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FISCAL IMPACT REPORT

ORIGINAL DATE 01/22/13

SPONSOR Beffort LAST UPDATED _____ HB _____

SHORT TITLE UNM Health Center Nursing Enrollment SB 57

ANALYST Hartzler-Toon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$2,881.7	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act: University of New Mexico Health Science Center, Nurse Expansion.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 University of New Mexico Health Science Center (UNM HSC)
 Department of Health (DOH)
 NM Board of Nursing (BN)

SUMMARY

Synopsis of Bill

SB57, a bill making an appropriation to the UNM HSC to increase graduate enrollment in primary care nursing in FY14 and FY15 appropriates \$2,881.7 thousand from the general fund to the UNM HSC for the purpose of increasing the university's graduate-level family nurse practitioner program.

FISCAL IMPLICATIONS

The appropriation of \$2,881.7 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY15 shall revert to the general fund.

Currently, the College of Nursing offers a graduate degree program, the family nurse practice program, for 10 students annually. In September 2012, the UNM HSC submitted a FY14

appropriation request to the HED for \$2,881.7 thousand in general fund revenues, to be expended in FY14 and FY15, to build the capacity needed to expand the program from 10 students to 24 students total in academic year 2013-14 and to support 48 students (another cohort of 24 students and the second year of courses for the first cohort) in 2014-15.

In the UNM HSC's FY14 expansion request, the UNM HSC identified possible increased instruction and general purpose formula general fund appropriations and tuition and fee revenues based on an increased cohort size. With an additional 14 students, the College of Nursing estimated an additional \$523.9 thousand in state general fund formula funding and \$167.8 thousand in tuition and fee revenues. While these additional revenues are estimates, it is clear that the bill's appropriation of \$2,881.7 thousand provides necessary start-up funding to expand this program.

Further, the HED has noted that UNM HSC will require \$520 thousand in FY16 to sustain this program. This additional general fund support will supplement the instruction and general funding formula appropriations based on these graduate courses and resulting graduate degrees. It is difficult to estimate the total general fund program support needed to maintain 24 additional graduate nursing student slots, particularly because the UNM HSC did not report continuing operating costs and needed revenues in their FIR response.

SIGNIFICANT ISSUES

The UNM HSC reports the increasing need for mid-level health practitioners to address health needs of New Mexicans, particular those in rural areas. Family nurse practitioners are licensed, independent, primary care providers with prescriptive privileges who frequently serve in team settings with other health practitioners. These licensed, advanced nurse practitioners serve residents in every county but Catron County. Of the UNM HSC's graduates, 90 percent practice in New Mexico with a third of these practicing outside of the Albuquerque area.

The UNM HSC's family nurse practitioner program is the only one provided in the state; New Mexico State University does not offer this program. Graduating an average of 10 advanced practitioners a year, the program routinely turns down qualified applicants due to a lack of resources available to support an additional cohort. The Department of Health and New Mexico Board of Nursing supports the UNM HSC's efforts to expand healthcare education and nursing.

COMPANION to GAA

The UNM HSC receives separate appropriations for many programs, including one to expand the existing undergraduate nursing program. The UNM HSC's request for the family nurse practitioner program was submitted after the department's deadline for considering expansion or new research and public service projects. The request was not included in the HED's FY14 budget request for the UNM HSC or the Department of Finance and Administration (DFA) or LFC's FY14 budget recommendations for the UNM HSC.

TECHNICAL ISSUES

UNM HSC does not have a "primary care nursing program" but offers the family nurse practice graduate nursing program that focus on primary care. The bill title and subject could be amended to specify the nursing program to be increased by the appropriation.

The appropriation language is unclear. The language could be read to be one appropriation of \$2,881.7 thousand in FY14 for expenditure in FY14 and FY15 or two appropriations of \$2,881.7 thousand, both in FY14 and in FY15.

POSSIBLE QUESTIONS

Would expanding this program help address the state's healthcare workforce needs?

What are the other revenues available to support the program to maintain a doubling of the program and what are the projected expenditure levels of maintaining the expansion?

THT/bm