

## **BILL ANALYSIS**

Senate Research Center

S.B. 132  
By: Nelson  
Education  
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Enrolled

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Texas has a nursing shortage that will only worsen with time unless steps are taken to address the problem. The nurse median age in Texas is 46, and Texas' nursing schools are not graduating enough students to fill the demand. Only 65 percent of enrolled nursing students actually graduate, and there are not enough qualified nursing instructors to sufficiently increase enrollment in nursing programs. The average entering class size of registered nurse (RN) programs increased 108 percent from 1999 to 2003 while the faculty for these programs increased by only 13 percent.

S.B. 132 seeks to give nursing schools the tools to address the nursing shortage. This bill sets statewide goals for increasing the number of initial RN graduates, developing strategies for increasing graduation rates from nursing programs, and promoting innovation in nursing education through the regionalization of common administrative and instructional functions, interdisciplinary instruction, pooled or shared faculty, and new clinical instruction models to maximize use of existing resources and faculty.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 2 (Sections 54.221 and 54.222, Education Code) of this bill.

Rulemaking authority is expressly granted to the board of directors of the Texas State Affordable Housing Corporation in SECTION 13 (Section 2306.5622, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 105, Health and Safety Code, by adding Section 105.008, as follows:

Sec. 105.008. GOALS AND STRATEGIES CONCERNING THE NUMBER OF GRADUATES FROM PROFESSIONAL NURSING PROGRAMS. (a) Defines "professional nursing program."

(b) Requires the Statewide Health Coordinating Council (council), in consultation with the Texas Higher Education Coordinating Board (THECB), to perform an analysis to determine, for each academic year, a target number of graduates from the state's professional nursing programs, goals for increasing the number of graduates from those programs, and the levels of public and private funding needed to achieve the target number and goals. Requires the analysis to include certain assessments and projections.

(c) Requires the council to report to the legislature concerning the results of the analysis under Subsection (b), no later than January 1, 2007.

(d) Requires the council to use existing resources to perform duties imposed under this section.

(e) Provides that this section expires June 1, 2007.

SECTION 2. Amends Subchapter D, Chapter 54, Education Code, by adding Sections 54.221 and 54.222, as follows:

Sec. 54.221. CHILDREN OF PROFESSIONAL NURSING PROGRAM FACULTY.

(a) Defines "child," "graduate professional nursing program," and "undergraduate professional nursing program."

(b) Requires the governing board of an institution of higher education to exempt from the payment of tuition a resident of this state enrolled as an undergraduate student at the institution who is a child of a person who, at the beginning of the semester or other academic term for which an exemption is sought, holds a master's or doctoral degree in nursing, if not employed or under contract as a teaching assistant under Subdivision (1) or (2), or a baccalaureate degree in nursing, if employed or under contract as a teaching assistant under Subdivision (1) or (2), and meets certain criteria.

(c) Provides that a child who would qualify for an exemption under this section but for the fact that the child's parent is not employed full-time is eligible for an exemption on a pro rata basis equal to the percentage of full-time employment the parent is employed, except that a parent employed for less than 25 percent of full-time employment is considered to be employed for 25 percent of full-time employment.

(d) Provides that certain persons are not eligible for an exemption under this section.

(e) Provides that, for purposes of Subsection (d), a summer session that is less than nine weeks in duration is considered one-half of a summer session.

(f) Provides that the tuition exemption provided by this section applies only to enrollment of a child at the institution at which the child's parent is employed or is under contract.

(g) Requires THECB to adopt certain rules and a uniform application form for an exemption under this section.

Sec. 54.222. PRECEPTORS FOR PROFESSIONAL NURSING EDUCATION PROGRAMS. Defines "child" and "undergraduate professional nursing program."

(b) Requires the governing board of an institution of higher education to exempt from the payment of \$500 of the total amount of tuition a resident of this state enrolled as a student at the institution who meets certain criteria.

(c) Requires the governing board of an institution of higher education to exempt from the payment of \$500 of the total amount of tuition a resident of this state enrolled as an undergraduate student at the institution who is a child of a person who meets the requirements of Subsection (b)(1) and (2).

(d) Requires, notwithstanding Subsection (b) and (c), if a person eligible for an exemption under this section owes less than \$500 in tuition, the governing board of the institution of higher education in which the person is enrolled to exempt the person from the payment of only the amount of tuition the person owes.

(e) Provides that a person is not eligible for an exemption under Subsection (c) if the person meets certain criteria.

(f) Provides that, for purposes of Subsection (e), a summer session that is less than nine weeks in duration is considered one-half of a summer session.

(g) Requires THECB to adopt certain rules and a uniform application form for an exemption under this section.

SECTION 3. Amends Section 61.9623(a), Education Code, to include identifying, developing, or implementing innovative methods to make the most effective use of limited professional nursing program faculty, instructional or clinical space, or certain other resources as well as assuring the recruitment and retention of an adequate number of qualified faculty among acceptable expenditures of a grant from the professional nursing shortage reduction program to a professional nursing program or other entity involved with a professional nursing program in the preparation of students for initial licensure as registered nurses.

SECTION 4. Amends Subchapter Z, Chapter 61, Education Code, by adding Section 61.96231, as follows:

Sec. 61.96231. NURSING FACULTY ENHANCEMENT GRANTS. (a) Authorizes THECB, under the professional nursing shortage reduction program, to award nursing faculty enhancement grants to professional nursing programs to assist the programs in the education, recruitment, and retention of a sufficient number of faculty members to enable the programs to enroll a sufficient number of students to meet the state's need for registered nurses.

