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FISCAL IMPACT REPORT

LAST UPDATED _____

SPONSOR Sen. Woods and Boone/Rep. Lujan **ORIGINAL DATE** 1/27/25

BILL

SHORT TITLE Veterinary Medical Loan Repayment Pgm **NUMBER** Senate Bill 8

ANALYST Jorgensen

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
\$0	\$5,000.0	Nonrecurring	General Fund

Parenteses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HED	No fiscal impact	\$98.5	\$98.5	\$197.0	Recurring	General Fund
NMBVM	No fiscal impact	\$175-\$200	\$175-\$200	\$350-\$400	Recurring	General Fund
Total	No fiscal impact	\$273.5-\$298.5	\$273.5-\$298.5	\$547-\$597	Recurring	General Fund

Parenteses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Duplicates House Bill 90

Sources of Information

LFC Files

Agency Analysis Received From
Higher Education Department (HED)
Livestock Board (NMLB)
Department of Agriculture (NMDA)
Board of Veterinary Medicine (NMBVM)

SUMMARY

Synopsis of Senate Bill 8

Senate Bill 8 (SB8) creates the Veterinary Loan Repayment Act. The Act directs the Higher Education Department (HED) to establish a loan repayment program for licensed veterinarians in underserved areas of the state as well as creating the nonreverting veterinary medical loan repayment fund.

SB8 appropriates \$5 million from the general fund to veterinary medical loan repayment fund to provide loan repayment for qualified individuals between fiscal year 2026 and fiscal year 2031.

Eligibility criteria for loan repayment state that applicants shall be a:

1. Citizen or lawful permanent resident of the United States;
2. Resident of New Mexico;
3. Licensed veterinarian in New Mexico; and
4. Employed full-time in a private practice providing food-animal veterinary medical services in a designated underserved area.

Qualified applicants may be eligible for a total award of up to \$80 thousand over four years with a maximum award of up to \$15 thousand per year for the first and second year of participation and up to \$25 thousand for the third and fourth year of participation. The bill states that award amounts shall not exceed the total veterinary medical education indebtedness of the recipient. SB8 requires HED to adopt rules to implement the provisions of SB8 and report annually to the governor and the Legislature on program activity related to SB8. SB8 also requires the New Mexico Board of Veterinary Medicine (NMBVM) to maintain a database of employment opportunities for veterinarians in designated underserved areas.

Awards will be made to qualified applicants by a selection committee composed of the state veterinarian, the New Mexico State University extension veterinarian, and the chair of the Board of Veterinary Medicine.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$5 million contained in this bill is a nonrecurring expense to the general fund. Although this bill does not specify future appropriations, multiyear appropriations, particularly if used to fund services and those services perform well, create an expectation the program will continue in future fiscal years; therefore, this cost could become recurring after the funding period.

HED anticipates needing an additional full-time employee to administer the program and estimates the cost of filling the position to be \$98.5 thousand per year for salary and benefits as reflected in the estimated additional operating budget impact table.

The New Mexico Board of Veterinary Medicine (NMBVM) reports the requirement for the board to maintain a database of employment opportunities in designated underserved areas would require an additional staff person and other costs totaling \$175 thousand to \$200 thousand per year. The bill has no appropriation for this purpose and would require NMBVM to absorb any additional costs in the existing operating budget. NMBVM notes that additional veterinarians paying licensing fees could raise \$600 per new licensee.

SIGNIFICANT ISSUES

With a maximum award of \$80 thousand per awardee, the \$5 million appropriation could support

62 awards, though this number may increase if the award amounts are less than the maximum.

NMDA reports:

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 in order to pay off student loan debt.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB8 substantively duplicates House Bill 90 (HB 90) with a nonsubstantive difference in the reversion language; HB90 states that unexpended or unencumbered funds remaining “at the end of a fiscal year shall not revert to *the general fund*” while SB8 states that unexpended or unencumbered funds remaining “at the end of a fiscal year shall not revert to *any other fund*.”

CJ/r/SL2