

**Testimony of Jeanette Lancaster, PhD, RN, FAAN on behalf of the
American Association of Colleges of Nursing
On Fiscal Year 2009 Appropriations for the Nursing Workforce Development Programs**

Good afternoon, Mr. Chairman and distinguished members of the Subcommittee. I am Jeanette Lancaster, President of the American Association of Colleges of Nursing (AACN) and Dean of the School of Nursing at the University of Virginia. On behalf of AACN, I appreciate this opportunity to bring to the Subcommittee our FY 2009 funding priorities for the Nursing Workforce Development Programs authorized under Title VIII of the Public Health Service Act. These programs are a critical piece of the nation's effort to overcome the nursing shortage.

AACN and the nursing schools we represent deeply appreciate the Subcommittee's past support for the Title VIII programs. Through the dedicated work of this Subcommittee and your Senate colleagues last year, Title VIII saw its first significant funding increase since FY 2005. AACN certainly understands the difficult financial choices you must make regarding funding for health and education programs. Yet, at a time when the national nursing shortage is placing a constant strain on the healthcare delivery system, we implore you to invest more in the present and future nursing workforce to prevent further damage.

The Nationwide Nursing Shortage

The United States is in the midst of a decade-long shortage of Registered Nurses (RNs).¹ This shortage is expected to intensify as the baby-boomer population ages and the need for healthcare grows. According to the latest projections from the U.S. Bureau of Labor Statistics, more than 1.2 million new and replacement nurses will be needed by 2014.² Unless we act *now*, this shortage will further jeopardize access to quality patient care.

Healthcare delivery in the United States has experienced the negative effects of previous nursing shortages. During the 1940's, 1960's, and early 1970's³, the nation's need for nurses greatly impacted patient care. While today's shortage shares some of the same contributing factors as those of the past, the aging nursing workforce, and fundamental changes in patient care such as length of stay and medical technology, further complicate the current demand for nurses.³ Moreover, central to the present shortage, the nursing educational system is being threatened by a crippling shortage of nurse faculty, insufficient number of clinical placements and classroom space, and overall budget constraints.⁴ According to AACN's 2007-2008 annual survey on baccalaureate and graduate programs, U.S. nursing schools turned away 40,285 qualified applicants. The number one reason cited in this survey was a lack of nurse faculty.⁴

Nursing and economic research clearly indicate that today's shortage is far worse than those of the past.³ The current supply and demand for nurses demonstrates two distinct dilemmas. First, due to the present and looming demand for advanced health care by American consumers, the supply is not growing at a pace that will adequately meet long-term needs. This is further compounded by the number of nurses who will retire or leave the profession in the near future, ultimately reducing the supply of nurses. Second, the

¹ Buerhaus, P.I., Donelan, K., Ulrich, B.T., Kirby, L., Norman, L., and Dittus, R. (2006). State of the Registered Nurse Workforce in the United States. *Nursing Economics*. 24(1), 6-12.

² Bureau of Labor and Statistics, (2005). *Occupational Projections to 2014*. Accessed March 10, 2008 from <http://www.bls.gov/opub/mlr/2005/11/art5full.pdf>

³ Nevidjon, B. & Erickson, J.I. (2006). The nursing shortage: Solutions for the short and long term. As cited in: Andrist, L.C., Nicholas, P.K., & Wolf (2006). *A History of Nursing Ideas*. Boston: Jones and Bartlett Publishers.

⁴ American Association of Colleges of Nursing. (2008). *2007-2008 Enrollment and Graduations in Baccalaureate and Graduate Programs in Nursing*. Washington, DC.

