

**BOARD OF REGISTERED NURSING  
INITIAL STATEMENT OF REASONS**

**Hearing Date:** July 27, 2015

**Subject Matter of Proposed Regulations:** Fees Increase

**Sections Affected:** Title 16, Division 14, Section 1417

**Specific Purpose of Amendment:**

The Board is proposing to increase fees as detailed in the following table. The fees increase applies to renewal of licenses and certificates that expire after January 1, 2016, and to all other specified fees effective January 1, 2016. The increases in fees are necessary to support the Board’s functions.

FEES	EXISTING	PROPOSED
Biennial license renewal fee	\$130	\$150
Penalty fee for failure to timely renew a license	\$65	\$75
Application fee for continuing education provider approval	\$200	\$300
Biennial continuing education provider approval renewal fee	\$200	\$300
Penalty fee for failure to renew a continuing education provider	\$100	\$150
Fee for processing endorsement papers to other states	\$60	\$100
Certified copy of a school transcript	\$30	\$50
Duplicate license fee	\$30	\$50
Fee for evaluation of qualifications to use the title “nurse-practitioner”	\$75	\$150
Application fee for certificate as a nurse-midwife	\$75	\$150
Biennial nurse-midwife certificate renewal fee	\$75	\$100
Penalty fee for failure to timely renew a nurse-midwife certificate	\$37	\$50
Fee for application for nurse-midwife equivalency examination	\$100	\$200
Application fee for nurse-anesthetist certificate	\$75	\$150
Biennial nurse-anesthetist certificate renewal fee	\$75	\$100
Penalty fee for failure to timely renew a nurse-anesthetist certificate	\$37	\$50
Application fee for public health nurse certificate	\$75	\$150
Application fee for clinical nurse specialist certificate	\$75	\$150
Biennial clinical nurse specialist certificate renewal fee	\$75	\$100
Penalty fee for failure to timely renew a clinical nurse specialist certificate	\$37	\$50

\*With the proposed fee increase, registered nurses will pay \$160 at the time of license renewal. The fee includes a \$10 assessment for the RN Education Fund.

**Specific Changes and Factual Basis/Rationale:**

Pursuant to Business and Professions (B&P) Code, Sections 163.5, 2815, 2815.1, 2815.5, 2815.7, 2816, 2830.7, 2831, 2833, 2836.3 and 2838.2, the Board has statutory authority to assess fees, including those in the above table. The revenue generated from these fees is placed in the Board of Registered Nursing Fund, and is utilized by the Board to perform the duties and functions authorized by the Nursing Practice Act (NPA).

The Board’s highest priority is consumer protection. The primary methods by which the Board achieves this goal include: ensuring applicants meet minimum qualifications for licensure, investigating complaints against registered nurses and disciplining licensees for violation of the NPA; monitoring nurses whose licenses have been placed on probation; and managing a Diversion Program for registered nurses, whose practice may be impaired due to chemical dependency or mental illness. The Board’s ability to perform these essential functions in an effective, efficient, and timely manner is compromised by several major factors, including insufficient staff and inadequate funds to pay for additional staff. The Board estimates revenue from the proposed increase in fees will be approximately \$4,400,000 annually.

The proposed regulations are necessary as a stop gap measure to preserve the public’s health and safety as without the necessary revenue generated by the fees, the Board is unable to fully fund its licensing and enforcement programs and meet its mandate to regulate the practice of registered nurses. The increased revenues will be used to support the different programs throughout the board. The remainder of the revenue will be used to keep the Board from being overly deficient until a fee audit is completed to determine if the Board needs statutory limits to be increased. Though the Board would be at a deficit at the end of fiscal year 2016/17 regardless of a fee increase, the Board would be able to operate at -0.6 months in reserve in a higher capacity than at -3.5 months in reserve. With being at -0.6 months in reserve at the end of fiscal year 2016/17, the Board may be able to make certain cut backs in order to remain solvent. Being -3.5 months in reverse at the end of fiscal year 2016/17 would not allow the Board to be solvent under any circumstance. This stop gap measure of increasing fees is vital to help the Board protect consumers. Analysis of the Board’s fund condition shows that the Board will be operating at a deficit prior FY 2016/17. The following table shows the program fund reserve under two (2) conditions:

**Months in Reserve**

Fiscal Year	No Fee Increase	Fee Increase
2014/15	0.7	0.7
2015/16	0.1	1.3
2016/17	-3.5	-0.6
2017/18	-6.3	-2.7
2018/19	-11.7	-6.2

Authorization for these fees is found in B&P Code, Section 2838.2. The regulatory amendment adds these fees to the regulation for clarity consistency, and adds the authorizing citation for the fees.

