Summary of Request:

On January 15, 2010, the Texas Board of Nursing received notice (see attachment A) from the Office of the Governor, Lieutenant Governor and Speaker of the House to submit a plan identifying savings in priority increments totaling 5 percent of the agency general revenue and general revenue-dedicated appropriations for the current 2010-2011 biennium. The Texas Board of Nursing submitted our 5% reduction plan by the deadline of February 15, 2010. On May 17, 2010, we received official notice of acceptance of the 5% reduction with a decrease in the required target (see attachment B) from $767,791 to $672,705.   The decrease came from the elimination of the use of funds for criminal background checks and the Health Professions Council.

The bottom line is that the Texas Board of Nursing must reduce our general revenue budget over the current biennium by $672,705 and place the funds in a savings account with the Comptroller's Office.

Historical Perspective:

Reductions have occurred in past fiscal years with the last reduction happening in fiscal year 2003. In fiscal year 2003, the Texas Board of Nursing reduced the agency budget by cutting postage costs and delaying the hiring of staff in open positions. The Texas Board of Nursing is hopeful to reduce current funding through agency savings but has included the reduction of staff if needed to meet this new requirement.

Pros and Cons:

Pros: The Texas Board of Nursing is assisting the State of Texas Government to meet its fiscal obligations as required by the Texas Constitution.

Cons: The Texas Board of Nursing will delay hiring staff in open positions and increase the number of days it takes to complete an investigation, process a license and review new school applications.

Staff Recommendation:

This agenda item is presented for informational purposes only. No board action is necessary.

STATE OF TEXAS

DAVID DEWHURST	RICK PERRY	JOE STRAUS
LIEUTENANT GOVERNOR	GOVERNOR	SPEAKER OF THE HOUSE
P.O. Box 12068	P.O. Box 12428	P.O. Box 2910
AUSTIN, TEXAS 78711-2068	AUSTIN, TEXAS 78711-2428	AUSTIN, TEXAS 78768-2910
(512) 463-0001	(512) 463-2000	(512) 463-3000

January 15, 2010

TO: State Agency Board/Commission Chairs
        State Agency Heads/Executive Directors
        Appellate Court Chief Justices
        Chancellors, Presidents and Directors of Institutions of Higher Education
        Presidents and Directors of Health-Related Institutions
        Presiding Officers of the Texas House and Texas Senate

In Texas, we have been fortunate that our economy has fared better than most other states during the current national recession. Nevertheless, Comptroller Susan Combs noted in her November 2009 economic update that our revenues have "weakened substantially as the national recession began exerting its full influence on Texas." Due to the uncertainty of the state's short-term economic future, as well as potentially substantial long-term costs associated with the passage of federal legislation currently being debated in Washington, D.C., we are asking each state agency to thoroughly review all planned expenditures for the remainder of the biennium.

We respectfully request that each state agency submit a plan to identify savings in priority increments totaling 5 percent of the general revenue and general revenue-dedicated appropriations for the 2010-11 biennium. Please submit these plans to the Legislative Budget Board and the Office of the Governor's Budget, Planning and Policy division, no later than February 15, 2010. Agencies under the jurisdiction of the Texas Health and Human Services Commission should work with the commissioner to present a unified plan. Likewise, each institution of higher education represented by a system office should submit a unified plan for the system and its components.

Your plan should represent prudent, efficient reductions that minimize the impact on direct services. For purposes of this review, we expect you to analyze the necessity of all administrative expenses and purchases. Reducing direct services should be your last option, but should be identified, if necessary, in order to meet the 5 percent target. Specifically, there should be no reductions to benefits or client eligibility levels in the Medicaid entitlement, Children's Health Insurance Program and foster care programs, and no reductions to eligibility staffing. Programs exempt from this request include the Foundation School Program, Social Security contributions, contributions to the Teacher and Employees Retirement Systems' retirement programs, contributions to the Higher Education Fund, and debt service for previously issued obligations.

