

Approved Feb. 13, 1990
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR JOSEPH HARDER at
Chairperson

11:17 a.m./p.m. on FEBRUARY 1, 1990 room 123-S of the Capitol.

All members were present except:

Senator Winter, who was excused

Committee staff present:

Research Department: Diane Duffy, Leah Robinson

Revisor: Norm Furse

Committee Staff: Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Ms. Theda Webster, Director, Early Childhood Development Center, Hays, KS
Marlin Rein, Associate University Director of Business Affairs, University of
Kansas Medical Center (KUMC)
Susan Irza, Director of Personnel, Department of Administration (D of A)

Senator Harder called the meeting to order for the Chairman who was detained
in a meeting.

SB 465 - AN ACT concerning lease of land at Fort Hays state university;
amending K.S.A. 76-519 and repealing the existing section.

Ms. Theda Webster appeared before the Committee in support of SB 465 and
reviewed Attachment 1. She noted that the 5 tracts of land totaled
approximately 1.5 acres of land that could be developed. In answer to a
question, Norm Furse, Revisor of Statutes, stated that there is no standard
leasing form that must be followed. He pointed out that lines 24 and 42 on
page 4 of the bill both read "Tract 4." Senator Allen moved to amend SB 465
by striking the words "Tract No. 4" and inserting the words "Tract No. 5" on
page 2, line 42. Senator Rock seconded, and the motion carried.

Senator Allen moved and Senator Hayden seconded to report SB 465 as amended
favorable for passage. The motion carried.

SB 464 - AN ACT concerning the Kansas civil service act; amending K.S.A. 75-
2935 and repealing the existing section; also repealing K.S.A. 75-
2935d.

Mr. Marlin Rein reviewed Attachment 2 and noted the Medical Center's
arrangement with the Bob Wilson Memorial Hospital in Ulysses, Attachment 3.
In answer to a question regarding the loss of revenue due to patient
diversion, Mr. Rein stated that revenue on a bed is \$2500 per day. Chairman
Bogina noted that KUMC must serve indigent patients, but is turning away
paying patients because of the staffing problems. Mr. Rein told the
Committee that these staffing problems would not be solved with the passage
of SB 464 without funding.

In answer to a question, Mr. Rein noted that with the passage of SB 464, many
employees at KUMC will continue under Civil Service. He stated that
protections for nurses under Civil Service would be continued for the
category of health care employee. The question was posed whether discussion
with the Division of Personnel had involved creating a special category for
KUMC nurses within Civil Service. Mr. Rein said some preliminary work has
been done in regard to developing a separate pay matrix for nurses. However,
he felt that salary ranges under Civil Service might provide only a short

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,
123-S 11:17 XX FEBRUARY 1 90
room _____, Statehouse, at _____ a.m./p.m. on _____, 19__.

term solution, and the classified system does not provide needed flexibility. He noted that approximately 480 registered nurses would be affected by SB 464.

In answer to a question, Mr. Rein noted that passage of SB 464 would:

- 1) allow KUMC to retain currently employed nurses
- 2) improve recruitment of medical school graduates
- 3) encourage nurses to work 100% for KUMC (Some nurses work only enough to retain benefits)

Senator Johnston expressed a concern that competing hospitals in Kansas City would make adjustments in their nursing contracts to nullify the benefits of SB 464. Mr. Rein said that other hospitals do not compete solely with KUMC, and that passage of the bill would only allow KUMC to compete for nursing staff. In answer to a question, he noted that KUMC does not hire agency nurses.

Susan Irza reviewed Attachment 4. Senator Doyen expressed his belief that a separate pay matrix is the only way to solve the problem, but asked if it would be possible to phase the matrix in over a period of time. Ms. Irza said that she would study that and report back. In answer to a question, she noted that the matrix developed with KUMC offers more flexibility than the one developed for Civil Service because it recognizes the marketplace, incentives, education, and experience.

INTRODUCTION OF BILLS

Senator Doyen moved, Senator Kerr seconded, the introduction of bill drafts 9 RS 1725 (relating to the state economic development initiatives fund; concerning transfers to the state water plan fund), 9 RS 2043 (concerning change funds), 9 RS 2050 (concerning claims against certain health care providers), and 9 RS 2045 (concerning certain imprest funds). The motion carried.

