

2025-27 Budget Review

Board of Nursing

	2021-23 Actual	2023-25 Legislatively Approved *	2025-27 Current Service Level	2025-27 Governor's Budget
Other Funds	21,881,048	26,556,362	29,229,166	30,349,084
Total Funds	21,881,048	26,556,362	29,229,166	30,349,084
Positions	56	61	61	62
FTE	54.98	59.78	60.90	61.90

* Includes legislative and administrative actions through December 2024.

PROGRAM DESCRIPTION

The Oregon State Board of Nursing (OSBN) protects the public by regulating nursing education, licensure, and practice. In collaboration with its staff, OSBN develops administrative rules, evaluates and accredits nursing education and nursing assistant training programs, issues and renews licenses, investigates complaints, and enforces disciplinary actions when necessary. Additionally, OSBN maintains the nursing assistant registry and administers competency evaluations for nursing assistants.

The Board is comprised of nine members, two public members, four registered nurses, one licensed practical nurse, one certified nursing assistant and one nurse practitioner. The four registered nurses represent various areas of nursing practice including, education, administration, and direct care, they also represent a variety of geographic regions. As of December 2024, 124,811 licensees are subject to OSBN's oversight, of which 69% are registered nurses (RN) and 16% are certified nursing assistants (CNA).

OSBN is an Other Funds agency and revenue is primarily generated from examination, licensing, and renewal application fees charged to licensees. The Oregon Department of Human Services, Aging and People with Disabilities program, transfers Federal Funds to OSBN for the CNA program, which come to OSBN as Other Funds. These Federal Funds, estimated to be \$1.7 million in 2025-27, consist of a Medicare and Medicaid grants that do not require matching funds.

BUDGET ENVIRONMENT

OSBN is proposing a \$35 fee increase on Licensed Practical Nurse fees and a \$100 fee increase across all other licenses, their first increase in 15 years, that is projected to generate \$8.4 million in additional revenue. The fee increase would more closely align Oregon with fees charged in Washington and California. Currently, Oregon's biennial license renewal is \$145, in Washington it is \$280 per biennium, and in California it is \$190 annually. OSBN is requesting the fee increase to cover additional staff and

position reclassifications recommended by the Department of Administrative Services. The increase will also permit the board to continue to support the Oregon Wellness Program and Health Professionals' Services Program.

As of December 2024, OSBN has \$12.5 million in projected ending balance, or 10 months of operating expenses. It is considered best practice for boards to have at least six months of operating expenses, which is \$7.5 million for OSBN. Spending down OSBN's reserve may offset the need for a fee increase, which can be a barrier to access.

The Nurse Licensure Compact is a multistate license that allows nurses to practice nursing either in person or through telemedicine in any of the member states. As of June 2024, 42 states and territories, including Washington, are members of the Nurse Licensure Compact. OSBN testified before the House Interim Committee on Behavioral Health and Human Services to clarify its position on the nurse licensure compact. The Board expressed concern that joining the nurse licensure compact would not significantly increase the number of in-state nurses and could potentially lower the quality of nursing care in Oregon.

In 2024, OSBN received approval to increase its Other Funds expenditure limitation by \$1.1 million. During the 2024 legislative session, the Legislature approved an increase of \$512,160 Other Funds and authorized the establishment of three new positions to reopen OSBN's contact center, address a backlog in case investigations, and provide additional administrative support. In December 2024, the Emergency Board approved an additional \$600,000 increase in Other Funds for an unexpected increase in administrative costs and an increase in pass-through contributions to the Oregon Nursing Advancement Fund.

CURRENT SERVICE LEVEL

The 2025-27 current service level (CSL) budget for OSBN is \$29.2 million Other Funds and 61 positions (60.90 FTE). The CSL budget is \$2.7 million, or 10%, more than the 2023-25 legislatively approved budget. The CSL increase includes the standard personal services growth and inflation for services and supplies expenditures, including a 23.3% increase in attorney general hourly rates and a 4.2% increase in facility rent.

GOVERNOR'S BUDGET SUMMARY

The 2025-27 Governor's budget for OSBN totals \$30.3 million Other Funds, an increase of \$1.1 million, or 3.8%, from current service level, and includes the following investments above CSL:

- **Personal Services** - adding two investigator positions, reclassifying four positions, and eliminating a fiscal analyst position.
- **Pass-through funds** - an increase in expenditures for pass through money going to the Oregon Nursing Advancement Fund and for vendor testing fees.
- **Revenue** - an application fee increase of \$35 for Licensed Practical Nurses and of \$100 for all other licenses.

OTHER SIGNIFICANT ISSUES

The Joint Task Force on Hospital Discharge Challenges recommended the following actions that may affect OSBN:

- OSBN should be directed to establish a statewide system to coordinate nursing student clinical payments and monitor denial of placements over time.
- OSBN should study rules for 1:1 nursing student clinical rotation and make changes to improve access to placements.
- The Legislature should direct OSBN to create an interstate licensure agreement between Washington, California, Idaho, and Oregon to allow nurses to transfer licenses in good standing without reapplication.

KEY PERFORMANCE MEASURES

A copy of the Oregon State Board of Nursing's Annual Performance Progress Report can be found on the LFO website: [KPM - View Report](#)

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