

HB

443

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 443  
 (H) Publish Date: 4/7/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title Teachers and Nurses Housing RDU Alaska Housing Finance Corp.  
Loan Program Component Operations  
 Sponsor Representative Kerttula  
 Requester House HES Committee Component No. 110

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

HB 443 authorizes AHFC to expand the teachers' and registered nurses' housing loan program to include both registered and practical nurses. This loan program currently allows loans to be made to qualified applicants at 100 percent loan-to-value (i.e. no down payment requirements).

As written, HB 443 is not anticipated to significantly impact AHFC's budget numbers and loan authorizations. Any increase in loan applications can be handled by AHFC's current staff.

Prepared by: Bryan Butcher, Legislative Liaison/Special Assistant  
 Division: Alaska Housing Finance Corporation  
 Approved by: Steve Porter, Deputy Commissioner  
 Agency: Department of Revenue

Phone 330-8445  
 Date/Time 4/3/04 9:11 PM  
 Date 4/3/2004



## Representative Beth Kerttula

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Alaska State Legislature District 3

**Sponsor Statement**  
**House Bill 443**  
**Teachers and Nurses Housing Loan Program**

Alaska, like the rest of the United States, is currently facing a critical shortage in nurses. In addition to a growing need for nurses, more than 50% of nurses working today will be reaching retirement age in the next 15 years. There have been many ideas to attract qualified nurses to Alaska, including expanding the nursing school at the University of Alaska, Anchorage, student loan forgiveness and housing loan programs.

Last year, the Legislature passed Senate Bill 25, which allowed the Alaska Housing Finance Corporation (AHFC) to offer housing loans to teachers and nurses without requiring a down payment. Under current law, the program can be offered to Registered Nurses (RNs), who are licensed under 08.68.230(a), but not Licensed Practical Nurses (LPNs), who are licensed under section (b) of the same statute. House Bill 443 would correct this inequity.

There are 7,847 RNs in Alaska who are currently eligible for this program. In contrast, there are only 834 LPNs, and according to Department of Labor projections, the need for LPNs will grow by about 30 per year. While there is demand for both types of nurses in Alaska, LPNs make less money than RNs - it seems counterintuitive to exclude them from this program. I would appreciate your support for House Bill 443.

**Sec. 08.68.230. Use of title and abbreviation.**

- (a) A person licensed to practice registered nursing in the state may use the title "licensed professional nurse," "registered nurse," and the abbreviation "R.N."
- (b) A person licensed to practice practical nursing in the state may use the title "licensed practical nurse" or "licensed vocational nurse" and the abbreviation "L.P.N." or "L.V.N."
- (c) A person who holds a temporary permit to practice as a registered nurse shall use the title "Temporary Registered Nurse" and the abbreviation "TRN."
- (d) A person who holds a temporary permit to practice as a licensed practical nurse shall use the title "Temporary Licensed Practical Nurse" and the abbreviation "TLPN."

THE  
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# This year, A

## Legislature passes bill to attract teachers, nurses to Alaska

A program designed to help attract and retain teachers and nurses in rural Alaska has been authorized by the Alaska Legislature. In May, the Legislature passed a bill to allow AHFC to provide housing loans without a down payment to Alaska teachers, school personnel and registered nurses. The legislation creates a new AHFC option to provide housing loans to full-time teachers and nurses without a down payment. Qualified applicants may use any of AHFC's loan programs to purchase owner-occupied, single-family housing.

The bill also allows regional education areas to apply for AHFC's multi-family lending programs when building or purchasing housing for teachers.

The provision to extend the measure to nurses was added in the House at the request of Gov. Murkowski. Speaking in support of the bill, Rep. Peggy Wilson (R-Wrangell) said, "There is a huge gap in both [teachers and nurses]. We have vacancies at this time that we can't fill because we just don't have them in the state. So this is just another recruitment and retention tool that we can use in our toolbox." Gov. Murkowski signed the bill into law on June 18.

Also on the horizon, U.S. Sen. Lisa Murkowski has introduced a bill to provide \$50 million in grants to small-population states for school districts to acquire, build or rehabilitate rural housing for teachers or other staff. Following public hearings, AHFC anticipates making the 100 percent financing option available to teachers and nurses by the end of August.

- Received three national Assistance Provider in enhancing the quality of developmental disabilities services
- Helped nearly 6,000 with \$894 million in loans to assist development of 2,153 first-time home
- Brought to more than multi-family loan financing and tax credits. Since in low-interest loans, results, to assist development of 9,000 units of rental housing the state.

• Formed Nursing



ye

• Conducted community classes also were held Realtors and builders.

• Provided 187 veterans \$38.7 million. In November more than 70 percent to receive Veterans Mortgage Pro

• Increased the number of fewer than 2,500 in 1992 communities served year is paid to private Alaskans who earn less

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Frank H. Murkowski, Governor

Alaska

Department of Community  
and Economic Development

**Division of Occupational Licensing**

550 W. 7th Avenue, Suite 1500, Anchorage, AK 99501-3567

Telephone: (907) 269-8160 • Fax: (907) 269-8156 • Text Telephone: (907) 465-5437

Email: [Licensc@dced.state.ak.us](mailto:Licensc@dced.state.ak.us) • Website: [www.dced.state.ak.us/occ/](http://www.dced.state.ak.us/occ/)

April 5, 2004

Representative Beth Kerttula  
Alaska State Legislature  
State Capital  
Juneau, Alaska 99801

Dear Representative Kerttula,

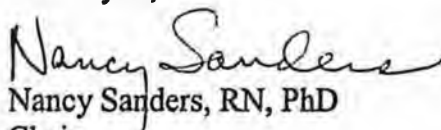
The Board of Nursing at its March 12-14, 2004 meeting discussed HB 443, which would broaden wording of the Alaska Housing Finance Corporation's low interest housing loan program. We fully support this loan program for Licensed Practical Nurses (LPNs) as well as Registered Nurses (RNs). Both categories of nurses are important to the health, safety and well being of Alaska's residents.

