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FISCAL IMPACT REPORT

ORIGINAL DATE 2/1/16

SPONSOR Ingle LAST UPDATED _____ HB _____

SHORT TITLE ENMU Nursing Program & Scholarships SB 209

ANALYST Chilton

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	\$150.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act for Eastern New Mexico University Nursing Expansion.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
 Eastern New Mexico University (ENMU)
 Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Appropriates this bill, ENMU Nursing Program & Scholarships, \$150 thousand from the General Fund to the Board of Regents of Eastern New Mexico University for the purpose of supporting its bachelor's and master's nursing programs and providing scholarships to its students.

FISCAL IMPLICATIONS

The appropriation of \$150 thousand contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2017 shall revert to the General Fund.

SIGNIFICANT ISSUES

HED notes that ENMU received \$357,400 in FY16 from the General Fund for the expansion of Nursing BSN/MSN Programs through Research and Public Service Project (RPSP) funding. The Board of Regents for ENMU requested a \$35,740 increase in funding for this RPSP for FY17. The Executive budget recommendation for FY17 maintains this RPSP at the FY16 funding level of \$357,000, while the initial LFC recommendation is for \$393,100.

DOH comments on the severity of New Mexico's nursing shortage and actions being taken to meet this challenge as follows:

According to recent information provided in the 2015 Annual Report of the New Mexico Health Care Workforce Committee, despite increases in the number of nurse providers in New Mexico, 20 out of 33 counties continue to experience a shortage of advanced practices nurses in 2014. In seven of these counties, all rural, the shortage is considered to be severe. (New Mexico Health Care Workforce Committee Report, 2015). At the same time, the number of people with health insurance coverage increased at least 10% in 25 of 33 counties. In 2012, the Legislative Finance Committee predicted that 172,000 more New Mexicans would gain coverage through Medicaid expansion and the health exchange, but that number is reported now at 264,000 more covered. More coverage will result in more health care services needed, including an increase in the number of nurses.

A series of initiatives were enacted to address New Mexico's nursing shortage by increasing financial aid to nursing students in advanced degree programs, increasing grants to students who decide to practice in rural areas of the state, and instituting a common curriculum in the nursing education programs at the college and university levels. (KRQE News, 4/6/15: *N.M. Governor Signs Bills Addressing Nursing Shortage*; and Taos News, Dec 2, 2013: *New Policies Target Statewide Nursing Shortage*.) SB209 would align with those initiatives. Tuition incentives for potential nursing students may stimulate educational institutions to recruit and educate individuals who will fulfill workforce shortages and address health care needs which are expanding under the ACA.

The nursing curriculum in New Mexico has been standardized so that the schools can coordinate the education of nurses, allowing credits to transfer between schools more readily, and thus graduating nurses who have undergone a rigorous program on parity with other programs in the state. Coordination has also occurred between the schools in the area of recruiting nursing students within and outside the state. SB209 would act as an incentive for ENMU in recruiting nursing students.

ENMU states that its BSN program has been in place since 1995, while the MSN program was added in 2013. The programs are growing in size, with an increase of 15% in enrollment from 2009 to 2014, and both are accredited through the National League for Nursing Accrediting Commission. ENMU offers some of the courses leading to BSN and MSN degrees on-line.

PERFORMANCE IMPLICATIONS

DOH notes that SB 209 would support its 2014-2016 Strategic Plan; Result 4: (The) recruitment and retention of health professionals to respond for health care shortage areas.

ADMINISTRATIVE IMPLICATIONS

HED states that “If SB 209 is funded, ENMU should develop performance measures for the scholarships and programs in collaboration with the New Mexico Higher Education.”

RELATED to HB 2 appropriation for Eastern New Mexico University Nursing Expansion.

LAC/jo