

**CHAPTER 272****(SB 289)**

AN ACT relating to the Nursing Workforce Foundation.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

SECTION 1. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

*The General Assembly hereby finds and declares that:*

- (1) Kentucky is experiencing a nursing shortage that, without proactive intervention, could have serious consequences for the delivery of health care in the state;*
- (2) With the average age of registered nurses in Kentucky at forty-four (44) years and the average age for licensed practical nurses at forty-nine (49) years, an adequate number of new nurses will be needed to replace the aging nursing workforce;*
- (3) The current number of students will not be enough to meet the state's future needs for nurses;*
- (4) The age of nursing educators continues to rise and nursing schools are finding it increasingly more difficult to attract qualified educators;*
- (5) Changes in the delivery of care and more employment options becoming available to nurses that did not exist previously are making it difficult for employers of nurses to recruit and retain an adequate number of qualified nursing personnel;*
- (6) Educational institutions must be involved in addressing the shortage but require financial assistance to support the costs associated with program changes, expansions, or both;*
- (7) Financial assistance is needed to help employers provide scholarships and develop and implement innovative recruitment and retention strategies;*
- (8) The state has a role in helping to support and finance activities directed toward increasing the supply of nurses; and*
- (9) A foundation should be established to receive grants, contributions, federal funding, and appropriations for the purpose of making awards to educational institutions, nurses seeking graduate degrees, nursing employers, nursing employer consortiums, and nursing employer associations to meet the workforce needs for licensed nurses in the state.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

- (1) As used in Sections 1 to 8 of this Act, "board" means the board of the Nursing Workforce Foundation.*
- (2) The Nursing Workforce Foundation is created and shall be governed by a board comprised of members who are residents of Kentucky appointed by the Governor.*
- (3) The foundation shall be governed by a board, the membership of which shall consist of the following:*

- (a) *President, or a designee, of the Kentucky Community and Technical College System;*
  - (b) *President, or a designee, of the Association of Independent Kentucky Colleges and Universities;*
  - (c) *President, or a designee, of the Council on Postsecondary Education;*
  - (d) *Secretary, or a designee, of the Kentucky Cabinet for Workforce Development;*
  - (e) *Executive Director, or a designee, of the Kentucky Board of Nursing;*
  - (f) *President, or designee, of the Kentucky Nurses Association;*
  - (g) *President, or a designee, of the Kentucky Coalition of Nurse Practitioners and Nurse Midwives;*
  - (h) *President, or a designee, of the Kentucky Council of Associate Degree Nursing Programs;*
  - (i) *Chair, or a designee, of the Kentucky Association of Baccalaureate and Higher Degree Nursing Programs; and*
  - (j) *Two (2) members from a list of three (3) individuals recommended by the Kentucky Hospital Association, with one (1) representing a rural hospital and one (1) representing an urban hospital.*
- (4) *The board shall elect a chairman from its members. The board shall meet at least four (4) times a year and at the call of the chairman or a majority of the board members. A majority of the board membership shall constitute a quorum.*
- (5) *Each hospital representative appointment shall be for a term of four (4) years. A vacancy on the board shall be filled by the Governor as provided under this section.*
- (6) *Members of the board shall be entitled to reimbursement for expenses when carrying out official duties of the board in accordance with state administrative regulations relating to travel reimbursement.*
- (7) *The board shall employ or contract with a qualified person or nonprofit organization to serve as executive director to the board and shall fix the compensation and define the duties. The executive director shall be responsible for the performance of the administrative functions of the board and such other duties as the board may direct. The board may employ or contract with other persons as may be necessary to carry on the work of the board.*
- (8) *The board shall be a nonprofit, quasi-governmental corporation subject to the Kentucky Open Records Law and Kentucky Open Meetings Law. The board shall have any and all general corporate, trust, or other powers reasonable or necessary to fulfill the requirements and purposes of Sections 1 to 8 of this Act.*
- (9) *The provisions of Sections 1 to 8 of this Act shall be funded by any grants, gifts, and contributions received by the board or other general funds appropriated by the General Assembly.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

