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FISCAL IMPACT REPORT

ORIGINAL DATE 2/22/2015

SPONSOR Ortiz Y Pino LAST UPDATED _____ HB _____

SHORT TITLE NMHU Health Career Student Recruitment SB 385

ANALYST Hartzler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
		\$30.0	Recurring	Institutional I&G Revenues

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$100.0	\$100.0	\$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act, Section 4J Higher Education, New Mexico Highlands University

Duplicates HB 419, NMHU Health Career Student Recruitment

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

University of New Mexico Health Sciences Center (UNM HSC)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 385 appropriates \$100 thousand from the general fund to New Mexico Highlands University (NMHU) to establish a demonstration and research program to better prepare undergraduate students from rural institutions for admission and persistence in medical school or other health professions. The program could include a focused undergraduate program, summer science academies, distance education opportunities, medical school entrance exam preparation, and mentoring by rural physicians and those associated with the New Mexico Hispanic Medical Association.

FISCAL IMPLICATIONS

The appropriation of \$100 thousand contained in this bill is a recurring expense to the general fund. Senate Bill 385 states that any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund. However, if this appropriation for a health career preparatory program is included in Section 4 of the General Appropriation Act, the funding will not revert to the general fund pursuant to legislative language governing that section.

HED noted that the university did not submit a request for this program as part of its FY16 budget review process. The annual budget review process requires approval by an institution's governing body prior to consideration by HED, LFC, and the Department of Finance and Administration (DFA).

LFC staff estimate that NMHU would receive tuition and fee revenue associated with a program, once implemented, starting in FY17. In addition, the university may receive additional funding through the state's instruction and general (I&G) funding formula if more students enroll and complete science, technology, engineering, mathematics and health-related courses and graduate from such programs.

SIGNIFICANT ISSUES

DOH identified unequal distribution of the health care workforce and shortages in rural and underserved areas exist in New Mexico. "Currently, 32 of New Mexico's 33 counties are federally designated as Health Professions Shortage Areas (HPSA). With implementation of the Affordable Care Act, (ACA) these shortages are expected to dramatically increase as currently uninsured individuals secure health care coverage and seek medical care. Not only is there a shortage of primary care and advanced practice nurse practitioners, there is a severe shortage of specialty care providers." UNM HSC echoed the role of ACA implementation creating urgency in expanding health care options nationally and more specifically in New Mexico. "New Mexico faces unique challenges due to its geographic size, large percentage of rural and underserved populations and limited institutions and infrastructure for training doctors, nurses, dentists and other practitioners, as compared to more densely populated states."

SB 385 seeks to increase entry and success of students entering medical school or related health fields. According to DOH, this purpose is consistent with comments from the President of New Mexico Hispanic Medical Association: "We want more qualified minority physicians in medical school and subsequently practicing in our communities. Our commitment to this issue hasn't

been without challenge. The organization began as a loose knit group of academics united behind the ideas of equal footing in the medical school”(See <http://www.nmhispanicmed.org/presidents-message>)

In addition, DOH and UNM HSC cite findings and recommendations from the New Mexico Health Care Workforce Committee Report (2014) regarding preparing, recruiting and retaining diverse and qualified health care practioners for rural areas. DOH highlighted the finding that “that career interest-building programs that recruit students into the health care professions before or during high school and as undergraduates should be carefully monitored and best practices should be adopted. Both short-term and long-term outcome measures should be required for state funding of these programs.”

PERFORMANCE IMPLICATIONS

DOH reported that programs identified in SB 385 would help meet the department’s FY16 strategic plan, first priority to improve the health outcomes for New Mexicans. Upon enactment of SB 385, NMHU should develop performance measures and targets identifying the target student population to be served, participation in and successful completion of preparatory curricula and courses, and final program completion by individuals enrolling in and completing medical and residency programs.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Without the effort to be funded by SB 385, northern New Mexico will not have an opportunity to develop an academic pipeline, directed support services, and mentoring by regional healthcare practioners for undergraduates seeking to pursue graduate programs in health fields.

TH/bb/aml