In that regard, the Board of Nursing unanimously passed the following resolution:

**RESOLVED that the Board of Nursing for the State of Alaska supports House Bill 443 introduced by Representative Kerttula which would broaden wording of Alaska Housing Finance Corporation's low interest housing loan program from Registered Nurse (RN) to spell out "Nurses." This would thereby include Licensed Practical Nurses, a valuable segment of the nursing workforce.**

We hope that this bill passes and that RNs as well as LPNs are able to take advantage of the low interest housing loan program.

Thank you,

  
Nancy Sanders, RN, PhD  
Chair  
Alaska State Board of Nursing

# NATHANIEL L. HADDOCK, M.D.

INTERNAL MEDICINE

1420 GLACIER AVENUE  
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TELEPHONE (907) 586-6226  
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April 6, 2004

Alaska State Legislature, District 3  
State Capitol  
Juneau, Alaska 99801

**RE: House Bill 443**

To Whom It May Concern:

It is my experience that in today's healthcare system, LPNs perform virtually all of the duties and responsibilities that RNs perform. LPNs are a vital link in our healthcare system that should not be forgotten about.

I believe that LPNs are entitled to be included in House Bill 443.

Your consideration is greatly appreciated.

Sincerely,



Nathaniel L. Haddock, M.D.

**HENRY I. AKIYAMA, M.D., F.A.C.C., P.C.**

INTERNAL MEDICINE  
& CARDIOLOGY

1420 GLACIER AVENUE  
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TELEPHONE (907) 586-6226  
FAX (907) 586-6155

April 6, 2004

Alaska State Legislature, District 3  
State Capitol  
Juneau, Alaska 99801

**RE: House Bill 443**

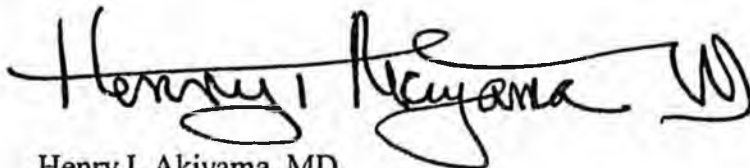
To Whom It May Concern:

There is a national shortage of RNs and Alaska is no exception. LPNs are playing a vital role in providing quality healthcare. It is my personal experience that in today's healthcare system, LPNs perform virtually all of the duties, procedures and responsibilities that RNs perform with the same quality of healthcare, skills and caring.

I believe that LPNs are entitled to be included in House Bill 443.

Your consideration is greatly appreciated.

Sincerely,



Henry I. Akiyama, MD

## Alaska Vocational Technical Center (AVTEC) Licensed Practical Nurse - Anchorage Training Area

[Home](#) | [Admissions](#) | [Training Programs/Courses](#) | [Training Cost/Dates](#) | [Student Services](#)



Welcome to the **Licensed Practical Nurse (L.P.N.)** program. This training is offered in the Anchorage area.

Licensed practical nurses provide care for people who are sick, injured, convalescing, and developmentally disabled, under the direction of physicians and registered nurses. Most LPN's provide basic bedside care. LPN's in nursing homes, in addition to providing routine bedside care, may also help evaluate residents' needs, develop care plans, and supervise nursing aides. In doctors' offices and clinics, including health maintenance organizations, they may also make appointments, keep records, and perform other clerical duties. LPN's who work in home health may also prepare meals and teach family members simple nursing tasks. They take vital signs such as temperature, blood pressure, pulse, and respiration. They also treat bedsores, prepare and give injections and enemas, apply dressings, give alcohol rubs and massages, apply ice packs and hot water bottles, and insert catheters. LPN's observe patients and report adverse reactions to medications or treatments. They may collect samples from patients for testing and perform routine laboratory tests. They help patients with bathing, dressing, and personal hygiene, feed them and record food and liquid intake and output, keep them comfortable, and care for their emotional needs. Some experienced LPN's supervise nursing assistants and aides.

Job prospects for LPN's are expected to be excellent, as employment grows much faster than it has in the past. Because of this growth, the number of new graduates needed to fill LPN positions is well above the number graduated in recent years. As in most other occupations, replacement needs will be the main source of job openings.

Employment of LPN's is expected to increase faster than the average for all occupations through the year 2005, in response to the long-term care needs of a rapidly growing population of very old people and to the general growth of health care. Nursing homes will offer the most new jobs for LPN's as the number of aged and disabled persons in need of long-term care rises rapidly. In addition to caring for the aged, nursing homes may be called on to care for the increasing number of patients who have been released from the hospital and have not yet recovered enough to return home. Very rapid growth is also expected in such residential care facilities as board and care homes, old age homes, and group homes for the mentally retarded, as well as in home health care services.

LPN's should have a caring, sympathetic nature. They should be emotionally stable because work with the sick and injured can be stressful. As part of a health care team, they must be able to follow orders and work under close supervision.

