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FISCAL IMPACT REPORT

SPONSOR: Hamilton DATE TYPED: 03/03/03 HB 255/aHEC

SHORT TITLE: WNMU Bachelor of Science in Nursing SB _____

ANALYST: Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$405.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to

- HB 255: WNMU Nursing
- HB 376: Nursing Excellence Program
- HB 385/SB460: San Juan Nursing
- HB 476: UNM Nursing
- HB 550: Statewide Nursing Facility Staff Support
- HB 740: NM Nursing Education

- SB 94: NMSU Nursing
- SB 186: Nurse Licensure Compact
- SB 291: Nursing Education
- SB 458: Expand San Juan College Nursing Program

SOURCES OF INFORMATION

- LFC Files
- Commission on Higher Education (CHE)
- Department of Health

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment directs WNMU to submit a program evaluation to the LFC and CHE by June 30, 2005 identifying benefits of this program for three years to the state.

Synopsis of Original Bill

House Bill 255 appropriates \$405.0 from the General Fund to the Board of Regents at Western New Mexico University (WNMU) for the purpose of funding a Bachelor of Science degree in nursing.

Significant Issues

The Department of Health notes the severity of nursing shortages nationally and in New Mexico. Given current trends, the United States Department of Health and Human Services projects the New Mexico nursing shortage will reach 25 percent in 2005, 36 percent in 2010 and 57 percent in 2020. While most nursing education programs in the state having wait lists for student applicants, certain nursing faculty positions are vacant, and fewer nurses selecting a nursing education specialty in graduate school.

In 2002, the Nursing Shortage Statewide Strategic Summit of the Commission on Higher Education and the University of New Mexico Health Sciences Center noted the importance of expanding nursing education program by increasing faculty and enhancing faculty retention through salary adjustments. Specifically, the Summit calls for an incremental 500 licensed nurse graduate per year (doubling of current levels) beginning in three years and continuing for fifteen to twenty years.

FISCAL IMPLICATIONS

The appropriation of \$405,009 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 05 shall revert to the general fund.

According to the LFC budget document, over the past couple of years, the Legislature has appropriated funds to institutions to address statewide nursing workforce needs. The Legislature appropriated a total of \$2,569.8 in FY03 to provide market salary adjustments for nursing faculty, convert nursing faculty from a nine-month contract to a twelve-month contract, and expand nursing enrollments two- and four-year institutions other than UNM. In FY 03, WNMU received \$41.9 to expand nursing student enrollment. For those institutions that did not use the funds appropriated in FY03 to expand nursing student enrollments, the LFC recommended institutions expand nursing enrollment in FY04. The LFC budget recommendation for FY04 includes \$41.9 for WNMU nursing expansion, flat compared to FY03.

OTHER SUBSTANTIVE ISSUES

According to CHE, the WNMU nursing expansion request was ranked 3rd out of 7 new or expansion research and public service requests submitted by the university. CHE notes this proposal includes:

- \$41,900 to continue the FY03 appropriation used to expand the associate degree nursing program capacity, and
- \$363,109 for associates nursing degree program expansion and initiation of a Bachelor of Science Nursing degree program.

According to CHE, the WNMU request indicates this appropriation would support recurring expense for four faculty FTE positions at current market salary levels, one FTE clerical position and .5 FTE student salary as follows:

Salaries & fringe	322,509
Supplies & Expenses	52,000
Travel	2,500
Equipment	28,000
Total	\$405,009

The Department of Health notes this legislation is consistent with the DOH Strategic Plan.

ALTERNATIVES

In its analysis, CHE notes it did not recommend additional nursing expansion requests in FY04, but instead recommended the revised education funding formula. The Plus Incentives component of the new formula includes establishment of the Program Development Enhancement Fund. For this fund, the CHE recommended initial funding of \$3 million, while the LFC recommendation includes \$1.5 million of general fund and \$1.0 million of federal funds in the form of temporary assistance for needy families block grant.

POSSIBLE QUESTIONS

1. What would be the associated impacts on institutional revenues and formula funding?
2. What performance measures would be available to measure the effectiveness of the program?

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