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FISCAL IMPACT REPORT

ORIGINAL DATE 02/26/13

SPONSOR Thomson LAST UPDATED _____ HB 514

SHORT TITLE School Nurse in Elementary Schools SB _____

ANALYST Roberts

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$5,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Bill 19

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Children, Youth & Families Department (CYFD)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 514 has two sections. Section one amends the Public School Code and requires a licensed registered school nurse in each public elementary school with three hundred or more students. This bill would mandate, in phases over a four-year period, school districts to budget for a licensed registered nurse in every public elementary school with 300 or more students, with priority given to those public schools that serve the highest proportion of students who are eligible for free or reduced-fee lunch (RFL). School districts may apply for a waiver if unable to hire or contract for the nurse. Phase-in requirements are as follows:

- 2013-2014 school year, at least 25 percent of the required elementary schools;
- 2014-2015 school year, at least 50 percent;
- 2015-2016 school year, at least 75 percent; and
- 2016-2017 and subsequent school years, 100 percent.

Section two appropriates \$5 million dollars from the general fund to the public education department to fund phase one.

FISCAL IMPLICATIONS

The appropriation of \$5 million dollars contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

When fully implemented, funding should be included as part of the state equalization guarantee rather than an appropriation to PED.

SIGNIFICANT ISSUES

The PED reports:

Presently, alternative funding streams for health services provided by licensed nurses include:

- Medicaid reimbursements through HSD/Medicaid School-Based Health Services;
- Title I funding; and
- Individuals with Disabilities Education Act (IDEA B) funding for students who qualify for special education services.

These nurses are paid from specific revenue sources with specific requirements. The requirements in HB 514 do not take into account specific duties as prescribed by the specific grant. While some nurses paid from Title I may qualify to be considered to meet the provisions of this bill, in general it would be necessary to hire new licensed registered nurse for the phase-in outlined in the bill.

In the 2010-2011 school year, health services were provided in New Mexico by 474 licensed school nurses (assisted by seven licensed practical nurses and 340 health assistants). The average school nurse-to-student ratio was 1:686 students. In two out of three school districts, nurses covered three or more schools. Funding a school nurse in each elementary school with a population of three hundred or greater would significantly alter the current status of registered nurses providing services in several surrounding schools with assistance from licensed practical nurses and health assistants.

Currently there are 282 elementary schools in New Mexico with enrollment of 300 or greater. The implementation would begin with the schools with the highest percentage of free or reduced-fee lunch. Using an average registered nurse salary (SY12) of \$4 thousand a year and a benefit calculation of 30 percent costs per school year are as follows:

- For school year 2013-2013 one fourth or, 70 schools, would be required to employ a registered nurse. The total cost for implementation in the first year would be approximately \$4 million dollars in recurring dollars.
- For SY14, fifty percent (141) of all elementary schools with a student enrollment of three hundred or greater would be required to employ a registered nurse. This would increase the recurring amount by another \$4 million dollars for a total cost of implementation of \$8 million dollars in recurring funds.
- For SY15, seventy five percent (211) of all elementary schools with a student enrollment of three hundred or greater would be required to employ a registered nurse. This would increase the recurring amount by another \$4 million dollars for a total cost of

implementation of \$12 million dollars

- For SY16, every elementary school (282) with a student population of 300 or greater would be required to employ a registered nurse increasing the recurring amount by another \$4 million dollars for a total cost of implementation of \$16 million dollars.

These estimates do not take into account the number of schools with a student population of 300 or greater that currently employ a full-time registered nurse so fiscal impact may be high.

The PED would need to determine a process to identify schools with enrollment of 300 or greater and with the highest percentage of students who are FRL eligible without a registered nurse for the initial phase. Subsequently, for each following year the PED would need to continue to determine eligibility based on FRL for subsequent elementary schools and whether or not they have a full-time registered nurse to determine funding.

The PED further reports:

- The National Association of School Nurses recommends a minimum ratio of nurses-to-students depending on the needs of the student population 1:750 for students in general population (rates vary greatly depending on the individualized care needs of the student). New Mexico currently meets the recommendation with a statewide average of 1:686. However, this rate varies depending on the region of the state. The Northwest region of the state currently has a ratio of 1:846 and does not meet the National Association of School Nurse recommendation regarding minimum ratio of school nurses to student population.

Some schools are linked to school-based health centers that provide integrated health services, including prevention, health education and school tele-health. Funding for additional school-based health centers is also being considered this legislative session.

PERFORMANCE IMPLICATIONS

The PED notes that as the link between health and academic success is well documented, HB 514 may relate to department's strategic lever to ensure that students are ready for success.

ADMINISTRATIVE IMPLICATIONS

HB 514 requires the PED to: verify whether schools with a population of 300 or greater identified in the legislation as highest priority for funding have a full-time registered nurse employed in the individual school; develop a waiver process for identified schools that are unable to employ or contract a full-time nurse; and determine funding criteria, award sites and monitor funding. All elementary schools with a population of 300 or greater will need to employ a full-time registered school nurse over the next four years. The PED would also need to develop a request for information, award schools through the flow through process and monitor expenditures. This could be done with existing resources.

OTHER SUBSTANTIVE ISSUES

The DOH notes that HB 514 does not address the disparities issue created by lack of access to health care services in rural New Mexico. According to the PED's school directory for school

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year 2011-2012, most public elementary schools in rural communities would be exempt from this mandate.

ALTERNATIVES

Suggest an amendment to require districts to ensure a 1:750 ratio rather than one nurse per school for schools over 300.

MIR/blm