

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 1139 Nursing Licensing Fees

**SPONSOR(S):** Roberson and others

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 2030

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	<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR</b>
1)	<u>Health Care Regulation Policy Committee</u>	<u></u>	<u>Holt</u>	<u>Calamas</u>
2)	<u>Health &amp; Family Services Policy Council</u>	<u></u>	<u></u>	<u></u>
3)	<u>Human Services Appropriations Committee</u>	<u></u>	<u></u>	<u></u>
4)	<u>Full Appropriations Council on General Government &amp; Health Care</u>	<u></u>	<u></u>	<u></u>
5)	<u></u>	<u></u>	<u></u>	<u></u>

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**SUMMARY ANALYSIS**

The bill requires the Department of Health to establish a mandatory special fee of \$3.50 per licensee to fund the continuing operation of the Florida Center for Nursing (FCN). The FCN was established to address issues of supply and demand for nursing, including issues of recruitment, retention, and utilization of nurse workforce resources. The special fee will be assessed upon initial licensure and renewal of each of each nursing license. As of June 2009, there were 314,564 licensed nurses (14,211 ARNPs, 229,658 RNs and 70,695 LPNs).

The bill has a potential increase in state revenues of \$997,864 to \$1,100,974. These revenues would be transferred to the Grants and Donations Trust Fund within the department to support the FCN (see fiscal comments).

The bill takes effect July 1, 2009.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Background:

##### **The Board of Nursing and Licensure**

As of June 2009, there were 314,564 licensed nurses (14,211 ARNPs, 229,658 RNs and 70,695 LPNs).<sup>1</sup> Of the total 314, 564 licenses about 29,460 are in inactive or delinquent status and 39,855 are out-of-state, active military or retired licenses.<sup>2</sup> Therefore are 245,249 active in-state licensed nurses.<sup>3</sup> Licensure renewals are broken into 4 groups; two groups renew each year, one in February-April and the other during May-July. Licensure renewal is currently conducted online and by paper.

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

In March 2001, the Florida Nurses Association convened a legislative summit of nursing leaders in Tallahassee. Participants represented nurse executives, nurse educators, and nurse advocates from across the state all of whom were members of one or more of the following groups:

- Florida Nurses Association;
- Florida Hospital Association;
- Florida Organization of Nurse Executives;
- Deans and Directors of Nursing Education Programs; and
- Florida Board of Nursing

At the summit, the concept of a Florida FCN for Nursing (FCN), based on North Carolina's Center for Nursing, was proposed and received unanimous support. In 2001, the Legislature established the Florida Center for Nursing ("FCN").<sup>4</sup> The FCN was created to address issues of supply and demand for nursing, including issues of recruitment, retention, and utilization of nurse workforce resources.<sup>5</sup> The Legislature specified that the FCN will repay the state's investment by providing an ongoing strategy for the allocation of the state's resources directed towards nursing.<sup>6</sup>

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<sup>1</sup> Department of Health, Division of Medical Quality Assurance, Annual Report: July 1, 2008-June 30, 2008.

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

<sup>4</sup> Chapter 2001-277, F.S.

<sup>5</sup> Section 464.0195(1), F.S.

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

The FCN is governed by a policy-setting board of directors. The board consists of 16 members, with a simple majority of the board being nurses who represent various practice areas. Other members include representatives of other health care professions, business and industry, health care providers, and consumers. Currently, the board members must meet the following criteria:<sup>7</sup>

- Four members are *recommended* by the President of the Senate, at least one must be a registered nurse recommended by the Florida Organization of Nurse Executives and at least one must represent the hospital industry and is recommended by the Florida Hospital Association;
- Four members *recommended* by the Speaker of the House of Representatives, at least one must be a registered nurse recommended by the Florida Nurses Association and one must represent the long-term care industry;
- Four members *recommended* by the Governor, two must be registered nurses;
- One nurse educator recommended by the Board of Governors who is a dean of a College of Nursing at a state university;
- Three nurse educators *recommended* by the State Board of Education, one of whom must be a director of a nursing program at a state community college

The member appoints are staggered and last for 3 years, and no member may serve more than two consecutive terms.

