

MINUTES OF THE HOUSE COMMITTEE ON HIGHER EDUCATION.

The meeting was called to order by Chairperson Lisa Benlon at 3:30 p.m. on March 14, 2001 in Room 231-N of the Capitol.

All members were present except: Vice Chairman Krehbiel (E)
Representative Tanner (E)

Committee staff present: Paul West, Kansas Legislative Research Department
Stuart Little, Kansas Legislative Research Department
Avis Swartzman, Office of the Revisor of Statutes
Dee Woodson, Committee Secretary

Conferees appearing before the committee: Dr. Jerry Farley, President, Washburn University
Dick Carter, Kansas Board of Regents (written only)
Charles Wheelen, Executive Director, Kansas Association
of Osteopathic Medicine
Diane Lindeman, Associate Director of Fiscal Affairs,
Student Financial Aid, Kansas Board of Regents
Major General Greg Gardner, Adjutant General
Kansas Army National Guard
Craig Grant, Kansas National Education Association
Garry Robbins, Executive Director, Kansas Optometric
Association
Senator Lana Oleen (written only)

Others attending: See attached sheet.

Minutes for the Higher Education Committee for February 14 and February 19 were presented for approval and corrections. Representative Lane made a motion to approve both sets of minutes as presented, and Representative Tafanelli seconded the motion. The motion carried.

SB 8 - Washburn University, operating grants, determination

Chairperson Benlon opened the hearings on **SB 8**. Dr. Jerry Farley, President of Washburn University, was the first conferee who testified in favor of this bill. He explained the need of this clean-up legislation for **SB 345**, and to clarify the language and its intended interpretation as to the year the appropriations would be based on. He said the Kansas Board of Regents' staff along with Washburn's worked together to develop language intended to bring the provisions of SB 345 (1999) in conformance with the University's interpretation. Dr. Farley stated that this language was approved by the Board of Regents at its December meeting, and the Legislative Educational Planning Committee (LEPC) has reviewed and endorsed it. He clarified that the LEPC recommended the legislation to change the Operating Grant distribution formula so that the allocation to Washburn University was based on the higher of the FTE enrollment in the second or third fiscal year preceding the fiscal year for which the appropriation is made.

Dr. Farley testified that over the long run the implementation of this change would be fiscally neutral, and that fluctuations in the University's enrollment would be accounted for and adjusted in future appropriations. He said that with the Kansas Board of Regents endorsement **SB 8** will clear up the potential confusion over the current and prior years mentioned in the calculation formulas. Dr. Farley requested one amendment which was to change the effective date from publication in the Statute Book to publication in the Kansas Register. (Attachment 1)

Dick Carter, Kansas Board of Regents, presented written testimony from the Regents in full support of **SB 8**. He said that the bill represents extensive negotiations between Washburn and KBOR staff to come up with the agreed upon language to render the Washburn funding formula more definitive in its determination of Washburn's annual state operating grant. (Attachment 2)

CONTINUATION SHEET

MINUTES OF THE HOUSE HIGHER EDUCATION COMMITTEE, Room 231-N of the Capitol
at 3:30 p.m. on March 14, 2001.

After Committee discussion and questions, the Chair closed the hearings on **SB 8**.

Representative Gordon made a motion to pass **SB 8** out favorably and place it on the Consent Calendar. The motion was seconded by Representative Kuether seconded the motion and the motion carried.

HB 2014 - Professional service scholarships, osteopaths, optometrists, nurses, teachers, national guard officers

The Chair opened the hearings on **HB 2014**. Diane Lindeman, Associate Director of Fiscal Affairs, Student Financial Aid, Kansas Board of Regents, testified in support of **HB 2014** which she said was their attempt to try and standardize their professional service scholarship program and streamline the administration of the programs by making them consistent with one another and generally update the law.. She told the Committee that in the fall of 1999 there was a group of representatives of the professional associations, legislative staff and Regents staff who worked together to recommend statutory changes in the programs to the Legislative Educational Planning Committee (LEPC). Ms. Lindeman said that this bill makes several changes to several programs which included Osteopathic Scholarship, Nursing Student Scholarship, Optometry Education, Teacher Scholarship, Ethnic Minority Fellowship, Advanced Registered Nurse practitioner, and the Kansas National Guard ROTC Scholarship. She added that it also amends the Ethnic Minority Fellowship Program, and by request of the Regents the 2000 Legislature approved similar amendments to the Ethnic Minority Scholarship Program. She explained the various changes that are included in **HB 2014** including the service obligations for scholarship recipients. (Attachment 3)

