

Professional Nursing Shortage Reduction Program (NSRP)

**A Report to the Texas Legislature,
Per General Appropriations Act, Senate Bill 1,
Article III, Section 27, 87th Legislature**

October 2022

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Texas Higher Education Coordinating Board



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The mission of the Texas Higher Education Coordinating Board (THECB) is to serve as a resource, partner, and advocate for Texas higher education, resulting in a globally competitive workforce that positions Texas as an international leader.

Agency Vision

The THECB will be recognized as an international leader in developing and implementing innovative higher education policy to accomplish our mission.

Agency Philosophy

The THECB will promote access to and success in quality higher education across the state with the conviction that access and success without quality is mediocrity and that quality without access and success is unacceptable.

The THECB's core values are:

Accountability: We hold ourselves responsible for our actions and welcome every opportunity to educate stakeholders about our policies, decisions, and aspirations.

Efficiency: We accomplish our work using resources in the most effective manner.

Collaboration: We develop partnerships that result in student success and a highly qualified, globally competent workforce.

Excellence: We strive for excellence in all our endeavors.

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Executive Summary

The Nursing Shortage Reduction Program (NSRP) was first authorized by the 77th Texas Legislature in 2001, which found that, “Texas is experiencing a significant shortage in the registered nurses it needs,” and that, “it is necessary to increase the number of registered nurses in the state to protect the health, safety and welfare of the public.” NSRP provides grants to nursing education programs at Texas public and private nonprofit institutions of higher education to increase the number of licensed nurses through investments in enrolling, retaining, and graduating nurses.

The General Appropriations Act¹ requires the Texas Higher Education Coordinating Board (THECB) to confer with higher education nursing programs and the Texas Nurses Association (TNA) on how metrics relating to the quality of nursing programs should be incorporated into the Nursing Shortage Reduction Program and any recommendations for weighting of different types of nursing degrees awarded. The act directed that not later than November 1, 2022, the THECB shall submit recommendations to each legislative standing committee with primary jurisdiction. This report satisfies that legislative directive.

The THECB conferred with higher education nursing programs and conducted a survey to collect data regarding weighted metrics. In addition, the THECB received recommendations from TNA on the weighted metrics.

Findings

While reviewing the survey responses, the THECB staff observed that a majority of institutions would prefer to have metrics related to program quality incorporated into the NSRP allotment formula. The proposed quality metrics included:

- retention rates, which indicate how well a program does at keeping students;
- graduation rates, which show how successful students are in completing the program;
- certification pass rates, which indicate how successful students are in obtaining state licensure after graduation; and/or
- job placement rates, which show how many licensed graduates obtain employment as nurses.

In addition to quality metrics, institutions also shared that prelicensure programs, meaning Associate Degree Nursing (ADN) and Bachelor of Science in Nursing (BSN) programs, should receive additional weight. These are the two undergraduate programs that put newly licensed nurses into the workforce.

¹ General Appropriations Act, Senate Bill 1, Article III, Section 27, 87th Texas Legislature

Introduction

The Nursing Shortage Reduction Program (NSRP) was first authorized by the 77th Texas Legislature in 2001. The authorizing legislation, Senate Bill (SB) 572, found that, “Texas is experiencing a significant shortage in the registered nurses it needs,” and that, “it is necessary to increase the number of registered nurses in the state to protect the health, safety and welfare of the public.”

Nurses are often the first person patients see, and during a hospital stay, they provide most bedside care. They are on the front lines during natural disasters and pandemics, such as COVID-19, making sacrifices to serve the citizens of the state. According to the nurse supply and demand projections published by the Texas Center for Nursing Workforce Studies in 2020, Texas will have a deficit of 57,012 registered nurses (RNs) in 2032.²

NSRP was established to provide grants to nursing education programs at Texas public and private institutions of higher education (IHEs). According to statute, the grants are intended to increase the number of initial licensure nurses through investments in enrolling, retaining, and graduating nurses. IHEs have discretion in how they spend the funds if the funds contribute to program goals and fall under the allowable expenditures in statute.

