

Approved 6-7-89  
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR WINT WINTER, Vice Chairman at  
Chairperson

11:10 a.m. ~~p.m.~~ on MARCH 23, 1989 in room 123-S of the Capitol.

All members were present except:

All members present

Committee staff present:

Research Department: Diane Duffy, Kathy Porter  
Revisor: Norman Furse  
Committee Staff: Judy Bromich, Pam Parker

Conferees appearing before the committee:

Marlin Rein, University of Kansas Medical Center  
Susan Irza, Director of Personnel Services  
Ann Victoria Thomas, University of Kansas  
Sue Peterson, Governor's Office  
Ben Coates, Department of Social and Rehabilitation Services (SRS)  
Jeff Chanay, Kansas Association of Homes for the Aging  
Dr. Sydney Krampitz, University of Kansas Medical Center

**SB 349 - State agencies authorized to enter into contracts with individuals attending schools of nursing**

Marlin Rein, Kansas University Medical Center, explained SB 349. (Attachment 1) In answer to questions, Mr. Rein stated that the last nursing class had 150 students. In the last few years there has been a decrease in the number of nursing students throughout the country, however in the last two years there has been a renewed growth in the size of nursing classes.

**SB 350 - Health care employees at medical center designated by board of regents to be in unclassified service**

Marlin Rein reviewed SB 350. (Attachment 2) During discussion, the question was raised as to whether the legislation in SB 350 could be broadened to include state hospitals who are presently having to contract for nurses.

Susan Irza, Director of Personnel Services, appeared next (Attachment 3), and responded to questions by stating that salary is not always the driving factor in retaining nurses. In looking at the Kansas City area, she expressed the opinion that she is comfortable that the nursing salaries at KUMC are at the appropriate level. She discussed other issues involved in regard to reasons nurses leave their profession. In her opinion, the laboratory technicians at KUMC are not comparable to other salaries of that field in the Kansas City area. This is a part of the wage survey being conducted for the relevant labor market so when the implementation of Phase IV takes place it will contain current salaries. In regard to a question regarding a reasonable salary level in the case of unclassified employment, Ms. Irza stated that if these employees are to become unclassified consideration will have to be given to what kinds of rules and regulations would apply to them, what kinds of procedures would be put in place at KUMC to deal with discipline, lay-offs, employee relations agreements in addition to other issues relating to a full scale personnel system addressing those particular unclassified employees.

**SB 351 - Medical student scholarship terms of agreements and medically underserved areas**

Ann Victoria Thomas, University of Kansas, presented testimony on SB 351.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

room 123-S, Statehouse, at 11:10 a.m./~~PM~~ on MARCH 23, 1989

(Attachment 4) In answer to questions, Ms. Thomas explained the problems which have given rise to the relaxation of the requirements for those signed up to repay obligations in critically underserved areas of the state by stating that it relates to those individuals who at the time they finish medical school and chose a residency, had already received a scholarship. They made a determination as to what specialty they were going to go into and then upon coming out of practice found no critically underserved areas in Kansas relating to their specialty, i.e., internal medicine.

HB 2279 - Establishing nursing student scholarship program

Sue Peterson, Governor's Office, was the first conferee on HB 2279. (Attachment 4a) Ben Coates, Department of Social and Rehabilitation Services (SRS), was next to appear. He stated that SRS supports HB 2279. They feel that any measure which would enhance the "pool" of nurses in the state would be a plus. SRS employs almost 600 nurses statewide not including those they contract with for screening for HCBS. They realize that within the nursing home industry, with which they do extensive contracting, the new federal regulations are requiring more 24-hour nursing care. He stated that the Department has taken active steps in trying to deal with the nursing situation in the state by hiring a full-time nurse recruiter. SRS is constantly in competition for nurses so anytime they have the opportunity to build the base by 250 nurses they would be pleased.

In answer to questions, Mr. Coates stated that they have 108 vacancies, not all full-time positions. He stated that availability is a greater problem than classification, especially in Western Kansas.

Jeff Chanay, Kansas Association of Homes for the Aging, was next to appear. (Attachment 5) Terri Roberts, Kansas State Nurses' Association, stated that Elizabeth Taylor, a member of the Coalition, was unable to attend but was in support of HB 2279. Ms. Roberts submitted testimony (Attachment 6), and asked the Committee to consider amending the House amendment on line 68 by changing the word, "consideration" to, "special consideration." She explained that they do have a problem of recruiting minorities into the field of nursing.

Appearing next was Dr. Sydney Krampitz, representing Dr. Eleanor Sullivan, KUMC. (Attachment 7) Kevin Robertson, Kansas Association of Area Vocational-Technical schools, presented his testimony (Attachment 8), and was followed by Marilyn Bradt, Kansans for Improvement of Nursing Homes, Inc. (Attachment 9) Kay Hale, Kansas Hospital Association, testified. (Attachment 10) The last conferee was David DePue, State Council on Vocational Education. He stated that one of the programs they have in Kansas which most effects the lives of displaced homemakers, single parent head of households and other at risk disadvantaged students is their nursing and health care program. He expressed his appreciation for any support for HB 2279.

Written testimony supporting HB 2279 was distributed from the Kansas Health Care Association (Attachment 11) and the Associated Students of Kansas (Attachment 12).

The meeting was adjourned.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: 3-23-89

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Victoria Thomas	Lawrence	KUMC
Martha Reed	KC	KUMC
Dick Mann	KU	KUMC
Jackie McClain	Lawrence	KUMC
RON SPANGLER	KC	KUMC
WALT GENBACH	KC	KUMC
David Rhee	Topeka	KCOVE
Doyce Markendorf	Topeka	KDHE
ELIZABETH E. TAYLOR	TOPEKA	KFLPN
Mark Tallman	Topeka	ASK
EVERETT MADDIX	TOPEKA	DPS
SUSAN IRZA	"	"
Jamesina Evans	"	"
Diana M. Gwyn	"	KSNA
Doyce Markendorf	Lawrence, IS.	KUMC
Kay Hale	Topeka	KHA
Susan Fry	Topeka	KONE
KEVIN GORCETSON	Topeka	KSNA
Jeff Cheney	Topeka	KAHA
Marilyn Bradt	Lawrence	VINT
Kevin M. Arlind	Topeka	KAHA
Karl Allen	"	RHCA
Dick Hummel	Topeka	ZACA
Penny Shepherd	7707 W. 66 <sup>th</sup> + D.P.	Public
ED DE VILBISS	TOPEKA	ARCH SERVS
Ed Conrad	Topeka	SRS
Don Josseland	Lawrence	KU
D. B. Walker	Topeka	Division of Budget
Jerri Roberts	Topeka	KSNA
Barbara Pennington	(Wiley field)	Guest with Con Post
Brent Clapp	TOPEKA	Guest - Div. Budget
Tom Bell	"	KHA



Marlin L. Rein  
University of Kansas Medical Center  
March 23, 1989

TESTIMONY - SENATE BILL 349

Senate Bill 349 was introduced by the Senate Ways and Means Committee at the request of the University of Kansas Medical Center. The bill is identical to a bill that was introduced a year ago, again at our request.

A simple explanation of the bill is that it would permit any agency or institution which employs nurses to enter into contracts with students in schools of nursing, by which the student would be provided financial assistance in return for a period of obligated service with that institution upon graduation. The bill requires the State agency to adopt rules and regulations outlining the terms, conditions and obligations of any such contracts. The Board of Regents shall do the same for educational institutions under the control of the Board. If the bill were enacted in its present form, we would not anticipate any additional appropriations would be necessary for implementation of the bill.

