

Approved 3-7-89
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Bunten at
Chairperson

1:30 ~~am~~/p.m. on February 22, 1989 in room 514-S of the Capitol.

All members were present except: All present.

Committee staff present: Ellen Piekalkiewicz, Legislative Research
Debra Duncan, Legislative Research
Jim Wilson, Revisor of Statutes
Sharon Schwartz, Administrative Aide
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Representative Mike O'Neal
Representative Jesse Branson
Representative Katha Hurt
Sue Peterson, Governor's Office
Dr. Eleanor Sullivan, Dean of the School of Nursing, Kansas University
Medical Center
Jenifer Scott, Senior at Perry-Lecompton High School
Patricia Bayles, Director of Nursing, Butler County Community
College
Richard Kingston, Director, Northeast Kansas Area Vocational-
Technical School, Atchison, Kansas
Dr. Oscar Haugh, American Association of Retired Persons
Mike Chapman, President, Kansas Chapter of American Physical
Therapy Association
John Grace, President, Kansas Association of Homes for the Aging
Terri Roberts, Executive Director, Kansas State Nurses Association
Tom Bell, Kansas Hospital Association
Dick Hummel, Executive Vice President, Kansas Health Care Association
Bob Kelly, Kansas Independent Colleges
Mark Tallman, Associated Students of Kansas
Bill Fuller, Kansas Farm Bureau
Harry Stephens, Dean of Students, Emporia State University

Others attending: See attached list.

INTRODUCTION OF BILLS

The Committee on Pensions, Investments and Benefits requested introduction of a bill regarding the training, appointment, and authority of reserve law enforcement officers (Attachment 1). Representative Chronister moved introduction of the bill. Representative Teagarden seconded. Motion carried.

HB 2276 - An act relating to the legislature of the state of Kansas; concerning compensation, allowances and benefits of members thereof.

Representative Mike O'Neal testified in support of HB 2276 stating he believes the issue of legislative compensation should be addressed separately and not included in a bill with other substantive legislation.

Representative Branson testified in support of HB 2276. She feels strongly that Legislative compensation and benefits should be addressed on their own merits.

Representative Katha Hurt appeared in support of HB 2276 and provided written testimony (Attachment 2). She stated passage

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
room 514-S Statehouse, at 1:30 ~~xx~~/p.m. on February 22, 1989.

of HB 2276 would allow legislators to inform the people of Kansas of the responsibility of elected office and advocate effectively for the appropriate salaries and corresponding benefits.

HB 2260 - An act concerning the governor's budget reports; relating to submission to the legislature and meetings provided for that purpose; amending K.S.A. 46-144 and K.S.A. 1988 Supp. 75-3721 and repealing the existing sections.

Representative Teagarden explained that he introduced HB 2260 to speed up the appropriations process and cut down on the intensity of the workload of the appropriations committee. The bill requires the Governor to present his budget to the Legislature on December 1, except when a governor is newly elected in which case presentation would be within 21 days of the opening of the session. The intent of the bill is to give Legislative staff the month of December to analyze the budget, so that work can begin on the budget the first day of the session. A member noted that under the provisions of this bill, the agencies would have to submit budgets with even less information on the current fiscal year.

HB 2279 - Establishing the nursing student scholarship program.

Sue Peterson, Governor's Office, testified in support of HB 2279 and stated the Governor has recommended \$435,000 in FY90 for a nursing student scholarship program. She noted the State Board of Regents is very supportive of this bill. The bill provides for 250 scholarships--100 RNs in rural areas, 50 LPNs, and 100 RNs with no geographic criteria. The students fulfill their contracts by going back to the sponsoring facility to work for a period of time. The intent in the bill is to include all state facilities employing nurses as potential sponsors of nursing students.

Dr. Eleanor Sullivan, Dean of the School of Nursing, Kansas University Medical Center, appeared in support of HB 2279 and provided written testimony (Attachment 3). Dr. Sullivan urged the Committee to add a representative from nursing education to the oversight committee of the scholarship program. She also suggested that students be allowed a postponement of repayment for purposes of obtaining advanced education.

Jenifer Scott, senior at Perry-Lecompton High School, testified in support of HB 2279 (Attachment 4).

Patricia Bayles, Director of Nursing, Butler County Community College, appeared in support of HB 2279 (Attachment 5). Ms. Bayles requested that a representative of Community Colleges be added to the oversight committee.

Richard Kingston testified on behalf of the Kansas Area Vocational-Technical Schools Association in support of HB 2279 (Attachment 6). A balloon amendment attached to his testimony proposes a technical amendment to the bill adding "area vocational-technical schools" along with the area vocational schools already named.

Dr. Oscar Haugh, American Association of Retired Persons (AARP), addressed the Committee in support of HB 2279 (Attachment 7). Dr. Haugh stated provision of incentives to attract students to the nursing professions is a legislative priority of AARP this year. He noted nurses are needed to staff our hospitals and take care of the increasing number of elderly entering nursing homes.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
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Mike Chapman, President, Kansas Chapter American Physical Therapy Association, appeared on HB 2279 and requested that the bill be expanded to include physical therapists and physical therapists assistants (Attachment 8). He advised that a scholarship commitment would encourage physical therapist graduates to stay in Kansas for their careers.

John Grace, President, Kansas Association of Homes for the Aging (KAHA), testified in support of HB 2279 (Attachment 9). He proposed three amendments to the bill: (1) amend definition of rural area to "population of not more than 20,000 people"; (2) add psychiatric hospitals to the definition of "sponsor"; and (3) delete the words "full-time" under the requirements for payback of the scholarships. He advised that about half of the homes he represents are now sponsoring nursing students.

Terri Roberts, Executive Director, Kansas State Nurses' Association, appeared in support of HB 2279 (Attachment 10). She proposed the addition of one member representing a Kansas accredited school of nursing to the nursing scholarship review committee.

Tom Bell, Kansas Hospital Association, testified in support of HB 2279 stating it is an important step in addressing the nursing shortage in Kansas (Attachment 11).

Dick Hummel, Executive Vice President, Kansas Health Care Association, appeared in support of HB 2279 noting in October, 1990 federal legislation will require 24-hour nurse staffing in nursing homes creating a greater demand for nurses (Attachment 12).

Bob Kelly representing Kansas Independent Colleges expressed his support of HB 2279.

Mark Tallman, Associated Students of Kansas, appeared in support of HB 2279 and proposed adding a representative of Kansas nursing students to the scholarship review committee (Attachment 13).

Bill Fuller, Kansas Farm Bureau, appeared in support of HB 2279 and stated the Farm Bureau believes the scholarship program is vital in preserving health care in rural areas (Attachment 14).

Marilyn Bradt, Kansans for Improvement of Nursing Homes, Inc. (Attachment 15), and Kevin Robertson, Kansas Association of Area Vocational-Technical Schools (Attachment 16), submitted written testimony in support of HB 2279.

HB 2339 - An act authorizing Emporia state university to initiate and complete a capital improvement project for renovation of the memorial union facility; authorizing the issuance of bonds therefor.

Representative Lowther explained that this bill was requested by the Kansas Board of Regents for Emporia State University. It authorizes \$3 million in bonds to complete renovation of the Memorial Union.

Harry Stephens, Dean of Students, Emporia State University, testified in support of HB 2339 stating the authorized bonds are pledged by student campus privilege fees and would not involve direct state appropriation (Attachment 17).

Chairman Bunten announced the amendments to the nursing scholarship bill will be considered at tomorrow's meeting.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
room 514-S, Statehouse, at 1:30 ~~am~~/p.m. on February 22, 1989

INTRODUCTION OF BILLS

The Director of the Division of Architecture and the Joint Committee on State Building Construction requested introduction of a bill allowing the use of arbitration in settling disagreements between the contractor and the state agency. Representative Kline moved introduction of the bill. Representative Chronister seconded. Motion carried. (Attachment 18)

The meeting was adjourned at 3:10 p.m.

GUEST LIST

COMMITTEE: HOUSE APPROPRIATIONS

DATE: 2-22-89

| NAME (PLEASE PRINT) | ADDRESS | COMPANY/ORGANIZATION |
|---------------------|---------------|----------------------------|
| Tom Bell | Topeka | KHA |
| John Drame | " | KANA |
| S Peterson | Topeka | Gouvernois Office |
| M O Kumpf | Lawrence | Budget |
| Marty Kennedy | Topeka | Budget |
| Mark Tallman | Topeka | AS/C |
| Kevin Robertson | TOPEKA | Ks Assn of AVT Schools |
| Richard Kupsta | Atchison | Ks Assn of AVT Schools |
| Jennifer C Scott | Lecompton | High School Student |
| Lair M Rimmer | Topeka | Washburn University |
| Johan H HOLMGREN | Topeka | Catholic Health Assn. |
| Kathleen Boyer | Wichita | KACC |
| Terri Roberto | Topeka | Kansas State Nurses' Assn. |
| Oscar M. Haugh | Lawrence, Ks. | AARP |
| Melanie K. Stearns | Topeka | RDOA |
| Rita Haugh | Lawrence, Ks. | AARP |
| Hazel Gibbs | Wichita | Legislative Intern |
| Susan Fry | Topeka | KONE/KHA |
| Kay Hale | Topeka | Ks Hospital Assn. |
| TED AYRES | TOPEKA | KS. Bd OF REGENTS |
| Steve Stephens | Emporia | ESU |
| Walne H Reynolds | Emporia | ESU |
| Cynthia Vandenberg | Topeka | KSNA |
| Judith Kopper | Lenexa | Sen. |
| Mary Enturf | Topeka | D.O.B. |

HOUSE BILL NO. _____

By Committee on Pensions, Investments and Benefits

AN ACT concerning law enforcement; relating to training, appointment and authority of reserve officers; amending K.S.A. 21-3110 and K.S.A. 1988 Supp. 74-5602, 74-5604a, 74-5605 and 74-5607a and repealing the existing sections.

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

Section 1. K.S.A. 21-3110 is hereby amended to read as follows: 21-3110. The following definitions shall apply when the words and phrases defined are used in this code, except when a particular context clearly requires a different meaning.

- (1) "Act" includes a failure or omission to take action.
- (2) "Another" means a person or persons as defined in this code other than the person whose act is claimed to be criminal.
- (3) "Conduct" means an act or a series of acts, and the accompanying mental state.
- (4) "Conviction" includes a judgment of guilt entered upon a plea of guilty.
- (5) "Deception" means knowingly and willfully making a false statement or representation, express or implied, pertaining to a present or past existing fact.
- (6) The "Deprive permanently" means to:
 - (a) Take from the owner the possession, use or benefit of ~~his-or-her~~ the owner's property, without an intent to restore the same; or
 - (b) Retain property without intent to restore the same or with intent to restore it to the owner only if the owner purchases or leases it back, or pays a reward or other compensation for its return; or
 - (c) Sell, give, pledge or otherwise dispose of any interest in property or subject it to the claim of a person other than the owner.

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(7) "Dwelling" means a building or portion thereof, a tent, a vehicle or other enclosed space which is used or intended for use as a human habitation, home or residence.

(8) "Forcible felony" includes any treason, murder, voluntary manslaughter, rape, robbery, burglary, arson, kidnapping, aggravated battery, aggravated sodomy and any other felony which involves the use or threat of physical force or violence against any person.

(9) "Intent to defraud" means an intention to deceive another person, and to induce such other person, in reliance upon such deception, to assume, create, transfer, alter or terminate a right, obligation or power with reference to property.

(10) "Law enforcement officer" means any person who by virtue of ~~his-er-her~~ such person's office or public employment is vested by law with a duty to maintain public order or to make arrests for crimes, whether that duty extends to all crimes or is limited to specific crimes and includes any person who is appointed as a reserve officer as defined in K.S.A. 74-5602 and amendments thereto.

(11) "Obtain" means to bring about a transfer of interest in or possession of property, whether to the offender or to another.

(12) "Obtains or exerts control" over property includes but is not limited to, the taking, carrying away, or the sale, conveyance, or transfer of title to, interest in, or possession of property.

(13) "Owner" means a person who has any interest in property.

(14) "Person" means an individual, public or private corporation, government, partnership, or unincorporated association.

(15) "Personal property" means goods, chattels, effects, evidences of rights in action and all written instruments by which any pecuniary obligation, or any right or title to property real or personal, shall be created, acknowledged, assigned, transferred, increased, defeated, discharged, or dismissed.

(16) "Property" means anything of value, tangible or

intangible, real or personal.

(17) "Prosecution" means all legal proceedings by which a person's liability for a crime is determined.

(18) "Public employee" is a person employed by or acting for the state or by or for a county, municipality or other subdivision or governmental instrumentality of the state for the purpose of exercising their respective powers and performing their respective duties, and who is not a "public officer."

(19) "Public officer" includes the following, whether elected or appointed:

(a) An executive or administrative officer of the state, or a county, municipality or other subdivision or governmental instrumentality of or within the state.

(b) A member of the legislature or of a governing board of a county, municipality, or other subdivision of or within the state.

(c) A judicial officer, which ~~shall include~~ includes a judge of the district court, juror, master or any other person appointed by a judge or court to hear or determine a cause or controversy.

(d) A hearing officer, which ~~shall--include~~ includes any person authorized by law or private agreement, to hear or determine a cause or controversy and who is not a judicial officer.

(e) A law enforcement officer.

(f) Any other person exercising the functions of a public officer under color of right.

(20) "Real property" or "real estate" means every estate, interest, and right in lands, tenements and hereditaments.

(21) "Solicit" or "solicitation" means to command, authorize, urge, incite, request, or advise another to commit a crime.

(22) "State" or "this state" means the state of Kansas and all land and water in respect to which the state of Kansas has either exclusive or concurrent jurisdiction, and the air space above such land and water. "Other state" means any state or

territory of the United States, the District of Columbia and the Commonwealth of Puerto Rico.

(23) "Stolen property" means property over which control has been obtained by theft.

(24) "Threat" means a communicated intent to inflict physical or other harm on any person or on property.