The Chair called the Committee's attention to copies of the Fiscal Note for **HB 2014** handed out to each member, and briefly reviewed it noting in the last paragraph that the Board of Regents could absorb the cost of an annual meeting. (Attachment 4)

Major General Greg Gardner, Adjutant General, appeared before the Committee to testify in support of **HB 2014**, and how it affects the Kansas Army National Guard ROTC scholarships. He said the present law authorized 40 scholarships, pays tuition only, but with present funding only supports 22 scholarships per year. He said they support this bill for the purpose of increasing the effectiveness and efficiency having the Regents manage it, having their help in recouping money for students who reneged, and for having the flexibility to move the scholarships between schools. The Major General stated that they did not support changes in **HB 2014** that shift scholarships from covering tuition only to covering 70% of the average cost of attendance which means they will lose a number of scholarships, and thus lose a number of recruits. He stated that they would fully support **HB 2014** if the 160 authorized were funded. He Shared with the Committee the various reasons Kansas Guardsmen scholarships are good for Kansas. (Attachment 5)

Craig Grant, representing Kansas National Education Association, spoke in support of **HB 2014** which was introduced by the Legislative Educational Planning Committee (LEPC). He said that they had asked for and LEPC included an addition to the scholarship by adding "underserved area" on page 21 of the bill to the list of qualifiers for a teacher service scholarship. Mr. Grant said they believed an incentive for teachers to go to certain geographic areas of the state should be given, and this bill was one of their legislative initiatives for the 2001 Legislative Session. (Attachment 6)

Charles Wheelen, Kansas Association of Osteopathic, testified in support of **HB 2014**. He stated that the amendments and new sections i the bill were the product of extensive hearings, staff work, and deliberations by the LEPC. He said the amendments would significantly improve the Kansas Osteopathic Medical Service Scholarship Program. He explained that the State of Kansas does not have the benefit of a school of osteopathic medicine at any of the Kansas academic institutions, but did have an excellent program that provides financial assistance to Kansas residents while they pursue a Doctor of Osteopathy Degree at an out-of-state college or university. He clarified for the Committee that if the doctors return to Kansas and practice primary care medicine in a rural county, the academic loan would be forgiven; whereas if they do not return to Kansas to practice medicine, they must repay the funding with interest. He stated that this bill also creates fundamental fairness in that it establishes equity between medical

CONTINUATION SHEET

MINUTES OF THE HOUSE HIGHER EDUCATION COMMITTEE, Room 231-N of the Capitol at 3:30 p.m. on March 14, 2001.

student loan recipients at the University of Kansas School of Medicine and scholarship recipients in the Kansas Osteopathic Medical Service Scholarship Program. (Attachment 7)

Committee questions and discussion related to the residency training required and the interest rate for repayments in Section 3 was changed from 15% to 14% due to the variable rates based on one year U.S. Treasury Notes.

Gary Robbins, Executive Director of the Kansas Optometric Association, testified that his association was strongly in favor of the improvements initiated by **HB 2014**. He directed his comments to the Optometry seat program covered in Section 7 of the bill. He explained that there are only 17 optometry schools in the United States, and that this program guarantees admission and continued enrollment for Kansas students. He stated that his association is extremely appreciative of the support from the Board of Regents in administering the current program. He concluded by saying **HB 2014** would further improve the administration of all the scholarship programs, and provide uniform guidelines for similar programs. (Attachment 8)

Representative Storm asked for clarification on the minority fellowship grant, and the Revisor explained the section covering it on page 27 and on lines 25 and 26 which included a service agreement with the ability to fulfill requirements at any school. Representative Storm commented that Kansas certainly needed minority teachers in elementary, secondary, and post-secondary institutions. She said that all of the others have been based on people going into certain occupations, and we need to provide opportunities for ethnic minorities. She added that there was a need for ethnic minority MBA's in Kansas, and would like for them to stay in Kansas after obtaining their degrees.

Mary Prewitt, General Council for the Kansas Board of Regents, and the Revisor explained the original intent of the Ethnic Minority Fellowship and what the Ethnic Minority Scholarship Program covered.

The Chair directed the Committee's attention to written testimony submitted by Senator Lana Oleen in support of **HB 2014**. (Attachment 9)

The Chair asked if there were any opponents present who would like to testify before the Committee, and seeing none, closed the hearings on **HB 2014**.