Upon completion of the Practical Nursing program you will receive an occupational certificate of completion. Students who successfully complete the AVTEC Practical Nursing program will be eligible to take the National Council Licensing Examination for Practical Nursing. The students must pass their exam with an 80%. If students pass the exam the State Division of Occupational Licensing will issue the student their License in Practical Nursing.

### Program Content

To achieve a **Practical Nurse** certificate, students must complete the following requirements. For a detailed description of each requirement, click on the link below.

	<b>Hours</b>
<a href="#">Ⓢ Foundations of Nursing &amp; Nursing in Health</a>	315
<a href="#">Ⓢ Nursing Care of Adults in Acute Care</a>	279
<a href="#">Ⓢ Parent-Child Nursing</a>	300
<a href="#">Ⓢ Treatments</a>	105
<a href="#">Ⓢ Legal/Ethical Issues, Trends, Professional Issues</a>	93

### Program Content:

#### Foundations of Nursing & Nursing in Health

Understand growth and development and identify factors that can facilitate or interfere with normal growth and development; explain the communication process, verbal vs. nonverbal communication; documentation; culture; care continuum; nursing process; health; caring; role development; basin nursing skills.

[Ⓢ Return to Program Content Requirements](#)

#### Nursing Care of Adults in Acute Care

Understand Inflammation and infection; nursing care of adult disorders to include: immune, surgery, skin, connective tissue, traumatic musculoskeletal, gastrointestinal, accessory organ, cardiovascular, hematological, urologic, respiratory, endocrine disorder, reproductive, special senses, neurological disorder, cancer, acute psychiatric disorder.

[Ⓢ Return to Program Content Requirements](#)

#### Parent-Child Nursing

Understand reproductive physiology, fertilization, prenatal development; nursing care during the antepartal period, intrapartum, postpartum neonate. Introduction to the nursing of children with a cardiovascular, hematologic or immunologic respiratory, gastrointestinal, genitourinary, endocrine, musculoskeletal or integumentary neurological disorders, developmental disability and cancer.

[Ⓢ Return to Program Content Requirements](#)

#### Treatments

Mathematics of drug dosage; principles of pharmacology; drug classifications; wound care.

[Ⓢ Return to Program Content Requirements](#)

#### Legal/Ethical Issues, Trends, Professional Issues

Legal issues as they apply to nursing; negligence and malpractice; accountability, responsibility and ethics in nursing; mandatory continuing education for nursing; cultural diversity; membership in professional organizations; reasons a nursing license could be revoked by state board of nursing.

[Ⓢ Return to Program Content Requirements](#)

#### Mission:

To prepare students with the knowledge, skills, and abilities to practice in the modern health care world as a licensed practical nurse and to continue in education in nursing.

**Length of Course:** 1,092 clock hours, 182 training days

**Course Number:** 41521L

**Enrollment:** Mid-August

**Training Hours:** 1:00 to 7:00 p.m., Monday through Thursday

**Certificate Level: Practical Nurse****Prerequisites:**

Applicants must be a Certified Nurses Assistant (CNA). Applicants must have ACT completion with a math score of 18 and a Composite score of 19, or SAT with a math score of 500 and a total score of 900. Applicants must have completed college-level anatomy and physiology, microbiology, chemistry, nutrition, and English composition. These courses must be completed with a grade of C or better. Applicants must provide three letters of reference; have up-to-date immunizations and TB test; and have completed a current background check. Applicants are required to have an interview with program staff (can be a phone interview).

For an application or information, contact the Admissions Recruiter at the Allied Health Department, 1251 Muldoon Road, Suite 11, Anchorage, Alaska 99504 or by telephone at (907) 334-2230, (800) 478-5389, or by fax at (907) 334-2237.

Physical requirements of the occupation are the ability to lift 50 lbs.

[Return to Certified Nurse Assistant Training Program](#)  
[AVTEC Home](#) | [Admissions](#) | [Training Programs/Courses](#) | [Training Cost/Dates](#)

Alaska Vocational Technical Center (AVTEC) ~ [www.avtec.alaska.edu](http://www.avtec.alaska.edu)  
AVTEC is a division of the Alaska Department of Labor and Workforce Development  
P.O. Box 889 ~ 809 2nd Avenue ~ Seward, Alaska 99664  
Admissions Office (907) 224-4141 ~ 1-800-478-5389 ~ FAX (907) 224-4143

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The AVTEC web site is designed and maintained by  
AVTEC Business & Office Technology Instructor [Ken Werner](#).

# Health Care Occupations **12**

## By education, employment, wages

training levels. (See Exhibit 11.) Fifty percent of health related jobs in 2010, dominated by Registered Nurses\* and a variety of health care technician occupations, will require an associate degree or significant postsecondary vocational training. One in five will require a bachelor's degree or higher; these include health care practitioner occupations such as Physical Therapists and Physicians. The remaining jobs include health care technical and support occupations and require varying levels of on-the-job training.

### Outlook for health related occupations is good

The projected job growth in health care services reflects an aging population, technological advances in medicine, cost cutting measures and increasing administrative requirements. Even though the overall demand for health care services is projected to rise significantly, future need for individual health occupations will vary. The growth rates for specific occupations range from an increase of nearly 165 percent for medical assistants to a decline of 8 percent for Orthotists & Prosthetists.

