

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

Senate Bill 531 (Senator Hollinger, et al.)

Economic and Environmental Affairs

Referred to Environmental Matters

State Board of Nursing - Nursing Assistants - Certification

This amended bill provides for the certification of nursing assistants by the State Board of Nursing. In addition, the bill provides that, effective July 1, 1997, all fees collected by the Board of Nursing must be distributed to the Board of Nursing Fund by the Comptroller. Current law requires that 20% of fee revenue go to the general fund.

Fiscal Summary

**State Effect:** State Board of Nursing Fund revenues could increase by \$300,000 in FY 1997. Future years reflect net growth in the number of certified nursing assistants and special fund retention of 100% of all fee revenue paid to the Board of Nursing. FY 1997 special fund expenditures would increase by \$273,900. Future years reflect annualization and inflation. Reductions in general fund revenues in the out-years reflect the discontinuation of 20% of all fee revenue being directed to the general fund beginning in FY 1998.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$0	\$0	(\$396,800)	(\$396,800)	(\$396,800)
SF Revenues	300,000	380,000	663,800	670,800	677,800
SF Expenditures	273,900	274,900	283,500	292,400	301,500
Net Effect	\$26,100	\$105,100	(\$16,500)	(\$18,400)	(\$20,500)

Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds

**Local Effect:** None.

Fiscal Analysis

**Bill Summary:** "Practice as a nursing assistant" is defined to mean the performance of nurse functions that: (1) require education, training, and skills; and (2) are performed under the supervision of a registered nurse or licensed practical nurse.

The Board of Nursing is authorized to set reasonable fees for the issuance and renewal of one-year term certificates. The fees must be set to approximate the cost of maintaining the certification program and other services provided to nursing assistants. Standards and requirements are set for renewals of certificates.

The board must establish the qualifications for certification by regulation. The bill provides that there must be application, education, and examination requirements for applicants. The bill provides for a certification by endorsement for specified instances involving applicants certified by another state or a U.S. territory.

The board is authorized to impose civil fines up to \$1,000 for a failure to timely renew a certification and continuing to practice as a nursing assistant. Fine revenue is required to be paid to the general fund. The board is also authorized to take disciplinary action for specified violations after a hearing has been granted. The board may impose a maximum fine of \$5,000 in addition to any disciplinary actions.

**State Revenues:** The Board of Nursing reports that initial certification fees for nursing assistants would be set at \$15, and annual renewal fees would be set at \$7. It is estimated that approximately 20,000 nursing assistants would be initially certified in fiscal 1997, producing certification fee revenues of \$300,000. In fiscal 1998, it is estimated that an additional 6,000 nursing assistants would be initially certified (\$90,000) and the 20,000 certifications from the prior year would be renewed (\$140,000). Beginning in fiscal 1999, and in each subsequent year, it is anticipated that the number of nursing assistants will grow by 1,000 new applications per year less an assumed 2% attrition rate on the number of nursing assistants certified prior to that year.

In addition, since the bill eliminates the current law 20% annual draw to the general fund from all revenue collected by the Board of Nursing beginning in fiscal 1999, the board's special fund revenues will increase by an additional \$396,800 beginning in that fiscal year. General fund revenues will decrease by that same amount annually after July 1, 1998.

**State Expenditures:** Board of Nursing Fund expenditures could increase by an estimated \$273,864 in fiscal 1997, which reflects the bill's October 1, 1996 effective date. This estimate reflects the cost of hiring an Administrative Officer, three Health Occupations Investigators, and an Office Secretary to administer and operate the certification program for nursing assistants. It includes salaries of \$93,026, fringe benefits, postage for 112,000 pieces of mail, one-time start-up costs for computer programming and office equipment, indirect costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$127,995
Computer Programming Costs	25,000
Postage	37,640
Office Equipment	43,420
Indirect Costs	17,188

Operating Expenses	<u>22,621</u>
<b>Total FY 1997 State Expenditures</b>	<b>\$273,864</b>

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses.

**Additional Comments:** The Board of Nursing provided no information on how the additional revenue that now goes to the general fund (\$396,800 annually) would be spent beginning in fiscal 1999.

**Information Source(s):** Department of Health and Mental Hygiene (Board of Nursing), Department of Fiscal Services

**Fiscal Note History:** First Reader - March 4, 1996  
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