

State Board of Nursing

JLBC: Michael Stelpstra
 OSPB: Bob Chapko

Subcommittee: Health & Welfare

DESCRIPTION	FY 2002	FY 2003	FY 2004		FY 2005	
	ACTUAL	ESTIMATE	OSPB	JLBC	OSPB	JLBC
PROGRAM BUDGET						
State Board of Nursing	3,022,200	3,033,600	3,416,000	3,175,100	3,207,000	2,713,600
AGENCY TOTAL	3,022,200	3,033,600	3,416,000	3,175,100	3,207,000	2,713,600

OPERATING BUDGET

<i>Full Time Equivalent Positions</i>	42.8	46.2	41.4	46.2	41.4	39.2
Personal Services	1,734,700	1,749,300	1,749,300	1,750,200	1,749,300	1,470,800
Employee Related Expenditures	318,500	364,500	358,200	367,100	358,200	308,600
Professional and Outside Services	494,700	517,200	599,200	525,700	504,000	517,200
Travel - In State	17,700	22,100	64,100	22,100	64,100	22,100
Travel - Out of State	16,700	10,400	10,400	10,400	10,400	10,400
Other Operating Expenditures	352,000	337,300	470,400	413,100	460,200	384,500
Equipment	87,900	32,800	164,400	86,500	60,800	0
AGENCY TOTAL	3,022,200	3,033,600	3,416,000	3,175,100	3,207,000	2,713,600

FUND SOURCES

General Fund	125,500	130,900	134,800	134,900	134,800	134,900
<u>Other Appropriated Funds</u>						
Board of Nursing Fund	2,896,700	2,902,700	3,281,200	3,040,200	3,072,200	2,578,700
SUBTOTAL - Other Appropriated Funds	2,896,700	2,902,700	3,281,200	3,040,200	3,072,200	2,578,700
SUBTOTAL - Appropriated Funds	3,022,200	3,033,600	3,416,000	3,175,100	3,207,000	2,713,600
Federal Funds	668,900	881,300	NA	881,300	NA	881,300
TOTAL - ALL SOURCES	3,691,100	3,914,900	NA	4,056,400	NA	3,594,900

CHANGE IN FUNDING SUMMARY

	FY 2003 to FY 2004 JLBC		FY 2003 to FY 2005 JLBC		Biennial \$ Change
	\$ Change	% Change	\$ Change	% Change	
General Fund	4,000	3.1%	4,000	3.1%	8,000
Other Appropriated Funds	137,500	4.7%	(324,000)	(11.2%)	(186,500)
Total Appropriated Funds	141,500	4.7%	(320,000)	(10.5%)	(178,500)

AGENCY DESCRIPTION — *The board licenses, regulates, conducts examinations and approves educational programs for nurses and nurse aides.*

PERFORMANCE MEASURES	FY 2002	FY 2002	FY 2003	FY 2004
	Appropriation	Actual	Appropriation	Recommend.
• Number of licensees (new and existing)	41,600	58,479	41,600	--
• Number of complaints received about licensees	2,160	1,503	2,160	--
• Average calendar days to resolve a complaint	200	405	180	210
• Number of investigations of licensees	3,500	1,636	3,500	1,650
• Average calendar days to renew a license (from receipt of application to issuance)	10	14	10	5
• Administration as a % of total cost	8.9	NA	9.3	11.9
• Customer satisfaction rating (Scale 1-8)	6.0	NA	6.0	6.0

Comments: The agency did not submit information for any measure labeled as "NA." The agency reports that high turnover of investigators contributed to the longer length of time to resolve a complaint. The agency reports that a new triage procedure for complaints contributed to the lower than expected number of investigations of licenses.

RECOMMENDED CHANGES FROM FY 2003

		<u>FY 2004</u>	<u>FY 2005</u>
Standard Changes	GF	\$4,000	\$4,000
	OF	1,700	1,700

Private Lease Adjustment OF 40,600 40,600
 The JLBC recommends a Board of Nursing Fund increase for private lease payments. The board is located in a state-owned building that will be privately owned by FY 2004. The board estimates that its lease payments under the private lease will be \$19.00 per square foot.

Administrative Hearings OF 1,400 1,400
 The JLBC recommends a Board of Nursing Fund increase for Office of Administrative Hearings (OAH) services. This increase is in accordance with OAH's cost allocation plan, which is based on actual hearing services provided in FY 2002.

Telephone System OF 124,600 0
 The JLBC recommends a one-time Board of Nursing Fund increase for FY 2004 for replacing the board's telephone system. The board's current system is outdated, not able to accommodate the current capacity or functionality needed by the board, and has had several failures over the past year. A September 2001 Auditor General performance audit noted that the board's phone system impedes consumers' access to public information. The Government Information Technology Agency has approved this project. However, this project may be affected by the state's proposed plan to implement a voice over IP system.

Staff Increases OF 0 (336,900)
 The JLBC recommends continuing Board of Nursing Fund temporary staff increases for FY 2004 that were originally received in FY 2002. The funding was for temporary staff to continue the board's efforts to reduce a backlog of cases. The backlog was expected to be eliminated by the end of FY 2003. However, the entire backlog will not be eliminated as high turnover of temporary and permanent investigative staff has resulted in slower than expected progress at eliminating the backlog. Since temporary staff

were approved, the board has reduced the number of open cases from 1,875 to 1,368 as of October 2002. The continued funding of \$336,900 and 7 FTE Positions in FY 2004 is expected to eliminate the backlog by the end of FY 2004 and the funding and FTE Positions are eliminated in FY 2005.

Equipment OF (32,800) (32,800)
 The JLBC recommends a Board of Nursing Fund decrease to eliminate one-time FY 2003 equipment.

Legal Services Cost Allocation OF 2,000 2,000
 The JLBC recommends a Board of Nursing Fund increase to cover higher Attorney General legal services due to the cost allocation of the Attorney General's Risk Management charge to client agencies.

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JLBC RECOMMENDED FORMAT — Lump Sum by Agency

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

This appropriation is available for use pursuant to the provisions of A.R.S. § 35-143.01C and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations until June 30, 2005.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Information Technology

The board has requested a Board of Nursing Fund increase of \$218,500 in FY 2004 and \$131,700 in FY 2005 in order to increase funding to its Information Services Department. The requested funding is not for a specific project. Information included with the request indicates that some of the funding may not be necessary if the Telephone System project noted above is funded. In addition, funding is requested for some items that appear to be ongoing operations and maintenance that should be included in the board's base budget.

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Board of Nursing (BNA2044/A.R.S. § 32-1611)		Appropriated
Source of Revenue: Monies collected by the board from the examination and licensing of nurses. The board retains 90% of these monies and deposits 10% in the General Fund.		
Purpose of Fund: To examine, license, investigate, and regulate nurses, and for board administration. Monies from the fund are also used to pay for the administrative and testing costs of the Nursing Aide Registration program. The program is mandated by the federal government and is funded through the Nursing Aide Training and Registration Fund, a non-appropriated subaccount of the Board of Nursing Fund.		
Funds Expended	2,882,000	3,248,800
Year-End Fund Balance	3,440,200	4,045,500

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Nurse Aide Training and Registration (BNA2000/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Federal monies passed through from the Department of Health Services (Medicare) and AHCCCS (Title XIX Medicaid), facility payments, and nurse aide fees.		
Purpose of Fund: To pay for the administrative and testing costs of the Nurse Aide Registration program as mandated by the federal government.		
Funds Expended	668,900	881,300
Year-End Fund Balance	137,000	0

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