

# 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.)

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Prepared By: Health Care Committee

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BILL: SPB 7026

SPONSOR: For Consideration by the Health Care Committee

SUBJECT: Increasing the number of nurses in the state workforce

DATE: January 25, 2005

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Harkey</u>	<u>Wilson</u>	<u>HE</u>	<u>Pre-meeting</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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## I. Summary:

The bill gives priority for participation in the Nursing Student Loan Forgiveness Program to graduates who teach in an approved nursing program. The bill requires the Board of Nursing to adopt rules to collect nursing workforce information. The bill appropriates a total of \$21,564,119 for the Nursing Student Loan Forgiveness Program; public school, community college, public postsecondary, and university nursing programs; the gathering of nursing workforce information; programs that deliver nursing education at the worksite; and a job fair and web site to recruit nurses to work in Florida.

This bill amends s. 1009.66, F.S., and creates eight undesignated sections of law.

## II. Present Situation:

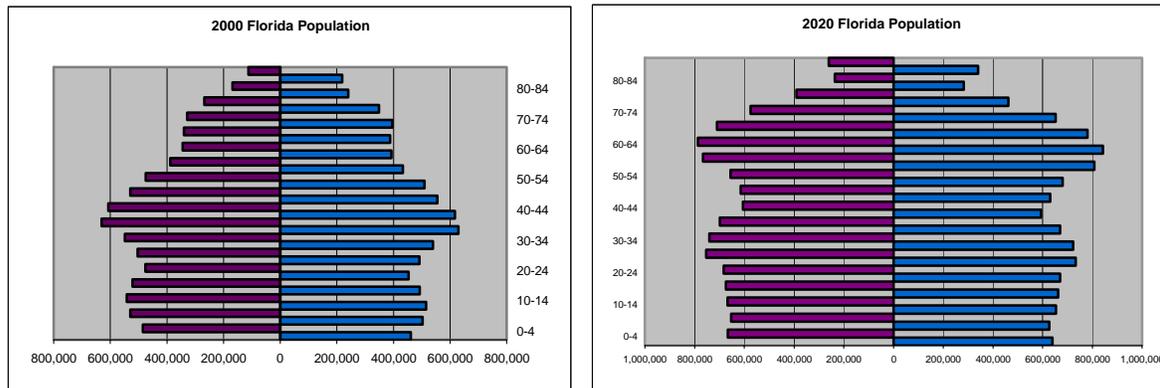
### The Nursing Shortage

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. In the two-decade period of the HRSA projections, employment of registered nurses (RNs) in the various health care settings will be as follows:

- Hospital employment will remain at 62 percent.
- Employment in nursing education will remain at 2.3 percent.
- Nursing home employment will increase from 8.4 percent to 10.4 percent.

- Home health employment will increase from 6.5 percent to 8.9 percent.
- The percentage of nurses employed in public health, ambulatory care, occupational health, school health, and other settings will decrease slightly as employment in nursing homes and home health increases.

Florida’s total population, which is 17.5 million in 2004, will increase to 19.4 million in 2010, and to 22.6 million in 2020. The percent of the state’s population that is age 65 or older will increase from 17.6 percent in 2000 to 20.8 percent in 2020. More than one million people—5 percent of the state’s population—will be 80 years old or older in 2020. The following charts show the age distribution of Florida’s population in 2000 and 2020.<sup>1</sup>



This elderly population will require more health care services. The nursing workforce will have to meet the health care needs of Florida’s rapidly growing population and meet the increased health care needs of the elderly.

According to the Florida Hospital Association (FHA), 8.2 percent of the registered nurse positions in Florida hospitals were vacant in February 2004. The FHA estimates that there were 5,342 vacant RN positions statewide. The greatest shortage was in hospitals in the Panhandle where the vacancy rate was 11.4 percent.

Nursing homes must employ licensed nurses as required under s. 400.23, F.S., to provide a minimum of one hour of direct licensed nursing care per resident per day, and staffing must never be below the minimum of one licensed nurse per 40 residents. There is no data on statewide nursing staffing levels in all nursing homes and therefore no statewide data regarding a shortage of nurses in nursing homes. A 2002 survey by the American Health Care Association reported Florida vacancy rates of staff RNs at 13.9 percent and LPNs at 14.3 percent for the facilities that participated in the survey. The Agency for Health Care Administration collects information regarding the turnover of staff in nursing homes. In 2002, the turnover rate for licensed nurses was 40.47 percent and in 2003 the rate was 41.09 percent. Data regarding staffing deficiencies is reported in the aggregate for nurses and nursing assistants and therefore would not provide information to document the nursing shortage.

