

- SUBJECT:** Grants and work force data about the nursing profession
- COMMITTEE:** Public Health — committee substitute recommended
- VOTE:** 6 ayes — Capelo, Truitt, Coleman, Dawson, McReynolds, Taylor
0 nays
3 absent — Laubenberg, Naishtat, Zedler
- WITNESSES:** For — Kathi Light, Texas Nurses Association; Elizabeth Sjoberg, Texas Hospital Association
Against — None
On — Chris Fowler, Texas Higher Education Coordinating Board
- BACKGROUND:** In 2001, the 77th Legislature enacted SB 572 by Moncrief, which created two grant programs for nursing students and faculty and established a nursing workforce data bank. The legislation was designed to help address a nursing shortage in the state. While Texas hospitals reported difficulty recruiting nurses, the average age of the nursing population also indicated that the problem would be exacerbated by a high number of nurses retiring in the future. Public nursing schools have experienced increased enrollment of 21 percent between the fall semester of 2000 and fall semester 2002. The full impact of these programs cannot be estimated at this time because many nursing programs are longer than two years and recipients have not yet graduated.
- The legislation trusted the proceeds for the fiscal 2002-03 biennium from the Nursing and Allied Health Tobacco Lawsuit Settlement Fund to the Higher Education Coordinating Board for financial assistance to nursing faculty to reimburse universities for faculty overload or overtime salaries and for grants to students. These proceeds were about \$3 million in fiscal 2002-03, but about \$750,000 was returned to meet the 7 percent reduction requested by the state leadership. The grants to students were competitively awarded based on a

peer-review process that focused on merit to ensure that schools with the greatest need received the grants.

In addition to the grant programs established by SB 572, the 77th Legislature also gave nursing programs priority in the receipt of dramatic growth funds for institutions of higher education. Prior to the priority listing, any school with high enrollment growth could receive these additional funds, and the priority put nursing schools first in line for the funding. This resulted in about \$11 million of dramatic growth funds going to nursing schools.

In 1999, the 76th Legislature created the TEXAS Grants I program, administered by the Texas Higher Education Coordinating Board. To qualify for these grants, students must be Texas residents who meet financial eligibility guidelines and complete the recommended or advanced high school curriculum. Grant amounts for students at public higher education institutions are based on statewide tuition and fees, and grants for students at private institutions are based on tuition and fees at comparable public institutions. The average grant award is \$1,475 per semester for university students.

The 77th Legislature established TEXAS Grants II for students attending community and technical colleges. To qualify for these grants, students must meet financial eligibility guidelines but are not required to complete the recommended high school curriculum.

SB 572 also created a nursing workforce data bank to collect and analyze data on nurses and other nursing personnel. Membership of the executive committee is determined by the Board of Nurse Examiners, based on general guidelines to ensure diverse and appropriate representation. Demographics, area of practice, and migration information would be used to create a supply and demand model of nurses in the state for forecasting. The data bank publishes reports on employment trends in nursing, but the data is confidential.

Ch. 104 of the Health and Safety Code established a Statewide Health Coordinating Council to implement the state health plan. It is attached to the Texas Department of Health for administration purposes.

DIGEST: CSHB 3126 would amend the grant program at the Texas Higher Education

Coordinating Board and authorize additional grants for nursing students, extend and amend the grant program funded with tobacco settlement funds, amend and move the nursing workforce data bank to the Statewide Health Coordinating Council, and implement a fee on licenses to fund the data bank.

The bill would amend the grant program at the Texas Higher Education Coordinating Board by no longer permitting grants for faculty salaries. It also would require the board to adopt procedures for timely distribution of grant funds appropriated by the Legislature for enrollment growth in nursing programs and to ensure that the grants would be spent on the nursing program. The procedures would include an annual report accounting for the grant funds. The board could use up to 5 percent of the enrollment growth funds appropriated by the legislature to pay administrative costs.

The bill would permit the Texas Higher Education Coordinating Board to offer students enrolled in a health care education program in a field identified by the board as being a field in critical shortage up to three times the amount normally awarded under TEXAS Grants and TEXAS Grants II. Eligibility would be limited to students who had completed half the required course work and who met all other eligibility requirements for the grant. The board could give priority to students from underrepresented groups, and also could award grants of different amounts based on the amount of course work students had completed.

The bill would extend and amend the grant program funded with tobacco settlement funds. It would continue through the next two biennia. The grant program would be amended to include grants for programs that prepare nursing faculty. Rather than requiring priority for institutions that promote innovation and seek to increase enrollment, the board would be permitted to give priority to institutions that promote innovation. Also, the board would be required to award grants on a competitive basis.

