

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on February 26, 2008, in Room 514-S of the Capitol.

All members were present except:

Representative Kay Wolf - excused

Committee staff present:

Alan Conroy, Legislative Research Department
 J. G. Scott, Legislative Research Department
 Cody Gorges, Legislative Research Department
 Amy Deckard, Legislative Research Department
 Leah Robinson, Legislative Research Department
 Heather O'Hara, Legislative Research Department
 Jim Wilson, Revisor of Statutes
 Nobuko Folmsbee, Revisor of Statutes
 Nikki Feuerborn, Chief of Staff
 Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Representative Lance Kinzer
 Jim Churchman, Olathe Unified School District No. 233 Board of Education
 Mark Tallman, Executive Director, Kansas Association of School Boards (KASB)
 Barry Downing, Wichita Business Coalition for Early Education
 Bill Nelson, Kansas City Business Coalition for Early Education
 Brian Caswell, Kansas Pharmacy Association
 Ken Audus, Dean, KU School of Pharmacy
 Amber Woehl, Pharmacist from Minneapolis, KS

Others attending:

See attached list.

- Attachment 1 Fiscal Note on **HB 2859**
- Attachment 2 Resource information on **HB 2859** by Revisor of Statutes office.
- Attachment 3 Testimony on **HB 2859** by Representative Kinzer
- Attachment 4 Testimony on **HB 2859** by Jim Churchman
- Attachment 5 Testimony on **HB 2859** by Mark Tallman
- Attachment 6 Written testimony on **HB 2859** by Cheryl Semmel
- Attachment 7 Written testimony on **HB 2859** by Dr. Gary George
- Attachment 8 Testimony on Support for Early Learning Centers by Barry Downing
- Attachment 9 Testimony on Support for Early Learning Centers by Bill Nelson
- Attachment 10 Pharmacists Shortage testimony by Brian Caswell
- Attachment 11 Pharmacists Shortage testimony by Amber Woehl
- Attachment 12 Pharmacists Shortage testimony by Ken Audus

Introduction of Legislation

Representative Bethell moved to introduce legislation relating to assistance for certain expenses for physical disorders. The motion was seconded by Representative Ballard. Motion carried.

Hearing on **HB 2859**

Hearing: HB 2859 - School districts; funds; consolidation of.

The fiscal note on **HB 2859** was distributed to the Committee (Attachment 1).

Nobuko Folmsbee, Office of the Revisor of Statutes, explained that **HB 2859** amends the statute pertaining to school district funds (Attachment 2). The legislation would allow school districts to

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 26, 2008, in Room 514-S of the Capitol.

transfer funds in 20 different funds into the general fund and give the school district more flexibility in the spending of these funds.

Representative Kinzer presented testimony in support of **HB 2859** ([Attachment 3](#)). Representative Kinzer stated that the legislation would reduce the number of restricted fund accounts, give more control to the local school board, greater flexibility in the expenditure of school district funds and more efficiency within the school districts.

Jim Churchman, member of the Board of Education, Olathe Unified School District No. 233, presented testimony in support of **HB 2859** ([Attachment 4](#)). Mr. Churchman stated that expanding local control and allowing school boards to have greater flexibility on the use of state funds would have a great impact on the operation of the school district. Mr. Churchman felt that the ability to transfer unused funds into the general fund would allow for greater efficiency within the school district. Mr. Churchman did not feel that the legislation would decrease the accountability of the school district.

Responding to questions from the Committee, Mr. Churchman stated that the textbook rental fund is currently restricted by statute. Mr. Churchman felt that giving school boards broader latitude in transferring unused funds from some accounts to the general fund would still allow for transparency in school funding.

Mark Tallman, Executive Director, Kansas Association of School Boards (KASB), presented testimony in support of **HB 2859** ([Attachment 5](#)). Mr. Tallman stated that KASB supports more flexibility for local school boards in school district budgeting. Mr. Tallman also noted that increasing the size of the school district general fund by consolidating other resources would also increase the size of the local option budgets (LOB) as those are calculated as a percentage of the general fund. Mr. Tallman stated that KASB has not reviewed the effect of the legislation on various size school district.

Written testimony in support of **HB 2859** was received from the following:

Cheryl Semmel, Executive Director, United School Administrators of Kansas ([Attachment 6](#))
Dr. Gary George, Olathe Unified School District No. 233 ([Attachment 7](#))

The Committee expressed concern that the funds might not be spent on the intended targets particularly relating to federal guidelines that address how state funds are spent.

There were no other proponents or opponents on **HB 2859** to appear before the Committee.

The hearing on HB 2859 was closed.

Support for Early Education by the Private Sector

Barry Downing, business leader from the Wichita community, presented testimony on the positive return on the investment of private business in providing quality early education programs to improve K-12 outcomes and help more children enter school ready to learn ([Attachment 8](#)). Mr. Downing spoke to the importance of providing charitable contributions to establish early learning centers in providing quality early education to improve brain development in early childhood. Mr. Downing noted that the Wichita center has been operating for 5 years, has more than 300 children enrolled and has graduated more than 700 children to kindergarten.

Bill Nelson, representing the Kansas City Business Coalition for Early Education, presented testimony on behalf of the employers, businesses and community leaders who have come together to advocate for expanded access to early learning in the State of Kansas ([Attachment 9](#)). Mr. Nelson noted that many students arrive at K-12 institutions ill-prepared to learn. The early education centers are a step in the right direction to improve this situation.

Mr. Downing and Mr. Nelson requested the support of the Legislature for early childhood grants and

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 26, 2008, in Room 514-S of the Capitol.

the Kansas preschool programs.

Shortage of Pharmacists

Brian Caswell, President, Kansas University School of Pharmacy Advisory Council, presented testimony on the pharmacists shortage in Kansas (Attachment 10). Mr. Caswell noted the difficulty in securing and keeping pharmacists in rural Kansas.

Amber Woehl, a pharmacist from Minneapolis, Kansas, presented testimony on the pharmacists shortage in Kansas (Attachment 11).

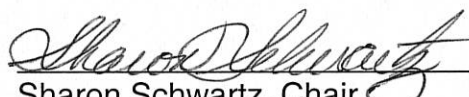
Ken Audus, Dean, University of Kansas School of Pharmacy, presented testimony on the shortage of pharmacists in Kansas (Attachment 12). Mr. Audus stated that to address the shortage and double the number of pharmacists trained in the state, the University of Kansas is requesting \$1 million in additional funding for FY 2009 and bonding authority of \$50 million to finance expansions at the KU School of Pharmacy in Lawrence and the KU School of Medicine in Wichita. A later phase of the project calls for expansion of the pharmacy research program, estimated at \$120 million with the University responsible for securing funding for this phase.

