

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 11:20 A.M. on March 23, 2006, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jill Wolters, Revisor of Statutes Office  
Michael Corrigan, Revisor of Statutes Office  
Alan Conroy, Director, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Reagan Cussimanio, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Debra Hollon, Kansas Legislative Research Department  
Amy VanHouse, Kansas Legislative Research Department  
Judy Bromich, Chief of Staff  
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Representative Sharon Schwartz  
Ralph Richardson, Dean, Kansas State University Veterinary Medical School  
Janice Harper, Comptroller, Adjutant General's Department

Others attending:

See attached list.

Chairman Umbarger opened the public hearing on:

**HB 3005--Establishing the veterinary training program for rural Kansas**

Staff briefed the Committee on the bill.

The Chairman welcomed the following conferees:

Representative Sharon Schwartz, testified in support of **HB 3005 (Attachment 1)**. Representative Schwartz added in addition to her testimony that in the House of Representatives hearings on the bill, two students testified about wanting to return to the rural community after veterinary training. She also noted that there are aging veterinarians in rural areas. In her testimony, Representative Schwartz explained that because of the overwhelming increases in the cost to obtain their degree and to establish a large animal practice, it was impossible for young veterinarians to return to communities in rural Kansas. In closing Representative Schwartz urged support of the bill to establish a program to provide incentives for students to return to rural Kansas to practice upon graduation.

Ralph Richardson, Dean of the College of Veterinary Medicine, Kansas State University, testified in support of **HB 3005 (Attachment 2)**. Dean Richardson explained that the American Veterinary Medical Association projects that at the present there is a shortage of 1,500 veterinarians in public health areas, which includes various areas listed in his written testimony. He mentioned that risk inherent in animal agriculture has escalated dramatically in recent years due to the potential for accidental or intentional introduction of exotic diseases into food animal populations. He noted that veterinarians compose the first line of defense against it and detailed the example of West Nile Virus and its detection in the United States. Dean Richardson explained that his only concern that should be considered with the bill as currently written has to do with the 10-year commitment to one location following graduation in that it might dissuade students from applying because the post-graduation commitment is so long and noted that a 4-5 year commitment would be better received.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 11:20 A.M. on March 23, 2006, in Room 123-S of the Capitol.

There being no further conferees to appear before the Committee, the Chairman closed the public hearing on **HB 3005**.

The Chairman opened the public hearing on:

**HB 2967--Reimbursement of political subdivisions for health insurance of employees on state active duty in the national guard**

Staff briefed the Committee on the bill.

The Chairman welcomed Janice Harper, Comptroller, Adjutant General's Department, who spoke in favor of **HB 2967** (Attachment 3). Ms. Harper explained that the proposed legislation is a technical correction. The bill eliminates the language indicating that the Director of Accounts and Reports, upon receiving proper certification, will transfer State General Funds to a political subdivision of the state which employs a Kansas National Guard member for health insurance for Guard personnel who are on state active duty in excess of 30 days. Ms. Harper noted that since the Director of Accounts and Reports does not have funds to transfer to other agencies, the bill is needed to change the statute to allow for the Finance Council to provide the funds for this purpose.

There being no further conferees to appear before the Committee, the Chairman closed the public hearing on **HB 2967**.

The meeting adjourned at 12:00 p.m. The next meeting was scheduled for March 30, 2006.

SENATE WAYS AND MEANS  
GUEST LIST

Date March 23, 2006

NAME	REPRESENTING
Lucas Bell	Kearney and Associates
Mark Borawski	Capitol Strategies
Lindsay Douglas	Hein Law Firm
SUE PETERSON	K-STATE
Bonnie Rusk	K-State
Ronnie Elmone	K-state
Ralph Richardson	K-State



TOPEKA

HOUSE OF  
REPRESENTATIVES

SHARON SCHWARTZ  
REPRESENTATIVE, 106TH DISTRICT  
WASHINGTON, MARSHALL, RILEY  
2051 20TH ROAD  
WASHINGTON, KANSAS 66968  
(785) 325-2568  
schwartz@house.state.ks.us

STATE CAPITOL  
ROOM 115-S  
TOPEKA, KANSAS 66612-1504  
(785) 296-7683  
1-800-432-3924

COMMITTEE ASSIGNMENTS  
CHAIRPERSON: AGRICULTURE AND NATURAL  
RESOURCES BUDGET  
MEMBER: APPROPRIATIONS  
ENVIRONMENT

## Senate Ways and Means Committee

March 23, 2006

### Testimony on HB 3005

I am here to offer my support for HB 3005 which will establish a program to provide incentives for persons pursuing a veterinary degree at Kansas State University to locate their veterinary practice in rural Kansas communities. At the same time, their training will be targeted to meet the needs of livestock producers and rural Kansas communities.