Currently, awards are based upon each qualifying IHE’s increase in graduates as a percentage share of the total increased number of graduates reported by qualifying IHEs.

Nursing Workgroup

In 2019, the Texas Higher Education Coordinating Board (THECB) appointed a 24-member workgroup to review data, identify challenges, and develop recommendations related to NSRP. The workgroup met six times from October 2019 to October 2020; three meetings were held in person and three were held online.

The workgroup members included an equitable representation of IHEs eligible to participate in the program, the Texas Nurses Association, the Texas Board of Nursing, the Department of State Health Services Center for Nursing Workforce Studies, and other stakeholders. The workgroup included two ad-hoc members from the THECB staff. Each IHE in Texas eligible to participate in the NSRP had an opportunity to nominate an individual to the workgroup. Tasks assigned to the workgroup included advising the board of the THECB, providing THECB staff with feedback about processes and procedures, and addressing any other issues related to the NSRP Rider Study as determined by the THECB.

The workgroup identified challenges of the program that may reduce its effectiveness in addressing the nursing shortages. Below are some of the concerns expressed by workgroup members:

- The program is very complex. It is difficult for IHEs to understand and administer the program, and it is difficult for the THECB to effectively administer the program.

² Texas Center for Nursing Workforce Studies. (July 2020). *Updated Nurse Supply and Demand Projections*. Texas Department of State Health Services. <https://www.dshs.texas.gov/chs/cnws/WorkforceReports/2020-Updated-Nurse-Supply-and-Demand-Projections.pdf>.

- It is hard for IHEs to budget the funds and to use them for hiring permanent faculty because the funding is not consistent and predictable, and the money is not distributed until after the start of the academic year.
- There are not enough qualified instructors to meet demand, likely due to large wage gaps between salaries for nursing instructors and wages commanded by nurses with graduate-level credentials working in medical settings; lack of nursing instructors results in qualified students being turned away.
- There are not enough clinical spaces and program facilities are insufficient.

The workgroup made two recommendations. The first was to redesign the program to make it easier to understand and simpler to administer, to provide more consistent and predictable funding, and to include one or more measures of quality. The second recommendation was to consider additional strategies for addressing the nursing shortage, such as prioritizing nursing instruction, prioritizing growth in initial licensure students, and prioritizing clinical site development including simulations.

Until 2022, NSRP had three parts: the “regular” program, the “Under 70” program (open only to nursing programs with a graduation rate of less than 70%), and the “Over 70” program (only open to nursing programs with a graduation rate of 70% or higher). The three-part design was often confusing to institutions. The regular program focused on increases in nursing graduates, and the other two parts addressed increases in student enrollment, numbers of graduates, and graduation rates.

In response to the workgroup recommendations, the 87th Legislature revised the program by collapsing the three distinct programs into one program focused solely on increases in nursing graduates year over year. The rider in the General Appropriations Act that defines the allocation of NSRP funding was also revised to clarify that increases in RN to BSN students are eligible to be counted in the program.

Additionally, the Legislature included a requirement for the THECB to continue to build upon the work that had been done to explore potential changes to the program pertaining to quality:

“...the Higher Education Coordinating Board shall consider if and how metrics relating to quality of nursing programs should be incorporated in the program and any recommendations for weighting of different types of nursing degrees awarded. The Coordinating Board shall confer with higher education nursing programs and the Texas Nurses Association in the developing of these weighted metrics. The Coordinating Board shall make any recommendations to the Legislature by November 1, 2022.”³

³ General Appropriations Act, SB 1, Article III, Section 27, 87th Texas Legislature

Current Criteria and Weighted Funding Formula

For IHEs to be eligible for a grant award under NSRP, they must be a public or private IHE that offers an initial RN licensure program.

