

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Higher Education Committee

BILL: SB 2392

INTRODUCER: Senator Atwater

SUBJECT: Florida Atlantic University/Sublease/Teaching Hospital

DATE: March 25, 2007

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Harkey	Matthews	HE	Pre-meeting
2.			GO	
3.			HI	
4.				
5.				
6.				

I. Summary:

The bill directs the State Board of Education to approve a sublease of land at the Boca Raton campus of Florida Atlantic University to Boca Raton Community Hospital for the construction of a community-university affiliated teaching hospital. The university president or chief executive officer will serve on the hospital board of directors. The university may, with the approval of the Board of Trustees of the Internal Improvement Trust Fund, grant the hospital an option to buy the subleased land with the proceeds payable to the university.

This bill creates one undesignated section of the Florida Statutes.

II. Present Situation:

Florida Atlantic University (FAU), through an agreement with the University of Miami, provides a 2+2 program for medical education where students start at FAU but must transfer to the University of Miami to finish their medical education.

On June 28, 2006, the board of Boca Raton Community Hospital and the Board of Trustees of Florida Atlantic University approved an agreement between the two institutions to implement a land lease for the development and operation of a community-university affiliated teaching hospital. The hospital will be located on approximately 38 acres of land on the FAU campus. Currently the land is part of the FAU Boca Campus, is vacant, and is within the responsibility of the university master plan

The new hospital will be a replacement facility for the current Boca Raton Community Hospital, and because the replacement facility will be located within one mile of the current hospital, the

new facility will not require a certificate-of-need review by the Agency for Health Care Administration.¹ The new hospital will house the teaching hospital facilities for the newly expanded FAU/UM Medical School. The entire cost of the physical facilities for FAU/UM is being borne by the hospital. The close partnership of these organizations led to an invitation by the Boca Raton Community Hospital for the FAU President to serve on the hospital's Board of Directors.

III. Effect of Proposed Changes:

The bill requires the State Board of Education to approve an agreement between Florida Atlantic University and Boca Raton Community Hospital, Inc., a Florida not-for-profit corporation, for the sublease of land on the Boca Raton campus of Florida Atlantic University, including the construction by the lessee, at the lessee's cost and expense, of a community-university affiliated teaching hospital and ancillary facilities, together with all furnishings, equipment, and other chattels used in the operation of a hospital. Considering that the lease involves the use of university property, it may be more appropriate for the Board of Governors to approve the agreement.

The public-private partnership set forth in the sublease between the university and the lessee for the development and construction of a community-university affiliated teaching hospital, which will serve as the primary teaching hospital for a major regional academic medical program located at the Boca Raton campus of Florida Atlantic University, constitutes a public purpose and meets the medical needs as well as the academic medical education needs of the State of Florida.

The bill provides that:

- All materials and meetings related to the undergraduate medical and graduate medical education programs of the university shall become subject to Section 24, Article I of the State Constitution and ss. 119.07(1) and 286.011, F.S.;
- Either the President of Florida Atlantic University or the Chief Executive Officer of Florida Atlantic University shall serve on the board of directors of the hospital; and
- The FAU Board of Trustees may, with the approval of the Board of Trustees of the Internal Improvement Trust Fund, grant the lessee (the hospital) an option to purchase the land subject to the sublease. The compensation paid by the lessee for the fee simple interest in the land and the leasehold interest shall be payable to the university.

The bill will take effect July 1, 2007, contingent upon the passage of an undesignated bill granting a public records exemption for records associated with the lease described in the act and an public-meetings exemption for meetings between the lessor and lessee described in the bill.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

¹ s. 408.036(1)(b), F.S.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Boca Raton Community Hospital will lease land for its replacement hospital, thereby saving the cost of purchasing land.

C. Government Sector Impact:

FAU students in the FAU/UM medical education program will have access to a new teaching hospital on the FAU campus.

VI. Technical Deficiencies:

On page 2, line 23, the linked bill should be identified as SB 2390.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
