

# **Board of Nursing**

**House Human Services Subcommittee**

*Chris Murray, Economist  
Legislative Service Commission*

*February 26, 2003*

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# **LSC Redbook for the Board of Nursing**

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Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.

# Board of Nursing

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- Am. Sub. H. B. 327 modified the Nurse Practice Act to require criminal records check for licensure applicants
- New fees for IV therapy cards, out-of-state surveys, and continuing education activities

## OVERVIEW

The mission of the Board of Nursing is to promote and protect the health of Ohioans through the safe and effective practice of nursing. Comprised of a 13-member board appointed by the Governor and a staff of 55 employees, the Board regulates more than 182,000 individuals in the field of nursing.

Chapter 4723. of the Revised Code provides statutory authority for the Board's activities and requires the Board to protect the public against unqualified R.N.s and L.P.N.s. Additionally, the Board provides oversight for nursing education programs and continuing nurse education requirements.

### **Executive Budget Recommendations**

The executive budget recommends funding for the Board of Nursing of \$5,237,776 in fiscal year (FY) 2004 and \$5,262,576 in FY 2005. The majority of funds appropriated to the Board of Nursing are located in the Occupational and Licensing Board Fund (Fund 4K9). This fund is the depository of all licensing fee revenue and fines for 24 occupational licensing boards. The executive budget recommends \$5,000 in each fiscal year for Nursing Special Issues (Fund 5P8). It is anticipated that these moneys will be used to support a Comprehensive Nursing Workforce Planning Center. Compared to FY 2003 appropriations, the total executive recommendations represent a 0.5% increase in FY 2004. The FY 2004 to FY 2005 increase is 0.5%. Around 71% of the Board's budget is for payroll and other related expenses. Approximately 23% of the executive recommendation covers rent and other maintenance expenses.

In the upcoming biennium, the Board must deal with expanded responsibilities as a result of legislative actions from the 124th General Assembly. Amended Substitute House Bill 327 modified the Nurse Practice Act to require applicants for licensure to undergo a criminal records check.

### **Increased Fees**

The executive recommendations include fee increases. The biennial license renewal fee will increase from \$45 to \$65, a \$20 increase for the two-year license. This fee increase will put the Boards biennial rate of \$65 equal to the national average for nurse licensure fees.

In addition to the renewal fee increase, the executive recommendation includes a \$15 increase in the examination and licensure endorsement fee, a \$5 increase in the paper license verification fee, and a \$10 increase in the duplicate license issuance fee.

**New Fees**

The executive recommendation includes new fees: \$25 for the issuance of an IV therapy card and \$2,000 for out-of-state survey visits to nursing education programs not in Ohio but have clinics in-state. The executive recommendation would also allow the Board to charge \$15 per participant per activity for continuing education credits. The revenue from the continuing education credits would be deposited into the Nursing Special Issues Fund (Fund 5P8). These moneys will be used for a Center for Nursing Workforce Planning that will address issues such as the supply and demand of nurses in Ohio. The Board estimates the fee increases and new fees would result in additional revenue of \$2,959,705 in FY 2004 and \$1,008,525 in FY 2005 to be deposited into Fund 4K9. The table below presents the fee and revenue changes.

| Fund 4K9                              | Current Fee | Proposed Fee  | FY 2004 Additional Revenue | FY 2005 Additional Revenue |
|---------------------------------------|-------------|---------------|----------------------------|----------------------------|
| Renewal Fee Increase                  | \$45        | \$65          | \$2,758,060                | \$806,880                  |
| Examination and Licensure Endorsement | \$50        | \$75          | \$172,325                  | \$172,325                  |
| Paper License Verification            | \$5         | \$10          | \$750                      | \$750                      |
| Duplicate License Issuance            | \$15        | \$25          | \$10,790                   | \$10,790                   |
| Issuance of IV Therapy Card           | N/A         | \$25          | \$15,825                   | \$15,825                   |
| Out-of-state Survey Visits            | N/A         | \$2,000       | \$2,000                    | \$2,000                    |
| <b>Fund 4K9 Subtotal</b>              |             |               | <b>\$2,959,705</b>         | <b>\$1,008,525</b>         |
| <b>Fund 5P8</b>                       |             |               |                            |                            |
| Continuing Education Credits          | N/A         | \$15/activity | \$500,000                  | \$500,000                  |
| <b>Fund 5P8 Subtotal</b>              |             |               | <b>\$500,000</b>           | <b>\$500,000</b>           |
| <b>Total</b>                          |             |               | <b>\$3,459,750</b>         | <b>\$1,508,570</b>         |

**Licensing System**

The occupational licensing boards, in partnership with the Department of Administrative Services, are working to implement a new licensing system. The system will be phased in over the next biennium and each board will pay their share of the costs out of Fund 4K9. The Nursing Board estimates spending \$423,500 over the biennium for this system.