Application Requirements

NSRP application requirements for eligible IHEs:

- Submit a fully completed, signed, and dated Professional Nursing Shortage Reduction Application/Agreement online form by December 1.
- Submit a fully completed, signed, and dated Chief Financial Officer (CFO) Statement of Support Form online.
- Submit your IHE’s nursing graduation data into the CBM reporting system on the THECB’s website on or before **December 1**. Private IHEs that may not normally report detailed CBM 009 data must report the required CIP nursing data on the CBM data submission system for both years to be considered for an award. IHEs that do not report to the CBM reporting system (diploma programs) should submit their nursing graduate counts on or before **December 1** directly to NSRP@highered.texas.gov.

“Nursing graduation data” means data for the current academic year for nursing graduates at all academic levels, excluding certificates, which lead to RN licensure or require RN licensure for degree program admission. The specific CIP codes used for this program are listed in the Criteria for Awards section below. Duplicated students and graduates with an Associate of Arts (AA) or Associate of Science (AS) are not counted in the graduation data. AA and AS students in nursing are not eligible for initial licensure.

Criteria for Awards

IHEs must meet the following criteria:

- Completion of applicable items listed in the Application Requirements section above
- A demonstrated increase in nursing/diploma graduates between each academic year
- Graduation in one of the following 2020 CIP codes:

Table 1. NSRP CIP Code Eligibility

	2020 CIP Codes
Registered Nursing/Registered Nurse	51.3801
Nursing Administration	51.3802
Nurse Anesthetist	51.3804
Nurse Practitioner	51.3805
Nurse Midwife/Nursing Midwifery	51.3807
Nursing Science (PhD)	51.3808
Public Health/Community Nurse/Nursing	51.3811
Clinical Nurse Specialist	51.3813
Nursing Education	51.3203

Nursing, Practice (DNP)	51.3818
Clinical Nurse Leader	51.3820
Diploma Programs	N/A

Current Weighted Funding Formula

Currently, only IHEs that have CIP codes 51.3808 (Nursing Science PhD) and 51.3203 (Nursing Education) are weighted for their nursing graduates. These graduates are weighted at 1.5 for purposes of calculating awards for the program. All other graduates are weighted at 1.0.

Funding is allocated based upon each qualifying IHE's increase in weighted graduates as a percentage share of the total increased number of weighted graduates reported by qualifying IHEs.

Methodology

Approach

The THECB identified 109 IHEs in Texas that offer nursing degree programs and their points of contact. The contacts included department chairs, coordinators, professors, and deans. The THECB sent out a survey to all the identified IHEs and, to promote the response rate, the surveys were conducted anonymously. The THECB used the survey to ask participants to respond to two questions regarding how metrics relating to the quality of nursing programs should be incorporated into the NSRP and any recommendations for weighting of different types of nursing degrees awarded. The survey is provided in [Appendix B](#).

Sample and Analyses

A total of 118 individuals participated in the survey. Additionally, feedback was solicited from the Texas Nurses Association (TNA).

The data analyses were based on the survey data and feedback. THECB staff looked for emerging themes across the data. Through this process, the THECB utilized participants' voices to understand the recommendations nursing programs have for weighting of different types of nursing degrees awarded in NSRP funds.

Limitations

Data collected from the survey cannot be generalized as the experiences of the people who participated may not necessarily be representative of the larger population of IHEs and stakeholders. Also, the number of participants in the survey is not comprehensive and cannot reflect the experiences and the opinions of the entire community.

Survey Outcomes

The outcomes discussed in this section are from the survey that was distributed to the IHEs:

1. Please answer the following question: Should quality metrics be incorporated into the NSRP program?
 - Yes: 83 (70%)
 - No: 35 (30%)

Over 70% of IHEs answered that quality metrics should be incorporated into the NSRP.

