

Approved: March 30, 1993
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on March 25, 1993 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Leah Robinson, Legislative Research Department
Scott Rothe, Legislative Research Department
Norm Furse, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Representative Don Rezac
Robert Wunsch, Legislative Liaison, KUMC
Richard Morrissey, Acting Director, Office of Local & Rural Health Systems,
Department of Health and Environment
Mike Miller, Kansas Independent Automobile Dealers' Association
Captain Larry Fox, Kansas Highway Patrol
Captain Bill Turner, Missouri State Highway Patrol
Trooper Jeff Collier, Kansas State Troopers Association
Helen Stephens, Kansas Peace Officers Association
Leonard Ewell, Director, Kansas Correctional Industries
Jack Shipman, Director, Division of Purchasing, Department of Administration
Senator Janis Lee
Robert Wunsch, Legislative Liaison, KUMC
Harold Riehm, CAE Executive Director, Kansas Association of Osteopathic

Medicine

Others attending: See attached list

HB 2029 -- PRIORITY OF KANSAS RESIDENTS IN MEDICAL STUDENT LOAN PROGRAM

Representative Rezac appeared before the Committee to request an amendment to **HB 2029**. He reviewed Attachment 1 which provided background material for his request and a copy of the proposed amendment. Senator Moran noted that the proposed amendment also addressed the needs of one of his constituents.

Robert Wunsch appeared before the Committee on behalf of the University of Kansas Medical Center and requested the passage of **HB 2029** which would amend current provisions regarding the medical student loan program to give preference to Kansas students as loan recipients. He provided Attachment 2.

Mr. Richard Morrissey appeared in support of **HB 2029** and reviewed Attachment 3.

Senator Moran moved, Senator Kerr seconded that **HB 2029** be amended by the proposal contained in Attachment 1-4 through 6. The motion carried on a voice vote.

It was moved by Senator Moran and seconded by Senator Salisbury that **HB 2029** as amended be recommended favorable for passage. The motion carried on a roll call vote.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 25, 1993.

SB 212 -- PROVIDING FOR THE PURCHASE OF HIGHWAY PATROL MOTOR VEHICLES

Captain Fox appeared in support of **SB 212** on behalf of Colonel McCullom and reviewed Attachment 4. He noted that **SB 212** would provide for a \$3.50 increase in the title fee for vehicle transactions for FY94, FY95, and FY96 and emphasized that this would allow the Kansas Highway Patrol to retire the patrol cars at 45,000 miles and recover approximately 70% of the price of the vehicle.

Captain Turner of the Missouri Highway Patrol appeared to describe the operation of their police car program (Attachment 5). He explained that the success of the program is dependent on obtaining approximately 70-75% return on the cars and that, in turn, is dependent upon the cars having low mileage of approximately 45,000 miles to meet market demands. In answer to a question, Captain Turner stated that to initiate the program, Missouri appropriated \$3 million into a revolving fund which was supplemented in the amount of \$2 million from the Highway Department. Once the program started working the 70-75% return on the cars goes back into the revolving fund which is used solely for the purchase of new vehicles. The sale of cars yields about \$3 million per year and the Highway Department supplements that annually to make the \$4.9 million per year program work.

Trooper Collier testified in support of **SB 212** on behalf of the Kansas State Troopers Association (Attachment 6). He stated that troopers average 25,000-35,000 miles per year on their cars.

Jack Shipman appeared on behalf of the Division of Purchases in support of **SB 212** and reviewed Attachment 7. In answer to a question, he indicated that this proposal might have a cost savings impact in the motor vehicle pool, but that hasn't been studied. He added that the sale of the patrol vehicles would be spread out over the course of the year with approximately 20-25 cars being sold per month. He stated that after the initial three years after implementation of the plan, he would conservatively guess that cost savings to the state would annually be 33% and that expansion of the market to other states would be advisable.

Helen Stephens appeared on behalf of the Kansas Peace Officers' Association in support of **SB 212** (Attachment 8).

Leonard Ewell distributed and reviewed Attachment 9 which addressed the impact of **SB 212** on the State Surplus Property program.

Mike Miller testified on behalf of the Kansas Independent Automobile Dealers Association in opposition to **SB 212** and reviewed Attachment 10. In answer to a question, he stated that retitling a car is optional for dealers unless the title is completely filled in. He indicated that he was not concerned that used patrol vehicles would cut into his business. He stated his opinion that the fact that the Surplus Property Division is ready to sell cars to the public would indicate that the political subdivisions won't be standing in line to buy 20-25 cars per month.

Colonel McCullom appeared to express the commitment of the Kansas Highway Patrol to use the vehicles to deliver public service.

The Chairman requested that Mr. Shipman consider modifications of the program to resemble Missouri's and asked that the Committee members think about the issue of the sale of cars. He stated that action would be taken on **SB 212** at the next meeting.

HB 2024 -- TRANSFER OF SCHOLARSHIP RECIPIENT UNDER NURSING STUDENT SCHOLARSHIP PROGRAM FROM ONE SPONSOR TO ANOTHER

Written testimony submitted by Terri Roberts, Kansas State Nurses' Association was distributed to members (Attachment 11).

Staff explained that **HB 2024** would provide nursing scholarship recipients greater flexibility in transferring from one sponsor to another if there's a family exigency. In answer to a question, Ted Ayres, Board of Regents, stated that **HB 2024** was not an initiative of the Board, but explained that the bill was written to address the needs of a particular scholarship recipient. He pointed out that Sec. 4. (b) and (c) provide for the creation of the nursing student scholarship discontinued attendance fund and the nursing student scholarship repayment fund.

Christie Crenshaw, Student Financial Program, Board of Regents, stated that the Executive Director would have the responsibility of determining which appeals are honored. She stated that the Board had requested the

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 25, 1993.

language that there would be no appeal beyond the Executive Director.

Concern was expressed by members that Sec. 1 of **HB 2024** would provide too great a loophole. The Chairman closed the hearing on the bill.

HB 2025 -- ELIGIBILITY FOR MEDICAL RESIDENCY BRIDGING PROGRAM

Harold Riehm appeared in support of **HB 2025** and reviewed Attachment 12.

Robert Wunsch distributed and reviewed Attachment 13 in support of **HB 2025**. He reviewed amendments made by the House Committee.

Attachment 14 was submitted by Senator Lee and explained by Robert Wunsch. He stated that the amendment contained in Attachment 14 would allow a KUMC graduate who is practicing his residency outside the state to participate in the bridging program. He noted that the amendment leaves intact the provision that the student must have a contract in the community before he is eligible to contract with the state. It was moved by Senator Karr and seconded by Senator Salisbury that **HB 2029** be amended by the proposals in Attachment 14.

Members expressed their concern that the proposed amendment represented a delusion of state policy to promote Kansas primary care residency programs.

The Chairman stated that the motion would be considered at the next meeting. He adjourned the meeting at 1:30 P.M.

{ Attachment 15 was submitted by Chip Wheelen, Director of Public Affairs, Kansas Medical Society, in support of **HB 2029**. }

The next meeting is scheduled for March 26, 1993.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: March 25, 1993

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Elaine Frisbie	Topeka	Division of Budget
LARRY A Fox	"	K.H.P.
W. J. Turner	Jefferson City, Mo.	Mo. St. Hwy. Dept.
Ronnie R. McCollum	TOPEKA	K.H.P.
Jeff Gallen	FT SCOTT	K.H.P.
Jack R. Shipman	Topeka	Division of Purchases
Richard Morrissey	Topeka	K.D.H.E.
Fred Margott	Topeka	Ks. Ind. Auto Dealers Assoc Margott Motors
Mike Miller	Topeka	IATM Ks. Ind. Auto Dealers Assoc
Rep Don Ryan	Emmitt	Leg
Christy Crenshaw	Topeka	Bd of Regents
Brent Sherwood	Larned	Leadership Larned
Donna Pelton	Burdett	Leadership Larned
Steven Lewis	Larned	Leadership Larned
Wendy Hammond	Larned	"
John & Linda Hauber	Larned	Leadership Larned
ALAN K. MEAD	LARNED	LEADERSHIP LARNED
RICK SCHEIBE	Topeka	KDOR
DAVID R. PARKS	LARNED	Leadership Larned
BILL JACOBS	TOPEKA	K.H.P.
Helen Stephens	✓	Ks. Peace Officers
Terry Maple	✓	K.H.P.
Del Baggitt	✓	KDOT
Steve Magee	Topeka	State Surplus Property
Leonard Ewell	Lansing 7Ks	Dept of Corrections
Jan Johnson	Topeka	DOC
Jan Johnson	Larned	Leadership Larned
Kathy Johnson	Larned	Leadership Larned
Kathleen Lewis	Larned	Leadership Larned
Donna Bailey	Larned	Leadership Larned
Lee Olson	Larned	Leadership Larned
Stuart Bad	Larned	—
TED D. AYRES	Topeka	REGENTS STAFF
Jacques Oakes	"	Ks. Ind. Auto Dealers

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: 03-25-77

[illegible]

DON M. REZAC

REPRESENTATIVE, SIXTY-FIRST DISTRICT

WABAUNSEE & PARTS OF POTTAWATOMIE COUNTIES

(913) 535-2961



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

CHAIRMAN: KANSAS PUBLIC EMPLOYEE
RETIREMENT STUDY COMMISSION
RANKING MINORITY MEMBER: AGRICULTURE
MEMBER: ENERGY AND NATURAL RESOURCES
TRANSPORTATIONTESTIMONY ON HB 2029
SENATE WAYS AND MEANS COMMITTEE
March 25, 1993

Mr. Chairman and members of the committee:

I am Don Rezac, and I am here to request an amendment to HB 2029 for Dr. Dane Ditto. This amendment would postpone Dr. Ditto's payment of his medical scholarship one year. Dr. Ditto's intent is to become a general practitioner in the Wamego area. He will have the opportunity to be a non-invasive cardiology fellow at Tulsa Heart Center from July 1993 through June 1994. This service is not available in the Wamego and Manhattan area and would be a valuable asset to the needs of the people of the area.

Please find attached a letter from Mark LeNeave, Administrator of Wamego City Hospital. Also attached is a letter dated January 29 from Billie Jo Hamilton, Director of Student Financial Aid of The University of Kansas Medical Center. At one time we thought this deferment could have been handled administratively, but Kansas University has notified me that it will take legislation.

I am here today asking you for Dr. Ditto's deferment. All this amendment does is postpone his scholarship and start the repayment one year later after he finishes his training in the field of cardiology.

SWAM
March 25, 1993
Attachment 1

WAMEGO
CITY HOSPITAL



711 GENN DRIVE • WAMEGO, KANSAS 66547

March 22, 1993

Representative Don Rezac
State Capitol
Topeka, Kansas 66612

Dear Representative Rezac:

I am writing to ask for your support of H.B. 2029, the Student Loan Bill. H.B. 2029 contains an amendment which is of particular importance to Wamego City Hospital.

Dane Edward Ditto, M.D. is a young internist finishing his Internal Medicine residency in Tulsa, Oklahoma. Dr. Ditto, a native of Wamego, has indicated an interest in returning to his hometown to practice medicine. He attended the University of Kansas School of Medicine on a Kansas Medical Scholarship. He is obligated to repay his scholarship by practicing four years in a rural area. His practice in Wamego would satisfy the terms of his scholarship agreement.

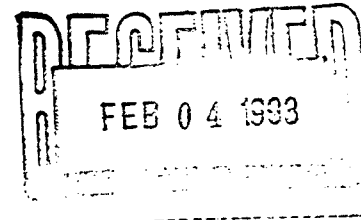
Dr. Ditto wishes to obtain an additional year of training in non-invasive cardiology. We are supportive of his efforts to become certified in non-invasive cardiology. We believe that this service would fill a need in the Wamego area and is a cost effective manner of health care delivery. In order for Dr. Ditto to receive this additional training, he must be granted a one-year extension on his student loan payback. This can only be accomplished through legislation and the amendment to H.B. 2029 contains this extension for Dr. Ditto.

I appreciate your support of our efforts to recruit this fine physician to our community. Please encourage your colleagues to support H.B. 2029.

Yours truly,

Mark LeNeave
Administrator

The University of Kansas Medical Center



January 29, 1993

Don M. Rezac
Representative, 61st District
State Capitol
Topeka, KS 66612

Dear Representative Rezac:

When we talked in Topeka on January 19, 1993, regarding Dr. Dane Ditto's Kansas Medical Scholarship obligation, I informed you that it had been approved. Regretably, when I returned to my office and reviewed his file, I had confused his situation with that of another recipient.

