

**Department of Legislative Services**  
Maryland General Assembly  
2023 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 774

(Senator Lam)

Finance

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**Maryland Pathway to Nursing Program and Advisory Committee –  
Establishment**

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This bill establishes the Maryland Pathway to Nursing Program in the Maryland Department of Health (MDH) to provide practical and financial support to specified nursing students. The bill also establishes the Maryland Pathway to Nursing Advisory Committee with specified membership to assist the Secretary of Health in the development and implementation of the program. By December 15, 2023, and annually thereafter, the Secretary of Health must report to the Governor and General Assembly on the implementation of the program. **The bill takes effect June 1, 2023.**

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**Fiscal Summary**

**State Effect:** No effect in FY 2023. In FY 2024, general fund expenditures increase by at least \$85,000 for initial staff and likely by significantly more (as much as \$2.5 million on an annualized basis) to also provide full financial support and wraparound services for a pilot program for 100 students, as discussed below. MDH general fund expenditures likely increase further to implement a statewide program in out-years, as discussed below. However, the design of the program is dependent on decisions made by the Secretary and the committee established by the bill. Committee members serve without compensation, and any expense reimbursements for committee members are assumed to be minimal and absorbable with existing resources. Revenues are not affected.

**Local Effect:** Local health departments may benefit to the extent the program fills vacant nursing positions. Revenues are not affected.

**Small Business Effect:** Minimal.

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## **Analysis**

### **Bill Summary:**

#### *Pathway to Nursing Program*

The goals of the program include (1) supporting certified nursing assistants in licensed practical nursing education programs who intend to practice licensed practical nursing as a career in the State or continue to become a registered nurse (RN) in the State; (2) alleviating the shortage of nursing professionals; (3) increasing the number of licensed practical nurses (LPNs) and RNs that reflect the diversity of the communities they serve; and (4) providing program participants with financial assistance to cover tuition and fees, computers, textbooks, supplies, housing, food, and other living expenses.

The Secretary of Health must implement a pilot program at community colleges in at least two geographically diverse areas in the State that offer licensed practical nursing programs before implementing the program statewide.

In consultation with the advisory committee, the Secretary must determine the timeframe and steps necessary to establish the pilot program, the areas of the State in which the pilot program will operate, the resources necessary to support the pilot program, and the types of evaluations needed to make recommendations about the program's design and expansion statewide.

The Secretary must also, in consultation with the advisory committee, adopt regulations including requirements for participation, criteria for the amount of support provided to participants, a process for providing wraparound services, a process for distributing financial support, a description of the role of educational institutions, and the process for periodically reviewing and implementing modifications to the program.

#### *Pathway to Nursing Advisory Committee*

The Secretary of Health must designate a chair of the advisory committee, and MDH must staff the committee. A committee member may not receive compensation but is entitled to reimbursement for expenses under standard State travel regulations.

**Current Law:** Generally, an individual must be licensed and/or certified by the Maryland Board of Nursing (MBON) to practice as a nurse or nursing worker.

### *Licensed Practical Nurse*

An applicant for an LPN license must meet all the requirements for a high school diploma or its equivalent. An applicant for an LPN license must also complete satisfactorily and meet all the requirements for a diploma from a licensed practical nursing program approved by the board or an education program in licensed practical nursing in any other state or country that the board finds substantially equivalent to the education program in Maryland at the time of the applicant's graduation. LPN applicants must also pass an examination developed by the National Council of State Boards of Nursing, demonstrate English language competency, and be of good moral character.

### *Registered Nurse*

"Practice registered nursing" means the performance of acts requiring substantial specialized knowledge, judgment, and skill based on the biological, physiological, behavioral, or sociological sciences as the basis for assessment, nursing diagnosis, planning, implementation, and evaluation of the practice of nursing to maintain health, prevent illness, or care for or rehabilitate the ill, injured, or infirm.

An applicant for an RN license must complete and meet all requirements for a diploma or degree from a registered nursing education program approved by MBON, or an education program in registered nursing in any other state or country that MBON finds substantially equivalent to programs in the State. RN applicants must also pass an examination developed by the National Council of State Boards of Nursing, demonstrate English language competency, and be of good moral character.

**State Expenditures:** MDH advises that the department requires four new regular full-time positions at a cost of approximately \$300,000 annually beginning in fiscal 2024. However, the Department of Legislative Services (DLS) advises that actual costs to staff the program could vary significantly depending on the size of the pilot program and the scope of services and financial assistance provided by MDH. DLS, therefore, advises that MDH requires one full-time director at an approximate cost of \$85,000 beginning in fiscal 2024 to launch a pilot program and coordinate with the committee and the Secretary to make final determinations about the eventual scope of a full statewide program.

At the conclusion of the pilot program and depending on the approaches selected for a full program, staffing costs may rise to hire regional program coordinators. The exact timing and scope of these costs will depend on decisions made at the conclusion of the pilot, but additional staffing expenditures could occur as early as fiscal 2025 and reach a scale proportionate with MDH's initial estimate of four additional employees at a cost of approximately \$300,000 annually.

MDH expenditures likely increase further, by a potentially significant amount, to provide financial support and wraparound services to program participants. The exact level of additional expenditures depends on multiple factors to be decided by MDH as the Secretary and advisory committee create the pilot and program. The type of wraparound services, number of program participants, and amount of financial support provided all impact the overall level of non-staffing expenditure needed to implement the program.

*For illustrative purposes*, general fund expenditures may increase by as much as an additional \$2.4 million in the first full year of implementation, for a total annual cost of \$2.5 million for the pilot program (unless additional staff are needed sooner, in which case costs further increase). This estimate is based on the 2022-2023 academic year general cost of attendance for Anne Arundel Community College (AACC), which offers a practical nursing program, estimated to be \$23,735 for students not living with parents (with additional premiums for students attending from out-of-county and out-of-state and less for students living with parents). Expenses included in AACC's cost of attendance include estimates for tuition and fees, books and supplies, room and board, and other personal expenses, which is substantially similar to the program's goal to provide funds for tuition and fees, computers, textbooks, supplies, housing, food, and other living expenses. This estimate also assumes that approximately 100 students enroll in licensed practical nursing programs at two community colleges in the State in fiscal 2024 (the first year it would be possible to do so) and that the program targets newly enrolling practical nursing students only. Based on 2021 Maryland Higher Education Commission data on enrollment trends, approximately 500 students are assumed to be enrolled in LPN programs in fiscal 2024; thus, a statewide program providing full support to students could cost up to \$11.9 million without LPN enrollment growth. To grow such a program by 100 students would cost approximately \$2.4 million for each year of support.

Program costs may also be substantially lower depending on MDH's implementation decisions. The bill does not specify an overall funding maximum for the program nor a minimum level of benefits for students. The Secretary and advisory committee may decide to simply award small cash stipends and provide minimal wraparound services to only a subset of LPN students. For a program of this scale, both staffing and program costs could be substantially lower than estimated above as the scope of assistance provided to LPN students and the associated administrative costs would both be substantially lower. Further, LPN students may be able to take advantage of existing financial aid, in which case additional expenditures are less.

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## Additional Information

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland Higher Education Commission; University System of Maryland; Maryland Independent College and University Association; Morgan State University; Maryland Department of Health; Department of Veterans Affairs; Department of Legislative Services

**Fiscal Note History:** First Reader - March 6, 2023  
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