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To: Office of Strategic Planning & Budget

Through: Arizona State Board of Nursing
Board Members

From: Joey Ridenour, RN, MN, FAAN
Randi Orchard, Fiscal Services Manager

As requested by Governor Brewer, the Arizona State Board of Nursing is submitting this plan to reduce the agency's expenditures by 15% in FY 2010.

Historically, the appropriation authority for the Board of Nursing has not provided sufficient funding to adequately cover the costs of daily operations for the licensure and regulation of both the RN/LPN and the CNA communities. This has meant that the Board faced significant challenges in terms of its ability to uphold the core mission of protecting public safety and welfare from unsafe and incompetent certified nursing assistants and licenses nurses. This challenge exists due to the inadequate funding of the CNA program, which for 14 years the Nursing board worked tirelessly to 'stretch' its funding in an effort to maintain both programs.

Unfortunately, the Board could no longer manage both programs and keep the public from risk indefinitely without additional funding to cover the cost of daily operations. To address the budgetary shortfall, the agency received approval for supplemental appropriations, totaling \$561,300 for FY08 and FY09 to cover the operating costs of the CNA program. However, during the past legislative session the Legislature eliminated this funding and appropriated other Board funds leaving the agency without additional funding or appropriation approval needed to cover this cost of the CNA program. The current request to reduce the appropriation by 15%, \$623,085, equates to losing 111% of the supplemental appropriation authority granted in FY 2009. Yet the Board remains responsible for the CNA fingerprinting, an expense that exceeds \$140,000 per year. In essence, the agency actually saw its appropriation decrease by \$763,085, over 18% of the original appropriation, much of which was intended for use in the regulation and oversight of the CNA program. If this were to take place, the Nursing Board will not only be left with an appropriation less than that of FY 2006, a year when the Board could not cover all operating expenses, and will not be in a position to continue the regulation of the CNA program.

Since inception in 1921, the Nursing Board worked within its appropriation to cover the costs of one program, the licensure and regulation of the RN/LPN. Never in all the years since the Board has overseen the CNA program, has additional funding been specifically appropriated to the CNA program. It has only been through the 'sharing of funding' of the RN/LPN appropriations that the agency has been successful in the certification and regulation of the CNA. Currently, the total CNA program costs approximately \$975,000. With the added responsibility of fingerprinting the cost of the program exceeds \$1,000,000.

If the additional 15% fund cut proposal is approved, the Nursing Board will no longer be able to sustain even minimum levels of operation for the RN/LPN program and the CNA program, nor be able to carry out the statutory mandate in protecting the public from risk and harm. To meet the 15% reduction goals, dire cuts in operations must take place. Therefore, the Board proposes to eliminate the CNA program in all areas which includes licensing of approximately 25,000 Certified Nursing Assistants, 840 investigations per year, and education program approval for approximately 140 CNA Programs every two years. This equates to more than a 50% reduction in program resources, which will leave the agency crippled, unable to handle the investigative caseloads, and the licensure of the RN/LPNs or CNAs in a manner sufficient to meet the public health and safety needs.

- Currently, the agency regulates over 106,000 licensees/certificate holders. This is inclusive of the Advanced Practice Nurse (APRN), Registered Nurse (RN), the Licensed Practical Nurse (LPN), and the Certified Nurse Assistant (CNA).
- Total number of applications that will be processed in FY 2010 is estimated to be over 38,000.
- Approximately 33,000 licenses will be issued in FY 2010.
- In the past 24 months, the agency has received and opened approximately 4354 complaints. These numbers are despite the fact that over the past several years, the agency and Board have established triage/complaint case opening criteria aimed at eliminating time and resources spent on investigating allegations that even if true, do not represent a violation of the statutes and rules and do not put the public at risk. The 4354 cases opened does not take into account approximately 500 additional complaints received and after review, is determined to not meet criteria for further investigation. Although not opened, significant staff time and resources must be dedicated to the review process, communicating with the complainant and referring matters to other agencies as deemed appropriate such as the Department of Health Services or Adult Protective Services.
- Complaints related to CNA's accounted for **1680** or 40% of the total number of complaints received in the past 24 months.
- Complaints related to RN/LPNs accounted for **2674** or 60% of the total number of complaints received in the past 24 months.
- Of all investigations, approximately 72% will result in disciplinary action. Disciplinary action that involves probation, suspension and financial penalties require further resources to monitor and assure compliance with the disciplinary order.