**Underlying Data:**

Technical, theoretical or empirical studies or reports relied upon:

- Board Fund Condition
- Survey of Registered Nurses in California, 2012, Pages 61-63.

**Benefits:**

California residents would benefit from the proposed regulations because it enables the Board to be more effective in protecting them as it supports the Board's functions. The Board is self-supported so it relies on fees to generate income. An increase in fees would further allow the Board to support its daily functions, for example, the enforcement program. The enforcement program gives the Board the ability to protect consumers by investigating complaints against registered nurses and disciplining licensees for violation of the Nursing Practice Act. The enforcement program also monitors nurses whose licenses have been placed on probation. The Board also has a Diversion program that manages registered nurses whose practice may be impaired due to chemical dependency or mental illness. The Board's highest priority is consumer protection and an increase in fees would continue to allow the Board to do this.

**Business Impact:**

This regulation will not have a significant adverse economic impact on businesses, but it may have a minimal impact on businesses that provide continuing education for registered nurses; it only impacts registered nurses.

**Economic Impact Assessment:**

The proposed regulations affect individuals and some small businesses. The affected individuals are the approximate: 4,795 applicants for advanced practice certificates; and 182,000 registered nurses renewing their licenses, and 3,070 renewing their Board-issued certificates. This has been on a relatively stable trend for a number of years. The Board does not anticipate that the number will change significantly as a result of these proposed regulations. According to the California Board of Registered Nursing's *Survey of Registered Nurses in California, 2012* report, registered nurses on average earn approximately \$90,000 per year. Therefore, it is anticipated that these regulations will not affect the creation of jobs nor will it eliminate jobs within the State of California as the costs for renewal of licensure and application for advanced practice certificates would be minor and absorbable.

The affected small businesses are approximately 1,500 continuing education providers. The affected small businesses are also the approximate 240 continuing education provider applications. While there will be some additional costs involved in applying and renewing continuing education providers, this should be easily offset by revenue to a provider because there are approximately 182,000 registered nurses taking courses every year because it is required to have 30 hours of continuing education units for each renewal. The average revenue for the continuing education providers are not quantifiable as there are a large variety of types of courses offered such as through college, online courses and seminars. If there are costs to small businesses they are assumed to be minor and absorbable. Therefore, it is anticipated that these regulations will not eliminate businesses within California. The Board also believes that these regulations will not affect the expansion of businesses currently doing business within California.

The proposed regulation will benefit California residents by enabling the Board to be more effective in protecting them and effectively supporting the Board's functions with the revenue generated from the fee increase. The Board anticipates that these regulations will not affect worker safety, nor will it affect the state's environment.

The Board concludes that the proposal will not create or eliminate jobs within the State of California; will not create or eliminate existing businesses within the state; will not affect the expansion of businesses currently doing business within the State of California; will not affect worker safety; and does not affect the state's environment.

**Specific Technologies or Equipment:**

This regulation does not mandate the use of specific technologies or equipment.

**Consideration of Alternatives:**

No reasonable alternative to the regulatory proposal would be either more effective in carrying out the purpose for which the action is proposed or would be as effective or less burdensome to affected private persons and equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the law being implemented or made specific.

Set forth below are the alternatives which were considered and the reasons each alternative was rejected:

1. Not adopt the regulations. This alternative was rejected because the changes proposed by this regulatory action are necessary in order to keep the Board solvent.
2. Adopt the regulation. The Board determined that this alternative is the most feasible because the proposed regulatory changes would support the Board's functions and give the Board the ability to protect the public.