Dr. Ditto had requested approval for fellowship training in non-invasive cardiology, which is not acceptable under the terms of his Kansas Medical Scholarship. I informed him in writing on July 31, 1992, that according to the statute governing the KMS program, a recipient can only apply, enter, and complete a primary care residency program. No provision is made for specialized training.

Since 1985 when the residency restriction was added to the program, we have operated with the intent of the legislature, specifically that the goal was to provide financial assistance to primary care physicians, not to those who pursue specialty training.

Again, I apologize for the misunderstanding.

Sincerely,


Billie Jo Hamilton, Director
Student Financial Aid

Attachment

cc: Bob Wunsch
Victoria Thomas

Student Services Department

3901 Rainbow Blvd., Kansas City, Kansas 66160-7190 • (913) 588-7055

Student
Financial Aid
588-5170

Student Records
and Registration
588-7055

Counseling Center
588-4689

Learning Resources
588-4688

Student Life Office
588-4687

Housing Office
588-7055

3-12-93

On page 6, preceding line 4, by inserting the following section to read as follows:

"Sec. 2. K.S.A. 76-377 is hereby amended to read as follows: 76-377. (a) An obligation to engage in the practice of medicine and surgery in accordance with an agreement under this act shall be postponed: (1) During any required period of active military service; (2) during any period of service as a part of volunteers in service to America (VISTA); (3) during any period of service in the peace corps; (4) during any period of service commitment to the United States public health service; (5) during any period of religious missionary work conducted by an organization exempt from tax under subsection (c) of section 501 of the federal internal revenue code of 1954, as amended 1986; (6) during the period of time the person obligated is engaged solely in the teaching of medicine; (7) during the period of time the person obligated is engaged solely in medical research; or (8) during any period of temporary medical disability during which the person obligated is unable because of such medical disability to practice medicine and surgery. Except for clause (8) of this subsection (a), an obligation to engage in the practice of medicine and surgery in accordance with an agreement under this act shall not be postponed pursuant to this subsection (a) more than five (5) years from the time the practice of medicine and surgery was to have been commenced under any such agreement. An obligation to engage in the practice of medicine and surgery in accordance with an agreement under this act shall be postponed under clause (8) of this subsection (a) during the period of time the medical disability exists.

(b) An obligation to engage in the practice of medicine and surgery in accordance with an agreement under this act shall be satisfied: (1) If the obligation to engage in the practice of medicine and surgery in accordance with an agreement under this act has been completed; (2) if the person obligated dies; (3) if,

because of permanent physical disability, the person obligated is unable to practice medicine and surgery; (4) if the person obligated fails to satisfy the requirements for a degree of doctor of medicine after making ~~his-or--her~~ such person's best efforts to obtain such degree; or (5) if the person obligated fails to satisfy all requirements for a permanent license to practice medicine and surgery in Kansas or any other jurisdiction or has been denied a license after applying for a license and making ~~his-or--her~~ such persons's best efforts to obtain a license.

(c) Any person who was first awarded a scholarship after December 31, 1985, who enters and completes an approved three-year primary care postgraduate residency training program prior to July 1, 1993, who is obligated to engage in the full-time practice of medicine and surgery under an agreement entered into under K.S.A. 76-374 and amendments thereto, who has entered into a written commitment to engage in such practice in a service commitment area, as defined by subsection (c)(1) of K.S.A. 1992 Supp. 76-381 and amendments thereto, pursuant to K.S.A. 1992 Supp. 76-379 and amendments thereto, and who has been accepted to participate in a one-year medical postgraduate fellowship training program in noninvasive cardiology commencing within 30 days after completion of such residency training, shall have a special educational deferment and such obligation to engage in the practice of medicine and surgery shall be postponed during such person's participation in such one-year training program.

(d) Any person who was first awarded a scholarship after December 31, 1985, who enters and completes an approved three-year primary care postgraduate residency training program prior to July 1, 1993, who is obligated to engage in the full-time practice of medicine and surgery under an agreement entered into under K.S.A. 76-374 and amendments thereto, who has entered into a written commitment to engage in such practice in a service commitment area, as defined by subsection (c)(1) of K.S.A. 1992 Supp. 76-381 and amendments thereto, pursuant to

K.S.A. 1992 Supp. 76-379 and amendments thereto, and who has been accepted to participate in a two-year medical postgraduate fellowship training program in infectious diseases commencing within 30 days after completion of such residency training, shall have a special educational deferment and such obligation to engage in the practice of medicine and surgery shall be postponed during such person's participation in such two-year training program."

Also on page 6, in line 4, by striking all preceding "K.S.A." and inserting in lieu thereof "Sec. 3.";

And by renumbering sections 3, 4 and 5 as sections 4, 5 and 6, respectively;

On page 7, in line 12, preceding "K.S.A." by inserting "K.S.A. 76-377 and";

On page 1, in the title, in line 11, preceding "K.S.A." by inserting "K.S.A. 76-377 and";

TESTIMONY BEFORE THE SENATE WAYS AND MEANS COMMITTEE

HB 2029

ROBERT S. WUNSCH

March 25, 1993

Thank you, Mr. Chairman. My name is Bob Wunsch and I am here today representing the University of Kansas Medical Center to testify in support of House Bill 2029.

House Bill 2029 amends the current provisions regarding the medical student loan program administered by the University of Kansas School of Medicine. The bill would write into law that in the awarding of student loans, preference or priority shall be given to students who were Kansas residents at the time of first entry into the School of Medicine. Inasmuch as the purpose of the loan program is to encourage medical students to pursue careers in primary care and eventually to locate a medical practice in a rural practice location, we believe that the likelihood of compliance with those requirements is greatest for students who are Kansans and for that reason, we are supportive of House Bill 2029.

Attached is an outline of the new loan program.

Prior to receiving award applications for Fiscal Year 1994, the University established the following policies for choosing students to receive the awards in the event that there was more interest than could be satisfied.

1. The first priority was given to first-year students on the assumption that one of the purposes of the program was to create a significant financial obligation thereby making it likely the student would comply with the service obligation.
2. Kansas residents were given preference over non-residents.
3. Applicants from counties other than Douglas, Johnson, Sedgwick, Shawnee or Wyandotte were given preference.
4. Finally, if needed, a judgment would be based on financial need.

A total of 69 applications were made for the authorized 30 awards, 49 of which were from the first year class, 18 second year and 2 third year students. Of the 49 first year applicants, 39 were Kansas residents and 10 were non-residents. Under the criteria that was established, all 30 awards went to first-year students who were residents of Kansas.

Through this Committee's amendment to Senate Bill 62 which is the appropriation bill for Fiscal Year 1993, additional funds are available for 5 more loans in this fiscal year. With the enactment of House Bill 2029, the first preference for these additional loans would be given to the 9 first year Kansans who were not initially granted awards and secondly to

*SWAm
march 25, 1993
Attachment 2*

Kansans in the second year class. Without the passage of House Bill 2029 additional awards would be offered to first year non-resident applicants.

The bill has been amended to provide that any Fiscal Year 1993 loans would be made retroactive to the beginning of the 1992/1993 academic year. If a student is willing is to assume a full year service obligation as a result of receiving the award then they should be entitled to a full years financial benefit.

I would happy to respond to any questions and we thank the Committee for their interest in this program.

#

RSW:mem

**THE UNIVERSITY OF KANSAS SCHOOL OF MEDICINE
THE KANSAS MEDICAL STUDENT LOAN PROGRAM**

THE KANSAS MEDICAL STUDENT LOAN PROGRAM represents a generous and serious effort by the people of Kansas to encourage students in the University of Kansas School of Medicine to practice primary care medicine in the State of Kansas.

THE KANSAS MEDICAL STUDENT LOAN PROGRAM

For the people of Kansas, the State Legislature has established the Kansas Medical Student Loan Program to assist students in the University of Kansas School of Medicine. The Kansas Medical Student Loan is awarded on an annual basis, in return for agreements to practice medicine in Kansas. The Kansas Medical Student Loan provides payment of tuition and living expenses up to \$1500 for each month the recipient is enrolled in the University of Kansas School of Medicine.

ELIGIBILITY

If you have been admitted to the University of Kansas School of Medicine as a student in a course of instruction leading to the degree of Doctor of Medicine, you are eligible to apply for a Kansas Medical Student Loan. Selection criteria includes Kansas residency, the home city of the applicant, and financial need.

TERM OF THE KANSAS MEDICAL STUDENT LOAN

The Kansas Medical Student Loan is awarded annually and is in effect for an academic year. For each year you are enrolled in the University of Kansas School of Medicine and wish to receive a Kansas Medical Student Loan, you must arrange for one each year.

LOAN OBLIGATIONS

To be a recipient of the Kansas Medical Student Loan program, you must enter into an agreement with the University of Kansas School of Medicine. In return for the Kansas Medical Student Loan support, you must:

1. complete the required course of instruction, receive the degree of doctor of medicine, and enter and complete a UKSM approved post-graduate residency training program in general pediatrics, general internal medicine, family medicine, family practice or emergency medicine;
2. apply for and obtain a license to practice medicine in Kansas;
3. engage in full-time medical practice for a period of twelve months in a Kansas city excluding those cities in Douglas, Johnson, Wyandotte, Shawnee and Sedgwick counties;
4. agree that the service commitment for each agreement entered into is in addition to the service commitment contained in any other agreement which has been or may be entered into for the purpose of obtaining a Kansas Medical Student Loan award on an annual basis;
5. maintain records and make reports to the University of Kansas School of Medicine to document your fulfillment of your service obligation; and
6. agree to repay amounts to the University of Kansas School of Medicine as provided in the section below entitled "Student Loan Repayment" if for some reason you are unable to fulfill your obligation.

SATISFYING THE MEDICAL SERVICE OBLIGATION

A Kansas Medical Student Loan will be canceled:

1. if the obligation to engage in full-time medical practice has been completed as specified in the service agreement;
2. if the person obligated dies;
3. if, because of permanent physical disability, the person obligated is unable to practice medicine.

SERVICE OBLIGATION POSTPONEMENT

An obligation to engage in the full-time practice of medicine in accordance with an agreement entered into for the award of a Kansas Medical Student Loan may be postponed for no more than five years for:

1. active military service;
2. service in Volunteers in Service to America (VISTA);
3. service in the Peace Corps;
4. service in the United States Public Health Service; or
5. religious missionary work.

Additionally, a Kansas Medical Student Loan service commitment may be postponed because of temporary medical disability for as long as the medical disability exists.

LOAN REPAYMENT

Any person who fails to satisfy the service obligation must repay within five (5) years to the University of Kansas School of Medicine an amount equal to the sum of money received in tuition payments and living expenses plus interest at the rate of 15 percent, from the date such money was received. If a recipient fails to enter the required residency program, all monies are due and payable within 90 days of graduation.

HOW TO RECEIVE A KANSAS MEDICAL STUDENT LOAN

The Office of Student Financial Aid has application forms for the Kansas Medical Student Loan program. If you are selected as a recipient, a loan agreement and promissory note will be prepared which you can sign, following which provision will be made for the payment of tuition for you. If you have signed a loan agreement form, provision will also be made for you to receive your requested amount of living expenses up to \$1500 per month, for each month in which you are enrolled in the University of Kansas School of Medicine.

If you are a student applying for the K.M.S.L.P. for the first time, you must file the Free Application for Federal Student Aid in addition to the Kansas Medical Student Loan program application. Both forms are available in the Office of Student Financial Aid.

The deadline is April 15, with notification going out to the recipients by June.



Department of Health and Environment

Robert C. Harder, Secretary

Reply to:

Testimony presented to
Senate Ways and Means Committee

by

The Kansas Department of Health and Environment
House Bill 2029

This amendment to the medical student loan act passed last year gives preference to loan applicants who are Kansas residents when they enter the University of Kansas School of Medicine. Loan recipients are expected to practice in an underserved Kansas county for a number of years equal to the number of years they received financial assistance. Thereafter, they are free to go wherever they please.

Our experience with the Kansas Medical Scholarship Program introduced in 1978 has been that identical service obligations have not made an appreciable difference in overall access to medical care in Kansas as measured by the yearly numbers of medically underserved counties. After nearly 15 years of a program intended to improve the retention of KU medical students in Kansas, the doctors still aren't out in the underserved counties.

The growing body of research on the diminishing numbers of family practice and rural practitioners has demonstrated that one of the best predictors of a medical student's ultimate practice site is the size of town the student grew up in. Doctors coming from rural backgrounds are more likely to set up practice in rural settings than doctors raised in urban settings.

