

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:40 p.m. on March 20, 2006, in Room 123-S of the Capitol.

Committee members absent:

Committee staff present: Deb Hollon, Kansas Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: David Shulenburg, Provost, University of Kansas
Dorothy Knoll, Ph.D., Dean of Students, University of Kansas Medical Center
Clay Morris, medical student, University of Kansas
Jim Ploger, Director, Kansas Energy Office, Kansas Corporation Commission
Dale Hahs, President of Custom Energy

HB 2593—State Board of Regents; procurement of health insurance for students of state educational institutions

David Shulenburg, Provost, University of Kansas, testified in support of **HB 2593**. He explained that the Board of Regents was seeking statutory authority to acquire health insurance for all students, including those who are employed as graduate teaching assistants and graduate research assistants. He noted that, currently, no entity has exclusive authority to obtain health insurance for students at Regents institutions. There are multiple entities obtaining student health insurance for students in Kansas universities. As a result, buying power is divided and premiums are higher. He noted that the needs of students for health insurance vary widely (international students, K.U. Medical Center students, graduate students or adult undergraduate students, and undergraduates who may not be covered by parent policies). The Board of Regents believes that, with passage of the bill, the needs of the various niche markets would be better served at a lower cost than under the multiple-bid situation that currently prevails. He emphasized that, for competitive reasons, students need to be offered appropriate insurance at reasonable costs. (Attachment 1)

Dorothy Knoll, Ph.D., Dean of Students, University of Kansas Medical Center (KUMC), testified in support of **HB 2593**. At the outset, she introduced Clay Morris, a second year medical student at KUMC and a co-president of the KUMC Student Governing Council. She went on to say that adequate, affordable health insurance is important to all university students, especially KUMC students who must have health insurance in order to meet accreditation requirements. She noted that, for the most part, students do not work at full-time jobs while they are in school and are unable to secure employer provided health insurance, and many students find it nearly impossible to buy individual health insurance due to the high cost. In addition, she noted that the average age of KUMC students is 28; therefore, most students are no longer eligible to be on their parent's health insurance policy. She informed the Committee that the KUMC Student Governing Council and the KU Student Senate had explored the student secured plan which offers an opportunity for a more comprehensive policy at a reasonable cost with improved benefits. She urged the Committee to support **HB 2593** to allow state educational institutions such as KUMC to procure health insurance for students. (Attachment 2)

Senator Schodorf called attention to written testimony in support of **HB 2593** submitted by Reginald L. Robinson, President and CEO, Kansas Board of Regents. (Attachment 3)

Clay Morris stated that the proposed student plan not only addresses the needs of the students, it does so without disadvantaging anybody else on the state plan. He commented, "You've heard testimony before, is this going to dilute pools, the healthy individuals. It's not going to do that. And, more to the point, I don't have the student plan. And the reason I don't have the student plan is, I am 28, and at the time to take state plan out, it wouldn't have been a wise choice for me. Being in a medical field just at an educational level right now, it would not make any sense for any student to take that plan out because of just the risk. It wouldn't be worth finding the extra money through the limited student budget to go ahead and cover the cost

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for the ‘just in case,’ for the ‘just in case’ you have a \$14,000 medical bill. I worked for a couple of years so I’m fortunate enough to have a little bit of money saved up to actually purchase that plan, but the private insurance that I have is so much more encompassing to not only accidents but existing conditions that I have and also just existing conditions that many other 28 year olds have. Yes, young people are very healthy, but we also do have more accidents more often than not, and there are specific situations when people do incur medical problems and hospitalizations. The ability for the students, more specifically the Board of Regents, to negotiate a plan specifically for the students instead of having the state negotiate plans with different priorities for different institutions, not only state employees but the students as well. Just looking at the state plan, I’m not sure that the students were the number one priority in getting that plan. Quite frankly, it’s a horrible plan. I would not want to take that out for anybody, especially if you look at the exact same company we have our new plan through. So I would just really like to encourage you to support this bill.”

Senator Vratil asked who the carrier for the new student plan would be. Dr. Knoll responded, “Student Resources, the same company that is the provider for the state plan.”

