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Agency Purpose

Minnesota Statutes sections 148.171-148.285 provide the Board of Nursing with authority to regulate nursing practice for the purpose of public protection.

The Board's mission is to protect the public's health and safety by providing reasonable assurance that the persons who practice nursing in Minnesota are competent, ethical practitioners with the necessary knowledge and skills appropriate to their title and role.

The Board's mission is accomplished through four service areas: credentialing, education, discipline/complaint resolution and nursing practice standards in addition to responding to increased inquiries for aggregate and individual licensure and disciplinary data for purposes of emergency preparedness planning, a pending nurse shortage and increased demand for nursing services.

At a Glance

Credentialing Services

- 84,500 Registered Nurses (15% increase)
- 24,500 Licensed Practical Nurses
- 4,800 Advanced Practice Registered Nurses
- 12,000 Public Health Nurses
- 225 Border State Registry Nurses
- 35 Nursing Registered Firms
- 265 DEA Verifications

Education Services

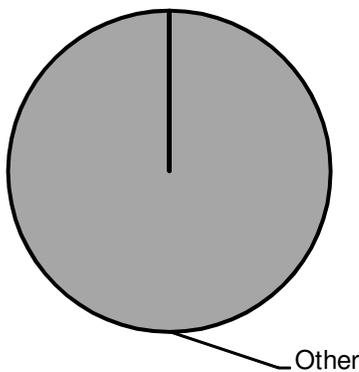
- 68 nursing education programs (7% increase)

Discipline Services

- Investigate 3,000 jurisdictional complaints (25% increase)
- Resolve 2,500 disciplinary actions
- Remove from practice 275 nurses who are at risk to public safety
- Monitor 400 Nurses under discipline order
- Assure monitoring of 450 nurses in Health Professionals Services Program

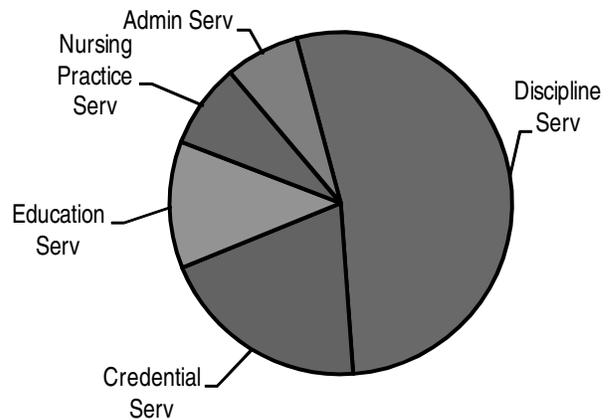
Staff: 33 Full-time equivalent employees

Est. FY 2010-11 Expenditures by Fund



Source: Consolidated Fund Statement.

Est. FY 2010-11 Expenditures by Service



Source: Board expenses allocated to the services provided by the board.

Strategies

The Board achieves its goal of public protection by:

- Assuring an ethical and competent nursing workforce through comprehensive credentials review and provision of a legally defensible nurse licensure examination.
- Establishing and conducting a complaint investigation process that is expedient, just and commensurate with the risk to public safety.
- Upholding standards for nursing education approval through consultation and survey.
- Interfacing with state, national and federal agencies, information systems and national nurse and regulatory organizations to analyze, utilize and disseminate data for evidence informed regulatory decisions.
- Collaborating in statewide initiatives on nursing practice, education, and patient safety.

Operations

Credentialing Services

The Board of Nursing licenses registered nurses, licensed practical nurses, advanced practice registered nurses, and public health nurses to assure the public that the individuals who practice nursing in Minnesota have the requisite education, competence, and ethical character to practice nursing safely and effectively.

Education Services

The Board promotes excellence of nursing education standards and approved nursing education programs by monitoring program graduation pass/fail rates on national nurse licensure examination; facilitating innovative approaches to address nursing workforce and nursing faculty shortages; providing consultation to nursing education programs regarding national nurse licensure examination pass rates; developing and conducting research to promote a safe, competent and sufficient nursing workforce; and advising prospective nursing students regarding educational tracks and scholarships.

Discipline/Complaint Resolution

The Board investigates complaints and takes action against nurses who violate the nurse practice act, removing nurses from practice who are a risk to patient safety and monitoring nurses whose practice requires remediation and oversight to assure public safety.

Nursing Practice Standards

The Board promotes standards of safe nursing practice by interpreting the laws and rules related to nursing practice for nurses, employers, and educators. The Board participates in nursing practice forums with nursing organizations and other state agencies to establish nursing performance guidelines so that employers and consumers can make informed decisions regarding the performance of nursing services.

Key Activity Goals & Measures

Advance excellence in nursing regulation.

