

**SUBJECT:** Creating programs to address nursing shortages

**COMMITTEE:** Higher Education — favorable, without amendment

**VOTE:** 9 ayes — Rangel, F. Brown, Farabee, Goolsby, J. Jones, Morrison, E. Reyna, Uher, West  
0 nays

**SENATE VOTE:** On final passage, April 17 — voice vote

**WITNESSES:** None

**DIGEST:** SB 572 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 have to 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.

SB 572 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 in

which the person was likely to practice, intent to seek employment on a nursing school faculty, or any additional factors. The board could 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.** SB 572 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 have to 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:**

SB 572 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 people 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 workforce 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 workforce analysis would ensure that the state's policy decisions were tracked and would predict what needed to be done to ensure that the state has enough trained nurses.

OPPONENTS  
SAY:

SB 572 is unnecessary. The state already is addressing the nursing shortage through various funding mechanisms. The state funds nursing, allied health, and other health programs through a permanent trust fund. The House-approved version of SB 1, the fiscal 2002-03 general appropriations bill, would appropriate \$4 million in tobacco funds for these health professions. Also, the House has used dramatic growth funds to provide additional funding. Under this procedure, 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.

OTHER  
OPPONENTS  
SAY:

SB 572 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 bill's fiscal note estimates a cost of \$5 million for fiscal 2002-03 and about \$10 million each year thereafter. For fiscal 2002, it assumes about \$750,000 in grants, \$950,000 in loan repayments and scholarships, \$50,000 in matching funds, and \$639,000 for non-resident tuition.

The companion bill, HB 1361 by Gray, was reported favorably as substituted by the House Higher Education Committee on March 27 and was set on the General State Calendar for May 7.