

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HB 204a

51st Legislature, 1st Session, 2013

Tracking Number: .191221.2

Short Title: Nurse Educator Higher Degree Funding

Sponsor(s): Representatives Terry H. McMillan and Cathrynn N. Brown

Analyst: LaNysha Adams

Date: March 7, 2013

AS AMENDED

The House Education Committee amendment adds the Doctorate of Nursing Practice (DNP) degree as an option for registered nurses.

Original Bill Summary:

HB 204 amends state law to:

- transfer the Nurse Educators Fund to the state treasury from the Commission on Higher Education¹; and
- expand the purpose of the Nurse Educators Fund to allow registered nurses, in addition to those employed as nursing educators at postsecondary institutions, to obtain Bachelor of Science, Master of Science, and Doctor of Philosophy, in nursing degrees, to qualify as nursing educators in New Mexico colleges or universities.

Fiscal Impact:

HB 204 does not contain an appropriation.

The Fiscal Impact Report (FIR) by the Legislative Finance Committee (LFC) indicates that HB 204, if enacted, would increase the number of registered nurses eligible to apply for loans from the existing Nurse Educators Fund. For FY 13, the FIR notes that the Higher Education Department (HED) received \$145,000 from the General Fund for the Nurse Educators Fund.

Fiscal Issues:

According to LFC's report to the Fifty-First Legislature, the FY 13 operating budget for HED's student financial aid programs includes:

- \$145,500 for Nurse Loan-for-Service from other revenues;
- \$156,700 for Nursing Student Loan from the General Fund;
- \$129,000 for Nursing Student Loan from other revenues;

¹ Legislation enacted in 2005 created the Higher Education Department (HED) to replace the former Commission on Higher Education.

- \$1,076,200 for Health Professional Loan Repayment from the General Fund; and
- \$200,000 for Health Professional Loan Repayment from federal funds (see “Background,” below).

The LFC’s report also specified an FY 13 operating budget of:

- \$2,052,700 for nursing programs from the General Fund for various institutions throughout the state; and
- \$1,250,000 for the HED Program Development Enhancement Fund for Nursing from the General Fund (see “Background,” below).

Substantive Issues:

According to HED’s bill analysis:

- New Mexico has a shortage of nurses, particularly in rural areas, and the state also has a shortage of nursing instructors; and
- HB 204, if enacted, would expand eligibility to assist practicing nurses and could help increase the number of nursing instructors and, subsequently, the number of nurses.

According to the Board of Nursing bill analysis:

- degrees in the field of nursing also include the Doctorate of Nursing Practice (DNP) (see “Background,” below), which is not included in HB 204; and
- HB 204, if enacted, would increase opportunities for expanded healthcare education and nursing in New Mexico, which the Board of Nursing supports.

According to the UNM bill analysis:

- the DNP should be included in the accepted degrees;
- HB 204, if enacted, would increase the pool of eligible registered nurses to seek advanced degrees supported by the Nurse Educators Fund; and
- existing legislation limits eligibility to nurses employed by colleges and universities, who already may have advanced degrees.

According to the FIR:

- HED’s recent fiscal audits cite the department’s efforts to address chronic problems administering the Nurse Educator Fund and other loan programs; and
- HB 204, if enacted, would increase eligibility and result in improved loan recording and documenting processes that should help HED manage the Nurse Educator Fund and other loan repayment and forgiveness programs.

Background:

Current Law

Legislation enacted in 1987 established the Nursing Student Loan-for-Service Fund, which appropriates loans for nursing students to meet the emergency at that time resulting from the shortage of nurses in underserved areas of the state.

The *Nursing Practice Act* established the seven-member Board of Nursing to regulate nursing schools and practice. The Board of Nursing administers the Nursing Excellence Fund, which was created in 2003, to support the Nursing Excellence Program to:

- provide strategies that enhance recruitment and retention of professional nurses;
- increase career and educational opportunities; and
- improve interaction with health facilities administrations, the medical profession, and institutions of higher education.

Legislation enacted in 2003 established the HED Program Development Enhancement Fund, which must be used to enhance the contribution of postsecondary educational institutions to the resolution of critical state issues and the advancement of the welfare of state citizens. Among its provisions for the Program Development Enhancement Fund, HED, at the beginning of each fiscal year:

- determines that the balance of the fund is sufficient to make awards; and
- defines or reaffirms no more than four critical issues to be addressed through awards from the fund, which may include:
 - expanding instructional programs to meet critical statewide workforce and professional training needs;
 - enhancing instructional programs that provide employment opportunity for New Mexico students in a global economy; and
 - developing mission-specific instructional programs that build on existing institutional academic strengths.

