

AR STATE BOARD OF NURSING

Enabling Laws

Act 243 of 2003
ACA §17-87-203 & 205

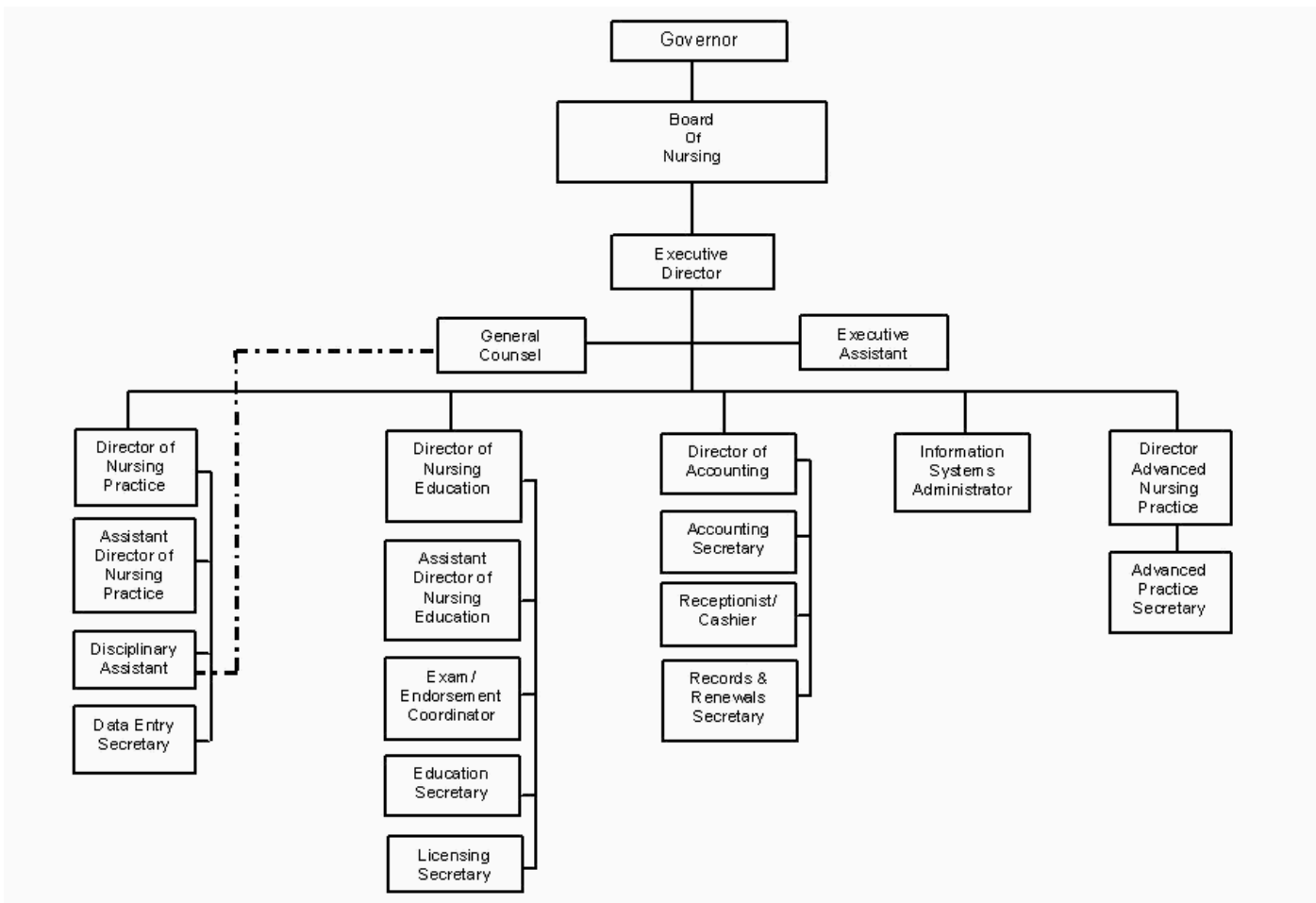
History and Organization

The "State Board of Nurse Examiners" was created by Act 128 of 1913. The Board is composed of fifteen members, appointed by the Governor, subject to confirmation by the Senate. The mission of the Arkansas State Board of Nursing is to protect the public and act as their advocate by effectively regulating the practice of nursing.

