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SENATE BILL 11

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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AN ACT

RELATING TO HIGHER EDUCATION; ENACTING THE NURSE LOAN REPAYMENT
ACT; PROVIDING POWERS AND DUTIES; ESTABLISHING SELECTION
CRITERIA AND ELIGIBILITY REQUIREMENTS; PROVIDING FOR CONTRACTS
BETWEEN RECIPIENTS AND THE HIGHER EDUCATION DEPARTMENT;
CREATING A FUND; PRESCRIBING A PENALTY; MAKING AN
APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
cited as the "Nurse Loan Repayment Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
Nurse Loan Repayment Act:

A. "award" means the loan repayment award granted
to a recipient;

B. "committee" means the nurse selection committee;

1 C. "department" means the higher education
2 department;

3 D. "designated underserved area" means a
4 municipality or county designated by the committee that does
5 not have a sufficient number of nurses for the needs of the
6 service area;

7 E. "loan" means a grant of money to defray the cost
8 of tuition and fees for a nursing education pursuant to a
9 contract between the federal government or a commercial lender
10 and a nursing student requiring repayment of principal and
11 interest;

12 F. "nurse" means a person licensed as a registered
13 nurse or licensed practical nurse pursuant to the Nursing
14 Practice Act; and

15 G. "recipient" means a nurse selected to
16 participate in the nurse loan repayment program.

17 SECTION 3. [NEW MATERIAL] DEPARTMENT--POWERS AND DUTIES--
18 DESIGNATED UNDERSERVED AREAS--COMMITTEE--ELIGIBILITY AND
19 SELECTION--APPLICANT QUALIFICATIONS.--

20 A. The department may:

21 (1) promulgate rules to implement the
22 provisions of the Nurse Loan Repayment Act, including the
23 factors to be used to identify designated underserved areas of
24 the state;

25 (2) delegate to other agencies or contract for

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1 the performance of services required by the Nurse Loan
2 Repayment Act; and

3 (3) grant an award to repay loans to a
4 recipient on such terms and conditions as determined by rule of
5 the department.

6 B. The department, delegated agency or contractor
7 shall participate in any federal programs that support the
8 repayment of education loans incurred by nurses and agree to
9 the conditions of a federal program.

10 C. The department shall appoint an ongoing "nurse
11 selection committee" composed of the secretary of health care
12 authority, the secretary of health, the dean of the New Mexico
13 college of nursing producing the highest number of graduates
14 and the chair of the board of nursing, or their respective
15 designees, who all serve ex officio. The committee shall:

16 (1) identify designated underserved areas of
17 the state and rank them as to need; and

18 (2) assist the department in determining
19 eligibility and selection criteria for applicants and
20 recipients.

21 D. An applicant shall:

22 (1) be a citizen or lawful permanent resident
23 of the United States;

24 (2) be licensed as a nurse in New Mexico; and

25 (3) either:

1 (a) provide nursing services in
2 designated underserved areas; or

3 (b) be employed as a faculty member in
4 clinical nursing or serve as a nursing student preceptor for a
5 post-secondary educational institution in New Mexico offering
6 nursing degrees or certifications.

7 E. The department, with the assistance of the board
8 of nursing, shall make a full and careful investigation of the
9 training, ability, character and other pertinent qualifications
10 of each applicant and determine fitness to be a recipient.

11 F. The board of nursing shall maintain and make
12 available on a public website a database of employment
13 opportunities for nurses in designated underserved areas.

14 SECTION 4. [NEW MATERIAL] AWARD CRITERIA--CONTRACT--
15 TERMS--PAYMENT--PENALTY.--

16 A. Award criteria shall provide that:

17 (1) preference in making awards shall be to
18 persons who have graduated from a post-secondary educational
19 institution that gives preferential enrollment to New Mexico
20 residents;

21 (2) award amounts may be modified based on
22 available funding or other special circumstances;

23 (3) an award shall not exceed the total
24 nursing education indebtedness of the recipient; and

25 (4) awards shall be paid on an annual basis

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1 over a period not to exceed four years.

2 B. The following education debts are not eligible
3 for repayment pursuant to the Nurse Loan Repayment Act:

4 (1) amounts incurred as a result of
5 participation in state loan-for-service programs or other state
6 financial aid programs that require that service be provided in
7 exchange for financial assistance;

8 (2) scholarships;

9 (3) personal loans; and

10 (4) loans that exceed individual standard
11 school expense levels.

