



NURSING SHORTAGE REDUCTION PROGRAM

Policy Position | 2020-2021 Policy Council

Texas should fully fund the professional Nursing Shortage Reduction Program (NSRP) at a level sufficient enough to address the growing shortage of registered nurses (RNs).

- The NSRP should prioritize incentives for increasing prelicensure graduates as its primary purpose.
- The NSRP should support nursing education to achieve a more educated workforce. This includes BSN completion programs.
- The NSRP should support graduate education programs that prepare nurses for faculty roles, specifically PhD and master's in nursing education.
- The NSRP should not prioritize nurse practitioner (NP) or Doctor of Nursing Practice (DNP) programs due to the existing and projected surplus of NPs and the exponential growth of DNP graduates.

PROGRAM STRUCTURE

The NSRP (3 TEC §61.001) was passed into law in 2001, allowing the Texas Higher Education Coordinating Board (THECB) to provide dedicated funds to nursing education programs that demonstrate an ability to increase nursing student graduates. Schools have broad discretion on use of the funds.

The program has been funded every year since 2004. A 2009 redesign enabled RN prelicensure programs to access funds when students enroll rather than after they graduated. Three "pots of funds" were established:

- **Over 70 Program: Prelicensure nursing programs** with graduation rates of 70% or higher are eligible to participate. Prior to 2019, programs had to commit to increasing enrollments 12% in the first year and an additional 18% the second year. As schools had increasing difficulty in sustaining such aggressive growth targets, the program was changed in 2019, enabling prelicensure programs to work with THECB to determine growth targets. Funds are distributed each biennium in advance. If targets are not met, the school repays a prorated share of the money advanced.
- **Under 70 Program: Prelicensure nursing programs** with a graduation rate below 70% and new programs that do not have a previous year graduation rate are eligible to participate. Funds are distributed

in advance based on the programs agreeing to increase prelicensure graduates by a specific number set by the program. If targets are not met, the school repays a prorated share of the money advanced.

- **Regular Program:** All nursing programs are eligible to participate, both pre- and post- licensure. Prorated funds are distributed after the fact based on the number of increased graduates over the previous year. Any unexpended funds from the over- and under- 70 programs are deposited here.

The [appropriation](#) to the NSRP in 2019 also instructed the THECB to “study the effectiveness of the [NSRP] in addressing the shortage of professional nurses in the state... and examine the structure an deficiency of the program, as well as other state funding strategies to address the nursing shortage.” The study was “conducted in coordination with a work group.” The THECB’s final report is not yet available.

NURSE SUPPLY AND DEMAND

The NSRP has worked very well, increasing the annual number of prelicensure nurse graduates (new nurses) from [4,609 in 2002 to 12,839 in 2019](#). Yet, Texas continues to face an existing and projected shortage of RNs. In 2018, Texas had a deficit of 27,786 RNs and this **shortage is expected to more than double to 57,012 by 2032**. Study projections suggest the greatest shortage of RNs will be in the inpatient hospital setting. At the same time, a surplus of nurse practitioners and certified registered nurse anesthetist was identified in 2018. For nurse practitioners, this surplus is expected to grow to 19,271 by 2032.

The NSRP needs to target an increase in prelicensure RNs to address the current and projected shortage. Programs that prepare students to take the RN licensure examination and programs that prepare nursing faculty should be prioritized for funding. Texas has a steady decrease in nurses prepared at the PhD level in faculty roles – from [56.9% in 2014 to 44% in 2019](#). Such directed funding will enable schools of nursing to continue efforts to address Texas’ need for professional nurses. Texas must fully fund the NSRP.

LEGISLATIVE HISTORY

2019: \$20 million appropriated for 2020-2021. The Rider introduced flexibility in the percentage of growth in prelicensure programs in order to access funds. The Rider also directed THECB to convene a workgroup to study the effectiveness of the PNSRP in addressing the nursing workforce shortage and make recommendations to improve the state’s efforts.

2017: \$20 million appropriated for 2018-2019

2015: \$33.75 million appropriated for 2016-2017

2013: \$33.75 million appropriated for 2014-2015

2011: \$30 million appropriated for 2012-2013

2009: \$47.2 million appropriated for 2010-2011 following Governor's Task Force and large coalition of diverse stakeholders. Funding was restructured into the "three pots" described earlier to enable high performing nursing schools to receive funds up front.

2007: \$14.7 million appropriated for 2008-2009

2005: \$6 million appropriated for 2006-2007

HB 3126 (2003)

Established the Texas Center for Nursing Workforce Studies within the Department of State Health Services to create a mechanism for the ongoing collection and analysis of data regarding the nursing workforce to inform the state.

\$5.8 million appropriated for 2004-2005

SB 572 (2001)

Amended the Education Code and established the professional nursing shortage reduction program (program) to increase the number and preparation of professional nurses in public, private or independent institutions of higher education if the legislature appropriates money for the program.