Board of Nursing

Senate Finance and Financial Institutions Committee

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Legislative Service Commission

April 19, 2005

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for the

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Catalog of Budget Line Items

LSC Budget Spreadsheet By Line Item: Executive to House Passed

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April 19, 2005

Board of Nursing

- The Board received no funding for FY 2007 and will be absorbed into the Department of Health that year
- The Board licenses approximately 190,000 individuals

OVERVIEW

The Board of Nursing is part of the 4K9 Fund group. The 4K9 Fund (Occupational Licensing and Regulatory Fund) is a General Services Fund that is a repository for license fees and other assessments collected by the state's professional and occupational licensing boards. The 4K9 Fund was established by Am. Sub. H.B. 152 of the 120th General Assembly. Prior to the creation of the fund, appropriations for each licensing board were made from the GRF. This created some problems as some boards contributed more revenues than they expended and others had to be subsidized by the GRF since the revenues generated did not meet their expenditures. The 4K9 Fund eliminated these problems. The philosophy of the fund is that each board must generate enough revenues to cover their expenses. It is also quite common for the boards to develop a surplus in the fund to cover unforeseen economic hardships.

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 56 employees, the Board regulates more than 185,000 individuals in the field of nursing. The Board also certifies 1,500 dialysis technicians, as well as other professionals.

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. The Board also facilitates the administration of the national licensure examination for R.N.s and L.P.N.s. Each year approximately 5,000 Ohioans apply to take this examination.

Increased Duties as a Result of the Criminal Background Check

In 2003, the Board began to implement the requirement to submit all applicants for licensure as a nurse in Ohio to a criminal background check (Am. Sub. H.B. 327 of the 124th General Assembly). This will be fully implemented in 2006. The Board states that this will enhance public safety, however, it has increased the Board's workload a great deal.

Increased Fees and Duties in FY 2004-2005 Biennium

The biennial license renewal fee was increased in FY 2004 from $45 to $65, a $20 increase for the two-year license. This fee increase put the Board's biennial rate of $65 equal to the national average for nurse licensure fees. Additionally, there was a $25 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 as well. New fees were also implemented in the FY 2004-2005 biennium. These are as follows: $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 that have clinics in-state. The Board is allowed to charge $15 per participant per activity for continuing education credits. The revenue from the continuing education credits is deposited into the Nursing Special Issues Fund (Fund 5P8). These moneys are used for a Nursing Workforce Planning Center that addresses issues such as the supply and demand of nurses in Ohio.

Also new to the Board for the FY 2004-2005 biennium is the requirement to operate a nurse education grant program. The program involves granting schools and medical facilities funds to increase the number of nurses enrolled. To fund the program, $10 of all license renewal fees will be used for the next ten years. The Board is also required to certify community health workers. Initial certificates must be issued no later than February 1, 2005.

CAVU Licensing System

The Board, in partnership with the Department of Administrative Services, has implemented a web-based multi-board CAVU licensing system. Each board will pay their share of the costs out of Fund 4K9. The Nursing Board estimates spending $140,704 in FY 2006 and $129,040 in FY 2007 for this system.

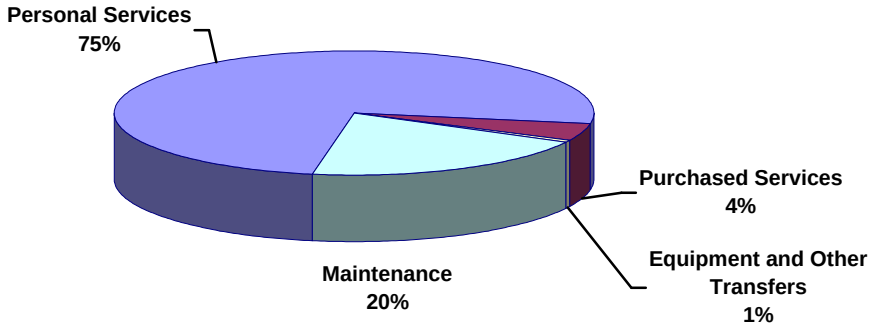
Governor's Recommendations

The Board requested $5,446,591 in FY 2006 and $5,446,991 in FY 2007. The Executive recommends funding of $5,508,280 in FY 2006 and $0 in FY 2007. Included in this amount is $5,000 for FY 2006 and $0 in FY 2007 for Nursing Special Issues (Fund 5P8). These moneys are used to support a Nursing Workforce Planning Center. The recommended funding is a 1.13% increase over FY 2005 estimated expenditures.

