



<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>or Nonrecurring</b>	
N/A	N/A	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

**SECTION III: NARRATIVE**

**BILL SUMMARY**

House Bill (HB66) amends 21-22D-6 NMSA 1978 the Health Professional Loan Repayment Act expanding the highest priority “Health Professional” in the Health Professional Loan Repayment Program. This legislation amends several sections of the committee selection process, awards, relocate and commence practice in New Mexico, disbursement of amounts, and additional criteria.

In addition, HB66 amends 21-22C-4 NMSA 1978 the Allied Loan for Service Act concluding and eliminating the provision of the loans made under the act and repealing sections of the NMSA 1978.

The New Mexico Higher Education Department (NMHED) analysis of this bill focuses on the higher education implications of the proposed legislation. Additional insight may be obtained from other agencies’ analyses.

**FISCAL IMPLICATIONS**

HB66 appropriates twenty-five million (\$25,000,000) from the General Fund to the Health Professional Loan Repayment Fund for expenditure in Fiscal Year (FY) 2027.

**SIGNIFICANT ISSUES**

The purpose of the New Mexico Health Professional Loan Repayment Program (HPLRP) Act is to provide repayment for outstanding student loans of practicing health care professionals. As a condition of the program, a health professional must make a three-year service commitment to practice full-time (36 hours) in a designated medical shortage area in New Mexico. The program has received interest from health care professionals throughout the New Mexico. In FY26, NMHED awarded 401 new loan

repayment awards across 25 designated critical counties, throughout all health care disciplines as defined under the Act. The average educational debt among awarded recipients was \$131,000 in FY26. NMHED is currently supporting one thousand two hundred thirteen (1,213) healthcare professionals under the three-year service commitment.

Currently the maximum allowable award is twenty-five thousand (\$25,000) per year across all health care professionals. Factors which may affect the award amount include the applicant's amount of student loan debt and available funding for the program. Recipients are eligible for renewal upon completion of a three-year service obligation. HPLRP awardees are required to work in primary care practice as primary care physicians in underserved areas for a three-year service commitment.

HB66 creates a new Health Professions Advisory Committee consisting of nine members to make appointments with authority from the Secretary of Health, Secretary of Health Care Authority, Secretary of Higher Education, Chair of the New Mexico Medical Board. Other relevant health-oriented board and commission members are missing from this structure, such as the New Mexico Road of Nursing. Members of the committee appointed shall serve a staggered terms of four years provided that the initial term of members appointed shall be less than six years. This removes recipient selection authority from the current department structure. The committee will select a chair and vice-chair who shall serve a term of two-years.

The definitions are rewritten as a closed list of licensed professions tied to specific New Mexico practice acts. Redefinition and narrowing of "health professional by removing the authority for the department to add professions by rule. The award structure is standardized and significantly increases licensed physicians to seventy-five thousand dollars (\$75,000) per year for four consecutive years, up to the applicant's eligible educational debt not to exceed three hundred thousand dollars (\$300,000). The Health Professional Loan Repayment Fund restructuring is explicitly administered by NMHED and at least fifty percent (50%) of available funds must be reserved for physicians each fiscal year. Unspent physician funds roll forward only for physician awards. Licensed physicians are no longer required to practice only in designated shortage areas and may practice anywhere in New Mexico.

Eligibility now includes professionals who agree to relocate and begin practice within 90 days of award approval. Service obligation length for physicians will require a minimum service increased from three to four years. Non-citizens with valid work authorization (e.g., visas, lawful permanent residents) now become eligible. NMHED receives a federal grant from U.S. Department of Health and Human Services (HHS) Health Resources and Services Administration, which requires matching funds as part of an awarded state's obligation. Further legal review may be required to ensure continued compliance with federal law and grant conditions such as citizenship or residency requirements.

The bill suggests a formula-based award for other health professionals tied to years of required training, maximum based on total eligible debt explicit proration rules added for part-time service. The calculation shall multiply forty thousand dollars (\$40,000) by the quotient of the number of years of full-time postsecondary training required for initial licensure in the field of practice divided by eight, not to exceed education debt, be prorated based on three years and full-time employment.