The primary goals of the FCN are to:<sup>8</sup>

- Develop a strategic statewide plan for nursing manpower in this state by establishing and maintaining a database on nursing supply and demand in the state, to include, current supply and demand, and future projections; and selecting from the plan priorities to be addressed.
- Convene various groups representative of nurses, other health care providers, business and industry, consumers, legislators, and educators; Review and comment on data analysis prepared for the center; recommend systemic changes, including strategies for implementation of recommended changes; and evaluate and report the results of these efforts to the Legislature and others.
- Enhance and promote recognition, reward, and renewal activities for nurses in the state by promoting nursing excellence programs such as magnet recognition by the American Nurses Credentialing Center; proposing and creating additional reward, recognition, and renewal activities for nurses; and promoting media and positive image-building efforts for nursing.

In addition, the Florida Board of Nursing is required to include on its initial and renewal application forms a question asking the nurse to voluntarily contribute to funding the Florida Center for Nursing in addition to paying the fees imposed at the time of licensure and licensure renewal. Any revenues collected from nurses over and above the required fees are transferred from the Medical Quality Assurance Trust Fund to the Grants and Donations Trust Fund within the Department of Health to solely to support and maintain the goals and functions of the center.<sup>9</sup>

## Funding

The FCN has been funded through a contract with the Department of Health. The funds come from annual appropriations as well as voluntary contributions. The FCN has received the following funds:

Fiscal Year	Voluntary Contributions	Legislative Appropriation
2008-2009	\$2,542*	450,000 GR
2007-2008	9,970	480,000 GR
2006-2007	13,589	500,000 GR

<sup>7</sup> Section 464.0196, F.S.

<sup>8</sup> Section 464.0195(2), F.S.

<sup>9</sup> Section 464.0195(3), F.S.

2005-2006	9,198	250,000 GR
2004-2005	12,278	250,000 Tobacco
2003-2004	40,307	250,000 Tobacco
2002-2003	35,326	

*\*The balance as of February 28, 2009.*

According to the FCN they have also obtained some external funding. In December 2007, the FCN received \$75,000 from Blue Cross / Blue Shield of Florida, Inc. to create small grant to establish the FCN's Retention & Recruitment Funded Project Initiative. In November 2008 the FCN joined the AARP/FCN to Champion Nursing in America to collaborate on a grant assessing the current nurse workforce data capacity in 30 states and development of minimum nurse supply, demand, and education datasets. The grant award was \$85,000. In addition the FCN has submitted a grant application for a grant offered by the Blue Foundation for a Healthy Florida, Inc. The grant award is for \$280,897 and the date of the award is from September 2009 to August 2011. The goal of the project is to maximize the use of simulation technology in the preparation of new and continuing education of current RNs in Florida to address our nursing shortage by increasing the nurse supply through increased production and retention.<sup>10</sup>

### **Effects of the Bill**

The bill requires the Department of Health to establish a mandatory special fee of \$3.50 per licensee to fund the continuing operation of the FCN. The fee is assessed upon initial licensure and renewal of each of each nursing license. Therefore, the collection of the special fee and the voluntary contributions will be collected to support the goals and functions of the FCN.

#### **B. SECTION DIRECTORY:**

Section 1. Amends s. 464.0195, F.S., relating to the goals of Florida FCN for Nursing.  
 Section 2. Provides that the bill takes effect July 1, 2009.

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

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

##### **1. Revenues:**

Currently, there are 314,564 licensed nurses, however; approximately 30,000 licenses are delinquent or inactive. Assessing a \$3.50 special fee would collect approximately \$997,864 to \$1,100,974.

##### **2. Expenditures:**

None.

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

##### **1. Revenues:**

None.

##### **2. Expenditures:**

None.

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

All nurses will see an increase of \$3.50 in the initial and renewal fee for licensure.

<sup>10</sup> Email dated March 19, 2009 from the Executive Director of the Florida Center for Nursing on file with the Health Care Regulation Policy Committee staff.

D. FISCAL COMMENTS:

Under the provisions of the bill, the special fee will be assess on all nurses irrespective if they are in-state, out-of-state, active duty military, or in retired status.

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of a state tax sharing with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES**