



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

**Provide Limited Government** – The bill establishes the Nurse Education Grants Program, requires the Florida Center for Nursing to develop and implement an information system to assess the workforce needs of the nursing profession in Florida, and requires the Department of Education to identify standardized tests that may be used to earn nursing course credit.

#### B. EFFECT OF PROPOSED CHANGES:

##### GENERAL BACKGROUND

The National Center for Health Workforce Analysis in the Health Resources and Services Administration (HRSA) projects that by 2020, Florida will need 61,000 more nurses than are projected to be available. Just as the national shortage of nurses is projected to increase gradually over the decades from 2000 to 2020, the nursing shortage in Florida is projected to grow from a shortage of 7 percent in 2005 to a shortage of 33 percent in 2020.<sup>1</sup>

There are clear indications of a shortage of nurses. In 2004, for example, there were 8,060 new job openings for registered nurses (RN), with a net addition of only 6,032 nurses to the workforce.<sup>2</sup> However, more specific data about the shortage is lacking, such as which types of facilities and which clinical areas have the greatest need. According to the Florida Center for Nursing (FCN), “the limitations of available state data result in an incomplete picture of the nursing shortage in Florida.”<sup>3</sup>

##### FLORIDA BOARD OF NURSING

###### Background

Registered nurse (RN) or licensed practical nurse (LPN) applicants must graduate from an approved nursing program as a prerequisite to being allowed to sit for the nursing licensure examination. Section 464.019, F.S., requires the Florida Board of Nursing (the Board) 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. Any institution wishing to conduct an approved nursing program in Florida must apply to the Department of Health (DOH) and show compliance with the requirements of section 464.019, F.S., and any applicable administrative rules adopted by the Board.

Under current law, the Board is prohibited from adopting any rule limiting the number of students admitted to a nursing program, provided that appropriate faculty-to-student ratios are maintained. The Board was prohibited in law from making any changes to the faculty-to-student ratios until 2004. Current Board rules require a faculty-to-student ratio of 1:12 for most clinical instruction.

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<sup>1</sup> National Center for Health Workforce Analysis (July 2002). *Projected Supply, Demand, and Shortages of Registered Nurses: 2000-2020*. Available at <ftp://ftp.hrsa.gov/bhpr/nationalcenter/rnproject.pdf>

<sup>2</sup> Florida Center for Nursing (March 2005). *Florida Nursing Summit: Addressing the Nursing Shortage*. Available at <http://www.flcenterfornursing.org/news/3-4-2005SummaryofProceedings.pdf>

<sup>3</sup> Florida Center for Nursing (November 2004). *Statewide Strategic Plan for the Nursing Workforce in Florida: A Report from the Florida Center for Nursing*. <http://www.flcenterfornursing.org/strategic/StratPlan-November04.pdf>

## **Effect of Proposed Changes**

The bill prohibits the Board from changing Board-mandated faculty-to-student ratios in a way that limits capacity unless the changes are grounded in scientific research. In conjunction with the FCN, the Board must conduct a study to evaluate its existing rules regarding clinical instruction and to assess the use of qualified registered nurses as supervisors and simulation as potential ways to maximize clinical instruction opportunities. The bill also requires the Board to provide assistance to approved programs in expanding their capacity, including assistance with:

- Establishing partnerships with clinical facilities,
- Identifying ways to reduce the non-clinical teaching burden on nurse faculty,
- Developing alternative models of clinical education that reduce the burden on faculty, and
- Approved programs offering masters programs on-site at primary health care facilities for experienced nurse students who may not be able to attend programs on main campuses.

## **FLORIDA CENTER FOR NURSING**

### **Background**

The FCN was established by the 2001 Legislature to address issues of supply and demand for nursing; including issues of recruitment, retention, and utilization of nurse workforce resources. Though some data on the nursing workforce is collected through the nursing licensure and renewal process, the FCN recommended in their *Statewide Strategic Plan for Nursing Workforce in Florida* that the data collected on the nursing workforce be expanded and that data be collected on a regular, recurrent basis.

### **Effect of Proposed Changes**

The bill requires the FCN to develop an information system to assess the workforce needs of the nursing profession in Florida, which must:

- Enable the FCN to produce reliable, comparable, and comprehensive data on the nursing workforce in Florida;
- Identify potential nursing shortages and the specific areas in which they occur;
- Assess the productivity of approved nursing programs; and
- Establish a registry to link nursing programs with clinical sites or faculty, when needed.

