State of Vermont
Office of the Secretary of State

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James C. Condos, Secretary of State
Christopher D. Winters, Deputy Secretary
S. Lauren Hibbert, Director

To: Senate Finance Committee

From: Lauren Hibbert, Director, Office of Professional Regulation

Da: April 29, 2019

Re: H.527 Nursing fees & Budget

Dear Committee,

Per your request, I am submitting this report of the Nursing Board budget. We continue to ask for your support for the proposed nursing fees in H.527. The fees are required for the ongoing fiscal health of the Board of Nursing and are mandated by 3 V.S.A. §124(a)(1): *"...the cost of regulating a profession attached to the Office of Professional Regulation should be borne by the profession;"*

While we greatly appreciate your attention to workforce issues and attracting more nurses into Vermont, it is not right to do so through reductions in nursing fees <u>unless</u> the Legislature is willing to provide a General Fund workforce development appropriation to subsidize those fees so that the operations of the Office, on behalf of over 70,000 licensees, do not suffer as a result.

We respectfully submit that there are several other far more determinate factors influencing a prospective nurse's decision to come to Vermont: salary, affordable housing, quality education, modern health care facilities, and quality of life, are just a few.

Nursing law, independent practice, and continuing education requirements are nurse-specific inducements we have advocated for and take pride in when attracting nurse professionals to Vermont.

If the committee decides to cut nursing fees further, we will be back again soon with another increase and will have to determine how we might re-allocate the revenue shortfall among other license types.

As a reminder, <u>House Ways and Means has already reduced the fees</u> by cutting the application fee by exam for RNs and LPNs and the renewal fee for APRNs.

The Nursing Board has a total annual expense of approximately $2M to regulate 24,143 licensees. The cost of regulation is $83/year/licensee. The Board's share of the OPR budget is built from an allocation formula of the total OPR budget, using the number of licensees plus an allocation of the enforcement division costs based on the number of investigations and prosecutions in the nursing professions. Nursing is **39.86%** of the total OPR licensee population. Nursing had **54%** of the total prosecutions in 2018.

As you can see from the attached budget documents below, without a fee change the nursing budget is running into a fast and steady deficit.

Board: NURSING		**Program: 29265**			
Fiscal Year: 2019		**Period: BUDGET WITHOUT FEE INCREASE**			
Fiscal Year	**Receipts**	**Direct Expenses**	**Indirect Expenses**	**Total Expense**	**Fund Balance**
FY 2010	$681,723	$246,852	$1,431,319	$1,678,172	$2,725,930
FY 2011	$2,144,499	$238,206	$1,691,951	$1,930,157	$2,940,272
FY 2012	$720,908	$149,661	$1,456,745	$1,606,406	$2,054,774
FY 2013	$1,956,134	$192,707	$1,350,914	$1,543,621	$2,467,287
FY 2014	$604,440	$141,533	$1,527,095	$1,668,628	$1,403,099
FY 2015	$2,181,235	$150,943	$1,377,973	$1,528,916	$2,055,418
FY 2016	$642,775	$70,136	$1,447,723	$1,517,860	$1,180,333
FY2017	$2,301,320	$54,094	$2,316,074	$2,370,168	$1,111,486
FY2018	$807,364	$70,258	$2,187,126	$2,257,383	($338,534)
FY2019	$2,283,922	$145,000	$1,779,766	$1,924,766	$20,623
PROJECTIONS					
FY 2020	$807,364	B22		$1,914,766	($1,086,780)
FY2021	$2,283,922	B20		$2,148,250	($951,108)
FY2022	$807,364	B22		$2,182,626	($2,326,370)
FY2023	$2,283,922	B24		$2,217,905	($2,260,354)
Does revenue exceed spending for FY 2020-2021 biennial budget?					NO
Does revenue exceed spending for FY 2022-2023 biennial budget?					NO
Is fund balance sufficient to meet expenses through FY 2023?					NO
FY 2023 ratio fund balance to expenses					(1.02)

Without a fee increase by 2023, which is a renewal year and thus a large revenue year, the Board of Nursing the Board's budget will be in the negative 2,260,354 dollars. The proposed fees in H.527 help resolve the Nursing deficit.

