

HOUSE BILL REPORT

HB 1344

As Reported by House Committee On:
Higher Education

Title: An act relating to the nurse educator pay it forward program.

Brief Description: Creating the nurse educator pay it forward program.

Sponsors: Representatives Pollet, Haler, Appleton, Walsh, Bergquist, McBride, S. Hunt, Goodman, Ormsby, Dunshee, Gregerson, Reykdal, Tarleton, Cody, Sawyer, Orwall, Pettigrew, Jenkins, Moscoso, Kilduff, Wylie, Tharinger and Riccelli.

Brief History:

Committee Activity:

Higher Education: 1/28/15, 2/10/15, 2/11/15 [DPS].

Brief Summary of Substitute Bill

- Requires the Washington Student Achievement Council to establish a Nurse Educator Pay It Forward (PIF) Program in collaboration with the Washington State Nursing Commission.
- Provides funding to cover an advanced degree program for Registered Nurses who want to become a nurse educator through the Nurse Educator PIF Program.
- Establishes a contractual obligation for participants to pay a set percentage of their income for a set contribution period back to the Nurse Educator PIF Program.
- Includes a service incentive in which a participant may use a year of full-time work as a nurse educator in the state to replace one year of their contribution period, up to a maximum of five years.
- Creates the Nurse Educator PIF account for the purposes of the program.

HOUSE COMMITTEE ON HIGHER EDUCATION

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Hansen, Chair; Pollet, Vice Chair; Haler, Assistant Ranking Minority Member; Bergquist, Gregory, Reykdal, Sells and Tarleton.

Minority Report: Do not pass. Signed by 5 members: Representatives Zeiger, Ranking Minority Member; Hargrove, Holy, Stambaugh and Van Werven.

Staff: Megan Mulvihill (786-7304).

Background:

Nurse Educators.

A nurse educator is a registered nurse (RN) who holds an advanced degree and serves as a faculty member in a nursing school or teaching hospital. An advanced degree includes, but is not limited to, a Master of Nursing, Doctor of Nursing Practice, and a Doctor of Philosophy in Nursing. A student in one of these programs may specialize in education by taking classes in health education and nurse training.

According to the American Association of Colleges of Nursing (AACN), nursing schools around the United States are experiencing large faculty vacancies in nursing programs. A survey by AACN of 680 nursing schools with baccalaureate or graduate degree programs identified 1,358 faculty vacancies, a national nurse faculty vacancy rate of 8.3 percent. Approximately 87 percent of the vacancies were for faculty positions that require a doctoral degree. The survey also found that schools cited a need to create an additional 98 faculty positions to accommodate demand for expanding nursing programs.

The nurse faculty shortage is attributed to an aging workforce. Traditionally, nurses practice in their field for a number of years before returning to graduate school, which increases the average age of nurse faculty. For example, the AACN's 2012-13 report found the average age of a professor with a doctoral degree to be 61.3 and 57.2 for a professor with a master's degree.

Pay it Forward Programs.

The Pay it Forward (PIF) Program model is a concept that allows students to go to college without incurring payments up front as an alternative to student debt. Instead, students sign a contract that requires them to pay a portion of their future income for a designated time period after graduating. Depending on the program, the student may also have to meet a service requirement in which they work off a portion of the funding they received. Several states have enacted legislation using a type of PIF program structure, including Washington.

Health Professionals Conditional Scholarship Program.

The Health Professionals Loan Repayment and Scholarship Program was established to provide loans to students pursuing a credentialed health profession to serve in Washington's critical shortage areas. The participants who receive a loan incur an obligation to repay the loan with interest unless they serve as a health professional in a health professional shortage area in Washington. The Department of Health, in consultation with the Office of Student Financial Services and the Department of Social and Health services, determines which health care professions are approved for the loan. The determination is based on an

assessment of a shortage or insufficient availability of a credentialed profession. According to the Washington Student Achievement Council (WSAC), approximately 100 health professionals worked in underserved areas of Washington due to the program. Since 1990, the program has funded over 1,000 health professionals who worked in 38 Washington counties. Current eligible professions for the program include physicians, nurse practitioners, physician assistants, RNs, midwives, pharmacists, dentists, and registered dental hygienists.