(25) "Written instrument" means any paper, document or other instrument containing written or printed matter or the equivalent thereof, used for purposes of reciting, embodying, conveying or recording information, and any money, token, stamp, seal, badge, trademark, or other evidence or symbol of value, right, privilege or identification, which is capable of being used to the advantage or disadvantage of some person.

Sec. 2. K.S.A. 1988 Supp. 74-5602 is hereby amended to read as follows: 74-5602. As used in the Kansas law enforcement training act:

(a) "Training center" means the law enforcement training center within the division of continuing education of the university of Kansas, created by K.S.A. 74-5603 and amendments thereto.

(b) "Commission" means the Kansas law enforcement training commission, created by K.S.A. 74-5606 and amendments thereto.

(c) "Director" means the dean of the division of continuing education of the university of Kansas.

(d) "Associate director," as created in K.S.A. 74-5603 and amendments thereto, means the associate director of the division of continuing education of the university of Kansas who shall serve as the director of police training at the law enforcement training center.

(e) "Police officer" or "law enforcement officer" means a full-time or part-time salaried officer or employee of the state, a county or a city, or any reserve officer, whose duties include the prevention or detection of crime and the enforcement of the criminal or traffic laws of this state or of any municipality thereof. Such terms shall include, but not be limited to, the sheriff, undersheriff and full-time or part-time salaried

deputies in the sheriff's office in each county; game protectors in the employ of the fish-and-game-commission Kansas department of wildlife and parks; park rangers under the jurisdiction of the park and resources authority; campus policemen at all state educational institutions; law enforcement agents of the director of alcoholic beverage control; law enforcement agents of the Kansas lottery; law enforcement agents of the Kansas racing commission; deputies and assistants of the state fire marshal having law enforcement authority; capitol area security guards, existing under the authority of K.S.A. 75-4503 and amendments thereto. Such terms shall also include railroad policemen appointed pursuant to K.S.A. 66-524 and amendments thereto; and school security officers designated as school law enforcement officers pursuant to K.S.A. 72-8222 and amendments thereto. Such terms shall not include any elected official, other than a sheriff, serving in the capacity of a law enforcement or police officer solely by virtue of such official's elected position; any attorney-at-law having responsibility for law enforcement and discharging such responsibility solely in the capacity of an attorney; any employee of the secretary of corrections or the secretary of social and rehabilitation services; any deputy game protector provided for in K.S.A. 74-3302 and amendments thereto; or any employee of a city or county who is employed solely to perform correctional duties related to jail inmates and the administration and operation of a jail; or any full-time or part-time salaried officer or employee whose duties include the issuance of a citation or notice to appear provided such officer or employee is not vested by law with the authority to make an arrest for violation of the laws of this state or any municipality thereof, and is not authorized to carry firearms when discharging the duties of such person's office or employment. Such term shall include any officer appointed or elected on a provisional basis.

(f) "Full-time" means employment requiring at least 1,000 hours of work per year.

(g) "Part-time" means employment on a regular schedule or

employment which requires a minimum number of hours each payroll period, but in any case requiring less than 1,000 hours of work per year.

(h) "Reserve officer" means any person who volunteers to serve without compensation, who works 192 hours or more annually, who is appointed by a sheriff or the head of a county law enforcement agency or the chief of a city police department and who is appointed with a duty to maintain public order or to make arrests for crimes, or both, whether that duty extends to all crimes or is limited to specific crimes.

Sec. 3. K.S.A. 1988 Supp. 74-5604a is hereby amended to read as follows: 74-5604a. (a) The associate director shall establish a program for periodically extending the law enforcement training and instruction of the training center throughout the state on a regional basis. The associate director also shall certify annually the training schools of state and local law enforcement agencies providing a course of law enforcement training for full-time police officers or law enforcement officers of not less than 320 hours of instruction, and whose training programs also satisfy the qualifications and standards promulgated by the associate director after approval of the commission. The associate director shall establish a course in basic law enforcement training of 80 hours for part-time police officers or law enforcement officers and for reserve officers as defined in K.S.A. 74-5602 and amendments thereto, approved by the commission, to be provided at the training center and certified state and local law enforcement training schools. In addition, on or after November 20 of each election year and prior to January 1 of the next succeeding year, and at such other times as the associate director deems necessary, the associate director shall commence a training course for persons elected to the office of sheriff at the preceding general election and for undersheriffs and deputy sheriffs.

(b) The associate director shall conduct a pretraining evaluation of applicants for admission to the course for law enforcement officers conducted by the training center or to any

certified state or local law enforcement training school to assure that each applicant is qualified to serve as a law enforcement officer. The associate director shall adopt minimum standards, which shall receive prior approval by the commission, to be considered in the pretraining evaluation. The associate director shall advise the city, county or state agency, school district or community college authorizing the applicant to attend the training center or certified state or local law enforcement training school of the results of the pretraining evaluation. The associate director, with approval of the commission, may reject an applicant to the training center who does not meet the minimum pretraining standards.

Sec. 4. K.S.A. 1988 Supp. 74-5605 is hereby amended to read as follows: 74-5605. Every applicant for admission to a course for police officers or law enforcement officers conducted by the training center shall be an employee of a state, county or city law enforcement agency, a railroad policeman appointed pursuant to K.S.A. 66-524, and amendments thereto, or a school security officer designated as a school law enforcement officer pursuant to K.S.A. 72-8222, and amendments thereto or a reserve officer as defined by K.S.A. 74-5602 and amendments thereto. Prior to admission to a course conducted at the training center or at a certified state or local law enforcement agency, the applicant shall furnish to the associate director a statement from the applicant's appointing authority or agency head certifying the applicant's fulfillment of the following requirements. The applicant:

(a) Is a United States citizen;

(b) has been fingerprinted and a search of local, state and national fingerprint files has been made to determine whether the applicant has a criminal record;

(c) has not been convicted, and does not have an expunged conviction, by any state or the federal government of a crime which is a felony or its equivalent under the uniform code of military justice;

(d) is the holder of a high-school diploma or furnishes

evidence of successful completion of an examination indicating an equivalent achievement;

(e) is of good moral character;

(f) has completed a psychological test approved by the commission; and

(g) is free of any physical or mental condition which might adversely affect the applicant's performance of a police officer's or law enforcement officer's duties.

Sec. 5. K.S.A. 1988 Supp. 74-5607a is hereby amended to read as follows: 74-5607a. (a) No person shall receive a permanent appointment as a full-time police officer or law enforcement officer, unless such officer has been awarded a certificate attesting to satisfactory completion of a course of not less than 320 hours of accredited instruction at the training center or at a certified state or local law enforcement training school or has been awarded such a certificate for not less than the number of hours of instruction required by the Kansas law enforcement training act at the time such certificate was issued or received a permanent appointment as a full-time police officer or law enforcement officer prior to July 1, 1969, or was appointed a railroad policeman pursuant to K.S.A. 66-524 on or before January 1, 1982. No person shall receive a permanent appointment as a part-time police officer or law enforcement officer, unless such officer has been awarded a certificate attesting to the satisfactory completion of the basic course of 80 hours of accredited instruction in law enforcement at the training center or at a certified state or local law enforcement training school. Except as provided in subsection (e) for reserve officers appointed prior to the effective date of this act, no person shall receive a permanent appointment as a reserve officer unless such person (1) satisfies the requirements prescribed by K.S.A. 74-5605 and amendments thereto, (2) satisfactorily completes the pretraining evaluation conducted pursuant to K.S.A. 74-5604a and amendments thereto, and (3) has been awarded a certificate attesting to satisfactory completion of a course of not less than 80 hours of accredited instruction at a certified local law

enforcement training school.

(b) Beginning the second year after certification, every full-time police officer or law enforcement officer shall complete annually 40 hours of law enforcement education or training in subjects relating directly to law enforcement. Failure to complete such training shall be grounds for suspension from work without pay until such training is completed. The associate director with the approval of the commission shall adopt rules and regulations regarding such education or training. Every city, county and state agency shall annually send to the associate director certified reports of the completion of such education or training. The associate director shall maintain a record of the reports in the central registry.

(c) Subject to the provisions of subsection (d):

(1) Any person who is appointed or elected as a police officer or law enforcement officer and who does not hold a certificate as required by subsection (a) may be elected or appointed as an officer on a provisional basis for a period of not more than one year. Any person appointed as a police officer or law enforcement officer on a provisional basis who does not receive the certificate required under subsection (a) within one year following the date of the person's original election or appointment shall forfeit such office or position at the end of such one-year period. Any person appointed as a police officer or law enforcement officer on a provisional basis who does not receive the certificate required under subsection (a) within one year following such original appointment shall not be reappointed as a police officer or law enforcement officer on a provisional basis within one year following the date on which such person last served as a police officer or law enforcement officer.

(2) Any police officer or law enforcement officer who does not complete the education or training required by subsection (b) by the date such education or training is required to have been completed shall forfeit the officer's office or position.

(d) The associate director may extend the one-year time period when it is shown that the failure to comply with the

requirements of subsection (a) or (b) was not due to the intentional avoidance of the law.

(e) Any person who was appointed as a reserve officer prior to the effective date of this act and who does not hold a certificate as required by subsection (a) shall be deemed to hold that status on a provisional basis for a period of not more than one year after the effective date of this act. Any such person who does not receive the certificate required under subsection (a) within such period shall forfeit such appointment as a reserve officer at the end of such one-year period and shall not be eligible for reappointment as a volunteer law enforcement officer within one year following the date of such forfeiture. Any person, who was appointed as a reserve officer prior to the effective date of this act and who is deemed to be a provisional reserve officer pursuant to this subsection, may attain permanent status as a reserve officer, subject to the other provisions of the Kansas law enforcement training act, upon receiving the certificate required under subsection (a).

Sec. 6. K.S.A. 21-3110 and K.S.A. 1988 Supp. 74-5602, 74-5604a, 74-5605 and 74-5607a are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the statute book.



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
MEMBER: EDUCATION
LOCAL GOVERNMENT
PENSION, INVESTMENTS
AND BENEFITS

KATHA CONNOR HURT
REPRESENTATIVE, 66TH DISTRICT

1921 ANDERSON AVE
MANHATTAN, KANSAS 66502
(913) 776-1075 HOME
(913) 296-7699 CAPITOL OFFICE

Testimony Before the House Appropriations Committee
given by

Katha Hurt

a proponent of
HB 2276

February 22, 1989

I am Katha Hurt, the Representative from the 66th district. I support HB 2276 which requires that the salaries and benefits of legislators be considered in a bill separate from any other considerations.

I believe all of us are aware of the legislative confusion and the public furor caused by the passage of HB 2838 during the 1988 legislative session. The bill was, in essence, an omnibus retirement bill comprised of many provisions including one which substantially increased legislators' and other state elected officials' retirement benefits. As a result of the provision for legislative retirement being relatively obscure in this massive bill, many legislators were in a dilemma. They either faced the embarrassment of having to admit that they did not know they were voting for what was perceived as a self-serving increase or had to stand up to their constituents' anger because they had voted against decent provisions for other public employees in order to prevent voting themselves the generous increase. In short,

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the omnibus bill put many legislators in a losing situation no matter which way they voted on the bill.

Another important consideration is the public perception of the legislature's action regarding the salaries and benefits of legislators. John Mackin, Senior Vice-President of the Martin E. Segal Company (the company which acts as the consultant and actuary to KPERS) said in his presentation to the Pensions, Investments, and Benefits Committee in January that he believed the public outrage expressed over the legislative retirement increase was not due to the amount of the increase itself but rather to the way in which that increase was accomplished.

Passage of HB 2276 would allow legislators to vote freely on appropriate benefits for other public employees without risking their political and personal reputations by having to consider, at the same time, the benefits which affect them. Passage of HB 2276 would also allow legislators to inform the people of Kansas of the responsibilities of their elected offices and advocate effectively for the appropriate salaries and corresponding benefits.

For these reasons, I believe HB 2276 offers to both legislators and the people of Kansas fair and prudent treatment of an important but sensitive issue.

The University of Kansas Medical Center

Office of the Dean
School of Nursing

February 22, 1989
Kansas Legislature, Committee on Appropriations

Representative Buntin and members of the Appropriations Committee. My name is Dr. Eleanor Sullivan and I am Dean of the School of Nursing at the University of Kansas Medical Center. I am pleased to be here today to support your bill for scholarships for nurses in Kansas.

I would like first, to compliment you on an outstanding piece of legislation. Kansas is really leading the nation with this innovative strategy to meet the nursing shortage. Now, I would like to give you some information about K.U. School of Nursing; specifically, enrollment trends, financial support for students and nurses' practice sites after graduation. Then, I will comment on specific sections of the proposed bill.

As you are well aware, enrollments in nursing schools have been dropping in recent years. At K.U., between 1984 and 1986, applications decreased from 260 to 192, a drop of 26%. In 1984, we stepped up our recruitment efforts and have now seen the results of those activities with an increase of 17% in applications since 1986.

Financial assistance is critical for students to attend nursing school. Of the 130 - 150 students admitted each year at K.U., 60% receive some form of financial aid. However, it is very difficult to know how many students do not attend nursing school due to financial constraints. When the Governor's plan was publicized in the media, we had a flurry of calls from interested potential students. Today, our student body is changing significantly. The average age of a nursing student is now 27. Furthermore, many of these people are supporting themselves and often dependent children. These students are obviously in need of financial support and, more importantly, they are very likely to remain in the state. In fact, K.U. grads tend to stay in Kansas. 2000 of the 2889 baccalaureate graduates of the K.U. program are current residents of the state.

I would like to comment on some specific sections of the proposed bill. I strongly urge the legislature to expand the membership of the committee to include representation from nursing education. Since the committee will be charged with overseeing a scholarship plan for nursing education, it seems appropriate to include school of nursing representatives to answer questions and clarify information about nursing students and other educational issues.