Legislation enacted in 2005 established the Nurse Educators Fund to be administered by HED and to enhance the ability of college- and university-employed nursing educators to obtain Bachelor of Science, Master of Science, and Doctor of Philosophy degrees.

In 2009, legislation was enacted requesting the Board of Nursing to collaborate with the New Mexico Center for Nursing Excellence, and other agencies and organizations to study the impact of nursing shortages in New Mexico.

Currently, the financial aid division at HED administers seven loan-for-service programs and two loan repayment programs, with the following three for nurses and nurse educators:

- Nursing Loan-for-Service, which provides loan forgiveness for students enrolled in nursing degree programs if they commit to serve in areas of the state that have experienced nursing shortages;
- Nurse Educator Loan-for-Service, which helps employed nurse educators defray expenses for nursing programs that lead to Bachelor of Science, Master of Science, and Doctor of Philosophy degrees; and
- Health Professional Loan Repayment Program, which provides repayment for outstanding student loans of practicing health professionals. As a condition of the program, a health professional must make a two-year service commitment to practice full-time in a designated medical shortage area occupation in New Mexico, including advanced practice nurses, allied healthcare providers, and mental healthcare providers among other health professional shortage areas.

Related Research

In 2009, HED presented the *New Mexico Nursing Program Development Enhancement Fund Study* to the LFC, which explained that from FY 04 to FY 09:

- approximately \$16.0 million was allocated to New Mexico's public postsecondary institutions in supplemental funding for nursing program enhancements;
- approximately \$1.0 million was allocated for faculty salary enhancement to institutions by formula; and
- funding for the state's financial aid, loan-for-service, and other initiatives came from a variety of sources including the General Fund, federal grant funds, state special funds, and private funds.

In 2010, the New Mexico Health Policy Commission published *Strategies to Address the Nursing Faculty Shortage* and recommended:

- transparency, benchmarks, and additional funding streams to ensure appropriate resources for nursing education, including regionally competitive salaries for nurse educators;
- new educational models to promote efficiency to share faculty resources, increase faculty satisfaction, increase the retention of experienced faculty through a flexible educational model, and create new efficiencies for the teaching of core curriculum as well as specialized areas of nursing; and
- a nurse data tracking system to track the progress of recruiting and retaining nursing faculty.

According to the American Association of Colleges of Nursing (AACN) 2011-2012 *Annual Survey of Institutions with Baccalaureate and Higher Degree Nursing Programs*, schools of nursing turned away 75,587 qualified applicants to baccalaureate and graduate programs primarily due to:

- insufficient clinical teaching sites (65.2 percent);
- a lack of faculty (62.5 percent);
- limited classroom space (46.1 percent);
- insufficient preceptors or specialists who gives practical experience and training to students (29.4 percent); and
- budget cuts (24.8 percent).

The AACN proposed that the Doctor of Nursing Practice (DNP) degree will be the level of entry for all advanced practice nurses by 2015. The New Mexico State University currently offers the DNP, which is a doctoral degree for nurses at the highest level of nursing practice that focuses on the clinical aspects of nursing rather than academic research.

In 2012, the Bureau of Labor Statistics (BLS) released *Employment Projections 2010-2020*, which reported that the Registered Nursing workforce is the top occupation in terms of job growth through 2020. According to the BLS:

- the number of employed nurses is expected to grow from 2.74 million in 2010 to 3.45 million in 2020, an increase of 712,000 or 26 percent; and

- the projections further explain the need for 495,500 replacements in the nursing workforce, bringing the total number of job openings for nurses due to growth and replacements to 1.2 million by 2020.

In 2012, the Robert Wood Johnson Foundation announced that New Mexico was one of nine states chosen for a two-year, \$300,000 grant to advance state and regional strategies aimed at creating a more highly educated, diverse nursing workforce through its new program called “Academic Progression in Nursing.”

Finally, in 2013, the LFC’s *State of New Mexico Report* stated that the Board of Nursing issued 15,606 licenses in FY 12, which surpassed the FY 11 level of 12,978. The current number of registered or licensed nurses working in the state is 23,560, an 8.0 percent increase from the count in FY 11.

Committee Referrals:

HHGIC/HEC/SEC/SFC

Related Bills:

HB 53 *Teacher Loan Repayment Act*

HB 239 *ENMU Master’s of Nursing* (Identical to SB 216)

HB 407 *Loan-for-Service Interest & Nonservice*

SB 57 *UNM Health Center Nursing Enrollment*

SB 216 *ENMU Master’s of Nursing Program* (Identical to HB 239)