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FISCAL IMPACT REPORT

SPONSOR Steinborn LAST UPDATED _____
ORIGINAL DATE 2/27/2023
BILL
SHORT TITLE Health Professional Loan Repayment NUMBER Senate Bill 454
ANALYST Jorgensen

APPROPRIATION* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	\$5,000.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent version of this legislation.

Duplicates appropriation in the General Appropriation Act

Sources of Information

LFC Files

Responses Received From

Department of Health (DOH)

Higher Education Department (HED)

University of New Mexico (UNM)

SUMMARY

Synopsis of Senate Bill 454

Senate Bill 454 appropriates \$5 million from the general fund to the health professional loan repayment fund to pay back loans of medical providers working in New Mexico.

This bill does not contain an effective date, and as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed.

FISCAL IMPLICATIONS

The appropriation of \$5 million contained in this bill is associated with an on-going program and therefore is considered a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY24 shall revert to the general fund.

SIGNIFICANT ISSUES

The Higher Education Department notes:

The purpose of the New Mexico Health Professional Loan Repayment Program (HPLRP) is to provide repayment for outstanding student loans of practicing health professionals. As a condition of the program, a health professional must make a two-year service commitment to practice full-time in a designated medical shortage area in New Mexico. The HPLRP is a competitive program. Application to the program does not guarantee funding.

For FY23, the department received over 600 applications for loan repayment assistance through HPLRP. The FY23 budget of \$1.6 million dollars was only able to support 40 awards.

The HPLRP Fund is a non-reverting fund though SB454 directs unexpended balances at the end of FY24 to revert to the General Fund. Appropriations to financial aid funds administered by the Higher Education Department typically do not revert.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB454 duplicates a special appropriation of \$10 million contained in the General Appropriation Act as passed by the House.

CJ/rl/ne