

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 227 Florida Gulf Coast University  
**SPONSOR(S):** Aubuchon and others  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 192

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Committee on Postsecondary Education	(ref. removed)		
2) Schools & Learning Council	13 Y, 0 N	Thomas	Cobb
3) Policy & Budget Council	26 Y, 0 N	Davila	Hansen
4) _____	_____	_____	_____
5) _____	_____	_____	_____

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### SUMMARY ANALYSIS

HB 227 authorizes Florida Gulf Coast University to implement a bachelor of science degree program in long-term care administration.

The fiscal impact of the HB 227 for fiscal year 2007-2008 is insignificant. New resources from state appropriations and student tuition revenues will be based on enrollment growth as the program expands.

The bill takes effect July 1, 2007.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government- The bill authorizes Florida Gulf Coast University to offer an additional bachelor of science degree program in long-term care administration.

Empower families - The bill authorizes Florida Gulf Coast University to offer an additional bachelor of science degree program in long-term care administration, which will increase the opportunities for students interested in the area of long-term care administration.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Background**

Section 1004.03(3), F.S., prohibits the establishment of new colleges, schools, or functional equivalents of any program leading to a degree that is offered as a credential for specific license granted under the Florida Statutes or the State Constitution without the specific approval of the Legislature.

Section 400.141(1), F.S., requires all licensed nursing homes facilities to be under the administrative direction and charge of a licensed administrator.

Section 468.1695, F.S., requires any person desiring to be licensed as a nursing home administrator to apply to the Department of Health to take the licensure examination.

##### **Florida Gulf Coast University (FGCU) New Program Proposal for a Bachelor of Science in Long-Term Care Administration.**

An AARP report estimates that Florida's senior population of 65 and over will grow from 16.8 million (17.3 percent of the state population) in 2002, to over 23.3 million (18.8 percent of the state population) by 2020.<sup>1</sup>

To address the growing need for graduates in the field of long-term care, FGCU has prepared a proposal to offer a bachelor of science degree program in long-term care administration. This degree provides students with skills in the areas of nursing home, assisted living facility, retirement community, hospice, or long-term residential institution management.<sup>2</sup> FGCU indicates that this will be the first stand-alone program of its kind.<sup>3</sup> Although institutions such as Florida A& M University, University of North Florida, and Lynn University offer Health Service Administration programs with a specialty in long-term care administration, none provides access through distance learning.

FGCU's proposed curriculum consists of 120 credit hours. During the first 60 hours of study, students complete general education and common prerequisite requirements in the areas of accounting, computer science, economics, and nutrition, in accordance with state and university guidelines. The program also includes 60 hours of upper division online coursework in the major, which includes courses in the College of Health Professions interdisciplinary core, as well as courses specifically related to long term care administration, management, human resources, law, ethics, finance, marketing, patient care, and risk management. In addition, a 500 hour (6 credit hour) internship in a skilled nursing facility and a 3 credit hour University Colloquium are required. Graduates of this

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<sup>1</sup> Gibson, Mary Jo and Steven r. Gregory et al, *Across the State, Profiles of Long-Term Care: Florida*, AARP Public Policy Institute (2004).

<sup>2</sup> Florida Gulf Coast University Executive Summary of New Program Proposal

<sup>3</sup> Id.

program will be eligible to sit for the licensing examination as a Long Term Care or Nursing Home Administrator.<sup>4</sup>

The proposed long term care administration program consists of existing courses currently offered through the B.S. in Health Science degree program, except for four new courses. The addition of the long term care administration program will add to the enrollment of existing courses in the Health Science program.

It is estimated that enrollment in the first year will be 9 (6.5 FTE), students increasing to 19 (12.5 FTE) students in the fifth year. Enrollment projections for the proposed bachelor of science degree program in long term care administration are based on student enrollment numbers in other programs at FGCU and on the growth rate of the university.<sup>5</sup>

FGCU's Board of Trustees approved the proposal for a bachelor of science degree program in long-term care administration at the board's June 20, 2006 meeting.

The Board of Governors staff reviewed the proposal by FGCU for the bachelor of science degree program in long term care administration on August 3, 2006 and indicated the following:<sup>6</sup>

- the program does not exceed 120 credit hours;
- there are no problems with articulation;
- the program will not have limited access status; and
- the prerequisites are the same as other programs in the State University System.

### **Effect of Proposed Changes**

HB 227 authorizes FGCU to implement a bachelor of science degree program in long-term care administration.

#### C. SECTION DIRECTORY:

**Section 1.** Creates s. 1004.386, F.S., authorizing a bachelor of science degree program in long-term care administration at FGCU.

**Section 2.** Provides an effective date of July 1, 2007.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

See Fiscal Comments

##### 2. Expenditures:

See Fiscal Comments

#### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

##### 1. Revenues:

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<sup>4</sup> Florida Gulf Coast University Executive Summary New Program Proposal

<sup>5</sup> Id.

<sup>6</sup> Board of Governance Analysis of House Bill 227

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill increases the options to students interested in long-term care administration and provides opportunity for distance learning and greater flexibility to those already in the workforce. FGCU states that many attendees are already working in the field, in a middle management capacity, and this offers attractive financial opportunities and allows advancement to the administrative level.