## ANALYSIS OF EXECUTIVE PROPOSAL

### Ohio Board of Nursing

**Purpose:** The Ohio Board of Nursing actively promotes and protects the health of the citizens of Ohio through the safe and effective practice of nursing as defined by law.

The following table shows the line items that are used to fund the Nursing Board, as well as the Governor's recommended funding levels.

| Fund  | ALI     | Title                  | FY 2000            | FY 2001            |
|---|---------|------------------------|--------------------|--------------------|
| 4K9   | 884-609 | Operating              | \$5,232,776        | \$5,257,576        |
| 5P8   | 884-601 | Nursing Special Issues | \$5,000            | \$5,000            |
| <b>Total funding: Ohio Board of Nursing</b> |         |                        | <b>\$5,237,776</b> | <b>\$5,262,576</b> |

### Board of Nursing

**Program Description:** The Board of Nursing governs the practice of nursing, as defined by Chapter 4723. of the Revised Code, by licensing nursing professionals in a variety of specialties, as well as certifying dialysis technicians.

**Funding Source:** General Services Fund Group (Funds 4K9 and 5P8). The activities of the Board are funded with licensure fees and fines collected for violations of the rules and laws governing the practice of nursing in Ohio.

**Line Items:** 884-609, 884-601

**Implication of Recommendation:** The executive recommended funding level would allow the Board to operate at current levels.

**Fees:** The executive recommendations include several fee increases and new fees for the Board (see Executive Recommendations: Increased Fees and New Fees). The new and increased fees will generate about \$3 million in FY 2004 and \$1 million in FY 2005 in new revenue to be deposited into Fund 4K9. They will also generate revenues of about \$500,000 in each fiscal year for Fund 5P8, Nursing Special Issues.

The new and increased fees are anticipated to generate total revenues of about \$12.7 million over the biennium. The executive recommended level of funding for the Board over the biennium is about \$10.5 million. The majority of this difference (roughly \$1 million) occurs in the appropriation for Fund 5P8 where the Board only requested \$5,000 in appropriations each year, yet revenues for this Fund may exceed \$500,000 annually.

**Legislative Mandates:** Am. Sub. H.B. 327 of the 124th General Assembly requires the Board of Nursing to perform criminal background checks on all license applicants.

## PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the Department's activities and spending decisions during the next biennium.

### Permanent Law Provisions

#### Continuing Education Activities and Fee Changes (R.C. Sections 4723.06, 4723.08, and 4723.082)

These permanent law provisions will permit the Board to sponsor continuing education activities and charge a fee not to exceed \$15 for each activity. The revenues from this fee are to be deposited into Fund 5P8, Nursing Special Issues. The Board anticipates revenues of \$500,000 per year and, contingent upon additional appropriations, would use the funds for a Center for Nursing Workforce Planning that would issue grants and services used to develop and maintain programs that address patient safety and health care issues related to the supply of, and demand for, nurses and other health care workers.

Permanent law is also amended to include several fee increases and new fees for the Board (see Executive Recommendations: New and Increased Fees). The new and increased fees will generate about \$3 million in FY 2004 and \$1 million in FY 2005 in new revenue for Fund 4K9. They will also generate revenues of about \$500,000 in each fiscal year for Fund 5P8, Nursing Special Issues.

### Temporary Law Provisions

There are no temporary law provisions affecting the Board.

## REQUESTS NOT FUNDED

| Board of Nursing |                   |                     |             |                   |                     |             |
|------------------|-------------------|---------------------|-------------|-------------------|---------------------|-------------|
| Fund Line Item   | FY 2004 Requested | FY 2004 Recommended | Difference  | FY 2005 Requested | FY 2005 Recommended | Difference  |
| 49K 884-609      | \$5,670,939       | \$5,232,776         | (\$438,163) | \$5,428,829       | \$5,257,576         | (\$171,253) |

The Board requested, but did not receive funding in the executive recommendation for two FTEs in FY 2004 to handle the processing of the new fees, including the continuing education credits. Also, the Board anticipates needing an additional FTE in FY 2005 to handle the criminal records checks, which will be fully implemented at that time. According to the Board, the result of not having the additional staff would be increased licensure turnaround time and lengthier time addressing compliance complaints.