By giving a preference to loan applicants from Kansas, the odds are improved that graduates will stay on in Kansas after their service obligations are satisfied.

Additionally, this type of selection preference dovetails nicely with the recent Kansas State University initiative designed to increase the number of rural Kansans preparing for admission to UKSM. The larger the proportion of rural Kansas medical school students, the greater the likelihood of more UKSM graduates practicing in underserved areas of the state.

Testimony presented by: Richard J. Morrissey, Director
Office of Local and Rural Health Systems
March 25, 1993

KANSAS HIGHWAY PATROL
FLEET ACQUISITION/RESTORATION PROPOSAL
1993 SENATE BILL 212



BEFORE THE
SENATE WAYS AND MEANS COMMITTEE
MARCH 25, 1993

SWAM
march 25, 1993
Attachment 4

KANSAS HIGHWAY PATROL
FLEET ACQUISITION PROPOSAL
SENATE BILL #212

The KHP is pursuing legislation through Senate Bill #212 to restore our Patrol vehicle fleet to an adequate level, and once restored, to maintain our fleet for years to come. This program will not only insure that the Patrol has a continuous source of funding for our fleet, but will actually eliminate and free up State General Fund monies for other uses. The primary beneficiary of this program is the Kansas Highway Patrol and more specifically, the road trooper.

This legislation will also directly benefit political subdivisions and public agencies, i.e., cities, municipalities, local law enforcement agencies, fire districts and school districts by making quality, low mileage, police packaged vehicles available at cost significantly below used car prices. We believe that this program will produce a benefit to those agencies outside the Patrol that choose to avail themselves of the opportunity.

We purchase our vehicles at a discount through the bidding process so consequently we are able to sell them at a discount to other agencies.

This proposal will be funded from two sources. The first source being the sale of our low mileage, modern, police vehicles. The Missouri Highway Patrol has been using the following proven method for the last 15 years.

This proposal would allow us to retire our Patrol vehicles at 45,000 miles and recover approximately 70% of the actual price paid for the vehicle when it was new.

For every three (3) used vehicles sold at 45,000 miles, we would be able to purchase two (2) new vehicles from our replacement/sales fund.

Since FY 88, the Patrol has received an annual average of \$133,480 from the sales of retired Patrol vehicles. With current new car prices and figuring the 70% recovery rate on the sales of our used vehicles, we would anticipate that beginning in FY 97 the fund would receive approximately \$2,068,450 annually due to sales of our used Patrol vehicles. We should realize approximately a \$1,934,970 annual increase in the sales of our used vehicles.

The second source of funding would result in legislation to commence on July 1, 1993 which would increase the fee for vehicle title transactions by \$3.50 from the current \$3.50 to \$7.00. This \$3.50 fee would be for FY 94, FY 95 and FY 96. Beginning in FY 97 the title transaction fee would decrease by \$2.50 to \$4.50.

The added funding of \$3.50 for FY 94, FY 95, FY 96 and the funding of \$1.00 for FY 97 and thereafter would be utilized for the purchase of Kansas Highway Patrol vehicles.

Vehicle owners, the users of our highways, would be funding a portion of this program by fees paid upon title transactions.

The Division of Vehicles estimates that over 750,000 vehicles are titled annually. \$3.50 per vehicle titled in Kansas each year would generate approximately \$2,625,000 for FY 94, FY 95 and FY 96. Beginning in FY 97 the \$1.00 title fee increase would generate approximately \$750,000 annually.

Funding over a six year period from State General Funds, estimated at \$1,406,591 for replacement of an average of 110 vehicles each year, should not be necessary effective July 1, 1995.

This bill creates a Kansas Highway Patrol Motor Vehicle Fund and provides that expenditures can be made from the fund only for the purchase of motor vehicles. This bill provides that the fees for title transactions collected to restore and maintain our fleet would be credited to the Kansas Highway Patrol Motor Vehicle Fund. This bill also provides that receipts from the sale of retired highway patrol vehicles must be deposited in the Kansas Highway Patrol Motor Vehicle Fund, rather than the General Fees Fund, as is current practice.

Our low mileage, modern, dependable, police packaged vehicles will be sold through the State Surplus Property Center to political subdivisions and public agencies at cost significantly below used car prices. Vehicles not utilized by state or public agencies in a timely manner would be sold to the public.

If enacted, this bill will materially affect our agency operation. It will provide funding that will allow the KHP to reduce the mile-out limit on vehicles from the present 90,000 miles to 45,000 miles. This would provide a savings in vehicle maintenance cost per mile for the miles driven between 45,000 miles and 90,000 miles, and significantly reduce patrol vehicle downtime.

At this time, 1992 and later model vehicles have a three (3) year, 36,000 mile bumper to bumper warranty. We can certainly take advantage of the warranty provisions from the car manufacturer, this program will allow us to reduce maintenance cost on our fleet by allowing warranty to cover

approximately 80% of all maintenance cost, which will significantly reduce maintenance cost for our agency.

With today's technology, maintenance is very minor in automobiles for the first 36,000 miles. Oil and filter changes and tire rotation are standard for routine maintenance during this period.

Using our current 90,000 mile-out procedure, the same 36,000 mile warranty covers only 40% of the lifetime of the vehicle.

In closing, I feel that this proposal would also reduce exposure to liability for our agency members and the state of Kansas and enhance safety for our personnel. This will allow more regular patrol time for our troopers and will enhance employee morale.

If I may draw your attention to the tab marked "letters", you will find letters of support for SB #212 from state agencies, Sheriffs, Police Chiefs and numerous school districts throughout Kansas.

On behalf of our agency members and many of your constituents, I respectfully seek your support for the passage of SB #212.

Thank you.

KANSAS HIGHWAY PATROL
FLEET ACQUISITION PROPOSAL
SENATE BILL #212

The Patrol is requesting legislation to commence on July 1, 1993 which would increase the fee for vehicle title transactions by \$3.50 from the current \$3.50 to \$7.00. This \$3.50 fee would be for FY 94, FY 95 and FY 96. Beginning in FY 97 the title transaction fee would decrease by \$2.50 to \$4.50.

The added funding of \$3.50 for FY 94, FY 95, FY 96 and the funding of \$1.00 for FY 97 and thereafter would be designated for the purchase of Kansas Highway Patrol vehicles.

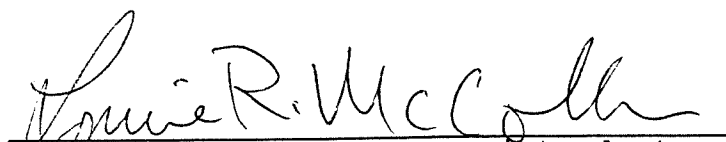
The Division of Vehicles estimates that over 750,000 vehicles are titled annually. \$3.50 per vehicle titled in Kansas each year would generate approximately \$2,625,000 for FY 94, FY 95 and FY 96. Beginning in FY 97 this would generate approximately \$750,000 annually. This proposal would provide a stable funding source not dependent on the State General Fund.

This proposal would allow us to retire our patrol vehicles at 45,000 miles and recover approximately 70% of the actual price paid for the vehicle when it was new. Monies recovered by this 70% recovery rate would be put into a KHP vehicle replacement/sales fund for the sole purpose of purchasing new vehicles.

For every three vehicles that we sell with 45,000 miles, we would be able to purchase two new vehicles from our vehicle replacement/sales fund.

Our low mileage, modern, dependable, police packaged vehicles will be sold through the State Surplus Property Center to political subdivisions, i.e. cities, municipalities, local law enforcement agencies and school districts at cost significantly below used car prices.

The \$3.50 fee increase for FY 94, FY 95 and FY 96 would allow us to restore our fleet to an adequate level and the \$1.00 fee increase in FY 97 and thereafter would allow us to maintain an adequate level of vehicles with no strain on the State General Fund.



LONNIE R. MCCOLLUM, Superintendent
Kansas Highway Patrol

PROPOSAL

- \$3.50 vehicle title fee increase for FY 94, FY 95 and FY 96
- \$1.00 vehicle title fee increase for FY 97 and thereafter
- Paid upon transaction by the vehicle owner
- Over 750,000 vehicle title transactions annually
- Generate \$2,625,000 annually for FY 94, FY 95 and FY 96
- Generate \$750,000 annually for FY 97 and thereafter
- Establishes the KHP motor vehicle replacement/sales fund in state treasury
- For KHP fleet replacement
- Sales of all used KHP vehicles to be credited to KHP vehicle replacement/sales fund
- Allow recovery of 70% of actual price paid for the vehicle when it was new
- Vehicles to be disposed of through the State Surplus Property Center

BENEFITS

- Reduce strain on the State General Fund
- Replace and maintain an adequate level of vehicles for the KHP fleet
- Benefit political subdivisions of Kansas by allowing them to purchase safe, modern, dependable, police packaged, quality used vehicles at a cost significantly below used car market prices which would provide a constant supply of vehicles to political subdivisions
- Would allow the replacement of two new vehicles for each three used vehicles sold
- Reduce mile-out limit and savings on vehicle maintenance from present 90,000 miles to 45,000 miles
- Reduce maintenance cost on our fleet by allowing warranties to cover 80% of maintenance cost
- Reduce exposure to liability and enhance safety for KHP personnel
- Reduce patrol vehicle downtime
- Allow more regular patrol time for agency members
- Enhance employee morale

KANSAS HIGHWAY PATROL
ESTIMATED COST FOR PATROL VEHICLE
AT 45,000 MILEOUT AND 90,000 MILEOUT

	<u>45,000 MILEOUT</u>	<u>90,000 MILEOUT</u>	<u>DIFF</u>
FY 94 Price			
Initial Cost	\$14,414	\$14,414	
<u>Average Repair Cost</u>			
36,000 - 45,000 miles	\$203	\$203	
<u>At 45,000 miles</u>			
Sale of Vehicle	<\$10,090>		
Purchase Replacement Vehicle	\$14,414		
<u>Average Repair Cost</u>			
36,000 - 45,000 miles	\$203		
45,000 - 90,000 miles		\$1,252	
<u>Additional 45,000 miles</u>			
Sale of Vehicle	<\$10,090>	<\$1,000>	
Purchase Replacement Vehicle	<u>\$14,414</u>	<u>\$14,414</u>	
TOTAL NET EXPENSES	\$23,468	\$29,283	\$5,815

- By retiring two (2) vehicles at 45,000 miles, this agency will realize a 20% cost savings over retiring one (1) vehicle at 90,000 miles.
- Vehicles will be covered by a 36,000 mile bumper to bumper warranty.
- Substantial savings will also result from the 45,000 mile vehicle due to the vehicle being covered by warranty for 80% of its use by our agency.
- For the 90,000 mileout vehicle the same warranty for 36,000 miles is only 40% of the lifetime of the vehicle.

