

The United States is in the midst of a decade-long shortage of Registered Nurses (RNs). This shortage is expected to intensify as the baby boomer population ages and the need for health care grows. The U.S. Bureau of Labor Statistics reported in 2007 that **the nation's nursing shortage will grow to more than 1 million new and replacement nurses by the year 2016**. Unless we act *now* this shortage will further jeopardize access to quality health care.

Importance of Title VIII Funding

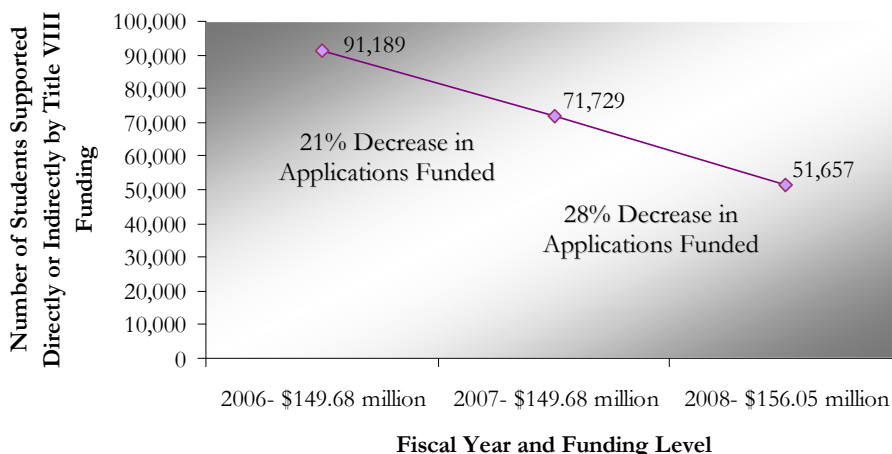
The Nursing Workforce Development programs, authorized under Title VIII of the Public Health Service Act (42 U.S.C. 296 et seq.), support the supply and distribution of qualified nurses to meet our nation's healthcare needs. Over the last 44 years, Title VIII programs have addressed each aspect of nursing shortages – education, practice, retention, and recruitment.

- Title VIII provides **the largest source of federal funding for nursing education**, offering financial support for nursing education programs, individual students, and nurses.
- These programs bolster nursing education at all levels, from entry-level preparation through graduate study.
- Title VIII programs favor institutions that educate nurses for practice in **rural and medically underserved communities**.
- In FY 2008, these programs provided loans, scholarships, traineeships, and programmatic support to **51,657 nursing students and nurses**.

Title VIII Funding

Title VIII Nursing Workforce Development Programs	FY 2008 Appropriations	FY 2009 Omnibus Appropriations Act
Advanced Education Nursing Grants	\$61.88 million	\$64.44 million
Workforce Diversity Grants	\$15.83 million	\$16.11 million
Nurse Education, Practice, and Retention Grants	\$36.64 million	\$37.29 million
Loan Repayment and Scholarship Programs	\$30.51 million	\$37.13 million
Nurse Faculty Loan Program	\$7.86 million	\$11.50 million
Comprehensive Geriatric Education Grants	\$3.33 million	\$4.57 million
TOTAL	\$156.05 million	\$171.03 million

Recommendation: In FY 2010, AACN and the nursing community support President Obama's budget request of \$263 million for the Title VIII programs.