The Nursing Board also requested supplemental funding to pay for software to enhance the new licensing system for Board purposes. These enhancements were estimated to cost \$93,500 over the biennium. Under the recommended funding levels, these software improvements would not be made, thus limiting the Board's ability to augment the utility of the new licensing system.

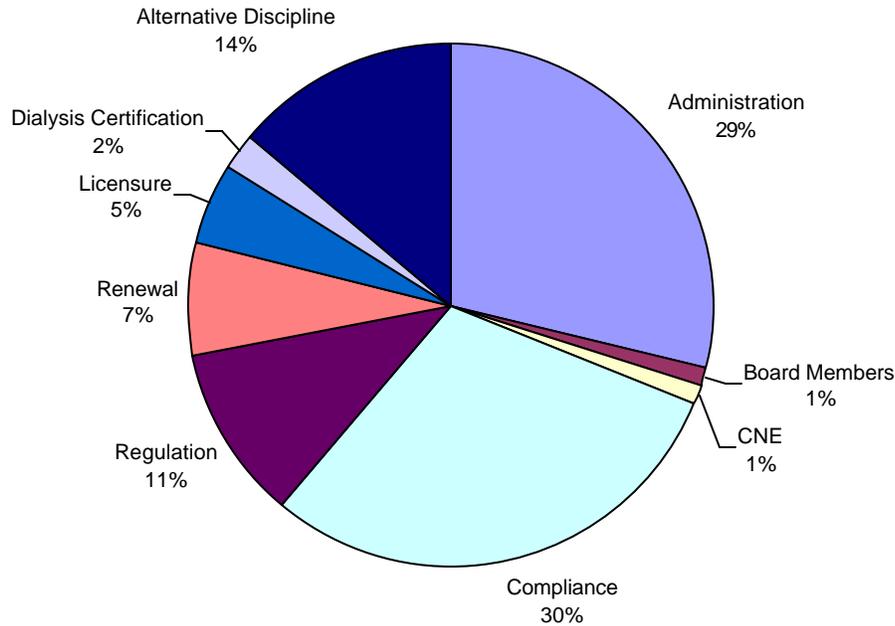
## ADDITIONAL FACTS AND FIGURES

| Board of Nursing Staffing Levels   |           |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| Program Series/Division  | FY 2000   | FY 2001   | FY 2002   | FY 2003   | Estimated |           |
|  |           |           |           |           | FY 2004   | FY 2005   |
| Renewal  | 4.5       | 4.5       | 4.5       | 5         | 5         | 5         |
| Examination/Endorsement  | 4.5       | 4.5       | 4.5       | 4         | 4         | 4         |
| Continuing Education   | 1         | 1         | 1         | 0.8       | 0.8       | 0.8       |
| Compliance   | 15        | 15        | 17        | 16        | 16        | 16        |
| Alternative Program, Practice Improvement and Intervention Program, and Monitoring | 7         | 7         | 8         | 9         | 9         | 9         |
| Administrative and Management  | 11        | 11        | 12        | 14        | 14        | 14        |
| Practice   | 5         | 5         | 5         | 5.3       | 5.3       | 5.3       |
| Dialysis   | 1         | 1         | 1         | 0.9       | 0.9       | 0.9       |
| <b>Totals</b>  | <b>49</b> | <b>49</b> | <b>53</b> | <b>55</b> | <b>55</b> | <b>55</b> |

| Nursing Education Graduation Statistics – As of July 2002 (from NUR 2002 Annual Report) |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
|   | FY 1997      | FY 1998      | FY 1999      | FY 2000      | FY 2001      | FY 2002      |
| <b>Approved Nursing Education Programs</b>  |              |              |              |              |              |              |
| Certificate in Professional Nursing   | 1            | 1            | 1            | 1            | 1            | 1            |
| Baccalaureate   | 20           | 21           | 23           | 23           | 23           | 23           |
| Diploma   | 11           | 10           | 8            | 8            | 8            | 6            |
| Associate Degree  | 33           | 33           | 30           | 30           | 29           | 30           |
| Practical – High School   | 4            | 4            | 4            | 4            | 4            | 4            |
| Practical – Adult   | 39           | 41           | 41           | 41           | 41           | 42           |
| <b>Program Graduates – Professional (RN) Programs</b>                                   |              |              |              |              |              |              |
| # of Baccalaureate Graduates  | 2,097        | 1,924        | 1,775        | 1,492        | 1,410        | 1,411        |
| # of Diploma Graduates  | 503          | 436          | 401          | 371          | 384          | 175          |
| # of Associate Degree Graduates   | 2,535        | 2,131        | 1,949        | 1,676        | 1,691        | 1,752        |
| <b>Total RN Graduates</b>   | <b>5,135</b> | <b>4,491</b> | <b>4,125</b> | <b>3,539</b> | <b>3,485</b> | <b>3,338</b> |
| <b>Total LPN Graduates</b>  | <b>1,733</b> | <b>1,633</b> | <b>1,529</b> | <b>1,581</b> | <b>1,677</b> | <b>1,798</b> |

