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**ADDRESSING NEVADA'S NURSING SHORTAGE:  
A LEGISLATIVE INITIATIVE TO INCREASE  
NURSING SCHOOL ENROLLMENT**

**Nursing Initiative  
University and Community College System of Nevada  
2003-2005 Biennium**



**Assembly Leadership  
April 2003**

**ADDRESSING NEVADA'S NURSING SHORTAGE:  
A LEGISLATIVE INITIATIVE TO INCREASE  
NURSING SCHOOL ENROLLMENT**

Presented by

Assemblyman Richard D. Perkins, Speaker of the Assembly  
Assemblywoman Barbara E. Buckley, Majority Floor Leader  
Assemblyman Morse Arberry Jr., Chairman, Committee on Ways and Means  
Assemblywoman Ellen M. Koivisto, Chairwoman, Committee on Health and Human Services

April 10, 2003

**Summary**

As a result of meetings initiated by the Assembly leadership and including representatives of Nevada's hospitals and nurses, the Chancellor of the University and Community College System of Nevada (UCCSN) has developed a proposal as the first step in addressing Nevada's nursing shortage crisis. This proposal seeks to increase the enrollment of students in UCCSN nursing programs by 640 additional students over the course of the next biennium—356 additional students in Fiscal Year (FY) 2003-2004 and another 284 students in FY 2004-2005. Nursing program enrollment would increase from 686 students in FY 2003 to 1,326 students in FY 2005. The cost of this proposal is \$2.3 million in FY 2004 and \$3.7 million in FY 2005.

**Introduction**

Official reports of a shortage of nurses have been around for more than 60 years. In 1943, the Federal Government undertook a major nursing initiative with the Cadet Nurse Corps. Once again, in 1970, the Federal Government established the National Health Service Corps to ensure that services were provided in underserved areas of the country.

In Nevada, one of the state's earlier efforts to address this issue occurred in 1989. At that time, the Nevada Legislature enacted *Nevada Revised Statutes* 396.890, which allowed the Board of Regents to establish a loan program for nursing students.

Since then, two primary drivers of the nursing shortage continue to pose a problem for the state in increasing the number of nurses that are available to work in hospital and nursing home settings. First, it is likely that the state's rapidly growing population is a major contributor to the shortage. A March 2000 study by a bureau of the United States Department of Health and Human Services ranked Nevada 51<sup>st</sup> in the nation, including the District of Columbia, in terms of its nurse-to-population ratio, with 520 nurses per 100,000 in population. The national average is 782 nurses per 100,000 in population.

Representatives of Nevada's hospital industry stress that Nevada needs almost 800 additional registered nurses (R.N.s) each year to meet the needs of the state's growing population. Currently, Nevada's nursing schools only produce around 300 R.N.s per year.

Additionally, in 1997, the State Board of Nursing reported that a study conducted by individuals at Harvard University revealed that the majority of nurses in the U.S. were born in the 1940s, the "baby boomer" generation. The study reported that subsequent generations would not generate sufficient numbers to replace these nurses as they retired. The board essentially served notice that this phenomenon would result in a critical shortage of nurses within a 15- to 20-year period.

Most recently, the 2001 Nevada Legislature adopted Assembly Bill 378 (Chapter 580, *Statutes of Nevada 2001*) requiring the University and Community College System of Nevada to prepare a plan to double its capacity to train nurses in the state. The bill also established a loan program for nursing students who are enrolled in a college of the UCCSN. At a November 26, 2001, meeting, the Interim Finance Committee approved the UCCSN's policy and procedures for the loan program and distributed \$95,819 to the UCCSN to fund it. All of that money, with the exception of approximately \$218 was allocated to nursing students.

The other major portion of A.B. 378 required the UCCSN to put together a plan to increase nursing capacity, and to present it to the 2003 Legislature for consideration. The total cost for doubling the capacity of the UCCSN to train nurses was estimated at over \$12.1 million in the next biennium and a total of nearly \$27 million over the next two biennia.

#### Assembly Leadership Initiative for Action by 2003 Legislature

At the beginning of the 2003 Legislative Session, the Assembly Speaker and the Assembly Majority Floor Leader initiated a series of informal meetings to discuss options to address the nursing shortage crisis. The Chairman of the Assembly Committee on Ways and Means and the Chairwoman of the Assembly Committee on Health and Human Services are active partners in this leadership initiative.