Responding to questions from the Committee, Mr. Audus noted that the average tuition for in-state students is approximately \$12,000 per year with out-of-state tuition at approximately \$24,000. It is estimated that there are 90 Kansas residents in the class of 105 students at the University of Kansas Pharmacy School. Mr. Audus indicated that the State would be responsible for repayment of the bonds if authorized. The additional facilities in Lawrence would increase student population from 105 to 150 students. The Wichita facility would provide teaching for 40 pharmacy students. Mr. Audus indicated that pharmacy does not require a research component attached to the pharmacy school. At this time, it is estimated that 50 percent of graduated pharmacists remain within the State.

In response to a question from the Committee concerning where approved funding would be spent if it were less than requested, Mr. Audus stated that both of the Lawrence and Wichita facilities are needed to address the shortage and did not recommend providing funding for one over the other.

- The Committee requested an analysis of mail order prescriptions.

The meeting was adjourned at 11:00 a.m. The next meeting of the Committee will be held at 9:00 a.m. on February 27, 2008.


Sharon Schwartz, Chair

House Appropriations Committee
February 26, 2008
9:00 A.M.

NAME	REPRESENTING
Beth Rumbauer	CURB
Steve Raderick	CURB
M. [unclear]	Pharmacist
Ken Seiber	Ken Law Firm / KPC
Mike Jordan	KS Pharmacists Assoc
Vidi Hessel	Budget
Sandy Braden	GBPA

February 25, 2008

The Honorable Sharon Schwartz, Chairperson
House Committee on Appropriations
Statehouse, Room 517-S
Topeka, Kansas 66612

Dear Representative Schwartz:

SUBJECT: Fiscal Note for HB 2859 by Representative Kinzer

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2859 is respectfully submitted to your committee.

HB 2859 would amend various statutes regarding specific school district funds. The bill would transfer the balances in the following funds to a school district's general fund: teacher retirement, parent education, adult education, adult supplementary education, at-risk education, four-year-old at-risk, special education, vocational education, area vocational school, driver training, declining enrollment, gifts and grants, summer school, extraordinary school program, special liability expense, special reserve, textbook and student materials revolving, bilingual education, and professional development.

The State Department of Education indicates that the bill is unclear on whether any of the balances that would be transferred to district's general fund would become part of the "local effort" in computing state aid for the following year. However, as defined by KSA 72-6410, "local effort" would include any unencumbered balances in the general fund of a district. As a result, enactment of HB 2859 likely would reduce expenditures for general state aid by increasing the amounts counted towards "local effort." Because supplemental general state aid is computed as a percentage of the general fund of a district, the bill would likely increase expenditures for supplemental general state aid. However, the total net fiscal effect is not known. Any fiscal effect from the enactment of HB 2859 has not been accounted for in *The FY 2009 Governor's Budget Report*.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Dale Dennis, Education

sec. 6
sec. 12

#	Fund	K.S.A.	Recommended Action	Fund Consolidation
26	At Risk (K-12)	2005 HB 2247 72-644a	Consolidate into General	72-6431
27	Declining Enrollment	2005 SB 3 72-6451	Consolidate into General	72-6431
28	Bond & Interest	40-133	None	None
29	No Fund Warrant	79-2939	None	None
30	Special Assessment	12-6a10	None	None
31	Temporary Note	72-8203b	None	None

STATE OF KANSAS
HOUSE OF REPRESENTATIVES

12549 S. BROUGHAM DR.
OLATHE, KS 66062
(913) 461-1227

STATE CAPITOL
(785) 296-7692
kinzer@house.state.ks.us



TOPEKA

LANCE KINZER
REPRESENTATIVE, 14TH DISTRICT

COMMITTEE ASSIGNMENTS
TAXATION
JUDICIARY
FEDERAL AND STATE AFFAIRS

TESTIMONY REGARDING HB2859

I would like to thank the Appropriations Committee for taking the time to give consideration to HB 2859. This bill would reduce the number of separate funds into which K-12 dollars must be placed by local school districts. It is my understanding that under current law K-12 dollars are placed into more than 30 separate accounts. The difficulties created by this proliferation of funds were presented to me by Jim Churchman, a member of the Olathe School Board.

As Jim will explain in more detail in just a moment the purpose behind HB 2859 is to afford greater control to local boards of education in overseeing the use of funds earmarked for K-12 educational purposes. This bill would reduce the number of inflexible restricted funding accounts thereby removing the inefficient restrictions placed on the efforts of boards of education in working to utilize provided resources for the purpose of funding the K-12 educational needs of the community. Under current law significant excess cash balances are being maintained by local school districts as a result of these statutory account restrictions. By reducing the number of restricted accounts it is the intent of HB2859 to decrease the overall funding requirements for K-12 education and to increase local control and flexibility to more efficiently utilize taxpayer dollars.

As we strive together to reign in spending and bring greater efficiencies to state government it is important that we give careful consideration to current statutory schemes that, however well meaning, ultimately result in requiring government to expend more money. It is my belief that our current statutory scheme creating such a plethora of K-12 accounts is just such an impediment to efficiency and that as such it should be reformed.

HOUSE APPROPRIATIONS

DATE 2-26-2008
ATTACHMENT 3

February 26, 2008

Subject: House Bill No. 2859; Testimony before the House Appropriations Committee

I would to extend my thanks and appreciation to the House Appropriations Committee for all of your collective efforts in appropriating funding for the State of Kansas across the many fiscal areas that encompass your area of responsibility. As a citizen of the state, I am grateful for your service to all of Kansas.

I would also like to extend my gratitude for the opportunity to come before the House Appropriations Committee on this day, Tuesday, February 26, 2008 for the purpose of testifying in support of House Bill 2859, a landmark bill that, if approved by this Committee and approved by the Legislature, will represent one of the single most important bills passed regarding K-12 education finance in the history of Kansas. I commend this Committee's bold and progressive efforts in considering the merit of this bill.

Education finance continues to be a dominant issue within Kansas and the Legislature. Over the past five years the amount of funding committed to K-12 education has increased by a significant amount. As a parent of a second grade child, and as a member of the USD 233 Board of Education in Olathe, Kansas who is responsible for the education of all children in Olathe, I am grateful for your continued commitment to educational excellence in the state of Kansas as we prepare our children to globally compete in the 21st century. Truly we have been blessed with many resources.