Penalty provisions under the current structure, including eighteen percent (18%) interest, will now make interest optional, and the mandatory penalty of up to three times the award is removed, providing NMHED with greater enforcement discretion.

## PERFORMANCE IMPLICATIONS

N/A

## ADMINISTRATIVE IMPLICATIONS

The bill introduces additional administrative and reporting requirements, which may increase operational complexity and resource demands for program administration. The proposed award structure introduces significant administrative complexity for NMHED particularly due to differing calculation methods for physicians and non-physician health professionals. For licensed physicians, the bill establishes a flat award of seventy-five thousand dollars (\$75,000) per year for four consecutive years, subject to multiple exceptions.

- Verify and continuously track each recipient's total eligible educational debt to ensure awards do not exceed that amount;
- Prorate awards over a four-year period based on the recipient's total educational debt, requiring individualized calculations rather than standardized awards; and
- Monitor employment status and hours worked to prorate awards for part-time employment, necessitating ongoing verification of work schedules and compliance.

For health professionals other than licensed physicians, the award calculation is based on a formula tied to the number of years of full-time postsecondary training required for initial licensure, divided by eight. This creates additional administrative challenges, including:

- Determining and standardizing the required years of training across diverse professions, licensing boards, and certification pathways; and
- Resolving inconsistencies where training requirements vary by program, accreditation body, or are not clearly defined in statute or rule.

## CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

## TECHNICAL ISSUES

N/A

## OTHER SUBSTANTIVE ISSUES

HB66 amends sections of the 21-22D-6 NMSA 1978 the Health Professional Loan Repayment Act. The proposal to allocate fifty percent (50%) of available funds exclusively to physicians. In the event NMHED receives fewer than fifty percent (50%) of qualified physician applicants could result in unawarded funds, as the NMHED would lack authority to reallocate those funds to other eligible health care professionals. This allocation could disproportionately limit support for other critical healthcare professions that address access gaps, particularly in rural and underserved communities.

Additionally, the proposal may exclude certain professions that are not licensed under a specific practice act but instead hold certifications. As drafted, several previously eligible allied health roles could become ineligible unless they fall under a listed licensing act. These exclusions may include residents, interns, and fellows who do not yet hold independent licenses; medical assistants; some behavioral health professionals; certified nursing assistants (CNAs); and public health workers without clinical licenses, including those serving in homeless and community-based facilities.

The proposed increase in award amounts from twenty-five thousand dollars (\$25,000) per year to up to seventy-five thousand dollars (\$75,000) per year may further reduce the total number of applicants selected annually, limiting the program's overall reach and impact.

The bill requires the committee to maintain minutes of all committee meetings. However, the advisory committee operates as a closed meeting, and its discussions include student records and personally identifiable information. Maintaining detailed meeting minutes under these circumstances could create potential conflicts with the federal Family Educational Rights and Privacy Act (FERPA), which restricts the disclosure of protected student education records and related personal information.

Without clear statutory guidance on how minutes should be recorded, redacted, stored, and accessed, the requirement may expose the committee and the administering agency to compliance risks. Additional administrative safeguards or clarifying language may be necessary to ensure that meeting documentation does not inadvertently disclose protected information or violate federal privacy requirements.

As a result of eliminating the Allied Loan-For-Service Act (NMSA), HB66 amends sections of the act by inserting language that limits the program's authority to make awards "prior to May 20, 2026." As a result, NMHED would no longer be authorized to issue new loans or renew existing loans for the upcoming academic year and subsequent years.

This change creates a significant risk for students who are currently enrolled in allied health programs and who rely on renewal awards to complete their education. The seven students with a General Fund appropriation of one hundred fifteen thousand two hundred dollars (\$115,200) for FY26, who have already received funding and are meeting program requirements could lose expected renewal support before completing their degrees or certifications, potentially disrupting their educational progress and workforce entry.

## ALTERNATIVES

N/A

## WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB66 were not passed, then the New Mexico Health Professional Loan Repayment Program would continue under the existing act.

## AMENDMENTS

N/A