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# Landscape Analysis

## Paid Clinical Experiences

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## Overview

We are pleased to submit this landscape analysis, identifying existing and potential solutions to address unpaid clinical placements for healthcare students, with an aim of informing Trellis Foundation's future work on the topic.

This landscape analysis looks across a variety of approaches that address paid clinicals and healthcare student financial supports. All these solutions, of course, involve higher education providers and employers, and some include non-profit organizations and government entities.

Existing programs currently fall into four broad categories:

- **Employment Contingencies**, models where employers support the costs of tuition and wages in exchange for a set work period following graduation.
- **"Learn-and-Earn" and apprenticeship** models, typically supporting new and incumbent employees to continue working while fulfilling academic and clinical requirements.
- **Scholarship and stipend** programs that aim to help students make ends meet and provide tuition and living support during clinical placements.
- **Pay for performance** programs leverage resources from multiple sectors to "de-risk" investments and activities for individuals and employers. These arrangements fund learning activities and living expenses upfront and are typically paid back to a revolving fund by employers upon successful hire and retention.

Each of these approaches comes with pros and cons. No model is operating at scale, and there is little data available about the outcomes and impacts of these approaches, especially employer-driven models.

We profile programs that are good examples of these approaches, noting differences in leadership, program objectives, and program design. We prioritize Texas programs but include worthy entries from across the country as well.

We offer insights into limitations to scale and recommendations for where Trellis Foundation might be well-positioned to support implementation of effective programs, and early insights for how an RFP might be designed to create impact for this important student population in Texas.

This report also includes an analysis of policy and regulatory issues that could impact Trellis Foundation's grantmaking and program scale.

Finally, over the last few months, we have conducted some quiet research around potential program managers and evaluators, and we make some recommendations for those roles.

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## The Issue

Unpaid clinical requirements are a barrier to credential completion and licensure in multiple fields, including healthcare and education. Students are required to both pay tuition and forgo outside work to accommodate rigorous clinical hourly requirements, creating financial challenges for students and their families, as well as likely impacts on program persistence and completion.

Traditional healthcare education programs are also not designed specifically for today's students, with limited online learning and inflexible scheduling. Students, especially those from low-income backgrounds, can struggle to fully participate in and complete their academic programming.

Meanwhile, healthcare organizations are struggling to find the workforce they need as their traditional talent pipelines are both leaky and insufficient in size to meet demand.

### Demand for Healthcare Talent

In Texas, the shortage of healthcare workers is acute, and expected to grow over the next decade. In 2022, the most recent staffing survey by the Texas Department of State Health Services' Texas Center for Nursing Workforce Studies, the vacancy rate for RN positions was 17.6%, up from 5.9% in 2019. 11.9% of Nurse Practitioner roles remained open. Licensed Vocational Nursing roles remained open at a rate of 23.1% from up from 5.5% in 2019, and 17% of Nurse Aide roles were vacant, compared to 10.3% in 2019.

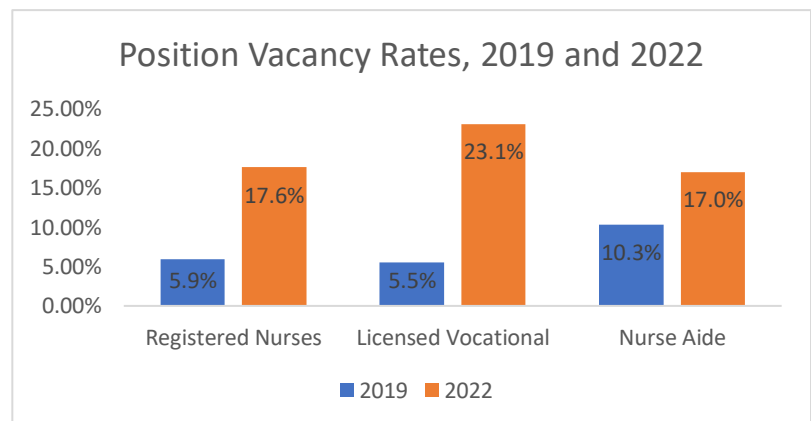
Among incumbent employees, Texas facilities experienced significant turnover, with 28.3% of RNs, 18.9% of LVNs, and 35% of Nursing Aides turning over.

Over the next decade, demand for nurses will [outgrow supply](#). The state projects a shortage of more than 57,000 registered nurses, resulting from increasing

requirements for an aging population and increasing departures from the role due to retirement, stress, and working conditions. By 2032, the state expects a shortfall of more than 12,500 LVNs, with the most acute shortages in the Gulf Coast region of the state.

While nursing roles get much of the attention, other allied healthcare positions are experiencing acute shortages, as well. In Texas, healthcare systems are also struggling to find certified surgical technicians, radiology technicians, and other key occupations that also require clinical rotations.

The latest [Texas Labor Market Information](#) describes occupational projections from 2020 through 2030 and is likely underestimating these projections given the impact of the pandemic on turnover and career leavers. These occupations do not have the same supply/demand analysis as



nursing roles, but a look at current Texas job postings gives a sense of the intensity of current demand.

