

BILL ANALYSIS

Senate Research Center
83R4973 AED-D

S.B. 1258
By: Hinojosa
Higher Education
4/12/2013
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas established a graduate nurses' education loan repayment program in 2004, which has never received state funding. The purpose of the program is to promote the health educational needs and health care of Texans by encouraging qualified graduate professional nurses to serve as faculty in nursing education programs as advanced nurse practitioners.

Faculty shortages in nursing programs is a major factor in determining enrollment capacity and increasing graduates. As of September 2011, there were 149.5 full-time equivalent faculty vacancies in professional nursing education programs in Texas. Without additional faculty to teach more incoming nursing students, the nursing shortage will continue.

The purpose of S.B. 1258 is to help address the nurse faculty shortage by providing loan repayment assistance to nurses with an advanced degree in professional nursing. To fund this program, S.B. 1258 will pull money from the physician education loan repayment program, a similar loan forgiveness program for physicians, that exceeds the amount needed for physicians.

Additionally, S.B. 1258 establishes a standardized online application for nursing education programs. It also, requires the advisory committee to include or consult with one or more for-profit career schools offering nursing education courses in the area where the course is being offered. Including career schools would provide opportunities for a unified, strategic approach to address the nursing shortage and to overcome nursing education capacity issues.

As proposed, S.B. 1258 amends current law relating to improving access to nursing education programs.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 51.762, Education Code), SECTION 3 (Sections 61.9821, 61.9822, and 61.9828 Education Code), and SECTION 5 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 51.762(a), Education Code, to require the Texas Higher Education Coordinating Board (THECB), with the assistance of an advisory committee composed of representatives of general academic teaching institutions, junior college districts, public state colleges, and public technical institutes, and with the consultation of all institutions of higher education that admit freshman-level students to adopt by rule a common admission application form for use by a person seeking admission as a freshman student to a nursing education program at an institution of higher education.

SECTION 2. Amends Section 61.026, Education Code, as follows:

Sec. 61.026. COMMITTEES AND ADVISORY COMMITTEES. (a) Authorizes the chairman of the board to appoint committees from THECB's membership as the chairman, rather than he, or THECB may find necessary from time to time.

(b) Requires THECB, if THECB directs an advisory committee to assist THECB in exercising its authority under Section 61.051(j) (relating to prohibiting off-campus courses from being offered at institutions without prior approval by THECB) regarding an off-campus course in nursing education, including clinical coursework, to require the advisory committee to include or consult with one or more for-profit career schools offering nursing education courses in the area where the course is to be offered.

SECTION 3. Amends Chapter 61, Education Code, by adding Subchapter II, as follows:

SUBCHAPTER II. NURSING FACULTY LOAN REPAYMENT ASSISTANCE PROGRAM

Sec. 61.9821. **REPAYMENT AUTHORIZED.** Requires THECB to establish and administer a program to provide, in accordance with this subchapter and THECB rules, assistance in the repayment of student loans for nurses who are serving on the faculties of nursing degree programs at institutions of higher education or private or independent institutions of higher education in positions that require an advanced degree in professional nursing and apply and qualify for the assistance.

Sec. 61.9822. **ELIGIBILITY.** Requires a nurse, to be eligible to receive loan repayment assistance under this subchapter, to apply to THECB; at the time of application for repayment assistance have been employed full-time for at least one year as, and be currently employed full-time as, a faculty member of a nursing degree program at an institution of higher education or a private or independent institution of higher education; and comply with any additional requirements adopted by THECB rule.

Sec. 61.9823. **LIMITATIONS.** (a) Authorizes a nurse, on qualifying for loan repayment assistance under this subchapter, to receive repayment assistance for each year of full-time employment as a faculty member of a nursing degree program at an institution of higher education or private or independent institution of higher education, not to exceed five years.

(b) Prohibits the amount of loan repayment assistance received by a nurse under this subchapter from exceeding \$5,000 in any one year.

(c) Prohibits the total amount of loan repayment assistance provided under this subchapter from exceeding the total amount of gifts and grants accepted by the board for the repayment assistance, legislative appropriations for the repayment assistance, and other funds available to the board for the repayment assistance, including any money reallocated under Section 61.9826.

Sec. 61.9824. **ELIGIBLE LOANS.** (a) Authorizes THECB to provide repayment assistance for the repayment of any student loan for education at any public or private institution of higher education, including a loan for undergraduate education, received by an eligible person through any lender.

(b) Prohibits THECB from providing repayment assistance for a student loan that is in default at the time of the nurse's application.

Sec. 61.9825. **REPAYMENT.** (a) Requires THECB to deliver any repayment under this subchapter in a lump sum payable to both the lender or other holder of the loan and the nurse or directly to the lender or other holder of the loan on the nurse's behalf.

(b) Authorizes a repayment under this subchapter to be applied to any amount due in connection with the loan.

Sec. 61.9826. **REALLOCATION OF MONEY.** (a) Requires THECB, in each state fiscal year, to reallocate for loan repayment assistance under this subchapter for a particular year any money in the physician education loan repayment program account established under Section 61.5391 (Physician Education Loan Repayment Program

Account) that exceeds the amount necessary in that fiscal year for purposes of repayment assistance under Subchapter J (Repayment of Certain Physician Education Loans).

(b) Authorizes each year money reallocated under this section to be used to fund loan repayment assistance for not more than 50 eligible applicants.

(c) Provides that any money reallocated under Subsection (a) in a fiscal year that is not used for loan repayment assistance under this subchapter in that fiscal year is treated as if that unused amount had not been reallocated in that fiscal year.

Sec. 61.9827. GIFTS AND GRANTS. Authorizes THECB to solicit and accept gifts and grants from any source for the purposes of this subchapter.

Sec. 61.9828. RULES. (a) Requires THECB to adopt rules as necessary to administer this subchapter.

(b) Requires THECB to distribute a copy of the rules adopted under this section and pertinent information regarding this subchapter to each institution of higher education and private or independent institution of higher education; any appropriate state agency; and any appropriate professional association.

SECTION 4. Amends Section 61.5391(b), Education Code, to prohibit money in the account from being appropriated for any purpose except to provide loan repayment assistance under Subchapter II if reallocated under Section 61.9826.

SECTION 5. Requires THECB to adopt the rules for loan repayment assistance under Subchapter II, Chapter 61, Education Code, as added by this Act, not later than December 1, 2013.

SECTION 6. Requires THECB to adopt a common freshman admission application form for nursing education programs as required by Section 51.762 (Common Admission Application Forms), Education Code, as amended by this Act, not later than September 1, 2014. Requires an institution of higher education to accept freshman applications for nursing education programs using the appropriate common admission application form beginning with applicants for admission for the 2015-2016 academic year.

SECTION 7. Effective date: September 1, 2013.