

MA.01.04
Health Occupation Boards
 Department of Health and Mental Hygiene

Operating Budget Data

(\$ in Thousands)

	FY 00	FY 01	FY 02		% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$133	\$147	\$158	\$11	7.3%
Special Fund	14,277	15,529	17,034	1,505	9.7%
Reimbursable Fund	<u>119</u>	<u>206</u>	<u>215</u>	<u>10</u>	<u>4.7%</u>
Total Funds	\$14,529	\$15,882	\$17,407	\$1,526	9.6%

- The increase in the allowance occurs mainly because of growth in personnel costs.

Personnel Data

	FY 00	FY 01	FY 02	
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Permanent Positions	181.50	196.00	202.50	6.50
Contractual FTEs	<u>15.82</u>	<u>16.53</u>	<u>11.70</u>	<u>(4.83)</u>
Total Personnel	197.32	212.53	214.20	1.67

Vacancy Data: Permanent

Budgeted Turnover: FY 02	10.61	5.24%
Positions Vacant as of 12/31/00	0.00	0.00%

- The allowance provides 5.0 contractual conversions for four boards: State Board of Examiners of Professional Counselors (0.5); State Board of Pharmacy (2); State Board of Physical Therapy Examiners (2); and State Board of Nursing (0.5). The budget includes a new office clerk position for the Board of Nursing. To provide for a full-time position for the Board of Professional Counselors, a new part-time position accompanies the part-time contractual conversion.
- The net change in contractual positions results in a decrease of 4.83 positions. Several boards make slight adjustments to their contractual positions, but a majority of the reduction is due to conversions to regular positions.
- The vacancy rate for the boards and commission is consistent with the budgeted turnover amount.

Note: Numbers may not sum to total due to rounding.

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Analysis in Brief

Issues

Maintaining Appropriate Fund Balance Levels Continues To Be a Challenge: As directed by the 2000 *Joint Chairmen's Report* (JCR), the boards and the commission developed plans to ensure that they maintain their target fund balance levels. While the JCR required only ten boards and the commission to develop these plans, each unit, except the Board of Nursing, submitted a plan. Many projected meeting their target fund balance levels in future years. At the end of fiscal 2001, only three boards are estimated to be within ten percentage points of their targeted level. Four boards have either experienced or are expected to face deficits by the end of fiscal 2002. **Because the spending plans contained in the JCR report or the corrective plans differ from those in the fiscal 2002 allowance, the Department of Legislative Services (DLS) recommends making reductions to align planned expenditures with the budget.**

Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Reduce appropriation for eight boards to align expenditures with spending plans submitted to the budget committees or corrective plans submitted to the Office of the Secretary.	\$ 525,373	
2. Delete new position in the Board of Pharmacy because legislative auditors advised that the workload could be accomplished within existing resources.	25,650	1.0
3. Delete one 50 percent position for the Board of Nursing and reduce benefits associated with this position to reflect its continuation as a contractual position.	7,056	0.5
Total Reductions	\$ 558,079	1.5

Updates

Sunset Review Continues in the Department: Six boards underwent the preliminary sunset review process during the 2000 interim. DLS also issued a full evaluation of the State Board of Morticians. The major recommendations contained in these reports will be reviewed. A list of units undergoing preliminary review in 2001 is provided.

Statewide Commission on the Crisis in Nursing Begins Its Work: Chapters 257 and 258, Acts of 2000 (SB 311/HB 363) established a commission to study the State's nursing shortage. This update will describe the activities undertaken by the committees.

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Department of Health and Mental Hygiene

Operating Budget Analysis

Program Description

Under the Office of the Secretary, there are 17 boards that regulate health professionals. These boards license and certify health professionals, resolve consumer complaints, and assist in establishing parameters for each profession through regulation. In addition to the boards, there is the Commission of Kidney Disease, which monitors the compliance of dialysis facilities to federal and State regulations.