| <b>Income and Expenditures</b> |   |
|--------------------------------|---|
| <b>Revenue</b>                 | <b>FY 2002</b>  |
| Endorsement                    | \$145,100   |
| Examination                    | \$297,500   |
| Advanced Practice              | \$299,560   |
| Renewal                        | \$2,613,280   |
| Dialysis Certification         | \$19,105  |
| Verification                   | \$775   |
| Fines                          | \$6,500   |
| Publications                   | \$15,477  |
| Miscellaneous                  | \$685   |
| <b>Total Revenue</b>           | <b>\$3,397,982</b>  |
|                                | <b>(\$678,310 transferred to Nurse Education Assistance Fund)</b> |
| <b>Expenditures</b>            | <b>FY 2002</b>  |
| Payroll and Fringe Benefits    | \$3,097,108   |
| Training/Registrations         | \$6,573   |
| Court Reporter                 | \$10,068  |
| Hearing Officer                | \$22,125  |
| Computer Services              | \$116,935   |
| Education Consultants          | \$10,715  |
| Purchased Personal Services    | \$11,325  |
| Advisory Group Travel          | \$11,869  |
| Payments Pending               | \$57,275  |
| <b>Total Payroll</b>           | <b>\$3,343,993</b>  |
| Maintenance                    | \$915,359   |
| Equipment                      | \$9,130   |
| Refunds                        | \$5,860   |
| Lapsed Funds                   | \$541,898   |
| <b>Total Expenditures</b>      | <b>\$4,816,241</b>  |

Operational Costs by Program - FY 2002



| Licensure Information                          |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Activity                                       | FY 1997        | FY 1998        | FY 1999        | FY 2000        | FY 2001        | FY 2002        |
| <b>Number of Licensees</b>                     |                |                |                |                |                |                |
| Registered Nurses                              | 138,270        | 135,143        | 142,081        | 133,739        | 140,721        | 140,909        |
| Licensed Practical Nurses                      | 41,741         | 44,411         | 40,468         | 42,720         | 38,674         | 41,140         |
| <b>TOTAL LICENSEES</b>                         | <b>180,011</b> | <b>179,554</b> | <b>182,549</b> | <b>176,459</b> | <b>179,395</b> | <b>182,049</b> |
| <b>Licensure By Examination</b>                |                |                |                |                |                |                |
| Applications Processed                         | 7,352          | 6,692          | 6,433          | 6,357          | 6,733          | 6,753          |
| Examinations Completed                         | 7,061          | 6,355          | 5,914          | 5,697          | 5,732          | 5,374          |
| Licenses Issued                                | 6,446          | 6,186          | 5,222          | 4,662          | 4,682          | 4,580          |
| RN Exam Pass Rate – Ohio                       | 89%            | 89%            | 86%            | 83%            | 88%            | Unavailable    |
| RN Exam Pass Rate – National                   | 88%            | 88%            | 84%            | 74%            | 75%            | Unavailable    |
| <b>Advanced Practice Nurses</b>                |                |                |                |                |                |                |
| APN – University Pilots                        | 28             | 61             | 118            | 334            | 335            | 57             |
| Clinical Nurse Specialists (CNS)               | 24             | 1,404          | 1,529          | 1,536          | 1,825          | 1,668          |
| Certified Nurse-Midwives (CNM)                 | 14             | 205            | 241            | 245            | 272            | 262            |
| Certified Nurse Practitioners (CNP)            | 49             | 1,408          | 1,692          | 1,913          | 2,214          | 2,341          |
| Certified Registered Nurse Anesthetists (CRNA) | 141            | 1,518          | 1,677          | 1,702          | 1,821          | 1,787          |

**Historical Board Revenues**

The following table lists Board revenues for FYs 1998 through 2005.

| <b>Board Revenues</b> |              |
|-----------------------|--------------|
| FY 1998               | \$4,370,035  |
| FY 1999               | \$5,783,088  |
| FY 2000               | \$2,839,211  |
| FY 2001               | \$5,486,749  |
| FY 2002               | \$4,274,343  |
| FY 2003               | \$5,210,776* |
| FY 2004               | \$9,526,880* |
| FY 2005               | \$3,185,545* |

\*The figures for FYs 2003, 2004, and 2005 are estimates.

