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**AGENCY BILL ANALYSIS
2026 REGULAR SESSION**

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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: 2026-01-23
Bill No: SB14

Sponsor: Hickey, Martin
HEALTH
Short Title: PROFESSIONAL ADVISORY COMMITTEE

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		
N/A	\$25,000.0	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

Senate Bill (SB14) amends 21-22D-6 NMSA 1978 the Health Professional Loan Repayment Act expanding the highest priority “Health Professional” in the health professional loan repayment. Amending several sections of the committee sections, awards, relocate and commence practice in New Mexico, disbursement of amounts and criteria added.

In addition, SB14 amends 21-22C-4 NMSA 1978 the Allied Loan-For-Service Act concluding 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

SB14 appropriates twenty-five million (\$25,000,000) from the General Fund to the health professional loan repayment fund for expenditure in FY27 and subsequent fiscal years.

SIGNIFICANT ISSUES

The purpose of the New Mexico Health Professional Loan Repayment Program Act (HPLRP) is to provide repayment for outstanding student loans of practicing health care professionals. As a condition of participation in the program, a health professional must commit to three years of full-time service, defined as providing a minimum of thirty-six (36) hours per week, in a designated medical shortage area within New Mexico. The Health Professional Loan Repayment Program (HPLRP) has generated

significant interest among health care professionals statewide. In fiscal year 2026 (FY26), the New Mexico Higher Education Department (NMHED) awarded four hundred one (401) new loan repayment awards across twenty-five (25) designated critical shortage counties, encompassing all eligible health care disciplines as defined under the Act. The average educational debt of awarded recipients in FY26 was one hundred thirty-one thousand dollars (\$131,000). NMHED is currently supporting one thousand two hundred thirteen (1,213) health care professionals under the program's three-year service commitment.

In FY25, the maximum award amount was twenty-five thousand dollars (\$25,000) per year for all eligible 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 three consecutive years.

Senate Bill 14 (SB14) establishes a Health Professions Advisory Committee composed of seven (7) members. Appointments are made by the Secretary of Health, the Secretary of the Health Care Authority, the Secretary of Higher Education, the Chair of the New Mexico Medical Board, and two (2) representatives from professional health or medical associations, including behavioral health.

The bill revises the definitions section by establishing a closed list of licensed professions tied to specific New Mexico practice acts and removes nursing as an eligible profession. The definition of "health professional" is narrowed by eliminating the department's open-ended authority to add professions by rule. Additionally, the bill standardizes and substantially increases the award structure for licensed physicians to seventy-five thousand dollars (\$75,000) per year for up to four years, not to exceed the applicant's eligible educational debt and capped at three hundred thousand dollars (\$300,000).

The bill restructures the Loan Repayment Fund to be explicitly administered by the New Mexico Higher Education Department (NMHED) and requires that at least seventy-five percent (75%) of available funds be reserved for physicians each fiscal year. Eligibility is expanded to include professionals who agree to relocate and begin practice within ninety (90) days. The minimum service obligation for physicians is increased from three to four years, with the option to award a fifth year of service contingent upon the availability of funds. The bill also expands eligibility to non-citizens with valid work authorization, including visa holders and lawful permanent residents.

NMHED currently receives a federal grant from the U.S. Department of Health and Human Services (HHS) Health Resources and Services Administration (HRSA), which requires state matching funds. Additional legal review may be necessary to ensure continued compliance with federal law and grant conditions, including any applicable citizenship or residency requirements.

For health professionals other than physicians, the bill proposes a formula-based award structure tied to the number of years of required postsecondary training, with the maximum award based on the recipient's total eligible educational debt. Explicit proration provisions are included for part-time service. The award amount is calculated by multiplying forty thousand dollars (\$40,000) by a fraction, the numerator of which is the number of years of full-time postsecondary education required for initial licensure in the profession and the denominator of which is eight (8). The resulting amount shall not exceed the recipient's eligible educational debt and shall be prorated based on a three-year service obligation and full-time employment.

The bill also establishes penalty provisions for recipients who fail to comply with the terms of the contract. In such cases, NMHED may assess a penalty of up to fifteen percent (15%) interest on the total amount of the award disbursed.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

Ongoing verification of recipients' employment status and hours worked to prorate awards for part-time service and ensure compliance. The bill introduces additional administrative and reporting requirements, which may increase operational complexity and resource demands for program administration. The proposed award structure creates significant complexity for NMHED 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.

Key administrative responsibilities under the bill include:

- Verifying and continuously tracking each recipient's total eligible educational debt to ensure that awards do not exceed the debt amount.
- Prorating awards over a four-year period based on the recipient's total educational debt, which requires individualized calculations rather than standardized awards.
- Monitoring employment status and hours worked to adjust awards for part-time employment, necessitating ongoing verification of work schedules and compliance.

For health professionals other than licensed physicians, award amounts are calculated using a formula based on the number of years of full-time postsecondary training required for initial licensure, divided by eight. This approach introduces additional administrative challenges, including:

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

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB14 is a relationship bill to HB66

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

Senate Bill 14 (SB14) amends sections of the Health Professional Loan Repayment Act, Sections 21-22D-6 NMSA 1978. The bill proposes allocating seventy-five percent (75%) of available funds exclusively to physicians. If NMHED receives fewer than seventy-five percent (75%) of qualified physician applications, some funds may go unawarded, as NMHED would lack authority to reallocate those funds to other eligible health care professionals. In FY26, only six-point seven five percent (6.75%) of NMHED's total application pool came from physicians. This allocation could disproportionately limit support for other critical health care 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; 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 seventy-five thousand dollars (\$75,000) per year, with a maximum of three hundred thousand dollars (\$300,000) per year, may reduce the total number of applicants selected annually, potentially limiting the program's overall reach and impact.

The bill requires the committee to maintain minutes of all meetings. The advisory committee operates in closed sessions, and its discussions may include student records and other 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 statutory language may be necessary to ensure that meeting documentation does not inadvertently disclose protected information or violate federal privacy requirements.

SB14 amends sections of the Allied Loan-for-Service Act (NMSA) by adding 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 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 SB14 were not passed, then the New Mexico Health Professional Loan Repayment Program would continue under the existing act.

AMENDMENTS

N/A