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SENATE BILL 202

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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AN ACT

RELATING TO HEALTH PROFESSIONALS; CREATING THE PHYSICIAN
GRADUATE MEDICAL EDUCATION TRUST FUND AND THE PHYSICIAN
GRADUATE MEDICAL EDUCATION PROGRAM FUND; MAKING TRANSFERS FROM
THE GENERAL FUND TO THE PHYSICIAN GRADUATE MEDICAL EDUCATION
TRUST FUND AND THE PHYSICIAN GRADUATE MEDICAL EDUCATION PROGRAM
FUND; MAKING AN APPROPRIATION; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] PHYSICIAN GRADUATE MEDICAL
EDUCATION TRUST FUND.--

A. The "physician graduate medical education trust
fund" is created as a nonreverting fund in the state treasury.
The trust fund consists of distributions, appropriations,
income from investment of the fund, gifts, grants and
donations. Money in the trust fund shall be expended only as

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1 provided in this section.

2 B. The state investment officer shall invest money
3 in the trust fund in accordance with the prudent investor rule
4 as set forth in Chapter 6, Article 8 NMSA 1978 and in
5 consultation with the secretary of health care authority.

6 C. The state investment officer shall report
7 quarterly to the legislative finance committee and the state
8 investment council on the investments made pursuant to this
9 section. An annual report shall be submitted no later than
10 October 1 of each year to the legislative finance committee,
11 the revenue stabilization and tax policy committee and any
12 other appropriate interim committees.

13 D. Beginning July 1, 2027 and on July 1 of each
14 succeeding year, a distribution shall be made from the trust
15 fund to the physician graduate medical education program fund
16 in an amount equal to five percent of the average of the
17 year-end market values of the trust fund for the immediately
18 preceding three calendar years. If, on July 1 of a year, the
19 trust fund has been in effect for less than three calendar
20 years, the distribution shall be in an amount equal to five
21 percent of the average of the year-end market values of the
22 trust fund for the immediately preceding number of calendar
23 years that the trust fund has been in effect.

24 SECTION 2. [NEW MATERIAL] PHYSICIAN GRADUATE MEDICAL
25 EDUCATION PROGRAM FUND.--The "physician graduate medical

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1 education program fund" is created as a nonreverting fund in
2 the state treasury. The fund consists of distributions,
3 appropriations, gifts, grants, donations and income from
4 investment of the fund. The health care authority shall
5 administer the fund. Money in the fund is subject to
6 appropriation by the legislature to support physician graduate
7 medical education programs located in rural and underserved
8 areas. Expenditures from the fund shall be by warrant of the
9 secretary of finance and administration pursuant to vouchers
10 signed by the secretary of health care authority or the
11 secretary's authorized representative. Any unexpended balance
12 remaining at the end of a fiscal year shall not revert to the
13 physician graduate medical education trust fund."

14 **SECTION 3. TRANSFERS.--**

15 A. On the effective date of this act, one hundred
16 million dollars (\$100,000,000) is transferred from the general
17 fund to the physician graduate medical education trust fund.

18 B. On the effective date of this act, ten million
19 dollars (\$10,000,000) is transferred from the general fund to
20 the physician graduate medical education program fund.

21 **SECTION 4. APPROPRIATION--PHYSICIAN GRADUATE MEDICAL**
22 **EDUCATION PROGRAM FUND.--**

23 A. Eight million dollars (\$8,000,000) is
24 appropriated from the physician graduate medical education
25 program fund to the health care authority for expenditure in

1 fiscal years 2027 and 2028 to carry out the purposes of the
2 fund as follows:

3 (1) up to two million five hundred thousand
4 dollars (\$2,500,000) each fiscal year to support physician
5 graduate medical education programs located in rural and
6 underserved areas that are in the process of developing
7 applications with the body responsible for accrediting
8 physician graduate medical education programs;

9 (2) up to five hundred thousand dollars
10 (\$500,000) for each fiscal year to support physician graduate
11 medical education programs located in rural and underserved
12 areas that have been accredited for less than one year; and

13 (3) up to one million dollars (\$1,000,000)
14 each fiscal year to support physician graduate medical
15 education programs located in rural and underserved areas that
16 have been accredited for one year or more.

17 B. Any unexpended balance remaining at the end of
18 fiscal year 2028 shall revert to the physician graduate medical
19 education program fund.

20 SECTION 5. EMERGENCY.--It is necessary for the public
21 peace, health and safety that this act take effect immediately.