Despite the significant influx of K-12 educational funding in Kansas, the challenge of continued educational funding remains a point of focus. There are a variety of strategies as to how to most equitably provide for the educational institutions in Kansas. Today, however, my focus is not to solicit or lobby for incremental educational funding. Therefore my discussion will not focus on more money, but rather on a more efficient utilization of funding.

Recently the Olathe School District was recognized by Standard and Poor's as being one of the most resource efficient school districts not only in the state, but in the nation. This prestigious recognition is a testament to not only the Olathe School District, but rather all districts in Kansas that adhere to the basic understanding and premise that educational excellence is not necessarily predicated on spending more, but rather on efficiently and strategically spending funding in manner that will deliver the best results. Standard and Poor's has recognized the Olathe School District for successfully implementing this approach. Still we can be better. With your support, all school districts in Kansas will have the opportunity to more strategically and efficiently utilize taxpayer funding that has been provided solely for the purpose of K-12 education. It is for this reason that I come before you to testify on behalf of House Bill 2859.

HB 2859 proposes to eliminate twenty (20) separate restricted accounts that currently govern the spending of K-12 educational funding by the individual boards of education throughout Kansas. This current account segregation results in funding provided by Kansas taxpayers for K-12 education sitting

idle to varying degrees, without the opportunity under HB 2859 to efficiently and completely utilize this much needed funding for the students of Kansas in a more complete and efficient manner:

1. USD 233 ended the 2006 fiscal year with approximately \$17 million USD in these segregated accounts (\$11 million USD discounting Special Education).
2. USD 233 ended the 2007 fiscal year with approximately \$15.1 million in these segregated accounts (\$10 million USD discounting Special Education).
3. Currently USD 233 has approximately \$8 million USD in these segregated accounts (\$7.8 million USD discounting Special Education).

Not only does this represent a significant amount of funding that has restricted use for K-12 education, the current account segregation provides for increased cost on behalf of staff in administering these accounts.

It is important to note that I remain a strong advocate for fiscal responsibility and reporting transparency by all boards of education. It is not my intent in testifying on behalf of this bill to suggest a lessened level of accountability nor am I advocating that any board of education's responsibility to the state and the taxpayers be abdicated in any manner. I do believe, however, that HB 2859 makes tremendous sense for the reasons I have listed, as well as for the opportunity to further grant local control to the various boards of education throughout Kansas. After all, it is this very local control for which every board of education member is obligated and responsible to govern.

The Board of Education for USD 233 listed in its *Legislative Positions 2008 Session* document two positions which are in direct support to HB 2859. The first being the statement that *the Olathe Board of Education strongly supports the concept of local control and believes the local Board of Education must have the appropriate levels of authority to manage public education within its school district. The local Board of Education has the task of balancing the needs and interests of all stakeholders and must have the authority to do so.* Second, *the Board supports greater flexibility in the use of and ability to consolidate unexpended/unencumbered/unobligated funds into a small number of funds that could be used to address local needs.*

The Olathe community is a very diverse community. In many ways, however, it mirrors the concerns and challenges of all of the citizens of Kansas – from the parents who want the very best education for their children, to the senior citizens on fixed incomes trying to determine a way to make ends meet, whether it is paying their heating bill, fueling their car or affording their medications, to the common taxpayer desiring fiscal responsibility. One common thread seems to be that all stakeholders willingly support K-12 education as long as the cost is affordable and as long as the dollars expended are used in a fiscally responsible and efficient manner. HB 2859 allows for all funding provided by taxpayers to be efficiently utilized for K-12 education, versus being restricted in use year after year, providing limited value for the intended purpose.

In conclusion, I would like to thank you for allowing me to testify this morning on behalf of this very important bill. I am reminded by the words "To whom much is given, much is expected". Truly as elected leaders of this state we have been blessed with much. At the same time, much is expected from us in return. HB 2859 further affords us the opportunity to do more with what we currently have.

Thank you for your service and commitment. Thank you for your consideration of my testimony. May God's blessings remain with you.



Jim Churchman

(USD 233 Board of Education Member)

12605 W. 130th Terrace

Overland Park, KS 66213

(913) 685-1648

jkchurchman@everestkc.net

The opinions expressed in this document are my personal views and do not necessarily represent the opinions of the Olathe School District or Olathe School Board as an entity. Any comments, questions or inquiries should be directed to me.

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

1420 SW Arrowhead Road • Topeka, Kansas 66604-4024
785-273-3600

Testimony before the
House Committee on Appropriations

on
HB 2859 – Consolidation of School District Funds

by

Mark Tallman, Assistant Executive Director/Advocacy
Kansas Association of School Boards

February 26, 2008

Madam Chair and Members of the Committee:

Thank you for the opportunity to comment on **HB 2859**, which would essentially consolidate various school district funds into the school district general fund.

KASB's policy positions generally oppose the earmarking of school district funds and support giving local school boards maximum flexibility to manage their resources. Therefore, we support the concept of **HB 2859**. We would simply note that systems of government fund accounting have been designed to keep revenues and expenditures separate in order to ensure that particular revenues are spent on particular purposes. We would welcome a move by the Legislature to entrust local boards with more spending flexibility.

We would further suggest that multiple funds contribute to public confusion over school district budgets, but we note that past efforts to reduce the number of funds has caused some Legislators to express concerns about a reduced ability to "track" expenditures.

Finally, we would note that increasing the size of the school district general fund by consolidating other resources will also increase the size of local option budgets that are calculated as a percentage of the general fund. This would further require an increase in supplemental state aid if school districts use that authority.

In conclusion, KASB supports more flexibility in school district budgeting.

Thank you for your consideration.

HOUSE APPROPRIATIONS

DATE 2-26-2008
ATTACHMENT 5

**Testimony
HB 2859**

House Appropriations Committee

Presented by: Cheryl L. Semmel, Executive Director

February 26, 2008

The mission of United School Administrators of Kansas (USA|Kansas*), through collaboration of member associations, is to serve, support, and develop educational leaders and to establish USA|Kansas as a significant force to improve education.

Education administrators remain committed to ensuring that each and every child in Kansas receives a quality education that will help them reach their potential and become successful, productive adults. There are 465,000 students in our public schools that we strive to impact positively every single day. As you know, Kansas students are making unprecedented academic achievement and we are on a path of continuous improvement. In many areas, Kansas students are performing **above** the national average and for that you should all be proud.

