

HB

10

SENATE COMMITTEE REPORT

DATE: 5/1/90

FURTHER: Finance

DATE TURNED INTO OFFICE: 5/6/90

Labor & Commerce

Committee considered

CSHB 10 (HESS) am

"An Act relating to forgiveness of student loans of certain health care professionals, to taxation of student loans, and to student financial assistance; and providing for an effective date."

and recommended:

- replace with SCS CS HB (L+C) same title
- or adopt _____ CS _____ new title
- attached amendment(s) technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

- fiscal note(s) Health + Social Services 4/26/90
- At Cmsn on Postsecondary 4/25/90
- for SCS CSHB 10 (L+C)
- zero fiscal note(s) _____

APPROVES PREVIOUS:

Dept/Date:

- fiscal note(s) _____
- zero fiscal note(s) _____

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

[Signature]

[Signature]

Pat Bodley

OTHER RECOMMENDATIONS:

1/ Kertah No Pass - we need

to provide an equal

program for all children

College students

[Signature]

Chair: Signature and Recommendation

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Health & Social Services
 Title: Relating to forgiveness of BRU: State Health Services
student loans of health care prof.
 Sponsor: Ellis, et al. Components: Public Health Administration
 Requester: Senate HESS

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
Personal Services						
Travel						
Contractual		21.5				
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0.0	21.5	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

General Funds	0.0	21.5	0.0	0.0	0.0	0.0
Federal Funds						
Other						
TOTAL	0.0	21.5	0.0	0.0	0.0	0.0

POSITIONS

Full-Time		0				
Part-Time		0				
Temporary		0				

ANALYSIS: (attach a separate page if necessary)

No fiscal impact in FY 90.

See attached analysis for FY 91.

Prepared By: Katherine A. Kelly, Dr. P.H.
 Division: PUBLIC HEALTH
 Approved By Commissioner: Myra M. Munson
 Agency: HEALTH & SOCIAL SERVICES

Phone: 465-3090
 Date: 04/26/90
 Date: 4/26/90

Distribution (by preparer):

Legislative Finance, Legislative Sponsor, Requestor,
Office of Management & Budget, Impacted Agency(ies)

CS HB 10 (HESS) AM

For an Act entitled: "An act relating to forgiveness of student loans of certain health care professionals; and providing for an effective date.

CS HB 10 (HESS) would provide a student loan forgiveness program for health care professionals who provide services in areas designated by the Department of Health and Social Services as meeting professional shortage criteria. Loan forgiveness would be based on a yearly percentage of service in designated area, up to five years, at which point the entire loan would be forgiven by the state.

Recruitment and retention of health care professionals for rural areas is often difficult and expensive. Agencies and communities providing services in these areas are faced with the ongoing problem of obtaining qualified individuals who will live in rural areas for an extended period of time. This chronic turnover results in substantial cost increases and service disruption due to vacancies.

Eligible professionals providing health services in designated areas would benefit economically from this program. This economic incentive will enhance the ability of communities and agencies to recruit and retain health care providers. In addition, rural Alaskans would be encouraged to obtain advanced education and return to practice in their communities.

Position

The Department of Health and Social Services, while deferring the cost analysis of this legislation to the Department of Education, supports the economic incentives in assisting rural areas to recruit and retain qualified health professionals.

Recommended by: Katherine A. Kelley
Katherine A. Kelley, Dr.P.H.
Director
Division of Public Health

Date: _____
Approved by: Myra V. Munson
Myra V. Munson
Commissioner
Department of Health and
Social Services

Date: April 26, 1990

FISCAL NOTE

REQUEST:

Revision Date: April 25, 1990
 Title: Forgiveness of student loans of Health Care Providers
 Sponsor: Ellis
 Requestor: Senate HESS

Agency Affected: Education
 BRU: Postsecondary Education Student Loan Corp.
 Components: Student Loan Fund

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	-0-	41.2	83.8	137.3	142.1	145.3
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	41.2	83.8	137.3	142.1	145.3
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jane Byers Maynard, Executive Director Phone: 2854
 Division: Alaska Commission on Postsecondary Education Date: April 25, 1990