Data to support the information system may be collected as part of the initial or renewal licensure process for individuals and health care facilities and as part of the program approval process for nursing programs. The bill requires the FCN to submit an implementation plan for the system by November 1, 2005, including a projected cost and recommendations on rule changes that may be necessary for data collection.

## **NURSING EDUCATION GRANT PROGRAM**

### **Background**

From 2002 to 2004, the Florida Board of Nursing has approved 25 new nursing programs, bringing the state's total to 115 LPN, RN, and advanced degree programs on 147 campuses.<sup>4</sup> Despite the growth in the number of programs, there continue to be more qualified applicants than nursing programs are able to accommodate. The FCN conducted a survey of nursing programs in January 2005, to which 88 percent of associate-level (ADN) and baccalaureate-level (BSN) programs responded. Results from the survey indicate that 4,039 students were admitted and 6,243 qualified applicants were turned away from RN programs in Fall 2004 (including both ADN and BSN programs).<sup>5</sup>

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<sup>4</sup> Florida Board of Nursing presentation to the Colleges and Universities Committee, 8 February 2005.

<sup>5</sup> Associate degree programs were unable to admit 3,917 applicants; baccalaureate degree programs were unable to admit 2,326 applicants. Florida Center for Nursing (March 2005). *Nurse Education in Florida: January 2005 Survey Report*. Available at <http://www.flcenterfornursing.org/news/EDSurvey%20Report3-14-2005.pdf>

Nursing programs face a number of challenges when attempting to expand the capacity of their programs. In the survey conducted by the FCN, programs most frequently identified the following as barriers to expansion:

- Shortage of qualified faculty,
- Insufficient funded faculty positions,
- Insufficient clinical sites, and
- Non-competitive faculty salaries.<sup>6</sup>

Statewide, the faculty vacancy rate averages 9 percent for RN or higher programs.<sup>7</sup> Faculty shortages are compounded by projected retirements; the average age of faculty in Florida is 56, higher than the national average of 49.<sup>8</sup> Most nursing programs are making efforts to increase program capacity, by providing additional night/weekend classes, distance education programs, and fast-track programs for nurses moving up the career ladder, and by establishing partnerships with local hospitals and health care providers.<sup>9</sup>

Partnerships with local health care providers are particularly important for easing the faculty burden. In addition to providing clinical space, local health care providers may be able to provide adjunct or other clinical faculty and licensed nurses to supervise students (known as preceptors). Some programs also use patient simulators for some clinical instruction.<sup>10</sup> The approval of new programs and efforts to increase capacity have resulted in a planned increase of 1,987 slots in RN or higher programs in academic year 05-06;<sup>11</sup> however, nursing program capacity will likely remain unequal to demand unless additional increases in capacity are realized.

### **Effect of Proposed Changes**

The bill establishes the Nursing Education Grant Program to be administered by the Department of Education (DOE). The program is a contract grants program designed to increase the capacity of approved nursing programs to produce more nurses or nursing faculty to enter the workforce in Florida.

The bill requires DOE to establish procedures, guidelines, accountability measures, and timelines for implementation of the program. Only approved nursing programs are eligible to submit proposals. Grant proposals must:

- Indicate the number of students to be served, the length of the program, and projected cost;
- Document the specific workforce need to be addressed by the increased capacity; and
- Demonstrate a pool of qualified applicants.

Grants must be used to support new students and not to supplant current funding or students. Institutions applying for a grant must certify that they will not reduce funding or the current level of enrollment in the existing program. Any such reduction will result in a pro rata reduction in the grant awarded.

In the awarding of new grants, priority will be given to proposals that meet three or more of the following criteria:

- Proposals that result in new nurses in the workforce or nurses moving to a higher level on the career ladder.
- Proposals that could be implemented as early as Fall 2005.

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<sup>6</sup> *Ibid.*

<sup>7</sup> *Ibid.*

<sup>8</sup> Florida Center for Nursing (November 2004). *Statewide Strategic Plan for the Nursing Workforce in Florida: A Report from the Florida Center for Nursing*. <http://www.flcenterfornursing.org/strategic/StratPlan-November04.pdf>

<sup>9</sup> Office of Program Policy Analysis and Government Accountability (OPPAGA) (March 2005). Presentation on Nursing Education.

