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### **Potential License Fee Increase**

This document provides some items to consider when planning for fiscal stability of the Kansas State Board of Nursing.

#### Questions for consideration:

What are the current economic trends for Kansas, KSBN and nurses in Kansas?

Over the past five years the average change in the Consumer Price Index has resulted in almost 20% inflation from 2020 to 2025. This is compared to around 8.5% from 20215 to 2020. Almost double the rate of inflation for the five-year periods. (Exhibit 1)

- What is involved in increasing fees as listed in Statutes and Regulations?
   All statutory changes in licensure fee caps must be approved by the legislature and approved by the Governor of Kansas. Changes to regulations to increase fees to be at or below the statutory cap need to be approved by KSBN, Department of Administration, Attorney General and Division of Budget.
- What is the projected budget shortfall or gap over the next three to five years?

Based on current economic trends and budget projections, it is estimated that KSBN needs to generate an additional \$400,000 to \$500,000 over the next two to three years to remain financially stable and secure. (Exhibit 2)

What is the history of licensure fee increases?

License fee increases have not been the practice of the Board in the past. When increases have occurred, it has been the practice to make targeted changes as needed. RNs make up about 75% of all the licenses issued by KSBN. LPNs make up about 13%. Renewals make up the majority of both RN and LPN licenses issued each year. (Exhibit 3)

• Is there a need to increase any fees above to the current statutory cap?

Analysis of the Fees established by the Kansas State Legislature in <u>K.S.A. 65-1118</u> (Nurses) and <u>K.S.A. 65-4208</u> (MHTs) and by the KSBN in K.A.R. <u>60-4-101</u> (Nurses) and K.A.R. <u>60-8-101</u> (MHTs) shows that on average KSBN has set Fees at around 82% of the Fee Cap set by the legislature. The median percentage is 92%.

It is noted APRN licensure fees have not changed since 2020, and they are at the statutory application cap of \$50 for initial and \$75 for a reinstatement. Biennial license renewal fee is \$5.00 below the statutory cap. KSBN requires APRNs to have active APRN and RN licenses.

APRNs who have RN licenses issued by KSBN experienced an increase in their multi and single-state licenses in 2019. The scope of practice for NPs, CNSs, CNMs expanded in 2022 to include full practice authority. The scope of practice for CRNAs expanded in 2025 to include prescriptive authority.

 Based on the last time fees were increased, where are the biggest opportunities for increase that would not require a change in the statutory fee caps defined in <u>K.S.A.</u> 65-1118?

The last time Fees where increased was in 2019 when Kansas joined the NLC. This created a new initial multi-state fee structure that was higher than the Single State Fees. (Exhibit 4)

		rees	Сар
0	Initial RN -		
	Multi-State	\$125.00	\$300.00
	<ul><li>Single- State</li></ul>	\$100.00	\$150.00
0	Renewals		
	RN and LPN Multi-State and Single-State	\$85.00	\$120.00
0	APRNs (all roles) Renewals	\$55.00	\$ 60.00

What are the trends of interest in multi-state vs. single-state licenses?

Since KSBN joined the NLC about one-third of all RNs and LPNs in Kansas have decided to take advantage of the Compact and have a Multi-State Kansas License. There has been a shift of around 10,000 Single-State Licenses to the Multi-State in Kansas.

### Possible Options to Consider:

- Status Quo. No change currently. Continue to evaluate and report back to the Board via the quarterly Finance and Risk Management Committee. Strategically plan the best time to take a statutory cap increase to the Legislature for possible action.
- Licensure Fee Increase Options:
  - Option 1: Increase in multi-state initial RN fees from \$125.00 to \$200. This
    continues to be below the statutory cap of \$300.00
    - **Revenue Impact:** Based on FY 24 data this could generate \$257,775 in additional revenue (increase from \$131,650 to \$389,425)
  - Option 2. Increase Renewals for both RN and LPN Multi-State and Single-State from \$85.00 to \$90 this too will be well below the \$120.00 Cap
    - Revenue Impact: Based on FY 24 data this could generate \$131,650.00 in additional revenue.
  - Option 3: Increase APRN renewals from \$55 to \$60 (statutory cap)
    - Revenue Impact: Based on FY 24 data this could generate \$24,057
  - Option 4. A combination of Options 1. 2 & 3.
    - Revenue Impact: All three options together based on FY 24 data this could generate \$413,482 in additional revenue.
  - o Option 5: Another method

# Exhibit 1. Kansas Labor Information Center (KLIC) - Consumer Price Index (CPI)

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Source: Bureau of Labor Statistics

Annual						
Current Fees						
Current Fees b	pased or	n Inflation				
						Fee
Area	Year	СРІ	Inflation	RN	PN	RN & PN
Actual	2016	\$240.01		Multi-	Single	Multi/Single
Actual	2017	\$245.12	2.1%	Initial	Initial	Renewal
Actual	2018	\$251.11	2.4%			
Actual	2019	\$255.66	1.8%	\$125.00	\$100.00	\$85.00
Actual	2020	\$258.81	1.2%	\$126.52	\$101.22	\$86.04
Actual	2021	\$270.97	4.5%	\$132.20	\$105.76	\$89.90
Actual	2022	\$292.66	7.4%	\$142.00	\$113.60	\$96.56
Actual	2023	\$304.70	4.0%	\$147.61	\$118.09	\$100.38
Actual	2024	\$313.69	2.9%	\$151.84	\$121.47	\$103.25
Actual	2025	\$319.80	1.9%	\$154.74	\$123.79	\$105.22
Cap				\$300.00	\$150.00	\$120.00
Gap				\$175.00	\$50.00	\$35.00
Inflation Differ	rence			\$145.26	\$26.21	\$14.78
Inflation Incre	ase			\$29.74	\$23.79	\$20.22
Inflation Fee				\$154.74	\$123.79	\$105.22