- Issue licenses within 24 hours of an applicant meeting all requirements.
- Real time nurse licensure data is available on website resulting in employers and the public having assurance of a nurse's authority to practice.
- 90% of users employ licensure services online.

Enhance the Board's proactive leadership in public protection.

- Decrease number of open discipline cases by 10% annually.
- Decrease complaint cycle time by 20%.
- Disseminate disciplinary action within 24 hours.
- Secure legislative authority to conduct applicant criminal background checks.
- Secure amendments to Chapter 214 regarding criminal sexual misconduct through partnership with other health related licensing boards.
- Detect fraud and imposters through collaboration with organizations which facilitate licensure of non-US educated nurses and other enforcement agencies.

Foster congruence of education, practice and regulation for all levels of nursing practice.

- Disseminate nurse licensure examination success rates information about approved pre-licensure nursing programs.
- Publish interpretive briefings regarding practice and education.

Budget Trends Section

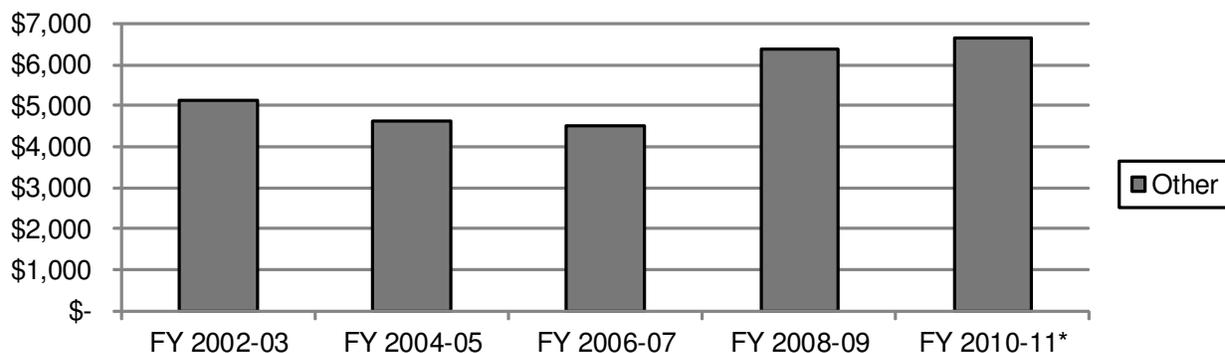
The board is responsible for collecting sufficient revenue to cover both direct and indirect expenditures. The board is estimated to collect \$10.769 million in FY 2010-11, which is deposited as non-dedicated revenue into the state government special revenue fund.

From this fund, the board receives a direct appropriation to pay for agency activities such as salaries, rent, costs for disciplinary/contested cases and operating expenditures. It also pays statewide indirect costs through an open appropriation. In FY 2010-11, total expenditures for these purposes are estimated at \$6.639 million. The chart below shows funding trends over the last five biennia for the direct and open appropriation.

- Increased demand for nurses has increased number of imposters; thus, greater scrutiny needed to process applications.
- Technology advancements and access to national data banks resulting in more information to process and increased obligation to report data.
- National trend to require criminal background check for licensure resulting in increased work load and expense.
- Pending nurse shortage resulting in increased demand for nursing education programs.
- National standardization of nurse licensure requirements necessitating review and revision of statutory authority.
- Broad impact of healthcare reform resulting in need to evaluate and define scopes of practice.
- Increased interstate and multistate practice resulting in alternative regulatory models and interstate nurse licensure compact.
- Substance use disorders by nurses reflects general societal trend to abuse of prescription drugs.

Budget Trends

**Total Expenditures by Fund
\$ in Thousands**



**FY 2010-11 is estimated, not actual*

Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 07/31/10.

Board fees are also responsible for covering a prorated share of support functions provided outside of the Board itself. These include legal support (Attorney General), statewide e-licensing system development and operations (Office of Enterprise Technology), centralized administrative support (Health Boards Administrative Services Unit), funding for services to health professionals (Health Professionals Services Program), malpractice insurance

(Volunteer Health Care Provider Program), monitoring program (Dept of Health-HIV/HBV/HCV), and controlled substance program (Prescription Electronic Reporting). In FY 2010-11, some of the health boards' reserves in the state government special revenue fund were also transferred to the general fund. The table below displays direct and open appropriation expenditures, external support costs (prorated share), and the general fund transfers (prorated share) estimated in FY 2010-11.

