



## ***Sequestration: Estimating the Impact on America's Nursing Workforce and Healthcare Discoveries***

As mandated through the *Budget Control Act of 2011*, sequestration, or automatic, across-the-board cuts to federal discretionary spending, was set to begin on January 1, 2013. On this date, Congress passed the *American Taxpayer Relief Act of 2012* to avoid going over the “fiscal cliff,” and it delayed sequestration until March 1, 2013. However, Congress was unable to reach an agreement by this deadline, putting sequestration into effect for Fiscal Year (FY) 2013 and FY 2014. As requested by the Office of Management and Budget (OMB), federal agencies submitted reports on how they will function under sequestration in FY 2013. Nursing education and healthcare research programs will succumb to cuts that impact the healthcare workforce and America's patients. AACN continues to advocate for our programs of interest and request they be protected in FY 2014 appropriation bills. Federal programs that support the education and training of America's nurses will suffer a tremendous blow if sequestration continues, limiting access to care for communities across the country.

### ***Demand for Nursing Services***



Aging Population

Rise in Chronic Diseases and Demand for Primary Care

Aging Nursing Workforce



According to the Bureau of Labor Statistics' *Employment Projections 2010-2020*, **an additional 1.2 million registered nurses will be needed to address the demand in the workforce by 2020.**<sup>1</sup> A dramatic increase in our nation's aging population, coupled with a sharp increase in the need for chronic care management and primary care, will only exacerbate the demand. Moreover, the Health Resources and Services Administration (HRSA) estimates that of the 2.8 million RNs currently practicing in America, 34.9% are over age 50 and 8.5% are over age 60.<sup>2</sup> The anticipated retirement of these nurses will create a significant shortfall in the workforce.

### ***Sequestration's Impact on Nursing Education***

The Nursing Workforce Development programs (Title VIII of the *Public Health Service Act*) have supported the education and training of America's nurses for nearly 50 years. The Title VIII programs aid in increasing the pipeline of nursing students at all educational levels and bolster the number of nurse faculty. The following calculations are based on the reported number of students and registered nurses supported by Title VIII programs for academic year 2011-2012 in HRSA's FY 2014 Congressional Budget Justification<sup>3</sup> and reflect a sequestration level ranging from 5.28% to 6.23% as outlined in HRSA's *Sequestration Operating Plan for FY 2013*.<sup>4</sup>

<sup>1</sup> U.S. Bureau of Labor Statistics. (2012). *Employment Projections 2010-2020*. Accessed August 28, 2012 from <http://www.bls.gov/news.release/ecopro.nr0.htm>.

<sup>2</sup> U.S. Health Resources and Services Administration. (2013). *The U.S. Nursing Workforce: Trends in Supply and Education*. Accessed May 8, 2013 from <http://bhpr.hrsa.gov/healthworkforce/reports/nursingworkforce/nursingworkforcefullreport.pdf>.

<sup>3</sup> U.S. Health Resources and Services Administration. (2013). *Fiscal Year 2014 Justification of Estimates for Appropriations Committees*. Accessed May 8, 2013 from <http://www.hrsa.gov/about/budget/budgetjustification2014.pdf>.

<sup>4</sup> U.S. Health Resources and Services Administration. (2013). *Sequestration Operating Plan for FY 2013*. Accessed May 29, 2013 from <http://www.hrsa.gov/about/budget/operatingplan2013.pdf>. These cuts of 5.28% to 6.23% reflect rescissions included in Division F, Title V of the

***Under sequestration, the Nursing Workforce Development programs would be cut by \$13.598 million (5.88%) in FY 2013. These cuts would result in:***

**2,725 fewer nurses and nursing students** supported through all of the Title VIII Nursing Workforce Development programs.

**777 fewer participants** in the Advanced Education Nursing and Nurse Anesthetist Traineeship programs, which would impact access to primary and acute care provided by advanced practice registered nurses.

**630 fewer nurses, nursing students, faculty, and other health professionals** who are supported by the Comprehensive Geriatric Education program and deliver care to the elderly, disabled, and chronically ill.

**299 fewer underrepresented and disadvantaged nursing students** supported through the Nursing Workforce Diversity Program.

**487 fewer training opportunities for nurses pursuing graduate-level education** through the Advanced Nursing Education program.

**271 fewer participants** in the Nurse Education, Practice, Quality, and Retention program, which helps schools of nursing, academic health centers, nurse-managed health clinics, and healthcare facilities strengthen programs that provide training opportunities and innovative models for nursing practice.

**119 fewer faculty members** available to educate future generations of nurses through the Nurse Faculty Loan Program at a time when faculty vacancies severely limit nursing school enrollment. According to AACN's 2012-2013 Enrollment and Graduations Report, **nursing schools were forced to turn away 79,659 qualified applications** from entry-level baccalaureate and graduate nursing programs in 2012 due primarily to faculty vacancies.

**81 fewer nurses** participating in the NURSE Corps Loan Repayment Program, and **6.23% fewer students receiving assistance** through the Title VIII NURSE Corps Scholarship Program at a time when the cost of higher education continues to rise.

### ***Sequestration's Impact on Healthcare Research***

In FY 2012, federal dollars for the National Institutes of Health (NIH) extramural research program provided funding for 50,000 research projects and training awards executed by over 300,000 researchers at more than 2,600 institutions.<sup>5</sup> Research studies performed by NIH examine all major aspects of health care, including breakthrough treatments, new diagnostics, patient outcomes, and quality of life measures. According to NIH, under a continuing resolution set at FY 2012 levels, \$30.899 billion of NIH's budget would be subject to a 5.5 % cut (\$1.709 billion). An additional \$150 million in mandatory budget authority would succumb to a 5.1 % cut (\$7.7 million). The total cut to NIH under OMB's projections would equal \$1.717 billion.<sup>6</sup>

As one of the 27 institutes comprising NIH, the National Institute of Nursing Research (NINR) provides the foundation for evidence-based nursing practice. Advancements in preventive care resulting from NINR's mission to target disease processes plaguing our nation's population, including diabetes, obesity, cardiovascular disease, and respiratory illness, are essential in the national effort to reduce healthcare expenditures. Sequestration will affect the critical work put forth by NINR and limit progress of this vital national endeavor.

*Continuing Appropriations Act* (P.L. 113-6), cuts as required under sequestration by the *Budget Control Act of 2011* (P.L. 112-25) and the *American Taxpayer Relief Act* (P.L. 112-240), as well as additional transfers within the Department of Health and Human Services.

<sup>5</sup> Dr. Francis Collins. "Testimony Before the Health Subcommittee of the Energy and Commerce Committee United States House of Representatives" (Date: June 21, 2012). Full testimony available at [http://democrats.energycommerce.house.gov/sites/default/files/image\\_uploads/Testimony\\_Collins\\_HE\\_06.20.12.pdf](http://democrats.energycommerce.house.gov/sites/default/files/image_uploads/Testimony_Collins_HE_06.20.12.pdf). Accessed September 10, 2012.

<sup>6</sup> National Institutes of Health. (2013). Mechanism Table Accompanying FY 203 Operating Plan. Accessed May 8, 2013.

## **ADVANCING HIGHER EDUCATION IN NURSING**