



DEPARTMENT OF AUDITS AND ACCOUNTS

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March 3, 2017

Honorable Sharon Cooper
Chairman, House Health and
436 State Capitol
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill 402 (LC 33 6908)

Dear Representative Cooper:

The bill would have Georgia join an interstate nursing compact known as the “Nurse Licensure Compact” (NLC). Under the bill, the Board of Nursing would be allowed to issue and renew multistate licenses to registered professional nurses (RNs) and licensed practical nurses (LPNs). Georgia nurses who hold a multistate license would be able to practice in another compact state without applying for a license in that state.¹ The legislation would take effect when 26 states have passed this enhanced compact model legislation or December 31, 2018, whichever date is first.

Implementation of the bill is estimated to cost \$181,000 for IT system changes and compact membership, though the Secretary of State’s Office (SOS) believes that additional staffing and costs may also be necessary. The bill is likely to result in additional revenue, but the amount is dependent on the number of nurses that opt for a multi-state license.

Additional Costs

- *Compact Membership* – The National Council of State Boards of Nursing (NCSBN) and current compact members stated that the compact membership fee is \$6,000 per year. The executive director of the Board of Nursing would serve as the state’s compact administrator/commissioner and represent Georgia in the Interstate Commission of NLC Administrators. The commission would be able to provide for rule making, oversight, dispute resolution, and enforcement in matters related to the NLC.

¹ Border states that have passed compact legislation include Florida (enhanced compact [not yet in effect], North Carolina, South Carolina, and Tennessee.

- *Information System* – The SOS expects to add multi-state licenses for RNs and LPNs to the current single state licenses. To accommodate the new license types, the licensing system will require two additional suites at an estimated one-time cost of \$175,000.
- *Additional Staff* – The number of nurses licensed by the Board of Nursing would not increase as a result of the bill (it could decrease as other compact state nurses drop their Georgia license). However, the SOS expects a surge in applications for multi-state licenses, which could necessitate a temporary need for additional staff at a cost of \$49,000 (salary/benefits) per position, and a one-time cost of \$4,000 per position for office equipment. The current staff includes five licensure analysts that handle applications, renewals, and calls. The SOS estimated the need for three additional analysts if 20% (34,000) of the 170,000 licensed nurses opted for a multi-state license. However, the actual number of nurses that would opt for a multi-state license is not yet known.

A portion of currently licensed nurses would require additional staff time if they apply for a multi-state license because they may not meet compact requirements. Approximately 89,000 active Georgia nurses licensed prior to 2008 were not required to undergo a criminal background check, a requirement for a multi-state license. But any of the approximately 80,000 nurses licensed after 2008 that apply for a multi-state license could be processed like a renewal (requiring minimal staff time), because the Board has already ensured that these nurses meet requirements consistent with those of the compact.

Additional Revenue

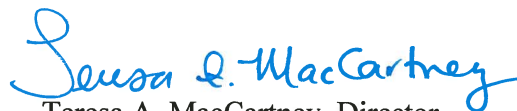
- *Application Fee* – The Board currently charges a \$40 application fee for new nurses and a \$65 renewal fee every two years. The SOS assumed that the application fee for a multi-state license would be \$75. Currently licensed nurses that desire a multi-state license will pay the \$75 application fee, but it is likely that a significant portion will be paying the \$75 fee in lieu of a \$65 renewal fee. Using the SOS estimate of 34,000 opting for a multi-state license, the increased fee would result in an additional \$340,000 to the state if nurses obtain the new license in their renewal year.

For new nurses that opt for a multi-state license, the fee would result in an increase of \$35 per nurse to the state. In FY 2016, the Board processed 15,664 new applications. If 20% opt for the multi-state license, the additional fee would generate nearly \$550,000.

Sincerely,



Greg S. Griffin
State Auditor



Teresa A. MacCartney, Director
Office of Planning and Budget