

Amend CSHB 1 as follows:

(1) On page III-57 of the Higher Education Coordinating Board's bill pattern, amend the following rider:

____. Professional Nursing Shortage Reduction Program. Appropriations for the Professional Nursing Shortage Reduction program total \$9,940,024 in fiscal year 2020 and \$9,940,024 in fiscal year 2021. 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 F.1.6, as follows:

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

(b) \$3,288,999 in fiscal year 2020 and \$3,288,999 in fiscal year 2021 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) \$4,530,025 in fiscal year 2020 and \$4,530,025 in fiscal year 2021 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 percent or above as reflected in the final 2018 graduation rates reported by the THECB and (2) an increase in new enrollees for fiscal year 2020 [~~equal to 12 percent~~] and [~~18 percent~~] in fiscal year 2021 of the first-year enrollments for the 2017-18 academic year as reported by the institutions to the Texas Center for Nursing Workforce Studies. The percentage increase required in each year of the biennium shall be determined by the Higher Education Coordinating Board in consultation with eligible nursing programs. The methodology may account for reallocation of unearned funds.

(d) \$2,121,000 in fiscal year 2020 and \$2,121,000 in fiscal

year 2021 to (1) professional nursing programs with nursing graduation rates below 70 percent as reflected in the final 2018 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 THECB shall distribute the funds on a pro rata basis equally among the nursing programs participating. 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 2020 may be expended in fiscal year 2021 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). The THECB may not include nonresident students who are enrolled in online professional nursing programs while residing outside of the state in methodologies used to calculate program awards described in Paragraphs (b), (c), or (d).

(g) Using funds under (a), the Higher Education Coordinating Board shall study the effectiveness of the Professional Nursing Shortage Reduction Program in addressing the shortage of professional nurses in the state. This study shall be

conducted in coordination with a work group convened by the THECB and composed of representatives from the state nursing association, Texas Board of Nursing, Department of State Health Services Center for Nursing Workforce Studies, nursing deans and directors from public and private institutions of higher education in the state (or individuals that serve in similar roles) and other stakeholders as appropriate. In conducting this study, the Coordinating Board shall examine the structure and efficiency of the program, as well as other state funding strategies to address the nursing shortage. The Coordinating Board shall report the results of this study as well as any recommendations to improve the state's efforts to address the nursing shortage to the legislature by November 1, 2020. THECB may reimburse work group travel expenses pursuant to Article XI, Section 5.08.