Occupation	2020 Employment	2030 Employment	% Change	Current Indeed Postings
Cardiovascular Technologists and Technicians	4,915	5,751	17.01%	550 postings
Diagnostic Medical Sonographers	5,040	6,559	30.14%	494 postings
Magnetic Resonance Imaging Technologists	2,298	2,747	19.54%	522 postings
Radiologic Technologists and Technicians	15,293	18,178	18.86%	2,563 postings
Surgical Technologists	10,175	11,963	17.57%	979 postings

## Complicating Factors

In addition to unpaid clinical requirements, which likely have a chilling effect on initial enrollment and persistence/completion in healthcare training programs, there are other factors that are contributing to limitations in the pipeline and systemic barriers to equitable program completion.

### 1) Limited Nursing Faculty

- a. All nursing programs require faculty with advanced credentials and experience. Yet, an educated and experienced nurse practitioner can make [significantly more money](#) working in industry compared to teaching.

### 2) Lack of Clinical Space

- a. To complete clinical requirements, healthcare students must work a specific number of hours in a clinical setting under the supervision of a preceptor and must demonstrate specific competencies. Finding sites and hours for clinical placements can be difficult, especially in rural areas – limited clinical sites limit the number of students who can enroll in healthcare programs.
  - i. In 2023, nearly [20,000](#) qualified applicants to Texas nursing schools were denied entry into training programs.
  - ii. 43 Texas [Vocational Nursing Programs](#) and 74 [Registered Nursing Programs](#) that did not offer admission to all qualified applications indicated that lack of clinical space was the greatest reason behind their decision.

### 3) Prevalence of Traditional Models

- a. While there are a growing cohort of healthcare training programs that are designed for working learners, most programs are traditionally formatted.
  - i. While the program admissions pipeline is limited by the availability of faculty and clinical placements, program completions are impacted by student financial barriers. A [third of nursing programs](#) reported that vocational nursing students exited programs due to financial or personal circumstances.

- b. During the pandemic, some states allowed for a significant proportion of clinical hours (up to 50%, set by the [National Council of State Boards of Nursing](#)) to be met through simulation. While a [NCSBN study](#) found that students gaining their clinical experiences through simulation had no differences in competency, knowledge, licensing exam pass rates, there is still skepticism among some in the medical community. In-person clinical experiences still make up the vast majority of practicums to date.
  - i. [Texas Board of Nursing](#) aligns with NCSBN recommendations, allowing up to 50% of activities to be fulfilled using simulation in high-fidelity environments.

#### 4) Intensity of Accelerated Models

- a. Accelerated programs reduce the amount of time required to earn a nursing degree for individuals with an existing associate or bachelor's degree. However, these programs typically require full-time study and may be as expensive (or more) as typical programs. Further, many students who have already completed a degree will have exhausted their eligibility for federal financial aid.

There are also significant logistical hurdles to overcome on the part of employers:

- Healthcare employers are likely not able to pay every clinical student – the scale of placements is too large, and students are not able to do the work of a licensed practitioner.
  - o We spoke to a workforce specialist at a large healthcare system in the western US. She commented, “What we would not want is a universal paid clinical system. It would be too expensive. I have 3,000 students in my general area each year. If I had to pay clinicals for all of them, it would break me. What we are able to do is take some high-demand positions and offer payments specifically in places where we need to increase recruitment. Doing that at one point instead of 15 makes more sense to the business.”
- Healthcare employers may find it easier to pay for certain clinical placements than others. Nursing students, for instance, require multiple rotations, often requiring them to shift between employers (skilled care, ER, etc.). Surgical tech requirements, however, can often be handled inside a single hospital system – keeping the student for the entirety of their placement and not having episodic work removes a barrier for the employer.
- Healthcare employers are consistently working to balance the calendar. Traditional healthcare programs will see students graduating in December and May, with clinicals occurring in lead-up months. Even if they have placements and faculty, healthcare employers are challenged by the timing and structure of the clinical experience.
  - o As a result, there is a growing trend of healthcare employers creating their own learning environments and working with proprietary institutions (MedCerts, etc.) that offer rolling admissions and are more flexible in their approaches.
  - o A workforce lead at a large system in the southeast commented, “It’s very easy for me to say that we don’t have placement capacity when every school wants to come in on Tuesday from 8 to 12, and Wednesday from 2 to 8. We worked up a calendar showing when placements were happening, and there is a ton of white

space: every night and every weekend. There is a lot of negotiating that has to be done with schools.”

- Healthcare employers are more likely to fully engage when they are able to hire students as benefit-eligible employees<sup>1</sup>. This can be a challenge to employers, who need as many workers on set schedules as possible, to students, who need time to both study and work, and to institutions/programs, who may view working learners as liabilities.
  - o Our western US partner commented, “I needed physical therapy assistants, so I went to our community college. They cannot understand. I told them I had a couple pipeline positions that would be perfect for PTA schools, but they’re telling me that students can’t work. They looked at me and said, they’re not able to work, no way can they work. My problem is, I don’t have a benefitted position that is 5 hours a week.”

## Policy and Regulatory Issues

In Texas, there are no policies or regulations that prohibit the payment of students in their clinical experiences. This is somewhat unique – some other states do have these restrictions.

