas highway patrol on the date of affiliation, may become a member of the Kansas police and firemen's retirement system on the first day of the payroll period of such member, coinciding with or following the entry date of the Kansas highway patrol as provided in this section, only by filing with the board of trustees of the system, on or before the entry date of the Kansas highway patrol as provided in this section, a written election to become a member of the system. Failure to file such written election shall be presumed to be an election not to become a member of the system. Such election, whether to become or not to become a member, shall be irrevocable.

(2) Each such member of the motor carriers inspection staff of the Kansas highway patrol who is on an authorized leave of absence or is in the military service on the entry date of the Kansas highway patrol as provided in this section may become a member of the Kansas police and firemen's retirement system on the first day of the first payroll period of such member, coinciding with such member's return to active employment and payroll of the Kansas highway patrol, only by filing with the board of trustees of the system within 10 days after such return to active employment a written election to become a member of the system. Failure to file such written election shall be presumed to be an election not to become a member of the system. Such election, whether to become a member or not to become a member, shall be irrevocable.

(c) Every such person who is employed as a member of the motor carriers inspection staff of the Kansas highway patrol on or after the entry date of the Kansas highway patrol into the Kansas police and firemen's retirement system as provided in this section shall become a member of the Kansas police and firemen's retirement system on the first day of such employment.

(d) If the Kansas highway patrol affiliates as provided in this act and each such member of the motor carriers inspection staff of the Kansas highway patrol who elects to become a member as provided in this act, the Kansas highway patrol and each such member shall be subject to the provisions of K.S.A. 74-4951 *et seq.* and amendments thereto as applicable.

(e) The division of the budget and the governor shall include in the budget and in the budget request for appropriations for personnel services the amount required to satisfy the employer's obligation under this act as certified by the board of trustees of the system, and shall present the same to the legislature for allowance and appropriations.

(f) The determination of retirement, death or disability benefits shall be computed upon the basis of "credited service" as used in K.S.A. 74-4951 *et seq.*, and amendments thereto, but shall include only participating service with the person's participating employer, commencing on and after the effective date of affiliation by the participating employer with the Kansas police and fireman's retirement system.

Sec. 12. K.S.A. 74-4921, 74-4957 and 74-4967 and K.S.A. 2003 Supp. 20-2605, 74-4902, 74-4920 and 74-4927 are hereby repealed.

Sec. 13. This act shall take effect and be in force from and after its publication in the Kansas register.

(Editor's Note: Sections of the following bill were vetoed by the Governor and sustained by the Legislature. Line-item vetoes are indicated in double-strike type. The Governor's line-item veto message is printed immediately following the bill.)

(Published in the Kansas Register June 3, 2004.)

SENATE Substitute for HOUSE BILL No. 2471

AN ACT making and concerning appropriations for the fiscal years ending June 30, 2004, June 30, 2005, June 30, 2006, and June 30, 2007; authorizing certain transfers and fees, imposing certain restrictions and limitations and directing or authorizing certain receipts, disbursements, capital improvements and acts incidental to the foregoing; repealing section 66 of 2004 House Bill No. 2675.

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

Section 1. (a) For the fiscal years ending June 30, 2004, June 30, 2005, June 30, 2006, and June 30, 2007, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, fees, receipts, disbursements and acts incidental to the foregoing are hereby directed or authorized as provided in this act.

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

(c) This act shall be known and may be cited as the omnibus appropriation act of 2004 and shall constitute the omnibus reconciliation spending limit bill for the 2004 regular session of the legislature for purposes of subsection (a) of K.S.A. 75-6702 and amendments thereto.

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

Sec. 2.

LEGISLATURE

(a) The authorization for expenditures by the legislature from the operations (including official hospitality) account of the state general fund for fiscal year 2005 for an additional amount of allowance equal to the amount required to provide, along with the amount of allowance otherwise payable from appropriations for the legislature to each member of the legislature at the rate prescribed by subsection (c) of K.S.A. 46-137a and amendments thereto, which were directed to be made by section 139(p) of 2004 House Bill No. 2675, is hereby rescinded and, on the effective date of this act, the provisions of section 139(p) of 2004 House Bill No. 2675 are hereby declared to be null and void and shall have no force and effect.

(b) In addition to the other purposes for which expenditures may be made by the legislature from the operations (including official hospitality) account of the state general fund for the fiscal year ending June 30, 2005, expenditures shall be made by the legislature from the operations (including official hospitality) account of the state general fund for fiscal year 2005 for an additional amount of allowance equal to the amount required to provide, along with the amount of allowance otherwise payable from appropriations for the legislature to each member of the legislature at the rate prescribed by subsection (c) of K.S.A. 46-137a and amendments thereto, an aggregate amount of allowance of \$324 for the two-week period which coincides with the biweekly payroll period which includes April 1, 2005, which is chargeable to fiscal year 2005 and for each of the four ensuing two-week periods thereafter, for each member of the legislature to defray expenses incurred between sessions of the legislature for postage, telephone, office and other incidental expenses, which are chargeable to fiscal year 2005, notwithstanding the provisions of K.S.A. 46-137a, and amendments thereto: Provided, That all expenditures under this subsection (b) for such purposes shall be made otherwise in the same manner that such allowance is payable to such members of the legislature for such two-week periods for which such

allowance is payable in accordance with this subsection (b) and which are chargeable to fiscal year 2005.

Sec. 3.

GOVERNOR'S DEPARTMENT

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

Governor's department
For the fiscal year ending June 30, 2005..... \$487,560

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

Hispanic and Latino American affairs commission — donations fund
For the fiscal year ending June 30, 2005..... No limit
Advisory commission on African-American affairs — donations fund
For the fiscal year ending June 30, 2005..... No limit
Wireless enhanced 911 grant fund
For the fiscal year ending June 30, 2005..... No limit

Provided, That expenditures may be made from the wireless enhanced 911 grant fund for operating expenditures for the governor's department, including conferences and official hospitality: Provided further, That the governor is hereby authorized to fix, charge and collect fees for such conferences: And provided further, That fees for such conferences shall be fixed in order to recover all or part of the operating expenses incurred for such conferences, including official hospitality: And provided further, That all fees received for such conferences and all fees received by the governor's department under the open records act for providing access to or furnishing copies of public records, shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215 and amendments thereto: And provided further, That, upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the wireless enhanced 911 grant fund.

Sec. 4.

DEPARTMENT OF ADMINISTRATION

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

Title XIX — long-term care ombudsman medicaid federal grant fund
For the fiscal year ending June 30, 2005..... No limit
Wireless enhanced 911 grant fund
For the fiscal year ending June 30, 2005..... No limit

(b) On July 1, 2004, the limitation established by section 88(g) of 2004 House Bill No. 2675 on the aggregate of the amount or amounts authorized and directed to be transferred on or after July 1, 2004, or as soon thereafter as moneys are available during the fiscal year ending June 30, 2005, from the appropriate federal fund or funds of the department on aging to the older Americans act long term care ombudsman federal fund of the department of administration is hereby decreased from \$321,796 to \$276,480.

(c) There is appropriated for the above agency from the state institutions building fund for the fiscal year ending June 30, 2005, the following:

SIBF — state building insurance..... \$56,511

Provided, That, notwithstanding the provisions of K.S.A. 2003 Supp. 76-6b05 and amendments thereto, expenditures may be made by the above agency from the SIBF — state building insurance account of the state institutions building fund for state building insurance premiums.

(continued)

(d) There is appropriated for the above agency from the Kansas educational building fund for the fiscal year ending June 30, 2005, the following:

EBF — state building insurance \$329,840

Provided, That, notwithstanding the provisions of K.S.A. 76-6b02 and amendments thereto, expenditures may be made by the above agency from the EBF — state building insurance account of the Kansas educational building fund for state building insurance premiums.

(e) There is appropriated for the above agency from the correctional institutions building fund for the fiscal year ending June 30, 2005, the following:

CIBF — state building insurance \$51,975

Provided, That, notwithstanding the provisions of K.S.A. 76-6b09 and amendments thereto, expenditures may be made by the above agency from the CIBF — state building insurance account of the correctional institutions building fund for state building insurance premiums.

(f) The state corporation commission shall not make the transfers of any unencumbered balance in excess of \$40,000 from the facility conservation improvement program fund of the state corporation commission to the architectural services recovery fund of the department of administration which were directed to be made on October 1, 2004, on January 1, 2005, on April 1, 2005, and on June 30, 2005, by section 88(k) of 2004 House Bill No. 2675.

(g) The director of accounts and reports shall not make the transfer of any unencumbered balance in excess of \$40,000 in the facilities conservation improvements fund of the department of administration to the architectural services recovery fund of the department of administration which was directed to be made on July 1, 2004, by section 88(o) of 2004 House Bill No. 2675.

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

Public broadcasting council grants
For the fiscal year ending June 30, 2004..... \$30,000

(i) On the effective date of this act, of the \$479,282 appropriated for the above agency for the fiscal year ending June 30, 2004, by section 40(a) of chapter 138 of the 2003 session laws of Kansas from the state general fund in the public TV digital conversion debt service account, the sum of \$30,000 is hereby lapsed.

Sec. 5.

JUVENILE JUSTICE AUTHORITY

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

~~Operating expenditures
For the fiscal year ending June 30, 2005..... \$46,700~~

Kansas juvenile correctional complex
For the fiscal year ending June 30, 2005..... \$1,115,774

(b) On July 1, 2004, the position limitation established for the fiscal year ending June 30, 2005, by section 137(a) of 2004 House Bill No. 2675 for the juvenile justice authority is hereby increased from 636.0 to 675.2.

Sec. 6.

KANSAS COMMISSION ON VETERANS AFFAIRS

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

Soldiers' home facilities conservation and improvements
For the fiscal year ending June 30, 2004..... \$69,995

Veterans' home capital improvements federal match
For the fiscal year ending June 30, 2004..... \$111,776

Sec. 7.

KANSAS DEPARTMENT OF AGRICULTURE

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

~~Operating expenditures — food safety program
For the fiscal year ending June 30, 2005..... \$57,850~~

~~Provided, That, if 2004 Senate Bill No. 296 is not enacted into law, then no expenditures shall be made from the operating expenditures — food safety program account.~~

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

Food safety fund
For the fiscal year ending June 30, 2005..... No limit

Provided, That expenditures may be made from the food safety fund for operating expenditures for the food inspection program and other activities for the regulation of food service establishments, food vending machines, food vending machine companies and food vending machine dealers under the food service and lodging act: *Provided further*, That, notwithstanding the provisions of K.S.A. 36-512 and amendments thereto to the contrary, all moneys received from fees charged and collected by the secretary of agriculture under the food inspection program and other activities for the regulation of food service establishments, food vending machines, food vending machine companies and food vending machine dealers under the food service and lodging act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215 and amendments thereto, deposited in the state treasury and credited to the food safety fund: *And provided further*, That the secretary of agriculture is hereby authorized to make expenditures from the food safety fund for contracts or other agreements with local governments to inspect food service, food processing, grocery or other facilities for which the department of agriculture has inspection authority.

(c) On July 1, 2004, the position limitation established for the fiscal year ending June 30, 2005, by section 137(a) of 2004 House Bill No. 2675 for the Kansas department of agriculture is hereby increased from 296.5 to 302.5.

~~(d) On July 1, 2004, if 2004 Senate Bill No. 296 is not enacted into law, the \$57,850 appropriated for the above agency for the fiscal year ending June 30, 2005, by subsection (a) of this section from the state general fund in the operating expenditures — food safety program account is hereby lapsed.~~

Sec. 8.

KANSAS ANIMAL HEALTH DEPARTMENT

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

Operating expenditures
For the fiscal year ending June 30, 2005..... \$72,012

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

Disease control fund — federal
For the fiscal year ending June 30, 2005..... No limit

(c) On July 1, 2004, the position limitation established for the fiscal year ending June 30, 2005, by section 137(a) of 2004 House Bill No. 2675 for the Kansas animal health department is hereby increased from 31.0 to 33.0.

Sec. 9.

KANSAS WATER OFFICE

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

Water resources operating expenditures
For the fiscal year ending June 30, 2005..... \$79,724

Sec. 10.

STATE BOARD OF INDIGENTS' DEFENSE SERVICES

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

Operating expenditures

For the fiscal year ending June 30, 2005..... \$150,000

Provided, That expenditures shall be made from the operating expenditures account for the establishment of a public defender office in the 14th judicial district: *Provided further*, That expenditures shall be made from this account to combine the existing public defender office in Chanute, Kansas, with the public defender office being established in the 14th judicial district.

Sec. 11.

