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## FISCAL IMPACT REPORT

SPONSOR Ortez LAST UPDATED \_\_\_\_\_  
ORIGINAL DATE 2/12/2025  
BILL  
SHORT TITLE Behavioral Health Program Financial Aid NUMBER House Bill 347  
ANALYST Jorgensen

### APPROPRIATION\* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$10,000.0	Nonrecurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency Analysis Received From  
Higher Education Department (HED)

## SUMMARY

### Synopsis of House Bill 347

House Bill 347 (HB347) appropriates \$10 million from the general fund to the Higher Education Department (HED) for the purpose of providing scholarships, paid practicums, and other student financial aid for students in bachelor's and master's degree programs in behavioral health fields. The appropriation is made for FY26 and FY27. Any unexpended balance remaining at the end of FY27 shall revert to the general fund.

HB347 requires HED to distribute funds to colleges and universities based on the number of New Mexico residents enrolled in behavioral health programs in FY24 and further requires recipients to certify that the funding will supplement and not supplant current funding and expenditures in the programs.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## FISCAL IMPLICATIONS

The appropriation of \$10 million contained in this bill is a nonrecurring expense to the general fund. Although this bill does not specify future appropriations, multiyear appropriations create an expectation the program will continue in future fiscal years; therefore, this cost could become

recurring after the funding period.

## **SIGNIFICANT ISSUES**

HB347 does not specify the maximum award or differentiate different amounts for different degree types (e.g. bachelor's degree or master's degree). The vast majority of New Mexico residents in bachelor's degree programs would be eligible to receive the lottery or opportunity scholarships while graduate students are not eligible for these scholarships.

Additionally, the bill does not specify whether students receiving aid from this source be New Mexico residents or make any commitment to work in a behavioral health field after graduation.

HED reports:

NMHED reported under Curriculum Instruction Programs (CIP) a total of 293 bachelor programs and 607 master-level programs in behavioral health within New Mexico's higher educational institutions.

Currently, New Mexico offers loan repayment for mental health providers through the Health Professional Loan Repayment Act. Mental health providers include licensed professional clinical counselors, licensed marriage and family therapists, licensed clinical social workers, clinical psychologists, psychiatric nurse practitioners, and psychiatrists. Additionally, the Act allows HED to designate other medical professionals as eligible to receive loan repayment. In FY24, HED provided nearly \$15 million in loan repayments to 701 health professionals including 153 mental health providers with an average annual award amount of \$25 thousand.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HB347 is similar to House Bill 375 which creates a scholarship program for behavioral health graduate programs and appropriates \$10 million for the purpose.

CJ/rl