Texas’ environment is particularly positive in the following ways:

- 1) Nursing students are allowed to carry out tasks, under supervision, for which they have received didactic (classroom) instruction – nursing students do not have to complete an entire course or program to work in clinical environments. (Sec 301.004(6)).
- 2) Nursing students may work as unlicensed healthcare professionals outside of their roles as students. They are restricted in their roles and may not fulfill the job responsibilities of licensed workers but may be employed in healthcare roles (Rule 224.4(4)).
- 3) Rules designed to alleviate the nursing shortage specifically allow nursing students to meet some clinical hours requirements of their degree plans through employment models (3.7.4 Education Guideline). This approach requires:
  - a. A written Practice Education Plan between educator and employer that describes the responsibilities and functions of each, including who is responsible when the student makes an error;
  - b. A supervision plan, identifying faculty or preceptors who will supervise the student worker (a preceptor supervisor to student ratio may not exceed 1:2, while a faculty to student ratio may not exceed 1:24).
  - c. Documentation of the students’ educational preparation, knowledge, and skill level;
  - d. A plan for student evaluation based on clinical objectives;
  - e. Determination of hours toward the degree plan from both traditional clinical placements and through employment model.
    - i. Texas indicates students may be paid for their experiences, but payment is not required, and does not specify which entity is responsible for payment – guidelines indicate that both wages and stipends are possible.

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<sup>1</sup> Benefit eligibility shifts from company to company. Companies will determine eligibility based on hourly vs. salary, part-time vs. full-time, and level within the organization.

Further, there is regional- and state-level interest and activity in support of healthcare workforce solutions. In June 2024, Governor Abbott announced the [Healthcare Workforce Task Force](#), whose remit focuses particularly on issues of clinical site and faculty shortages. The Task Force is expected to issue its report in October 2024. Regional groups, particularly Workforce Solutions organizations and Chambers of Commerce, are advancing sector strategies to address shortages and more directly engage with students and employers.

Workforce Solutions Capital Area, for example, has launched a [robust suite](#) of programs designed to increase and diversify the healthcare workforce pipeline, including building out a regional clinical placement system that has increased clinical placement training hours by 62%, creating “rotation-to-hire” practices for local students, and building out effective learn-and-earn and apprenticeship programs that have nearly doubled the number of annual nursing graduates in Austin between 2012 and 2022.

The Texas Workforce Commission also offers the [Healthcare Apprenticeship Initiative](#), which “grants funding for statewide RA projects in the healthcare industry.”

## Solution Set

There are many programs that work to increase and strengthen the healthcare talent pipeline. Many programs focus on acceleration, cutting the time for training and credential completion significantly – these programs may be promising because for many students time is the enemy to completion.

Other programs, like the [Rural Nursing Education Consortium](#), focus on creating learning and clinical experiences for students who may not live close to a major hospital or college. Amarillo College and Frank Phillips College provide digital distance learning to a network of five rural hospitals, supporting LVN and RN training, and ideally, keeping nurses in rural communities. A similar program in Arkansas, the [ARNEC](#), does clinical placements only on weekends, enabling a more flexible schedule for students who have other jobs.

Another [Texas-based program](#) enables rural communities to “sponsor” an allied health student’s education costs – the state matches half of those costs. In exchange, the graduated healthcare professional must return to the rural community and remain for the number of years they were supported.

Pipeline efforts also focus intensely on the role of nurse educators. The Texas Higher Education Coordinating Board, for example, supports the [Nursing Faculty Loan Repayment Assistance Program](#), which is designed to support nursing faculty in repaying their loans, and to offset some of the earnings differential. Limited capacity for this important role affects the broader pipeline and creates constrictions in the number of students who can be placed into clinicals in the first place.

It is not clear from our research either where the greatest barrier in the healthcare talent pipeline is, or what the most effective way of addressing it might be. What we do see is many programs, especially those led by higher education institutions, focusing primarily on increasing their capacity and changing delivery models – needed innovations, to be sure – with much less attention focused on the needs of learners themselves. There are many programs designed to

grow the healthcare talent pipeline that ignore the unpaid clinical experience as a barrier to completion.

The following four models do support paid clinical placements or continued employment in a healthcare setting.

## Employment Contingencies

Contingency programs enable healthcare employers to extract some long-term value out of their support for clinical placements. Absent this contingency, it's not clear that there is a business motivation for employers' provision of paid clinical experiences beyond equity and keeping the pipeline intact. This capacity for employers to gain benefit from supporting wages for clinical placements for non-employees is the greatest positive attribute of this approach.

As noted in our conversations with the El Paso project team, primary concerns about contingency programs hinge on student readiness and legal acumen. Noting that marginalized students and those from low-income or non-native English-speaking backgrounds may struggle to understand the contract requirements, the Texas Tech team commented, "The idea of locking them in as students isn't palatable to us while they're still students. Once they graduate, that's a different thing. We feel an obligation to them as long as they're students."

Another team member commented, "We're working with a local law firm to talk to students about contracts and what they mean, so when they sign agreements, they're covered. These are unsophisticated new employees. Part of scalability has to ensure students realize when they go out and create employer-based relationships, they can walk away if they're not comfortable."

The limits to scale here are obvious:

- 1) Contingency agreements are employer-specific, requiring planning and programming that is specific to employers, training programs, and students.
- 2) Contingency agreements may result in inequitable situations particularly for low-income students and students from marginalized backgrounds. Anecdotal information also indicates that employers do not necessarily benefit over the long term from these agreements, with employees leaving at their term limits to seek the signing bonuses and perks available with other employers.
- 3) Employers will be motivated to secure employment upon completion by students at the top of their class – it is not clear whether the same contingency agreements would be available to all students from lower-prestige institutions or students who are not as academically high-performing.
- 4) While contingency agreements can solve individual problems, supporting students through their final training terms, the broader problems with the system remain – no core issue or structural correction is occurring.

