

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 2300
By: Powell
Higher Education
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texans are aging. Between 2010 and 2030 the number of Texans over 60 will more than double. A recent report by the United States Department of Health and Human Services projects Texas to have the largest increase in demand for overall long-term services and supports (LTSS) nursing care provided by RNs and LPNs between 2015 and 2030. It is estimated that 70 percent of Americans 65 and older will need some form of long-term services and supports in the future.

A 2016 study by the Texas Department of State Health Services and the Texas Center for Nursing Workforce Studies showed that the state will be 60,000 nurses short of demand by 2030. In the same study, projections show that demand for nurses in long-term care settings (nursing homes) will double between 2015 and 2030.

In 2017, the same state agency reported that long-term care facilities had the highest vacancy rate of any practice area for registered nurses in the state at 18.9 percent, more than double the vacancy rate of hospitals (8.1 percent).

The current workforce shortage in long-term care poses a threat to patient safety, as adequate staffing levels are the primary indicator of quality care in these settings. High vacancy and turnover also increase workload and stress levels of existing staff and places greater financial strain on nursing homes that rely on government funding sources as the primary payor (Medicare and Medicaid).

Finally, growing levels of student loan debt increases the financial pressure on new nurses forcing them to pursue careers in healthcare settings based on pay rather than their passion.

S.B. 2300 establishes a student loan assistance grant program to be administrated by the Texas Higher Education Coordinating Board (THECB) specifically for Advanced Practice Registered Nurses, Registered Nurses, and Licensed Vocational Nurses who meet eligibility criteria for application, including full-time employment by a long-term care facility (nursing home) for at least one year.

THECB may solicit and accept gifts and grants from any public or private source for the purposes of this subchapter.

A student loan assistance program available to nurses who work in long-term care will offer more opportunity for new nurses, improve quality care for aging Texans, and generate potential long-term cost savings for the state.

As proposed, S.B. 2300 would amend current law relating to student loan repayment assistance for certain nurses employed by a long-term care facility.

The substitute merely inserts Chair Nelson's fiscal responsibility language, in case S.B. 2300 is not funded through the appropriations process.

The committee substitute to S.B. 2300 establishes a student loan assistance grant program—to be administered by the Texas Higher Education Coordinating Board—specifically for Advanced Practice Registered Nurses, Registered Nurses, and Licensed Vocational Nurses. Loan

repayment would be made annually, for a maximum of five years, for nurses who work full-time in a long-term care facility.

C.S.S.B. 2300 amends current law relating to student loan repayment assistance for certain nurses employed by a long-term care facility.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 61.737, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 61, Education Code, by adding Subchapter N, as follows:

SUBCHAPTER N. REPAYMENT OF EDUCATION LOANS FOR CERTAIN NURSES

Sec. 61.731. **LOAN REPAYMENT ASSISTANCE AUTHORIZED.** Requires the Texas Higher Education Coordinating Board (THECB) to provide, in accordance with this subchapter and THECB rules, assistance in the repayment of eligible student loans for eligible nurses who apply and qualify for the assistance.

Sec. 61.732. **ELIGIBILITY.** Requires a nurse, to be eligible to receive loan repayment assistance under this subchapter, to:

- (1) apply to THECB in a manner prescribed by THECB;
- (2) be an advanced practice registered nurse, registered nurse, or licensed vocational nurse; and
- (3) at the time of application for repayment assistance have been employed full-time for at least one year by, and currently be employed full-time by:
 - (A) a convalescent or nursing facility, as defined by Chapter 242 (Convalescent and Nursing Facilities and Related Institutions), Health and Safety Code; or
 - (B) a continuing care facility, as defined by Chapter 246 (Continuing Care Facilities), Health and Safety Code.

Sec. 61.733. **LIMITATIONS.** Authorizes a nurse to receive loan repayment assistance under this subchapter for not more than five years.

Sec. 61.734. **ELIGIBLE LOANS.** (a) Authorizes THECB to provide loan repayment assistance under this subchapter for the repayment of any student loan for education at an institution of higher education, a private or independent institution of higher education, or a public or private out-of-state institution of higher education accredited by a recognized accrediting agency, including loans for undergraduate education, received by an eligible person through any lender.

(b) Prohibits THECB from providing repayment assistance for a student loan that is in default at the time of the person's application.

(c) Requires THECB, in each state fiscal biennium, to attempt to allocate all funds appropriated to THECB for the purpose of providing loan repayment assistance under this subchapter.

Sec. 61.735. **REPAYMENT.** (a) Requires THECB to deliver any repayment under this subchapter in a lump sum payable:

(1) to both the lender or other holder of the loan and the nurse; or

(2) directly to the lender or other holder of the loan on the nurse's behalf.

(b) Authorizes a repayment under this subchapter to be applied to any amount due in connection with the loan.

Sec. 61.736. AMOUNT OF REPAYMENT ASSISTANCE. (a) Authorizes a nurse to receive loan repayment assistance under this subchapter for each year the nurse establishes eligibility for the assistance in an amount determined by THECB.

(b) Prohibits the total amount of loan repayment assistance provided under this subchapter from exceeding the sum of:

(1) the total amount of gifts and grants accepted by THECB for the repayment assistance;

(2) legislative appropriations for the repayment assistance; and

(3) other funds available to THECB for the repayment assistance.

(c) Authorizes THECB to adjust in an equitable manner the distribution amounts that nurses would otherwise receive under Subsection (a) for a year as necessary to comply with Subsection (b).

Sec. 61.737. RULES; ADMINISTRATION. (a) Requires THECB to adopt rules necessary to administer this subchapter.

(b) Requires THECB to distribute to each institution of higher education or private or independent institution of higher education and to any appropriate state agency and professional association copies of the rules adopted under this section and other pertinent information relating to this subchapter.

(c) Requires THECB to administer the program under this subchapter in a manner that maximizes any matching funds available through other sources.

(d) Authorizes a reasonable amount, not to exceed three percent, of any money appropriated for purposes of this subchapter to be used to pay the costs of administering this subchapter.

Sec. 61.738. SOLICITATION AND ACCEPTANCE OF FUNDS. Authorizes THECB to solicit and accept gifts and grants from any public or private source for the purposes of this subchapter.

SECTION 2. Provides that THECB is required to provide assistance in the repayment of eligible student loans for eligible nurses as provided by this Act only if the legislature appropriates money specifically for that purpose. Authorizes, but does not require, THECB, if the legislature does not appropriate money specifically for that purpose, to provide assistance in the repayment of eligible student loans for eligible nurses as provided by this Act using other appropriations available for that purpose.

SECTION 3. Effective date: September 1, 2019.