Through the past several years, I have heard from young veterinarians who have graduated and had hoped to be able to return to rural Kansas to practice. However, they soon realized that because of the overwhelming increases in the cost to obtain their degree and to establish a large animal practice, it was impossible for them to return to the communities in rural Kansas. Their only affordable option was to work with an established small animal practice in an urban area.

Dr. Ralph Richardson, Dean of the Veterinary College at KSU has worked with me to draft this legislation that is similar to a program that Kansas has established to provide incentives to encourage physicians to practice in rural communities.

When this bill came before the House of Representatives earlier this week it passed it 92-32. I respectfully request your support of HB 3005 to establish a program to provide incentives for students to return to rural Kansas to practice upon graduation.

Thanks for the opportunity to appear in support of HB 3005.

Senate Ways and Means  
03-23-06  
Attachment 1

**Office of the Dean**

College of Veterinary Medicine  
101 Trotter Hall  
Manhattan, KS 66506 -5601  
785-532-5660  
Fax: 785-532-5884

**Testimony by Kansas State University  
College of Veterinary Medicine  
on  
House Bill No. 3005  
to  
Kansas Senate Ways and Means Committee  
Senator Dwayne Umbarger, Chair**

The College of Veterinary Medicine appreciates the opportunity to comment on HB 3005 which is seen as vital to our efforts to provide graduates who will serve rural Kansas. This is an extremely important part of the mission of the college. I am Ralph Richardson, dean of the College of Veterinary Medicine at Kansas State University. I am accompanied by Dr. Bonnie Rush, associate dean for career development and Dr. Ronnie Elmore, associate dean for academic affairs and admissions.

**The Need for Rural Veterinarians**

Veterinarians provide essential services to rural communities that cannot be obtained from other sources. Even though rural populations have declined over time due to urbanization and all the forces that drive it, the number of veterinarians serving rural areas has declined even more. This has very serious implications for specific reasons.

The American Veterinary Medical Association (AVMA) projects that at present there is a shortage of 1,500 veterinarians in public health areas, which includes private practitioners serving rural communities, state regulatory veterinarians working for the Kansas Animal Health Department (KAHD) and the Kansas Department of Health and Environment (KDHE), and federal veterinarians serving in the Public Health Service and those working for the United States Department of Agriculture's Animal and Plant Health Inspection Service (USDA-APHIS). Over the next twenty years this shortfall is projected to be 15,000 veterinarians. Since there are only 86,000 veterinarians in the United States at present, the shortage of rural veterinarians and those going into other public health related areas will become very severe if left unaddressed.

The agricultural base, an essential element of the Kansas economy, cannot urbanize. Some elements of animal agriculture are now concentrated in fewer locations. The most prominent examples include intensive feeding of cattle and swine. However the need for veterinary services to agriculture and the community-based infrastructure that supports it still is distributed across the state, just as grass and grain resources, cow/calf units, back-grounding operations and so forth are distributed across the state. The pre-harvest phase of animal-based food production is important to food safety. For example, downer cows that might be candidates for bovine spongiform encephalomyelitis (BSE) are more likely to occur in distributed rural settings than in urban areas or concentrated feeding environments, big dairies being the exception.

Risk inherent in animal agriculture has escalated dramatically in recent years due to the potential for accidental or intentional introduction of exotic diseases into food animal populations. Veterinarians comprise the first line of defense against this. The most striking example of this in

recent times is the detection of West Nile virus in this country. A veterinarian saw that the encephalitis affecting humans on the eastern seaboard also was killing birds in zoos and the general environment and ultimately was able to provide convincing evidence to the CDC that the infectious agent was West Nile virus, not Eastern Encephalomyelitis virus as first supposed. This was based on the knowledge that Eastern Encephalomyelitis does not kill birds. Only veterinarians are in a position to make such observations early in the course of any similar event.

