



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #480

### Nurse Educators (Higher Educational Aids Board)

[LFB 2023-25 Budget Summary: Page 317, #2]

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#### CURRENT LAW

2021 Act 58 provided \$5,000,000 GPR in 2022-23 in the Joint Committee on Finance supplemental appropriation for release to HEAB upon request and approval by the Committee for a Nurse Educators program. The Act also created a new, continuing appropriation under HEAB for the program, to which funding was transferred upon release by the Committee. The Act specified that the nurse educator program applies to students and graduates of institutions of higher education, defined as private, non-profit colleges located in Wisconsin, colleges within the Wisconsin Technical College System (WTCS), and UW System institutions or campuses. The program is required to provide: (a) fellowships to students who enroll in programs for degrees in doctor of nursing practice, doctor of philosophy in nursing, or master of science in nursing in an institution of higher education; (b) educational loan repayment assistance to recruit and retain faculty for nursing programs in an institution of higher education; and (c) postdoctoral fellowships to recruit faculty for nursing programs in an institution of higher education. Individuals who receive fellowships or loan repayment assistance are required to teach for three consecutive years in a nursing program at an institution of higher education.

The Joint Committee on Finance released the \$5.0 million GPR to HEAB on February 9, 2022.

#### DISCUSSION POINTS

1. Assembly Bill 43/ Senate Bill 70 would provide an additional \$5 million GPR annually for the nurse educators program. The Administration indicates the additional funding is necessary to address a continued nursing shortage, and support potential increased program demand.

2. In recent years, concern has been expressed about a growing shortage of qualified nurses in Wisconsin and in the country as a whole. As the population ages, demand for nursing and other health care services increases. Enrollment in baccalaureate nursing programs has grown in recent years; by 3.3% in 2021 according to the American Association of Colleges of Nursing (AACN). The increased visibility of the nursing profession during the COVID-19 pandemic may have further contributed to the recent boost in enrollment. At the same time, many nurses are themselves aging and retiring from the profession, and the number of new nurses entering the field may not be sufficient to both replace those who are retiring and meet increased demand. According to the Wisconsin Center for Nursing's 2020 registered nurse (RN) workforce survey, 31.9% of current nurses are age 55 and older, and the median age reported for Licensed Practical Nurses (LPN) in the 2021 LPN workforce survey was 47.

3. Educational requirements for nurses vary from LPN programs, which typically can be completed in about one year, to advanced degrees including doctoral programs, which may be required for nurses who want to work as advanced specialists, conduct research, or hold management positions. Typically, an advanced degree is necessary for faculty at nursing schools. Data from the Wisconsin Center for Nursing "2020 Wisconsin Nursing Education and Nurse Faculty Survey Report" indicates that the majority of nursing faculty hold a master's degree (62.0%) with an additional 14.2% holding a doctorate of nursing practice (DNP), and 12.1% holding a PhD in Nursing. The survey noted that compared to 2018, the total number of PhD faculty has declined, while the number of nurse faculty holding a DNP has risen.

4. In May, 2022, the Wisconsin Department of Workforce Development (DWD) released the Wisconsin Registered Nurse Supply and Demand Forecast 2020-2040 report. The report utilized three analytical models (demographics, linear regression, and a logarithmic model) to make the projections which, compared to a baseline 2020 registered nursing workforce of 67,900, predict a shortage ranging from 3,000 to 22,900 nurses by 2040. The demographically driven model assumes the nursing workforce is consistent with the demographics of the entire population, producing an estimated shortage of 22,900 nurses by 2040. The linear regression model assumes the supply of registered nurses will continue to grow at a steady rate. Under this model, supply of registered nurses would nearly keep pace with demand. However, the report authors note that this model is optimistic given demographic pressures constraining supply growth. Under this model, the shortage of nurses would be 3,000. The final model uses logarithmic regression to project supply based on historical data from the registered nurse survey. The model assumes continued growth but at a decreasing rate. Under this model, the shortage would be estimated at 19,800 by 2040. The authors note that this model is both statistically strong and more consistent with demographic workforce pressures.