We are here today in **support of HB 2859**, a bill relating to the consolidation of school district funds. School districts and boards of education have long advocated that additional flexibility allows districts to realize greater efficiencies, leverage resources, and coordinate services more effectively. Currently, districts maintain more than twenty (20) separate fund accounts because of state and federal laws that require expenditures and revenues [often] be classified differently depending on their source and intended outcome.

Administrators support additional flexibility for districts. We also want to reassure you that we take our fiduciary responsibilities very seriously. In those areas where additional flexibility has been granted to districts, there is evidence supporting the positive impact on student achievement. When the Legislature granted additional flexibility in At-Risk funding, coupled with increased investment, student performance on assessments continued to improve and districts moved forward with the implementation of all-day kindergarten.

Education administrators are committed to maintaining an open dialogue with our patrons, legislators and shareholders. In closing, on behalf of education administrators, I would like to thank you for your continued support of education, for increased education funding and for realizing the importance of investing in education. Preparing our children requires a shared commitment, collaboration, and open dialogue among all stakeholders. Thank you for being partners in education.

HOUSE APPROPRIATIONS

DATE 2-26-2008
ATTACHMENT 6

*USA|Kansas represents more than 2,000 individual members and ten member associations:

Kansas Association of Elementary School Principals (KAESP)
Kansas Association of Middle School Administrators (KAMSA)
Kansas Association of School Administrators (KASA)
Kansas Association of School Business Officials (KASBO)
Kansas Association of School Personnel Administrators (KASPA)
Kansas Assoc for Supervision and Curriculum Development (KASCD)
Kansas Association of Special Education Administrators (KASEA)
Kansas Association of Secondary School Principals (KASSP)
Kansas Council of Career and Technical Education Administrators (KCCTEA)
Kansas School Public Relations Association (KanSPRA)



Olathe School District
Testimony provided by Dr. Gary George
House Bill 2859
February 26, 2008

We are submitting written testimony in regard to House Bill 2859. The Olathe Board of Education adopted the following legislative position regarding unexpended funds:

“The Board supports greater flexibility in the use of and ability to consolidate unexpended/unencumbered/unobligated funds into a small number of funds that could be used to address local needs.”

Further, our Board of Education is concerned about the limited flexibility within some funds. An example is the inability of a local district to use at-risk funds for staff development. We believe it is appropriate to use at least some of these funds for this purpose so teachers will be more knowledgeable of best practices when working with at-risk students.

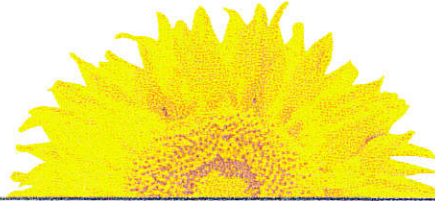
Our Board of Education believes there is merit in granting permissive authority for the local board to make some adjustments among a few selected funds to meet unique local needs such a capital outlay.

While the Board seeks permissive authority, it is not the desire of the Board to violate other state or federal statutes or regulations or legislative intent of programs. Nor is it the Board’s desire to jeopardize the ability of the district to meet any of its obligations. In addition, there is no intent to make it difficult for auditors to track the use of funds with regard to the Legislature’s funding of specialized programs.

House Bill 2859 goes beyond the Olathe Board of Education’s legislative position. While there is merit in exploring all approaches to budgeting, we suggest that it is more appropriate to allow additional work on this bill with KSDE and legislative staff to see if something can be crafted that more closely meets the intent of the Board of Education and is consistent with existing laws and regulations while creating some flexibility for local districts.

HOUSE APPROPRIATIONS

DATE 2-26-2008
ATTACHMENT 7



KANSAS COALITION *for* SCHOOL READINESS

PLANTING THE SEEDS FOR SUCCESS

Board of Directors:

House Appropriations Committee
Early Childhood Budget
February 26, 2008

Chair:

Mary Baskett
*Kansas Head Start
Association*

Co-chair:

Barry Downing
Northrock, Inc.

Treasurer:

Cindy D'Ercole
*Kansas Action for
Children*

Mike Chesser

*Kansas City Power
and Light*

Leadell Ediger

*Kansas Association
of Child Care
Resource and
Referral Agencies*

Bill Nelson

*George K. Baum
Asset Management*

Madame Chairman and the Committee, thank you for the opportunity to testify on what I believe to be an issue of major consequence to Kansas. My name is Barry Downing and five years ago, I spent time investigating the best possible return for my charitable investment.

After pouring over the considerable national research, and consulting with some of our nation's foremost thinkers, I concluded that quality early childhood programs provide the greatest return on our investments and have the potential to make the biggest impact over time for our community and our state.

First, quality early education programs improve K-12 outcomes and help more children enter school ready to learn, go on to college, and become better skilled and more productive employees.

Second, quality early education improves brain development at a critical time, and

Third, quality early education delivers a strong return on our investment, perhaps the strongest return on investment that we can make.

And perhaps most important, quality early education programs prevent our kids from committing future crimes or engaging in future criminal behaviors.

That's why our family charitable foundation has invested and continues to invest so heavily in early education through our TOP Early Learning Centers.

Our TOP Early Learning Centers, a public/private partnership in Wichita, is a KQRS-compliant model school is similar to the public and private centers that are envisioned in the current proposed budget.

720 SW Jackson St., Suite 202B, Topeka, KS 66603
Tel: 785 506 3030, Fax: 785 232 0699
www.kansaschoolreadiness.org

HOUSE APPROPRIATIONS

DATE 2-26-2008
ATTACHMENT 8

1. Model encourages a literacy-based curriculum with low student/teacher ratios, high quality teachers, parental involvement, health services, nutrition, social services, extended day and year as well as learning delay testing and remediation.

Our Wichita centers have been operating for 5 years, have more than 300 children enrolled and have already graduated more than 700 children to kindergarten.

In neighborhoods where school proficiency levels for 5 to 11-year-old children typically run under 50%, TOP preschool graduates are scoring in the 80th percentile in the key learning areas associated with kindergarten-readiness.

Families are getting stronger. Parents are learning improved job and parenting skills to improve the family and home environments in which the children are being raised.

Similarly the children are learning not only to read and calculate but to reason, problem-solve and to socialize with and have compassion for their peers.

We need more access in Kansas to these types of early learning environments. The current budget proposal for early learning will provide more kids with access to quality early learning programs. Such an investment is proven to provide a return for years to come.

Wichita and Kansas City business leaders have joined efforts to promote investment in our youngest Kansans. Mike Chesser and Bill Nelson, two of Kansas City's respected business and civic leaders, have stepped up to lead the charge in Kansas City. Bill is here to speak to you further as to why you should support an investment of resources in early learning.