The institution is already on record as being in support of House Bill 2279 which would establish a State Scholarship program for students in schools of nursing. We do not believe that the provisions of Senate Bill 349 are in direct conflict with that scholarship program. One of the obvious purposes of House bill 2279 is to increase awareness on the part of college students of financial opportunities that are available to them should they pursue careers in nursing. As such, one of the objectives of the proposal is to increase the size of the qualified pool of applicants for enrollment in schools of nursing.

ATTACHMENT 1  
SWAM 323-89

On the other hand, Senate Bill 349 is simply designed to give to State institutions and agencies the same tools that other non-state institutions have employed in recent years for recruiting students in schools of nursing. One has only to look at the classified section of the Kansas City Star Sunday morning edition to be struck by the vast number of opportunities available to students in schools of nursing offered by hospitals in the metropolitan Kansas City area and throughout the midwest. The nature of the financial assistance provided takes various forms but all have one purpose, that being to secure an obligation from the student for service with the contracting institution upon the student's graduation.

As I noted earlier, we would not request any additional funding for implementation of Senate Bill 349. One of the strengths of the proposal is that it leaves to the institution the determination as to whether or not the current staffing levels warrant utilization of the authority in Senate Bill 349. In periods of nursing shortage, salary funds that are not expended would be the source of funding for such contracts with nursing students. In effect, the legislation has built into it a sort of "sunset" provision. At such time as staffing levels come closer to authorized levels, an institution would no longer have the funds nor have the need to enter into such contractual relationships. It would be our hope that the Legislature would see fit to pass this permissive legislation which would enable State agencies and institutions to compete with other employers of nurses on a more equal basis.

Marlin L. Rein  
University of Kansas Medical Center  
March 23, 1989

TESTIMONY - SENATE BILL 350

Senate Bill 350 was introduced at the request of the University of Kansas Medical Center. A simple explanation of the bill is that it would broaden the groups of employees within the Board of Regents institutions that would fall within the unclassified service by the creation of a new class titled Health Care Employees at the University of Kansas Medical Center. Currently the unclassified service within the Regents institution is limited to the Chancellor, presidents, deans, administrative officers, student health service physicians and teaching and research personnel. The University Medical Center currently has a limited number of professional positions that could be viewed as health care employees who are in the unclassified service by virtue of the fact that their responsibilities either qualify them as administrative, teaching or research personnel. This proposal would expand the unclassified service to potentially include all health care employees at the University of Kansas Medical School.

The bill was requested by our institution in an effort to explore all alternative means with which to deal with the continuing problem of attempting to retain some reasonable competitive position in the metropolitan Kansas City area as regards recruitment and retention of health care employees. As members of this committee are very well aware, and as our budget request clearly indicates, we are again requesting salary range upgrades for a number of classes of classified positions, most notably, registered nurses and

ATTACHMENT 2  
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medical technologists among others. This represents the third consecutive year in which we have attempted to seek special consideration for Medical Center nurses. As of this date, the Division of Personnel has not acted favorably on our request.

We are aware that our continued requests for salary range adjustments for critical health care personnel causes some disruption for the State personnel system. We are also mindful of the fact that to make modifications in salary ranges for positions at the Medical Center, can often have a significant fiscal impact beyond the Medical Center itself when those classes of positions are also utilized by other State agencies and institutions. Even when such is not the case and the position class is unique to the institution, such as our Medical Center nurse class, any salary upgrade in those classes raises questions whether related classes used by other institutions and agencies should not also be elevated as well.

Our proposal is an effort to attempt to alleviate that problem which we raise each time we come forward with a request for upgrading salary ranges. It is not necessarily a first choice on our part to assume responsibility for the operation of a personnel system for all hospital employees. If the legislation were to be enacted, it would be permissive and we would probably work gradually into the development of a personnel system that could look very much like the Civil Service system, but one for which we would be responsible for administration. We believe that the Legislature has spoken on a number of occasions that they expect the University Hospital to be operated in a businesslike manner. We believe the revenue growth of the last 5-6 years attests to the fact that we have attempted to be responsive to that



legislative mandate. One of the factors that has had a positive influence over this period in our being able to realize this level of revenue growth has been the fact that over that period, shortages in health care personnel have not been a major problem, certainly not the problem they have become over the last couple of years. If we are able to stabilize our work force, we believe we can continue to maintain census levels that are essential to both income productivity but also necessary to support our many educational programs.

In some respects, our proposal of this legislation is a rather delayed response to past legislative invitations to pursue this course. You will note attached to my testimony are copies of interim committee reports going back to both 1982 and 1983, in which the University was encouraged to come forward with a proposal to exempt hospital employees from the Civil Service system. It might appear that it has taken us nearly seven years to respond to that invitation, with Senate Bill 350. Over the past six years the institution has had complete latitude to move employees from the classified service to the unclassified service. You will also note that attached to the testimony is a copy of the appropriation bill for the current fiscal year which is identical to the format used since 1982. The position limitation for the Medical Center is a total limitation, for both classified and unclassified, whereas all the other institutions have one limitation for unclassified and a separate limitation on the number of classified positions. The reason that the Legislature has maintained a single limitation for the University of Kansas Medical Center was to permit us to move employees from the classified service to the unclassified service in order to address

our staffing problems. The limited use we have made of the ability to convert classified to unclassified employees is, in large part, due to the fact that the types of positions that could be in the unclassified service are limited currently by statute, and many of the floor nurses, lab technicians, respiratory therapists and others who are in daily contact with patients do not meet any of the classes currently authorized to be in the unclassified service.

We do not take lightly the responsibility that goes with administration of a separate personnel system. On the other hand, if the institution is to continue to operate in a business-like manner and to compete effectively in recruitment and retention of health care personnel that are in short supply in the metropolitan area, it must be given the means to do so.

Attachments

PROPOSAL NO. 36 - UNIVERSITY OF  
KANSAS MEDICAL CENTER

Background

The Special Committee on the University of Kansas Medical Center was created for the purpose of reviewing the current organizational structure of the institution. Focus of the study was to be directed at the relationship of the University Hospital to the remainder of the institution to include an assessment of the merit of separating the hospital either organizationally or budgetarily. This issue first surfaced during the study conducted by the 1981 Special Committee on Ways and Means. That Committee was frustrated in its attempts to isolate hospital operating costs. The Committee concluded that if hospital costs could not be easily identified no meaningful conclusions could be reached as to the degree to which the hospital was self-supporting. The 1981 interim Committee observed that separating the hospital would make such analysis possible and might call greater attention to the proprietary nature of its operation.

Committee Activity

The Committee met for three days in September at the Kansas City campus. Most of the agenda was devoted to visitations to selected hospital, educational, and research areas. Emphasis of the visits, and the subsequent discussions, was to gain a greater understanding of the interrelationship between the hospital and the University's research and teaching activities. It was apparent that while the hospital did provide a high quality of patient care, it also served as a laboratory for the research and teaching functions. Few patient care functions are performed that do not also provide a teaching experience for either medical or nursing students. Likewise, students in various programs in the School of Allied Health are dependent upon the hospital to support their educational experience.

The Committee was provided considerable information on the University of Iowa Hospital. That institution operates

as a separate entity from the academic schools and provides a good model for assessing the advantages and disadvantages of such an organizational structure. Its stand-alone posture certainly emphasizes the proprietary nature of its operation. Though some state subsidy is provided, approximately \$22.0 million, it is expected to be largely self-supporting. Access to the state appropriated funds is dependent on "earning" the funds through provision of care to indigent patients. The Iowa Legislature exercises little budgetary control over the institution. The hospital budget is limited only by the income it generates and is not subject to any of the controls such as the number of employees, salary levels, etc., that are imposed on other state agencies.

