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**AGENCY BILL ANALYSIS  
2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

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*{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}*

**SECTION I: GENERAL INFORMATION**

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

*Click all that apply:*  
**Original**     **Amendment**      
**Correction**     **Substitute**   

**Date** 2025-02-11  
**Bill No:** HB375

**Sponsor:** Ferrary, Joanne J.                      **Agency Name and Code**    NMHED  
**Short**    GRADUATE                                      **Number:** \_\_\_\_\_  
**Title:**    BEHAVIORAL HEALTH                      **Person Writing**    Romero, Heather  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$10,000.00	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

N/A	N/A	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

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

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	N/A	N/A	N/A	N/A	N/A	N/A

(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**

House Bill 375 (HB375) creates the Graduate Behavioral Health Scholarship Act to provide debt-free education to eligible graduate students who are studying to become behavioral health professionals.

**FISCAL IMPLICATIONS**

HB375 makes an appropriation of ten million dollars (\$10,000,000) from the General Fund to the Graduate Behavioral Health Scholarship Fund for expenditure in Fiscal Year 2026 (FY26) and subsequent years to carry out the purpose of the act. HB375 provides the New Mexico Higher Education Department (NMHED) with up to one hundred fifty thousand dollars (\$150,000) to administer the fund and make reports as required by the Graduate Behavioral Health Scholarship Act.

**SIGNIFICANT ISSUES**

Through this appropriation NMHED shall distribute funding to students who are enrolled in graduate behavioral health degree programs at eligible institutions as defined in Article 12, Section 11 of the Constitution of New Mexico. Students must not have earned a master's or doctoral degree at the time the scholarship is awarded, remain in good academic standing as determined by the eligible institution, and enrolled as a full-time graduate student.

Graduate-level program means a program of study resulting in a master's or higher degree or certificate in a field of:

- counseling,
- psychiatric nursing,
- nurse practitioner or physician assistant in addiction medicine,
- psychology, or
- social work.

Scholarships shall be awarded in the amount not to exceed one hundred percent (100%) of the cost of tuition, school fees, books, licensing application fees, and initial licensing fees after all other state financial aid has been applied. Each scholarship is for a period of one academic year.

Prior to receiving the scholarship, eligible students must commit to practice in New Mexico for as many years as the student received the award. NMHED shall contract with the student and provide stipulations regarding penalties if the student fails to fulfill the contractual commitment to practice in New Mexico.

The legislation establishes a program structurally similar to the existing Allied Health Loan-for-Service Programs (LFS) administered by NMHED (21-22C NMSA 1978).

#### PERFORMANCE IMPLICATIONS

N/A

#### ADMINISTRATIVE IMPLICATIONS

NMHED shall distribute the Graduate Behavioral Health scholarship to each eligible institution an amount based on the projected enrollment in graduate behavioral health degree programs, provided the amount shall not exceed the remaining balance of the fund.

It remains unclear whether NMHED will select eligible graduate students or if the eligible institutions will provide NMHED with student information, thus ensuring such students have signed and agreed to the stipulations of the scholarship prior to receiving the award. NMHED would promulgate rules regarding the administration and tracking of each student to ensure tracking and contractual obligations are fulfilled.

#### CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

#### TECHNICAL ISSUES

N/A

#### OTHER SUBSTANTIVE ISSUES

N/A

#### ALTERNATIVES

Alternatives to this legislation could include providing the Allied Health Loan-for-Service Programs (LFS) administered by NMHED (21-22C NMSA 1978) an appropriation for the purpose of Graduate Behavioral Health Scholarships.

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

N/A

#### AMENDMENTS

N/A