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FISCAL IMPACT REPORT

SPONSOR <u>Sens. Woods and Boone/Reps. Lujan, Gonzales and Vincent</u>	LAST UPDATED <u>2/23/25</u> ORIGINAL DATE <u>1/27/25</u>
SHORT TITLE <u>Veterinary Medical Loan Repayment Pgm</u>	BILL NUMBER <u>Senate Bill 8/aSFC</u>
ANALYST <u>Jorgensen</u>	

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HED	No fiscal impact	See Fiscal Implications	See Fiscal Implications	See Fiscal Implications		
NMBVM	No fiscal impact	\$175.0-\$200.0	\$175.0-\$200.0	\$350.0-\$400.0	Recurring	BVM Licensing Fees

Parenteses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Duplicates House Bill 90

Sources of Information

LFC Files

Agency Analysis Received From
 Higher Education Department (HED)
 Livestock Board (NMLB)
 Department of Agriculture (NMDA)
 Board of Veterinary Medicine (NMBVM)

SUMMARY

Synopsis of SFC Amendment to Senate Bill 8

The Senate Finance Committee amendment to Senate Bill strikes the appropriation.

Synopsis of Senate Bill 8

Senate Bill 8 (SB8) creates the Veterinary Loan Repayment Act. The act directs the Higher Education Department (HED) to establish a loan repayment program for licensed veterinarians in underserved areas of the state, as well as creating the nonreverting veterinary medical loan repayment fund.

SB8 appropriates \$5 million from the general fund to veterinary medical loan repayment fund to provide loan repayment for qualified individuals between fiscal year 2026 and fiscal year 2031.

Eligibility criteria for loan repayment state that applicants shall be a:

1. Citizen or lawful permanent resident of the United States;
2. Resident of New Mexico;
3. Licensed veterinarian in New Mexico; and
4. Employed full-time in a private practice providing food-animal veterinary medical services in a designated underserved area.

Qualified applicants may be eligible for a total award of up to \$80 thousand over four years with a maximum award of up to \$15 thousand per year for the first and second year of participation and up to \$25 thousand for the third and fourth year of participation. The bill states that award amounts shall not exceed the total veterinary medical education indebtedness of the recipient. SB8 requires HED to adopt rules to implement the provisions of SB8 and report annually to the governor and the Legislature on program activity related to SB8. SB8 also requires the New Mexico Board of Veterinary Medicine (NMBVM) to maintain a database of employment opportunities for veterinarians in designated underserved areas.

Awards will be made to qualified applicants by a selection committee composed of the state veterinarian, the New Mexico State University extension veterinarian, and the chair of the Board of Veterinary Medicine.

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 New Mexico Board of Veterinary Medicine (NMBVM) reports the requirement for the board to maintain a database of employment opportunities in designated underserved areas would require an additional staff person and other costs totaling \$175 thousand to \$200 thousand per year. The bill has no appropriation for this purpose and would require NMBVM to absorb any additional costs in its existing operating budget. The board receives no general fund revenue and is supported by revenues from professional licenses, permits, and examination fees. NMBVM notes that additional veterinarians paying licensing fees could raise \$600 per new licensee.

Should this loan repayment program be funded, HED anticipates needing an additional full-time employee to administer the program and estimates the cost of filling the position to be \$98.5 thousand per year for salary and benefits as reflected in the estimated additional operating budget impact table.

SIGNIFICANT ISSUES

Without an appropriation, no awards can be made. However, an appropriation of \$5 million is included in the nearly identical House Bill 90. With a maximum award of \$80 thousand per awardee, the \$5 million appropriation could support 62 awards, though this number may increase if the award amounts are less than the maximum.

NMDA reports:

Veterinarians contribute to our state's underserved economy, a resilient food supply chain, and help agricultural producers access more and better markets. Their services are vital to keeping our food system safe and protecting public health. According to the 2023 New Mexico Agricultural Statistics Bulletin, New Mexico crop and livestock product sales in 2023 totaled \$3.99 billion, of which \$3.09 billion is attributed to livestock products. The number one cash commodity for the state was cattle and calves, followed by milk. In 2024, cattle and calves totaled 1.3 million head and are valued at \$1.86 billion.

New Mexico has a shortage of veterinarians who treat livestock and poultry, especially in rural areas. This shortage heightens concerns for a number of risks, including food safety threats, animal disease outbreaks, the potential risk of zoonotic diseases, and decreasing rural economic growth.

Much of the decline in food animal veterinarians stems from a significant increase in education debt obtained by veterinary students, which has outpaced their potential earnings. Because veterinary medical school requires a significant financial commitment, with the total cost of attending, often totaling \$200,000 or more, recent graduates often choose to establish practices in populated urban areas and treat small animals in order to pay off student loan debt.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB8, as amended, substantively duplicates House Bill 90 (HB 90) except for the appropriation, which was struck in SB8 but remains in HB90.

CJ/rl/SL2/hg/sgs