

SENATE BILL REPORT

SB 5335

As of February 11, 2015

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

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

Sponsors: Senators Keiser, McAuliffe, Kohl-Welles and Mullet.

Brief History:

Committee Activity: Higher Education: 2/10/15.

SENATE COMMITTEE ON HIGHER EDUCATION

Staff: Evan Klein (786-7483)

Background: Nurse Educators. A nurse educator is a registered nurse (RN) that holds an advanced degree that 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 to 680 nursing schools with baccalaureate or graduate degree programs identified 1358 faculty vacancies, a national nurse faculty vacancy rate of 8.3 percent. Approximately 87 percent of the vacancies were for faculty positions that required 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.

Nurse Educator Financial Aid. According to AACN, there are several national sources for nurse educators to receive financial assistance. The nurse corps loan repayment program offers loan repayment assistance to RNs and advance practice nurses working at critical shortage facilities or employed as faculty at accredited schools of nursing. The program participants receive up to 60 percent of their qualifying student loans in exchange for a two-year service commitment. The advanced nursing education program provides financial assistance to graduate nursing students to support the costs of tuition, books, fees, and living expenses. The nursing student loan program assists graduate nursing students with a maximum of \$17,000 of low-interest loans, with a ten-year repayment period.

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.

Pay it Forward Programs. The Pay it Forward (PIF) Program model is a concept that allows students to go to college without incurring payments upfront 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.

Summary of Bill: The nurse educator pay it forward program (Program) is created. The Program is developed and implemented by the Washington Student Achievement Council (WSAC) in collaboration with the Washington Nursing Commission. Up to 50 RNs per year, who wish to continue their education to become a nurse educator, are eligible for the program. Eligible students must be enrolled at a Washington institution of higher education in the following:

- master's degree program in nursing or nursing science;
- doctor of philosophy program in nursing;
- doctor of education program in nursing;
- doctor of nursing practice program; or
- doctor of nursing science program.

Eligible students will receive funds for tuition and fees, less any awards the student may receive through financial aid. Students can participate in the program for up to five academic years and must maintain satisfactory academic progress throughout. Participating students must sign a binding contract obligating them to make contributions to the Program account, starting six months after graduation or discontinuation of their post-secondary program. Participants must agree to complete five years of full-time work as a nurse educator to meet their service requirement.

WSAC must determine the amount participants are required to contribute and the length of time they are required to contribute back to the Program fund. WSAC must set the contribution rates for each academic year before January 1 of each year. For participants who have all of their program credits financed through the Program, WSAC sets their contribution rate between 3 and 8 percent of the participant's income. Within each cohort of participants, the contribution rate is prorated according to the proportion of total credits that the Program funded for the participant. The contribution pay-back period for participants is set between 10 and 15 years. If the participant does not meet their service requirement, the contribution period can be extended to up to 20 years.

A nurse educator pay it forward account is created in the custody of the State Treasurer to disburse funds to participants of the Program and for receipt of pay it forward contributions and any other public or private contributions to the Program.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: There is a real crunch when it comes to nurse educators in Washington State. Tuition is around \$30,000 to \$80,000 for a nurse educator program. PIF removes up-front tuition and allows the nurse educators to contribute a certain percentage of their income once employed. This bill allows students to avoid taking out high-interest student loans. There is a dire nurse faculty shortage. Almost every college of nursing has one or more faculty positions open. This program is a low investment and has low risk as a program. There are at least 50 known vacancies in Washington State. The community colleges have difficulty filling faculty vacancies because of disparities in pay and high student debt.

OTHER: Nursing education programs have reported to the nursing commission that they are challenged to find qualified applicants. Nurses are aging and Washington is facing a nursing shortage. Washington needs qualified nurse educators. However, the financial aid packaging is already complex, and the benefit to the state may be outweighed by overhead costs. The Council of Presidents (COP) would suggest expanding other graduate medical education loan programs.

Persons Testifying: PRO: Senator Keiser, prime sponsor; Kelli Smith, Shelly Fritz, Susan Landis, Economic Opportunity Institute; Louise Kaplan, citizen.

OTHER: Sofia Aragon, WA State Nurses Assn.; Paul Francis, COP; Paula Meyer, Nursing Care Quality Assurance Commission.