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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 7

SHORT TITLE: Increase Clinician Faculty Pay

SPONSOR: Nava/Pinto

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

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$20,000.0	Recurring	General Fund

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

SUMMARY

Synopsis of Senate Bill 7.

Senate Bill 7 (SB7) appropriates \$20 million from the general fund to the University of New Mexico for the purpose of increasing clinician faculty pay at the Health Sciences Center.

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 \$20 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.

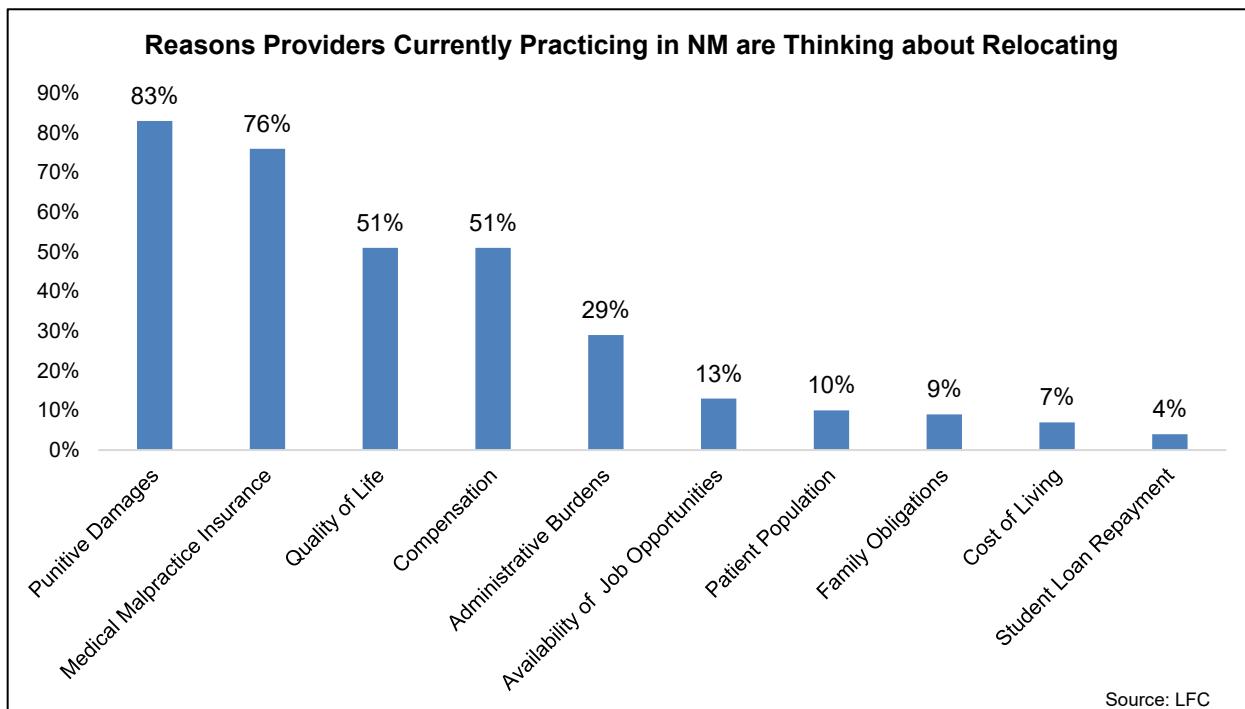
SIGNIFICANT ISSUES

UNM reports there are 684 clinical faculty currently at the School of Medicine with a total payroll of approximately \$239 million; an additional \$20 million would provide an average salary increase of around 8 percent. UNM reports clinical faculty salaries are in the 25th percentile nationally and the School of Medicine has an average vacancy rate of 12 percent.

OTHER SUBSTANTIVE ISSUES

LFC staff [compiled a dashboard analyzing the Bureau of Labor Statistics data on physician pay](#) between 2018 and 2024 and found that provider pay in New Mexico, on average, ranks in the top half of the nation. When compared to other states in the region (Arizona, Colorado, Oklahoma, Texas and Utah), provider wages in New Mexico are generally above or near the average in almost every provider type. Wages for physicians have markedly improved since 2018, as seen in the dashboard.

While the pay comparisons rank New Mexico favorably, the state struggles to retain physicians. According to a recent LFC survey that interviewed physicians in the state, 65 percent of New Mexico physicians surveyed are currently considering leaving the state to practice elsewhere. Physicians were given eleven reasons they were considering leaving and could select up to five reasons. The top reasons why physicians are considering leaving New Mexico are: the potential impact of punitive damages from medical malpractice (83 percent); the cost of medical malpractice insurance (76 percent); and quality of life and compensation (51 percent). The chart below includes further detail.



CJ/dw/rl