My other comment on the bill is to recommend that students be allowed a postponement of repayment for purposes of obtaining advanced education. Predictions of future demand for nurses all suggest that the need for more highly skilled and prepared nurses is more acute than the need for lesser prepared nurses. Specifically, the Board of Regents' study of the nursing supply and demand in Kansas for the year 2000 shows the following:

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| | <u>Demand</u> | <u>Supply</u> |
|------------------|-------------------------|---------------|
| Baccalaureate | 9,040 (lowest estimate) | 5,300 |
| Associate Degree | 6,220 (lowest estimate) | 12,190 |
| Graduate | 4,190 (lowest estimate) | 2,080 |

If scholarship recipients are unable to return to school until after five years of service, their contribution to improving the health care of the state is diminished.

Thank you, again, for this opportunity to address you on this timely and outstanding piece of legislation. Please feel free to call me if I can be of any further assistance.

Governor Hayden
Mr. President
Mr. Speaker
Honorable Senators
Honorable Representatives
Friends and Guests

I am Jenifer Scott, a senior at Perry-Lecompton High School. I am attending nurses aide classes, in Lawrence after school, to obtain my certification.

Douglas County Visiting Nurses Association, my employer, first informed me about Governor Hayden's nursing scholarship bill and encouraged me to find out more about it.

I have followed the bill through the legislature to this point and hope to see it become a reality very soon.

I feel the need for nursing in Kansas is a real concern for us all. For this reason, I have applied to and been accepted by Washburn University to begin my pursuit of a bachelor degree in nursing.

My financial resources are limited, therefore I and others in my position ask you to expedite this bill becoming law at the earliest possible date.

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HOUSE BILL 2279

It is a privilege for me to speak on behalf of the thirteen community colleges that prepare students for the Associate Degree in nursing. Kansas' nursing shortage continues to worsen despite health care employers' and nursing educators' recruitment efforts. Kansas health care consumers stand to be the biggest losers as a result of this crisis. House Bill 2279 has the potential to assist in helping to solve this health care crisis.

The mission of Kansas Community colleges is to educate those individuals who may be geographically immobile and/or economically immobile. In reviewing the demographics for associate degree nursing, students in Kansas community colleges, on the average show that 70% of them are receiving financial assistance. The high is 91% at Labette Community College and the low is 25% at Johnson County Community College. The average age is over 30 and one-third of all associate degree nursing students in Kansas are single parents. Pratt Community College reports that 55% of their students are single parents. The majority of our students must work. At Butler County Community College 48% of our students report an income of less than \$15,000 yearly. Clearly these demographics indicate that a nursing scholarship program would enhance recruitment and retention of students.

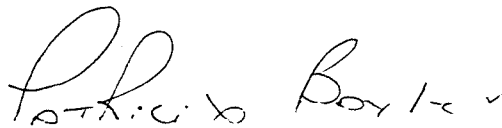
A concern that I do have related to House Bill 2279 is the composition of the nursing scholarship review committee.

HA
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Community colleges are not represented on this committee. I would ask that you review the structure of the committee. Presently, associate degree nursing programs prepared approximately 45% of graduates taking the registered nurse licensure exam in the state of Kansas. Nationwide enrollments in nursing programs are up 11%; associate degree programs all report an increase but the exact percentage is not yet available.

Scholarships alone are not the answer for the nursing shortage. Monies for program expansion must be addressed. It is no secret that nursing education is costly. The mid-eighties were a time of retrenchment in nursing education because of declining enrollments. Now as community colleges attempt to meet the needs of the health care industry, an increase in state funding is needed to expand existing programs. Funding from the private sector should also be sought. This past year HCA Wesley Medical Center funded a faculty position and gave \$10,000 in scholarship assistance to Butler County Community College. Program expansion must be accomplished in a thoughtful and accountable manner so that supply does not exceed future demands.

Respectfully submitted,



Patricia Bayles, R.N., M.N.
Division Director
Nursing & Allied Health

Kingston

Nursing Student Scholarship Program

It is with concern that I appear before you today concerning HB2279 and the Nursing Scholarship program.

As our general population is becoming older, more facilities and trained personnel are going to be in demand to care for them. These trained personnel of course have been graduating from Kansas area vocational-technical schools and community colleges during the past several years.

The Northeast Kansas Area Vocational-Technical School in Atchison is as typical school as you would find. Having been at this school since 1972 several interesting things have occurred in our Practical Nursing program:

1. Job Placement has always been 90-97%, other Kansas Practical Nursing placement have been equally good.
2. Interest has always been high as we have more applicants than openings. Our classes start each July and are usually full by April or May.
3. Students are single parents and upgrading themselves towards a better job; housewives want to go to school now children are in school, or just a complete job change.
4. Unemployment rate in Kansas was 4.8% in December 1988. Atchison county was 5.1%. Money to attend school is tight in many households.

HB2279 will need a technical amendment to include area vocational-technical schools. (Type II) Bill as written involves only area vocational schools. (Type I)

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Attachment 6

Practical Nursing students need financial assistance to attend classes - even more so as these students represent the older student with families, other financial obligations - students struggling to increase their earning power through education. Interestingly though, many of these students have served as Nurse Aids, they know about health care and are dedicated to their career. Financial help in scholarships would be a good investment to relieve the shortage of health care personnel. Your consideration of HB 2279 is of the utmost importance.

Richard L. Kingston
Director
Northeast Kansas Area
Vocational-Technical School
Atchison, Kansas

Placement of Graduate Practical Nursing Students, Atchison

| <u>Year</u> | <u>% Placed</u> | <u>Graduates</u> |
|-------------|-----------------|------------------|
| 1988 | 97 | 29 |
| 1987 | 90 | 30 |
| 1986 | 92 | 26 |
| 1985 | 96 | 26 |
| 1984 | 96 | 27 |

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45 in or admitted to a school of nursing in a course of instruction leading
46 to licensure as a licensed professional nurse or licensed practical
47 nurse. The number of scholarships awarded under the nursing stu-
48 dent scholarship program in any year shall not exceed 250. Of this
49 number, 100 scholarships shall be awarded to nursing students whose
50 sponsors are located in rural areas and who are enrolled in a course
51 of instruction leading to licensure as a registered professional nurse,
52 50 scholarships shall be awarded for nursing students enrolled in or
53 admitted to a school of nursing operated by a community college or
54 area vocational school in a course of instruction leading to licensure
55 as a licensed practical nurse and the remaining 100 scholarships shall
56 be awarded to any nursing students who have a sponsor and who
57 are enrolled in a course of instruction leading to licensure as a
58 registered professional nurse. The determination of the individuals
59 qualified for such scholarships shall be made by the executive officer
60 after seeking advice from the committee.

,area vocational-technical school

61 (b) Scholarships awarded under the nursing student scholarship
62 program shall be awarded for the length of the course of instruction
63 leading to licensure as a licensed professional nurse or licensure as
64 a licensed practical nurse in which the student is enrolled in or
65 admitted to unless otherwise terminated before such period of time.
66 Such scholarships shall provide to the nursing student receiving the
67 scholarship the payment of tuition, room and board in an amount
68 to not exceed the total of \$3,500 annually. The amount of each
69 scholarship shall be established annually by the executive officer and
70 shall be financed equally by the sponsor of the nursing student and
71 by the state of Kansas.

72 Sec. 4. (a) An applicant for a scholarship under the nursing stu-
73 dent scholarship program shall provide to the executive officer, on
74 forms supplied by the executive officer, the following information:

- 75 (1) The name and address of the applicant;
76 (2) the name and address of the school of nursing which the
77 applicant is enrolled in or to which the applicant has been admitted;
(3) the name and address of the sponsor of the applicant and a
verified copy of the agreement entered into by the applicant and
80 the sponsor in accordance with the provisions of this act; and
81 (4) any additional information which may be required by the



KANSAS STATE LEGISLATIVE COMMITTEE

CHAIRMAN
Mr. Frank H. Lawler
9404 Wenonga Road
Leawood, KS 66206
(913) 648-0013

VICE CHAIRMAN
Mr. Robert E. Burkholder
617 North Wall Street
Buhler, KS 67522
(316) 543-2705

SECRETARY
Mr. Oscar M. Haugh
1400 Lilac Lane, #302
Lawrence, KS 66044
(913) 843-7613

February 22, 1989

TO: The Honorable Members of the Appropriations Committee, State of Kansas House of Representatives, 1989 State Legislature

SUBJECT: House Bill 2279: Establishing a Nursing Student Scholarship Program

FROM: Oscar M. Haugh, Secretary, Kansas State Legislative Committee, AARP

I am speaking on behalf of the more than 350,000 members of AARP in Kansas, and particularly for the more than one thousand members who took part in our 1988 survey of important legislative issues for Kansas.

During the summer of 1988, we presented a questionnaire to all of the 50 AARP Chapters in Kansas asking them to indicate their choices of legislative needs for senior citizens which should be considered in the 1989 legislative session. Also, we polled a random sample of our Kansas members to secure opinions from those who may not have joined one of our 50 Chapters or who were absent at the meetings when legislative issues were discussed. From these two sources we believe that we have obtained a cross-section as well as a grass roots response from all parts of the state.

After the tabulations were completed, 8 items led the list. An additional item was added after legislative seminars about the state indicated wide-spread support of it.

Among the first 8 chosen is one which you are considering in HB 2279. We have stated our support of this issue as follows: "Provide incentives to attract students to the nursing professions." The more we study this problem the more we are convinced that it needs to be solved at once. We urge your committee to support this bill and actively work for its passage.

There is a nursing shortage and indications are that it will become increasingly serious in Kansas. Less than 200,000 nurses were enrolled in nursing programs in the entire U.S. in 1988, according to the Sixth Report to the President and Congress on Status of Health Personnel in the U.S., Report on Nursing, June 1988. These are the young people who will be entering the profession this year and next. Kansas is going to have to compete to get its fair share. I was alarmed to hear reports at the Nursing Convention last week in

American Association of Retired Persons 1909 K Street, N.W., Washington, D.C. 20049 (202) 872-4700

Louise D. Crooks *President*

Horace B. Deets *Executive Director*

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Letter to House Appropriations Committee, Feb. 22, 1988 Page two

Kansas City, Missouri that there were recruiters from many states who openly stated that they were seeking nurses from Kansas. We know we have many doctors who have left Kansas in the last year, and if we lose many nurses, too, our health industry will really be in trouble.

Providing incentives such as HB 2279 provides are needed for a number of reasons:

1. Education is costly these days and providing scholarships will help those who would like to become nurses but can't afford to pay their own way.

2. Many college graduates begin their first jobs with heavy college debts. This is especially serious for nurses since they are not well paid in the first place and have little prospects of earning much above their starting salaries unless they go into administrative work. The future of nurses will be brighter for those who can profit from the scholarships provided in HB 2279.

3. It is unfortunate that nurses have been suffering from a negative image which has discouraged some from entering the profession. The "horror" stories that one hears about working conditions, along with low pay, and the dangers from diseases such as AIDS, are not winning converts to the profession. But, the offering of scholarships shows that Kansas cares about her nurses. This is the kind of positive reinforcement that can offset some of the negatives.

4. Better health care, which is one of AARP's major concerns, means that we can't stand still. More nurses are needed if we are going to staff our hospitals adequately and take care of the increasing number of elderly who are entering our nursing homes. This means better trained nurses -- not the products of programs that provide token training over periods as short as one year.

HB 2279 is one bill which all Kansans can actively and enthusiastically support because it will help many of our younger people to get the kind of training which will help them to help others, those of all ages who are in need of care in hospitals as well as the elderly in nursing homes and others in need of in-home care.

We are sure that many Kansans will applaud your efforts if you actively support HB 2279 for the costs are minimal, especially when we consider the importance of investing in the well being of many Kansans, both young and old.

A handwritten signature in cursive script, reading "Oscar W. Haugh".

American Association of Retired Persons 1909 K Street, N.W., Washington, D.C. 20049 (202) 872-4700

Louise D. Crooks *President*

Horace B. Deets *Executive Director*



AMERICAN PHYSICAL THERAPY ASSOC., INC.

February 21, 1989

Michael J. Chapman, President
KS Chapter American P.T. Assoc.
Watkins Health Center
University of Kansas
Lawrence, KS 66045
(913) 864-9592

Chairman and Members of the Committee on Appropriations:

My name is Michael Chapman, and I am the President of the Kansas Chapter of the American Physical Therapy Association which represents over 90% of the practicing physical therapists in this state.

Our association would like to support House Bill 2279 and its premise but we would strongly urge this committee to consider expanding the bill to include physical therapists and physical therapists assistants. Just as there is a shortage of nursing personnel in the rural area, there is also a shortage of physical therapists. The Institute of Medicine recently conducted an 18 month study which revealed that a severe lack of certain health care professions could reach crisis proportions before the year 2000. The study states that although the overall increase in health care jobs will increase by 20%, the new job growth for physical therapists may reach 87%; representing the largest growth of any allied health profession.

The Kansas Physical Therapy Association has been sensitive to this problem for several years. I have personally presented information at career day activities at the KU Medical Center and encouraged our new graduates to stay in Kansas and look for rural

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DATE: February 21, 1989

practice opportunities. Additionally, this past Fall I conducted a survey of physical therapy students concerning rural physical therapy and associated scholarship programs. I have included a summary of the data from this survey with my testimony which indicates there is a real interest in rural scholarship programs by our physical therapy students. Over 80% of the 48 students surveyed indicated they had some interest in contracting with a small hospital in a city of 10,000 or less.

In a separate survey conducted on the 1988 Physical Therapy graduates, only 32% of the responding therapists reported to have stayed in Kansas; 68% went to work out of state. The most common reason stated was "Increased Practice Opportunities." We believe that if graduating students had more of a reason to stay in Kansas, initially, such as a scholarship commitment, that more would end up staying for their career.

In summary, the Kansas Physical Therapy Association does support rural scholarship programs, but as a profession which is already in critical need in rural areas, and facing a substantial growth in jobs in the future, we feel the public would best be served by the inclusion of physical therapists and physical therapist assistants in the scholarship program. We look forward to working with the committee in any way to effect appropriate changes to House Bill 2279 to include our profession.

Thank you for your consideration. I will be happy to answer any questions you may have.



AMERICAN PHYSICAL THERAPY ASSOC., INC.

