FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 10
SHORT TITLE: Health Training Corps

SPONSOR: Berghmans/Nava/Duhigg/Campos
LAST UPDATE: 1/21/26 **ORIGINAL DATE:** 1/19/26 **ANALYST:** Esquibel

APPROPRIATION*
(dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	$3,000.0	Nonrecurring	General Fund

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*
(dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
DOH admin		$516.4	$516.4	$1,032.8	Recurring	General Fund

Parentheses ( ) indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
Department of Health
University of New Mexico Health Sciences Center

SUMMARY

Synopsis of Senate Bill 10

Senate Bill 10 (SB10) would create the Health Training Corps Act, administered by the Department of Health (DOH), to pay physicians, nurse practitioners, physician assistants, nurse-midwives, or social worker preceptors (mentors) for students or residents. The pay would be $100 an hour up to $10 thousand a year. The bill applies to underserved health care areas, and residents and students would receive training at sites that provide behavioral healthcare, primary healthcare and obstetrics and gynecological healthcare. The bill creates the health training corps fund and appropriates $3 million from the general fund in FY27.

FISCAL IMPLICATIONS

The bill appropriates $3 million from the general fund in FY27 to the health training corps fund. Any unexpended balance remaining at the end of a fiscal year shall not revert to the general fund.

This bill creates the health training corps fund and provides for continuing appropriations from the fund by the Department of Health (DOH). LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds because it reduces the ability of the Legislature to establish spending priorities.

DOH reports it would need 4 additional FTE to administer the program at an estimated cost of $516.4 thousand. DOH would also likely require additional IT systems and other administrative costs not funded in the bill.

SIGNIFICANT ISSUES

DOH notes the department does not have direct authority over student enrollment, clinical rotation requirements, accreditation standards, or academic verification, which are key to determining eligibility for preceptor payments. Locating the program at DOH would separate fiscal authority from academic control, increasing reliance on interagency agreements and third-party attestations.

The bill's proposed flat rate of preceptor compensation does not account for variation in the salaries of physicians, nurse practitioners, physician assistants, nurse-midwives, and social workers. More general language for preceptor compensation amounts, or a range, would allow for negotiated flexibility and for rate setting that could consider all salary and benefits of the preceptor, lost revenue of the preceptor, and time spent on administration.

The $10 thousand annual cap on preceptor stipends raises questions. For example, at $100 per preceptor hour, this would yield a total of 100 hours maximum per year, or about two hours a week. This amount might not be sufficient for a physician preceptor with multiple students or residents on a year-round basis.

The draft bill limits the preceptor sites to health training sites that provide behavioral healthcare, primary healthcare, obstetrics, and gynecological healthcare. These sites may limit clinical training, particularly for eligible social work students. Other sites, including public health offices, schools, long-term care facilities, and social service agencies might be considered.

The University of New Mexico Health Sciences Center reports the legislation is not limited to volunteer preceptors and encompasses any experienced health professional providing supervision or training and does not exclude clinicians for whom precepting is already a compensated component of regular employment, such as faculty or staff at academic institutions or teaching hospitals. As a result, the bill authorizes stipend payments of up to $10 thousand annually to individuals who are already paid to perform these duties.

Unlike many comparable preceptor incentive programs in other states, this bill locates program oversight and administration entirely within DOH rather than delegating key operational functions to an entity affiliated with an academic medical center. In several states—including

Georgia, Alabama, Colorado, and Hawaii—preceptor incentive programs (often structured as tax credits rather than stipends) are administered or operationally supported by statewide area health education centers or university health sciences centers. These entities affiliated with academic medical centers typically handle recruitment, site eligibility determination, rotation verification, and documentation, leveraging existing clinical training infrastructure and statewide academic networks.

The role of affiliated entities is significant because clinical precepting must occur through accredited education programs and approved training sites; absent formal affiliation and institutional oversight, clinical hours may not count toward licensure requirements, potentially preventing graduates from obtaining professional licensure and entering practice.

In contrast, the bill's proposed health training corps model centralizes recruitment, placement, verification, and payment functions within DOH. While this approach provides direct state control, it may require DOH to build new administrative and compliance capacity that is commonly housed within academic medical centers and health education centers in other states, particularly for verifying clinical training activities across multiple professions and training programs.

PERFORMANCE IMPLICATIONS

The two main academic institutions for health professions are the University of New Mexico (UNM) and Burrell College of Osteopathic Medicine. At UNM, there are approximately 400 to 600 health professions students who need preceptors, varying from one month to six months depending on the program.

ADMINISTRATIVE IMPLICATIONS

DOH reports academic institutions are currently required by accreditation to assure quality and accountability for preceptorship programs relating to clinical rotation requirements, placement decisions, student progress, and verification. Adding DOH would duplicate the current structure, and DOH does not have academic authority over the preceptors and students.

TECHNICAL ISSUES

UNMHSC suggests the following amendment on page 4, line 23, add:

> A preceptor is not eligible to receive a stipend for supervision, training, or instruction that is provided as part of the preceptor's regular compensated employment duties with an academic institution, teaching hospital, or other employer.

DOH notes the following language in the bill should include "or" instead of "and."

> "…prioritize the placement of preceptors at health training sites that provide behavioral health care, primary health care and obstetrics and gynecological health care…."

Section 3d language states the corps shall (6) "provide support for preceptors at health training sites." This section is unclear if support goes beyond remuneration.

Language in the bill may be clarified to include payment for preceptor's administrative

functions.

Section 5 states the "corps is vested with full and complete authority and power to sue in its own name for any balance due to the state from a preceptor on a stipend contract." DOH notes the procurement code prevents a lump sum payment prior to work being performed. The bill also states "money paid pursuant to the contract shall be deposited in the general fund." In the case of a lawsuit where money is owed from the preceptor, the recovered money might instead be deposited back into the health training corps fund.

Section 3b language states the secretary "may employ a director" while Section 5 language states "stipend contracts shall be approved by a special attorney general employed by the department and signed by the preceptor and the director of the corps or the director's authorized representative." Language should be aligned by striking "and the director of the corps" from Section 5 and replacing with the "secretary or secretary's designee."

Section 4c states "a preceptor shall not receive more than ten thousand dollars ($10,000) worth of stipends in any given year". Language should clarify if this means fiscal year. Language on stipends is also ambiguous as stipends are not defined in the Act as referring to stipends allocated by the corps as other stipend programs for providers exist in the state.

OTHER SUBSTANTIVE ISSUES

There are limited federal programs that might include funding for clinical preceptorships with separate rural training tracks and rural residency development programs. These costs could potentially be supported, in part, by federal grants, as well as graduate medical education (GME) reimbursement. https://www.hrsa.gov/rural-health/grants/rural-health-research-policy/rrpd https://hsc.unm.edu/medicine/departments/family-community/education/residency/trainingoptions/shiprock-rural-residency-pogram.html

ALTERNATIVES

The Department of Health notes 11 states have enacted tax credits for individuals functioning as preceptors. In the 2025 legislative session, House Bill 395 proposed a tax credit system for preceptors.

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