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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 2/6/2015  
**SPONSOR** Wooley **LAST UPDATED** \_\_\_\_\_ **HB** 334

**SHORT TITLE** ENMU Nursing Program **SB** \_\_\_\_\_

**ANALYST** Hartzler

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$100.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	\$31.0	\$31.0	Recurring	Institutional Tuition/Fees

(Parenthesis ( ) Indicate Revenue Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$100.0	\$100.0	\$200.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act, Section 4J Higher Education, Eastern New Mexico University, Nursing Expansion

Relates to Appropriation in the General Appropriation Act, Section 4J Higher Education Department, Student Financial Aid Program

Duplicates SB 388 ENMU Nursing Program

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Eastern New Mexico University (ENMU)

Higher Education Department (HED)

## SUMMARY

### Synopsis of Bill

House Bill 334 appropriates \$100 thousand from the general fund to ENMU for student scholarship support and faculty development for the bachelor of science in nursing program.

## FISCAL IMPLICATIONS

The appropriation of \$100 thousand contained in this bill is a recurring expense to the general fund. As stated in the bill, any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund. However, should the appropriation be included in Section 4 of the General Appropriation Act as a line-item to ENMU, the funds would not revert to the general fund.

The \$100 thousand general fund appropriation would allow for (1) student scholarships and (2) faculty development. ENMU does not receive specific funding for their bachelor-level nursing program. It is anticipated that should the program receive an additional \$100 thousand, the university could receive an additional \$31 thousand in tuition and fees (for 10 part-time and 5 full-time students) and would receive more general fund support through the state's instruction and general (I&G) funding formula.

In recent years, the Legislature has increased state-supported financial aid programs for nurses and allied health fields. (See LFC Volume III, Healthcare Workforce Initiatives.) For FY15, HED received \$867.3 thousand for the nurse loan-for-service program, or a \$720 thousand increase over FY14 levels. For FY16, the LFC and executive maintained the high FY15 level of support. It appears that part of the appropriation in SB 388 would provide a financial aid option similar to that already offered by HED for nursing students.

Separately, for FY15, ENMU received \$257.4 thousand for their master's in nursing education program. While ENMU requested an additional \$25.7 thousand in general fund revenues during the Higher Education Department's (HED's) review of FY16 budget requests, the department did not request additional funding for the masters program. Neither LFC nor the Executive recommended additional funding the program for FY16.

## SIGNIFICANT ISSUES

HED cites a number of sources stating the demand for bachelor-level nurses is rising nationally, with New Mexico needing around 500 nurses for positions throughout the state. A 2013 LFC evaluation reported a significant increase in associate degrees in nursing, but decline in bachelor's-prepared nurses. National associations have promoted the need for better-prepared nurses to address patients with complex medical conditions.

## PERFORMANCE IMPLICATIONS

There are no performance measures associated with this appropriation. The university could report the number of students enrolled due to the increase in funds, the program persistence and completion of these students, and licensure pass-rates.

**DUPLICATION**

The university receives general fund appropriations for its master's in nursing education program but not for its undergraduate program. HED receives funding for its nurse loan-for-service program. SB 388 is a duplicate of this bill.

**ALTERNATIVES**

Ensure that eligible students at ENMU apply to HED for available student financial aid programs, particularly those serving nursing students.

TH/je