D. FISCAL COMMENTS:

The Board of Governors (BOG) states that the current revenues for the program will be generated from the university's general revenue fund through the Division of Health Sciences. New resources from state appropriations and student tuition revenues associated with the FGCU will be based on enrollment growth as the program expands. The BOG projects the following student headcount and FTE estimates.<sup>7</sup>

Year of Implementation	Headcount	FTE
2007-08	9	6.5
2008-09	14	10.5
2009-10	17	12
2010-11	17	11.5
2011-12	19	12.5

NOTE: FTE is calculated based on the expected number of credit hours a student will earn in a year. Undergraduate FTE in Florida is calculated as 40 credit hours per 1 FTE. (Example: A student who is expected to enroll part time and earn 20 credit hours per year would be counted as 1 in the headcount and .5 in the FTE). With rare exception, FTE is expected to be lower than headcount.

The BOG estimates that no additional faculty will be needed to initiate the program because the program is comprised largely of existing courses supported by current faculty in the College of Health Professional at the University. The university's library would require an additional \$1,000 in start-up funds and \$400 annually for monographs. The Division of Health Sciences is prepared to cover these costs. The total estimated costs of the program, including instructional support, will be \$641,269 in year 1 and \$839,083 in Year 5,<sup>8</sup> reflecting the expected increase to student enrollment every year.<sup>9</sup>

The BOG states that although current faculty in the College of Health Professionals would staff courses for the new program, FGCU indicates a need for an additional faculty member in the area of Health Services Administration and an executive secretary by academic year 2008-2009. FGCU estimates total costs of the program to be \$641,269 in Year 1, with costs recurring but increasing to \$839,083 in year 5, reflecting the expected increase in student enrollment every year. (See Table below)<sup>10</sup>

<sup>7</sup> Board of Governors Bill Analysis for House Bill 227

<sup>8</sup> Id.

<sup>9</sup> Id.

<sup>10</sup> Id.

<b>Costs for Bachelor of Science in Long Term Care Administration</b>						
Instruction & Research	First Year		Summary	Fifth Year		Summary
	General Revenue			General Revenue		
	Current	New		Current	New	
<b>Positions</b>						
Faculty	1.55		1.55	1.55	0.5	2.05
USPS	0.5		0.5		1	1
<b>Salary Rate</b>						
Faculty	486,447		486,447	547,253	65,000	612,253
USPS	15,117		15,117		35,000	35,000
<b>Total</b>	<b>501,564</b>		<b>501,564</b>	<b>547,253</b>	<b>100,000</b>	<b>647,253</b>
<b>I&amp;R Expenses</b>						
Salaries & Benefits	639,869		639,869	695,564	129,679	825,243
Expenses				7,200	6,200	13,400
Library Resources		1,400	1,400		440	440
<b>Total I&amp;R</b>	<b>639,869</b>	<b>1,400</b>	<b>641,269</b>	<b>702,764</b>	<b>136,319</b>	<b>839,083</b>

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

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

This bill does not appear to require a city or county to expend funds or to take any action requiring the expenditure of funds

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

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

##### 2. Other:

None.

#### B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The BOG asserts that placing an academic program in statute is problematic in that it impedes the university's ability to terminate or change the program. For this reason, the BOG recommends placing authorization of the academic program in proviso language rather than through creation of a new statute.<sup>11</sup>

D. STATEMENT OF THE SPONSOR

A degree in Long Term Care Administration prepares students to manage the business and administrative aspects of residential care for older adults and the chronically ill. Graduates of this program will have the knowledge and skills to manage nursing homes, assisted living facilities, retirement communities, hospices or long term rehabilitation institutions. Graduates also have the ability to work in any health administration setting, not just long term care administration. The proposed program will provide an excellent foundation for a wide range of career and graduate school pursuits including government work, research, and applied roles in health services.

The Administration on Aging (2003) predicts a significant increase in the number of older adults during the next three to four decades. This brings about a sharp increase in the percentage of older adults comprising the total population, which is brought about by shifts in birth rates and declines in death rates. The older population (65 years and older) numbered 3.59 million in 2003 and represented 12.3% of the U.S. population. By 2030, there will be about 71.5 million older adults, twice the number today. By 2030, approximately 20% of the population will be 65 years or older. The number of older adults residing in long term care facilities will double or triple by 2030. Florida's percentage of elderly adults is three times the national average.

Given the above statistics and the demographics of Florida, it is evident that the need for long term care administrators will continue to grow. Statistics supplied by the Florida Health Care Association indicate the number of nursing home administrator applications has decreased 30% during each of the past three years. Many currently licensed administrators have more than twenty years of experience, which indicates that retirement of these individuals will have a keen effect on the profession in the near future. Most states, including Florida, require a baccalaureate degree for licensure as a Long Term Care or Nursing Home Administrator. Therefore the education of long term care administrators is greatly needed.

**IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES**

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<sup>11</sup> Board of Governors Bill Analysis for House Bill 227  
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