

**Texas Board of Nursing  
Summary of Recommendations - House**

**Page VIII-38**

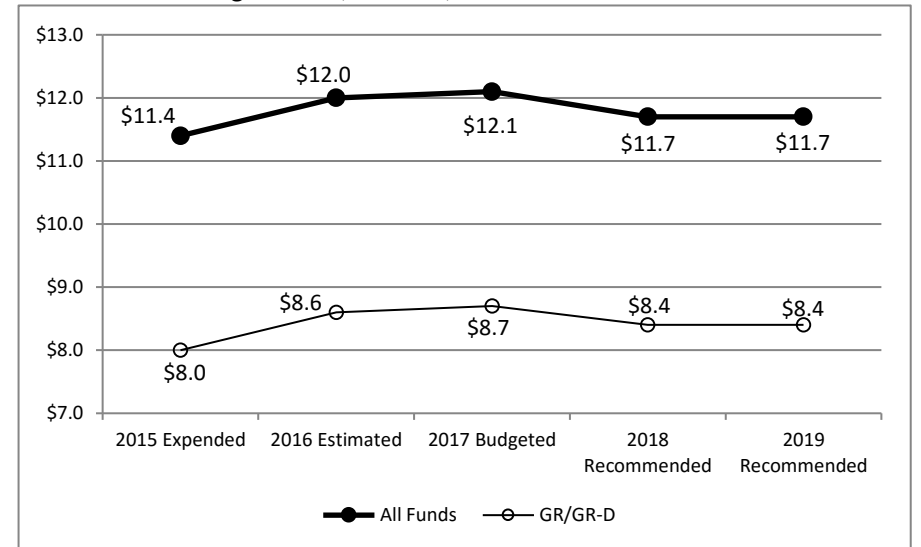
Katherine Thomas, Executive Director

Jennifer Quereau, LBB Analyst

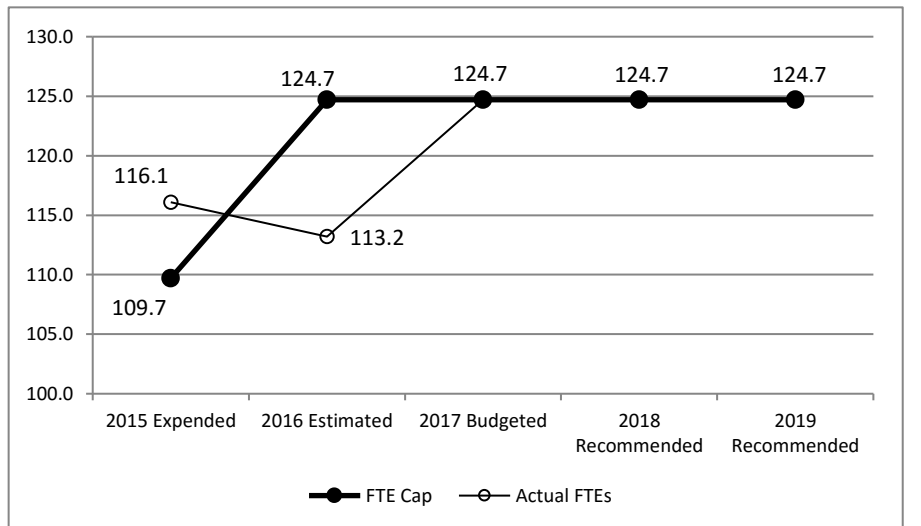
Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$17,395,177	\$16,769,255	(\$625,922)	(3.6%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$17,395,177</i>	<i>\$16,769,255</i>	<i>(\$625,922)</i>	<i>(3.6%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$6,665,689	\$6,614,928	(\$50,761)	(0.8%)
<b>All Funds</b>	<b>\$24,060,866</b>	<b>\$23,384,183</b>	<b>(\$676,683)</b>	<b>(2.8%)</b>

	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	124.7	124.7	0.0	0.0%

**Historical Funding Levels (Millions)**



**Historical Full-Time-Equivalent Employees (FTEs)**



The bill pattern for this agency (2018-19 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2018-19 biennium.

**Texas Board of Nursing**  
**Summary of Funding Changes and Recommendations - House**

**Section 2**

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<b><i>SIGNIFICANT Funding Changes and Recommendations:</i></b>							
A)	Decrease of \$625,922 for temporary employees who process applications and enforcement paperwork pursuant to the four percent reduction	(\$625,922)	\$0	\$0	\$0	(\$625,922)	A.1.1, B.1.1
<b><i>OTHER Funding Changes and Recommendations:</i></b>							
B)	Decrease of \$50,761 from appropriated receipts not anticipated for the sale of publications and records	\$0	\$0	\$0	(\$50,761)	(\$50,761)	A.1.1
<b>TOTAL SIGNIFICANT &amp; OTHER Funding Changes and Recommendations</b>		<b>(\$625,922)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$50,761)</b>	<b>(\$676,683)</b>	As Listed
<i>SIGNIFICANT &amp; OTHER Funding Increases</i>		\$0	\$0	\$0	\$0	\$0	
<i>SIGNIFICANT &amp; OTHER Funding Decreases</i>		<b>(\$625,922)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$50,761)</b>	<b>(\$676,683)</b>	As Listed