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by preparer) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Analysis of Fiscal ImpactA. Assumptions

1. The current student loan population is representative of the future attendance patterns for student of selected health care fields.
2. Only a small proportion of health care graduates will actually qualify for the benefits of CS HB 10. The estimate used for the analysis is 1-in-10 medical graduates (physicians, surgeons, psychiatrists), and 1-in-8 nursing, physician assistant, physical therapy, occupational therapy and medical technology graduates. Additionally, of these, it is estimated that the average forgiveness will be 36% (that is, 3-of-5 years of eligible forgiveness).
3. Borrowing years will vary by health care field. For this fiscal analysis, the following are assumed:

<u>Fields</u>	<u>Years of Borrowing</u>
Medical Profession	8 years
Nursing	3 years
Occupational Therapy	4 years
Physical Therapy	4 years
Physician Assistant	4 years
Medical Technology	3 years

B. ProjectionsGraduates by Field

<u>Field</u>	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Medical Profession	32	32	31	32	33	34	35
Nursing	67	67	68	70	71	72	73
Occupational Therapy	2	3	3	3	3	4	4
Physical Therapy	4	4	4	4	5	5	5
Physician Assistant	2	2	2	2	3	3	3
Medical Technologist	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total	109	110	110	113	119	121	123

C. Fiscal Impact

<u>Year</u>	<u>Amount</u>
1989-90	\$ -0-
1990-91	41,220
1991-92	83,820
1992-93	137,370
1993-94	142,160
1994-95	145,330

FISCAL NOTE FOR CS HB 10 (HESS) AM

In order for the Department of Health and Social Services to establish the health professional shortage designation system in a timely manner, limited contractual services would be required during the first year. This additional cost would be necessary due to limited availability of Division of Public Health Staff to focus on developing a information system which could be readily maintained to provide the Alaska Commission on Post Secondary Education the necessary information.

It is anticipated that once a computerized system was established, the information could be updated on an annual basis utilizing existing personnel and equipment.

Contractual Line 73000

Professional Services: Personal Services contract for the purpose of developing the health professional shortage designation regulations, conducting the public review and adoption of the regulations, establishing a data base to be updated and monitored by department staff, and developing the initial shortage area designation for the Alaska Commission on Post Secondary Education. 4 months at \$5.0 per month \$20.0

Communication: Printing of regulations, public notification of regulations and program availability, teleconference for public hearings in the regulation adoption process. \$ 1.5

Total Contract Line \$21.5

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



P.O. BOX V, JUNEAU 99811
(907) 465-3759

HOUSE HESS COMMITTEE LETTER OF INTENT CSIB 10 (HESS)

It is the intent of the 16th Alaska State Legislature in passing HB 10, that the Commission on Postsecondary Education in writing clearly inform borrowers potentially eligible under A.S. 14.43.120(s) that forgiveness is subject to legislative appropriation.

A handwritten signature in cursive script, appearing to read "J. Ellis", written over a horizontal line.

Rep. Johnny Ellis
Chairman

March 6 1989
Date of Adoption

1024 WEST SIXTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 274-4031

WHILE IN SESSION
PO BOX V
JUNEAU, ALASKA 99811
(907) 465-3704

ALASKA STATE HOUSE

OFFICE OF MAJORITY WHIP

CO-CHAIR
HEALTH, EDUCATION & SOCIAL SERVICES

LABOR & COMMERCE
SUBCOMMITTEE ON FOREIGN TRADE



REPRESENTATIVE JOHNNY ELLIS

MEMORANDUM

TO: Senator Dick Eliason
Chairman, Senate Labor and Commerce Committee

FROM: Representative Johnny Ellis *JE*

RE: HB 10

DATE: May 1, 1990

Yesterday, House Bill 10 passed the Senate HESS Committee. This bill is currently in your committee and has a further referral to the Finance Committee. Considering the short time remaining before the end of the session, I am requesting that you consider waiving HB 10 from the Labor and Commerce Committee.