2. What recommendations do you have for weighting of different types of nursing degrees awarded in NSRP funds? (n=67)
 - Quality of the programs (student retention, job placement rates, graduation rates of minority student groups) (22)
 - Pass rates/certification (20)
 - Prelicensure (ADN, BSN) should be weighted more. (18)

- LVN/LPN programs should be weighted heavier in awarding funds to help reduce the workforce shortage quickly. These programs can be completed quicker than a RN degree and students can begin working while obtaining their RN license. (5)
- Weight programs equally. (3)
- Percentage of faculty and faculty administration/leadership that represent diversity
- Looking at the area of the state regarding nursing shortages reported should be included to assist colleges and universities providing nurses to those areas, such as Health Profession Shortage Areas and rural areas. (2)
- Increase funds to the NSRP Regular program with increasing graduation rates and program expansion. (2)
- Accreditation by recognized nursing accreditor (2)
- Community partnerships and relations
- Add an online RN-BSN or a new ADN when BSN is currently offered

The response for this question was left open-ended so IHEs could submit any idea they had related to this topic. Regarding recommendations for the weighting of different types of nursing degrees awards, most of the respondents expressed that weighting measures should be based on the quality of nursing programs and the pass rates for certification and licensure. In addition, some respondents expressed that prelicensure (ADN, BSN) should be weighted more.

TNA Recommendations

As required by SB 1, the THECB also solicited recommendations from the Texas Nurses Association. TNA recommends altering the program by implementing a weighted funding formula. This design would simplify the program and prioritizes the needs of the workforce based on the current shortage projections of the Texas Center for Nursing Workforce Studies. TNA's proposed language reads as follows:

Funds 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 students graduating. Nursing graduates include graduates for initial licensure, bachelor's completion (RN to BSN), and graduate nursing programs. The THECB shall apply a weight to the increased graduates as follows:

- 2.5 for prelicensure graduates of Bachelor of Science (BS) in Nursing programs
- 2.0 for graduates of Associate Degree in Nursing programs
- 1.5 for graduates of RN to BSN, Master of Science (MS) in Nursing Education and Doctor of Philosophy programs (CIP codes 51.3808 and 51.3817)
- .5 for Doctor of Nursing Practice and Advanced Practice Registered Nursing graduate degree programs
- 1.0 for all other nursing graduates

Appendix A: General Appropriations Act, Senate Bill 1, Article III, Section 27, 87th Texas Legislature

27. Professional Nursing Shortage Reduction Program. Appropriations for the Professional Nursing Shortage Reduction program total \$9,440,024 in fiscal year 2022 and \$9,440,024 in fiscal year 2023. These funds shall be allocated as follows:

The Texas Higher Education Coordinating Board (THECB) shall allocate the funds appropriated in their bill pattern in Strategy D.1.6, as follows:

- a. Up to 5 percent each year may be used for administrative expenses.
- b. Funds 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 students graduating. Nursing graduates include graduates for both initial licensure and bachelor's completion, RN-to-BSN programs. 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. For THECB expenditure purposes, any funds not expended in fiscal year 2022 may be expended in fiscal year 2023 for the same purposes. If an institution spends funds on nonqualifying expenditures or does not spend the funds within the designated timeframe, the institution shall return these 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.
- 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 Paragraph b.
- e. Using funds under subsection (a), the Higher Education Coordinating Board shall consider if and how metrics relating to quality of nursing programs should be incorporated in the program and any recommendations for weighting of different types of nursing degrees awarded. The Coordinating Board shall confer with higher education nursing programs and the Texas Nurses Association in the developing of these weighted metrics. The Coordinating Board shall make any recommendations to the Legislature by November 1, 2022. It is the intent of the legislature that this subsection (e) expire after the 2022-23 biennium.

Appendix B: Survey Questions for NSRP

The General Appropriations Act, Senate Bill 1, Article III, Section 27, 87th Texas Legislature, required the Texas Higher Education Coordinating Board to confer with higher education nursing programs and the Texas Nurses Association on how metrics relating to the quality of nursing programs should be incorporated into the Nursing Shortage Reduction Program (NSRP) and any recommendations for weighting of different types of nursing degrees awarded. Please note institutions will not be identified, and data will be aggregated and kept confidential.

1. Please answer the following question: Should quality metrics be incorporated into the NSRP program? (Yes or No)
2. What recommendations do you have for weighting of different types of nursing degrees awarded in NSRP funds?

