

**Summary of Request:**

The Texas Board of Nursing (BON) will be required to complete a Legislative Appropriations Request (LAR) for fiscal years 2020 and 2021. Staff is presenting the list of exceptional items that will be set out in the 2019-2023 strategic plan and then formalized into the LAR. Staff have added the approximate cost within each exceptional item.

**Historical Perspective:**

Every two years, the Texas Legislature convenes to consider a biennial budget. Each agency prepares an LAR and testifies before the House Appropriation and Senate Finance Committees. The deadline for the 2020/2021 LAR most likely will be sometime in July of this year.

The legislative items have been prioritized by Board staff and have approximate cost associated with each item. If the item is granted by the Texas Legislature, it will require the agency to raise sufficient funds to cover the cost of the item and overhead.

**Pros and Cons:**

Pros - Receiving additional funding and resources will allow the BON to investigate cases, review school proposals, answer practice questions and license applicants in a more efficient and effective manner.

Cons - The cost of the exceptional items could increase licensure fees.

**Staff Recommendation:**

Board Action: Move to accept the staff recommendations for the list of LAR prioritized exceptional items with approximate costs associated for the 2020 and 2021 Legislative Appropriations Request which include the current 2018/2019 base funding.

Exceptional Items  
Legislative Appropriations Request  
Fiscal Years 2020 and 2021

**1. Temporary Staff Funding**

The Texas Board of Nursing consistently employs temporary workers to fill gaps in peak licensing and examination periods (approximately six months) and assist enforcement functions in processing documents for the agency electronic imaging system. The use of temporary staff has been curtailed due to the 4% funding reduction from the 85<sup>th</sup> Legislative Session.

The BON has expended the following amounts for temporary staff:

FY 2014	FY 2015	FY 2016	FY 2017
\$390,458	\$192,750	\$194,322	\$163,647

Without consistent temporary assistance, we had to increase our maximum allowable license processing time as follows:

Licensure by Endorsement – from 10 business days to 15 business days  
Reactivation of license – from 10 business days to 15 business days  
Licensure by Renewal – from 3 business days to 5 business days  
Making Students Eligible for Nursing Exam – from 10 business days to 20 business days

This also has caused additional phone calls and emails on the status of applications.

**Implication for the 2020-2021 Biennium**

Based on past usage of temporary staff, we would request up to \$150,000 per fiscal year to reduce the number of days it takes to license applicants, make students eligible for the Nursing Examination and process documents for electronic imaging.

**2. Nursing Salary Adjustments**

The Texas BON has twenty-nine (29) positions that require a licensed registered nurse. Of these twenty-nine positions, fourteen (14) are nursing investigators and fifteen (15) are nursing positions requiring a minimum of a master's degree in nursing. The turnover rate in this group was 28% from January 1, 2017 through December 31, 2017. Also during that period, we had 7 nursing positions open more than 6 months with one being open for over 9 months. We have made salary adjustments in an attempt to remain competitive at the mid-range pay scale. We need to make further adjustments for current nursing staff and increase beginning salaries to attract a qualified pool of applicants for open nursing positions. Our average annual salary for an RN with a BSN is \$62,684 and for nurses with an MSN is \$86,564. Our research from Willis Towers Watson indicates the average median salary of a staff nurse in Texas is \$71,100 and for a nurse with a master's degree with a speciality is \$94,400. We are attempting to be minimally competitive to attract and retain nursing staff.

### **Implications for the 2020 and 2021 Biennium**

Based on the current annual salaries of nursing staff (\$2,176,034), we are requesting 10% of current salaries for each fiscal year. The BON will need an additional \$217,603 per fiscal year to fund competitive nursing salaries for current staff and to recruit open positions.

### **3. Merit Salary**

The agency would like to provide merit increases based on performance to provide incentive for high performing staff.

### **Implication for the 2020-2021 Biennium**

Based on the agency salaries for fiscal year 2018, we are requesting 3.5% merit funding or \$250,000 to award and sustain merit increases in fiscal year 2021.

### **4. Executive Directory Salary**

The Board is will be requesting that the salary of the Executive Director be set by the Board within the salary group allowed by the Legislature. The Executive Director is accountable to the Board within a governance policy and the Board has no means to reward the Executive Director based on performance. With a nursing shortage, the retention and recruitment of a nurse executive such as the current executive director is becoming acute. Our request for a salary increase for the agency executive director is to reward excellent job performance and if for any reason the incumbent vacated this position, we would need to recruit a high level nursing executive with a minimum of a master's degree in nursing and have nursing knowledge in education, nursing practice and general knowledge of information technology, human resources and finance. The BON will be requesting that the Legislature either allow the BON to set the salary within the approved salary group or increase the ceiling of executive compensation and be placed in Group 5 of the Schedule of Exempt Positions in the State's Position Classification Plan. Based on our research with Willis Towers Watson, the average annual salary for top nursing executives in the United States for organizations under 1,000 employees is \$170,000.

**The Total Cost to increase the Executive Director Salary would be absorbed in the budget.**

Costs

	<u>FY 2020</u>	<u>FY 2021</u>
1. Temporary Staff Funding	\$150,000	\$150,000
2. Nursing Salary Adjustments	\$217,603	\$217,603
3. Merit Salary	\$0	\$250,000
4. Executive Director Salary	<u>Absorbed</u>	<u>Absorbed</u>
Total	\$367,603	\$617,603

If the BON receives authority to increase our budget, the costs would be covered by normal revenue growth in fiscal years 2020 and 2021.