HB 10 provides for the forgiveness of student loans for students who return to Alaska to work in certain health care professions in areas of the state which are medically underserved. There are critical shortages of health care professionals in Alaska, especially rural Alaska. This bill, which has broad support by the medical community, will help to alleviate these shortages.

HB 10 also requires WAMI and WICHE program participants to return to Alaska to work in their chosen health fields or they will have to pay back part of the state subsidy for their education.

Finally, HB 10 requires the Commission on Post-Secondary Education to adopt regulations that would increase the opportunities for student loan recipients to exclude the forgiven portions of their loans from taxation by the IRS.

Thank you for your consideration of this request.

Alaska State Legislature



Senate

2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

While in Juneau
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

SENATOR
ARLISS STURGULEWSKI
Senate President Pro Tempore
Chairman, Senate Rules Committee

MEMORANDUM

May 3, 1990

TO: Senator Dick Eliason, Chairman
Senate Labor and Commerce Committee

FROM: Senator Arliss Sturgulewski *AS*
Senate District F

RE: HB 10

This memorandum is to express my personal concern regarding House amendments to SCS CSHB 10(HESS). These concerns are shared by University of Alaska President Don O'Dowd, the Alaska Commission on Postsecondary Education, the Western Interstate Commission for Higher Education of the 15 western states, and the in-state WAMI program administration.

Part of this bill establishes a payback requirement for graduates of the WICHE and WAMI exchange programs if the graduate is unable to work in-state for at least six months for each year of WICHE or WAMI support received. The amount to be repaid equals 50% of the tuition differential subsidy at the school of attendance plus 8% interest. Currently students of WICHE and WAMI do not repay the tuition differential.

I do not support this repayment language. It can result in unreasonable indebtedness for students participating in these programs and for low income and minority students in particular. WICHE and WAMI students pay in-state tuition at public school or 1/3 the standard tuition rate at private schools. Many already have considerable undergraduate debts and family expenses. To cover professional school costs, these students have Alaska Student Loans and perhaps federal loans as well. To place further

debt obligations on students in these health-related fields of study not offered in the State of Alaska is inequitable.

This potential additional indebtedness would have the greatest adverse impact on low-income and minority students. These students historically decline to participate in higher education when faced with the prospects of high loan debt. Many would be forced to either relinquish Alaska residency to pursue their field of choice in states without such restrictions or worse, these students might decline to participate in these important fields of professional study.

The potential debt burden inherent in the amendment could add as much as \$50,000 to current debt loads of between \$55,000 and \$100,000 or more. In contrast to the amendment's penalty approach, the Postsecondary Commission has directed staff to seek more positive ways to facilitate the students return to Alaska such as encouraging the establishment of in-state residency programs and graduate/employer job linkages.

Efforts such as these would work with, rather than be counterproductive to, the main intent of this legislation, which is to better enable students to return to Alaska and serve their communities.

I recommend you pass out the bill version CSHB 10(HESS).

cc: Senator Rodey
Senator Faiks
Senator Kerttula
Senator Coghill



Official Business

Alaska State Legislature

P.O. Box V
State Capitol
Juneau, Alaska 99811

REPRESENTATIVE JOHNNY ELLIS

SPONSOR POSITION PAPER

HB 10

"An Act relating to forgiveness of student loans of certain health care providers."

The purpose of this bill is to create an incentive program for medically trained Alaskans to work in those areas of Alaska that need health care provider services most.

Modeled after the Teacher Scholarship Loan Program, this legislation offers the incentive of Alaska Student Loan forgiveness in return for health care service in areas of the State determined to be medically underserved.

This program would also allow students who qualify to take advantage of the new National Health Service Corps Loan Repayment Program, which offers up to 75% Federal matching funds for such a State program.