Five-Year	Year	CPI	Inflation				Current Fees			
Actual	1975 \$53.80 Propo		Proposed Fee	roposed Fee Increase						
Actual	1980	\$82.40	34.7%				Getting Close to Cap		o Cap	
Actual	1985	\$107.60	23.4%				Over Statutory Cap			
Actual	1990	\$130.70	17.7%	RN	PN	RN & PN	RN	PN	RN & PN	
Actual	1995	\$152.40	14.2%	Multi-	Single	Multi/Single	Multi-	Single	Multi/Single	
Actual	2000	\$172.20	11.5%	Initial	Initial	Renewal	Initial	Initial	Renewal	
Actual	2010	\$218.06	21.0%	Fee	Fee	Fee	Fee	Fee	Fee	
				Current			Proposed			
Actual	2015	\$237.02	8.0%	Fees			Fees			
Actual	2020	\$258.81	8.4%	\$125.00	\$100.00	\$85.00	\$200.00	\$120.00	\$90.00	
Actual	2025	\$319.80	19.1%	\$148.84	\$119.07	\$101.21	\$238.14	\$142.88	\$107.16	
Projected*	2030	\$363.30	13.6%	\$169.09	\$135.27	\$114.98	\$270.54	\$162.32	\$121.74	
Projected*	2035	\$414.26	14.0%	\$192.80	\$154.24	\$131.10	\$308.48	\$185.09	\$138.82	
Projected*	2040	\$466.55	12.6%	\$217.14	\$173.71	\$147.65	\$347.42	\$208.45	\$156.34	
Projected*	2045	\$529.77	13.5%	\$246.56	\$197.25	\$167.66	\$394.50	\$236.70	\$177.52	
Projected*	2050	\$606.98	14.6%	\$282.49	\$226.00	\$192.10	\$451.99	\$271.19	\$203.40	

<sup>\*</sup>Projected = Average of Previous 5 Years

## Exhibit 2: Projected Revenue vs. Expenditures

	FY 24 Actuals	FY 25 Request	FY 26 Request	FY 27 Request
Clerical Services	17,600	17,000	16,500	16,000
Other Service Charges	19,940	20,000	21,000	22,000
License Personal Services	3,367,488	3,535,488	3,685,488	3,700,000
Total Expenditures	3,559,326	3,754,238	3,854,238	3,954,238
Difference	-154,237	-181,750	-131,250	-216,238

## Exhibit 3. Percent of Licenses by Year by Type

Туре	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Registered Nurse - Multi-State Total	13%	18%	18%	23%	28%	28%
Registered Nurse - Single-State Total	61%	57%	57%	45%	43%	43%
Licensed Practical Nurse - Multi-State Total	1%	2%	2%	3%	4%	4%
Licensed Practical Nurse - Single-State Total	12%	11%	11%	9%	10%	10%
Nurse Practitioner Total	12%	9%	9%	15%	12%	12%
Clinical Nurse Specialist Total	0%	1%	1%	1%	0%	0%
Nurse Midwife Total	0%	0%	0%	0%	0%	0%
Registered Nurse Anesthetist Total	0%	2%	2%	3%	2%	2%
Licensed Mental Health Technician: Total	0%	0%	0%	0%	0%	0%
Grand Total	100%	100%	100%	100%	100%	100%

## Exhibit 4. KSBN Licensure Renewal Fees Compared to Cap

RN or PN/ Multi or Single	Туре	Fee	Cap	% of	Gap from
<u>-</u>				Cap	Cap
Registered Nurse - Multi-State	Initial	<b>\$125.00</b>	\$300.00	<mark>42%</mark>	175
Registered Nurse - Multi-State	Renewals	\$85.00	\$120.00	71%	35
Registered Nurse - Multi-State	Reinstatements	\$150.00	\$300.00	50%	150
Licensed Practical Nurse - Multi-State	Initial	\$125.00	\$300.00	<mark>42%</mark>	175
Licensed Practical Nurse - Multi-State	Renewals	\$85.00	\$120.00	71%	35
Licensed Practical Nurse - Multi-State	Reinstatements	\$150.00	\$300.00	50%	150
Registered Nurse - Single-State	Initial	\$100.00	\$150.00	67%	50
Registered Nurse - Single-State	Renewals	\$85.00	\$120.00	71%	35
Registered Nurse - Single-State	Reinstatements	\$150.00	\$150.00	100%	0
Licensed Practical Nurse - Single-State	Initial	\$75.00	\$100.00	75%	25
Licensed Practical Nurse - Single-State	Renewals	\$85.00	\$120.00	71%	35
Licensed Practical Nurse - Single-State	Reinstatements	\$150.00	\$150.00	100%	0
			Average	82%	
			Median	92%	