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FISCAL IMPACT REPORT

ORIGINAL DATE 02/10/13
 SPONSOR McMillan LAST UPDATED 02/26/13 HB 204/aHEC
 SHORT TITLE Nurse Educator Higher Degree Funding SB _____
 ANALYST Hartzler-Toon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	NFI	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act, Higher Education Department, Student Financial Aid Program

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 University of New Mexico (UNM), College of Nursing
 Board of Nursing (BN)

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment to House Bill 204 expands the eligibility to students who want to pursue a doctorate in nursing practice, in addition to the degrees listed below. The amendment explicitly addresses a technical issue initially raised by respondents.

Synopsis of Original Bill

House Bill 204 (HB 204) amends Section 21-1-27.7 NMSA 1978 by

- (1) expanding eligibility for all registered nurses, not just those employed by public universities or colleges, to receive loans from the Nurse Educators Fund and
- (2) limiting the purpose of loans to graduate degrees in nursing.

The bill also amends the law to refer to the Higher Education Department (HED) and not the Commission on Higher Education.

FISCAL IMPLICATIONS

The bill does not contain an appropriation, but would increase the number of registered nurses eligible to apply for loans from the existing nurse educators fund. For FY13, the HED received \$145 thousand in general fund appropriations for this fund.

SIGNIFICANT ISSUES

Both the Board of Nursing (BN) and University of New Mexico (UNM) support expanding the pool of eligible candidates seeking financial assistance to pursue graduate degrees in nursing. Across the country and here in New Mexico, there is a well-documented need to increase the numbers of college and university nursing faculty with graduate degrees. All responses noted how this program can be a more useful tool in helping more registered nurses seek graduate degrees.

Both the UNM and the HED noted that current eligibility limiting the loan program to nurses employed by colleges and universities, may not have a significant impact on increasing the number of nurses with graduate degrees. Many nurses employed by institutions likely have such degrees and are less likely to be in need of such a program.

PERFORMANCE IMPLICATIONS

The HED currently administers the nurse educator fund and loan program under NMAC 5-7-32. The Department's recent fiscal audits cite the Department's efforts to address chronic problems administering this and other loan programs. It is anticipated that increasing eligibility for this program will result in the Department managing more applications and possibly more loans to be recorded, monitored, and evaluated for service and other requirements. Improved loan recording and documenting processes should help the Department manage this and other loan repayment and forgiveness programs.

ADMINISTRATIVE IMPLICATIONS

The UNM noted that rules governing the nurse educator fund (NMAC 5-7-32) restrict loans to \$5 thousand per year and a stated interest rate of 7 percent. Given the cost of graduate nursing education, the loan amount is too low to cover a large cost of the education. Also, the loan rate is high given current market conditions, making this loan program less competitive in the marketplace. The HED's Health Profession Advisory Committee, created under NMAC 5.7.32.8, may be called to suggest changes making this loan program more competitive.

RELATIONSHIP

HB 204 relates to

- HB 57, a bill to expand the UNM's primary care nursing graduate program; and
- HB 329 and SB 216, bills to appropriate funds for Eastern New Mexico University's masters of science in nursing education program

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The state will lose an opportunity to expand eligibility, particularly to registered nurses who currently work outside of colleges and universities, for a student aid program that is an important tool to address a shortage of nurse educators.

THT/svb:blm