Statutory Responsibility & Primary Activities: Pursuant to ACA §17-87-203, the Board of Nursing carries out the following responsibilities in the interest of public protection: (1) Cause the prosecution of persons violating the nurse practice act; (2) Employ personnel necessary for carrying out its functions; (3) Study, review, develop, and recommend role levels of technical classes of nursing service and practice to state and federal health agencies and to public and private administrative bodies; (4) Prescribe minimum standards and approve curricula for educational programs preparing persons for licensure as registered nurses, advanced practice nurses, registered nurse practitioner nurses, licensed practical nurses, and licensed psychiatric technician nurses; (5) Provide for surveys of such programs at such times as it deems necessary, or at the request of the schools; (6) Approve programs that meet the requirements of the law; (7) Deny or withdraw approval from educational programs for failure to meet prescribed standards; (8) Examine, license, and renew the licenses of duly qualified applicants for professional nursing, practical nursing, and psychiatric technician nursing; (9) License and renew the licenses of qualified applicants for registered nurse practitioner and advanced practice nursing; (10) Grant certificates of prescriptive authority to qualified advanced practice nurses; (11) Convene an advisory committee as provided for in the law to assist with oversight of prescriptive authority; and (12) Conduct disciplinary proceedings as provided for in the law. There are currently 48,703 licenses issued by the Board.

Advisory Board or Commission: ACA §17-87-205 created a Prescriptive Authority Advisory Committee to assist the Board in implementing the provisions for prescriptive authority, which was authorized by Act 409 of 1995. This is a five (5) member multidisciplinary committee, which meets approximately quarterly to deal with prescriptive issues.

In addition, the Board has an advisory group comprised of directors of each nursing education program in the state. The Nurse Administrators of Nursing Education Programs is a fifty-four (54) member advisory group, which advises the Board on nursing educational issues in the state.



Agency Commentary

Receipts from license fees finance the Board of Nursing operations. The Board is responsible for licensing, examination, endorsement, education and discipline of over 46,000 nurses and has sufficient revenue and fund balance to accommodate the requests described herein. In comparison with other states in the region, the annual operating budget is the lowest and the ratio of numbers of licensees to each staff person is the second highest in the region. In order to execute the Board's responsibilities and fulfill the public protection mission, the following change requests are imperative.

The Board of Nursing requests Base Level for the 2005-2007 biennium plus the following Change Level requests:

- Personnel budget request for appropriation of the Board's funds for a salary increase for the Director of Accounting. This is a director level position with several staff reporting to this individual yet is paid approximately \$20,000 less than other director positions within the agency. In March of 2002 the ASBN lost their Director of Accounting to another state agency. The survey of other state agencies and private firms shows that the current salary paid by ASBN falls significantly below that of other agencies. With the additional duties of the student loans, cash fund, special revenue and the regulation of nursing assistants, the salary we have to offer makes it difficult to retain someone with the education and experience necessary to manage the

complex issues required in this position. The Board of Nursing respectfully requests an extraordinary increase in the salary for this position up to the amount paid other directors within the agency.

- The Board requests a cash fund appropriation to cover printing, rent of facilities, equipment and speakers for continuing education workshops mandated by ACA §17-87-207. Partnering with a professional association or facility to accept registration fees and pay expenses has provided past workshops, however the Board has incurred expenses with no offset in revenue with this arrangement. Establishment of this account will allow the Board to accept the registration fees and pay expenses for the workshops. The appropriation will be funded from receipt of registration fees.
- IT request to purchase portable notebook computers, software, and scanner to move to paperless board meetings. Currently staff prepares packets for those attending meetings that contain extensive reports and information necessary to conduct the business of the Board of Nursing. In addition to supplies and staff time to copy the information, mailing of the packets has become a significant expenditure. Most of the modifications to move to paperless meetings are a one-time expense. The remainder of the IT request is for annual software licenses for the agency's licensing database, upgrading the firewall, Windows, and backup software.
- Capital Outlay request of \$12,500 in each year of the upcoming biennium is requested to replace outdated, obsolete and malfunctioning equipment. These funds would be used to replace equipment that is beyond repair or equipment that is too expensive to maintain.
- Act 84 of 2003 re-established the nursing student loan fund which allows scholarship funding to nursing students who agree to work in Arkansas following graduation. This fund was established to address the critical shortage of nurses and is being requested to be continued in the amount of \$45,000 each year as money is contributed to the fund by outside sources.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE BOARD OF NURSING
FOR THE YEAR ENDED JUNE 30, 2003