5. The current nursing shortage is reflected in nursing educator programs as well; in fact, nursing educator shortages may contribute to reduced nursing student capacity. According to AACN's report on 2021-22 Enrollment and Graduations in Baccalaureate and Graduate Programs in Nursing, U.S. nursing schools were unable to admit 91,938 qualified applicants in 2021 due to insufficient faculty, lack of clinical sites and participating clinical supervisors, classroom space, and budget constraints. Further, according to the AACN survey, most nursing schools responding to the survey cited faculty shortages as a top reason for not accepting all qualified applicants. The 2020 Wisconsin nurse faculty survey found that lack of qualified faculty candidates and non-competitive faculty

salaries were identified by bachelors of science in nursing (BSN) program administrators as factors in limiting nursing student admissions. Post-licensure MSN programs and DNP programs identified lack of qualified faculty, budgeted positions, and clinical placement sites as factors limiting admissions. The survey report identified 69 vacant positions for full- and part-time faculty at nursing programs in Wisconsin, a vacancy rate of 4.6%. Of the vacancies, 41 (nearly 60%) were for full-time positions. In addition, the population of nursing educators is aging, and many educators are nearing retirement; the survey indicates that 43.4% of registered nurses working in nursing education programs are age 51 or older. Addressing a shortage of nursing faculty requires planning in advance because of the time required to earn an advanced degree. A doctoral program typically takes four to seven years to complete, and nurses often practice for a period of time before pursuing graduate education.

6. At the program's inception, Wisconsin had three institutions that provided a doctorate of nursing program – Marquette University, UW-Madison, and UW-Milwaukee; nine institutions that provided a doctor of nursing practice or doctor of philosophy in nursing program--Alverno College, Concordia College, Edgewood College, Marquette University, UW-Eau Claire, UW-Madison, UW-Milwaukee, UW-Oshkosh, and Viterbo University; and eight institutions that provided a master's degree in nursing/nurse educator program--Bellin College, Cardinal Stritch College, Carroll University, Concordia University, Edgewood College, UW-Eau Claire, UW-Milwaukee and UW-Oshkosh. These schools were included in the program for the initial fiscal year 2022-23. HEAB staff indicate that Bellin College and Herzing University have since added a DNP program and will be added as eligible for those portions of the program beginning in fall, 2023.

7. According to HEAB, the nurse educator fellowship awards are structured as forgivable loans similar to other forgivable loan programs administered by HEAB such as the teacher loan program and the teacher of the visually impaired loan program. To receive loan forgiveness under the nurse educator program, the recipient is required to do the following: (a) complete the program for which the loan was awarded; (b) obtain licensure from the Wisconsin Department of Safety and Professional Services Health Services (including successfully passing the NCLEX exam); and (c) teach for three years at an eligible Wisconsin institution. For each of the first two years that the nurse educator teaches nursing fulltime at an eligible Wisconsin institution, 25% of the loan is forgiven, and for the third year of teaching, 50% of the loan is forgiven. If the nurse educator does not teach fulltime, the amount forgiven would be proportional to the time spent teaching. Loan recipients who do not meet the requirements are required to repay the loan at an interest rate of 5%.

8. As noted, 2021 Act 58 provided \$5 million annually for the program beginning in fiscal year 2022-23. Through March, 2023, HEAB reports they have awarded \$3,320,000 for 92 awards including 40 awards for nursing students pursuing a DNP, 34 pursuing a MSN, and 18 pursuing a PhD as shown in the following table. In total, HEAB expects to award approximately \$3,380,000 by the end of fiscal year 2022-23, leaving \$1,620,000 in funds to carryover to fiscal year 2023-24 in the continuing appropriation.

## Nurse Educator Awards Fiscal Year 2022-23 through March, 2023

<u>Institution</u>	<u>Award Amount</u>	<u># of Awards</u>
<b>PhD/Philosophy of Nursing</b>		
UW Madison	\$100,000	2
UW Milwaukee	275,000	6
Marquette	<u>500,000</u>	<u>10</u>
Subtotal	\$875,000	18
<b>Doctor of Nursing Practice (DNP)</b>		
UW Madison	\$140,000	4
UW Milwaukee	80,000	2
UW Eau Claire	260,000	6
UW Oshkosh	240,000	6
Alverno	140,000	4
Edgewood	360,000	10
Marquette	120,000	4
Viterbo	<u>160,000</u>	<u>4</u>
Subtotal	\$1,500,000	40
<b>Master's Nursing</b>		
UW Milwaukee	\$30,000	1
UW Eau Claire	30,000	1
UW Oshkosh	195,000	7
Cardinal Stritch	120,000	4
Carroll	180,000	6
Edgewood	30,000	1
Concordia	150,000	6
Bellin	<u>210,000</u>	<u>8</u>
Subtotal	\$945,000	34
<b>Total</b>	<b>\$3,320,000</b>	<b>92</b>