## General Services Fund Group

### 4K9 884-609 Operating

| 2000        | 2001        | 2002        | 2003<br>Estimate | 2004<br>Executive Proposal | 2005<br>Executive Proposal |
|-------------|-------------|-------------|------------------|----------------------------|----------------------------|
| \$3,685,892 | \$3,955,552 | \$4,516,159 | \$5,205,776      | <b>\$5,232,776</b>         | <b>\$5,257,576</b>         |
|             | 7.3%        | 14.2%       | 15.3%            | <b>0.5%</b>                | <b>0.5%</b>                |

**Source:** GSF: License fees and fine revenue received by 24 of the occupational licensing boards

**Legal Basis:** ORC 4743.05 (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

**Purpose:** Funds are used for general operating expenses, including payroll, supplies, and new equipment. The Board's appropriation may be greater or lesser than its amount of fee revenue for the fiscal year. The goal of Fund 4K9 is for each board to become self-supporting.

### 5P8 884-601 Nursing Special Issues

| 2000 | 2001 | 2002 | 2003<br>Estimate | 2004<br>Executive Proposal | 2005<br>Executive Proposal |
|------|------|------|------------------|----------------------------|----------------------------|
| \$0  | \$0  | \$0  | \$5,000          | <b>\$5,000</b>             | <b>\$5,000</b>             |
|      | N/A  | N/A  | N/A              | <b>0.0%</b>                | <b>0.0%</b>                |

**Source:** GSF: Continuing education activity fees along with grants and gifts.

**Legal Basis:** ORC 4723.062 (originally established by Am. Sub. H.B. 94 of the 124th G.A.)

**Purpose:** Grants and services are used to develop and maintain a program that addresses patient safety and health care issues related to the supply of and demand for nurses and other health care workers.

## LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

| Fund                                  | ALI     | ALI Title                       | 2002                  | Estimated<br>2003     | Executive<br>2004     | % Change<br>2003 to 2004 | Executive<br>2005     | % Change<br>2004 to 2005 |
|---------------------------------------|---------|---------------------------------|-----------------------|-----------------------|-----------------------|--------------------------|-----------------------|--------------------------|
| <b>LOT Lottery Commission, Ohio</b>   |         |                                 |                       |                       |                       |                          |                       |                          |
| 044                                   | 950-100 | Personal Services               | \$ 23,718,456         | \$25,164,204          | \$ 25,114,200         | -0.2%                    | \$ 25,133,314         | 0.1%                     |
| 044                                   | 950-200 | Maintenance                     | \$ 17,553,779         | \$24,363,840          | \$ 20,100,168         | -17.5%                   | \$ 20,120,268         | 0.1%                     |
| 044                                   | 950-300 | Equipment                       | \$ 2,224,887          | \$3,664,576           | \$ 3,067,250          | -16.3%                   | \$ 3,113,259          | 1.5%                     |
| 044                                   | 950-402 | Game and Advertising Contracts  | \$ 56,659,038         | \$64,624,331          | \$ 68,683,000         | 6.3%                     | \$ 68,683,000         | 0.0%                     |
| 044                                   | 950-500 | Problem Gambling Subsidy        | ---                   | \$335,000             | \$ 335,000            | 0.0%                     | \$ 335,000            | 0.0%                     |
| 044                                   | 950-601 | Prizes, Bonuses and Commissions | \$ 169,428,927        | \$132,532,127         | \$ 166,173,455        | 25.4%                    | \$ 166,173,455        | 0.0%                     |
| 871                                   | 950-602 | Annuity Prizes                  | \$ 156,088,753        | \$188,275,991         | \$ 162,228,451        | -13.8%                   | \$ 162,185,260        | 0.0%                     |
| 872                                   | 950-603 | Unclaimed Prize Awards          | \$ 12,981,264         | \$13,354,976          | \$ 0                  | -100.0%                  | \$ 0                  | N/A                      |
| <b>State Lottery Fund Group Total</b> |         |                                 | <b>\$ 438,655,103</b> | <b>\$ 452,315,045</b> | <b>\$ 445,701,524</b> | <b>-1.5%</b>             | <b>\$ 445,743,556</b> | <b>0.0%</b>              |
| <b>Total All Budget Fund Groups</b>   |         |                                 | <b>\$ 438,655,103</b> | <b>\$ 452,315,045</b> | <b>\$ 445,701,524</b> | <b>-1.5%</b>             | <b>\$ 445,743,556</b> | <b>0.0%</b>              |