***WHY HB 10?**

1. Federal recruitment program ending.

The National Health Service Corps (NHSC) Scholarship Program, which placed 1000 national health care providers in medically underserved areas in 1987, will issue no new scholarships. According to the US Congressional Office of Technology Assessments, NHSC had 413 scholars in 1988, 76 in 1989; and 4 in 1990, to place nationwide. Ken Bahms, the NHSC Region X Director, indicated that, no new NHSC scholars will be designated for Alaska.

2. Indian Health Service (IHS) dependent upon NHSC placements.

According to the Office of Technology Assessment, "Problems of training and retaining health professionals will become critical for IHS over the next 5 years as the NHSC program is phased out."

3. Existing NHSC placement expires August 1989.

There are currently THREE NHSC placements in Alaska:

- (1) Nome--Family Practitioner
Summer '86 to September '89
- (2) Anchorage--Physiatrist (physical rehabilitation)

(3) Dillingham--Family Practitioner
Summer '87 to August '89

*WHO is medically undeserved?

42 U.S.C. 254(e) is a Federal distinction to determine a "health manpower shortage area". The Department of Health and Human Services has distinguished:

In Alaska:

29 psychiatry areas
14 primary medical care areas
4 dental service areas

*WHY forgiveness?

1. Recruitment increasing problem.

All reports indicate that recruitment of health care professionals into rural/medically undeserved areas is a chronic problem. Studies indicate that the national shortage of nurses will only enhance this problem.

2. Retention difficult.

Office of Technology Assessments indicate that, "Nearly all physicians who enter IHS with NHSC scholarships payback obligations, however, leave after their obligation is fulfilled. Only about 5 percent stay at least one additional year."

3. Alaska Student Loan established program.

Forgiveness of Alaska Student Loans will ensure that Alaskan residents are encouraged to remain in Alaska and serve in those areas of greatest need.

4. 100 percent forgiveness is an adequate incentive.

A forgiveness program designed over a five-year period with increasing percentages in the fourth and fifth years will not only help in recruiting but also in retaining health care professionals to areas that have been traditionally difficult to fill.

*HOW to receive Federal matching funds?

PL 100-177 provides for state programs similar to the NHSC Loan Repayment Program to receive up to 75 percent Federal matching funds through a three-year grant program. Although specific regulations have not yet been published, all relevant Federal agencies contacted have recommended that Alaska establish an independent State program first. matching funds will be issued in accordance with demonstrated need and existing State programs.

LETTERS OF SUPPORT

HB 10: "An Act relating to forgiveness of student loans of certain health care professionals; and providing for an effective date."

1. University of Alaska, Board of Regents 11/23/87
2. Alaska Commission on Postsecondary Education 3/25/88
3. Department of Health & Social Services 2/10/88
4. Alaska Board of Nursing 4/13/88
5. Alaska Mental Health Board 3/29/88
6. University of Alaska, Anchorage 4/13/88
7. Alaska Native Health Board 2/10/88
8. Dept. of Health & Human Services 2/10/88
9. Tanana Chiefs Conference, Inc. 2/08/88
10. Norton Sound Health Corporation 3/07/88
11. Health Association of Alaska 1/27/89
12. International Brotherhood of Electrical Workers 2/24/89
13. Medical Association of Alaska 3/13/90

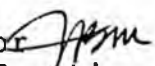
ALASKA COMMISSION ON POSTSECONDARY EDUCATION

P.O BOX FP
JUNEAU, ALASKA 99811-0599
PHONE: (907) 465-2854

M E M O R A N D U M

TO: Members of the Senate Health, Education, and Social
Services Committee

The Honorable Paul Fischer, Chair
The Honorable Jim Duncan, Vice Chair
The Honorable Al Adams
The Honorable Lloyd Jones
The Honorable Tim Kelly

FROM: Jane Byers Maynard, Executive Director 
Alaska Commission on Postsecondary Education

SUBJECT: CSHB 10: An Act Relating to Forgiveness of
Student Loans of Certain Health Care Professionals

DATE: April 30, 1990

This memo is in response to the Committee's April 25 request for additional information concerning CSHB 10.

1. Cost Per Student. The attached table shows the potential cost per student for each year of forgiveness assuming maximum student loan debt incurred over the number of years of study necessary to complete the professional degree in each field.