Findings

Recommendations

The Agency failed to establish effective controls over accounts receivable and fixed assets. The Agency's accounts receivable subsidiary ledger did not agree with balances recorded in the Arkansas Administrative Statewide Information System (AASIS) and capital equipment totaling \$70,789 was reclassified to low value equipment without proper approval. The lack of controls could result in inaccurate financial reporting and place assets at risk.

Employment Summary

	Male	Female	Total	%
White Employees	2	15	17	85 %
Black Employees	0	2	2	10 %
Other Racial Minorities	0	1	1	5 %
Total Minorities			3	15%
Total Employees			20	100 %

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Report	17-87-203(4)	Y	N	200	Existence of statutory requirement

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Department Appropriation / Program Summary

Appropriation / Program	Historical Data						Agency Request and Executive Recommendation							
	2003-2004		2004-2005		2004-2005		2005-2006				2006-2007			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
1PZ Scholar Loans	25,000	0	0	0	0	0	45,000	0	45,000	0	45,000	0	45,000	0
286 Board of Nursing-Operations	1,552,800	19	1,614,912	19	1,606,653	19	1,742,286	20	1,716,089	20	1,832,479	20	1,805,686	20
2MA Nursing Education Workshops	0	0	0	0	0	0	16,000	0	16,000	0	16,000	0	16,000	0
Total	1,577,800	19	1,614,912	19	1,606,653	19	1,803,286	20	1,777,089	20	1,893,479	20	1,866,686	20

Funding Sources			%		%		%		%		%		%	
Fund Balance	4000005	1,795,080	51.9	1,883,092	55.6		1,772,180	53.2	1,772,180	53.2	1,529,894	49.5	1,556,091	49.9
Special Revenue	4000030	1,665,812	48.1	1,504,000	44.4		1,545,000	46.4	1,545,000	46.4	1,545,000	50.0	1,545,000	49.6
Cash Fund	4000045	0	0.0	0	0.0		16,000	0.4	16,000	0.4	16,000	0.5	16,000	0.5
Total Funds		3,460,892	100.0	3,387,092	100.0		3,333,180	100.0	3,333,180	100.0	3,090,894	100.0	3,117,091	100.0
Excess Appropriation/(Funding)		(1,883,092)		(1,772,180)			(1,529,894)		(1,556,091)		(1,197,415)		(1,250,405)	
Grand Total		1,577,800		1,614,912			1,803,286		1,777,089		1,893,479		1,866,686	

1PZ - Act 243 of 2003 appropriated a biennial amount of \$90,000. The Agency is requesting a Change Level of \$45,000 for each year of the 2005-2007 biennium to make loans to Nursing Students in Arkansas

2MA - The board is requesting a Cash Fund Appropriation to provide for Continuing Education Workshops mandated by A.C.A. §17-87-207

Analysis of Budget Request

Appropriation / Program: 1PZ - Scholar Loans

Funding Sources: MBP-Nursing Student Loan Revolving Fund

The State Board of Nursing Student Loan Revolving Fund consist of funds appropriated for the Nursing Student Loan Program, federal funds, gifts, grants, bequests, devises, donations, and general revenues, there to be used by the Arkansas State Board of Nursing for making loans for nursing scholarship, as authorized by Arkansas Code Annotated § 6-81-1401.

