

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7259

BILL NUMBER: HB 1240

NOTE PREPARED: Jan 8, 2007

BILL AMENDED:

SUBJECT: Interstate Nurse Licensure Compact.

FIRST AUTHOR: Rep. Welch

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: *Interstate Nurse Licensure Compact-* The bill establishes the interstate nurse licensure compact (the compact). The bill provides that the State Board of Nursing may issue by endorsement a license to practice as a registered nurse if the applicant completes the Canadian Registered Nurse Examination.

Impaired Nurses Account- The bill requires part of the examination and registration fees collected by the Board to be used for the rehabilitation of impaired registered nurses and impaired licensed practical nurses. The bill establishes the amount of fees to be deposited in the impaired nurses account.

The bill makes conforming changes. The bill repeals a provision that abolishes and transfers the rights, powers, and duties of the State Board of Examination and Registration of Nurses.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Interstate Nurse Licensure Compact-* The Director or designee of the Professional Licensing Agency (PLA) would be the state's nurse licensure compact administrator. The administrator would be required to provide data sets of investigations, identifying information, licensure data, and some alternative program participation information to other member states. The state may experience additional expenditures related to the investigation and adjudication of complaints against out-of-state nurses practicing in Indiana as well as Indiana nurses practicing in other states.

Background Nurses' Compact- The former nurses' compact statute (P.L. 181-2002) expired July 1, 2006.

Background PLA- As of October 2006, the PLA had 92 full-time employees. The PLA reverted \$63,329 back to the state General Fund at the close of FY 2006.

Explanation of State Revenues: *Interstate Nurse Licensure Compact-* Under the compact, nurses (RN's and LPN's) that reside in another state and work in Indiana that currently hold an Indiana nursing license would no longer have to hold an Indiana nursing license to practice in Indiana (as long as they hold a license in their state of residence). As a result, the Indiana Board of Nursing would no longer collect biennial licensing fees from nurses that meet the above condition. State General Fund revenue from nursing license fees would be reduced. The estimated amount of revenue loss is currently indeterminable. *Note: This fiscal impact statement will be updated when additional information becomes available.*

Impaired Nurses Account- The Impaired Nurses Account (INA) would receive the lesser of 25% of license fees *or* the cost per license to run the impaired nurses program. (Under current law, the INA receives the lesser of 16% of license fees *or* the cost per license to run the impaired nurses program.) The 9% increase in share of license fees for the INA, as proposed by the bill, would be used to meet estimated contract costs to run the program into FY 2009. (The PLA projects that the impaired nurses program will begin to run deficits in FY 2009, at the current level of funding.) As a result of this provision, the state General Fund would receive less revenue, under existing fees.

Background- The current impaired nurses program contract costs \$840,000 per biennium or \$420,000 per year. The PLA projects that the deficit in FY 2009 will be approximately \$73,600. Revenues that the INA received during the biennium FY 2005-FY2006 totaled \$811,845. As of December 2006, there were 24,709 licensed practical nurses and 79,368 registered nurses.

Penalty Provision: Persons violating the compact would commit a Class B misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Penalty Provision:* A Class B misdemeanor is punishable by up to 180 days in jail.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: Professional Licensing Agency, State Board of Nursing.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Indiana State Budget Agency: FY 2006 Close-Out General Fund Reversion Summary; State of Indiana Detail Staffing Report, 10/03/2006; Barbara McNutt, Professional Licensing Agency; *Indiana Handbook of Taxes, Revenues, and Appropriations.*

Fiscal Analyst: Chris Baker, 317-232-9851.