Further, depending on how wages/payments are delivered to students, there may be implications for financial aid offices. Administrators in El Paso indicated they are constantly "worrying about interfering with financial aid. With our students, that hasn't been much of a problem to this point because most aren't earning. But we need to get that straightened out. We do not want to count these resources against financial aid."

Following are several examples of employment contingency programs currently in operation:



Program Name	Leadership	Program Objectives	Design Features and Program Information
University Hospital (UH) Scholars Program	UH System and Kent State College of Nursing	Increasing number of nurses with BSNs to address complex healthcare needs of aging population.	<ul style="list-style-type: none"> <li>- Support enables an additional cohort of BSN students.</li> <li>- Kent State students have opportunities to work part-time as nursing assistants at UH while studying.</li> <li>- \$12,000 in financial support from UH to students in their senior year.</li> <li>- Requires two years of employment at UH after graduation.</li> <li>- UH added clinical placements and recruited experienced UH nurses to serve as clinical instructors/preceptors.</li> <li>- Program launched in 2019 with a cohort of 20.</li> <li>- At capacity, leaders expect the program to produce 80 additional BSN graduates each year.</li> </ul>
Accelerated Second Degree Scholarship Program	Moffit Cancer Center and University of South Florida Health College of Nursing (has since expanded to include PAM Health at Sarasota-Manatee campus)	<ul style="list-style-type: none"> <li>- Increase nursing pipeline.</li> <li>- "Bridge the academic-practice gap by blending on-the-job training for student nurses with a structured transition program to the role of professional nurse."</li> </ul>	<ul style="list-style-type: none"> <li>- Created accelerated 16-month nursing program for those who have a bachelor's degree in another field.</li> <li>- "Scholarship" pays for tuition, testing fees, and some living expenses.</li> <li>- Many of these students will have exhausted financial aid and are typically ineligible for other financial support.</li> <li>- Students are required to work for Moffit for two years following graduation.</li> <li>- Scholarship program launched in 2022.</li> <li>- The accelerated second degree program (2020 launch) started with 30 students. 110 students had enrolled in the spring 2023 cohort at the Sarasota/Manatee campus.</li> </ul>
Nurse Immersion Program	Mercy Health and Mercy College of Ohio	<ul style="list-style-type: none"> <li>- Support students' educational journeys and financial needs</li> <li>- Alleviate staffing issues at Mercy Health facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Targets BSN students in their final semesters</li> <li>- Selected students are paid a wage for their 154 required clinical hours</li> <li>- Upon program completion and licensure, graduates commit to work 18 months at Mercy Health – St Charles Hospital</li> <li>- Pilot program launched January, 2024 with seven students.</li> <li>- "The plan for the future is to expand the number of students and Mercy Health hospitals participating in this program."</li> </ul>

## “Learn-and-Earn” and Apprenticeship

Apprenticeship programs, where students work and learn simultaneously, earning wages and participating in paid learning experiences, are among the highest-performing upskilling strategies available. While blended academic and on-the-job learning have been core to healthcare education for decades, the nursing was approved as an apprenticeship occupation by the US Department of Labor in 2022. South Texas College launched the nation's first Registered Apprenticeship in Nursing the following year. In FY2024, there 85 active apprentices in RN programs, and 10 apprentices in LVN programs.

Apprenticeships, as well as the “learn-and-earn” models that resemble apprenticeships but may not be registered with the government, address multiple issues central to Trellis Foundation’s objectives:

- Apprenticeships blend work-based and academic learning in student-centered structures, not requiring students to give up either aspect in pursuit of the other.
- Apprenticeships are paid jobs and are often benefit-eligible. Registered programs require that apprentices receive structured wage increases as their skills increase.
- Apprenticeships typically cover tuition and fees, enabling apprentices to gain their required credentials debt-free.
- Apprentices are very frequently hired into full-time roles upon completion of their programs, and in registered programs, graduate with a nationally-recognized credential that enables the completer to qualify for work with any employer.

That said, apprenticeships are not easy. They require significant time and energy on the part of the employer, as well as the training provider and workforce entity, and specific capacity in braiding the federal, state, and local dollars available to support the multiple needs of the apprentice. This capacity is a frequent barrier to adoption.

Other limitations include:

- Small organizations can struggle with the paperwork and oversight required, while large systems may be more able to accommodate the reporting requirements.
- Leaner organizations may not be able to afford to pay working learners who cannot commit full-time hours to active work.
- Many traditional learning providers are not well-suited to work in apprenticeship environments – they are not flexible enough, and are often not as sensitive to the data, progress, and cost needs that employers have when they are directly engaged in the apprentices’ journey.

Another form of “learn and earn” program includes tuition assistance models, which have become prevalent in the last ten years. These programs essentially operate as a benefit to eligible employees, where tuition and fees are paid by the employer on behalf of the employee. The employee maintains their regular employment, while studying toward their credential program on their own time. Employers may include an employment contingency within their tuition assistance program, as well.

