

BILL ANALYSIS

C.S.S.B. 25
By: Kolkhorst
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

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 at the Department of State Health Services estimates that the supply of registered nurses is projected to grow by 30.5 percent between 2018 and 2032, while demand grows by 38.8 percent. 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. C.S.S.B. 25 seeks to establish grant programs supporting nursing education and training and allow part-time nursing faculty to be eligible for loan repayment assistance. Among other provisions, the bill changes the cap on the repayment from \$7,000 annually to a figure to be determined by rule by the Texas Higher Education Coordinating Board and extends the NIGP until 2027. The goal of this legislation is to dedicate more funds directly to scholarships for nursing students.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTIONS 5, 7, and 10 of this bill.

ANALYSIS

C.S.S.B. 25 amends the Education Code to revise and set out provisions 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.

Financial Aid for Professional Nursing Students and Vocational Nursing Students and Loan Repayment Program for Certain Nurses

C.S.S.B. 25, for purposes of a person's eligibility to receive assistance under the financial aid program for professional nursing students and vocational nursing students and the loan repayment program for certain nurses, changes the definition of a "professional nursing student," which is currently defined as a student enrolled either in a public institution of higher education or in a private or independent institution of higher education in a course of study leading to an initial or an advanced degree in professional nursing. The bill instead defines such a student as

a student enrolled either in a public institution of higher education or a nonprofit, tax-exempt, regionally accredited college or university operating in accordance with a memorandum of understanding with the state under an executive order issued by the governor in a course of study leading to an initial or an advanced degree in professional nursing.

C.S.S.B. 25 requires the eligibility criteria for the receipt of scholarships and loan repayments under the financial aid program for professional nursing students and vocation nursing students and loan repayment program for certain nurses to include that the person be enrolled in, or have outstanding student loans for education received at, as applicable to the program, a public institution of higher education or a nonprofit, tax-exempt, regionally accredited college or university operating in accordance with a memorandum of understanding with the state under an executive order issued by the governor in a course of study leading to an initial or an advanced degree in professional nursing. This provision regarding eligibility criteria applies beginning with scholarships and loan repayment assistance awarded for the 2024-2025 academic year. Scholarships and loan repayment assistance awarded for an academic year before the 2024-2025 academic year are governed by the law in effect immediately before the bill's effective date, and the former law is continued in effect for that purpose.

C.S.S.B. 25 requires the rules adopted by the Texas Higher Education Coordinating Board (THECB) relating to the financial aid program for professional nursing students and vocational nursing students and loan repayment program for certain nurses to provide that not more than 10 percent of the total amount of scholarships or repayment assistance awarded under a program in a year may be awarded to persons enrolled in, or for the repayment of student loans for education received at, as applicable to the program, a nonprofit, tax-exempt, regionally accredited college or university operating in accordance with a memorandum of understanding with the state under an executive order issued by the governor in a course of study leading to an initial or an advanced degree in professional nursing.

Matching Grant Program Eliminated; Advisory Committees Eliminated

C.S.S.B. 25 repeals the provision requiring the THECB to establish and administer a matching fund program under which a person may sponsor a professional nursing student or a vocational nursing student by contributing to the costs of the student's education and having that contribution matched in whole or in part by state funds appropriated for that purpose. The bill updates current law to remove references to the program and additionally repeals the provision requiring the THECB to adopt rules relating to the establishment and administration of the matching fund program.

C.S.S.B. 25 repeals the provisions requiring the THECB to appoint the following advisory committees:

- a 10-member advisory committee to advise the THECB concerning assistance provided to professional nursing students; and
- an eight-member advisory committee to advise the THECB concerning assistance provided to vocational nursing students.

Grant Programs Supporting Nursing Education and Training

C.S.S.B. 25 requires the THECB, in consultation with the nursing advisory committee and not later than September 1, 2023, 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. The bill requires a clinical site, for purposes of being eligible for a grant, to provide clinical training to nursing students through the use of one or more nurse preceptors, comply with any clinical site requirements established by the THECB, and comply with any other requirements adopted by THECB rule.

C.S.S.B. 25 requires the 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 Texas 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. The bill defines "clinical site" as an acute care or rehabilitation facility, a primary care setting, a long-term care facility, a nursing home, a residential care setting, or any other site identified by the THECB as providing clinical learning experiences for nursing students.

C.S.S.B. 25 requires the 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. The amount of a grant and the number of grants to be awarded must be based on the total number of nursing staff serving as part-time faculty in institutions of higher education throughout Texas in the year for which the grant is awarded. The bill requires a received grant to be expended to support the applicable nursing faculty positions, including the faculty stipend.

C.S.S.B. 25 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. The bill requires the THECB to prescribe the dates for the submission of applications and the award of grants 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.

C.S.S.B. 25 establishes that grant amounts are awarded for two consecutive state fiscal years and authorizes the 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. For each first-year nursing faculty position for which a clinical site receives an initial grant amount in a state fiscal year, the THECB must 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.

C.S.S.B. 25 requires the 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. The amount of a grant and the number of grants to be awarded must be based on the total number of nursing faculty in institutions of higher education throughout Texas in the year for which the grant is awarded.