- Currently, the Board has:
 - Approximately 950 complaint investigations cases open pending review by the Board.
 - Approximately 180 investigative cases that have been reviewed by the Board and determined to require disciplinary action. The disciplinary action is pending implementation or referral to the Hearing Department.
 - 118 cases in the Hearing Department and pending formal Hearings.
 - Approximately 450 cases in the agency's discipline monitoring program, and 162 cases in the CANDO (Chemically Addicted Nurse Division Option) program.

If numbers remain the same and the agency is forced to eliminate investigative positions, it estimates that the following outcomes will be realized:

- Average case load per investigator will increase 169% from the current average of 80 to 215 cases per investigator
- Average cycle time per investigation will increase 270% from the current 6.3 months to board to 17.01 months
- Average cases in the Hearing Department is currently 118 and with an increase of 60 hearings per year and with only one Assistant AG completing two hearing cases per month; the average case will take 7.4 years to be resolved.

The agency is already under pressure from licensees, employers, complainants and the public to resolve complaint investigations more timely. Historically, as case cycle times increase, the cost of investigations also increase, perhaps as much as 50%, due in part to the fact that individuals are not willing to settle their case when able to 'practice' before the investigation and hearing process is complete. Many individuals choose to be heard by an Administrative Law Judge, at a formal Hearing -- at no cost to them -- but is very costly to the Board. In the past, there have been instances where one case cost the agency over \$15,000.

As can be seen from the information above, without the current level of resources maintained, the Nursing Board can no longer cover the costs of the CNA program.

**FY 2010 BUDGET REDUCTIONS - SUMMARY OF ISSUES
BOARD OF NURSING**

ALL NON-GENERAL FUNDS

FY 2010 All Non-General Funds Budget (less Federal Funds) 4,153,900

AGENCY REDUCTION TARGET - ALL NON-GENERAL FUNDS (w/o Federal Funds) \$623,000

Fund	Reductions Amount	Percent Reductions
Board of Nursing Fund	\$623,085	100.0%
Issue Total	\$623,085	
All Non-General Funds Total as a Percentage of Agency Non-GF Reduction Target		100%

**FY 2010 BUDGET REDUCTIONS - SUMMARY OF ISSUES
BOARD OF NURSING**

BOARD OF NURSING FUND

FY 2010 All Non-General Funds Budget (less Federal Funds) 4,153,900

AGENCY REDUCTION TARGET - ALL NON-GENERAL FUNDS (w/o Federal Funds) \$623,000

Priority	Issue Title¹	Reductions Amount
1	Travel In State and Out of State	\$7,651
2	Office of Administrative Hearings	\$8,174
3	Outside Consultant for Education and Program Review	\$16,500
4	Other Operation Expenses	\$17,316
5	Board Member Payroll	\$10,064
6	Database Maintenance and Statutory Revisions (Update/Upgrade)	\$10,410
7	Postage	\$36,500
8	Attorney General ISA	\$85,879
9	FTE Reductions	\$430,591
Issue Total		\$623,085
Fund Total as a Percentage of Non-General Fund Reduction Target		100%

¹ Please complete the attached Description and Impact Statement for each issue.

**STATE OF ARIZONA
FY 2010 BUDGET REDUCTIONS - ISSUE DESCRIPTIONS**

ARIZONA STATE BOARD OF NURSING

Issue Title: TRAVEL-IN STATE AND OUT OF STATE

Issue Priority: 1

Reduction Amounts:

Nursing Board Fund: \$7,651

Total: \$7,651

Issue Description and Statement of Effects

A.R.S. 32-1644 and 32-1606(B)

The proposed reduction in travel expense represents almost a 50% reduction in the current budgeted funding for FY 2010 and 2011. Travel, within the state, is predominately a task that is the central job duty of specific personnel in the Education Division of the agency.

