



NOTES TO THE PROPOSED 2024 BUDGET

December 1, 2023

CONFIDENTIAL

The proposed 2024 budget is described here, with the spreadsheet attached. The WCN's business activity continues to grow.

- WCN is implementing a new 3 to 5- year strategic plan which will guide investment of resources. The four pillars of the WCN strategic plan are 1) Elevating the importance of nursing retention 2) Building on our unique roles to support population health 3) Strengthening coalitions (WABON, CNEWS, others) and centering new voices (emerging diverse nurse leaders) and 4) Strengthening our capacity to advance the data
- We are seeing more travel due to increased invitations to conferences and meetings re-convening in person post-covid.
- Surcharge revenue continues to be healthy. This year, we proposed to the WABON an increase in the baseline budget for the upcoming two- year contract with DOH to achieve a timelier disbursement of surcharge. The DOH has withheld surcharge amounts ranging from \$70,000-\$210,000 per year. However, due to the adoption of nurse compact legislation, it is prudent to monitor surcharge revenue in 2024 instead. We continue to be vigilant in maintaining a pro-active amount of reserve funds to maintain operations despite continued lagging disbursement from DOH.
- The State Legislature provided \$280,000 for WCN to implement a clinical practice proviso in 2024, allowing WCN an additional program manager to coordinate statewide workgroups and a web-based communication platform. This is a two- year project.

Changes in both public and private funding streams

- WCN's Premera Foundation grant to implement *So You Want to be a Professor* workshops ended this year.
- The UW School of Nursing was awarded a Health Resources Services Administration Nursing Workforce Diversity Grant from 2021-2024. This allows us to continue *So You Want to Be a Professor Workshops* through next year. This year we completed a second Caring for Communities workshop to promote careers in population health. Program support is lead by Frank Kohel. This grant also contributes funds towards a newly established position, a full time WCN Diversity Equity and Inclusion Associate and a part-time WCN DEI Consultant role to provide better support for WCN DEI strategic initiatives. The grant also supports contributions from other WCN staff. Funds of \$40,000 is anticipated from the HRSA grant.
- in 2023.
- WCN is completing the first 6 months of a two- year contract with the DOH, which started July 1, 2023. We have been working with contract management staff to receive a backlog of surcharge revenue which has been a persistent challenge. To date, DOH is one quarter behind disbursement of surcharge funds.
- The WCN continues to participate in a SANE HRSA grant funds from the CO Center for Nursing Excellence to participate in a five- state collaborative to educate and train 30 total nurses to become Sexual Assault Nurse Examiners and encourage national certification. The WCN recruited a second cohort.

- As mentioned previously, the WCN received a two-year budget proviso from the state legislature to implement a statewide project to enhance communication between schools of nursing and organizations who can provide clinical practice experiences.

Increased use of WCN data and analysis to inform policy

WCN plays a key role in objective data collection and analysis on the nursing workforce. There has been increased demand in WCN data expertise to inform policy, which is only increasing with the clinical practice proviso. WCN anticipates continuing to provide WABON with technical assistance in implementing the HELMs nursing workforce data survey, including user testing. Implementation continues to be delayed.

The following are examples of increased workload that staff have successfully managed in 2023:

- Increased number of non-DOH grants to manage. WCN gained a new DEI Associate, Fawzi Belal, from funds received through the HRSA federal subcontract. Fawzi not only supports *So You Want to Be a Professor* but has provided DEI assistance to other projects such as the SANE grant and Critical Gaps. He also co-leads a DEI project with WABON staff to identify DEI issues in nursing rule making. This year, the partnership will examine DEI issues in the WABON disciplinary process.
- WCN as fiscal agent for A Premera Foundation grant for an LPN to BSN pathway awarded to Mary Baroni, is winding down work as the grant is coming to an end. We received funds to support the WCN Finance and Operations Associate, Theresa Berry, for administration.
- Increased frequency of virtual and now in-person convenings of varying complexity that involve the use of expert virtual facilitators and increased knowledge and use of virtual formats continues. This includes convenings for the Clinical Practice proviso, and statewide workgroups advancing diversity in clinical practice. WCN contracts with Una McAlinden to design virtual, outcome oriented convenings and to support Washington's continued leadership in these areas.
- Increased demand for technical assistance in data and research is already apparent with the launch of the Clinical Practice proviso. The WCN Research Team consisting of Patricia Moulton, PhD and Angelina Flores-Montoya, PhD, RN, and Program Manager Lucy Merry lead these efforts.
- *So You Want to Be a Professor* was an in-person workshop for the first time since 2019 lead by Angelina Flores-Montoya and Fawzi Belal. Communications Associate Brenda Little produced a video capturing essential information about the role and requirements of being a nurse educator so that the live workshop could focus on issues related to DEI in the classroom. Frank Kohel continues to lead related skills workshops for program participants.
- We provided a second Diverse Nurse Faculty Mentoring program in January 2023. Coaching and evaluation for quality improvements was implemented. In 2024, we nursing students will be eligible for mentors under the HRSA grant.
- Brenda Little, the WCN Communications Associate, has expanded her role by developing the Teen Nursing Academy, which is gearing up for implementation in 2024 in partnership with Green River nursing program. The goal is to reach out to middle school students and promote nursing as a career.

Post-pandemic inflation settling back to previous levels.