The University expressed its reservations to any effort to organizationally sever the hospital from the remainder of the institution. Chancellor Budig cited the interdependence of the public service, education, and research components as a principal reason for opposition to a separation. Noting that the principal emphasis of any university is education, any structural change that might result in a lessening of the hospital's role as a teaching laboratory would negatively impact upon the education program. Also, the University expressed concerns as to the difficulty of separating administratively the numerous services that support both the academic and hospital programs. The Chancellor did suggest that a re-arrangement of the institution budget might be possible that would more clearly identify hospital and academic costs. He offered the assistance of the University's administrative staff to any effort to realign the budget.

Committee Conclusions and  
Recommendations

The Committee is unanimous in its opposition to any separation of the University Hospital. Such move does not appear practical given the interdependence of teaching and research functions with the patient care programs. The Committee did review an alternative budget format which not only separated direct hospital, education, and research program costs, but also allocated indirect support costs among the

three principal programs. The format is a significant improvement over the current budget structure and the Committee urges the University to proceed to develop further a concept. The Committee notes that implementation of any such change would require approval of the Division of the Budget and the Committee encourages the Division to cooperate with the University in this effort. Since the institution's FY 1984 budget request has already been submitted, the Legislature would have its first opportunity to examine a budget request in a revised format with the FY 1985 request.

The Committee also commends the University for the improvements that have been achieved over the past 12 months. Though housekeeping has been a recurring problem in the past, the Committee was most impressed with the cleanliness in the hospital. The new billing system became operational October 1 and is a major improvement that will provide numerous benefits. The sweeping changes associated with the new contracts entered into with the physician corporations have been set in place.

The Committee also encouraged the University to alert the Legislature of problems it was experiencing with state administrative practices and procedures that placed the hospital at an operational disadvantage when compared with other proprietary hospitals in the Kansas City area. Because of the problems experienced in the past in responding to changes in the market for health care personnel, the Committee invites the University to offer a proposal in this regard, including the feasibility of exempting all hospital employees from the state civil service system. The University was asked to have such material available for legislative review by February 1, 1983.

November 30, 1982

Sen. Ron Hein,  
Vice-Chairperson  
Sen. Tom Rehorn

Respectfully submitted,

Rep. William Bunten,  
Chairperson  
Special Committee on University of Kansas Medical Center

Rep. George Dean  
Rep. Mike Hayden

continue to be made in improving the institution's internal management systems. The hospital appears to be responding positively to the many changes taking place in the health care sector. As previously noted, the Committee heard testimony from several private management firms, and carefully considered the option of contracting with a private hospital management firm. However, on balance, the Committee does not believe it necessary to pursue alternative management options at this time. Rather, the Committee wishes to provide the present management team the opportunity to demonstrate continued progress in improving administration of the hospital.

#### Role of the Board of Regents

The Committee reviewed the constitutional authority of the Board of Regents to operate the University of Kansas Medical Center, including Bell Memorial Hospital, and the Legislature's authority with respect thereto. The Committee recommends that the Legislative Budget Committee meet informally, on an as-needed basis, with the Board of Regents' Committee on Academic Affairs and Special Programs, which is responsible for overseeing the Medical Center. An agenda should be prepared in advance, to include not only matters of mutual concern regarding the Medical Center, but also higher education issues generally.

The Committee also encourages the Legislature to enhance efforts to involve members and staff of the Board of Regents in legislative meetings regarding the Medical Center. In particular, the Committee urges the respective Chairmen of the Ways and Means Committees to invite Board members and staff to testify or to otherwise take part in deliberations regarding the institution's budget. Ways and Means Chairmen are also urged to consider asking the appropriate subcommittee to attend the January meeting of the Board of Regents, which will be held at the University of Kansas Medical Center.

The Committee is of the opinion that improved communications between the Board and the Legislature will facilitate the sharing of information pertaining to mutual concerns regarding the Medical Center and other state institutions of higher education.

#### Other Matters

The Committee notes with appreciation the high degree of responsiveness the University has demonstrated with regard to legislative recommendations in recent years. One such recommendation, made by the 1982 Special Committee on the University of Kansas Medical Center, invited the institution to submit a proposal to the 1983 Legislature regarding special provisions which would facilitate the Medical Center's ability to respond to changes in the health care personnel market. Because the institution has not completed its review of the possible need for such provisions, the Committee recommends extension of the 1982 Committee's invitation, not only with regard to state civil service system policies, but also in terms of other state administrative practices and procedures which may place Bell Memorial Hospital at an operational disadvantage when compared with other hospitals in the Kansas City area.

Respectfully submitted,

November 4, 1983

Rep. R. E. Arbuthnot,  
Chairperson  
Legislative Budget Committee

Sen. Ross Doyen,  
Vice-Chairperson  
Sen. Paul Hess  
Sen. Jack Steineger

Rep. William Buntin  
Rep. Rochelle Chronister  
Rep. Fred Weaver

2054	Operating expenditures for utilities.....	133,460
2055	<i>Provided</i> , That expenditures may be made from this account for the acquisition of natural gas or electricity, or both, by negotiating costs per unit and such expenditures shall not be subject to the competitive bid requirements of K.S.A. 75-3739 and amendments thereto: <i>Provided, however</i> , That no such expenditures for acquisition of natural gas or electricity, or both, by negotiating costs per unit may be made from this account except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto: <i>Provided further</i> , That expenditures may be made from this account for construction of a natural gas pipeline for use in connection with natural gas acquired by negotiating costs per unit: <i>Provided, however</i> , That no expenditures may be made from this account for construction of a natural gas pipeline except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto.	
2079	Engineering technology program — Wichita .....	67,095
2080	Any unencumbered balance in excess of \$100 as of June 30, 1989, in the following account is hereby reappropriated for fiscal year 1990: Major repairs, special maintenance, remodeling and energy conservation for institutions of higher education.	
2083	Total.....	\$3,784,112
2085	(b) There is appropriated for the above agency from the following special revenue funds all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures shall not exceed the following:	
2086	General fees fund .....	\$358,751
2099	<i>Provided</i> , That any transfers of moneys from this fund to the equipment reserve fund pursuant to subsection (c) shall be deemed expenditures for the purpose of the expenditure limitation imposed on this fund.	
2100	Restricted fees fund .....	No limit
2101	<i>Provided</i> , That restricted fees shall be limited to receipts for the following accounts: Educational opportunity grants; recovery of expenditures from services and sales; college library resources; Title III — higher education act of 1965 — federal; veterans cost of instruction — federal; Title VIA — higher education act of 1965 — federal; parking fees; student activity fees; college work study; continuing education; conferences; workshops; proceeds from sale of land: <i>Provided, however</i> , That the state board of regents, with the approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, may amend or change this list of restricted fees.	
2114	Service clearing fund .....	No limit
2115	<i>Provided</i> , That the service clearing fund shall be used only as a working capital fund to finance such internal service activities as may be authorized by the state board of regents under K.S.A. 1988 Supp. 76-755 and amendments thereto.	
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2148	Student union fees fund .....	No limit
2149	Dormitory and food service fees fund .....	No limit
2150	Equipment reserve fund .....	No limit
2155	<i>Provided</i> , That expenditures from this fund shall be made only for the purchase of equipment.	
2163	Housing system suspense fund.....	No limit
2164	Housing system operations fund .....	No limit
2165	Housing system repairs, equipment and improvement fund.....	No limit
2168	Sponsored research overhead fund .....	0

(c) The director of accounts and reports shall transfer an amount specified by the president prior to July 1, 1990, from the general fees fund to the equipment reserve fund.

