

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
Total	N/A	N/A	N/A	N/A	N/A	N/A

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Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 531 (HB531) creates the Santa Fe College of Osteopathic Medicine Fund for the establishment of a college of osteopathic medicine that is required for pre-accreditation. This legislation also requires the college to annually submit student data and makes a transfer from the Tobacco Settlement Permanent Fund to the Santa Fe College of Osteopathic Medicine Escrow Fund.

A new Section 1 to Chapter 6 NMSA establishes the Santa Fe College of Osteopathic Medicine Escrow as a non-reverting fund in the state treasury. The fund will consist of transfers, gifts, grants, donations, and income from investments. Money in the fund shall be invested by the State Investment Officer in accordance with the Uniform Prudent Investor Act and in consultation with the New Mexico Board of Finance (NMBF). Investment income shall be credited to the fund

The escrow fund may be considered an unencumbered reserve fund and shall be held in escrow until graduation of the first class of medical students and the full accreditation of the Santa Fe College of Osteopathic Medicine. When the first class has graduated and the college is accredited, or no later than July 1, 2032, the balance in the fund shall be transferred to the Tobacco Settlement Permanent Fund.

The Santa Fe College of Osteopathic Medicine shall submit data annually to the New Mexico Higher Education Department (NMHED) for the first five years of operation. This annual report includes the number of applications received; the number of students accepted; the number of students with passing grades each semester; the number of students who return each semester; the number of students who graduate on time; and a list of residency placements.

A new Section 2 authorizes the transfer of funds from the Tobacco Settlement Permanent Fund to the Santa Fe College of Osteopathic Medicine Escrow Fund. On July 1, 2025, forty million dollars (\$40,000,000) shall be transferred from the Tobacco Settlement Permanent Fund to the Santa Fe College of Osteopathic Medicine Escrow Fund

FISCAL IMPLICATIONS

The Santa Fe College of Osteopathic Medicine Escrow is a non-reverting fund in the state treasury. The fund will consist of transfers, gifts, grants, donations, and income from investment of the fund. Money in the fund shall be invested by the State Investment Officer in accordance with the Uniform Prudent Investor Act and in consultation with NMBF. Income from investment of the fund shall be credited to the fund.

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The Santa Fe College of Osteopathic Medicine is not a public college established within state law as a public institution. In accordance with the Constitution of New Mexico Section 14; neither the state nor any county, school district or municipality, except as otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association or public or private corporation or in aid of any private enterprise for the construction of any railroad except as provided in Subsections A through H of this section. The Santa Fe College of Osteopathic Medicine does not meet any of the exemptions as defined within sections A through H. Section 6-4-10 Section A.

The Santa Fe College of Osteopathic Medicine does not meet any of the purposes as defined within NMSA 6-4-10 B. Money may be appropriated from the tobacco settlement program fund for health and educational purposes, including:

- (1) support of additional public-school programs, including extracurricular and after-school programs designed to involve students in athletic, academic, musical, cultural, civic, mentoring and similar types of activities;
- (2) any health or health care program or service for prevention or treatment of disease or illness;
- (3) basic and applied research conducted by higher educational institutions or state agencies addressing the impact of smoking or other behavior on health and disease;
- (4) public health programs and needs; and
- (5) tobacco use cessation and prevention programs, including statewide public information, education and media campaigns.

SIGNIFICANT ISSUES

The Santa Fe College of Osteopathic Medicine shall submit data annually to NMHED for the first five years of operation. This annual report includes the number of applications received; the number of students accepted; the number of students with passing grades each semester; the number of students who return each semester; the number of students who graduate on time; and a list of residency placements.

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(4) public health programs and needs; and

(5) tobacco use cessation and prevention programs, including statewide public information, education and media campaigns.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

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

There are no consequences to NMHED were this bill not enacted. Further review and consideration from other agencies is recommended.

AMENDMENTS

N/A