Governor's Proposed Budget

As shown in **Exhibit 1**, a majority of the increase in the budget for the boards and commission consists of personnel costs. The allowance provides a total of 6.5 positions, 5.0 of which are contractual conversions. The positions, listed in **Exhibit 2**, are described below:

- **Physical Therapy (2):** Two positions are included in the allowance for the State Board of Physical Therapy Examiners. These are both contractual conversions. An investigator position would help the board improve the timeliness of its complaint resolution process. An office administrator would help manage fiscal issues and disciplinary matters.
- **Professional Counselors (1):** The allowance converts a part-time contractual Office Secretary to a permanent position and supplements the conversion with a part-time new position. With the mandate to license addictions counselors as of October 2001, the workload of the board is expected to increase.
- **Pharmacy (2):** Following a legislative audit recommendation, the Board of Pharmacy has established a procedure to independently verify all changes to the licensing database. Even though the auditors advised the board on how to use existing resources to perform this function, the board added a contractual position for these duties. **This contractual position has been converted to a regular position in the fiscal 2002 allowance. Since the legislative auditors advised the independent verification function could be performed within existing resources, the Department of Legislative Services (DLS) recommends that this new position be eliminated. This will result in a decrease of \$25,650 in special funds.** An upcoming sunset review will address overall workload issues which could help determine if a new position could be justified in future years. The allowance also converts a contractual part-time position to a full-time position. This position is needed to help implement and maintain the board's database and electronic licensure system.

Exhibit 1

**Governor's Proposed Budget
Health Occupation Boards
(\$ in Thousands)**

How Much It Grows:	General Fund	Special Fund	Reimbursable Fund	Total
2001 Working Appropriation	\$147	\$15,529	\$206	\$15,882
2002 Governor's Allowance	158	17,034	215	17,407
Amount Change	\$11	\$1,505	\$10	\$1,526
Percent Change	7.3%	9.7%	4.7%	9.6%
Where It Goes:				
Personnel Expenses				
New positions (6.5)				\$252
Fiscal 2002 general salary increase				166
Increments, fiscal 2001 increase phase-in and other				583
Employee and retiree health insurance rate change				155
Retirement contribution rate change				(71)
Turnover adjustments				170
Other fringe benefit adjustments				48
Other Operating Expenses				
Net increase in contractual services primarily for the Board of Nursing's special projects which include the production of a video, research project to study medication management, and pilot study to assess the competency of nurses				301
Growth in rent costs				111
Increase in travel costs primarily for the Statewide Commission on the Crisis in Nursing and to reflect prior year actuals for the Board of Dentistry				28
Growth in per diems				28
Increase in costs for legal services				25
Decrease in postage costs				(14)
Completed purchase of motor vehicle for the Board of Physician Quality Assurance (BPQA)				(15)
Reduction in administrative hearing costs for BPQA partially offset by increased charges for other boards				(29)
Reduced costs for additional office equipment				(30)
Net reduction for lower costs for computer equipment and software				(74)
Net reduction of 4.8 contractual positions				(121)
Other				13
Total				\$1,526

Note: Numbers may not sum to total due to rounding.

Exhibit 2

New Regular Position in the Fiscal 2002 Allowance

<u>FTE</u>	<u>Board</u>	<u>Reason</u>
2.00	Physical Therapy	contractual conversions
0.50	Professional Counselors	mandate to license addictions counselors
0.50	Professional Counselors	contractual conversion
2.00	Pharmacy	contractual conversions
1.00	Nursing	address increased workload
0.50	Nursing	contractual conversion
Total	6.50	

Source: Department of Health and Mental Hygiene

- **Nursing (1.5):** The allowance includes 1.5 new positions for the Board of Nursing. An Office Clerk would support the increased workload associated with the licensing of nursing assistants. Current staff are working a considerable amount of overtime to ensure that applications are processed in a timely manner. The half-time position is a contractual conversion that would support the Statewide Commission on the Crisis in Nursing. **Because the commission sunsets at the end of calendar 2005, the regular position should be eliminated and this position should continue as a contractual. If the position remains as a contractual, funding would be reduced by \$7,056 to reflect benefits that would not be paid.**

Performance Analysis: Managing for Results

In years past, the boards and commission have been required to submit *Joint Chairmen's Reports* (JCR) related to improving their Managing for Results (MFR) submissions.