This is a short questionnaire to determine the interest of Physical Therapy students in contract scholarships. Please answer as if you were accepted to P.T. school and starting the program this Fall.

PLEASE CIRCLE YOUR ANSWER

1. A. Male B. Female
 RESPONSES: 15 33
 PER CENT: 31% 69% Total Responses: 48

2. If a small hospital (city 10,000 or less) were to offer you a scholarship in return for agreeing to work for them after graduation, under what conditions would you be interested? (You may circle more than one)

| <u>RESPONSES</u> | <u>PER CENT</u> | |
|------------------|-----------------|---|
| 18 | 37.5 | a. Paid tuition, one year commitment. |
| 14 | 29.0 | b. Paid tuition plus \$300.00/month for two-year commitment. |
| 16 | 33.3 | c. Pay off of existing student loan at rate of \$3,000 per year for each year of commitment to work for them. |
| 39 | 81.2 | d. One of the above conditions plus an up-front guarantee of starting salary. |
| 20 | 41.6 | e. Mostly depends on where in Kansas the hospital is located. |
| 2 | 4.0 | f. None (not interested in this type of program) |

3. Any comments on rural Physical Therapy practice.



KANSAS ASSOCIATION OF HOMES FOR THE AGING

House Appropriations Committee

Chairman Bill Bunten

Wednesday, February 22, 1989

Testimony Presented by; John Grace, President/CEO
Kansas Association of Homes for the Aging (KAHA)

Thank you, Mr. Chairman.

I am representing the Kansas Association of Homes for the Aging, a nonprofit trade association consisting of one hundred twenty (120) not-for-profit retirement and nursing homes across our state.

I am also the chairman of the Coalition on Nursing Scholarships, which was created last year to develop public and private initiatives to deal with the nursing shortage in our state.

Members of the coalition that are with me today are representatives from:

Catholic Health Association of Kansas
Kansans for the Improvement of Nursing Homes
Kansas Association of Rehabilitation Facilities
Kansas Federation of Licensed Practical Nurses
Kansas Health Care Association
Kansas Hospital Association
Kansas State Nurses Association

We support and ask for your favorable passage of HB 2279.

Governor Hayden has taken a meaningful and positive step forward to deal with the nursing shortage in our state. The shortage threatens the integrity and the quality of care delivered by our health care systems.

The shortage of nursing personnel in our state is well-documented.

A recent study completed by the Kansas Board of Regents entitled, "The Availability of Nursing Services in Kansas", delivered to the 1989 Kansas Legislature, states: "A nursing services shortage of some magnitude exists nationally and in Kansas, as evidenced by the many unfilled nursing positions and medical care facilities and the competition for qualified personnel."

A study completed by the Kansas Hospital Association indicated that in 1987 there were six hundred fourteen (614) vacant registered nurse positions, representing a 8% vacancy in acute care facilities. In adult care homes, only eighty-one (81) or 28% of the intermediate care

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facilities in this state are able to staff with 24-hour nursing coverage. The nursing shortage is significantly and adversely affecting the delivery of health care services in our state in both urban and rural areas.

HB 2279 contains a very strong rural component to encourage persons living in the rural areas to become trained as professional or practical nurses and return to their communities to work in a medical care or adult care home facility. One hundred (100) of the scholarships under this bill will be awarded to persons whose sponsors are located in rural areas. In many rural communities, the health care institution, whether it be hospital or the nursing home, is the primary employer in that community. The delivery of quality services to residents of that area is linked to the ability of the provider to staff with the appropriate personnel.

We recognize the tightening of the state's budget, and support the strong partnership between the public and the private sector. Students who become involved in this scholarship program must find a sponsoring institution that will commit half of the \$3500 annually toward the cost of the student's tuition, room and board. A contractual agreement will be required between the student and the sponsor to insure that the individual returns to that organization and completes the requirements of the pay-back provision in working in that facility.

In addition to this public/private partnership, the private sector is responding to the other concerns that have been raised as to reasons why persons have not entered the nursing profession or have dropped out of such programs. Providers are increasing their wages to recruit and retain professional and practical nursing staff as indicated by recent studies of hospital and nursing homes. In addition, most medical care facilities in this state are currently providing tuition support to students for continuing education and for persons becoming licensed as nurses.

There are three specific amendments listed on the attached "balloon" that we would ask consideration of by the committee that will help to make a good program even better:

- 1) Line 32 should read, "population of not more than 20,000 people".

If you will look at Addendum A, you will see, this amendment would increase the numbers of counties that will be eligible to participate under the rural component of this program. In addition, you can see we will include areas that have schools of nursing and we will pick up more hospitals and nursing homes that would be eligible representing a more balanced approach between the rural and urban areas.

- 2) Line 39 - add psychiatric hospitals (Addendum B)

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The purpose is to include those hospitals in Addendum B.

3) Line 89 and delete the words "fulltime".

Our point here is that persons who have completed a program, particularly women with families can work part-time and still fulfill the needs required in the institution and payback their scholarship according to the number of hours they are working.

With these proposed amendments, Mr. Chairman and members of the committee, we believe that Kansas will be taking a very positive public policy step in addressing this nursing shortage and improve our health delivery system. Thank you.

T-HB2279

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ADDENDUM A

Analysis of County Size/Location of Hospitals and Nursing Homes

Under 10,000 counties

62 counties

60 Hospitals representing about 40% of total hospitals

87 Nursing Homes representing about 22% of total nursing homes

No Schools of nursing

6% of total nonexecutive positions of community hospitals

Under 20,000 Counties

77 counties

81 Hospitals representing about 54%

155 Nursing Homes representing about 40%

5 Schools of Nursing

14% of total nonexecutive positions of community hospitals

ADDENDUM B

PSYCHIATRIC INSTITUTIONS

| TOWN | HOSPITAL | OFFICIAL | TELEPHONE | TOTAL BEDS | DIST. | HSA |
|---------------|--|---------------------------------------|----------------------------------|---------------|-------|-----|
| Ellsworth | St. Francis Home- Ellsworth, Inc. P.O. Box 127 67439 (Boys 7-12 grade) | Rev. Canon Kenneth Yates President | 913/472-4453 | 26 | 5 | 1 |
| Lenexa | CPC College Meadows 14425 College Boulevard 66215 | Sharon Kurz Administrator | 913/469-1100 | 120 | 1 | 4 |
| Newton | Prairie View Mental Health Center 1901 E. 1st P.O. Box 467 67114 | Larry W. Nikkel Executive Director | 316/283-2400 | 43 | 4 | 3 |
| Olathe | The Kansas Institute 555 E. Santa Fe 66061 | Bryan Lett Chief Oper. Officer | 913/782-7000 FAX 913/764-8837 | 37 | 1 | 4 |
| Overland Park | Charter Hospital- Overland Park 8000 W. 127th Street 66225 | Charles L. Webb Administrator | 913/897-4999 | 80 | 1 | 4 |
| Salina | St. Francis Home- Salina, Inc. 5097 West Cloud 67401 (Boys 7-12 grade) | Rev. Canon Kenneth Yates President | 913/825-0563 | 26 | 5 | 1 |
| Topeka | C.F. Menninger Memorial 5800 S.W. 6th P.O. Box 829 66601 | Edward J. Zoble Administrator | 913/273-7500 FAX 913/273-8625 | 162 | 1 | 2 |
| Wichita | CPC Great Plains 5111 East 21st 67208 | Donald G. Grossardt Administrator | 316/681-1800 | 79 | 4 | 3 |
| Wichita | Charter Hospital-Wichita 8901 E. Orme 67207 | Mike Taylor Administrator | 316/686-5000 | 60 | 4 | 3 |

HOUSE BILL No. 2279

By Committee on Appropriations

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AN ACT establishing the nursing student scholarship program; authorizing the awarding of scholarships and establishing eligibility, terms, conditions and requirements therefor; providing for administration of the act; establishing the nursing student scholarship program fund; establishing the nursing scholarship review committee and providing the duties and functions thereof.

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

Section 1. This act shall be known and may be cited as the nursing student scholarship program.

Sec. 2. As used in this act:

(a) "Committee" means the nursing scholarship review committee established under section 9 and amendments thereto.

(b) "Executive officer" means the executive officer of the state board of regents appointed under K.S.A. 74-3203 and amendments thereto.

(c) "Rural area" means any county in this state which has a population of not more than ~~10,000~~-----20,000 people.

(d) "School of nursing" means a school within the state of Kansas which is approved by the state board of nursing to grant a diploma, associate degree or baccalaureate degree in professional nursing or practical nursing.

(e) "Sponsor" means any adult care home licensed under the adult care home licensure act, any medical care facility licensed under K.S.A. 65-425 *et seq.* and amendments thereto,-----, any psychiatric hospital licensed under K.S.A. 75-3307b and amendments thereto, and any state agency which employs licensed practical nurses or licensed professional nurses.

Sec. 3. (a) There is hereby established the nursing student scholarship program. A scholarship may be awarded under the nursing student scholarship program to any qualified nursing student enrolled

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45 in or admitted to a school of nursing in a course of instruction leading
 46 to licensure as a licensed professional nurse or licensed practical
 47 nurse. The number of scholarships awarded under the nursing stu-
 48 dent scholarship program in any year shall not exceed 250. Of this
 49 number, 100 scholarships shall be awarded to nursing students whose
 50 sponsors are located in rural areas and who are enrolled in a course
 51 of instruction leading to licensure as a registered professional nurse,
 52 50 scholarships shall be awarded for nursing students enrolled in or
 53 admitted to a school of nursing operated by a community college or
 54 area vocational school in a course of instruction leading to licensure
 55 as a licensed practical nurse and the remaining 100 scholarships shall
 56 be awarded to any nursing students who have a sponsor and who
 57 are enrolled in a course of instruction leading to licensure as a
 58 registered professional nurse. The determination of the individuals
 59 qualified for such scholarships shall be made by the executive officer
 60 after seeking advice from the committee.

61 (b) Scholarships awarded under the nursing student scholarship
 62 program shall be awarded for the length of the course of instruction
 63 leading to licensure as a licensed professional nurse or licensure as
 64 a licensed practical nurse in which the student is enrolled in or
 65 admitted to unless otherwise terminated before such period of time.
 66 Such scholarships shall provide to the nursing student receiving the
 67 scholarship the payment of tuition, room and board in an amount
 68 to not exceed the total of \$3,500 annually. The amount of each
 69 scholarship shall be established annually by the executive officer and
 70 shall be financed equally by the sponsor of the nursing student and
 71 by the state of Kansas.

72 Sec. 4. (a) An applicant for a scholarship under the nursing stu-
 73 dent scholarship program shall provide to the executive officer, on
 74 forms supplied by the executive officer, the following information:

- 75 (1) The name and address of the applicant;
- 76 (2) the name and address of the school of nursing which the
 77 applicant is enrolled in or to which the applicant has been admitted;
- 78 (3) the name and address of the sponsor of the applicant and a
 79 verified copy of the agreement entered into by the applicant and
 80 the sponsor in accordance with the provisions of this act; and
 81 (4) any additional information which may be required by the

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82 executive officer.

83 (b) As a condition to awarding a scholarship under this act, the
 84 executive officer and the applicant for a scholarship shall enter into
 85 an agreement which shall require that the scholarship recipient:

86 (1) Complete the required course of instruction and attain licen-
 87 sure with the Kansas state board of nursing as a licensed professional
 88 nurse or a licensed practical nurse;

89 (2) engage in the ~~full-time~~ practice of nursing in the employment
 90 of the sponsor in accordance with the agreement entered into by
 91 the scholarship recipient and the sponsor and comply with such
 92 terms and conditions as may be specified by such agreement;

93 (3) commence the ~~full-time~~ practice of nursing within six months
 94 after registration in accordance with the agreement entered into by
 95 the scholarship recipient and the sponsor and continue such full-
 96 time practice for the total amount of time required under the
 97 agreement;

98 (4) maintain records and make reports to the executive officer as
 99 may be required by the executive officer to document the satisfaction
 100 of the obligations under this act and under agreements entered into
 101 with the sponsor; and

102 (5) upon failure to satisfy an agreement to engage in the full-
 103 time practice of nursing for the required period of time under any
 104 such agreement, repay to the state and to the sponsor amounts as
 105 provided in section 5 and amendments thereto.

106 (c) Upon the awarding of a scholarship under the nursing student
 107 scholarship program, the sponsor shall pay to the executive officer
 108 50% of the amount of such scholarship. Each such amount shall be
 109 deposited in the nursing student scholarship program fund in ac-
 110 cordance with section 8 and amendments thereto.

111 Sec. 5. Except as provided in section 6 and amendments thereto,
 112 upon the failure of any person to satisfy the obligation under any
 113 agreement entered into pursuant to the nursing student scholarship
 114 program, such person shall pay to the executive officer an amount
 115 equal to 50% of the total amount of money received by such person
 116 pursuant to such agreement plus annual interest at a rate %
 117 and shall pay to the sponsor an amount equal to 50% of the total
 118 amount of money received by such person pursuant to such agree-

119 ment plus annual interest at a rate of 15%. Installment payments of
 120 any such amounts may be made in accordance with the provisions
 121 of agreements entered into by the scholarship recipient and the
 122 sponsor or if no such provisions exist in such agreements, in ac-
 123 cordance with rules and regulations of the executive officer, except
 124 that such installment payments shall commence six months after the
 125 date of the action or circumstances that cause the failure of the
 126 person to satisfy the obligations of such agreements, as determined
 127 by the executive officer based upon the circumstances of each in-
 128 dividual case. Amounts paid under this section to the executive
 129 officer shall be deposited in the nursing student scholarship program
 130 fund in accordance with section 8 and amendments thereto.