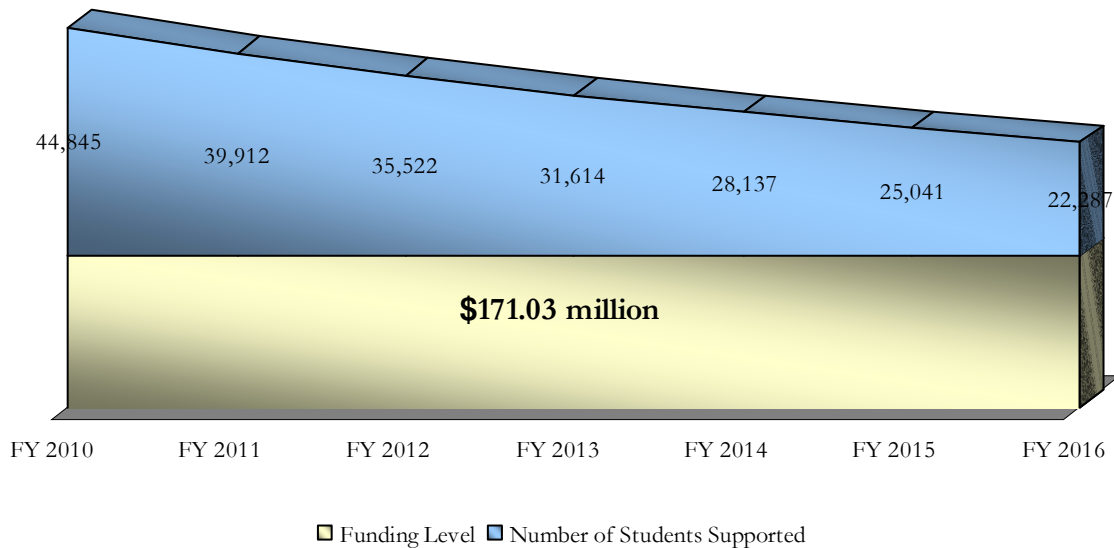


Over the last three years, relatively flat Title VIII funding, combined with rising educational and administrative costs, as well as inflation, have significantly decreased the purchasing power of the Title VIII Nursing Workforce Development Programs. **Between fiscal years 2006 and 2008, the number of nurses and nursing students supported by Title VIII funds decreased by 43%**. If action is not taken to significantly increase spending for the Title VIII programs, the number of students supported by the programs will continue to decline and will be insufficient to help address the nursing and nurse faculty shortages.

◆ Number of Students Supported Directly or Indirectly by Title VIII Funding

Projected Impact of Level Funding for Title VIII

In the next seven years, over one million new and replacement nurses are needed. If the Title VIII programs were to receive level funding at \$171.03 million (FY 2009 appropriations) during this time period, the number of students supported would continue to dramatically decrease. At this funding level, it is projected that only 22,287 students would be supported in FY 2016 representing a 50% decrease, over a seven year period.



***The calculations for the number of students supported by Title VIII were based on the FY 2008 level of funding and students supported. The figures were then adjusted to reflect an annual 11% decrease to determine the potential number of students supported. (The 11% was derived from the annual increase in educational costs (8%) and inflation (3%)) This 11% decrease is modest compared to the percentage decrease in students supported between FY 2006 and FY 2008, which averages to 24%.*

Title VIII: Supporting Future Nurse Faculty

The nurse faculty shortage continues to inhibit nursing schools from educating the number of nurses needed to meet the demand. According to the American Association of Colleges of Nursing, 49,948 qualified applicants were turned away from baccalaureate and graduate nursing programs in 2008 primarily due to a lack of faculty. Of those potential students, nearly 7,000 were students pursuing a master's or doctoral degree in nursing, which is the education level required to teach. The inability to hire more faculty is complicated by low salaries. **As President Obama noted during his closing remarks at the March 5, 2009 White House Healthcare Summit, "...when it comes to nurse faculty they get paid even worse than active nurses...it is very difficult for a nurse practitioner to go into teaching because they're losing money."**

One way to compensate for low faculty salaries is for nursing students to be relieved of their educational debt. According to a recent Title VIII Student Recipient Survey from AACN, **master's students reported an average educational debt of \$44,393. Those students who also had undergraduate debt reported an average of \$64,077 in student loans. With the average faculty salary for a master's prepared nurse being \$69,489 (15% less than practicing nurses with a master's degree)** there is little incentive to pursue a faculty role. However, if students lack education debt, the likelihood of teaching increases. The Nurse Faculty Loan Program (NFLP), authorized under Title VIII, can help educate and graduate future nurse faculty.

The NFLP increases 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% of their educational loans, plus interest, over a four-year period at a rate of 20% per year for three years and 25% in the final year. In FY 2006, this program supported the education of 574 future nurse faculty. In FY 2007 and FY 2008, the same number of students (729) were supported by the NFLP. Without adequate Title VIII funding for the NFLP, nurses pursuing their goal of becoming professors will encounter substantial financial challenges to completing their degrees.

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