Nursing Aides, Orderlies & Attendants, and Registered Nurses, the two largest health related occupations in 2000, together will contribute nearly 5,000 new jobs over the forecast period. (See Exhibit 12.) Population growth and aging are expected to be the primary factors driving this increase.

Cost containment in the health care industry will stimulate employment for health related aides and assistants. Some services formerly provided by specialists such as Physical Therapists, Dentists, Pharmacists, and Physicians will be shifted to lower-paid workers. The rapid growth for medical assistants, projected to be Alaska's single fastest growing occupation, reflects this trend. With a projected growth rate of 139 percent, Physical Therapy Aides are expected to grow significantly faster than physical therapists over the forecast period. The number of Medical Records & Health Information Technician positions will climb

\*Based on US Bureau of Labor Statistics classification, all RNs are grouped in the Associate Degree category.

#### 2001 Statewide Wage Quartile

\$	Less than \$12.35
\$\$	\$12.35 - \$16.71
\$\$\$	\$16.72 - \$23.83
\$\$\$\$	\$23.84 & higher

	Wage Quartile	Employment		
		2000	2010	Change
<b>Bachelor's and Above</b>				
Physical Therapists	\$\$\$\$	276	535	259
Pharmacists	\$\$\$\$	332	535	203
Medical & Clinical Laboratory Techs	\$\$\$\$	270	452	182
Dentists	\$\$\$\$	346	490	144
General Practitioners	\$\$\$\$	217	331	114
Internists, General	\$\$\$\$	136	244	108
Occupational Therapists	\$\$\$\$	138	241	105
Physician Assistants	\$\$\$\$	157	233	76
Dietitians & Nutritionists	\$\$\$\$	100	173	73
Speech-Language Pathologists	\$\$\$\$	201	272	71
Chiropractors	N/A	143	193	50
Optometrists	\$\$\$\$	88	126	38
Audiologists	\$\$\$\$	34	71	37
Veterinarians	\$\$\$\$	162	190	28
Psychiatrists	\$\$\$\$	47	69	22
Occupational Health/Safety Workers	\$\$\$\$	173	178	5
Orthotists & Prosthetists	\$\$\$\$	101	93	-8
<b>Associate Degree or Significant Postsecondary Vocational training</b>				
Registered Nurses	\$\$\$	4,439	8,556	4,117
Medical Records & Health Info Techs	\$\$	375	746	371
Dental Hygienists	\$\$\$\$	403	753	350
Licensed Practical Nurses	\$\$	487	750	263
Radiologic Techs	\$\$\$	289	545	256
Medical Transcriptionists	\$\$	241	439	198
Respiratory Therapists	\$\$\$	108	212	104
Medical & Clinical Laboratory Techs	\$\$\$	141	242	101
Surgical Technologists	\$\$\$	96	195	99
EMTs & Paramedics	\$\$	323	409	86
Massage Therapists	\$\$	193	270	77
Physical Therapist Assistants	\$\$	49	120	71
Diagnostic Medical Sonographers	\$\$\$\$	64	129	65
Cardiovascular Techs	\$\$\$	46	107	61
Veterinary Techs	\$\$	37	108	71
<b>Med- or Long-term Training or Experience</b>				
Dental Assistants	\$\$	619	1,465	846
Medical Assistants	\$\$	366	968	602
Pharmacy Techs	\$\$	300	519	219
Opticians, Dispensing	\$\$\$	182	257	75
<b>Short-term Training or Experience</b>				
Nursing Aides, Orderlies & Attendants	\$\$	1,196	2,059	863
Home Health Aides	\$	858	1,260	402
Physical Therapist Aides	\$\$	54	129	75
Medical Equipment Preparers	\$\$	64	125	61
Veterinary Assistants	\$	137	165	28
Pharmacy Aides	\$	45	53	8

Shading denotes occupations with higher than average wages and estimated growth rates, and projected increase of 75 or more between 2000 and 2010.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# 13 Health Care Occupations

## Nonresident\* & over-45 workers

### 2001

\*Did not receive a 2001 or apply for a 2002 Alaska Permanent Fund dividend

	% of Workers 45 and Over	% Non- Resident Workers	Training Available in Alaska
<b>Bachelor's and Above</b>			
Physical Therapists	269	169	
Pharmacists	448	184	
Medical & Clinical Laboratory Techs	597	191	Yes
Dentists	N/A	N/A	
General Practitioners	432	251	
Internists, General	370	212	
Occupational Therapists	357	164	
Physician Assistants	551	224	Yes
Dietitians & Nutritionists	330	90	Yes
Speech-Language Pathologists	505	162	
Chiropractors	524	357	
Optometrists	412	158	
Audiologists	600	00	
Veterinarians	354	158	
Psychiatrists	522	142	
Occupational Health/Safety Workers	N/A	N/A	
Orthotists & Prosthetists	500	500	
<b>Associate Degree or Significant Postsecondary Vocational Training</b>			
Registered Nurses	528	177	Yes
Medical Records & Health Info Techs	276	120	Yes
Dental Hygienists	375	95	Yes
Licensed Practical Nurses	532	133	Yes
Radiologic Techs	379	238	
Medical Transcriptionists	547	62	Yes
Respiratory Therapists	395	153	
Medical and Clinical Laboratory Techs	336	130	Yes
Surgical Technologists	390	291	
EMTs & Paramedics	220	148	Yes
Massage Therapists	392	148	Yes
Physical Therapist Assistants	200	100	
Diagnostic Medical Sonographers	400	172	
Cardiovascular Techs	435	192	
Veterinary Techs	82	191	
<b>Med - or Long-term Training or Experience</b>			
Dental Assistants	190	116	Yes
Medical Assistants	214	123	Yes
Pharmacy Techs	217	117	
Opticians, Dispensing	286	106	
<b>Short-term Training or Experience</b>			
Nursing Aides, Orderlies & Attendants	311	91	Yes
Home Health Aides	326	122	Yes
Physical Therapist Aides	241	133	
Medical Equipment Preparers	400	105	
Veterinary Assistants	199	162	
Pharmacy Aides	178	53	

