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FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/09

SPONSOR Vigil LAST UPDATED _____ HB 215

SHORT TITLE NMHU Med School Career Preparation Programs SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 New Mexico Highlands University (NMHU)
 Department of Health (DOH)
 Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

House Bill 215 appropriates \$250.0 from the general fund to the Board of Regents of New Mexico Highlands University to increase the number of undergraduate students from rural areas who are prepared for admission to medical school or for health related fields.

FISCAL IMPLICATIONS

The appropriation of \$250.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

This request was submitted by NMHU to the HED for review. The Department would have a neutral recommendation for this project for FY10, if the State's fiscal picture improves.

The LFC Appropriation Recommendations, Volume II, pages 364-365 states:

The committee has concerns about the growth of research and public service projects within the higher education budget, as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects.

The committee recommendation reduces funding included in the HED request by varying levels from FY09 funding amounts for research projects, public service projects and P-20 pipeline projects focusing on students.

With respect to special projects, higher education institutions advanced 114 proposals for new projects and expansions at a total general fund cost of \$54 million during the HED budget request process in fall 2008.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The Executive Budget in Brief notes that over the years more than 300 RPSPs have been created, accounting for a large portion of institution budgets. The current RPSPs were reviewed while considering the relevance of the project to the core mission of the institution, the community benefit and the outcomes associated with each project. (Budget in Brief and Policy Highlights, P 9-10.)

NMHU states that the purpose of the appropriation is to further establish a demonstration and research program to prepare undergraduate students from small universities for successful entry into medical school or related fields. The programs include a focused undergraduate curriculum, summer science academies, remote learning, medical school entrance examination preparation and mentoring by rural physicians and physicians associated with the New Mexico Hispanic Medical Association.

NMHU notes further that there is evidence that health care providers from small rural communities are more likely to return to similar communities to practice their profession. The difficulty in recruiting students from these communities to health career tracks is due, in part, to the limited availability of pre-professional courses in small school districts, and the lack of formal training opportunities for entrance exams. This approach may help increase the number of underrepresented minorities in the health care field working with racial and ethnic minorities living in rural areas of the state.

The HPC states that the appropriation may assist in the recruitment, placement, and retention of health care personnel in underserved areas of New Mexico. The HPC notes further that throughout NM, there are shortages of all health care providers including but not limited to registered nurses, physician assistants, nurse practitioners, dentists, dental hygienists, pharmacists, physicians and surgeons.

The DOH notes that the program proposed in HB215 would be oriented to minority students at NMHU, with the intent to increase the numbers of individuals from rural minority populations

participating in healthcare professions and providing preventive and clinical services in the communities from which they are drawn.

GH/svb