

**Summary of Request:**

The Texas Board of Nursing (BON) will be required to complete a Legislative Appropriations Request (LAR) by August 20, 2008. Staff is presenting the list of items prioritized by the Board at the April, 2008 board meeting and providing the cost breakdown within each goal set out in our appropriations. Staff have added one additional item to the list for discussion regarding staffing.

**Historical Perspective:**

The legislative items have been prioritized by the Board and have cost associated with each item. If the item is granted by the Texas Legislature, they will require the agency to raise sufficient funds to cover the cost of the item and overhead.

**Pros and Cons:**

Pros - Receiving additional funding and resources will allow the BON to investigate cases, review schools and license applicants in a more efficient and effective manner.

Cons - The increased cost of the items will most likely increase the costs of licensure fees.

**Staff Recommendation:**

Board Action: Move to accept the staff recommendations for the list of LAR prioritized issues with costs associated for the 2010 and 2011 Legislative Appropriations Request which include the current 2008/2009 base funding and revised exceptional items as presented by staff.

**Exceptional items  
Texas Board of Nursing**

1. **Staffing**

A. The Texas BON received a regulatory rider to hire three additional investigators if certified by the LBB and the Office of the Governor. The BON received permission and the BON have hired the three additional investigators. The BON would like to maintain these new staff in the upcoming biennium and add one additional customer service staff to handle the increase in phone calls. **The cost of retaining the three investigators will be \$123,000 per fiscal year and one customer service staff will be \$28,800 per fiscal year. This will impact the Enforcement and Licensing Strategies.**

B. New Personnel Needed for Enforcement, Legal and Operation Processes -  
The agency's enforcement workload and expenses for its contested cases have steadily and rapidly increased and must be addressed in order for the Board to maintain its mission to protect the public and timely resolve its complaints. The Board needs appropriations to cover the increase in litigation related costs for its expert fees and witness fees. Additionally, the Board will need approximately eleven (11) additional FTEs for FY 2010 and FY 2011 for its Enforcement, Legal and Operation Departments in order to meet the growing demands. Six (6) FTEs are needed for an increased workload due to growing complaints and litigation. This number would include two (2) investigators; two (2) litigation attorneys; one (1) legal assistant; and one (1) administrative assistant. The agency will begin to process criminal background checks for students. The Board will need an additional five FTEs, including one (1) administrative assistant, two (2) investigators, one (1) Attorney and one (1) legal assistant. Although this number appears to be significant, the rise in the number of investigations, plus the complexity of the Board's disciplinary cases, supports the need to add enforcement, legal and operation staff in order to meet the agency's mission and timely resolve cases. The Board in FY 2008 will likely receive 9,200 complaints leading to 2,400 disciplinary actions. By comparison, the Texas Department of Licensing and Regulation (TDLR) will have approximately 8,000 complaints in FY 2008 and will likely take approximately 1,240 disciplinary actions (TDLR Statistical Questionnaire, May 2008). TDLR employs thirty-five (35) investigators and ten (10) prosecuting attorneys. Other than the increase in volume of complaints, there are several other reasons why the Board's enforcement cases will require more resources for the agency to meet its mission effectively and timely:

1. Complaints are increasing by approximately 15% annually;
2. Formal charges statistics and unresolved complaints statistics are increasing;
3. The Board's policies have tightened with regard to enforcement and eligibility;
4. Attorney representation has increased significantly; and
5. Proceedings before the State Office of Administrative Hearings (SOAH) have become more complex.

We project that cost of adding eleven FTEs as follows: four (4) Investigator IIIs - \$167,576; three (3) attorney IIIs - \$189,291; two (2) legal assistants - \$88,962; and two (2) administrative assistants - \$62,156. Costs of computer hardware (one time only) - \$11,000. Costs of telephones (one time only) \$2,750. Costs of Remodeling (one time only) - \$11,000. Costs of Furniture (one-time only) \$5,500. Costs of annual phone and internet connections - \$1,100. Litigation and expert witness fees - \$25,000. This will impact the Enforcement and Licensing Strategies.

