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FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/22

SPONSOR Stefanics LAST UPDATED _____ HB _____

SHORT TITLE Expand Nursing Programs at Post-Sec Ed Insts SB 50

ANALYST Chilton

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
	\$15,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Independent Community Colleges (NMICC)
 San Juan College
 Northern New Mexico College
 Santa Fe Community College
 University of New Mexico Health Sciences Center (UNM HSC)
 New Mexico State University (NMSU)
 Clovis Community College
 Higher Education Department (HED)
 University of New Mexico (UNM)
 Central New Mexico Community College (CNM)

SUMMARY

Synopsis of Bill

Senate Bill 50, “Expand Nursing Programs at Post-Secondary Educational Institutions,” appropriates \$15 million from the general fund to the Higher Education Department for the purpose of providing nursing program expansion grants to post-secondary institutions.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

The appropriation of \$15 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY23 shall revert to the general fund. Although SB50 does not specify future appropriations, establishing a new grant program could create an expectation that the program will continue in future fiscal years, therefore this cost is scored as recurring.

SIGNIFICANT ISSUES

According to the New Mexico Independent Community Colleges and Santa Fe Community College:

Reports from the Department of Workforce Solutions indicate that New Mexico has been facing a nursing shortage for several years. Since 2020, the pandemic has exacerbated the problem. In fact, recent media reports show that New Mexico is one of six states in which the President has deployed military medical teams to hospitals to assist in providing essential services. (<https://www.cnbc.com/2022/01/13/omicron-biden-deploys-military-medical-personnel-to-hospitals-in-six-states.html>) New Mexico is facing a critical shortage of nurses and other health professionals.

Nursing programs at New Mexico's public post-secondary institutions are at capacity based on current budgets. In order to expand, nursing programs primarily need:

- Increased number of nursing faculty positions in order to serve more students.
- Increased nursing faculty salaries to reduce the number of nursing faculty leaving to take nursing positions in hospitals, particularly high paying traveling nurse positions.
- Financial support for innovative ways to expand options for clinical placements required as a part of nursing programs. (E.g. travel and housing/meal stipends so students can take clinical assignments away from their home community – sometimes even out-of-state.)
- Funds to buy more simulation equipment to serve more students.
- Funds to renovate additional classrooms into spaces suitable for nursing instruction.

The \$15 million appropriation contained in SB50 will provide an opportunity for college nursing programs to address these issues and to expand the number of students in the nursing pipeline.

According to HED, “The 2021 Second Special Session Appropriation Act (HB2, Being Laws 2021SS, Chapter 4) transferred, but did not appropriate, \$15 million (\$15,000,000) of federal coronavirus relief funds to NMHED Program Development Enhancement Fund for the purpose of expanding enrollment in and graduation from nursing programs at state higher education institutions. The General Fund appropriation in SB50 is distinct from the federal funds available within the Appropriation Contingency Fund (subject to appropriation by the Legislature). As such there are no restrictions or federal reporting requirements for the funds appropriated in SB50...

“Recurring funding for nursing programs through the Research and Public Service (RPSP) process are part of the FY23 Executive Recommendation of \$11,420,500. This appropriation would be in addition to the funds already incorporated in the General Appropriation Act.”

NMSU notes that “This bill will provide funding to the School of Nursing to support undergraduate (and possibly graduate) nursing education. It is anticipated that the NMSU SON will be allowed to apply for funding to support new faculty salaries, faculty salary increases, and program-related expenses that have the potential to increase graduation rates and success on the NCLEX-RN exam. The School of Nursing also supports the inclusion of student stipends to pay for tuition, fees, books, uniforms, living expenses, cost of NCLEX-RN exam and licensing, as well as funding to nursing programs so that they can remove any tuition differentials that increase the cost of attendance.”

Clovis Community College comments that “Three significant issues are relevant in this rural community in the eastern side of the state. The first is hospital nursing shortages, the second is educational nursing shortages, and the third is the number of potential students in the pipeline.

“The Covid-19 Pandemic has had a significant negative impact to hospitals. Currently, the main hospital in the area, Plains Regional Medical Center-Clovis is utilizing 25-30 travel nurses to fill staff shortages. It became very easy for seasoned nurses to travel into Texas where nurses are paid at a significantly higher pay scale, and these positions mean a significant negative fiscal impact to the hospital as well as the local community. That leaves the community to a ‘grow your own’ situation where these vacancies will be filled by the graduates of the nursing program at Clovis Community College.”

CNM, which states that it has one of the larger nursing programs in the country, reports that “Programmatic growth is possible but would require additional administrative and operational support personnel to achieve significant expansion goals. In particular, there is a strong need for significant recurring funding for nursing programs in our state. SB50 would be a small step towards this end.”

CNM (as most other respondents) has needs that would be addressed by the funding proposed, including:

- “Additional funding to create a coordinated system of regional clinical placements required as a part of nursing programs in collaboration with other institutions, based on a model like the Arizona Clinical Education Consortium (AzCEC). Coordination among institutions and providers for clinical placements has been identified by CNM Nursing as one of the most pressing challenges affecting programmatic growth. Clinical placements are one of the most significant bottlenecks for programmatic growth.
- Restoring funding to New Mexico Center for Nursing Excellence’s Action Coalition (NMNEC) to fund membership fees, a NMNEC curricular expert and an ATA to continue the curricular review, organize and facilitate committee meetings, and provide ongoing NMNEC specific faculty development.
- Increasing the number of nursing faculty positions, staff and administration to shore up our programs, serve more students and begin building additional capacity.
- Increasing nursing faculty salaries to help retain and recruit nursing educators.
- Funding to purchase specialized clinical equipment to serve more students.

- Funding to upgrade and retool educational spaces for nursing instruction.”

ADMINISTRATIVE IMPLICATIONS

San Juan College states that “The competitive expansion grants place demands on HED for administration but are a good way to ensure that the best proposals receive funding... Nursing programs should be encouraged to submit proposals that are innovative and creative and address critical issues such as the shortage of qualified nursing faculty, opportunities for simulated clinical experiences, wrap-around supports for nursing students, including training stipends, that encourage retention and completion, and the consideration of new pathways that allow other health-care professionals to become RNs by recognizing prior learning and training, among others.”

HED notes that it “would release a request for proposals (RFP) for individual higher education institutions to submit for funding. Processes exist within the department to issue RFPs in a timely manner.

“The Department may wish to convene a committee composed of experts versed in nursing education and the needs of the healthcare workforce to evaluate funding requests submitted by eligible colleges and universities.”

TECHNICAL ISSUES

Northern New Mexico College notes that “Appropriation is distributed to HED, which will then distribute through a grant application process. The appropriation period appears too short for the application development, distribution and inclusion to the curriculum.”

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Many of the responding institutions note that failure to appropriate this money would mean missing the opportunity to expand nursing schools’ student bodies to meet the high and pressing need for additional nurses in New Mexico; NMSU states that without additional funding it might have to reduce its nursing school enrollment.

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