FORT HAYS STATE UNIVERSITY

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

Memorial union renovation debt service fund

For the fiscal year ending June 30, 2005..... No limit

(b) In addition to the other purposes for which expenditures may be made by Fort Hays state university from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2005 and fiscal year 2006 as authorized by this or other appropriation act of the 2004 regular session of the legislature, expenditures shall be made by Fort Hays state university from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2005 and fiscal year 2006 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905 and amendments thereto for a capital improvement project to renovate the memorial union: *Provided*, That such capital improvement project is hereby approved for Fort Hays state university for the purposes of subsection (b) of K.S.A. 74-8905 and amendments thereto and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That Fort Hays state university may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$5,700,000, plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project and any required reserves for the payment of principal and interest on the bonds: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such capital improvement project shall be financed by appropriations of moneys credited to the memorial union renovation debt service fund or any other appropriate special revenue funds of Fort Hays state university.

Sec. 12.

UNIVERSITY OF KANSAS

(a) On the effective date of this act, the fire service training fund of the university of Kansas is hereby redesignated as the fire service training program fund of the university of Kansas. On and after the effective date of this act, during the fiscal years ending June 30, 2004, and June 30, 2005, whenever the fire service training fund of the university of Kansas, or words of like effect, is referred to or designated by a statute, contract or other document, such reference or designation shall be deemed to apply to the fire service training program fund of the university of Kansas.

(b) The director of accounts and reports shall not make the transfers of \$375,000 from the fire marshal fee fund of the state fire marshal to the fire service training program fund of the university of

Kansas which were directed to be made on or after July 1, 2004, and January 1, 2005, by section 117(f) of 2004 House Bill No. 2675.

Sec. 13.

STATE BOARD OF REGENTS

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

Other federal grants fund

For the fiscal year ending June 30, 2004..... No limit

Provided, That the above agency is authorized to make expenditures from the other federal grants fund of any moneys credited to this fund from any individual grant if the grant is: (1) Less than or equal to \$750,000 in the aggregate, and (2) does not require the matching expenditure of any other moneys in the state treasury during fiscal year 2004 other than moneys appropriated by this or other appropriation act of the 2004 regular session of the legislature: *Provided, however*, That, upon application to and authorization by the governor, the above agency may make expenditures of moneys credited to this fund from any individual federal grant which is more than \$750,000 in the aggregate or which requires the matching expenditure of moneys in the state treasury during fiscal year 2004, other than moneys appropriated by this or other appropriation act of the 2004 regular session of the legislature.

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

Operating expenditures (including official hospitality)

For the fiscal year ending June 30, 2005..... \$11,700

Center for innovative school leadership

For the fiscal year ending June 30, 2005..... \$250,000

Provided, That the state board of regents is hereby authorized to transfer moneys from the center for innovative school leadership account to the appropriate account or accounts of the state general fund of Emporia state university, Fort Hays state university and Pittsburg state university: *Provided further*, That the state board of regents shall work in collaboration with Emporia state university, Fort Hays state university and Pittsburg state university to develop a plan for implementation: *Provided, however*, That, if 2004 Senate Bill No. 304 is not enacted into law, then no amounts shall be transferred from this account to the appropriate account or accounts of the state general fund of Emporia state university, Fort Hays state university and Pittsburg state university and no expenditures shall be made from this account by the state board of regents.

~~Southwest Kansas access project~~

~~For the fiscal year ending June 30, 2005..... \$200,000~~

~~*Provided*, That the state board of regents is hereby authorized to transfer moneys from the southwest Kansas access project account to the appropriate account or accounts of the state general fund of any state educational institution under the control and supervision of the state board of regents.~~

Technical college and school grant

For the fiscal year ending June 30, 2005..... \$875,000

Provided, That the state board of regents shall make expenditures from the technical college and school grant account for grants to technical schools and colleges which are identified by the state board of regents as pursuing accreditation from the North Central Association of Colleges and Schools.

(c) On July 1, 2004, the position limitation established by section 137(a) of 2004 House Bill No. 2675 for the state board of regents is hereby increased from 55.0 to 56.5.

(d) On July 1, 2004, of the \$725,028 appropriated for the above agency for the fiscal year ending June 30, 2005, by section 120(a) of 2004 House Bill No. 2675 from the state general fund in the national

(continued)

guard educational assistance fund, the amount of \$49,190 is hereby lapsed.

(e) In addition to other expenditures authorized to be made from the comprehensive grant program account for the awards of Kansas comprehensive grants in accordance with the provisions of K.S.A. 74-32,120 through 74-32,125, and amendments thereto, and policies and rules and regulations adopted by the state board of regents for the administration of the Kansas comprehensive grant program, expenditures shall be made from the comprehensive grant program account for fiscal year 2005 for awards of Kansas comprehensive grants to eligible Kansas students who are enrolling or enrolled at an institution of higher education which is accredited by the American Association of Bible Colleges and which has its main campus or principal place of operation located in Kansas, and otherwise in accordance with and subject to the provisions of K.S.A. 74-32,120 through 74-32,125, and amendments thereto, and policies and rules and regulations adopted by the state board of regents for the administration of the Kansas comprehensive grant program.

(f) On July 1, 2004, if 2004 Senate Bill No. 304 is not enacted into law, the \$250,000 appropriated for the above agency for the fiscal year ending June 30, 2005, by subsection (b) of this section from the state general fund in the centers for innovative school leadership account is hereby lapsed.

(g) Notwithstanding the provisions of K.S.A. 75-1253 and amendments thereto, the secretary of administration shall not convene a negotiating committee to select an architect for general construction services on a capital project for a state university unless the project is expected to exceed \$750,000.

(h) Notwithstanding the provisions of K.S.A. 75-5804 and amendments thereto, the university president or chancellor shall not convene a negotiating committee to select an engineering or land surveying firm for services on a capital project for a state university unless the total cost of such a proposed project is expected to exceed \$500,000.

(i) Notwithstanding the provisions of K.S.A. 75-1269 and amendments thereto, the following provisions shall apply to any capital improvement project at a state university which is funded from the Kansas educational building fund or from gifts, bequests, or donations and for which the department of administration will provide architectural services, engineering services, or management services:

(1) When in-house architectural design services or in-house engineering services are provided by the department of administration, the secretary of administration or the secretary's designee shall negotiate a design fee with the state university for which the project is being constructed. The negotiated design fee shall be a rate or an amount that recovers the costs to the department of administration of providing those services;

(2) The secretary of administration is authorized to fix, charge and collect fees for all other architectural, engineering and management services provided by the department of administration for projects covered by this section. The secretary of administration shall use the projected cost of a project, the complexity of a project, the type of construction involved in a project and the level of services provided by the department of administration as factors in establishing the rate or amount of such fees. The state university for which the project is being constructed shall remit the fees established under this paragraph to the secretary of administration or the secretary's designee according to the following schedule:

(A) For any project with a total estimated cost of under \$3,000,000, the entire fee shall be paid at the time the construction contracts for the project are bid.

(B) For any project with a total estimated cost of \$3,000,000, or more, one-half of the fee shall be paid at the time the construction contracts for the project are bid, and the remaining one-half shall be paid when construction of the project is 50% complete.

(j) No expenditures shall be made by the above agency for the fiscal year ending June 30, 2005, for the purpose of reallocating savings from one research and development facility reconstructed or

equipped under K.S.A. 76-777 *et seq.*, and amendments thereto, to another such project until the chief executive officer of the state board of regents has conducted an overall analysis of the progress and financial requirements of all such projects: *Provided*, That no such reallocation shall be made except upon approval by the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto.

Sec. 14.

ATTORNEY GENERAL

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

Operating expenditures	
For the fiscal year ending June 30, 2004.....	\$60,525
For the fiscal year ending June 30, 2005.....	\$200,000

~~(b) On July 1, 2004, the position limitation established for the fiscal year ending June 30, 2005, by section 137(a) of 2004 House Bill No. 2675 for the attorney general is hereby increased from 94.5 to 96.5.~~

(c) On the effective date of this act, of the \$3,569,834 appropriated for the above agency for the fiscal year ending June 30, 2004, by section 29(a) of chapter 138 of the 2003 Session Laws of Kansas from the state general fund in the operating expenditures account, the sum of \$31,565 is hereby lapsed.

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

Children's advocacy center fund	
For the fiscal year ending June 30, 2005.....	No limit

Sec. 15.

DEPARTMENT OF EDUCATION

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

General state aid	
For the fiscal year ending June 30, 2004.....	\$71,000
For the fiscal year ending June 30, 2005.....	\$1,890,000
Supplemental general state aid	
For the fiscal year ending June 30, 2005.....	\$8,370,000
KPERS — employer contributions	
For the fiscal year ending June 30, 2005.....	\$4,253,138

(b) On July 1, 2004, of the \$9,181,977 appropriated for the above agency for the fiscal year ending June 30, 2005, by section 105(a) of 2004 House Bill No. 2675 from the state general fund in the operating expenditures (including official hospitality) account, the sum of \$11,700 is hereby lapsed.

(c) On the effective date of this act, of the \$155,956,000 appropriated for the above agency for the fiscal year ending June 30, 2004, by section 52(a) of chapter 138 of the 2003 Session Laws of Kansas from the state general fund in the supplemental general state aid account, the sum of \$142,000 is hereby lapsed.

(d) On the effective date of this act, of the \$138,940,758 appropriated for the above agency for the fiscal year ending June 30, 2004, by section 52(a) of chapter 138 of the 2003 Session Laws of Kansas from the state general fund in the KPERS — employer contributions account, the sum of \$847,191 is hereby lapsed.

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

Helping schools license plate program fund	
For the fiscal year ending June 30, 2005.....	No limit

(f) During the fiscal year ending June 30, 2005, notwithstanding the provisions of K.S.A. 74-4939 and amendments thereto or any

other statute, all moneys appropriated for the department of education from the state general fund for fiscal year 2005 by section 105(a) of 2004 House Bill No. 2675, by this or other appropriation act of the 2004 regular session of the legislature, or by any appropriation act of the 2005 regular session of the legislature, in the KPERS — employer contributions account and all moneys appropriated for the department of education from the state general fund or any special revenue fund for fiscal year 2005 by any such appropriation act in that account or any other account for payment of employer contributions for school districts, shall be distributed by the department of education to school districts in accordance with this subsection: *Provided*, That, notwithstanding the provisions of K.S.A. 74-4939, and amendments thereto, the department of education shall disburse to each school district that is an eligible employer as specified in subsection (1) of K.S.A. 74-4931 and amendments thereto an amount certified by the board of trustees of the Kansas public employees retirement system which is equal to the participating employer's obligation of such school district to the system in accordance with policies and procedures which are hereby authorized and directed to be adopted by the department of education for the purposes of this subsection and in accordance with any requirements prescribed by the board of trustees of the Kansas public employees retirement system: *Provided further*, That, upon receipt of each such disbursement of moneys, the school district shall deposit the entire amount thereof into a special retirement contributions fund of the school district, which shall be established by the school district in accordance with such policies and procedures and which shall be used for the sole purpose of receiving such disbursements from the department of education and making the remittances to the system in accordance with this subsection and such policies and procedures: *And provided further*, That, upon receipt of each such disbursement of moneys from the department of education, the school district shall remit, in accordance with the provisions of such policies and procedures and in the manner and on the date or dates prescribed by the board of trustees of the Kansas public employees retirement system, an equal amount to the Kansas public employees retirement system from the special retirement contributions fund of the school district to satisfy such school district's obligation as a participating employer: *And provided further*, That, notwithstanding the provisions of K.S.A. 74-4939 and amendments thereto, each school district that is an eligible employer as specified in subsection (1) of K.S.A. 74-4931 and amendments thereto shall show within the budget of such school district all amounts received from disbursements into the special retirement contributions fund of such school district: *And provided further*, That, notwithstanding the provisions of any other statute, no official action of the school board of such school district shall be required to approve a remittance to the system in accordance with this subsection and such policies and procedures: *And provided further*, That all remittances of moneys to the system by a school district in accordance with this subsection and such policies and procedures shall be deemed to be expenditures of the school district.

Sec. 16.

KANSAS STATE SCHOOL FOR THE BLIND

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

Operating expenditures

For the fiscal year ending June 30, 2005..... \$40,604

Provided, That expenditures shall be made by the Kansas state school for the blind from the operating expenditures account to provide salary increases for fiscal year 2005 for teachers at the Kansas state school for the blind.

Sec. 17.

KANSAS STATE SCHOOL FOR THE DEAF

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

Operating expenditures

For the fiscal year ending June 30, 2005..... \$105,556

Provided, That expenditures shall be made by the Kansas state school for the deaf from the operating expenditures account to provide salary increases for fiscal year 2005 for teachers at the Kansas state school for the deaf.