Sec. 12. *Position Limitations.* (a) The number of full-time and regular part-time positions equated to full-time, in the classified service, excluding seasonal and temporary positions, paid from appropriations made in this act for the following agencies shall not exceed the following, except upon approval of the state finance council:

Agency	Number of Positions Equated To Full-Time
2181 Fort Hays State University.....	297.5
2182 Kansas State University.....	1,911.9
2183 Kansas State University Veterinary Medical Center .....	140.4
2184 Emporia State University .....	269.2
2185 Pittsburg State University.....	280.2
2186 University of Kansas.....	1,995.3
2187 Wichita State University .....	633.6
2188	

(b) The number of full-time and regular part-time positions equated to full-time, in the unclassified service, excluding seasonal and temporary positions, paid from appropriations made in this act for the following agencies shall not exceed the following, except upon approval of the state finance council:

Agency	Number of positions in the unclassified service equated to full-time
2196 Fort Hays State University.....	324.9
2197 Kansas State University.....	2,246.2
2198 Kansas State University Veterinary Medical Center .....	89.4
2199 Emporia State University .....	356.1
2200 Pittsburg State University.....	361.0
2201 University of Kansas.....	2,388.3
2202 Wichita State University .....	986.8
2203	

(c) The number of full-time and regular part-time positions equated to full-time, paid from appropriations made in this act for the university of Kansas medical center shall not exceed 4,670.5, for the state board of regents shall not exceed 17.0 and for the Kansas

Testimony to  
SENATE WAYS AND MEANS COMMITTEE

by

Susan Irza, Director of Personnel Services

March 23, 1989

Good morning, Mr. Chairman and members of the committee, my name is Susan Irza, Director of Personnel Services, Department of Administration.

I am here this morning on behalf of the Secretary and the Department of Administration to offer comments on Senate Bill 350. We wish to bring to your attention several aspects of this bill which have broad, state-wide ramifications.

We recognize that the Kansas University Medical Center is unique in the state system in that it is a tertiary care hospital providing research and teaching. It exists in a volatile labor market that has the capacity to respond to labor and wage fluctuations more rapidly and with fewer constraints than the state system as a whole. KUMC is nevertheless part of the overall state system of services that range from health care to nursing home inspection to parks to licensing professionals to roads to prisons, etc.

The Secretary and the Department of Administration believe areas for consideration are as follows:

1. We are concerned that many health care classifications used at KUMC are classifications that are state-wide.

ATTACHMENT 3  
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On the basis of equal pay for equal work, the State of Kansas would be hard pressed to justify why pay scale differences exist between other state agencies and KUMC if the work is the same.

2. We are concerned about the issue of the designation of health care employees in its broadest sense because health care employees are found in many other state agencies and institutions in addition to KUMC. We may next receive requests from these agencies and institutions to unclassify their health care employees. Further, the language in the proposed bill that would allow the Board of Regents to determine KUMC health care employees to be placed in the unclassified service is so broad that conceivably, any employee at KUMC could be considered a health care employee and thus designated as unclassified.
3. We are concerned about the potential wage escalation that could take place within KUMC if it is removed from the statewide constraints now in place. It is much harder to resist pressures for wage increases from departments with which one works on a day-to-day basis without the overall statewide system as a constraint.
4. We are concerned that placing employees in the unclassified service removes them from Civil Service procedures and protection as well as from the state pay matrix and benefits provided for classified employees.



In addition, this proposal would result in three categories of employees--classified, unclassified and health care unclassified. It is also our understanding that health care unclassified would not receive the same benefits received by other KUMC unclassified. We foresee problems with the federal tax code requirement known as Section 89, the intent of which is to eliminate benefit discrimination.

We are also aware that some previous legislative action taken to unclassify the positions in agencies has been challenged in court by some employees who were subsequently terminated.

5. We are concerned that the breadth of system required to implement this legislation at KUMC is much greater than it appears on the surface. It will require establishing a personnel management system that is a microcosm of the overall state system. To conceptualize, research, communicate and implement the required system by July 1, 1989, is an overwhelming task.

In summary, the department of administration has grave reservations about this proposal and does not support it.

For your information, a recent memorandum is attached to this testimony. It relates to instructions provided by the Governor regarding completion of the Comprehensive Classification and Job Rate Study. The study will be over 70% complete and implemented on this June 18, 1989. Since the health care

positions are in what is known as Phase IV and this is being updated and worked on at this time, we recommend that KUMC's concerns are better addressed through that vehicle and existing procedures rather than establishing the additional outside system.

Thank you, Mr. Chairman, for this opportunity to comment on Senate Bill 350. I would be pleased to respond to comments or questions.

STATE OF KANSAS



OFFICE OF THE GOVERNOR

State Capitol  
Topeka 66612-1500  
913-221-3232

March 16, 1989

MEMO to Governor

M E M O R A N D U M

TO: Shelby Smith  
Secretary of Administration

FROM: Mike Hayden, Governor *John*

SUBJECT: Comprehensive Classification and Job Rate Study

On June 18, 1989, implementation of Phase III of the Comprehensive Classification and Job Rate Study will be completed. Over 70% of all classified jobs will have been studied and implemented into new classes. I am committed to continuing this important study. The Division of Personnel Services should be instructed to complete the needed remaining classification studies prior to fiscal year 1993.

Attention should also be given to my previous guidelines: 1) studies should be brought forward for consideration in packages that require no more than the amount equivalent to a one percent cost of living adjustment for state employees in a fiscal year; and 2) the order of the study of remaining classes should take into account the degree to which classes require market adjustment. Implementation of these studies will continue to be evaluated in terms of my commitment to overall prudent fiscal policy for the state.

My program with respect to state employees is and will continue to be support for funding for step movement, health insurance, classification study and cost of living adjustments.

6610A

Testimony Before the Senate Ways and Means Committee  
Senate Bill No. 351  
by  
Ann Victoria Thomas  
University of Kansas  
March 23, 1989

Senate Bill No. 351 contains two proposed amendments to the Medical Scholarship Act. The first amendment is found in K.S.A. 76-374, beginning at line 43 of Senate Bill No. 351. The statute currently provides that individuals who receive type I scholarships (and therefore are entitled to payment of all tuition fees plus \$500 per month for each month enrolled in school) must repay the scholarship by practicing in what is known as service commitment area I. Service commitment area I is defined as those areas of the state which are critically medically underserved. Individuals receiving type II scholarships are entitled to the payment of tuition fees, with no monthly stipend. These individuals are required to repay the scholarship by serving in what is defined as service commitment area II, which is any area determined to be medically underserved. There are slightly different rules for individuals who obtained scholarships prior to January 1, 1982. Those individuals receiving type I scholarships before that date may repay their agreement by serving in medically underserved areas and those who obtained type II agreements may repay those agreements by serving anywhere in the state of Kansas. Individuals who have received scholarships since December 31, 1985 must repay their scholarships through service in incorporated cities of less than 12,000 with the exception of cities located in Wyandotte, Johnson, Sedgwick and Shawnee counties. Therefore, the designation of critical and critically medically underserved areas for purposes of service area location has relevance only to individuals who obtained scholarships before December 31, 1985.

Typically, individuals select areas of specialization in medicine at the time they complete medical school and enter a medical residency. Individuals who obtained scholarships before December 31, 1985 often took into consideration in

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determining the specialty they would pursue whether there were underserved or critically underserved areas in that specialty in the state. The situation we now face is that certain of those individuals chose areas of specialization in which there were, at that time, underserved or critically medically underserved areas in the state of Kansas. When they finished their residencies, however, the health care situation in Kansas had changed and there have been instances in which there are no critically underserved and/or medically underserved areas in the state in certain specialties. Therefore, those individuals have little incentive to stay in Kansas and practice because an argument could be made that they could not comply with the repayment terms of the agreement since no area exists in the state in which they could practice and be in compliance. The amendment proposed at line 43 provides that if there are no designated critically medically underserved areas in a recipient's speciality, then the recipient may practice in a medically underserved area in the chosen specialty and, so long as he or she has met all other obligations under the program, the individual will be in compliance with the repayment obligations. The amendment further provides at line 51 that if there are no designated medically underserved areas in the recipient specialty, then a recipient who was required to go either to a critically medically underserved area or a medically underserved area may chose to practice anywhere in the state in that speciality and fulfill the repayment obligation.