KANSAS HIGHWAY PATROL

Cost Comparison for Proposed 45,000 mile out program
NADA official used car guide for January 1993

New 1992 Crown Victorias

New Car Sticker Price	\$21,677
Patrol paid through the bid process	<u>-14,195</u>
Savings due to bid process	\$ 7,482

Used 1992 Crown Victorias @ 45,001 to 50,000 miles

* \$1,900 reduction in price for high mileage

Average loan value	Average retail
\$12,899	\$16,664
* <u>- 1,900</u>	* <u>- 1,900</u>
\$10,999	\$14,764

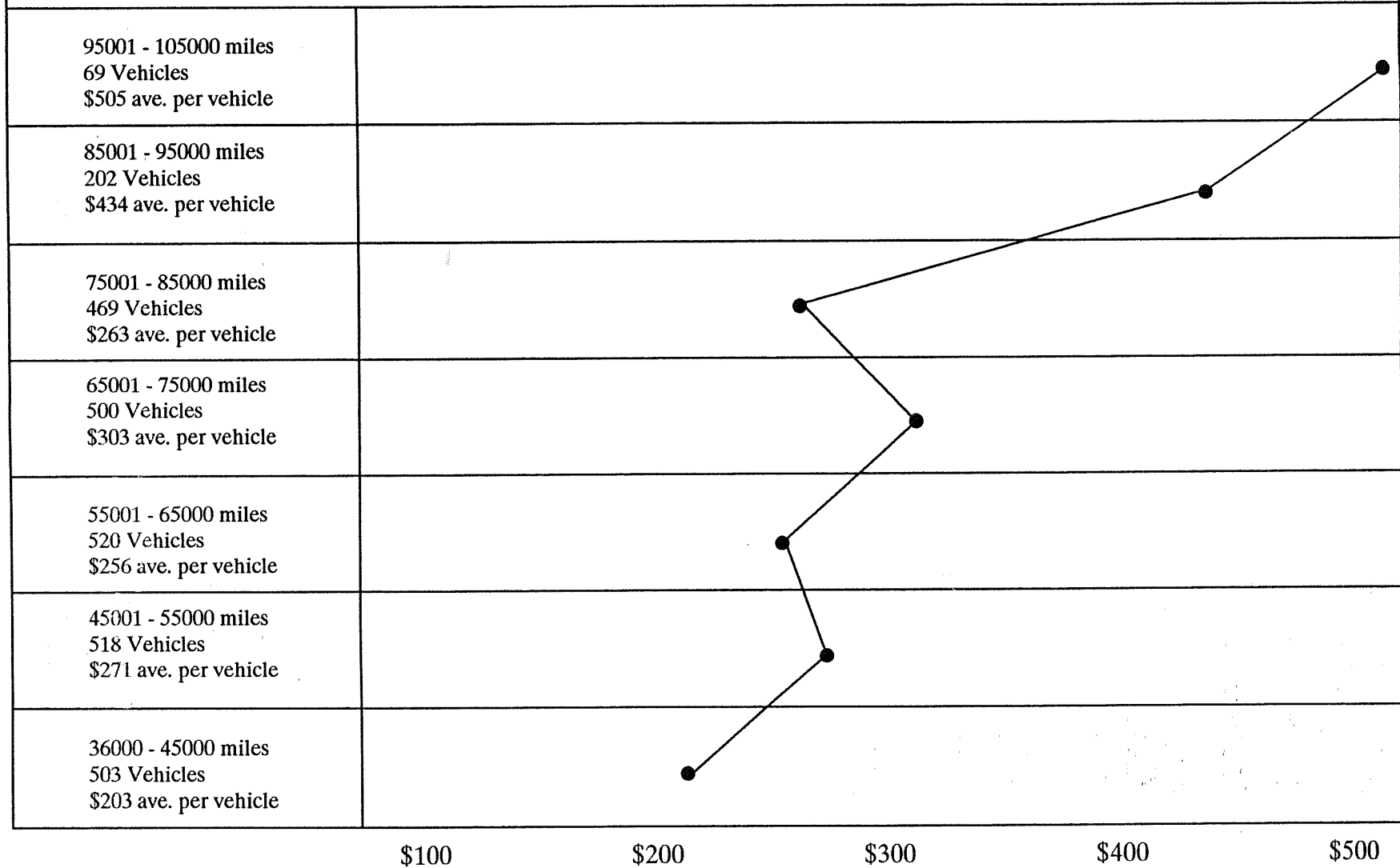
70% of \$14,195 (purchase price) on our used
45,000 mile vehicles = \$9,936.50

Average loan	\$10,999.00
KHP selling price	<u>- 9,936.50</u>
Savings to buyer	\$ 1,062.50

Average retail	\$14,764.00
KHP selling price	<u>- 9,936.50</u>
Savings to buyer	\$ 4,827.50

KHP VEHICLE EXPENSE

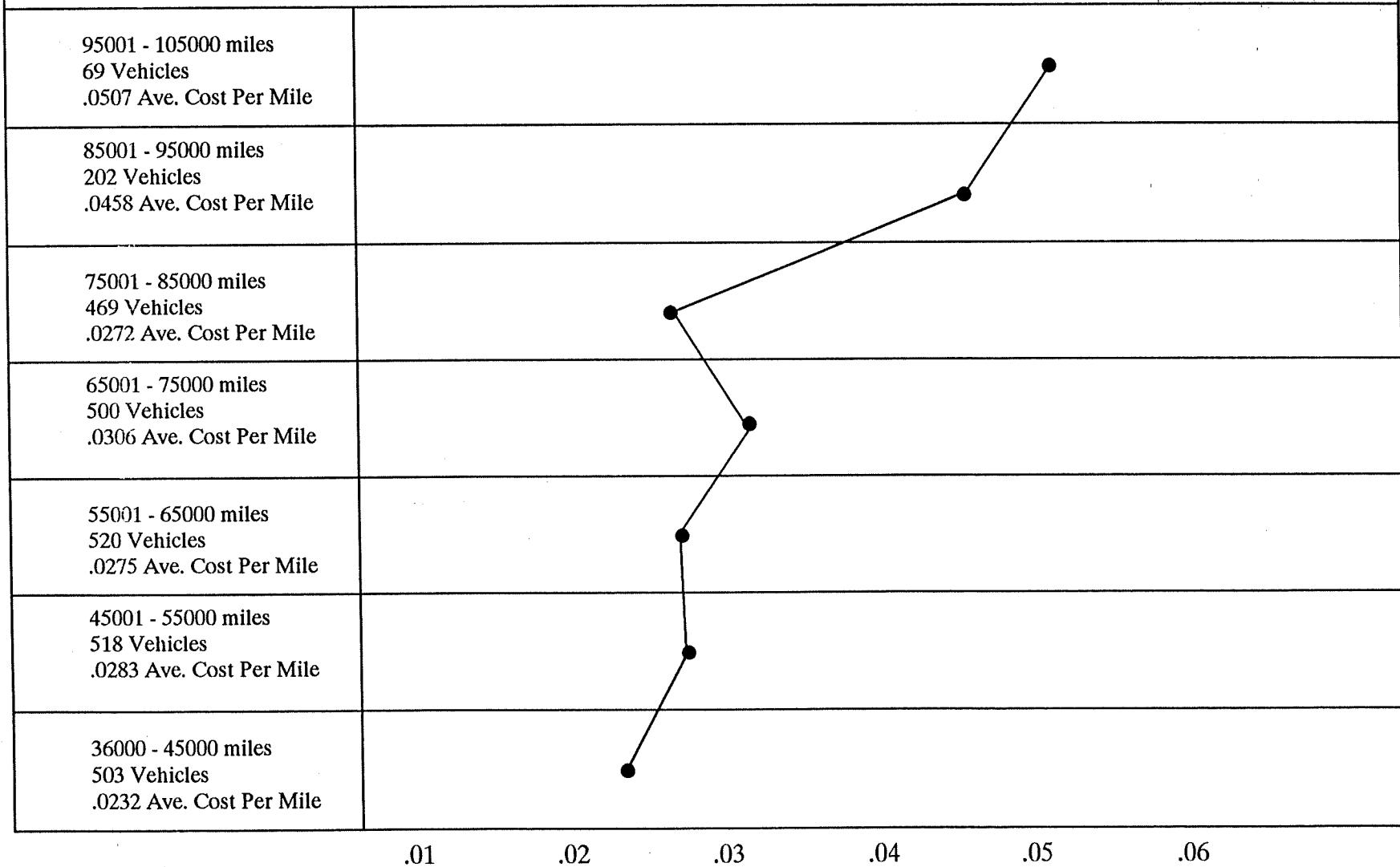
Summary of Expenses by Unit for Period of 1-1-87 thru 11-30-92



Includes all maintenance cost except: gas, oil, tires, washes and accident repair.
The majority of repairs will be covered by the 36,000 mile bumper to bumper warranty.

KHP VEHICLE EXPENSE

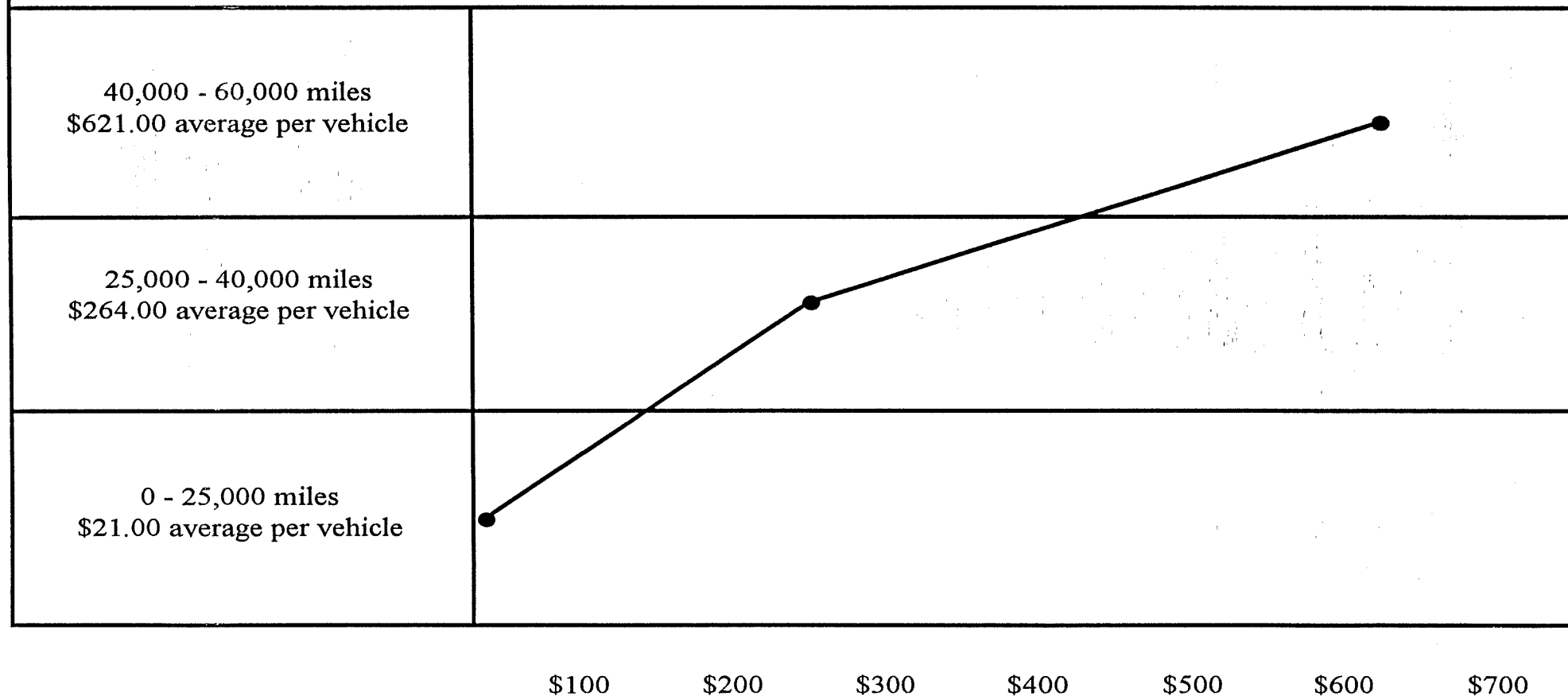
Summary of Cost per Mile by Unit for Period of 1-1-87 thru 11-30-92



Includes all maintenance cost except: gas, oil, tires, washes and accident repair.
The majority of repairs will be covered by the 36,000 mile bumper to bumper warranty.

HERTZ CORPORATION

Summary of Expenses for 1990 Crown Victorias or Similar Models



Expenses not included in these figures are;
tires, glass, oil, gas and work performed under warranty.

4-12

**KANSAS HIGHWAY PATROL
VEHICLE PARTS AND MAINTENANCE COSTS
3/8/93**

Programs 7001 (KHP-OP) and 7005 (TRNG. CTR.) were combined prior to FY 1992.

	<u>Repair & Servicing</u>	<u>Vehicle Parts</u>	<u>Total</u>
FY 1987 Actual	\$158,314	\$109,432	\$267,746
FY 1988 Actual	\$190,729	\$155,902	\$346,631
FY 1989 Actual	\$205,636	\$157,262	\$346,898
FY 1990 Actual	\$211,218	\$169,168	\$380,386
FY 1991 Actual	\$305,657	\$225,472	\$531,129
FY 1992 Actual	\$247,594	\$214,458	\$462,052
FY 1993 Est. (budgeted)	\$243,065	\$196,463	\$439,528
FY 1994 Est.	\$222,835	\$193,012	\$415,847
FY 1995 Est.	\$200,552	\$173,710	\$374,262
FY 1996 Est.	\$144,397	\$125,071	\$269,468

KANSAS HIGHWAY PATROL
Vehicle Fleet
January 1, 1993

State General Fund

Program 7001 (1000 - 0053)

Marked Units:	(Blue & Gray)	347
Unmarked Units:		37
Spare:	Troop hqtrs & shop = 13 Pursuit training = 6	19
Other:	(Trucks-Vans-Delivery vehicles, etc.)	7

SUBTOTAL - PROG. 7001	410
-----------------------	-----

Program 5401 (1000 - 0300)

CASP:	5
-------	---

SUBTOTAL SGF	415
--------------	-----

Other Funds

7004	VIN:	(totally fee funded)	14
7005	Training Center:	(mostly fee funded)	9
7052	MCSAP:	(federal funded)	22
7300	MCIT:	(transfer from hwy licensing fee)	13
7002	BAU:	(federal funds thru 12-31-93)	*

TOTAL FLEET	473
(10 motorcycles not included)	

* Four (4) vans are not shown for the Breath Alcohol Unit because the federal funding expires 12-31-93 and therefore have been included as part of Program 7005.