Senator Allen moved, Senator Salisbury seconded the approval of the minutes of January 17, 23, 24, and 29. The motion carried.

The meeting was adjourned at 12:19 P.M.

early childhood developmental center, inc.



94 Lewis Drive
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(913) 625-3257

TO: Senate Ways & Means Committee
FROM: Theda Webster, Executive Director, ECDC
RE: Senate Bill No. 465
DATE: February 1, 1990

The Early Childhood Developmental Center (ECDC) began providing services to disabled children in 1966 in a small house across the street from Rarick Hall, Fort Hays State University, Hays, Kansas. Space was later made available to move the school into a small barracks building on campus. In 1977, ECDC requested and was granted a lease on land at 94 Lewis Drive, across the street from Lewis Field, the present location of the school. In 1985, ECDC requested and was granted a lease on land which allowed for an addition to the building. Over a period of approximately 25 years ECDC has expanded services and facilities and now provides education for approximately 90 children from birth to school age. Our school is now requesting a lease on land adjacent to our present playground in order to enlarge the play area and add play equipment to accommodate our enrollment.

From the time of ECDC's inception as the Hays Day Care for Exceptional Children, to the present, we have maintained an unwritten cooperative agreement with Fort Hays State

*SWAM
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Attachment 1*

University (FHSU). ECDC provides a practicum and observation site for university students from varied departments, i.e., education, special education, speech pathology, physical education, sociology, psychology and nursing. In turn, FHSU provides street maintenance, some yard maintenance and police surveillance after closing hours. The ECDC Board of Directors and staff appreciate the long-standing positive relationship between FHSU & ECDC. We ask that Senate Bill No. 465 be approved by the Ways and Means Committee and subsequently be approved by the Senate.

Kansas University Medical Center
Testimony on Senate Bill 464
February 1, 1990

Senate Bill 464 was introduced at the request of the University of Kansas Medical Center. Members of this committee will recognize that the bill is very similar to a piece of legislation this committee considered a year ago, Senate Bill 350. As you recall, Senate Bill 350 proposed the creation of a new category of unclassified employee to be titled "Health Care Worker". As introduced, S.B. 350 would have enabled the University Hospital to move all hospital health care employees into the unclassified service. The form of the bill that eventually was enacted limited that authority to medical technologists and respiratory therapists, and to special care nurses.

At the beginning of this fiscal year, the institution implemented the health care worker category for all medical technologists and technicians and respiratory therapists. With the authority you granted us a year ago, we believe we have stabilized our situation in these two areas, as evidenced by vacancy data. Currently, we have a total of eight medical technologists and technician positions vacant; a year ago at this time we had 18 vacant. We currently have one respiratory therapist position unfilled, whereas a year ago we had 8 positions vacant. Using the authority and the funding you provided, we have been able to improve our ability to retain the staff that we had as well as to compete in a very competitive labor pool in the Kansas City metropolitan area.

We regrettably concluded that we could not implement the authority that related to special care nurses for two principle reasons. Because of staffing limitations, we frequently have to shift assignments to adequately cover all units, a practice which would be impeded if we created two categories of nurses. A second concern was the fact that under the classified system, our pay structure remained noncompetitive. It was our belief that we could not single out certain nurses and improve their rate of compensation while leaving large groups of other nurses with an inadequate pay structure. Having made that decision, we opted to seek introduction of Senate Bill 464, which would permit us to broaden the authority of Senate Bill 350 to include all registered and practical nurses. While we still believe the original provisions of Senate Bill 350 which would permit us to move all health care employees in the hospital into the unclassified service is the preferred and long term objective, S.B. 464 would enable us to better address our nursing problems.

As has been reported by the media, our nursing staffing problems continue to worsen. The heavy workloads, continued overtime, double shifting, and the continuous reassignment of nurses between units has taken its toll on nurse morale. We currently have 74 vacant registered nurses. A year ago at this time we were at 70 vacancies, two years ago 35. We have attempted a variety of solutions or stop gap measures. With the approval of the administration we have instituted a special project worker category of nurse for which we pay a higher salary for personnel who are willing to commit to only night shifts. Within the last week, the Governor has authorized us to pay a float differential to nurses who are required to be reassigned from their normal duty station or to nurses who are employed without a regular unit of

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Attachment 2

assignment. Both of these authorities extend through the end of the current fiscal year. At best, we hope these efforts will help us to stabilize our situation and avoid a continued deterioration in the months to come.

