



June 27, 2024

The Honorable Richard D. Roth  
Chair, Senate Health Committee  
1021 O St., Room 3310  
Sacramento, CA 95814

**SUBJECT: AB 1577 (Low) – CONCERNS**

Dear Senator Roth:

California is facing a health care workforce crisis. Even prior to the COVID-19 pandemic, there was a systemic shortage of trained health care workers. For example, in January 2020 — prior to the pandemic — Futuro Health *conservatively* estimated a shortage of 500,000 allied health employees by 2024. A recent UCSF study found that California had a deficit of *40,000 registered nurses* in 2021, and that number has likely grown.

**California hospitals want to work collaboratively to ensure an adequately trained workforce. It is in that spirit that the California Hospital Association is raising the following concerns with Assembly Bill (AB) 1577 (Low, D-Cupertino), as amended June 25, 2024.**

As part of their commitment to ensuring the successful transition of new graduate nurses into the practice environment, hospitals throughout the state currently participate as clinical training sites for nursing students and many other allied health care professionals that require clinical training as a condition of licensure. Historically, in partnership with nursing schools, hospitals annually provide thousands of clinical training opportunities — without financial support and must absorb these costs.

While the need to create more clinical training slots is well understood, the demand greatly exceeds hospitals' capacity to provide additional slots. There are several barriers hospitals face in accepting additional nursing students.

First, while AB 1577 is not solely focused on general acute care hospitals to provide more clinical training sites, other non-traditional settings are well-equipped to serve as clinical training sites.

Although hospitals have historically been the preferred training site for nursing students, the changing landscape of California's health care delivery system, the increasing numbers of clinical requirements for placement, onboarding, and orientation to clinical sites, and increases in education program enrollments now dictate the need to create clinical training slots in other settings. The Board of Registered Nursing (BRN) is uniquely positioned to fulfill this role and has experience in approving clinical training sites

outside of health facilities and clinics. It is critical that the BRN take an active role in researching and identifying additional, new clinical placement opportunities, rather than creating a requirement for hospitals that simply do not have the capacity to provide more slots.

Second, there is a shortage of nurses willing to function as preceptors, experienced nurses who play a critical role in supporting, teaching, and mentoring nursing students. Becoming a preceptor is voluntary, and not all nurses have the desire, skillset, or capacity for this work. Since the COVID-19 pandemic, more seasoned nurses have left the profession, and the current shortage means hospitals do not have the capability to expand the number of clinical training slots.

Third, due to the financial instability of many hospitals and the fact that providing clinical training slots in a hospital environment comes with a significant unreimbursed cost, they simply do not have the administrative resources necessary to manage, monitor, and comply with the requirements to function as clinical training sites.

Finally, Senate Bill (SB) 1042 is currently moving through the legislative process to establish a statewide inventory of available slots and allow the BRN to assist nursing programs in identifying clinical placement opportunities. SB 1042 is the appropriate first step in addressing clinical placement challenges as it will help identify the gaps and needs in this area.

California hospitals share the goal of ensuring an adequately trained workforce, and look forward to continuing to work with the author and sponsor to identify meaningful and sustainable solutions. If you have any questions, I may be reached at [vgonzalez@calhospital.org](mailto:vgonzalez@calhospital.org).

Sincerely,



Vanessa Gonzalez  
Vice President, State Advocacy

cc: The Honorable Evan Low  
The Honorable Members of the Senate Health Committee  
Vince Marchand, Principal Consultant, Senate Health Committee  
Joe Parra and Tim Conaghan, Consultants, Senate Republican Caucus