

Office of the
Legislative Fiscal Analyst

FY 2003 Budget Recommendations

Joint Appropriations Subcommittee for
Health and Human Services

Utah Department of Health
Nurse Education Financial Assistance Program

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1.0 Department of Health - Nurse Education Financial Assistance Program

Summary

The Nurse Education Financial Assistance Program was established in 1992 for the purpose of increasing the number of graduate-prepared nurses in needed nursing specialty areas in the State and to increase the number of nurses practicing in nursing shortage areas throughout the State through loan repayment grants and scholarships in return for an obligated period of professional services. Funding for this program is appropriated as a separate line item, in accordance with UCA 26-9d-9.

	Analyst FY 2003 Base	Analyst FY 2003 Changes	Analyst FY 2003 Total
Financing			
General Fund	177,400	(75,600)	101,800
Beginning Nonlapsing	106,600		106,600
Closing Nonlapsing	(90,400)		(90,400)
Total	<u>\$193,600</u>	<u>(\$75,600)</u>	<u>\$118,000</u>
Programs			
Nurse Education Financial Assistance Prc	193,600	(75,600)	118,000
Total	<u>\$193,600</u>	<u>(\$75,600)</u>	<u>\$118,000</u>
FTE/Other			
Total FTE	0.50		0.50

2.0 Issues: Nurse Education Financial Assistance Program

2.01 Program Reductions

The Analyst has identified this program for a reduction in its General Fund appropriation. The FY 2003 General Fund associated with this program reduction is \$75,600.

General Fund **(\$75,600)**

2.02 Administrative Cost Intent Language

The 2001 Legislature approved the following intent language to be implemented by this division:

It is the intent of the Legislature that the budget analysis for the Department of Health be presented with a breakdown between costs of administration and services delivered and the number of citizens served and categorized by cost and type of service.

The Department reports that the Nurse Education Financial Assistance Program's budget is 100 percent indirect services as shown in the following table.

NURSE EDUCATION FINANCIAL ASSISTANCE PROGRAM				
ADMINISTRATIVE and SERVICE COSTS				
FY 2001 Authorized Costs				
	<u>Admin-</u> <u>istration</u>	<u>Indirect</u> <u>Services</u>	<u>Direct</u> <u>Services</u>	<u>Total</u>
Grant/Scholarship Program	0	213,248	0	213,248
	0.0%	100.0%	0.0%	
Total	0	213,248	0	213,248
	0.0%	100.0%	0.0%	

Source: Department of Health

3.1 Nurse Education Financial Assistance Program

Recommendation

The Analyst recommends a budget in the amount of \$118,000 for the Nurse Education Program for FY 2003. The General Fund recommendation is \$101,800, which reflects a decrease in the program’s appropriation. The \$16,200 comes from nonlapsing balances. A portion of the previously-appropriated General Funds is committed for future years and is carried as nonlapsing as authorized in UCA 26-9d-9. The reduction of this program may adversely affect the ability of rural areas to recruit nurses to those areas. However, there are other incentive programs such as the National Health Service Corp. and Conrad State 20/J-1 Visa Waiver program that can assist in those endeavors.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	190,900	191,700	101,800	(89,900)
General Fund, One-time		(14,400)		14,400
Beginning Nonlapsing	233,277	210,900	106,600	(104,300)
Closing Nonlapsing	(210,929)	(106,600)	(90,400)	16,200
Total	<u>\$213,248</u>	<u>\$281,600</u>	<u>\$118,000</u>	<u>(\$163,600)</u>
Expenditures				
Personal Services	23,020	17,700	17,800	100
In-State Travel	436	300	300	
Out of State Travel		500	500	
Current Expense	188,248	262,600	98,900	(163,700)
Total	<u>\$213,248</u>	<u>\$281,600</u>	<u>\$118,000</u>	<u>(\$163,600)</u>
FTE/Other				
Total FTE	0.50	0.50	0.50	

Purpose

The Nurse Education Financial Assistance Program (NEFAP) was created to assist medically underserved urban and rural sites in the recruitment and retention of nurses. The program provides loan repayment grants to nurses, L.P.N. through graduate level, in exchange for a minimum two-year commitment in a nursing shortage area; and scholarships to graduate level nurses in exchange for a minimum two-year commitment in a needed nursing specialty in the State. The funds for the Nurse Education Financial Assistance Program are appropriated as a separate line item, as provided in 26-9d-9.

During FY 2001, the Nurse Financial Assistance Committee awarded four scholarships and 19 grants. Program administrative expenses were \$28,263.

Thus far in FY 2002, an additional 12 grants and two scholarships have been approved for nurses.

Of those nurses that have completed their service obligation, 67 percent have either remained in their original service areas or within the same county where their service obligation began. Placements have been made in 19 counties, allowing those communities the opportunity for more comprehensive health care. The program has provided funding to secure the obligation of a total of 272 years of service.

<u>Fiscal Year</u>	<u>Beg. Balance</u>	<u>Appropriation</u>	<u>Administrative</u>		<u>Awards</u>	
			<u>Expenses</u>	<u>Funds Awarded</u>	<u>Grants</u>	<u>Scholarships</u>
1992-93	0	200,000	24,926	0	0	0
1993-94	175,074	200,000	48,681	144,552	7	5
1994-95	181,841	200,000	54,491	154,213	11	11
1995-96	173,137	200,000	60,956	213,591	8	12
1996-97	98,590	200,000	53,245	179,478	9	13
1997-98	65,867	200,000	55,688	154,310	15	2
1998-99	55,869	200,000	57,565	142,060	13	12
1999-2000	56,244	200,000	37,391	109,300	8	5
2000-2001	109,553	190,900	28,263	239,687	19	4
2001-2002	32,503	191,700	28,000	196,200	12	2
Total		1,982,600	449,206	1,533,391	102	66

**Administration/
Service Cost
Breakdown Intent
Language**

The 2001 Legislature approved this item of intent language for this program:

It is the intent of the Legislature that the budget analysis for the Department of Health be presented with a breakdown between costs of administration and services delivered and the number of citizens served and categorized by cost and type of service.

The Department reports that this budget is 100 percent indirect services.

4.0 Additional Information

4.1 Funding History

	1999	2000	2001	2002	2003
Financing	Actual	Actual	Actual	Estimated	Analyst
General Fund	200,000	200,000	190,900	191,700	101,800
General Fund, One-time				(14,400)	
Beginning Nonlapsing	265,595	227,941	233,277	210,900	106,600
Closing Nonlapsing	(227,941)	(233,277)	(210,929)	(106,600)	(90,400)
Total	\$237,654	\$194,664	\$213,248	\$281,600	\$118,000
Programs					
Nurse Education Financial Assistance Prc	237,654	194,664	213,248	281,600	118,000
Total	\$237,654	\$194,664	\$213,248	\$281,600	\$118,000
Expenditures					
Personal Services	51,636	31,629	23,020	17,700	17,800
In-State Travel	1,574	1,431	436	300	300
Out of State Travel	500			500	500
Current Expense	183,831	161,543	188,248	262,600	98,900
Total	\$237,654	\$194,664	\$213,248	\$281,600	\$118,000
FTE/Other					
Total FTE		0.60	0.50	0.50	0.50