<sup>10</sup> *Ibid.*

<sup>11</sup> Florida Center for Nursing (March 2005). *Nurse Education in Florida: January 2005 Survey Report*. Available at <http://www.flcenterfornursing.org/news/EDSurvey%20Report3-14-2005.pdf>

- Proposals that include partnerships with other institutions, programs, or health care providers.
- Proposals for programs offered at the worksite or through distance learning that permit nurses to achieve a higher level of nursing licensure.
- Proposals for accelerated programs that shorten the time required to receive a credential, obtain licensure, and enter the workforce.
- Proposals that target persons interested in making a career change.
- Proposals from nursing programs with demonstrated success as evidenced by graduation rates, licensure exam passage rates, and placement of graduates in nursing employment in Florida.
- Proposals for programs that would address the state's need for rapid production of highly skilled clinical nurses and qualified nursing faculty such as the fast-track baccalaureate to doctorate, Clinical Nurse Leader, and Doctor of Nursing Practice programs.

Subsequent to the first year of funding for the Grant Program, renewal grants to programs that are making adequate progress towards their contracted production will receive priority in the awarding of grant funds.

The bill requires grant recipients to enter into a contract between the institution and the state to produce a specific number of nursing graduates within a specific time. In addition, nursing programs receiving grants must submit periodic reports to DOE to document compliance with the performance measures established by DOE. Award amounts to a grant recipient after the first year of the grant will be tied to student retention, degree or certificate production, and the number of graduates placed in a nursing position in Florida.

Proposals must be reviewed by the Board of Nursing and the State Board of Education (SBE). Final approval and level of funding will be determined by the SBE, with consideration given to comments on the proposals from the Board of Nursing. The SBE is also required to monitor compliance with accountability requirements. The SBE must submit a report on the implementation of the program by February 1, 2006.

## **NURSING STUDENT LOAN FORGIVENESS PROGRAM**

### **Background**

The Nursing Student Loan Forgiveness Program<sup>12</sup> was established to encourage qualified personnel to seek employment in areas where critical nursing shortages exist. The program provides financial assistance to eligible nurses by making payments toward loans obtained by nurses to pay for a postsecondary nursing education. To be eligible for repayment of a loan, a candidate must have graduated from an accredited or approved nursing program, received a Florida license as an LPN or RN, or certification as an advanced registered nurse practitioner, and work in certain employment settings.

A nurse enrolled in the program may receive up to \$4,000 a year for up to 4 years, contingent on continued employment in specified settings. The program is funded through a \$5 fee which is added to the nursing licensure or licensure renewal fee and matching funds from certain employers. In 2003, concerns about trust fund dollars led DOH, which currently administers the program, to suspend enrollment for two years. In 2004-05, DOH enrolled 153 applicants in the program.<sup>13</sup>

### **Effect of Proposed Changes**

The bill renames the program the Nursing Student Loan Reimbursement Program and revises the program to make nurses employed as instructional faculty in an approved nursing program eligible to enroll in the program. To qualify, nursing faculty must agree to spend a minimum of 75 percent of their

<sup>12</sup> Section 1009.66, F.S.

<sup>13</sup> OPPAGA (February 2005). *Report No. 05-09: Florida Can Use Several Strategies to Encourage Students to Enroll in Areas of Critical Need*. Available at <http://www.oppaga.state.fl.us/reports/pdf/0509rpt.pdf>

time providing instruction, developing curriculum, or advising or mentoring students for the duration of the award. The bill also makes eligible nurses who have taken out loans to pay for study in a licensure exam preparatory course for foreign-trained nurses, provided they work in the designated employment settings.

The bill revises administrative requirements of the program, to include:

- Permitting loan payments to be made directly to the lending institution;
- Authorizing employers to provide tuition reductions as the required employer match for state-funded loan repayments; and
- Transferring administration of the program to DOE, which administers other student financial assistance programs, including loan forgiveness programs for other professions.

