

<b>LFC Requester:</b>	LFC
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**AGENCY BILL ANALYSIS  
2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

[LFC@NMLEGIS.GOV](mailto:LFC@NMLEGIS.GOV)

*and*

[DFA@STATE.NM.US](mailto:DFA@STATE.NM.US)

*{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** 2025-02-13

**Bill No:** HB397

**Sponsor:** Serrato, Linda  
**Short**    BEHAVIORAL HEALTH  
**Title:**    STUDENT STIPENDS

**Agency Name  
and Code**    NMHED  
**Number:**    \_\_\_\_\_

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	\$2,000.0	Nonrecurring	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

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

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	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**

House Bill 397 (HB397) appropriates two million dollars (\$2,000,000) from the General Fund (GF) to the New Mexico Higher Education Department (NMHED) for use in Fiscal Year 2026 (FY26) to provide stipends to undergraduate and graduate behavioral health students who are completing training, supervision, or experiential requirements necessary to obtain professional licensure.

**FISCAL IMPLICATIONS**

HB397 appropriates two million dollars (\$2,000,000) from the GF to NMHED for use in FY26 to provide stipends to undergraduate and graduate behavioral health students who are completing training, supervision, or experiential requirements necessary to obtain professional licensure.

Any unexpended or unencumbered balances remaining at the end of FY26 shall revert to the GF.

**SIGNIFICANT ISSUES**

HB397 assigns new functions and duties to 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 HB397. Moreover, this bill does not include any additional appropriation to help cover the increased costs and workload associated with these new duties.

HB397 does not specify whether this bill applies to degree granting programs, certificate programs, or both.

HB397 does not specify how funds would be equitably distributed to institutions.

#### PERFORMANCE IMPLICATIONS

N/A

#### ADMINISTRATIVE IMPLICATIONS

NMHED would need to develop a policy for application and distribution of the funds, a system for monitoring their expenditure, and a process for recovering unspent allocations.

#### 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 HB397 is not enacted, two million dollars (\$2,000,000) from the GF will not be appropriated to support stipends for undergraduate and graduate behavioral health students who are completing training, supervision, or experiential requirements necessary to obtain professional licensure.

#### AMENDMENTS

N/A