There being no others wishing to testify, the hearing on **HB 2593** was closed.

HB 2602–Energy conservation project financing for technical and community colleges

Jim Ploger, Director of the Kansas Energy Office at the Kansas Corporation Commission, testified in support of **HB 2602**. He noted that the bill made a few minor adjustments to K.S.A. 75-37,125 dealing with conservation projects in public buildings. He went on to explain that the Facility Conservation Improvement Program (FCIP) allows public entities to implement energy conservation improvements for buildings, and the capital improvements are financed with energy saving performance contracts, using a lease-purchase agreement. The transfer of the program to the Kansas Energy Office in 2004 has allowed municipalities, counties, community colleges, and unified school districts to also take advantage of Kansas’ successful, streamlined program. He discussed the conflict with existing statutes regarding the use of lease-purchase agreements by K-12 schools beyond ten years, and a similar limitation for Kansas community colleges that may cause legal concerns regarding the maximum years that could be used in financing projects. He explained the provisions in **HB 2602** which would correct the potential conflict. (Attachment 4) Upon concluding his testimony, Mr. Ploger distributed copies of a reprint of the February 2006 edition of the “Kansas Government Journal” (published by the League of Kansas Municipalities) which has a three page article explaining the FCIP program in greater detail.

Senator Schodorf called upon Deb Hollon, Kansas Legislative Research Department, for an overview of **HB 2602**. Ms. Hollon explained that the bill would amend current law to authorize the board of any community or technical college to enter into a contract or lease-purchase agreement for a period exceeding ten years for energy conservation measures. The amendment in the bill would give community colleges the same flexibility for financing energy conservation measures as is currently available to municipalities, school districts, and state agencies under the statute. The bill also would make the resources of the FCIP program available to school districts and private or public colleges. Currently, that program is only available to municipalities and state agencies.

Dale Hahs, President of Custom Energy, testified in support of **HB 2602**. He noted that the FCIP program has given several facilities throughout the state the ability to significantly improve campus mechanical and electrical infrastructures while enhancing working and learning environments without straining state budgets. He noted that the dollars being earned by the installation of energy savings devices and systems are repaying the debt used to purchase and install them. He explained that, last year, Custom Energy participated with Neosho Community College in the development of a performance contract at which time Custom Energy recognized that a language oversight created a conflict between the performance contract enabling legislation and other community college procurement guidelines. The bill would correct this oversight. (Attachment 5)

Senator Schodorf called attention to written testimony in support of **HB 2602** submitted by Dr. Vicky Smith, President of Neosho County Community College. (Attachment 6)

There being no others wishing to testify, the hearing on **HB 2602** was closed.

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Senator Teichman moved to recommend **HB 2602** favorably for passage, seconded by Senator Pine. The motion carried.

The Committee returned its attention to **HB 2593**. Senator Vratil explained that the language concerning coverage for abortions on page 2, lines 30 and 31, was unnecessary because the policy would not cover elective procedures in any way, and an abortion procedure is considered to be elective.

Senator Vratil moved to amend **HB 2593** by deleting the language in bold print on page 2, lines 30 and 31, seconded by Senator Goodwin. The motion carried.

Senator Vratil move to recommend **HB 2593** favorably for passage as amended, seconded by Senator Goodwin.

Senator Ostmeyer commented that perhaps a better approach for university students to pay for their health insurance would be through a student loan.

Senator Steineger suggested that community colleges should be amended into the bill. Senator Vratil commented that he was reluctant to include the community colleges because the Committee did not know what the impact might be, and the Regents did not ask that community colleges be included. He suggested that, before the Committee substituted its judgement for the Regents, it should confer with the Regents. Theresa Kiernan, Revisor of Statutes Office, explained that there was no reason to include community colleges in the bill because they are not subject to the law which requires Regents universities to go through the Committee on Surety Bonds and Insurance. She explained further that the section that the bill amends creates an exception to a limitation on state agencies, and the Regents institutions are not subject to this limitation.

On a call for a vote on Senator Vratil's motion, the motion carried with Senator Ostmeyer voting "no."

The meeting was adjourned at 2:30 p.m.

The next meeting is scheduled for March 21, 2006.