Please note that these amounts are shown up to the maximum 70% forgiveness versus more conservative fiscal note costs which assume that the average forgiveness received will be 36% (i.e., 3 of 5 years of eligible forgiveness).

2. Source of Funds to Cover Forgiveness. It was asked in Committee if forgiveness costs could be covered by bond proceeds or loan program receipts in lieu of general fund support. Our Alaska Student Loan Bond Counsel states that legislation cannot be enacted which would impair contract rights of bond holders. Bond proceeds can be used only for loan originations. Program receipts from loan repayments which end up in the carry forward fund can be withdrawn once every six months subject to 1) AMBAC insurance approval and 2) cash flow analysis to insure at least 150% debt coverage. These funds are used to originate more loans and to cover program expenses.

Members of the Senate Health,
Education, and Social Services Committee
April 30, 1990
Page 2

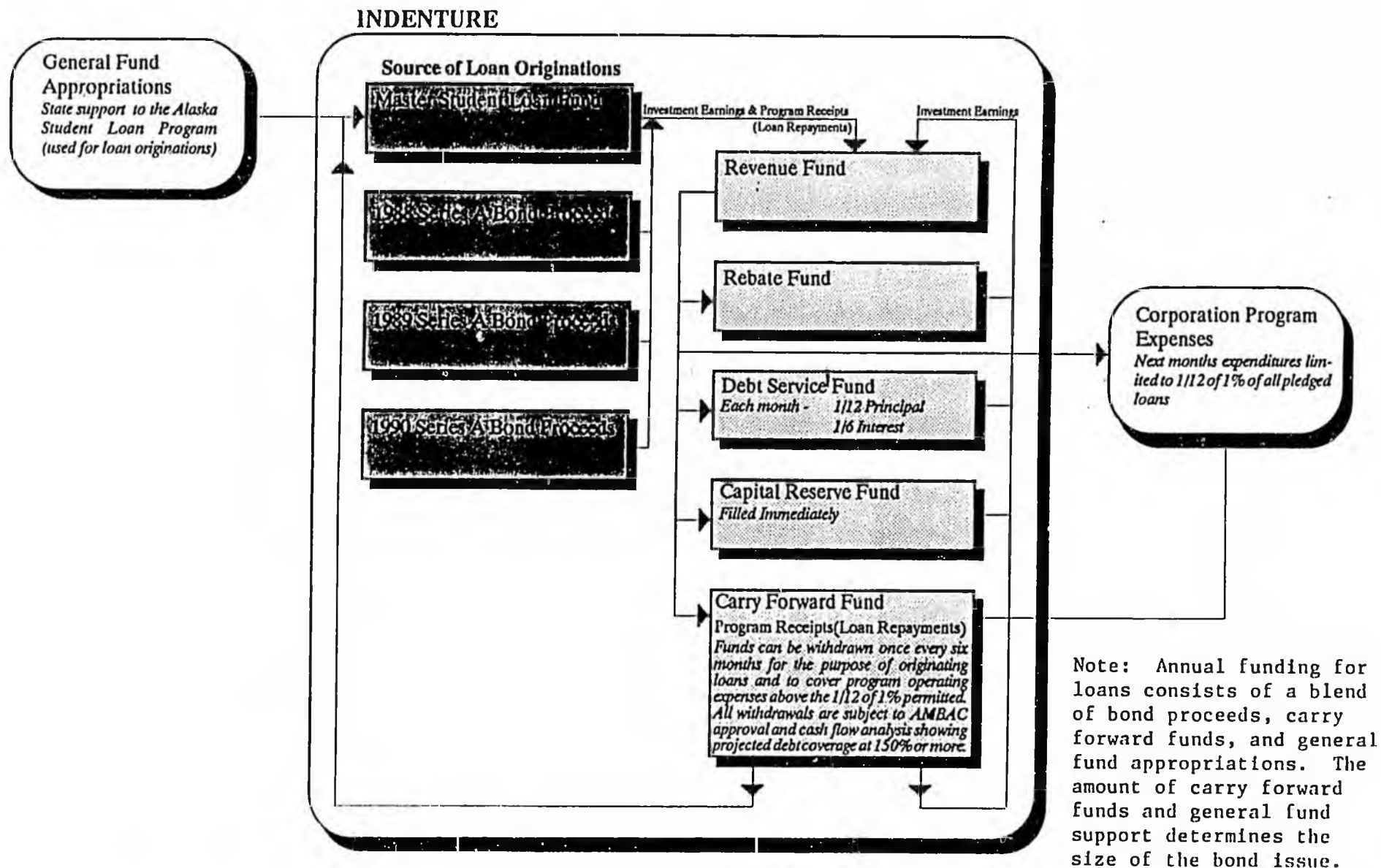
As a matter of policy, the Bond Counsel states that it would be unwise to use these funds for a purpose such as forgiveness coverage which does not create additional revenue (unlike loan origination which does). Instead, such useage would have the ultimate effect of reducing debt service coverage at a faster rate and will delay the date the loan program will become self-sustaining.