The other amendment to the scholarship bill is found in line 106. In 1987, K.S.A. 76-375 was amended to provided that all state medical care facilities or institutions qualified as appropriate areas of service for individuals who had obtained either type I or type II scholarships, regardless of the time those scholarships were granted. It has since come to our attention that the same provision should be made for medical centers operated in Kansas by the Veterans' Administration. VA hospitals trying to attract physicians to practice in their

institutions could then recruit Kansas medical scholarship recipients who could practice at the VA hospitals and repay their scholarship obligation. Currently, these hospitals are not authorized to qualify as valid repayment locations if they are located in areas which are neither critically medically underserved nor medically underserved. While the Veterans' Administration hospitals in Kansas are located in large metropolitan areas, by and large those institutions serve Kansas residents, and it is in the interest of the state to provide incentives to Kansas-trained physicians to practice in those institutions.

In order to provide an incentive to all individuals receiving scholarships, including those receiving scholarships after December 31, 1985, we suggest an amendment to Senate Bill No. 351 to insert at line 148 at the end of the line the following language: "all medical centers operated in the state of Kansas by the Veterans' Administration of the United States, . . ."

We have one additional recommendation. The Medical Scholarship Act was enacted in 1978. It has been amended every year since then with the exception of 1984. It may be appropriate for a subcommittee of this body to review the Act as it currently is written and to receive information about the operation of the program. With the number of amendments which have been made over the years, there are certain technical problems in the Act which could most appropriately be addressed through a comprehensive review.

I would be happy to answer any questions concerning these proposals. Thank you for the opportunity to present our comments.

STATE OF KANSAS



OFFICE OF THE GOVERNOR

*State Capitol*  
Topeka 66612-1590  
(913) 296-3232

Mike Hayden Governor

TESTIMONY HB 2279 - NURSE SCHOLARSHIP PROGRAM  
SUE PETERSON, GOVERNOR'S OFFICE

IN HIS STATE OF THE STATE MESSAGE GOVERNOR HAYDEN SAID,  
"QUALITY AND AVAILABILITY OF HEALTH CARE IS VITAL TO ALL  
KANSANS, BUT A CRITICAL SHORTAGE OF NURSES IN KANSAS IS  
THREATENING OUR HEALTH CARE DELIVERY SYSTEM. TO ENCOURAGE MORE  
OF OUR CITIZENS TO ENTER THE NURSING PROFESSION, I AM  
RECOMMENDING THE IMPLEMENTATION OF A NURSE SCHOLARSHIP PROGRAM."

THE NURSING STUDENT SCHOLARSHIP PROGRAM IS PATTERNED AFTER  
THE SUCCESSFUL MEDICAL SCHOLARSHIP PROGRAM, THE GOVERNOR HAS  
RECOMMENDED \$435,000 IN HIS BUDGET TO FUND THIS PROGRAM FOR  
FISCAL YEAR 1990.

BRIEFLY, HB 2279 WILL MAKE AVAILABLE 250 SCHOLARSHIPS WITH  
A STIPEND NOT TO EXCEED \$3,500. SPONSORS, INCLUDING ADULT CARE  
HOMES, HOSPITALS OR STATE AGENCIES EMPLOYING LPNS OR RNS WOULD

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PAY 50% OF THE SCHOLARSHIPS AND THE STATE WOULD PAY THE OTHER 50%. THE STUDENT WOULD ENTER INTO A CONTRACT TO SERVE AS A STAFF NURSE OR LPN AT THE SPONSORING FACILITY, UPON GRADUATION. THE CONTRACT WOULD CONTAIN CRITERIA TO ENSURE SERVICE OR REPAYMENT IN THE EVENT OF NON-COMPLIANCE.

THE 250 SCHOLARSHIPS ARE BROKEN DOWN IN THE FOLLOWING MANNER, 100 REGISTERED NURSES FOR RURAL COUNTIES, 50 LPNS, and 100 RN SCHOLARSHIPS WITH NO PARTICULAR CRITERIA AS TO GEOGRAPHY.

HB 2279 ESTABLISHES A NURSING STUDENT SCHOLARSHIP FUND AND PROVIDES FOR A REVIEW COMMITTEE.

PROVIDERS INCLUDE REGENTS INSTITUTIONS, COMMUNITY COLLEGES, AREA VOCATIONAL TECHNICAL SCHOOLS, HOSPITALS, WASHBURN AND PRIVATE COLLEGES AND UNIVERSITIES.

ACCESSIBLE HEALTH CARE FOR KANSANS IS A MULTI-FACTED PROBLEM AND HB 2279 IS A GIANT STEP TO ADDRESS ONE OF THESE FACTS.

I AM HAPPY TO ENTERTAIN ANY QUESTIONS.





KANSAS ASSOCIATION OF HOMES FOR THE AGING

Senate Ways and Means Committee  
Chairman Senator August Bogina, Jr.  
Thursday, March 23, 1989

Testimony Presented by; Jeff Chanay, Vice-President  
Governmental and Legislative Affairs  
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. In addition, last Fall we formed the Coalition on Nursing Scholarships, 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:

1953 1988  
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.

The nursing shortage threatens the integrity and the quality of care delivered by our health care systems. This 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

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Page 2

care facilities in this state are able to staff with 24-hour nursing coverage.

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.

In summary, we urge the favorable passage of HB2279.

Thank you.



FOR MORE INFORMATION CONTACT:

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March 23, 1989

## H.B. 2279: NURSING SCHOLARSHIP PROPOSAL

Chairman Bogina, and members of the Senate Ways and Means 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 adopted in the House.

KSNA Testimony  
H.B. 2279  
February 22, 1989

We had supported amendments to remove the language full-time practice of nursing for payback purposes in lines 98 and 102. This amendment was not adopted. We support flexibility in the payback option and are hoping that the rules and regulations will address this.

Amendment - Scholarship Review Committee Composition , lines 227-230

KSNA recommended that either a representative from an accredited school of nursing be added or substituted for one of the Board of Regents institutions representatives and this has been added to the bill. 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.

#### Nursing School Enrollments Data

##### **NATIONAL**

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**

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, as amended and are encouraged that scholarship funding will assist in student recruitment to provide an adequate supply of nurses to care for Kansas citizens.

Thank you.

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SECRETARY'S COMMISSION ON NURSING

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Final Report  
Volume I

December 1988

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## 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, 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-

laborate in the implementation 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 philanthropic organizations may wish to consider instituting a matching funds program to help those employers with 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.

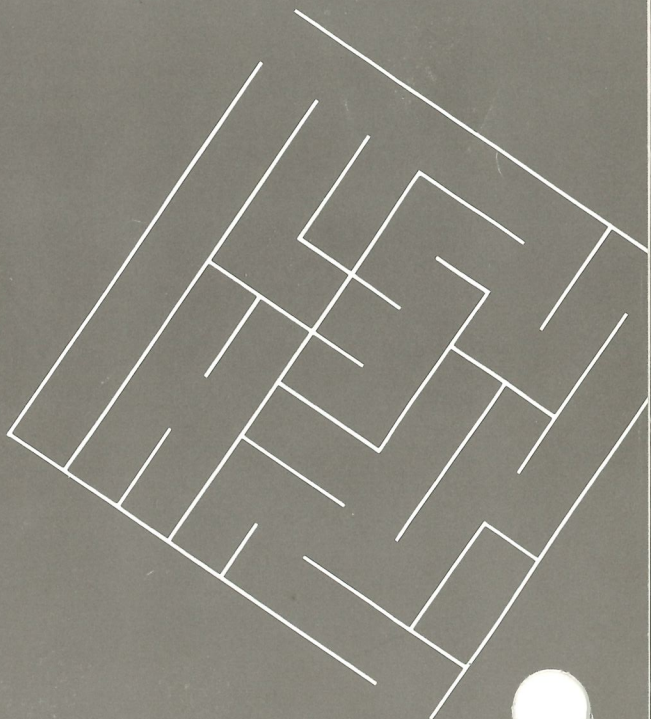
Problems associated with the current nurse shortage underscore the necessity of cultivating a cadre of future nursing leaders in clinical practice, administration, education and research. Nurse leaders will monitor the status of the profession and help nursing adapt to the changing needs and demands 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.

