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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

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{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Click all that apply:

Original **Amendment**
Correction **Substitute**

Date 2024-01-18

Bill No: SB89

Sponsor: Ortiz y Pino, Gerald **Agency Name and Code** NMHED
Short EXPAND HEALTH CARE **Number:** _____
Title: WORKFORCE **Person Writing** Chisholm, Mark
Phone: 5052716754 **Email** mark.chisholm@hed.n

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
N/A	\$50,000.00	Nonrecurring	General Fund
N/A	\$10,000.00	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		

N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

SB89 appropriates a total of sixty million dollars (\$60,000,000) from the General Fund, with ten million dollars (\$10,000,000) recurring, to various state agencies and to the University of New Mexico (UNM) Board of Regents to expand the health care workforce throughout the state, as follows:

- Twenty million dollars (\$20,000,000) to the Health Care Authority Department for use in FY25 to increase Medicaid reimbursement for health care services
- Ten million dollars (\$10,000,000) to the Health Professional Loan Repayment Fund for use in FY25 to increase participation in the Health Professional Loan Repayment Program that is administered by the New Mexico Higher Education Department (NMHED)
- Two million dollars (\$2,000,000) to the Children, Youth and Families Department for use in FY25 to increase funding for educational stipend programs that receive matching federal funds pursuant to Title IV-E of the federal Social Security Act
- Eighteen million dollars (\$18,000,000) to the Board of Regents of the UNM for use in FY25 for the following purposes:
 - Five million dollars (\$5,000,000) to support new physician resident slots at UNM Health Sciences Center facilities
 - Three million dollars (\$3,000,000) to compensate preceptors that supervise and train students seeking to become health care professionals

- Ten million dollars (\$10,000,000) to pay faculty at the UNM College of Population Health
- Ten million dollars (\$10,000,000) to NMHED for use in FY25 and beyond to support the clinical supervision of social work and counseling students and to provide stipends to social work and counseling students who are working at unpaid internships. This appropriation is recurring, and unexpended funds at the end of FY25 do not revert to the General Fund

FISCAL IMPLICATIONS

The appropriations to the Health Care Authority Department, the Health Professional Loan Repayment Fund, the Children, Youth and Families Department, and the University of New Mexico (UNM) Board of Regents are nonrecurring. Non-expended funds at the end of the year revert to the General Fund.

The appropriation to the New Mexico Higher Education Department (NMHED) is recurring. Non-expended funds at the end of each fiscal year do not revert.

The appropriation of ten million dollars (\$10,000,000) to the Health Professional Loan Repayment Fund would go to support additional loan repayments and help to meet the three-year commitment for current awardees. NMHED currently receives four million six hundred forty-eight thousand dollars (\$4,648,000) in recurring state funds and three hundred thousand dollars (\$300,000) in federal funds to support the Health Professional Loan Repayment Program (HPLRP). NMHED has requested an additional fifteen million one hundred thousand dollars (\$15,100,000) for this fund for FY25. This amount would cover the 3-year commitment for the 724 FY24 awardees and permit an additional 200 awards to be made in FY25. The ten million dollars (\$10,000,000) in SB89 would add enough to the fund to allow for continued awards to current awardees but would not provide funds for new awards in FY25.

The ten million dollars (\$10,000,000) appropriated to NMHED for clinical supervision and stipends for unpaid internships creates new functions and duties at NMHED. These additional functions and duties will likely increase NMHED's administrative costs, but further review is needed to ascertain the full financial impact of SB89. This request does not include additional appropriation to help cover the increased costs and workload associated with these new duties.

Appropriations in Section 4 to the Regents of the University of New Mexico were not submitted to NMHED for consideration in the NMHED higher education comprehensive funding recommendation. NMHED has a formal process for reviewing earmarked budget requests for higher education institutions when developing the NMHED funding recommendation. NMHED submitted its higher education funding recommendation to the Department of Finance and Administration (DFA) and the Legislative Finance Committee (LFC) on November 1 as is required by statute (9-25-9 NMSA 1978). **Specific to the ten million dollars (\$10,000,000) included in Section 4 to pay faculty at the UNM College of Population Health, UNM provided documentation noting that \$5.7 million dollars in recurring funding would be necessary in order to support the salaries of 21 new faculty recruited with the \$10 million in funding received in HB2 during the 2022 legislative session. According to UNM, if recurring funding is not possible,**

\$5.7 million per year for fiscal years 2025, 2026, and 2027, totaling \$17.1 million. Per UNM, with three years of bridge support, this funding would be used as a bridge until Institutional and General (I&G) adjustments can be made to provide recurring funding for the 21 newly hired faculty needed to transition from a College of Population Health to an accredited School of Public Health. Based on this information, the appropriation of \$10 million would only support fiscal year 2025 and a portion of salaries for fiscal year 2026 with more funding needed in subsequent years.

SIGNIFICANT ISSUES

There is a well-documented shortage of health care professionals in New Mexico. This bill would increase access to training opportunities for students and improve reimbursement rates for providers.

PERFORMANCE IMPLICATIONS

SB89 does not outline specific performance measures.

ADMINISTRATIVE IMPLICATIONS

The New Mexico Higher Education Department (NMHED) does not have current staff with expertise in social work or counseling supervision and does not have an existing mechanism for awarding stipends for unpaid internships. NMHED would need to hire new staff or form partnerships with higher education institutions that have such expertise.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB89 is not enacted, the sixty million dollars (\$60,000,000) that it would allocate across multiple state entities would not be spent and those programs would either continue as-is or look for other sources of funding.

AMENDMENTS

N/A