

LFC Requestor: Connor Jorgensen

2026 LEGISLATIVE SESSION  
AGENCY BILL ANALYSIS

Section I: General

Chamber: Senate

Category: Bill

Number: 11

Type: Introduced

Date (of THIS analysis): 01/21/2026

Sponsor(s): Linda Lopez, Micaelita Debbie O'Malley, Cindy Nava, Angel Charley, Antoinette Sedillo Lopez

Short Title: Nurse Loan Repayment Act

Reviewing Agency: Agency 665 - Department of Health

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Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 26	FY 27		
\$	\$ 5,000	Recurring	General Fund

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 26	FY 27	FY 28		
\$ 0.00	\$ 0.00	\$ 0.00		

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

	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Non- recurring</b>	<b>Fund Affected</b>
<b>Total</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00		

**Section III: Relationship to other legislation**

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: None

Duplicates/Relates to an Appropriation in the General Appropriation Act: None

**Section IV: Narrative**

**1. BILL SUMMARY**

a) Synopsis

Senate Bill 11 proposes to enact the Nurse Loan Repayment Act which creates a ‘nurse loan repayment fund’ from which funds will be awarded to selected recipients to repay their student loans. SB11 has several provisions including:

- 1) Authorizes the Higher Education Department to promulgate rules to implement the provisions of the Act and to appoint a ‘nurse selection committee’ charged with identifying and ranking designated underserved areas and assisting the Department in determining eligibility and selection criteria.
- 2) Establishes criteria for a nurse to be eligible to apply for an award.
- 3) Authorizes the Department to investigate the applicant to determine their fitness for an award.
- 4) Establishes criteria for making an award to include the need for a contract between the awardee and the Department.
- 5) Requires a recipient of an award to work a minimum of four years as a nurse in New Mexico.
- 6) Establishes a cap of \$35,000 on the award
- 7) Establishes penalties for non-compliance with the contract and authorizes the Department to cancel contracts.
- 8) Requires the Department to make annual reports to the governor and legislature and establishes data that needs to be included in that report.
- 9) Creates a non-reverting fund with annual appropriation from the general fund in the amount of five million dollars.

Is this an amendment or substitution?  Yes  No

Is there an emergency clause?  Yes  No

## b) Significant Issues

SB 11 seeks to allow for loan repayment for individuals who serve in the nursing field in underserved areas of New Mexico. There is a major shortage of nurses in the state. Per data reported in 2025, New Mexico has 8.22 RNs/1,000 population compared to the US average of 9.65 RNs/1000 population. [The U.S. Nursing Shortage: A State-by-State Breakdown | NurseJournal.org](#). The University of New Mexico reported in 2023 data that the state requires 5,409 RN's and clinical nurse specialists to reach national benchmarks. ([https://digitalrepository.unm.edu/cgi/viewcontent.cgi?article=1013&context=nmhc\\_workforce](https://digitalrepository.unm.edu/cgi/viewcontent.cgi?article=1013&context=nmhc_workforce) pg. 11).

The nursing shortage article, cited above, addresses factors of nurse shortages including increased demand, retirement, high burnout/turnover, and lack of enrollment in schooling, particularly due to low faculty numbers. While many factors can contribute to faculty shortages, a 2025 report by the American Association of Colleges of Nursing highlighted salaries for nursing faculty, on average, are lower than private-sector salaries. <https://www.aacnnursing.org/Portals/0/PDFs/Fact-Sheets/Faculty-Shortage-Factsheet.pdf>.

Nationally, qualified nursing school applicants are being turned away at increasing levels due to insufficient faculty to meet demand. The legislation's award criteria, outlined in Section 4A (1) outlines that "preference in making awards shall be to persons who have graduated from a post-secondary educational institution that gives preferential enrollment to New Mexico Residents." This language is overly restrictive in a time where nursing shortages can be directly attributable to educational institutions nationally being unable to meet student demand for placements. While New Mexico has improved faculty salaries and increased resources to nursing education, the state is still facing shortages in its rural nursing workforce. New Mexico may benefit from incentivizing nursing staff who may be trained out-of-state to practice in New Mexico, particularly in rural areas bordering one of our neighboring states.

