

# Board of Nursing

**Senate Finance and Financial Institutions Committee**

*Chris Murray, Economist*

*Legislative Service Commission*

*April 23, 2003*

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

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*April 23, 2003*

# 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.

<b>Fund 4K9</b>	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>FY 2004 Additional Revenue</b>	<b>FY 2005 Additional Revenue</b>
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.

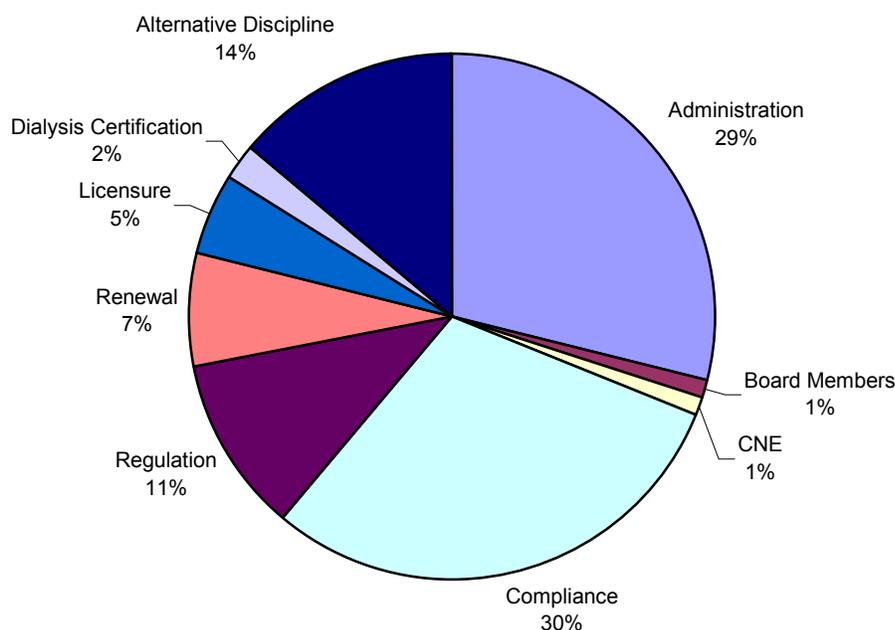
## ADDITIONAL FACTS AND FIGURES

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 LICENSES</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 Expenses

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$3,685,892	\$3,955,552	\$4,516,159	\$5,205,776	\$5,232,776	\$5,257,576
	7.3%	14.2%	15.3%	0.5%	0.5%

**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 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$0	\$5,000	\$5,000	\$5,000
	N/A	N/A	N/A	0.0%	0.0%

**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.

## As Introduced

**Subject:** Continuing Education Activities and Fee Changes

**R.C.** 4723.06, 4723.08, 4723.082

Creates the following new fees:

- (1) Participation in a board-sponsored continuing education activity, up to \$15.
- (2) Replacement of a certificate to prescribe, \$25.
- (3) Issuance or replacement of an intravenous therapy card. \$25.
- (4) Out-of-state survey visits of nursing education programs operating in Ohio, \$2,000.

Increases the following fees:

- (1) Application for licensure by examination or endorsement \$75 (from \$50).
- (2) Replacement copy of a nursing license, \$25 (from \$15).
- (3) Replacement copy of a certificate of authority, \$25 (from \$15).
- (4) Replacement copy of a dialysis technician certificate, \$25 (from \$15).
- (4) Biennial renewal of a nursing license that expires on or after August 31, 2004, \$65 (from \$45).

Mandates that fees for board-sponsored continuing education activities are to be deposited in appropriation item 884-601, the Nursing Special Issues Fund (Fund 5P8).

Fiscal effect: The new and increased proposed fees would generate about \$3 million in FY 2004 and \$1 million in FY 2005 in new revenue for appropriation item 884-609, Operating Exepenses (Fund 4K9). They will also generate about \$500,000 in each fiscal year in appropriation item 884-601, the Nursing Special Issues Fund (Fund 5P8).

## As Passed by the House

**R.C.** 4723.06, 4723.08, 4723.082

No change.