(b) There is appropriated for the above agency from the state institutions building fund for the fiscal year or years and for the capital improvement project or projects specified, the following:

Dorm renovation

For the fiscal year ending June 30, 2005..... \$529,794

Sec. 18.

SECRETARY OF STATE

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

HAVA match

For the fiscal year ending June 30, 2004..... \$28,245

For the fiscal year ending June 30, 2005..... \$434,152

(b) During the fiscal year ending June 30, 2005, all expenditures by the secretary of state from the democracy fund shall be to provide matching funds to implement title II of the federal help America vote act of 2002, public law 107-252, as prescribed under such act.

(c) In addition to the other purposes for which expenditures may be made by the secretary of state from moneys appropriated for the secretary of state from the state general fund or any special revenue fund for fiscal year 2005 as authorized by this or any other appropriation act of the 2004 regular session of the legislature, expenditures may be made by the secretary of state to fix, charge and collect a fee from each county in the state to provide part of the matching moneys required for the implementation of title II of the federal help America vote act of 2002, public law 107-252: *Provided*, That such fee shall be fixed for each county in an amount proportional to the voting age population of the county as prescribed by the 2000 decennial census, except that such fee shall be not less than \$500 for any county: *Provided further*, That such fees shall be fixed to provide an aggregate amount of not to exceed the amount equal to 2% of the sum of (1) the aggregate amount of federal moneys for title II of the federal help America vote act of 2002, public law 107-252, plus (2) all state matching funds: *And provided further*, That all moneys received from such fees shall be deposited in the state treasury and credited to the democracy fund: *And provided further*, That all such fees imposed on such counties shall be remitted to the secretary of state on or before January 15, 2005.

(d) During the fiscal year ending June 30, 2005, notwithstanding the provisions of this or any other appropriation act of the 2004 session of the legislature, no expenditures shall be made by the secretary of state for payment of any moneys appropriated in the HAVA federal fund to any county that has not remitted the fee to be paid by such county to provide part of the matching moneys required for the implementation of title II of the federal help America vote act of 2002, public law 107-252, pursuant to subsection (c).

(e) In addition to the other purposes for which expenditures may be made by the secretary of state from moneys appropriated in the operating expenditures account of the state general fund for fiscal year 2005 as authorized by this or any other appropriation act of the 2004 regular session of the legislature, expenditures may be made by the secretary of state from moneys appropriated in the operating expenditures account of the state general fund for fiscal year 2005 to provide part of the state matching requirement for the implementation of title II of the federal help America vote act of 2002, public law 107-252.

(f) In addition to the other purposes for which expenditures may be made by the secretary of state from moneys appropriated for the secretary of state from the state general fund or any special revenue fund for fiscal year 2005 as authorized by this or any other appro-

(continued)

priation act of the 2004 regular session of the legislature, expenditures shall be made by the secretary of state to prepare and the secretary of state shall submit a report to the legislative budget committee on July 15, 2004, for the state primary election and on October 15, 2004, for the state general election listing the polling places and locations thereof closed for the July 15, 2004, report subsequent to January 1, 2004, and for the October 15, 2004, report subsequent to July 15, 2004, and the reasons for such closure.

Sec. 19.

STATE CORPORATION COMMISSION

(a) On July 1, 2004, the amount of \$40,000 authorized by section 86(e) of 2004 House Bill No. 2675 to be transferred by the director of accounts and reports from the facilities conservation improvement fund of the department of administration to the facility conservation improvement program fund of the state corporation commission, is hereby changed to any unencumbered balance as of July 1, 2004, in the facilities conservation improvement fund of the department of administration.

Sec. 20.

INSURANCE DEPARTMENT

(a) On the effective date of this act, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 40-112 and amendments thereto or of any other statute, the director of accounts and reports shall transfer \$150,000 from the insurance department service regulation fund to the state general fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the insurance department service regulation fund to the state general fund as prescribed by law: *Provided further*, That the amount transferred from the insurance department service regulation fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the insurance department by other state agencies which receive appropriations from the state general fund to provide such services.

(b) On July 1, 2004, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 40-112 and amendments thereto or of any other statute, the director of accounts and reports shall transfer \$80,000 from the insurance department service regulation fund to the state general fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the insurance department service regulation fund to the state general fund as prescribed by law: *Provided further*, That the amount transferred from the insurance department service regulation fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the insurance department by other state agencies which receive appropriations from the state general fund to provide such services.

(c) During the fiscal year ending June 30, 2005, in addition to the other purposes for which expenditures may be made by the insurance department from the moneys appropriated in the insurance department service regulation fund for fiscal year 2005 by this or other appropriation act of the 2004 regular session of the legislature, notwithstanding the provisions of any other statute, the insurance department shall make expenditures from the insurance department service regulation fund for fiscal year 2005 for dues associated with membership in the national conference of insurance legislators.

Sec. 21.

STATE BOARD OF HEALING ARTS

(a) On July 1, 2004, the expenditure limitation established for the fiscal year ending June 30, 2005, by section 16(a) of 2004 House Bill No. 2675 on the healing arts fee fund is hereby increased from \$2,378,523 to \$2,425,211.

Sec. 22.

KANSAS DENTAL BOARD

(a) On July 1, 2004, the position limitation established for the fiscal year ending June 30, 2005, by section 22 of chapter 138 of the 2003 Session Laws of Kansas for the dental board is hereby increased from 2.5 to 3.0.

(b) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2004, by section 67(b) of chapter 160 of the 2003 Session Laws of Kansas on the dental board fee fund is hereby increased from \$317,870 to \$347,241.

Sec. 23.

DEPARTMENT ON AGING

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

Senior care act

For the fiscal year ending June 30, 2005..... \$15,000

(b) In addition to the other purposes for which expenditures may be made by the department on aging from the senior care act account of the state general fund for fiscal year 2005 as authorized by section 100(a) of 2004 House Bill No. 2675, expenditures shall be made by the above agency from the senior care act account of the state general fund for fiscal year 2005 for the foster grandparents program: *Provided*, That expenditures for such purpose from the senior care act account of the state general fund for fiscal year 2005 shall not exceed \$15,000.

Sec. 24.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

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

Vocational rehabilitation aid and assistance

For the fiscal year ending June 30, 2005..... \$550,000

Community based services

For the fiscal year ending June 30, 2004..... \$742,000

For the fiscal year ending June 30, 2005..... \$342,000

Youth services aid and assistance

For the fiscal year ending June 30, 2004..... \$10,000,000

Cash assistance

For the fiscal year ending June 30, 2004..... \$482,897

For the fiscal year ending June 30, 2005..... \$300,000

Larned state hospital — operating expenditures

For the fiscal year ending June 30, 2004..... \$1,306

For the fiscal year ending June 30, 2005..... \$21,994

Larned state hospital — sexual predator treatment program

For the fiscal year ending June 30, 2005..... \$2,724,691

Parsons state hospital and training center — operating expenditures

For the fiscal year ending June 30, 2004..... \$2,448

For the fiscal year ending June 30, 2005..... \$8,013

Other medical assistance

For the fiscal year ending June 30, 2004..... \$2,977,278

Children's health insurance

For the fiscal year ending June 30, 2004..... \$1,536,252

(b) On July 1, 2004, of the \$70,758,231 appropriated for the above agency for the fiscal year ending June 30, 2005, by section 101(a) of 2004 House Bill No. 2675 from the state general fund in the youth services aid and assistance account, the sum of \$9,929,800 is hereby lapsed: *Provided*, That no expenditures shall be made from the youth services aid and assistance account to withhold payments from non-renewed providers until the new child welfare contracts have been let and the written transition plan has been approved by the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto.

(c) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2004, by section 44(f)

of 2004 House Bill No. 2675 on the social welfare fund is hereby increased from \$64,981,386 to \$84,281,386.

(d) On the effective date of this act, of the \$2,000,000 appropriated for the above agency for the fiscal year ending June 30, 2004, by section 50(c) of chapter 138 of the 2003 Session Laws of Kansas from the children's initiatives fund in the HealthWave account, the sum of \$1,536,252 is hereby lapsed.

(e) On the effective date of this act, of the \$3,000,000 appropriated for the above agency for the fiscal year ending June 30, 2004, by section 50(c) of chapter 138 of the 2003 Session Laws of Kansas from the children's initiatives fund in the medicaid account, the sum of \$2,000,000 is hereby lapsed.

(f) On the effective date of this act, of the \$1,960,000 appropriated for the above agency for the fiscal year ending June 30, 2004, by section 44(a) of 2004 House Bill No. 2675 from the state general fund in the Larned state hospital — sexual predator treatment program account, the sum of \$750,000 is hereby lapsed.

(g) There is appropriated for the above agency from the state institutions building fund for the fiscal year or years specified, for the capital improvement project or projects specified as follows:

Rehabilitation and repair projects

For the fiscal year ending June 30, 2005..... \$6,772,365

Provided, That expenditures may be made from the rehabilitation and repair projects account for fiscal year 2005 for rehabilitation and repair projects at the Kansas neurological institute or Parsons state hospital and training center only upon approval by the state finance council acting on this matter, which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto and acting after receiving the recommendations of the legislative budget committee.

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

Health care access improvement fund

For the fiscal year ending June 30, 2005..... No limit

(i) On the effective date of this act, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 38-2102 and amendments thereto or of any other statute, the director of accounts and reports shall transfer \$3,536,252 from the children's initiatives fund to the Kansas endowment for youth fund.

(j) On and after January 1, 2005, during the fiscal year ending June 30, 2005, notwithstanding the provisions of any other statute, no expenditures shall be made by the department of social and rehabilitation services from any moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2005 to make any contract for the customer service program relating to the electronic benefit transfer portion of the food stamp vision card program with any contractor or vendor who performs, or subcontracts or otherwise procures the services or work contracted for, at a location outside of the United States of America: *Provided*, That each contractor or vendor submitting a bid to contract to provide services or work for the department of social and rehabilitation services shall certify that the services or work covered by the bid or contract will be performed at a location in the United States: *Provided further*, That no expenditures shall be made under any such contract upon a finding that the contractor or vendor, or any subcontractor thereof, during the term of the contract shifts services or work on any such contract to a location outside of the United States of America and the contract shall be terminated for noncompliance: *And provided further*, That any such contract shall contain a provision which allows for the employment of qualified TAF recipients to provide services under such contract.

(k) On and after the effective date of this act, during the fiscal year ending June 30, 2004, and during the fiscal year ending June 30,

2005, in addition to the other purposes for which expenditures may be made by the department of social and rehabilitation services from the moneys appropriated from the state general fund or any special revenue fund for fiscal years 2004 and 2005 by chapter 138 or chapter 160 of the 2003 Session Laws of Kansas or by this or other appropriation act of the 2004 regular session of the legislature, notwithstanding the provisions of any other statute, the department of social and rehabilitation services is hereby directed to use all available resources to resolve the impasse with the centers for medicare and medicaid services regarding the state medicaid plan amendments related to the distribution of disproportionate share funding and to initiate communications with the centers for medicare and medicaid services urging immediate approval of the state medicaid plan amendments.

(l) During the fiscal year ending June 30, 2005, the secretary of social and rehabilitation services shall not expand the existing public mental health provider system by opening up the medical card for the provision of mental health services to other than the existing medicaid eligible providers of mental health services as of March 1, 2004: *Provided*, That the secretary of social and rehabilitation services shall work with the association of community mental health centers of Kansas, inc., to identify and address concerns related to service delivery, access and choice within the structure of the existing public mental health system.

(m) There is appropriated for the above agency from the children's initiatives fund for the fiscal year or years specified, the following:

Attendant care for independent living

For the fiscal year ending June 30, 2005..... \$50,000

(n) On and after the effective date of this act, during the fiscal year ending June 30, 2004, and during the fiscal year ending June 30, 2005, in addition to the other purposes for which expenditures may be made by the department of social and rehabilitation services from the moneys appropriated from the state general fund or any special revenue fund for fiscal years 2004 and 2005 by chapter 138 of chapter 160 of the 2003 Session Laws of Kansas or by this or other appropriation act of the 2004 regular session of the legislature, notwithstanding the provisions of any other statute, the department of social and rehabilitation services is hereby directed to report in January of 2005 to the 2005 legislature the department's progress toward improving transition for children as they age out of the attendant care for independent living program.

Sec. 25.

