

Funding Proposal to Double the Number of Texas Nursing Graduates by 2013

The Problem: Not Enough Nurses

- Texas is short some 22,000 nurses. Without major increases in funding for nursing education, that number will grow to 70,000 by 2020.
- Hospital vacancy rates for registered nurses currently are around 11 percent. Nursing homes and state schools face similar – or even higher – rates.
- These good-paying, stable jobs should be filled with Texas nurses.
- In 2008, Texas nursing schools turned away 8,000 qualified applicants, due primarily to a shortage of qualified faculty willing to teach at prevailing salaries.

The Goal: Double the Annual Number of Nursing Graduates by 2013

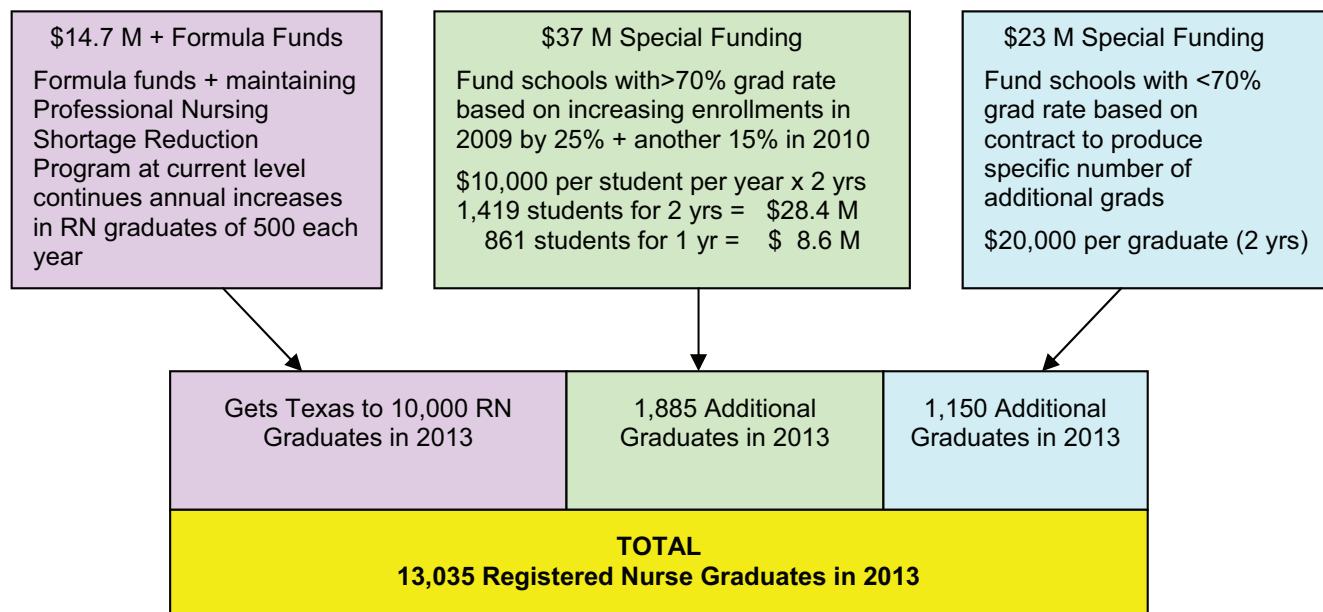
- Achieving this goal will require increasing the number of nurse graduates from 7,000 in 2007 to 13,000 in 2013.
- Some 10,000 of the 13,000 are expected to graduate under existing programs and funding mechanisms. The remaining 3,000 must be financed in other ways.
- While such an increase is not large enough to put the state on track to balance nurse supply/demand by 2020, it is a significant step in the right direction.

Cost in the 2010-2011 Biennium

- \$75 million total
- \$15 million is in the Texas Higher Education Coordinating Board base budget for the Professional Nursing Shortage Reduction Fund. An additional \$60 million is requested.

Funding Stream

Texas needs ALL nursing schools to increase their numbers of nursing graduates. To achieve substantive growth in the most efficient, effective and accountable manner possible, the \$75 million should be distributed as follows:



- **The Professional Nursing Shortage Reduction Program should continue to be funded at the current level of \$14.7 million.** Funds should continue to be distributed based on increases in graduates, but the rider language should be amended to give schools more flexibility in how they expend funds within nursing programs to maximize the number of graduates.
- **Expand enrollment at programs with high graduation rates.** To achieve the 2013 target, nursing schools need to increase enrollments in fall 2009 and again in fall 2010. Up-front funding is required so schools can hire the necessary faculty. Schools achieving a minimum 70 percent graduation rate, as determined by THECB data, have demonstrated their ability to efficiently produce graduates and should receive direct funding from the appropriations process to expand their programs. Funding would be based on a school survey to determine the number of new enrollees the schools can accommodate. To calculate estimated funding needed, enrollment growth has been projected at a 25 percent increase in fall 2009 and another 15 percent in fall 2010. Schools would receive funds only for actual increases.
- **Increase graduation rates at programs with lower graduation rates.** Schools not eligible for up-front funding should be permitted to request funds based on a contract to produce additional graduates. These schools will submit proposals to THECB and, after review, enter into a contract with THECB to produce an agreed-upon number of additional nurse graduates. The school would be paid 50 percent of the award upon entering into the contract with THECB; additional distributions would be made contingent upon predetermined benchmarks for progress. Future funding would be withheld if benchmarks are not met. Funds could be used for activities targeted to increase the graduation rate of the school.

With these three funding streams in place, Texas will reach its goal of doubling the number of registered nurse graduates by 2013. And, every nursing school in Texas will have the opportunity to participate in the growth, using processes that promote efficiency and build accountability into the system. Texas needs more nurses **now**, and the involvement of **every** nursing school is critical to reaching that goal.

For more information, including a chart of current nursing school graduation rates, visit www.TexasNeedsNurses.org.

The Texas Nursing Workforce Shortage Coalition is a diverse partnership of health care organizations, business groups and education leaders working to increase nursing graduates from Texas nursing schools. To learn more about the coalition and its goals, please visit:

www.TexasNeedsNurses.org