The Nursing Shortage:

# SITUATION & SOLUTIONS

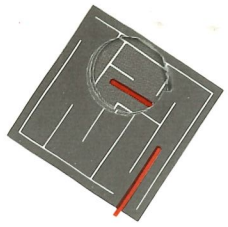
American Nurses' Association





*Since 1986, a serious shortage of registered nurses (RNs) has developed. The shortage is due to increased demand for nurses' services. While the number of beds and patients in hospitals have declined over the past decade, hospital patients are now more acutely ill and require more services by highly skilled RNs rather than by lesser-trained caregivers. This, plus increased need for nurses in non-hospital settings, has increased the demand for nurses beyond the available supply, creating the shortage.*

*Some efforts to "solve" the nursing shortage by using minimally prepared caregivers at the bedside, trained on the job, have been proposed. However, the American Nurses' Association contends that this nursing shortage is more serious than any other in the past, and that the seriously ill and frail elderly people admitted to hospitals today require more care by RNs, not by others.*



## Current Situation

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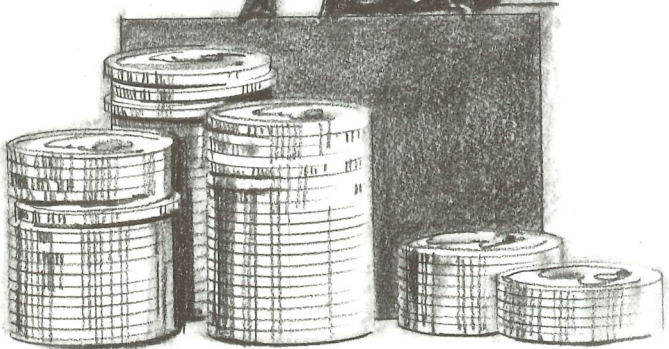
- The current nursing shortage was recognized in 1986, when the vacancy rate for budgeted RN positions in hospitals reached 11%. The figure was nearly triple the 3.7% vacancy rate in 1983. In 1987, the shortage worsened slightly; 11.3% of RN hospital positions were reported vacant. These high vacancy levels may disrupt hospital and health care services and threaten the quality of patient care.
- The U.S. Department of Health and Human Services estimates that hospitals need some 116,600 additional full-time registered nurses, while nursing homes require an additional 20,800 RNs.
- In mid-1987, an American Hospital Association (AHA) survey found that 54.3% of hospitals encountered a "moderate" or "severe" nursing shortage, experiencing vacancy rates of 10% or greater.
- The shortage appears to be more pronounced in public hospitals. An April 1988 survey by the National Public Hospital Association revealed nursing vacancies represented 16% of the budgeted positions in public hospitals, compared with 9% in 1986.
- The shortage was responsible for temporary bed closures in more than 18% of the nation's large urban hospitals compared with 9.5% of the rural hospitals





EMERGENCY  
ROOM

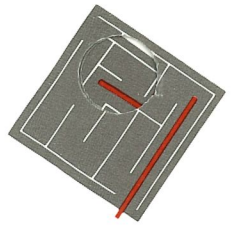
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INFLATION

NURSES'  
SALARIES





surveyed by AHA in 1987. Emergency departments were temporarily closed in 14% of the hospitals in major urban areas.

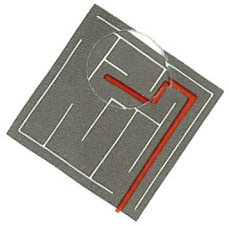
- In a 1987 survey of nursing homes conducted by the American Health Care Association, 51% of respondents reported an average of three months or longer to recruit an RN. Also, 54% indicated that they were experiencing a “moderate” or “severe” nursing shortage.

## Projections for Nursing Supply and Demand

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- Federal estimates say the supply of RNs with bachelor’s degrees will fall 257,000 short of the demand by the year 2000.
- Demand for RNs with master’s degrees and doctorates is estimated to be more than twice the growing supply through the year 2000.





## Factors Explaining the Nursing Shortage

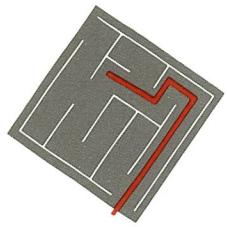
- Almost 1.6 million of the 2 million RNs who are licensed are working as nurses. This represents a labor force participation rate of nearly 80%, a rate higher than most job categories dominated by women (97% of nurses are female). The shortage cannot be explained by the assertion that “not enough nurses are working” because that is inconsistent with nursing’s high labor force participation rate.
- Hospitals have increased the use of RNs from using 50 RNs per 100 patients in 1972 to 96 RNs per 100 patients in 1986 — a 92% increase. This reflects the long-term trend in hospitals to use more RNs in comparison to other nursing-related personnel such as licensed practical nurses and nurses’ aides. This is the result of increasingly complex care; nurses must use sophisticated equipment to care for a patient population with greater nursing care requirements.
- Decreasing use of LPNs, nurses’ aides, and nursing assistants by hospitals has resulted in more non-nursing tasks being assumed by RNs. Study results indicate that between 10% to 40% of a registered nurse’s time is routinely spent performing non-nursing functions. Additional responsibility for clerical work, transpor-



tation services, and cleaning, for example, take nurses away from direct patient care at the bedside.

- The demand for nurses outside of hospitals — in the increasing number of skilled nursing facilities, home care agencies, health maintenance organizations, and industry — adds to the overall need for RNs.
- Nursing salaries for beginning RNs are not keeping pace with inflation. Between 1977 and 1987, average starting salaries for nurses increased from \$11,267 to \$20,964. However, the rate of inflation during the decade increased even more rapidly, so that real (inflation-adjusted) starting salaries for RNs were lower in 1987 than 10 years earlier.
- Nursing salaries are subject to severe salary compression and are not comparable to the growth of career earnings in other professions. Typical starting and maximum salaries for a staff nurse differ by less than 40%. Even if a staff nurse obtains additional education, including a master's degree, salary progression over that career path is only about 62%, less than for secretaries and far less than certain other professions for which career earnings double or triple.
- Enrollments in initial RN programs peaked in 1983 at 254,723 and had fallen more than 26% to approximately 184,000 in 1987. Between 1983 and 1987, the proportion of freshmen women who aspire to be nurses fell by more than one-half, from 8.3% to 4.0%.



