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FISCAL IMPACT REPORT

SPONSOR	Garratt	LAST UPDATED	3/13/25
		ORIGINAL DATE	2/7/25
		BILL	House Bill
SHORT TITLE	School Nurse Salary Tiers & Minimums	NUMBER	195/aHEC/aHAFC
		ANALYST	Mabe

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Schools		\$648.8 to \$2,250.0	\$648.8 to \$2,250.0	\$1,297.6 to \$4,500.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bills 201 and 156, and to an appropriation in the General Appropriation Act.

Sources of Information

LFC Files

Legislative Education Study Committee (LESC) Files

Agency Analysis Received From

Board of Nursing (BON)

Department of Health (DOH)

Agency Analysis was Solicited but Not Received From

Public Education Department (PED)

SUMMARY

Synopsis of HAFC Amendment to House Bill 195

The House Appropriations and Finance Committee amendment to House Bill 195 (HB195) strikes the appropriation added by the House Education Committee amendment.

Synopsis of HEC Amendment to House Bill 195

The House Education Committee amendment to House Bill 195 (HB195) adds an appropriation of \$250 thousand from the general fund to the Public Education Department (PED) in FY26 to increase school nurse minimums as outlined below. Any unexpended or unencumbered balance remaining at the end of FY 26 shall revert to the general fund.

Synopsis of House Bill 195

House Bill 195 provides a tiered salary system for school nurses tied to the minimum salaries of teachers. It also provides a bonus for National Board Certification of level 2 or level 3 registered nurses by creating a program unit in the funding formula. This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

HB195 creates a new formula component in the public schools funding formula and establishes a three-tiered licensure system with minimum salary levels—like teachers. Based on the latest available personnel data from the PED operating budget management system (OBMS), there are an estimated 242 FTE nurses working in New Mexico schools with an estimated average salary of \$65.7 thousand. There is no reliable data available on where those nurses are in their years of experience, but if they were all level 3 license equivalents it could cost \$1.04 million to align with the current level 3-A teacher salary minimum of \$70 thousand, and \$2.25 million if House Bill 156 passes raising minimums by \$5,000 per tier.

The Legislative Education Services Committee (LESC) notes the National Board for Certification of School Nurses has currently certified 66 nurses with a National Certified School Nurse credential in New Mexico. A survey by the New Mexico School Nurses Association shows about 59 active school nurses across the state, with most nurses in urban areas reporting their salaries are already aligned with teacher salaries and National Board for Professional Teaching Standards stipends. Many districts and charters do not have any nurses on staff and may contract for nursing services. Regardless of whether schools are already paying nurses commensurate salaries and stipends with teachers, provisions of this bill would allocate \$648.8 thousand in the funding formula to the schools that employ the 66 certified nurses. Absent an equivalent appropriation to the state equalization guarantee (SEG) distribution, provisions of this bill would shift funding to schools with certified nurses from schools without them.

SIGNIFICANT ISSUES

HB195 adds National Board for Certification of School Nurses certification to the itemized list of program units in the program cost calculation section of statute (22-8-18 NMSA 1978). The bill creates a program unit multiplier of 1.5 for each licensed level 2 or level 3 school registered nurse who is certified by the national board for certification of school nurses. For them to count, the board-certified nurses need to be employed by a school district or charter school on or before the first reporting date of the school year and verified by PED. This appears to be modeled after the National Board for Professional Teacher standard bonuses, which was added to the funding formula in FY04 and expanded to all board-certified staff in FY24 to cover the cost of bonuses. Like that legislation, House Bill 195 specifies a “one-time salary differential.” In practice, the differential is a yearly bonus for teachers and presumably would be for school nurses as well.

The bill also adds a section to the School Personnel Act that outlines the three tiers of licensure.

Currently there are three types of licensure for school nurses at three levels: associate school nurse, professional school nurse, and supervisory school nurse. Level one is a three-year license,

level two and level three are nine-year licenses. A level one nurse can advance to level two after three full years and a level two nurse can advance to level three after three full years on a level two license. The licensure bureau website states that associate school nurses and professional school nurses can be either a level one or two, but level three does not exist for them. There are no salary minimums for any of these school nurse licenses or levels within them. As stated above, the average salary is \$65.7 thousand.

According to 2023 *New Mexico Health Care Workforce Committee Annual Report* (NMHCWF), the median salary for registered nurses in New Mexico in 2022 was \$82 thousand, although it varies slightly with location, with Albuquerque having the highest median salary at \$82.8 thousand and Las Cruces having the lowest at \$78.3 thousand. Like much of the country, New Mexico is experiencing a nursing shortage. According to the NMHCWF report, New Mexico would need an additional 5,704 registered nurses for all counties to reach the national benchmark of 92 nurses per 10 thousand population. According to the *New Mexico Annual School Services Report* (ASHSR), at least 27 percent of school districts do not have a school nurse and at least one in three school districts only have one or a part-time nurse. If schools matched teacher minimum salaries and added the national board certification stipend, they would get closer to being competitive with non-school nursing jobs.

PERFORMANCE IMPLICATIONS

School nurses manage direct medical care, medical conditions and medications, and coordinate care with others like school behavioral health counselors. According to the ASHSR, 89 percent of visits to the health office resulted in students returning to class instead of leaving school so they miss less instructional time.

ADMINISTRATIVE IMPLICATIONS

PED would need to convert current licenses to new ones, which would mean reevaluating at least 242 licenses. They would also need to revise licensure requirements.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB195 relates to House Bill 201, which raises the minimum wage for all school employees to \$30 thousand regardless of FTE status; and House Bill 156, which increases the minimum salaries for teachers, school counselors, and school administrators by \$5,000 each tier.

This bill relates to the \$4.4 million appropriation in the LFC recommendation for the General Appropriation Act for the state equalization guarantee (SEG) distribution to raise minimum teacher and principal salary levels to the level included in House Bill 156.

It is also related to the \$135 million appropriation in the LFC recommendation for the General Appropriation Act for the SEG distribution to provide a 4 percent salary increase for all school personnel.