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FISCAL IMPACT REPORT

SPONSOR: Saavedra DATE TYPED: 01/25/01 HB 37
 SHORT TITLE: Critical Nursing Shortage SB _____
 ANALYST: Fernandez

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
\$ 1,633.5				Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in The General Appropriation Act Section 9 and HB43

SOURCES OF INFORMATION

Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

House Bill 37 appropriates \$1,633.5 from the general fund to the University of New Mexico for the purpose of expanding College of Nursing enrollments, extending nursing faculty salaries to a twelve-month year and to provide salary market adjustments to retain faculty in the College of Nursing.

Significant Issues

CHE indicates that all nursing programs in higher education are funded through the higher education funding formula and as students matriculate, enrollment is recognized as “workload” in the funding formula.

New Mexico is currently facing a critical shortage of qualified nurses. According to CHE, the state Nurse Advisory Consortium supports a non-formula expansion of nursing education in order respond to the critical shortage. This appropriation would allow the College of Nursing to hire faculty prior to actual enrollment of students.

PERFORMANCE IMPLICATIONS

The following performance measures were submitted by UNM Health Sciences Center for the expansion requests:

I. College of Nursing Enrollment Expansion - \$643,000

Percentage change in number of students enrolled in the College of Nursing each year (outcome)

FY00: baseline 215; FY01: -19% at 175; FY02 without expansion: +2% at 179, with expansion: +57% at 274

Note: Decrease from FY00 to FY01 due to faculty vacancies and lack of recruiting staff. The expansion will enable the College to add one recruiter. The remaining requests will help to address the faculty vacancies.

II. College of Nursing 12-Month Faculty Salaries - \$494,800

Number of courses taught during the summer semester (output)

FY00: 3, FY01: 3, FY02 without expansion: 2, with expansion: 7

Note: Making faculty available to teach in the summer will enable students to move through the program more rapidly.

III. College of Nursing Market Salary Adjustments - \$495,700

Number of vacant faculty positions in the College of Nursing (outcome)

FY00: 11; FY01: 10; FY02 without salary/contract adjustments 8, with salary/contract adjustments 2

FISCAL IMPLICATIONS

The appropriation of \$1,633.5 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

Included in the General Appropriation Act, Section 9, is \$33,898.7 to provide faculty and other staff of four- and two-year post-secondary educational institutions with a seven percent salary increase. This appropriation would raise salaries for nursing faculty closer to market parity.

CHE indicates that House Bill 43 appropriates \$5,038.1 to the University of New Mexico for Health Sciences Center instruction and general expenditures. The appropriation includes \$643.0 to expand the College of Nursing enrollment, \$498.0 to extend nursing faculty salaries to a twelve-month year and \$573.4 for market adjustments of nursing faculty and information technology staff salaries.

OTHER SUBSTANTIVE ISSUES

According to CHE, a constraint on enrollment growth in some nursing programs is the lack of capacity in existing facilities for clinical placement of students.