Shading denotes occupations with higher than average wages and estimated growth rates, and projected increase of 75 or more between 2000 and 2010.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

to more than 700 by 2010, reflecting heightened medical records scrutiny by third-party payers, courts and consumers.

Employment of home health workers, such as Home Health Aides, will increase as more individuals choose to remain in their homes rather than move to long-term care or assisted living facilities.

Only one health related occupation is expected to experience an employment decline over the forecast period. The specialty occupation of Orthotists & Prosthetists will shed eight jobs, with a projected employment level of 93 in 2010. This decrease in occupational employment will result from a continued shift of orthopedic and prosthetic work to other health care occupations such as Occupational and Physical Therapists.

### Replacement needs

In addition to new jobs resulting from employment growth, job opportunity also results from the need to replace workers who retire, enter other occupations, or leave the labor force for other reasons. Retirement, and thus the age of incumbent workers, plays a major role in the future need for workers in high skilled occupations. Ten of the 17 health related occupations requiring a BA or more face major future workforce replacement needs. Based on 2001 data, over 40 percent of the workers in these occupations will reach retirement age within the next 15 years. Of the health related occupations requiring either an AA degree or significant postsecondary vocational training, one-third face similar replacement needs. (See Exhibit 13.)

Retirement plays a lesser role in determining replacement needs for workers in the lower skilled health related occupations. Workers in these occupations are more apt to transfer to other occupations than remain in the occupation until retirement age. For occupations requiring on-the-job training, the percentages of workers nearing retirement are generally lower than for higher skilled occupations. The degree of transition in and out of the lower skilled occupations

depends in part on the relative attractiveness of other entry level jobs and general economic conditions.

### Nonresidents capture many top jobs

Exhibit 13 lists the percentage of nonresident health care workers by occupation in 2001. Nonresident employment in high-wage/high-growth occupations such as Physical Therapists (nearly 17 percent nonresident employment) and Pharmacists (over 18 percent nonresident employment) represent lost opportunity for Alaska's workers.

### Wages vary widely

Earnings in health related occupations vary widely based on education and skill attainment. (See Exhibit 12.) All of the health related occupations requiring a BA or above had estimated earnings in the highest wage quartile. Dentists and Physicians whose wages are reported to DLWD earn more than \$55 per hour, but unreported self-employed earnings could raise that figure considerably.

Ten of the 15 health related occupations requiring an associate degree or significant postsecondary education pay wages higher than the average for all occupations, more than \$16.71 per hour. The Dispensing Opticians occupation is the only on-the-job training occupation that generally pays more than the all-occupation average wage. (See Exhibit 12.)

### In-state training availability

High-skill/high-wage health occupations require specific training and/or education, often leading to certification or licensure. Of the 17 health related occupations offering both good employment opportunity and higher than average wages, noted by shading on Exhibits 12 and 13, training is available in Alaska for only seven. (See Exhibit 13.)

### Conclusion

Alaska's health care industry, employment star of the 1990s, will continue to generate job opportunities throughout the coming decade. Health related employment exists in all regions of the state, requiring varying levels of education and training. Future employment opportunities will arise from both employment growth and the need to replace retiring workers.

#### **Nurses working in Alaska in 1997 Where were they in 2002?**

Given the difficulty in filling nursing positions, the need to retain incumbent workers has received increasing attention. DLWD analyzed 1997 and 2002 administrative data to help shed light on the career attachment of Alaska's nurses.

##### **Of the RNs working in Alaska in 1997 — in 2002**

- 47% Working as RNs in Alaska
- 8% Working in other health related occupations (such as medical and health services managers)
- 5% Working in non-health related occupations
- 40% Not working in Alaska wage and salary jobs

##### **Of the LPNs working in Alaska in 1997 — in 2002**

- 35% Working as LPNs in Alaska
- 14% Working in other health occupations (such as nursing aides & orderlies)
- 6% Working in non-health related occupations
- 43% Not working in Alaska wage and salary jobs

**University/Industry Alaskan Nursing Education Task Force**

**FINAL REPORT**

**April 2002**



**Supported and funded by a grant from HRSA**

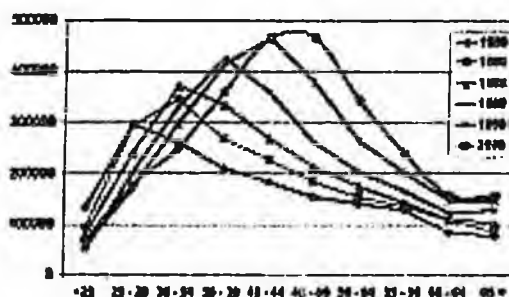
fill vacancies. Other recruitment and retention efforts are costing millions of dollars more.