As directed by the 2000 JCR, boards and the commission have developed systems to track the timeliness with which they process licenses and complaints. Most of the boards and the commission have included objectives related to these activities in their MFR submission. **Exhibit 3** shows the number of complaints for all boards and the commission and, for those that track the amount of time needed to process complaints, that data is also shown. The collection and inclusion of these data mark significant improvements over prior years' submissions. A limited number of boards now need to refine these measures. For example, the number of complaints carried forward to the next previous year did not always tie back to the number of complaints pending at year's end. To ensure that every complaint can be tracked, they might also need to include additional categories of complaint activity. By doing so, they will ensure that all complaints are accounted for in the submission.

Exhibit 3

**Program Measurement Data
Health Occupation Boards
Fiscal 1999 through 2002**

	<u>Actual 1999</u>	<u>Actual 2000</u>	<u>Est. 2001</u>	<u>Est. 2002</u>	<u>Ann. Chg. 99-00</u>	<u>Ann. Chg. 00-02</u>
Board of Physician Quality Assurance						
Cases Assigned	511	514	520	540	0.6%	2.5%
Nursing						
Complaints	309	433	450	475	40.1%	4.7%
Complaints Resolved within 12 Months	n/a	14%	20%	19%	n/a	16.5%
Acupuncturists						
Complaints	10	9	8	9	-10.0%	0.0%
Average Days to Process Complaints	180	180	160	150	0.0%	-8.7%
Chiropractic Examiners						
Complaints	39	56	70	85	43.6%	23.2%
Average Length of Cases in Days	83	77	70	60	-7.2%	-11.7%
Counselors						
Complaints	n/a	8	11	11	n/a	17.3%
Average days to Process Complaints	n/a	180	150	120	n/a	-18.4%
Dietetic Practice						
Complaints	2	2	8	7	0.0%	87.1%
Average Days to Process Complaints	n/a	n/a	180	180	n/a	0.0%
Dental Examiners						
Complaints	396	340	425	475	-14.1%	18.2%
Average Length of Cases in Days	360	210	180	180	-41.7%	-7.4%
Electrologists						
Complaints	6	2	3	3	-66.7%	22.5%
Morticians						
Complaints	43	34	50	40	-20.9%	8.5%
Nursing Home Administrators						
Complaints	25	30	25	30	20.0%	0.0%
Average Length of Cases in Days	180	n/a	n/a	n/a	n/a	n/a
Occupational Therapy						
Complaints	82	91	93	69	11.0%	-12.9%
Average Length of Cases in Months	6	6	3	2	0.0%	-42.3%

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	<u>Actual 1999</u>	<u>Actual 2000</u>	<u>Est. 2001</u>	<u>Est. 2002</u>	<u>Ann. Chg. 99-00</u>	<u>Ann. Chg. 00-02</u>
Optometry						
Complaints	13	16	18	15	23.1%	-3.2%
Average Days to Process Complaints	75	70	65	60	-6.7%	-7.4%
Physical Therapy						
Complaints	82	91	93	69	11.0%	-12.9%
Average Length of Cases in Days	6	6	3	2	0.0%	-42.3%
Podiatry						
Complaints	n/a	130	140	140	n/a	3.8%
Average Days to Process Complaints	n/a	90	60	60	n/a	-18.4%
Psychologists						
Complaints	71	79	84	84	11.3%	3.1%
Social Work Examiners						
Complaints	45	51	59	63	13.3%	11.1%
Average Days to Process Complaints	120	120	120	120	0.0%	0.0%
AUD/HAD/SLP						
Complaints	18	30	24	18	66.7%	-22.5%
Average Days to Process complaints	n/a	180	180	120	n/a	-18.4%
Commission on Kidney Disease						
Complaints	25	30	40	60	20.0%	41.4%
Average Days to Process complaints	n/a	90	60	30	n/a	-42.3%

Note 1: Total Complaints include those from carried over from previous years.

