

## **BILL ANALYSIS**

Senate Research Center

S.B. 25  
By: Kolkhorst et al.  
Health & Human Services  
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Enrolled

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

Texas is facing a major crisis in health care staff. Prior to the COVID-19 pandemic, the state was projecting a shortage in the number of registered nurses it needs to keep pace with population growth and demand. The Texas Center for Nursing Workforce Studies (TCNWS) at the Department of State Health Services estimates that the supply of registered nurses is projected to grow by 30.5% between 2018 and 2032, while demand grows by 38.8%.

The Nurse Faculty Loan Repayment Program (NFLRP) and the Nursing Innovation Grant Program (NIGP) are two key programs that were created to help address this shortage. The NFLRP improves access to nursing education programs by encouraging qualified nurses to serve as faculty at eligible Texas institutions of higher education through loan repayment assistance. The NIGP was established to provide grants to higher education institutions to promote the education, recruitment, and retention of nursing students and qualified faculty.

S.B. 25 is part of a comprehensive package to dramatically increase funding and resources to nursing education and training programs, including those addressed in S.B. 25.

#### Key Provisions:

##### Nurse Faculty Loan Repayment Program (NFLRP):

S.B. 25 amends the Education Code to allow part-time nursing faculty to be eligible for loan repayment assistance.

It also removes the repayment from a cap of \$7,000 annually to a figure to be determined by the Texas Higher Education Coordinating Board (THECB).

##### Nursing Innovation Grant Program (NIGP):

The bill extends NIGP until 2027.

#### Provisions removed from statute:

S.B. 25 removes the matching funds program from statute, because it was underutilized and cumbersome. The goal is to dedicate more funds directly to scholarships for nursing students.

S.B. 25 also removes a THECB advisory committee that was originally intended to advise THECB on how to assist nursing students.

S.B. 25 amends current law relating to support for nursing-related postsecondary education, including scholarships to nursing students, loan repayment assistance to nurses and nursing faculty, and grants to nursing education programs.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board is modified in SECTION 3 (Section 61.656, Education Code) of this bill.

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 5 (Section 61.9647, Education Code) and SECTION 7 (Section 61.9823, Education Code) of this bill.

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board is rescinded in SECTION 9 (Section 61.656, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 61.651(1), Education Code, to redefine "professional nursing student."

SECTION 2. Amends Section 61.655, Education Code, as follows:

Sec. 61.655. PURPOSE; ELIGIBILITY. (a) Requires that a scholarship program or loan repayment program, rather than a scholarship program, matching fund program, or loan repayment program, established under Subchapter L (Financial Aid for Professional Nursing Students and Vocational Nursing Students and Loan Repayment Program for Certain Nurses) be established and administered in a manner that the Texas Higher Education Coordinating Board (THECB) determines best promotes the health care and educational needs of this state.

(b) Authorizes THECB to establish multiple categories of persons to receive scholarships and loan repayments, rather than to receive scholarships, matching funds, and loan repayments.

(c) Requires THECB, each year funds are available, to establish the categories of persons eligible to receive scholarships and loan repayments and the criteria for selecting persons to be assisted under each category. Provides that the criteria:

(1) are required to include that the person be enrolled in, or have outstanding student loans for education received at, as applicable to the program:

(A) an institution of higher education;

(B) a private or independent institution of higher education; or

(C) a nonprofit college or university described by Section 61.651(1)(C) (relating to defining "professional nursing student"); and

(2) creates this subdivision from existing text and makes nonsubstantive changes.

Makes a conforming change.

SECTION 3. Amends Section 61.656, Education Code, by amending Subsection (d) and adding Subsection (e), as follows:

(d) Makes a conforming change to this subsection.

(e) Requires that the rules adopted under Section 61.656 (Rules) provide that not more than 10 percent of the total amount of scholarships or repayment assistance awarded under a program established under this subchapter in a year is authorized to be awarded to persons enrolled in, or for the repayment of student loans for education received at, as applicable to the program, a nonprofit college or university described by Section 61.651(1)(C).

SECTION 4. Amends Section 61.658(b), Education Code, to make a conforming change.