Board: Nursing

Fiscal Year: 2019   **BUDGET WITH FEE INCREASE**

Fiscal Year	Receipts	Direct Expenses	Indirect Expenses	Total Expense	Fund Balance
FY 2013	$1,956,134	$192,707	$1,350,914	$1,543,621	$2,467,287
FY 2014	$604,440	$141,533	$1,527,095	$1,668,628	$1,403,099
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FY2019	$2,283,922	$145,000	$1,779,766	$1,924,766	$20,623

PROJECTIONS

FY 2020	$869,909			$1,914,766	($1,024,235)
FY2021	$3,288,317			$2,148,250	$115,832
FY2022	$956,899			$2,182,626	($1,109,895)
FY2023	$3,617,149			$2,217,905	$289,349

Lastly, I wanted to give the Committee more information about our Nurse Licensure numbers. OPR lost thousands of Registered Nurses as a result of requiring a Social Security Number for licensure in 2015. This policy change was the result of Vermont being one of four states in the country that allowed licensure without an SSN. Those foreign trained nurses were using Vermont as a pass-through state, were not seeking employment in Vermont and Vermont did not have resources to verify their education, so they were posing a risk to other states. This group had been adding to the revenue for the nursing Board budget without being a drain on resources and kept the nursing fees artificially low.

Additionally, you will observe that in 2018, OPR had a spike in RN applications.   This is a result of the nursing strike at UVM in the summer of 2018.

Number of New Licenses/Year/Profession Type	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Licensed Nursing Assistant - Temporary Permit	0	7	669	737	498	566	634	619	368	0	0	0	0
Licensed Nursing Assistant	53	49	614	754	587	745	789	714	765	767	744	899	270
Licensed Nursing Assistant - Temporary License	0	2	91	72	54	65	47	62	79	2	0	0	0
Registered Nurse	4881	3984	2832	2182	1897	1659	1544	1475	1618	1694	1987	3371	904
Licensed Practical Nurse - Temporary Permit	0	3	84	110	110	108	91	99	2	0	0	0	0
Licensed Practical Nurse	257	255	179	207	219	222	215	232	251	318	341	409	84
Registered Nurse - Temporary Permit	0	11	173	134	185	172	209	175	169	0	0	0	0
Licensed Practical Nurse - Temporary License	1	3	60	52	26	32	18	26	41	0	0	0	0
Registered Nurse - Temporary License	3	22	462	374	251	216	204	170	127	0	0	0	0
Advanced Practice Registered Nurse	42	39	32	30	47	57	51	78	75	106	112	127	49
Registered Nurse - Temporary Permit for Re-Entry	0	0	8	7	7	5	5	6	1	3	4	0	0
Licensed Practical Nurse - Temporary Permit for Re-Entry	0	0	5	5	2	1	1	2	2	2	1	0	0
Advanced Practice Registered Nurse - Refresher Permit	0	0	0	0	0	2	0	2	0	0	0	0	0
Registered Nurse - Emergency Temporary License	0	0	0	0	1	0	0	0	0	0	0	0	0
Advanced Practice Registered Nurse - Temporary Permit	0	0	0	2	2	0	0	0	0	0	0	0	0
Total Number of Licensees after Renewal Date	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Licensed Nursing Assistant		2996		2925		3166		3363		3340		3068	
Registered Nurse	7130		12703		13818		13331		9503		10017		11040
Licensed Practical Nurse		2064		1977		1885		1769		1677		1574	
Advanced Practice Registered Nurse	482		492		485		544		595		696		767

OPR has worked closely with the Secretary of State's business office to tailor the increases to nursing fees as closely as possible to the required revenue necessary. Additionally, OPR is careful with the fiscal costs of operation and has remained efficient and lean over the years despite a doubling of its workload. We would implore the committee to pass the nursing language as is.

Please let us know if you have any other questions or concerns.