

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 17, 2007

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2426 by Truitt (Relating to the regulation of the practice of nursing and the renaming of the Board of Nurse Examiners as the Texas Board of Nursing.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2426, Committee Report 2nd House, Substituted: a negative impact of (\$7,707,356) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$3,853,678)
2009	(\$3,853,678)
2010	(\$3,988,678)
2011	(\$6,488,678)
2012	(\$7,143,488)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND 1</i>	Change in Number of State Employees from FY 2007
2008	(\$3,936,652)	\$82,974	3.0
2009	(\$3,935,652)	\$81,974	3.0
2010	(\$4,068,652)	\$79,974	3.0
2011	(\$6,568,652)	\$79,974	3.0
2012	(\$7,224,462)	\$80,974	3.0

Fiscal Analysis

The bill would amend Occupations Code to continue the Board of Nurse Examiners until 2017. The bill would change the name of the Board of Nurse Examiners to the Texas Board of Nursing. The bill would amend grounds for removal of a member of the board. The bill would provide for per diem travel expenses, as provided by the General Appropriations Act for board members.

The bill would require the Texas Board of Nursing to create or amend rules on numerous topics such as: establishing guidelines concerning the consequences of criminal conviction or deferred adjudication; the accreditation of nursing and education programs through one or more national

nursing accrediting agencies recognized by the United States Department of Education; establishing the purpose, role, responsibility, and goal of an advisory committee; the establishment of rules which encourage the use of negotiated rulemaking procedures and alternative dispute resolution; establishing examination requirements, administration, and procedures; amending requirements of a person who is required to report a nurse who is impaired or suspected of being impaired; the peer assistance program; and providing a schedule of sanctions.

The bill would require the Texas Board of Nursing to accept the requirements for accrediting the governing institution of a school of nursing of the Texas Higher Education Coordinating Board. The bill would require the collaboration of the Texas Board of Nursing, the Workforce Commission, and the Texas Higher Education Coordinating Board to establish guidelines for the initial approval of schools of nursing or educational programs. The bill would require the Texas Board of Nursing, the Texas Higher Education Coordinating Board, and the Texas Health Care Policy Council to implement a plan for the creation of innovative nursing education models that promote increased enrollment in the state's nursing programs.

The bill would allow employees of the board to dismiss a complaint under certain criteria. The bill would establish a jurisprudence examination.

The bill would enact the Advanced Practice Registered Nurse Multi-state Compact.

The bill would establish a hospital-based nursing education partnership grant program. Under provisions of the bill, the Higher Education Coordinating Board would make grants to hospital-based nursing education partnerships to assist those partnerships in meeting the state's needs for registered nurses. The partnerships would be required to meet Higher Education Coordinating Board and Texas Board of Nursing standards. A grant under the program could only be spent on costs related to the development or operation of a hospital based nursing education partnership that; 1) prepares a student to earn an associate or bachelor of science degree in nursing and to achieve initial licensure as a registered nurse, 2) prepares a student to earn a master of science degree in nursing with a concentration in education or 3) provides an articulation program providing for advancement from an associate degree to a bachelor of science degree in nursing or to a master of science degree in nursing with a concentration in education. Each hospital-based nursing education partnership that receives a grant would be required to submit an annual report including information, including compliance with accountability standards, established by the Coordinating Board.

Not later than January 1, 2008 the Texas Board of Nursing would have to adopt the policies and rules required by the bill. Not later than September 1, 2008, the Texas Board of Nursing would have to develop the jurisprudence examination required by the bill, implement the plan for creating innovative nursing education models as required by the bill. The bill would take effect September 1, 2007.

Methodology

Based on previous nursing education grant competitions, the Higher Education Coordinating Board estimates appropriate grant program funding levels based on the following assumptions:

The Board would conduct two grant competitions, beginning in fiscal year 2008. One would be a competition for large, three-year grants, each averaging \$500,000 per year, for the period of fiscal year 2008, 2009, and 2010. The Coordinating Board would expect to receive nine proposals in the competition and award five grants. The competition would be repeated for the grant period for fiscal year 2011-2013. The Higher Education Coordinating Board estimates that, in this second round of grant competition, 10 proposals would receive grant awards, each averaging \$500,000 per year, for that three-year period.

The second competition to be held in fiscal year 2008 would be for smaller, two-year grants, each averaging \$135,000 per year, for 2008 and 2009. The Coordinating Board would receive 18 proposals in the competition and award nine grants. The competition would be repeated for fiscal year 2010-11 and fiscal year 2012-13. They estimate that 10 proposals would receive grant awards, each averaging \$135,000 per year, for the second round of two-year grants to be awarded in fiscal year 2010. In fiscal year 2012, 15 proposals would receive grants, each averaging \$135,000 per year, for the third round of

two-year grants to be awarded.

Based on these assumptions, the Coordinating Board estimates that grant funding needed for the five-year period is as follows: \$3.7 million in both fiscal year 2008 and fiscal year 2009; \$3.8 million in fiscal year 2010; \$6.3 million in fiscal year 2011; and \$7 million in fiscal year 2012.

The Coordinating Board also estimates it would need to hire one Program Director and one Administrative Assistant III (2 FTEs total) to administer the program. Total costs associated with salaries and benefits, overhead, and travel for the additional FTEs is \$138,678 per year. The Board of Nurse Examiners estimates it would need one additional program specialist to implement provisions of the bill at a cost of \$82,974 in fiscal year 2008, \$81,974 in fiscal year 2009, \$79,974 in fiscal year 2010, \$79,974 in fiscal year 2011, and \$80,974 in fiscal year 2012 for salary, benefits and travel.

Based on information provided by the Board of Nurse Examiners, the Sunset Advisory Commission, the Comptroller of Public Accounts, the Texas Workforce Commission, and the Higher Education Coordinating Board, it is assumed that any additional costs related to the duties and responsibilities associated with continuing the Board of Nurse Examiners could be covered by utilizing existing resources.

This analysis assumes that any increased costs resulting from this bill to the Board of Nurse Examiners would be offset by an increase in fee generated revenue.

Technology

There would be a technology cost to the Board of Nurse Examiners of \$2,000 in fiscal year 2008 and \$1,000 in fiscal year 2012.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 507 Board of Nurse Examiners, 781 Higher Education Coordinating Board

LBB Staff: JOB, MN, AH, MW