SAS HIGHWAY PATROL FLEET MILEAGE AS OF JANUARY 1 1993

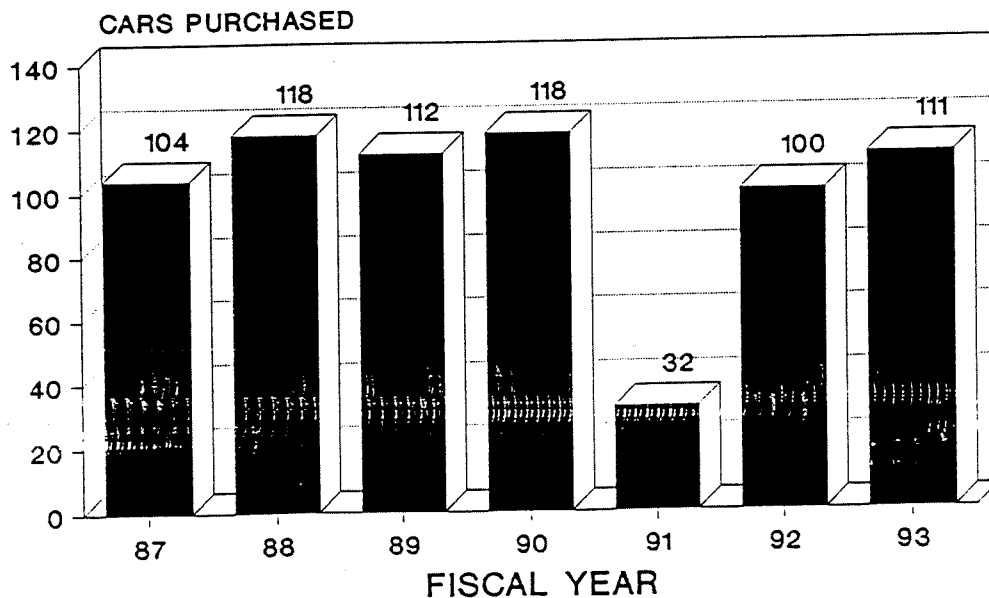
TROOP	100K+	85-100K	75-85K	45-75K	0-45K	TOTAL
A	4	5	6	9	29	53
B	0	7	5	21	17	50
C	2	8	6	12	21	49
D	3	8	8	9	11	39
E	1	5	5	10	19	40
F	2	5	4	20	25	56
H	6	6	2	14	15	43
I	4	3	2	5	5	19
K (CASP)	0	0	1	1	0	2
L	0	1	1	0	7	9
T	0	2	1	10	6	19
GHQ	7	9	2	9	4	31
TOTAL	29	59	43	120	159	410
PERCENTAGE	7.07%	14.39%	10.49%	29.27%	38.78%	

KHP VEHICLE PURCHASE HISTORY

Replacement Vehicles

YEAR	CARS PURCHASED	AVERAGE COST PER UNIT	TOTAL EXPENSE
1987	104	\$11,466.00	\$1,192,464.00
1988	118	\$11,999.00	\$1,415,899.00
1989	112	\$12,234.00	\$1,311,304.00
1990	118	\$13,623.00	\$1,607,514.00
1991	32	\$13,311.00	\$ 425,952.00
1992	100	\$14,103.96	\$1,410,396.00
1993	111	\$13,531.30	\$1,501,974.00

KANSAS HIGHWAY PATROL VEHICLE PURCHASES



**KANSAS HIGHWAY PATROL
MOTOR VEHICLE TITLE FEE COMPARISON
FEBRUARY, 1992**

TITLE FEE	TEMPORARY REGISTRATION FEE	TITLE FEE DISPOSITION
COLORADO		
Department of Revenue		
\$5.50 - Title	\$2.00 for 30-45 day	Dept. of Revenue
\$3.50 - Duplicate		
\$5.00 - To add lienholder		
ILLINOIS		
Secretary of State		
\$5.00 - Title	No charge	Unknown
\$5.00 - Duplicate		
\$5.00 - To add lienholder		
MISSOURI		
Missouri State Highway Patrol		
\$8.50 - Title	No charge for 30 day	Gen. Revenue Fund
\$8.50 - Duplicate (includes lienholder)		
NEBRASKA		
Nebraska State Patrol		
Titles are issued by counties		
\$ 6.00 - Title	Free 15 day in transit if	Respective County
\$10.00 - Duplicate	purchased from dealer	
\$ 3.00 - Additional charge for lienholder		
NEW MEXICO		
Motor Vehicle Titles & Registration		
\$ 5.30 - \$2.30 Administrative	Fee unknown; sold	State Gen. Fund
\$3.00 Transaction	by dealers only	
\$15.00 - Duplicate		
\$ 4.00 - For lien on title already issued		

TEXAS
Division of Motor Vehicles

\$13.00 - Title transfer fee
plus additional Fees, ie..registration fee, individual county fees ect.

**KHP VEHICLE REPLACEMENT
45,000 MILE-OUT PROGRAM**

FUNDING (SGF OR FEES)	INFORMATION	VEHICLE REPLACEMENTS @ \$14,414						NUMBER OF VEHICLES BY 1,000 MILE INCREMENTS					TOTAL NUMBER OF VEHICLES
		Cash Carry- over to Next FY	Fund From SGF or Fee Funds	No. of Veh. SGF	No. of Veh. "Title" Fees	No. of Veh. "Resale" Fees	Total Veh. Replaced	Over 100	85 to 100	75 to 85	45 to 75	0 to 45	
	<u>FY 1993</u> Subtotal Subtotal 6/30/93		1501974	106			106	67	61 22	47 47	100 100	135 241	410 410
	<u>FY 1994</u> Subtotal 6/30/94	6826	2687780	96	91		187				117	293	410
	<u>FY 1995</u> Subtotal 6/30/95	66134	3214322		182	41	223					410	410
	<u>FY 1996</u> Subtotal 6/30/96	1065256	2695418		182	5	187					410	410
	<u>FY 1997</u> Subtotal 6/30/97	1866336	2954870		117	88	205					410	410
	<u>FY 1998</u> Subtotal 6/30/98	1729916	2954870		52	153	205					410	410
	<u>FY 1999</u> Subtotal 6/30/99	1593496	2954870		52	153	205					410	410
	The cash carryover divided by the annual reduction to provide 205 replacement vehicles each year : \$138,420 (amounts needed in addition to the annual receipts (\$2,954,870) = 11.6 years												
	Total number of years before cash carryover is depleted 11.6 years or FY 2012												

NOTE: "Title Fees" receipts for FY 94, FY 95 & FY 96 is 750,000 titles @ \$3.50 = \$2,625,000

"Title Fees" receipts for FY 97 and each year thereafter is 750,000 titles @ \$1.00 = \$750,000

Estimated purchase cost of new vehicles @ \$14,414

Estimated resale value of 45,000 mile vehicle is \$10,090 (70% of \$14,414)

STATE AGENCIES IN SUPPORT OF SB 212

Department of Administration, Division of Purchases

KANSAS POLICE AGENCIES IN SUPPORT OF SB 212

Andale
Anthony
Argonia
Arkansas City
Baxter Springs
Belle Plaine
Benton
Bonner Springs
Buhler
Burden
Burlington
Caldwell
Cherryvale
Clearwater
Columbus
Conway Springs
Douglass
Edgerton
Edwardsville
Ellis
Elwood
Emporia
Fairway
Fort Scott
Fredonia
Galena
Garden City
Gardner
Garnett
Goddard
Haven
Hays
Hiawatha
Highland
Holcomb

Hugoton
Independence
Kechi
Kinsley
LaCrosse
Larned
Leawood
Leon
Liberal
Medicine Lodge
Merriam
Mount Hope
Mulvane
Neodesha
Norton
Olathe
Osage City
Osawatimie
Paola
Plainville
Rose Hill
Sedan
South Hutchinson
Spring Hill
Stockton
Sublette
Tonganoxie
Towanda
Udall
Valley Center
Wellington
Westwood
Winfield
Yates Center

LETTERS FROM COUNTY SHERIFFS IN SUPPORT OF SB 212

Anderson County
Barber County
Barton County
Chautauqua County
Elk County
Ellis County
Greeley County
Hodgeman County
Linn County
Lyon County
Neosho County

Norton County
Pawnee County
Riley County
Rooks County
Russell County
Sherman County
Stanton County
Stevens County
Wabaunsee County
Wichita County
Wilson County

LETTERS FROM COUNTY SHERIFFS NOT IN SUPPORT OF SB 212

Leavenworth County
Morton County
Sumner County

KANSAS SCHOOL DISTRICTS IN SUPPORT OF SB 212

#454 - Burlingame	#243 - Lebo-Waverly
#397 - Centre	#421 - Lyndon
#413 - Chanute Public Schools	#386 - Madison-Virgil
#286 - Chautauqua County Community	#456 - Marais Des Cygnes Valley
#493 - Columbus	#329 - Mill Creek Valley
#253 - Emporia	#251 - North Lyon County
#234 - Fort Scott	#404 - Riverton
#499 - Galena	#252 - Southern Lyon County
#390 - Hamilton	#330 - Wabaunsee East
#258 - Humboldt	

MISSOURI STATE HIGHWAY PATROL
POLICE CAR PROGRAM

This information briefly describes our program and generally how we manage to replace our cars at a reasonably low mileage.

Our fleet consists of nearly 1,100 vehicles with approximately 800 of these being police pursuit-type cars. We try to replace at least 400 vehicles, about 50 per cent of our fleet, each year based on 45,000 to 50,000 miles on each vehicle to be replaced. Our mileage forecasts indicate each road officer will drive approximately 25,000 miles per year so he should receive a replacement car every other year. We do not replace any car with less than 45,000 miles and we do not allow any cars to be driven more than 50,000 miles. The only exception to this policy are maintenance vehicles, weight scale and communications vans, investigation and undercover cars. The 50,000 mile limit has allowed us to drive police cars continually under warranty, which has been a considerable savings on major power train failures. At this time 1992 and later vehicles only have a 3 year, 36,000 mile warranty.

We are authorized to sell our vehicles to other governmental agencies only, and none may be sold to the general public except through a state surplus auction. Most of our cars are sold to other police departments and during the last five years we have sold every one of our used cars. The funds we receive from the sale of our cars are placed in a revolving fund for the exclusive use of our department to purchase replacement vehicles. Depending on the performance of the revolving fund from the previous year, the legislature appropriates a certain amount of money from the fund, then supplements that amount with money from the highway fund to purchase the necessary number of cars for the next fiscal year. The funds appropriated for the purchase of replacement vehicles may only be used for that purpose and any funds not spent or left in the revolving fund rolls over into the next fiscal period. Highway money not spent is returned to the highway fund. All of our operational funds for gasoline, vehicle maintenance, etc. are appropriated separately.

We purchase our vehicles at a discount through the bidding process so consequently we are able to sell them at a discount to other agencies. This process is an advantage to us and also to the purchasing agencies, especially those departments that may be short on funds. The return on our used vehicle is normally 70 to 75 per cent of the new car purchase price.

We install and remove all of our police equipment at our Main Garage in Jefferson City and we perform all of our routine maintenance at the Troop Headquarters Garage or the Main Garage. Any warranty work is done by local dealers.

We track all of our vehicles through our computer to monitor and control the mileage, maintenance and inventory. The computer is an invaluable tool, especially for planning purposes, and eventually we plan to modify and expand our computer programs for greater efficiency.

SWAM
March 23, 1993
Attachment 5

One additional factor to consider is that with lower mileage vehicles, we can take advantage of the warranty provisions from the car manufacturers on a greater percentage of the vehicles, than another fleet with higher mileages. We do not purchase extended warranty policies.

JUSTIFICATION FOR VEHICLE REPLACEMENT AT 50,000 MILE

The Missouri State Highway Patrol has maintained a vehicle replacement interval of 45,000 to 50,000 miles for over fifteen years. We have not experienced what our maintenance costs would be at the higher mileages, but many reports by fleet consulting firms and car leasing companies indicate that 24 months or less than 50,000 miles is the ideal time to replace vehicles.