Reduction of travel within the state directly affects the agency's statutory mandate to approve and over see, on a continual bases, all new and existing nursing school review, of the standards and practices in the design of course curriculum for all of the nursing programs, for the RN/LPN and for the C.N.A., as set for the in the omnibus act of 1988. Currently, there are approximately 46 Nursing Programs, approximately 19 Advanced Practice Nursing Programs, and approximately 140 C.N.A. training programs that the Nursing Board oversees for program approval. (See Nursing Program Listing, Advanced Practice Nursing Programs Listing and Nursing Assistant Training Programs Listing).

Nursing programs are reviewed upon expiration of approval and also as a response to a complaint or Board directive. The review involves 8 to 10 hours of reading and a 2-3 day site visit where individuals are interviewed and on site documents are examined. Usually the review involves a clinical site visit as well. The travel is dependent on the distance and number of sites per program. The maximum travel time is 8 hours, as most programs are no more than 4 hours away. The exception would be those sites in the Mohave program. In that case it would be days.

Without adequate travel expense coverage the program is seriously jeopardized. The reviewer would not be able to successfully carry out program mandates. In addition many of the problems are minimized or hidden in self study reports. Programs cannot

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be understood, and issues identified without speaking directly to students and faculty. This also holds true to understanding the program outside of the context of the community that it is a part of. It is the cost of travel outside of the Phoenix area that would be difficult for competent review, if not impossible, if the approval process were to take place anywhere but on the program campus.

Most of the in-state travel expense is allocated to the individual that performs the C.N.A. program reviews. That individual spends approximately 1/3 of the time in travel status. Site visits are usually 2-3 day trips. These programs are reviewed every two years. It involves paper review of the application and an on-site review, similar to that of the Nursing Program reviews where faculty are interviewed and program analysis is performed. The whole process takes 3-5 hours per program, not including travel time. Over 50% of the C.N.A. training programs are located outside the metro Phoenix area, many which involve over night stays. (see C.N.A. Training Program listing) The quality and standard of review is most certainly compromised without adequate funding to support travel to these locations.

While some of the 'paper' review of programs could take place from a distance, there is no replacement or back up plan to take the place of the 'on-site' visit. From that perspective the integrity of the Nursing Board's education review program is at stake.

The skill and competency of a licensing applicant directly correlates to the standards and quality of the institution from which they graduate. It is through the Nursing Board, acting as overseer, which sets the scholastic standards for nursing schools throughout the state. Through program design and regulation capable, skilled and competent individuals graduate each year, further ensuring public welfare and safety is secure.

Out of State Travel:

As the annual agency budget allows, the Nursing Board sends 1-2 investigator staff and an Attorney General to attend investigator/attorney symposiums where the focus is on new and emerging techniques that assist the attorneys and investigators to be more effective in their roles. Additionally, the Executive Director may travel out of state for conferences with other regulatory boards for exchange of information on public policy, nursing practice and education.

Alternatives to out of state travel would be to utilize on-line conferencing and webinars when available.

**STATE OF ARIZONA
FY 2010 BUDGET REDUCTIONS - ISSUE DESCRIPTIONS**

ARIZONA STATE BOARD OF NURSING

Issue Title: Office of Administrative Hearings

Issue Priority: 2

Reduction Amounts:

Nursing Board Fund: \$8,174

Total: \$8,174

Issue Description and Statement of Effects

A.R.S. 32-1633© 32-1664(J) (P) and 32-1665

The proposed reduction in expenses to the Office of Administrative Hearings represents a 34% decrease in anticipated expenditures for 2010. Please note this expense is not a cost that the Nursing Board can control. The costs are unpredictable. Annual costs are determined case by case, and specific to the individual licensee. The Administrative Hearing Department is under the Regulatory Division of the Nursing Board for all licensees, RN/LPN and C.N.A.

As this expense is affected by other reductions, much like a domino effect, please see attached document from the Nursing Board for further information on the effect of the 15% reduction on the agency programs.

**STATE OF ARIZONA
FY 2010 BUDGET REDUCTIONS - ISSUE DESCRIPTIONS**

ARIZONA STATE BOARD OF NURSING

Issue Title: Outside Consultant for Education Program Review

Issue Priority: 3

Reduction Amounts:

Nursing Board Fund: \$16,500

Total: \$16,500

Issue Description and Statement of Effects

A.R.S. 32-1664 and 32-1606(B)

The reduction in the expense for the Outside Education Consultant for the Nursing school program reviews represents a 50% decrease in planned expenditures. The outside Education Consultant is under the Education Division of the Nursing Board.