Appendix C: Feedback from Texas Nurses Association on Proposed Weighted Formula Funding

The Governor's Emergency Education Relief (GEER) fund provides significant flexibility for program design. These funds neatly coincide with THECB's opportunity this interim to propose design changes for the Nursing Shortage Reduction Program over the long term.

In 2021, the Legislature tasked THECB with the responsibility of recommending changes to the NSRP's program design.¹ THECB's recommendations are required to be submitted to the Legislature by November 1, 2022.

TNA recommends altering the program by implementing a weighted funding formula. This program design has the benefit of simplicity and prioritizes the needs of the workforce based on the current shortage projections of the Texas Center for Nursing Workforce Studies.

Proposed language:

Funds 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 students graduating. Nursing graduates include graduates for initial licensure, bachelor's completion (RN to BSN), and graduate nursing programs. The THECB shall apply a weight to the increased graduates as follows:

- 2.5 for prelicensure graduates of Bachelors of Science in Nursing programs
- 2.0 for graduates of Associate Degree in Nursing programs
- 1.5 for graduates of RN to BSN, Masters of Science in Nursing Education and Doctor of Philosophy programs (CIP codes 51.3808 and 51.3817)
- .5 for Doctor of Nursing Practice and Advanced Practice Registered Nursing graduate degree programs
- 5.1.0 for all other nursing graduates

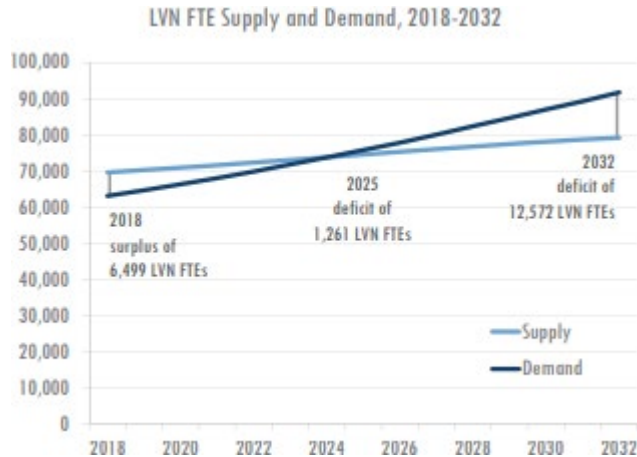
This weighted funding formula is designed to correspond to nursing supply and demand projections developed by the Texas Center for Nursing Workforce Studies.² The following charts show where there is a deficit vs. a surplus of professionals. GEER funds for the NSRP and recommendations for the NSRP redesign should reflect these deficit and surplus projections. This is why we recommend the weighted formula language above.

Keep in mind that this data will change, and the existing trends will likely be exacerbated by the effects of the pandemic on the nursing workforce. The Texas Center for Nursing Workforce Studies will update its supply and demand projections later this year.

¹ General Appropriations Act, SB 1, Article III, Section 27, 87th Texas Legislature, <https://capitol.texas.gov/tlodocs/87R/billtext/pdf/SB00001F.pdf#page=283>

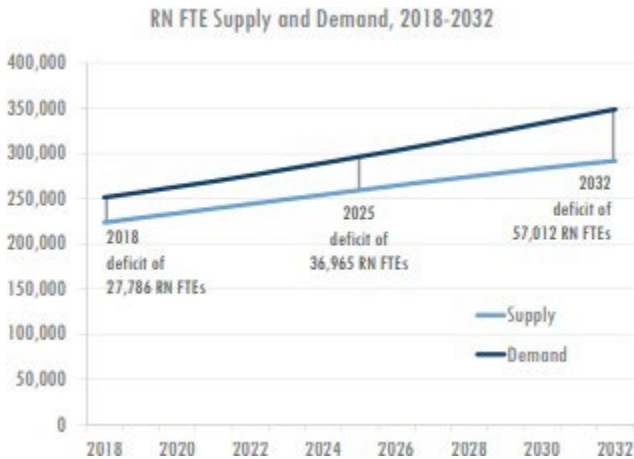
² Texas Center for Nursing Workforce Studies. (July 2020). *Updated Nurse Supply and Demand Projections*. Texas Department of State Health Services. <https://www.dshs.texas.gov/chs/cnws/WorkforceReports/2020-Updated-Nurse-Supply-and-Demand-Projections.pdf>