The bill transfers the program to DOE by a type two transfer, which merges an agency or governmental program into another structure but retains all the former statutory requirements and tangible and fiscal attributes, including staff and funds

## **NURSING SCHOLARSHIP PROGRAM**

### **Background**

The Nursing Scholarship Program<sup>14</sup> gives financial assistance to applicants who are enrolled as full-time or part-time students in an associate, baccalaureate, or graduate degree program in nursing. A scholarship may be awarded for no more than 2 years in an amount no greater than \$8,000 per year for associate and baccalaureate study or \$12,000 per year for graduate study. For each full year of scholarship assistance, the recipient must agree to work for 12 months in a faculty position in a college of nursing or community college nursing program in this state or at a health care facility in a medically underserved area. Any recipient who does not complete an appropriate program of studies, who does not become licensed, or who does not complete 12 months of approved employment for each year of scholarship assistance must repay the scholarship plus 18 percent interest.

To fund scholarships, DOH may use up to 50 percent of the revenue from the same \$5 fee that funds the Nursing Student Loan Forgiveness Program. The DOH also administers the scholarship program, but has allocated available funds entirely to the loan forgiveness program and has not enrolled any students in the scholarship program, primarily because of the difficulty the DOH has with tracking recipients after they graduate and locating and collecting funds from those who do not fulfill their service requirements.<sup>15</sup>

### **Effect of Proposed Changes**

The bill renames the program the Nursing Scholarship Loan Program and requires that scholarship recipients who agree to work in faculty positions must agree to spend a minimum of 75 percent of their time providing instruction, developing curriculum, or advising or mentoring students. The bill also makes students who are enrolled in a licensure exam preparatory course for foreign-trained nurses eligible for the scholarship. The bill deletes the statutory requirements for repayment interest rates, authorizes the SBE to determine repayment schedules and rates and transfers the program to DOE by a type two transfer.

## **ARTICULATION OF NURSING EDUCATION PROGRAMS**

### **Background**

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<sup>14</sup> Section 1009.67, F.S.

<sup>15</sup> OPPAGA (February 2005). *Report No. 05-09: Florida Can Use Several Strategies to Encourage Students to Enroll in Areas of Critical Need*. Available at <http://www.oppaga.state.fl.us/reports/pdf/0509rpt.pdf>

Florida has an articulation agreement for health education programs designed to permit a student to learn in modules from the basic health science course in high school to a baccalaureate degree program. The high school nursing curriculum should articulate into LPN and associate degree in nursing (ADN) programs. Most community colleges have a “bridge” program for LPNs to become RNs. Universities are required to speed the progress of registered nurses who hold an ADN and want to get their baccalaureate degree in nursing (BSN). Under ADN to BSN articulation, a university must accept the associate degree as a block of designated nursing courses and will also award upper-level credit towards the baccalaureate once validated.

The intent of the articulation among health education programs is that one level of education can provide a building block to the next education program when the health care worker is ready to move up to the next level of skill and knowledge. Although some articulation methods are in place, students still face difficulties when moving from one rung to the next on the career ladder. For example, high school students who complete nursing courses in high school that are substantially equivalent to some community college courses are having difficulties receiving credits for those courses because the courses have not yet been reviewed for common course numbering. This results in students having to repeat courses if they enroll in community college LPN or RN programs and may discourage those students from pursuing nursing.

### **Effect of Proposed Changes**

The bill requires DOE, with input from public and private postsecondary institutions, to identify national standardized or licensure exams by which secondary and postsecondary students may earn postsecondary credit for nursing courses. This will ensure students are able to earn credit for material already learned and enable them to progress higher on the career ladder without having to repeat material they have already mastered.

#### **C. SECTION DIRECTORY:**

**Section 1.** Amends s. 464.019, F.S., to prohibit the Board of Nursing from changing faculty-to-student ratios in a way that would limit capacity in approved nursing programs except in certain circumstances, to require a study, and to require that the Board of Nursing provide specified assistance to approved nursing programs to expand their capacity.

**Section 2.** Amends s. 464.0195, F.S., to require the Florida Center for Nursing to develop and maintain an information system and to submit an implementation plan.

**Section 3.** Creates s. 1004.09, F.S., relating to the Nursing Education Grant Program, to establish a contract grant program for increasing the capacity of approved nursing programs.