Note 2: The Board of Pharmacy's MFR does not include complaint data. The MFR contains objectives related to the timeliness of the complaint resolution process but, at this time, data to track these measures is not available.

Source: Department of Budget and Management

As suggested in last year's budget analysis, the boards and the commission should present data on the total number of licensees at a given point in time for each fiscal year. Such information captures the overall workload of each board and the commission by showing the number of people or units for which the board or the commission must provide oversight. Importantly, nearly all the boards and the commission present data on the number of applications and renewals processed. This data, coupled with information on the total of licensees, can be used to track trends. A decrease in total licensees, for example, might be attributable to licensees failing to renew. The boards and the commission use this type of analysis to make revenue projections needed for long-term budget planning.

Issues

1. Maintaining Appropriate Fund Balance Levels Continues To Be a Challenge

All health boards, with the exception of the nursing home administrators, are entirely funded by fees collected for licensing and certification activities. According to statute, these fees should reflect the operating costs of the boards. Therefore, excessive fund balances have raised questions during the last several legislative sessions. In response to committee narrative in the 1998, 1999, and 2000 JCRs, the boards have prepared plans to address fund balance levels.

The boards and commission have selected target fund balance levels based on a percentage of their annual budget. Boards with smaller budgets need larger fund balances because they have less of an ability to absorb unexpected expenses. As shown in **Exhibit 4**, the boards continue to experience problems maintaining the appropriate fund balance level. Only three are within ten percentage points of their target fund balance. However, in their plans submitted in response to the 2000 JCR request, many boards anticipate coming within ten percentage points of their targeted fund balance level within the next three years.

Deficits Experienced or Projected for Four Boards

Based on the budgets submitted by DHMH, four boards are expected to end fiscal 2002 with deficits. The Office of the Secretary requested corrective plans from these boards. Details about the four boards are provided below.

- **Board of Morticians:** The fiscal 2001 budget depletes the fund balance and creates a \$77,000 deficit. In fiscal 2002, planned expenditures continue to exceed available revenues and the projected deficit at the end of fiscal 2002 increases to over \$100,000. According to the board's corrective plan, the appropriation typically exceeds actual expenditures, and it anticipates that this will occur in fiscal 2001. The board will also need to limit fiscal 2002 spending to align expenditures with available revenues and to create a reasonable fund balance level for use in future years. In response the 2000 JCR item, the board listed its fiscal 2002 expenditures as \$270,000. **As such, DLS recommends reducing the allowance for the Board of Morticians by \$83,298 which makes its budget consistent with its spending plan.** The board reports that it is considering fee increases to remedy its deficit situation. **If the board needs these fees for critical operating expenses, the board may increase its appropriation through the budget amendment process.**
- **Board of Professional Counselors:** At the end of fiscal 2000, the board had a \$21,000 deficit. It borrowed funds from the Board of Pharmacy to eliminate its negative fund balance. Based on the fiscal 2001 and 2002 revenue estimates in the budget, the board will end fiscal 2002 with a deficit of slightly over \$125,000. The board reports that actual revenues will exceed those projected in the budget as a result of the certification and licensure of addictions counselors. As mandated by law, addictions counselors will require certification or licensure as of October 1, 2001. Based on the revised revenue estimates, the board anticipates ending fiscal 2002 with a balance of about \$34,000.