Before I turn it over to Bill, Mr. Chairman, does the committee have any questions?

WICHITA COALITION

FOR

Early Education

George Ablah, President
Ablah Enterprises

Helen Galloway, Owner
The First Place

John Moore
Former Lieutenant Governor

Robert Allison, President
Bank of America Kansas

Bud Gates, President
Gates Enterprises, Inc.

Kevin Mullen, President
Ritchie & Associates

Stanley Andeel, Partner
Foulston & Siefkin

Chris Goebel, President
Star Lumber & Supply Co., Inc.

Phillip Neff, President
PRN Consulting

Craig Anderson, Chairman & CEO
UMB National Bank of America

C.R. Hall, President
Wichita Water Conditioning

Mary Lynn Oliver

Robert Buford, Owner & CEO
Zenith Drilling Corporation

George Hansen, President
Corporate Lodging Consultants, Inc.

Pat O'Shaughnessy, Chairman
Lario Oil & Gas Company

Bill Burgess, President
Lodging Enterprises, Inc.

Steve Hatchett, President
Scholfield Automobile

A. Scott Ritchie, Chairman
Ritchie Exploration

Dan Carney, Owner
Gaelic Management, Inc.

Paul Jackson, President
Vantage Point Properties, Inc.

Hale Ritchie, President
Ritchie Companies, Inc.

Charles Chandler, President & CEO
Intrust Bank

Thomas Kirk, Sr. VP Wealth Mgmt.
Smith Barney

Mark Rowe, President
Newleaf Vein and Aesthetics

John Clevenger, President & CEO
Commerce Bank

Dr. Bill Loewen, General Partner
West Side Family Physicians

Bruce Schriefer, President
Bankers Bank of Kansas

Marlon Dauner, President & CEO
Preferred Health Systems, Inc.

Buz Lukens, President
IMA Financial Group, Inc.

Ken Shannon, President
Metal-Fab Inc.

Scott Davies, President
Saturn of Wichita

Mike Maloney, President
Universal Companies, Inc.

John Shawver, President
Stelbar Oil Corporation, Inc.

Jack DeBoer, Chairman
Consolidated Holdings, Inc.

Ron Mann, President
Air Technics, Inc.

Don Slawson, CEO
Slawson Companies

Tom Devlin, President
Devlin Enterprises

Russ Meyer, Chairman Emeritus
Cessna Aircraft Company

Steve Spines, President
Ponca Products, Inc.

Tom Dondlinger, President
Dondlinger Foundation, Inc.

Ed Mikesell, President
SKT

Tom Triplett, Partner
Triplett, Woolf & Garretson

Barry Downing, President
Northrock, Inc.

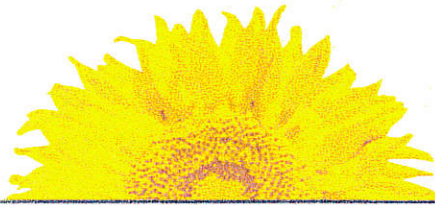
David Mitchell, Managing Partner
Mitchell - Richards CPA's

Ken Wagon & Louise, President
Capital Enterprises, Inc.

Martin Eby, President
Martin K. Eby Construction

Bill Moore, President & CEO
Westar Energy

Tom White, President & CEO
White & Ellis Drilling, Inc.



KANSAS COALITION *for* SCHOOL READINESS

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Referral Agencies*

Bill Nelson
*George K. Baum
Asset Management*

House Appropriations Committee
Early Childhood Budget
February 26, 2008

Chairman and members of the Committee, thank you for providing us the opportunity to present to you on behalf of our business coalitions. My name is Bill Nelson and I am here today with Barry Downing to represent the Wichita and Kansas City Business Coalitions for Early Education.

We are groups of large employers, businesses, and community leaders who have come together to advocate for expanded access to early learning in the State of Kansas. As business and community leaders, our interest in early learning stems from our desire to produce better educated and more productive employees so that Kansas can grow and thrive in an increasingly competitive new world economy.

We also want to create communities in Kansas where every parent and every child has an opportunity to participate in a voluntary, high-quality early learning program if that's what they want to do. That's the kind of Kansas in which we want to raise our families.

After years of research and studies on the impact of high-quality early learning, it has become apparent that, for our State's children to succeed, we need to make voluntary, high-quality preschool and early learning environments available so that our children can excel later in school and later in life.

Currently, at least 23 other states across the country have already begun investing more heavily in early learning and our fear is that Kansas will get left behind.

There is very little doubt that voluntary, high-quality programs are effective. Extensive research over the last 30 years has proven that children enrolled in early learning are:

55% less likely to need special ed services

31% more likely to graduate high school

72% less likely to be arrested for a drug offense

20% more likely to be employed

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500% more likely to own a home

26% less likely to be on welfare

31% less likely to be single mothers

In fact, recent economic forecasts indicate that an investment of \$1 today in high quality early education produces future community economic savings of between \$7 and \$11 in increased tax revenues and lowered social costs. I can tell you that where I come from it's not easy finding that kind of return on your investment

As you just heard, my friend and colleague, Barry Downing, sees the faces behind these statistics every day. A successful businessman, Barry has invested his time, talents, and personal resources into created a truly remarkable program in Wichita. With your help, we can provide access to high-quality programs like Barry's throughout the state.

The Wichita and Kansas City Coalitions for Early Education respectfully ask for your support of the proposed funding for early childhood grants and the Kansas Preschool Program which are before the legislature this session.

These initiatives are important to create an innovative and productive workforce in Kansas. We believe they also have the potential to create better communities in which our children and grandchildren can lead happy and satisfying lives themselves.

Mr. Chairman, I'll stand for any questions.

