

SUBJECT: Creating programs to address nursing shortages

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 7 ayes — Rangel, F. Brown, Farabee, Goolsby, J. Jones, E. Reyna, West
0 nays
2 absent — Morrison, Uher

WITNESSES: For — Alexia Green, Texas Nurses Association; Carlos Higgins, Texas Silver Haired Legislature; Mary Mancini, Texas Hospital Association, Parkland Health and Hospital System
Against — None

DIGEST: CSHB 1361 would create a grant program for nursing schools, broaden certain financial assistance programs for nursing students, and establish a nursing workforce data bank.

Grants. The bill would create a grant program to provide funds to increase student enrollment and retain faculty for nursing programs in good standing with the Board of Nurse Examiners, subject to availability of funds. Grants would be contingent on the programs' ability to enroll additional students, such as classroom space and clinical slots. Excess grant funds would be returned to the Board of Nurse Examiners. Private grants, gifts, and donations could be solicited for this program. The grant funds would be distributed in an equitable manner among nursing programs.

Matching funds. The bill would expand the tuition matching program for nursing students by creating state matching funds for a person's contribution to a nursing student's education. Institutes of higher education could waive residency requirements and offer in-state tuition to nursing students who were in a graduate degree program and intended to teach in Texas.

CSHB 1361 would expand access to financial assistance programs, including scholarships, matching funds, and loan repayments, to include nursing

program faculty with graduate degrees and other categories of people that the board saw fit to include. Criteria for financial assistance would be amended to include scholastic performance, type of degree, the geographic area the person was likely to practice, intent to seek employment on a nursing school faculty, or any additional factors. The board would have the authority to structure scholarships in a way that would secure federal matching funds. No more than 10 percent of the funds appropriated could be used for administrative purposes.

Nursing workforce data bank. This bill would create a nursing workforce data bank to collect and analyze data on nurses and other nursing personnel, subject to availability of funds. Demographics, area of practice, and migration information would be used to create a supply and demand model of nurses in the state for forecasting. The data bank would publish reports on employment trends in nursing, but the data would be confidential.

An executive committee would oversee the data bank, which could be contracted to a public or private entity. One half of the members of the executive committee would have to represent the commercial practice of nursing, while one third would have to represent the public. Other members could represent researchers, consumers, or others. Members would serve two-year staggered terms and would receive a per diem, but could not receive reimbursement for travel expenses other than for transportation. The Board of Nurse Examiners would appoint the initial half of the executive committee to a term expiring February 1, 2003, and the second half to a term expiring in 2005.

Activities would have to be coordinated among the Texas Higher Education Coordinating Board, the statewide health coordinating council, the Texas Workforce Commission, and other public entities to minimize duplication of effort and promote sharing of data.

The bill would take effect September 1, 2001.

**SUPPORTERS
SAY:**

CSHB 1361 would help address the nursing shortage facing the state. Texas hospitals report difficulty recruiting nurses. The average age of nurses in the state is over 40, which indicates that a large number of nurses are likely to retire over the next two decades. With steady declines in nursing school

enrollment, Texas faces a nursing shortage today and a nursing crisis tomorrow.

Education assistance is the best way to encourage more people to enter the nursing profession and teach nursing. Nursing school enrollment has declined, in part, because of too few faculty. This bill would encourage individuals to teach by extending to them some of the financial assistance the state makes accessible to nursing students who intend to practice nursing. It also would encourage enrollment in nursing programs by giving the educational programs the money they need to recruit students.

The nurse work force data bank would give Texas the information it needs to make long-term policy decisions about nursing and health care across the state. The information that has been collected about nursing in Texas does not allow the state accurately to predict what the nursing work force will look like in the future. A data bank and work force analysis would ensure that the state's policy decisions were tracked and would predict what needs to be done to ensure that the state has enough trained nurses.

OPPONENTS
SAY:

The state already gives nursing, allied health, and other health-related programs funding through a permanent trust fund. The House-passed version of SB 1, the fiscal 2002-03 general appropriations bill, would appropriate \$4 million in tobacco funds for these health professions in fiscal 2002-03. Further, the House has used dramatic growth funds to provide additional funding. Dramatic growth funds means that nursing-specific growth is calculated and funded before institution-wide growth. This formula was applied to community colleges in 1999 and extended to four-year universities this session. The nursing shortage is already being addressed through various funding mechanisms, and this bill should not create a vehicle for more funds for nursing.

OTHER
OPPONENTS
SAY:

CSHB 1361 would have little impact on the state's nursing shortage. Nurses are not compensated enough for the demanding work that they do. Hospitals have high vacancy rates because they do not provide financial incentive for nurses to stay.

NOTES:

The fiscal note estimates a cost of \$5 million for fiscal 2002-03, and approximately \$10 million each year thereafter. For fiscal 2002, it assumes about \$750,000 in grants, \$950,000 in repayment and scholarships, \$50,000 in matching funds, and \$639,000 for non-resident tuition.

The companion bill, SB 572 by Moncrief, passed the Senate on April 17 by voice vote and was reported favorably, without amendment, by the House Higher Education Committee on May 2, making it eligible to be considered in lieu of HB 1361. The Senate-passed version of SB 1 included a contingency rider for funds for SB 572.

The committee substitute would make the grant program and the data bank subject to availability of funds, would remove eligibility requirements for the in-state tuition program, and would make data bank information confidential.