<sup>1</sup> Demographic Estimating Conference Database. Office of Economic and Demographic Research. The Florida Legislature. September, 2004.

## **Florida's Infrastructure for Producing Nurses**

### ***Florida Board of Nursing Approval of Nursing Programs***

Professional nursing (RN) or practical nursing (LPN) licensure applicants must graduate from an approved nursing program as a prerequisite to being allowed to sit for the nursing licensure examination. Under part I, ch. 464, F.S., the Florida Board of Nursing must 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. The statutes require 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 statutes and any applicable administrative rules adopted by the board.

### ***Articulation of Nursing Education Programs***

Florida has an articulation agreement for health education programs that permits a student to learn in modules from the basic health sciences course in high school to bachelor's degree programs. The certified nursing assistant (CNA) standards are the basis for the LPN standards. The high school core also articulates into LPN and associate degree in nursing (A.D.N.) programs. Most community colleges have a "bridge" program for LPN to RN. Universities are required to accept and speed the progress of registered nurses who hold an AS degree and want to get their BS in nursing (known as AS to BS articulation). Under AS to BS articulation, a university must accept the AS degree as a block of designated nursing courses and may not, for instance, decide not to give credit for a course or to accept some courses as electives rather than as credits toward the nursing degree.

The articulation among health education programs in Florida is designed to ensure that a student's (and in many cases, the state's) investment of time and money at 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.

### ***Enrollment in Nursing Programs***

In the past two years, the Florida Board of Nursing has approved 28 new nursing schools, bringing the state's total to 151 campuses.

In 2003-2004, 127 students were enrolled in high school practical nursing programs; 1,558 community college students were enrolled in practical nurse programs; 4,062 career and technical center students were enrolled in practical nurse programs; and 16,569 associate degree (AD) students were enrolled in nursing programs. Independent colleges and schools enrolled 970 undergraduate students and 179 graduate students in nursing programs in 2003-2004.

Florida's state universities graduated 1,120 BSN students, 330 master's degree students, and 11 doctoral students in nursing in 2002. Ninety-five percent of the bachelors' degree graduates, 97 percent of the master's degree graduates, and 100 percent of the doctoral graduates were employed in Florida.

According to the American Association of Colleges of Nursing (AACN), U.S. nursing schools turned away more than 11,000 qualified applicants in 2003. Almost 65 percent of the nursing

schools reporting to AACN cited faculty shortages as the reason for not accepting all qualified applicants into entry-level baccalaureate programs. A Florida Association of Colleges of Nursing (FACN) survey showed that in 2002-2003, 1,333 qualified students were turned away from bachelor's degree (BSN) programs. In 2003-2004, 1,882 qualified students were turned away. Students who qualify for bachelor's degree programs are usually Bright Futures Scholarship students who choose another major when they are turned away from a nursing program.

Community Colleges have increased the capacity of their nursing programs by partnering with local hospitals that provide faculty and other forms of support. Even so, students are also being placed on waiting lists or turned away from community college nursing programs. Some community college nursing programs have waiting lists and others do not. Some programs limit the number of students who can be on a waiting list. Some have a rolling admissions process that gives qualified students an entry date in the future. A survey of community college nursing programs indicated that 2,900 qualified students applied that the colleges did not have the capacity to accept.

### **State and Federal Initiatives to Address the Nursing Shortage**

#### ***The Florida Center for Nursing***

Section 464.0195, F.S., creates the Florida Center for Nursing. The center 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. Located in Orlando, the Center has developed a strategic statewide plan for nursing manpower in Florida. The strategic plan has been endorsed by the Florida Nurses Association and other nursing and health care organizations. The Board of Directors for the Florida Center for Nursing has supported the development of a research agenda as essential to the Center's purpose, and research reports and informational papers on important nursing topics are available on the center's website. The center convenes various groups representative of nurses, other health care providers, business and industry, consumers, legislators, and educators to recommend systemic changes. The center promotes activities to enhance recognition, reward, and renewal activities for nurses in the state. The center receives a legislative appropriation of \$250,000 each year.

