

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on January 22, 2007, in Room 123-S of the Capitol.

All members were present except:

Senator Steve Morris- excused
Senator Vicki Schmidt- excused

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Sharon Wenger, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Joan Wagon, Secretary, Kansas Department of Revenue
Michael Kennedy, M. D., Assistant Dean of Rural Health Education, McCann Professor in Rural Health, and Assistant Professor in Family Medicine
Brian Holmes, M.D., President, Kansas Academy of Family Physicians
Dan Morin, Director of Government Affairs, Kansas Medical Society
Barbara Gibson, Director, State Primary Care Office, Kansas Department of Health and Environment Office of Local and Rural Health
Kansas Board of Regents (written testimony)
Diane Lindeman, Director of Student Financial Assistance, Kansas Board of Regents
Mary Blubaugh, MSN, RN, Executive Administrator, Kansas State Board of Nursing
Carolyn Middendorf, MSN, RN, Kansas State Nurses Association
Deborah Stern, RN, JD, Vice President Clinical Services/Legal Counsel, Kansas Hospital Association

Others attending:

See attached list.

Chairman Umbarger announced that the Senate Ways and Means Committee would not meet on Thursday and Friday of the following week (February 1 and 2) so subcommittees can meet.

The Chairman welcomed Joan Wagon, Secretary, Kansas Department of Revenue, back to the Committee for a continued discussion rescheduled from a previous meeting (January 18, 2007) where the Committee had run out of time ([Attachment 1](#)). Secretary Wagon addressed streamlined sales tax, new compliance projects that are being developed and strategic directions regarding some large projects that are on the horizon for the Kansas Department of Revenue. The Secretary noted that the agency's focus has been on doing what they are charged to do which is collecting taxes and fees, administering the tax laws, issuing licenses, regulating the sale of various products, mostly alcohol and tobacco. Their focus has been on improving their internal processes, increasing accuracy and reducing costs through the use of technology.

Chairman Umbarger opened the public hearing on:

SB 24--Medical student loan program; monthly stipend, increase; inflation factor

Staff briefed the Committee on the bill.

The Chairman welcomed the following conferees:

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on January 22, 2007, in Room 123-S of the Capitol.

Dr. Michael Kennedy, M.D., Assistant Dean of Rural Health Education, McCann Professor in Rural Health, and Assistant Professor in Family Medicine, spoke in support of **SB 24** (Attachment 2). Dr. Kennedy spoke on behalf of Dr. Glen Cox who was previously scheduled. Dr. Kennedy noted that the Kansas Medical Student Loan Program as known today was crafted in 1992 which was the program's most recent revision. In his written testimony, Dr. Kennedy explained the success of the program. He noted that the program is critical in continuing to provide primary care physicians to the State's rural and urban core under-served areas. Dr. Kennedy also mentioned that there is concern regarding the rising debt for medical students and often students tend to choose specialization because that pays more. In closing, Dr. Kennedy mentioned that the retroactivity of the program is important and is a very good addition to it.

Dr. Brian Holmes, President, Kansas Academy of Family Physicians, who spoke in favor of **SB 24** (Attachment 3). He mentioned that many of the Kansas Medical Student Loan Program recipients are family physicians. Dr. Holmes explained that the bill provides an increase in the stipend to \$2,000 this year and then annual increases in an amount equal to the CPI. He noted that the language in the bill to allow retroactive application to the program by medical students who are in their second, third or even fourth year of medical school was good. In closing, Dr. Holmes mentioned that it is not easy to get physicians to serve in rural areas.

Dan Morin, Director of Governmental Affairs, Kansas Medical Society, spoke as a proponent of **SB 24** (Attachment 4). Mr. Morin explained that with medical student educational debt continuing to increase, programs that will cover the entire cost of school plus give you a stipend are especially appealing to prospective students. He noted that the Kansas Medical Student Loan Program has not been addressed in fourteen years.

Barbara Gibson, Director, State Primary Care Office, Kansas Department of Health and Environment Office of Local and Rural Health, spoke in support of **SB 24** (Attachment 5). Ms. Gibson explained that the bill increases the monthly stipend and strengthens the medical student loan program to improve access to primary medical care for rural and under-served Kansans. In order to more fully benefit the Kansas Medical Student Loan program, their Department supports the increase in the monthly maximum stipend to \$2,000 for medical students and the cost of living increases in the stipends in future years. They support the amendment allowing medical students to retroactively receive awards equaling tuition and stipend for academic years already completed at the University of Kansas School of Medicine in exchange for the service obligation.

Written testimony in support of **SB 24** was submitted by the Kansas Board of Regents (Attachment 6).

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **SB 24**.

The Chairman opened the public hearing on:

SB 25--Nurse educator service scholarship

Staff briefed the Committee on the bill.

The Chairman welcomed the following conferees:

Diane Lindeman, Director of Student Financial Assistance, Kansas Board of Regents, who spoke in support of **SB 25** (Attachment 7). Ms. Lindeman explained that a nursing shortage report conducted by the Kansas Board of Regents in 2006 indicated that a shortage in the availability of qualified nursing faculty has been a key barrier to increasing student capacity in nursing programs in the state. She noted that because the program was enacted through an appropriations proviso that will expire at the end of the current fiscal year, the Board of Regents recommends that this program be enacted through the statutory process.

Additional information was provided by the Kansas Board of Regents regarding:

- Board of Regents Nursing Initiative Approved, 10-Year Plan to Address Nursing Shortage in Kansas (Attachment 8)

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on January 22, 2007, in Room 123-S of the Capitol.

- Board of Regents Awards \$3.4 Million in Nursing Grants, Grants Represent First Year of Ten-Year Initiative to Address State's Nursing Shortage (Attachment 9).

Mary Blubaugh, MSN, RN, Executive Administrator, Kansas State Board of Nursing, testified in favor of **SB 25** (Attachment 10). She noted that current regulation also allows for the Nurse Administrator of a nursing school to request a faculty hire exception if faculty meeting the criteria specified in regulation are not available. She mentioned that it is becoming increasingly hard for nursing schools to hire qualified nursing faculty and she explained that the average age of the nursing faculty is also increasing so it is necessary for those that will be retiring soon.

Carolyn Middendorf, MSN, RN, representing the Kansas State Nurses Association, spoke as a proponent of **SB 25** (Attachment 11). Ms. Middendorf explained that **SB 25** was recommended by the Legislative Education Planning Council (LEPC) through their recognition of the nursing shortage and the need to educate more RN's statewide to meet demand. She noted that current faculty members are rapidly approaching retirement age.

Deborah Stern, RN, JD, Vice President Clinical Services/Legal Counsel, Kansas Hospital Association, spoke in support of **SB 25** (Attachment 12). Ms. Stern mentioned that the Kansas Hospital Association and the Kansas Organization of Nurse Leaders eagerly support **SB 25** as it will positively impact the State's ability to train future nursing faculty members and thus increase the supply of nurses in Kansas. She also explained that the lack of nursing educators has been identified as the number one reason Kansas is unable to produce enough nurses.

The Committee discussed the service commitment areas, that emphasis needs to be on the critically underserved areas in the state and possible consideration to look at incentives.

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **SB 25**.

The meeting adjourned at 12:00 p.m. The next meeting is scheduled for January 23, 2007.