

*KHA's Capitol Comments* February 26, 2025

Senate Public Health and Welfare Meets on Amending the Kansas Credentialing Act Today, the Senate Public Health and Welfare Committee, chaired by Senator Beverly Gossage (R-Eudora), held a hearing on the confirmation of Maureen Mahoney, University of Kansas Hospital Authority.

The committee also held a hearing on <u>House Bill 2039</u>, which amends the Kansas Credentialing Act to remove physical, occupational and speech therapy providers from the definition of Home Health agency. It provides that entities that are not reimbursed by Medicare Part A and are individual providers that provide PT, OT and speech therapy be removed from the definition of Home Health agency and do not have to follow the regulatory requirements of the act.

There was one oral proponent: Stephanie Underwood, general counsel for Fox Rehabilitation, a Part B provider of outpatient PT, OT and speech therapy in 36 states.

## Senate Ways and Means Continues Discussion on House Budget Bill

Today, the Senate Ways and Means Committee, chaired by Senator Rick Billinger (R-Goodland), held a hearing on <u>House Bill 2007</u>, as amended, the House budget bill. The committee agreed to remove all the \$47 million of the American Rescue Plan Act interest items except for the Dole State building completion for the Senate to review and determine potential funding sources for these items and a potential spending plan for the ARPA interest funds. The committee also agreed to remove the economic development initiative fund items for fiscal year 2026 (\$44 million) and to remove all items not specifically requested by the Kansas Board of Regents.

The committee held a budget hearing for higher education and heard presentations by representatives of the Kansas Board of Regents. Brianna Horton from the Kansas Legislative Research Department gave an overview of KBOR's budget requests, which included reappropriations for the State General Fund, Economic Development Initiatives Fund and Educational Building Fund, as well as enhancements:

- Student affordability, which will be used to operate universities, recruit staff and provide financial aid \$90 million
- Infrastructure and cybersecurity \$10 million
- National Institute of Standards and Technology Playbook provides specific recommendations to each university to increase graduation and retention rates – \$6.4 million
- Student Success Initiatives at two-year colleges \$11.7 million
- Washburn University expansion of science labs \$5 million
- Washburn operating grant enhancement implement a cybersecurity program, applied focus on health care and forensic investigation, increase scholarship aid. \$3.3 million
- Adult education enhancement increase the number of English language acquisition students served, to increase high school equivalency and industry certification \$1 million
- Heroes Act Scholarship due to increased applications \$1.5 million
- One Health Project: joint initiative between Wichita State, University of Kansas and K-State University to create new companies and jobs to train the next generation of scientists and health care professionals – \$51 million
- Regional growth and development enhancement Emporia State, Pittsburg State, Fort Hays State – \$21 million
- K-State 105 \$5 million
- KSU Next Generation Initiative advance animal health through facilities, research and education: 7.5 million
- KU School of Architecture studio, teaching office, common area space \$10 million
- The University of Kansas Medical Center Medical Student Loan Program expansion increase the number of slots for medical and expand program to include medical specialists – 8.6 million
- Wichita State University School of Dentistry feasibility study to establish a dental school \$5 million
- General Educational Development Accelerator \$100,000
- Community College Capital Outlay Aid aid for community colleges that do not receive funding under the statute. \$5 million
- HIRED Pilot program 10.5 million to launch program targeting skilled workforce education. Support talent attraction in critical need occupations less than baccalaureate degree
- Technical Colleges Operating Grant support facilities, equipment and program enhancement \$21 million

The committee heard presentations from:

- Tisa Mason, president, Fort Hays State University, requested an \$8 million SGF recurring increase in funding, exemption from any SGF budget reduction, and support for the KBOR study on higher education funding. Mason highlighted the university's guaranteed admissions pathways partnership with Kansas community colleges in nursing, clinical psychology and school psychology. It saw a 100 percent employment rate of Doctor of Nursing Practice and Bachelor of Science in Nursing graduates in 2023. The social work program has approximately doubled in enrollment. There are more than 600 nursing majors on campus this year.
- Dr. Richard Linton, president, Kansas State University, highlighted the university's partnership with Garden City Community College, its growth in research infrastructure and its agriculture innovation initiative. He requested, on behalf of KBOR, \$5 million recurring for the K-State 105 Program, which is an economic development initiative to support entrepreneurship, business development, rural health care and community engagement; \$7.5 million recurring for the Veterinary Medicine Program to offer rural practice scholarships and strengthen animal research. He made two additional requests on behalf of Kansans (not KBOR) for \$130 million one-time for the Kansas Veterinary Diagnostic Lab and \$46 million one-time for the Dairy Teaching and Research Center.
- Dr. Douglas Gerard, chancellor, University of Kansas, highlighted the university's \$8 billion net economic impact on Kansas, which he attributed to students staying in workforce, startup companies including KU Innovation Park, research, philanthropy and tourism. He also highlighted the KU Cancer Center opportunity, the partnership with Panasonic and the Gateway District development. Dr. Gerard made requests for stable base funding for core operations, funding for employee merit raises, expansion of the Kansas Medical Student Loan Program and maintenance of the Campus Restoration Fund.
- Ken Hush, president, Emporia State University, highlighted that the revenue per fulltime equivalency student among the regional state universities lagged compared to the research state universities, community colleges, technical colleges and Washburn University. He described the university's recent efforts to demolish or sell its older buildings and to build new ones (including a dormitory), which will lower maintenance costs and optimize space utilization. His request was for \$7 million.

The senators asked about the university's new nursing facility. Hush updated that they have broken ground and are on track to finish in November.

- Dr. Richard Muma, president, Wichita State University, highlighted his university's enrollment growth on both campuses and its favorable tuition rates compared to other Midwest research universities. He also spoke about the lagging rates in FTE spending on need-based aide in Kansas compared to surrounding states. He provided updates on the Student Success and Persistence initiative. He demonstrated the university's applied learning model with co-op and internship positions. He highlighted the planned Wichita Biomedical Campus in partnership with the University of Kansas. Research and development in aviation have grown as well. The university is ranked #1 in Aerospace Research and Development funding. The university is trying to optimize its market pay compensation by investing \$12 million using internal reallocations and revenues from enrollment growth. However, they are still losing faculty to its peers in Texas. They are trying to bridge a \$25 million gap over five years to reach 50 percent of market medium. Dr. Muma requested \$14.4 million for need-based aid, \$6.4 million for Student Success, \$5 million for a feasibility study for establishing a dental school, support for information technology and cybersecurity investment and support for employee compensation.
- Dr. Dan Shep, president, Pittsburg State University, highlighted his university's successes, which included four-year academic scholarships for 700 students, materials science research leading to Eagle Picher agreeing to move manufacturing to campus and its community-facing reading facility in downtown Pittsburg. He described multiple public and private funding partnerships, including the criminal science education and research center, the new Kelce College of Business and student housing, updating science labs and expanding the Tyler Research Center. Dr. Shep discussed Pittsburg State's innovating automatic AA degree as students fulfill general education requirements, which protect students' investment as they continue to work toward a bachelor's degree. He highlighted the disproportionate impacts of funding cuts to the three regional universities in Kansas. Dr. Shep requested a \$6.5 million base add; support for \$1.7 million pay plan shortfalls; support to reinstate the fiscal year 2026 Campus Restoration Act funding that includes \$2.5 million for Pittsburg State; and to continue \$1 million in funding for Student Success.

The senators commended the university leaders on the enrollment increases seen in their institutions.

## **KHA Bill Tracker**

The <u>KHA Bill Tracker</u> keeps you up-to-date on current legislation. KHA will update and share this document daily while the legislators are in session.