Reduction of the consultant by 50% drastically restricts the ability to comply with the agency's statutory mandate to approve and over see, on a continual basis, all new and existing nursing school programs throughout the state. This involves the initial establishment and ongoing review, of the standards and practices in the design of course curriculum for all of the nursing programs, for the RN/LPN. Without an additional individual reviewing the Nursing programs all reviews will be left to the Associate Director of Education. At that point the Associate Director will not be able to support her other responsibilities at the agency, which include, but are not limited to, rulemaking/legislation, chairman of the Education Committee, which is the committee that evaluates the standard of the Nursing Education in the state, and is a member of the nursing Advance Practice committee. Over time programs will not be reviewed within specific timeframes, thus extending the wait for approval, the processes for oversight will break down, which in turn cause the standards in nursing education to decline, and therefore, the student will suffer, which, in the end, would equate to the public's safety and welfare being put at risk for below standard nursing practice and care.

Currently, there are approximately 46 Nursing Programs within the state. Nursing programs are reviewed upon expiration of approval and also as a response to a complaint or Board directive. The review involves 8 to 10 hours of reading and a 2-3 day site visit where individuals are interviewed and on site documents are examined. Usually the review involves a clinical site visit as well.

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**STATE OF ARIZONA
FY 2010 BUDGET REDUCTIONS - ISSUE DESCRIPTIONS**

ARIZONA STATE BOARD OF NURSING

Issue Title: Other Operating Expenses

Issue Priority: 4

Reduction Amounts:

Nursing Board Fund: \$17,316

Total: \$17,316

Issue Description and Statement of Effects

The 'other operating expense' reduction is comprised of miscellaneous office expenditures that are normal to daily operations. The sources of these expenditures is agency wide. Most of the items reduced represent a 27% reduction in the planned expenditures; however a few reductions are at 50% or higher. Examples of some of the costs are office supplies, paper, printing, and equipment maintenance and supplies.

Without the proper resources available, or equipment in working order, the quality, productivity, and efficiency of the work output will suffer across programs.

For additional information please see the attached document from the Nursing Board.

**STATE OF ARIZONA
FY 2010 BUDGET REDUCTIONS - ISSUE DESCRIPTIONS**

ARIZONA STATE BOARD OF NURSING

Issue Title: Board Member Payroll

Issue Priority: 5

Reduction Amounts:

Nursing Board Fund: \$10,064

Total: \$10,064

Issue Description and Statement of Effects

A.R.S. 32-1602, 32-1603, 32-1604, 32-1605, 32-1606, 32-1646

This is the body of individuals that oversee the licensing and regulation of the Registered Nurse (RN), Licensed Practical Nurse (LPN), and the Certified Nursing Assistant (C.N.A.). It is through their governance that the statutory mandates of the Nursing community are subscribed to and enforced. Until recently, the 'Board' was composed of nine members. Recent enacted legislation increased the members to 11. Meetings are held six times a fiscal year. Many of the Board members also serve time on various committees, at the agency, working on nursing education and practice policy matters and issues. The Board members are compensated for all time spent on agency business.

In compliance with the 15% reduction request, it is necessary to reduce the Board member's payroll. Currently, there are 8 members serving on the Board. With the recent legislation, 2 additional seats, there are 3 vacancies. To reduce expenditures, the Board will not fill the 3 vacancies, 1 member, instead of 2, will attend committee meetings. Regular Board meetings will be held 4 times a fiscal year, quarterly, instead of 6 and there is to be no out of state travel for any board member.

This reduction in Board member time will have a great impact on the regulation of all licensees. The timeframe for adjudication of the licensing and investigative cases will increase drastically. This is detrimental to the safety and welfare of the community.

Detailed information is in the attached document from the Nursing Board.

