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FISCAL IMPACT REPORT

ORIGINAL DATE 1/19/08

SPONSOR Heaton LAST UPDATED _____ HB 66

SHORT TITLE NMSU Carlsbad Nursing Program SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 New Mexico State University (NMSU)
 Department of Health (DOH)
 Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

House Bill 66 appropriates \$100.0 from the general fund to the Board of Regents of New Mexico State University to expand the Carlsbad campus nursing program.

FISCAL IMPLICATIONS

The appropriation of \$100.0 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 NMSU in the amount of \$137,000 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 \$37,400 with no additional funding at this time.

The HED's evaluation table of FY09 Research and Public Service Projects provided to the LFC classifies the expansion of 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, p74.)

SIGNIFICANT ISSUES

NMSU states that NMSU Carlsbad is seeking a \$100.0 expansion for FY 09 of the current nursing expansion fund to provide two full-time nursing instructors at the Loving High School and Artesia High School campuses. It is estimated that there are 50 interested students at LHS and approximately 75 interested students at AHS that would begin taking health occupations courses, assuming this expansion request is funded. These new cohorts of students would serve as additional feeders into the NMSU Carlsbad Nursing program. The NMSU Carlsbad nursing program ended the spring 2007 semester at Carlsbad High School with an enrollment of 65 students.

The NMSU states further that the Carlsbad nursing expansion fund currently provides for a full-time nursing instructor to teach introductory health occupations courses at the Carlsbad High School, providing a feeder program for the NMSU Carlsbad LPN and RN completion programs. At the end of the health occupations program, students are awarded a Certified Nursing Assistant (CNA) certification, which is one of the entrance requirements needed for acceptance into the NMSU Carlsbad LPN/RN program.

According to the DOH, HB66 is based on the recommendations from a report developed in response to HM17 of the 2007 Legislature and SJM37 of the 2005 Legislature. Both requested studies of the impact of nurse staffing and retention issues on workforce development. The Health Resources and Services Administration (HRSA) predicts that New Mexico will not be able to fill 57% of its nursing requirements by 2020. HB66 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.

The HPC states that in fiscal year 2007, the total of all nurses licensed claiming residence in New Mexico is 18,644. The total of all nurses with a New Mexico license is 25,596. As a direct result of the lack of nurses in New Mexico, 72% of hospitals curtailed services, 38% of home care agencies refused referrals, 15% of long term care facilities refused admissions, and public health offices had decreased public health services. Source: New Mexico Health Policy Commission HM17/SM 18 Nurse Recruitment and Retention in New Mexico Hospitals October 2007.

GH/mt