

LFC Requester: \_\_\_\_\_

**AGENCY BILL ANALYSIS  
2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO  
[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)  
(Analysis must be uploaded as a PDF)**

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Check all that apply:

Original  Amendment \_\_\_\_\_  
Correction \_\_\_\_\_ Substitute \_\_\_\_\_

Date January 23, 2025

Bill Number: HOUSE BILL 118

Sponsor: Kathleen Cates  
Short PROFESSIONAL  
Title: RECRUITMENT &

Agency Name  
and Code DFA-341  
Number: \_\_\_\_\_  
Person Writing Sabrina Varela  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$5,000		Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>		\$109.13	\$106.0	\$214.13	R	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis: House Bill 118 (HB 118) establishes the Professional Recruitment and Retention Act, creating a loan program to assist professionals with the purchase of homes in New Mexico. Administered by the New Mexico Mortgage Finance Authority (MFA), the program aims to recruit and retain licensed professionals. Loans are conditioned on a 10-year commitment to practice in New Mexico, ensuring professionals serve in the state for an extended period.

The program includes the following key requirements:

- Loans cannot exceed 10% of the total home purchase price limit, as determined by the authority.
- The loan will act as a lien on the property for 10 years. If the recipient fulfills the 10-year work requirement as a licensed professional, the lien will be removed, and the loan obligations will be considered met.
- Each professional may only receive one loan in a 10-year period.

The bill defines qualified professionals under Section D as individuals licensed in New Mexico under the following categories:

1. Registered nurse licensed pursuant to the Nursing Practice Act.
2. Dentist or dental hygienist licensed pursuant to the Dental Health Care Act.
3. Physician licensed pursuant to the Medical Practice Act.
4. Physician assistant licensed pursuant to the Physician Assistant Act.
5. Anesthesiologist assistant licensed pursuant to the Anesthesiologist Assistants Act.
6. Psychologist licensed pursuant to the Professional Psychologist Act.
7. Pharmacist licensed pursuant to the Pharmacy Act.
8. Occupational therapist licensed pursuant to the Occupational Therapy Act.
9. Physical therapist licensed pursuant to the Physical Therapy Act.
10. Respiratory care practitioner licensed pursuant to the Respiratory Care Act.
11. Speech-language pathologist or audiologist licensed pursuant to the Speech-Language Pathology, Audiology and Hearing Aid Dispensing Practices Act.
12. Social worker licensed pursuant to the Social Work Practice Act.

The funding is designated for the Department of Finance and Administration (DFA) to contract with the MFA to administer the Professional Recruitment and Retention Act, including the implementation of the housing loan-for-service program.

- The DFA is responsible for overseeing the allocation and proper management of the appropriated funds.

- The DFA will monitor the contract with the MFA to ensure compliance with the provisions of the Professional Recruitment and Retention Act.
- The DFA will ensure fiscal accountability, including reverting any unexpended or unencumbered funds to the General Fund by the end of Fiscal Year (FY) 2026.

The bill will go into effect 90 days following the adjournment of the legislature.

## **FISCAL IMPLICATIONS**

The bill appropriates \$5 (five) million from the General Fund for FY25 and FY26 to administer the program. Unused funds by the end of FY26 will revert to the General Fund.

## **SIGNIFICANT ISSUES**

This bill is particularly critical for addressing the recruitment and retention of health care and other essential licensed professionals in New Mexico. By offering housing loan assistance, the program aims to alleviate financial barriers and incentivize professionals to commit to practicing in the state, which is crucial for maintaining and strengthening public health and safety systems in underserved areas.

The bill specifies clear eligibility requirements and terms for loan repayment. However, it does not explicitly address an administrative fee allocation for the New Mexico MFA or the DFA, which may require additional staff and resources to manage and oversee the program.

## **PERFORMANCE IMPLICATIONS**

Annual reporting is required to monitor program effectiveness, including loan distribution by profession and geographic region. Additionally, the implementation of the program will require further rulemaking by the MFA to establish processes, guidelines, and administrative structures necessary for its operation.

## **ADMINISTRATIVE IMPLICATIONS**

The New Mexico MFA will be responsible for developing and managing the program, including drafting rules, processing loan applications, verifying eligibility, maintaining records, and administering the loan program. The MFA will also be required to provide annual reports on the program's activities. To effectively carry out these responsibilities, the MFA will require additional staff to handle the increased administrative workload. This includes ensuring compliance with program requirements and maintaining proper oversight, which will likely increase operating expenses.

The DFA will oversee the program by monitoring the contract with the MFA, managing fund distribution, and ensuring the program complies with statutory requirements. The DFA will also track expenditures and ensure any unspent funds are returned to the General Fund by the end of FY 2026. These costs will impact DFA's operating budget to ensure compliance and accountability under the program.

Both agencies may need additional staff to handle the administrative workload, including program management, financial oversight, and compliance monitoring.

FTE Cost Detail	
Salary (70)	76,960.00
Benefits	27,538.00
ISD Rate	864.18
HCM Assessment Fee	350.00
Telecom Rate	616.01
On-Boarding Equipment	2,800.00
Total FTE Cost	<u>109,128.19</u>

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

### **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

Professionals who fail to meet the loan terms (e.g., leaving the state, reduced employment) must repay the loan at specified penalties, which could deter some participants.

### **ALTERNATIVES**

Consider additional incentives for professionals in rural or high-need areas.

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

Recruitment and retention challenges for key professions in New Mexico may persist, potentially affecting access to services in underserved areas.

### **AMENDMENTS**