	FY 2010-11 (in thousands)
Board's Direct and Open Appropriations	\$ 6,639
Board's External Support Costs and Transfers (prorated Share)	
• Attorney General support	1,081
• E-licensing support	560
• Central administrative service unit	234
• Health professional service program	845
• General fund transfer	3,931
• Dept of Health-HIV/HBV/HCV	347
• Volunteer Health Care Provider Program	19
• Prescription Electronic Reporting	48
Total	13,704
Fees Collected by Board	\$10,769
Prorated Surplus/(Deficit)	(2,935)

In most years, Board fee revenues exceed direct expenditures and external support costs, and as directed by law, the surplus is used to maintain a reserve in the state government special revenue fund. It should be noted here that the FY 2010-11 transfers to the General Fund, along with unanticipated increases in the support costs discussed above, have resulted in the Board's fee revenue not covering its prorated costs and transfers.

External Factors Impacting Agency Operations

The number of licensees regulated by the Board continues to rise, as do the number of complaints and the complexity of the cases.

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NURSING BOARD

Agency Overview

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2012-13
	FY2010	FY2011	FY2012	FY2013	
<u>Direct Appropriations by Fund</u>					
State Government Spec Revenue					
Current Appropriation	3,287	3,289	3,289	3,289	6,578
Recommended	3,287	3,289	0	0	0
Change		0	(3,289)	(3,289)	(6,578)
% Biennial Change from 2010-11					-100%
 <u>Expenditures by Fund</u>					
Direct Appropriations					
State Government Spec Revenue	3,098	3,493	0	0	0
Open Appropriations					
State Government Spec Revenue	29	33	0	0	0
Statutory Appropriations					
State Government Spec Revenue	0	0	5,041	5,041	10,082
Total	3,127	3,526	5,041	5,041	10,082
 <u>Expenditures by Category</u>					
Total Compensation	2,514	2,646	2,653	2,713	5,366
Other Operating Expenses	613	880	2,388	2,328	4,716
Total	3,127	3,526	5,041	5,041	10,082
 <u>Expenditures by Program</u>					
Nursing, Board Of	3,127	3,526	5,041	5,041	10,082
Total	3,127	3,526	5,041	5,041	10,082
 Full-Time Equivalents (FTE)	 33.5	 33.5	 33.5	 33.5	

NURSING BOARD

Change Summary

<i>Dollars in Thousands</i>				
	FY2011	Governor's Recomm.		Biennium
		FY2012	FY2013	2012-13
<i>Fund: STATE GOVERNMENT SPEC REVENUE</i>				
FY 2011 Appropriations	3,289	3,289	3,289	6,578
Subtotal - Forecast Base	3,289	3,289	3,289	6,578
Change Items				
Convert to Dedicated Funding	0	(3,289)	(3,289)	(6,578)
Total Governor's Recommendations	3,289	0	0	0
<i>Fund: STATE GOVERNMENT SPEC REVENUE</i>				
Planned Open Spending	33	35	35	70
Change Items				
Convert To Dedicated Funding	0	(35)	(35)	(70)
Total Governor's Recommendations	33	0	0	0
<i>Fund: STATE GOVERNMENT SPEC REVENUE</i>				
Planned Statutory Spending	0	0	0	0
Change Items				
Convert to Dedicated Funding	0	5,038	5,038	10,076
New Registration Fee Bordering States	0	3	3	6
Total Governor's Recommendations	0	5,041	5,041	10,082
<i>Revenue Change Items</i>				
<i>Fund: STATE GOVERNMENT SPEC REVENUE</i>				
Change Items				
New Registration Fee Bordering States	0	3	3	6
Repeal Late Fees	0	(25)	(25)	(50)
Repeal Temporary Permit	0	(10)	(10)	(20)

NURSING BOARD

Change Item: Convert to Dedicated Funding

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
Health Related Boards Fund (171)				
Direct Appropriated Account				
Expenditures	\$(3,289)	\$(3,289)	\$(3,289)	\$(3,289)
Non-Dedicated Revenue	(5,038)	(5,038)	(5,038)	(5,038)
Open Appropriated Account				
Expenditures	(35)	(35)	(35)	(35)
Dedicated Account				
Expenditures	5,038	5,038	5,038	5,038
Dedicated Revenue	5,038	5,038	5,038	5,038
Transfer In	685	0	0	0
Net Fiscal Impact	\$2,399	\$1,714	\$1,714	\$1,714

Recommendation

The Governor recommends changing the way appropriations are made to the health related licensing boards that operate in the state government special revenue fund. Under this proposal, the boards' funding would be converted from direct appropriations to dedicated appropriations, giving each board spending authority equal to its fee revenue and any accumulated balance. The net effect of this change is the difference between the board's current base appropriations and projected revenues.

Rationale

This proposal places ownership in the boards' 183 appointed members to be efficient and cost effective in setting their spending levels, while providing continued legislative oversight in the setting of the boards' fees. It encourages the boards to find efficiencies and ensures the fees paid by each occupation are dedicated to the boards' mission to protect the public and ensure that Minnesota citizens receive quality care by qualified licensed health professionals. The establishment of the dedicated appropriation will improve the boards' management of resources and transparency for licensees.

