

GENERAL ASSEMBLY OF NORTH CAROLINA



Legislative Fiscal Note

REVISED

BILL NUMBER: House Bill 1347 (First Edition)

SHORT TITLE: Volunteer Retired Nurse Licensure.

SPONSOR(S): Representative Coates

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES	\$74,074	\$17,000	\$17,000	\$17,000	\$17,000
EXPENDITURES	\$73,975	\$10,000	\$10,000	\$10,000	\$10,000
POSITIONS (cumulative):	.25 FTE	.25 FTE	.25 FTE	.25 FTE	.25 FTE
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Board of Nursing					
EFFECTIVE DATE: When the act becomes law.					

BILL SUMMARY: This legislation enacts new GS 90-171.36B. A volunteer license may be issued if a nurse has completed at least 25 hours of training with the charitable organization and a nurse has been active for at least ten years or has been inactive for less than ten years. The volunteer license authorizes provision of nursing services without remuneration through one identified charitable organization. Additionally, the legislation specifies requirements for renewal of volunteer license, and authorizes the Board of Nursing to adopt rules regarding volunteer licenses.

Source: Bill Digest H.B. 1347 (04/21/0200).

ASSUMPTIONS AND METHODOLOGY: Under current administrative structure, the Board has a framework to re-activate a retired or inactive nurse's license to practice nursing in an unrestrictive setting, including volunteerism. There would be no need for additional programming

or other development cost to implement the requirements of this legislation if the category of nurse licensure could be incorporated into the present system of license renewal/reinstatement. Currently, reinstatement of a previously inactive license involves completion of an application, payment of the renewal/reinstatement fee, and issuance of a 2-year license. This licensure extends the privilege to practice, with or without compensation, in an unrestricted setting. However, this legislation would require development of a separate database to track the practice setting, specifically the charitable organization, and issuance of renewal licensure on an annual basis.

To meet the new requirements of G.S. 90-171.36B (a) (1), (2), and (3) the Board would grant volunteer licensure to a retired nurse who submits an application and has 1) completed at least 25 hours of training with the charitable organization, and 2) been active in nursing for at least ten years or inactive for less than ten years. The Board estimates issuance of 286 volunteer licenses the first year (FY 05-06), and anticipates that on a ten-year average 170 retired/inactive nurses would re-activate in this category of licensure. To support the costs related to this new licensure, the Board estimates that \$73,975 is needed for start-up in FY 2005-06 for the following:

- Personnel -- \$17,020 to support .25 FTE to review and approve volunteer applications.
- Policy Development and Board Approval -- \$16,695 for development of internal policies, rules, training curriculum, and standards for charitable organizations, which requires 250 hours @ \$64/hour and approval by the board at cost of \$695.
- Programming -- \$37,400 to develop online application that generates a database of retired volunteer nurses which entails 200 hours @ \$130/hour; issuance of the special annual volunteer license specific to charitable organizations entailing 20 hours @ \$130/hour; programming the DMR system that tracks complaints, disciplinary review/action processes, and other licensure actions for data collection entailing 40 hours @ \$100/hour; and maintaining a database of volunteer license data entailing 80 hours @ \$60/hour.
- Other Operating -- \$2,860 for postage, printing, and consultation.

Additionally, the Board assessed continuing costs of \$10,000 annually to support staff time for maintaining the database, renewal notification to the charitable organization and licensee, and postage and printing for issuance of the license.

On May 16, 2005 the Board considered its recommended budget for FY 05-06, which did not include funding to satisfy costs of the additional requirements. Therefore, to provide the required revenue, the Board suggests assessing a new fee for this category of licensure. Because the start-up costs are greater than the recurring, a fee of \$259 per licensee is suggested for the first year, and a \$100 fee for subsequent years of annual licensure. For FY 05-06, 286 licensees at \$259 per issuance would generate \$74,074; and the 170 licensees at \$100 per issuance would provide \$17,000. The interest of the Board is to establish a fee for this category of licensure that will not be subject to constant revision, yet provide sufficient revenue over time for administrative costs. If the rate were set at \$100 per licensee in FY 05-06, the Board would have an approximate deficit of \$45,375 (\$73,975 - \$28,600).

SOURCES OF DATA: NC Board of Nursing

TECHNICAL CONSIDERATIONS: The Board indicated concerns about HB 1347, as it is currently written. According to the Board, the legislation is not based upon discussions with the disaster preparedness work groups in terms of assuring laws are appropriate for this broader need in the State. Also, nursing standards of practice are statewide and not limited to any particular setting or organization. This legislation addresses training by an organization that may or may not be consistent with nursing practice or have anything to do with nursing practice. The Board would like the opportunity to meet with representatives from EMS, charitable organizations, and other external stakeholders to address the need for this category of licensure. Additionally, the Board has indicated interest in further researching the legislation to develop an approach that may not place any extra financial burden on the licensees.

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