C.S.S.B. 25 requires the THECB, in consultation with the nursing advisory committee, to allocate funds appropriated for purposes of the grant programs and any other received funds as the THECB considers appropriate to further the purposes of the programs. The bill authorizes the 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 programs.

C.S.S.B. 25 requires the THECB to begin to award grants under those programs not later than January 1, 2024. The bill requires the THECB, in consultation with the nursing advisory committee, to adopt rules for the implementation and administration of the programs as soon as practicable after the bill's effective date. The rules must include the following components:

- administrative provisions relating to the awarding of the grants, such as:
 - eligibility criteria for clinical sites or institutions of higher education, as applicable;
 - grant application procedures;
 - guidelines relating to grant amounts;
 - procedures for evaluating grant applications; and
 - procedures for monitoring the use of grants; and

- methods for tracking the effectiveness of grants that:
 - use data reasonably available to the THECB or the Texas Center for Nursing Workforce Studies; and
 - evaluate transferability and scalability of innovation programs.

The bill authorizes the THECB to adopt the initial rules in the manner provided by law for emergency rules.

Nursing Faculty Loan Repayment Assistance Program

C.S.S.B. 25, with respect to the nursing faculty loan repayment assistance program, changes the eligibility requirement for receiving loan repayment assistance under the program that, as a condition of eligibility under current law, requires a nurse to, at the time of application for repayment assistance, have been employed full-time for at least one year as, and be currently employed full-time as, a faculty member of a nursing degree program at a public, private, or independent institution of higher education. The bill makes nurses who have been so employed part-time also eligible for loan repayment assistance and clarifies that, on qualifying for the assistance, a nurse may receive repayment assistance for each year of such part-time employment as a faculty member, not to exceed five years.

C.S.S.B. 25 removes the provision setting a \$7,000 cap on the amount of loan repayment assistance received by a nurse under the nursing faculty loan repayment assistance program in any one year and replaces it with a requirement for the THECB by rule to determine the maximum amount of loan repayment assistance received by a nurse in any one year. The bill requires the 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.

C.S.S.B. 25, with respect to the nursing faculty loan repayment assistance program, applies beginning with loan repayment assistance awarded under the program for the 2024-2025 academic year. Loan repayment assistance awarded for an academic year before the 2024-2025 academic year is governed by the law in effect immediately before the bill's effective date, and the former law is continued in effect for that purpose.

Grants From Permanent Fund for Higher Education Nursing, Allied Health, and Other Health-Related Programs

C.S.S.B. 25 postpones from September 1, 2023, to September 1, 2027, the expiration date of the statutory provision specifying that the grants awarded for the 2020-2021 state fiscal biennium and for the 2022-2023 state fiscal biennium by the THECB from the permanent fund for higher education nursing, allied health, and other health-related programs must be awarded to the following:

- 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
- the nursing resource section of the comprehensive health professions resource center established under the Health and Safety Code for the collection and analysis of educational and employment trends for health professions in Texas.

The bill, in postponing the expiration of this provision and updating it, does the following:

- makes this requirement applicable to the 2024-2025 state fiscal biennium and the 2026-2027 state fiscal biennium; and
- retains the related temporary provision in current law that authorizes the THECB, in awarding grants for the applicable biennium, to do the following:

- give priority to institutions proposing to address the shortage of registered nurses by promoting innovation in education, recruitment, and retention of nursing students and qualified faculty;
- award grants on a competitive basis;
- consider the availability of matching funds; and
- fund a study by the nursing resource section to evaluate the competencies of clinical judgment and behaviors that professional nursing students should possess at the time of graduation.

Rulemaking

C.S.S.B. 25 requires the THECB, as soon as practicable after the bill's effective date, to adopt rules necessary to administer the bill's provisions.

Repealed Provisions

C.S.S.B. 25 repeals the following provisions of the Education Code:

- Sections 61.653 and 61.657; and
- Section 61.656(c).

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 25 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute includes the following provisions that were not in the engrossed:

- a provision defining "clinical site" as an acute care or rehabilitation facility, a primary care setting, a long-term care facility, a nursing home, a residential care setting, or any other site identified by the THECB as providing clinical learning experiences for nursing students;
- requirements for the THECB to establish and administer a clinical site nurse preceptor grant program;
- requirements for the THECB to establish and administer a clinical site innovation and coordination program;
- provisions relating to the THECB awarding grants under a nursing faculty grant program to eligible institutions of higher education to provide funding for part-time nursing faculty;
- provisions relating to the THECB awarding grants for clinical training under a nursing faculty grant program;
- provisions relating to the allocation of funds by the THECB for the grant programs supporting nursing education and training;
- a requirement for the THECB to adopt rules with respect to the grant programs;
- requirements for the THECB to adopt rules for the implementation and administration of the grant programs as soon as practicable after the bill's effective date, to establish the grant programs not later than September 1, 2023, and to begin to award grants under those programs not later than January 1, 2024; and
- an authorization for the THECB to adopt the initial rules for the grant programs in the manner provided by law for emergency rules.