

# Help Alleviate the Nursing Shortage

## Support Increased Funding for the Title VIII Nursing Workforce Development Programs



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.

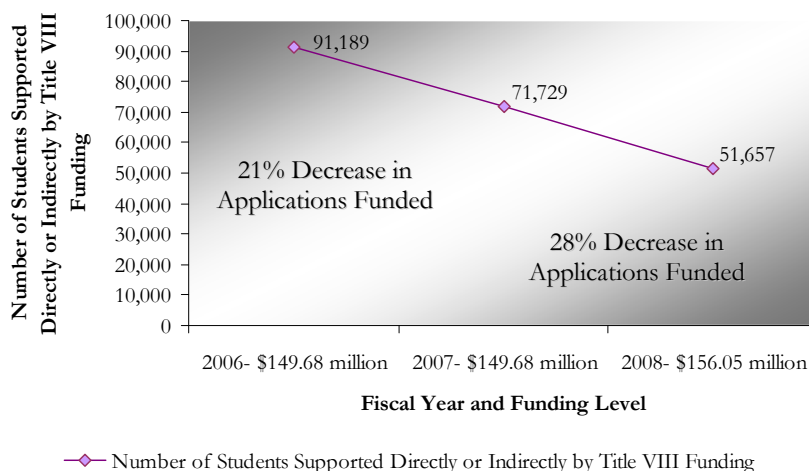
### Importance of Title VIII Funding

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 45 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

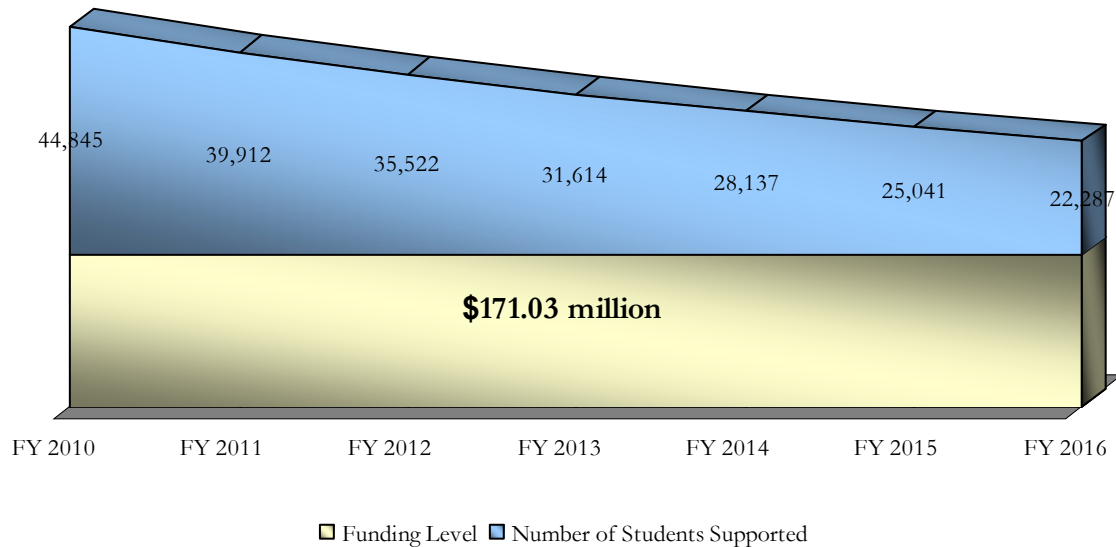
Title VIII Nursing Workforce Development Programs	FY 2009 Omnibus Appropriations Act	FY 2010 President's Budget	FY 2010 House Filed Bill	FY 2010 Senate Full Committee Mark-Up
Advanced Education Nursing Grants	\$64.44 million	\$64.44 mil	\$64.44 mil	\$64.44 mil
Workforce Diversity Grants	\$16.11 million	\$16.11 mil	\$16.11 mil	\$16.11 mil
Nurse Education, Practice, and Retention Grants	\$37.29 million	\$37.29 mil	\$37.29 mil	\$42.50 mil
Loan Repayment and Scholarship Programs	\$37.13 million	\$125 mil	\$125 mil	\$64.13 mil
Nurse Faculty Loan Program	\$11.50 million	\$16 mil	\$16 mil	\$25 mil
Comprehensive Geriatric Education Grants	\$4.57 million	\$4.57 mil	\$4.57 mil	\$4.57 mil
<b>TOTAL</b>	<b>\$171.03 million</b>	<b>\$263.40 mil</b>	<b>\$263.40 mil</b>	<b>\$216.75 mil</b>



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 increase spending for Title VIII, 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.

## 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 (AACN), 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.

## About the Title VIII Programs

**Advanced Education Nursing Grants (Sec. 811)** support the majority of programs that prepare graduate-level nurses to be primary care providers and for faculty positions. 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, and nurse educators, among others. In FY 2008, AEN grants supported the education of 3,419 nurses and helped graduate 988 advanced practice nurses.

