



March 25, 2024

**SUMMARY OF BILL AS AMENDED (017331):** Enacts the *Tennessee in Support of Student Employment and Training (TN IS SET) for Expanding the Nursing Workforce Act*.

Creates a three-year pilot program, administered by the Department of Mental Health and Substance Abuse Services (DMHSAS), to provide staffing and training for students and graduates of Middle Tennessee State University (MTSU) at regional mental health institutes (RMHIs) experiencing a shortage in the behavioral health workforce and to provide student loan funding and scholarships to students or graduates in psychiatric nursing who agree to practice at an RMHI for two years as a direct care staff member. Establishes that the pilot program begins with the 2024-2025 academic year and terminates on July 1, 2027.

Requires DMHSAS to provide two years of scholarship support to an eligible recipient who enters into an agreement with the department to complete the mental health employment obligation upon graduation, and who has a master of science in nursing with a psychiatric specialization. Establishes \$3,000 scholarships must be awarded to five recipients at MTSU for a period of up to 12 consecutive months while the recipient is pursuing certification.

Requires DMHSAS to provide two years of loan repayment to an eligible recipient who has completed each year of a two-year mental health employment obligation and who has completed all licensure requirements for a licensed clinical nurse specialist in a psychiatric or mental health field who can prescribe medication. Requires DMHSAS to provide up to \$25,000 of loan repayment each year for two years for up to 15 certified graduates each year.

Requires awards to be evaluated on a year-to-year basis. Establishes that, if a recipient is unable to complete the term of service, DMHSAS or MTSU may retain the right to only award monies in the amount of time served and DMHSAS may require a funding recipient to reimburse the state for expenses.

Establishes a fund known as the "TN IS SET for Expanding the Nursing Workforce Act Fund" (Fund) to be administered by DMHSAS, comprised of revenues and appropriations from the General Assembly and other moneys received by the department for the purposes of the Fund.

Requires DMHSAS to submit an annual report beginning January 1, 2025 to chairs of the Finance, Ways and Means Committees of the Senate and House of Representatives, the chair of the Senate Health and Welfare Committee, and the chair of the House Health Committee detailing information concerning scholarships and loan repayments made pursuant to the legislation. Requires DMHSAS to submit a final report on or before January 1, 2029 detailing the effectiveness of the scholarships and loan repayments in increasing the number of direct

patient care staff employed in a psychiatric or mental health area at regional mental health institutes.

**FISCAL IMPACT OF BILL AS AMENDED:**

**Increase State Revenue - \$390,000/FY24-25/TN IS SET Fund  
\$390,000/FY25-26/TN IS SET Fund  
\$15,000/FY26-27/TN IS SET Fund**

**Increase State Expenditures – \$390,000/FY24-25 General Fund  
\$15,000/FY24-25 TN IS SET Fund  
\$390,000/FY25-26 General Fund  
\$15,000/FY25-26/TN IS SET Fund  
\$15,000/FY26-27/General Fund  
\$15,000/FY26-27/TN IS SET Fund**

**Other Fiscal Impact – A sum of \$375,000 in the TN IS SET Fund will be allocated for loan repayments each year for completion of the two-year employment obligation. The timing of loan repayments to such recipients is dependent on a number of unknown factors and cannot be reasonably estimated.**

Assumptions for the bill as amended:

- The proposed legislation states that up to five post-graduate psychiatric nurses at MTSU may receive scholarships in the amount of \$3,000 for each twelve-year period.
- An increase in state expenditures of \$15,000 (\$3,000 x 5) in FY24-25 through FY26-27.
- The proposed legislation requires \$375,000 to be allocated to the Fund for loan repayment for up to \$25,000 for each MTSU graduate certified as a psychiatric nurse practitioner, for up to 15 students each year, effective July 1, 2024.
- In order to receive loan repayment, an eligible recipient must have completed each year of the two-year mental health employment obligation at an RMHI.
- To the extent that graduates are hired by RMHIs and complete the two-year employment obligation there will be an increase in state expenditures of up to \$375,000. The timing of the completion of such requirement by eligible recipients and the subsequent loan repayments to such recipients is dependent on a number of unknown factors and cannot be reasonably estimated.
- The proposed legislation requires DMHSAS to provide up to \$25,000 of loan repayment each year for two years to eligible recipients. In order to fund the second year of \$25,000 payments for 15 students, a future appropriation of \$375,000 will be required.
- DMHSAS can compile and submit the required reports utilizing existing personnel and resources, without an increase in expenditures.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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