#### ***Statewide Strategic Plan for Nursing Workforce in Florida***

As required by s. 464.0195, F.S., the Florida Center for Nursing developed a statewide strategic plan for nursing workforce in the state. The plan includes five goals:

- An ongoing statewide system to forecast the changing nurse workforce supply and demand in Florida.
- Implementation of systemic changes to positively affect the ability of nursing supply to meet the demand for nurses.
- Dissemination of information on effective strategies and best practices related to work cultures and environments that support recruitment and retention of nurses.
- A nursing educational system that:
  - Facilitates career enhancement;
  - Targets enrollments that reflect industry need and the state's diversity;
  - Produces graduates who have the knowledge and skills to provide quality care; and
  - Is funded to meet industry needs for all levels of new graduates.

- The Florida Center for Nursing assessing supply and demand for nursing on an ongoing basis as required by statute.

### ***Nurse Reinvestment Act***

The Federal Nurse Reinvestment Act of 2002 amended Title VIII of the Public Health Service Act: Nursing Workforce Development (the primary authorization of existing Federal nursing programs) and authorized new programs to increase the number of qualified nurses and the quality of nursing services in the U.S. The program provides grants for advanced nursing education, nurse anesthetist traineeships, nursing workforce diversity, career ladder program grants, geriatric nursing, public health field experience, and other areas of nursing. In FY 2003, 13 Florida nursing programs received a total of \$673,253 to support advanced education nursing traineeship programs. Florida programs supported by Nurse Reinvestment Act funds address public health field experiences for BSN students, a doctoral program to improve minority health, a nurse practitioner program for rural and underserved populations, and a workforce diversity initiative for pediatric nurses.

### ***Scholarship and Loan Programs***

Section 1009.66, Florida Statutes, establishes the Nursing Student Loan Forgiveness Program to be administered by the Department of Health. The primary function of the program is to increase employment and retention of registered nurses and licensed practical nurses in nursing homes and hospitals in the State and in State-operated medical and health care facilities, public schools, birth centers, federally sponsored community health centers, family practice teaching hospitals, and specialty children's hospitals. The program provides financial assistance to eligible nurses by making repayments toward loans obtained by the licensed nurse 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 and have received a Florida license as a licensed practical nurse or registered nurse, or certification as an advanced registered nurse practitioner.

The program only covers repayment of the loan principle for a total which may not exceed \$4,000 a year for up to 4 years of education. The program is funded through a \$5 fee which is added to the nursing licensure or licensure renewal fee and matching funds from certain employing institutions. Funds are deposited into the Nursing Student Loan Forgiveness Trust Fund administered by the Department of Health. Trust fund monies are to be used exclusively for the Nursing Student Loan Forgiveness Program and the Nursing Scholarship Program. The 45 nurses who are in their fourth year of participation in the loan forgiveness program will complete the program in June 2005. The Department of Health has begun the application process to enroll 150 nurses in the program in January 2005, which will obligate \$2.5 million of the \$3 million in the trust fund. The department anticipates enrolling more nurses in March, 2005.

Section 1009.67, F.S., establishes the Nursing Scholarship Program that gives financial assistance to applicants who are enrolled as full-time or part-time students in an associate degree, baccalaureate degree, or graduate degree in nursing. A scholarship may be awarded for no more than 2 years, in an amount no greater than \$8,000 per year. Registered nurses who are pursuing an advanced registered nurse practitioner degree may receive up to \$12,000 per year. These amounts are adjusted by the amount of any increase or decrease in the consumer price index for urban consumers, published by the United States Department of Commerce.

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. The Department of Health has not enrolled any students in the scholarship program since 2002, primarily because of the difficulty of monitoring and ensuring the students' fulfillment of the requirement that they work in Florida or repay the scholarship with interest.

### ***Nurses Now***

Nurses Now is a partnership between the Agency for Workforce Innovation (AWI), the Florida Department of Education (DOE), Division of Community Colleges and Division of Workforce Education, the Department of Health, and the nurse education and training community to address the critical statewide need for nursing instructors, Registered Nurses, and Licensed Practical Nurses. The U.S. Department of Labor has earmarked a \$2 million training grant for Florida's Nurses Now project. AWI serves as the lead agency, project manager, fiscal agent and liaison with the 24 Regional Workforce Development Boards. AWI also serves as liaison with private education and training providers. The Department of Education is the liaison with the state university system, community colleges and public secondary and post secondary school system nursing education and training programs. Activities include increasing the awareness of careers in nursing, education and training opportunities in nursing, career advancement opportunities, and increasing the capacity of the education and training system to meet the increased need for nurses. Regional Workforce Boards, through their One Stop delivery system, determine participant eligibility.