3. Letter of Intent. The letter of intent accompanying the bill insures that our Agency will notify borrowers that forgiveness is subject to legislative appropriation. This would be done in borrower promissory notes.

Attachments

cc: The Honorable Johnny Ellis
Alaska House of Representatives

Alaska Student Loan Corporation



CS HB10 POTENTIAL COST PER STUDENT

FIELD	ASL DEBT*	FORGIVENESS INCREMENTS**					
		10% 1st year	12% 2nd year	14% 3rd year	16% 4th year	18% 5th year	70% 5 year total
Doctor (8 years)	\$48,000	\$5,428	\$6,388	\$7,348	\$8,308	\$9,268	\$36,740
Nurse LPN (2 years)	11,000	1,244	1,464	1,684	1,904	2,124	8,420
Nurse RN (4 years)	28,500	3,223	3,793	4,363	4,933	5,503	21,815
Occupational Therapy (4 years)	22,000	2,488	2,928	3,368	3,808	4,248	16,840
Physical Therapy BS (4 years)	22,000	2,488	2,928	3,368	3,808	4,248	16,840
Physical Therapy MS (5 years)	28,500	3,223	3,793	4,363	4,933	5,503	21,815
Physician's Assistant (4 years)	22,000	2,488	2,928	3,368	3,808	4,248	16,840
Medical Technician AS (2 years)	11,000	1,244	1,464	1,684	1,904	2,124	8,420
Medical Technician BS (4 years)	22,000	2,488	2,928	3,368	3,808	4,248	16,840

* Principle only

** Including interest

Bill aids students in medical studies

By LARRY PERSILY
The Associated Press

JUNEAU — Students who return to work in Alaska as doctors or nurses could be eligible for big savings on their state student loans under legislation approved by the House.

Supporters say the program could help entice health-care professionals to work in rural areas that suffer from chronic shortages of medical services.

The measure would allow doctors, nurses, doctor's assistants and physical or occupational therapists to earn forgiveness on up to 70 percent of their student loans by working in Alaska for at least five years after graduation.

"Recruitment and retention of health-care professionals for rural areas is often difficult and expensive," and the legislation could help solve the problem, said Myra Munson, state Health and Social Services commissioner.

House Bill 10 is modeled after the state's rural-teacher loan program, said Rep. Johnny Ellis, D-Anchorage, the bill's prime sponsor.

The teacher program allows borrowers to qualify for loan forgiveness if they return to work in rural areas of the state. More than 180 students have participated since the program started in 1985, said Jane Byers Maynard, director of the state student-loan program.

The health-care loan forgiveness plan would cost the state about \$525,000 over the next five years, according to student-loan office estimates.

To limit the program's cost, the option would be restricted to areas of the state with a shortage of health-care workers, and to those professions in need of more staff, Ellis said.

