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FISCAL IMPACT REPORT

ORIGINAL DATE 3/18/2009

SPONSOR Beffort LAST UPDATED _____ HB _____

SHORT TITLE Study Nursing Instructor Shortage SM 86

ANALYST Moser

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$50.0		\$50.0	Non- Recurring	Nursing Excellence Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Board of Nursing (BON)

NM Department of Higher Education (HED)

NM Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Memorial 86 requests the Board of Nursing to collaborate with the New Mexico Center for Nursing Excellence, the Higher Education Department, and other agencies and organizations, including the University of New Mexico school of nursing, New Mexico State University school of nursing, an association representing community colleges, and an association representing associate degree schools of nursing in order to collaborate in a study addressing recommendations to identify long-term, sustainable solutions to the shortage of nursing instructors at the state's schools of nursing.

FISCAL IMPLICATIONS

The Board of Nursing estimates that calling all groups together, providing travel and per diem, teleconferencing, webcasting, administrative and materiel support, and professional facilitation contracting will cost approximately \$50 thousand which will be funded through the BON's dedicated Nursing Excellence Fund

SIGNIFICANT ISSUES

The BON indicates that this memorial promotes and supports current collaborative efforts between the NM BON, the NMCNE, and other organizations. This collaborative effort has resulted in the development of a *Strategic Plan for Nursing in New Mexico* that addresses issues noted in this memorial.

The BON points out that it has funded initiatives to actively address nursing shortage issues. During the summer of 2008, the New Mexico Center for Nursing Excellence (NMCNE) and the New Mexico Board of Nursing hosted a series of nursing forums around the state, funded by the Board of Nursing through the Nurse Excellence Fund. Coordinated and facilitated by New Mexico First these forums were held in five geographical locations throughout the state. There were 135 participants representing 24 communities. The focus of these regional, community forums were to begin building consensus on a structure and process that will establish both responsibility and accountability for implementation of the recommendations dealing with workplace and education for the NM nursing workforce and educational system. Participants prioritized the many recommendations on the table in the areas of nursing education, recruitment, and retention.

The BON states that the top five recommendations focused on nursing education and faculty:

- Increase funding for nursing education programs and add funding to the general budget.
- Increase funding for nursing education expansion.
- Increase stipend and number of loan-for-service programs and tie to masters programs.
- Develop funding formula for nursing faculty to increase baseline salaries.
- Make Nurse Education Fund permanent and recurring; establish criteria for disbursement of funds.

Since the nursing forums, a proposed vision, strategic plan, and structure have been developed and are in final coordination with key state stakeholders and community members.

BON anticipates providing continued funding for this initiative and indicates that funds are established per statute that deposits \$5.00 from every license renewal in a dedicated account for purposes of providing strategies to *enhance recruitment and retention of professional nurses, increase career and educational opportunities and improve interaction with health facilities administrations, the medical profession and institutions of higher education.* (61-3-10.5 NMSA, 1978)

HED points out in the January 2009 *NM Nursing Program Development Enhancement Fund Report* that from Fiscal Year 2004 to Fiscal Year 2009, over \$16.5 million has been allocated to public postsecondary institutions. Programs include the Nursing Student Loan-For-Service Program and the Nurse Educator Enhancement Fund. Since Fiscal Year 2008, an additional \$1 million has been made available to enhance nursing faculty salaries.

In 2008, the NM Board of Nursing and NM Center for Nursing Excellence partnered with NM First, a non-profit organization with expertise in consensus building and action teams, to host six town hall meetings around the state (Albuquerque, Roswell, Clovis, Las Cruces, Gallup, and Española). The goals of the town halls were to come to consensus on prioritizing the recommendations made through legislative memorials and other sources, and come to a consensus on a NM Nursing Council structure that would move the numerous recommendations

to action. The NM Nursing Council would consist of community and state level stakeholders (individuals, agencies and organizations, including the NM HED. The report based on these town hall meetings is expected to be published in summer of 2009.

OTHER SUBSTANTIVE ISSUES

HED indicates that the New Mexico Department of Workforce Solutions (NMDWS) projects the number of nurses that will be in demand is significant (15,259) and far exceeds that of 22 of the top 25 health care related occupations in New Mexico. The BON estimates:

- Currently 16,023 registered nurses have residence in New Mexico, of which 9,695 are practicing full-time and 2,931 are part-time employed (total 12,626).
- Currently 2,960 registered licensed practical nurses have residence in New Mexico, of which 1,685 are practicing full-time and 442 are part-time employed (total 2,127).

HED points out that the 2006-2016 demand projections of (15,259 for RNs and 5,558 for LPNs) and the number of nurses currently practicing in New Mexico (12,626 for RNs and 1,685 for LPNs), indicate there is a current shortage of -2,633 for RNs and -3,431 for LPNs respectively. In addition, the number of projected job openings in 2016 for RNs is 496 and 165 for LPNs. These figures however, do not take into account retirees nor those who will exit the industry.

The nursing shortage is caused by a variety of factors affecting both the supply of nurses and the demand for health care services. These factors include:

- The aging of New Mexico's general population;
- The aging of New Mexico's nurses;
- The under-representation of minorities and men among New Mexico's nurses;
- Nurses leaving the profession because of dissatisfaction with working conditions;
- The impact of nurses' salary and benefits on the ability to recruit and retain nurse
- Limited capacity to expand enrollments within nursing education programs; and
- Nursing viewed unfavorably by young people making decisions about a career.

GM/mc