Representative Kuether made a motion to pass **HB 2014** out favorably, and the motion was seconded by Representative Storm. The motion carried.

The Chair adjourned the meeting at 4:25 p.m., after announcing that this would be the last committee meeting for Higher Education during the 2001 Session.



WASHBURN UNIVERSITY

Office of the President

Testimony to the House Committee on Higher Education regarding Senate Bill 8

by

Jerry B. Farley, President
Washburn University

March 14, 2001

Madame Chairwoman, Members of the Committee:

We are pleased to appear before you today to endorse the concepts embodied in Senate Bill 8 and to urge your favorable action, with one amendment, on this legislation.

The 1999 Legislature passed Senate Bill 345, the Kansas Higher Education Coordination Act. This far-reaching legislation has effected the way we control, supervise, coordinate, govern and finance all of Kansas post-secondary education. We are now in the second year of its implementation and, as is to be expected with a far-reaching and comprehensive piece of legislation, incongruous details have emerged which require your reexamination. Such is the case with the problems Senate Bill 8 is intended to address.

Senate Bill 345 provides that Washburn's current year funding shall be based upon the greater of the FTE enrollment in the two prior fiscal years. Last summer, out of discussions with the Kansas Board of Regents' staff, there emerged differing interpretations on their part and ours as to what this language was intended to mean. We took it to mean that when the Legislature appropriates funding under this formula for Washburn University, such funding would be based upon the two prior fiscal years for which the FTE enrollment is known. In the case of the immediate situation, our interpretation is that the FY 2002 appropriation would be based on the greater of the FTE enrollments in fiscal year 2000 and fiscal year 1999, as enrollments for fiscal year 2001 would not be known until near the end of the 2001 Legislative Session.

The Kansas Board of Regents' staff interpreted the current year to roll forward with each year such that funding provided for fiscal year 2002 would be based upon fiscal year 2000 enrollments, which are known, and fiscal year 2001 enrollments, which are not known. Such an interpretation would require an end-of-the-year adjustment in the State Grant with a potential turn back of funds for enrollment decline or the necessity of requesting a supplemental appropriation late in the Session should enrollments grow. We do not think that the Legislature intended to engage in annual adjustments or potential requests for supplemental appropriations in the case of Washburn's State Grant. For ten years the State Grant was appropriated and that was the amount the University received in the subsequent fiscal year.

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Attachment 1

The Kansas Board of Regents' staff, along with the University's, worked together to craft language intended to bring the provisions of SB 345 in conformance with the University's interpretation. This language was taken to the Kansas Board of Regents at its November meeting and approved in December. At the same time the University was working with the Kansas Board of Regents on this proposal, it was also reviewed by the Legislative Educational Planning Committee as part of its assignment to review and monitor the implementation of Senate Bill 345. They also endorsed the University's proposal and recommended "the introduction of legislation to change the Operating Grant distribution formula so that the allocation to Washburn University is based on the higher of the FTE enrollment in the second or third fiscal year preceding the fiscal year for which the appropriation is made" ("Committee Reports to the 2001 Kansas Legislature", 9-15). Senate Bill 8 is the pre-filed bill recommended by the Legislative Educational Planning Committee to accomplish its recommendations.

Over the long run, implementation of these concepts is fiscally neutral. Fluctuations in the University's enrollment will be accounted for and adjusted in future appropriations. The University's State Grant will lag behind enrollment fluctuations but will be based, in every instance, on known enrollments. Attached is a table entitled "FY 2002 Budget Calculation of SB 345 State Aid." The first column shows the original request which the University submitted in June of 2000. The middle column indicates the University's appropriation for FY 2002 under the concepts embodied in Senate Bill 8. The third column indicates a revised request approved by the Kansas Board of Regents for FY 2002, assuming that Senate Bill 8 is not enacted by the Legislature. With the opening of the Living/Learning Center this fall, the University is anticipating a substantial increase in enrollments totaling approximately 300 full time equivalent students. Rather than approaching the Legislature with a significant supplemental request next spring during the 2002 Session, the Kansas Board of Regents and Washburn agreed that it was appropriate that the anticipated enrollment growth be taken into account. They approved this requested increase at their October meeting.