**Workforce Diversity Grants (Sec. 821)** prepare disadvantaged students to become nurses. This program awards grants and contract opportunities to schools of nursing, nurse-managed health centers, academic health centers, state or local governments, and nonprofit entities looking to increase access to nursing education for disadvantaged students, including racial and ethnic minorities under-represented among RNs. In FY 2008, these grants supported 18,741 students and helped graduate 621 nurses.

**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 programs that provide nursing education. This program focuses on nursing education, nursing practice, and nursing workforce retention:

- **Education Grants** 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 in education, including distance learning.
- **Practice Grants** 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, the homeless, and domestic abuse victims; c) provide skills to practice in existing and emerging health systems; and d) develop cultural competencies.
- **Retention Grants** a) maintain the Career Ladder program that support nursing education efforts to assist individuals in obtaining the education necessary to either enter the profession or to advance within it and b) enhance Patient Care Delivery Systems through incorporation of best practices for both increased collaboration and improved communication among nurses and other health care professionals and additional nurse involvement in the organizational and clinical decision-making processes of a health care facility.

In FY 2008, these grants supported nearly 6,000 nurses and nursing students, and the program helped graduate 1,700 nurses.

**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 at a rate of 20 percent per year for three years and 25 percent in the final year. In FY 2008, these grants supported the graduate education of 729 future nurse educators, and helped graduate 401 future nurse faculty.

**Comprehensive Geriatric Education Grants (Sec. 855)** are awarded to individuals in geriatrics to better provide health care services for the elderly. These grants may be used to train RNs who will provide direct care to older Americans, develop and disseminate geriatric curriculum, train faculty members, and provide continuing education.

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

- **Loan Repayment:** Repays up to 85 percent of nursing student loans in return for at least three years of practice in a designated health care facility. In FY 2008 only 7.4%, or 435, of the 5,875 applications reviewed were funded.
- **Scholarship:** Offers individuals who are enrolled or accepted for enrollment as full-time nursing students the opportunity to apply for scholarship funds. Upon graduation, a nurse is required to work in a health care facility with a critical shortage of nurses for at least two years. In FY 2008, this program supported 169 students.

## Title VIII Achieving Success Student Recipients Report the Benefits

**Historical Background:** During the late 1950s and early 1960s, hospitals in the U.S. faced one of the most critical nursing shortages in history resulting in exceedingly high Registered Nurse (RN) vacancy rates.<sup>i</sup> In 1961, the reported vacancy rate soared to 23.2%.<sup>i</sup> In an attempt to reverse the shortage and improve patient safety, hospitals and nursing leaders lobbied Congress to enact legislation that would subsidize nursing education and ultimately address the long-term demand for nurses.<sup>i</sup> Congress reacted by passing the Nurse Training Act of 1964 (P.L. 88-581), which established Title VIII of the Public Health Service Act. “On signing the act, President Johnson observed that the Nurse Training Act of 1964 was the most significant nursing legislation in the history of the country.”<sup>ii</sup>

Today, the Title VIII programs are essential to solving the current national nursing shortage. **Between FY 2006 and 2008, the Title VIII programs supported 214,575 nurses and nursing students** as well as numerous academic nursing institutions, and other healthcare facilities. However in recent years, funding for the Title VIII programs has remained stagnant (approximately \$150 million between FY 2005-FY 2008). Level funding for the programs has significantly decreased their purchasing power as the number of students supported decreased by 21% between FY 2006-FY 2007 and 28% between FY 2007-FY 2008. Rising educational costs, inflation, and administrative costs have limited the programs’ effectiveness.

Concerned over the consistently low levels of funding for Title VIII, the American Association of Colleges of Nursing (AACN) conducted a survey in 2009 to determine if the programs were meeting the needs of nursing students. **Nursing student recipients of Title VIII funding from across the country responded with the resounding message that the support was an essential component to completing their nursing education.** Based on the responses of 1,501 nursing students, the results of the survey are outlined below and demonstrate the effectiveness of the Title VIII programs and the need to increase funding.

### Title VIII Offers Educational Debt Relief

Like students in other disciplines, nursing students require financial assistance to support their education. According to the respondents of this survey, 92.7% reported that Title VIII paid for a portion of their tuition and, of those students, approximately 11% reported their tuition was paid in full.

#### Survey Results

#### Educational Debt of Nursing Students\*

#### Students Overwhelmingly Report Debt Relief

##### Undergraduate Nursing Degree

*Number of Students Responding*

**804**

*Average*

**\$30,375**

##### Master's Nursing Degree

*Number of Students Responding*

**761**

*Average*

**\$44,393**

##### Undergraduate and Master's Nursing Degree

*Number of Students Responding*

**710**

*Average*

**\$64,077**

\*Data based on self report from nursing students.

