

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/09

SPONSOR Morales LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE WNMU Nursing Program SB 283

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$380.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 224

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

Health Policy Commission (HPC)

Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

Senate Bill 283 appropriates \$380.0 from the general fund to the Board of Regents of Western New Mexico University expand the nursing program and to adjust nursing faculty salaries in order to retain qualified staff.

### FISCAL IMPLICATIONS

The appropriation of \$380.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2010 shall revert to the general fund.

### SIGNIFICANT ISSUES

The HED states that this request was submitted by WNMU to the HED for review. The Department would not oppose this project's funding for FY10, if the State's fiscal picture improves.

The LFC Appropriation Recommendations, Volume II, pages 364-365 states:

The committee has concerns about the growth of research and public service projects within the higher education budget, as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects.

The committee recommendation reduces funding included in the HED request by varying levels from FY09 funding amounts for research projects, public service projects and P-20 pipeline projects focusing on students.

With respect to special projects, higher education institutions advanced 114 proposals for new projects and expansions at a total general fund cost of \$54 million during the HED budget request process in fall 2008.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The Executive Budget in Brief notes that over the years more than 300 RPSPs have been created, accounting for a large portion of institution budgets. The current RPSPs were reviewed while considering the relevance of the project to the core mission of the institution, the community benefit and the outcomes associated with each project. (Budget in Brief and Policy Highlights, P 9-10.)

The HPC states that New Mexico is facing a major shortage of medical professionals, especially nurses. One of the biggest problems in meeting this need is lack of programs and lack of qualified staff to instruct programs. Many nursing colleges and universities across the country are struggling to expand enrollment levels to meet the rising demand for nursing care. Most of New Mexico's higher education nursing programs have a waiting list of qualified applicants and a shortage of faculty.

The DOH notes that SB283 addresses issues related to the nursing shortage in New Mexico. The Health Resources and Services Administration (HRSA) predicts New Mexico will not be able to fill 57% of its nursing requirements by 2020. The undersupply of teaching faculty has created waiting lists of students to get into nursing programs. The 679 New Mexico nurse candidates (RNs & LPNs) who passed the National Council Licensure Examination between July 1, 2005 and July 1, 2006 represented an increase of 16% since 2000 (National Council Licensure Examination website).

## **RELATIONSHIP**

Senate Bill 283 relates to House Bill 224 which would appropriate \$775.0 to increase the number of admissions for the Bachelor of Science in nursing program at UNM.

GH/svb