LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 30, 2009

TO: Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

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

IN RE: **HB4355** by Howard, Donna (Relating to the conducting of a research study on alternate ways to assure clinical competency of graduates of nursing educational programs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4355, As Introduced: 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 *General Revenue Fund* 1	Probable Revenue Gain/(Loss) from *General Revenue Fund* 1
2010	($150,000)	$150,000
2011	($300,000)	$300,000
2012	($230,000)	$230,000
2013	($100,000)	$100,000
2014	($100,000)	$100,000

Fiscal Analysis

The bill would require based on the availability of funding 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 authorize the Center to collaborate with the Texas Board of Nursing and the Texas Higher Education Coordinating Board. The bill would require the Texas Board of Nursing to assess a 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 amend Section 63.002 (f) of the Education Code to authorize the Texas Higher Education Coordinating Board to award a grant to fund the study at 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 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 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. The Board of Nursing estimates that it could generate $230,000 in revenue to fund the study based on the increase in the fee on registered nurse (RN) and licensed vocational nurse (LVN) renewals.

The Board of Nursing estimates the start-up costs of the study in 2010 would be $150,000. The Board also estimates the bulk of the cost and the research would be conducted in 2011 and would cost $300,000. The Board of Nursing 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. 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 anticipates the study could possibly continue through 2014, but that the costs would decrease after 2011.

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.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 507 Texas Board of Nursing
LBB Staff: JOB, CL, MW, ES