#### National Data

According to *Trends in Student Aid 2008*, a report issued by the College Board, the average educational debt of individuals pursuing a bachelor’s degree was \$22,700 in 2006-2007, rising 18% from the previous year. This data included students with public and private loans. The report further noted that each year between 2000 and 2007, the number of students obtaining loans to pay for their education increased by 60%. The *Trends in Student Aid 2008* report also noted that the average educational debt per graduate borrower was \$38,300.

**My Title VIII funding decreased the overall educational expenses associated with the degree I am/was seeking.**

Yes 92.1%

No 7.9%

**My Title VIII funding paid for a portion of my tuition. (Students may receive funding for books and other living expenses)**

Yes 92.7%

No 7.3%

**My Title VIII funding paid for all of my tuition.**

Yes 11.2%

No 88.8%

**My Title VIII funding substantially decreased my financial burden, allowing me to attend my nursing program.**

Yes 70.1%

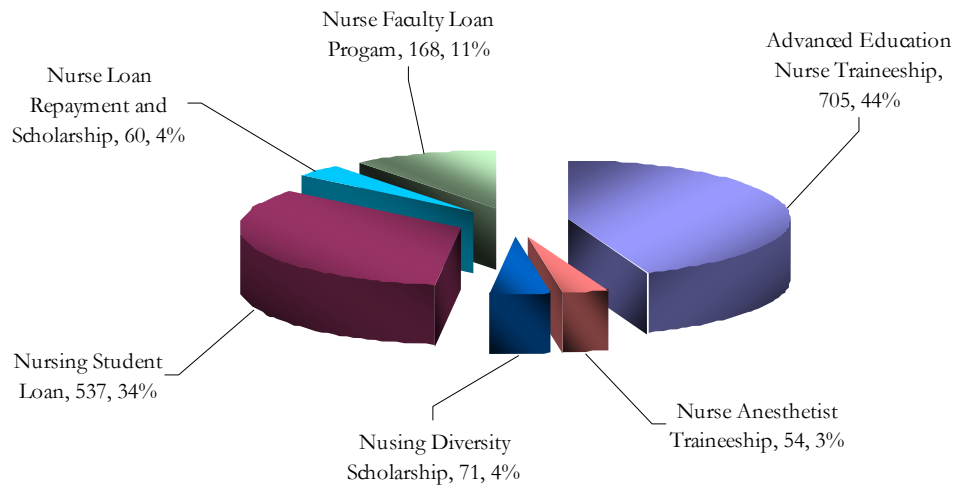
No 29.9%

**My Title VIII funding decreased the financial and/or emotional burden on my family.**

Yes 87%

No 13%

## Title VIII Survey Respondents by Program



## Title VIII Support for Nursing Student's Future Career Goals

A lack of faculty and the severe shortage of nurses in underserved, urban, and rural areas are two of the largest concerns in the profession's ability to address the national nursing shortage. According to AACN, 49,948 qualified applicants were turned away from baccalaureate and graduate nursing programs primarily due to a lack of qualified faculty. The promising finding from this survey is that **737 students plan to pursue a future career as faculty**. The support for nurse educators through Title VIII will help fill the thousands of vacant positions and those expected to become vacant because of faculty retirements. Moreover, according to the Bureau of Labor Statistics 2007 *Employment Outlook*, RNs with advanced degrees, such as **nurse practitioners, will be in greater demand as they provide low-cost, primary care services to individuals in rural areas and inner cities.**

### Survey Results

**My Title VIII funding helped me to achieve my career goals.**

Yes 95.4%

**My future career goal is to become nurse faculty.**

Yes 50.1%

**I have future plans to work in underserved or rural areas.**

Yes 72.7%

## Critical Finding: Students Appreciate Title VIII Support and Firmly Believe the Funding Should Increase

While millions of Americans are struggling during an economic downturn, the unemployment rate rises, and thousands of students are required to obtain student loans for their education, **nursing students are extremely grateful for the funding they receive through Title VIII**. Nursing remains an attractive, well-paid, and rewarding career with over 140,000 current vacant positions and over 587,000 new nursing positions becoming available by 2016. **Providing support for Title VIII is the key to filling these vacant positions and in turn improving the quality of health care.**

### Survey Results

**I am extremely appreciative of my Title VIII funding.**

Yes 99.5%

**I believe the federal government should increase funding for Title VIII so more nurses and nurse faculty can be educated.**

Yes 99.5%

<sup>i</sup> Buerhaus, P.I., Staiger, D.O., & Auerbach, D.I. (2008). The future of the nursing workforce in the United States: Data, trends, and implications. Jones and Bartlett Publishers: Boston.

<sup>ii</sup> Kalisch, B.J., & Kalisch, P.A. (1982). *Politics of Nursing*. J.B. Lippincott Company: Philadelphia. (p. 188)