### Factors Contributing to the Shortage

Reasons for the shortage are complex. Some contributing factors are as follows:

- there are expanding, often more appealing, career options available for young and working people today
- a drop in numbers of nursing school graduates in the past two decades has resulted in an aging nurse workforce, with an average age of about 44 years

**Age Distribution of the Registered Nurse Population, 1980-2000**



Source: U.S. Dept. of Health and Human Services, Bureau of Health Statistics, 1997, p. 124.



- pay scales for nurses have remained relatively flat in recent years
- recruitment and retention bonuses and benefits programs, as well as overall salary enhancements, are offered by many providers, but are limited by the current reimbursement environment
- workplace conditions (fast pace, long hours, shift work, insufficient nursing and support staff, very sick patients who are discharged early, excessive paperwork, safety concerns) have tended to drive practicing nurses into exhaustion and out of the profession
- changing patterns of hospitalization and illness have created a demand for increasingly specialized nurses adept with rapidly advancing technology and medical knowledge, as well as for more nurses generally

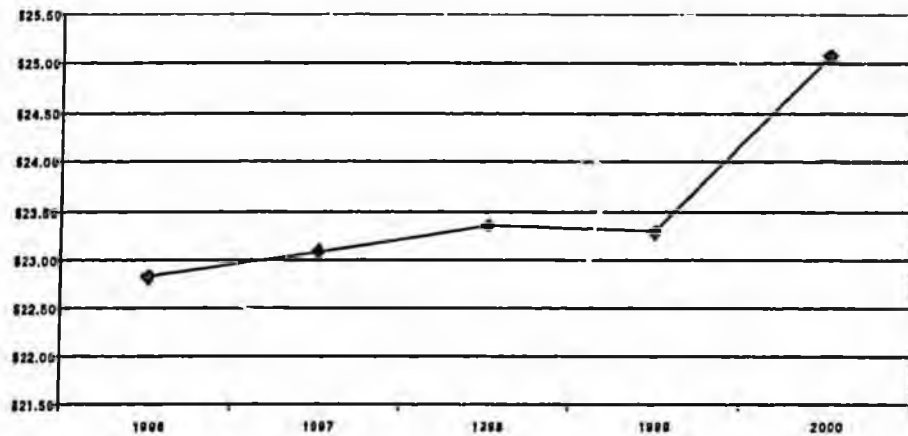
Nursing school faculty are also in very short supply. Nationally the average age for faculty exceeds 50 years, and there is not a well-developed career path for nursing educators at the masters and doctoral levels.<sup>1</sup>

<sup>1</sup> Hinshaw, Ada Sue, PhD, RN, FAAN: A Continuing Challenge: The Shortage of Educationally Prepared Nursing Faculty. *Nursing*

<sup>1</sup> Hinshaw, Ada Sue, PhD, RN, FAAN: A Continuing Challenge: The Shortage of Educationally Prepared Nursing Faculty. *Nursing World, Online Journal of Issues in Nursing* (Vol. 6, #1), January 31, 2001.

The Alaskan health care industry is in the throes of an escalating nursing shortage. Always dependent on importing nurses from outside the state, Alaska's providers are in direct competition for this scarce resource with larger systems in other states. Until 2000, nursing salaries in Alaska were flat for several years, contributing to a lack of incentive for nurses to migrate to the state.

Mean Salaries of Alaskan Nurses 1996-2000



According to Alaskan nursing administrators, temporary agency nurses from the continental United States – sometimes called “travelers” – are often reluctant to come to the state, particularly after the terrorist attacks on September 11, 2001. The demand and benefits for their services elsewhere in the country are high, and they are able to avoid excessive air travel and Alaska's difficult weather and living conditions.

Similar to the experience of other schools in the country, it has proven difficult to recruit faculty to the University of Alaska's School of Nursing. This has limited the capacity of the school to expand its student population.

The current situation in Alaska is deteriorating:

- During the period 1992-1998, the number of registered nurses working in Alaskan hospitals (in full time equivalents) increased 5%.  
During the same timeframe, the number of inpatient days increased 51%.  
This resulted in a 30% decline in the ratio of RNs to inpatient days, compared to a national increase of 26% in this ratio.<sup>1</sup>

The number of Alaskan nurses per 100,000 residents fell by 20% between 1996 and 2000 (compared to a national decrease of 10%).<sup>2</sup>

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<sup>1</sup>HRSA, Bureau of Health Professions. *HRSA State Health Workforce Profiles – Alaska*, December 2000, p.29.

- The age distribution of Alaskan nurses is even more striking than in the nation as a whole, with a higher peak in the 41-50 year age group, and lower percentages at the younger ages.
- Most of the nearly 7,000 registered nurses in the state in 2000 were working either full or part-time, with fewer than 1,000 out of the workforce.<sup>1</sup>

A survey conducted in January 2001 by staff at the Alaska State Hospital and Nursing Home Association revealed about 400 nursing vacancies in health care facilities in the state at the time. Overall the vacancies in 2001 represented 11% of nursing positions in hospitals and long term care settings. Because only about half of nurses work in such facilities in Alaska, this under-represents the shortage experienced by the industry as a whole. There was considerable geographic variation found, with higher percentages of vacancies in certain regions of the state -- Southeast at 15%, and the Southwest and North at 22%.<sup>2</sup>