The calculation of the FY 2002 Operating Grant increase should have been \$1,584,150, but due to an error in the calculation of our original request, the Governor has recommended an increase in Washburn's Operating Grant under the SB 345 formula of \$1,323,621. With the Kansas Board of Regents endorsement, Senate Bill 8 will clear up the potential confusion noted above over the current and prior years mentioned in these formulas. We feel we should receive an Operating Grant increase of \$1,584,150 for FY 2002 based upon the greater of the two prior fiscal year's enrollments. However, we also understand the competing demands on the state's resources and simply wish to call this to your attention. We do not intend to raise this issue further unless additional resources become available to better fund the Kansas Board of Regents' Unified Budget Request.

We request one amendment to change the effective date from publication in the statute book to publication in the Kansas Register. This will allow possible consideration of the financing of SB 345 at the end of the 2001 Session should additional funds be identified. We hope you will accept this amendment and recommend SB 8 favorably for passage.

WASHBURN UNIVERSITY
FY 2002 BUDGET - CALCULATION OF SB 345 STATE AID

	<u>Original Request</u>	<u>Based on WU Interpretation Greater of Prior Two FY Enrollments</u>	<u>Based on KBoR Staff Interpretation Greater of Projected FY 01 & FY 02 Enrollments</u>
Step 1: Record the Cost per FTE to use for FY 02 <i>Source: Marvin Burris, KBoR Office</i>	\$ 4,427	\$ 4,427	\$ 4,427
Step 2: WU Resident FTE	<u>4,351</u>	<u>4,458</u>	<u>4,751</u>
Step 3: Determine gross Cost per FTE for FY 02	<u>\$19,261,877</u>	<u>\$19,735,566</u>	<u>\$21,032,677</u>
Step 4: Multiply FY 02 cost by 55%	\$10,594,032	\$10,854,561	\$11,567,972
Step 5: Compare with FY 01 Budget	<u>\$ 9,270,411</u>	<u>\$ 9,270,411</u>	<u>\$ 9,270,411</u>
ESTIMATED INCREASE IN STATE AID FY 02	<u>\$ 1,323,621</u>	<u>\$ 1,584,150</u>	<u>\$ 2,297,561</u>



KANSAS BOARD OF REGENTS

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*Written Testimony Submitted
by Dick Carter for Kim Wilcox*

MEMORANDUM

TO: Members, House Committee on Higher Education

FROM: Kim Wilcox
Executive Director

RE: SENATE BILL 8

DATE: March 14, 2001

On behalf of the Kansas Board of Regents, I want to express support for the passage of Senate Bill 8.

Senate Bill 8

Senate Bill 8 represents the collaboration of Washburn and KBOR staff to render the Washburn funding formula more definitive in its determination of Washburn's annual state operating grant.

The Washburn funding formula in SB 345 is FTE enrollment driven and is based on the higher of FTE enrollment in the current or prior fiscal year. As written in statute, it is a formula for an entitlement that must be determined in "real time," i.e., the operating grant to be paid in a particular fiscal year must be determined based on that fiscal year's FTE enrollment, or the prior year's enrollment, whichever is larger. Obviously, that cannot be determined until late in the current fiscal year, at which time the operating grant may be subject to a year-end adjustment.

The proposed amendments define the fiscal year enrollment to be used in determining the operating grant in such a way that the operating grant would not be subject to adjustment in the fiscal year because of enrollment change. The amended formula would use the larger of the two fiscal year enrollments known at the time the request is made by the KBOR. Assuming the legislature funded the request, the appropriation would be distributed to Washburn without adjustment by the Board of Regents during the fiscal year. This would give Washburn the benefit of knowing and planning for the full amount of its operating grant prior to the beginning of the fiscal year. For Washburn, this approach would be consistent with its ten-year history prior to SB 345 of receiving an operating grant which was not subject to adjustment by the Board of Regents.

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Attachment 2

HOUSE HIGHER EDUCATION COMMITTEE

TESTIMONY ON HOUSE BILL 2014

Presented by Diane Lindeman
Associate Director of Fiscal Affairs, Student Financial Aid
Kansas Board of Regents
March 14, 2001

PROFESSIONAL SERVICE SCHOLARSHIP PROGRAMS

The Board of Regents administers several professional scholarship programs designed to help insure that needed professional services are available to Kansans. This is accomplished by creating a service obligation for recipients to practice in Kansas, and/or by purchasing seats for Kansas students to attend schools in other states for professional training that is not available in Kansas. In the fall of 1999, a group of representatives of the professional associations, legislative staff and Regents staff worked together to recommend statutory changes in the programs to the Legislative Educational Planning Committee. Many of the changes recommended by the LEPC are intended to streamline the administration of the programs by making them consistent with one another and generally update the law.