In the healthcare context, it is difficult to find a hospital system that does not have a tuition assistance program. Many of these initiatives are geared toward custodial, dietary, and office staff, incentivizing them to become clinical workers and providing pathways to economic mobility. Many programs provide upfront paid tuition and fees for a curated network of training providers, along with coaching and career support. As noted below, Texas Health Resources and Baylor Scott and White offer two highly regarded programs of this nature.

While regulations shift from state to state, employers are careful to ensure that employees completing their clinical placements are properly assigned and are only doing job tasks they are approved to do.

Tuition assistance models have many benefits for both employers and employees:

- Employees gain access to paid education without going into debt or sacrificing wages.
- Employees often gain insight into the credentials and programs that employers most value, enabling improved decision-making.
- Employees often gain true career ladder and wage gain opportunities, with employers frequently turning to incumbent employees to fill open positions.
- Employers benefit from [proven](#) talent management improvements, including higher retention and lateral transfers and lower unplanned absences among program participants. Emerging ROI research is showing a “halo effect,” as well, with even knowledge of the program improving talent management outcomes among non-participants.

Tuition assistance models, however, are rarely operated by smaller organizations, especially those with lower profit margins. Further, with these programs becoming “table stakes” among employers and upskilling opportunities among the highest priorities for job seekers, small organizations may be doubly challenged. And depending upon the size of the tuition assistance award, employees still may struggle to afford education expenses. Section 127 of the IRS tax code allows for employers to provide up to \$5,250 in education support to employees as non-taxable income.

Structurally, there do not seem to be many barriers to this approach specific to the clinical placement – because employers have a vested interest in ensuring their own employees complete their credentials, they will continue to pay their employees for work completed (and cover tuition and fees) and will often prioritize their employees in clinical placements in their own settings, multiple problems are indeed solved. On the downside, these programs are offered entirely at the pleasure of the employer. In a downturn or during a management change, programs may be deprioritized or eliminated.

Following are examples of Learn and Earn and Apprenticeship programs:

Program Name	Leadership	Program Objectives	Design Features
Tuition Assistance	Multiple	<ul style="list-style-type: none"> <li>- Creates growth opportunities for lower-earning incumbent employees</li> <li>- Improves retention for employers</li> <li>- Supports strategic workforce planning</li> </ul>	<ul style="list-style-type: none"> <li>- Upfront payment of tuition dollars on behalf of student</li> <li>- Ongoing paid employment (regardless of clinical status)</li> <li>- Strong ROI for companies, with multiple studies showing positive impacts on retention</li> <li>- Wage gains and promotions for participating employees</li> </ul>
Texas Health Resources	Texas Health Resources	<ul style="list-style-type: none"> <li>- Supports employee retention</li> <li>- Enables employees to pursue chosen career path and reach potential</li> </ul>	<ul style="list-style-type: none"> <li>- Supports up to \$5,250 in reimbursement for clinical programs, and up to \$4,000 for non-clinical degrees. Students must enroll with an accredited institution.</li> <li>- All FT and PT employees can participate</li> <li>- Employees earning less than \$40,000/year can receive upfront assistance rather than reimbursement</li> <li>- THR provides student loan repayment benefit of \$50/month directly to loan provider</li> </ul>
Baylor Scott & White	Baylor Scott and White (in partnership with Guild)	<ul style="list-style-type: none"> <li>- Supports employee retention</li> <li>- Enables employees to pursue chosen career</li> </ul>	<ul style="list-style-type: none"> <li>- Supports pre-paid fully-funded tuition support for high-growth degree programs (RN to BSN, technology, etc), college prep, and English language learning</li> </ul>

		path and reach potential	<ul style="list-style-type: none"> <li>- Supports up to \$5,250 for programs in nursing, allied health, etc.</li> <li>- Employees, part time and full-time, are eligible day-one</li> </ul>
HCA Healthcare Clinical Education and Training Investments	HCA Healthcare	<ul style="list-style-type: none"> <li>- \$200M toward expansion of Galen College of Nursing (HCA purchased college in 2020)</li> <li>- \$136M toward opening of HCA Healthcare Centers for Clinical Advancement</li> </ul>	<ul style="list-style-type: none"> <li>- Centers for Clinical Advancement are designed to "bridge the gap between the classroom and bedside through practice-based instruction."</li> <li>- Operate independently from nursing schools - new graduates use the centers to complete their Nurse Residency program and choose specializations</li> <li>- More than 12,000 students currently enrolled at Galen College (3,000 HCA employees)</li> <li>- HCA offers tuition assistance for current employees to do RN-to-BSN program at Galen (\$7.7M to 2,250 employees in 2022). St. David's is an HCA facility, and participates in this program.</li> </ul>
Texas Health Resources Apprenticeship Programs	Texas Health Resources	- "Earn as you Learn" model that supports priority skill development and pathways to practice.	<ul style="list-style-type: none"> <li>- Three apprenticeship programs: Med Assistant (10 week training/5 week externship); Patient Care Technician (4 week training); Pharmacy Technician (6 week hybrid training).</li> <li>- Effectively a "hire to train" model - candidates complete defined weeks of classroom work and externship and skills/lab work</li> <li>- Train full time Monday-Friday</li> <li>- Paid wages during training</li> <li>- Sit for national licensure/certification exam</li> </ul>
Texas Two-Step Nursing Program	Medical City Healthcare, Collin College, and Tarrant County College	<ul style="list-style-type: none"> <li>- Supports employee retention</li> <li>- Career path for incumbent MCH employees</li> <li>- Create pathways into nursing</li> </ul>	<ul style="list-style-type: none"> <li>- Current MCH employees are eligible</li> <li>- Employees receive financial support to earn an associate degree with no out of pocket costs through Collin College and Tarrant County College, and a BSN through Galen College of nursing.</li> <li>- Students continue to work at least 20 hours per week</li> <li>- Two year commitment post completion of BSN degree to work at MCH.</li> </ul>
Registered Apprenticeship Program for Nursing	Texas Workforce Commission and South Texas College and DHR Health	<ul style="list-style-type: none"> <li>- First RA registered nursing program in the nation</li> <li>- RGV is a medically underserved region</li> </ul>	<ul style="list-style-type: none"> <li>- Students gain hands-on training and wages from employer and meet academic requirements through STC.</li> <li>- Program costs are covered through leverage of state and federal grants, including tuition and fees.</li> <li>- Apprentices are paid at least \$14/hour, with wage gains upon program milestones</li> <li>- Program launched initial cohort July 2023.</li> <li>- Second cohort launched July, 2024, partnership with Rio Grande Valley College.</li> </ul>
Learning and Experience Apprenticeship Program	Parkland Health	- Focused on low-to-moderate income residents of Dallas County	<ul style="list-style-type: none"> <li>- Year-long program, gain Patient Care Technician certification training</li> <li>- Paid full-time wages at \$15.25/hour</li> <li>- Benefits and tuition support provided</li> </ul>