**STATE OF ARIZONA
FY 2010 BUDGET REDUCTIONS - ISSUE DESCRIPTIONS**

ARIZONA STATE BOARD OF NURSING

Issue Title: Database Maintenance and Statutory Revisions (Update/Upgrade)

Issue Priority: 6

Reduction Amounts:

Board of Nursing Fund: \$10,410

Total: \$10,410

Issue Description and Statement of Effects

A.R.S. 32-1609, 32-1632-32-1642, 32-1645-32-1649, 32-1661-32-1668

The Licensing/Regulation database maintenance is reduced by 50%. Use of the database is agency wide for all licensing, regulation and education programs for the Registered Nurse, Licensed Practical Nurse and the Certified Nursing Assistant. The agency has an ongoing maintenance contract for system 'repairs' and updates. When necessary the program also implements new additions or changes to the database.

Record of all licensee and investigation information is stored in this database. Online verifications, license renewals, and the licensing and investigative statistics originate from the data in this system. Statutory changes also can affect the operations of the database and due to this often the system must be modified or new programming must take place when new legislation is enacted. At this time the system has yet to be updated to reflect the law changes for the RN/LPN license renewal due date. Licensing personnel depend on the data from the database to send renewal notices to those who are to renew their licenses each year. Reduction in the budget for the database maintenance will be a detriment to all programs. If the system were to 'fail', break down, in any way, the potential harm that can be done to agency work flow, as well as to the public, could be lasting and irreversible.

Detailed information is in the attached document from the Nursing Board.

**STATE OF ARIZONA
FY 2010 BUDGET REDUCTIONS - ISSUE DESCRIPTIONS**

ARIZONA STATE BOARD OF NURSING

Issue Title: Postage

Issue Priority: 7

Reduction Amounts:

Board of Nursing Fund: \$36,500

Total: \$36,500

Issue Description and Statement of Effects

Postage expense reduction represents well over a 60% reduction in what the agency budgets each fiscal year. Postage is used agency wide, but especially so in the licensing and regulatory functions of all programs. Examples of use are subpoenas for records, case interviewee forms, various licensee applications, and board member meeting material. Other forms of delivery, such as e-mail, are currently being utilized at the agency. However, not all individuals or organizations can be accessed in this manner, i.e. wrong or no e-mail addresses and there are certain documents that must be delivered hard copy. Without the resource much of the work of the programs are either delayed or stopped, which in turn affects timeframe deadlines involving case adjudication, licensing applications and renewals.

Detailed information is in the attached document from the Nursing Board.

**STATE OF ARIZONA
FY 2010 BUDGET REDUCTIONS - ISSUE DESCRIPTIONS**

ARIZONA STATE BOARD OF NURSING

Issue Title: Attorney General ISA

Issue Priority: 8

Reduction Amounts:

Board of Nursing Fund: \$85,879

Total: \$85,879

Issue Description and Statement of Effects

Title 32- Article 2 and 3

Reduction in the Attorney General ISA represents two attorneys general. Cost reduction of the inter agency agreement is approximately a 26% reduction for the remainder of the fiscal year. As an annual percentage, it is a decrease of over 63% in the ISA. Attorney General functions are in the Regulatory division of the agency.

The agency cannot maintain the Nursing Board programs without legal counsel. The regulatory matters of all programs will be extremely compromised. Program existence is at stake, which in turn puts the public in extreme danger.

Detailed information is in the attached document from the Nursing Board.

**STATE OF ARIZONA
FY 2010 BUDGET REDUCTIONS - ISSUE DESCRIPTIONS**

ARIZONA STATE BOARD OF NURSING

Issue Title: FTE Reductions

Issue Priority: 9

Reduction Amounts:

Board of Nursing Fund: \$430,591

Total: \$430,591

Issue Description and Statement of Effects

Title 32- Article 1, 2 and 3

The reduction in Board staff equates to approximately 10.8 FTE. The FTE reduction is representative of all programs, most concentrated in the Regulatory Division and Licensing Division of the agency. One individual is under the Education Division, working with the Certified Nursing Assistant (C.N.A.) program.

Functions of the staff are investigation of complaints/cases, the licensing of the C.N.A. to educational program review for the C.N.A.

The agency cannot maintain the Nursing Board programs at the same level without these resources. The people are the program's greatest assets. Without the proper staffing levels the licensing and regulatory matters of all programs are extremely compromised. Program viability is at stake. There is no way that both the RN/LPN program and the C.N.A. program can coexist under these circumstances. Due to this the public is in harms way. Mission critical issues will not be met and as such the public is in extreme danger and no longer will their safety be assured.

Detailed information is in the attached document from the Nursing Board.