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DATE: February 7, 2002

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
HEALTH REGULATION
ANALYSIS**

BILL #: HB 1345
RELATING TO: Florida Center for Nursing
SPONSOR(S): Representative Green
TIED BILL(S): HB 1347

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) HEALTH REGULATION
 - (2) FISCAL POLICY & RESOURCES
 - (3) COUNCIL FOR HEALTHY COMMUNITIES
 - (4)
 - (5)
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I. SUMMARY:

THIS DOCUMENT IS NOT INTENDED TO BE USED FOR THE PURPOSE OF CONSTRUING STATUTES, OR TO BE CONSTRUED AS AFFECTING, DEFINING, LIMITING, CONTROLLING, SPECIFYING, CLARIFYING, OR MODIFYING ANY LEGISLATION OR STATUTE.

In 2001, the Legislature adopted CS/SB 1558 (ch. 2001-277, L.O.F.) creating the Florida Center for Nursing for the purpose of addressing issues of supply and demand for nursing, including issues of recruitment, retention, and utilization of nurse workforce resources. The legislation provided Legislative intent with regard to funding, stating "that the center will repay the state's investment by providing an ongoing strategy for the allocation of the state's resources directed towards nursing." The legislation further provided that it was "imperative that the state protect its investment and progress made in nursing efforts to date. The Legislature finds that the Florida Center for Nursing is the appropriate means to do so. The center shall have state budget support for its operations so that it may have adequate resources for the tasks the Legislature has set out in s. 464.0195." The 2001 legislation, however, did not dedicate any specific funding mechanism for the Center for Nursing.

This bill authorizes the Florida Board of Nursing to impose a \$5 fee upon each initial nursing license and each license renewal. The revenues collected from this \$5 fee will be deposited into a trust fund, created in HB 1347, and will be used solely to support and maintain the goals and functions of the center.

Because there are approximately 230,000 licensed nurses in Florida, this bill will generate approximately \$1.15 million in revenue every 2 years.

The bill provides an effective date of July 1, 2002.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

The bill authorizes the Florida Board of Nursing to impose a \$5 fee upon each initial nursing license and each license renewal.

B. PRESENT SITUATION:

In 2001, the Legislature created the Florida Center for Nursing for the purpose of addressing issues of supply and demand for nursing, including issues of recruitment, retention, and utilization of nurse workforce resources. The legislation provided Legislative intent with regard to funding, stating "that the center will repay the state's investment by providing an ongoing strategy for the allocation of the state's resources directed towards nursing." The legislation further provided that it was "imperative that the state protect its investment and progress made in nursing efforts to date. The Legislature finds that the Florida Center for Nursing is the appropriate means to do so. The center shall have state budget support for its operations so that it may have adequate resources for the tasks the Legislature has set out in s. 464.0195." The 2001 legislation, however, did not dedicate any specific funding mechanism for the Center for Nursing.

According to the Department of Health, nurses currently pay \$75 for an initial nursing license and pay \$55 every two years at the time of licensure renewal, except for advanced registered nurse practitioners who pay \$105. In addition, nurses pay \$5 at initial licensure and licensure renewal, like all health care practitioners, which is used by the Department of Health to investigate and prosecute the unlicensed practice of nursing. Furthermore, nurses pay another \$5 which is used to fund the Florida Student Nursing Loan Forgiveness Program. Thus, registered nurses (RNs) and licensed practical nurses (LPNs) currently pay \$85 every two years, and advanced registered nurse practitioners pay \$115 every two years. These are the lowest fees of all health care practitioner licensure fees. In contrast to the relatively small fees that nurses pay, the following health care practitioners pay licensure renewal fees of \$200 or more: acupuncturists, chiropractic physicians, clinical social workers, marriage and family therapists, mental health counselors, dentists, hearing aid specialists, allopathic physicians, midwives, naturopaths, nursing home administrators, opticians, optometrists, orthotists, and prosthetists.

C. EFFECT OF PROPOSED CHANGES:

This bill authorizes the Florida Board of Nursing to impose a \$5 fee upon each initial nursing license and each license renewal. The revenues collected from this \$5 fee will be deposited into a trust

fund, created in HB 1347, and will be used solely to support and maintain the goals and functions of the center.

The bill provides an effective date of July 1, 2002.

D. SECTION-BY-SECTION ANALYSIS:

Please see Effect of Proposed Changes section above.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

\$649,500 annually

2. Expenditures:

\$604,035 annually transferred from Medical Quality Assurance Trust Fund to Center for Nursing Trust Fund

\$45,465 annually transferred to General Revenue in the form of 7% surcharge

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Nurses will each have to pay \$5 at the time of initial licensure and every 2 years thereafter at the time of licensure renewal.

D. FISCAL COMMENTS:

The Department of Health will collect \$5 from each nurse at the time of licensure and every 2 years thereafter. This money will be collected at the time of licensure renewal, will be deposited into the Medical Quality Assurance Trust Fund, and then transferred into the Center for Nursing Trust Fund. According to the Department of Health, there are approximately 230,000 nurses licensed in Florida. Thus, this bill should generate revenue of approximately \$1.15 million every 2 years. Since approximately one-half of the nurses renew each fiscal year, the department estimates receiving revenue of approximately \$649,500 annually. However, this trust fund will be subject to the 7% surcharge, and therefore, approximately \$45,465 will be transferred to General Revenue each year.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that counties or municipalities have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

No new rulemaking authority is provided in this bill.

C. OTHER COMMENTS:

According to the Department of Health, the center should provide assistance in addressing the supply and demand for nursing, including issues of recruitment, retention, and utilization of the nurse workforce. These efforts may relieve the shortages that are plaguing those entities that must employ nurses.

The Department of Health is concerned that this bill does not contain a provision to terminate the collection of the \$5 fee consistent with the 2006 scheduled termination of the Florida Center for Nursing Trust Fund in the companion trust fund bill, HB 1347.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON HEALTH REGULATION:

Prepared by:

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