In FY 2007, the Executive recommends that the 27 independent occupational licensing boards be absorbed into the departments of Health, Commerce, and Public Safety. As such, the Executive recommended no funding in FY 2007 for the boards. In the case of the Nursing Board, the Board and its duties will be absorbed into the Department of Health. The specifics of this transfer will be addressed during FY 2006 by a task force consisting of the departments of Commerce, Health, Public Safety, and Administrative Services, the Office of Budget and Management (OBM), and the Governor's Office. According to OBM, current staff will be retained through FY 2006 and a hiring freeze and early retirement incentive will be offered to regulatory board staff. Effective July 1, 2006, all remaining regulatory board staff will be transferred to the relevant agency. Board members will be retained.

As shown from the chart below, the majority of funding for the Nursing Board goes to personal services. It is estimated that personal services will increase by 2.7% in FY 2006 compared to FY 2005 estimated levels.

Total Budget by Object Code for FY 2006



Also H.B. 66, As Introduced, contains a requirement that the Board of Nursing create the Medication Aide Pilot Program. This program will allow medication aides to administer limited types of medications to residents of nursing homes and residential care facilities pursuant to delegation by nurses. This will increase costs to the Board. The amount is unknown at this time.

Staffing Levels

Board of Nursing Staffing Levels						
					Estimated	
Program Series/Division	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Board Staff	53	55	55	56	56	56*
Totals	53	55	55	56	56	56*

* In FY 2007, the 27 occupational licensing boards will be consolidated into various agencies. According to OBM, current staff will be retained through FY 2006. However, it is expected that some staff reductions will occur as a result of the implementation of a hiring freeze and early retirement incentive. Remaining staff for the Board will be transferred to the Department of Health in FY 2007. Board members will be retained.

FACTS AND FIGURES

	FY 2003	FY 2004
Registered Nurse	147,166	146,623
Licensed Practical Nurse	40,877	42,092
Certified Nurse-Midwife	248	300
Certified Registered Nurse Anesthetist	1,655	1,921
Clinical Nurse Specialist	1,454	1,638
Certified Nurse Specialist	2,323	2,868
Certified Dialysis Technician 1	551	186
Certified Dialysis Technician	969	1,086
Certified Dialysis Technician 2	149	12
Certified Dialysis Technician 3	6	0

Source: *Ohio's Occupational Licensing and Regulatory Boards Annual Report for Fiscal Year 2004*

Disciplinary Actions for FY 2004 (594 Total Cases)	
Adjudications	98
Adjudications/Permanent Voluntary Surrender	56
Consent Agreement	270
Notice of Opportunity for Hearing	125
Notice of Immediate Suspension & Hearing Opportunity	75
Notice of Automatic Suspension & Hearing Opportunity	43
Order of Summary Suspension	4
Permanent Withdrawal of Endorsement Application	12
Permanent Withdrawal of NCLEX Application	4
Permanent Withdrawal of Dialysis Tech Certificate	2
Nonpermanent Withdrawal of Endorsement Application	7
Nonpermanent Withdrawal of NCLEX Application	4
Nonpermanent Withdrawal of Dialysis Tech Certificate	1
Default Child Support	2
Permanently Revoked	121
Nonpermanent Revocation	2
Voluntary Surrender	56
Indefinite Suspensions	100
Stayed Suspensions	127
Reprimand	7
Reprimand with Fine	36
Reprimand with Continuing Education	2

Source: *Annual Report: Ohio Board of Nursing, July 1, 2003 – June 30, 2004*

Revenues and Expenditures

The Board licenses biennially with a majority of R.N. renewals occurring in odd-numbered fiscal years and L.P.N. renewals occurring in even-numbered fiscal years.