KANSAS CITY COALITION

FOR

Early Education

David Adkins
Vice Chancellor for External Affairs
University of Kansas Medical Center

Denny Barnett
Vice President
Citi Cards Services

Bill Berkley
President and CEO
Tension Envelope

Tom Bowser
President and CEO
Blue Cross Blue Shield of Kansas City

Mike Chesser
Chairperson
KC Power & Light

Jon Copaken
Principal
Copaken, White and Blitt

Karen Daniel
CFO
Black & Veatch

Anne Dickinson
Chairperson
Bank Midwest

Terry Dunn
President and CEO
JE Dunn Construction Company

Frank Ellis
Chairperson and CEO
Swope Community Enterprises

Mark Ernst
Former President and CEO
H&R Block

Greg Graves
President and CEO
Burns & McDonnell

Don Hall, Jr.
President and CEO
Hallmark Cards

Mike Haverty
President and CEO
Kansas City Southern

Mark Jorgenson
Market President
US Bancorp

George Kaiser
Bank of Oklahoma

Jonathan Kemper
Chairperson
Commerce Bank

Terry Kilroy
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Herb Kohn
Partner
Bryan Cave LLP

Pete Levi
President
Greater Kansas City Chamber of Commerce

Tom McDonnell
President and CEO
DST

Bill Nelson
Chairperson
George K. Baum

Rand O'Donnell
President and CEO
Children's Mercy Hospital

Neal Patterson
Chairperson and CEO
Cerner Corporation

Karen Pletz
President and CEO
Kansas City University of Medicine & Biosciences

Ralph Reid
VP for Corporate Social Responsibility
Sprint Nextel

Jewel Scott
Executive Director
Civic Council of Greater Kansas City

Morton Sosland
President
Sosland Companies

Jonathan Thomas
President and CEO
American Century

Bill Zollars
Chairperson and CEO
YRC

M&I Bank

House of Representatives Appropriations Committee
Testimony regarding KU Pharmacy School Expansion
Presented by Brian Caswell
February 26, 2008

Madam Chairman, members of the committee:

My name is Brian Caswell, I am President of the KU School of Pharmacy Advisory Council, Past President of the Kansas Pharmacists Association, and President of Wolkar Drug in Baxter Springs, KS. I am much honored to come before you today to address a critical issue that is currently affecting our health care delivery system here in Kansas, a shortage of pharmacists.

Pharmacy is one of the most trusted and most frequently visited health care providers in America. Today Kansans are facing a challenge to that relationship that they have so dearly relied upon for most of their lives. That challenge is access to a licensed pharmacist, in particular to rural Kansas counties, where the number of pharmacists is shrinking at an alarming rate. The majority of pharmacies in Kansas are independently owned by one pharmacist. If you would please refer to the attached map you will immediately notice the color shading that point to counties which are experiencing a critical shortage of pharmacies servicing their respective counties. The red shaded counties are those that currently do not have a pharmacy located within the county. The blue shaded areas are counties that currently only have one pharmacy. The numbers that you see indicated the number of KU Pharmacy School graduates residing in that particular county.

The age of our population is growing. The simple fact is that as we age we tend to use more medications. The U.S. population overall is aging at a rate never before seen, thanks in part to the group known as the "Baby Boomers" along with better health care that is allowing our seniors to live longer and healthier lives. The "Baby Boomers" are now reaching that age where they will qualify for Medicare benefits and in particular qualify for Medicare Part D. Statistics have shown, and it is my experience as well, that those who sign up with Medicare Part D will utilize more medications after they sign up versus what they used prior to joining the program. Many of you might recall the tremendous challenges that health care and government faced in the initial phase of the Part D implementation. In fact, President Bush, the Secretary of Health and Human Services Michael Leavitt, Governor Sebelius and countless other government leaders applauded the pharmacy community for its efforts in continuing to provide pharmaceutical therapy in spite of the tremendous early shortfalls of the plan.

As I mentioned earlier our population is growing older and so are many of our pharmacists within the state. The average age of independent pharmacy owners in the state of Kansas is 54. Many of these pharmacists are beginning to make retirement plans along with creating a legacy plan for their business in order to continue to serve the health care needs of their communities for which they have dedicated their lives in

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servicing. The problem that many of them face is a small pool of potential owners. With a limited number of pharmacy graduates and only one pharmacy school in the state, the numbers are small at best. Couple this challenge with the hurdles that pharmacy is currently battling, e.g. lower and slower reimbursements, and it doesn't take long to see that the search could take years if at all to find an interested candidate. What we are now experiencing is that some of these owners are being forced to make a decision about their practice due to health reasons, economic reasons, or even natural disasters prior to selling to an interested party because of lack of interest or a qualified applicant. They are simply closing their doors and locking up the only pharmacy access to an entire county or community. This has created enough of a critical situation that some city, county, and even federal legislators have become involved with recruitment of pharmacists to their communities.

As our national and local leaders search for pharmacists to fill in these unfortunate gaps in our health care arena, the demand for prescriptions continues to grow at a tremendous rate. This creates problems with an already stressed system that is understaffed and overworked at its current levels. Recent media coverage has noted that prescription errors tend to rise in such circumstances. With the limited number of graduating pharmacists and increasing demand for prescriptions one could assume that the safety factor in our pharmacies could be at risk. This staffing problem is not a localized issue in pharmacy. It is a critical issue within the hospital community along with the chain and independent community pharmacies, both urban and rural. The only solution to the increased demand is an increase in the supply of pharmacists.

The pharmacist-patient relationship is in my opinion the most vital component within our professional practice. Filling a prescription is more than placing pills in a bottle. It is checking for drug interactions with your other medications and against all of your disease states, whether or not it is the proper dose for the correct indication, the proper method of using it along with proper storage and handling. It is extremely important to properly deliver the medication to a patient, but it is sometimes just as important to educate a patient about their medications along with their disease state in order to empower them to be good stewards of their health and well being. To me, it is vital to be able to look my patient in the eye and assure them that there are better days ahead. Sometimes we give our patients printed materials, sometimes we just hand them their monthly medications with a smile, sometimes it is words of encouragement and assurance, and sometimes it's just a hug. There are no replacements for hugs and there is not a replacement for the relationship that one has with their pharmacist.

As with all challenges there are opportunities. Together I know that we can address this shortage while providing greater access and better health care to our patients and all citizens of the great state of Kansas. Thank you for allowing me to address the committee today on behalf of this very important issue.