Dwyer Scholar Apprenticeship Program	Dwyer Workforce Development and Houston Community College	<ul style="list-style-type: none"> <li>- Production of 500 CNAs per year</li> <li>- Close nursing workforce gap of 57,000 in TX</li> <li>- Abate 36% loss of CNAs from workforce over last decade</li> </ul>	<ul style="list-style-type: none"> <li>- Apprenticeship model – apprentices study with HCC and are placed with employers to complete their apprenticeship and transition to employment</li> <li>- DWD provides case management and financial support, in addition to wages</li> <li>- Program originated in Maryland—85% of DWD scholars completed their program and are employed or on track.</li> </ul>
LPN Earn and Learn Program	Lorain County Community College and University Hospitals	<ul style="list-style-type: none"> <li>- Unmet need for LPNs</li> <li>- Career path for incumbent PCNAs</li> </ul>	<ul style="list-style-type: none"> <li>- Current UH employees working at PCNAs are eligible</li> <li>- Participants remain full-time employees, earning full pay and benefits, while they complete LPN courses through LCCC</li> </ul>
Ready to Work Initiative	Mass General Brigham and University of Massachusetts Global	<ul style="list-style-type: none"> <li>- Diversifying the healthcare workforce</li> <li>- Meeting local demand for entry-level workers</li> <li>- Removing financial barriers</li> </ul>	<ul style="list-style-type: none"> <li>- Funded by Good Jobs Challenge grant</li> <li>- Provides no-cost training opportunities for candidates to enter entry-level healthcare careers (med asst; CNA; pharm tech; phlebotomist).</li> <li>- Current MGB employees working in housekeeping, foodservice, and janitorial are eligible</li> </ul>

## Scholarship and Stipend

These programs are typically administered by higher education institutions. While they may have unique aspects, they are the most traditional of approaches. For higher education, scholarships and stipends appear to be ideal solutions, because they can be packaged and administered by the institution directly to the student, and the institution can retain a stronger understanding of the student’s situation.

Scholarship models can have significant impact for individuals, but by their nature are not scalable or systemic solutions. Programs we found are quite limited in their scope, reaching dozens of students under very specific criteria. Further, these solutions will require a consistent or endowed funding source.

Following are two examples of scholarship and stipend programs:

Program Name	Leadership	Program Objectives	Design Features and Program Information
Niganawenimaanaanig Indigenous Nursing Program	Bemidji State University, with funding through HRSA-NWD	<ul style="list-style-type: none"> <li>- Increases nursing education opportunities for people from disadvantaged backgrounds.</li> </ul>	<ul style="list-style-type: none"> <li>- Financial support for tuition, fees, required materials and technology</li> <li>- Students receive monthly living stipend through program.</li> <li>- Students are allowed to work during the program—scholarship funds are on top of wages.</li> <li>- Students also receive cultural, social, and academic support through dedicated staff, mentors, tutoring, and peer supports.</li> <li>- Program began as a pilot in 2017</li> <li>- Served 26 students in the 2023-24 school year</li> <li>- Nine students graduated in 2024.</li> </ul>

Leonard A Lauder Community Care Nurse	University of Pennsylvania School of Nursing	<ul style="list-style-type: none"> <li>- "Dedicated to building a nurse practitioner workforce committed to working in and with underserved communities</li> <li>- "Recruit and prepare students ready to lead in providing high-quality primary care access for all."</li> </ul>	<ul style="list-style-type: none"> <li>- Fellows are full-time admitted students with Penn's nursing programs</li> <li>- Students selected and invited to apply</li> <li>- First graduates in 2023 – 9 graduates</li> <li>- Program covers tuition and fees, and a stipend for students with greater financial need.</li> <li>- Following graduation, Fellows are expected to serve in underserved communities (Penn provides help in finding employment)</li> </ul>
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## Pay for Performance

Pay for performance, sometimes called Social Impact Bonds, are much less prevalent – they require significant investments and support from organizations with specialized skills and capabilities. However, at scale, pay for performance addresses some of the key issues that limit other models by creating a revolving fund that can support individuals and administration over multiple years, and de-risking investments for both individuals and employers.