As recommended by the LEPC, HB 2014 makes several changes to the following programs: Osteopathic Scholarship; Nursing Student Scholarship; Optometry Education; Teacher Scholarship; Ethnic Minority Fellowship; Advanced Registered Nurse Practitioner; and Kansas National Guard ROTC Scholarship.

In addition, HB 2014 amends the Ethnic Minority Fellowship Program to recognize the need to enhance the diversity of the student population at the state educational institutions. At the Board's request, the 2000 Legislature approved similar amendments to the Ethnic Minority Scholarship Program.

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Attachment 3**

The following is a brief description of the changes included in HB 2014:

1. Expands the list of eligible sponsors for nursing students to include licensed home health agencies and local health departments.
2. Adds language to the Teacher Scholarship Program under which a student could fulfill the service obligation by serving in a part of the state where there is a critical teacher shortage, regardless of the discipline taught.
3. Reconciles the definitions of "primary care" in the Osteopathic Scholarship Program to make them consistent.
4. Adds the reason of "family leave", as defined in the Family Medical Leave Act, to the list of reasons the service obligation could be deferred.
5. Adds an "extenuating circumstances" reason, as determined by the Board of Regents, to the list of reasons for deferral of the service obligation.
6. Adds training in residency programs or other similar programs to the list of reasons for deferral of the service obligation for optometry graduates.
7. Standardizes the grace period between the time a person is eligible to work and must begin to fulfill the service requirement to six months.
8. Increases the maximum scholarship to an amount not to exceed 70 percent of the cost of attendance at a Regents university for the ROTC, nursing, advanced registered nurse practitioner and teaching scholarship programs; in the case of the osteopathic scholarship program, increases the maximum amount of the scholarship to the amount allowed under the Medical Student Loan Act; establishes the maximum award for the ethnic minority fellowship program to an amount not exceed the cost of attendance at a Regents university.
9. Renames all programs as service programs to emphasize that a service commitment is expected.
10. Lowers the interest rate on repayments from 15 percent to rates applicable to loans made under the federal PLUS (Parent Loan for Undergraduate Student) program at the time the recipient first entered the program, plus 5 percentage points. Currently the interest rate on the PLUS Program is around 9%.

11. Makes consistent the ways in which the recipient's obligation can be satisfied.
12. Gives the Board of Regents the option to contract with a private service to collect repayments.
13. Allows practitioners to work part-time, as long as part-time service equated to full-time equals the total amount of time required under the service agreement.
14. Amends the existing Kansas National Guard ROTC Scholarship Program to reallocate unused slots among eligible institutions.
15. Establishes the professional service scholarship advisory committee comprised of eight members that represent each of the service area.

The Board of Regents supports passage of HB 2014 and urges the Committee to pass the bill out favorably.

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DIVISION OF THE BUDGET
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Bill Graves
 Governor

Duane A. Goossen
 Director

January 22, 2001

The Honorable Kenny Wilk, Chairperson
 House Committee on Appropriations
 Statehouse, Room 514-S
 Topeka, Kansas 66612

Dear Representative Wilk:

SUBJECT: Fiscal Note for HB 2014 by Legislative Educational Planning Committee

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2014 is respectfully submitted to your committee.

HB 2014 makes several changes to the following programs: Osteopathic Scholarship, Nursing Student Scholarship, Optometry Education, Teacher Scholarship, Ethnic Minority Fellowship, Advanced Registered Nurse Practitioner, and Kansas National Guard ROTC Scholarship Program. The following is a list of the changes included in HB 2014:

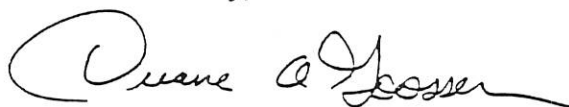
1. Expands the list of eligible sponsors for nursing students to include licensed home health agencies and local health departments.
2. Adds language to the Teacher Scholarship Program under which a student could fulfill the service obligation by serving in a part of the state where there is a critical teacher shortage, regardless of the discipline taught.
3. Reconciles the definitions of "primary care" in the Osteopathic Scholarship Program to make them consistent.
4. Adds "family leave," as defined in the Family Medical Leave Act, to the list of reasons the service obligation could be deferred.
5. Adds "extenuating circumstances," as determined by the Board of Regents, to the list of reasons for deferral of the service obligation.
6. Adds training-in-residency programs or other similar programs to the list of reasons for deferral of the service obligation for optometry graduates.