CSHB 3126 would amend and move the nursing workforce data bank to the Statewide Health Coordinating Council and implement a fee on licenses to fund the data bank. It would create an advisory council rather than an executive committee and would stipulate membership to include 20 members, each representing one of the following: Texas Nurses Association, Texas Nurses Foundation, Licensed Vocational Nurses Association of Texas, Texas

Organization of Baccalaureate and Graduate Nurse Educators, Texas Association for Advancement of Associate Degree Nurses, Texas Association of Vocational Nurse Educators, Texas Organization of Nurse Executives, Texas Hospital Association, Texas Medical Association, Texas Health Care Association or Texas Association of Homes and Services for the Aged, Texas Association for Home Care, two researchers, the Board of Nurse Examiners, Board of Vocational Nurse Examiners, Texas Department of Mental Health and Mental Retardation, Texas Workforce Commission, Office of Rural Community Affairs, the Health Professions Resource Center, and the Statewide Health Coordinating Council.

It would increase the renewal fee on licenses issued by the Board of Nurse Examiners by \$3 and on licenses issued by the Board of Vocational Nurse Examiners by \$2. Each board could retain a portion of the fee to cover the administrative costs of collecting it. The remainder would fund the work force data bank, and the Statewide Health Coordinating Council could retain up to seven percent for administrative costs. Members of the executive committee who did not represent a trade group could be reimbursed a per diem as set by the General Appropriations Act. Members also could be reimbursed for travel. The increased fee structure would be effective October 1, 2003.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2003.

**SUPPORTERS
SAY:**

CSHB 3126 would take the 77th Legislature's efforts to address the nursing shortage one step further. Texas still needs more nurses and the grant programs are working, but the education programs take time. Education assistance is the best way to encourage more people to enter the nursing profession. Texas should continue to commit to encourage more people to enter the nursing profession and ensure that there are adequate nurses to serve Texans in the future.

Texas should boost the TEXAS Grants and TEXAS Grants II awards for students studying to become nurses or other health care professionals that are in crisis. An offer of extra grants could influence students to complete the program. The state did a good job increasing enrollment in nursing programs, now it should ensure that they complete them.

The nurse workforce data bank should be moved from the licensing boards to the Health Professions Resource Center because it would enhance the data collection effort, as would funding the effort with fees. The licensing boards should regulate and not be burdened with an unfunded data collection requirement. The Health Professions Resource Center already is involved with matters relating to all health professions and is fully capable of housing the nursing work force data bank. The additional fee on nursing licenses is expected to generate sufficient funds to pay for four full-time employees and a net revenue of \$20,000 each year.

**OPPONENTS
SAY:**

These initiatives will not help Texas' nursing shortage. Last biennium, nursing programs received about \$14 million to increase enrollment, but would get only \$3 million to 4 million under CSHB 3126. The tobacco settlement funds alone are not enough — the state should give priority to nursing for dramatic growth funds. Neither the House nor the Senate version of CSHB 1 contains the rider to give such priority, so this bill should do it by statute. Even the House floor budget amendment to make nursing programs “campus status” to give them better access to dramatic growth funds would not help enough. The state should ensure that the enrollment growth experienced from 2001-2002 becomes a trend, not an anomaly.

The composition of the executive committee for the work force data center should be appointed, not designated in statute. Representatives of individual lobbying groups should not be statutorily required as members of a committee and could lead to confusion if one of the groups disbanded. Also any new coalitions of stakeholders would require a statutory change to become members of the committee. It would be better to authorize an appropriate agency or elected official to appoint the members.

**OTHER
OPPONENTS
SAY:**

The state should not permit the Texas Higher Education Coordinating Board to offer nursing students three times the normal grant when grant programs are facing reductions in the appropriations process. It would be unfair to give nurses more, potentially denying access to higher education for other students.

Texas should stop meddling in the employment marketplace for nurses and instead let supply and demand forces work. One of the reasons for the shortage of nurses is that they are underpaid for the long hours and stressful situations in which they are asked to work. Hospitals should pay nurses more

and adequately staff the number of support staff needed to make a nurse's job manageable. If Texas keeps turning out more nurses who did not pay for school themselves and have no financial investment in their careers, the nursing profession will never be paid more.

NOTES:

The bill as introduced differs from the committee substitute in that it would have created a faculty grant program and a transition grant program to help health care workers obtain licensure. It would have amended the grant program at the Texas Higher Education Coordinating Board and authorized additional grants for nursing students, extended and amended the grant program funded with tobacco settlement funds, but would not have amended and moved the nursing workforce data bank to the Statewide Health Coordinating Council, nor implemented a fee on licenses to fund the data bank.

The fiscal note attached to CSHB 3126 estimates the bill would generate a net of \$45,000 in fiscal 2004-05 and would require four additional full-time employees.

The companion bill, SB 1167 by Janek, was considered in a public hearing by the Senate Education Committee on April 29. Other bills relating to the nursing practice environment include HB 2986 by Capelo, which was referred to the House Public Health Committee, SB 718 by Madla, which passed the Senate on April 22 and the House on April 30, and SB 1298 by Madla, which was referred to the Senate Health and Human Services Committee.