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Exhibit 4

Surplus/Deficit Fund Balances at the End of Fiscal 2001

<u>Board/Commission</u>	<u>Average Estimated Fund Balance FY 00 - 01</u>	<u>FY 01 Budget</u>	<u>Average % of Budget</u>	<u>Target %</u>	<u>Surplus/Deficit in Fund Balance</u>
BPQA	\$599,241	\$5,947,440	10%	20%	(\$590,247)
Nursing*	602,108	3,356,445	18%	20%	(69,181)
Acupuncturists	160,858	148,634	108%	30%	116,268
Dietetic Practice	5,873	105,391	6%	30%	(25,745)
Professional Counselors	(6,824)	268,307	(3%)	30%	(87,316)
Chiropractic Examiners	162,795	389,166	42%	25%	65,504
Dental Examiners	247,944	1,171,623	21%	20%	13,619
Electrologists*	(15,475)	67,065	(23%)	30%	(35,595)
Morticians	2,142	313,847	1%	25%	(76,320)
Occupational Therapists	166,467	282,194	59%	25%	95,919
Optometry	249,453	205,693	121%	30%	187,745
Pharmacy	800,454	943,897	85%	25%	564,480
Physical Therapy	266,897	598,057	45%	25%	117,382
Podiatry	74,231	176,955	42%	30%	21,145
Psychology*	227,701	499,415	46%	25%	102,847
Social Work	15,155	656,897	2%	25%	(149,070)
AUD/HAD/SLP**	308,486	239,495	129%	30%	236,637
Kidney Disease*	105,633	158,366	67%	30%	58,123
Total	\$2,216,617	\$15,528,887			\$546,194

*All boards, with the exception of Nursing, Electrologists, and Psychologists, and the commission are evaluated on the average fund balance during the fiscal 2000 to 2001 time period. This is the most accurate reflection of fund balance because these boards have a biennial renewal cycle.

**Board of Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists.

Source: Department of Legislative Services.

The board's corrective plan includes reducing fiscal 2002 expenditures by \$36,161, but this is not reflected in the allowance. **Therefore, DLS recommends reducing the budget for the Board of Professional Counselors by \$36,161. The board can appropriate these funds through the budget**

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amendment process should sufficient revenues become available.

- ***Board of Social Workers:*** The board had a \$7,000 deficit at the end of fiscal 2000. To balance its books, it borrowed funds from the Board of Pharmacy. At the end of fiscal 2002, the projected deficit for the board is almost \$6,500. The board reports plans to increase its fees to meet future funding needs. Based on its plan to achieve a reasonable fund balance level, which accounts for the increased fee level, the board reports expenditures of nearly \$600,000 for fiscal 2001 and almost \$630,000 for fiscal 2002. **Because the amount in the allowance exceeds planned fiscal 2002 revenues by \$107,290, DLS recommends a reduction of this amount. If the board needs these funds for critical operating expenses, they can be appropriated through budget amendment.**
- ***Board of Electrologists:*** The board is expected to end fiscal 2001 with a \$15,000 deficit and to end fiscal 2002 with a \$17,000 deficit. With a limited number of licensees, the board has difficulties generating revenues sufficient to cover its operating costs. Based on the response to the 2000 JCR report, even fee increases of 40% would not generate the needed revenues. Legislation (HB 1221) has been introduced in the 2001 session to require general fund support for this board.

Spending Plans Differ from Budget for Five Boards

The 2000 JCR required 11 boards and the commission to develop plans to maintain appropriate fund balance levels. All the boards and the commission, with the exception of the Board of Nursing, however, provided information for the report. These plans provide revenue and expenditure data from fiscal 2000 through fiscal 2004. As shown in **Exhibit 5**, the fiscal 2002 budgets submitted by five boards differ significantly from their spending plans as set forth in the JCR report.

