

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 21, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

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

IN RE: HB3961 by McReynolds (Relating to the regulation of nursing.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3961, As Passed 2nd House: an impact of \$0 through the biennium ending August 31, 2011.

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
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1
2010	\$0	\$0
2011	(\$300,000)	\$300,000
2012	\$0	\$0
2013	\$0	\$0
2014	\$0	\$0

Fiscal Analysis

The bill would amend language in Section 301 of the Occupations Code from "registered nurse" to "nurse". The bill would establish confidentiality requirements of information the Board of Nursing collects for emergency relief programs and health information provided for licensure. The bill would authorize the Board of Nursing to require a nurse or license applicant submit to a physical or psychological evaluation based on probable cause that the nurse or applicant is unable to practice nursing with reasonable skill and safety to patients. The bill would direct the Board of Nursing to schedule a hearing on the issue of probable cause to be conducted by the State Office of Administrative Hearings if an applicant refuses to submit to an evaluation. The bill would also authorize the Board of Nursing to temporarily suspend a license for drug or alcohol use.

The bill would establish the terms by which a nursing program is considered to meet standards substantially equivalent to the board's standards and authorize the board to issue a license in certain

circumstances to a graduate of a program in another state that is approved by the board. The bill would subject this authorization to sunset review.

The bill would repeal Section 301.202 (b) that requires the Board of Nursing to enter into a memorandum of understanding with each state agency that licenses health care facilities or agencies to coordinate reporting requirements regarding the Board of Nursing's contact information.

The bill would require to the extent funding is available, the Texas Nursing Resource Center to conduct a study of alternate ways to assure clinical competency of graduates of nursing educational programs. The bill would require the Texas Nursing Resource Center to contract with an independent researcher to develop the research design and conduct the research. The independent researcher would be selected by a committee composed various representatives of nursing advisory committee, one representative of the Texas Health Care Policy Council, the presiding officer of the Texas Board of Nursing, a representative of the Texas Higher Education Coordinating Board, one representative of the Texas Hospital Association, one representative of the Texas Association of Business, and a representative of a clinical competency assessment program. The bill would authorize the Texas Higher Education Coordinating Board to consider the Nursing Resource Center for grants issued to institutions proposing to address the shortage of registered nurses.

The bill would authorize the Texas Board of Nursing to increase the range of the surcharge for renewal for a registered nurse of at least \$3 and no more than \$5 and a surcharge for a vocational nurse of at least \$2 and not more than \$3 to transmit to the Department of State Health Services for the Nursing Resource Center. The bill would also require the Nursing Resource Center to apply for the maximum amount of grant funds available through the National Council of State Boards of Nursing and other eligible grants that could be used to fund the study.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. If the bill does not receive the vote necessary for immediate effect, the bill would take effect September 1, 2009.

Methodology

The Board of Nursing estimates the bulk of the cost and the research would be conducted in 2011 and would cost \$300,000. The Board of Nursing and the Texas Nursing Resource Center could apply for and potentially receive a grant from the National Council of State Boards of Nursing of \$300,000 to fund the program in 2011. The Board of Nursing anticipates the funding for the program would be provided through this grant, or from other eligible grants. If the grant were not awarded, the Board of Nursing would still be able to generate revenues to cover the costs of the study. For the purposes of this analysis, it is assumed that this cost would be funded from fee generated General Revenue.

The Board of Nursing is currently authorized to collect a fee on license renewals to pass through to the Department of State Health Services for the Nursing Resource Center. The bill would authorize the Board of Nursing to increase the fee in order to fund the study regarding alternate ways to assure clinical competency.

This analysis assumes that any increased costs to the Board of Nursing, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee generated revenue.

The Board of Nursing anticipates receiving the grant from the National Council of State Boards of Nursing. If such a grant would be received, it is assumed that costs reflected in the table above would be paid from the grant instead of General Revenue and the need to generate additional fees to cover increased costs would dissipate.

Based on the analysis of the Sunset Advisory Commission, the State Office of Administrative Hearings, and the Higher Education Coordinating Board, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 360 State Office of Administrative Hearings, 781 Higher Education Coordinating Board, 507 Texas Board of Nursing

LBB Staff: JOB, SD, ES, CL, MW