

LFC Requester:

Austin Davidson

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to 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}

Date 1/22/2025 *Check all that apply:*
Prepared: _____
Bill SB 8 Original Correct
Number: _____ ion _____
 Amend Substitute
 ment _____ ute _____

Sponsor: Pat Woods
Agency Name and Code Number: NMDA - 199
Person Writing Analysis: Jeff Witte
Short Title: Veterinary Medical Loan Repayment Act
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
5,000	0.0	Nonrecurring	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 revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

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

(Parenthesis () Indicate Expenditure Decreases)

Duplicates: HB90 Veterinary Medical Loan Repayment Act
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 8 (SB08) creates the Veterinary Medical Loan Repayment Act. The legislation directs New Mexico higher education department (NMHED) to establish a loan repayment program for licensed veterinarians in underserved areas of New Mexico.

FISCAL IMPLICATIONS

SB08 appropriates five million dollars (\$5,000) from the General Fund to the Veterinary Medical Loan Repayment Fund under NMHED in Fiscal Year 2025 (FY25) through FY31 to carry out the purposes of the fund.

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

Veterinarians contribute to our state’s underserved economy, a resilient food supply chain, and help agricultural producers access more and better markets. Their services are vital to keeping our food system safe and protecting public health. According to the 2023 New Mexico Agricultural Statistics Bulletin, New Mexico crop and livestock product sales in 2023 totaled \$3.99 billion, of which \$3.09 billion is attributed to livestock products. The number one cash commodity for the state was cattle and calves, followed by milk. In 2024, cattle and calves totaled 1.3 million head and are valued at \$1.86 billion.

New Mexico has a shortage of veterinarians who treat livestock and poultry, especially in rural areas. This shortage heightens concerns for a number of risks, including food safety threats, animal disease outbreaks, the potential risk of zoonotic diseases, and decreasing rural economic growth.

Much of the decline in food animal veterinarians stems from a significant increase in education debt obtained by veterinary students, which has outpaced their potential earnings. Because veterinary medical school requires a significant financial commitment, with the total cost of attending, often totaling \$200,000 or more, recent graduates often choose to establish practices in populated urban areas and treat small animals to pay off student loan debt.

Also, many rural veterinary practitioners in New Mexico are reaching the end of their careers. The

majority are solo practitioners who have been unable to afford or find associate veterinarians willing to join their practice. Rural veterinary practices cannot compete with the salaries offered in urban areas. When trying to hire new graduates, the salaries offered are typically \$30,000-\$50,000 lower than urban offers. New graduates with increasingly higher school loans cannot afford to accept the lower salaries offered in rural areas.

One way the state can attract veterinarians to rural areas and entice them to have food-animal treatment as part of their practice is to help reduce the student debt load, which is the aim of this bill. A program to offset a portion of school loan debt, such as a loan payment for service time rendered in underserved areas would allow existing rural practitioners to offer this incentive as a recruiting tool.

Under the National Institute of Food and Agriculture's (USDA) Veterinary Medicine Loan Repayment Program, five New Mexico rural regions have been identified that meet their criteria for critical shortages of individuals practicing in rural area food animal medicine. The five identified areas include no less than 15 counties, including those within the Navajo Nation. Funding for the federal program has been insufficient in recent years to meet demand. The addition of a state funded and managed program may contribute significantly to fulfilling the needs of the state for rural large animal veterinarians.

In addition, veterinarians are reporting higher rates of suicide and suicidal thoughts, with a link to student debt. A study recently published by the Journal of the American Veterinary Medical Association indicated veterinarians and veterinary technicians face issues with student debt, salary, burnout, and suicide rates; specifically, the study indicated 50% of technicians burn out of the profession in their first five years, and those in the field are up to five times more likely to die by suicide than the general population.

PERFORMANCE IMPLICATIONS

SB08 does not specify performance measures but requires annual reporting to the Legislature on program outcomes.

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB90 is a duplicate with differing language on page 9 of each bill related to unexpended or unencumbered balances. HB90 states that any unexpended or unencumbered balance at the end of a fiscal year shall not revert to the general fund. SB08 states that any unexpended or unencumbered balance at the end of a fiscal year shall not revert to any other fund.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

No Veterinary Medical Loan Repayment Act will be created. NMHED will not establish a loan repayment plan for licensed veterinarians in underserved areas of New Mexico. The state may continue to experience a shortage of qualified food animal veterinary professionals, particularly in rural and underserved areas of the state. Student loan debt would continue to create financial pressures and a continued shortfall in the state's food-animal veterinarians – a shortfall that has significant implications for a continued safe food supply chain, independent animal producers, and the economic stability of rural communities.

AMENDMENTS

N/A