

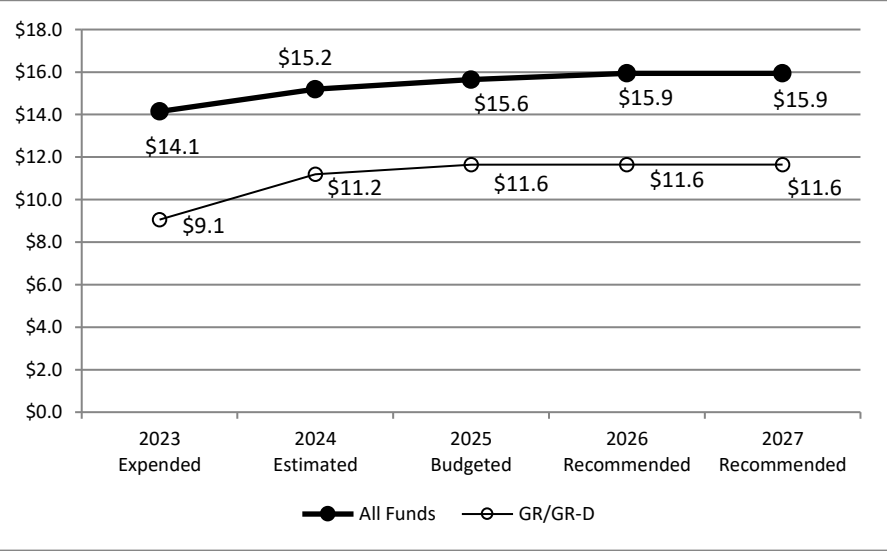
**Texas Board of Nursing
Summary of Budget Recommendations - House**

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 Kristin Benton, Executive Director
 David Petit, LBB Analyst

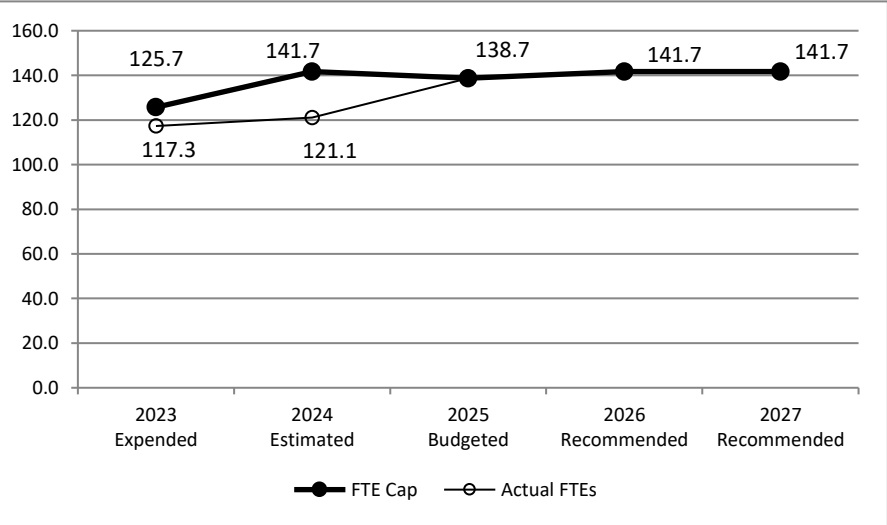
Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$22,840,939	\$23,292,752	\$451,813	2.0%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$22,840,939</i>	<i>\$23,292,752</i>	<i>\$451,813</i>	<i>2.0%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$7,998,802	\$8,584,928	\$586,126	7.3%
All Funds	\$30,839,741	\$31,877,680	\$1,037,939	3.4%

	FY 2025 Budgeted	FY 2027 Recommended	Biennial Change	Percent Change
FTEs	138.7	141.7	3.0	2.2%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2026-27 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2026-27 biennium.

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

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Increase in Appropriated Receipts to more accurately reflect amounts actually collected	\$0.0	\$0.0	\$0.0	\$586,126	\$586,126	A.1.1
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
B)	Increase in funding to biennialize the statewide salary adjustments included in the 2024-25 appropriations	\$451,813	\$0.0	\$0.0	\$0.0	\$451,813	A.1.1, A.2.1, B.1.1, C.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations		\$451,813	\$0.0	\$0.0	\$586,126	\$1,037,939	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$451,813	\$0.0	\$0.0	\$586,126	\$1,037,939	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0	\$0.0	\$0.0	\$0.0	\$0	As Listed

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

- Operation Nightingale.** Recommendations provide \$850,000 in General Revenue and 6.0 FTEs associated with the ongoing regulatory response to Operation Nightingale. Rider 4, Regulatory Response, requires that this funding not be considered part of the agency’s base for the 2028-29 biennium.

