

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1806

SPONSOR: Health, Aging and Long-Term Care Committee and Senator Silver

SUBJECT: Florida Center for Nursing Trust Fund

DATE: February 13, 2002      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Munroe	Wilson	HC	Favorable/CS
2.	_____	_____	AHS	_____
3.	_____	_____	AP	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

The bill creates the Florida Center for Nursing Trust Fund to be administered by the Department of Health. Section 464.0195(3), F.S., (as created in CS/SB 1808) requires the Board of Nursing to include on its initial and renewal application forms a question on whether the nurse would voluntarily contribute to the Florida Center for Nursing, in addition to the license fees imposed for initial licensure applicants. Revenues collected from the nurses must be deposited in the Florida Center for Nursing Trust Fund and must be used solely to support and maintain the goals and functions of the Florida Center for Nursing.

This bill exempts the trust fund from service charges imposed under s. 215.20, F.S. This bill provides that any balance in the trust fund at the end of the fiscal year must remain in the trust fund at the end of the year and must be available for carrying out the purposes of the trust fund. In accordance with s. 19(f)(2), Art. III of the State Constitution, the Florida Center for Nursing Trust Fund is scheduled to terminate on July 1, 2006, and must be reviewed prior to that repeal date as provided by s. 215.3206(1) and (2), F.S.

This bill creates section 464.0198, Florida Statutes.

This bill amends s. 215.22, F.S.

**II. Present Situation:**

**The Nursing Shortage**

In Florida there is a statewide shortage of nurses that mirrors the nationwide nursing shortage. According to a November 2001 report by the Florida Hospital Association (FHA), during the

week of February 18-24, 2001, there were 3,087 open registered nursing (RN) positions in the 61 hospitals responding to a survey, indicating a statewide RN vacancy rate of 15.6 percent.

According to the United States Census Bureau the number of nurses practicing in the United States will be 20 percent below the projected need in the year 2020. In Florida, the demand for registered nurses will grow from 120,700 to 156,100 in the next decade. Efforts to improve patient safety and staffing levels to provide quality health care will continue to escalate the demand for qualified experienced registered nurses.

The Southern Regional Education Board (SREB) reports that nursing faculty shortages are worsening in the 16 SREB states and the District of Columbia to the point that the "... projected shortage of nurse educators threatens the region's capacity to ensure the health of its residents." The SREB survey shows that resignations reported by nursing education programs in the southern region for the 2000-2001 academic year and projected for the next two years will total 558. Of the 350 resignations and 144 retiring nurse educators for 2000-2001, 465 held a masters' degree or a doctorate. Florida, with 56 resignations or expected resignations, was one of four states with total resignations exceeding 50 during the next two years. The two most common reasons for resigning were family responsibilities and salaries. The survey projections indicate that 784 nurse educators expect to retire in 2002-2006. Florida, with 84, reported the second highest expected number of retiring nurse educators among the SREB states. Twelve institutions in Florida reported not having enough faculty for undergraduate and graduate nursing programs.

### **Florida Center for Nursing**

In 2001, the Florida Legislature created the Florida Center for Nursing under s. 464.0195, F.S., to address issues of supply and demand of nursing, including issues of recruitment, retention, and utilization of nurse workforce resources. The section provides legislative findings that the center will repay the state's investment by providing an ongoing strategy for the allocation of the state's resources towards nursing. The center shall: 1) develop a strategic statewide plan for nursing manpower in Florida; 2) convene various groups representative of nurses, other health care providers, business and industry, consumers, legislators, and educators; and 3) enhance and promote recognition, reward, and renewal activities for nurses in Florida.

Under s. 464.0196, F.S., the governing board for the center shall consist of 16 members: four members appointed by the President of the Senate, one of whom must be a registered nurse recommended by the Florida Organization of Nurse Executives and one of whom must be a representative of the hospital industry recommended by the Florida Hospital Association; four members appointed by the Speaker of the House of Representatives, one of whom must be a registered nurse recommended by the Florida Nurses Association and one of whom must be a representative of the long-term care industry; four members appointed by the Governor, two of whom must be registered nurses; four nurse educators appointed by the State Board of Education, one of whom must be a dean of a state university college of nursing, and one of whom must be a director of a nursing program. The terms and expiration dates of the members of the governing board for the center are specified. The board shall have specified duties and powers and receive per diem and travel expenses as provided by for state boards and commissions.

The 2001 General Appropriations Act, Specific Appropriation 293, provided \$100,000 from the General Revenue Fund and \$100,000 from the Administrative Trust Fund for the Florida Center for Nursing. Proviso language states that the center may contract with the Florida Hospital Association or any other Florida health care association which is currently collecting, analyzing, and publishing nursing shortage data. The proviso language further states that the contract may provide for data collection and analysis and other services as determined by the center.

### **The Practice of Nursing**

Part I of ch. 464, F.S., provides for the regulation of nursing practice by the Board of Nursing within the Department of Health. The part provides licensure requirements for licensed practical nurses and registered nurses, and certification requirements for advanced registered nurse practitioners, including fees.