Chart 1. LVN FTE Supply and Demand, 2018-2032



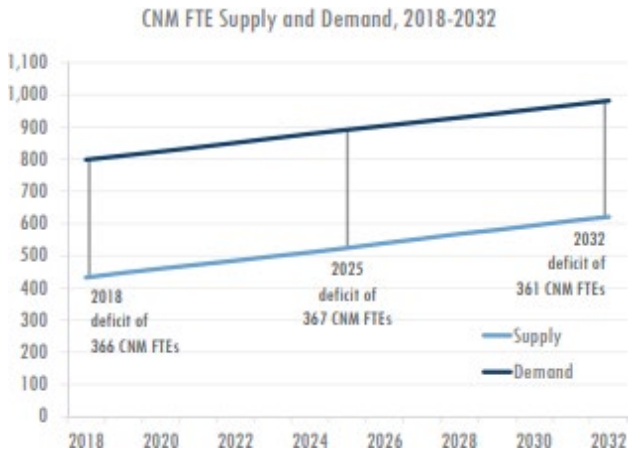
Source: Texas Center for Nursing Workforce Studies

Chart 2. RN FTE Supply and Demand, 2018-2032



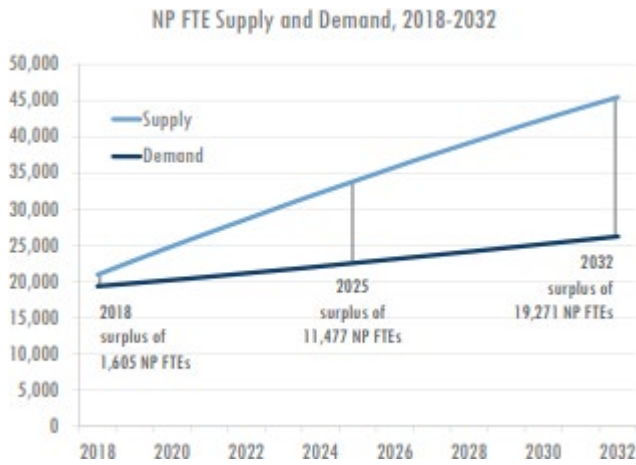
Source: Texas Center for Nursing Workforce Studies

Chart 3. CNM FTE Supply and Demand, 2018-2032



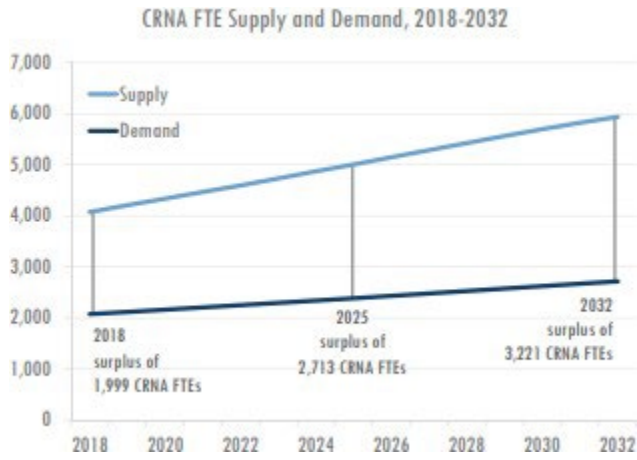
Source: Texas Center for Nursing Workforce Studies