## As Introduced

**Subject:** Ohio State Board of Nursing Sponsored Continuing Education Activities

No provision.

**Subject:** Nurse Education Grant Program

No provision.

## As Passed by the House

**R.C. 4723.06**

Limits the type of continuing education activities that the Ohio State Board of Nursing is allowed to sponsor to those activities that are directly related to the statutes and rules pertaining to the practice of nursing in Ohio.  
Fiscal effect: None.

**R.C. 4723.063**

Creates the Nurse Education Grant Program to award joint grants to nurse education programs and health care facilities to fund partnerships that increase the enrollment capacity of nurse education programs. Requires \$10 of each biennial nursing license renewal fee to be transferred to the Nurse Education Grant Program Fund, which this provision creates to fund the grants and administration of the program. Repeals the Nurse Education Grant Program on December 31, 2013.  
Fiscal Effect: Over the next biennium, about \$1.78 million would be transferred from the Occupational Licensing and Regulatory Fund (4K9) to the Nurse Education Grant Program Fund. There is no change to the Nursing Board appropriations, however, this transfer would decrease Fund 4K9's cash balance.

## As Introduced

**Subject:** Intravenous therapy performed by licensed practical nurses

No provision.

## As Passed by the House

**R.C. 4723.17**

Permits a licensed practical nurse to qualify for an intravenous therapy card through a course of study completed in a prelicensure education program and specifies that an issuance fee for the card may not be charged to nurses who qualify in this manner. Provides that licensed practical nurses who qualify for an intravenous therapy card by completing a 40-hour course, as specified in current law, must successfully demonstrate the skills needed for safe performance of intravenous procedures.  
Fiscal effect: The Board would experience an increase in costs to issue the IV therapy cards and an increase in card fee revenue from nurses who complete the 40-hour courses.

**Subject:** Ohio Board of Nursing Sponsored Continuing Education Fee and Grand Award Deposits

No provision.

**R.C. 4743.05**

Clarifies where fees collected by the Ohio Board of Nursing for Board-sponsored continuing education activities and grants received by the Board 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 are to be deposited.  
Fiscal effect: These fees would not be paid into the state treasury to the credit of the Occupational Licensing and Regulatory Fund, as is the case for other fees collected by the Board, but instead, are deposited in the state treasury to the credit of the Special Nursing Issue Fund.

## As Introduced

**Subject:** Nursing Special Issues

**Section:** 74

Earmarks funds in appropriation item 884-601, Nursing Special Issues, (Fund 5P8) to pay the costs the Board of Nursing incurs in creating a Center for Nursing Workforce Planning to implement section 4723.062 of the Revised Code.

## As Passed by the House

**Section:** 74

No change.

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

<i>Fund ALI ALI Title</i>	<i>Estimated 2003</i>	<i>As Introduced 2004</i>	<i>House Sub Bill 2004</i>	<i>% Change Est. 2003 to House 2004</i>	<i>As Introduced 2005</i>	<i>House Sub Bill 2005</i>	<i>% Change House 2004 to House 2005</i>
<b><i>NUR Nursing, Board of</i></b>							
4K9 884-609 Operating Expenses	\$5,205,776	\$ 5,232,776	\$ 5,232,776	0.5%	\$ 5,257,576	\$ 5,257,576	0.5%
5P8 884-601 Nursing Special Issues	\$5,000	\$ 5,000	\$ 5,000	0.0%	\$ 5,000	\$ 5,000	0.0%
<b>General Services Fund Group Total</b>	<b>\$ 5,210,776</b>	<b>\$ 5,237,776</b>	<b>\$ 5,237,776</b>	<b>0.5%</b>	<b>\$ 5,262,576</b>	<b>\$ 5,262,576</b>	<b>0.5%</b>
<hr/>							
<b>Total All Budget Fund Groups</b>	<b>\$ 5,210,776</b>	<b>\$ 5,237,776</b>	<b>\$ 5,237,776</b>	<b>0.5%</b>	<b>\$ 5,262,576</b>	<b>\$ 5,262,576</b>	<b>0.5%</b>