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FISCAL IMPACT REPORT

SPONSOR Stefanics ORIGINAL DATE 01/24/21
 LAST UPDATED 02/10/21 HB _____

SHORT TITLE Full Time School Nurse SB 31/aSEC

ANALYST Chilton

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Additional PED expense to administer		Uncertain, probably small	Uncertain, probably small	Uncertain, probably small	Recurring	General fund
Additional DOH expense to administer	\$122.0	\$122.0	\$122.0	\$366.0	Recurring	General fund
Total	\$122.0	\$122.0	\$122.0	\$366.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases) See Fiscal notes for discussion of the wide range of costs.

Relates to House Bill 32
 Duplicated House Bill 24 (before the amendment to this bill)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Public School Insurance Authority (PSIA)
 Public Education Department (PED)
 Board of Nursing (BN)
 Department of Health (DOH)

Regional Education Cooperatives (REC)

No Response Received

Albuquerque Public Schools (APS)

SUMMARY

Synopsis of SEC Amendment

The Senate Education Committee amendment to Senate Bill 31 appropriates \$200 thousand from the general fund to the public education department for the purpose of assisting in the hiring of school nurses in “each public and charter school in the state.”

The senate education committee amendment removes the requirement that charter schools (state- or locally-chartered) be required to employ a school nurse, and states that PED shall grant a waiver from the requirement to all public school districts with fewer than 250 students or unable to hire a qualified nurse or contract with another party to obtain school nurse services. It replaces a requirement that the nurse employed by a school district be licensed as a school nurse by the board of nursing with a requirement that BN license her/him as a nurse and the department of health license her/him as a school nurse.

The changed language in the bill, stating that the PED shall grant small school districts and those that cannot find a nurse to fill a district position reduces the fiscal impact and the uncertainty in the fiscal impact of the bill. (See fiscal implications below.)

Synopsis of Original Bill

Senate Bill 31 would require that each public school district employ at least one full-time school nurse. Waivers of this requirement would be available in the case of rural school districts with fewer than 250 students if those schools could demonstrate either that services to that school’s students may be met using a part-time nurse OR being unable to provide evidence that the school had tried and failed to find a nurse to be employed or contracted to that school. Only registered nurses, licensed as school nurses by PED and by BN, would meet the requirements of this bill.

Section 2 amends Section 22-8-9 NMSA 1978 to require PED to approve public school district budgets only if they employed at least one full-time school nurse at in each district or had been granted a waiver as described above.

The effective date of this bill is July 1, 2021.

FISCAL IMPLICATIONS

SEC Amendment

There is no appropriation in the original bill; however, in the amended bill the appropriation of \$200 thousand is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2022 shall revert to the general fund. This amendment presumably addresses the issue identified in the the original bill (below) which estimated the additional cost of \$195 thousand to hire nurses for three districts.

Original Bill

Local school districts that do not currently employ a school nurse full-time would be required to use their own funds to do so. According to PED data, there are 18 such districts among the 89 New Mexico school districts. Fifteen of these eighteen school districts without a full-time school nurse, all of them in rural New Mexico, have fewer than 250 students. The other three districts (Chama Valley, Dulce, and Melrose) have 404, 599 and 275 students, respectively, and would be required under the bill to hire a full-time school nurse. The cost for just these three districts, figured on a salary of \$50 thousand, roughly \$65 thousand including fringe benefits, would be \$195 thousand per year. At the other extreme, if none of the small rural districts were given waivers, the cost, using the same salary figure for each of the 18 districts, would then be \$1.17 million per year (the amended bill assures that each of the 15 small rural districts would be given a waiver). Further, PED notes, if considerations of equity prompted state government to provide funding for each of the state's 89 school districts, the cost (at 89 times approximately \$65 thousand for each nurse, including fringe benefits, would rise to \$4.2 million; addition of state-chartered schools not granted a waiver would add further to the cost. (The amended bill states that all charter schools shall be granted a waiver of the requirement.)