A prime example of pay for performance in the healthcare sector is [Massachusetts' Career Ladder Program](#), which is administered by Social Finance with investments from the Commonwealth and support from JVS Boston and the Massachusetts Senior Care Association. The model was seeded with \$6M in resources from the state, administered by the Executive Office of Health and Human services, and focuses on supporting incumbent CNAs to earn their licensure to work as LPNs.

Working in partnership with employers, the fund replaces 50% of the incumbent's wages during the term of the LPN training program (about 10 months), and the employer allows the employee to shift to half-time hours. The individual's wages are whole, and tuition costs are covered (Massachusetts provides free community college to adult learners). Through JVS, trainees receive support services for academic and personal challenges, and all test preparation and fees are covered, as well.

Trainees agree to return to their employers, who are typically long-term care and home health organizations, after earning their LPN license. In return, the employer repays the fund for the costs of the stipend and support in five payments of \$4,000 each, at placement, and at the ends of four subsequent years. If the program participant leaves employment with the employer during that time, the debt will shift to the student.

Experts from Social Finance noted, "The employer buy-in is tied to the business case. Other than the employer having to provide the CNA with a reduced time allocation, this is de-risked for the employer and the terms are generous. This is a good example of risk rebalancing, and an example of the state, in this case, playing the right role, which is taking risk off the student, where otherwise there are insurmountable barriers. They are playing an enabling role. And they are engaging employers, who are absolutely contributing even in a de-risked environment."

In New Jersey, the [Pay It Forward Program](#) supports at \$15M (and growing) revolving workforce fund to support resident upskilling into in-demand roles. Funding comes to individuals in the

form of zero-interest, no-fee loans that cover education expenses and living stipends and include support services. These loans are only paid back if individuals earn above a minimum salary upon program completion. Loans are paid back at a rate of 10% of discretionary income for up to five years. Living stipends and support services costs are not included in the payback amount.

Just recently, Social Finance announced a partnership with Western Governors University. The [ReNEW Fund](#), a \$100M philanthropically-seeded pay for performance fund, would enable students studying toward their BSN with WGU to have their final two years of schooling covered. Employers who hire WGU graduates will pay into the fund, and graduates who do not work with partner employers and who earn a living wage will pay the fund through a zero-interest loan with student-friendly terms. WGU has already seeded the fund with \$10M of its own money – a positive sign for the program’s strength and viability.

WGU currently offers nursing programs in 17 states, with plans to double that number in the next five years. Texas is among the largest enrollments in the BSN program, with 575 current learners. WGU currently produces 17% of the country’s BSNs, with a 92% NCLEX pass rate, comparable to other programs. WGU is currently building out lab spaces to complement the primarily online training, and working at a national, highly dispersed scale, WGU anticipates that clinical placements will be easier to accommodate, especially for rural students.

## Lessons from Other Sectors

Unpaid clinical requirements are not unique to healthcare programs. Teacher candidates are the best analog, though student teaching often occurs only in one setting rather than through rotations.

In recent years, the issue of unpaid student teaching has become a hot topic, spurred by the teacher shortage. Teacher apprenticeships, approved as an occupation in 2021, have taken off in nearly every state. While these programs look different from state to state and district to district, they all include a paid residency. In Texas, dozens of districts are leveraging Texas COVID Learning Acceleration Supports (TCLAS) funding, supports, and technical assistance, as well as redirected district resources, to support paid residency experiences.

These approaches are feasible in most cases because a school or district will host a small number of candidates and because there are schools in every community where teacher candidates can be placed.

- For a detailed look at two innovative teacher preparation programs in Texas involving paid residencies visit [here](#) and [here](#).

In 2022, [Colorado](#) passed legislation (HB22-1220) that leverages the state financial aid system to support paid teacher residencies through either financial aid or wages. This program is substantively different than Texas’ approach but serves the same purpose.

In addition, Colorado has advanced an innovative approach to support paid teacher residencies through a pay for success model. Social Impact Solutions organized the model. Using philanthropic and social investment dollars, teacher residents are paid during their clinical time. Districts, which will save significant money through avoided recruitment, onboarding, and turnover costs, repay the pay for success funding only if program participants, 1) complete the program, 2) become licensed teachers, and 3) remain in the partner district for three years

(residency year plus two additional years of teaching). While the program is still in its early stages, students in the model are more diverse than the overall teacher candidate cohort and are retaining in their roles at a higher rate than anticipated in the financial model.

## Philanthropic Approaches

Multiple philanthropic organizations support focused investments in healthcare, though we are not able to determine via publicly available information whether they invest specifically in clinical placements. Employer partner investments in healthcare education are indicated above.