The State Department of Labor projects a greatly increased demand for nurses in Alaska, along with a high rate of separation due to retirement, resulting in an additional 220 annual openings each year through 2008. This represents an overall growth rate of about 40% industry-wide over the decade ending that year. The projected need for licensed practical nurses (LPNs) is 30 per year and for Nursing Assistants 49 per year. <sup>3</sup> ★

The number of projected openings is calculated using an economic forecasting model, the Micro Matrix System. This is a joint state-federal methodology that incorporates data derived from annual employment numbers by industry, past history, intermittent occupational staffing surveys, and industry-specific economic indicators. The model includes occupation-specific adjustments for changing technologies, expected rates of separation (due to aging, retirement and death), and other change factors. It does not consider vacancies due to turnover of personnel in existing positions, but is rather a predictor of demand for additional positions and personnel. The projection is updated on a regular basis. The projection of 220 annual openings for Alaska's registered nurses includes 155 due to industry growth and 65 from separations.

Some of the increasing demand for nurses is the result of the aging of the American population. Alaska is experiencing a significant escalation of its senior population, at a rate predicted at 250% over the next two decades. In the past many retirees left the state, but that trend has reversed and many adult children are bringing their elderly parents to the state to better care for them. This has already begun to put a strain on health care and other systems. It will require the health care industry to respond to a population, which

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<sup>1</sup> *Ibid.*, p. 11.

<sup>2</sup> Judy Nyman, Alaska State Hospital and Nursing Home Association telephone survey, January 2001.

<sup>3</sup> State of Alaska Department of Labor, *Alaska Occupational Forecast to 2008*, November 2000.

change factors that will drive up demand in the industry, and is reflected in the forecasting model described above.

### **Previous Efforts Toward Resolution of the Shortage in Alaska**

For the past three years, the Alaska health care industry has been involved in assessment of workforce needs. It has engaged in discussions and collaborative projects with the University of Alaska to try to ensure that the state eventually become as self-sustaining as feasible in the production of graduate health professionals in a variety of fields. Not only will this fulfill existing and future workforce needs in Alaskan facilities and offices, but it will help establish a more stable workforce, less inclined to leave the state after a short tour of duty.

Rural facilities are particularly interested in ensuring that nursing education be readily accessed by potential students, and delivered as close to their home communities as possible, so they will be more likely to enter and complete the program and stay to practice in rural locations. Industry has made substantial contributions in time, effort, and funds to improving the workforce picture, and has made an ongoing commitment to support health professional educational programs in a variety of ways, including providing clinical sites for students, tuition support and adjunct faculty.

University of Alaska campuses have responded to this need with a number of productive initiatives, including commissioning a comprehensive study of the allied health workforce, and working to focus resources to address apparent deficiencies and needs. This study did not include nursing because the foundation-funded Alaska Colleagues In Caring project is currently accumulating both supply and demand data on nursing occupations in the state.

The University of Alaska Anchorage (UAA) School of Nursing has undertaken a number of innovative measures to address the shortage. This has included:

- increasing its use of web-based coursework
  - adding a distance-delivery component to its associates degree program
  - providing location flexibility for RN-to-bachelors degree and masters level students
  - establishing a distance-delivered practical nursing (PN) program
  - seeking to expand the use of the summer semester.

## **Nursing Education Programs**

### **Registered Nurse Preparation**

Graduates from either associates degree or bachelors degree nursing education programs sit for the same national licensing examinations that result in the designation Registered Nurse (RN). The nursing curriculum in associates degree programs takes a minimum of

two academic years to accomplish. Bachelors programs are planned to take a minimum of four years, if a student has not had previous educational preparation in nursing. Along with their nursing courses, the students must simultaneously meet the institution's requirements for completion of the associates or bachelors degree. This results in associates degree programs taking at least three years to complete for essentially full-time students. The bachelors level programs typically take five years or more.

This is a departure from the past when students were generally able to complete nursing programs, including all pre- and co-requisites, in two or four years. Due to rapidly proliferating curriculum content, this is no longer the case.

While practical nurse programs do not prepare registered nurses, those working as licensed practical nurses (LPNs) may decide at some point in their careers to advance their education and become RNs by enrolling in college in either an associates or bachelors degree nursing program. Thus the practical nurse programs, besides providing employees at that level, also provide a stream of potential students for future registered nurse preparation.

Alaskan facilities have tended to have a low demand for practical nurses compared to those in other states. Alaskan nursing administrators have generally preferred to hire registered nurses, with their full scope of practice, rather than practical nurses who legally have a more limited range of skills to offer.

### University of Alaska Anchorage (UAA)

The University's School of Nursing in Anchorage provides several levels of nursing education -- practical nursing, associate of applied science, bachelor and master of science -- as well as bridge programs for licensed practical nurses to become registered nurses through the associates degree program, and RNs with associates degrees to obtain their bachelors degrees.

A vocational practical nursing program is a recent addition. In its first quarter, it is being distance-delivered to a rural location (Bethel) as well as provided to Anchorage students in the same distance-delivered format. A vocational program for practical nursing focuses on hands-on clinical skills, with limited academic requirements. There are few pre- and co-requisite courses.

UAA has an established associates degree nursing program in Anchorage, which is currently being provided in a distance-delivered format to two additional locations (Fairbanks and Kodiak). It is expected that the program will be offered in other locations in the future on a rotating basis. Industry representatives and university faculty at other campuses indicated that the initial schedule for rotation was too limited, and have suggested that Fairbanks and Juneau may be large enough to have ongoing annual programs, with smaller sites being included on a less frequent rotation.