SECTION 5. Amends Chapter 61, Education Code, by adding Subchapter Z-1, as follows:

**SUBCHAPTER Z-1. GRANT PROGRAMS SUPPORTING NURSING EDUCATION AND TRAINING**

Sec. 61.9641. DEFINITIONS. Defines "clinical site" and "nursing advisory committee."

Sec. 61.9642. CLINICAL SITE NURSE PRECEPTOR GRANT PROGRAM. (a) Requires THECB, in consultation with the nursing advisory committee, to establish and administer a program to award grants to eligible clinical sites to support the use of nurse preceptors in providing clinical training to nursing students.

(b) Requires a clinical site, to be eligible for a grant under this section, to:

(1) provide clinical training to nursing students through the use of one or more nurse preceptors;

(2) comply with any clinical site requirements established by THECB; and

(3) comply with any other requirements adopted by THECB rule.

Sec. 61.9643. CLINICAL SITE INNOVATION AND COORDINATION PROGRAM. Requires THECB to establish and administer a program to award grants to eligible clinical sites that create and operate innovative pilot programs that will support nursing performed at clinical sites in this state by increasing the number of nurses, improving the working environment for nurses, improving the retention of nurses, addressing workplace safety, and coordinating with other clinical sites any solutions found to address common nursing concerns.

Sec. 61.9644. NURSING FACULTY GRANT PROGRAM: PART-TIME POSITIONS. (a) Requires THECB to award grants under a nursing faculty grant program to eligible institutions of higher education to provide funding for qualified nursing staff working at clinical sites who serve as part-time nursing faculty at those institutions.

(b) Requires that the amount of a grant and the number of grants to be awarded be based on the total number of nursing staff serving as part-time faculty in institutions of higher education throughout the state in the year for which the grant is awarded.

(c) Requires that a grant received under this section be expended to support the applicable nursing faculty positions, including the faculty stipend.

(d) Requires an institution of higher education to certify in the grant application the number of unfilled faculty positions to which the application applies and, after a grant is awarded, to certify which of those positions have been filled before receipt of the grant funds.

(e) Requires THECB to prescribe the dates for the submission of applications and the award of grants under this section to ensure that a grant recipient has sufficient time to prepare for receipt and effective use of the grant funds before the academic period for which the grant is awarded.

(f) Provides that grant amounts are awarded under this section for two consecutive state fiscal years. Authorizes THECB to distribute a grant amount for nursing faculty only on receiving the certification from the institution of higher education that the applicable nurse faculty position has been filled. Requires THECB, for each first-year nursing faculty position for which a clinical site receives an initial grant amount in a state fiscal year, to make available an equal grant amount for

the subsequent state fiscal year contingent on filling the part-time nursing faculty positions funded by the grant in that second year.

**Sec. 61.9645. NURSING FACULTY GRANT PROGRAM: CLINICAL TRAINING.**

(a) Requires THECB to award grants under a nursing faculty grant program to eligible clinical sites to provide funding for qualified nursing faculty of institutions of higher education who seek to obtain additional clinical training by working part-time at a clinical site.

(b) Requires that the amount of a grant and the number of grants to be awarded be based on the total number of nursing faculty in institutions of higher education throughout the state in the year for which the grant is awarded.

**Sec. 61.9646. FUNDS.** (a) Requires THECB, in consultation with the nursing advisory committee, to allocate funds appropriated for purposes of this subchapter and any other funds received as described by Subsection (b) as THECB considers appropriate to further the purposes of this subchapter.

(b) Authorizes THECB, in addition to money appropriated by the legislature, to solicit, accept, and spend gifts, grants, and donations from any public or private source for the purposes of the grant programs established under this subchapter.

**Sec. 61.9647. RULES.** Requires THECB, in consultation with the nursing advisory committee, to adopt rules for the administration of the grant programs established under this subchapter. Requires that the rules include:

(1) administrative provisions relating to the awarding of grants under this subchapter, such as:

- (A) eligibility criteria for clinical sites or institutions of higher education, as applicable;
- (B) grant application procedures;
- (C) guidelines relating to grant amounts;
- (D) procedures for evaluating grant applications; and
- (E) procedures for monitoring the use of grants; and

(2) methods for tracking the effectiveness of grants that:

- (A) use data reasonably available to THECB or the Texas Center for Nursing Workforce Studies; and
- (B) evaluate transferability and scalability of innovation programs.

