

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2006
 TIME: 11:50:28PM

Agency code: 529

Agency name:

Health and Human Services Commission

CODE DESCRIPTION

	Excp 2008	Excp 2009
Item Name: Increase Nurse Retention and Recruitment across HHS Enterprise		
Item Priority: 16		
Includes Funding for the Following Strategy or Strategies:		
01-02-01 Office of Inspector General		
01-03-01 Consolidated System Support		
02-04-01 State Medicaid Office		
 OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES		
1002 OTHER PERSONNEL COSTS	470,971	470,971
2009 OTHER OPERATING EXPENSE	18,866,019	21,529,237
TOTAL, OBJECT OF EXPENSE	271,891	271,891
	\$19,608,881	\$22,272,099
 METHOD OF FINANCING:		
1 GENERAL REVENUE FUND		
555 FEDERAL FUNDS	12,503,950	15,167,168
93.777.000 State Survey and Certific		
93.777.002 SURVEY & CERT @ 75%	1,041,254	1,041,254
93.778.000 Medical Assistance Program	627,134	627,134
93.778.003 XIX 50%	2,673,614	2,681,102
93.778.004 XIX ADM @ 75%	16,192	16,192
758 GR MATCH FOR MEDICAID	593,719	593,719
8032 GR CERTIFIED AS MATCH FOR MEDICAID	421,995	421,995
TOTAL, METHOD OF FINANCING	1,731,023	1,723,535
	\$19,608,881	\$22,272,099
 FULL-TIME EQUIVALENT POSITIONS (FTE):		
	108.00	162.00

DESCRIPTION / JUSTIFICATION:

This item is requested on behalf of DADS, DSHS, and HHSC to improve nurse retention and recruitment throughout the HHS system. Turnover rate of 27% for Registered Nurses (RN) and 31% for Licensed Vocational Nurses (LVN) in HHS agencies are well above the statewide average of 17% for all state employees. Likewise, vacancy rate continue to be high in the area at 17% for RNs and 10% for LVNs. This exceptional item would increase salaries by an average of 15% for 1682 RNs and 1,010 LVNs working in HHS agencies, primarily in state mental health hospitals (DSHS), state schools (DADS), the long term care regulatory function (DADS), and nurse investigators at HHSC OIG as well as in Medicaid.

This request also includes two additional incentives to assist in recruitment and retention of nurses. 1 Educational stipends to provide current HHS agency staff with the opportunity to achieve nursing certification in exchange for a commitment to remain with the state for a specified period of time. This stipend would provide salary and

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education expenses to support 50 staff pursuing LVN certification, 50 associate RNs, 4 bachelors' - level RNs, and 4 master's level nurses each year. 2. A set allocation of \$150 to reimburse nurses for license renewal and/or continuing education cost. Exceptional item # 10, "Increase OIG Support", would increase the number of nurses by 18 FTEs. The additional costs for these 18 nurse positions totals \$192,557 annually which has not been included in this request.		

EXTERNAL/INTERNAL FACTORS:

High turnover and vacancy rates among HHS nurses impact the quality of client services in several key areas. The state must also bear increased cost related to recruitment, training, and a loss of productivity associated with frequently hiring new employees. In order to ensure efficient use of resources and a high quality of services, HHS agencies must offer compensation that is competitive with private sector employers across the state, which offers nurses an estimated 15% higher average salary than HHS agencies currently offer. In order to implement that salary increase requested, a reallocation of nurse position classifications will be requested through the State Auditor's Office.