Fund 4K9	FY 2003	FY 2004
Revenues**	$6,597,808	$2,824,976
Expenditures	$4,446,924	$4,619,485
Net	$2,150,884	($1,794,509)
Two-Year Net	$356,375	

**Revenues do not include the $5 of each renewal fee that is transferred to the Nurse Education Assistance Loan Program, which is a program that provides financial assistance to those enrolled in approved nursing programs. A total of $205,710 in FY 2003 and $687,375 in FY 2004 was transferred.

ANALYSIS OF EXECUTIVE PROPOSAL

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 Board of Nursing, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
General Services Fund				
4K9	884-609	Operating Expenses	$5,503,280	$0
5P8	884-601	Nursing Special issues	$5,000	$0
		General Services Fund Subtotal	**$5,508,280**	**$0**
Total Funding: Board of Nursing			**$5,508,280**	**$0**

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 other assessments collected by the state's professional and occupational licensing boards (4K9) and continuing education activity fees along with grants and gifts (5P8).

Line Items: 884-609, Operating Expenses and 884-601, Nursing Special Issues

Implication of Executive Recommendation: The Board requested $5,441,591 in FY 2006 and $5,503,280 in FY 2007. The Executive recommended funding of $5,503,280 in FY 2006 and $0 in FY 2007. The recommended funding for FY 2006 will maintain current service levels. The Executive recommended $61,689 above what the Board requested. This will be used to help pay for the costs of the CAVU licensing system and for costs for increasing disciplinary actions. In FY 2007, the Board will be absorbed into the Department of Health. The specifics of this transfer will be addressed during FY 2006 by a task force consisting of the departments of Commerce, Health, Public Safety, and Administrative Services, the Office of Budget and Management, and the Governor's Office.

Temporary and Permanent Law Provisions: H.B. 66, As Introduced, includes a provision that consolidates the Board into the Department of Health beginning in FY 2007. The provision also includes the creation of a transition team to ensure the consolidation occurs smoothly and on schedule. The temporary language states that the necessary statutory changes and appropriations needed for the consolidation will be introduced in FY 2006.

Also in the As Introduced version of H.B. 66 is a requirement that the Board of Nursing create the Medication Aide Pilot Program. This program allows medication aides to administer limited types of medications to residents of nursing homes and residential care facilities pursuant to delegation by nurses. This will increase costs to the Board. According to the Board, two full-time employees will be needed to implement this program at a cost of $134,000. Total costs to implement the pilot program will be $158,500 per fiscal year. Costs in future years may be offset by medication aide license fee revenues.

REQUESTS NOT FUNDED

Fund Line Item	FY 2006 Requested	FY 2006 Recommended	Difference	FY 2007 Requested	FY 2007 Recommended	Difference
	$5,446,991	$5,508,280	$61,689	$5,446,591	$0	($5,446,591)
TOTALS	$5,446,991	$5,508,280	$61,689	$5,446,591	$0	($5,446,591)

In FY 2006, the Board received $61,689 more than requested. The Board has stated that the difference will be used to help pay for CAVU licensing system costs and for expenses relating to the increase in disciplinary actions the Board reviews. In FY 2007, the Board requested funding of $5,446,591. The Executive recommended funding of $0. The Board will be absorbed into the Department of Health. Specifics of this transfer will be addressed by a task force made up of the departments of Commerce, Health, Public Safety, and Administrative Services, the Office of Budget and Management, and the Governor's Office.

General Services Fund Group

4K9 884-609 Operating Expenses

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
$4,516,159	$4,581,109	$4,747,915	$5,257,576	**$5,503,280**	**$5,503,280**
	1.4%	3.6%	10.7%	**4.7%**	**0.0%**

Source: GSF: License fees and other assessments collected by the state's professional and occupational licensing boards

Legal Basis: ORC 4723.02 and 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 more or less than the amount of fee revenue it collects in any given fiscal year. The goal of the Occupational Licensing and Regulatory Board Fund (Fund 4K9) is for each board to become self-supporting.

