

Nursing Initiatives for Legislative Session
Jan – Mar 2009

Summary

The New Mexico Center for Nursing Excellence convened a legislative collaborative group to determine legislative initiatives required to support nursing for the January –March 2009 New Mexico legislative session. Collaborative members included leaders from nursing education, nursing administration, the New Mexico Nurses Association, the New Mexico Organization of Nurse Executives, the New Mexico Hospital Association, and the New Mexico Health Care Association. Participants were from Albuquerque, Las Cruces, Carlsbad, and Santa Fe.

It is acknowledged that New Mexico, and the nation, is facing a nursing shortage. Details concerning the status of the nursing workforce and nursing education can be found in the New Mexico Center for Nursing Excellence report “Status of Nursing in New Mexico: January 2009”. With legislative support, progress has been made in expanding the capacity of nursing education programs resulting in more nurses in the state. The number of nurses licensed in New Mexico has grown by 2,634 (19%) since 2002. As we celebrate this success, we know that there is still work to be done as the state faces the upcoming retirements of approximately half of its nurse workforce. Forty-nine percent of nurses in New Mexico are 50 years of age and older.

Nursing education and faculty issues are the focus of recommended initiatives. In light of the current economic environment, the collaborative chose to be conservative in its recommendations. Each of the following recommendations is described in more detail on the pages that follow.

1. Maintain current funding for Nursing Loan for Service Program (\$300,000).
2. **Maintain current funding for the Nurse Educator Loan for Service Program (\$100,000)**
3. Request a tax credit for nursing educators.
4. Request a memorial to explore nursing faculty salary issues by looking at reclassification of nursing programs within the funding formula and/or other strategies to enhance nurse faculty salaries.
5. Support NM Higher Education Department’s proposed legislative language change that would allow HED to use up to 3% of the nursing education expansion funds to administer the program. HED plans to use these funds to hire a nursing/health professions policy administrator.

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1. Maintain current funding for Nursing Loan for Service Program (\$300,000).

Background

The purpose of the **Nursing Loan-for-Service** is to increase the number of nurses in areas of the state which have experienced shortages by making educational loans to students entering nursing programs. As a condition of each loan, the student shall declare his/her intent to practice as a health professional in a designated underserved shortage area. For every year of service, a portion of the loan will be forgiven. If the entire service agreement is fulfilled, 100% of the loan is eligible for forgiveness. Penalties may be assessed if the service agreement is not satisfied.

- The award may not exceed \$12,000 per year, and is based on the financial need of the student.
- The funding level for FY 08 and FY09 was \$300,000. Request funding be maintained at the current level.
- Since its inception in 1987 to FY08, there have been 436 participants in the nursing LFS program who received over \$3.5 million in service-based student loans.
- Of the 436, nearly 40% have completed their service obligation to the state, 25% are still enrolled in the nursing program, in a grace period after graduation, or are currently fulfilling their service obligation, and 35% are in repayment status.

Program	FY09			FY06-FY08 Totals		
	Applicants	Recipients	Avg. Award	Applicants	Recipients	Avg. Award
Nursing Loan For Service	53	29	\$ 6,666.00	294	187	\$ 19,364.00
Nurse Educator Loan for Service	4	2	\$ 5,000.00	37	26	\$ 6,354.00

2. Maintain current funding for the Nurse Educator Loan for Service Program (\$100,000).

Background

The purpose of the New Mexico **Nurse Educator Loan-for-Service** program is to enhance the ability of college- and university-employed nursing educators to obtain Bachelor of Science, Master of Science and Doctor of Philosophy degrees. As a condition of each loan, the student shall declare his/her intent to serve in a nurse faculty position in a New Mexico public, post-secondary institution. For every academic year of service, a portion of the loan will be forgiven. If the entire service agreement is fulfilled, 100% of the loan is eligible for forgiveness. Penalties may be assessed if the service agreement is not satisfied.

- The award may not exceed \$5,000 per year.

Program	FY09			FY06-FY08 Totals		
	Applicants	Recipients	Avg. Award	Applicants	Recipients	Avg. Award
Nursing Loan For Service	53	29	\$ 6,666.00	294	187	\$ 19,364.00
Nurse Educator Loan for Service	4	2	\$ 5,000.00	37	26	\$ 6,354.00

3. **Request a tax credit for nursing educators.**
 - **Off-sets the salary gap between education and practice and enhances recruitment/retention of nurse educators.**
 - **\$3,000 tax credit for full time faculty; \$1,500 tax credit for part time faculty (as defined by NMHED or individual school). (In line with NM Rural Health Care Practitioner Tax Credit Program and RI proposal.)**
 - **Cost: \$700,000 - \$800,000. Based on 2007-2008 NMHED survey reflecting full and part time faculty.**

Background

Tax Credit for Nurse Educators

- Nursing education programs identify low salaries as the biggest challenge to recruiting and retaining faculty.
- Nurse faculty, especially in community colleges, earn an average of \$44,000 compared to a similarly educated nurse (masters degree) in practice in the community with an average salary of \$70,000.
- Addressing faculty salaries will require looking at the funding formula and legislative intervention. This is an intermediate/long term goal.
- The tax credit is a measure to address faculty compensation in the short term.
- Precedent set for tax credits with the New Mexico Rural Health Care Practitioner Tax Credit Program, effective Jan 2008. (See separate document)
- Similar legislation proposed in other states (Rhode Island).
- The estimated cost was determined by looking at the number of full and part time faculty as reported by NMHED (2008 to present), and adjusting to account for all schools. The \$3,000 and \$1500 tax credit was applied respectively.

4. Request a memorial to explore nursing faculty salary issues by looking at reclassification of nursing programs within the funding formula and/or other strategies to enhance nurse faculty salaries. The disparity of nurse faculty salaries to the salaries of their community colleagues is a major recruitment/retention barrier for nurse educators.

Background

- Nursing education programs identify low salary as the need for recurring funding for positions biggest challenge to recruiting and retaining faculty. The lack of faculty is a major barrier to expanding nursing education programs in the state.
- Nurse faculty, especially in community colleges, earn an average of \$44,000 compared to \$70,000 earned by a similarly educated nurse (masters degree) in practice in the community.
- Work needs to begin on examining the funding formula and/or exploring alternatives to resolving the nursing faculty salary issue if nursing education program expansion is to continue.
- Goal: develop a strategy to enhance compensation for nurse faculty. This is an integral part of a strategy to develop nursing education as an attractive career path.

5. Support HED's proposed legislative language change that would allow HED to use up to 3% of the nursing education expansion grant funds to administer the program. HED plans to use these funds to hire a nursing/health professions policy administrator.

Background

- NMHED would like to hire an administrator to manage nursing issues/programs using Nursing Education Program Expansion Funds.
- As the legislation for the expansion funds is currently written, the funds cannot be used for that purpose.
- NMHED would like to have authority to use up to 3% of the expansion funds to fund the position.
- Nurse educators generally agree that having a nursing program administrator at HED would be beneficial to their nursing programs.