DHMH submitted the 2000 JCR item in October, which is around the time that each board provides its budget to the Office of the Secretary. The plans for each board reflect planned fee increases and reductions, account for workload changes, and include significant changes in operating costs. It is unclear why the plans for these five boards would differ significantly from the budgets submitted to the Office of the Secretary. **Because the boards need to adhere to their spending plans to ensure an appropriate fund balance level, DLS recommends reducing the allowance for each of the five boards to align the fiscal 2002 budget with the spending plans. If the boards need these funds to meet critical operating expenses, they can be sought through the budget amendment process.**

Exhibit 5

Fiscal 2002 Allowance Compared to Spending Plans

<u>Board</u>	<u>FY 02 Allowance</u>	<u>Spending Plan*</u>	<u>DBM Adjustment</u>	<u>Total Expenditures***</u>	<u>Difference Allowance vs. Expenditures</u>
Dental**	\$1,275,619	\$1,200,000	\$12,591	\$1,212,591	\$63,028
Occupational Therapy	305,043	255,000	2,816	257,816	47,227
Pharmacy	1,029,857	972,324	7,586	979,910	49,947
Physical Therapy**	687,819	590,500	11,652	602,152	85,667
Psychology	563,606	504,414	6,437	510,851	52,755
Total	\$3,861,944	\$3,522,238	\$41,082	\$3,563,320	\$298,624

*As detailed in 2000 JCR report on maintaining appropriate fund balance levels.

**At the end of fiscal 2002, the fund balances for these boards are expected to be about 5% of their fiscal 2002 budget. Without the proper adjustments to fees or spending levels, these boards may face deficit situations in future years.

***Total of spending plan plus DHMH adjustment.

Note: DBM adjustment includes changes made to the board's request for required personnel costs and other shared departmental or State costs. The boards may not have accounted for these expenditures in their spending plan. Therefore, an allowance is made for these costs.

Source: Department of Health and Mental Hygiene

Recommended Actions

	<u>Amount Reduction</u>		<u>Position Reduction</u>
1. Reduce appropriation for eight boards to align expenditures with spending plans submitted to the budget committees or corrective plan submitted to the Department of Health and Mental Hygiene’s Office of the Secretary. In response to the 2000 <i>Joint Chairmen’s Report</i> (JCR), all the boards and commissions, with the exception of the Board of Nursing, provided detailed information on plans to maintain appropriate fund balance levels. Although these plans were developed around the same time as the boards’ fiscal 2002 budget submission, spending plans for five boards differ significantly from the fiscal 2002 budget. The Office of the Secretary also requested that four boards provide corrective plans to remedy actual or projected deficits. To ensure that expenditures are consistent with the JCR or corrective plans, the following reductions are recommended:	\$ 525,373	SF	
Social Work	\$107,290		
Physical Therapy	85,667		
Morticians	83,298		
Dental	63,028		
Psychology	52,755		
Pharmacy	49,947		
Occupational Therapy	47,227		
Professional Counselors	36,161		
If funds are available and they are needed to meet critical operating expenses, the boards can request the funds through budget amendments.			
2. Delete new position in the Board of Pharmacy. The position would provide for the independent verification of changes to the licensing database. However, legislative auditors advised the board in 1996 on how to accomplish this task within existing resources. An upcoming sunset review can provide insight if the workload requirements have increased sufficiently since 1996 to justify an additional position.	25,650	SF	1.0

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3.	Delete one 50 percent position for the Board of Nursing and reduce benefits associated with this position to reflect its continuation as a contractual position. The allowance includes 0.50 regular position to provide support for the Statewide Commission on the Crisis in Nursing. Because the commission sunsets at the end of calendar 2005, this position should continue as a contractual. Funding for this contractual position is contained in the appropriation.	7,056 SF	0.5
	Total Special Fund Reductions	\$ 558,079	1.5

Updates

1. Sunset Review Continues in the Department

Six boards underwent the preliminary sunset review process during the 2000 interim. Of the six, only one was waived from the full evaluation process. DLS will conduct full sunset reviews of the remaining five boards: State Board of Nursing; State Board of Examiners of Nursing Home Administrators; State Board of Pharmacy; BPQA; and State Board of Examiners of Psychologists.

