


Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: October 30, 2017

SUBJECT: Fiscal Impact Statement – Public School Health Services Amendment Act of 2017

REFERENCE: Bill 22-27, Committee Print as shared with the Office of Revenue Analysis on September 28, 2017

Conclusion

Funds are not sufficient in the fiscal year 2018 through 2021 budget and financial plan to implement the bill. The bill is estimated to cost \$2.3 million in fiscal year 2018 and \$46.4 million over the four-year financial plan.

Background

The Department of Health (DOH) through a partnership with Children's National Medical Center (CNMC) and its school nursing division, Children's School Services, provides Registered Nurses (RNs) and Licensed Practical Nurses (LPNs) to staff school health suites at District of Columbia Public Schools (DCPS) and participating public charter schools (PCS).¹ The bill increases² the minimum number of hours a registered nurse must be present at each school to 40 hours per week beginning August 1, 2018. The bill allows DOH to use LPNs to satisfy the 40 hours per week requirement if they work under the appropriate supervision and in general collaboration with an RN.

Currently, 110 DCPS school campuses and 90 charter school campuses have at least part-time nursing services. Of the 90 charter school campuses with nurses, 81 use DOH-supplied nurses and nine use privately-hired nurses. Two of the campuses using privately-hired nurses have applications

¹ Nine charter schools use privately-hired nurses that are not supplied by DOH, and some charter schools omit nurse staffing from their program.

² By amending Section 2 of the District of Columbia Public School Nurse Assignment Act of 1987, effective December 10, 1987 (D.C. Law 7-45; D.C. Code § 38-621).

pending with DOH to receive CNMC nurses. Thirty charter schools do not have nursing services at this time.³ DOH has \$19.2 million in its fiscal year 2018 budget for the school nurse partnership with CNMC.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2018 through 2021 budget and financial plan to implement the bill. The bill is estimated to cost \$2.3 million in fiscal year 2018 and \$46.4 million over the four-year financial plan.

DOH requires additional funds to provide 40 hours of full-time nurse coverage at 110 public school campuses, 107 of the public charter school campuses that are currently operating in the District, and three new public charter schools will open in school year 2018-2019. To meet the required hours, DOH will need funding to support an additional 75 full-time RNs and 26 full-time LPNs during the 2018-2019 school year. DOH will also need additional funds to support an increase in CNMC's non-personnel services and indirect cost budget to support nurses with supplies, materials, and administrative support.

Bill 22-27 - Public School Health Services Amendment Act of 2017 Total Fiscal Impact					
	FY 2018 ^(e)	FY 2019	FY 2020	FY 2021	Total
Salary ^(a)	\$1,620,411	\$9,722,466	\$10,509,397	\$11,097,207	\$32,949,480
Fringe ^(b)	\$291,674	\$1,750,044	\$1,891,691	\$1,997,497	\$5,930,906
Non-Personnel Services ^(c)	\$130,546	\$783,275	\$902,607	\$1,026,476	\$2,842,904
Indirect Costs ^(d)	\$226,959	\$1,361,754	\$1,478,188	\$1,569,020	\$4,635,921
Total	\$2,269,590	\$13,617,538	\$14,781,884	\$15,690,200	\$46,359,212

Table Notes:

- (a) Salaries for 75 additional RNs and 26 additional LPNs to meet the 40-hour per week nurse staffing requirement in fiscal year 2019 at 220 school campuses. Assumes three new charters will open in fiscal year 2020 and 2021. Includes 3 percent cost of living adjustment in fiscal years 2019, 2020, and 2021.
- (b) Assumes fringe benefit rate of 18 percent.
- (c) Includes equipment, supplies, and other non-personnel costs and assumes a 1.7 percent inflator.
- (d) Indirect costs include facilities and administrative costs.
- (e) Assumes 40-hour staffing requirement begins in August of fiscal year 2018 for school year 2018-2019.

Seven of the nine public charter schools currently using privately-hired nurses do not have adequate facility space to meet the requirements necessary to obtain a CNMC nurse. These schools may opt to use DOH-supplied nurses in the future if rules and regulations change. This would create additional costs for the District but is not included in the OCFO estimate since there are no proposed changes to the facility requirements at this time.

³ Of the 30 public charter schools without nursing services, 6 are adult schools that are not required to have nurses. The remaining 24 would be required to have a full-time nurse. Of these 24, 7 have applications pending with DOH.

The Honorable Phil Mendelson

FIS: Bill 22-27, "Public School Health Services Amendment Act of 2017," Committee Print as shared with the Office of Revenue Analysis on September 28, 2017.

Due to a regional nursing shortage, DOH projects that it will be difficult for CNMC to hire enough school nurses to cover the required 40 hours per week of nurse staffing. DOH is exploring alternative staffing models that would provide schools with 40 hours of on-site health services by supplementing school nurses with physicians, physician's assistants, and nurse practitioners. Using an alternative staffing model will increase the cost of school health services since physicians, physician's assistants, and nurse practitioners have higher salaries than nurses. Since the bill only requires 40 hours of nurse staffing per week, the OCFO did not include the cost of using alternative health professionals in calculating the total cost of the bill. It should be noted, however, that vacancies in the program may need to be monitored and policy decisions about staff qualifications and salary levels may need to be addressed in future budgets.