To achieve the goals of Nurses Now, the state will train 336 eligible adults, older youth (19-21 years of age), dislocated workers, incumbent workers, veterans, and inactive licensed nurses to enroll in education and training programs that will prepare them to enter or reenter the nursing profession in Florida or progress to a higher level of the career ladder. The state, working in partnership with education entities and health care facilities, will identify and facilitate the replication of innovative training options and professional certifications.

### ***Building Bridges Nursing Initiative***

The Building Bridges Nursing Initiative is offered through a partnership between AWI and DOE. The Workforce Florida Board, funds 2 pilot sites in Jacksonville and Fort Myers which will provide facility-based practical nurse (PN) programs for working nursing assistants. The education will be offered as work-based learning over a 2-year period through approved public school nursing programs. The facilities—River Garden Hebrew Home for the Aged and Lee Memorial Hospital—have selected students. These pilots will begin operating in February 2005. Students will graduate with all the practical nursing requirements and will be able to sit for NCLEX-PN national examination.

The Building Bridges Nursing Initiative is somewhat similar to a legislative initiative for the creation of a Certified Geriatric Specialist pilot program that was considered by the 2003 and 2004 Legislatures but did not pass. The pilot program would have provided work-based education for nursing assistants working in nursing homes to take all of the practical nursing

courses except obstetrics and maternal/child health. The certified geriatric specialist credential (CGS) would have addressed the nursing shortage in nursing homes by establishing a new nursing credential specific to geriatric care in nursing homes.

### ***Sunshine Workforce Solutions Grant Program***

The Sunshine Workforce Solutions Grant Program was created in 2002 in the Nursing Shortage Solutions Act to provide grants for middle school exploratory programs and high school nursing programs. No funding has ever been provided for this program, but the Department of Education, in response to the law, developed an Orientation to Nursing program in middle school. A few Florida middle schools offer the exploratory program in spite of the lack of funding. However, in order to implement the high school program, funding would have to be available for instructional equipment, laboratory equipment, supplies, personnel, student services, or other expenses associated with development of a nursing program.

### ***Recruitment of Nurses***

Nurses are recruited by individual facilities, by the Florida Hospital Association, and by private recruitment companies. The Florida Hospital Association sponsors a job fair in Orlando every year to recruit nurses to work in hospitals in Florida. The association also has a website for recruitment.

The Florida Hospital Association reports that hospitals incurred costs of \$147 million during 2003 in order to fill vacant nursing positions. Costs associated with filling those positions included overtime, hiring contract/traveling nurses, an in-house staffing pool (per diem), using temporary staffing agencies, and paying on-call staff. Overtime was the most common method used to fill vacant positions. Hospitals offered a variety of financial incentives to recruit nurses, including referral fees to existing employees or sign-on, relocation or start-up bonuses. Hospitals offered enhanced benefits to attract nurses including continuing education, graduate nurse training programs and scholarships.

Florida's recruitment of nurses is not required or supported by the state in the same way as teacher recruitment. Under s. 1012.05, F.S., the DOE is required to conduct various recruitment activities including sponsoring a job fair in the central part of the state to match both in-state and out-of-state educators with potential job opportunities. The DOE is authorized to collect a maximum \$20-per-person registration fee and to charge school districts a booth fee that must not exceed \$250 per district. Participation in the job fair has increased from 447 participants in 2001 to 1,997 participants in 2004. Slightly more than one-fourth of the teacher candidates that registered for the 2003 Teach-In found employment in Florida schools during the 2003-2004 school year. The DOE also maintains a teacher recruitment website. In 2002, twenty percent of the 16,000 teachers needed in Florida were hired through the website and the Teach-In.

### **Senate Interim Project 2005-140**

Senate Interim Project 2005-140 addressed the nursing shortage in hospitals and nursing homes. The report found that the factors limiting the availability of nurses include the lack of funds to provide faculty at all levels of nursing education, the absence of complete accurate data on the number of nurses working in Florida, the lack of funds for programs to attract students to nursing in middle school and high school, the delivery of nursing courses in locations and at times of the

day that make them inaccessible to full-time health care workers, and the absence of a statewide recruitment effort for nurses.