In addition, DLS issued a full evaluation of the State Board of Morticians. The major recommendations are highlighted below:

- To extend the board for ten years and require follow-up reports on non-statutory recommendations adopted by the committees.
- Legislation should be enacted to phase-out the surviving spouse license, while grandfathering in existing licenses; and clarify the definition and intent of an unannounced inspection of funeral establishments to support the board's current inspection policy.
- The board should work with DHMH to develop to improve its financial status and amend existing regulations to specify a monetary late fee and reinstatement fee.
- The board should develop a plan on how it will monitor current and emerging forms of corporate involvement in the Maryland funeral industry.
- The board should hold a training session on the requirements of the Open Meeting Act to increase compliance with this statute.
- The board should work with DHMH to ensure that its inspection workload is handled in a timely manner and to develop ways to improve its complaint tracking system.

The following boards will undergo the preliminary sunset review process during the 2001 interim:

- State Board of examiners for Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists;
- State Board of Electrologists;
- State Board of Occupational Therapy Practice;
- State Board of Social Work Examiners; and
- State Board of Examiners of Professional Counselors.

2. Statewide Commission on the Crisis in Nursing Begins Its Work

Chapters 257 and 258, Acts of 2000 (SB 311/HB 363) established a commission to study the State's nursing shortage. The Secretary of DHMH serves as the Chairman, while 52 commissioners represent a broad array of nursing and other groups including healthcare, education, and the public.

The commission held its first meeting in August and has held five meetings to date. There are four subcommittees: recruitment, retention, education, and workplace issues. Most subcommittees have been meeting twice a month.

The commission has already developed several recommendations. Every recommendation relates to making college more affordable for those studying to become nurses. For example, the commission recommends modifying the criteria for nursing scholarships to allow greater eligibility, flexibility, and financial support. The commission's next priority is to examine workplace issues and how these issues impact the State's ability to attract and retain nurses.

Current and Prior Year Budgets

Current and Prior Year Budgets Health Occupation Boards (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2000					
Legislative Appropriation	\$131	\$13,987	\$0	\$67	\$14,185
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	2	664	0	98	764
Reversions and Cancellations	0	(374)	0	(46)	(420)
Actual Expenditures	\$133	\$14,277	\$0	\$119	\$14,529
Fiscal 2001					
Legislative Appropriation	\$147	\$15,529	\$0	\$206	\$15,882
Budget Amendments	0	0	0	0	0
Working Appropriation	\$147	\$15,529	\$0	\$206	\$15,882

Note: Numbers may not sum to total due to rounding.

Explanation of Fiscal 2000 Budgetary Changes and Cancellations

Through the budget amendment process, the fiscal 2000 legislative appropriation increased by nearly \$765,000. The increase consisted almost entirely of special funds. Most notably the Board of Dental Examiners received almost \$420,000 to implement an automated computer system and to cover increased personnel costs. At the end of the fiscal year, nearly \$370,000 in special funds were cancelled. A majority, or about \$215,000 of the cancellations occurred in BPQA's budget. Overexpenditures for salaries were offset by less than budgeted spending on contracts, software purchases, equipment, and special projects. The Board of Nursing cancelled about \$55,000 in special funds because of lower-than-estimated expenditures on salaries, equipment, and rent. The other boards and the commission had about \$100,000 in unspent special funds at the end of the fiscal year. This resulted mainly from less-than-anticipated costs for contractual services.

Part of the increase in the legislative appropriation consists of reimbursable funds. These reimbursable funds are used to fund the program support unit for all boards, except BPQA and Nursing, and the commission. The boards rotate responsibility for managing the unit. During fiscal 2000, the board responsible for oversight of the unit had sufficient staff to handle all program support activities. When a smaller board took charge during fiscal 2000, two positions and the associated nonpersonnel costs were added to the program support unit to ensure adequate coverage for the needs of the boards and the commission. About half of the reimbursable funds were cancelled at the end of the year primarily because of delays in hiring one of the positions.