12 C. The award shall be evidenced by a contract
13 between the recipient and the department acting on behalf of
14 the state. The general form of the contract required shall be
15 approved by the attorney general and signed by the recipient
16 and the department or the designated representative of the
17 department on behalf of the state.

18 D. The contract shall provide for the payment by
19 the state of a stated sum to the recipient's debtors and shall
20 state the obligations of the recipient under the program,
21 including a minimum four-year period of service, quarterly
22 reporting requirements and any other obligations established by
23 department rule.

24 E. Recipients shall serve a complete calendar year
25 in order to receive credit for that year. The annual award

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1 shall be established by the department but shall not exceed
2 seven thousand five hundred dollars (\$7,500) for each of the
3 first two years and ten thousand dollars (\$10,000) for each of
4 the second two years, for a total not to exceed thirty-five
5 thousand dollars (\$35,000) over a total of not more than four
6 years per contract; provided, however, that a recipient may
7 apply for a second four-year contract.

8 F. If a recipient does not comply with the terms of
9 the contract, the department shall assess a penalty of up to
10 the amount of the award disbursed plus fifteen percent
11 interest, unless the department finds acceptable extenuating
12 circumstances as to why the recipient cannot serve or comply
13 with the terms of the contract. If the department does not
14 find acceptable extenuating circumstances for the recipient's
15 failure to comply with the contract, the department shall
16 require immediate repayment plus the amount of the penalty.

17 G. A recipient of an award shall not be in
18 violation of the recipient's contract if the recipient
19 transitions to part-time employment, which part-time employment
20 shall be at least fifty percent of full-time employment. A
21 recipient who transitions to part-time employment shall be
22 required to extend the recipient's contract for the period of
23 time necessary to make up for the time period of less-than-
24 full-time employment due to the part-time employment.

25 H. The department shall adopt rules to implement

1 the provisions of this section. The rules may provide for the
2 disbursement of awards to the lenders of recipients in annual
3 or other periodic installments.

4 SECTION 5. [NEW MATERIAL] CONTRACT CANCELLATION--
5 ENFORCEMENT.--

6 A. The department may cancel the contract between
7 the department and the nurse for any reasonable cause deemed
8 sufficient by the department.

9 B. A decision regarding the cancellation of a
10 contract is a final agency decision and may be appealed to the
11 district court as provided in Section 39-3-1.1 NMSA 1978.

12 C. The department is vested with full and complete
13 authority and power to sue in its own name for the balance due
14 the state from any recipient on a loan repayment contract.

15 SECTION 6. [NEW MATERIAL] FUND CREATED.--The "nurse loan
16 repayment fund" is created as a nonreverting fund in the state
17 treasury. The fund consists of appropriations, gifts, grants,
18 donations and income from investment of the fund. Money in the
19 fund is appropriated to the department to make awards to
20 recipients who are in compliance with the recipients'
21 contracts, the Nurse Loan Repayment Act and rules promulgated
22 in accordance with that act. Expenditures from the fund shall
23 be on warrant of the secretary of finance and administration
24 pursuant to vouchers signed by the secretary of higher
25 education or the secretary's authorized representative.

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1 SECTION 7. [NEW MATERIAL] REPORTS.--The department shall
2 make annual reports to the governor and the legislature prior
3 to each regular legislative session of the department's
4 activities, including cohort data and annual and total program
5 data that shows:

6 A. the number and amount of awards given;

7 B. the service period completion rate of recipients
8 in the program and, as of the date of the report, the number of
9 recipients who completed the program and remain in New Mexico
10 and the number of those recipients who are practicing in a
11 designated underserved area;

12 C. the amounts repaid and amounts owed on
13 educational loans and the total number and total amount of
14 penalties assessed against and collected from recipients who
15 left the program;

16 D. the service locations of current and former
17 recipients in New Mexico;

18 E. for each designated underserved area in the
19 state, the number of recipients who are serving or have served
20 in the area and whether there are recipients who are not
21 employed or not employed full time in the area; and

22 F. other information determined by the department.

23 SECTION 8. APPROPRIATION.--Five million dollars
24 (\$5,000,000) is appropriated from the general fund to the nurse
25 loan repayment fund for expenditure in fiscal year 2027 and
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1 subsequent fiscal years to carry out the purposes of the fund.
2 Any unexpended balance remaining at the end of a fiscal year
3 shall not revert to the general fund.

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