The health related licensing boards are fee-supported organizations that receive no general fund dollars. The boards currently collect and deposit fees as non-dedicated special revenue into the health related boards account in the state government special revenue fund (171). The legislature then provides a direct appropriation from these revenues to each board for its operating expenses. Unlike agencies that receive direct appropriations from the general fund, the boards must ensure that licensing fees are collected to recover each board's direct and indirect expenditures to maintain the solvency of the state government special revenue fund. For this reason, the health boards already operate much like agencies with dedicated appropriations—except that they must seek appropriation authority to gain access to their existing fee revenue.

This proposal changes the boards' non-dedicated revenue to dedicated revenue within the same fund and provides each board with a dedicated appropriation from the board's revenue. Additionally, the current accumulated fund balance within the health related boards account will be transferred to individual boards based on each board's contribution to the balance. M.S. 16A.1283 requires that all fee increases be approved by the legislature, so even with a dedicated funding arrangement, the boards must still seek legislative action to increase spending beyond current law fee revenues.

Key Goals and Measures

Minnesota Milestone: Government in Minnesota will be cost-efficient, and services will be designed to meet the needs of the people who use them. Minnesotans expect their state and local governments to spend money carefully and effectively.

Measures:

- Transparency of fees and expenditures
- The level of service provided to licensees and Minnesota citizens.

Statutory Change: Minnesota Statutes Chapter 148

NURSING BOARD

Change Item: Fee Changes

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	\$(32)	\$(32)	\$(32)	\$(32)
Net Fiscal Impact	\$(32)	\$(32)	\$(32)	\$(32)

Recommendation

The Governor's recommends establishing a new fee for registering licensed nurses from bordering states under M.S. 148.211 Subd 2a and repealing temporary permits under M.S. 148.212 Subd. 1(a) and (d) and late fees under M.S. 148.231 Subd. 1. These changes to the board's fee structure would generate \$32,000 less each fiscal year. Additionally, the Governor recommends codifying the Nursing Board's fee structure.

Rationale

The proposal makes three changes to the Nursing Board's current fee structure.

The first change is to establish a fee for registering nurses from bordering states who are recognized by the board as authorized to practice professional or practical nursing without obtaining Minnesota licensure under M.S. 148.11 Subd. 2a. The suggested fee for this service is \$50 per registration. The board expects to generate an additional \$5,000 every other fiscal year to cover costs for registration services and associated technology.

The second fee change is a repeal of temporary permits under M.S. 148.212 Subd 1(a) and (d) which provides for temporary permits for graduate nurses permit upon meeting certain requirements which are obsolete. Prior to computer adaptive testing, licensure examinations were conducted twice yearly which made temporary permits necessary for those individuals who graduated and needed to begin work prior to taking the exam. Licensure examinations are now administered daily thus eliminating the need for permits for graduate nurses. The board would continue to issue permits to applicants for interstate endorsement and to participate in a clinical portion of a refresher course. This change would generate \$10,000 less each year.

The third fee change is to eliminate late fees. This would require a revision to M.S. 148.231 Subdivision 1. to delete the requirement of a "late" fee applied to registration renewal applications that are submitted within 30 days of the licensee's registration expiration date. The removal of the late fee would generate \$25,000 less each fiscal year.

This proposal also seeks to codify the fee structure for the board, grant the authority to accept grants, gifts, registration fees for conferences, and grant the authority to require criminal background checks as a requirement for licensure.

Key Goals and Measures

The mission for the Board of Nursing to protect the public's health and safety by providing reasonable assurance that the people who practice nursing are competent, ethical practitioners with the necessary knowledge and skills appropriate to their title and role. The board provides services through four areas: credentialing, education, discipline/complaint resolution and nursing practice standards. Allowing the board to accept grants and registration fees will enhance the boards' mission of public safety. Establishing a new fee for nurses in boarding states and repealing the grad permits and late application fees will aid the board in its efforts to run more efficiently and cost effectively. Codifying the board's fees within the Nurse Practice Act will provide transparency to those that use the board's services.

Statutory Change: Minnesota Statutes Chapter 148

NURSING BOARD

Agency Revenue Summary

Dollars in Thousands

	Actual FY2010	Budgeted FY2011	Governor's Recomm. FY2012 FY2013		Biennium 2012-13
<u>Non Dedicated Revenue:</u>					
Departmental Earnings:					
State Government Spec Revenue	5,663	5,105	0	0	0
Other Revenues:					
State Government Spec Revenue	(540)	1	0	0	0
Total Non-Dedicated Receipts	5,123	5,106	0	0	0
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
State Government Spec Revenue	0	0	5,041	5,041	10,082
Total Dedicated Receipts	0	0	5,041	5,041	10,082
Agency Total Revenue	5,123	5,106	5,041	5,041	10,082