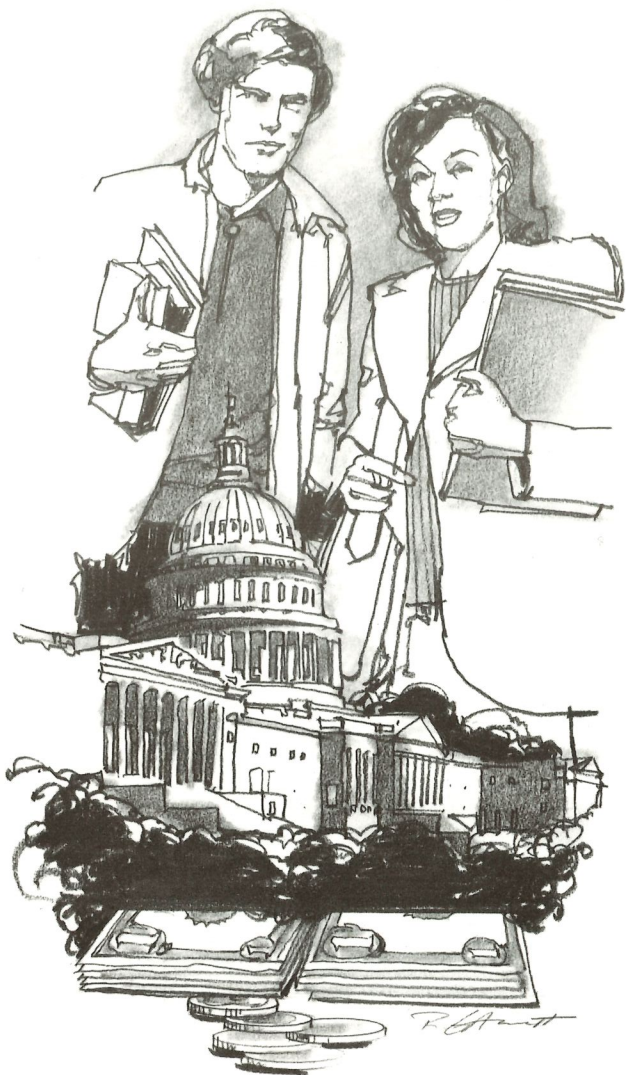


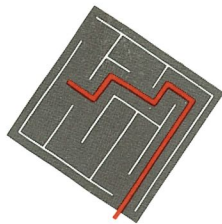
Only 0.2% of male college freshmen plan a career in nursing.

The trend of fewer students enrolling in nursing programs is likely to continue because the number of college-age young people is projected to continue to decline at least until 1995.

## Nursing's Strategies to Solve the Shortage

- The positive aspects of nursing need to be emphasized to other health care providers and to the public so that the "image" of nursing improves. This improved image, or clarity about nursing's identity, will help to make nursing a more attractive career option for both young women and men in the future.
- Hospitals must free nurses from performing non-nursing functions by making more efficient use of existing personnel such as clerical help, transportation assistance, and dietary aides, for example. Also, computers and other technological support in patient care areas save time and enhance efficiency.
- Financial incentives are needed to encourage some nurses who work part-time to return to full-time employment. A full-time employee is more knowledgeable and more professionally involved with the employing institution. Therefore, he or she should be compensated more on an hourly basis than





colleagues who choose only to work part-time.

- Studies show that in order to retain more nurses in nursing, salaries must, at a minimum, increase over time after adjusting for inflation. Better lifetime career earnings patterns are needed in nursing to eliminate serious salary compression and to make nursing more competitive with other professions.
- Studies also indicate that retention of nurses in the profession increases when nurses have greater professional autonomy and play a greater role in decision-making in hospitals.
- Maximizing educational opportunities and making financial support available to prospective nursing students are key elements in successful nursing recruitment. Nursing educational outreach programs that recruit people with a health care background can be effective in quickly expanding the overall pool of nurses, particularly if financial aid is available to qualified persons working to complete accelerated nursing education programs.
- Because nursing is a vital public resource, the state and federal governments must continue to invest in the profession. Lobbying and influencing state and federal governments in favor of increased funding for nursing education, such as through the federal Nurse Education Act, providing direct payment of registered nurses under government health programs like Medicare, and opposing cut-

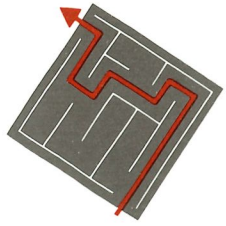


backs in funding for health programs can affect both the recruitment and retention of nurses.

- By maximizing and utilizing nursing's growing political force, strong coalitions can be built with state and national consumer and health care groups around health issues, including the nursing shortage. Work in cooperation with state nurses' associations to create a climate to address the nursing shortage through ANA's grassroots political and legislative networks. Members of Congress and state legislators can be encouraged to hold hearings on the shortage and support initiatives that address the nursing shortage and its causes.
- Efforts should be devoted to educating the public about what they can expect from nurses and how nurses are educated to function effectively in today's complex health care system. This education also needs to increase public awareness about the broad range of services, such as clinical management and case management, that nurses provide for the consumer's health care dollar. Persons who are educated about nursing are more likely to recognize the value of the profession.

# # #

*ANA is the national professional association representing the nation's 2 million registered nurses through its 53 constituent state and territorial nurses' associations.*



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# State Nurses' Associations