Summary of Substitute Bill:

The Nurse Educator PIF Program is created. The WSAC, in collaboration with the Washington State Nursing Commission, is in charge of developing, implementing, and administering the program. Students eligible to participate in the program include RNs who want to continue their education in an eligible program to become a nurse educator. An eligible program includes those which are accredited by a nationally recognized accrediting agency that lead to an advance degree in nursing or related field at a Washington institution of higher education. In order for a student to be eligible, they need to be participating in a nurse educator track or nurse educator certificate program within their qualifying program.

Students who choose to participate in the Nurse Educator PIF Program must sign a binding contract that obligates them to make contributions to the program six months after graduating or discontinuation of their eligible program. The amount and length of time the participant must contribute is decided by the WSAC before January 1 of each year for the upcoming academic year's cohort. The WSAC is required to set the contribution amount between 3 and 8 percent of the participants' income and the contribution period between 10 and 20 years. Each individual participant's contribution will be pro-rated according to the proportion of total credits, or equivalent, that the Nurse Educator PIF Program funded. Participants may complete a service incentive by using a year of full-time work as a nurse educator in a Washington nursing education program accredited by a nationally recognized accrediting agency to replace a year of their contribution period, for up to a maximum of five years.

The Nurse Educator PIF Program allows for 50 full-time equivalent slots each year at qualifying programs in the state. A participant will receive funding for their eligible program at full-time enrollment for the equivalent of five academic years. The participant will need to maintain satisfactory academic progress in order to maintain funding. Participants who decide to attend a private institution of higher education will receive funding for a portion of their tuition and fees that is equivalent to the tuition and fees at the most expensive public institution of higher education for an equivalent qualifying program.

The Nurse Educator PIF account is created and will consist of funds appropriated by the Legislature and any private contributions, including principal and interest.

Substitute Bill Compared to Original Bill:

The substitute bill removes the five-year service requirement and replaces it with a service incentive in which a participant may use a year of full-time work as a nurse educator in the

state to replace one year of their contribution period, up to a maximum of five years. It is the participant's responsibility to contact the WSAC with the appropriate documentation to verify the service incentive. The substitute bill also changes the contribution period from 10 to 15 years to 10 to 20 years, and it limits eligibility to those student's enrolled in a qualifying program who are also participating in a nurse educator track or nurse educator certificate program.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This is an opportunity to create a small pilot project with 50 participants where repayment is based on their income rather than debt. It is an alternative to high interest federal student loan debt. The federal government's Income Based Repayment Program is onerous, hard to get, and a crushing debt. This is a middle class revolt against federal so-called affordable loans. Other states have pay it forward programs and are ahead of us, but Washington could put forward a model that is unique for the state. Graduate students do not qualify for state financial aid like the State Need Grant. This program would require state funding up front, but it is an actuarial model that will eventually pay for itself. There are private alternatives such as bonding, but that eliminates the ability to be self-sustaining and fund future graduates.

The state is in critical need of nurse educators. Washington needs more primary care providers, which means more nurses, but there are not enough nurse educators to teach nursing. Most nurse educators are approaching retirement age, and the nurse faculty shortage is as dire as it could be. It is near impossible to get applicants to apply for vacant nurse faculty positions. It took three years to fill one vacancy. This is not a lucrative career, and there is a lot of competition because there are so many vacancies. People become nurse educators because they are passionate about it, so it is important to provide opportunities to eliminate the burden of debt so people can see a career as a nurse educator as a possibility. A nurse educator program costs around \$69,000 for a doctorate and \$39,000 for a master's.

(With concerns) Clearly there are too few aid programs for graduate students in the state, so the innovative approach is appreciated. Financial aid packages are already a complex system of grants, loans, and work study, both at the federal and state level. The question to be considered is do the benefits of the program to the state outweigh the potential complexity and administrative costs. Since nurse educators are paid in a relatively narrow band, a pay it forward system seems unnecessarily complex. It might be a greater utility to expand existing programs such as the Health Professional Conditional Scholarship Program.

(Neutral) This starts a conversation and recognizes a serious issue. There is a lack of public investment in a work force that provides these nurse educator services. The pay it forward model does not address adjunct faculty or tuition increases. How does a limited pool fund adapt to increasing tuition?

(Opposed) None.

Persons Testifying: (In support) Representative Pollet, prime sponsor; Louise Kaplan, Advanced Registered Nurse Practitioners United; and John Burbank, Economic Opportunity Institute.

(With concerns) Paul Francis, Council of Presidents.

(Neutral) Paula Meyer, Care Quality Assurance Commission; and Sofia Aragon, Washington State Nurses Association.

Persons Signed In To Testify But Not Testifying: None.