Act 243 of 2003 appropriated a biennial amount of \$90,000. The Agency is requesting a Change Level of \$45,000 for each year of the 2005-2007 biennium to make loans to Nursing Students in Arkansas.

The Executive Recommendation provides for Agency Request.

Appropriation / Program Summary

Appropriation / Program: 1PZ Scholar Loans
Funding Sources: MBP-Nursing Student Loan Revolving Fund

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2003-2004 Actual	2004-2005 Budget	2004-2005 Authorized	2005-2006			2006-2007		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Loans 5120029	25,000	0	0	0	45,000	45,000	0	45,000	45,000
Total	25,000	0	0	0	45,000	45,000	0	45,000	45,000
Funding Sources									
Fund Balance 4000005	25,971	34,989		38,989	38,989	38,989	38,989	38,989	38,989
Special Revenue 4000030	34,018	4,000		0	45,000	45,000	0	45,000	45,000
Total Funding	59,989	38,989		38,989	83,989	83,989	38,989	83,989	83,989
Excess Appropriation/(Funding)	(34,989)	(38,989)		(38,989)	(38,989)	(38,989)	(38,989)	(38,989)	(38,989)
Grand Total	25,000	0		0	45,000	45,000	0	45,000	45,000

Act 243 of 2003 appropriated a biennial amount of \$90,000. The Agency is requesting a Change Level of \$45,000 for each year of the 2005-2007 biennium to make loans to Nursing Students in Arkansas

Change Level by Appropriation

Appropriation / Program: 1PZ-Scholar Loans

Funding Sources: MBP-Nursing Student Loan Revolving Fund

Agency Request

Change Level	2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
C02 New Program	45,000	0	45,000	100.0	45,000	0	45,000	100.0

Executive Recommendation

Change Level	2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
C02 New Program	45,000	0	45,000	100.0	45,000	0	45,000	100.0

Justification

C02	Act 84 of 2003 re-established the nursing student loan fund which allows scholarship funding to nursing students who agree to work in Arkansas following graduation. This fund was established to address the critical shortage of nurses and is being requested to be continued in the amount of \$45,000 each year as money is contributed to the fund by outside sources.
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Analysis of Budget Request

Appropriation / Program: 286 - Board of Nursing-Operations

Funding Sources: SBN-State Board of Nursing Fund

The State Board of Nursing is funded from the receipt of fees charged by the Agency, as authorized by Arkansas Code Annotated §17-87-306. The Agency requests a Base Level budget of \$1,642,181 for FY06 and \$1,673,069 for FY07.

Base Level for this appropriation includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for nineteen (19) Base Level positions. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

Change Level requests total \$100,105 in FY06 and \$159,410 in FY07.

Change Level requests include the following:

- An increase of \$50,392 in FY06 and \$51,786 in FY07 (includes Personal Services Matching) for the continuation of a Supplemental position approved in FY05 (Nursing Board Disciplinary Coordinator) to handle complaints, investigations, and disciplinary actions for nurses.
- An increase in Operating Expenses for \$11,016 in FY06 & \$68,331 in FY07 would provide for the purchase of hardware, software, and licenses that are needed to make the board meetings more efficient and reduce current costs by moving toward an implementation of paperless board meetings. This request also includes increases for current needs for IT related upgrades, firewalls for the nursing license software, backup software, and maintenance.
- An increase in Capital Outlay of \$12,500 each year to replace office equipment & furniture that is beyond repair and too expensive to maintain.
- An Extraordinary Salary Increase is requested for the Nursing Board Director of Accounting in the amount of \$26,197 in FY06 & \$26,793 in FY07 (Personal Services Matching included) due to a substantial increase in work load, hours, additional duties, and responsibilities required.
- A request for Title Changes for two (2) positions which will better reflect the actual position description. Title Changes requested are the Nursing Board Program Coordinator changed to Director of Nursing Education, and the Computer Services Specialist changed to Information Systems Administrator.

The Executive Recommendation provides for Agency Request with the exception of the Extraordinary Salary Increase for the Nursing Board Director of Accounting.