**SECTION 6.** Amends Section 61.9822, Education Code, as follows:

**Sec. 61.9822. ELIGIBILITY.** Requires a nurse, to be eligible to receive loan repayment assistance under Subchapter JJ (Nursing Faculty Loan Repayment Assistance Program), to:

(1) makes no changes to this subdivision;

(2) at the time of application for repayment assistance, have been employed part-time or full-time for at least one year as, and be currently employed part-time or full-time as, a faculty member of a nursing degree program at an institution of higher education or a private or independent institution of higher education; and

(3) makes no changes to this subdivision.

SECTION 7. Amends Sections 61.9823(a) and (b), Education Code, as follows:

(a) Authorizes a nurse, on qualifying for loan repayment assistance under this subchapter, to receive repayment assistance for each year of part-time or full-time employment as a faculty member of a nursing degree program at an institution of higher education or private or independent institution of higher education, not to exceed five years.

(b) Requires THECB by rule to determine the maximum amount of loan repayment assistance received by a nurse under this subchapter in any one year. Requires THECB to base the amount of loan repayment assistance received by a nurse for part-time employment on the proportion of the number of hours worked by the nurse to the number of hours worked by a full-time nurse. Deletes existing text prohibiting the amount of loan repayment assistance received by a nurse under this subchapter from exceeding \$7,000 in any one year.

SECTION 8. Amends Sections 63.202(f) and (g), Education Code, as follows:

(f) Requires that grants awarded under Subsection (c) (relating to authorizing the investment returns of the permanent fund for higher education nursing, allied health, and other health-related programs (fund) to be appropriated to THECB for certain purposes) for the state fiscal biennium ending on August 31, 2025, rather than 2021, notwithstanding the limitation provided by Subsection (b) (relating to prohibiting the fund from being used for certain purposes), and the fiscal biennium ending on August 31, 2027, rather than 2023, by THECB be awarded to programs preparing students for initial licensure as registered nurses or programs preparing qualified faculty members with a master's or doctoral degree for the program, including programs at two-year institutions of higher education, four-year general academic teaching institutions, health science centers, and independent or private institutions of higher education, or to the nursing resource section established under Section 105.002(b) (relating to establishing a nursing resource section within the Health Professionals Resource Center for certain research purposes), Health and Safety Code.

(g) Provides that Subsection (f) and this subsection expire September 1, 2027, rather than 2023.

SECTION 9. Repealer: Section 61.653 (Matching Fund Program), Education Code.

Repealer: Section 61.657 (Advisory Committees), Education Code.

Repealer: Section 61.656(c) (relating to the requirement that THECB adopt certain rules relating to the establishment and administration of the matching fund program), Education Code.

SECTION 10. (a) Requires THECB, as soon as practicable after the effective date of this Act, to adopt rules necessary to administer the changes in law made by this Act.

(b) Provides that Section 61.655, Education Code, as amended by this Act, applies beginning with scholarships and loan repayment assistance awarded under a program established under Subchapter L, Chapter 61, Education Code, for the 2024–2025 academic year. Provides that scholarships and loan repayment assistance awarded under a program established under Subchapter L, Chapter 61, Education Code, for an academic year before the 2024–2025 academic year are governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

(c) Requires THECB, as soon as practicable after the effective date of this Act, to adopt rules for the implementation and administration of the grant programs required by

Subchapter Z-1, Chapter 61, Education Code, as added by this Act. Authorizes the board to adopt the initial rules in the manner provided by law for emergency rules.

(d) Requires THECB, not later than September 1, 2023, to establish the grant programs required by Subchapter Z-1, Chapter 61, Education Code, as added by this Act, and to begin to award grants under those programs not later than January 1, 2024.

(e) Provides that the changes in law made by this Act to Subchapter JJ, Chapter 61, Education Code, apply beginning with loan repayment assistance awarded under that subchapter for the 2024–2025 academic year. Provides that loan repayment assistance awarded under Subchapter JJ, Chapter 61, Education Code, for an academic year before the 2024–2025 academic year is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 11. Effective date: upon passage or September 1, 2023.