Chart 4. NP FTE Supply and Demand, 2018-2032



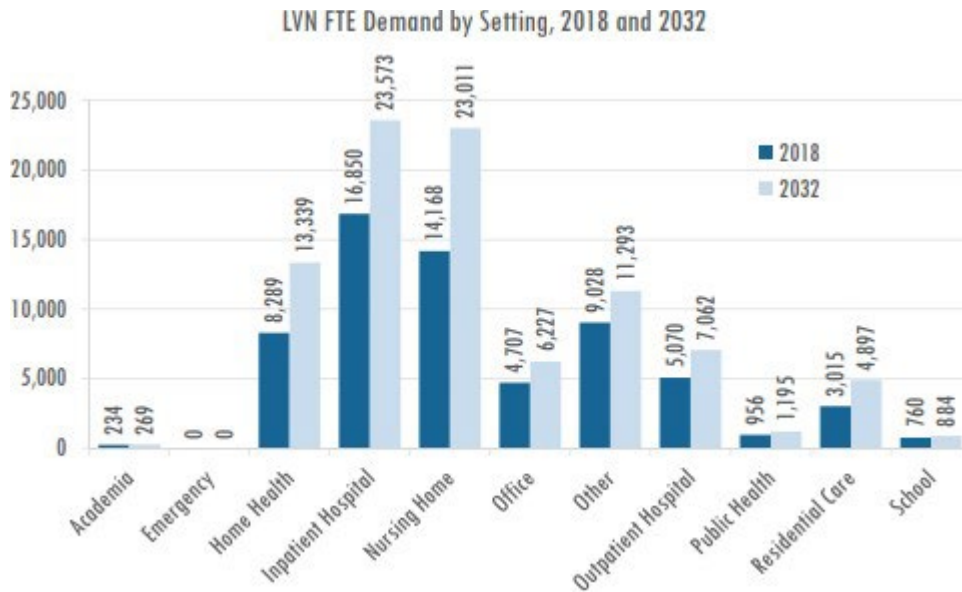
Source: Texas Center for Nursing Workforce Studies

Chart 5. CRNA FTE Supply and Demand, 2018-2032



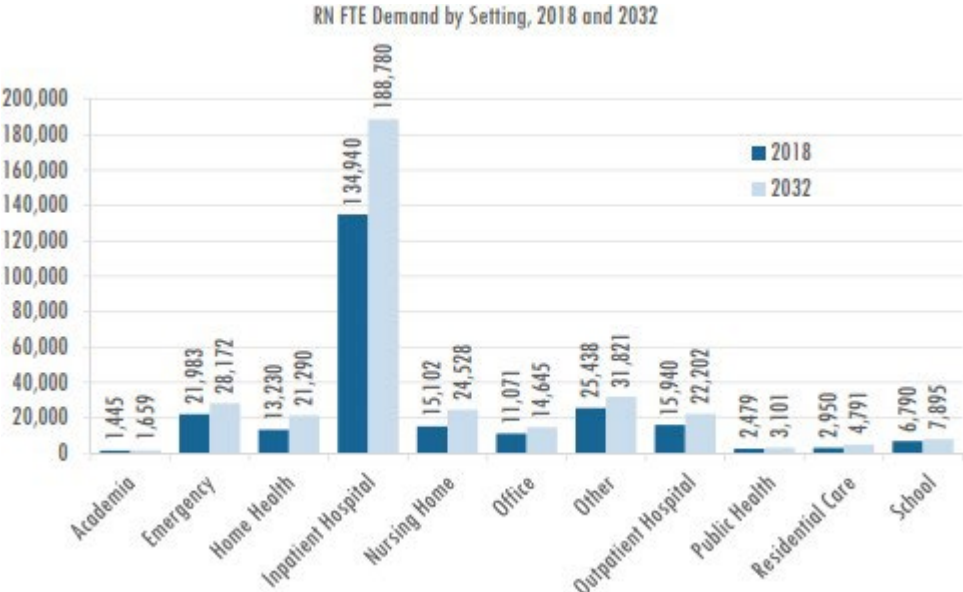
Source: Texas Center for Nursing Workforce Studies

Chart 6. LVN FTE Demand by Setting, 2018 and 2032



Source: Texas Center for Nursing Workforce Studies

Chart 7. RN FTE Demand by Setting, 2018 and 2032



Source: Texas Center for Nursing Workforce Studies

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This document is available on the THECB website: <http://highered.texas.gov>.

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