

January 17, 2008

MEMORANDUM

To: Members, Advisory Committee on Academic Programs

From: Dr. Gail M. Morrison, Director of Academic Affairs and Licensing

Discussion of Allocation of Nursing Appropriation

I. 2007-2008 methodology

At the meeting of October 11, 2007, of those ACAP member institutions with nursing programs, and with input from the Deans and Directors of Nursing programs, a recommendation to the Commission was decided upon for the allocation of the \$1,000,000 appropriated under the legislative Proviso for the critical needs nursing initiative in the 2007 session of the General Assembly. There was agreement that the methodology for disbursement of the funds for 2007-2008 academic year was necessarily limited to the current academic year. The 2007-2008 methodology was as follows: a) determine how many full-time faculty exist at all institutions; b) divide the number of full-time faculty at any given institution by the total number of full-time nursing faculty in all public institutions; c) provide to each institution the percentage share of \$1,000,000 as determined by operation "b". As approved by the Commission this distribution went to each institution to be divided according to the institutions rules and regulations governing salary and salary enhancements.

II. Staff-prepared DRAFT METHODOLOGY for the future

For a meeting held December 18, 2007, at the Commission, staff assembled a draft methodology for future years. That methodology was informed by the following information:

- A. The purpose of the Critical Nursing Needs Initiative Act is to increase the numbers of functioning Registered Nurses from associate and baccalaureate

programs to meet the needs of employers in what is anticipated to be a huge deficit between supply and demand by 2020.

- B. The legislation has five priorities which are to be addressed in order: 1) raise current faculty salaries to be competitive; 2) hire new faculty; 3) provide scholarships for baccalaureate and above degree-seeking students in nursing; 4) develop simulation laboratories; and 5) create a nursing workforce planning/analysis center.

Based upon the language of the legislation, staff has developed a *DRAFT METHODOLOGY* to discuss with members of ACAP at institutions with programs in nursing and with representatives of the Deans and Directors of nursing, as required by law. The purpose of this draft methodology is to develop a mechanism for distribution of legislatively authorized funds for the Critical Needs Nursing Initiative Act in coming years. This methodology is based upon national sectors of higher education (i.e., two-year, four-year teaching and research institutions) and whether faculty are ranked (instructor-full professor) or are unranked. It is predicated on the following assumptions:

- The legislative language which states “This [salary] enhancement is intended to bring salaries for nursing faculty within the average for the geographic area in which the State of South Carolina competes for nursing faculty.”
- Most nursing faculty in higher education institutions are recruited from other institutions of higher education.
- As part of the free-market economy, nursing faculty salaries in South Carolina are necessarily “market-driven”—that is, each institution responds to competition from the other institutions and the service sector which are drawing from the same recruitment pool.
- Therefore, nursing faculty salaries need to be competitive with salaries at like institutions for like levels from competitive geographic regions.
- Because labor market recruitment for nursing faculty is a national pool, CUPA-HR (College and University Professional Association for Human Resources) data were used to construct this methodological grid.

Refer to the **Staff Discussion Paper** document for the institutional types, faculty levels, and accompanying salaries for specific information

III. Nursing Leadership Alternative Methodology

The nursing leadership of the Deans and Directors interprets the legislative language using the following set of assumptions:

- The intent of the Critical Nursing Needs Initiative Act was to allocate a \$15,000/year increment to the base salary of each full-time faculty member in South Carolina's public institutions of higher education, regardless of rank of faculty member or type of institution.
- A disproportionate number of nursing faculty are leaving South Carolina's colleges and universities for employment in the "service sector" (i.e., hospitals and other private sector employers).
- This exodus of faculty is owed principally to much lower salaries in colleges and universities than in the service sector.
- Legislative intent for the Critical Needs in Nursing Initiative Act (CNNIA) was predicated on South Carolina's nursing faculty being recruited from the pool of advanced practice nurses in the South Carolina "service sector", i.e., the hospital sector.
- Therefore, even if all the funds requested are not allocated by the General Assembly to provide a \$15,000/year increment to the base salary of each full-time nursing faculty member in South Carolina, whatever funds are made available through the legislative process should be applied in such a way to raise public institutions' average faculty nursing salaries to approach the average salary in the service sector among advanced practice nurses in positions similar to faculty positions.

Accordingly, at a meeting at the Commission on December 18, 2007, at which representatives from multiple groups were present, the Deans and Directors provided a paper to show the salaries for typical positions in the service sector in 2006, based upon a survey conducted by the SC Hospital Association. Those figures and a proposed narrative (dated 12/15/2007) are found in "**Addendum.**"

These two methodological scenarios are now available for discussion. Accordingly, for purposes of discussion at the meeting of ACAP on January 17, 2008, staff requests consideration of and comment on these models by those members of ACAP at institutions with programs in nursing. Staff also requests the presentation of additional/alternative models for consideration so that a firm methodology can be adopted at the Spring 2008 meeting of ACAP.