

Department of Planning and Budget
2020 Special Session 1
Fiscal Impact Statement

1. Bill Number: SB5004

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Kiggans

3. Committee: Finance and Appropriations

4. Title: School nurses; local school boards shall employ nurses for each elementary, middle, and high school.

5. Summary: Excludes school nurse positions from requirements for student support positions and instead requires each local school board to employ at least one full-time equivalent school nurse position in each elementary school, middle school, and high school in the local school division. Defines a school nurse as a registered nurse engaged in the specialized practice of nursing that protects and promotes student health, facilitates optimal development, and advances academic success. Eliminates language that allows school divisions to contract with local health departments for nursing services, and eliminates a Board of Education reporting requirement related to school health expenditures. Finally, the Department of Education is to establish and administer a waiver process for local school boards for which the requirements of this subsection would create an undue hardship.

6. Budget Amendment Necessary: Yes, Items 143 and 145.

7. Fiscal Impact Estimates: Preliminary, see Item 8.

8. Fiscal Implications: The Standards of Quality currently do not include a staffing standard for school nurses. Currently, state funding for school nurses is calculated using statewide prevailing nurse costs, and a school nurse per pupil allocation is computed for each division. This bill alters that formula to provide the state share of funding for a nurse in each elementary school, middle school, and high school and, therefore, calculates cost based on a statewide prevailing nurse salary.

The Department of Education (DOE) estimates a state general fund decrease of \$11.0 million in FY 2021 and a state general fund decrease of \$11.2 million in FY 2022 to provide the state share of funding for one full-time nurse in each elementary school, middle school, and high school. Local school division distributions both increase and decrease with this change. Because this formula generates funding for a single full-time equivalent nurse position per school rather than a per pupil allocation, divisions with larger enrollment per school lose state funding, and divisions with smaller enrollment per school receive additional state funding. Consistent with current methodology, these funds are distributed to school divisions

through Basic Aid, and school divisions must provide local matching funds based on the local composite index. Any change in state cost in outgoing years is indeterminate at this time and would be based on the Direct Aid to Public Education budget as rebenchmarked for future biennia.

The statewide prevailing nurse salary is based on compensation for licensed nurses, as reported by local school divisions in the Annual School Report – Financial Section. Such nurses include licensed practical nurses (LPN), registered nurses (RN), and nurse practitioners (NP). A requirement to employ only registered nurses could impact the statewide prevailing nurse salary in future years; however, any such impact is indeterminate at this time.

The base budget used to calculate the fiscal impact of this bill does not account for the two percent compensation supplement in FY 2021 or the two percent compensation supplement in FY 2022 for Standards of Quality instructional and support positions that was included but unallotted in Chapter 1289, 2020 Acts of Assembly.

Budget language in Item 145 of Chapter 1289 permits school divisions to spend the state share of funding resulting from the support cost calculation for school nurses on licensed school nurse positions employed by the school division or for licensed nurses contracted by the local school division to provide school health services. Unless a language amendment is included to remove the provision that school divisions may contract these nursing services, this provision of the budget would override the prohibiting language in this legislation.

It may be difficult for some school divisions to hire registered nurses to fill school nurse positions. The waiver process to address this difficulty would require additional resources to develop and administer. DOE likely would need to convene a stakeholder group in order to determine the circumstances that would create undue hardship. This would cost approximately \$5,000. Administration of the program would require additional staffing support. DOE estimates a need of \$30,000 in additional state funding for part-time contract assistance. DOE estimates an additional general fund cost of \$35,000 in the first year and \$30,000 in all subsequent years.

9. Specific Agency or Political Subdivisions Affected: Department of Education, local school divisions

10. Technical Amendment Necessary: No

11. Other Comments: None