Total Costs to add eleven FTEs:	Fiscal Year 2010:	\$564,335
	Fiscal Year 2011:	\$534,085

2. **Nurse Salary Adjustments** - The Texas BON has a total of seventeen (17) positions that require a licensed nurse. Of these seventeen positions, eight (8) are nursing investigators and nine (9) are nursing consultants. In fiscal year 2007, the turnover rate in this group was 23.5% and stands at 17.6% half way through fiscal year 2008. We have made several salary adjustments through the fiscal year to attempt to remain competitive at the lower pay scale. In doing this, we have put all nurses above the middle of their pay grade. We were not funded at that level. In order to remain competitive, we will need to make further adjustments for current nursing staff and increase beginning salaries to attract a qualified pool of applicants for open nursing positions. Based on the current salaries of nursing staff, **we project that the BON will need an additional \$65,287 per fiscal year to fund further increases. This will impact the Enforcement and Accreditation Strategies.**
  
3. **Executive Director Salary Increase** - The reason for a salary increase for the agency executive director is twofold: 1) to reward excellent job performance of the current executive director. The current salary is not competitive with like-size regulatory agencies and not competitive at the low end of salaries of chief nursing executives in the central Texas area; and 2) the incumbent in this position is required to be a registered nurse with a master's degree in nursing and have nursing knowledge in education, nursing practice along with general knowledge of information technology, human resources and finance. The current executive director will reach retirement in the next biennium. If for any reason, we lost the current executive director, we would be required to compete with the private sector for a chief nursing officer in order to have a qualified pool of applicants. The low to median salary range for this group in the central Texas area is from \$105,000 to \$136,736 per year. **The BON is requesting that the salary of the Executive Director be moved to group 5 and be set at \$135,000 to be able to retain the current executive director and to have the ability to select a replacement if needed. This would add an additional \$45,000 per fiscal year to the Licensing Strategy.**
  
4. **Information Technology Increase** - In addition to the base request for replacement of an agency personal computers, the BON will need to replace older servers (2) at a cost of \$5,000 each and purchase additional software and software licenses to move to a new paperless workflow process at a cost of \$7,500. **The BON will request an additional \$17,500 for information technology in fiscal year 2010 and will be in the Licensing Strategy.**

5. **Merit Increase Funds** - The BON has been absorbing merit increases every biennium without additional funding. Our budget can no longer afford to do this since we have been increasing staff salaries in open positions to attract a qualified pool of applicants, making nursing staff salary adjustments to stay competitive with the Central Texas employment market and granting staff merit increases based on performance. Based on the agency salaries for fiscal year 2008, **we are requesting an additional 3.4% or \$113,517 merit money per fiscal year and will be the Enforcement, Licensing and Accreditation Strategies.**
  
6. **Advanced Nurse Compact Licensure Compact fee and Travel Expenses** - During the 80<sup>th</sup> Regular legislative session, the legislature passed a comprehensive sunset legislation which allows the Texas BON to enter into the Advanced Nurse Licensure Compact in fiscal year 2011. The fee to join the compact is \$3,000 per fiscal year. In addition to the compact fee, the executive director will be required to attend several meetings to organize the compact and discuss ongoing issues. **The BON is requesting travel funds for both fiscal years at \$1,500 and the \$3,000 compact fee for fiscal year 2011 and be added to the Licensing Strategy.**
  
7. **Peer Assistance Program Increase** - The current peer assistance funds are capped at \$625,000 to fund a total of 550 registered nurses and 225 licensed vocational nurses each fiscal year. The TPAPN program has experienced a twelve (12) percent increase of nurses in the program in fiscal year 2007 over the current cap. **The Texas BON is requesting that the cap be raised by an additional \$75,000 each fiscal year and be added to the Peer Assistance Strategy. This would place the cap at \$700,000 each fiscal year.**