The interim project report contained five recommendations:

1. Florida's first priority for addressing the nursing shortage should be to stop turning away qualified nursing students by increasing capacity in nursing programs. Nursing programs must be able to hire nursing faculty, and universities must educate more nurses with advanced degrees.
2. Detailed data on where and how much licensed nurses are working is essential for workforce estimates. The Center for Nursing should design a survey and, with the assistance of the Board of Nursing, survey all licensed nurses at the time of license renewal to acquire data necessary for workforce estimates.
3. To help working nursing assistants and nurses move up the career ladder, the Legislature should encourage more programs that deliver nursing education at the worksite, similar to the Building Bridges Nursing Initiative.
4. Public school students should be introduced to nursing as a possible career. The state should fund, or foster partnerships for funding, the middle school exploratory program and high school nursing programs.
5. The Legislature should consider funding a centrally-located nursing fair to recruit nursing graduates to Florida facilities. The Legislature should also consider requiring the Department of Health to support a website to attract nursing graduates to Florida, to facilitate their licensure and continuing education, and to connect them to potential employers.

### **III. Effect of Proposed Changes:**

This proposed committee bill would enact recommendations of Senate Interim Project 2005-140, which reviewed the nursing shortage in hospital and nursing homes.

**Section 1.** Amends s. 1009.66(7), F.S., to give priority for participation in the Nursing Student Loan Forgiveness Program to graduates who teach in an approved nursing program.

**Section 2.** Appropriates the sum of \$2,400,000 from the General Revenue Fund to the Nursing Student Loan Forgiveness Trust Fund. Priority for these funds shall be for graduates who have received a master's degree or a doctoral degree in nursing who are employed as faculty in an approved nursing program in the state.

**Section 3.** Appropriates the sum of \$6,620,519 from the General Revenue Fund to the Department of Education for the Workforce Development Capitalization Incentive Grant Program to increase the capacity of community college nursing programs.

**Section 4.** Appropriates the sum of \$10,141,600 from the General Revenue Fund to the Division of Colleges and Universities in the Department of Education for the purpose of increasing the capacity of nursing programs at public colleges and universities.

**Section 5.** Requires the Board of Nursing to adopt rules to require nursing licensure applicants and licensees to submit employment data, education data, and other workforce information at initial licensure and at renewal. The Board of Nursing may provide a form to employers to collect data on the employment of nurses practicing nursing in Florida. The board may provide such workforce information to the Florida Center for Nursing to assist the Center in achieving the goals specified in s. 464.0195, F.S.

**Section 6.** Appropriates the sum of \$256,000 from the General Revenue Fund to the Department of Health to be used by the Board of Nursing to gather information regarding the nursing workforce at the time of initial licensure or relicensure. In coordination with the Board of Nursing, the department may use part of this appropriation for a contract with the Florida Center for Nursing to develop a survey instrument to be used by the board to gather workforce data.

**Section 7.** Appropriates the sum of \$96,000 from the General Revenue Fund to the Agency for Workforce Innovation to support programs that deliver nursing education at the worksite to enable working nursing assistants to achieve a nursing license and nurses to achieve a higher level of nursing license.

**Section 8.** Appropriates the sum of \$2 million from the General Revenue Fund to the Department of Education to fund the Sunshine Workforce Solutions Grant Program.

**Section 9.** Appropriates the sum of \$50,000 from the General Revenue Fund to the Department of Health to fund a centrally-located nursing fair and a website to recruit nurses to work in Florida health care facilities.

**Section 10.** Provides that the bill will take effect upon becoming a law.

#### **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 Article VII, Section 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 Article I, s. 24(a) and (b) of the Florida Constitution.

**C. Trust Funds Restrictions:**

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

**V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Recipients of graduate nursing degrees will be eligible to participate in the Nursing Student Loan Forgiveness Program.

C. Government Sector Impact:

The bill appropriates a total of \$21,564,119 from the General Revenue Fund to the following agencies:

<b>Agency/Program</b>	<b>Appropriation</b>	<b>Purpose</b>
Nursing Student Loan Forgiveness Trust Fund	\$2,400,000	Loan forgiveness for nurses employed as faculty in nursing programs
Department of Education/Workforce Development Capitalization Incentive Grant Program	6,620,519	Increasing the capacity of community college nursing programs
Department of Education/Division of Colleges and Universities	10,141,600	Increasing the capacity of nursing programs at public colleges and universities
Department of Health/Board of Nursing	256,000	Gather information regarding the nursing workforce
Agency for Workforce Innovation	96,000	Programs that deliver nursing education at the worksite
Department of Education/Sunshine Workforce Solutions Grant Program	2,000,000	Middle school exploratory programs and high school nursing programs
Department of Health	50,000	Job fair and web site to recruit nurses to work in Florida
<b>TOTAL</b>	<b>\$21,564,119</b>	

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

## **VIII. Summary of Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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