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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 11

SHORT TITLE: Nurse Loan Repayment Program

SPONSOR: O'Malley/Lopez

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

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$5,000.0	Recurring	General Fund

*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 66 and Senate Bill 14.

Sources of Information

LFC Files

SUMMARY

Synopsis of Senate Bill 11

Senate Bill 11 (SB11) creates a new student loan repayment program for nurses. Loan repayment through the program is available to a person licensed as a registered nurse or licensed practical nurse practicing in a designated underserved area, employed as a faculty member in clinical nursing, or serving as a nursing student preceptor for a postsecondary institution in New Mexico. The bill creates a selection committee to assist the Higher Education Department (HED) in determining eligibility and selection criteria for applicants.

The bill allows HED to award repayment up to a total of \$30 thousand over a four-year period to qualified applicants and prohibits payments in excess of eligible educational debt.

The bill creates a nonreverting nurse loan repayment fund and appropriates \$5 million from the general fund to the nurse loan repayment fund for the purpose of providing nurse loan repayment.

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 \$5 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 not revert and shall remain in the nurse loan repayment fund. The \$5 million appropriation would support 166 \$30 thousand awards.

SIGNIFICANT ISSUES

Nurses are currently eligible to receive loan forgiveness under the existing Health Professional Loan Repayment Program (HPLRP), which pays educational debt up to \$75 thousand over three years. The bill does not amend the existing HPLRP, so the nurse loan repayment program created by this bill would exist in addition to the HPLRP.

The bill creates a nurse selection committee tasked with identifying designated underserved areas of the state and ranking them as to provider need and assisting the department in determining eligibility and selection criteria for award. However, HED retains the authority to make final selection decisions.

In FY26, HED reported 161 nurses received loan repayment awards through the HPLRP with an average award of \$44 thousand over a three-year period. The department reports the average educational debt for applicants was \$57 thousand. Of the awards made to nurses, 81 were made to advanced practice nurses, 79 to registered nurses, and one to a licensed practical nurse.

ADMINISTRATIVE IMPLICATIONS

Creation of a new loan repayment program would require HED to devote staff time to promulgation of rules, making awards, and monitoring compliance of awardees. This will require additional staff time. No appropriation is made to HED so these functions would have to be provided for within the existing operating budget.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 66 makes several changes to the HPLRP, including increasing the maximum amount of loan repayment and creating a formula to determine award amounts. Nurses are eligible to receive loan repayment under the provisions of HB66.

Senate Bill 14 changes the HPLRP to increase award amounts and remove nurses from the occupations eligible for loan repayment through HPLRP.

OTHER SUBSTANTIVE ISSUES

The bill contains a provision allowing a nurse receiving an award to change employment from full-time to part-time. In this event, the duration of the loan repayment could be extended beyond four years so to make up for the time period of less-than-full-time employment.

Should a recipient fail to fulfill the terms of the award, a penalty of up to the full amount of the award plus 15 percent may be assessed unless HED finds extenuating circumstances.