According to these reports, there is a considerable increase for maintenance and replacement expenses between 45,000 and 60,000 miles. The reports also indicate an increase from one and one-third days per month to two full days per month of vehicle down-time, when the officer cannot use the car. The reports also indicate that when the cars reach the higher mileage, the driver tends to take less care of the vehicle and stops maintaining the car at the same level as before. This lack of preventive maintenance and care is transferred to reconditioning costs when the car is sold.

A recent study by the State of California indicates that the maintenance expense would increase rapidly between 50,000 and 70,000 miles. Fleet managers from other states also report higher maintenance costs on their vehicles being driven to 85,000 miles or higher, in comparison to costs on our vehicles. In summary, higher mileage vehicles will contribute to the following:

1. More vehicle down-time.
2. Reduced officer morale.
3. Increased maintenance costs.
4. Reduced dependability in responding to emergency calls.
5. Concern for officer safety.

Another important factor for the Missouri State Highway Patrol fleet is that we sell our used cars to governmental entities and the funds are accumulated in a fund for future vehicle purchases. We feel that by disposing our vehicles at 50,000 miles is the most economical mileage interval to sell and maintain a patrol vehicle. It would be difficult for our agency to market a used police car with 70,000 miles or more. Time and mileage are important factors to consider in the disposition of vehicles. To replace our cars at a mileage interval higher than 50,000 miles would increase our replacement costs for two reasons:

1. More mileage on the vehicle.
2. The longer period of service causing further depreciation because of age.

Even though we would be selling our vehicles to other agencies, our percentage of the original vehicle cost recovered at time of sale, would be reduced because we would not be able to sell the car at the optimum time and price.

*BEFORE THE
KANSAS STATE SENATE
COMMITTEE ON WAYS AND MEANS*

TESTIMONY OF

*JEFFREY L. COLLIER, PRESIDENT
KANSAS STATE TROOPERS ASSOCIATION*

SENATE BILL 212

TITLE FEE & PATROL VEHICLE FUND

MARCH 25, 1993

*SWAM
march 25, 1993
Attachment 6*

TESTIMONY
BEFORE THE
KANSAS STATE SENATE
COMMITTEE ON WAYS AND MEANS
PRESENTED BY
JEFFREY L. COLLIER, *PRESIDENT*
KANSAS STATE TROOPERS ASSOCIATION

SENATE BILL 212

March 25, 1993

Mr. Chairman, distinguished members of the Committee. Thank you for the opportunity this morning to address for you the concerns of Kansas Troopers regarding Senate Bill 212. I am Jeff Collier, President of the Kansas State Troopers Association, and a Road Trooper of sixteen years.

You will hear testimony this morning concerning the fiscal soundness of the proposals contained in Senate Bill 212. I will not repeat that information. My testimony this morning will focus on the Trooper's perspective for the need to maintain the integrity of the Patrol vehicle fleet.

To a Trooper, his car serves as his office. He is working out of that office for the major portion of his work day. It is a well established tenet that the quality of work is inherently tied to the quality of the work environment. Funding and replacement of worn out patrol cars has been a constant source of concern and frustration for Troopers. If any of you have ever looked inside a patrol car, you know that it is not merely a means of transportation, getting the Trooper from one point to the other. It is a complete and comprehensive work environment. Everything is arranged to accommodate the needs of that particular Trooper through his work period. No two cars are the same, but, individualized to meet specific needs. This is no different than each of you arranging your office to meet the particular needs of your work requirements.

The major difference between your environment and a Trooper's is, one is built of wood and brick, and meant to last for many years. The other is made of metal and moving parts, and has an expectedly limited lifetime. This is why the Patrol needs a program which will allow for fleet maintenance and restoration. Senate Bill 212 will do precisely that. It will provide a systematic replacement program for Troopers' cars **before** they become worn out and unsafe. Current levels of funding will provide for replacement of Patrol cars at approximately 90,000 miles. Previous funding provided for mileout rates in excess of 100,000 miles. When I came on the Patrol in 1976, the mileout was 70,000 miles and has risen with every new car I have received. This clearly demonstrates the problem of trying

to fund a Patrol vehicle fleet out of the General Fund. In the immediate past, when the Patrol needed a hundred plus cars, they received funding for thirty-two.

Troopers depend on their cars to perform at peak level, in a wide variety of conditions and circumstances. A failure at any level would not only jeopardize the Trooper's life, but could also prevent him from responding to a life saving situation involving the public we serve. We are often called upon to respond quickly to injury accidents, medical emergencies, or other crisis. This often requires that we drive at higher speeds over various terrain under often less than ideal conditions. It is imperative that our cars perform flawlessly, and are in top mechanical condition. A car with high mileage just simply cannot meet these requirements. The ability to accelerate, stop rapidly, and maneuver is paramount to our ability to effectively and safely perform our job. I cannot stress enough to this Committee that a car with 90 to 100,000 miles simply cannot fulfill these requirements, regardless of the maintenance and repair performed on this car. It is simply worn out, and should not be expected or relied upon to perform at this level.

Many Kansans drive cars daily with high mileage, and do so without much mechanical complications. I personally own a car with over 60,000 miles, and view it as a good, mechanically sound car. However, I do not, nor would not drive this car as I am required to do with my Patrol car. It performs quite well taking the kids to school, going to the grocery store and the like, but I honestly would be afraid to operate this car for one day in the manner I must operate my Patrol car under extreme circumstances. Kansas statutes prescribe that Troopers must operate their cars under emergency circumstances with due care with regard to other traffic present. I can do this to the extent that I can control my own actions. But having just turned in a patrol car with over 100,000 miles, I can tell you that human actions are not the only consideration. Many times when I was required to respond to an emergency situation, I knew I could control my actions, but the constant concern of controlling my car's actions was foremost in my mind. Wondering if the steering box would suddenly give out, if my brakes would fail in an emergency, if the wheel would fly off and so on and so forth.

A Trooper actually experienced such a crisis with a 100,000 plus mile car that had just been "refurbished." He was responding to a severe weather situation in north central Kansas. He had been driving at a high speed to respond to this emergency. Fortunately, he had just slowed down to make a turn when the wheel flew off the Patrol car. Had this occurred several minutes before, the outcome might not have been so fortunate. Mechanical failures often occur without prior notice. No amount of inspection can insure against such failure. This is why the Patrol needs a program which allows for replacement of cars **before** they become worn out.

Therefore, on behalf of Kansas State Troopers, I urgently request that you give favorable consideration to the passage of Senate Bill 212. Not only from the standpoint of good fiscal management, reduced strain on the State's General Fund, and solvency of a Patrol Vehicle Fleet fund, but also from the standpoint of allowing Troopers the peace of mind to work in a safe and productive environment.

Good Morning Mr. Chairman, Members of the Committee.

My name is Jack Shipman and I am the Director of the Division of Purchases, Department of Administration. I appear this morning to support Senate Bill 212 as it applies to the purchase of vehicles for the Kansas Highway Patrol. My support for this Bill is based upon what I consider to be sound purchasing principles and also that I consider this Bill to be sound in economic principles as well as a benefit to the taxpaying citizens of the State of Kansas.

In early October of 1992, I attended a meeting in Jefferson City, Missouri. This meeting was called to discuss any mutual benefits which could be derived from cooperative purchasing as well as to share ideas about cost-saving measures with positive purchasing impact for both Missouri and Kansas. I like to feel that Senate Bill 212 is a direct result of those discussions.

It was during those discussions that Mr. Larry Smith of the Missouri State Division of Purchasing and Materials Management, during a "think tank" discussion, shared Missouri's philosophy for the purchase of Highway Patrol vehicles. It was from the information I gained from that discussion that I shared with Mr. Bob Kelley, Director of the Governor's Office of Efficiency Management, upon my return to Topeka. The purchase of two-tone Highway Patrol vehicles routinely costs the taxpayers of Kansas an estimated \$600-\$1,000 per car above the price of a standard factory color car. The reason this cost varies is due to the fact that two-tone paint schemes are no longer available as a factory option from the car makers, leaving the two-tone paint scheme to be applied by the dealer from whom the cars are purchased. Coupled with this cost is an additional cost of \$150-\$200 per car to return that vehicle to a single color in order to facilitate the sale of each car when it is finally released from active service.

Kansas Highway Patrol personnel have endeavored to extend the efficiency of their vehicles by pushing their mileage beyond 100,000 miles before retiring them from service. It is this high mileage which has rendered the profitable sale of these vehicles difficult and sometimes impossible. High mileage on these vehicles also renders them a problem for public safety should high speed pursuit become a necessity on our state highways. At the present time, the Division of Purchases in conjunction with Surplus Property is preparing to auction several Kansas Highway Patrol vehicles which have not sold due to high mileage, peeling paint and/or hail damage. Recently these cars have sold for as little as \$1,000 each.

By retiring vehicles of the Kansas Highway Patrol from active duty at mileage between 45,000-50,000 miles it is felt that the sale of these cars could be at 70% of their original purchase price.

SWAM
March 25, 1993
Attachment 7

By placing the proceeds from the sale of these vehicles into a revolving fund for the purchase of new vehicles, there is an added incentive for cost savings for the taxpayers of Kansas. In addition, Senate Bill 212 does allow for an increase, for a period of three years, in the title transfer fee from \$3.50 to \$7.00. After the third year, or in July, 1996, those fees would be reduced to \$4.50. During this time the extra \$3.50 during the three year period coupled with the proceeds from the sale of quality vehicles to municipalities and school districts in the State of Kansas should produce sufficient funds to reduce, if not eliminate entirely, the dependence of the Kansas Highway Patrol on budgetary measures for the purchase of new vehicles. The \$1.00 extra in the title transfer fee beyond 1996 would be to insure that the revolving fund remains current so as to continue to purchase new Highway Patrol vehicles without having to come to the Legislature for those funds.

In addition, the pulling of these vehicles from service before 50,000 miles will greatly reduce the cost of maintenance for the fleet. This measure will also reduce the drain on the budget of the Kansas Highway Patrol for the maintenance, upkeep and repair now being expended for high mileage vehicles.

In summary, Senate Bill 212 presents a fresh new idea in efficiency management for the State of Kansas while at the same time increasing the ability of the Kansas Highway Patrol to protect and preserve the public safety with which they are charged.

I thank you for your patience and also for allowing me the opportunity to express my earnest support for this legislation. If there are questions, I would be pleased to try and answer them at this time.

BO HACKER, President
Lyon County Sheriff
Emporia, Kansas 66801

LARRY MAHAN, President-Elect
Kansas Highway Patrol
Wichita, Kansas 67212

JIM DAILY, Vice-President
Barton County Sheriff
Great Bend, Kansas 67530

ALVIN THIMMES, Secretary-Treasurer
Kansas Peace Officers' Association
Wichita, Kansas 67201

BOARD OF GOVERNORS

GOVERNORS (At Large)

ED PAVEY
Ks. Law Enforcement Training Center
Hutchinson, Kansas 67504
BOB DAVENPORT
Kansas Bureau of Investigation
Topeka, Kansas 66612
DENNIS TANGEMAN
Kansas Highway Patrol
Topeka, Kansas 66603
OMAR STAVLO
Kansas Dept. of Wildlife and Parks
Pruitt, Kansas 67124

DISTRICT 1

FRANK P. DENNING
Johnson County Sheriff's Office
Olathe, Kansas 66202
O. J. McCART
Paola Police Department
Paola, Kansas 66071
DARRELL PFLUGHOF
Kansas Lottery Security
Kansas City, Kansas 66103

DISTRICT 2

DANA KYLE
Riley County Police Department
Manhattan, Kansas 66502
RANDALL THOMAS
Lyons County Sheriff's Office
Emporia, Kansas 66801
DOUGLAS PECK
Kansas Highway Patrol
Emporia, Kansas 66801

DISTRICT 3

DEAN VINCENT
McPherson Police Department
McPherson, Kansas 67460
JOHN W. KERR
Washington County Sheriff's Office
Washington, Kansas 66968
ALLEN BACHELOR
Kansas Highway Patrol
Salina, Kansas 67401

DISTRICT 4

LAWRENCE YOUNGER
Chief of Police
Hays, Kansas 67601
JOHN FROSS
Ft. Hays State University Police
Hays, Kansas 67601
FRANK REESE
Ellis County Sheriff
Hays, Kansas 67601

DISTRICT 5

KENT NEWPORT
Holcomb Police Department
Holcomb, Kansas 67851
DENNIS SHARP
Ks. Dept. of Wildlife and Parks
Holcomb, Kansas 67851
RAY MORGAN
Kearny County Sheriff's Office
Lakin, Kansas 67860

DISTRICT 6

JANET DAILY
Hoxington Police Department
Hoxington, Kansas 67594
WARREN S. PETERSON
Barton County Sheriff's Office
Great Bend, Kansas 67530
DICK BURCH
Kansas Law Enforcement Training Center
Hutchinson, Kansas 67504

DISTRICT 7

RON GOULD
Winfield Police Department
Winfield, Kansas 67156
BOB ODELL
Cowley County Sheriff
Winfield, Kansas 67156
LARRY WELCH
Ks. Law Enforcement Training Center
Hutchinson, Kansas 67504

DISTRICT 8

ALLEN FLOWERS
Chief of Police
Coffeyville, Kansas 67337
LOWELL PARKER
Greenwood County Sheriff
Eureka, Kansas 67045
TINY WILNERD
Ks. Det. of Wildlife and Parks
Howard, Kansas 67349
SERGEANT -AT- ARMS
KENNETH McGLASSON
Kansas Highway Patrol
Wakeeney, Kansas 67672

Kansas Peace Officers' Association

INCORPORATED

TELEPHONE 316-722-7030
FAX 316-729-0655
P.O. BOX 2592 • WICHITA, KANSAS 67201



SENATE COMMITTEE ON WAYS AND MEANS SENATE BILL 212

March 25, 1993

Mr. Chairman and Members of the Committee:

I am Helen Stephens, representing the 3,000 members of the Kansas Peace Officers Association.