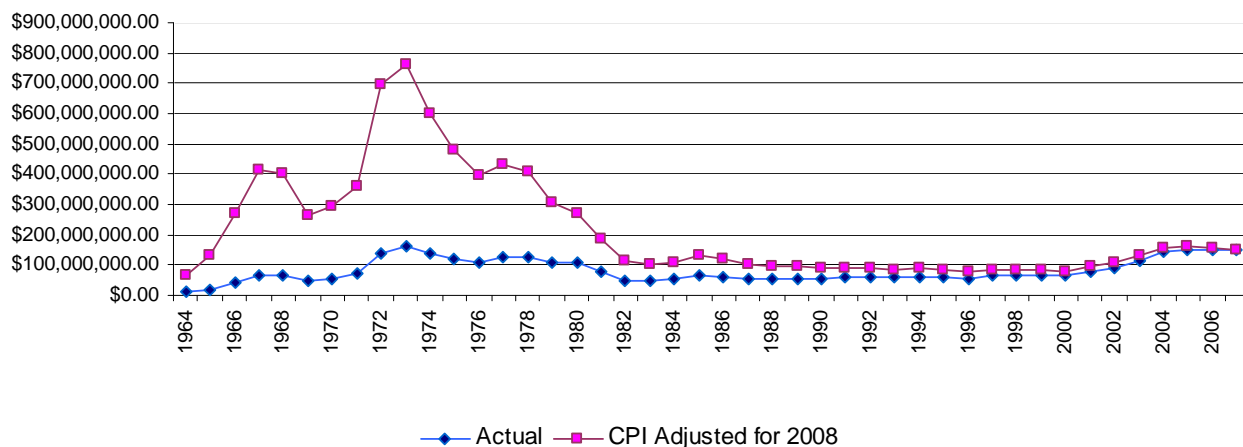
supply of nurses nationwide is stressed due to an ongoing shortage of nurse faculty. There is an enormous demand from individuals who wish to pursue a nursing education as evidenced by the thousands of qualified students turned away each year. However, the schools' ability to increase the nationwide supply of nurses is limited by the dwindling number of faculty. To address these related workforce issues, substantial efforts must be made to increase the number of faculty who will educate new nurses.

Nursing Workforce Development Programs: A Proven Solution

Congress has addressed past nursing shortages by creating the Title VIII authorities in 1964 and providing higher funding levels for the programs when the need for nurses was great. Unfortunately, due to a number of political and economic factors, funding for Title VIII over the last ten years has not increased to fully address the present nursing shortage.

In 1973, Congress appropriated \$160.61 million to the Title VIII programs, the highest level of funding Title VIII has ever received. While this amount is close to the current funding level of \$156.05 million, adjusting for inflation to address the 35-year difference, the current funding level would be \$763.52 million (see Figure 1). More recently, stagnant funding levels for Title VIII between FY 2005 and FY 2007 have greatly impacted the purchasing power of these programs. In FY 2006 and 2007, \$149.68 million was appropriated to Title VIII. The same allocation supported 91,198 nursing students and nurses in 2006 and only 71,729 in 2007.⁵ This represents a loss of almost 20,000 nurses supported in one year.

Figure 1
Historical Funding for Title VIII Nursing Workforce Development Programs (in millions)



Source: Health Resources and Services Administration (HRSA), Division of Nursing, 2008 & U. S. Bureau of Labor Statistics, Inflation Calculator, 2008

Given the projections that the nursing shortage will continue to worsen over the next decade, more must be done to help alleviate the barriers that have significantly slowed the growth of the RN workforce. **Therefore, AACN respectfully requests \$200 million for Title VIII Nursing Workforce Development Programs in FY 2009**, an additional \$43.95 million over the FY 2008 level. New monies would expand nursing education, recruitment, and retention efforts to help resolve all aspects contributing to the shortage.

An Overview of the Title VIII Programs: Effective Approaches to Address the Shortage

Over the last 44 years, the Nursing Workforce Development programs have addressed all aspects of nursing shortages – education, practice, retention, and recruitment. As the largest source of federal funding

⁵ Electronic Mail Communications from the Health Resources and Services Administration, Division of Nursing, 2008.

for nursing education, these programs bolster RN education from entry-level preparation through graduate study. The Title VIII programs award grants to nursing education programs, as well as provide direct support to nurses and nursing students through loans, scholarships, traineeships, and programmatic grants. By supporting the supply and distribution of qualified nurses, these programs help to ensure that nurses are available to provide care to individuals in all healthcare settings. Additionally, the Title VIII programs also favor institutions that educate nurses for practice in rural and medically underserved communities.

The Nursing Workforce Programs are effective and meet their authorized mission. In a 2008 survey by AACN, 729 Title VIII student recipients reported that these programs played a critical role in funding their nursing education. The four major themes identified in this qualitative study indicate that the programs decreased the students' financial burden, allowed them to achieve their career goals, shortened the length of time to obtain their degree, and the funding was greatly appreciated.⁶ Still, many students stated that this support did not completely erase their educational debt and urged Congress to continue the funding.⁶ As mentioned, the Title VIII programs address all aspects of the nursing shortage. A description of each Nursing Workforce Development program is provided below along with an explanation to illustrate how they help supply the RN demand.