House members approved the bill 33-1 Thursday and sent it to the Senate. Similar legislation failed to win ap-



in the Senate will be the Health, Education and Social Services Committee, whose chairman said he is unconvinced the legislation is necessary.

"Are we really kidding ourselves that it will bring people back?" said Sen. Paul Fischer, R-Soldotna. "We need to see just how many people we're talking about and just how necessary it is."

If approved by the Senate, the new program would start July 1.

The bill also would impose new in-state work provisions on Alaskans who attend out-of-state schools under a state subsidy program for health-care students.

Alaska will spend about \$2.3 million this year to participate in two programs that allow Alaska students to attend out-of-state universities at reduced tuition.

The bill would require graduates to return to work in Alaska at least six months a year for each year they were in school. Failure to do so would require the student to repay 50 percent of the tuition subsidy, plus interest.

There is no in-state work provision in either program, Maynard said.

The Washington, Alaska, Montana, Idaho Medical Education Program guarantees 10 slots a year and reduced tuition for Alaska students at the University of Washington Medical School, Maynard said.

Alaska also participates in the Western Interstate Commission for Higher Education, which allows Alaska students to attend other state universities for health

Wanted: More nurses

Alaska desperate for nurses in every medical field

By ANNABEL LUND

THE JUNEAU EMPIRE

In Alaska, the desperate shortage of nurses is an acute condition threatening to become chronic.

State agencies as well as private hospitals and clinics are hard-pressed to fill vacancies in all kinds of nursing positions. The problem has become so critical for the state an interagency task force has been created to deal with it.

"I think Alaska may be the last state to be hit with the nursing shortage because in the past we've been able to offer competitive salaries and benefits. That isn't true any more," said task force member Walter Majoros, a Department of Corrections spokesman.

Alaska's shortage of nurses is part of a nationwide trend. In 1988, more than half of the hospitals and nursing homes responding to a nationwide survey were having trouble recruiting and keeping nurses. Enrollment in nursing schools has dropped 5 to 8 percent each year and some schools have closed. In recent years, the federal government has drastically cut its funding for nurses' education. The American Hospital Association predicts the need for registered nurses will climb 33 percent by 1995, at the same time the supply dwindles.

A nurse's work has never been easy; it's growing increasingly more complicated and demanding as medical technology improves. It requires special training and education but has never been a well-paid profession. Dissat-

isfied nurses say it's a deadend job. Salaries generally cap off in about eight years so there is little hope for an improvement in pay or working conditions as a nurse gains experience.

Registered nurses' starting salaries -- because they have not been adjusted for inflation -- were actually lower in 1987 than they were a decade before. Nurses are in greater demand today in hospitals because insurance companies are encouraging shorter hospital stays, necessitating more intensive care for patients in acute phases of their illnesses. Hospitals have gone from using 50 nurses per 100 patients in 1972 to 91 nurses per 100 patients in 1986.

Nursing is predominated by women. The American Hospital Association estimates 97 percent of the nursing profession is female. American women, however, are choosing other professions. Their role in society has changed drastically in the past 30 years and the workplace offers many more opportunities for women than it did when nursing was one of the few jobs available.

"Nowadays a woman can become a doctor instead of a nurse if she wants to. There are a lot of fields that weren't open to women before. You can earn a lot of money driving a truck -- something women couldn't do 10 years ago -- and you don't need to spend the same time and money on an education. There are some very real reasons why fewer women are going into nursing."

Please turn to Nurses, Page 8

JUNEAU Empire
March 31, 1989

Nurses...

Continued from Page 1

said Debra Smith, a member of the nursing task force.

Smith, from the state Division of Mental Health and Developmental Disabilities, said the Alaska Psychiatric Institute is facing a severe shortage of qualified nurses.

"There's been a traditional devaluation of nurses' contributions to medicine and that's a difficult attitude to turn around. If nurses don't feel validated within their work environment, they're going to leave their profession," she said.

In the past, Alaska filled its nursing quota because it offered higher salaries and better benefits than other states, said Jean Lucius, assistant chief of nursing for the Alaska Department of Public Health.

