

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** SB 244 (2nd Edition)

**SHORT TITLE:** Recognize Retired Nurses/Fees

**SPONSOR(S):** Senator Weinstein

<b>FISCAL IMPACT</b>				
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>	
	<b><u>FY 2003-04</u></b>	<b><u>FY 2004-05</u></b>	<b><u>FY 2005-06</u></b>	<b><u>FY 2006-07</u></b> <b><u>FY 2007-08</u></b>
<b>REVENUES</b>				
General Fund			<b><u>* No General Fund Impact *</u></b>	
Board of Nursing	139,188		<b><u>*See Assumptions and Methodology *</u></b>	
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> NC Board of Nursing.				
<b>EFFECTIVE DATE:</b> When it becomes law.				

**BILL SUMMARY:** The bill authorizes the North Carolina Board of Nursing to issue a special license to a retired registered nurse or licensed practical nurse. The charge for the license is a one-time fee of \$50.00. It also authorizes the Board to levy a fee of up to \$100 for a retired nurse to return to active practice.

**ASSUMPTIONS AND METHODOLOGY:** According to the annual report of the North Carolina Board of Nursing, as of December 31, 2001, there were 69,370 licensed registered nurses and 15,140 licensed practical nurses, for a total of 79,100 licensed nurses employed in nursing in North Carolina. Of the licensed nurses, approximately 5,500 are over 65 years of age. Their records also indicate that there were 33,618 registered nurses who were inactive in calendar 2001, and 10,652 licensed practical nurses who were inactive in the same period, for a total of 44,270 inactive nurses. It is unclear to Fiscal Research how many of the inactive nurses are retired, although it is reasonable to assume that at least 25% of the total are retired. It is also unclear to Fiscal Research how many nurses retire each year.

The Board of Nursing indicates that while the legislation authorizes a fee of \$50, it intends to only levy a fee of \$25. The fiscal note assumes the Board uses a fee of \$25 for the first year and \$50 in the out years. Using 25% of the inactive nurse number as a proxy for first time applications for a retired nurse registration suggests first year revenue associated with the bill of \$276,688 from those nurses. Assuming 50% of the 65-year-old and older nurses apply for the new license, revenue from that source in the first year would amount to an additional \$68,750, creating a first year revenue estimate of \$345,438. If the loss of license renewals for the retiring

nurses was considered, the net gain to the Board in the first year would be approximately \$139,188. If 5% of active nurses retire each year and request a retired nurse license, the annual revenue stream associated with the license would be approximately \$197,750 (\$50 x 3,955). However, because there would also be an associated loss of traditional license fees (\$100 for a two-year license), the net revenue stream would be limited to a loss in the out years, if those same individuals would have continued paying for their full license.

According to the Board, the costs to the Board associated with the bill should be limited to approximately \$1,500 in software and database costs, as well as approximately \$5 each for the creation of the certificates themselves.

As of December 31, 2001, the NC Board of Nursing carried a \$1,849,222 fund balance, which was an increase of \$323,428 over the previous year. The 2001 fund balance is equal to approximately 44% of its annual expenditures.

In addition, the bill allows the Board to levy a fee of up to \$100 to reinstate the license to practice of a nurse who previously carried a retired nurse license. According to Board staff, while the bill authorizes a fee of up to \$100 for the two-year period, they will actually charge \$72, as this aligns with other similar fees charged by the Board. Because we currently have no retired nurse program, it is impossible to estimate the number of nursed who would move from a retired nurse program back into practice. Thus, there is no fiscal estimate on this portion of the bill. As a practical matter, however, there would be very little no revenue from the reinstatement fee in the first year.

**SOURCES OF DATA:** NC Board of Nursing, NC Secretary of State.

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**DATE:** April 9, 2003



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