Finally, the proposed budget captures unusual inflationary adjustments. WCN uses the Seattle area Consumer Price Index (CPI) to monitor whether WCN staff are compensated according to 1) positive performance reviews

and 2) compensation is within mid-range of similar roles and occupations according to the Archbright non-profit salary survey. The Seattle area Consumer Price Index has returned to 2022 levels at 4.8% for 2023, compared to 8.9% in 2022.

Healthcare Benefits

The WCN provides a healthcare benefit option to employees. Cost of the healthcare benefit is made available through the Seattle Southside Chamber of Commerce. Employees who opt into this plan contribute their in lieu of benefit dollars to the cost. Two out of five employees have opted for coverage. According to the WA State Office of the Insurance Commissioner, there is an anticipated 4% increase in health insurance premiums compared to a 5.9% increase last year. ⁱ

Fundraising and Voluntary Contributions:

For 2023, we maintained but fell short of our goal of \$20,000. As you recall, we suspended plans for a WCN Nurses Week fundraising event due to the ongoing COVID-19 pandemic in 2021 and 2021. The goal for 2023 will be held at \$20,000 and the board has formed a subcommittee to explore returning to an in-person fundraising event in 2024. An annual reminder to contributing organizations on the board and individual board members requesting contributions have been sent.

An increase in the Department of Health surcharge fee amount

An estimated \$210,000 of surcharge funds accumulated in 2023. The WCN proposed to use these additional funds to maintain research staff and consulting, consulting for convenings, and support for the WCN DEI Associate position and funding needed for associated activities.

Major issues affecting the budget for 2024

- Uncertainty due to the passage of interstate nurse compact legislation While WCN verified calculations on the legislative fiscal note maintains the WCN budget in terms of surcharge, it is prudent to monitor implementation of the legislation to identify true impact to WCN revenues.
- Increased grant and program management due to the Clinical Practice Proviso, adding a workload to 2 remaining non-DOH grants (HRSA Nursing Workforce Diversity and HRSA SANE).
- Increased frequency of in-person meetings and trainings and virtual convenings of varying complexity that involve the use of expert virtual facilitators and increased knowledge and use of virtual formats by staff. Convenings transitioning to in-person meetings adds increased costs due to increased travel costs and meeting space costs. WCN has also submitted abstracts to national conferences to disseminate our work and we are regularly accepted. Examples include the National Forum of Nursing Workforce Centers Conference, the American Academy of Nursing, the American Association of Colleges of Nursing, and others.
- Increased demand for technical assistance in data and research due to a newly formed statewide nursing workforce data group lead by Patricia Moulton Burwell and Angelina Flore-s Montoya and research and data needs of the Clinical Practice proviso.
- Continued involvement in the launch of workforce data collection in HELMs by WABON and DOH.
- Development and launch of a Nurse Burnout and Retention Committee and survey in coordination with the University of Pennsylvania School of Nursing to support the goal of nurse retention as identified in the WCN strategic plan.

Expenses:

Expense distribution goals will not change for 2024. There may be changes as a result of new DOH contract:

Program 85% of expenses. A portion of salaries is allocated to the program. For example, a portion of the ED'S salary is allocated to the diversity mentorship program.

Administrative 10% expenses. This includes costs for bookkeeping, audit, and payroll fees not associated with salaries (e.g., administration of a 401K plan)

Fundraising 2% expenses. This is fundraising for general operations, not the programs.

Compensation:

- All compensation and associated taxes and fees are listed in the spreadsheet.
- A 5% increase on the base salary for the ED, Program and Support Associate, Finance Associate, and Communications Associate. This is consistent with the WCN's adopted Compensation Philosophy and positive performance reviews.
- The WCN provides health benefits for employees who opt-in. In Lieu of Benefits offered to those staff are applied to the cost of obtaining health care coverage.
- The budget maintains a research team of two Research Consultants on contract. New staff include a full-time Clinical Practice Associate. A part-time WCN DEI consultant will be maintained.
- The budget proposes additional consulting costs for the Clinical Practice proviso.

Positive Margin:

The proposed budget aims for a \$1594 positive margin. If adjustments are needed, this can be made in the budget for consulting, depending on demand for services.

Potential changes in operating reserve

The prolonged COVID-19 pandemic, disruption of the disbursement of surcharge fees, and continued 6-month lag by the Department of Health to disburse surcharge revenue demonstrates the critical role of a reserve fund to assure operational and program goals continue. WCN's practice of assuring a level of funding to support at least two quarters of operations and savings allowed us to operate at normal staffing levels during COVID-19. Activities for WCN since the onset of the COVID-19 crisis continues to increase and proposed staffing levels are needed to accomplish our activities. As of the date of this memo, the reserve account can currently support 3.67 months of operations.

Further discussions are needed with regards to the following:

- Continued need for board recruitment and development.
- Revising fundraising efforts as a nonprofit organization based on lessons learned from COVID-19.
- Changes in program allocations based on newly adopted strategic directions by the WCN Board for 2023-2026

My recommendation is that the Finance Committee approves the budget proposal for 2023. The last scheduled WCN Board of directors meeting is scheduled for December 8th, 2023. I welcome your feedback, comments, and ideas.

Sincerely,

A handwritten signature in black ink, appearing to read "Sofia Aragon". The signature is fluid and cursive, with the first name "Sofia" being more prominent than the last name "Aragon".

Sofia Aragon, JD, BSN, RN, FAAN
Executive Director