**Section 4.** Amends s. 1009.66, F.S., to change the name of the Nursing Student Loan Forgiveness Program to the Nursing Student Loan Reimbursement Program, to change the name of the Nursing Student Loan Forgiveness Trust Fund to the Nursing Student Loan Reimbursement Trust Fund, to transfer the administration of the program to the Department of Education, to include nurses employed as instructional faculty and nurses who received loans to study in a nursing licensure exam preparatory course among those eligible for awards, and to require that nurses employed as faculty in an approved nursing program be given priority in receiving awards.

**Section 5.** Amends s. 1009.67, F.S., to change the name of the Nursing Scholarship Program to the Nursing Scholarship Loan Program, to transfer the administration of program to the Department of Education, to include nurses enrolled in an nursing licensure exam preparatory course for foreign-trained nurses among those eligible for scholarship funds, and to require scholarship recipients who agree to work as faculty in an approved nursing program to devote a specified percentage of their time to specified activities.

**Section 6.** Amends s. 215.20, F.S., to conform to the renamed Nursing Student Loan Reimbursement Trust Fund.

**Section 7.** Requires the Department of Education to identify national examinations by which secondary and postsecondary students may earn credit in nursing courses.

**Section 8.** Transfers the Nursing Student Loan Reimbursement Program, the Nursing Student Loan Reimbursement Trust Fund, and the Nursing Scholarship Loan Program from the Department of Health to the Department of Education by a type two transfer.

**Section 9.** Provides an effective date of July 1, 2005.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

This bill does not appear to have a fiscal impact on state government revenues.

#### 2. Expenditures:

Please see FISCAL COMMENTS.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

This bill does not appear to have a fiscal impact on local government revenues.

#### 2. Expenditures:

This bill does not appear to have a fiscal impact on local government expenditures.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill provides a financial benefit to additional categories of nurses in the form of student loan forgiveness or scholarship awards. Additionally, private institutions with approved nursing programs will be eligible for grants to increase their capacity under the Nursing Education Grant Program.

### D. FISCAL COMMENTS:

The Nursing Education Grant Program will be implemented to the extent funded in the General Appropriations Act. The House General Appropriations Bill for Fiscal Year 2005-06 (HB 1885) provides a total of \$12 million in Specific Appropriations 7B and 9A to implement a nursing education grant program modeled on the provisions of this bill.

The fiscal impact of the nursing workforce information system cannot be completely determined at this time. The bill requires a report to the Legislature with an implementation plan that includes projected costs. However, the Florida Center of Nursing currently estimates the costs for the development of the information system to be as follows:

\$24,000 for collaboration with other agencies  
\$21,500 for survey development  
\$37,500 for data analysis and forecasting (not including un-estimated computer model costs)  
\$83,000+ TOTAL (cost will be greater once computer model costs are calculated)

Cost estimates are still forthcoming for the additional Board of Nursing responsibilities and the identification of standardized exams by the Department of Education for nursing course credit; however, these costs are expected to be insignificant.



### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

##### 1. Applicability of Municipality/County Mandates Provision:

The bill does not require a municipality or county to spend funds or to take any action requiring the expenditure of funds.

##### 2. Other:

None.

#### B. RULE-MAKING AUTHORITY:

The bill transfers the requirement to develop rules to implement the Nursing Student Loan Forgiveness and Nursing Scholarship programs from DOH to the SBE. The bill authorizes the SBE to determine repayment schedules and interest rates for the Nursing Scholarship Program

#### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On March 29, 2005, the PreK-12 Committee adopted six amendments to the bill. The amendments were engrossed and the bill was reported favorably with amendments. The amendments:

- Specified that the use of nurses as supervisors to expand clinical instruction should only include qualified registered nurses, not all licensed nurses.
- Expanded the activities in which nurse faculty recipients of nursing loan reimbursement payments and scholarships are required to spend 75% of their time. Developing curriculum and advising or mentoring students are included in addition to providing instruction.
- Included the Board of Nursing in the proposal review process for the Nursing Education Grant Program.
- Clarified that the purpose of the Nursing Education Grant Program includes the production of more nurse faculty.
- Added to the priorities for grant proposal funding a priority for programs that address the rapid production of highly skilled clinical nurses and qualified nurse faculty, such as fast-track baccalaureate to doctorate, Clinical Nurse Leader, and Doctor of Nursing Practice programs.

The bill analysis reflects these amendments.