The costs of receiving nursing education in the State of New Mexico ranges from \$ 6,000 to \$18,000 per year ( [Tuition & Fees | College of Nursing | The University of New Mexico](#)). These costs vary depending on the level of education being sought. This cost does not include costs for clinical placements, supplies, and licensing exams. The average salary for an RN in New Mexico is \$68,799.00 ([Nurse, RN Salary in New Mexico \(January 01, 2026\) | Salary.com](#)). Section 2 of the legislation defines an award as "loan repayment award granted to a recipient" and loan as "grant of money to defray the cost of tuition and fees." In Section 4B (4), language prohibits repayment of debts that "exceed individual standard school expense levels." Together, this language is ambiguous and does not clearly outline whether these additional required costs incurred, beyond tuition and fees, would be eligible for repayment.

The NM Legislative Finance Committee Program Evaluation Unit completed a study on Nursing Expansion and Workforce (Report #20-3 published July 16, 2020). One of the recommendations from that report was that the legislature should consider increasing targeted financial aid for nurses to meet demand, including loan repayment for practicing in rural or medically underserved areas. Federally, funds are available to cover the cost of student loans for nurses practicing in critical shortage and high-need areas. Examples include the Nurse Corps Loan Repayment Program and the NHSC rural loan repayment program. New Mexico has also invested resources to Higher Education Department for the Health Professional Loan Repayment Program. These types of programs require longer-term commitment (2-3 years)

versus the proposed legislation, which is paid annually, and could contribute to nursing staff placed in these communities generating stronger community ties and incentivizing a commitment to multi-year presence within a facility and community.

The legislation acknowledges other student loan repayment options and seemingly indicates prioritizing federal funding options prior to utilizing the fund for repayment, including in Section 3B, “The department, delegated agency or contractor shall participate in any federal programs that support repayment of education loans incurred by nurses and agree to the conditions of the federal program.” This section will cause administrative burden and the overly restrictive nature of the text could commit the State to federal rules and regulations for grants/funding that run counter to the legislative intent of this Bill. Administrative burden would come from the directive to participate in “any” federal program. The examples of existing loan repayment programs provided previously have differing application periods and service duration requirements, and the existence of an existing loan repayment contract may make them ineligible to seek additional funds.

## **2. PERFORMANCE IMPLICATIONS**

- Does this bill impact the current delivery of NMDOH services or operations?  
 Yes  No  
If yes, describe how.
- Is this proposal related to the NMDOH Strategic Plan?  Yes  No

## **3. FISCAL IMPLICATIONS**

- If there is an appropriation, is it included in the Executive Budget Request?  
 Yes  No  N/A
- If there is an appropriation, is it included in the LFC Budget Request?  
 Yes  No  N/A
- Does this bill have a fiscal impact on NMDOH?  Yes  No

## **4. ADMINISTRATIVE IMPLICATIONS**

Will this bill have an administrative impact on NMDOH?  Yes  No

## **5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP**

As mentioned previously, nurses are already eligible for similar support under the Health Professional Loan Repayment Program.

## **6. TECHNICAL ISSUES**

Are there technical issues with the bill?  Yes  No

## **7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)**

- Will administrative rules need to be updated or new rules written?  Yes  No

- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)?  Yes  No
- Does this bill conflict with federal grant requirements or associated regulations?  
 Yes  No
- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs?  Yes  No

Regulations and criteria would need to be created to support the Nurse Loan Repayment Program.

## **8. DISPARITIES ISSUES**

None

## **9. HEALTH IMPACT(S)**

SB 11 would supplement existing federal and state student loan repayment programs but may increase administrative burden by setting up parallel loan repayment options that statutorily directs recipients and agencies to pursue off-cycle loan repayment programs and agree to unknown terms and conditions. While adding another loan repayment option will potentially address the health care provider shortage in our rural and underserved communities, the bill also includes language that may incentivize short-term commitments and restricts the ability to recruit nurses trained outside of New Mexico.

## **10. ALTERNATIVES**

None

## **11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

If SB 11 is not enacted there would be not be a separate loan repayment program for nurses.

## **12. AMENDMENTS**

None