Texas has a balanced budget and comparatively sound economic conditions. However, we owe it to the taxpayers to be especially prudent with their hard-earned dollars during these difficult times. Thank you in advance for your assistance.

Sincerely,

Rick Perry
Governor

David Dewhurst
Lieutenant Governor

Joe Straus
Speaker of the House

Attachment B

MEMORANDUM

TO: Katherine A. Thomas, M.N., R.N., Executive Director
             Board of Nursing

FROM: John O'Brien, Director   Mary Katherine Stout, Director
             Legislative Budget Board   Governor's Office of Budget, Planning and Policy

DATE: May 17, 2010

SUBJECT: Spending Reduction Plan for the 2010–11 Biennium

Thank you for the plan you submitted in response to the January 15, 2010 letter from the
Governor, Lt. Governor, and Speaker seeking proposals to reduce 2010–11 biennial General
Revenue (GR) and GR–Dedicated spending by 5 percent. This is to notify you that your plan as
submitted has been adjusted to a GR/GR–Dedicated reduction target of $672,705 for the
2010–11 biennium.

If you have any questions, please contact your assigned LBB analyst or Governor's advisor.

cc: Governor Rick Perry
      Lt. Governor David Dewhurst   Speaker Joe Straus
      Senator Steve Ogden   Representative Jim Pitts
      Mark Majek   Suzy Whittenton, Director of Fiscal Management,
                                               Comptroller of Public Accounts

ITEM REDUCTIONS BY METHOD OF FINANCING

81st Regular Session, 2010-11 Item Reductions

Automated Budget and Evaluation System of Texas (ABEST)

Date: 2/15/2010

Time: 11:19:19AM

Page: 1 of 5

Agency code: 507   Agency name: **Texas Board of Nursing**

Item Priority and Name/ Method of Financing	2010	2011	Biennial Total	Target
1 TEXASONLINE				

Item Comment: This item has the least effect on both the Texas Board of Nursing and Texas Online. The Texas Board of Nursing is required to raise $325,000 per fiscal year to "pass-through" to Texas Online. The Texas Board of Nursing will exceed this requirement by an additional $115,000 each fiscal year. The Texas Board of Nursing will be able to "pass-through" the required funding to Texas Online and still provide additional revenue even with this reduction.

GENERAL REVENUE FUNDS

1 General Revenue Fund	$16,250	$16,250		
General Revenue Funds Total	**$16,250**	**$16,250**		
Item Total	**$16,250**	**$16,250**		

2 CRIMINAL HISTORY RECORD

Item Comment: The Texas Board of Nursing collects fees from Licensees by renewal, endorsement and examination to cover criminal history checks which are a "pass-through" to the Texas Department of Public Safety. Within the general revenue account, the Texas Board of Nursing can collect and "pass-through" $928,225 each fiscal year to the Texas Department of Public Safety for criminal history checks. The Texas Board of Nursing has increased the number of background checks on licensees this fiscal year to attempt to complete this project by Fall, 2011. If we are required to reduce this budget item, the Texas Board of Nursing will decrease the percentage of criminal history checks upon renewal and complete the project by the end of fiscal year 2012. This has minimal effect on the Texas Board of Nursing since the original timeline to complete this project was August, 2014.

GENERAL REVENUE FUNDS

1 General Revenue Fund	$46,411	$46,411		
General Revenue Funds Total	**$46,411**	**$46,411**		
Item Total	**$46,411**	**$46,411**		

3 HOUSE BILL 3961 RIDER

Item Comment: $300,000 was added to the Texas Board of Nursing appropriations for fiscal year 2011 by Article IX, Section 17.74 of the General Appropriations Act, 81st Legislature, to fund an independent reseach study to compare the outcomes of two types of pre-licensure professional nursing programs. Although the Texas Board of Nursing has not invoked this rider as of yet, the $300,000 is included in our current appropriations. If this rider was invoked and a 5% reduction included, it would reduce the amount available for this study from $300,000 to $285,000 in fiscal year 2011. At this time, another available method of funding this study includes applying for a grant by the National Council of State Boards of Nursing and if awarded the Board funding may not be required. Also, we estimate by the time this study begins, it will take longer than one fiscal year to complete and all the funds would not be used within fiscal year 2011 thus reducing the need for the full $300,000 in one fiscal year.