"Alaska's biggest problem is that we are a nurse-importing state. Other states are now offering salaries and benefits as competitive as Alaska has offered in the past. They don't want their trained nurses leaving and so in terms of salaries and benefits we've been left behind," she said. Smith said incentives offered by other states — including Hawaiian vacations — make it more difficult to compete for personnel.

The Alaska Division of Public Health operates 35 health-care centers from Barrow to Ketchikan, staffed by public health nurses. Lucius said the state has been recruiting for public health nurses for six or seven months without response. She describes the shortage as "severe and frightening."

The most difficult positions to fill are the single-nurse duty stations in remote areas like McGrath or the Aleutian Islands. Trained nurses hankering for adventure are finding many international opportunities available today that weren't being offered before, she said.

Vacancies for nurses in the state Department of Corrections are endemic. There are positions all over the state including one at the Lemon Creek Correctional Center in Juneau. The department is required to offer 24-hour health care to inmates and does so by creative juggling of state positions and private contracts. The Department of Corrections employs about 100 nurses statewide, most at an average salary of about \$2,447 a month.

Alaska Pioneers' Homes, which are state-operated senior citizens homes, are drastically in need of nurses statewide.

Bruce Aronson, deputy director of pioneers' benefits for the state Department of Administration, said it's simple: a good number of nurses are finding more lucrative work elsewhere.

Aronson, whose division employs 551 people, is looking for nurses for several of the state's pioneers' homes, including two positions in Juneau. The position of director of nursing for the Juneau home pays \$2,890 a month.

Aronson said understaffing stresses the system.

"Not having enough qualified nurses means other people have to work additional shifts or some services aren't provided in as timely a manner as we'd like," he said.

In a survey of nursing vacancies conducted by the Health Association of Alaska, St. Ann's Nursing Home reports a five nurse shortage. The facility has had to recruit temporary nurses from outside Alaska to fill the gap, which costs almost double what it costs to retain full time RN in Alaska, association executive director Harlan Knudson said.

Last summer, Bartlett Memorial Hospital in Juneau suffered a desperate shortage of nurses. A combination of aggressive recruiting and serendipity filled those positions, said Bartlett Memorial Hospital Nursing Supervisor Cathy Kollin. She said some of her new nurses moved to Juneau for other reasons — their husband's employment, for example — and have walked in the door fully qualified, looking for work.

"It's not hard to sell Juneau, either. It's such a beautiful place. People have been very impressed with the information we send them," Kollin said.

The state's task force on nursing is looking for long- and short-term solutions.

"Pay must be considered. We want to work on upgrading the positions themselves to validate the nurses' contributions to the medical team. We've got to provide continuing education, to recruit in and out of state and to work with the university system to encourage more young people to go into the nursing profession," Smith said.

Public health nurse Lucius said the long-term solution to the nurse shortage in rural Alaska is to recruit and train Native Alaskans to work within their own communities. In general, the state should re-target its recruitment strategies to appeal to people considering second or third careers and single parents, she said. Bringing in temporary nursing help from Outside will continue to be a trend in Alaska, Knudson said. Continuing to recruit within the state using innovative approaches like student loan forgiveness clauses is crucial to a long-term solution for Alaska, he said.

Such a bill, sponsored by Anchorage Democratic Rep. Johnny Ellis, is working its way through the House Finance Committee now. Registered nurses, physical and occupational therapists and physician assistants would be forgiven up to 70 percent of their Alaska student loans, if they returned to the state upon graduation and worked for five years in an area considered by the Alaska Department of Health and Social Services to be underserved. The fiscal note on the bill is \$35,000 for the first year it is put into effect.

The state must develop a career ladder for nurses, rewarding experience and continuing education and nurses should be given a more active role in policy making decisions, Majoros said.

Knudson said a pay check may speak the loudest.

"There is a tremendous pressure to control costs and with health care being so labor intensive, it's just impossible to bring those wages up as much as they should be. We need to realize that nursing is an extremely important part of our health care service and to get good nurses we'll have to pay responsible salaries," Knudson said.