- **Dallas Fort-Worth Hospital Council Foundation** – DFWHCF works with hospitals, schools, and community stakeholders to meet healthcare workforce needs, including the Healthcare Employer Learning Consortium. The Foundation has supported grants with DFW-area hospitals and schools to initiate an apprenticeship program with Dallas College.
  - o DFWHCF facilitates the [Centralized Clinical Placement System](#) that supports schools and hospitals with clinical placements and faculty recruitment, streamlining the process for student clinical placements.
- **St. David's Foundation** – Administered through the Texas Department of Agriculture, the St. David's Foundation Loan Repayment Program provides support for student loan repayment for physicians, dentists, physicians assistants, and nurse practitioners who work in safety net clinics in Central Texas.
- **Houston Endowment** – The Endowment does not appear to have any healthcare-focused grants but has supported apprenticeship programming in teacher education.
- **Michael and Susan Dell Foundation** – Prioritizing young adults (16-24), supports multiple portfolios focused on college success and economic mobility, with particular focus on marginalized students. MSDF requires co-funding for most of their projects, as well as very specific focus on defined populations.
- **Rainwater Charitable Foundation** – Rainwater does not appear to currently support healthcare education but does prioritize upskilling as a priority investment area with outcomes of access to degrees and certificates, higher-wages, and barrier-reduction.
- **Lettie Pate Whitehead Foundation** – Offers grant support to women pursuing higher education, with a specific interest in health education. Focuses on nine southeastern states (not Texas), and primarily funds the scholarship program.
- **Johnson & Johnson** – Through their CSR and corporate philanthropy work, J & J focuses on championing nursing as a high-impact and purpose-driven career; creating health work environments; and diversifying, supporting, and developing the nursing workforce. Through a very broad set of programs, J & J supports scholarships and leadership training, particularly for nurses of color.
- **Robert Wood Johnson Foundation** – Supports health equity, with specific work focused on nurses and nursing. Work appears to prioritize policy.

## Implications for RFP Design and Delivery

In evaluating the potential areas of focus for an RFP, and prioritizing effective and efficient administration and evaluation, and how to best develop concrete learning and replicable



approaches, we recommend selecting one approach to serve as the theme for the RFP, allowing for respondents to adapt across their unique environments and capacities.

Based on research, understood parameters of the potential RFP, and opportunities for systemic change, we offer three potential RFP approaches.

- 1) **All Learning Counts:** Develop a scalable model to support healthcare students from high-demand program areas (nursing, surgical tech, etc.) to [meet clinical hours requirements](#) through employment.
  - o Likely respondent: Higher Education Institution (recommend working at community colleges and regional comprehensives)
  - o Pros
    - Advances recognition of learning and blended work-and-learn approaches.
    - Likely to result in long-term systemic changes.
    - Unlikely to require ongoing maintenance or funding beyond initial grant.
  - o Cons
    - Complex work, may be limited to institutions with existing capacity.
    - May be more expensive up front, given need for personnel.
    - Creates a primary audience of students employed with healthcare organizations – may not be relevant for accelerated models or for students working outside of healthcare.
    - No clear sense for current utilization of this policy.
- 2) **Streamlining the Talent Pipeline:** Identify practices/policies that are restricting healthcare students' ability to complete academic and clinical requirements and hold a job (in healthcare or otherwise), including shifting didactic learning online, creating more flexible clinical placement schedules, developing regional clinical placement and faculty recruitment systems, and other approaches. Institutions may also be encouraged to consider how they might use federal work study dollars to support clinical experiences for eligible students.
  - o Likely respondent: Higher Education Institution
  - o Pros
    - i. Likely to result in long-term changes.
    - ii. Changes will affect all learners, especially most marginalized.
    - iii. RFP may push higher education to think more critically about their own practices and their role in limiting the healthcare talent pipeline.
  - o Cons
    - i. While allowing students to work during clinicals, does not specifically address the issue of paid clinicals.
    - ii. Does not deeply engage employers.
- 3) **Learning Through Work:** Initiate and/or scale an apprenticeship/work-and-learn program for in-demand healthcare occupations.
  - o Likely respondent: Workforce Development; Industry Council; Higher Education Institution
  - o Pros

- i. Well-recognized approach with existing actors who can serve as exemplars (Workforce Solutions Capital Region)
  - ii. Unlikely to require ongoing maintenance or funding beyond initial grant
  - iii. Solid policy support and investments—significant momentum already.
- o Cons
  - i. No sense of potential scale – apprenticeship programs typically operate in the dozens of participants.
  - ii. Apprenticeship requires significant people resources, may be restricted to large organizations.

## Alternative Approach

Given the level of support likely available from Trellis Foundation, and the emergence of successful pay-for-success models, Trellis could explore the development of a social impact program at the regional level, seeding a revolving loan fund and supporting the work of a social finance organization to structure the program. If this approach is desired, UpSkill will happily facilitate learning sessions for Trellis Foundation staff to gain more information about leading organizations and approaches.

Trellis Foundation could also likely contribute to the ReNew Fund through WGU, or identify a means of complementing the work of the ReNew Fund through investments in efforts like:

- Creating smooth transfer pathways for community college students transitioning to WGU.
- Supporting community-based organizations to provide wraparound services and support to students working through the Fund.
- Supporting evaluation and impact analysis of ReNew Fund efforts in Texas.

## Next Steps

The healthcare education ecosystem is complex, and there does not appear to be a “silver bullet” that will eliminate the systemic barriers that prohibit many low-income and marginalized students from completing their training.

We proposed three RFP approaches, each of which address a systemic issue, and which should, implemented with fidelity, result in improvements in the healthcare pipeline, enabling more learners to complete without financial hardship.

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