This Assembly leadership group invited key representatives of the UCCSN, Nevada Hospital Association (NHA), State Board of Nursing, and various health care providers to participate in meetings to reach consensus on a practical solution to Nevada's nursing shortage. The Assembly Fiscal Analyst and staff from the Research Division of the Legislative Counsel Bureau also participated in these meetings.

Speaker Perkins made it clear from the first meeting that the additional \$12 million requested by UCCSN in the next biennium to double the capacity of its nursing programs (plan required pursuant to Assembly Bill 378) is not available because of Nevada's current budget situation. The Assembly Majority Leader expressed the need to move forward to address the nursing shortage and progress toward the goal of doubling the number of nursing school graduates in the next biennium.

After considerable discussion of some of the causes of the nursing shortage, the Chancellor revealed that UCCSN is the "bottleneck" in solving the crisis because it lacks the resources to educate the additional students waiting to be admitted to the system's nursing programs. The NHA revealed that it provides funding for nursing scholarships, direct cost overhead support to UCCSN nursing training, and clinical rotation sites for nursing students.

The Assembly leadership reviewed various policy and funding options before requesting the Chancellor to develop a proposal to increase the nursing student enrollment within a reasonable cost (significantly less than the \$12 million plan under A.B. 378), and asked the NHA to increase its financial support of the UCCSN nursing programs. As a result of these requests, the Chancellor developed the attached proposal, **"Nursing Initiative, University and Community College System of Nevada, 2003-2005 Biennium."** This initiative is designed to double nursing student enrollment during the next biennium. The proposal assumes NHA providing assistance in purchasing laboratory equipment and continued NHA support for existing nursing school programs, particularly nursing scholarships and clinical rotations in the hospitals.

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**Nursing Initiative  
University and Community College System of Nevada  
2003-05 Biennium**

The nursing initiative is designed to double nursing enrollment at UCCSN over the 2003-05 biennium. Nursing enrollments are projected to increase from 686 students in FY 2003 to 1,326 students in FY 2005. The following assumptions were made in developing the plan:

1. UCCSN is funded at levels recommended in The Executive Budget (86% of the formula).
2. No costs for faculty above the amounts recommended in The Executive Budget would be required for UNLV, UNR, CCSN or TMCC. Additional faculty and other costs would be financed through formula funds approved for the 2003-05 biennium (additional funding would be provided for summer sessions).
3. At GBC, WNCC and NSC faculty and other costs would be financed with non-formula funds over and above amounts recommended in The Executive Budget.
4. State funding for summer school would be approved beginning in the summer of 2004. UCCSN would retain all summer session student fees for the summer of 2004 and 2005. Summer session nursing enrollments would be included in FTE enrollments utilized for funding purposes starting with the 2005-07 biennium.
5. A Revolving Nursing Loan Fund would be established to provide essential financial aid incentives to qualified nursing students. A total of \$150,000 would be provided in each year of the 2003-05 biennium.
6. Of the \$556,710 in equipment needed to increase nursing enrollment, the Nevada Hospital Association would provide up to approximately \$360,000 in equipment identified by UCCSN.

**Projected Costs and Resources Identified to Support the Nursing Initiative**

The total cost of the nursing initiative is estimated at \$2.3 million in FY 2003-04 and \$3.7 million in FY 2004-05. These costs are recommended to be financed from three sources:

1. UCCSN formula funds based on the assumption that UCCSN is funded at levels recommended in The Executive Budget;
2. Student fees generated from the additional nursing students; and
3. Savings generated from reduced workers' compensation rates due to reserve levels that are currently higher than actuarially required.

<u>Projected Expenses</u>	<u>FY 2004</u>	<u>FY 2005</u>
Additional costs identified	\$2,331,046	\$3,702,990
 <u>Resources Identified</u>		
UCCSN formula funds	\$1,226,258	\$2,190,452
Additional student fees	485,580	887,400
Reduce Workers Comp rate	<u>662,000</u>	<u>704,000</u>
Total funding sources	\$2,373,848	\$3,781,852
 Resources over/-under expenses	 \$ 42,802	 \$ 78,862