**Object/Fund Difference Report
DHMH - Health Occupation Boards**

Object/Fund	FY00	FY01	FY02	FY01 - FY02	Percent
	Actual	Working Appropriation	Allowance	Amount Change	Change
Positions					
01 Regular	181.50	196.00	202.50	6.50	3.3%
02 Contractual	15.82	16.53	11.70	(4.83)	(29.2%)
Total Positions	197.32	212.53	214.20	1.67	0.8%
Objects					
01 Salaries and Wages	\$ 8,022,606	\$ 9,035,692	\$ 10,337,809	\$ 1,302,117	14.4%
02 Technical & Spec Fees	1,008,416	1,086,231	1,049,367	(36,864)	(3.4%)
03 Communication	492,457	562,914	555,484	(7,430)	(1.3%)
04 Travel	199,884	242,729	270,278	27,549	11.3%
07 Motor Vehicles	18,379	18,898	3,556	(15,342)	(81.2%)
08 Contractual Services	3,844,191	3,966,753	4,137,671	170,918	4.3%
09 Supplies & Materials	193,342	158,506	172,387	13,881	8.8%
10 Equip - Replacement	56,329	27,983	107,226	79,243	283.2%
11 Equip - Additional	320,007	237,495	122,694	(114,801)	(48.3%)
12 Grants, Subsidies, Contributions	7,465	14,686	14,686	0	0%
13 Fixed Charges	366,133	529,803	636,240	106,437	20.1%
Total Objects	\$ 14,529,209	\$ 15,881,690	\$ 17,407,398	\$ 1,525,708	9.6%
Funds					
01 General Fund	\$ 133,045	\$ 147,234	\$ 157,960	\$ 10,726	7.3%
03 Special Fund	14,276,931	15,528,887	17,034,116	1,505,229	9.7%
09 Reimbursable Fund	119,233	205,569	215,322	9,753	4.7%
Total Funds	\$ 14,529,209	\$ 15,881,690	\$ 17,407,398	\$ 1,525,708	9.6%

Note: Full-time and contractual positions and salaries are reflected for operating budget programs only.

Fiscal Summary
DHMH - Health Occupation Boards

<u>Unit/Program</u>	FY00	FY01	FY01	FY00 - FY01	FY02	FY01 - FY02
	<u>Actual</u>	<u>Legislative Appropriation</u>	<u>Working Appropriation</u>	<u>% Change</u>	<u>Allowance</u>	<u>% Change</u>
04 Health Professionals Boards and Commissions	\$ 6,199,796	\$ 6,577,805	\$ 6,577,805	6.1%	\$ 7,344,412	11.7%
05 Board of Nursing	2,804,608	3,356,445	3,356,445	19.7%	3,989,418	18.9%
06 Board of Physician Quality Assurance	5,524,805	5,947,440	5,947,440	7.6%	6,073,568	2.1%
Total Expenditures	\$ 14,529,209	\$ 15,881,690	\$ 15,881,690	9.3%	\$ 17,407,398	9.6%
General Fund	\$ 133,045	\$ 147,234	\$ 147,234	10.7%	\$ 157,960	7.3%
Special Fund	14,276,931	15,528,887	15,528,887	8.8%	17,034,116	9.7%
Total Appropriations	\$ 14,409,976	\$ 15,676,121	\$ 15,676,121	8.8%	\$ 17,192,076	9.7%
Reimbursable Fund	\$ 119,233	\$ 205,569	\$ 205,569	72.4%	\$ 215,322	4.7%
Total Funds	\$ 14,529,209	\$ 15,881,690	\$ 15,881,690	9.3%	\$ 17,407,398	9.6%