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FISCAL IMPACT REPORT

SPONSOR Armstrong LAST UPDATED _____
ORIGINAL DATE 2/20/23
SHORT TITLE Veterinary Loan Repayment Act BILL NUMBER House Bill 474
ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent version of this legislation.

Relates to SB404 and an appropriation in the General Appropriation Act.

Sources of Information

LFC Files

Responses Received From

Higher Education Department (HED)

New Mexico Livestock Board (NMLB)

SUMMARY

Synopsis of House Bill 474

House Bill 474 creates the Veterinary Loan Repayment Act. The legislation authorizes the Higher Education Department (HED) to pay back loans incurred by veterinarians and veterinary technicians should they meet certain requirements. The program is open to veterinarians and veterinary technicians who are U.S. citizens and who commit to practice in rural shortage areas as designated by HED. The amount of the loan may not exceed the total debt and is capped at \$50 thousand. Loan repayment through HB474 would require applicants to enter a three-year contract with HED during which they commit to practice in New Mexico and HED makes two payments at 18 month intervals to the holder of the participant's debt. HB474 provides for penalties in the event of a loan repayment recipient breaking the terms of the repayment program.

The effective date of this bill is July 1, 2023.

FISCAL IMPLICATIONS

HB474 has no fiscal impact because it makes veterinary loan repayment awards out of the

existing health professional loan repayment program and does not contain an appropriation. Any awards made under HB474 would reduce the award amount available for the health professional loan repayment program.

The number of veterinarians and veterinary technicians who may apply for loan repayment and the amount of the debt eligible to be covered by this program are unknown.

SIGNIFICANT ISSUES

HED states that “Allowing use of [health professional loan repayment] funds for the purpose of the HB474 would additionally violate statutory authority with misuse of funds and program oversight.”

Health providers eligible for loans under the health professional loan repayment program are specified in Section 21-22D-3 NMSA 1978 as follows: “a primary care physician, optometrist, podiatrist, physician's assistant, dentist, nurse, member of an allied health profession as defined in the Allied Health Student Loan for Service Act or a licensed or certified health professional as determined by the department.”

The health professional loan repayment made 66 awards in FY22 and 110 awards in FY23 and had a total FY23 year-end fund balance of \$491.5 thousand.

ADMINISTRATIVE IMPLICATIONS

HB474 directs NMHED to promulgate rules to carry out the provisions of the Veterinary Loan Repayment Act. The administrative code would clarify details such as the composition of the review panel, duration of contract and the maximum award for participants.

NMHED may incur costs associated with the development of the application process and promoting awareness of the program to the public and qualified candidates for veterinary loan repayment.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB474 is similar to Senate Bill 404 and relates to a \$10 million special appropriation in the General Appropriation Act for health professional loan repayment.

OTHER SUBSTANTIVE ISSUES

HED notes that currently, only one 24-hour emergency small animal veterinary clinic operates in New Mexico. The US Department of Agriculture National Institute of Food and Agriculture identifies 20 New Mexico counties and the Navajo Nation as Rural Area Food Animal Medicine Shortage Areas.

NMLB reports:

There is a federal veterinary loan repayment program that is titled the Veterinary Medicine Loan Repayment Program (VMLRP). This is a competitive program that is

administered by the National Institute of Food and Agriculture (NIFA). It repays up to \$25,000 per year for three years and is focused on food animal medicine. New Mexico is allowed five shortage areas to be nominated and listed per year. This VMLRP has application fees, and taxes are paid on the funds distributed. Due to the similarities of the names of the VMLRP and the proposed Act, there may be some confusion.

HB474 is similar to the existing health professional loan repayment program administered by HED.

CJ/al/ne