Our-32 member legislative committee voted unanimously to support SB 212. This will provide the Kansas Highway Patrol with the necessary vehicles to insure public safety and the safety of their officers.

The Kansas Highway Patrol assists local law enforcement around the state when requested.

We urge your support in passage of Senate Bill 212.

Thank you for the opportunity to voice our support.

In Unity There Is Strength

SWAM
March 25, 1993
Attachment 8

Testimony by Leonard L. Ewell
Kansas Correctional Industries
on SB 212
Senate Ways and Means Committee
March 25, 1993

My name is Leonard Ewell and I am Director of Correctional Industries for the Department of Corrections. I would like to briefly address the impact of SB 212 on the State Surplus Property program, which is one of the industries operated by Kansas Correctional Industries. Also with me today is Steve Magee, the Director of State Surplus Property, who is available to respond to questions you may have about the procedures used to market vehicles through the program.

The department has participated in discussions with the Kansas Highway Patrol regarding SB 212, which is designed to allow the Highway Patrol to retire its fleet vehicles at a lower mileage rate than is now possible. As is the case with other state property which is surplus, these vehicles would be disposed of through the State Surplus Property program. Based on requests and inquiries we receive, there appears to be a high demand for low mileage passenger cars, and we expect to be able to sell these vehicles at the price range projected in the Patrol's fiscal estimates on the bill. As is required by state law, the vehicles would first be offered for a 30-day period to state and local public and non-profit agencies for purchase before being made available to the general public. Among those agencies we expect to have greatest interest in the low mileage Patrol vehicles would be county and city law enforcement agencies, universities, and other state agencies. Our expectation is that most of the vehicles would be sold from a waiting list very soon after they are retired.

SB 212 would result in an increase in the number of vehicles marketed through the State Surplus Property program each year, but we do not anticipate that additional staff would be required.

This concludes my prepared statement, but I would be pleased to respond to questions you may have.

SWAM
march 25, 1993
Attachment 9



KANSAS INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION



Citizens Bank & Trust Building • 6th & Humboldt • Manhattan, Kansas 66502
Phone: 913-776-0044 FAX: 913-776-7085

March 25, 1993

TO: SENATE WAYS AND MEANS COMMITTEE
SUBJECT: SB 212 -- PROVIDING FOR THE PURCHASE OF HIGHWAY PATROL
MOTOR VEHICLES
FROM: KANSAS INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION

Mr. Chairman and Members of the Committee:

My name is Mike Miller and I own a small independent used vehicle dealership here in Topeka called Innovative Auto Marketing. I have been a member of the Kansas Independent Automobile Dealers Association for the past 5 years and have also been on the Board of Directors of the Association the last two years. Our Association represents over 240 independent auto dealerships statewide and I am speaking on their behalf in opposition to SB 212.

We have great admiration for the excellent job the Highway Patrol is doing in controlling crime and keeping our state highways safe. To this end, the Patrol has accomplished this by using the taxpayers resources in a wise and cost effective manner.

This bill would increase the current vehicle title fee from \$3.50 to \$7.00 for FY 94, FY 95 and FY 96. Beginning in FY 97 the title fee would be reduced from \$7.00 to \$4.50. The additional revenues of approximately \$2.5 million generated by this bill would be designated for the purchase of Patrol vehicles. Currently, the Patrol uses 90,000 miles as the mile-out limit on patrol cars. This would change if SB 212 was approved. This bill would allow the Patrol to retire patrol cars at 45,000 miles.

SWAM
March 25, 1993
Attachment 10

Individually we struggle to be heard—Collectively we cannot be ignored.

According to the Highway Patrol acquisition proposal, they will send "low mileage, modern, dependable, police packaged vehicles to be sold through the State Surplus Property Center to political subdivisions." If these vehicles are this good, why get rid of them at this very early mileage. The Patrol contends that by selling these 45,000 mile vehicles, they can "recover approximately 70% of the actual price paid for the vehicle when it was new." We question the accuracy of 70% as there is no sales history to base this figure, and we really do not believe that they will receive this large an amount on their used vehicles.

The Highway Patrol maintains that the \$3.50 increase for FY 94, FY 95 and FY 96 would allow them to restore their fleet to an adequate level, and the \$1.00 fee increase in FY 97 and thereafter would allow them to maintain an adequate level of vehicles with no strain on the state general fund.

What is the definition of adequate to restore and maintain? Who determines what is adequate?

As you are aware, Highway Patrol vehicles are funded by the state general fund which is money derived from taxpayers. It is true this would not strain the general fund, but it certainly could put a strain on the vehicle business and the taxpayers of Kansas.

The Division of Vehicles estimates that over 750,000 vehicles are titled annually. The table below shows who purchases these titles. As you can see, the public would pay the majority of the cost of SB 212, followed by independent used car dealers and then new car dealers. The ironic part is the public will not really know that this increase has taken place nor be aware of actual fee costs. Nearly all purchasers of motor vehicles go to the county courthouse and pay whatever fee is necessary to process their title to get their vehicle tagged. On the other hand, dealers are very aware of the cost of a title transaction due to the quantities that they purchase annually. This is especially true for independent used car dealers, as the smaller the business the more they feel the pinch of increased fees. The table below also shows how dealers at a \$3.50 increase would be affected monetarily on the average if this bill is enacted.

	<u>Total # of</u>	<u>%</u>	<u>Titles Purchased</u>	<u>Avg. # Purchased</u>	<u>Avg. \$ Increase</u>
Franchise Dealers (New)	610	10%	75,000	123	\$431
Independent Dealers (Used)	1,100*	30%	225,000	205	\$718
Public individual		60%	450,000		

*Active independents not including salvage, brokers, banks, etc.

Effective July 1, there will be new titles issued by the Division of Vehicles eliminating one reassignment for dealers on titles. This would mean more titles purchased by dealers issued after that date. This bill is nothing short of a direct tax under the name of a fee increase. The annual costs are disproportionately shared by the public compared to both groups of vehicle dealers.

This bill should not be considered until a feasibility study has been done to determine if this proposal can be accomplished at 70% recovery of the actual price paid for cars, who specifically will purchase these cars, how many can be sold, and how often. It seems to us there will be more cars to dispose of at 45,000 miles than there will be buyers. Buyers will want to know if these cars will have any kind of warranty and who will back it.

The Senate Subcommittee that reviewed the budget request for the Highway Patrol noted that the Superintendent of the Highway Patrol characterized the Governor's recommended budget for FY 1994 as "lean", but noted that he believed that it was a budget that the agency could live with. The Subcommittee notes that the agency did not appeal any items listed in the Governor's recommendations to the Subcommittee.

The general economy is still depressed. We know that the used vehicle dealers are not willing to pay an increase in title fees, and we believe that the taxpayers of Kansas are not ready to support another tax increase.

Please give your serious attention to this motor vehicle title fee increase and oppose SB 212.

Thank you for your time.

KSNA

the voice of Nursing in Kansas

FOR MORE INFORMATION CONTACT
Terri Roberts J.D., R.N.
Executive Director
Kansas State Nurses Association
700 SW Jackson, Suite 601
Topeka, KS 66603-3731
(913) 233-8638

March 25, 1993

HB 2024

Senator Bogina and members of the Senate Ways and Means Committee, my name is Terri Roberts JD, RN and I am the Executive Director of the Kansas State Nurses Association.

I appear before you today in support of HB 2024 which adds two new definitions to the Nursing Student Scholarship Bill. The new definitions that are being added appear on lines 22 of page 1 and include a definition for family exigency and immediate family. These new definitions will enable nursing students who have completed their education to transfer their working obligations from one sponsor to another sponsoring institution. The statute does provide that the transferring agreement be approved by the Executive Officer of the Kansas State Board of Regents.

I have also attached a summary report from September of 1992 about the Kansas Nursing Scholarship Program. In 1992 and 1993 there were 304 awards or scholarships. I believe that this private/public partnership with scholarship sponsors paying half of the scholarship amount is an excellent opportunity for the state and hospitals and long term care facilities to increase the professional status of their staff.

Thank you for the opportunity to testify today.

a:hb2024

SWAM
march 25, 1993
Attachment 11

Kansas State Nurses' Association Constituent of The American Nurses Association

700 S.W. Jackson, Suite 601 • Topeka, Kansas 66603-3731 • (913) 233-8638 • FAX (913) 233-5222
Michele Hinds, M.N., R.N.—President • Terri Roberts, J.D., R.N.—Executive Director

ANNUAL REPORT

KANSAS NURSING SCHOLARSHIP PROGRAM

SUMMARY REPORT

September 1992

	1992-93	1991-92	1990-91	1989-90
Applications received	367	433	506	350
Invalid Applications	63	106	145	164
TOTAL AWARDS	304	327	361	186
LPN New Awards	44	47	41	
Renewals	4	3	2	
RPN Rural New Awards	80	69	83	
Renewals	23	35	35	
RPN Urban New Awards	100	100	145	
Renewals	53	73	55	
Appropriations & Loan Repayment	\$757,603	\$662,593	\$772,966	\$435,000

	Total Award	State Share	Sponsor Share	
			Rural/<100 Bed	Urban
Award Amounts	\$ 2,500 LPN	\$1250/1500	\$1000	\$1250
	\$ 3,500 RPN	\$1750/2500	\$1000	\$1750

taskforc\nursum

KANSAS NURSING SCHOLARSHIP PROGRAM

RECIPIENT STATUS

SEPTEMBER 1992

	Recipients	Percentage
In School	401	55%
Working for sponsor	198	19%
In repayment	31	4%
Transfers	3	.5%
Deferments	8	1.0%
Service obligation met	142	17%
Scholarship repaid	19	2.0%
Non-performance dismissal *	10	1.5%
TOTAL RECIPIENTS	812	100%

*Was either dropped from program because of grades or did not pass boards.

All status verifications have not been received.


Kansas Association of Osteopathic Medicine

Harold E. Riehm, Executive Director

1260 S.W. Topeka Blvd.
Topeka, Kansas 66612
(913) 234-5563
(913) 234-5564 Fax

March 25, 1993

To: Chairman Bogina and Members, Senate Ways & Means Committee

From:  Harold Riehm, Executive Director, Kansas Assoc. of Osteopathic Medicine

Subject: TESTIMONY ON HB 2025

Thank you for this opportunity to testify in support of HB 2025. This Bill was requested by KAOM in an appearance before the Committee on Health Care Decisions for the Nineties during the Interim, and was subsequently requested for introduction by that Committee.

HB 2025 would make provisions of the Kansas Residency Bridging Program, passed by the Kansas Legislature in the 1992 Session, applicable to general/family practice residency program participants other than those Kansas residency programs operated by or affiliated with the KU Medical Center.

In its present form, the program would exclude eligibility of residents in general practice residency programs now operative in Riverside Hospital in Wichita, and potentially in one or two other Kansas hospitals in the near future.