(b) Authorizes a grant awarded under this section to be used only for the purposes specified Subsection (a), including providing salary supplements and enhancements and reducing the number of hours a faculty member must teach.

(c) Authorizes THECB, in awarding a grant under this section, to require matching funds from a professional nursing program or to give preference in awarding a grant to a program providing matching funds.

(d) Authorizes THECB to appoint an advisory committee to advise THECB on successful strategies, in addition to the grants awarded under this section, for educating, recruiting, and retaining qualified professional nursing program faculty members who hold master's or doctoral degrees.

SECTION 5. Amends Section 61.9624, Education Code, to delete text regarding THECB adopting regulations for the administration of the professional nursing shortage program and to make conforming changes.

SECTION 6. Amends Section 61.9626(a), Education Code, to include the capacity of the program, either alone or in cooperation with one or more other programs, to graduate more students prepared for licensure as registered nurses within the necessary information in the required annual report provided by each institution with a professional nursing program to THECB.

SECTION 7. Amends Subchapter Z, Chapter 61, Education Code, by adding Section 61.96261, as follows:

Sec. 61.96261. STRATEGIES FOR INCREASING GRADUATION RATES. (a) Sets forth certain requirements of THECB pertaining to strategies for increasing graduation rates from professional nursing programs.

(b) Requires THECB to report to the legislature concerning the results of the study conducted under Subsection (a) no later than January 1, 2007. Requires the report to include THECB's recommendations for implementing effective strategies for increasing graduation rates from professional nursing programs.

(c) Requires THECB to use existing resources to perform duties imposed under this section.

(d) Provides that this section expires June 1, 2007.

SECTION 8. Amends Section 824.602(a), Government Code, to prohibit the Teacher Retirement System of Texas, subject to Section 824.601, from withholding a monthly benefit payment if the retiree is employed in a Texas public educational institution in a certain manner.

SECTION 9. Amends Subchapter B, Chapter 1372, Government Code, by adding Section 1372.0223, as follows:

Sec. 1372.0223. DEDICATION OF PORTION OF STATE CEILING FOR PROFESSIONAL NURSING PROGRAM FACULTY MEMBER HOME LOAN PROGRAM. Requires \$5 million, until August 1, out of that portion of the state ceiling that is available exclusively for reservations by issuers of qualified mortgage bonds under Section 1372.022, to be allotted each year and made available exclusively to the Texas State Affordable Housing Corporation for the purposes of issuing qualified mortgage bonds in connection with the professional nursing program faculty member home loan program established under Section 2306.5622.

SECTION 10. (a) Makes application of this section contingent upon the passage of the Act of the 79th Legislature, Regular Session, 2005, relating to the nonsubstantive additions to and corrections in enacted codes.

(b) Amends Section 2306.553, Government Code, to make a conforming change.

SECTION 11. (a) Makes application of this section contingent upon the failure of the Act of the 79th Legislature, Regular Session, 2005, relating to nonsubstantive additions to and corrections in enacted codes.

(b) Amends Section 2306.553(a), Government Code, to make a conforming change.

SECTION 12. Amends Section 2306.553(b), Government Code, to make a conforming change.

SECTION 13. Amends Subchapter Y, Chapter 2306, Government Code, by adding Section 2306.5622, as follows:

Sec. 2306.5622. PROFESSIONAL NURSING PROGRAM FACULTY MEMBER HOME LOAN PROGRAM. (a) Defines "graduate professional nursing program," "home," "mortgage lender," "professional nursing program faculty member," and "program."

(b) Requires Texas State Affordable Housing Corporation (corporation) to establish a program to provide eligible professional nursing program faculty members with low-interest home mortgage loans.

(c) Requires a person to meet certain criteria to be eligible for a loan under this section at the time a person files an application for the loan.

(d) Authorizes the corporation to contract with other agencies of the state or with private entities to determine whether applicants qualify as professional nursing program faculty members under this section or otherwise to administer all or part of this section.

(e) Authorizes the board of directors of the corporation to set and collect from each applicant any fees the board considers reasonable and necessary to cover the expenses of administering the program.

(f) Requires the board of directors of the corporation to adopt certain rules.

(g) Requires the corporation to ensure that a loan under this section is structured in a way that complies with any requirements associated with the source of the funds used for the loan.

(h) Authorizes the corporation, in addition to funds set aside for the program under Section 1372.0223, to solicit and accept funding for the program from certain sources.

(i) Provides that section expires September 1, 2016.

SECTION 14. (a) Makes application of Sections 54.221 and 54.222, Education Code, as added by this Act, except as provided by Subsection (b), prospective to beginning of the 2006 fall semester.

(b) Requires THECB, not later than January 1, 2006, to adopt rules and forms relating to tuition exemptions under Sections 54.221 and 54.222, Education Code, as added by this Act.

SECTION 15. Makes application of Section 61.9623, Education Code, as amended by this Act, prospective.

SECTION 16. Makes application of Section 824.602, Government Code, as amended by this Act, prospective to the 2005 fall semester.

SECTION 17. Requires the Texas State Affordable Housing Corporation to take certain actions relating to the professional nursing program.

SECTION 18. Effective date: upon passage or September 1, 2005.