9. According to HEAB, demand for the nurse educator fellowships/loans was less than anticipated. One factor noted by HEAB staff is the limitation of eligible participants to students who are enrolled fulltime. While the statutes do not require eligible recipients to be enrolled fulltime, HEAB established this eligibility criteria as a program requirement. HEAB staff indicate that several part-time students have expressed interest in participating in the program, and HEAB is considering changing the program eligibility to include part-time students, which could increase program demand.

10. In addition to fellowships to nursing students, Act 58 also required the program to provide educational loan repayment assistance to recruit and retain faculty for nursing programs in an institution of higher education as well as postdoctoral fellowships to recruit faculty for nursing programs in an institution of higher education. HEAB indicates that these portions of the program are still being developed and are expected to be available in fall, 2023. A proposal that would have provided funding to support an increase in the number of nurse educators was developed by a coalition

of nursing school deans prior to the start of the 2019-21 biennial budget process. The proposal included a total of \$10 million for a two-pronged approach including: (1) providing forgivable grants for nurses pursuing advanced degrees to teach professional nursing in Wisconsin; and (2) providing loan forgiveness to recruit and retain nursing faculty. Given that the initial \$5 million in funding was utilized for undergraduate student fellowships (structured as forgivable loans), it could be argued an additional \$5 million is necessary to support the faculty recruitment and retention portion of the program. [Alternative 1]

11. However, demand for the nurse educator loans was less than expected and it is uncertain what demand will be for the faculty recruitment and retention portion of the program. Further, HEAB indicates they do not expect to implement this portion of the program until fall, 2023, making it unlikely that the faculty fellowships or loan repayment would be in place for the first semester of the 2023-24 school year. If the Committee wished to provide an additional amount for nurse educator faculty recruitment and retention, an additional \$2.5 million could be provided in fiscal year 2023-24. As noted, HEAB expects approximately \$1.6 million in carryover funds from fiscal year 2022-23 to be available in the nurse educators program continuing appropriation in fiscal year 2023-24 in addition to base funding for the program of \$5 million annually, for a total of \$6.6 million in fiscal year 2023-24. Providing an additional \$2.5 million in 2023-24 would bring the total estimated funding available over the 2023-25 biennium to \$14.1 million. This would provide additional funding to meet possible increased demand for the program which could be utilized in the first year, or carried over into the second year, but would not increase base funding for the program going into the 2025-27 biennium in case such increased demand did not materialize. [Alternative 2]

12. On the other hand, as noted, HEAB may expand the current nurse educator fellowship/loan program to part-time students, which could increase program demand. In addition, the faculty retention fellowship and loan forgiveness could also potentially be open to part-time students. In addition, HEAB staff note that some practicing nurses with valuable professional nursing experience who lack advanced degrees might also be recruited as nurse educators faculty under the loan repayment portion of the program. Providing \$2.5 million annually would increase base funding for the program to \$7.5 million annually. [Alternative 3]

13. Regarding the nurse educator recruitment portion of the program, HEAB noted there may be some potential tax issues with this program. If the funds are provided directly to the individual, HEAB staff indicate there may be federal and state income tax liability for the funds. HEAB is currently working to determine how best to administer this portion of the program and there may be a delay in implementation. In that case, along with the program's underspending in 2022-23, one could argue that no additional funding should be provided at this time. [Alternative 4]

## ALTERNATIVES

1. Provide \$5,000,000 annually for the nurse educators program. (Base funding would increase to \$10 million annually).

<b>ALT 1</b>	<b>Change to Base</b>
GPR	\$10,000,000

2. Provide \$2.5 million in 2023-24 for the nurse educators program. (Base funding of \$5 million would remain available in 2024-25.)

<b>ALT 2</b>	<b>Change to Base</b>
GPR	\$2,500,000

3. Provide \$2.5 million annually for the nurse educators program. (Base funding would increase to \$7.5 million annually.)

<b>ALT 3</b>	<b>Change to Base</b>
GPR	\$5,000,000

4. Take no action.

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