Another effort that we have recently undertaken is an arrangement by which nurses who are regularly employed by the community hospital in Ulysses are flown into Kansas City, an 800-mile round trip. They work three to four days in 12-hour shifts to augment our regular staff. We then return them to Ulysses and bring three or four others to replace them. We have converted unused older hospital rooms for overnight accommodations for these nurses. This is not a solution. The effort was undertaken, at some considerable cost, because our problem is so acute. Also, the Ulysses Hospital, a 35-bed facility, has had a dramatic decline in average census. It has been their good fortune, however, to have an abundant supply of nurses. The program has had a mutual benefit for both facilities, providing us badly needed manpower and reducing the financial burden for the Ulysses Hospital while still permitting them to retain their full complement of nurses.

The lack of nursing staff has directly impacted on the operation of the institution in many ways. One which should concern this committee greatly, is the loss in revenue that we will experience because of our staffing problems. We can document the continued diversion of patients away from the hospital that has occurred because of nursing staffing. Since November 1, we have routinely diverted ambulances away from the institution except for those patients for which we may be the only appropriate facility in the metropolitan area. The financial loss to the state is more than any of us would really like to think about. I recently had the opportunity to participate in a number of interviews with candidates for the position of hospital administrator. Many of the candidates came from university medical centers from around the country. What was interesting to me was the recurring concerns each voiced about the Medical Center. One concern was whether a university hospital could retain an adequate pool of trained nursing and other health care professionals while being under the control of a state civil service system. Without exception, they all expressed strong reservations whether that was possible.

What we have proposed in Senate Bill 464 is not unique. It is the standard among university teaching hospitals. In the last week we have contacted university hospitals in Missouri, Iowa, Nebraska and Colorado to determine whether or not their hospital nurses were under the State Civil Service System. In every state the answer is the same, "No." The concerns that you and others will have with regard to this bill today are probably the same ones expressed a year ago when Senate Bill 350 was before this committee. The principal concern then was how does one justify setting the university hospital and its nursing staff apart from those other state institutions and facilities that employ nursing personnel. That concern is a legitimate one and is based on the premise of equal pay for equal work. I would counter by arguing that the demands, pressures and skills required of nursing staff may vary considerably between institutions. I suspect those nurses from Ulysses would readily concur that there is a significant difference between the demands placed on them at the University Hospital as contrasted to the community hospital in Ulysses. I strongly disagree with the view that all nurses and all nursing positions are alike. I would also submit to you that if the State Civil Service System is to be effective in providing

adequate pools of qualified personnel for state agencies across the state, to the extent that geographic pay differentials do exist for critical skilled persons, the system should allow for those. What is a standard component of a pay or fringe benefit system in the Kansas City area may be totally foreign in central and western Kansas or even Topeka. Likewise, the going salary rate in Larned may not be the same as Winfield or Topeka or Kansas City.

I would like to conclude by saying that the University Hospital has enjoyed tremendous support from the Kansas Legislature for the last decade. I believe legislators can point with pride to the institution as a true success story. I think if the next decade is going to be a continuation of the past, we need to examine at a very fundamental level the rules of the game under which the University Hospital is asked to function as a state institution. Some issues go far beyond merely personnel issues. While we may be pleased with the quality of patient care and level of income growth realized over the last decade, are we certain that it was really as good as it might have been. A logical question about S.B. 464 is what is its cost to implement. As our fiscal note indicates, passage of the bill will not mandate any additional expenditures. However, if we are to adequately address the problem, additional budget authority is required. Maybe the appropriate question should be what is the cost if we fail to enact it. I am confident that the loss in earning potential exceeds the incremental costs of paying an appropriate salary to nursing personnel.

Nurses fly 400 miles to aid med center

By TIM CARPENTER
J-W Staff Writer

It's as if a dozen nurses at Bob Wilson Memorial Hospital in Ulysses read about the odyssey of legendary Greek hero Ulysses and decided to embark on an adventure of their own.

Nurses from the southwest Kansas community volunteered to fly to Kansas City on a rotating basis to relieve the beleaguered Kansas University Medical Center nursing staff.

Although the nurses don't have to survive one-eyed cyclops or shipwrecks as Ulysses did, they must endure an 800-mile roundtrip flight and 12-hour shifts at KUMC.

