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AGENCY BILL ANALYSIS
2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

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{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Click all that apply:
Original Amendment _____
Correction Substitute _____

Date
Prepared: 2026-01-21
Bill No: HB85

Sponsor: Sanchez, Joseph L.
MEDICAL PROVIDER
Short Title: LOAN-FOR-SERVICE
Title: PGMS

Agency Name
and Code NMHED
Number:
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$5,000.0	\$1,000.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue	Recurring	Fund Affected

FY26	FY27	FY28	or Nonrecurring	
N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	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 (HB85) creates new section of the NMSA 1978 for a long-term financing structure to expand loan repayment and loan-for-service programs for physicians, physician assistants (PAs), and advanced practice nurses (APNs) who agree to practice in underserved areas of New Mexico.

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

HB85 proposes five million dollars (\$5,000,000) from the General Fund to the Medical Provider Recruitment Trust Fund in FY26. HB85 appropriates one million dollars (\$1,000,000) from the General Fund to the Medical Provider Recruitment Program Fund for expenditure in FY27 and subsequent fiscal years to provide medical loan repayments and medical loan-for-service awards. This request creates a nonreverting fund.

SIGNIFICANT ISSUES

The legislation establishes a Medical Provider Recruitment Trust fund and a Medical Provider Recruitment Program fund. New General Fund transfers and appropriations of one million dollars (\$1,000,000) will seed both funds.

HB85 is created in the state treasury a long-term investment fund. The investment fund will be managed by the State Investment Office under the Uniform Prudent Investor Act. Annual distribution will begin

July 1, 2027, distributing five percent (5%) of the rolling three-year average market value to the program fund. The Legislature may transfer money to the General Fund only to prevent an unconstitutional deficit and only after other reserves have been exhausted.

NMHED already administers the Medical Student Loan (21-22-1), Osteopathic Medical Student Loan (21-22A), Nursing Student Loan (21-22B), and Health Loan Repayment (21-22D) program acts. This can potentially compete with funding for the Health Professional Loan Repayment Program.

Initial priority shall be given to applicants for the loan repayment programs, particularly those who have earned a graduate degree from a New Mexico public university or a partnering institution. Eligible providers must demonstrate a commitment to primary care practice. Participants eligible under this proposal include physicians (MD/DO), physician assistants, and advanced practice nurses, including nurse practitioners (NPs), certified nurse-midwives (CNMs), clinical nurse specialists (CNSs), and certified registered nurse anesthetists (CRNAs).

HB85 represents a structural shift from short-term appropriations to a sustainable, investment-based funding model. This structure may see limited annual distributions initially.

PERFORMANCE IMPLICATIONS

HB85 does not outline specific performance measures; however, if funded, SIC should develop performance measures in coordination with NMHED.

ADMINISTRATIVE IMPLICATIONS

NMHED will administer the Loan-for-Service and Loan Repayment programs in accordance with the acts. Investment oversight and annual reporting with long-term fund performance monitoring will require the Department of Administration (DFA) and State Investment Council (SIC).

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB85 were not passed, then five million dollars (\$5,000,000) would not be appropriated from the General Fund to the Medical Provider Recruitment Trust Fund.

AMENDMENTS

N/A