Operation Nightingale (OPN) is an ongoing federal investigative effort, made public in January 2023, undertaken by the U.S. Department of Health and Human Services Office of Inspector General (HHS OIG) and federal law enforcement partners. OPN investigates now-defunct nursing schools accredited in Florida that sold fraudulent nursing degree transcripts and diplomas to individuals seeking licensure, which made those individuals eligible to sit for the national nursing board licensing exam. Individuals that passed the exam became eligible to obtain Registered Nurse (RN) or Licensed Vocational Nurse (LVN) licensure in various states, including Texas, and seek employment as nurses. The agency’s response to OPN has also revealed, to date, 40 nursing programs in Florida that, though approved by the Florida Board of Nursing, did not provide a sufficient level of educational instruction to make graduates legitimately eligible to sit for the national licensing exam. These schools typically “taught to the test” to enable graduates to pass the licensing exam but did not provide the clinical instruction required by Texas law. Five of these 40 programs to date have subsequently been named as OPN programs. According to HHS OIG, Operation Nightingale has identified more than 7,600 fake nursing diplomas and transcripts to date, and 25 individuals are facing criminal charges in connection with distribution of the fraudulent education credentials. The federal investigation is ongoing and there is a high likelihood that additional programs will be implicated in OPN, which could have a commensurate impact on the agency’s workload in responding to OPN.

As of October 2024, there have been 179 licensed nurses identified whose educational credentials are now suspect due to OPN, and the BON continues to receive applications from individuals with educational credentials from schools under investigation and from programs with substandard or possibly substandard education requirements. The table below provides a breakdown of the status of Texas OPN cases and OPN-associated applications.

Open OPN Investigations	Resolved OPN Cases	Pending Applicants from OPN Schools	OPN Cases with Pending SOAH Hearings	Licensure Denials Based on Substandard Education	Licensure Denials Based on OPN Credentials
129	50	192+	115	181	233

- Increase in Appropriated Receipts.** Recommendations increase the Board of Nursing’s (BON) Appropriated Receipts by \$586,126 to more accurately reflect the actual amounts collected. Since fiscal year 2021, the agency has consistently collected significantly more Appropriated Receipts than estimated in the agency bill pattern. This is due to growth in the licensee population, which drives higher subscription rates to the BON newsletter and higher numbers of license applicants sitting for the BON’s jurisprudence exam.
- Update on Exceptional Items Funded in the 88th Regular Session.** Recommendations maintain \$1.57 million in General Revenue and 10.0 additional FTEs associated with adopted Exceptional Item requests of the 88th Regular Session. The first item was funded at \$876,000 for 10.0 additional licensing FTEs. Currently, all of these positions remain filled. The agency’s licensee population continues to grow, and 1.0 additional FTE that is part of a larger Exceptional Item staffing request is related to licensing.

The second item was funded at \$444,000 for three IT projects: moving IT infrastructure to the cloud; increasing the agency’s internet bandwidth; and implementing cybersecurity related enhancements. All elements are either completed or are currently in progress. The agency has moved significant infrastructure to the cloud, though it maintains inhouse servers for certain functions. The agency doubled its internet bandwidth in summer 2024, and it is proving to be sufficient. An outside cybersecurity audit has been completed and the findings and recommendations are in the process of being addressed.

The third item was funded at \$250,000 to contract with the Texas State Libraries and Archives Commission (TSLAC) to digitize nearly 5.5 million images that the agency possesses, and which are stored on microfiche and microfilm. The images are critical for open records requests, license verification, and historical research purposes. The initial estimate was \$125,000 per fiscal year over a six-year project lifespan, for a total of \$725,000. Now that the full records series have been evaluated by TSLAC, the six-year timeline is still possible, but it is also possible that the project could run long, into the 2030-31 biennium. The agency has expended approximately \$110,000 to date, and TSLAC estimates the remaining cost over the life of the project to be just under \$830,000, which would bring the project total to about \$940,000.

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

Modification of Existing Riders

4. Regulatory Response. Recommendations remove the finding of fact requirements in this rider as the agency has already demonstrated the required facts.

Deleted Riders

Former 4. Contingency for Behavioral Health Funds. Recommendations delete this rider as all provisions are currently covered in Article IX, Section 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.

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

	2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	General Revenue appropriations for 15.0 additional FTEs: a) 1.0 Enforcement Manager (\$88,000 per year) b) 6.0 Investigators (\$57,000 per year) c) 1.0 Human Resources Specialist (\$54,000 per year) d) 1.0 Nursing Education Specialist (\$100,000 per year) e) 1.0 Budget and Policy Analyst (\$90,000 per year) f) 1.0 Customer Service Representative (\$44,000 per year) g) 1.0 Message Center Representative (\$45,000 per year) h) 1.0 Records Retention Specialist (\$41,000 per year) i) 1.0 Payroll Specialist (\$61,000 per year) j) 1.0 Data Analyst (\$84,000 per year)	\$1,898,000	\$1,898,000	15.0	No	No	\$1,898,000
2)	General Revenue appropriations with capital budget authority for the following Information Technology Modernization projects: a) Enforcement System and Education Program System Modernization (\$4,135,000) b) Website Modernization (\$650,000)	\$4,785,000	\$4,785,000	0.0	Yes	Yes	\$953,722
3)	Request for General Revenue appropriations of \$213,274 in each year of the biennium for ongoing costs to allow the agency to transfer additional collections from existing revenue to the Texas Center for Nursing Workforce Studies (TCNWS). TCNWS has requested this additional funding for two Research Specialist FTEs that were eliminated in prior budgets, and to cover a slight increase in operational costs.	\$426,548	\$426,548	0.0	No	Yes	\$426,548