Students typically take at least three years to complete this associates degree program, one for pre- and some co-requisites, and two for the nursing curriculum. At the completion of the associates degree program, a student may sit for the national registered nurse licensing examination (NCLEX-RN). The overall pass rate for the UAA School of Nursing's associates degree program over the past fourteen years has been 95%, over the established national benchmark of 85%.

As mentioned above, the UAA School of Nursing also has a Bachelor of Science in Nursing program, as well as Master of Science programs, and provides bridging programs between the various educational levels. It tends to have a backlog of qualified candidates for the bachelors program, with accepted students typically waiting one to two semesters to enter. Approximately 59% of at least minimally qualified applicants for the associates degree program are rejected, many due to the school's limited enrollment capacity. It has been successful in recent years in increasing its population of Alaska Native nursing students through the RRANN (Recruitment and Retention of Alaska Native Nurses) program, which provides these students support in completing their education.

#### Weber State University (WSU)

Weber State University, based in Ogden, Utah, was invited to provide its nursing education programs in several locations in Alaska over the last decade.

At first WSU offered just an academic practical nurse program in several communities. This is somewhat different from the UAA vocational practical nurse program in that it has significant academic pre- and co-requisites. Both types of practical nurse programs prepare students to sit for the practical nurse licensing examination (NCLEX-PN).

Recently, Weber State began providing an associates degree nursing program in Alaska, using a fully distance-delivered, on-line format for its didactic component. Clinical instruction is provided either by local adjunct faculty, or delivered by Utah faculty who travel to Alaska to oversee clinical intensives. The WSU program requires academic pre- and co-requisite courses similar to the UAA associates degree program, with the additional requirement that entering students already be Certified Nursing Assistants (CNAs), giving them an underpinning of fundamental nursing skills.

This Weber State program is designed to provide articulation between levels. Its students are enabled to sit for the licensed practical nurse examination after completing the first year of their associates degree nursing curriculum, which is virtually the same as the academic practical nurse program. Once the second year of the associates degree program is complete, graduates may take the registered nurse licensing examination. The overall pass rate on national exams for all levels and locations of the WSU program is 90% on the first try. Their associates degree program is also expected to take approximately three years to accomplish, taking into consideration the pre- and co-requisites and the two-year nursing coursework.

The Weber State approach is much appreciated by those who have participated in its program, and is mostly lauded for its distance-delivered and flexible nature, its industry-responsiveness and student support. Some students benefit from the ability to sit for the LPN exam after the first year. They can then work as LPNs while continuing in the program, or can stop out for a time if necessary and still have a salable credential.

Directors of Nursing at WSU's clinical sites in Alaska are pleased with the knowledge level of the graduates, and that most have remained in their home communities. Weber State initially came to Alaska at the invitation of the University of Alaska Southeast to provide their model of education primarily to the southeast island communities of the state, whose prospective nurses are often unwilling or unable to attend school in Anchorage. It does not anticipate remaining in the state in the long term. WSU has responded to the interest of and invitation from Alaskans, and would reduce its presence if the university system in Alaska offered a similar alternative.

### **The Challenge**

The school of nursing of the University of Alaska Anchorage planned to enroll more than 40 associates degree students each year (including 24 in the distance-delivered component every other year), and about 60 to the bachelors program, or a few more than 100 students per year. The Weber State program would potentially admit another 24 enrollees every two years, at least through 2003. With minimal net attrition, the annual projection of graduate numbers, given stable output at this level, would average about 110 nurses annually.

This figure, compared with the anticipated annual openings of 220, is woefully inadequate to meet the projected nursing workforce needs of the state, much less contribute to reducing current vacancy rates. An accelerating loss of nurses through retirement, as well as increasing demand, is anticipated. Thus production of graduate nurses will have to double to just keep up with projected demand. This provides a significant opportunity for the University to partner with industry to provide innovative programs responsive to statewide need.

The practical nurse program at UAA anticipates graduating about 28 students annually, including from at least one distance site. Weber State would add about 24 practical nurse graduates every other year to that number, at least through 2004, when their presence in the state will be reevaluated based on whether Alaska sites continue to request their program and their Board of Regents approves continuation. The Alaska Vocational Technical Center (AVTEC) Anchorage location has proposed to the Board of Nursing to begin offering an LPN program later this year, admitting 20 students each year. So beginning in 2003 and continuing at least through 2004, there will be an average of 56 graduates of practical nursing programs in Alaska. It is expected that a number of these graduates will immediately continue on into registered nurse preparation programs. Nevertheless, this level of output should satisfy the industry's need for practical nurses, and should help offset the need for registered nurses to a limited extent until the supply of professional nurses catches up with demand.

# SENATE COMMITTEE REPORT

DATE: 5/1/04

FURTHER: Finance

DATE TURNED  
IN TO OFFICE: 5.07.04

Health, Education and Social Services Committee considered HOUSE BILL NO. 443

## HB 443 TEACHERS AND NURSES HOUSING LOAN PROGRAM

"An Act relating to eligibility of nurses for the teachers' and nurses' housing loan program of the Alaska Housing Finance Corporation."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- Same Title
- New Title

**House Bill:**

- Same Title
- Technical Title Change
- New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
REV	4/03			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			X	
<i>Bethany Davis</i>	X			
<i>[Signature]</i>			✓	
CHAIR: <i>[Signature]</i>	✓			