DEPARTMENT OF HEALTH AND ENVIRONMENT —
DIVISION OF HEALTH

~~(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2005, the following:~~

~~Pregnancy maintenance initiative..... \$300,000~~

~~*Provided*, That expenditures shall be made from the pregnancy maintenance initiatives account for the fiscal year 2005 pursuant to contracts for programs that provide services for women which enable them to carry their pregnancies to term which are hereby authorized and directed to be entered into by the secretary of health and environment: *Provided, however*, That all such contracts shall be entered into through a competitive bidding process: *Provided further*, That such contracted services may include an array of social services relating to pregnancy maintenance and that no individuals who are unable to pay shall be denied the delivery or provision of pregnancy maintenance services: *And provided further*, That no contract or contracts under pregnancy maintenance programs shall be entered into with any group performing, promoting, referring for or educating in favor of abortion: *And provided further*, That a not-for-profit organization awarded a contract under this proviso shall match state moneys under this contract on the basis of a 50% match from a not-for-profit organization and a 50% match from the department of health and environment: *And provided further*, That the secretary of health and environment shall submit a report to the legislature at the be-~~

(continued)

~~ginning of the regular session of the legislature in 2005 on the results and outcomes of such pregnancy maintenance programs. And provided further, That no part of the grant moneys shall be used for any political purposes.~~

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

Lead-based paint hazard fee fund	
For the fiscal year ending June 30, 2005.....	No limit
Census of traumatic occupational fatalities — federal fund	
For the fiscal year ending June 30, 2005.....	No limit

(c) In addition to the other purposes for which expenditures may be made by the department of health and environment from the moneys appropriated from the state general fund or from any special revenue fund for the fiscal year ending June 30, 2005, as authorized by chapter 138 or 160 of the 2003 Session Laws of Kansas, by 2004 House Bill No. 2675, or by this or other appropriation act of the 2004 regular session of the legislature, expenditures may be made by the department of health and environment from moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2005, notwithstanding the provisions of section 98(m) of 2004 House Bill No. 2675 or any other provision of any other appropriation act of the 2004 regular session of the legislature for fiscal year 2005, for the following purposes related to licensure requirements:

(1) Facilities, programs or services operated by a school on school property for children five years and older before and after the customary school day during the regular school term;

(2) non-residential programs or services designated for mental health treatment of children and adolescents provided by a community mental health center licensed pursuant to K.S.A.75-3307b, and amendments thereto;

(3) drop-in recreation programs that are for children five years and older provided by a municipality, the salvation army, the boys and girls club of America where the children are free to come and go from the premises without being escorted by a parent or responsible person and short-term educational programs or classes for children in which the supervision and care of the children are incidental to their participation in the activity or training in specific subjects including, but not limited to, music, dance and religion, and the program provider does not assume responsibility for the provision of daily child care outside the scheduled program; and

(4) day camping or recreation programs for children five years and older which have as the primary emphasis outdoor education and recreation and are operated between school terms for no more than seven hours per day or which are accredited by the American camping association or other national standard-setting agency or church camp accreditation programs which must provide standards equivalent to the American camping association standards: *Provided*, That the prohibition contained in section 98(m) of 2004 House Bill No. 2675 on expenditures for such purposes is hereby rescinded and, on the effective date of this act, the provisions of section 98(m) of 2004 House Bill No. 2675 are hereby declared to be null and void and shall have no force and effect.

(d) On October 1, 2004, the position limitation established by section 137(a) of 2004 House Bill No. 2675 for the department of health and environment — division of health is hereby decreased from 409.0 to 404.0.

Sec. 26.

DEPARTMENT OF HEALTH AND ENVIRONMENT — DIVISION OF ENVIRONMENT

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such

fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Environmental response remedial activity specific site — lead site federal fund	
For the fiscal year ending June 30, 2005.....	No limit
Emergency environmental response — nonspecific sites federal fund	
For the fiscal year ending June 30, 2005.....	No limit
Chemical control fund	
For the fiscal year ending June 30, 2005.....	No limit
Medicare fund — federal — environment fund	
For the fiscal year ending June 30, 2005.....	No limit
Federal EPA 106 water pollution control fund	
For the fiscal year ending June 30, 2005.....	No limit
Salt mining well plugging fund	
For the fiscal year ending June 30, 2005.....	No limit

Sec. 27.

DEPARTMENT OF COMMERCE

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

Senior community service employment program	
For the fiscal year ending June 30, 2005.....	\$4,444
Kansas commission on disability concerns	
For the fiscal year ending June 30, 2005.....	\$232,906
Athletic commission operations	
For the fiscal year ending June 30, 2005.....	\$29,204

(b) There is appropriated for the above agency from the state economic development initiatives fund for the fiscal year or years specified, the following:

Older Kansans employment program	
For the fiscal year ending June 30, 2005.....	\$239,430

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

Kansas community entrepreneurship fund	
For the fiscal year ending June 30, 2005.....	No limit
Athletic fee fund	
For the fiscal year ending June 30, 2005.....	No limit
Wheat harvest program — non-federal fund	
For the fiscal year ending June 30, 2005.....	No limit
Adult program — WIA — federal fund	
For the fiscal year ending June 30, 2005.....	No limit
Youth program — WIA — federal fund	
For the fiscal year ending June 30, 2005.....	No limit
Dislocated worker — WIA — federal fund	
For the fiscal year ending June 30, 2005.....	No limit
Trade adjustment assistance — federal fund	
For the fiscal year ending June 30, 2005.....	No limit
Workforce opportunity tax credit — federal fund	
For the fiscal year ending June 30, 2005.....	No limit
Alien labor certification — federal fund	
For the fiscal year ending June 30, 2005.....	No limit
Local veterans employment representative — federal fund	
For the fiscal year ending June 30, 2005.....	No limit
Disabled veterans outreach program — federal fund	
For the fiscal year ending June 30, 2005.....	No limit
Wagner Peyser — federal fund	
For the fiscal year ending June 30, 2005.....	No limit
Re-employment services — federal fund	
For the fiscal year ending June 30, 2005.....	No limit
Senior community service employment program — federal fund	
For the fiscal year ending June 30, 2005.....	No limit
Indirect cost fund	
For the fiscal year ending June 30, 2005.....	No limit
Kansas commission on disability concerns operating fund	

For the fiscal year ending June 30, 2005.....	No limit
Kansas commission on disability concerns — donations fund	
For the fiscal year ending June 30, 2005.....	No limit
Kansas commission on disability concerns — private grant fund	
For the fiscal year ending June 30, 2005.....	No limit
Apprenticeship — federal fund	
For the fiscal year ending June 30, 2005.....	No limit

(d) On July 1, 2004, the position limitation established for the fiscal year ending June 30, 2005, by section 137(a) of 2004 House Bill No. 2675 for the department of commerce is hereby increased from 108.5 to 390.1.

(e) On July 1, 2004, or as soon thereafter as moneys are available during the fiscal year ending June 30, 2005, the director of accounts and reports, in accordance with one or more certifications, jointly-issued by the secretary of commerce, secretary of labor and the director of the budget to the director of accounts and reports, shall transfer one or more amounts from the division of employment and training funds and accounts of the department of labor to the appropriate workforce development funds and accounts of the department of commerce for the purposes of implementing Executive Reorganization Order No. 31: *Provided*, That, at the same time that each such joint certification is made to the director of accounts and reports under this subsection, the director of the budget shall deliver a copy of such certification to the director of the legislative research department.

Sec. 28.

STATE FIRE MARSHAL

(a) On July 1, 2004, the position limitation established for the fiscal year ending June 30, 2005, by section 137(a) of 2004 House Bill No. 2675 for the state fire marshal is hereby increased from 49.0 to 51.0.

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

State fire marshal liquified petroleum gas fee fund	
For the fiscal year ending June 30, 2005.....	\$150,000

Sec. 29.

KANSAS LOTTERY

(a) In addition to the aggregate total of not less than \$62,773,000 that shall be transferred from the lottery operating fund to the state gaming revenues fund during fiscal year 2004 as prescribed by section 43(c) of chapter 138 of the 2003 Session Laws of Kansas, an additional amount of not less than \$3,800,000 shall be transferred from the lottery operating fund to the state gaming revenues fund during the fiscal year ending June 30, 2004, for a new aggregate amount of not less than \$66,573,000 to be transferred from the lottery operating fund to the state gaming revenues fund for fiscal year 2004 in monthly transfers concluding on or before July 15, 2004.

Sec. 30.

DEPARTMENT OF REVENUE

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

Distinctive license plate fund	
For the fiscal year ending June 30, 2005.....	No limit

Sec. 31.

DEPARTMENT OF WILDLIFE AND PARKS

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

Feed the hungry fund	
For the fiscal year ending June 30, 2005.....	No limit
Cheyenne Bottoms federal grants fund	
For the fiscal year ending June 30, 2005.....	No limit
Tuttle Creek state park mitigation project fund	
For the fiscal year ending June 30, 2005.....	\$1,500,000

Provided, That expenditures may be made from the Tuttle Creek state park mitigation project fund for a capital improvement project to construct a new access road and campground at the Tuttle Creek state park: *Provided however*, That all moneys received during fiscal year 2005 from the federal government for reimbursement of state expenses for this project in mitigation of damage to the Tuttle Creek state park in the area of the access road and campground during the U. S. Army Corps of Engineers project to repair Tuttle Creek dam shall be deposited in the state treasury to the credit of the Tuttle Creek state park mitigation project fund: *Provided further*, That all moneys received under the loan from the pooled money investment board pursuant to subsection (d) of section 60 of 2004 House Bill No. 2675 shall be deposited in the state treasury to the credit of the Tuttle Creek state park mitigation project fund: *And provided further*, That such loan shall be repaid from moneys available therefor in this fund or from other moneys appropriated for the department of wildlife and parks and available therefor: *And provided further*, That all expenditures from this fund during fiscal year 2005 for repayment of such loan shall be in addition to any expenditure limitation imposed on this fund for fiscal year 2005.

(b) On July 1, 2004, the expenditure limitation established for the fiscal year ending June 30, 2005, by section 135(b) of 2004 House Bill No. 2675 on the wildlife fee fund is hereby increased from \$16,477,049 to \$16,597,049.

(c) On July 1, 2004, the expenditure limitation established for the fiscal year ending June 30, 2005, by section 135(b) of 2004 House Bill No. 2675 on the parks fee fund is hereby increased from \$6,726,465 to \$6,766,465.

(d) On July 1, 2004, the expenditure limitation established for the fiscal year ending June 30, 2005, by section 135(b) of 2004 House Bill No. 2675 on the boating fee fund is hereby increased from \$736,406 to \$776,406.

(e) On July 1, 2004, the director of accounts and reports shall transfer \$42,960 from the state general fund to the wildlife fee fund of the department of wildlife and parks for the purpose of complying with federal restrictions on the sale of 24 department of wildlife and parks motor vehicles purchased with federal funds and sold at the state vehicle auction.

(f) On July 1, 2004, the \$100,000 appropriated for the above agency from the parks fee fund for the fiscal year ending June 30, 2005, by section 166(n) of 2004 House Bill No. 2675 in the Menninger memorial state park account is hereby lapsed.

(g) In addition to the other purposes for which expenditures may be made by the above agency from the parks fee fund for fiscal year 2005, expenditures may be made by the above agency from the following capital improvement account or accounts of the parks fee fund for fiscal year 2005 for the following capital improvement project or projects, subject to the expenditure limitations prescribed therefor:

State park no. 24 in Shawnee county	\$100,000
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Provided, That all expenditures from each such capital improvement account shall be in addition to any expenditure limitation imposed on the parks fee fund for fiscal year 2005.

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

Reimbursement for annual licenses issued to national guard members	
For fiscal year ending June 30, 2005.....	\$60,000

Provided, That all moneys in the reimbursement for annual licenses

(continued)

issued to national guard members account shall be used to reimburse the wildlife fee fund for the cost of fees for annual hunting and annual fishing licenses issued for the calendar year 2005 to Kansas army or air national guard members, which licenses are hereby authorized to be issued without charge to such members in accordance with policies and procedures prescribed by the secretary of wildlife and parks therefor and subject to the limitation of the moneys appropriated and available in the reimbursement for annual licenses issued to national guard members account to reimburse the wildlife fee fund for such licenses: *Provided, however*, That no other hunting or fishing licenses or permits shall be eligible for reimbursement from this account: *Provided further*, That the secretary of wildlife and parks shall certify to the director of accounts and reports on a quarterly basis an amount to be transferred from this account to the wildlife fee fund in order to reimburse the costs of such licenses: *And provided further*, That, upon receipt of each such certification, the director of accounts and reports shall transfer the amount certified from this account to the wildlife fee fund.