- (1) *The board shall:*

- (a) *Solicit grants, gifts, and contributions from public or private sources, including federal funding, to carry out the purposes of Sections 1 to 8 of this Act;*
  - (b) *Make disbursements as set forth under Sections 1 to 8 of this Act;*
  - (c) *Establish and administer an application process, criteria, and procedures for making awards of grants to nursing education programs, nursing employer consortiums, and nursing employer associations for the recruitment of students and training of registered nurses and licensed practical nurses;*
  - (d) *Establish and administer an application process, criteria and procedures for awarding scholarships or loan repayment assistance to registered nurses pursuing advanced degrees to become nursing faculty;*
  - (e) *Establish and administer an application process, criteria and procedures for hospitals that provide nursing scholarships to receive matching funds;*
  - (f) *Obtain an annual audit of the funds received and disbursed;*
  - (g) *Allocate the funding received in a manner that the board determines to best promote the assurance of an adequate number of licensed nurses to meet the health care needs of the residents of Kentucky; and*
  - (h) *Report annually to the Legislative Research Commission on its activities, the plans it receives from nursing schools to address the nursing shortage, and summary information on the disbursement of funds.*
- (2) *The board may structure scholarship, matching funds, and loan repayment programs as necessary to secure funds available under federal matching programs.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

*All funds allocated to and received by the board under the provisions of Sections 1 to 8 of this Act shall be paid into the State Treasury and credited to a trust and agency account that shall not lapse. No part of this fund shall revert to the general fund of the Commonwealth. All investment earnings of the fund shall be credited to the fund. The fund shall be used solely by the board for the purposes set out in Sections 1 to 8 of this Act and for meeting reasonable and necessary expenses incurred by the board in the performance of its duties in carrying out the purposes.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

- (1) *The board shall make grants available to public and private nursing education programs located in Kentucky and employer organizations for recruitment of students and for training registered nurses or licensed practical nurses.*
- (2) *The board shall establish requirements for the receipt of funds that shall include, but not be limited to, requirements that a grant from the board shall be:*
  - (a) *Expended exclusively on costs related to:*
    - 1. *Enrolling additional students in nursing programs;*
    - 2. *Increasing the number of faculty through recruitment and retention efforts including, but not limited to, providing faculty salaries and assisting hospitals*

*that provide adjunct faculty for nursing education programs from hospital personnel;*

3. *The recruitment of students, including but not limited to the recruitment of culturally diverse students; and*
4. *The provision of skills development to enhance the skills of licensed nurses;*
- (b) *If granted to increase nursing school enrollments, contingent on the nursing program's ability to enroll additional students, including but not limited to having the necessary classroom space and clinical rotational sites; and*
- (c) *Supported by a detailed annual accounting of fund expenditures and achievement of desired outcomes.*

(3) *Funds awarded but not expended shall be returned to the board.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

*The board shall establish and administer a matching fund program under which a hospital licensed under KRS Chapter 216B may sponsor a professional nursing student or a practical nursing student currently enrolled in an approved nursing program by contributing to the costs of the student's education and having that contribution matched in whole or in part by funds received by the board. The board shall establish requirements for administration of the matching fund program including, but not limited to:*

- (1) *Consideration of a hospital's nursing vacancy rate in determining whether to award funds and the amount of such award;*
- (2) *Eligibility criteria for matching fund recipients, which shall include a requirement that the recipient work for the sponsoring facility for a prescribed time period commensurate with the funding received by the board and the employer;*
- (3) *The minimum and maximum employer contribution that will be matched;*
- (4) *A process that promotes awarding matching funds for students enrolled in the level of nursing education for which there is the greatest need;*
- (5) *A defined process for matching fund recipients to pay back funds when obligations related to employment are not met;*
- (6) *A process that defines the reporting requirement of employers who receive matching funds; and*
- (7) *A process that maximizes a culturally diverse number of nursing students.*

SECTION 7. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

*The board shall establish and administer a scholarship program and a loan repayment program to prepare nurses to assume faculty positions in nursing education programs located in Kentucky. The board shall establish program requirements that include, but are not limited to:*

- (1) *Eligibility criteria for scholarships and loan repayments which require recipients to be registered nurses enrolled in a Kentucky program designed to lead to a master's degree or other higher degree in nursing and requires their commensurate commitment to teach in*

*a program in Kentucky designed to prepare students for licensure as a registered or licensed practical nurse;*

- (2) The minimum and maximum annual awards per student for scholarships and loan repayments;*
- (3) A defined process for pay back of scholarships and loan repayments when the recipient fails to comply with obligations related to employment as faculty in nursing education programs; and*
- (4) A process whereby nursing educational institutions shall report on the academic performance of scholarship and loan repayment recipients.*

SECTION 8. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

*Each school of nursing as defined under KRS 314.011 that is located in Kentucky, whether or not awarded funding under Sections 1 to 8 of this Act, shall submit an annual report by August 1 to the board, the Kentucky Board of Nursing, the Council on Postsecondary Education, the Cabinet for Workforce Development, and the Legislative Research Commission detailing its strategies for increasing the enrollment of students who graduate from the program prepared for licensure as registered nurses or licensed practical nurses. Efforts undertaken by each school to increase cultural diversity within its nursing students shall be included in the annual report to the board.*

**Approved April 9, 2002**