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 Attachment 4

7. Standardizes the grace period between the time a person is eligible to work and when he or she must begin to fulfill the service requirement to six months.
8. Increases the maximum scholarship to 70.0 percent of the average cost of attendance. One exception to this would be that the scholarship could not exceed 70.0 percent of the cost of enrolling in the same program at a Regents institution. Another exception would be the increase in the maximum scholarship for the Osteopathic Scholarship Program to an amount equal to that allowed under the Medical Student Loan Act.
9. Renames all medical programs as service programs to emphasize that a service commitment is expected.
10. Lowers the interest rate on repayments from 15.0 percent to rates applicable to loans made under the federal PLUS (Parent Loan for Undergraduate Student) Program at the time the recipient first entered the program, plus 2.0 percent. Currently, the interest rate on the PLUS Program is approximately 8.5 percent.
11. Makes consistent the ways in which the recipient's obligation can be satisfied.
12. Gives the Board of Regents the option to contract with a private service to collect repayments.
13. Allows practitioners to work part-time, as long as part-time service equated to full-time equals the total amount of time required under the service agreement.
14. Reallocates unused slots in the existing Kansas National Guard ROTC Scholarship Program among eligible institutions.
15. Establishes the Professional Service Scholarship Advisory Committee of eight members that represent each of the service areas.

The Board of Regents staff notes that the cost of an annual meeting for eight people at \$35 per person for per diem compensation would be \$280. This amount could be absorbed by the Board's operating budget. Funding for the scholarships would be dictated by legislative appropriation because increasing the maximum award, in itself, does not cause a fiscal effect.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Marvin Burris, Board of Regents

House Higher Education Committee
Testimony on HB 2014
Major General (KS) Greg Gardner, Adjutant General
March 14, 2001

- ◆ Testimony addresses how HB 2014 affects **Kansas Army National Guard ROTC scholarships**
- ◆ **Present Kansas law**
 - **Authorizes 40 scholarships** a year (160 for 4 years) at ROTC schools (KSU, KU, WU, PSU)
 - **Pays tuition only** (average cost \$2359 per scholarship this year)
 - **However, present funding supports only 22 scholarships** a year (88 for 4 years)
 - Present funding is \$184K of the \$377K required
- ◆ We **support** changes in HB 2014 that:
 - Allow Regents to manage scholarships (makes **efficiency improvements likely**)
 - Allow unfilled scholarships to be moved to other ROTC institutions (provides **more flexibility**)
 - Adds teeth to recoup funds with interest from students who renege (allows **added scholarships**)
- ◆ We **do not support** changes in HB 2014 that **shift scholarships from** covering “tuition only” to covering “70% of the average cost of attendance” (tuition, fees, books, room & board)
 - **Cost would more than double to \$5062 per scholarship**
 - ◆ Based on 70% of \$7,232 (average cost of attendance)
 - ◆ Total funding of 160 scholarships would be \$810K (increases funding shortfall by \$626K)
 - **Present funding would support only 36 scholarships**
 - **Reduces potential Guard recruits by 53% (cuts 42 of 88 present scholarships)**
- ◆ **Kansas Army National Guard ROTC Scholarships are good for Kansas because**
 - They **Reduce Brain Drain**
 - Recipients must serve in the Kansas Guard for 4 years after graduation
 - Today 81% serve in the Kansas Guard while in school and
 - Most will remain in Kansas once they have served 8-9 years in the Guard
 - **Kansas Guardsmen make high quality students & excellent peer role models**
 - We provide a structured and disciplined environment that develops solid Kansas citizens with a high degree of personal responsibility and accountability
 - Drug free (maintained with random drug testing)
 - Must meet background security clearance checks
 - Trained in communications, human relations, sexual harassment, CPR, first aide, safety
 - Physically fit (must meet annual fitness test and weight requirements)
- ◆ **Summary: We would fully support HB 2014 if the 160 authorized scholarships were funded**
 - Higher financial support per student citizen soldier would be a major recruiting incentive but not if the number of funded scholarships remains the same – thus reducing the number of recruits



KANSAS NATIONAL EDUCATION ASSOCIATION / 715 SW 10TH AVENUE / TOPEKA, KANSAS 66612-1686

Craig Grant Testimony Before
House Higher Education Committee
Wednesday, March 14, 2001

Thank you, Madam Chair. Members of the committee, I am Craig Grant and I represent Kansas NEA. I appreciate this opportunity to visit briefly with the committee about House Bill 2014 as introduced by LEPC this legislative session.