DOH notes that it would require additional staff to administer the program: "As the agency with clinical oversight of school nurse services, the New Mexico Department of Health would have an increased administrative burden. This increased administrative burden would require 1 full time employee with salary, benefits, space and equipment to manage. Assuming an employee in pay band 65, the annual cost of this employee's salary, benefits and equipment would be approximately \$122 thousand annually, recurring." It is unclear how the amendment would decrease DOH's added expenses.

SIGNIFICANT ISSUES

PED comments extensively on significant issues with this bill, noting the importance and usefulness of school nurses: "By providing health services, such as care for acute illness, chronic disease management, medication administration, and other services, during the school day, the school nurse supports students' ability to return to class and have a greater opportunity to learn. According to the [2018-2019 Annual School Health Services Report](#), 91 percent of all students visiting the health office returned to class."

However, PED continues,

Due to a lack of registered nurses, particularly in rural areas, it is common for school districts to contract nursing services through Regional Education Cooperatives (RECs), sharing full-time school nurse positions with other small school districts. School districts and charter schools employ supervised licensed practical nurses, health assistants, and contracted nurses in addition to – or in lieu of – registered nurses. Past REC analysis of a similar bill notes that while having a full-time nurse in each school would be beneficial, school budgets would be negatively impacted without an appropriation.

According to data from the 2019-2020 school year, there are 57 school districts and state charter schools with fewer than 250 enrolled students.

DOH also comments on the importance of school nurses:

The National Association of School Nurses (NASN) and the American Academy of Pediatrics recognize the professional school nurse as an essential healthcare expert for the identification, evaluation, and monitoring of students who may be eligible for services through the IDEA and Section 504 of the Rehabilitation Act of 1973 <https://www.nasn.org/nasn/advocacy/professional-practice-documents/position-statements/ps-idea>

Currently, the State Equalization Guarantee (SEG), which provides operational funds to schools, does not provide for the cost to employ school nurses. Other indirect funding sources, such as the Medicaid in the Schools program, provides limited funding for Medicaid Eligible Special Education Services and to school districts with a high student population. However, school nurses are cited as being a solid return on investment by reducing cost from chronic disease management, the prevention of communicable disease, health promotion, reducing chronic absenteeism, and keeping students in school and student seat time: for every dollar spent for school nursing, \$2.20 was saved in health care procedures and parent time away from work (Baisch, Lundeen, & Murphy, 2011; Hill & Hollis, 2012). School nurses have also been shown to increase parent and teacher productivity (<https://jamanetwork.com/journals/jamapediatrics/fullarticle/1872779>) and student attendance and academic success (Cooper, 2005; Moricca et al., 2013).

REC notes that “There is a shortage of qualified applicants to fill even part time positions, so a full time nurse for small rural districts is not feasible.”

ADMINISTRATIVE IMPLICATIONS

A past analysis from DOH on a similar bill notes a collaboration between PED and DOH may benefit the rulemaking process to implement the provisions of HB24.

DUPLICATE of House Bill 24 (with the exception of the amendment).

CONFLICTS with House Bill 32, which applies the requirement of a full-time school nurse in every individual public school (not district, as in HB24) and also applies that requirement to charter schools and makes an appropriation to PED to help both public and state-approved charter schools comply with the requirement of a full-time nurse in each school.

TECHNICAL ISSUES

“Rural” is not defined in the bill, as in “rural school districts.”

The language of the appropriation in Section 3 of the bill indicates that the appropriation is for the purpose of assisting “public schools in hiring school nurses in each public school and charter school in the state.” Language elsewhere in the bill indicates a requirement for a school nurse in every district rather than every school, and that all charter schools are to be given a waiver of this requirement.

As PED and DOH note, collaboration between the two departments would be essential to the functioning of this bill’s requirement.

ALTERNATIVES

Funding a shared school nurse for small rural districts could be accomplished through providing funding to a Regional Educational Cooperative in the area.

LAC/al/rl