Advanced Education Nursing (AEN) Grants (Sec. 811) support programs that prepare graduate-level nurses to be primary care providers and nurse faculty. These grants help schools of nursing, academic health centers, and other nonprofit entities improve the education and practice of nurse practitioners, nurse-midwives, nurse anesthetists, nurse educators, nurse administrators, public health nurses, and clinical nurse specialists. In FY 2007, the AEN grants supported 5,978 nursing students through grant funding. The AEN program also offers traineeships to nursing students.⁵

- AEN Traineeships assist students during their graduate nursing education. These traineeships provide full or partial support for the costs of tuition, books, program fees, and reasonable living expenses. Ninety-nine percent of the eligible applications were approved in FY 2007, which supported 7,941 students.⁵
- Nurse Anesthetist Traineeships (NAT) support the education of students in nurse anesthetist programs. Much like the AEN Traineeships, the NATs provide full or partial support for the costs of tuition, books, program fees, and reasonable living expenses. One-hundred percent of the eligible applications were approved in FY 2007, which supported 2,173 students.⁵

According to AACN's 2008 Title VIII study, 79 percent of student respondents received funding from AEN grants or traineeships.⁶ The students who responded expressed great appreciation for the funding and stated how it directly helped them to attain their academic and professional goals. The major themes identified were that the AEN grants and traineeships allowed students to go to school full time, which in turn helped them to graduate and practice sooner, and alleviated the high financial burden of graduate school.⁶ Because the AEN grants support the education of future nurse faculty and nurse practitioners who provide primary care to thousands of Americans, it is imperative that funding for the AEN grants continues in FY 2009.

Workforce Diversity Grants (Sec. 821) prepare students from disadvantaged backgrounds to become nurses. This program awards grants and contract opportunities to nursing schools, nurse-managed health centers, academic health centers, state or local governments, and nonprofit entities looking to increase

⁶ American Association of Colleges of Nursing. (2008). *The Effectiveness of Nursing Workforce Development Programs*. Washington, DC.

access to nursing education for disadvantaged students, including racial and ethnic minorities under-represented among RNs. Through grant programs and individual awards, 32,847 minority nursing students were supported in FY 2007.⁵

Diversity within the nursing population does not parallel the cultural and ethnic background of American healthcare consumers. HRSA reports that only 10.7 percent of the nursing workforce identify themselves as an ethnic or racial minority.⁷ According to the National Advisory Council on Nurse Education and Practice, diversifying the nursing profession is essential to meeting the healthcare needs of the nation and reducing health disparities that exist among many underserved populations.⁸ In response to the need to enhance diversity, schools of nursing have substantially increased their minority enrollment. In fact, minority students currently account for 26 percent of enrollees in entry-level baccalaureate nursing programs.⁴ While nursing has made great strides in recruiting and graduating nurses that mirror the patient population, more must be done to keep pace with the changing demographics of our country to ensure that culturally sensitive care is provided. The Nursing Workforce Diversity Grants help to achieve this goal.

Nurse Education, Practice, and Retention Grants (Sec. 831) help schools of nursing, academic health centers, nurse-managed health centers, state and local governments, and health care facilities strengthen nursing programs. This program focuses on nursing education, practice, and workforce retention by offering:

- Education Grants to: a) expand enrollments in baccalaureate nursing programs; b) develop internship and residency programs to enhance mentoring and specialty training; and c) provide for new technology, including distance learning.
- Practice Grants to: a) expand practice arrangements in non-institutional settings to improve primary health care in medically underserved communities; b) provide care for underserved populations such as the elderly, HIV/AIDS patients, substance abusers, and domestic abuse victims; c) provide skills to practice in existing and emerging health systems; and d) develop cultural competencies.
- Retention Grants to: a) maintain the Career Ladder program supporting nursing education efforts assisting individuals in obtaining the education necessary to either enter the profession or advance within it; and b) enhance patient care delivery systems by increasing collaboration and improving communication among nurses and other healthcare professionals. These grant programs supported 21,145 nurses and nursing students in FY 2007.⁵

As evidenced by the increase in enrollment and the rising interest in nursing careers, substantial efforts have been made to recruit new nurses, including individuals who are changing careers to nursing. However, the nursing profession is still struggling to educate and retain nurses to meet the demand in all healthcare settings. HRSA projects that nursing schools must increase the number of graduates by 90 percent in order to adequately address the nursing shortage.⁷ Research shows that the stress of being a nurse often makes it difficult to retain both the new and experienced nurses in our healthcare system.⁹ The Nurse Education, Practice, and Retention Grants help to ensure that the current nursing population is highly educated, prepared to practice nursing care in all healthcare areas, and remains in the profession.