131 Sec. 6. (a) Except as otherwise specified in the agreement with
 132 the sponsor, an obligation under any agreement entered into under
 133 the nursing student scholarship program shall be postponed: (1) Dur-
 134 ing any required period of active military service; (2) during any
 135 period of service as a part of volunteers in service to America
 136 (VISTA); (3) during any period of service in the peace corps; (4)
 137 during any period of service commitment to the United States public
 138 health service; (5) during any period of religious missionary work
 139 conducted by an organization exempt from tax under subsection (c)
 140 of section 501 of the internal revenue code of 1986 as in effect on
 141 January 1, 1989; or (6) during any period of temporary medical
 142 disability during which the person obligated is unable because of
 143 such medical disability to practice professional nursing. Except for
 144 clause (6) of this subsection (a), an obligation under any agreement
 145 entered into under the nursing student scholarship program shall
 146 not be postponed more than five years from the time the obligation
 147 was to have been commenced under any such agreement. An ob-
 148 ligation under any agreement under the nursing student scholarship
 149 program shall be postponed under clause (6) of this subsection (a)
 150 during the period of time the medical disability exists.

151 (b) An obligation under any agreement under the nursing student
 152 scholarship program shall be satisfied: (1) If the obligation in ac-
 153 cordance with an agreement under the nursing student scholarship
 154 program has been completed; (2) if the person obligated dies; (3) if,
 155 because of permanent physical disability, the person obligated is

156 unable to satisfy the obligation; (4) if the person obligated fails to
 157 satisfy the requirements for graduation from the school of nursing
 158 after making the best effort possible to do so; or (5) if the person
 159 obligated fails to satisfy all requirements for a permanent license to
 160 practice nursing in Kansas or has been denied a license after applying
 161 for a license and making the best effort possible to obtain such
 162 license.

163 Sec. 7. The executive officer, after consultation with the com-
 164 mittee, may adopt rules and regulations establishing minimum terms,
 165 conditions and obligations which shall be incorporated into the pro-
 166 visions of any agreement entered into between a sponsor and the
 167 recipient of a scholarship under the nursing student scholarship pro-
 168 gram. The terms, conditions and obligations shall be consistent with
 169 the provisions of law relating to the nursing student scholarship
 170 program. The terms, conditions and obligations so established shall
 171 include, but not be limited to, the terms of eligibility for financial
 172 assistance under the nursing student scholarship program, the
 173 amount of financial assistance to be offered, the length of employment
 174 with the sponsor required as a condition to the receipt of such
 175 financial assistance, the circumstances under which such employment
 176 obligation may be discharged or forgiven, the amount of money
 177 required to be repaid because of failure to satisfy the obligations
 178 under an agreement and the method of repayment and such other
 179 additional provisions as may be necessary to carry out the provisions
 180 of the nursing student scholarship program. The executive officer
 181 may adopt such other rules and regulations, after consultation with
 182 the committee, as may be necessary to administer the nursing stu-
 183 dent scholarship program.

184 Sec. 8. There is hereby created in the state treasury the nursing
 185 student scholarship program fund. The executive officer shall remit
 186 all moneys received under the nursing student scholarship program
 187 to the state treasurer at least monthly. Upon receipt of each such
 188 remittance the state treasurer shall deposit the entire amount thereof
 189 in the state treasury, and such amount shall be credited to the
 190 nursing student scholarship program fund. All expenditures from the
 191 nursing student scholarship program fund shall be for scholarships
 192 awarded under the nursing student scholarship program and shall

193 be made in accordance with appropriation acts upon warrants of the
194 director of accounts and reports issued pursuant to vouchers ap-
195 proved by the executive officer or by a person designated by the
196 executive officer.

197 Sec. 9. (a) There is hereby created the nursing scholarship re-
198 view committee which shall consist of the executive vice-chancellor
199 of the university of Kansas medical center and the following members
200 appointed by the governor: One member representing Kansas hos-
201 pitals; one member representing Kansas adult care homes; one mem-
202 ber representing Kansas registered nurses; and the chief executive
203 officer of a college or university under the jurisdiction and control
204 of the state board of regents which college or university has a school
205 of nursing.

206 (b) The members of the nursing scholarship review committee
207 appointed by the governor shall be appointed for three-year terms
208 and until their successors are appointed and qualified. Upon the
209 vacancy of a position on the committee appointed by the governor,
210 the governor shall appoint a person of like qualifications to fill such
211 position. If a vacancy occurs prior to the expiration of a term, the
212 governor shall appoint a person of like qualifications to fill such
213 position for the unexpired term.

214 (c) The nursing scholarship review committee shall elect annually
215 from among its members a chairperson. The committee shall meet
216 on the call of the chairperson or upon the request of a majority of
217 the members of the committee. A majority of the members of the
218 committee shall constitute a quorum.

219 (d) The nursing scholarship review committee shall provide ov-
220 ersight of the nursing student scholarship program and shall be
221 advisory to the executive officer in the administration of such pro-
222 gram. The committee shall exercise such other powers and duties
223 as may be specified by law.

224 (e) The executive officer and other office staff of the state board
225 of regents shall provide staff assistance to the nursing scholarship
226 review committee.

227 (f) The members of the nursing scholarship review committee
228 who are not state officers or employees and who are attending meet-
229 ings of such committee, or attending a subcommittee meeting thereof

230 authorized by such committee, shall be paid amounts provided in
231 subsection (e) of K.S.A. 75-3223 and amendments thereto. Amounts
232 paid under this subsection (f) shall be from appropriations to the
233 state board of regents upon warrants of the director of accounts and
234 reports issued pursuant to vouchers approved by the executive officer
235 or a person designated by the executive officer.

236 Sec. 10. This act shall take effect and be in force from and after
237 its publication in the statute book.

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FOR MORE INFORMATION CONTACT:

TERRI ROBERTS, J.D., R.N.
EXECUTIVE DIRECTOR'
KANSAS STATE NURSES' ASSOCIATION
820 QUINCY, SUITE 520
TOPEKA, KANSAS 66612
(913) 233-8638
February 22, 1989

H.B. 2279: NURSING SCHOLARSHIP PROPOSAL

Chairman Buntten, and members of the House Appropriations Committee, my name is Terri Roberts R.N. and I am the Executive Director of the Kansas State Nurses' Association. On behalf of the association I would like to thank you for the opportunity to address this committee regarding H.B. 2279, a nursing scholarship proposal.

Kansas is currently experiencing a nursing shortage in all areas of practice, including hospitals, nursing homes, public health, correctional nursing, and education. The largest percentage of Registered Nurses continue to be employed in hospitals, approximately 65%, and from a manpower supply perspective, the numbers of nurses needed to fill these vacancies is greatest in hospitals.

The Health and Human Services Commission on Nursing just released the final summary of their year long study of the shortage. A copy of that summary is attached for your reference. The increased demand for nursing services is the factor most responsible for the current shortage. There is a growing demand for more skilled nursing personnel as a result of the increase in the severity of illnesses and intensity of services needed by today's hospital patients. Due to the increasing severity of illness, which also increases the level of nursing care required, the ratio of nurses to patients rose from 50 nurses per 100 patients in 1975 to 85 nurses per 100 patients in 1985. The future demand for nurses will be exacerbated by a dramatic increase in the age 65 and older population. The elderly, who are hospitalized more frequently than average and stay longer once admitted to the hospital, are projected to make up 21% of the population by the year 2040 as opposed to the current 12%. In 1980, 11.3 percent of the nation's population and almost 13 percent of the Kansas population was 65 or older. There are other significant contributing factors, including decreased enrollments in schools of nursing, and inadequate nursing salaries. One recommendation that the Commission makes that this Legislature can act on, is increased funding assistance for nursing education at both the federal and state levels. We applaud the Governor and the Kansas legislature for considering a state initiative that would provide scholarship funding to nursing students within the state. Maximizing educational opportunities and making financial support available to prospective nursing students are key elements in successful nursing recruitment.

KSNA has been working closely as a member of the coalition supporting a state-funded nursing scholarship program and supports the amendments presented in the bill. There is one other amendment that we would suggest to this committee. I have attached a ballon copy of page six of the bill that has the "scholarship review committee" composition. This committee's responsibilities will include writing the rules and regulations for the scholarship program and establishing policies for implementation. We believe that a specific position on the

February 22, 1989

committee must be from an accredited school of nursing in the state. The current committee composition is as follows:

Current Nursing Scholarship Review Committee Composition

Executive Vice-Chancellor of KUMC
One representative from hospitals
One representative from adult care homes
One RN representative
CEO of a college or university under the jurisdiction and control of the state board of regents which has a school of nursing.

We recommend that either a representative from an accredited school of nursing be added or substituted for one of the Board of Regents institutions representatives. There are only four schools of nursing in the Regents schools, and there are 36 schools of nursing if you include LPN programs. There would be 32 schools of nursing without any potential representation on this committee and we believe in fairness to those schools in the 16 Community Colleges (RN), 6 private (RN), 1 public (RN), and 16 LPN programs (8 in Community Colleges, 8 in Vocational Technical Schools) that a position be delineated for a representative from an accredited school of nursing. This bill provides scholarships to nursing students enrolled in any accredited school of nursing in Kansas. An individual with expertise in the issues of enrollment and acceptance into nursing programs will be essential to this committee if they are to implement this program in a timely fashion.

School of Nursing enrollments nationwide for 1988 according to the National League for Nursing shows the sharpest RN enrollment decline (5 percent) in four-year bachelor's degree nursing programs, which provide students with the credentials that many health care employers prefer for nurses in specialized practice. According to the 1988 federal Commission on Nursing, the nursing shortage is most critical in areas that require specialized training, such as critical-care nursing and medical-surgical nursing.

The only category of RN education programs showing an upswing in enrollments was the associate degree program category, with a gain of 3.1 percent over the previous academic year. Hospital-based diploma programs (which have been dwindling in number for more than two decades and now account for less than 20 percent of all nursing education programs) experienced an enrollment decline of 1.5 percent.

Kansas enrollments in RN programs have declined 24.7 percent from 1983 to 1987. The 1988 enrollments are down 2.4 percent or 38 students. These trends are significant, since they reflect graduates who may be expected during the next 2 to 4 years.

We sincerely appreciate the support of this committee on H.B. 2279 and are encouraged that scholarship funding will assist in student recruitment to provide nurses to care for Kansas citizens.

Thank you.

193 be made in accordance with appropriation acts upon warrants of the
194 director of accounts and reports issued pursuant to vouchers ap-
195 proved by the executive officer or by a person designated by the
196 executive officer.

197 Sec. 9. (a) There is hereby created the nursing scholarship re-
198 view committee which shall consist of the executive vice-chancellor
199 of the university of Kansas medical center and the following members
200 appointed by the governor: One member representing Kansas hos-
201 pitals; one member representing Kansas adult care homes; one mem-
202 ber representing Kansas registered nurses; and the chief executive
203 officer of a college or university under the jurisdiction and control
204 of the state board of regents which college or university has a school
205 of nursing.

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208 and until their successors are appointed and qualified. Upon the
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211 position. If a vacancy occurs prior to the expiration of a term, the
212 governor shall appoint a person of like qualifications to fill such
213 position for the unexpired term.

214 (c) The nursing scholarship review committee shall elect annually
215 from among its members a chairperson. The committee shall meet
216 on the call of the chairperson or upon the request of a majority of
217 the members of the committee. A majority of the members of the
218 committee shall constitute a quorum.

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221 advisory to the executive officer in the administration of such pro-
222 gram. The committee shall exercise such other powers and duties
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224 (e) The executive officer and other office staff of the state board
225 of regents shall provide staff assistance to the nursing scholarship
226 review committee.

227 (f) The members of the nursing scholarship review committee
228 who are not state officers or employees and who are attending meet-
229 ings of such committee, or attending a subcommittee meeting thereof

Recommendation: To increase the committee by one or substitute
one of the Regents schools representatives to
provide for a representative from a school of
nursing.

insert: one member representing a Kansas accredited
school of nursing.

Rationale: There are 36 Schools of Nursing, including the
LPN programs. Four of the 36 are in Regents
institutions and they will have two committee
members, and the remaining 32 schools will have
no representation. Also, neither of these two
representatives is actually from the school of
nursing within their institutions. We support
one representative from a accredited school of
nursing.

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SECRETARY'S COMMISSION ON NURSING

Final Report
Volume I

December 1988

EXECUTIVE SUMMARY

In late December 1987, in response to reports of widespread difficulties recruiting and retaining registered nurses (RNs), Health and Human Services' Secretary Otis R. Bowen, M.D. established the Secretary's Commission on Nursing. The charge given to this 25-member, public advisory panel was to: 1) advise the Secretary on problems related to the recruitment and retention of RNs; and 2) develop recommendations on how the public and private sectors can work together to address these problems and implement immediate and long-range solutions for enhancing the adequacy of the supply of RNs. The Commission was given the calendar year 1988 to accomplish these tasks.

The first five months of the Commission's tenure were devoted to an assessment of the magnitude, causes, consequences, and future implications of the nurse shortage. The results of this assessment were presented in the Commission's **Interim Report**, presented to the Secretary in July 1988. Based on this assessment, the Commission concluded:

- The reported shortage of RNs is real, widespread, and of significant magnitude. There is evidence to support the conclusion that the current shortage cuts across all health care delivery settings and all nursing practice areas. The shortage is most acute in urban hospitals, critical care and medical/surgical units, and nursing homes.
- The current shortage of RNs is primarily the result of an increase in demand as opposed to a contraction of supply. Although RN supply continues to grow, the number of new RN graduates has declined, and there are strong indications that RN supply has not kept pace with increased demand.
- The shortage of RNs is contributing to the deterioration of RNs' work environment and may also be having a negative impact on quality of patient care and access to health services.
- Projections for the future are not encouraging. In the short term, the quantity of care provided by the existing pool of RNs will be difficult to increase without significant intervention. In the long term, there is considerable evidence to suggest that the demand for RNs will continue to increase, and a continued imbalance with supply is anticipated.

Working from this assessment, the Commission then turned its attention to the task of developing action-oriented recommendations designed to alleviate the current shortage and assure a healthy nurse labor market in the future. Recommendation development was an iterative process that spanned five public meetings of the Commission and that led not only to the drafting of recommendations but also to the construction of a series of companion strategies designed to secure the successful implementation of each recommendation. The results of these long and thoughtful deliberations form the heart of this **Final Report**.