5P8 884-601 Nursing Special Issues

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
$0	$5,000	$0	$5,000	**$5,000**	**$5,000**
	N/A	-100.0%	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.

LSC Budget Spreadsheet by Line Item, FY 2006 - FY 2007

Fund	ALI	ALI Title	Estimated 2005	As Introduced 2006	House Passed 2006	% Change Est. 2005 to House 2006	As Introduced 2007	House Passed 2007	% Change House 2006 to House 2007
NUR		**Nursing, Board of**							
4K9	884-609	Operating Expenses	$5,257,576	$ 5,503,280	$ 5,503,280	4.7%	$ 0	$ 5,503,280	0.0%
5P8	884-601	Nursing Special Issues	$5,000	$ 5,000	$ 5,000	0.0%	$ 0	$ 5,000	0.0%
General Services Fund Group Total			**$ 5,262,576**	**$ 5,508,280**	**$ 5,508,280**	**4.7%**	**$ 0**	**$ 5,508,280**	**0.0%**
Total All Budget Fund Groups			***$ 5,262,576***	***$ 5,508,280***	***$ 5,508,280***	***4.7%***	***$ 0***	***$ 5,508,280***	***0.0%***

As Introduced (Executive)	As Passed by the House
(CD-235-NUR) Medication Aide Pilot Program	
Section: ***209.21***	**Section:** ***209.21***
Requires that the Board establish and conduct the Medication Aide Pilot Program under which medication aides may administer limited types of medications pursuant to a nurse's delegation to residents of nursing homes and residential care facilities.	Same as the Executive, but eliminates the requirement that a nursing home be free of deficiencies as a condition of participating in the pilot program.
Creates the Medication Aide Pilot Program Council.	Same as the Executive, but adds a representative of the Department of Job and Family Services to the Council.
Fiscal effect: The Board estimates that two full-time employees will be needed to implement this program at a cost of $134,000 (including salary and fringe benefits). Total costs to implement the pilot program will be $158,500 per fiscal year. Costs in future years may be offset by medication aide license fee revenues.	Fiscal effect: There should be no fiscal effect. The Council members do not receive compensation. If Council members receive reimbursement for necessary expenses there could be minimal costs associated with the additional representative. However, as the additional representative is from Job and Family Services, it is unlikely that the representative will be reimbursed for necessary expenses.
(CD-487-NUR) Nursing Special Issues	
Section: ***209.21***	**Section:** ***209.21***
Requires that appropriation item 884-601, Nursing Special Issues, (Fund 5P8) in the general services fund group, must be used to pay the costs the Board incurs implementing ORC section 4723.062.	Same as the Executive.

As Introduced (Executive)	As Passed by the House
(CD-587-NUR) Consolidation of Regulatory Boards	
Section: ***315.03***	**Sections:** ***315.03, 209.21***
Consolidates the occupational licensing boards into the departments of Health, Public Safety, or Commerce not later than July 1, 2006. In the case of the State Board of Nursing, the Board will be consolidated into the Department of Health. The directors of Budget and Management, Administrative Services, Commerce, Health, and Public Safety must appoint representatives to a transition team. The team must develop a plan for the smooth and timely consolidation of the boards and shall also address the details of the consolidation. The team is required to submit a report containing recommendations and the details of the consolidation not later than December 31, 2005 to the Governor, Speaker of the House, and President of the Senate. A bill will be introduced in fiscal year (FY) 2006 that will include the necessary statutory changes and appropriations for consolidation.	Removes the State Board of Nursing from the proposal to consolidate certain regulatory boards into the departments of Commerce, Health, and Public Safety.
Fiscal effect: The Board will receive no appropriation in FY 2007. The total fiscal effect is unknown at this time since the specifics of the transfer will not be addressed until FY 2006.	Fiscal effect: Establishes appropriations for FY 2007 at FY 2006 recommended levels.