**Texas Board of Nursing  
Selected Fiscal and Policy Issues - House**

1. **Sunset Review.** The agency is currently undergoing Sunset review (See Rider Highlights #5). The Sunset Commission recommends that the Board of Nursing clarify terms and guidelines for disciplining nurses, and limit their application directly to the practice of nursing. The Commission noted concerns that the contracted Peer Assistance Program is too inflexible to effectively meet the needs of nurses with behavioral health issues, and lacks adequate oversight from the agency. The Commission recommends that the board develop different program requirements to better meet nurses' needs, develop a formal process to reevaluate students who may no longer need assistance upon licensure, and evaluate the effectiveness of the peer assistance program. The Commission plans to clarify statute and provide direction for the board to monitor improper prescribing of controlled substances by certain nurses. The Commission also recommends adoption of the Nurse Licensure Compact and to continue the agency for 12 years.
2. **Peer Assistance Program.** The agency's Peer Assistance Program was identified as behavioral health funding and included in the 2016-17 Statewide Behavioral Health Coordinated Expenditure Proposal and Plan. The Peer Assistance Program provides referrals to treatments providers, tracks compliance agreements, and provides education and support to impaired licensees. The agency's program, totaling \$1.7 million for the 2016-17 biennium, was exempt from the four percent General Revenue reduction. Recommendations continue \$1.7 million for this program in the 2018-19 biennium.

The agency has required the peer assistance program to lengthen monitoring periods for nurses to align with national standards for such programs. This has increased caseloads, and the contractor indicates it would need additional caseworkers. The agency has included an exceptional item request of \$263,800 for the 2018-19 biennium for this purpose (See Items Not Included in Recommendations #4)

3. **Merit Salary Increases.** The agency was appropriated \$200,000 in the 2016-17 biennium for merit salary increases as an exceptional item. The agency distributed those salary increases in the last quarter of each fiscal year, pursuant to their evaluation schedule. The timing of this distribution means that in fiscal year 2016, the agency only expended one quarter of the annual cost of the raises, but then had higher costs to sustain those raises in fiscal years 2017 and beyond, because they included all four quarters at the increased amount. The agency is planning to give merit salary increases totaling \$456,000 in the 2016-17 biennium. The agency reported it was able to give this increased amount in fiscal years 2016-17 because of turnover and discontinuing use of temporary staff.

For the 2018-19 biennium, the agency is requesting funding to continue giving additional raises in the same manner during the last quarters of fiscal years 2018 and 2019 (See Items Not Included in Recommendations #5).

**Texas Board of Nursing  
Rider Highlights - House**

**Modification of Existing Riders**

2. **Capital Budget.** Recommendations continue funding of \$113,200 in General Revenue to replace and refresh PCs with outdated operating systems.
4. **Contingency for Behavioral Health Funds.** Recommendations modify rider to extend the requirements to both years of the biennium and makes the funding of the agency's Peer Assistance Program contingent upon approval of a coordinated expenditure proposal in each year of the biennium in accordance with requirements of Art. IX, Sec. 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.

**New Riders**

5. **Sunset Contingency.** Recommendations add a contingency provision for the agency's upcoming Sunset review (see Selected Fiscal and Policy Issue #1).

**Texas Board of Nursing  
Items Not Included in Recommendations - House**

**Section 5**

	2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
	GR & GR-D	All Funds	FTEs			

**Agency Exceptional Items - In Agency Priority Order**

1)	Funding of \$625,922 for temporary staff for applications and enforcement document processing included in the agency's four percent reduction.	\$625,922	\$625,922	0.0	No	No	\$625,922
2)	Funding of \$200,000 for additional legal costs, including medical expert review and testimony, court reporting, and transcript fees for hearings at State Office of Administrative Hearings and district court.	\$200,000	\$200,000	0.0	No	Yes	\$200,000
3)	Funding of \$336,310 in General Revenue and \$18,550 in Appropriated Receipts for increased salaries specifically for 25 Registered Nursing staff.	\$336,310	\$354,860	0.0	No	No	\$946,293
4)	Funding of \$263,800 for additional staff requested by the Texas Peer Assistance Program for Nurses, a third party vendor, to accommodate increased caseloads from lengthening supervision periods to align with national standards.	\$263,800	\$263,800	0.0	No	Yes	\$263,800
5)	Funding of \$456,000 to provide merit increases to high performing staff across the agency. Agency would implement by giving raises in the last quarter of the fiscal year, resulting in higher out-year costs to sustain raises given in 2018-19. This could impact the same employees as exceptional Item #3. (See Selected Fiscal and Policy Issues #3)	\$456,000	\$456,000	0.0	No	No	\$1,216,000
6)	Reimbursement of \$130,786 for Health Professions Council (HPC) services paid by the agency to HPC for base services.	\$130,786	\$130,786	0.0	Yes	Yes	\$130,786
7)	\$100,000 for reimbursement of current audits at the agency and expansion of Internal Auditor services. The agency is statutorily required to conduct at least one audit. If not granted the exceptional funding, the agency would scale back from current levels (2-3 audits) to the minimum required. The minimum cost would be determined by available contractors.	\$100,000	\$100,000	0.0	No	Yes	\$100,000