The Commission advances 16 specific recommendations and 81 directed strategies to achieve them. These are presented in groups, as they address the following issues:

- utilization of nursing resources;
- nurse compensation;
- health care financing;
- nurse decision making;

- development of nursing resources; and
- maintenance of nursing resources.

The specific recommendations are listed below, along with a brief statement explaining the rationale which supports each set of recommendations. Section 3 of this report contains all of the recommendations, more detailed rationales, and specific implementation strategies. These strategies provide guidance regarding the Commission's assessment of viable actions that can be undertaken to realize the objectives stated in the recommendations. Although not listed here in the Executive Summary, these implementation strategies are an integral component of the recommendation package and should be given careful consideration by all readers interested in the Commission's work.

Utilization of Nursing Resources

As stated earlier, the Commission has concluded that the current nurse shortage is primarily the result of a rapidly-increasing demand for RNs. Some of this increased demand for RNs is arising because health care delivery organizations are compensating for reductions in non-nursing staff--both clinical and non-clinical--as well as in other categories of nursing personnel. The four recommendations advanced in this area are intended to encourage nurse employers to use scarce RN resources in an efficient and effective manner, thereby enhancing the adequacy of the existing RN supply. These recommendations call for the provision of adequate support services for nurses, utilization of the most appropriate mix of nursing personnel, adoption of automated information and other labor-saving technologies in order to increase RNs' productivity, and improvement in the internal management of nurse resources within health care delivery organizations. The specific recommendations are as follows:

1. Health care delivery organizations should preserve the time of the nurse for the direct care of patients and families by providing adequate staffing levels for clinical and non-clinical support services.
2. Health care delivery organizations should adopt innovative nurse staffing patterns that recognize and appropriately utilize the different levels of education, competence and experience among registered nurses, as well as between registered nurses and other nursing personnel responsible to registered nurses, such as licensed practical nurses and ancillary nursing personnel.
3. The federal government should sponsor further research and encourage health care delivery organizations to develop and use automated information systems and other new labor-saving technologies as a means of better supporting nurses and other health professionals. Health care delivery organizations should work with researchers and manufacturers to ensure the applicability and cost-effectiveness of such information systems and technologies across all practice settings.
4. Health care delivery organizations, nursing associations, and government and private health insurers should collaborate to develop and implement methods for costing, budgeting, reporting and tracking nursing resource utilization, both to enhance the management of nursing services and to assess their economic contribution to their employing organization.

Nurse Compensation

Evidence analyzed by the Commission indicates that nurse compensation is inadequate and that the severe wage compression over the span of a nurse's career is of particular concern. The Commission believes that inadequate compensation is one of the roots of the current nurse shortage. On the demand side, low RN compensation levels relative to those of other personnel for which RNs can substitute encourage employers' inappropriate utilization of RNs in carrying out non-RN functions. On the supply side, compensation levels lower than those of other professions requiring

comparable educational preparation may encourage existing nurses to leave the profession, thus exacerbating the current shortage. In the longer-run, inadequate compensation is also likely to discourage potential nurses from entering the profession, contributing to a continuation of the shortage. The following compensation recommendation is advanced to address these concerns.

5. Health care delivery organizations should increase RN compensation and improve RN long-term career orientation by providing a one-time adjustment to increase RN relative wages targeted to geographic, institutional and career differences. Additionally, they should pursue the development and implementation of innovative compensation options for nurses and expand pay ranges based on experience, performance, education and demonstrated leadership.

Health Care Financing

The Commission recognizes that many employers of nurses, especially those in the nursing home and home health sectors, may not have sufficient financial resources to support the compensation enhancement advocated in the preceding recommendation. Thus, the health care financing recommendation listed below and its accompanying implementation strategies given in Section 3 are put forth in the hopes of ensuring that the reimbursement levels and procedures do not constrain the efforts of efficiently-organized health care delivery organizations to offer competitive compensation packages.

6. Government should reimburse at levels that are sufficient to allow efficiently-organized health care delivery organizations to recruit and retain the number and mix of nurses necessary to provide adequate patient care.

Nurse Decision Making

The Commission believes that failure on the part of health care delivery organizations, physicians, and health policy making bodies to fully recognize the decision making abilities of RNs has contributed to problems in recruiting and retaining nurses, hindered the development of a career orientation in professional nursing, and limited the efficiency and effectiveness of patient care delivery. With improved representation on policy-making, regulatory, and accreditation bodies, nurses can make unique, critical, and effective contributions to the health care delivery system. Furthermore, the technological, ethical, and managerial challenges facing health care delivery organizations dictate more collaboration among members of the health care team. The recommendations below address the active involvement of nurses in decision making at all levels.

7. Policy-making, regulatory, and accreditation bodies that have an impact on health care at the national, state, and local levels should foster greater representation and active participation of the nursing profession in their decision-making activities.
8. Employers of nurses should ensure active nurse participation in the governance, administration, and management of their organizations.
9. Employers of nurses, as well as the medical profession, should recognize the appropriate clinical decision making authority of nurses in relationship to other health care professionals, foster communication and collaboration among the health care team, and ensure that the appropriate provider delivers the necessary care. Close cooperation and mutual respect between nursing and medicine is essential.

Development of Nursing Resources

While nearly all evidence indicates that the current nurse shortage is demand-driven, the recent downturn in nursing school enrollments is cause for serious concern that the shortage will grow worse in the future. Additionally, the distribution of RNs across specialties and employment settings is currently problematic, and there is evidence that the formal education received by many new nurses leaves them inadequately prepared for the rigors of clinical practice in today's complex health care environment. Finally, the Commission believes that increased public awareness

regarding the image of nursing can contribute to a reversal of recent enrollment trends. The recommendations contained within the development of nursing resources category are aimed at facilitating the education of nurses, and thereby increasing the supply of qualified RNs, through increased targeted financial support and improved program accessibility, updating the relevancy of nursing curricula, and promoting nursing as a career.

10. Financial assistance to undergraduate and graduate nursing students must be increased. The burden of providing this assistance should be equitably shared among the federal and state governments, employers of nurses, philanthropic and voluntary organizations. The preferred method of providing this support is the use of service-payback loans as well as scholarship funding for those in financial need.
11. State governments, nursing organizations, schools of nursing and employers of nurses should work together to minimize non-financial barriers to nursing education for individuals desiring to enter the profession as well as for nurses wishing to upgrade their education.
12. Schools of nursing, state boards of nursing, and employers of nurses should work together to ensure that the curricula are relevant to contemporary and future nursing practice, prepare nurses for employment in a variety of practice settings, and provide the foundation for continued professional development.
13. The nursing profession should take primary responsibility for providing immediate and sustained attention to the promotion of positive and accurate images of the profession and the work of nurses.

Maintenance of Nursing Resources

Although certain in their assessment of the current status of the nurse labor market, and confident that the recommendations put forth in this report embody the best approaches to resolving the current nurse shortage, the Commission believes that the federal government should spearhead a sustained effort devoted to: monitoring the nurse labor market; collecting improved data and conducting further research on the demand for nurses, as well as the supply and nursing practice; and following-through on the implementation of the recommendations and strategies outlined in this report. The recommendations that follow are designed to accomplish these goals.

14. The Department of Health and Human Services should create a commission having a duration of at least five years that will monitor the implementation of the recommendations in this report as well as the development and maintenance of nursing resources. This commission should be constituted as an advisory body reporting directly to the Secretary.
15. The Department of Health and Human Services, private foundations, and employers of nurses should support and carry out research and demonstrations on the effects of nurse compensation, staffing patterns, decision-making authority, and career development on nurse supply and demand as well as health care cost and quality. Research should be sponsored on the relationship of health care financing and nursing practice.
16. The federal government should develop data sources needed to assess nursing resources as they relate to health planning and manpower.

The Commission does not view the development of these recommendations as the final step in addressing the nurse shortage. Rather, the more important and challenging task still lies ahead. The Commission strongly encourages the organizations addressed in this report to examine carefully the Commission's diagnosis of the problem, to assess honestly and carefully the relevance of each issue to their own particular organization, and to implement without hesitation the appropriate recommendations. The Commission recognizes that some of the identified problems transcend the interests of one particular organization and expects that, in these cases, the relevant institutions, organizations, associations, and individuals make a good faith effort to col-

aborate in the implementat of the recommended solutions to the problem. *It is the sincere belief of the Commission that the health of this nation will be at risk if the changes suggested in these recommendations do not occur.*

DEVELOPMENT OF NURSING RESOURCES

RECOMMENDATION #10

Financial assistance to undergraduate and graduate nursing students must be increased. The burden of providing this assistance should be equitably shared among the federal and state governments, employers of nurses, philanthropic and voluntary organizations. The preferred method of providing this support is the use of **service-payback** loans as well as **scholarship** funding for those in financial need.

Strategies

1. The public and private sectors should provide service-payback loans for both undergraduate and graduate nursing students. In implementing this strategy, the following points ought to be considered.
 - a) The federal and state governments and philanthropic organizations should establish loans for undergraduate and graduate students of nursing who agree to repay these funds by working in areas lacking sufficient nursing resources. These areas may be defined by practice setting or clinical specialty. Examples of practice settings that might be considered are:
 - hospitals treating a disproportionate share of low income patients or providing a disproportionate share of uncompensated care,
 - health care settings in rural areas, and
 - nursing homes.Eligible clinical specialties would vary over time. Examples of nursing practice areas that might currently receive priority include:
 - services for HIV and drug abuse patients,
 - gerontological nursing,
 - critical care nursing, and
 - medical/surgical nursing.
 - b) DHHS should assume the responsibility for a biennial evaluation of the relative shortage of nurses among clinical specialties and target the proposed federal service-payback loans accordingly. Attention should be given to assuring a quick response to identified changing needs so that nurses' practice choices are closely linked to areas of current need. States and foundations may also wish to use these defined areas of need in targeting the financial assistance they provide.
 - c) All providers of service-payback loans should consider developing progressive loan forgiveness schedules, whereby more of the loan is forgiven if the service takes place in areas of designated high need or as the length of the service commitment increases. Graduates who choose to work in areas other than those designated as having insufficient resources, should not be precluded from participating in service-payback loan programs; however, a smaller portion of these students' loans would be eligible for payback through loan forgiveness and the same service commitment of those working in areas of designated high need would be required.
 - d) Employers of nurses and schools of nursing should collaborate in establishing programs through which employers fund all or part of the student's tuition in exchange for the

student's commitment to work in the employer's organization for a designated period of time upon graduation. The federal and state governments and a philanthropic organization may wish to consider instituting a matching funds program to help those employers with a need but without the financial means to provide an adequate level of tuition support on their own.

2. The federal government and states should provide funding for **tuition grants and stipends** for students under the following principles:
 - a) In recognition of the demographic trends in high school graduates, funding should be sufficiently broad to create opportunities for the prospective, non-traditional nursing student.
 - b) Funding should also be targeted to support educational mobility opportunities to enable licensed practical nurses and other nursing personnel to acquire the nursing education needed for registered nurse licensure.
3. Public and private sector initiatives are needed to expand **academic scholarship** programs for both entry-level and graduate students. The following initiatives are recommended:
 - a) States should implement demonstrations of competitive merit scholarship programs which, if successful, can be adopted on an ongoing, statewide basis. Attention should be given to the broad dissemination of information on successful programs so that they may be replicated in other states.
 - b) National nursing organizations should design and establish a National Merit Scholarship Program for nursing students, including the development of short- and long-range fund raising strategies and targets.
 - c) Employers of nurses should initiate competitive scholarship programs to provide educational opportunities in nursing to employees within their organizations and worthy students within their community.
 - d) Employers of nurses are encouraged to provide competitive scholarships for licensed practical nurses to return to school to pursue licensure as a registered nurse.
 - e) Business coalitions, voluntary organizations, foundations, schools of nursing and specialty nursing organizations are encouraged to design and establish scholarship programs and/or expand and promote existing ones.
4. The federal government and states should at least maintain, and if possible expand, the financial support available to graduate level nursing students through **grants and fellowships**, in education, administration, research and clinical practice.

Rationale

Financial support is needed to reduce financial barriers to pursuing a nursing education and thus, to help assure a sufficient supply of graduate and undergraduate students over time. Since nursing services benefit society as a whole, the burden of financial support for nursing education should be shared among a broad and diverse array of organizations and levels of government. Targeted support, in the form of loan forgiveness programs, to students who will work in specified shortage areas is expected to attract nursing resources to areas of need.

Employers of nurses and insurers of health care must take a long-range perspective and support the recruitment and retention of nurses. Providing service-payback loans and tuition support is expected to benefit the nurse employer by reducing nurse turnover and its associated costs. Further, private sector involvement by nurse employers, schools of nursing and philanthropic organizations is expected to lead to greater long-run stability of financial support to nursing education.

Scholarships stimulate recruitment and promote a positive image of the health industry and nursing profession, benefitting recipients and sponsors alike. The programs envisioned will create national visibility for nursing as a valued profession while supplying health care delivery organizations with well-qualified nurses.

Problems associated with the current nurse shortage underscore the necessity of cultivating a cadre of future nursing leaders in clinical practice, administration, education and research. Nurse leaders will monitor the status of the profession and help nursing adapt to the changing needs and demands of health care. Support to graduate level nursing education is expected to meet this need.

It should be noted that the supply of nurses for the military, Veterans Administration and U.S. Public Health Service comes essentially from civilian schools of nursing. The Department of Defense built and operates a medical school for meeting some of its physician needs. It appears appropriate that the federal agencies consider studying the feasibility of a plan to similarly educate RNs for the federal services.



Donald A. Wilson
President

TESTIMONY OF THE KANSAS HOSPITAL ASSOCIATION
BEFORE THE HOUSE APPROPRIATIONS COMMITTEE

HB 2279

February 22, 1989

The Kansas Hospital Association appreciates the opportunity to comment regarding House Bill 2279. We support this proposal, which creates a nursing scholarship program sponsored by a public/private partnership. We also support amendments to raise the population of a "rural area" to 20,000, add psychiatric facilities to those eligible to participate, and allow more flexibility in meeting the employment obligations under the bill.

