

**Department of Legislative Services**  
Maryland General Assembly  
2002 Session

**FISCAL NOTE**

House Bill 461

(Chairman, Environmental Matters Committee)

Environmental Matters

Education, Health, and Environmental  
Affairs

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**State Board of Nursing - Sunset Extension and Program Evaluation**

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This bill extends the sunset date for the State Board of Nursing from July 1, 2003 to July 1, 2013, and requires another sunset evaluation on or before July 1, 2012. The bill provides that, in accordance with the State budget, each board member is entitled to compensation at a rate to be determined by the board for each day of conducting the board's business. The board is required to report to the Senate Education, Health, and Environmental Affairs and House Environmental Matters committees on or before October 1, 2002, on the implementation of recommendations from the Department of Legislative Services (DLS) in its sunset evaluation of October 2001. The report must include an evaluation of the development, implementation, and effectiveness of an action plan to reduce the backlog in complaints, and a description of the efforts of the board to reduce operating costs through enhanced efficiency of technology and personnel. The bill is effective July 1, 2002.

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**Fiscal Summary**

**State Effect:** Special fund revenues and expenditures for this board would be maintained beyond FY 2003. The proposed FY 2003 budget assumes \$4.4 million in special fund revenues for the board and includes a special fund expenditure of \$4.5 million. Out-year revenues are expected to remain relatively constant.

**Local Effect:** None.

**Small Business Effect:** None.

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## **Analysis**

**Current Law:** The board is currently authorized to pay a per diem rate to board members of \$40. The board is to terminate operations as of July 1, 2003.

The board is subject to the Maryland Program Evaluation Act, also known as the “Sunset Law,” which provides a system of periodic legislative review of the regulatory, licensing, and other activities of various units of State government. “Sunset review” determines the need for certain programs, services, and other governmental functions and is intended to make governmental activities responsive to the public interest.

**Background:** The nursing profession is regulated by an 11-member board. The board has been in existence since 1904. The board’s mission is to promote quality nursing care through the implementation of licensure, development of education and practice standards, oversight of nursing practice and innovation to assure safe nursing care. The board licenses several levels of nurses, including registered nurses, licensed practical nurses, advanced practical nurses, and certified nursing assistants.

This bill arises out of the sunset evaluation of the Board of Nursing performed by DLS during 2001. In its report, DLS recommended that the board be continued and its termination date extended to July 1, 2013. In addition, pursuant to DLS recommendations, this bill requires the board to report to the Senate Education, Health, and Environmental Affairs and House Environmental Matters committees on implementation of the recommendations in the report on or before October 1, 2002. The report must include an evaluation of the development, implementation, and effectiveness of an action plan to reduce the complaint backlog, and a description of the board’s efforts to reduce operating costs through technology and personnel efficiencies. Other DLS recommendations include:

- In its annual *Managing for Results* report, the board should develop an action plan with customer service indicators for achieving stated goals to improve communication among employers and licensees. The next action plan should include installation of an improved phone system and centralized electronic mail for board staff.
- Legislation should be enacted authorizing the board to charge institutions for nursing and related surveys. The board should adopt regulations to implement a fee which approximates the board’s cost in completing the surveys.
- The board should enter into a Memorandum of Understanding with the Office of Health Care Quality (OHCQ) regarding monitoring of agency nurses who are subject

to discipline so that the office can more effectively monitor the agencies with problem nurses and increase the board's awareness of nurses employed by staffing agencies.

- The board and the Department of Health and Mental Hygiene (DHMH) should work with the Department of Budget and Management to explore making investigatory staff positions more attractive by reclassifying investigatory staff positions.
- The board should train its staff to fully use its existing complaint tracking system. More accurate measurement of the time taken to resolve complaints is needed. The system should be a resource for the board's investigatory, disciplinary, and licensure staff.
- The board investigators should work with law enforcement officers to gain access to the Criminal Justice Information System and other national databases to investigate complaints.
- Before seeking authority to require background checks, the board and DHMH should evaluate which licensure categories should undergo checks, the level of check needed, due process and privacy issues, the impact of background checks on the nursing shortage, the necessity of background checks with the existence of national law enforcement databases, the cost of background checks, and the impact on staffing.
- Legislation should be enacted to alter board membership by eliminating one licensed practical nursing position and adding a nursing assistant representative. The board should recommend a process for identifying certified nursing assistant candidates for membership.
- Legislation should be enacted to provide the board flexibility in setting per diem rates for members.
- The board should continue to monitor its fund balance in light of recent fee increases and additional expenditures for technology to increase efficiency.
- The board should evaluate its full-time employees to ascertain efficiencies in support staff roles, given the implementation of online license renewal for nurses. The board should weigh requests for additional staff against the need to maintain an appropriate fund balance.

**State Fiscal Effect:** Special fund revenues and expenditures will be maintained beyond fiscal 2003 because the bill proposes to continue the Board of Nursing. In fiscal 2003,

the projected special fund revenue is \$4,455,876. The fiscal 2003 budget *allowance* for the board is \$4,532,565.

The Budget Reconciliation Act of 2002 requires the board to transfer \$400,000 to the State general fund by June 1, 2002. After the transfer, the board will have a special fund balance of \$821,803 at the end of fiscal 2002.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 459 (Senator Hollinger) (Chairman, Health Subcommittee) – Education, Health, and Environmental Affairs.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Legislative Services

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