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FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/21

SPONSOR Sariñana LAST UPDATED _____ HB 32

SHORT TITLE Full-Time Nurse in Every School SB _____

ANALYST Chilton

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$5,000.0	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
Hiring nurses		\$25,700.0	\$25,700.0	\$51,400.0	Recurring	General Fund
Additional PED expense to administer		\$122.0	\$122.0	\$122.0	Recurring	General fund
Additional DOH expense to administer	\$122.0	\$122.0	\$122.0	\$366.0	Recurring	General fund
Total	\$122.0	\$25,944.0	\$25,944.0	\$52,010.0	Recurring	Mixed

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Bill 31, House Bill 24

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public School Insurance Agency (PSIA)
 Department of Health (DOH)
 Board of Nursing (BN)
 Regional Education Cooperatives (REC)
 Public Education Department (PED)

No Response Received

Albuquerque Public Schools (APS)

SUMMARY

Synopsis of Bill

House Bill 32 would require that each public school and state-chartered charter school in the state employ at least one full-time school nurse. Waivers of this requirement would be available in the case of rural schools with fewer than 250 students if those schools could either certify that adequate services to that school's students could be provided using a part-time nurse OR being able 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 of this bill applies to state-chartered schools, amending Section 22-8-6.1 NMSA 1978 to require PED to approve a charter school budget only if the charter school provided a full-time school nurse unless this requirement were waived similarly to the waivers to small rural public schools.

Section 3 amends Section 22-8-9 NMSA 1978 to require PED to approve public school budgets only if they employed a full-time school nurse at each school in the district or had been granted a waiver as described above.

House Bill 32, appropriates \$5 million from the general fund to the public education department for the purpose of assisting public and charter schools with the requirement for a full-time school nurse in every school.

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

FISCAL IMPLICATIONS

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

PED makes the following calculation:

In New Mexico, there are a total of 867 public schools, including charter schools, in the state. According to the Annual School Health Services Report (ASHSR) from the 2018-2019 school year, there were 518 licensed school nurses, assisted by seven licensed practical nurses, and 513 health assistants on 810 public school campuses. Assuming there are still approximately 518 licensed school nurses across the state and assuming individual school nurses are each located at a separate public school, this would mean there is still a shortage of 349 licensed school nurses.

In New Mexico, full-time nurses earn an average annual salary of \$47,213, excluding benefits. Based on this data, the appropriation would allow schools and charter schools to

hire up to approximately 105 additional licensed school nurses, depending on experience and nursing license level. The appropriation does not allow the possibility to hire a full-time nurse at every public school and charter school in the state.

Additionally, to administer the appropriation, PED would need a new or existing full-time equivalent (FTE) employee. It is unclear, at this time, if the work could be accomplished utilizing existing resources.

School districts and charter schools may incur certain administrative costs. Recruiting candidates may require expenses associated with advertising the position. Further, if school districts and charter schools were to receive partial funding and still be required to have 1.0 FTE school nurse, the school district and charter school may be responsible for the remaining portion of the position's salary and benefits.

Using PED's initial calculation, above, the salary cost alone for the needed additional 349 school nurses at \$47,213 each would require \$14.9 million; using the New Mexico State Personnel Office's figure that salary makes up 58.1 percent of state salaries and fringe benefits make up the other 41.9 percent, the total compensation package for 349 nurses would be \$25.7 million. Thus the \$5 million appropriation contained within the bill could only defray 19 percent of this anticipated cost.

In addition, PED states that it would require one FTE employee to manage PED's part of the additional requirements. Although PED does not estimate the cost of one FTE, it may be assumed that that cost is similar to DOH's cost, detailed in the next paragraph.

DOH assesses its costs as follows: "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 one 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."

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 the [2018-2019 Annual School Health Services Report](#), 91 percent of all students visiting the health office returned to class."

Likewise, DOH acclaims 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).

New Mexico currently ranks 50th [among US states] in child well-being as measured by indicators of economic well-being, education, health, family, and community (<https://www.nmvoices.org/archives/11728>).

REC notes the problem of an inadequate “labor pool of qualified candidates to fill this request.” New Mexico already suffers from a shortage of nurses.

ADMINISTRATIVE IMPLICATIONS

Both DOH and PED would have a role in ascertaining whether each of the 867 schools in the state were complying with the mandate to employ a full-time school nurse.

RELATIONSHIP to House Bill 24 and Senate Bill 31, which are identical to one another, but do not discuss charter schools and do not include an appropriation. Either of those bills, if passed, would require one school nurse per district, not per school.

TECHNICAL ISSUES

“Rural” is not defined in the bill.

While locally chartered charter schools are mentioned in the bill, it is not clear how the requirement for a school nurse for each school would apply to them.

CONFLICTS with House Bill 24 and its identical counterpart, Senate Bill 31, which apply the requirement of a full-time school nurse in every school district and charter school and make no appropriation.

ALTERNATIVES

As noted by REC, “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