

LFC Requester:

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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](https://agencyanalysis.nmlegis.gov) and email to billanalysis@dfa.nm.gov*****(Analysis must be uploaded as a PDF)*****SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}***Date Prepared:** March 11, 2025*Check all that apply:***Bill Number:** HB 512Original ☒ Correction ☐Amendment ☐ Substitute ☐**Sponsor:** Reps. Armstrong, A.
Martinez, Mirabal Moya,
Duncan & Murphy**Agency Name****and Code**University of New Mexico-952**Number:****Short Title:** Medical Residency Loan**Person Writing**Kelly O'Donnell**Title:** Repayment Act**Phone:** 505-659-5702**Email** kodonnell@unm.edu**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	\$3,000.0	Non	SGF

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(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

Synopsis: SB 512 enacts the Medical Residency Loan Repayment Act. The Act authorizes the Higher Education Department to make grants to repay student loans on behalf of individuals who have completed New Mexico medical residency or medical fellowship programs and agree to work as physicians in New Mexico for at least five consecutive years. The Act also establishes the medical residency loan repayment fund in the state treasury and appropriates \$3 million to the fund.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

New Mexico has a shortage of roughly 1,000 physicians. Lack of providers limits access to healthcare, especially in rural areas. Loan repayment in return for service commitment is a well-established strategy for recruiting physicians because it directly addresses the significant medical school debt many doctors carry and incentivizes them to work where healthcare providers are most needed. Targeting support to physicians who have completed New Mexico medical residency or medical fellowship programs will help keep these individuals in New Mexico and will encourage New Mexicans who attended out-of-state medical schools to return to New Mexico to practice medicine.

The Act states that annual awards “shall be in an annual amount to repay the applicant's loan indebtedness within three years.” However, the minimum service commitment is 5 years.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS

A potential amendment that the sponsors may want to consider is in Section 4, E, (3):

“The applicant shall have completed a medical residency or post-residency fellowship program offered by a New Mexico medical school within the year prior to submitting the application”.

This language may limit the program proposed in HB 512 to only the UNM SOM. This language could be changed to expand the program by stating, *“offered by a New Mexico ACGME approved residency program or fellowship.”.*