Reimbursement for annual park permits issued to national guard members

For the fiscal year ending June 30, 2005 \$206,000

Provided, That all moneys in the reimbursement for annual park vehicle permits issued to national guard members account shall be used to reimburse the parks fee fund for the cost of fees for annual park vehicle permits issued for the calendar year 2005 to Kansas army or air national guard members, which annual park vehicle permits are hereby authorized to be issued without charge to such members in accordance with policies and procedures prescribed by the secretary of wildlife and parks therefor and subject to the limitation of the moneys appropriated and available in the reimbursement for annual park vehicle permits issued to national guard members account to reimburse the parks fee fund for such permits: *Provided, however*, That not more than one annual park vehicle permit per family shall be eligible for reimbursement from this account: *Provided further*, That the secretary of wildlife and parks shall certify to the director of accounts and reports on a quarterly basis an amount to be transferred from this account to the parks fee fund in order to reimburse the costs of such annual park vehicle permits: *And provided further*, That, upon receipt of each such certification, the director of accounts and reports shall transfer the amounts certified from this account to the parks fee fund.

Sec. 32. During the fiscal year ending June 30, 2005, no moneys appropriated from the state general fund or any special revenue fund shall be expended by any state agency named in chapter 138 or 160 of the 2003 Session Laws of Kansas or in this or other appropriation act of the 2004 regular session of the legislature for the purchase or other acquisition of any seed, forage or mulch that is not certified by the Kansas department of agriculture in accordance with a memorandum of understanding entered into by the Kansas department of agriculture and the North American weed management association that such seed, forage or mulch meets the standards set forth in the North American weed management forage program: *Provided*, That, in addition to the other purposes for which expenditures may be made by the Kansas department of agriculture from moneys appropriated by chapter 138 or 160 of the 2003 Session Laws of Kansas or by this or other appropriation act of the 2004 regular session of the legislature from the state general fund or any special revenue funds for fiscal year 2004 or 2005, expenditures shall be made by the Kansas department of agriculture to provide for staff members of the Kansas department of agriculture, who are qualified to certify seed, forage and mulch to meet any additional or supplemental certification requirements of state agencies, to assist any such additional or supplemental certifications as may be required by any other state agency.

Sec. 33.

DEPARTMENT OF TRANSPORTATION

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

special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Communication system revolving fund

For the fiscal year ending June 30, 2005..... No limit

(b) On July 1, 2004, the position limitation established for the fiscal year ending June 30, 2005, by section 137(a) of 2004 House Bill No. 2675 for the department of transportation is hereby increased from 3247.5 to 3251.5.

(c) On and after the effective date of this act, during the fiscal year ending June 30, 2004, and during the fiscal year ending June 30, 2005, in addition to the other purposes for which expenditures may be made by the department of transportation and the department of administration from the moneys appropriated from the state general fund or any special revenue fund for fiscal years 2004 and 2005 by chapter 138 or chapter 160 of the 2003 Session Laws of Kansas or by this or other appropriation act of the 2004 regular session of the legislature, notwithstanding the provisions of any other statute, expenditures shall be made by the department of transportation and the department of administration from the moneys appropriated from the state general fund or any special revenue fund for fiscal year 2004 and fiscal year 2005 to adopt policies and procedures for use by officers and employees of the department of transportation to facilitate and provide for automatic issuance of purchasing contract waivers or exemptions to permit each subarea shop of the department of transportation to purchase automotive parts and supplies from vendors other than those prescribed in existing purchasing contracts in those cases when vendors prescribed in existing purchasing contracts are not located within the five-digit zipcode of the subarea shop.

Sec. 34.

EMERGENCY MEDICAL SERVICES BOARD

(a) On July 1, 2004, the expenditure limitation established for the fiscal year ending June 30, 2005, by section 128(a) of 2004 House Bill No. 2675 on the emergency medical services operating fund account of the emergency medical services board is hereby increased from \$1,034,301 to \$1,234,301.

(b) In addition to the other purposes for which expenditures may be made by the emergency medical services board from the board of emergency medical services operating fund for fiscal year 2005 by this or other appropriation act of the 2004 regular session of the legislature, expenditures may be made by the emergency medical services board from the board of emergency medical services operating fund for fiscal year 2005 for the purpose of implementing a grant program for emergency medical services training and educational assistance for persons in underserved areas: *Provided*, That when issuing such grants, first priority shall be given to ambulance services submitting applications seeking grants to pay the cost of recruiting volunteers and cost of the initial courses of training for attendants, instructor-coordinators and training officers: *Provided further*, That the second priority shall be given to ambulance services submitting applications seeking grants to pay the cost of continuing education for attendants, instructor-coordinators and training officers: *And provided further*, That the third priority shall be given to ambulance services submitting applications seeking grants to pay the cost of education for attendants, instructor-coordinators and training officers who are obtaining a post-secondary education degree: *And provided further*, That expenditures from the board of emergency medical services operating fund shall not exceed \$200,000 to fund such grant program.

(c) On July 1, 2004, the amount of \$425,000 authorized by section 128(b) of 2004 House Bill No. 2675 to be transferred by the director of accounts and reports from the emergency medical services operating fund of the emergency medical services board to the state general fund is hereby decreased to \$225,000.

Sec. 35.

ATTORNEY GENERAL—KANSAS BUREAU OF INVESTIGATION

~~(a) In addition to the other purposes for which expenditures may be made from the forensic laboratory and materials fee fund, expenditures may be made by the above agency from the Kansas bureau of investigation forensic laboratory and materials fee fund for the following fiscal years for the capital improvement project, subject to the expenditure limitation prescribed therefor:~~

~~Great Bend laboratory renovation~~

For the fiscal year ending June 30, 2005.....	\$340,834
For the fiscal year ending June 30, 2006.....	\$283,171
For the fiscal year ending June 30, 2007.....	\$50,000

~~Provided, That no expenditures shall be made from the forensic laboratory and materials fee fund for Great Bend laboratory renovation until such capital improvement project has been reviewed by the joint committee on state building construction.~~

(b) On July 1, 2004, the date of June 1, 2005, that is prescribed by section 127(c) of 2004 House Bill No. 2675 for the transfer authorized by section 127(c) of 2004 House Bill No. 2675 is hereby changed and such transfer shall not be made on June 1, 2005, and the director of accounts and reports shall transfer the amount specified by section 127(c) of 2004 House Bill No. 2675 from the state general fund to the Kansas bureau of investigation motor vehicle fund for the purposes of acquiring and selling motor vehicles for the Kansas bureau of investigation on July 1, 2004.

Sec. 36.

KANSAS SENTENCING COMMISSION

(a) On the effective date of this act, of the \$3,883,577 appropriated for the above agency by section 16(a) of chapter 160 of the 2003 Session Laws of Kansas for the fiscal year ending June 30, 2004, from the state general fund in the substance abuse treatment programs account, the sum of \$1,500,000 is hereby lapsed.

Sec. 37.

DEPARTMENT OF CORRECTIONS

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

Facilities operations	
For the fiscal year ending June 30, 2004.....	\$45,000
Treatment and programs	
For the fiscal year ending June 30, 2004.....	\$341,000
Bedspace contracts	
For the fiscal year ending June 30, 2005.....	\$1,460,000

Provided, That no expenditures shall be made from the bedspace contracts account of the state general fund during the fiscal year ending June 30, 2005, until the secretary of corrections certifies to the director of accounts and reports that the aggregate number of all maximum and medium custody male inmates in the state correctional system has reached 6,061: *Provided further*, That, at the same time such certification is made, the secretary of corrections shall deliver a copy of such certification to the director of the budget and the director of the legislative research department.

(b) The above agency is hereby authorized to begin construction of a spiritual life center on the grounds of the El Dorado correctional facility during the fiscal year ending June 30, 2005: *Provided*, That no expenditures shall be made from the state general fund or any special revenue fund for construction of the spiritual life center, except for incentive pay to inmates engaged in the construction pursuant to K.S.A. 75-5211 and amendments thereto and for the supervision of those inmates.

(c) On the effective date of this act, of the \$32,369,719 appropriated for the above agency for the fiscal year ending June 30, 2004, by section 68(a) of chapter 138 of the 2003 Session Laws of Kansas from the state general fund in the Lansing correctional facility — facilities operations account, the sum of \$100,000 is hereby lapsed.

(d) On the effective date of this act, of the \$13,080,180 appropriated for the above agency for the fiscal year ending June 30, 2004, by section 68(a) of chapter 138 of the 2003 Session Laws of Kansas from the state general fund in the central administration operations and parole and postrelease supervision operations account, the sum of \$181,000 is hereby lapsed.

~~(e) In addition to the other purposes for which expenditures may be made by the department of corrections from the inmate benefit fund for fiscal year 2005 as authorized by section 121(b) of 2004 House Bill No. 2675, expenditures shall be made by the above agency from the inmate benefit fund for fiscal year 2005 for the four visitor centers at Ellsworth, Hutchinson, Lansing and Norton correctional facilities in accordance with this subsection: *Provided*, That the aggregate amount of expenditures from the inmate benefit fund for fiscal year 2005 for such purpose shall not exceed \$125,000: *Provided, however*, That expenditures from the inmate benefit fund for fiscal year 2005 for such purpose may exceed \$25,000 only upon one or more certifications by the secretary of corrections to the director of accounts and reports that an amount or amounts of federal, local or in-kind donations are available for such purposes to match the expenditure of additional moneys from the inmate benefit fund for fiscal year 2005 on the basis of \$1 of federal, local or in-kind donations to \$1 of moneys from the inmate benefit fund.~~

Sec. 38.

DEPARTMENT OF LABOR

(a) On July 1, 2004, of the \$1,055,737 appropriated for the above agency for the fiscal year ending June 30, 2005, by section 96(b) of 2004 House Bill No. 2675 from the state general fund in the operating expenditures account, the sum of \$724,910 is hereby lapsed.

(b) On July 1, 2004, the director of accounts and reports shall transfer all moneys in the advisory committee on Hispanic affairs — donations fund of the department of labor to the Hispanic and Latino American affairs commission — donations fund of the governor's department. On July 1, 2004, all liabilities of the advisory committee on Hispanic affairs donations fund of the department of labor are hereby transferred to and imposed on the Hispanic and Latino American affairs commission — donations fund of the governor's department and the advisory committee on Hispanic affairs donations fund of the human resources is hereby abolished.

(c) On July 1, 2004, the director of accounts and reports shall transfer all moneys in the non-federal advisory committee on African-American affairs donations account of the human resources special projects fund — federal of the department of labor to the advisory commission on African-American affairs — donations fund of the governor's department. On July 1, 2004, all liabilities of the non-federal advisory committee on African-American affairs account of the human resources special projects fund of the department of labor are hereby transferred to and imposed on the advisory commission on African-American affairs — donations fund of the governor's department and the non-federal advisory committee on African-American affairs account of the human resources special projects fund of the department of labor is hereby abolished.

(d) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2005, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds or indirect cost recoveries authorized by law shall not exceed the following:

Remodel department of labor facilities fund	
For the fiscal year ending June 30, 2005.....	No limit

Provided, That the department of labor may make expenditures from the remodel department of labor facilities fund for the capital improvement project to improve agency facilities: *Provided, however*, That expenditures from this fund for such capital improvement project, including necessary furniture and equipment, shall not exceed the amount transferred pursuant to subsection (e) from the complete

(continued)

remodeling of agency headquarters fund to the remodel department of labor facilities fund: *Provided further*, That no expenditures shall be made from this fund until the proposed project has been reviewed by the joint committee on state building construction.

(e) During the fiscal year ending June 30, 2005, upon the release of each encumbrance of moneys in the complete remodeling of agency headquarters fund, upon certification by the secretary of labor, the director of accounts and reports shall transfer the amount equal to the unexpended balance of each such released encumbrance from the complete remodeling of agency headquarters fund to the remodel department of labor facilities fund.

(f) In addition to the other purposes for which expenditures may be made by the department of labor from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2005 as authorized by this or other appropriation act of the 2004 regular session of the legislature, expenditures shall be made by the department of labor for moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2005 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905 and amendments thereto to finance grants for an information technology project to upgrade the unemployment insurance benefit system: *Provided*, That such information technology project is hereby approved for the department of labor for the purposes of subsection (b) of K.S.A. 74-8905 and amendments thereto and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That no such bonds shall be issued until the department of labor has first advised and consulted on any such project with the joint committee on information technology: *And provided further*, That the amount of the bond proceeds that may be utilized for any such information technology project shall be subject to approval by the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, except that such approval also may be given while the legislature is in session: *And provided further*, That the department of labor may make expenditures from the moneys received for the issuance of any such bonds for such information technology project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such information technology project shall not exceed \$21,000,000 plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such information technology projects during the implementation of such projects and any required reserves for the payment of principal and interest on the bonds: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such information technology projects shall be financed by appropriations from the state general fund or any appropriate special revenue fund or funds, including federal Reed act funds as made available to the state pursuant to section 903(d) of the federal social security act.