There is little disagreement that our state currently faces a severe shortage of nurses. A number of studies have been done on this issue, but one of the best was recently conducted by the Kansas Board of Regents. This study notes shortages in both state and private institutions in Kansas. KHA figures from 1988 show a vacancy rate of 8 percent for staff RN positions. By comparison, the staff RN vacancy rate in 1981 was 1 percent. It should be noted that as this situation continues to worsen, current figures would probably show a higher vacancy rate.

A recent survey by our office showed that approximately 60 percent of responding hospitals reported having what they felt was a moderate to severe shortage. Eleven hospitals reported having to limit services or close beds because of the nursing shortage.

Numerous factors are often cited as contributing to the existing nursing shortage. These include compensation levels, salary compression, few opportunities for professional advancement, increased occupational opportunities for women and a general perception that nursing is a less attractive profession, due in part to the increased incidence of AIDS. Another element uniformly cited as a major contributing factor is the rising demand for nursing services. Demographic trends suggest this demand will only intensify. For example, the elderly population (65+) is predicted to increase at a rate of 2 percent a year between now and 2020. Between now and the turn of the century, the greatest growth will be among the frail, elderly age group (85+), who are the most

likely to experience chronic serious health problems and complex multi-system failures requiring skilled care from highly trained personnel. The 85+ age group is the fastest growing age group in Kansas. Nationally, this age group uses twice as many hospital days per capita as persons age 65 to 74. Since age is positively correlated with utilization of health care services, this trend will increase the demand for nursing services even more.

As more and more of the healthiest patients with the least severe diagnoses are shifted to outpatient and ambulatory settings, only the sickest patients are treated as inpatients. And because of financial pressures, even these patients are being served in a more compressed time period than ever before. Because of this phenomenon, hospital demand for the most skilled, technically flexible staff (i.e. RN's) has increased despite decreases in inpatient utilization levels. In the 1988 nursing survey conducted by KHA, two-thirds of the responding hospitals reported increased acuity of patients over the previous year.

An additional important reason for the nursing shortage is that fewer people are going into nursing than ever before. The National League for Nursing reports combined enrollment for all three types of RN education programs fell 13 percent from 1983 to 1985. Enrollment data for Kansas nursing programs show that between 1985 and 1988 there was a 45 percent decrease in total enrollment. Obviously, nursing supply is not keeping pace with demand. In fact, the current trend is that despite the rising demand, potential supply is decreasing.

HB 2279 is an attempt to help reverse this dangerous trend. This bill would stimulate nursing enrollments by creating a scholarship program funded by both public and private funds. The program will be administered by the Board of Regents and will provide up to 250 scholarships annually.

Kansas hospitals recognize their responsibility to do their best to reduce the level of the nursing shortage. HB 2279, however, is a recognition that this is definitely a public problem. We support this public/private partnership and pledge our best efforts to make it successful.



KHCA

Member of
ahca

Kansas Health Care Association

221 SOUTHWEST 33rd STREET
TOPEKA, KANSAS 66611 • 913-267-6003

February 22, 1989

POSITION OF THE KANSAS HEALTH CARE ASSOCIATION

ON

HOUSE BILL NO. 2279, NURSING STUDENT

SCHOLARSHIP PROGRAM

TO: House Committee on Appropriations

The Kansas Health Care Association (KHCA) represents over 200 licensed adult care homes (nursing homes), both urban and rural, and proprietary and non-profit facilities.

We highly support this legislation, have been a participant in the nursing shortage coalition group which has promoted this idea, and are most grateful to Governor Hayden and his staff for suggesting a nurse scholarship program.

The nursing shortage is all pervasive in the health care community; nursing homes are particularly strapped in their capability to attract and retain qualified nursing personnel. The shortage is handicapping nursing homes' ability to provide quality care.

Our 1988 survey showed that 71 percent of nursing homes had at least one unfilled nursing position; 75 percent of those homes had had the vacancy for more than three months.

In October 1990 federal legislation will require nursing homes to provide 24 hour nurse staffing. The demand will be even more intense in the future.

H.B. 2279 will help to alleviate the problem by increasing the supply of nurses. However, the other side of this issue must be addressed, that being nursing homes' ability to offer competitive wages. The salary differential between nursing home nurses and other employees of nurses is creating serious difficulties in the recruitment and retention of long term care nurses. We are limited by Medicaid reimbursement barriers which pay only a portion of these costs. To pay competitive wages, we support a wage pass-through concept under which the Department of SRS would be prohibited from restricting labor costs in their Medicaid rate structure.

We do wish to note one concern with the bill, that being under the definition of "sponsor" contained in lines 37-41. State agencies have been added and we are wondering if this will defeat the purpose of a public/private scholarship program. It is our understanding that the number of state agency scholarships would be controlled through the appropriations of each agency. However, this should be closely monitored, for providers would be at a distinct disadvantage in competing with the state. Adult care homes, for example, currently receive less reimbursement for nursing salaries under Medicaid than SRS pays for its own nursing personnel.

Thank you for this opportunity.

CONTACT: Dick Hummel, Executive Vice President

1973



1988

ASSOCIATED STUDENTS OF KANSAS

15 Years In The Student Interest

TO: House Committee on Appropriations
 FROM: Mark Tallman, Legislative Director
 DATE: February 22, 1989

RE: Testimony on HB 2279 - Establishing a Nursing Scholarship Program

ASK has not taken a position on this particular bill, and we do not appear today as experts on the issue of nursing or health provider shortages. However, this bill is consistent with two general objectives of our organization: first, to alleviate excessive reliance on student loans to meet rising college costs; and second, to encourage and assist students who perform important public services through educational benefits.

Under this concept, ASK has long supported such programs as scholarships or forgivable loans for teacher education students. There are many similarities between the shortages of teachers and nurses. Both result in part from expanding career opportunities for women; in part from limited salaries, especially in light of the demanding nature of the jobs; and, we believe, in part from changing incentives fostered by higher education policies.

State and federal funding patterns over the past decade have resulted in economic disincentives for students to enter lower-paying fields such as nursing. Since 1980, the student share of university funding in Kansas increased 40%. Tuition has increased about 100%, rising three times more than inflation. At the same time, federal financial aid awards per student increased less than 30%. Since the mid-1970's, the portion of student aid awarded as loans rose from about one-fifth to one-half.

An implied justification for this increase in real, "out-of-pocket" student costs is the career economic benefits the student receives from a college degree. There is no question the average college-educated person earns more than the average person without a degree. But the benefits of different degrees vary widely. Degrees in law, business or engineering will tend to generate much more over a student's career than degrees in social work, education or nursing.

When the cost of higher education is rising in real terms, requiring greater economic sacrifices and or borrowing against future income, the attractiveness of lower-paying careers is reduced.

Because we believe tuition and financial aid policies influence career choices, we consider scholarship programs for students entering careers that are vital to the public interest but under-compensated to be most appropriate. HB 2279 is such a program, and we support efforts in this area.

Suite 407 • Capitol Tower • 400 S.W. 8th St. • Topeka, Ks. 66603 • (913) 354-1394 HA

The Student Governments of the Regents Institutions

2-22-89

Emporia State University • Fort Hays State University • Kansas College of Technology • Kansas State University • Pittsburg State University • University of Kansas • Wichita State University

Attachment 13

We would suggest one possible change in this bill. In section 9, establishing the nursing scholarship review committee, we believe a representative of Kansas nursing students should be included along with representatives of hospitals, adult care homes, registered nurses and college. This could be accomplished either by adding a member who would be a nursing student when appointed by the Governor for a three-term year; or by including a representative of the Kansas Association of Nursing Students as an ex-officio member for a one-year term. ASK believes it is only logical that a representative of nursing students be included on a committee dealing with nursing student scholarships.

Thank you for you consideration.



PUBLIC POLICY STATEMENT

HOUSE APPROPRIATIONS COMMITTEE

RE: H.B. 2279 -- establishing nursing student scholarship program

February 22, 1989
Topeka, Kansas

Presented by:
Bill R. Fuller, Assistant Director
Public Affairs Division
Kansas Farm Bureau

Chairman Buntten and Members of the Committee:

My name is Bill Fuller. I am the Assistant Director of the Public Affairs Division of Kansas Farm Bureau. We certainly appreciate this opportunity to express our views of the farmers and ranchers who are members of the 105 County Farm Bureaus in Kansas.

Few issues are more important to farmers and ranchers than preserving high quality and affordable health care in rural areas. As a result of this challenge, our membership directed staff to develop a comprehensive research paper for their study as a part of the process of developing policy. Copies were provided to all Legislators in June 1988. We would be pleased to provide copies to any newly-elected Legislators.

We found that a significant part of this health care crisis is a result of the nursing shortage ... increased hospital staff vacancies and the decrease in nursing students. Our membership nearly unanimously responded "YES" when asked, "Should a state scholarship program be created for nursing students similar to the existing medical scholarship program for doctors?" That support was expanded to include additional health care professionals when the voting delegates at the 70th Annual Meeting of Kansas Farm

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Bureau debated and adopted a comprehensive resolution on December 6, 1988:

Rural Health Care

Access to high quality and affordable health care is essential to all Kansans. We support the following measures which will assist in preserving this vital service to rural Kansas:

1. Eliminate the rural/urban differential in Medicare reimbursement for hospitals and physicians;
2. Reduce the shortage of health care professionals by encouraging students to enter the health care professions. We also encourage nurses already educated but not working at present to reenter their profession. We do not support implementation of the Registered Care Technologists program proposed by the American Hospital Association;
3. Create a state scholarship program for health care professionals similar to the existing medical scholarship program for doctors that requires some service in rural areas; and
4. Require Osteopathic and Optometry students on state scholarship programs to practice for a time in underserved areas.

We strongly support a comprehensive amendment to the Kansas Constitution which will authorize the Kansas Legislature to enact appropriate tort reform laws, including necessary legislation in regard to medical malpractice, which will withstand Constitutional challenge and Supreme Court interpretation.

We believe the financial stability of some hospitals is being threatened by the increasing number of non-paying patients. We will support the following:

1. Amend state law to allow hospitals greater access to small claims courts so they may collect more debts from those who can pay;
2. Establish a statewide risk pool for those who cannot access health insurance due to pre-existing conditions; and
3. Change the health care coverage rules to make preventive care as well as emergency care available to the medically needy.

Farm Bureau is a strong proponent of H.B. 2279. We believe it is vital in preserving health care in rural areas ... and important to all Kansans.

We respectfully request favorable action on this proposal. We will attempt to respond to any questions. Thank you!



KINH Kansans for Improvement of Nursing Homes, Inc.

913 Tennessee, suite 2 Lawrence, Kansas 66044 (913) 842 3088

TESTIMONY PRESENTED TO THE HOUSE COMMITTEE ON APPROPRIATIONS
CONCERNING HB 2279, ESTABLISHING A NURSING SCHOLARSHIP PROGRAM

February 22, 1989

Mr. Chairman and Members of the Committee:

KINH has for many years seen the need for more licensed nurses in nursing homes. Providers and consumers alike have agreed that the elderly population in nursing homes, being now much older, sicker, and incapacitated than in the past, must have the expertise of licensed nurses on every shift in every nursing home. The need is inarguable. Standing in the way of fulfilling that need is a shortage of nurses statewide and nationwide, not only in nursing homes, certainly, but in all health care settings.

The factors that must be brought into focus in order to solve the shortage are multiple. They must be addressed cooperatively by the state, by educational institutions, and by private industry. HB 2279 represents a commendable joint effort on the part of government and the health care industry in a positive first step to encourage and enable more young people to enter the nursing field by providing scholarship assistance for nursing education.

KINH has been pleased to be a part of a consumer-provider coalition which has met to consider how best to bring about such a partnership effort. We are in agreement with the conclusions of the coalition and urge your support of HB 2279, with the few changes suggested by that group.

Marilyn Bradt
Legislative Coordinator

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KANSAS ASSOCIATION OF AREA VOCATIONAL-TECHNICAL SCHOOLS

Eugene Lundgrin
President

Richard Kingston
President Elect

Robert Stinson
Secretary

Roy J. Berry
Treasurer

Date: February 22, 1989
To: House Committee on Appropriations
From: Kevin Robertson
Director of Governmental Affairs
Re: HB-2279-Nursing Student Scholarship Program

Mr. Chairman and members of the Committee my name is Kevin Robertson. I am Director of Governmental Affairs for Barbee and Associates and today I appear before you on behalf of the Kansas Association of Area Vocational-Technical Schools (KAAVTS). KAAVTS is an association made of the Directors of the 16 Kansas AVT Schools. I am here today in support of HB-2279, specifically lines 52-55 of the bill which allow students enrolled in licensed practical nursing programs at area vocational schools to compete for 50 scholarships.

Currently, five Kansas AVT Schools have Board of Nursing approved LPN programs which prepare students for the many different careers within the nursing field. Mr. Richard Kingston, Director of the Northeast Kansas AVTS in Atchison will relate to you the success his school is having with the practical nursing curriculum later this morning.

KAAVTS would like to point out a technical amendment that should be made to this bill. The 16 Kansas AVT Schools fall into two categories; type 1, which are classified as "area vocational schools" under the control of a single USD, and type 2, which are classified as "area vocational-technical schools" under a board of control of two or more USD's. HB-2279 only allows scholarships to be awarded to nursing students of "area vocational schools." We suggest adding "area vocational-technical school" after "community college" in line 53 to correct this small problem.

Thank you for this opportunity to appear before you today. Once again I urge your favorable recommendation of HB-2279. I will be happy to answer any questions you have.

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memorial union corporation
emporia state university

1200 Commercial, Emporia, Kansas 66801 (316) 343-1200

The Memorial Union of Emporia State University was chartered in 1922 as a memorial to the students who gave their lives in World War I. In 1925 the Union opened its doors thereby becoming the first student union building west of the Mississippi. In subsequent years five additions have enlarged the original structure into a 200,000 square feet center serving the entire University community.