The Board of Nursing may set an application fee no greater than \$150 and an examination fee no greater than \$75 plus the actual cost of the licensure examination for applicants applying for licensure by examination (Section 464.008, F.S.). The Board of Nursing may set a licensure by endorsement fee no greater than \$100 for nursing applicants who are already licensed in another state and who wish to practice in Florida (Section 464.009, F.S.). To sit for the examination, registered nurse and licensed practical nurse applicants pay a \$90 fee, of which \$15 is earmarked to pay for a criminal background check. Applicants for licensure without examination by endorsement pay a \$90 fee, of which \$15 is earmarked to pay for a criminal background check. In addition, all applicants for initial licensure pay a fee of \$75. Registered nurses or licensed practical nurses renewing their licenses pay a \$55 fee. Advanced registered nurse practitioners renewing their license pay a \$105 fee. All initial or renewal nursing applicants pay an additional \$5 fee for the Nursing Student Loan Forgiveness Trust Fund under s. 240.4075(6), F.S.<sup>1</sup>

Part I of ch. 464, F.S., requires any institution wishing to conduct an approved nursing program in Florida to apply to the Department of Health and to show compliance with the requirements of the part and any applicable administrative rules adopted by the board (Section 464.019, F.S.). The part requires professional or practical nursing licensure applicants to graduate from an approved nursing program as a prerequisite to being allowed to sit for the nursing licensure examination (Section 464.008, F.S.). The part grants the board authority to adopt rules regarding educational objectives, faculty qualifications, curriculum guidelines, administrative procedures, and clinical training as are necessary to ensure that approved nursing programs graduate nurses capable of competent practice (64B9-2, Florida Administrative Code).

According to the Board of Nursing, there are eighty-five approved nursing programs in Florida. This number includes 15 baccalaureate programs, 28 associate degree programs, and 47 licensed practical nurse programs. As of June 30, 2000, there were 1,900 students enrolled in baccalaureate programs, 4,774 students enrolled in associate degree programs, and 2,342 students enrolled in licensed practical nurse programs.

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<sup>1</sup>See Rule 64B9-7.001, Florida Administrative Code.

### III. Effect of Proposed Changes:

The bill creates the Florida Center for Nursing Trust Fund to be administered by the Department of Health. Section 464.0195(3), F.S., (as created in CS/SB 1808) requires the Board of Nursing to include on its initial and renewal application forms a question on whether the nurse would contribute to the Florida Center for Nursing, in addition to the license fees imposed for initial licensure applicants. Revenues collected from the nurses must be deposited in the Florida Center for Nursing Trust Fund and must be used solely to support and maintain the goals and functions of the Florida Center for Nursing. The bill provides that other funds from grants and donations, federal funds, or funds from other sources specified by law may be deposited into this trust fund and used for purposes of the Florida Center for Nursing. Moneys deposited into this trust fund must be used as provided in s. 464.0195, F.S., that specifies criteria for the goals and functions of the Florida Center for Nursing.

Notwithstanding the provisions of s. 216.301, F.S.,<sup>2</sup> and pursuant to s. 216.351, F.S.,<sup>3</sup> any balance in the trust fund at the end of the fiscal year must remain in the trust fund at the end of the year and must be available for carrying out the purposes of the trust fund. In accordance with s. 19(f)(2), Art. III of the State Constitution, the Florida Center for Nursing Trust Fund is scheduled to terminate on July 1, 2006, and must be reviewed prior to that repeal date as provided by s. 215.3206(1) and (2), F.S. The bill exempts the trust fund from service charges imposed under s. 215.20, F.S.<sup>4</sup>

The bill will take effect on July 1, 2002, if a bill is passed in the 2002 legislative session, or an extension thereof, to create the voluntary contribution that is the source of funds to be deposited into the trust fund.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Art. VII, s. 18 of the Florida Constitution.

#### B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Art. I, s. 24(a) and (b) of the Florida Constitution.

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<sup>2</sup> Section 216.301, F.S., requires a review to ensure that all trust funds have been fully maximized and requires a reversion of any unencumbered balance remaining undisbursed to revert to the fund from which appropriated and to be available for reappropriation by the Legislature. Appropriation balances from programs which receive funding from the General Revenue Fund and trust funds must be transferred to the General Revenue Fund within 15 days after the reversion, unless otherwise provided by federal or state law, including the General Appropriations Act.

<sup>3</sup> Section 216.351, F.S., provides that subsequent inconsistent laws must supercede this chapter only to the extent that they do so by express reference to this section.

<sup>4</sup> Section 215.20, F.S., imposes a service charge of 7 percent from all income deposited in all trust funds except those trust funds enumerated in s. 215.22, F.S.

**C. Trust Funds Restrictions:**

In accordance with the State Constitution, the bill creates the Florida Center for Nursing Trust Fund in a separate bill and provides for its scheduled termination. Section 19, Article III of the State Constitution provides that no trust fund of the State of Florida or other public body may be created by law without a three-fifths (3/5) vote of the membership of each house of the legislature in a separate bill for that purpose. Section 19, Article III of the State Constitution additionally provides that state trust funds created after the effective date of this subsection shall terminate not more than four years after the effective date of the act authorizing the creation of the trust fund. By law the Legislature may set a shorter time period for which any trust fund is authorized.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

The Department of Health will incur expenses to administer the trust fund created by this bill.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.