

## **BILL ANALYSIS**

Senate Research Center

H.B. 4471  
By: Kolkhorst et al. (Nelson)  
Higher Education  
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Engrossed

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

According to the Department of State Health Services, Texas is currently suffering a shortage of roughly 22,000 registered nurses. That shortage is likely to continue to grow just as the state's rapidly increasing population begins to age and require more acute care, and as older nurses retire or reduce their work hours.

The Texas Legislature and nursing schools have responded. In 2007, Texas nursing schools dramatically increased the number of new registered nurses graduating; however, this increase is far below the numbers needed to close the supply-and-demand gap.

Furthermore, in 2008, Texas nursing schools turned away 8,000 qualified applicants, while Texas hospitals have an average statewide vacancy rate of just over 10 percent for registered nurses. The problem is the small number of faculty willing to teach for the prevailing salaries.

H.B. 4471 amends current law relating to the professional nursing shortage reduction program.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 3 (Sections 61.96232 and 61.96233, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 61.9621, Education Code, as follows:

Sec. 61.9621. DEFINITIONS. Redefines "professional nursing program."

SECTION 2. Amends Section 61.9623(a), Education Code, to require that 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 be contingent on the professional nursing program's having been approved as a professional nursing program by the Texas Higher Education Coordinating Board (THECB) or the Texas Board of Nursing, as appropriate, rather than by September 1, 2001.

SECTION 3. Amends Subchapter Z, Chapter 61, Education Code, by adding Sections 61.96232, 61.96233, and 61.9629, as follows:

Sec. 61.96232. MEMORANDUM OF UNDERSTANDING TO INCREASE GRADUATES. (a) Requires the commissioner of higher education (commissioner), contingent upon the appropriation of funds and in accordance with the process established under Subsection (b), to enter into a memorandum of understanding with the governing institution, or its board, of a professional nursing program with respect to the distribution of funds to the nursing program based on the program's graduating additional students prepared for initial licensure as registered nurses.

(b) Requires THECB, by rule, to establish a process by which the commissioner may enter into a memorandum of understanding with an institution, or its board, under this section. Authorizes the process to authorize the commissioner to enter into a single memorandum of understanding with multiple institutions desiring to

cooperate on a regional or joint basis to graduate additional students prepared for initial licensure as registered nurses.

(c) Requires that the memorandum of understanding between the commissioner and an institution, or its board, set out the terms relating to any funds distributed to the professional nursing program. Requires that the memorandum of understanding state the number of additional students prepared for initial licensure as registered nurses the professional nursing program will graduate and identify benchmarks for determining progress toward graduating those additional students.

(d) Requires an institution to expend any funds received under this section on its professional nursing program, including expending the funds for any of the purposes set out in Section 61.9623.

(e) Authorizes the commissioner, if a professional nursing program fails to graduate the additional students as agreed or does not meet a benchmark used to determine progress toward graduating the additional students as agreed, to require the institution to return any unspent funds received by the institution under this section; withhold any future payments required by the memorandum of understanding; renegotiate the memorandum of understanding; or cancel the memorandum of understanding.

(f) Authorizes THECB to appoint an advisory committee to advise the commissioner and THECB on implementation of this section. Authorizes THECB to assign the committee the responsibility of evaluating and making recommendations to the commissioner as to the institutions with which to enter into memoranda of understanding under this section.

Sec. 61.96233. NEW PROFESSIONAL NURSING PROGRAMS. Requires THECB, by rule, to establish a process for permitting newly established professional nursing programs to participate in and receive funds under programs established under this subchapter in an equitable manner, including establishing a base for calculating increases in enrollment or graduates if a program distributes funds on such basis.

Sec. 61.9629. CONTINUED ELIGIBILITY OF PROGRAMS TO RECEIVE FUNDS. Provides that a professional nursing program operated by an entity other than an institution of higher education, including a public or independent institution of higher education, that was eligible to receive funds prior to September 1, 2009, from any program established under this subchapter will continue to be eligible to receive funds from any program established under this subchapter if it meets all criteria for participation other than being a program of an institution of higher education, including a public or independent institution of higher education.

SECTION 4. Effective date: upon passage or September 1, 2009.