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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/08

SPONSOR Hall LAST UPDATED \_\_\_\_\_ HB 185

SHORT TITLE Expand UNM Nursing Program SB \_\_\_\_\_

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$2,237.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)  
 University of New Mexico (UNM)  
 Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

House Bill 185 appropriates \$2,237.0 from the general fund to the Board of Regents of the University of New Mexico for the College of Nursing Program to expand enrollment and alleviate the shortage of nurses in New Mexico.

### FISCAL IMPLICATIONS

The appropriation of \$2,237.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

The HED states that a request was submitted by UNM in the amount of \$2,237,000 to the New Mexico Higher Education Department for review. The Department's funding recommendation for FY09 is a continuance of FY08 recurring funding in the amount of \$1,490,700 with no additional funding at this time.

The HED's evaluation table of FY09 Research and Public Service Projects provided to the LFC classifies this project as a "breach" of the Higher Education Formula. Reasons for this classification decision are not provided. (LFC Report 07-20, Higher Education Department Review of Selected Research and Public Service Projects, January 12, 2008, Table 4, p75.)

### **SIGNIFICANT ISSUES**

According to UNM, The purpose of this appropriation is to stabilize the funding within the College of Nursing so that it can continue: (a) admitting 24 students/ year at the main campus, (b) the BSN programs it has started at UNM Taos and UNM Valencia at 8 students in each site, and (c) the on-the-ground satellite RN/BSN programs in Gallup, Farmington, Santa Fe, Hobbs, at UNM- Rio Rancho, and at the University Hospital.

UNM states that:

New Mexico is suffering from a severe nursing shortage. Compounding the shortage is the increasingly complex and acute health care needs of the public. The increase in the complexity and acuity has resulted in: (a) patients not being cared for in a timely fashion, (b) patients not receiving the appropriate level of care, (c) an increase in unnecessary deaths are occurring from "failure to rescue", (d) rising medications errors, and (e) physicians having difficulty admitting patients to the hospital for care due to the shortage of nurses. In the midst of this shortage, new research is repeatedly indicating that baccalaureate education is the basic preparation for increasing patient outcomes in complex health care situations. Quality of care for New Mexico residents is at risk if more nurses with degrees are not available for bedside care.

NM ranks number 44 (tied with Texas at 45) out of 51 in the number of registered nurses/10,000 population. NM has 63 nurses/10,000 population.

The College of Nursing has worked hard at addressing the nursing shortage – it has admitted more students into its programs than it has recurring funding support for, it has created RN/BSN satellite programs throughout New Mexico, and it has started BSN programs in Valencia and Taos, all with non recurring funding. In order to continue these programs, the College requires a source of stable recurring funding.

The quality of the UNM College of Nursing program can be seen in the following: 95% of students are retained from admission into the program, thus graduating with a BSN degree, 92% of the students pass the licensure exam on the first attempt, 98% on the second, and 85-90% of the UNM College of Nursing baccalaureate graduates remain in New Mexico to work.

The DOH comments that HB 185 is based on the recommendations of 2 reports: 1) response to Senate Joint Memorial 37 of the 2005 Legislature, which requested a study of the impact of nurse staffing and retention issues on workforce development; and 2) response to House Memorial 17 of the 2007 Legislature, which requested recommendations to increase nurse recruitment and retention in New Mexico hospitals. While HB 185 is not a part of the DOH's Executive Budget, it relates to the 2006 Comprehensive Strategic Health Plan, Chapter 2, Goal 1: Increase the number of physical healthcare, allied professionals, and oral health workers through improved recruitment and retention strategies.

GH/jp