

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on February 14, 2008, in Room 514-S of the Capitol.

All members were present except:

Representative Jason Watkins - excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Reed Holwegner, Legislative Research Department
Cody Gorges, Legislative Research Department
Audrey Dunkel, Legislative Research Department
Julian Efird, Legislative Research Department
Jim Wilson, Revisor of Statutes
Nobuko Folmsbee, Revisor of Statutes
Nikki Feuerborn, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Dr. W. Bartley Hildreth, Wichita State University
Steve Weatherford, President, Kansas Development Finance Authority
Dr. Don Brada, Designated Institutional Officer, University of Kansas
Dr. Joe Davison, West Wichita Family Physicians
Dr. Rob Freelove, Program Director, Smoky Hill Family Medicine Residency Program
Rita Buurman, Sabetha Community Hospital, Inc.
Dr. Rob Gibbs, MD, Labotte Health Center
Dr. Justin Mills, MD, Student at Wichita Center for Graduate Education
Bernie Koch, VP/Government Relations, Wichita Metro Chamber of Commerce

Others attending:

See attached list.

- Attachment 1 Testimony on Status of Bonding in Kansas by Dr. W. Bartley Hildreth
- Attachment 2 State of Kansas 2005 Debt Affordability Report
- Attachment 3 Testimony on Status of Bonding in Kansas by Steve Weatherford
- Attachment 4 Testimony on Wichita Center for Graduate Medical Education (WCGME) by Dr. Don Brada
- Attachment 5 Testimony on WCGME by Dr. Joe Davison
- Attachment 6 Testimony on WCGME by Dr. Rob Freelove
- Attachment 7 Testimony on WCGME by Rita Buurman
- Attachment 8 Testimony on WCGME by Dr. Rob Gibbs
- Attachment 9 Testimony on WCGME by Dr. Justin Mills
- Attachment 10 Testimony on WCGME by Bernie Koch
- Attachment 11 Written testimony on WCGME by Carolyn Gaughan
- Attachment 12 Written testimony on WCGME by Jerry Slaughter
- Attachment 13 Written testimony on WCGME by Dr. Steen Mortensen and Dr. Dennis Ross
- Attachment 14 Written testimony on WCGME by Dr. Bob Moser
- Attachment 15 Written testimony on WCGME by Dr. Gene Klingler
- Attachment 16 Other written testimony on WCGME
- Attachment 17 Information on WCGME

Introduction of Legislation

Representative Bethell moved to introduce legislation relating to equality in issuing permits for electric plants. The motion was seconded by Representative Beamer. Motion carried.

CONTINUATION SHEET

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Status of Bonding in Kansas

Dr. W. Bartley Hildreth, Wichita State University, presented testimony on State Debt and Affordability ([Attachment 1](#)). Dr. Hildreth stated that comments in his testimony are his own and not those of Wichita State University or the Board of Regents. Dr. Hildreth noted that his research into the State's debt resulted in the report titled "State of Kansas 2005 Debt Affordability" ([Attachment 2](#)).

Responding to questions from the Committee, Dr. Hildreth indicated that the Kansas Constitution states that the State can only have \$1 million in outstanding general obligation bonds at any one time. Currently, the state has approximately \$4 billion in outstanding debt. Revenue bonds have been issued for additional resources in addition to general obligation bonds. Dr. Hildreth noted that revenue bonds carry a higher interest rate than general obligation bonds. In determining a credit rating, the market looks at the revenue growth rate of the state and determines if the state has over-extended its debt. Dr. Hildreth indicated that Kansas does not qualify for a top credit rating because it constitutionally limits the issue of additional general obligation bonds at this time.

Steve Weatherford, President, Kansas Development Finance Authority (KDFA), presented testimony on the analysis on the debt of the State ([Attachment 3](#)). Mr. Weatherford noted that the majority of the state's debt is tax-supported with approximately one-quarter of the debt supported by the State General Fund (SGF). Mr. Weatherford indicated that paying down the State debt will not improve the rating because of the fact that there is a limit on the amount of general obligation bonds that can be issued.

- ◆ The Committee requested information on the interest rate on all outstanding state bonds and the amount of interest paid on each on an annual basis.

Wichita Center for Graduate Medical Education (WCGME)

Dr. Don Brada, Designated Institutional Officer, University of Kansas, presented testimony on a request from the Wichita Center for Graduate Medical Education (WCGME) for state funding to support the resident program at Wichita State University ([Attachment 4](#)). Dr. Brada stated that WCGME is faced with two challenges at this time. The primary concern relates to accreditation changes that mandate more paid time for faculty research, teaching and administration. The second challenge relates to reduced Medicare GME funding. These challenges must be met or WCGME could lose accreditation. Dr. Brada stated that it is estimated that the cost of the first phase of improvements to meet these challenges would be \$9.6 million with a total investment of \$12.5 over a two-year period. WCGME is requesting state funding to cover this expense.

The following provided additional testimony in support of the request for additional funding for WCGME:

- Dr. Joe Davison, West Wichita Family Physician ([Attachment 5](#)).
- Dr. Rob Freelove, Program Director, Smoky Hill Family Medicine ([Attachment 6](#)).
- Rita Buurman, CEO, Sabetha Community Hospital, Inc. ([Attachment 7](#)).
- Dr. Rob Gibbs, WCGME, Graduate, Radiologist, Parsons, Kansas ([Attachment 8](#)).
- Dr. Justin Mills, 2nd year WCGME pediatric resident ([Attachment 9](#)).
- Bernie Koch, VP Government Relations, Wichita Metro Chamber of Commerce ([Attachment 10](#)).

Written testimony was received from:

- Carolyn Gaughan, Executive Director, Kansas Academy of Family Physicians ([Attachment 11](#)).
- Jerry Slaughter, Executive Director, Kansas Medical Society ([Attachment 12](#)).
- Dr. Steen Mortensen and Dr. Dennis Ross, Medical Society of Sedgwick County ([Attachment 13](#)).
- Dr. Bob Moser, SCGME graduate, Chair Primary Care Collaborative Coordinating Committee, Greeley County Health Services ([Attachment 14](#)).

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- Dr. Gene Klingler, Manhattan Surgical Center (Attachment 15).
- Other written testimony (Attachment 16).

Distribution of Requested Information

Copies of information received from Dr. Edward Dismuke, pertinent to his testimony before the Committee on February 11, 2008, was distributed to the Committee (Attachment 17).

Approval of Minutes

Representative Gatewood moved to approve the minutes of January 31, February 1, February 4, February 5, February 6 and February 7, as written. The motion was seconded by Representative Bethell. Motion carried.

The meeting was adjourned at 10:50 a.m. The next meeting of the Committee will be held at 9:00 a.m. on February 18, 2008.

Sharon Schwartz, Chair