Kansas NEA certainly supports HB 2014 and the changes it would bring to the teacher scholarship program. We appreciated being part of the group which worked with legislative staff two years ago in crafting the legislation before the LEPC introduced it. We asked for and LEPC included an addition to the scholarship by adding “underserved area” on page 21 of the bill to the list of qualifiers for a teacher service scholarship.

With the teacher shortage upon us, KNEA believes that we will need to give an incentive for teachers to go to certain geographic areas of the state. In the past, higher beginning salaries attracted teachers to the isolated locations of our state. There no longer seems to be a differential that allows districts to attract replacement teachers. The Department of Education will need to determine if there is a need and declare an “underserved area” if there are problems. If the need is not there, we know that the “hard-to-fill teaching discipline” area continues to be a problem in the state.

Kansas NEA is not only satisfied with the wording of HB 2014 but also supports this bill as one of our legislative initiatives for the 2001 Legislative Session. We hope that you will give your blessing to this concept. Thank you for listening to our concerns.

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Attachment 6



Testimony
House Committee on Higher Education
House Bill 2014
By Charles Wheelen
March 14, 2001

Thank you for this opportunity to express our support for House Bill 2014. These amendments and new sections are the product of extensive hearings, staff work, and deliberations by the Legislative Educational Planning Committee.

This bill reestablishes the eligibility requirements, terms, and conditions for a number of scholarship programs that create incentives for students to engage in an academic curriculum leading to a particular occupation. These scholarships were created by the Legislature at different times to address a documented shortage of professionals. This bill does not create demand transfers or require appropriations of any kind. Funding of the scholarship programs is completely separate as a function of annual appropriation acts.

We are particularly supportive of sections one through six of HB2014. These amendments would significantly improve the Kansas Osteopathic Medical Service Scholarship Program.

As you probably know, the State of Kansas does not have the benefit of a school of osteopathic medicine at any of our academic institutions. Instead, we have an excellent program that provides financial assistance to Kansas residents while they pursue a doctor of osteopathy degree at an out-of-state college or university. Then, if they return to Kansas and practice primary care medicine in a rural county, the academic loan is forgiven, whereas if they do not return to Kansas to practice medicine, they must repay the funding with interest. In either event, the Legislature and the taxpayers receive a return on their investment.

Section one of HB2014 would establish a new limit on the amount of the scholarship that is equal to the amount granted to a medical student loan recipient at the University of Kansas School of Medicine. This would not necessarily require additional funding for osteopathic scholarships but, as a matter of public policy, would establish equity between the two comparable programs. We believe this is an important amendment that reflects fundamental fairness.

Section two of the bill contains an amendment that allows the physician to fulfill his or her commitment by practicing part-time. Of course the duration of service obligation is commensurately longer for the physician who practices part-time in a rural county or underserved location. This would allow, for example, a physician to practice part-time in Wichita (which does not fulfill the obligation) and also practice part-time in one of the surrounding rural counties (which does fulfill the obligation).

Section two also clarifies that a physician may fulfill his or her commitment by practicing at least half-time at a state institution such as a psychiatric hospital or correctional facility. In addition, this section adds obstetrics and gynecology to the list of medical specialties that are defined as primary care.

Another important amendment contained in section two allows the Board of Regents to designate medically underserved areas other than the rural counties. For example, the Board could designate an urban clinic for medically indigent patients as medically underserved, thus allowing the scholarship recipient to fulfill his or her obligation by providing medical care to patients who lack resources.

Section three makes an important change in the rules governing repayment of the grant in the event the physician decides not to engage in a primary care specialty or decides not to practice in a rural county of the State. Current law imposes a fifteen percent interest rate which may have been appropriate in the past. Nowadays, however, a fifteen percent rate of interest is perhaps usurious. The amendment would establish an interest rate based on the prevailing rate for other student loans plus five percent.

Section four of HB2014 contains technical amendments only, but it is important to note that it pertains to K.S.A. 74-3267a. This is the section of law that created the osteopathic medical service scholarship repayment fund. In recent years, balances in this fund have been sufficient to afford a significant portion of financing the scholarships. And it's our understanding that the Governor's recommended budget for next fiscal year would fund all of the osteopathic scholarships from the repayment fund.