Veterinarians are a very important part of community infrastructure supporting public health in the broad sense. The KAHD, the KDHE, and the USDA-APHIS all depend on accredited, practicing veterinarians to amplify these agencies' work force in time of disease outbreak or public health problems. With the progressive urbanization of physicians, veterinarians often are the only source of public health expertise in rural communities.

Because of its large economic dependency on food animal production, Kansas has invested significantly in food bio-security. The Bio-security Research Institute at Kansas State University and the programmatic base behind it is vitally important, not just to the state, but also to the nation. Kansas is a leader in disease surveillance and diagnosis. Veterinarians are central to electronic identification (eID) plans and trace-back procedures for diseases such as Bovine Spongiform Encephalopathy (BSE, Mad Cow Disease). We need only to look at the lack of traceability with the recent case of BSE in Alabama to recognize that biosecurity and accurate, reliable animal tracking are part and parcel to consumer confidence. When that confidence is shaken, markets decline and the Kansas economy suffers. The technology that underlies all of these issues has substantive links to animal agriculture, food processing, the Kansas Biosciences Authority, and veterinary medicine. It is essential that adequate human infrastructure be in place... built in no small part on the foundation of rural veterinary medical practitioners.

### **The Problem we are Trying to Solve**

The overarching problem we are addressing in HB 3005 is high debt at graduation. The reason debt has grown so much is that tuition has increased dramatically. The reason tuition has increased so much in recent years is that public funding, as a percent of educational cost, has declined markedly during the same period.

Inadequate numbers of veterinarians entering rural practice is best exemplified by the existence of the Academy of Rural Veterinarians. The mission of these veterinarians nation-wide is to create a network of mentors and externships to educate students about opportunities in rural practice and to encourage them to pursue it as a rewarding career. One of the national leaders in the academy is Dr. Bob Gentry of Beloit, Kansas. As of Wednesday, March 22, 2006, the academy website listed ten rural Kansas practices that include mentors. Most striking is that it also lists 32 K-State veterinary medicine students who have expressed an interest in rural practice.

*Interest does not translate into opportunity.* Nationwide the average debt at graduation for veterinarians exceeds \$80,000. At KSU the debt load is slightly less but still formidable. It is increasingly common for a married couple to graduate from veterinary college together or within a year of one another. In such instances the household debt approaches \$200,000. While veterinarians in rural practice do well financially, the number of employment opportunities into existing practices is limited. The primary reason for this is that in many small communities only one or two veterinarians are needed. When a practice is vacated due to retirement or other reasons, purchasing the practice or starting a new one from scratch while already obligated to service a large education debt is daunting to say the least. In fact it would not make good business sense.

The formidable debt circumstance is exacerbated by the structure of the job market for veterinarians. For many years, approximately 80% of the published employment opportunities in the Journal of the AVMA have been in small animal practice in urban areas. In addition, the starting salary structure tends to be higher than that afforded by the far smaller number of opportunities in rural practice. The sheer economic pressure created by these dynamics drives graduates into urban small animal practice in large numbers.

### **What is being done now?**

Efforts by members of the veterinary medical profession, the AVMA and the Association of American Veterinary Medical Colleges (AAVMC), and the Kansas State University College of Veterinary Medicine (KSUCVM) are addressing this issue on multiple fronts. These are enumerated briefly below.

The AVMA and the AAVMC have worked with congressional leaders to create the Veterinary Workforce Expansion Act which is pending in congress. This effort is aimed at increasing education and research at the nations' veterinary medical colleges to increase the number of veterinarians with emphasis on food security and public health. A further result of this effort is the National Veterinary Medical Service Act, signed into law on December 6, 2003. The purpose of this bill is to address the shortage of veterinarians in specific areas, such as rural practice. Congress appropriated \$500,000 of a \$60M request in 2006 for a pilot project. Even though these funds have been appropriated to the USDA, they have not been activated.