Brian Caswell R.Ph.
President - Wolkar Drug
Baxter Springs, KS 66713 (620) 856-5555

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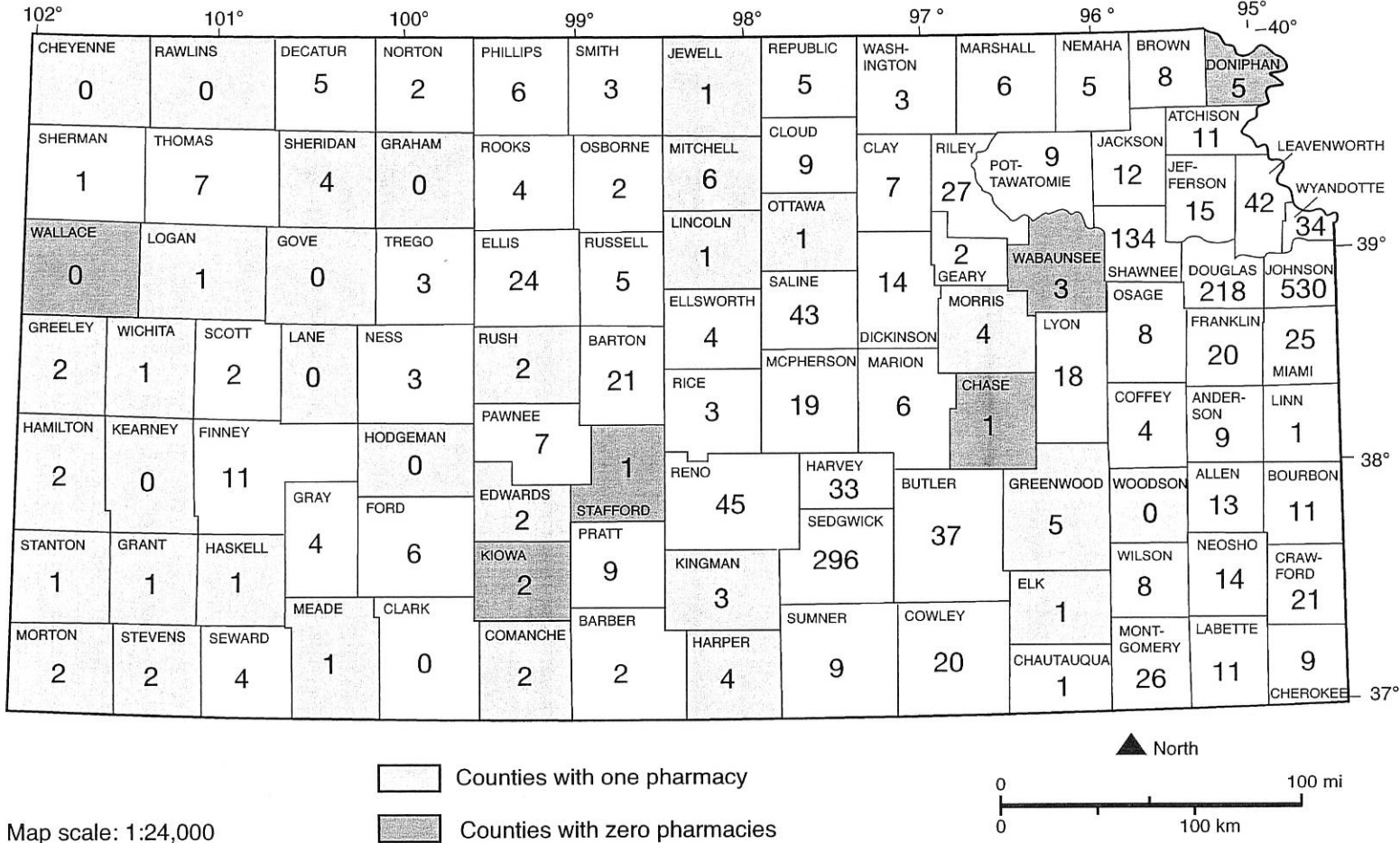
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University of Kansas School of Pharmacy

Distribution of KU Pharmacy Graduates by Current Kansas County of Residence

The KU School of Pharmacy has a total of 3,342 living graduates. Of this total 2,117* or 63.3% live in Kansas.
 KU Pharmacy graduates reside in 95 of the 105 counties in Kansas.

(*The total of 2,117 includes 119 graduates who reside in Missouri counties in the Kansas City Metro area.)



Legislative Testimony:
KU School of Pharmacy Expansion;
Feb 26, 2008

Good Morning- I am Amber Woehl, a Pharmacist from Minneapolis Kansas. Upon graduating from the KU School of Pharmacy in 2004, my husband Joe and I purchased City Pharmacy: the only pharmacy serving Ottawa County. I was delighted to be given the opportunity to speak with you about topics I find important for both the health and economic well being of my state-the pharmacist shortage and a vital step to help curb that shortage-expansion of the KU School of Pharmacy.

As the only pharmacy in our county of 6,000, we are kept busy meeting the increasing medication needs of our community; a need that is growing larger every day as our population ages and as more life saving medications become available. We offer small town personal service, durable medical equipment, blood glucose monitor training, and in home delivery that many of our aging patients depend on. Joe and I are personally available to patients in a way no other health care providers are-anyone can walk in or call the store and talk to one of us with usually no wait time.

In addition to my duties at our pharmacy; I provide pharmacy services for the county hospital, health department, home health agency and the county's long term care centers.

Our pharmacy employs nine other people besides me and my husband. We offer services not found elsewhere in our community; such as dry cleaning and film developing. We support community events ranging from the high school forensics team to the chamber of commerce and the county's Walk for Life.

In sum, if our pharmacy was forced to close its doors, the void left in the community would be substantial. Lack of a pharmacy would drastically impact economic development and essential health care in the county.

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If the shortage of pharmacists, and specifically pharmacist-owners, is not addressed soon this fate could befall many of our fellow Kansans.

As Joe and I attend various pharmacy meetings across Kansas, we note that we are the youngest pharmacist-owners in the room, and our young age places us in the vast minority. Most of our owner colleagues are at least in their 50's- and will soon be ready to find suitable buyers for their pharmacies. Their concern, and mine, is that they will be unable to find pharmacists to continue providing the health care services their communities depend upon. Who will make up for the lost jobs, community support, and access to health care providers a home town pharmacy offers? How will their patients with limited transportation options and/or severe medical problems cope with the hardship of greater distance between themselves and their pharmacist?

Expansion of the KU School of Pharmacy is an investment in Kansas's health and economic viability. A new building on the Lawrence campus and the development of a campus in Wichita would increase enrollment and allow the state to produce more of the pharmacists it desperately needs. I urge you to support the expansion of the University of Kansas School of Pharmacy as it will benefit all Kansans and their access to quality health care. The time to act is now, as the population continues to age, valuable pharmacists are lost to retirement and the number of those needing pharmaceutical care increases.

As a pharmacist-owner I have the privilege of serving my patients in a unique way: I am their health care provider, their neighbor, and their partner in creating an exceptional community. As a Kansan I support the effort to educate more pharmacists so every citizen of our state has access to the best health care in an economically sound community.

