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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/06

SPONSOR Feldman LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE UNM School of Medicine Combined Degrees SB 163

ANALYST Earp

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$800.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates House Bill 215

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

Department of Health (DOH)

Health Policy Commission (HPC)

### SUMMARY

#### Synopsis of Bill

Senate Bill 163, sponsored by Senator Feldman on behalf of the interim Health and Human Services Committee, appropriates \$800,000 from the general fund to the Board of Regents of the University of New Mexico (UNM) for the purpose of expanding enrollment in the School of Medicine combined bachelor's degree and medical degree program.

### FISCAL IMPLICATIONS

The appropriation of \$800,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund. The intent of this appropriation is to augment \$669,700 received by UNM in

Chapter 34, Laws of 2005 (Senate Bill 190) to initiate the combined BA/MD program. UNM requested a total of \$1,469,700 for operation of this program as the first priority for Medical School funding expansion.

The Legislative Finance Committee funding recommendation for fiscal year 2007 has included the \$669,700 as a component of a block-grant appropriation for program expansion. The Executive also recommends continued funding for the program but through the Special Appropriations section of House Bill. The Executive recommendation would provide \$669,800 to continue funding for the first-year cohort admitted for fiscal year 2006 plus an additional \$757,000 to support a second cohort, for a total of \$1,426,800 in fiscal year 2007. Therefore, approval of this bill would result in the augmentation of the fiscal year 2007 funding proposed for the combined BA/MD program.

### **SIGNIFICANT ISSUES**

Funding for this program in the amount of \$1,400,000 was requested by the UNM Board of Regents as the highest priority expansion item for the Medical School “Instruction and General” budget. Overall, it is the second ranked priority request for UNM. This request was not included in the fiscal year 2007 funding recommendation of the Higher Education Department (HED). See discussion in the Fiscal Implications section above for more information about the LFC and Executive funding recommendations in this regard.

The funding provided for fiscal year 2006 has been used to initiate a program with recurring and increasing fiscal implications. Discontinuation of funding for the program for fiscal year 2007 would require UNM to carefully consider whether it could be sustained for the future.

### **ADMINISTRATIVE IMPLICATIONS**

No significant additional administrative impact would result from enactment of this legislation.

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

Senate Bill 163 and House Bill 215 are duplicate measures.

This bill relates to appropriations in House Bill 2 as described above.

### **OTHER SUBSTANTIVE ISSUES**

University of New Mexico School of Medicine (UNM SOM) is the only school offering an MD degree in New Mexico, and has adopted, as a part of its mission, the goal of increasing recruitment and retention of physicians choosing rural/frontier practice in New Mexico. UNM SOM initiatives such as rural residency programs have met with some success, but until recently, the number of slots for medical students could not be increased because of federal requirements for lab space per student.

This bill would fund the second year of an 8-year plan to recruit high school seniors from rural/frontier areas and enroll them in a combined bachelor/MD degree program, while maintaining their close ties to their rural/frontier home community through summer internships throughout their college and medical school years. The program is intended to increase medical school

enrollment by approximately 25 percent and would target enrollment by native New Mexicans to promote retention of medical students to serve the state. Phase One funding, the undergraduate phase, would provide scholarships, recruitment activities, course development, tutoring and other student support. In addition to expanding medical student slots, and recruiting rural and frontier area students early in their schooling (high school juniors and seniors) for placement in a combined degree program, this program would also help to address the exodus of top high school students to out- of-state and private colleges by offering a UNM-based path to medical school.

New Mexico has a serious physician shortage in all counties except Bernalillo and Los Alamos. All counties but these two are designated Health Professional Shortage Areas by the federal government. Within Bernalillo County there is a shortage of physicians in selected specialties. The *Physician Supply in New Mexico* study published in May 2003 by the Health Policy Commission confirmed the shortage in that the state has 169 physicians per 100,000 population compared with a Health Resources Services Administration recommended number of 240 per 100,000 population.

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

It may be difficult to sustain the combined BA/MD program without increasing funding for fiscal year 2007.

DE/mt