

## **BILL ANALYSIS**

H.B. 4471  
By: Kolkhorst  
Public Health  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

According to the Department of State Health Services, Texas is currently suffering a shortage of roughly 22,000 registered nurses. That shortage is likely to continue to grow and is poised to reach astronomical proportions just as the state's rapidly increasing population begins to age and require more acute care, and as older nurses retire or reduce their work hours.

The Texas Legislature and nursing schools have responded. In 2007, Texas nursing schools dramatically increased the number of new registered nurses graduating: however, this increase is far below the numbers needed to close the supply and demand gap.

Furthermore, in 2008, Texas nursing schools turned away 8,000 qualified applicants, while Texas hospitals have an average statewide vacancy rate of just over 10 percent for registered nurses. With an average salary of \$60,000, plus benefits and health insurance, these are prime jobs just waiting to be filled. The problem is the small number of faculty willing to teach for the prevailing salaries.

H.B. 4471 implements a funding process to ensure our nursing schools receive up-front funding to hire faculty to increase the number of nursing graduates at their schools. The bill sets forth a process to allow nursing programs to develop a memorandum of understanding with the Texas Higher Education Coordinating Board based on producing additional nursing graduates. The bill provides for the memorandum to set out the terms relating to any funds distributed to the nursing program and establish benchmarks for determining progress. If a nursing program fails to graduate the additional students or meet the benchmarks as agreed upon, the Texas Higher Education Coordinating Board may withhold funds, require funds be returned, re-negotiate or cancel the memorandum.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 3 of this bill.

### **ANALYSIS**

H.B. 4471 amends the Education Code to require the commissioner of higher education, contingent upon the appropriation of funds and in accordance with the process established under the bill's provisions, to enter into a memorandum of understanding with the governing institution, or its board, of a professional nursing program with respect to the distribution of funds to the nursing program based on the program's graduating additional students prepared for initial licensure as registered nurses. The bill requires the Texas Higher Education Coordinating Board, by rule, to establish a process by which the commissioner is authorized to enter into a memorandum of understanding with an institution, or its board, including a single memorandum of understanding with multiple institutions desiring to cooperate on a regional or joint basis to graduate additional students prepared for initial licensure as registered nurses. The bill requires the memorandum of understanding to set out the terms relating to any funds distributed to the

professional nursing program, state the number of additional students prepared for initial licensure as registered nurses the professional nursing program will graduate, and identify benchmarks for determining progress toward graduating those additional students. The bill requires an institution to expend any funds received under the bill on its professional nursing program. The bill authorizes the commissioner to require an institution that fails to graduate additional students as agreed or does not meet a benchmark used to determine progress toward graduating the additional students as agreed to return any unspent funds received by the institution under the bill, withhold any future payments required by the memorandum of understanding, or re-negotiate or cancel the memorandum of understanding. The bill authorizes the board to appoint an advisory committee to advise the commissioner and the board on implementation of provisions relating to the memorandum of understanding. The bill authorizes the board to assign the committee the responsibility of evaluating and making recommendations to the commissioner as to the institutions with which to enter into memoranda of understanding.

H.B. 4471 requires the board, by rule, to establish a process for permitting newly established professional nursing programs to participate in and receive funds under programs established under the professional nursing shortage reduction program in an equitable manner, including establishing a base for calculating increases in enrollment or graduates if a program distributes funds on such basis. The bill establishes that a professional nursing program operated by an entity other than an institution of higher education, including a public or independent institution of higher education, that was eligible to receive funds prior to September 1, 2009, from any program established under the professional nursing shortage reduction program will continue to be eligible to receive funds under that program, if it meets all criteria for participation other than being a program of an institution of higher education.

H.B. 4471 clarifies the definition of "professional nursing program" to mean an educational program of an institution of higher education including a private or independent institution of higher education for preparing students for initial licensure as registered nurses. The bill makes conforming changes.

#### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.