Following the 1970 addition Emporia State experienced rapid enrollment decline providing little revenue for renovation of the older portions of the Union. In 1979 the Union Board realized that to continue as a viable center for the University, a program of development must be undertaken. A task force proposed a systematic upgrade of the facility. In 1981 the Associated Student Government voted a \$12.00 per student per semester fee increase for renovation. At this time renovation could not be bond funded. The project, designed by Knight & Remmele Architects of Topeka, progressed in phases as the revenue was accumulated. During the years from 1982 through 1988 the contract board cafeteria, buffet dining room, conference and meeting rooms, entrance and information center, and west lobbies have been completed.

Action in the 1986 session the Kansas legislature (Senate Bill No. 733, May 6, 1986) legalized bonds as a funding method for interior renovation. Kansas University Union set the precedent for such a bond funded project with a renovation which is now underway. Kansas State also used this funding method for renovation of Holton Hall. The Emporia State University Union Board proposed to adopt the bond funding method to complete as much of the total renovation as possible. In consultation with the Kansas Development Finance Authority it was projected that approximately 1.4 million dollars could be raised with a \$15.00 per student per semester fee. In November 1988, the Memorial Union Board requested a \$3.00 additional student fee for this purpose and the Associated Student Government voted 19 to 2 in November 1988, to recommend this increase to President Glennen, bringing the total to \$15.00 per student per semester. The President took this information to the Board of Regents at its November meeting.

The request is for authorization to complete the capital improvement of the Memorial Union. Authorization of \$3,000,000 in bonds is requested, although it is expected that approximately \$1,400,000 will be sold as soon as possible with the balance to follow later if additional funding becomes available. This will allow for phase one of the bond funded portion including the renovation of the main floor center section containing all student activities offices, lounges, study area, T.V. lounge and concourse; the snack bar; and relocation of the Memorial Union offices. Phase two of the bond funded portion will follow as additional revenues would become available and would include the restoration of the original building and ballroom.

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CHARTERED 1922: *"First Student Union Building West of the Mississippi River"*

An Equal Opportunity Employer

Attachment 17

DRAFT BILL NO. _____

For Consideration by Joint Committee on
State Building Construction

AN ACT concerning state construction projects; concerning the construction defects recovery fund; relating to certain expenditures therefrom; amending K.S.A. 75-1258 and 75-3741 and K.S.A. 1988 Supp. 75-1263 and 75-3785 and repealing the existing sections.

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

Section 1. K.S.A. 75-1258 is hereby amended to read as follows: 75-1258. (a) Each contract for architectural services negotiated under K.S.A. 75-1254 or 75-1257, and amendments to such--sections thereto, shall be entered into between the secretary of administration and the firm selected as the project architect. Each-such When the total amount of the contract is expected to exceed \$250,000, the contract shall require the project architect to submit evidence which is satisfactory to the secretary of administration that the firm has general professional liability insurance or specific professional liability insurance which is adequate for the project.

(b) In addition to the requirements in subsection (a), each such contract for architectural services shall specify the responsibilities undertaken by the project architect and that the project architect shall be responsible for all of such architect's errors and--emissions in the performance of such contract.

Sec. 2. K.S.A. 1988 Supp. 75-1263 is hereby amended to read as follows: 75-1263. (a) Except as otherwise provided in ~~subsection-(e)~~ this section, fees paid to firms employed as project architect to provide architectural services shall not exceed the following: the amount authorized by this subsection. ~~(1)~~ When the firm provides preliminary design services,

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construction documents, bidding services and the construction administration services specified in K.S.A. 75-1260, and amendments thereto, the maximum shall be: Seven percent of that portion of the estimated cost of the project not exceeding \$1,000,000; 6.25% of that portion of the estimated cost of the project exceeding \$1,000,000 but not exceeding \$2,000,000; 5.5% of that portion of the estimated cost of the project exceeding \$2,000,000 but not exceeding \$3,000,000. The fees to be paid for any project for which the estimate of cost exceeds \$3,000,000 shall be negotiated between the firm selected and the negotiating committee, but shall not exceed 5% on that portion of the estimated cost of the project exceeding \$3,000,000.

~~(2) When a prior project architect, the secretary of administration or any agency architect as provided in K.S.A. 75-1254 and amendments thereto provides preliminary design services and the project architect provides construction documents, bidding services and construction administration services, the maximum established under subsection (a)(1) shall be reduced by 25%.~~

~~(3) When a prior project architect, the secretary of administration or an agency architect as provided in K.S.A. 75-1254 and amendments thereto provides preliminary design services, bidding services and construction administration services, the maximum established under subsection (a)(1) shall be reduced by 45%.~~

(b) If the proposed project includes remodeling of existing construction, a fee of not to exceed 4% of that part of the estimated cost of the project which is designated as remodeling may be added to the fees otherwise authorized under this section.

(c) For purposes of computing the project architect's maximum fees, the estimated cost of the project shall be that provided in the original program cost estimate for the project. The estimated cost of the project shall not be reduced or increased without the prior approval of the negotiating committee which approved the project description under K.S.A. 75-1255, and

amendments thereto. The project architect's maximum fee shall not be reduced or increased except that the project architect may be paid additional fees as a result of change orders initiated by the state or for additional services which are the result of changes in the scope or program of the project or construction circumstances beyond the control of the project architect or the state. Any increase in the fees paid to a project architect above the previously established maximum for the project shall receive the prior approval of the negotiating committee which approved the project description under K.S.A. 75-1255, and amendments thereto.

(d) Fees of project architects shall be paid from appropriations for the particular project for which the project architect is employed and in no case shall the amount appropriated for a project be exceeded for any increase in a project architect's fees. The secretary of administration shall report to the joint committee on state building construction all actions relating to any increase under subsection (c) in the fees paid to a project architect above the previously established maximum for the project.

Sec. 3. K.S.A. 75-3741 is hereby amended to read as follows: 75-3741. (a) Subject to the applicable provisions of K.S.A. 75-3739 and 75-3740, and amendments thereto, all contracts for the construction of buildings or for major repairs or improvements to buildings which are specifically authorized by the legislature for the use and benefit of any state agency shall be let by the director of purchases to the lowest responsible bidder based on plans and specifications prepared for the project and approved by the secretary of administration and administrative head of the state agency concerned.

(b) (1) Prior to the preparation of contract documents for a project for the construction of a building or for major repairs or improvements to a building under this section, it shall be determined in accordance with this paragraph (1) of subsection (b) if plans and specifications will be prepared and bids let for

the project as a whole or if plans and specifications will be prepared and bids let independently for: (A) Electrical work portions of the project; (B) mechanical work portions of the project; and (C) all other work required for completion of the project. If the total cost of the project is expected to exceed \$250,000, the secretary of administration, with the advice of the project architect and the negotiating committee convened for the project under K.S.A. 75-1253, and amendments thereto, shall determine if plans and specifications will be prepared and bids let for the project as a whole or for each of the three specified portions of the project independently. If the total cost of the project is not expected to exceed \$250,000 but a project architect will provide the architectural services for the project, the secretary of administration, with the advice of the project architect, shall determine if plans and specifications will be prepared and bids let for the project as a whole or for each of the three specified portions of the project independently. Whenever the architectural services for any project are provided by the state under K.S.A. 75-1254, and amendments thereto, the secretary of administration shall determine if plans and specifications will be prepared and bids let for the project as a whole or for each of the three specified portions of the project independently.

(2) Upon any project for which plans and specifications will be prepared and bids let for the project as a whole the general contractor shall submit with the bid the names and addresses of subcontractors in accordance with this paragraph (2) of subsection (b). The general contractor shall submit the name and address of the electrical subcontractor for the electrical work portions of the project and the name and address of the mechanical subcontractor for the mechanical work portions of the project, if the general contractor will be subcontracting for such work. If there are project alternates listed in the bid documents and the general contractor's choice of subcontractors is dependent upon the combination of project alternates the state

chooses, the general contractor shall submit for each combination of project alternates under which any subcontractor would change from the one named in the base bid, at the time such contractor submits such bid: (A) The name and address of the electrical subcontractor, if the general contractor will be subcontracting for the electrical work portions thereunder; and (B) the name and address of the mechanical subcontractor, if the general contractor will be subcontracting for the mechanical work portions thereunder. All changes and substitutions in listed subcontractors shall be subject to approval of the secretary of administration.

(3) Upon any project for which plans and specifications will be prepared and bids let independently for each of the three specified portions of the work for the project, the contractor for one of the three specified portions of the project shall be designated as the prime contractor for the project in accordance with this paragraph (3) of subsection (b). If the total cost of the project is expected to exceed \$250,000, the secretary of administration, with the advice of the project architect and the negotiating committee convened for the project under K.S.A. 75-1253, and amendments thereto, shall designate the prime contractor for the project. If the total cost of the project is not expected to exceed \$250,000 but a project architect will provide the architectural services for the project, the secretary of administration, with the advice of the project architect, will designate the prime contractor for the project. Whenever the architectural services for any project are provided by the state under K.S.A. 75-1254, and amendments thereto, the secretary of administration shall designate the prime contractor for the project. The prime contractor shall be responsible for coordinating all work upon the project, and all other contractors and subcontractors shall provide work for the project in accordance with the direction of the prime contractor. In each case where a contractor or subcontractor for the project delays the work on the project or incorporates materials or work of

unsatisfactory quality into the project, the prime contractor shall notify the secretary of administration, the project architect, the state agency concerned and such contractor or subcontractor of such delay or unsatisfactory materials or work.

(4) The secretary of administration shall adopt, with the advice of the state building advisory commission, a standard contract for use in connection with projects upon which bids are let for the project as a whole and a separate standard contract for each of the portions of a project for which bids are let independently. ~~No such standard contract adopted by the secretary of administration shall contain any provisions authorizing arbitration of any matters thereunder.~~ The contracts may allow arbitration of claims arising during or after the completion of the project, except that the state's liability for an award made in any arbitration case shall be limited to the amount of moneys appropriated for the project which have not been previously encumbered at the time of the arbitration award. If an arbitration award against the state is in excess of the amount of moneys appropriated for the project and unencumbered at the time of the arbitration award, the secretary of administration, in the secretary's sole discretion, may authorize all or part of the arbitration award amount to be paid from the construction defects recovery fund. Any unpaid award remaining may be submitted by the claimant to the joint committee on special claims against the state for consideration pursuant to K.S.A. 46-912 through 46-925, and amendments thereto.

(5) The secretary of administration may adopt rules and regulations necessary for the implementation and administration of the provisions of this subsection (b).

(c) The project architect performing construction administration services as described in K.S.A. 75-1260, and amendments thereto, or, if there is no project architect, the secretary of administration or the agency architect for the project as provided in K.S.A. 75-1254, and amendments thereto, shall have charge of the construction of all buildings and the

major repairs or improvements to buildings for state agencies. The original construction contracts for such projects shall be changed only by written change order signed by the director of architectural services with the approval of the secretary of administration and upon the recommendation of: (1) The project architect or, if there is no project architect, at the direction of the secretary of administration or the agency architect for the project as provided in K.S.A. 75-1254, and amendments thereto; (2) the state agency for which the building construction project has been approved; and (3) the director of accounts and reports. In each case where a change order is competitively bid, the change order shall also be signed by the director of purchases.

(d) If the director of purchases believes there is collusion and combination involved in any bids received for any contract for the construction of a building or for major repairs or improvements to a building for the use and benefit of a state agency, the director of purchases shall reject any and all such bids and shall solicit new bids for the contract. If after receiving new bids the director of purchases believes there is again collusion and combination and that such collusion and combination would not be avoided by again soliciting new bids, the director of purchases shall let the contract by direct negotiation, except that: (1) The cost thereof shall not exceed the lowest responsible bid that had been offered; and (2) such contract shall not be negotiated or entered into with any bidder believed by the director of purchases to have been involved to any degree in such collusion and combination.

(e) In the event of a disagreement between the project architect, the secretary of administration or the agency architect for the project as provided in K.S.A. 75-1254, and amendments thereto, and the administrative head of the state agency for which the project is to be completed, as to the administration of the provisions of this section, the secretary of administration shall submit the matter to the governor and the

decision of the governor shall be final.

(f) The provisions of this section shall not be construed to prohibit the administrative head of any state agency from making any improvement or improvements when the same can be made by institutional labor or the use of material manufactured in any state institution.

Sec. 4. K.S.A. 1988 Supp. 75-3785 is hereby amended to read as follows: 75-3785. (a) There is hereby created in the state treasury the construction defects recovery fund.

(b) All proceeds received by state agencies shall be deposited in the construction defects recovery fund. All expenditures from the construction defects recovery fund in excess of \$25,000 for the purposes stated in paragraph (4) of this subsection shall be subject to the prior approval of the state finance council, 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. All other expenditures from the construction defects recovery fund shall be subject to the prior approval of the secretary of administration, and the secretary of administration shall report each such expenditure to the joint committee on state building construction. Where expenditures are made in support of litigation in which the state is involved, such expenditures also shall be subject to the prior approval of the attorney general. All expenditures shall be paid pursuant to vouchers of the director of accounts and reports approved by the ~~secretary--of--administration~~ director of architectural services and shall be for one or more of the following purposes:

- (1) To identify the nature, extent and causes of defects in the design, construction or other work on capital improvements;
- (2) to provide architectural, engineering or other technical services to determine methods for correcting or repairing such defects;
- (3) to provide services in support of claims by the state or to defend claims against the state concerning state construction

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projects; or

(4) to correct or repair defects ~~for which the proceeds were received~~ in buildings or facilities under the jurisdiction of state agencies, or to make other repairs or perform maintenance related to such defects; or

(5) to pay arbitration awards approved by the secretary of administration pursuant to subsection (b) of K.S.A. 75-3741, and amendments thereto.

(c) As used in this section, "proceeds" means money paid to the state of Kansas or any state agency for forfeited bid bonds, or by an insurer, or by a person or firm performing duties related to construction under a contract with a state agency, to compensate the state for errors, omissions or other construction, architectural or engineering related defects adversely affecting the state or a state agency.

Sec. 5. K.S.A. 75-1258 and 75-3741 and K.S.A. 1988 Supp. 75-1263 and 75-3785 are hereby repealed.

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