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

		2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
		GR & GR-D	All Funds	FTEs			
4)	Request for General Revenue appropriations of \$160,000 in each year of the biennium for ongoing costs for additional funding for the Texas Peer Assistance Program for Nurses (TPAPN). TPAPN funding from the agency has remained at the same level since the 2017-18 biennium, and TPAPN has been operating at a deficit, relying on additional fees and depleting reserves, due to rising costs. There would be no impact on agency fees.	\$320,000	\$320,000	0.0	No	Yes	\$320,000
5)	Request for authority to increase the Executive Director salary cap from \$171,547 to \$203,337, an annual increase of \$31,790, within Group 5.	\$0	\$0	0.0	No	No	\$0
6)	Request for General Revenue appropriations to fund the agency's share of cost increases at the Health Professions Council, of which the agency is a member.	\$59,954	\$59,954	0.0	No	No	\$59,954
Agency Rider Requests Not Included							
7)	Request a new rider that would exempt from Appropriations Limited to Revenue Collections requirements any funding appropriated for Exceptional Item 2, Information Technology Modernization Projects	\$0	\$0	0.0	No	No	\$0.0
TOTAL Items Not Included in Recommendations		\$7,489,502	\$7,489,502	15.0			\$3,658,224

**Texas Board of Nursing
Appendices - House**

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* Appendix is not included - no significant information to report

**Texas Board of Nursing
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
LICENSING A.1.1	\$15,575,361	\$16,378,356	\$802,995	5.2%	Recommendations include changes to General Revenue and Appropriated Receipts as follows: a) Increase of \$854,098 in General Revenue to estimate for full staffing and to increase salaries and wages via: biennialization of the statewide salary adjustment included in the 2024-25 appropriations; merit increases; equity increases; and reclassifications. All the decreases listed below in this strategy for other Objects of Expense were redirected to Salaries and Wages. b) Increase of \$586,126 in Appropriated Receipts to more accurately reflect the actual amounts collected. c) Decrease of \$454,566 in General Revenue for expenditures on computer equipment, servers, laptops, software, and other operating expenses. d) Decrease of \$96,811 in General Revenue for Professional Fees and Services related to tempory employment workers in Information Technology and Human Resources. e) Decrease of \$76,353 in General Revenue for Other Personnel Costs related to lump sum payments. f) Decrease of \$9,499 in General Revenue for decreased expenditures on consumable supplies, utilities, travel, and rent.
TEXAS.GOV A.1.2	\$1,189,805	\$1,189,805	\$0	0.0%	
ACCREDITATION A.2.1	\$1,497,453	\$1,533,599	\$36,146	2.4%	Recommendations include an increase of \$36,146 in General Revenue to biennialize the statewide salary adjustment included in the 2024-25 appropriations.
Total, Goal A, LICENSING	\$18,262,619	\$19,101,760	\$839,141	4.6%	
ADJUDICATE VIOLATIONS B.1.1	\$7,680,312	\$7,824,892	\$144,580	1.9%	Recommendations include an increase of \$144,580 in General Revenue to biennialize the statewide salary adjustment included in the 2024-25 appropriations.
PEER ASSISTANCE B.1.2	\$2,010,916	\$2,010,916	\$0	0.0%	
Total, Goal B, PROTECT PUBLIC	\$9,691,228	\$9,835,808	\$144,580	1.5%	

**Texas Board of Nursing
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
INDIRECT ADMINISTRATION C.1.1	\$2,035,894	\$2,090,112	\$54,218	2.7%	Recommendations include an increase of \$54,218 in General Revenue to biennialize the statewide salary adjustment included in the 2024-25 appropriations.
Total, Goal C, INDIRECT ADMINISTRATION	\$2,035,894	\$2,090,112	\$54,218	2.7%	
REGULATORY RESPONSE D.1.1	\$850,000	\$850,000	\$0	0.0%	Recommendations maintain \$850,000 in General Revenue and revise Rider 4, Regulatory Response, to fund the agency's ongoing response to Operation Nightingale through the 2026-27 biennium.
Total, Goal D, EDUCATION CREDENTIAL INTEGRITY	\$850,000	\$850,000	\$0	0.0%	
Grand Total, All Strategies	\$30,839,741	\$31,877,680	\$1,037,939	3.4%	

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

Full-Time-Equivalent Positions	Expended 2023	Estimated 2024	Budgeted 2025	Recommended 2026	Recommended 2027
Cap	125.7	141.7	138.7	141.7	141.7
Actual/Budgeted	117.3	121.1	138.7	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 5	\$169,537	\$171,547	\$171,547	\$171,547	\$171,547

Notes:

a) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 25-702, October 2024) indicates a market average salary of \$180,540 for the Executive Director position at the Board of Nursing. The agency is requesting to increase the authorized annual salary amount for the Executive Director position to \$203,337 within Group 5. See also, Items Not Included in Recommendations #5.