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FISCAL IMPACT REPORT

SPONSOR Chavez, Eleanor **ORIGINAL DATE** 02/09/10
LAST UPDATED 02/12/10 **HM** 50/aHfI#1

SHORT TITLE Develop Statewide Nursing Education Plan **SB** _____

ANALYST Fleischmann

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HJM13 & SJM15

SOURCES OF INFORMATION

LFC Files

Responses Received From

- Board of Nursing (BN)
- Higher Education Department (HED)
- Department of Health (DOH)
- Health Policy Commission (HPC)
- New Mexico Center for Nursing Excellence (NMCNE)

SUMMARY

Synopsis of HF1#1 Amendment

House Floor Amendment No. 1 adds representatives from the Higher Education Department, the New Mexico Health Policy Commission, the Department of Health and New Mexico institutions of higher learning to the task force convened by NMCNE and BN to develop a statewide plan for nursing education. The amendment further specifies that findings of the task force be reported to the interim Legislative Health and Human Services and Legislative Education Study Committees by November 1, 2010, and directs that copies of the memorial be transmitted to the Secretary of Higher Education, the Secretary of Health and the Director of the New Mexico Health Policy Commission, in addition to the director of the center for nursing excellence and the executive director of the board of nursing.

Synopsis of Original Bill

House Memorial 50 builds on 2009 House Joint Memorial 40, Study Impact of Nursing Shortage, and requests the NMCNE and the BN to convene a task force to develop a statewide plan for nursing education. The statewide plan would (1) include distance learning, (2) provide a seamless admission process to nursing school, (3) allow for dual enrollment in associate- and bachelor-level nursing programs and early entry into masters- or doctorate-level nursing programs, and (4) share faculty among nursing educational institutions. After development of a statewide plan, NMCNE and BN are requested to develop a statewide distance-learning infrastructure and a central curriculum resource web site. Both the NMCNE and BN are requested to report their findings to the interim Legislative Health and Human Services and Legislative Education Study Committees by November 1, 2010.

FISCAL IMPLICATIONS

The BN anticipates that its FY10 and FY11 appropriations would cover estimated personnel and administrative costs and proposes to distribute funds totaling \$132.3 thousand from the Nurse Excellence Fund to achieve certain goals, as follows.

- UNM Health Science Center (for the NM Nursing Education Consortium) - \$40,000 (FY10 approved); \$35,798 (FY11 proposed).
- NM State University (to develop faculty expertise in simulation) - \$26,082 (pending before the BON for approval on February 12, 2010).
- NM Center for Nursing Excellence- \$30,423 (pending NM Board approval 02/12/2010).

Additional costs cannot be determined until the statewide plan and its component parts have been developed.

The BN states that the amendment would not increase anticipated costs, but may have implications for staff time from other state agencies.

The HPC reports that it is currently operating over capacity – staffed with only seven FTE. The memorial, as amended, would require additional work with limited resources.

SIGNIFICANT ISSUES

- The BN reports that its responsibilities include regulation of nursing education programs. Yet at the present time, each nursing program develops and implements its own unique curriculum and hires faculty for the program.
- The BN also reports that the “memorial as written appears to duplicate some of the current efforts initiated by the New Mexico Nursing Education Consortium” (consortium). House Memorial 50 requirements addressed by the consortium include development of registered-nurse to bachelor-of-science-in-nursing programs, development of a statewide curriculum, seamless articulation across consortium schools, and sharing of faculty among nursing education institutions.
- However, according to the BN, consortium goals do not specifically address graduate education, including early entry in to masters or doctoral programs; education of nursing

faculty; or use of simulation and distance education and other related technology. A plan must be developed to meet these requirements.

PERFORMANCE IMPLICATIONS

According to NMCNE, the state plan and its parts (common curriculum development, resource sharing, etc.) will take approximately two to five years to develop and implement. Further, performance indicators should be established including, but not limited to, program capacity, graduation rates, program completion time, student/faculty/employer satisfaction, licensure examination pass rates, and student employment (in-state and out of state). Students should be tracked after graduation for a number of years to determine actual, annual return on investment through state taxes paid by program graduates.

ADMINISTRATIVE IMPLICATIONS

NMCNE points out that administrative changes affecting students, faculty, and financing will be necessary, and issues will need to be resolved, such as which institution “owns” the student; from what institutions do students graduate; how tuition is distributed among network schools; and how faculty is paid.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Memorial 50 is related to House Joint Memorial 13, which requests that the Higher Education Department track and report funding for nursing education. It is also related to Senate Joint Memorial 15, which proposes that the Public Education Department study existing Certified Nursing Assistant (CAN) certification and Licensed Practical Nurse (LPN) programs in school settings and determine how to replicate programs for other school settings.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The NMCNE asserts that future needs for nursing education and nursing workforce development may not be met.

According to HED,

- “The United States is in the midst of a nursing shortage that is expected to intensify as baby boomers age and the need for health care grows. Compounding the problem is the fact that nursing colleges and universities across the country are struggling to expand enrollment levels to meet the rising demand for nursing care.
- “In the July/August 2009 Health Affairs, Dr. Peter Buerhaus and coauthors found that despite the current easing of the nursing shortage due to the recession, the United States nursing shortage is projected to grow to 260,000 registered nurses by 2025.
- “A shortage of this magnitude would be twice as large as any nursing shortage experienced in this country since the mid-1960s. In the article titled The Recent Surge In Nurse Employment: Causes and Implications, the researchers point to a rapidly aging workforce as a primary contributor to the projected shortage.
- “On July 2, 2009, the United States Bureau of Labor Statistics (BLS) reported that the healthcare sector of the economy is continuing to grow, despite significant job losses in nearly all major industries. Hospitals, long-term care facilities, and other ambulatory care settings added 21,000 new jobs in June 2009, a month when 467,000 jobs were

eliminated across the country. As the largest segment of the healthcare workforce, RNs likely will be recruited to fill many of these new positions. In September 2009, the BLS confirmed that 544,000 jobs have been added in the healthcare sector since the recession began. “

HPC reports that “In New Mexico, faculty shortages are regularly cited as a barrier to increasing nursing school enrollment. There will continue to be an agreement that the primary bottleneck is the faculty shortage. The needs of the nursing workforce in New Mexico may not be met.

SRF/svb:mew