GENERAL REVENUE FUNDS

* - Indicates amount does not meet target requirements.

ITEM REDUCTIONS BY METHOD OF FINANCING
81st Regular Session, 2010-11 Item Reductions
Automated Budget and Evaluation System of Texas (ABEST)

Date: 2/15/2010
Time: 11:19:19AM
Page: 2 of 5

Agency code: 507   Agency name: **Texas Board of Nursing**

Item Priority and Name/ Method of Financing	2010	2011	Biennial Total	Target
1 General Revenue Fund	$0	$15,000		
General Revenue Funds Total	**$0**	**$15,000**		
Item Total	**$0**	**$15,000**		

4 PEER ASSISTANCE

Item Comment: The Texas Peer Assistance Program for Nurses (TPAPN) funds are a "pass-through" to the program to assist LVNs and RNs with chemical dependency or mental illness issues. If we reduce the funding for this program, they would be unable to increase their intake of cases and thus more nurses would be reported to the Texas Board of Nursing and increase the caseload of agency investigators.

GENERAL REVENUE FUNDS

1 General Revenue Fund	$20,000	$50,000		
General Revenue Funds Total	**$20,000**	**$50,000**		
Item Total	**$20,000**	**$50,000**		

5 ACCREDITATION

Item Comment: The accreditation process is conducted by staff professional nurses to review new nursing programs and nursing programs not meeting board requirements. To meet this reduction, the Texas Board of Nursing would delay hiring one education nursing consultant and decrease the use of professional services used to consult on curriculum issues in fiscal year 2010. In fiscal year 2011, the Texas Board of Nursing would eliminate the use of all professional services ($12,000) and reduce travel by 25% ($4,875) and reduce publications and postage ($9,345).

The effect of these reductions would increase the days it takes to approve new nursing programs.

GENERAL REVENUE FUNDS

1 General Revenue Fund	$26,220	$26,220		
General Revenue Funds Total	**$26,220**	**$26,220**		
Item Total	**$26,220**	**$26,220**		

6 INDIRECT ADMIN LICENSING

* - Indicates amount does not meet target requirements.

ITEM REDUCTIONS BY METHOD OF FINANCING
81st Regular Session, 2010-11 Item Reductions
Automated Budget and Evaluation System of Texas (ABEST)

Date: 2/15/2010
Time: 11:19:19AM
Page: 3 of 5

Agency code: 507   Agency name: **Texas Board of Nursing**

Item Priority and Name/ Method of Financing	2010	2011	Biennial Total	Target

Item Comment: The reduction of funds in indirect licensing category in the current fiscal year would be achieved by reducing the use of temporary services in the licensing section ($17,503) and cut 50% of the funds allotted for agency remodeling due to the new staff positions granted by the 81st Legislature ($10,000). In fiscal year 2011, the Texas Board of Nursing would eliminate the use of temporary staff in the licensing and imaging programs ($27,503).

These reductions would result in longer timeframes in processing licenses by endorsement, examination and renewal.

GENERAL REVENUE FUNDS

1 General Revenue Fund	$27,503	$27,503		
General Revenue Funds Total	**$27,503**	**$27,503**		
Item Total	**$27,503**	**$27,503**		

7 INDIRECT ADMIN ENFORCEMENT

Item Comment: The Texas Board of Nursing would reduce the indirect enforcement administration in fiscal year 2010 by reducing office remodeling by 50% ($10,000), eliminating temporary staff ($2,830) and delay hiring administrative staff ($5,000). In fiscal year 2011, we would eliminate temporary staff ($7,830), delay hiring administrative staff ($5,000) and reduce office/computer equipment ($5,000).