Mary Eisenbise, director of nursing services and associate hospital administrator at the medical center, said a second group of nurses arrived Monday.

"THE PROGRAM'S purpose is twofold," Eisenbise said. "To help us with our nursing shortage and to give them more experience, especially in the treatment of acute illnesses."

KUMC officials have struggled for several years to alleviate the medical center's nursing shortage, but the nursing vacancy rate doubled between December 1988 and December 1989.

The national shortage is due to increased demand for nurses'

services in the treatment of acutely ill hospital patients and in the care of people in non-hospital settings.

The verbal agreement — there is no contract — provides full-time work to almost half of the 26 nurses at the Ulysses hospital, which has 35 beds and an average patient census of seven.

EISENBISE said Ulysses, like other small hospitals in rural Kansas, has too few patients to guarantee full-time work to even their most experienced nurses.

"With the farm economy the way it is in many rural areas of the state, I thought perhaps nurses who needed full-time pay could come here for several shifts per week," she said.

The first group of nurses arrived Jan. 2. When Therese Minks and Nancy Nicholas left Ulysses, five patients were in Wilson Memorial. The same day, the KU hospital had 300 patients.

"My biggest shock was when they told me there were over 5,000 employees and students at KU," Minks said. "That's as many people as live in Ulysses."

UNDER THE arrangement, the medical center's twin-engine outreach plane picks up

See Nurses, page 11A

Nurses fly across Kansas to help at medical center

(Continued from page 1A)

and drops off two or three nurses each week while on scheduled trips to western Kansas.

"We've had people drive from Lawrence, Paola, Fort Scott and even Manhattan," she said. "But Ulysses is about as far from Kansas City as you can get. No way is somebody going to drive."

The program places the nurses on the medical center's payroll and provides them housing in converted hospital rooms. Each works 24 to 40 hours on eight- or 12-hour shifts.

Although Eisenbise said she doesn't know the exact salary

paid nurses working at the Ulysses hospital, she believes the salary paid Ulysses nurses at KUMC is higher.

Eisenbise said the program would continue at least six months. It could end if KUMC fills vacancies with May graduates or the demand for nurses in Ulysses expands, she said.

"We would welcome other hospitals wishing to participate in this," the hospital administrator said. "But we wouldn't fly them unless they were beyond Salina."

The concept of flying in substitute nurses is apparently a new approach for a Kansas City area hospital trying to deal with the nursing shortage, Eisenbise said.

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Attachment 3

Testimony to the
Senate Ways and Means Committee

by

Susan Irza
Director, Division of Personnel Services

February 1, 1990

Good morning, Mr. Chairman and members of the committee. My name is Susan Irza. I am Director of the Division of Personnel Services, Department of Administration. My purpose this morning is to offer brief comments on Senate Bill 464.

It is appropriate to state to this committee that we recognize the pressing staffing problems at the Medical Center--especially in the areas of registered nurses and licensed practical nurses. While the shortage of these and other health care staff exists statewide, the nursing shortage at KUMC represents a critical situation.

The Division of Personnel Services has worked with the Medical Center to design a separate pay matrix for their nurses and licensed practical nurses. It addresses the factors identified in the Interim Study Committee's report on Proposal #48--Retention of State Health Care Employees. We also have begun discussion with SRS about the applicability of that model to SRS needs, but further review is needed.

The cost of the new matrix for the Medical Center alone is almost \$2 million. That cost makes it impossible for the administration to recommend such an expenditure at this time.

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Attachment 4

This should not be interpreted to mean that a separate matrix is not needed. Indeed, DPS believes that the state will need a series of separate pay matrices to respond to the dynamics of this and other professional areas in the future.

The Department of Administration recognizes that Senate Bill 464 is an attempt to address much needed flexibility. Given the State's economy, and the cost of the KUMC nursing matrix, we believe Senate Bill 464 may offer the only palatable alternative.

We do caution the committee that previous legislative action taken to unclassify positions has been challenged successfully in court by employees who were subsequently terminated. Should the kind of unclassification proposed in Senate Bill 464 take place, terminations should be merit related. Further, we suggest that the Medical Center develop an in-house system to allow any formerly classified employees some right of notice and an opportunity to be heard prior to termination.

Mr. Chairman, this concludes my formal comment. I will be happy to answer questions or respond to comments at this time.