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FISCAL IMPACT REPORT

SPONSOR Rodella ORIGINAL DATE 02/09/17
LAST UPDATED _____ HB 196
SHORT TITLE Osteopathic Student Loan Donations SB _____
ANALYST Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

University of New Mexico Health Science Center (UNM HSC)

SUMMARY

Synopsis of Bill

House Bill 196 would amend the Osteopathic Medical Student Loan for Service Act (Section 21-22-A8 NMSA 1978) to add private donations and grants as possible sources for inflow of cash into the as-yet-unfunded Osteopathic Medical Student Loan for Service Fund.

FISCAL IMPLICATIONS

No fiscal impact on the state budget.

SIGNIFICANT ISSUES

Thirty-two of New Mexico's 33 counties contain or are entirely medical care shortage areas, and the problem is likely to worsen as New Mexico's physicians, especially primary care physicians, are on average closer to retirement than those in many states. A partial solution to this problem may lie in granting incentives to practitioners to encourage them to practice in medically underserved areas. Newly-graduated physicians leave medical school with considerable debt, and relieving part of that debt may enable them to set up practice where they might not otherwise practice. The current bill would allow grants and donations to begin to fill the fund that could in the future help osteopathic students graduating from the new Burrell College of Osteopathic Medicine in Las Cruces repay their medical school debt.

ADMINISTRATIVE IMPLICATIONS

The Higher Education Department administers the loan program, selecting recipients, and the State Treasurer's office would make disbursements from the fund.

RELATIONSHIP with House Bill 195, House Bill 126, Senate Bill 240, and Senate Bill 108, all of which deal with aspects of the Loan for Service Program and funding for medical school loan repayment.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Grants and private donations would not be able to be added to the now-empty Osteopathic Medical Student Loan for Service Fund.

LAC/jle