**Alabama State Nurses' Assn.**

360 North Hull St.  
Montgomery, AL 36197

**Alaska Nurses Assn.**

237 East Third Ave., Ste. 1  
Anchorage, AK 99501

**Arizona Nurses' Assn.**

1850 E. Southern Ave.  
Tempe, AZ 85282

**Arkansas State Nurses' Assn.**

117 South Cedar St.  
Little Rock, AR 72205

**California Nurses Assn.**

1855 Folsom St., Room 670  
San Francisco, CA 94103

**Colorado Nurses' Assn.**

5453 E. Evans Place  
Denver, CO 80222

**Connecticut Nurses' Assn.**

1 Prestige Dr.  
Meriden, CT 06450

**Delaware Nurses' Assn.**

2634 Capitol Trail — Ste C  
Newark, DE 19711

**Dist. of Columbia Nurses' Assn.**

5100 Wisconsin Ave., N.W./#306  
Washington, DC 20016

**Florida Nurses Assn.**

1235 E. Concord St.  
Orlando, FL 32853

**Georgia Nurses Assn.**

1362 W. Peachtree St., N.W.  
Atlanta, GA 30309

**Guam Nurses Association**

P.O. Box 3134  
Agana, Guam 96910

**Hawaii Nurses' Association**

677 Ala Moana Blvd., Ste 601  
Honolulu, HI 96813

**Idaho Nurses Assn.**

200 N. 4th St., Ste. 20  
Boise, ID 83702-6001

**Illinois Nurses' Assn.**

20 N. Wacker Dr., Ste 2520  
Chicago, IL 60606

**Indiana State Nurses' Assn.**

2915 N. High School Rd.  
Indianapolis, IN 46224

**Iowa Nurses' Assn.**

100 Court Ave., 9LL  
Des Moines, IA 50309

**Kansas State Nurses' Assn.**

820 Quincy St.  
Topeka, KS 66612

**Kentucky Nurses Assn.**

1400 S. First St.  
Louisville, KY 40201

**Louisiana State Nurses Assn.**

712 Transcontinental Dr.  
Metairie, LA 70001

**Maine State Nurses' Assn.**

P.O. Box 2240  
Augusta, ME 04330

**Maryland Nurses Assn.**

5820 Southwestern Blvd.  
Baltimore, MD 21227

**Massachusetts Nurses Assn.**

340 Turnpike St.  
Canton, MA 02021

**Michigan Nurses Assn.**

120 Spartan Ave.  
East Lansing, MI 48823

**Minnesota Nurses Assn.**

1295 Bandana Blvd., Ste. 140  
St. Paul, MN 55108-5115

**Mississippi Nurses' Assn.**

135 Bounds St., Ste 100  
Jackson, MS 39206

**Missouri Nurses Assn.**

206 East Dunklin St., Box 325  
Jefferson City, MO 65101

**Montana Nurses' Assn.**

715 Getchell  
Helena, MT 59604

**Nebraska Nurses' Assn.**

941 "O" St., Ste 707-711  
Lincoln, NE 68508

- Nevada Nurses' Assn.**  
3660 Baker Lane, Ste 104  
Reno, NV 89509
- New Hampshire Nurses' Assn.**  
48 West St.  
Concord, NH 03301
- New Jersey State Nurses Assn.**  
320 West State Street  
Trenton, NJ 08618
- New Mexico Nurses Assn.**  
525 San Pedro, NE, Ste 100  
Albuquerque, NM 87108
- New York State Nurses Assn.**  
2113 Western Ave.  
Guilderland, NY 12084
- North Carolina Nurses Assn.**  
103 Enterprise St., Box 12025  
Raleigh, NC 27605
- North Dakota State Nurses Assn.**  
212 North Fourth St.  
Bismarck, ND 58501
- Ohio Nurses Association**  
4000 E. Main St.,  
Columbus, OH 43213-2950
- Oklahoma Nurses Association**  
6414 North Santa Fe, Ste. A  
Oklahoma City, OK 73116
- Oregon Nurses Assn.**  
9700 S.W. Capitol Hwy. Ste 200  
Portland, OR 97219
- Pennsylvania Nurses Assn.**  
2578 Interstate Drive  
Harrisburg, PA 17105-8525
- Rhode Island Nurses' Assn.**  
345 Blackstone Blvd.  
Hall Bldg. South  
Providence, RI 02906
- South Carolina Nurses' Assn.**  
1821 Gadsden Street  
Columbia, SC 29201
- South Dakota Nurses' Assn.**  
1505 South Minnesota, Ste #6  
Sioux Falls, SD 57105
- Tennessee Nurses' Association**  
1720 West End Bldg., Ste #400  
Nashville, TN 37203
- Texas Nurses Association**  
Community Bank Bldg. Ste 300  
300 Highland Mall Blvd.  
Austin, Texas 78752-3718
- Utah Nurses' Association**  
1058A E. 900 South  
Salt Lake City, UT 84105
- Vermont State Nurses Assn.**  
500 Dorset St.  
South Burlington, VT 05403
- Virgin Islands Nurses' Assn.**  
P.O. Box 538  
Christiansted  
St. Croix, U.S. Virgin Islands 00820
- Virginia Nurses' Association**  
1311 High Point Ave.  
Richmond, VA 23230
- Washington State Nurses Assn.**  
83 South King St., Suite 500  
Seattle, WA 98104
- West Virginia Nurses' Assn.**  
2 Players Club Dr., Bldg. 3  
Charleston, WV 25327
- Wisconsin Nurses Assn.**  
6117 Monona Dr.  
Madison, WI 53716
- Wyoming Nurses' Association**  
Majestic Bldg., Room 305  
1603 Capitol Ave.  
Cheyenne, WY 82001



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2420 Pershing Road  
Kansas City, MO 64108

ANA—An Equal Opportunity Employer

Nursing: A Proud, Caring Profession

STG-1 50M 9/88

# The University of Kansas Medical Center

Office of the Dean  
School of Nursing

February 22, 1989  
Kansas Legislature, Committee on Appropriations

Representative Bunten 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:

ATTACHMENT 7  
SWAM 3-23-89

	<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 <sup>continue their education</sup> ~~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.

## KANSAS ASSOCIATION OF AREA VOCATIONAL-TECHNICAL SCHOOLS

Eugene Lundgrin  
President

Richard Kingston  
President Elect

Robert Stinson  
Secretary

Roy J. Berry  
Treasurer

Date: March 23, 1989

To: Senate Committee on Ways and Means

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 55-58 of the bill which allow students enrolled in licensed practical nursing programs at area vocational schools and area vo-tech schools to compete for 50 scholarships.

Kansas area vo-tech schools are doing their part to ease the shortfall of practical nurses in the state. Nine AVT Schools have Board of Nursing approved LPN programs which prepare students for the many different careers within the nursing field. As of yesterday, these nine schools had a total of 410 students enrolled in their practical nursing programs. Career placement has ranged from 92 to 94 percent in recent years.

It is our belief that HB-2279 will insure that quality students continue to enroll in Kansas nursing programs and remain in the state.

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.

ATTACHMENT 8  
SWAM 3-23-89





**Kansans for Improvement of Nursing Homes, Inc.**

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

TESTIMONY PRESENTED TO THE SENATE COMMITTEE ON WAYS AND MEANS  
CONCERNING HB 2279, ESTABLISHING A NURSING SCHOLARSHIP PROGRAM

March 23, 1989

Mr. Chairman and Members of the Committee:

Kansans for Improvement of Nursing Homes 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.

Marilyn Bradt  
Legislative Coordinator

ATTACHMENT 9  
SWAM 3-23-89



# Memorandum

**Donald A. Wilson**  
President

STATEMENT OF THE KANSAS HOSPITAL ASSOCIATION  
BEFORE THE SENATE WAYS AND MEANS COMMITTEE

HB 2279

March 23, 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. The House added several amendments which we think are beneficial.

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 R.N. positions. By comparison, the staff R.N. 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.

ATTACHMENT 10  
SWAM 3-23-89

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. R.N.'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 R.N. 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

DATE: March 23, 1989

TO: Senate Ways and Means Committee

SUBJ: Support for House Bill 2279, Nursing Student Scholarship Program

The Kansas Health Care Association, representing over 200 adult care home providers (nursing homes), respectfully requests the committee's approval of H.B. 2279.

It is one step to help alleviate the nursing shortage in Kansas. We are grateful to Governor Hayden and his staff for recommending the scholarship program.

Attached is an issue paper prepared by this Association last November which describes the nursing shortage dilemma in nursing homes and suggests a nurse education scholarship program.

Thank you for your support of H.B. 2279.

CONTACT: Dick Hummel, Executive Vice President



# Issue

**AUTHORIZE NURSE SCHOLARSHIP EDUCATION ASSISTANCE PROGRAM : H.B. 2279**

## **Background**

The nation's shortage of nurses is plaguing all health care providers. The nurse shortage problem is complex, and is not just a short-term or cyclical phenomenon for the long term care industry. It is a chronic problem that exists in all geographic areas of Kansas.

While there are more nursing home beds and patients than hospital beds and patients in this state, only seven percent of all employed registered nurses (RNs) work in nursing homes. It has been difficult to attract RNs into the long term care setting, despite the large and growing need.

The shortage is true also for licensed practical nurses (LPNs), of which twenty percent of current licensees are employed by nursing homes. For both categories the projected work force need by the year 2000 is at 15 and 41 percent.

The need for nurses in nursing homes will double in the next decade. Yet all evidence points to declining enrollment in nursing programs, declining interest in nursing careers among college students, and a shrinking pool of females age 18-24 -- the population

most likely to enter the nursing profession.

The nurse shortage is clearly handicapping nursing homes' ability to provide quality care. A recent survey by KHCA showed that 71 percent of nursing homes had at least one unfilled nursing position and 75 percent of those facilities had had the position vacant for more than three months.

New nurse staffing requirements in the Nurse Home Reform Act of 1987 (OBRA) will only serve to worsen manpower pressures.

## **Status**

A coalition of nursing home provider organizations, consumers and state agency representatives have studied the shortage problem for more than a year. The evidence is conclusive that "action" not words, is now needed.

## **KHCA's Position**

KHCA supports the following:  
Creating scholarship programs for undergraduate nursing education, for both LPN and RN training.



**Kansas Health Care Association**

221 S.W. 33rd Street, Topeka, KS 66611 (913) 267-6003

(In-State Toll-Free 1-800-232-0075)

1973



1988

# ASSOCIATED STUDENTS OF KANSAS

## 15 Years In The Student Interest

TO: Senate Committee on Ways and Means  
 FROM: Mark Tallman, Legislative Director  
 DATE: March 23, 1989

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

ASK supports this bill because it 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 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.

Thank you for your consideration.

ATTACHMENT 12  
 SWAM 3-23-89

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The Student Governments of the Regents Institutions

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