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## FISCAL IMPACT REPORT

SPONSOR: Thompson DATE TYPED: 03/05/03 HB 892

SHORT TITLE: Nursing Student Loan for Service Program SB \_\_\_\_\_

ANALYST: Williams

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$300.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 851

### **SOURCES OF INFORMATION**

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

### **SUMMARY**

#### Synopsis of Bill

House Bill 892 appropriates \$300.0 from the General Fund to the Commission on Higher Education for a nursing student loan for service program.

#### 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 sal-

ary 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 \$300.0 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY04 would revert to the General Fund.

The LFC budget recommendation for the nursing student loan program for FY04 is \$345.8, of which \$321.8 is general fund. This general fund recommendation represents an increase of 11.2 percent over FY03.

### **TECHNICAL ISSUES**

CHE notes all other financial aid funds are non-reverting, and an amendment would provide consistency.

### **OTHER SUBSTANTIVE ISSUES**

CHE notes selection for this competitive program is based on coursework and an essay. In FY03, 32 qualified students were funded from a pool of 56 applicants. Program participants must provide service in a health shortage area of the state for up to three years after graduation.

**AR/prr**