Administration of the program as it relates to osteopathic residents, would be administered by the University of Kansas Medical Center, in the same way it is for M.D. residents. In testimony before the House Committee, conferees representing the KU Medical Center indicated their support for the Bill.

The Bridging program, we think, is one of the most important efforts the State has made in recent years, as experience strongly supports that the retention of primary care physicians within a State is greater when those residencies are done in that state. This program, we think, makes even more attractive the family/general practice residency program positions in Kansas.

I will be pleased to respond to questions you may have.

SWAM
march 25, 1993
Attachment 12

TESTIMONY BEFORE THE SENATE WAYS AND MEANS COMMITTEE

HB 2025

ROBERT S. WUNSCH

March 25, 1993

Thank you, Mr. Chairman. My name is Bob Wunsch and I am here today representing the University of Kansas Medical Center to testify in support of House Bill 2025. This bill would amend the legislation enacted by the 1992 Legislature which established a state-funded medical residency bridging program.

The legislation enacted a year ago was patterned after a program initially piloted with funding from a grant from the Wesley Foundation. The experience during the pilot program was a positive one, and the 1992 Legislature saw fit to establish a similar program with funding from the state. Attached is an outline of the program and information concerning enrollment and placement.

Eligibility for participation is limited to primary care residency training programs in pediatrics, medicine, or family practice which are operated by or affiliated with the University of Kansas School of Medicine. House Bill 2025 would broaden eligibility to include all other primary care residency training programs in Kansas which are approved by the State Board of Healing Arts. The bill as introduced extends eligibility for participation to osteopathic residency training programs. It could also conceivably extend to any other primary care programs that might be initiated in the state not affiliated or operated by the University of Kansas School of Medicine. We are totally supportive of any initiative that hold promise of increasing the number of primary care health providers that will establish practice locations in rural Kansas communities.

Current law requires a resident to enter into a practice commitment agreement with a community before they can enter into an agreement with the University of Kansas School of Medicine. The House Committee amendment would permit residents to sign up for the Residency Bridging Program prior to entering into a practice commitment with the University of Kansas School of Medicine. This amendment should greatly increase participation.

We think House Bill 2025 is a progressive piece of legislation in that it will broaden eligibility for participation in this program which we believe will aid the recruitment of primary care physicians to rural Kansas. I would be pleased to attempt to answer any questions members of the committee might have regarding this program

#

RSW:mem

SWAM
March 25, 1993
Attachment 13

THE UNIVERSITY OF KANSAS SCHOOL OF MEDICINE

KANSAS BRIDGING PLAN

Overview

The State of Kansas recognizes the need for additional primary care physicians in the State. In order to address this need, the State has funded the Kansas Bridging Plan. The purpose of the plan is to encourage primary care physicians to practice in non-metropolitan Kansas communities upon completion of residency training. The Office of Rural Health Education and Services assists communities and residents in meeting the need for primary care physicians in Kansas.

Eligibility

Residents in family practice, general internal medicine, and general pediatrics residency programs in Wichita, Salina, and Kansas City are eligible.

Resident Requirements

Residents must have completed one year of postgraduate training in their primary care specialty.

Residents must be eligible for an unrestricted Kansas license.

Enrollment

Residents may enroll at any time during their second or third years of residency.

Residents who have entered into a practice commitment agreement with a community can enroll in the plan.

The Plan

Each resident entering into a loan agreement can receive a payment of \$5,000 each year of residency training, or any part of a year of such training, after the date on which the loan agreement is completed. In addition, the resident will receive a loan of \$6,000 upon completion of residency training. The loans will be forgiven when the loan requirements are met.

The loan agreement requires that the resident:

- 1) complete the primary care residency training program;
- 2) engage in the full-time practice of medicine in any county in Kansas other than Douglas, Johnson, Sedgwick, Shawnee, or Wyandotte for three years;
- 3) commence full-time practice of medicine within 90 days after completing the residency training program.

If the resident fails to satisfy the obligation to engage in the full-time practice of medicine in accordance with the provisions of the loan agreement, the resident must repay the loan within 90 days of such failure. The amount to be repaid is the amount equal to the

amount of money received, less credits earned, plus interest at the annual rate of 15% from the date such money was received.

Residents must complete a one-month rural rotation during their residency program.

Residents who have been a recipient of a Kansas Medical Scholarship and/or Kansas Medical Loan are eligible to receive a Kansas Bridging Plan loan. Residents must select a community that meets the service obligation of the Kansas Medical Scholarship and/or Kansas Medical Student Loan. The service obligation for the Kansas Medical Scholarship Program and the Kansas Bridging Plan can be satisfied concurrently.

Community Eligibility

Communities must be able to support a minimum of two primary care physicians or cooperate with a neighboring community with at least one physician to recruit a resident jointly.

Communities in the following counties are not eligible: Douglas, Johnson, Sedgwick, Shawnee and Wyandotte.

Community Requirements

Communities must agree to provide the residents benefits that have an aggregate monetary value equal to or greater than the aggregate amount of payments under the provisions of the loan program.

UNIVERSITY OF KANSAS MEDICAL CENTER

BRIDGING PLAN

Enrollment

- * 33 residents since program started in January 1991.
- * Of the 33 residents, 2 are enrolled in the Kansas Plan.
- * 3 residents pending enrollment in the Kansas Bridging plan (state funded program)

Enrollment by Program

- * 23 Family practice
- * 8 Internal Medicine
- * 2 Pediatrics

Community Placement

- * 23 residents have selected a community
- * 20 communities selected for practice

	Oberlin	Decatur County
	Beloit	Mitchell County
	Clay Center	Clay County
2-	Halstead	Harvey County
	Ft. Scott	Bourbon County
	Lyons	Rice County
	Quinter	Gove County
	Tribune	Greeley County
	Hiawatha	Brown County
	Iola	Allen County
	Junction City	Geary County
	Hutchinson	Reno County
3-	Colby	Thomas County
	Dodge City	Ford County
	Wamego	Pottawatomie County
	Seneca	Nemaha County
	Sterling	Rice County
	Troy	Doniphan
	Pittsburg	Crawford County
	Manhattan	Riley

Communities Where Bridging Plan Physicians are in Practice

- * 8 physicians are in practice
- * Communities where Bridging Plan physicians are in practice

Oberlin	Halstead	Quinter
Beloit	Ft. Scott	Junction City
Clay Center	Lyons	

January 8, 1993

HOUSE BILL No. 2025

By Joint Committee on Health Care Decisions for the 1990's

1-11

9 AN ACT concerning the Kansas medical residency bridging program;
10 amending K.S.A. 1992 Supp. 76-387 and repealing the existing
11 section.

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 1992 Supp. 76-387 is hereby amended to read
15 as follows: 76-387. (a) There is hereby established the Kansas medical
16 residency bridging program at the university of Kansas school of
17 medicine which shall be developed and implemented in order to
18 provide encouragement, opportunities and incentives for persons in
19 primary care residency training programs in general pediatrics, gen-
20 eral internal medicine, family medicine or family practice, which are
21 operated by or affiliated with the university of Kansas school of
22 medicine or other such primary care residency training program
23 which is operated in Kansas and approved by the state board of
24 healing arts, to locate their medical practice in rural Kansas com-
25 munities upon completion of such residency training. The Kansas
26 medical residency bridging program shall be administered by the
27 institute for rural health care of the university of Kansas school of
28 medicine.

29 (b) Subject to the provisions of appropriation acts, the university
30 of Kansas school of medicine may enter into residency bridging loan
31 agreements, in accordance with the provisions of this section, with
32 any person who has completed the first year of a primary care
33 residency training program in general pediatrics, general internal
34 medicine, family medicine or family practice, which is operated by
35 or affiliated with the university of Kansas school of medicine or other
36 such primary care residency training program which is operated in
37 Kansas and approved by the state board of healing arts; and who
38 has entered into a practice commitment agreement.

39 (c) Subject to the provisions of appropriation acts, each person
40 entering into a residency bridging loan agreement under this section
41 shall receive a payment of \$5,000 each year of primary care residency
42 training, or any part of a year of such training, after the date that
43 the residency bridging loan agreement is entered into by the resident

and for persons who are graduates of the university of Kansas school of medicine and are engaged in primary care residency training programs in general pediatrics, general internal medicine, family medicine or family practice, which are operated outside the state of Kansas

(A)

and (B) with any person who is a graduate of the university of Kansas school of medicine, who has completed the first year of a primary care residency training program in general pediatrics, general internal medicine, family medicine or family practice which is operated outside the state of Kansas and who has entered into a practice commitment agreement

SWAM
march 23, 1993
Attachment 14

and the university of Kansas school of medicine and, upon completion of the primary care residency training program, a payment of \$6,000.

(d) Each residency bridging loan agreement shall require that the person receiving the loan:

(1) Complete the primary care residency training program;

(2) engage in the full-time practice of medicine and surgery in any county in Kansas other than Douglas, Johnson, Sedgwick, Shawnee or Wyandotte for three years under a practice commitment agreement;

(3) commence such full-time practice of medicine and surgery within 90 days after completing the primary care residency training program; and

(4) upon failure to satisfy the obligation to engage in the full-time practice of medicine and surgery in accordance with the provisions of the residency bridging loan agreement and this section, the person receiving the loan under this section shall repay to the university of Kansas school of medicine, within 90 days of such failure, the amount equal to the amount of money received by such person from the university of Kansas school of medicine, less credits earned, under such agreement plus interest at the annual rate of 15% from the date such money was received.

(e) An obligation to engage in the practice of medicine and surgery in accordance with the provisions of a residency bridging loan agreement and this section shall be postponed during (1) any period of temporary medical disability during which the person obligated is unable to practice medicine and surgery because of such medical disability, or (2) any other period of postponement agreed to or determined in accordance with criteria agreed to in the practice commitment agreement.

(f) An obligation to engage in the practice of medicine and surgery in accordance with the provisions of a residency bridging loan agreement and this section shall be satisfied: (1) If the obligation to engage in the practice of medicine and surgery in accordance with such agreement has been completed, (2) if the person obligated dies, or (3) if, because of permanent physical disability, the person obligated is unable to practice medicine and surgery.

(g) The university of Kansas school of medicine may adopt additional provisions, requirements or conditions for participation in the Kansas medical residency bridging program as are practicable and appropriate to accomplish the purposes of the program or as may be required for the implementation or administration of the program and, in any case, as are not inconsistent with the provisions of this section or the provisions of appropriation acts.

1 (h) As used in this section, "practice commitment agreement"
2 means an agreement to commence the full-time practice of medicine
3 and surgery in a city located in any county in Kansas other than
4 Douglas, Johnson, Sedgwick, Shawnee or Wyandotte county, which
5 (1) was entered into by a person in a primary care residency training
6 program in general pediatrics, general internal medicine, family med-
7 icine or family practice, that is operated by or affiliated with the
8 university of Kansas school of medicine *or other such primary care*
9 *residency training program which is operated in Kansas and ap-*
10 *proved by the state board of healing arts,* with the city where such
11 practice is to commence or another contracting entity other than the
12 university of Kansas school of medicine that is representative of the
13 interests of such city, and (2) provides benefits to such person that
14 have an aggregate monetary value equal to or greater than the ag-
15 gregate amount of payments to such person from the university of
16 Kansas school of medicine under a residency bridging loan agreement
17 under this section.

18 Sec. 2. K.S.A. 1992 Supp. 76-387 is hereby repealed.

19 Sec. 3. This act shall take effect and be in force from and after
20 its publication in the statute book.

(A)

or (B) by a person who is a graduate of the university of Kansas school of medicine and is engaged in a primary care residency training program in general pediatrics, general internal medicine, family medicine or family practice, which is operated outside the state of Kansas



KANSAS MEDICAL SOCIETY

623 SW 10th Ave. • Topeka, Kansas 66612 • (913) 235-2383
WATS 800-332-0156 FAX 913-235-5114

March 25, 1993

TO: Senate Ways and Means Committee

FROM: Chip Wheelen
KMS Director of Public Affairs *Chip Wheelen*

SUBJECT: House Bill 2029 as Amended by House Committee

Thank you for the opportunity to express our support for HB 2029. The KMS does not have a position regarding the amendment contained in Section 1, but we support the amendment contained in Section 2 for two reasons.

We believe that because the medical scholarship program was originally financed by State General Fund appropriations, children of Kansas taxpayers should receive priority consideration under the current program. We also believe that Kansas residents are more likely to remain in our State and practice medicine here, thereby improving access to physician services.

For the above reasons we urge you to recommend passage of HB 2029.

CW:cb

*SWAM
March 25, 1993
Attachment 15*