(g) On July 1, 2004, the position limitation established for the fiscal year ending June 30, 2005, by section 137(a) of 2004 House Bill No. 2675 for the department of labor is hereby decreased from 940.4 to 652.8.

(h) On July 1, 2004, or as soon thereafter as moneys are available during the fiscal year ending June 30, 2005, the director of accounts and reports, in accordance with one or more certifications, jointly issued by the secretary of commerce, secretary of labor and the director of the budget to the director of accounts and reports, shall transfer one or more amounts from the workforce development funds and accounts of the department of commerce to the appropriate division of employment and training funds and accounts of the department of labor for the purposes of implementing Executive Reorganization Order No. 31: *Provided*, That, at the same time that each such joint certification is made to the director of accounts and

reports under this subsection, the director of the budget shall deliver a copy of such certification to the director of the legislative research department.

Sec. 39.

REAL ESTATE APPRAISAL BOARD

(a) On July 1, 2004, the expenditure limitation established for the fiscal year ending June 30, 2005, by section 25(a) of 2004 House Bill No.

2675 on the appraiser fee fund is hereby increased from \$244,226 to \$245,430.

Sec. 40.

KANSAS REAL ESTATE COMMISSION

(a) On July 1, 2004, the expenditure limitation established for the fiscal year ending June 30, 2005, by section 26(a) of 2004 House Bill No. 2675 on the real estate fee fund is hereby increased from \$795,796 to \$799,896.

Sec. 41.

ADJUTANT GENERAL

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

Kansas military emergency relief fund

For the fiscal year ending June 30, 2005..... \$50,000

Provided, That expenditures may be made from the Kansas military emergency relief fund for grants and interest-free loans, which are hereby authorized to be entered into by the adjutant general with repayment provisions and other terms and conditions including eligibility as may be prescribed by the adjutant general therefor, to members and families of the Kansas army and air national guard and army reserve members during the period preceding, during and after mobilization to provide assistance to eligible family members experiencing financial emergencies: *Provided*, That such assistance may include, but shall not be limited to, medical, funeral, emergency travel, rent, utilities, child care, food expenses and other unanticipated emergencies.

(b) On July 1, 2004, the director of accounts and reports shall transfer \$50,000 from the state general fund to the Kansas military emergency relief fund of the adjutant general.

(c) In addition to the other purposes for which expenditures may be made by the adjutant general from moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2005 and from which expenditures may be made for salaries and wages, as authorized by this or other appropriation act of the 2004 regular session of the legislature, expenditures may be made by the adjutant general from such moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2005, notwithstanding the provisions of K.S.A. 48-205 and amendments thereto or any other statute, in addition to other positions within the adjutant general's department in the unclassified service as prescribed by law, to provide for one of the two assistant adjutants general authorized by K.S.A. 48-205 and amendments thereto to be designated as a position in the unclassified service under the Kansas civil service act: *Provided*, That the position of such assistant adjutant general in the unclassified service under the Kansas civil service act shall be established by the adjutant general within the position limitation established for the adjutant general on the number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, paid from appropriations for fiscal year 2005 made by this or other appropriation act of the 2004 regular session of the legislature: *Provided, however*, That any amount of expenditures for salaries and wages for fiscal year 2005 for such position of assistant adjutant general in the unclassified service under the Kansas civil service act in excess of the amount of expenditures authorized by law for the classified position of assistant adjutant gen-

eral shall be funded entirely from moneys received from the federal government and appropriated for the adjutant general from one or more special revenue funds for fiscal year 2005 and shall not be funded from any moneys appropriated for the adjutant general from the state general fund for fiscal year 2005: *And provided further*, That the authority to establish such position in the unclassified service shall not affect the classified service status of any person who is an employee of the adjutant general in the classified service under the Kansas civil service act.

Sec. 42.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2005, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds or indirect cost recoveries authorized by law shall not exceed the following:

KDFA series 2003H bond debt service fund No limit
Provided, That notwithstanding the provisions of K.S.A. 74-4921 et seq., and amendments thereto, any employer contributions remitted in accordance with the provisions of K.S.A. 20-2605, and amendments thereto, K.S.A. 74-4920, and amendments thereto, K.S.A. 74-4939 and amendments thereto, and K.S.A. 74-4967 and amendments thereto, for the purpose of paying the actuarial cost of the provisions of K.S.A. 74-49,109 et seq., and amendments thereto, shall be deposited in the KDFA series 2003H bond debt service fund: *Provided further*, That the executive director of the Kansas public employees retirement system shall certify to the director of accounts and reports an amount to reimburse the state general fund for bond debt service payments authorized in fiscal year 2005: *And provided further*, That the director of accounts and reports shall transfer to the state general fund such amount certified as provided by the executive director no later than June 30, 2005.

~~Sec. 43.~~

DEPARTMENT OF EDUCATION

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

General state aid	
For the fiscal year ending June 30, 2005.....	\$68,100,000
Supplemental general state aid	
For the fiscal year ending June 30, 2005.....	\$5,280,000
Special education services aid	
For the fiscal year ending June 30, 2005.....	\$8,520,000
School-based budgeting pilot project	
For the fiscal year ending June 30, 2005.....	\$100,000

~~(b) On or before July 1, 2004, if no bill is passed by the legislature during the 2004 regular session and enacted into law that makes amendments to or is supplemental to the school district finance and quality performance act and that provides for increased state aid for school districts for the fiscal year ending June 30, 2005, above the amounts of state aid provided under law for the fiscal year ending June 30, 2004, other than this act, then the director of the budget and the director of the legislative research department shall jointly determine and certify that fact to the director of accounts and reports and, effective on July 1, 2004, the amount appropriated for the above agency for the fiscal year ending June 30, 2005, by subsection (a) of this section from the state general fund in each of the following accounts is hereby lapsed: General state aid account; supplemental general state aid account; special education services aid account; school-based budgeting pilot project account.~~

~~Sec. 44. (a) On or before June 30, 2005, the director of accounts and reports shall transfer \$52,000,000 from the state highway fund of the department of transportation to the state general fund for the purpose of financing the cost of operation and general expenses of the division of vehicles and operations of the department of revenue and for the purpose of financing the Kansas highway patrol opera-~~

~~tions. *Provided*, That, in addition to other purposes for which expenditures may be made from the state highway fund during fiscal year 2005 and fiscal year 2006, notwithstanding the provisions of K.S.A. 68-416 and amendments thereto or any other statute, transfers and expenditures may be made from the state highway fund for fiscal year 2005 and fiscal year 2006 for the support and maintenance of the Kansas highway patrol and for the support and maintenance of the department of revenue.~~

~~(b) If no bill is passed by the legislature during the 2004 regular session and enacted into law that makes amendments to or is supplemental to the school district finance and quality performance act and that provides for increased state aid for school districts for the fiscal year ending June 30, 2005, above the amounts of state aid provided under law for the fiscal year ending June 30, 2004, other than this act, the director of the budget and the director of the legislative research department shall jointly determine and certify that fact to the director of accounts and reports on or before July 1, 2004, and the director of accounts and reports shall not make the transfer of \$52,000,000 from the state highway fund of the department of transportation to the state general fund which was directed to be made on June 30, 2005, by subsection (a) of this section.~~

~~Sec. 45.~~

DEPARTMENT OF REVENUE

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

~~Operating expenditures~~
~~For the fiscal year ending June 30, 2006.....~~ ~~\$38,000,000~~

~~*Provided*, That any unencumbered balance in the operating expenditures account in excess of \$100 as of June 30, 2005, is hereby reapportioned for fiscal year 2006.~~

~~(b) On or before July 1, 2004, if no bill is passed by the legislature during the 2004 regular session and enacted into law that makes amendments to or is supplemental to the school district finance and quality performance act and that provides for increased state aid for school districts for the fiscal year ending June 30, 2005, above the amounts of state aid provided under law for the fiscal year ending June 30, 2004, other than this act, then the director of the budget and the director of the legislative research department shall jointly determine and certify that fact to the director of accounts and reports and, effective on July 1, 2005, then (1) the \$38,000,000 appropriated for the above agency for the fiscal year ending June 30, 2006, by subsection (a) of this section from the state general fund in the operating expenditures account is hereby lapsed and (2) the appropriation for the above agency for the fiscal year ending June 30, 2006, by subsection (a) of this section of any unencumbered balance in the operating expenditures account as of June 30, 2005, in the operating expenditures account the state general fund, is hereby lapsed.~~

~~Sec. 46.~~

KANSAS HIGHWAY PATROL

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

~~Operating expenditures~~
~~For the fiscal year ending June 30, 2006.....~~ ~~\$44,000,000~~

~~*Provided*, That any unencumbered balance in the operating expenditures account in excess of \$100 as of June 30, 2005, is hereby reapportioned for fiscal year 2006.~~

~~(b) On or before July 1, 2004, if no bill is passed by the legislature during the 2004 regular session and enacted into law that makes amendments to or is supplemental to the school district finance and quality performance act and that provides for increased state aid for school districts for the fiscal year ending June 30, 2005, above the amounts of state aid provided under law for the fiscal year ending June 30, 2004, other than this act, then the director of the budget and the director of the legislative research department shall jointly determine and certify that fact to the director of accounts and reports~~

(continued)

~~and, effective on July 1, 2005, the \$44,000,000 appropriated for the above agency for the fiscal year ending June 30, 2006, by subsection (a) of this section from the state general fund in the operating expenditures account is hereby lapsed.~~

Sec. 47. *Appeals to exceed position limitations.* The limitations imposed by this act on the number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, paid from appropriations for the fiscal years ending June 30, 2004, or June 30, 2005, made in chapter 138 or 160 of the 2003 Session Laws of Kansas or in this act or in any other appropriation act of the 2004 regular session of the legislature may be exceeded upon approval of the state finance council.

Sec. 48. *Appeals to exceed expenditure limitations.* (a) Upon written application to the governor and approval of the state finance council, expenditures from special revenue funds may exceed the amounts specified in this act.

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

Sec. 49. *Savings.* (a) Any unencumbered balance as of June 30, 2004, in any special revenue fund, or account thereof, of any state agency named in this act which is not otherwise specifically appropriated or limited by this or other appropriation act of the 2004 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 2005, for the same use and purpose as the same was heretofore appropriated. This subsection shall not apply to any state agency named in section 22 of chapter 138 of the 2003 Session Laws of Kansas.

(b) Any unencumbered balance as of June 30, 2004, in any special revenue fund, or account thereof, of any state agency named in section 22 of chapter 138 of the 2003 Session Laws of Kansas which is not otherwise specifically appropriated or limited for fiscal year 2005 by chapter 138 or chapter 160 of the 2003 Session Laws of Kansas or by this or other appropriation act of the 2004 regular session of the legislature, is hereby appropriated for fiscal year 2005 for the same use and purpose as the same was heretofore appropriated.

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

Sec. 50. During the fiscal year ending June 30, 2005, all moneys which are lawfully credited to and available in any bond special revenue fund, which are not otherwise specifically appropriated or limited by this or other appropriation act of the 2004 regular session of the legislature, are hereby appropriated for the fiscal year ending June 30, 2005, for the state agency for which the bond special revenue fund was established for the purposes authorized by law for expenditures from such bond special revenue fund. As used in this subsection, "bond special revenue fund" means any special revenue fund or account thereof established in the state treasury prior to or on or after the effective date of this act for the deposit of the proceeds of bonds issued by the Kansas development finance authority, for the payment of debt service for bonds issued by the Kansas development finance authority, or for any related purpose in accordance with applicable bond covenants.

Sec. 51. *Federal grants.* (a) During the fiscal year ending June 30, 2005, each federal grant or other federal receipt which is received by a state agency named in this act and which is not otherwise appropriated to that state agency by this or other appropriation act of the 2004 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 2005, for that state agency for the purpose set forth in such federal grant or receipt, except that no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appropriated or reappropriated or approved for expenditure by the governor, until the governor has authorized the

state agency to make expenditures therefrom. This subsection shall not apply to any state agency named in section 22 of chapter 138 of the 2003 Session Laws of Kansas.

