PROPOSED AMENDMENTS TO RULES: 
NURSING SCHOOL GRANT PROGRAM

Submitted for: Action.

Summary: This item requests approval of the proposed amendments to the rules for the Nursing School Grant Program. The amendments will improve the administration of the grant while maintaining the focus on expanding high-performing nursing programs in Illinois. Board staff worked in consultation with the Illinois Center for Nursing and their Advisory Board to draft and review these amendments.

This grant program is tied to Goal 3 of the Illinois Public Agenda for College and Career Success, increase the number of high-quality postsecondary credential to meet the demands of the economy. Nursing continues to be a high-demand field where the annual supply of newly licensed registered nurses continues to be lower than the demand.

The Illinois Administrative Procedures Act specifies a three-step process for the proposal and adoption of administrative rules: (1) initial Board approval; (2) a publication and public notice period including a period for review by the staff and members of the legislative Joint Committee on Administrative Rules; and (3) final adoption by the Board.

Action Requested: That the Illinois Board of Higher Education approves the proposed rule amendments to the Nursing School Grant Program (23 Ill. Admin. Code 1100) for publication in the Illinois Register.
This item requests approval of the proposed amendments to the Illinois Board of Higher Education rules for the Nursing School Grant Program. These proposed amendments support the purpose of the program which is to increase the number of nurses graduating from Illinois institutions of higher education who are prepared for careers as registered nurses. In February, the Board approved the fifth year of Nursing School Grant Program awards. Changes to the administration of the grant program are needed to address recent fluctuations in awarding grants and licensure exam rates.

The proposed amendments address two issues. First, the mandatory splitting of funds between the Expansion and Improvement grants. The existing 90/10 split requires that no less than 90 percent of the funds appropriated must go to the Expansion grant and no more than 10 percent to Improvement grants. This well-intended stipulation is restricting the maximization of funds. This year there was a small amount of excess dollars in the 90 percent split for Expansion grants that could have been added to the funding for Improvement grants if not for the mandatory split. The proposed amendments address this situation by replacing the mandatory split with a list of priorities in funding grants. By prioritizing grants rather than mandating a 90/10 split, the focus to fund Expansion grants will continue and there will be greater flexibility to maximize the appropriation or allocation of funds to the grant program.

The second issue is the eligibility requirement involving a specified pass rate for the licensure exam. Institution eligibility for an Expansion grant is a pass rate of 90 percent or better. The intent of this high pass rate for test takers was to ensure expansion of high-performing nursing programs by correlating high pass rates to high performance. However, pass rates routinely dip every three years after changes are made to the national examination. The records of the Department of Financial and Professional Regulation show that Illinois tends to follow the national trend but the scores are usually higher than the national pass rate. Amending the pass rate from 90 percent to the national average will allow for the common fluctuations in pass rates and expand the number of high-performing applicants.

Once approved by the Illinois Board of Higher Education, the proposed amendments to the rules will be submitted to the Secretary of State for publication in the Illinois Register. The Illinois Administrative Procedures Act specifies a three-step process for the proposal and adoption of administrative rules: (1) initial Board approval; (2) a publication and public notice period including a period for review by the staff and members of the legislative Joint Committee on Administrative Rules; and (3) final adoption by the Board. Final presentation is tentatively scheduled for the August 2011 Board meeting.
Staff Recommendation

Staff recommends the adoption of the following resolution:

The Illinois Board of Higher Education hereby approves the proposed amendments to the rules for the Nursing School Grant Program (23 Ill. Adm. Code 1100) as detailed in the attached document for publication in the Illinois Register.
TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER II: BOARD OF HIGHER EDUCATION
PART 1100
NURSING SCHOOL GRANT PROGRAM

Section
1100.100 Purpose
1100.200 Definitions
1100.300 Eligible Nursing Program
1100.400 Application Process
1100.500 Expansion Grants
1100.600 Improvement Grants
1100.700 Award Process
1100.800 Audit Requirements

AUTHORITY: Implementing and authorized by Section 9.31 of the Board of Higher Education Act [110 ILCS 205/9.31].


Section 1100.100 Purpose

The purpose of the Nursing School Grant Program is to address the nursing shortage in Illinois by increasing the number of nurses graduating from Illinois institutions of higher learning [110 ILCS 205/9.31]. The Program is comprised of two grant categories: Expansion Grants and Improvement Grants. Grants for both categories shall be awarded on the basis of performance criteria [110 ILCS 205/9.31] and a competitive application process.

Section 1100.200 Definitions

"Board" means the Board of Higher Education.

"CCNE" means the Commission on Collegiate Nursing Education.

