

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0998-01
Bill No.: HB 223
Subject: Nurses; Education, Higher; Boards, Commissions, Committees, Councils
Type: Original
Date: February 21, 2011

Bill Summary: This proposal establishes the “Caring for Missourians Program” within the Department of Higher Education to award grants to institutions for higher education to address the nursing shortages in this state.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Board of Nursing Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
College & University Funds	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Higher Education, Missouri State University, Missouri Western State University, Northwest Missouri State University, Office of the State Treasurer** and the **St. Louis Community College** assume that there is no fiscal impact from this proposal.

Officials at the **University of Missouri** assume the if the Board of Nursing proposes funding at \$1,000,000 per year for three y ears, to be divided among the eleven four-year state institutions that offer bachelor's degrees in nursing. It is estimated that each of the three UM campuses that have a BS Nursing Program(UM, UMKC, UMSL) would receive approximately \$90,000 or 1/11th of the funding each year, for a total UM allocation of \$270,000 each year.

Officials at the **University of Central Missouri** assume increased tuition revenue would result long term, if this new program provided increased funds. To do this, UCM would use the funds to hire additional adjunct faculty in order to provide 6 credit hour/semester release time for current MSN faculty to enroll and complete their doctorates, the required terminal degree. The program could then accommodate more students.

If funding were replaced, equivalent to that lost through expiration of the original Caring For Missourians program, the costs associated with maintaining the current level of program production, an amount of \$400,166, would not need to be absorbed by the institution.

If funding were not provided equivalent to the expiring Caring for Missourians program, UCM would incur \$400,166 in costs to maintain the current level of program production, or would be forced to cut the program output and corresponding faculty and support positions.

Officials at the **Missouri Southern State University** assume the University would receive approximately \$83,000 over each of the next three years. This would allow the University to continue employment for nursing faculty vital to the continuation and growth of the nursing program.

Officials at the **Lincoln University** assume with the new FY12 Caring for Missourian money we would anticipate requesting the maintenance of twenty BSN Completion students being admitted annually. The proposal would emphasize preparing nursing faculty as well as BSN prepared nurses. This is a pipeline issue- we must have PhD prepared faculty (currently a huge PhD faculty shortage in nursing) and for expansion of BSN programs we will need faculty (national

ASSUMPTION (continued)

accreditation standards). This proposal we are only looking at maintaining twenty seats- meaning twenty additional students will be admitted annually over the normal BSN Completion students that we have. Twenty students are manageable in online classes with one faculty member. It would require hiring an additional person and not be cost effective for an additional ten students.

Thus LU's portion would be tabulated by multiplying 40 students times \$20,188 (the national cost to prepare one BSN Completion student) for a total of \$807,520. We would enter twenty students in 2012 and twenty students in 2013. The University has not included a class for 2014 as they would still be completing the BSN in the 2015-2016 school year which would not be funded by this grant- the University would only have them half way through the program. If the money could be used past FY15, the University believes it would be feasible to request admitting the 3rd cohort.

Oversight assumes the legislation states that the Board of Nursing Fund will provide the funding of the grants to the Colleges and Universities. This proposal states that the grants are subject to appropriation but does not state a cap for the program. The FY 2012 budget submitted by the Board of Nursing shows a recommendation of \$1,000,000 for the program. However, the budget is not finalized at this time so Oversight is showing the potential cost of this program as \$0 to Unknown.

Oversight assumes that all money received by the Colleges and Universities will be spent according to the requirements outlined in this proposal. Oversight is showing the College and University Funds as netting to zero.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations

ASSUMPTION (continued)

related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the **Department of Insurance, Financial Institutions and Professional Registration, Crowder College, Southeast Missouri State University** and the **Truman State University** did not respond to Oversight's request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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BOARD OF NURSING FUND

Transfer Out- Board of Nursing Fund
 Caring for Missourians grants to colleges

<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
 BOARD OF NURSING FUND**

<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
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COLLEGE & UNIVERSITY FUNDS

<u>Transfer In-</u> College & University Funds Caring for Missourians grants	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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Cost - College & University Funds
 Expenditure of the grant as outlined in the proposal

<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
 COLLEGE & UNIVERSITY FUNDS**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill establishes the Caring for Missourians Program within the Department of Higher Education to address nursing shortages and repeals an obsolete incentive grant program which focused on nontraditional nursing students. The Board of Nursing within the Division of Professional Regulation in the Department of Insurance, Financial Institutions and Professional Registration is authorized to provide funding for the program; and subject to appropriation, the Department of Higher Education will award grants to eligible higher education institutions based on criteria to be determined by the board and the Department of Higher Education. An eligible institution must offer a nursing program that meets the category and area of need as determined by the board and the Department of Higher Education based on data from sources specified in the bill.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education
Lincoln University
Missouri Southern State University
Missouri State University
Missouri Western State University
Northwest Missouri State University
Office of the Secretary of State
Office of the State Treasurer
St. Louis Community College
University of Central Missouri
University of Missouri

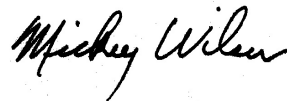
Not Responding

Crowder College

Department of Insurance, Financial Institutions and Professional Registration

Southeast Missouri State University

Truman State University

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 21, 2011