(b) During the fiscal year ending June 30, 2005, each federal grant or other federal receipt which is received by a state agency named in section 22 of chapter 138 of the 2003 Session Laws of Kansas and which is not otherwise appropriated to that state agency for fiscal year 2005 by chapter 138 or chapter 160 of the 2003 Session Laws of Kansas or by this or other appropriation act of the 2004 regular session of the legislature, is hereby appropriated for fiscal year 2005 for that state agency for the purpose set forth in such federal grant or receipt, except that no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appropriated or reappropriated or approved for expenditure by the governor, for fiscal year 2005, until the governor has authorized the state agency to make expenditures from such federal grant or other federal receipt for fiscal year 2005.

(c) In addition to the other purposes for which expenditures may be made by any state agency which is named in this act or other appropriation act of the 2004 regular session of the legislature and which is not otherwise authorized by law to apply for and receive federal grants, expenditures may be made by such state agency from moneys appropriated for fiscal year 2005 by chapter 138 or chapter 160 of the 2003 Session Laws of Kansas or by this or other appropriation act of the 2004 regular session of the legislature to apply for and receive federal grants during fiscal year 2005, which federal grants are hereby authorized to be applied for and received by such state agencies: *Provided*, That no expenditure shall be made from and no obligation shall be incurred against any such federal grant or other federal receipt, which has not been previously appropriated or reappropriated or approved for expenditure by the governor, until the governor has authorized the state agency to make expenditures therefrom.

Sec. 52. Any correctional institutions building fund appropriation heretofore appropriated to any state agency named in this or other appropriation act of the 2004 regular session of the legislature, and having an unencumbered balance as of June 30, 2004, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 2005, for the same uses and purposes as originally appropriated unless specific provision is made for lapsing such appropriation.

Sec. 53. Any Kansas educational building fund appropriation heretofore appropriated to any institution named in this or other appropriation act of the 2004 regular session of the legislature and having an unencumbered balance as of June 30, 2004, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 2005, for the same use and purpose as originally appropriated, unless specific provision is made for lapsing such appropriation.

Sec. 54. Any state institutions building fund appropriation heretofore appropriated to any state agency named in this or other appropriation act of the 2004 regular session of the legislature and having an unencumbered balance as of June 30, 2004, in excess of \$100 is hereby reappropriated for the fiscal year ending June 30, 2005, for the same use and purpose as originally appropriated, unless specific provision is made for lapsing such appropriation.

Sec. 55. Any transfers of money during the fiscal year ending June 30, 2004, from any special revenue fund of any state agency named in this act to the audit services fund of the division of post audit under K.S.A. 46-1121 and amendments thereto shall be in addition to any expenditure limitation imposed on any such fund for the fiscal year ending June 30, 2005.

Sec. 56. On July 1, 2004, section 66 of 2004 House Bill No. 2675 is hereby repealed.

Sec. 57. This act shall take effect and be in force from and after its publication in the Kansas register.

State of Kansas

Office of the Governor

Message to the House of Representatives of the State of Kansas:

Senate Substitute for House Bill No. 2471, An act making and concerning appropriations for the fiscal years ending June 30, 2004, June 30, 2005, June 30, 2006 and June 30, 2007; authorizing certain transfers and fees, imposing certain restrictions and limitations and directing or authorizing certain receipts, disbursements, capital improvements and acts incidental to the foregoing; repealing section 66 of 2004 House Bill No. 2675.

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return Senate Substitute for House Bill No. 2471 with my signature approving the bill, except for the items enumerated below.

Juvenile Justice Authority**New Position for Interstate Compact**

That portion of Section 5(a) that reads as follows has been line-item vetoed:

“Operating expenditures
For the fiscal year ending June 30, 2005 \$46,700”

The Legislature appropriated \$46,700 from the State General Fund in FY 2005 to aid the Juvenile Justice Authority in administering the interstate compact for juvenile offenders. However, the agency will be able to cover any costs related to administration of the compact within its existing budget. As a result, I veto the funding that the Legislature added for this compact.

Department of Agriculture**New Food Safety Director**

Sections 7(a) and 7(d) have been line-item vetoed in their entirety.

The Legislature approved my Executive Reorganization Order to transfer the Food Safety Program from the Department of Health and Environment to the Department of Agriculture. My intention was to transfer the same resources of funding and positions from one agency to the other, thus resulting in no net effect on the budget. However, the Legislature added \$57,850 from the State General Fund for FY 2005 to finance a new Food Safety Director for the program. I veto the funding for this position as an expense that undermines the original intent of fiscal neutrality.

Board of Regents**Southwest Kansas Access Program**

That portion of Section 13(b) that reads as follows has been line-item vetoed:

“Southwest Kansas access project
For the fiscal year ending June 30, 2005 \$200,000

Provided, That the state board of regents is hereby authorized to transfer moneys from the southwest Kansas access project account to the appropriate account or accounts of the state general fund of any state educational institution under the control and supervision of the state board of regents.”

The Board of Regents was appropriated \$200,000 from the State General Fund for FY 2004 for this program, and

another \$200,000 was approved for FY 2005 in the regular appropriations bill. In the omnibus appropriations bill, the Legislature appropriated still another \$200,000 for FY 2005. I veto the \$200,000 that was appropriated in the omnibus bill because it provides more funds than the agency can reasonably spend. Of the original \$200,000 appropriated for FY 2004, only a small portion has been expended to date. Therefore, it is projected that a significant portion of the original appropriation for FY 2004 will carry over in FY 2005. When combined with the new appropriation of \$200,000 for FY 2005 in the regular appropriations bill, sufficient funds will be available in FY 2005 to finance this program.

Attorney General**New White-Collar Crime Unit**

That portion of Section 14(a) that reads as follows has been line-item vetoed:

“For the fiscal year ending June 30, 2005 \$200,000”

Section 14(b) has been line-item vetoed in its entirety.

The Legislature appropriated \$200,000 from the State General Fund and increased the agency’s position limitation by 2.0 FTE positions for a new white-collar crime unit for FY 2005. Investigation and prosecution of white-collar crime are important to protect the interests of the citizens of the State of Kansas. Currently, there are several state agencies that guard against white-collar crime activities, including the Office of the Kansas Securities Commissioner, the Kansas Insurance Department, the Office of the Bank Commissioner, and the Kansas Bureau of Investigation. I believe that these agencies and the Attorney General’s Office, in collaboration with local law enforcement agencies and county and district attorneys, have contributed significantly to the investigation and prosecution of white-collar crime across the state and will continue to do so. I therefore veto the funds and positions that the Legislature added for this purpose.

Department of Health & Environment**Pregnancy Maintenance**

Section 25(a) has been line-item vetoed in its entirety.

The Pregnancy Maintenance Initiative (PMI) issues grants to not-for-profit organizations that provide care to pregnant women. However, the PMI funding from the state is not the sole source of funding that these organizations receive. Because many different public health programs are competing for state resources, I veto the spending of limited State General Fund dollars for the pregnancy maintenance programs that have been and will continue to be supported by communities and other sources of funding.

Kansas Bureau of Investigation**Great Bend Lab Renovation**

Section 35(a) has been line-item vetoed in its entirety.

The Legislature authorized the expenditure of monies from the agency’s Forensic Laboratory and Materials Fee Fund for FY 2005 through FY 2007 for renovation of the Great Bend laboratory. While this capital improvement

(continued)

project may have great merit, it should be handled through the normal budget process and considered in context with all of the other priorities that the agency may have. A proper review of this project, along with the mechanism for funding it in its entirety, should be presented in the agency's budget submission in September.

Department of Corrections

Visitor Centers

Section 37(e) has been line-item vetoed in its entirety.

The Legislature funded the visitor centers in the amount of \$125,000 from the Inmate Benefit Fund in FY 2005. Of this amount, any expenditures over \$25,000 would have had to be matched dollar-for-dollar from federal funds, local contributions, or in-kind donations. Because of the state's financial situation, the Department of Corrections has seen a significant funding reduction for inmate programs over the past five fiscal years. Although the visitor centers have provided a useful service to inmates and their families, other priority inmate programs that have been reduced or eliminated should be restored first.

Selected Agencies

School Finance Plan

Sections 43, 44, 45, and 46 have been line-item vetoed in their entirety.

These sections of the omnibus bill represent the Legislature's last unsuccessful attempt in passing a school finance plan. The sections make appropriations of State General Fund monies to the Department of Education for FY 2005, transfer funds from the State Highway Fund to the State General Fund at the end of FY 2005, and make appropriations for FY 2006 from the State General Fund for operating expenditures of the Division of Vehicles of the Department of Revenue and State Highway Patrol. Although there are provisions in these sections to lapse the appropriations and nullify the transfer if no school finance bill is passed, I veto these sections as a technical matter by removing unneeded language.

Dated May 21, 2004.

Kathleen Sebelius
Governor

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 2003 Volumes of the Kansas Administrative Regulations.

AGENCY 1: DEPARTMENT OF ADMINISTRATION

Table with 3 columns: Reg. No., Action, Register. Lists regulations 1-6-21 through 1-49-12 with their respective actions and register references.

AGENCY 4: DEPARTMENT OF AGRICULTURE

Table with 3 columns: Reg. No., Action, Register. Lists regulations 4-4-900 through 4-4-982.

Table with 3 columns: Reg. No., Action, Register. Lists regulations 4-4-983 through 4-25-16.

AGENCY 5: DEPARTMENT OF AGRICULTURE—DIVISION OF WATER RESOURCES

Table with 3 columns: Reg. No., Action, Register. Lists regulations 5-1-1 through 5-23-3.

Table with 3 columns: Reg. No., Action, Register. Lists regulations 5-23-3a through 5-25-12.

Table with 3 columns: Reg. No., Action, Register. Lists regulations 5-23-3a through 5-25-12.

Table with 3 columns: Reg. No., Action, Register. Lists regulations 5-23-3a through 5-25-12.

AGENCY 7: SECRETARY OF STATE

Table with 3 columns: Reg. No., Action, Register. Lists regulations 7-16-1 through 7-16-2.

AGENCY 9: ANIMAL HEALTH DEPARTMENT

Table with 3 columns: Reg. No., Action, Register. Lists regulations 9-18-1 through 9-22-5.

Table with 3 columns: Regulation number, Action, and Register. Rows include 9-25-2, 9-25-3, 9-25-5, 9-25-6, 9-25-6, 9-25-12, 9-25-12, 9-26-1, 9-26-1.

AGENCY 14: DEPARTMENT OF REVENUE—DIVISION OF ALCOHOLIC BEVERAGE CONTROL

Table with 3 columns: Reg. No., Action, Register. Rows include 14-13-9, 14-15-1, 14-15-2.

AGENCY 17: STATE BANK COMMISSIONER (see Agency 75, this index)

Table with 3 columns: Reg. No., Action, Register. Rows include 17-8-1, 17-11-18, 17-24-1, 17-24-4.

AGENCY 19: GOVERNMENTAL ETHICS COMMISSION

Table with 3 columns: Reg. No., Action, Register. Rows include 19-2-2, 19-20-4, 19-60-3, 19-63-6.

AGENCY 26: DEPARTMENT ON AGING

Table with 3 columns: Reg. No., Action, Register. Rows include 26-2-3, 26-2-9.

AGENCY 28: DEPARTMENT OF HEALTH AND ENVIRONMENT

Table with 3 columns: Reg. No., Action, Register. Rows include 28-1-2, 28-1-2, 28-1-4, 28-1-4, 28-1-20, 28-4-576, 28-4-577, 28-4-578, 28-4-583, 28-4-585, 28-4-587, 28-4-590, 28-4-591, 28-4-700 through 28-4-705, 28-15-35, 28-15-36, 28-16-28b, 28-16-28d, 28-16-28e, 28-17-6, 28-17-6, 28-19-202, 28-29-3, 28-29-20, 28-29-75 through 28-29-82, 28-29-101, 28-29-109, 28-29-300, 28-29-302, 28-29-304, 28-29-308, 28-29-321, 28-29-325, 28-36-30, 28-38-18, 28-38-19.

Table with 3 columns: Regulation number, Action, Register. Rows include 28-39-164 through 28-45-116.

AGENCY 30: SOCIAL AND REHABILITATION SERVICES

Table with 3 columns: Reg. No., Action, Register. Rows include 30-4-39, 30-4-55, 30-4-96, 30-4-110, 30-5-59, 30-5-64, 30-5-78, 30-5-81u, 30-5-81u, 30-5-89, 30-5-89a, 30-5-102, 30-5-102.