Nurse Loan Repayment and Scholarship Programs (Sec. 846) support students and new graduates:

⁷ Health Resources and Services Administration (2004). *National Sample Survey of Registered Nurses*. Accessed February 19, 2008 from <http://bhpr.hrsa.gov/healthworkforce/reports/rnpopulation/preliminaryfindings.htm>

⁸ National Advisory Council on Nurse Education and Practice (2003). *Third Report to the Secretary of Health and Human Services and the Congress*. Accessed February 20, 2008 from <ftp://ftp.hrsa.gov/bhpr/nursing/nacreport.pdf>

⁹ PricewaterhouseCoopers' Health Research Institute (2007) *What Works: Healing the Health care Staffing Shortage*.

- **Loan Repayment:** Repays up to 85 percent of nursing student loans in return for at least three years of practice in a designated healthcare facility with a critical shortage of nurses. In FY 2007, 4,845 nursing student applications were reviewed, but only 586 (12 percent) were accepted due to the lack of funding.⁵
- **Scholarship:** Offers individuals who are enrolled or accepted for enrollment as a full-time nursing student the opportunity to apply for scholarship funds. Upon graduation, a nurse is required to work in a healthcare facility with a critical shortage of nurses for at least two years. Due to a lack of funding in FY 2007, only 32 percent of the applications accepted were approved, which funded only 173 student scholarships.⁵

According to the AACN Title VIII study, students reported that their education debt can range from \$60,000 to \$100,000 after graduation.⁶ This substantial debt can often delay graduation as nurses need to work while attending school to offset what they will owe in the future. The Nurse Loan Repayment and Scholarship Program lessens the financial burden for nurses. However, the awards made through this program are limited. Therefore, increased funding is essential.

Nurse Faculty Loan Program Grants (Sec. 846a) increase the number of qualified nurse faculty by creating a student loan fund within individual schools of nursing. Students must agree to teach at a school of nursing in exchange for cancellation of up to 85 percent of their educational loans, plus interest, over a four-year period. The cancellation rate for the first three years is 20 percent per year and 25 percent in the final year. These grants assisted the education of 729 future nurse educators in FY 2007.

The shortage of nurse faculty is the most critical element of the current nursing shortage. Without additional faculty to teach incoming nursing students, the shortage will continue. Requiring years to graduate new nurse faculty, steps must be taken now to increase the population of nurse educators. The faculty shortage is a nationwide epidemic, with an 8.8 percent vacancy rate at nursing schools with baccalaureate and/or graduate programs. In 2007, AACN found that only 531 students graduated with research-focused doctorates.⁴ This is a concern, as the majority of vacant faculty positions require a doctorate in nursing or a related field. The Nurse Faculty Loan Program is the only Title VIII program solely dedicated to educating the next generation of nurse faculty. Unfortunately, this program is sorely underfunded at \$7.86 million.

Comprehensive Geriatric Education Grants (Sec. 855) are awarded to eligible entities such as schools of nursing or healthcare facilities to educate nursing staff to provide better healthcare services for the elderly. These grants may be used to educate RNs who will provide direct care to older Americans, develop and disseminate geriatric curriculum, prepare faculty members, and provide continuing education. In FY 2007, no new grants were approved. Therefore, only 19 continuing grants were funded, which supported 157 nursing students. This is down from 1,531 in FY 2006.⁵

As the baby-boomer population ages, the need for health care will increase dramatically. The Comprehensive Geriatric Education Grants allow nurses not only to become experts in the practice of geriatric nursing, but also to discover new methods to create cost-effective, high-quality services for this increasing population.

Conclusion

AACN acknowledges the fiscal challenges within which the Subcommittee and the entire Congress must work. However, the Title VIII authorities provide a dedicated, long-term vision for educating the new nursing workforce and the next cadre of nurse faculty. To be effective, they must receive additional funding. AACN respectfully requests **\$200 million for Title VIII programs in FY 2009**. Additional funding for these programs will assist schools of nursing to expand their programs, educate more nurse faculty, increase the number of practicing RNs, and ultimately improve the patient care provided in our healthcare system.