

Summary of Request:

The Texas Board of Nursing (BON) will be required to complete a Legislative Appropriations Request (LAR) for fiscal years 2024 and 2025 by July 29, 2022. Staff is presenting a list of revised exceptional items to the Board for recommendations to include into the 2024/2025 LAR.

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 completing the 2024/2025 LAR is July 29, 2022.

The legislative items have been prioritized by Board staff. 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 recruit and retain qualified staff and upgrade the agency information technology infrastructure.

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

Staff Recommendation:

Board Action: Move to accept staff recommendations for the list of prioritized exceptional items for the 2024 and 2025 Legislative Appropriations Request as revised which includes the current 2022/2023 base funding.

Exceptional Items
Legislative Appropriations Request
Fiscal Years 2024 and 2025

1. Staff Compensation

The agency turnover rate in fiscal year 2021 was 12% and we consistently experience an ongoing 10% vacancy rate of current positions. The Texas market for staff compensation has increased steadily over the past biennium forcing the Texas BON to increase salary ranges and current staff compensation. To compete in the Central Texas market, the agency will need targeted increases in specific job categories to fill vacant positions and retain current staff.

Implication for the 2024-2025 Biennium

The BON has engaged a firm to provide the agency with a current staff compensation analysis on all staff positions. We would most likely request funding of targeted position classifications. The estimated cost for the biennium could be \$1,100,000.

2. Information Technology

- Increased Agency Bandwidth - \$72,000
- Cybersecurity Assessment and Services - \$50,000
- Cloud Services - \$100,000

Implications for the 2024 - 2025 Biennium

The estimated cost for the biennium could be \$444,000.

3. Staffing

Due to an increase in the number of APRN, international and student applications, the BON hired 10 additional staff above the FTE cap. This is allowed by Article IX of the General Appropriations Act. This exception allows an agency to invoke the rider as long as we don't exceed 10% of our FTE cap. The BON is requesting to keep the additional staff in the next biennium.

Implication for the 2024-2025 Biennium

The estimated cost for the biennium could be \$876,000.

4. Digital Imaging

The Board has 5,494,000 images on microfiche/microfilm that is accessed daily for open records, license verification and historical research. The images were created to comply with records retention requirements and during a period of paper-based applications. As we moved to online applications, the need for microfilm/microfiche was no longer needed as images were stored in digital format. The microfiche is currently stored in the Hobby Building in a secured room outside the board offices. As we move to the George H.W. Bush Building, we do not have room for the 20 cabinets which store the microfiche. Also, it is time consuming for staff to locate and retrieve documents needed for open record requests, enforcement cases, license inquiries

and historical research. We received a bid from the Texas State Library in the amount of \$769,221.43 to digitize the contents of the microfiche into a digital format over a twelve-year period. Staff is recommending that requesting funding over a six-year period and contract with the Texas State Library and a private vendor to complete this process in a timely manner.

Implication for the 2024-2025 Biennium

The estimated cost for the biennium would be \$250,000.

5. Executive Directory Salary

The Board will be requesting that the salary of the Executive Director be set by the Board within salary group five of the Schedule of Exempt Positions in the State's Position Classification Plan and be set at the top rate of the Executive Compensation analysis by the Office of the State Auditor.

Implication for the 2024-2025 Biennium

The cost to increase the Executive Director Salary could be absorbed in the budget.

Implication to Agency Fees

The agency is required to raise \$29,347,767 for fiscal years 2022 and 2023 within the current fee structure in general revenue. We estimate that by August 31, 2023 we will exceed that requirement by \$1,500,000. Provided that we continue to experience the growth of RNs and APRNs in fiscal years 2024 and 2025, we anticipate an additional \$500,000 in general revenue without raising fees.

Without raising fees, the agency could absorb any additional costs in the next biennium if granted increased staff compensation, additional information technology cost, increased staffing, digital imaging and executive director salary increase.