"Eligible Nursing Program" means a nursing program at an Illinois institution of higher learning that prepares registered nurses in accordance with Section 1100.300 and offers at least one of the following nursing degree programs:

"ADN" means an Associate Degree in Nursing. Upon completion of the program, a graduate may be eligible to take the examination (NCLEX-RN) for licensure as a registered nurse (NCLEX-RN).

"BSN" means a Bachelor of Science in Nursing. This program admits pre-licensure students and awards a Bachelor of Science degree in nursing. Upon completion of the program, a graduate must be eligible to take the examination (NCLEX-RN) for licensure as a registered nurse.
"RN-BSN" means a baccalaureate completion program that admits registered nurses and awards a Bachelor of Science degree in nursing.

“DFPR” means the Illinois Department of Financial and Professional Regulation or its successor.

"Expansion Grant" means a competitive grant, renewable for up to three years, under this Part that supports high-performing eligible nursing schools for the purpose of expanding nursing program capacity and either increasing the number of students preparing for initial licensure as registered nurses (ADN or BSN) or increasing the number of registered nurses completing baccalaureate completion programs (RN-BSN).

"Improvement Grant" means an annual competitive grant under this Part that supports eligible nursing schools with the purpose of increasing student retention and improving institutional NCLEX-RN pass rates.

"Institution of Higher Learning" means a public or nonpublic institution of higher education located within Illinois that offers associate, baccalaureate or post-baccalaureate degrees and that is authorized to operate in the State of Illinois.

“NLNAC” means the National League for Nursing Accrediting Commission.

"NCLEX-RN" means the National Council Licensure Examination-Registered Nurse. Passing the NCLEX-RN is required of candidates for licensure as a Registered Nurse (RN) in Illinois.

(Source: Amended at 35 Ill. Reg. __________, effective ____________)

Section 1100.300 Eligible Nursing Program

Illinois institutions of higher learning offering registered nursing degree programs must meet the following criteria to be eligible to receive a grant under this Part:

a) ADN programs must:
   1) Be approved by the DFPR Illinois Department of Financial and Professional Regulation (DFPR);
   2) Be accredited by the NLNC National League for Nursing Accrediting Commission (NLNAC); and
   3) Have an articulation agreement with at least one institution of higher learning that offers baccalaureate degrees for registered nurses.

b) BSN programs must:
   1) Be approved by DFPR; and
   2) Be accredited by the CCNE Commission on Collegiate Nursing Education.
c) RN-BSN programs must be accredited by the CCNE or the NLNAC.

(Source: Amended at 35 Ill. Reg. ___________, effective ____________)

Section 1100.400 Application Process

a) Eligible nursing programs will be notified by the Board when funding opportunities and application materials for grant opportunities under this Part are available.

b) Application materials may be obtained from the Illinois Board of Higher Education, 431 East Adams Street, Second Floor, Springfield, Illinois 62701-1404 or the Board's website at www.ibhe.org.

c) Completed application materials signed by the institution's chief executive officer must be received by the Board by the announced deadline for the submission of applications, which shall not be less than 45 days from the announcement and release of application materials. Application materials will be due no later than October 31 of each year.

d) Grantees maintaining eligibility criteria in accordance with Section 1100.500(b) or Section 1100.600(b) may annually reapply for funding.

Section 1100.500 Expansion Grants

a) In a given fiscal year, the amount at least 90 percent of the Program appropriation or allocation to shall support Expansion Grants shall be based on the following order of priority:

1) Funding for renewal grants;

2) Funding for grants in year one of a three-year grant cycle; or

3) A combination of renewal and first-year grants which the Board deems appropriate to maximize the grant awards.

b) Eligibility Criteria

1) ADN and BSN programs must meet both of the following criteria:

   A) NCLEX-RN pass rate for first-time test takers must be equal to or greater than the national average for the previous calendar year as reported by the DFPR 90 percent.

   B) Program attrition rate must be equal to or less than 15 percent.

2) RN-BSN programs must have a program attrition rate equal to or less than 15 percent.

c) Grant applications for Expansion Grants under this Part shall include, but need not be limited to, the following:
1) Comprehensive description of the proposed use of funds in accordance with subsection (e), including evidence of current research and best practices to support proposed strategies.

2) Budget by line item, including personal services, contractual services, commodities, equipment, telecommunications, travel, and audit.

3) Performance measures, including, but not limited to, the following:
   A) Eligibility criteria in accordance with subsection (b);
   B) First-year retention rate;
   C) Job placement within 6 months of degree completion; and
   D) Number of degrees conferred (three-year trend).

4) Statement of institutional support and sustainability of grant-funded activities.

5) Evaluation plan.

