

CHAPTER 3 - DEVELOPING, SUSTAINING, AND RETAINING NURSES IN THEIR CAREERS

Strategy 17

Retain nurses in North Carolina and incentivize practice in needed roles and rural areas

Strategy 17.1 The North Carolina General Assembly should implement:

- Expanded loan forgiveness programs and other incentives (e.g., financial assistance for higher education fees for children of nurses) for nurses who commit to practicing in rural areas, and
- Other incentives based on outcomes of the statewide nursing survey conducted by NC AHEC and the UNC Chapel Hill School of Nursing.

Desired Result

Loan forgiveness and other state-level incentives will encourage nurses to continue to practice in rural areas and/or high-need roles in North Carolina.

Why does the task force recommend this strategy?

Expanded loan forgiveness programs and other incentives for nurses who commit to practicing in high-need roles and geographic areas can significantly alleviate the financial burden of nursing education, making the profession more accessible and encouraging existing nurses to advance their qualifications. By targeting underserved regions and specialties facing severe staffing shortages, these incentives can help improve patient outcomes and access to care in medically underserved communities. Moreover, offering financial incentives for nurses willing to serve in these critical areas not only helps retain talent within the state but also fosters a health care workforce that is more responsive to North Carolina's evolving health care needs.

Context

NC Nursecast projects that North Carolina will face shortages of almost 12,500 registered nurses (RNs) and over 5,000 licensed practical nurses (LPNs) by 2033. Most regions across the state will face RN shortages, with metropolitan areas facing significantly larger shortages than non-metropolitan areas.¹⁰³ The Northwest/Triad and Piedmont/Triangle Medicaid regions are projected to face the largest RN shortages.¹⁰³ Only the Southeast/Wilmington region is projected to see an RN surplus. All regions across the state will face LPN shortages, with metropolitan and non-metropolitan areas equally impacted.¹⁰³

The nursing shortages can also be examined by health care setting. According to NC Nursecast:

- By 2033, hospitals, nursing homes, extended care, and assisted living facilities will experience large shortfalls of RNs and LPNs.
- Hospitals are projected to experience the greatest numeric shortage of RNs (-9,927 positions).
- Nursing home, extended care, and assisted living facilities (-30.8%) as well as home health and hospice (-17.9%) are projected to face the largest RN shortages relative to their projected workforce supply.

- Nursing home, extended care, and assisted living facilities are projected to experience the greatest shortage of LPNs by both absolute numbers (-3,510 positions) and percentage of the projected workforce supply (-49.0%).
- Hospitals are also projected to face a large shortfall of LPNs (-31.7%).¹⁰⁴

The COVID-19 pandemic has also impacted the nursing workforce through factors like nurse burnout, nurse migration, and the expansion of the travel nurse industry. These factors may result in higher-than-projected nursing shortages and greater maldistribution of nurses across the state.¹⁰⁵⁻¹⁰⁷ In a scenario combining early exits from the nursing workforce and rising competition from other states with increased enrollment in nursing programs, NC Nursecast projects that the RN shortage would worsen from 12,500 to 18,600, and the LPN shortage would worsen from 5,000 to 5,800 by 2033.¹⁰⁸

LOAN FORGIVENESS AND OTHER FINANCIAL INCENTIVES

Financial incentives, including student loan forgiveness, may support nurse retention in North Carolina, particularly in areas of greatest need. According to the National Student Nurses' Association, more than 70% of nursing students use student loans to pay for their education:

- Graduates from Associate Degree Nursing programs average \$19,928 in debt.
- Graduates from Bachelor of Science in Nursing programs average \$23,711 in debt.
- Graduate-level nursing students could expect to graduate with between \$40,000 and \$54,999 in student loan debt.^{109,110}

In 2011, the North Carolina General Assembly established the **Forgivable Education Loans for Service** program to provide "financial assistance to qualified students enrolled in approved education program and committed to working in critical employment shortage areas". The program currently awards up to \$7,000 for certificate, associate, and bachelor's degrees and up to \$14,000 for master's and doctoral degrees for certain professionals working in education, allied health, nursing, and medicine.



Spotlight on North Carolina

In 2024, the North Carolina Office of Rural Health (NCORH) will launch a new initiative to expand the NC Loan Repayment Program to include registered nurses and clinical nurse specialists who provide outpatient primary care services in rural, medically underserved areas of the state. NCORH's mission is to support equitable access to health in rural and underserved communities. Therefore, they are working to support statewide efforts of recruitment and retention of nursing professionals. To qualify for this incentive, the health care provider and their practice location must both adhere to the NCORH's guidelines and requirements. For more information about this initiative, please visit the NCORH website. <https://www.ncdhhs.gov/divisions/office-rural-health/office-rural-health-programs/provider-recruitment-and-placement>

-Personal communication. Placement Services Manager, Office of Rural Health, NC Department of Health and Human Services. March 27, 2024.

FORTHCOMING RECOMMENDATIONS FOR NORTH CAROLINA

Other potential strategies for retaining nurses in the state and incentivizing practice in needed areas will be identified by the results of the forthcoming statewide nursing survey conducted by the University of North Carolina School of Nursing in partnership with NC AHEC. This survey will identify factors associated with turnover and retention of the nursing workforce in North Carolina and make recommendations for retaining nursing personnel in the workforce. The research team developed survey questionnaires, using established instruments whenever possible, to gather the following information about the nursing workforce:

- Employment characteristics
- Turnover experiences and intentions
- Retention strategies
- Wellness
- Job satisfaction
- COVID-19 experiences

Beyond loan forgiveness, other states have provided additional incentives to support different facets of the nursing workforce:

- **Virginia** - The Virginia General Assembly allocated \$500,000 for fiscal year 2022 to establish the Nursing Preceptor Incentive Program to compensate preceptors who would not have otherwise been paid.¹¹¹
- **Colorado, Georgia, Hawaii, Maryland, and South Carolina** - These states offer tax credits to preceptors, with some requiring preceptors to practice in rural or underserved areas.¹¹²

Participants include registered nurses (RNs) and licensed practical nurses (LPNs) with active licenses in North Carolina along with all certified nurse aids II (CNAs) contained in the listing maintained by the North Carolina Board of Nursing.