

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 4, 2005

TO: Honorable Dianne White Delisi, Chair, House Committee on Public Health

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1980 by Coleman (Relating to the assignment of school nurses at public school campuses.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1980, As Introduced: a negative impact of (\$19,200,000) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$9,600,000)
2007	(\$9,600,000)
2008	(\$9,600,000)
2009	(\$9,600,000)
2010	(\$9,600,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2006	(\$9,600,000)
2007	(\$9,600,000)
2008	(\$9,600,000)
2009	(\$9,600,000)
2010	(\$9,600,000)

Fiscal Analysis

The bill would require school districts to provide full-time nurse services at each campus in a district with fewer than 500 students, and provide not less than one full-time nurse for every 500 students at districts with 500 or more students.

The bill would take effect immediately upon enactment with the necessary voting majorities or September 1, 2005 and would apply beginning with the 2005-06 school year.

Methodology

An analysis of data reported by school districts and charter schools through the Public Education Information Management System (PEIMS) indicates that 5,183 full-time equivalent nurses were

employed on the 2005 snapshot date.

In order to satisfy the provisions within the bill, school districts would be required to employ 4,186 additional nurses. The increase in salary would be accompanied by an increase in retirement contributions made by the state to the Teacher Retirement System. At the constitutional minimum rate of 6%, the additional salaries would cost the state \$9.6 million per year beginning in fiscal year 2006. To the extent that some school districts would not be able to immediately comply with the provision due to a shortage of nurses in the Texas workforce, state costs would be less in early years of implementation.

Local Government Impact

Local school districts that have at least 500 students would need to employ an additional 3,521 nurses to fulfill the requirements of the bill. At an average salary of \$38,366, the added costs to districts would be at least \$135 million. Districts that have less than 500 students would need to employ an additional 665 nurses with added costs of at least \$25.5 million.

The overall statewide cost to school districts and open-enrollment charter schools would be approximately \$161 million per year based on 2004-05 data. However, to the extent that some local school districts and charter schools would not be able to immediately comply with the provision due to a shortage of nurses in the area, local costs would be less in early years of implementation.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, CL, UP, KC