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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/9/06

SPONSOR Marquardt LAST UPDATED \_\_\_\_\_ HB 856

SHORT TITLE NMSU-Alamogordo Nursing Program SB \_\_\_\_\_

ANALYST Earp

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$400.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 54, HB 190, HB 723, HB 773, SB192 and SB 415

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)

Health Policy Commission (HPC)

Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

House Bill 856 appropriates \$400,000 from the general fund to the Board of Regents of New Mexico State University for the nursing program at the Alamogordo branch campus

### FISCAL IMPLICATIONS

The appropriation of \$400,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund. Information provided by NMSU indicates the funding would be utilized to hire approximately seven additional FTE faculty plus other supply and expense costs.

The appropriation in this bill relates to a recurring line-item appropriation made to NMSU-Alamogordo for nursing program expansion, as well as an appropriation made to the Higher Education Department (HED) for competitive allocation among nursing programs statewide. For fiscal year 2007, the Legislative Finance Committee (LFC) has recommended a total of \$3 million for nursing program expansion through the Program Development Enhancement Fund. The Executive has recommended continuation of the \$2 million appropriation made for fiscal year 2006. These amounts are in addition to the line-item appropriations to NMSU and several other institutions.

## **SIGNIFICANT ISSUES**

NMSU submitted this proposal for nursing program expansion at the Alamogordo branch to HED for review. However, this request was not included among HED's fiscal year 2007 funding recommendations to the Legislature.

The New Mexico Legislature has pursued multiple funding approaches in an effort to address significant problems with the supply of nursing professionals in the state. The LFC conducted a performance review during the 2005 interim of the nursing program expansion initiatives funded through institutions of higher education. The LFC report, *Higher Education Department: State Funding of Nurse Education and Outcomes*, dated October 27, 2005, documents that some progress is being made in terms of increasing program capacity in the state, but also suggests the need to develop a statewide strategic plan and financial strategy to assure that the problems are addressed in an effective and efficient manner.

The Health Policy Commission notes that this bill seeks to address many of the issues heard by the Legislative Health and Human Services Committee about the nursing shortage in New Mexico. Senate Joint Memorial 37 (*A Study of the Impact of Nurse Staffing and Retention Issues on Workforce Development* from the Health Policy Commission) presented information to the committee that noted the difficulty in hiring faculty at all of the nursing programs throughout the state. The undersupply of teaching faculty has created waiting lists of students to get into nursing programs.

## **PERFORMANCE IMPLICATIONS**

HED reports that the task force which prepared the SJM 37 report suggested the following performance measures relative to evaluation of nursing program funding allocations:

- Number of students admitted into nursing programs
- Graduation rates
- Number of students passing the NCLEX examination within six months of completion of their program
- Number of qualified students who applied but could not be admitted due to lack of program capacity

## **ADMINISTRATIVE IMPLICATIONS**

NMSU-Alamogordo is currently managing the nursing program to be augmented through this bill. No significant additional administrative impact is evident.

## CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill is related to House Bills 54, 95, 190, 723 and 773, and to Senate Bills 192, 203 and 415. All of these bills provide funding for nursing program expansion.

## OTHER SUBSTANTIVE ISSUES

HED reports that the NMSU-Alamogordo Nursing Program is approved by the New Mexico State Board of Nursing and holds accreditation from the National League of Nursing. The nursing curriculum at the NMSU Alamogordo campus is designed to prepare students to function as a registered nurse in structured acute care, chronic care, and outpatient care settings after passing the NCLEX. LPNs/LVNs and transfer students may be admitted to the advanced standing level after meeting certain criteria. Upon satisfactory completion of this program, the student is eligible to apply to the BSN Completion Program at NMSU-Las Cruces or the LTNM Satellite BSN Program at Gerald Champion Regional Memorial Hospital. The program uses educational technologies. The RN and BSN are delivered via interactive television and webct to students in Alamogordo, Carlsbad, and Las Cruces.

The Health Policy Commission also provided the following background information that may be of interest:

According to the New Mexico Center for Nursing Excellence's *2006 Nursing Fact Sheet*, as of 2005 there are 14,736 registered nurses (RNs) and 2,977 licensed practical nurses (LPNs) with New Mexico residency. The New Mexico nursing workforce has increased by 13% since 2001. However, over 44% of RNs and LPNs are over age 50 (up from 41% for RNs and 43% for LPNs in 2004). This means 44% of the NM workforce will need to be replaced over the next 15 years. In comparison, the national average age of nurses is 46.2 years.

Center data also show that it was predicted in 2000 that 40% of the national nurse workforce would be over age 50 by 2010. NM exceeded that mark. Additional nurses will be needed for the increased demand of a growing population (35% growth between 2000 and 2020) and a higher percentage of elderly (population over age 65 increasing by 74% between 2000 and 2020). 94% of the NM RN workforce and 93% of the LPN workforce are currently employed in nursing full or part time (91% in 2004).

The New Mexico Department of Labor predicts "the state will need an additional 4,520 RNs and 680 LPNs by 2012.

The Associate Degree nursing programs in New Mexico have increased their admissions by 68.8% since 2000. Bachelor programs have increased their admissions by 175%. The data also shows that there are more qualified applicants than were admitted. For the 2004–2005 school year, there were 2005 qualified applicants for 1115 student slots available.