Table with 3 columns: Regulation number, Action, Register. Rows include 30-5-105, 30-5-105, 30-5-107, 30-5-107a, 30-5-116, 30-5-300, 30-6-65, 30-6-103, 30-6-103, 30-6-106, 30-6-108, 30-6-109, 30-10-14, 30-10-15a, 30-10-17, 30-10-17, 30-10-18, 30-10-18, 30-10-19, 30-10-19, 30-10-21, 30-10-21, 30-10-23b, 30-14-28, 30-14-28, 30-44-5, 30-60-1, 30-60-2, 30-60-5, 30-60-6, 30-60-7, 30-60-8, 30-60-10, 30-60-11, 30-60-12, 30-60-13, 30-60-14, 30-60-15, 30-60-16, 30-60-17, 30-60-18, 30-16-19, 30-60-25, 30-60-26, 30-60-27, 30-60-28, 30-60-29, 30-60-30, 30-60-40, 30-60-41, 30-60-45, 30-60-46, 30-60-47, 30-60-48, 30-60-49, 30-60-50, 30-60-51, 30-60-55, 30-60-56, 30-60-57, 30-60-60, 30-60-61, 30-60-62, 30-60-63, 30-60-64, 30-60-70, 30-60-71, 30-60-72, 30-60-73, 30-60-74, 30-60-75, 30-60-76, 30-61-1, 30-61-2, 30-61-5, 30-61-6, 30-61-10, 30-61-11, 30-61-15, 30-61-16.

AGENCY 36: DEPARTMENT OF TRANSPORTATION

Table with 3 columns: Reg. No., Action, Register. Rows include 36-40-1 through 36-40-9.

AGENCY 40: KANSAS INSURANCE DEPARTMENT

Table with 3 columns: Reg. No., Action, Register. Rows include 40-1-48 through 40-5-110.

AGENCY 44: DEPARTMENT OF CORRECTIONS

Table with 3 columns: Reg. No., Action, Register. Rows include 44-5-115 through 44-13-201b.

AGENCY 51: DEPARTMENT OF HUMAN RESOURCES—DIVISION OF WORKERS COMPENSATION

Table with 3 columns: Reg. No., Action, Register. Rows include 51-9-7 and 51-9-17.

AGENCY 61: BOARD OF BARBERING

Table with 3 columns: Reg. No., Action, Register. Rows include 61-4-2 and 61-7-1.

AGENCY 65: BOARD OF EXAMINERS IN OPTOMETRY

Table with 3 columns: Reg. No., Action, Register. Row includes 65-5-6.

AGENCY 66: BOARD OF TECHNICAL PROFESSIONS

Table with 3 columns: Reg. No., Action, Register. Row includes 66-8-5.

AGENCY 68: BOARD OF PHARMACY

Table with 3 columns: Reg. No., Action, Register. Rows include 68-2-9 through 68-13-1.

AGENCY 70: BOARD OF VETERINARY EXAMINERS

Table with 3 columns: Reg. No., Action, Register. Row includes 70-5-1.

AGENCY 71: KANSAS DENTAL BOARD

Table with 3 columns: Reg. No., Action, Register. Rows include 71-1-1 and 71-1-2.

Table with 3 columns: Reg. No., Action, Register. Rows include 71-1-3 through 71-7-1.

AGENCY 74: BOARD OF ACCOUNTANCY

Table with 3 columns: Reg. No., Action, Register. Rows include 74-1-1 through 74-12-1.

AGENCY 75: STATE BANK COMMISSIONER—DIVISION OF CONSUMER AND MORTGAGE LENDING

Table with 3 columns: Reg. No., Action, Register. Rows include 75-6-33 and 75-6-34.

AGENCY 82: STATE CORPORATION COMMISSION

Table with 3 columns: Reg. No., Action, Register. Rows include 82-1-201 through 82-3-600b.

Table with 3 columns: Reg. No., Action, Register. Rows include 82-3-601a through 82-11-10.

AGENCY 88: BOARD OF REGENTS

Table with 3 columns: Reg. No., Action, Register. Rows include 88-23-2 through 88-23-7.

AGENCY 91: DEPARTMENT OF EDUCATION

Table with 3 columns: Reg. No., Action, Register. Rows include 91-1-201 through 91-38-6.

91-38-7 Amended V. 22, p. 360

AGENCY 92: DEPARTMENT OF REVENUE

Reg. No.	Action	Register
92-19-200 through 92-19-203	New	V. 22, p. 431
92-51-24	Amended	V. 23, p. 40
92-51-25	Amended	V. 23, p. 40
92-51-28	New	V. 23, p. 40
92-51-29	New	V. 23, p. 41
92-51-34a	New	V. 23, p. 41
92-52-9	Amended	V. 23, p. 41

AGENCY 93: DEPARTMENT OF REVENUE—DIVISION OF PROPERTY VALUATION

Reg. No.	Action	Register
93-6-4	Amended	V. 22, p. 666
93-6-7	New	V. 22, p. 666

AGENCY 94: BOARD OF TAX APPEALS

Reg. No.	Action	Register
94-2-4	Amended (T)	V. 22, p. 1504
94-2-4	Amended	V. 22, p. 2009
94-2-19	Amended (T)	V. 22, p. 1504
94-2-19	Amended	V. 22, p. 2009
94-2-20	Amended (T)	V. 22, p. 1504
94-2-20	Amended	V. 22, p. 2010
94-2-21	New (T)	V. 22, p. 1505
94-2-21	New	V. 22, p. 2010

AGENCY 100: BOARD OF HEALING ARTS

Reg. No.	Action	Register
100-11-1	Amended (T)	V. 23, p. 580
100-22-4	New	V. 22, p. 690
100-29-9	Amended	V. 22, p. 1892
100-29-10	Amended	V. 22, p. 1893
100-54-2 through 100-54-8	Amended	V. 22, p. 1926-1929
100-54-4	Amended (T)	V. 23, p. 383
100-55-4	Amended (T)	V. 23, p. 383
100-55-5	Amended	V. 22, p. 690
100-55-9	Amended	V. 22, p. 690
100-72-1 through 100-72-7	New (T)	V. 22, p. 79-81
100-72-1 through 100-72-6	New	V. 22, p. 691, 692
100-72-7	New	V. 22, p. 1893
100-75-1	New (T)	V. 22, p. 82
100-75-1	New	V. 22, p. 693

AGENCY 102: BEHAVIORAL SCIENCES REGULATORY BOARD

Reg. No.	Action	Register
102-1-3a	Amended (T)	V. 22, p. 1267
102-1-3a	Amended	V. 22, p. 1808
102-1-3b	New (T)	V. 22, p. 1268
102-1-3b	New	V. 22, p. 1809
102-1-8	Amended	V. 22, p. 1148
102-1-10a	Amended	V. 22, p. 2179
102-1-15	Amended	V. 22, p. 1149
102-2-2b	New (T)	V. 22, p. 1269
102-2-2b	New	V. 22, p. 1810
102-2-2c	New (T)	V. 22, p. 1270
102-2-2c	New	V. 22, p. 1811
102-2-4a	Amended	V. 22, p. 1150
102-2-7	Amended	V. 22, p. 2182
102-2-9	Amended	V. 22, p. 1151
102-2-11	Amended	V. 22, p. 1151

102-2-12	Amended	V. 22, p. 1084
102-3-3a	Amended	V. 22, p. 1302
102-3-4b	New (T)	V. 22, p. 1271
102-3-4b	New	V. 22, p. 1811
102-3-7a	Amended	V. 22, p. 1085
102-3-9a	Amended	V. 22, p. 1151
102-3-10a	Amended	V. 22, p. 1152
102-3-12a	Amended	V. 22, p. 2184
102-4-4b	New (T)	V. 22, p. 1272
102-4-4b	New	V. 22, p. 1812
102-4-6a	Amended	V. 22, p. 2186
102-4-9a	Amended	V. 22, p. 1153
102-4-10a	Amended	V. 22, p. 1153
102-4-12	Amended	V. 22, p. 2187
102-5-3	Amended	V. 22, p. 1087
102-5-4b	New (T)	V. 22, p. 1273
102-5-4b	New	V. 22, p. 1813
102-5-7a	Amended	V. 22, p. 1088
102-5-9	Amended	V. 22, p. 1155
102-5-10	Amended	V. 22, p. 1155
102-5-12	Amended	V. 22, p. 2189
102-5-16	New	V. 22, p. 1158
102-6-9	Amended	V. 22, p. 1159
102-6-10	Amended	V. 22, p. 1159

AGENCY 108: STATE EMPLOYEES HEALTH CARE COMMISSION

Reg. No.	Action	Register
108-1-4	Amended	V. 22, p. 2177

AGENCY 109: BOARD OF EMERGENCY MEDICAL SERVICES

Reg. No.	Action	Register
109-3-2	New	V. 23, p. 202
109-5-4	Amended	V. 22, p. 1805
109-7-1	Amended	V. 22, p. 1805

AGENCY 110: DEPARTMENT OF COMMERCE

Reg. No.	Action	Register
110-8-1 through 110-8-6	New	V. 22, p. 2032, 2033
110-8-8 through 110-8-11	New	V. 22, p. 2033, 2034
110-10-1	New (T)	V. 22, p. 1815
110-10-1	New	V. 23, 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. A list of regulations filed by the Kansas Lottery from 2001 through 2003 can be found in the Vol. 22, No. 52, December 25, 2003 Kansas Register. The following regulations were filed after January 1, 2004:

Reg. No.	Action	Register
111-2-151 through 111-2-156	New	V. 23, p. 95, 96
111-2-154	Amended	V. 23, p. 261
111-2-155	Amended	V. 23, p. 262
111-2-156	Amended	V. 23, p. 262
111-2-157	New	V. 23, p. 262
111-2-158	New	V. 23, p. 459
111-3-22	Amended	V. 23, p. 97
111-4-881	Amended	V. 23, p. 97
111-4-1448	Amended	V. 23, p. 98
111-4-2052	Amended	V. 23, p. 262
111-4-2055	Amended	V. 23, p. 263
111-4-2057	Amended	V. 23, p. 263

111-4-2074	Amended	V. 23, p. 98
111-4-2093	Amended	V. 23, p. 309
111-4-2094	New	V. 23, p. 100
111-4-2095 through 111-4-2115	New	V. 23, p. 264-275
111-4-2097	Amended	V. 23, p. 310
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111-4-2116 through 111-4-2125	New	V. 23, p. 311-318
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111-5-96	Amended	V. 23, p. 101
111-5-111 through 111-5-115	New	V. 23, p. 245, 246
111-5-113	Amended	V. 23, p. 472
111-5-114	Amended	V. 23, p. 472
111-7-188 through 111-7-192	New	V. 23, p. 319, 320
111-7-190	Amended	V. 23, p. 473
111-7-192	Amended	V. 23, p. 473

AGENCY 112: RACING AND GAMING COMMISSION

Reg. No.	Action	Register
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112-4-1	Amended	V. 22, p. 2057
112-4-1a	New	V. 22, p. 278
112-4-1b	New	V. 22, p. 279
112-6-4	Amended	V. 22, p. 85
112-8-4	Amended	V. 22, p. 1428
112-8-5	Amended	V. 22, p. 1428
112-9-44	Amended	V. 22, p. 279
112-10-2	Amended	V. 22, p. 85
112-10-3	Amended	V. 23, p. 93
112-10-13	New	V. 23, p. 495
112-11-20	Amended	V. 22, p. 281
112-12-10	Amended	V. 22, p. 86
112-13-2	Amended	V. 23, p. 94
112-18-9	Amended	V. 22, p. 1710
112-18-11	Amended	V. 22, p. 1710
112-18-18	Amended	V. 22, p. 1710

AGENCY 115: DEPARTMENT OF WILDLIFE AND PARKS

Reg. No.	Action	Register
115-1-1	Amended	V. 22, p. 1930
115-2-1	Amended	V. 22, p. 1932
115-4-6	Amended	V. 22, p. 1227
115-4-11	Amended	V. 22, p. 436
115-17-6 through 115-17-9	Amended	V. 22, p. 437-439
115-18-8	Amended	V. 22, p. 1229
115-18-10	Amended	V. 22, p. 439
115-21-1	Amended	V. 22, p. 1506
115-21-2	Amended	V. 22, p. 1507

AGENCY 117: REAL ESTATE APPRAISAL BOARD

Reg. No.	Action	Register
117-1-1	Amended	V. 22, p. 684
117-2-1	Amended	V. 22, p. 684
117-3-1	Amended	V. 22, p. 685
117-4-1	Amended	V. 22, p. 686
117-5-2	Amended	V. 22, p. 2007
117-6-1	Amended	V. 22, p. 687
117-6-2	Amended	V. 22, p. 688
117-6-3	Amended	V. 22, p. 688
117-8-1	Amended	V. 23, p. 337
117-9-1	Amended	V. 23, p. 150

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