

Amend CSSB 1, Article III, THECB bill pattern on page III-48, by amending Rider 34 to read as follows:

34. Professional Nursing Shortage Reduction Program. Appropriations for the Professional Nurse Shortage program total \$17,500,000 in each year of the 2014-15 biennium. Those funds shall be allocated as follows:

The Texas Higher Education Coordinating Board (THECB) shall allocate the funds appropriated in their bill pattern in Strategy D.1.4, as follows:

(a) Up to 5 percent each year may be used for administrative expenses.

(b) In each fiscal year \$5,755,750 shall be distributed in an equitable manner to institutions with nursing programs, including institutions graduating their first nursing class, based on increases in numbers of nursing student graduating. The THECB shall apply a weight of 1.5 for increased graduates in nursing educator programs identified with a Classification of Instructional Program code of 51.3808 and 51.3817. The THECB shall allocate up to 50 percent in each fiscal year of the biennium and any unexpended amounts to community colleges.

(c) \$8,032,500 in fiscal year 2014 and \$8,032,500 in fiscal year 2015 shall be distributed at a rate of \$10,000 per year for each additional nursing student enrolled in a professional nursing program to institutions with professional nursing programs based on the following criteria: (1) a graduation rate of 70% or above as reflected in the final 2012 graduation rates reported by the THECB and (2) an increase in new enrollees for fiscal year 2014 equal to 12 percent and 18 percent in fiscal year 2015 of the first-year enrollments for the 2011-2012 academic year as reported by the institutions to the Texas Center for Nursing Workforce Studies.

(d) [~~THECB shall allocate any remaining appropriation, estimated to be~~] \$3,711,750 in fiscal year 2014 and \$3,711,750 in fiscal year 2015 to (1) professional nursing programs with nursing graduation rates below 70 percent as reflected in the final 2012 graduation rates reported by the THECB, (2) hospital-based diploma programs, or (3) new professional nursing programs whose graduation rates which have not been determined by the THECB. From funds

available for that purpose, institutions shall receive \$20,000 for each additional initial RN graduate in two year programs and \$10,000 for each additional graduate in one-year programs. If sufficient funds are not available to provide this allocation, the HECB shall distribute the funds on a pro rata basis equally among the nursing programs participating ~~submit a plan to the Legislative Budget Board and to the Governor outlining a method of proration.~~ THECB shall develop an application process for institutions willing to increase the number of nursing graduates. The application shall indicate the number of nursing graduates for initial licensure the institution will produce; indicate the number of payments and payment schedule; identify benchmarks an institution must meet to receive payment; and specify the consequences of failing to meet the benchmarks.

(e) For THECB expenditure purposes, any funds not expended in fiscal year 2014 may be expended in fiscal year 2015 for the same purposes. If an institution does not meet targets for purposes of subsections b, c and d, the institution shall return these unearned funds to the THECB by the date specified by THECB rule. The THECB shall reallocate these funds to other qualified programs. All institutions receiving funds shall submit to the THECB a detailed accounting of funds received, obligated or expended.

(f) If the funds appropriated under Paragraphs (b), (c) or (d) exceed the funds that can be expended in accordance with the requirements of that paragraph, THECB may expend the excess funds for any purpose described in Paragraphs (b), (c) or (d).