

SF2302 - 0 - Nurse Licensure Compact

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 Committee: **Finance**
 Date Completed: **3/1/2022 12:13:18 PM**
 Agency: **Nursing Board**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Health Related Boards	-	-	157	280	280	
Total	-	-	157	280	280	
Biennial Total			157		560	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Health Related Boards	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Carlos Guereca **Date:** 3/1/2022 12:13:18 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Health Related Boards	-	-	157	280	280
Total	-	-	157	280	280
Biennial Total			157		560
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Health Related Boards	-	-	157	6	6
Total	-	-	157	6	6
Biennial Total			157		12
2 - Revenues, Transfers In*					
Health Related Boards	-	-	-	(274)	(274)
Total	-	-	-	(274)	(274)
Biennial Total			-		(548)

Bill Description

This bill, if enacted would establish Minnesota as a member of the enhanced Nurse Licensure Compact (eNLC). The enhanced NLC, which is an updated version of the original NLC, allows for registered nurses (RNs) and licensed practical nurses (LPNs) to have one multistate license in the nurse’s primary state of residency (the home state) and practice in other compact states (remote states), while subject to each state’s practice laws and discipline. Currently 39 states and territories participate in eNLC.

Assumptions

The eNLC enables nurses to practice in person, provide telehealth nursing services to patients, and provide nursing education to nursing students located across the country without having to obtain additional licenses. It allows nurses to quickly cross state borders and provide nursing services in the event of a disaster and facilitates telenursing and online nursing education.

The eNLC has uniform licensure requirements based on the highest regulatory standards that an individual must meet to be eligible for a multistate license. Nurses who fail to meet these requirements will not be eligible for a multistate license, and multistate privileges will be removed from nurses when disciplinary actions are taken against the home state multistate privilege. The Board of Nursing can continue to issue a single-state license based on MN requirements, however, practice is restricted to MN. Under mutual recognition, a nurse may practice across state lines unless otherwise restricted.

An interstate Commission, comprised of board of nursing executive directors provides oversight and is authorized to adopt compact administrative rules and regulations for implementation of the compact.

Expenditure and/or Revenue Formula

Implementation costs include communications, IT and administrative costs. The National Council of State Boards of Nursing conducted an evaluation of compact state participants to estimate the financial impact of implementing the eNLC and the following estimates are consistent with their findings:

Expenditure	Description	Cost
Communication	Notification of licensees and related parties via mail, website and creation and distribution of educational materials	160,000 stakeholders @ .50 per piece (includes postage, paper, preparation) = \$80,000
IT Costs	Programming and development related to database and online service changes. We estimate 200 hours of program development to add an additional license type to the Board’s licensing database.	200 hours @ \$105 per hour = \$21,000
Administrative Costs	Workload change during implementation. We estimate at least 25 Board	1,000 hours @ \$50 per hour = \$50,000

	staff (40 hours X 25 employees = 1,000 hours) will require orientation to the new licensing type, management of multi-state licenses and communication of interstate discipline processes.	
Annual fee	Annual National Council Licensure Compact fee payable to National Council of State Boards of Nursing	\$6,000
Total		\$157,000

Expenditures:

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
FT Salaries			50		
Board Per Diems					
Space					
Printing					
Professional / Tech Consultants			21		
Computer Services					
Postage/Communications			80		
In State Travel					
Out State Travel					
Supplies					
Equipment					
Other Operations			6	6	6
Office of Administrative Hearings					
Total Expenses			157	6	6

Revenues:

A change in revenue will be based on the number of states that enact the eNLC. Because a nurse will be required to get a license in the primary state of residence, MN will lose licensees who do not live in the state but have a MN license because they practice in MN. Minnesota will also gain licensees who live in MN but work in another compact state, especially states which border MN. The change will affect the number of renewals and endorsements. Any decrease in licensure revenue could be offset with an increase in the initial license fee for a multistate license or the license renewal fee. A nurse could determine whether to obtain a multistate license or a single state license. Currently the board collects sufficient revenue to cover the increased appropriation needed to establish this program without having to raise fees. Considering the Uniform Licensure Requirements, the Board anticipates a decrease of \$756,500 per year in renewal revenue. RNS and LPNS with non-Minnesota unencumbered licenses with an address in a compact state = 17,800. If those licensees do not renew every two years, it would be 8,900 per year (17,800 divided by 2) times \$85 renewal = \$756,500.

Minnesota has 4,600 licensees with Minnesota residency who hold a Minnesota license and also hold at least one license in an eNLC state. These nurses would likely apply for a multistate license in Minnesota. If those 4,600 licensees apply for a multistate license, we estimate a regain of revenue of \$483,000 (4,600 X \$105 = \$483,000).

The total loss of revenue is estimated at \$273,500 (-756,500 +483,000 = -\$273,500)

Long-Term Fiscal Considerations

It is anticipated that costs to implement the eNLC will be a short-term expenditure. The Nurse Licensure Compact Administrators annual membership fee is \$6,000.

Local Fiscal Impact

This fiscal note does not include local fiscal impact considerations.

References/Sources

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