The KSUCVM has initiated specific actions to address the issue:

The most direct is a scholarship program wherein up to ten students per year with a primary interest in food animal medicine and related fields can receive a scholarship of \$2,500 per year for each year they are in good standing at KSUCVM. Distribution of these scholarships is based upon advice from an advisory committee that includes prominent livestock producers, agribusiness executives and veterinarians practicing in rural America. The total annual commitment to this effort, which is anticipated to include 40 students when fully implemented, annualizes at \$100,000 from funds raised from private sources. It should be noted that this program is in its second year.

The KSUCVM has a close working relationship with the Academy for Rural Veterinarians. That organization recently received a challenge grant from the USDA that provides \$2,000 stipends for students doing rural externships.

The College of Veterinary Medicine has secured federal funding to develop audio/visual bilingual (Spanish/English) training materials for people working in the beef industry. This will reinforce our commitment to recruitment and retention of Hispanic students at Kansas State University.

The College of Veterinary Medicine and the Department of Animal Sciences and Industry at K-State have formed a bovine production working group. The group meets monthly to discuss collaborative research and its application to the Kansas beef industry. In addition, a weekly symposium for students interested in food animal practice and livestock production is conducted by the faculty from both colleges. Speakers range from faculty at KSU to practitioners and beef producers from across the state. Every Thursday noon this plays to a full house of veterinary and agriculture college students.

The KSU CVM has added three new production medicine rotations (beef and dairy) to the 4<sup>th</sup> year curriculum. In addition to being offered to K-State students, the Feedlot Production Medicine rotation has been made available to students from other veterinary colleges. We have attracted students from one third of our nation's veterinary schools and, as a result, this nationally-recognized elective course will bring potential rural veterinarians to K-State and expose them to Kansas agriculture.

Recently the veterinary college has made very strong hires of new faculty in food animal medicine to complement the long-standing commitment the college has made to this effort. This will enable us to have strengths in surgery, medicine, population/production medicine and food animal therapeutics. No other veterinary school has a more focused group of bovine medicine faculty that combines academic excellence with relevance to the livestock industry.

The connections the college has as a result of its leadership role in food animal veterinary medicine and food bio-security have facilitated opportunities for students who become subject to the provisions of HB 3005 and the Veterinary Training Program for Rural Kansas to have specialized advanced training as enumerated in the Act.

### **Summary**

The on-going efforts by the AVMA, AAVMC, KSUCVM and Academy for Rural Veterinarians are important, even essential, for success in increasing the number of veterinarians entering practice in rural Kansas. However it is all too evident that, due to the mechanisms described above, the realities of educational debt obligations and the concomitant cost and uncertainties of purchasing or starting a veterinary practice in rural Kansas negate the aspirations of most students. The provisions of HB 3005 will provide the opportunity for graduating veterinarians to make a sound business decision in entering rural practice. In my opinion, the only concern that should be considered with the bill as currently written has to do with the 10-year commitment to one location following graduation. This requirement may dissuade students from applying because the post-graduation commitment is so long. A 4-5 year commitment would be better received.





# KANSAS

ADJUTANT GENERAL'S DEPARTMENT  
Major General Tod M Bunting

KATHLEEN SEBELIUS, GOVERNOR

## Testimony on House Bill 2967

**Major General Tod Bunting**  
The Adjutant General of Kansas

**Before the Senate**

Thursday, March 22, 2006

Mr. Chairman and members of the committee:

I am Janice Harper the Comptroller for the Adjutant General and speaking on his behalf. Thank you for allowing me to testify and support HB 2967 which allows the Adjutant Generals Department to reimburse political subdivisions for the cost of health insurance for members of the Kansas National Guard who are activated for state active duty beyond 30 days .

This proposed legislation is a technical correction. The bill eliminates the language indicating that the Director of Accounts and Reports, upon receiving proper certification, will transfer State General Funds to a political subdivision of the state which employs a Kansas National Guard member. The payment is for the cost to that subdivision for health insurance for Guard personnel who are on state active duty in excess of 30 days. Since The Director of Accounts and Reports does not have funds to transfer to other agencies this bill is needed to change the Statue to allow for the Finance Council to provide the funds for the above stated purpose.

If you have any questions, I would be glad to answer them. Thank you for your support.

2800 SW Topeka Boulevard, Topeka, KS 66611-1287  
(785) 274-1000

*Senate Ways and Means*  
*03-23-06*  
*Attachment*