Appropriation / Program Summary

Appropriation / Program: 286 Board of Nursing-Operations
Funding Sources: SBN-State Board of Nursing Fund

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2003-2004 Actual	2004-2005 Budget	2004-2005 Authorized	2005-2006			2006-2007		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	847,259	891,283	891,723	916,682	977,917	955,866	942,682	1,005,594	983,041
#Positions	19	19	19	19	20	20	19	20	20
Personal Services Matching 5010003	213,443	231,126	222,427	245,296	260,650	256,504	250,184	265,851	261,611
Operating Expenses 5020002	382,574	384,173	384,173	384,173	395,189	395,189	384,173	450,509	450,509
Travel-Conference Fees 5050009	20,363	26,048	26,048	26,048	26,048	26,048	26,048	26,048	26,048
Professional Fees and Services 5060010	13,362	20,482	20,482	20,482	20,482	20,482	20,482	22,477	22,477
Data Processing 5090012	48,494	48,500	48,500	48,500	48,500	48,500	48,500	48,500	48,500
Refund/Reimbursements 5110014	523	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Capital Outlay 5120011	26,782	12,300	12,300	0	12,500	12,500	0	12,500	12,500
Total	1,552,800	1,614,912	1,606,653	1,642,181	1,742,286	1,716,089	1,673,069	1,832,479	1,805,686
Funding Sources									
Fund Balance 4000005	1,769,109	1,848,103		1,733,191	1,733,191	1,733,191	1,490,905	1,490,905	1,517,102
Special Revenue 4000030	1,631,794	1,500,000		1,399,895	1,500,000	1,500,000	1,340,590	1,500,000	1,500,000
Total Funding	3,400,903	3,348,103		3,133,086	3,233,191	3,233,191	2,831,495	2,990,905	3,017,102
Excess Appropriation/(Funding)	(1,848,103)	(1,733,191)		(1,490,905)	(1,490,905)	(1,517,102)	(1,158,426)	(1,158,426)	(1,211,416)
Grand Total	1,552,800	1,614,912		1,642,181	1,742,286	1,716,089	1,673,069	1,832,479	1,805,686

Personal Service Matching exceeds authorized amount due to matching rate adjustments during the 2003-05 biennium.

Change Level by Appropriation

Appropriation / Program: 286-Board of Nursing-Operations
Funding Sources: SBN-State Board of Nursing Fund

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	1,642,181	19	1,642,181	100.0	1,673,069	19	1,673,069	100.0
C01	Existing Program	12,500	0	1,654,681	100.7	12,500	0	1,685,569	100.7
C06	Restored Position	50,392	1	1,705,073	103.8	51,786	1	1,737,355	103.8
C08	Technology	11,016	0	1,716,089	104.5	68,331	0	1,805,686	107.9
C14	Title Change	0	0	1,716,089	104.5	0	0	1,805,686	107.9
C15	Ex Salary Increase	26,197	0	1,742,286	106.1	26,793	0	1,832,479	109.5

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	1,642,181	19	1,642,181	100.0	1,673,069	19	1,673,069	100.0
C01	Existing Program	12,500	0	1,654,681	100.7	12,500	0	1,685,569	100.7
C06	Restored Position	50,392	1	1,705,073	103.8	51,786	1	1,737,355	103.8
C08	Technology	11,016	0	1,716,089	104.5	68,331	0	1,805,686	107.9
C14	Title Change	0	0	1,716,089	104.5	0	0	1,805,686	107.9
C15	Ex Salary Increase	0	0	1,716,089	104.5	0	0	1,805,686	107.9