**Texas Board of Nursing**  
**Items Not Included in Recommendations - House**

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
8)	Funding and authority of \$85,700 for a salary increase for the Executive Director (See Appendix C: FTE Highlights).	\$85,700	\$85,700	0.0	No	No	\$85,700
TOTAL Items Not Included in Recommendations		\$2,198,518	\$2,217,068	0.0			\$3,568,501

**Board of Nursing  
Appendices - House**

<b>Table of Contents</b>		
<b>Appendix</b>	<b>Appendix Title</b>	<b>Page</b>
<b>A</b>	Funding Changes and Recommendations by Strategy	8
<b>B</b>	Summary of Federal Funds	*
<b>C</b>	FTE Highlights	9
<b>D</b>	Performance Measure Highlights	*
<b>E</b>	Summary of Ten Percent Biennial Base Reduction Options	10

\* Appendix is not included - no significant information to report

Texas Board of Nursing					
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS					
Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
LICENSING A.1.1	\$11,577,631	\$11,145,058	(\$432,573)	(3.7%)	Net decrease of \$432,573 in All Funds due to: -Decrease of \$381,812 in General Revenue for reduction of temporary employees to process applications and scan documents, pursuant to the four percent reduction -Decrease of \$50,761 in Appropriated Receipts due to fewer fees anticipated for sales of publications or records
TEXAS.GOV A.1.2	\$1,189,805	\$1,189,805	\$0	0.0%	
ACCREDITATION A.2.1	\$1,136,542	\$1,136,542	\$0	0.0%	
<b>Total, Goal A, LICENSING</b>	<b>\$13,903,978</b>	<b>\$13,471,405</b>	<b>(\$432,573)</b>	<b>(3.1%)</b>	
ADJUDICATE VIOLATIONS B.1.1	\$6,643,206	\$6,399,096	(\$244,110)	(3.7%)	Decrease of \$244,110 in General Revenue for reduction of temporary employees to process and scan documents for enforcement files, pursuant to the four percent reduction
PEER ASSISTANCE B.1.2	\$1,747,116	\$1,747,116	\$0	0.0%	
<b>Total, Goal B, PROTECT PUBLIC</b>	<b>\$8,390,322</b>	<b>\$8,146,212</b>	<b>(\$244,110)</b>	<b>(2.9%)</b>	
INDIRECT ADMIN - LICENSING C.1.1	\$1,151,223	\$1,151,223	\$0	0.0%	
INDIRECT ADMIN - ENFORCEMENT C.1.2	\$615,343	\$615,343	\$0	0.0%	
<b>Total, Goal C, INDIRECT ADMINISTRATION</b>	<b>\$1,766,566</b>	<b>\$1,766,566</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Grand Total, All Strategies</b>	<b>\$24,060,866</b>	<b>\$23,384,183</b>	<b>(\$676,683)</b>	<b>(2.8%)</b>	Net decrease in All Funds due to: -Decrease of \$625,922 in General Revenue -Decrease of \$50,761 in Appropriated Receipts due to fewer fees anticipated for sales of publications or records



Texas Board of Nursing  
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Cap	109.7	124.7	124.7	124.7	124.7
Actual/Budgeted	116.1	113.2	124.7	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director	\$120,000	\$140,758	\$140,758	\$140,758	\$140,758

Notes:

a) Art IX, Sec 6.10(a)(2), Board or Administrator FTE Adjustment (2014-15 GAA) permits the agency to increase FTEs by 110% of 109.7. The agency exceeded the FTE cap in fiscal year 2015 within the rider requirements.

b) The agency requests funding and authority to increase the annual salary from \$140,758 to \$183,608 per fiscal year. The position is currently Group 3 with an amount not to exceed \$140,758. A Report on Executive Compensation at State Agencies, published by the State Auditor (Report No.16-706), indicates a market average salary of \$162,071 for the Executive Director position.

**Texas Board of Nursing**  
**Summary of Ten Percent Biennial Base Reduction Options - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs			
1)	Reduce FTEs	The agency would reduce five FTEs in Operations and 2.5 FTEs in Enforcement. The time to process an enforcement case and license an applicant would be lengthened.	\$751,107	\$751,107	7.5	\$0	5%	No
2)	Reduce FTEs	The agency would reduce five FTEs in Operations and 2.5 FTEs in Enforcement. The time to process an enforcement case and license an applicant would be lengthened.	\$751,107	\$751,107	7.5	\$0	5%	No
<b>TOTAL, 10% Reduction Options</b>			<b>\$1,502,214</b>	<b>\$1,502,214</b>	<b>15</b>	<b>\$0</b>		