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FISCAL IMPACT REPORT

ORIGINAL DATE 02/06/09

SPONSOR Kernan LAST UPDATED HB

SHORT TITLE ENMU Nursing Bachelor's Degree Completion SB 410

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$50.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 224, SB 283

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
 Eastern New Mexico University (ENMU)
 Health Policy Commission (HPC)
 Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 410 appropriates \$50.0 from the general fund to the Board of Regents of Eastern New Mexico University to assure access for area registered nurses who are completing the requirements for a bachelor's degree in nursing.

FISCAL IMPLICATIONS

The appropriation of \$50.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

The HED states that this request was not submitted by ENMU to the HED for review and is not included in the Department's funding recommendation for FY10. An additional FY10 amount of \$342,931 has been provided via the Performance Development Enhancement Fund to ENMU for their nursing program.

The LFC Appropriation Recommendations, Volume II, pages 364-365 states:

The committee has concerns about the growth of research and public service projects within the higher education budget, as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects.

The committee recommendation reduces funding included in the HED request by varying levels from FY09 funding amounts for research projects, public service projects and P-20 pipeline projects focusing on students.

With respect to special projects, higher education institutions advanced 114 proposals for new projects and expansions at a total general fund cost of \$54 million during the HED budget request process in fall 2008.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The Executive Budget in Brief notes that over the years more than 300 RPSPs have been created, accounting for a large portion of institution budgets. The current RPSPs were reviewed while considering the relevance of the project to the core mission of the institution, the community benefit and the outcomes associated with each project. (Budget in Brief and Policy Highlights, P 9-10.)

ENMU states that this bill will provide operational funding for our nursing program at Eastern New Mexico University. We have seen tremendous growth in our nursing program as we seek to address the dire need for more trained nurses in New Mexico.

The HED notes that ENMU's Bachelor of Science in Nursing (BSN) program works closely with Registered Nurse (RN) programs in Roswell, Clovis, and Hobbs, as well as with nurses in other communities throughout New Mexico to ensure all nurses have a choice in their educational planning for completion of a BSN degree and to ensure the needs of the state are being met. Given the acute shortage of BSN-prepared nurses in the state, an increase of scholarship funds is requested. ENMU's BSN program is now completely online to better serve the region.

The HPC states that according to the Health Policy Commission's Geographic Access Data System (GADS) information, there were 11,400 RNs in New Mexico in 2007. The rate of RNs and per 1,000 populations varies widely from county to county. San Miguel County had the highest rate of RNs at 10.26 while Luna County had the lowest rate at 3.41. To meet the national average, New Mexico would have to hire 4,900 nurses.

The DOH notes that the National Advisory Council on Nurse Education and Practice, policy advisors to Congress and the U.S. Secretary of Health and Human Services, recommended in 2001 that at least two-thirds of the nurse workforce hold baccalaureate or higher degrees in nursing by the year 2010. Their recommendation is based on the reality of significant changes in the environment in which Registered Nurses now practice, brought about by major changes in drug therapy, equipment, rapid advances in technology, complex changes in health care delivery systems, increasing percentages of older adults with multiple chronic conditions and expanding diversity of the country's populace.

RELATIONSHIP

Senate Bill 410 relates to House Bill 224 and to Senate Bill 283 which appropriate respectively \$775.0 and \$380.0 to UNM and WNMU for similar purposes.

GH/svb