Justification

C01	The capital outlay request is to cover expenses of equipment malfunction and replacement. The amount of \$12,500 in Capital Outlay is needed in each year of the upcoming Biennium to replace equipment that is beyond repair, equipment that becomes obsolete or equipment that is too expensive to maintain. The purchases would assist the agency to maintain efficient operations.
C06	Continuation of a Supplemental position approved in FY05 (Nursing Board Disciplinary Coordinator) to handle complaints, investigations, and disciplinary actions for nurses.
C08	To increase efficiency and reduce costs, the Board is moving toward implementation of paperless meetings. Currently agency staff prepares packets for Board members and staff attending meetings. These packets contain extensive reports and information necessary to conduct the business of the Board of Nursing. Packets are generally priority-mailed to Board members who reside throughout the State. In addition to supplies and staff time to copy the information, mailing of the packets has become a significant expenditure. The agency is requesting approval to purchase hardware and software so all information can be distributed electronically, thereby improving efficiency and reducing costs. The estimated price for software, hardware and electrical modifications to the Boardroom to accommodate the laptop computers for this project is \$57,315, most of which is one time expenses. The request for the first fiscal year and the remainder of the IT request in the second fiscal year are for annual software licenses for the agency's licensing database which includes all nurses licensed in the state and all discipline against licensees, upgrading firewall, Windows and backup software. The purchases will assist the agency to maintain efficient operations and to reduce costs in this time of budget constraints and staffing limitations.
C14	A request for Title Changes for two (2) positions which will better reflect the actual position description. Title Changes requested are the Nursing Board Program Coordinator changed to Director of Nursing Education, and the Computer Services Specialist changed to Information Systems Administrator.
C15	This is a director level position with several staff reporting to this individual yet is paid approximately \$20,000 less than other director positions within the agency. In March of 2002 the ASBN lost their Director of Accounting to another state agency. The survey of other state agencies and private firms shows that the current salary paid by ASBN falls significantly below that of other agencies. With the additional duties of the student loans, cash fund in addition to special revenue and the regulation of nursing assistants, the salary we have to offer makes it difficult to retain someone with the education and experience necessary to manage the complex issues required in this position. The Board of Nursing respectfully requests an extraordinary increase in the salary for this position up to the amount paid other directors within the agency.

Analysis of Budget Request

Appropriation / Program: 2MA - Nursing Education Workshops

Funding Sources: NNR-Cash in Treasury

The Board is requesting a Cash Fund Appropriation to provide for Continuing Education Workshops mandated by A.C.A. §17-87-207. The Board is requesting this Cash Fund appropriation for the remainder of FY05 at the September 2004 meeting of The Performance Evaluation & Expenditure Review (PEER) Committee.

Change Level requests total \$16,000 each year (\$15,000 in Operating & \$1,000 in Professional Fees and Services) of the 2005-2007 biennium. This will allow The Nursing Board to accept registration fees and pay expenses incurred by the workshops. The appropriation will be funded from receipt of registration fees.

The Executive Recommendation provides for Agency Request.

Appropriation / Program Summary

Appropriation / Program: 2MA Nursing Education Workshops
Funding Sources: NNR-Cash in Treasury

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2003-2004 Actual	2004-2005 Budget	2004-2005 Authorized	2005-2006			2006-2007		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	0	0	15,000	15,000	0	15,000	15,000
Professional Fees and Services 5060010	0	0	0	0	1,000	1,000	0	1,000	1,000
Total	0	0	0	0	16,000	16,000	0	16,000	16,000
Funding Sources									
Cash Fund 4000045	0	0		0	16,000	16,000	0	16,000	16,000
Total Funding	0	0		0	16,000	16,000	0	16,000	16,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	16,000	16,000	0	16,000	16,000

The board is requesting a Cash Fund Appropriation to provide for Continuing Education Workshops mandated by A.C.A. §17-87-207

Change Level by Appropriation

Appropriation / Program: 2MA-Nursing Education Workshops
Funding Sources: NNR-Cash in Treasury

Agency Request

Change Level	2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
C02 New Program	16,000	0	16,000	100.0	16,000	0	16,000	100.0

Executive Recommendation

Change Level	2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
C02 New Program	16,000	0	16,000	100.0	16,000	0	16,000	100.0

Justification

C02	The Board requests a cash fund appropriation to cover printing, rent of facilities, equipment and speakers for continuing education workshops mandated by ACA §17-87-207. Partnering with a professional association or facility to accept registration fees and pay expenses has provided past workshops, however the Board has incurred expenses with no offset in revenue with this arrangement. Establishment of this account will allow the Board to accept the registration fees and pay expenses for the workshops. The appropriation will be funded from receipt of registration fees.
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