

BILL ANALYSIS

Senate Research Center
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S.B. 25
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas is facing a major crisis in health care staff. Prior to the COVID-19 pandemic, the state was projecting a shortage in the number of registered nurses it needs to keep pace with population growth and demand. The Texas Center for Nursing Workforce Studies (TCNWS) at the Department of State Health Services estimates that the supply of registered nurses is projected to grow by 30.5% between 2018 and 2032, while demand grows by 38.8%.

The Nurse Faculty Loan Repayment Program (NFLRP) and the Nursing Innovation Grant Program (NIGP) are two key programs that were created to help address this shortage. The NFLRP improves access to nursing education programs by encouraging qualified nurses to serve as faculty at eligible Texas institutions of higher education through loan repayment assistance. The NIGP was established to provide grants to higher education institutions to promote the education, recruitment, and retention of nursing students and qualified faculty.

S.B. 25 is part of a comprehensive package to dramatically increase funding and resources to nursing education and training programs, including those addressed in S.B. 25.

Key Provisions:

Nurse Faculty Loan Repayment Program (NFLRP):

S.B. 25 amends the Education Code to allow part-time nursing faculty to be eligible for loan repayment assistance.

It also removes the repayment from a cap of \$7,000 annually to a figure to be determined by the Texas Higher Education Coordinating Board (THECB).

Nursing Innovation Grant Program (NIGP):

The bill extends NIGP until 2027.

Provisions removed from statute:

S.B. 25 removes the matching funds program from statute, because it was underutilized and cumbersome. The goal is to dedicate more funds directly to scholarships for nursing students.

S.B. 25 also removes a THECB advisory committee that was originally intended to advise THECB on how to assist nursing students.

As proposed, S.B. 25 amends current law relating to support for nursing-related postsecondary education, including scholarships to nursing students, loan repayment assistance to nurses and nursing faculty, and grants to nursing education programs.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 5 (Section 61.9823, Education Code) of this bill.

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board is rescinded in SECTION 7 (Section 61.656, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 61.655, Education Code, as follows:

Sec. 61.655. PURPOSE; ELIGIBILITY. (a) Requires that a scholarship program or loan repayment program, rather than a scholarship program, matching fund program, or loan repayment program, established under Subchapter L (Financial Aid for Professional Nursing Students and Vocational Nursing Students and Loan Repayment Program for Certain Nurses) be established and administered in a manner that the Texas Higher Education Coordinating Board (THECB) determines best promotes the health care and educational needs of this state.

(b) Authorizes THECB to establish multiple categories of persons to receive scholarships and loan repayments, rather than to receive scholarships, matching funds, and loan repayments.

(c) Requires THECB, each year funds are available, to establish the categories of persons eligible to receive scholarships and loan repayments and the criteria for selecting persons to be assisted under each category. Authorizes the criteria to include:

(1)-(3) makes no changes to these subdivisions;

(4) whether the person receives Temporary Assistance for Needy Families, rather than Aid to Families with Dependent Children, or participates in another public welfare program; or

(5)-(9) makes no changes to these subdivisions.

Makes a conforming change.

SECTION 2. Amends Section 61.656(d), Education Code, to make a conforming change.

SECTION 3. Amends Section 61.658(b), Education Code, to make a conforming change.

SECTION 4. Amends Section 61.9822, Education Code, as follows:

Sec. 61.9822. ELIGIBILITY. Requires a nurse, to be eligible to receive loan repayment assistance under Subchapter JJ (Nursing Faculty Loan Repayment Assistance Program), to:

(1) makes no changes to this subdivision;

(2) at the time of application for repayment assistance, have been employed part-time or full-time for at least one year as, and be currently employed part-time or full-time as, a faculty member of a nursing degree program at an institution of higher education or a private or independent institution of higher education; and

(3) makes no changes to this subdivision.

SECTION 5. Amends Sections 61.9823(a) and (b), Education Code, as follows:

(a) Authorizes a nurse, on qualifying for loan repayment assistance under this subchapter, to receive repayment assistance for each year of part-time or full-time employment as a faculty member of a nursing degree program at an institution of higher education or private or independent institution of higher education, not to exceed five years.

(b) Requires THECB by rule to determine the maximum amount of loan repayment assistance received by a nurse under this subchapter in any one year. Requires THECB to base the amount of loan repayment assistance received by a nurse for part-time employment on the proportion of the number of hours worked by the nurse to the number of hours worked by a full-time nurse. Deletes existing text prohibiting the amount of loan repayment assistance received by a nurse under this subchapter from exceeding \$7,000 in any one year.

SECTION 6. Amends Sections 63.202(f) and (g), Education Code, as follows:

(f) Requires that grants awarded under Subsection (c) (relating to authorizing the investment returns of the fund to be appropriated to THECB for certain purposes) for the state fiscal biennium ending on August 31, 2025, rather than 2021, notwithstanding the limitation provided by Subsection (b) (relating to prohibiting the fund from being used for certain purposes), and the fiscal biennium ending on August 31, 2027, rather than 2023, by THECB be awarded to programs preparing students for initial licensure as registered nurses or programs preparing qualified faculty members with a master's or doctoral degree for the program, including programs at two-year institutions of higher education, four-year general academic teaching institutions, health science centers, and independent or private institutions of higher education, or to the nursing resource section established under Section 105.002(b) (relating to establishing a nursing resource section within the Health Professionals Resource Center for certain research purposes), Health and Safety Code.

(g) Provides that Subsection (f) and this subsection expire September 1, 2027, rather than 2023.

SECTION 7. Repealer: Section 61.653 (Matching Fund Program), Education Code.

Repealer: Section 61.657 (Advisory Committees), Education Code.

Repealer: Section 61.656(c) (relating to the requirement that THECB adopt certain rules relating to the establishment and administration of the matching fund program), Education Code.

SECTION 8. (a) Requires THECB, as soon as practicable after the effective date of this Act, to adopt rules necessary to administer the changes in law made by this Act.

(b) Provides that the changes in law made by this Act apply beginning with loan repayment assistance awarded under Subchapter JJ, Chapter 61, Education Code, for the 2024–2025 academic year. Provides that loan repayment assistance awarded under Subchapter JJ, Chapter 61, Education Code, for an academic year before the 2024–2025 academic year is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 9. Effective date: upon passage or September 1, 2023.