

From: Archuleta, Chris S (DOH) <christopher.archuleta@doh.wa.gov>
Sent: Tuesday, August 20, 2019 12:05 PM
To: Sofia Aragon <SofiaA@wcnursing.org>
Cc: paula.meyer@doh.wa.gov; Theresa Berry <TheresaB@wcnursing.org>; Peterson, Kristin I (DOH) <Kristin.Peterson@DOH.WA.GOV>
Subject: WCN Quarterly Allotments FY 2020



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Nursing Care Quality Assurance Commission
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August 20, 2019

Sofia Aragon, RN, JD
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Dear Sofia:

This letter satisfies the requirement outlined in the Department of Health (DOH) and the Nursing Care Quality Assurance Commission (NCQAC) procedure G01.04. Under the Quarterly Disbursements section of the procedure it reads:

By August 15 of each year, the Associate Director of Education (ADE) sends a written communication to the executive director of the central nursing resource. The communication must include:

- *Projected surcharge income for the same fiscal year (FY) of July 1 through June 30;*
- *Allotment for the account;*
- *Estimated quarterly payments;*
- *Processes used to adjust disbursements if collected surcharges differ from projected amounts.*

The grant amount for the current contract, CBO23449, is \$1,100,800 or \$550,400 each fiscal year to be disbursed in equal quarterly payments of \$137,600. Section 2 of the Special Terms and Conditions reads:

Based on historical data, the estimated grant amount for the two year term is \$1,100,800.00. That amount represents the projected net revenue available from the five dollar license surcharge as allowed under RCW 18.79.202 after DOH retains eight percent of the gross revenue to compensate DOH for its reasonable costs associated with the collection and distribution of the surcharge and administration of the grant as provided at RCW 18.79.202(3).

FY 2019 concluded June 30, 2019 with revenues exceeding the Grant Amount by \$32,042. This increase was due to the continued growth of applications received. DOH and NCQAC respectfully request the Washington Center for Nursing (WCN) provide an acceptable plan to spend the excess funds in FY 2020 while maintaining a reserve operating fund below the acceptable balance of 50% or six months' worth of the annual amount allocated. This may include adding deliverables or increasing the current budget. The excess funds will be disbursed upon receipt of an approved plan.

FM	Month	Revenue Earnings
1	Jul-19	\$49,110
2	Aug-19	\$51,965
3	Sep-19	\$50,035
4	Oct-19	\$51,365
5	Nov-19	\$47,395
6	Dec-19	\$44,155
7	Jan-20	\$53,425
8	Feb-20	\$49,535
9	Mar-20	\$56,475
10	Apr-20	\$50,440
11	May-20	\$55,625
12	Jun-20	\$55,760
FY 2020		\$615,285

Although DOH and NCQAC anticipate the surcharge revenue for FY 2020 to continue to grow (see above chart), the Grant Amount for FY 2020 adequately represents the anticipated projected revenue to be received. As a result, DOH and NCQAC do not feel it necessary to adjust the quarterly allotment amounts at this time. If there is a shortfall or overage in revenues in FY 2020, then the difference will be accounted for in the fourth quarter payment and will need to be accounted for in the FY 2021 statement of work and budget. Section 6 of the Special Terms and Conditions reads:

Disbursements to Contractor in quarters one through three of each state fiscal year (July 1 through June 30) will be made by allocation of that year's Grant Amount....Each Contract year's fourth quarter disbursement to Contractor will be based on an allotment adjustment if the actual revenue is higher or lower than each year's original adopted Grant Amount.

If the revenue for the Contract year at the end of the fourth quarter exceeds the Grant Amount, DOH will disburse to Contractor the same 25% amount paid during the previous quarters.

At the end of the fourth quarter of each Contract year, if DOH determines that the Grant Amount does not represent the actual or projected revenue received or expected to be received from the nursing license surcharge funds, DOH and Contractor agree to amend the Grant Amount to correspond with the new amount and to negotiate any corresponding changes reasonably necessary to amend the Scope of Work and Budget going forward.

Additionally, due to the delays with acquiring the Minimum Data Set data and granting the researchers from the University of Washington access to the data, DOH and NCQAC recognize meeting Deliverable 1.3 deadlines of 9/30/19 and 1/10/20 are not feasible. DOH and NCQAC propose extending the due dates to 12/31/19 and 3/31/20 respectively and amending the contract.

I look forward to your response. As always, please contact me with any questions.

Sincerely,



Paula R. Meyer MSN, RN, FRE

Executive Director

Nursing Care Quality Assurance Commission

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Cc: Kristin Peterson