This reduction would add additonal days to complete a case review since indirect administation facilitate the intake of enforcement cases.

GENERAL REVENUE FUNDS

1 General Revenue Fund	$17,830	$17,830		
General Revenue Funds Total	**$17,830**	**$17,830**		
Item Total	**$17,830**	**$17,830**		

8 LICENSING

ITEM REDUCTIONS BY METHOD OF FINANCING
81st Regular Session, 2010-11 Item Reductions
Automated Budget and Evaluation System of Texas (ABEST)

Date: 2/15/2010
Time: 11:19:19AM
Page: 4 of 5

Agency code: 507   Agency name: **Texas Board of Nursing**

Item Priority and Name/ Method of Financing	2010	2011	Biennial Total	Target

Item Comment: The Texas Board of Nursing would reduce the following licensing costs:

Fiscal Year 2010 - $18,250 to the Texas Nursing Workforce Data Center; $10,000 in delaying the hiring of new employees; and, $12,826 in publications.

Fiscal Year 2011 - $18,250 to the Texas Nursing Workforce Data Center; $102,100 by delay hiring and/or eliminate 3 adminstrative staff positions - one in customer service, one in the mail room and one in the criminal background check section.

The effect of these reductions would result in the following:

Texas Nursing Workforce Data Center - would effect operations but not their core function.
Delaying hiring and eliminating staff - the time it takes to answer and respond to customers by phone would increase; mail delivery to staff would be delayed from 4 hours to one full day; and, the number of days to respond to new students and schools of nursing accessing the new student background checks system would increase from the current 60 days to 90 days.

GENERAL REVENUE FUNDS

1 General Revenue Fund	$41,076	$120,350		
General Revenue Funds Total	**$41,076**	**$120,350**		
Item Total	**$41,076**	**$120,350**		

9 ADJUDICATE VIOLATIONS

Item Comment: The Texas Board of Nursing would reduce enforcement expenditures by the following:

Fiscal Year 2010 - $45,225 in delaying hiring new staff approved by the 81st Legislature and delay in hiring staff in open positions; $15,000 in equipment and furnishings approved for new staff approved by the 81st Legislature; and, $5,000 in contracted services.

Fiscal Year 2011 - $152,712 in delaying hiring and/or eliminating three investigators and one administrative staff; $10,000 in printing; $5,000 in travel; $10,000 in contracted services; $5,000 in employee training; $5,000 in professional services;

The Texas Board of Nursing could make do through fiscal year 2010 but in fiscal year 2011 would be forced to reduce staff. By eliminating investigative staff, we would have to reassign cases to other staff investigators thus increasing the caseload per investigator from the current 291 to 313. This would increase the days to resolve a complaint from the current 188 days to 212 days.

GENERAL REVENUE FUNDS

* - Indicates amount does not meet target requirements.

ITEM REDUCTIONS BY METHOD OF FINANCING

81st Regular Session, 2010-11 Item Reductions

Automated Budget and Evaluation System of Texas (ABEST)

Date: 2/15/2010

Time: 11:18:55AM

Page: 5 of 5

Agency code: 507   Agency name: **Texas Board of Nursing**

Item Priority and Name/ Method of Financing	2010	2011	Biennial Total	Target
1 General Revenue Fund	$65,225	$187,712		
General Revenue Funds Total	**$65,225**	**$187,712**		
Item Total	**$65,225**	**$187,712**		
Agency General Revenue Total	**$260,515**	**$507,276**		
Agency GR Dedicated Total				
Agency Grand Total	**$260,515**	**$507,276**	**$767,791**	**$767,791**

* - Indicates amount does not meet target requirements.