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FISCAL IMPACT REPORT

ORIGINAL DATE 1/22/21

SPONSOR Ortiz y Pino LAST UPDATED _____ HB _____

SHORT TITLE Prepare Med Students in Underserved Areas SB 45

ANALYST Valenzuela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

2019 LFC Progress Report: State Financing of UNM Health Sciences Center, Program Evaluation Unit of the Legislative Finance Committee

Responses Received From

Higher Education Department (HED)

UNM Health Sciences Center (HSC)

SUMMARY

Synopsis of Bill

Senate Bill 45 appropriates \$250 thousand from the general fund to the University of New Mexico for a program that prepares medical students to practice in underserved communities.

FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2022 shall revert to the general fund.

The FY22 LFC appropriation recommendation for the UNM School of Medicine increases the instruction and general operation (I&G) from \$60.6 million to \$61.8 million, or \$1.2 million more than the current year.

The appropriation would replace federal funding for UNM’s Rural and Urban Underserved Program (RUUP). The federal grant ended on last year, according to UNM. RUUP’s workforce mission is to sustain student interest in a medical career in underserved communities, prepare students for success in this career goal, and provide experience working in underserved communities. The funding will provide for faculty and staff time to organize and maintain training experiences, mentoring, seminars/workshops, conferences, and student academic support. Costs of faculty and staff travel to sites around the state and to related conferences, for student travel and housing when working with clinicians in locations throughout the state, as well as operational costs of the program components are also included.

SIGNIFICANT ISSUES

The NMHED submits 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. UNM did not submit this request to the NMHED for possible incorporation into the NMHED higher education funding recommendation. The NMHED has a formal process for reviewing earmarked budget requests for higher education institutions when developing the NMHED funding recommendation.

PERFORMANCE IMPLICATIONS

The *2019 LFC’s Progress Report* showed that only 23 percent of UNM medical school graduates practice medicine in New Mexico, indicating that medical students have a higher likelihood to practice where they complete their residency. Residencies can last from three to seven years, depending on the specialization. The LFC also reported that when a medical student both graduated and completed their residency in New Mexico, the percentage who practice in the state increased to 54 percent.

Though not a residency program, the RUUP program may be helpful to increasing the number of UNM medical students who seek a residency in New Mexico. Complementing RUUP would be a connection to the UNM BA/MD program, which is designed to bring New Mexico students from rural communities, pay for their undergraduate education, guarantee them a slot in the medical school, with the hope that those students will practice medicine in New Mexico. Of the 98 MD graduates from UNM’s combined BA/MD program since 2006, 76 are still completing their residencies (23 in state and 53 out of state). Sixteen graduates have completed their residencies and are practicing in state, but only six are practicing outside the Bernalillo County metro area. A 2011 LFC evaluation found that the return on investment from the combined BA/MD program is not realized for at least a decade, and recommended other methods of physician recruitment might be more cost-effective.