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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 4

SHORT TITLE: Resident Salary Appropriation

SPONSOR: Hamblen/Hickey/Nava/Steinborn

LAST UPDATE: _____ **ORIGINAL DATE:** 1/20/2026 **ANALYST:** Jorgensen

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$2,000.0	Recurring	General Fund

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

SUMMARY

Synopsis of Senate Bill 4

Senate Bill 4 appropriates \$2 million from the general fund to the Health Care Authority for the purpose of providing additional funding for Medicaid-directed payments to the University of New Mexico Health Sciences Center (UNM-HSC) to increase salaries for medical residents and fellows.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

The appropriation of \$2 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the general fund.

SIGNIFICANT ISSUES

UNM-HSC has 761 medical residents and fellows with an annual payroll of \$62.5 million. The additional \$2 million appropriated in this bill would provide funding for an average increase of 3.2 percent and would be sufficient to bring the average resident and fellow pay to the 55th percentile nationally.

Comparison of Resident Salaries

Residency Year	UNM-HSC Salary	U.S. Med. School Avg.	Western Region Avg.
7th year	81,902	84,203	101,633
6th year	78,679	81,064	96,353
5th year	75,887	77,930	90,019
4th year	72,736	74,791	84,398
3rd year	70,139	71,482	78,065
2nd year	67,676	68,850	74,209
1st year	65,550	66,500	72,301

Source: UNM

UNM salaries are 2.2 percent to nearly 7 percent behind the national average for medical schools and 10 percent to 24 percent behind the western regional average. However, relatively high salaries and a large number of medical residents in California drive up the average salary for the western region.

OTHER SUBSTANTIVE ISSUES

In 2024, the Legislature designated \$3.4 million in Medicaid-directed payments to provide salary increases to residents and fellows. This bill would bring the total Medicaid-directed payment revenue dedicated to resident salaries to over \$5 million.

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