Amber Woehl, Pharm.D.
City Pharmacy
209 West 2nd Street
Minneapolis, KS. 67467

11-2



TO: Members of the Kansas Legislature
FROM: Ken Audus, Dean, KU School of Pharmacy
DATE: February 26, 2008

Thank you for giving us the opportunity to address you today, as your work in addressing the many pressing issues in our state continues. We are grateful for your service to Kansas and for your interest in the problems facing pharmacy in our state.

You have heard about the problems **and** the opportunities that exist in Kansas from representatives of our community pharmacies. These community pharmacies play a vital role in maintaining the core infrastructure of towns all across the state. They aren't just filling prescriptions for local residents -- they are meeting critical health care delivery needs for many Kansans. In some of our communities, the local pharmacist is the only local health professional. They dispense far more than simply medications. And in many communities, their service extends far beyond the walls of their pharmacy. They are also the professional who serves the local hospital and area nursing homes.

We face a severe shortage in our state and we must take action. Working in partnership with the Kansas Pharmacists Association, and with the endorsement of the Kansas Board of Regents we have developed a plan to nearly double the number of pharmacists trained in our state. We are asking for legislative endorsement of this plan by adopting the provisions contained in the Governor's budget recommendations for \$1 million in funding for FY 09 and for bonding authority of \$50 million to finance this expansion. Currently, KU's School of Pharmacy is at its enrollment limit of 105 students per year. Our applicant pool, on the other hand, is currently greater than 400 individuals on average. These talented, qualified students are seeking entrance into the Pharmacy School in our state, but we cannot accept them. Thus, if they're committed to a degree in pharmacy, they will be forced to leave our state. And there are opportunities for these students in other states. Attached to my remarks is a chart indicating the enrollment adjustments that have occurred or are in progress in surrounding states. We believe the best approach and the most cost-effective approach is to build a modern facility of the west campus at KU for the Doctor of Pharmacy

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program. Our proposal calls for one-time bricks & mortar costs of \$46.58 million. All new operating expenses would be covered by existing course fees and the on-going maintenance for this facility is included in this operations budget. A second, later phase of the facility calls for expansion of the pharmacy research program. The university has said the cost of this second phase, estimated to be approximately \$120 million would not be funded from State General Fund. The University would be responsible for securing funding for this phase from a variety of other resources.

Another important element of the expansion plan involves adding a new floor to the existing KU School of Medicine in Wichita. This Wichita-based, satellite facility is especially important in the efforts to retain students in Kansas upon graduation, with an emphasis on service in rural communities. The KU School of Pharmacy has an outstanding track record in this regard, with an average of 63% of our graduates working in the state upon graduation. The construction costs for the Wichita facility are \$4.1 million with less than \$1 million a year in operating expenses.

Pharmacy is an important profession. We know if we are to maintain a health care delivery system, we must have an adequate number of licensed pharmacists. Our pledge to you is to continue to be good stewards at the KU School of Pharmacy, working to continue our high national rankings **and** produce more pharmacists for our state. Thank You.

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Pharmacy Student Enrollments in Surrounding States

<u>State</u>	<u>Population*</u>	<u>Schools</u>	<u>Total Enrollments</u>	<u>Expansion plans</u>
Iowa	2,966,334	Iowa Drake	430 497	
Missouri	5,800,310	UMKC StL	495 1,123	Started a satellite in Columbia 2006; project 2nd satellite in Springfield Proposing a satellite in Springfield
Nebraska	1,758,787	Nebraska Creighton	261 651	
Oklahoma	3,547,884	Oklahoma SW Ok St	519 321	Includes a satellite started in Tulsa in 2004
Colorado	4,665,177	Colorado	513	Proposing a satellite campus, location undecided at this time. (With Fall, 2007 class size up to 146/year; new facility planned.)
Arkansas	2,779,154	Arkansas Harding Univ	394 240	Admits 120/class effective Fall 2007 (480 total enrollment in 3 years) 60 students in first class starting 2008; 240 at full capacity
Kansas	2,744,687	Kansas	414	

* 2005 Census

Most recent enrollment data available from the American Association of Colleges of Pharmacy for Fall, 2006

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**Table 1: Total Amount Awarded
FY 2007 NIH Grants and Contracts**

Rank	Institution	Amount
1	University of Utah	\$23,583,771
2	University of California-San Francisco	\$19,596,952
3	University of Illinois at Chicago	\$13,470,722
4	University of Kansas	\$11,041,971
5	University of Washington	\$9,291,752
6	University of North Carolina-Chapel Hill	\$9,109,525
7	University of Arizona	\$8,467,250
8	University of Colorado	\$7,890,046
9	University of Pittsburgh	\$7,383,285
10	University of Southern California	\$7,263,692
11	University of Montana	\$7,261,133
12	Purdue University	\$7,042,858
13	University of Wisconsin-Madison	\$6,911,663
14	University of Mississippi	\$5,998,192
15	Rutgers University	\$5,846,770
16	University of Kentucky	\$5,684,703
17	University of Maryland	\$5,598,218
18	Ohio State University	\$5,558,315
19	South Carolina College of Pharmacy	\$5,461,320
20	University of Florida	\$4,959,305
21	Northeastern University	\$4,666,304
22	University of Minnesota	\$4,585,773
23	University at Buffalo-SUNY	\$3,990,815
24	University of Michigan	\$3,762,787
25	University of California-San Diego	\$3,761,286

**Table 3: Percent of PhD Faculty
with NIH Funding**

Rank	Institution	FTE PhDs	# Funded	% Funded
1	University of Kansas	36	22	61.11
2	University of California-San Diego	12	7	58.33
3	University of California-San Francisco	45	23	51.11
4	University of Arizona	28	14	50.00
5	University at Buffalo-SUNY	18	8	44.44
6	Rutgers University	41	18	43.90
7	University of Nebraska	19	8	42.11
8	University of Colorado	29	12	41.38
9	University of Southern California	33	13	39.39
10	University of Illinois at Chicago	49	19	38.78
11	University of New Mexico	21	8	38.10
12	University of Montana	27	10	37.04
13	University of Kentucky	38	14	36.84
14	Texas Tech University	22	8	36.36
15	University of Wisconsin-Madison	34	12	35.29
16	Northeastern University	20	7	35.00
17	Purdue University	46	16	34.78
18	University of Michigan	23	8	34.78
19	University of Utah	67	23	34.33
20	University of North Carolina-Chapel Hill	44	15	34.09
21	University of Pittsburgh	40	13	32.50
22	South Carolina College of Pharmacy	34	11	32.35
23	University of Maryland	44	14	31.82
24	Wayne State University	16	5	31.25
25	Ohio State University	39	12	30.77