Section five of the bill deals with K.S.A. 74-3268 which allows physicians to postpone their practice commitment under certain circumstances such as military service. This section of law would be amended to conform with the federal Family and Medical Leave Act of 1993 and would also allow the Board of Regents to exercise discretion in the event of special circumstances. The Board would be required to adopt administrative regulations setting out the criteria or guidelines for determining when special circumstances exist. And section six incorporates technical amendments in K.S.A. 74-3268a which are consistent with other amendments contained in the bill.

In conclusion we want to endorse the provisions of new section 49 that creates the Professional Service Scholarship Advisory Committee to work with the Board of Regents staff. This Committee would include one member to represent each of the interested professions. The purpose of this Committee is to continue the valuable collaboration which occurred ad hoc during the 1998 and 1999 interims between legislative sessions.

Thank you for considering our comments in your deliberations. We respectfully request that you recommend passage of HB2014.



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TESTIMONY FOR THE HOUSE HIGHER EDUCATION COMMITTEE

March 14, 2001

Thank you for the opportunity to discuss House Bill 2014 . I am Gary Robbins, Executive Director of the Kansas Optometric Association. I wish to thank the Legislative Educational Planning Committee for introducing this legislation last session. Our association is strongly in favor of the improvements initiated by this bill. This bill was a cooperative team effort with the staff of the Legislative Research Department, Revisor of Statutes, and Board of Regents working with interested organizations who had rather diverse professional service scholarship programs. I was very impressed with the patience and cooperation exhibited by everyone in this process to reach agreement.

My comments will be directed to the optometry seat program, which starts on page 8 in Section 7. After completing the necessary undergraduate requirements and entrance examination, optometry students enter a four-year, post-graduate program. There are only 17 optometry schools in the United States and obtaining admission is very competitive. This program guarantees admission and continued enrollment for Kansas students. In addition, this program allows Kansas students to pay in-state tuition.

We are pleased that this bill allows for part-time practice to count toward the service obligation for the first time, along with more flexibility in determining the interest rate on loans for those not returning to practice in Kansas. My final comments are directed toward section 49, which establishes a professional service scholarship advisory committee to advise the Board of Regents. Hopefully, this advisory committee will be a beneficial resource to the Board of Regents in addressing issues relative to these various professional programs. The Kansas Optometric Association is extremely appreciative of the support from the Board of Regents in administering our current program.

Due to the many hours of work by all interested parties, we strongly believe the House Bill 2014 will further improve the administration of all these programs. We respectfully request your support of House Bill 2014, which provides uniform guidelines for similar programs.

Thank you for your time and consideration.

House Higher Education
3-14-01
Attachment 8



Affiliated with
American Optometric Association

State of Kansas

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COMMITTEE ASSIGNMENTS
CHAIR: CONFIRMATION OVERSIGHT
VICE CHAIR: ORGANIZATION, CALENDAR & RULES
MEMBER: STANDING & JOINT COMMITTEES

Majority Leader Kansas Senate

SENATE CHAMBER, STATE CAPITOL
TOPEKA, KANSAS 66612-1504

House Higher Education Committee Testimony in Support of H.B. 2014 March 14, 2001

Madam Chair and Members of the Higher Education Committee: I appreciate the opportunity to offer testimony in support of House Bill 2014. The bill would streamline provisions of various Professional Service Scholarships.

Last year, the Senate passed a similar piece of legislation, Senate Bill 381, by a vote of 37 to 2. However, the bill was in the House Appropriations Committee at the conclusion of the 2000 legislative session. As a member of the Legislative Educational Planning Committee, I have worked with this legislation for two years. A working group of interested parties worked with our committee to bring the coordinated effort to fruition.

Briefly, let me say these scholarships will allow more students to complete their courses of study and employ their skills in areas of Kansas that are currently underserved by many of the professions outlined in this bill. I believe the scholarships in HB 2014 will directly benefit rural and underserved areas of our state. Under provisions of this bill, students will be provided financial incentive and assistance as they complete their education. Additionally, the commitment of service to underserved areas will allow these new professionals to serve the pressing needs associated with the lack of availability faced by many Kansans today.

Madam Chair, I again thank you and the members of the Higher Education Committee for the opportunity to speak to you today. I would encourage your favorable consideration of HB2014.

Respectfully submitted,

Senator Lana Oleen

**House Higher Education
3-14-01
Attachment 9**

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