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## FISCAL IMPACT REPORT

SPONSOR Marquardt DATE TYPED 2/28/05 HB 519

SHORT TITLE NMSU Alamogordo Nursing Program SB \_\_\_\_\_

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### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$301.93			Recurring	GF

Relates to appropriation for NMSU in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Commission on Higher Education (NMCHE)

New Mexico Health Policy Commission (HPC)

New Mexico Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

HB 519 appropriates \$301,930 thousand from the general fund to the Board of Regents of New Mexico State University in FY06 to provide equitable salary levels to retain nursing instructors, expand the use of relevant technology and clinical opportunities and training for nursing students, resulting in increased student retention and the graduation of more registered nurses at the Alamogordo campus.

#### Significant Issues

The federal Department of Health and Human Services (DHHS) estimates that vacant nursing positions in New Mexico will reach 25% in 2005, 36% in 2010 and 57% in 2020. According to the New Mexico Consortium for Workforce Development (NMCWD), one third of New Mexico nurses are over 50 years of age. New Mexico currently produces 500 new registered nurses (RNs) each year, but continues to experience escalating vacancies in health care facilities at a rate double the national average.

The number of nursing student slots available in NM has almost doubled (from 559 to 1,115) due

to legislative funding and a limited number of public/private partnerships in FY03 and FY04. There were 2,005 qualified students for the 1,115 slots in the state's nursing programs. Twelve of fifteen programs have turned down applicants or have a 1-3 year waiting list for students wanting to enter the program. The largest barrier to increasing school capacity is a lack of qualified faculty.

While almost every nursing education program in New Mexico has a waiting list of 6 to 75 qualified applicants, nursing faculty positions remain vacant because average faculty salaries are about half that of comparably prepared clinical nurses and because fewer nurses are choosing a nursing education specialty in graduate school. The faculty shortage situation compounds the nursing pipeline problem in the state. Data provided by the New Mexico Center for Nursing Excellence states there were 46.5 vacant nursing faculty positions in July 2004, one month before the start of the fall semester. Base pay for master's and doctorate level faculty in 2003 was between \$31 and \$46 thousand, with an average base pay of \$44 thousand (New Mexico Department of Labor, 2003). This average pay for nursing faculty is less than the average salary for graduate nurses just entering the profession, according to the New Mexico Center for Nursing Excellence.

### **PERFORMANCE IMPLICATIONS**

HB519 is one of many strategies that may be needed to address the current and future nursing shortage that has a direct effect on the health of patients in New Mexico.

The CHE reviews accountability measures for all nursing programs at state universities and community colleges.

HB 519 supports the DOH Strategic Plan in increasing the health workforce supply, in collaboration with other entities in New Mexico.

### **FISCAL IMPLICATIONS**

The appropriation of \$301,930 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

The bill does not indicate the expected increased number of students enrolling in the nursing programs. However, once the program is in existence it will generate state support from any additional student credit hour production.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HB 519 relates to:

- SB 84 appropriates \$500 thousand to NMSU to increase the number of nursing education options in New Mexico.
- SB 394 appropriates \$2 million to the NMCHE for nursing programs.
- HB 301 appropriates \$584.35 thousand to Western New Mexico University to expand the Bachelor of Science nursing program.
- HB 509 creates a \$100 thousand "nurse educators fund" in NMCHE.

**OTHER SUBSTANTIVE ISSUES**

New Mexico has 14,300 registered nurses (RNs) and 3,000 licensed practical nurses (LPNs) with New Mexico addresses. The Health Resources and Services Administration (HRSA) predict that New Mexico will not be able to fill 57% of its nursing requirements by 2020.

The nursing curriculum at NMSU-Alamogordo provides educational preparation leading to the Associate Degree in Nursing (ADN). Upon completion, the graduate is eligible to take the National Council Licensing Examination for licensure as a Registered Nurse. Students continuing their education towards a Bachelor of Science Degree in Nursing (BSN), apply to the NMSU BSN or UNM BSN completion programs.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

The nursing program at NMSU-Alamogordo will continue to operate with its current capacity.

**AHO/lg**