6) Program audit and an interim evaluation report from the previous year, if the applicant received an Expansion Grant under this Part.

d) Awards

1) The grant awards for eligible nursing programs shall be determined using a competitive process to review applications that shall include, but need not be limited to, the following criteria:
   A) Evidence of effective program goals and performance measures;
   B) Proposed use of funds and budget justification demonstrating an effective use of program resources;
   C) An effective evaluation plan including reliable measures of performance and program outcomes;
   D) Evidence of institutional support and sustainability of grant-funded activities; and
   E) Number of completed applications received in accordance with subsection (c).

2) The number and amount of grant awards is subject to the Program appropriation or allocation.

e) Use of Grant Funds. Expansion Grant funds shall may be used to expand capacity and increase the number of students preparing for careers as registered nurses. Acceptable expenditures may include, but are not limited to, the following:
1) Hiring additional qualified nursing faculty;

2) Developing or expanding instructional programs (e.g., online, weekend, evening);

3) Developing or expanding academic support programs;

4) Securing additional clinical instruction sites;

5) Increasing classroom space;

6) Purchasing equipment and other program-related instructional materials; and

7) Evaluation, dissemination of program results, and program audit.

f) Grantees may annually reapply for funding under this Part.

g) Grantees must submit a final evaluation report.

(Source: Amended at 35 Ill. Reg. __________, effective __________)

Section 1100.600 Improvement Grants

a) In a given fiscal year, the amount no more than 10 percent of the Program appropriation or allocation shall be directed to Improvement Grants is the remainder after the Expansion Grant determination.

b) Eligibility Criteria

1) ADN and BSN programs must meet at least one of the following criteria:

   A) NCLEX-RN pass rate for first-time test takers must be less than the national average for the previous calendar year as reported by the DFPR 90 percent.

   B) Program attrition rate must be greater than 15 percent.

2) RN-BSN programs must have a program attrition rate greater than 15 percent.

c) Grant applications for Improvement Grants under this Part shall include, but need not be limited to, the following:

1) Comprehensive description of the proposed use of funds in accordance with subsection (e), including evidence of current research and best practices to support proposed strategies.

2) Budget by line item, including personal services, contractual services, commodities, equipment, telecommunications, travel, and audit.

3) Performance measures, including, but not limited to, the following:
A) Eligibility criteria in accordance with subsection (b);

B) First-year retention rate;

C) Job placement within 6 months of degree completion; and

D) Number of degrees conferred (three-year trend).

4) Statement of institutional support and sustainability of grant-funded activities.

5) Evaluation plan.

6) Program audit from the previous year, if the applicant received an Improvement Grant under this Part.

d) Awards

1) The grant awards for eligible nursing programs shall be determined using a competitive process to review applications that shall include, but need not be limited to, the following criteria:

A) Evidence of effective program goals and performance measures;

B) Proposed use of funds and budget justification demonstrating an effective use of program resources;

C) An effective evaluation plan including reliable measures of performance and program outcomes;

D) Evidence of institutional support and sustainability of grant-funded activities; and

E) Number of completed applications received in accordance with subsection (c).

2) The number and amount of grant awards is subject to the Program appropriation.

e) Use of Grant Funds. Improvement Grant funds may be used to support strategies aimed at increasing student retention and improving graduation rates and institutional NCLEX-RN pass rates.

1) Acceptable expenditures may include, but are not limited to, the following:

A) Developing or expanding academic support services to improve student retention and increase graduation rates and NCLEX-RN pass rates;

B) Improving existing classroom space;

C) Purchasing equipment and other instructional materials necessary to improve instructional quality; and
D) Program audit.

2) Improvement Grants shall not be used to hire faculty.

f) Grantees may apply annually for funding under this Part.

g) Grantees must submit an evaluation report.

(Source: Amended at 35 Ill. Reg. __________, effective ____________)

Section 1100.700 Award Process

a) Board staff shall review application materials and make recommendations to the Board for approval.

b) Once grants are awarded by the Board, the Board shall notify each applicant in writing concerning its application.

c) The Board shall establish a grant agreement with those institutions awarded a grant under this Part that specifies the terms and conditions of the grant.

Section 1100.800 Audit Requirements

a) All grantees are required to provide an annual program audit to the Board.

b) After the initial program year (fiscal year 2007), applications must include a program audit of grant funds received in the previous year.

c) Program audits must be performed by an external auditor who is registered as a public accountant by DFPR.

d) Program audits must include a statement of revenues and expenditures to verify the use of grant funds. Grant funds not expended as identified by the audit shall be refunded to the State.

e) In the event that a grant recipient does not reapply for a grant under this Part in a subsequent year, a program audit must be submitted to verify the use of grant funds.

f) The cost of a program audit is an allowable use of grant funds.