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FISCAL IMPACT REPORT

SPONSOR Beffort **ORIGINAL DATE** 2/01/16
LAST UPDATED 2/16/16 **HB** _____

SHORT TITLE Expedited Professional Licensure **SB** 105/aSJC/aSFI#1

ANALYST Liu

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18		
	Indeterminate	Indeterminate	Recurring	Other State Funds

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$144.3	\$99.3	\$243.6	Recurring	RLD Operating Budget

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with HB 48, SB 78
 Relates to HB 191, SB 217, SB 287

SOURCES OF INFORMATION

LFC Files

Responses Received From

- Regulation and Licensing Department (RLD)
- Board of Examiners for Architects (BEA)
- Board of Licensure for Professional Engineers and Professional Surveyors (BLPEPS)
- Board of Nursing (BON)
- Human Services Department (HSD)
- New Mexico Medical Board (MB)

SUMMARY

Synopsis of SFI#1 Amendment

Senate Floor amendment number 1 to Senate Bill 105 strikes the Senate Judiciary Committee amendment and inserts a condition that other jurisdictions in the U.S. must meet minimal

licensing requirements that are substantially equivalent to New Mexico licensing requirements (pursuant to Sections 61-2-1 through 61-14E-12, Sections 61-24-1 through Section 61-24A-21, and Sections 61-31-1 through 61-31-25 NMSA 1978) before a state agency, board, or commission can issue an expedited occupational or professional license. This amendment applies the bill's provisions to specific licensed medical care and social work professions. As such, the fiscal implications for other agencies (such as the BLPEPS and BEA) and boards previously included in the original bill are no longer relevant.

Synopsis of SJC Amendment

The Senate Judiciary Committee amendment to Senate Bill 105 inserts a condition that other jurisdictions in the U.S. must meet minimal licensing requirements that are substantially equivalent to New Mexico licensing requirements (pursuant to Sections 61-2-1 through 61-34-17 NMSA 1978) before a state agency, board, or commission can issue an expedited occupational or professional license.

Synopsis of Original Bill

Senate Bill 105 requires a state agency, board, or commission that issues an occupational or professional license pursuant to Sections 61-2-1 through 61-34-17 NMSA 1978 to process applications of those who are licensed and in good standing in another U.S. jurisdiction as soon as practicable after the qualified applicant files an application and pays the required fees. The license issued will be a full license, not a provisional license.

FISCAL IMPLICATIONS

According to RLD and BLPEPS, if this bill is enacted, the boards and commissions will draft and adopt amendments to their rules, incurring costs for additional meetings, board member per diem, advertising, printing, postage, filing, and court reporting fees. For RLD, initial costs would be \$45 thousand in FY17 with recurring costs to license any additional out-of-state applicants at approximately \$99 thousand for each year. BLPEPS estimates recurring costs will be about \$127 thousand each year. Revenue from sources like licensing fees may increase as a result of additional out-of-state applicants; however, other revenue sources, like state-specific examination fees, may no longer be applicable if applicants are currently licensed in another U.S. jurisdiction. As such, the fiscal impact on revenue is indeterminate.

SIGNIFICANT ISSUES

According to RLD, BON, BLPEPS, and MB, other U.S. jurisdictions referenced in this bill issue professional licenses with differing educational standards than New Mexico. Other U.S. jurisdictions may issue professional licenses to persons who have not obtained national certification or passed professional exams required in New Mexico. This bill may lower the minimum qualifications for licensure, incentivizing licensees from states with lower education and experience requirements to obtain licensure in New Mexico. Conversely, if New Mexico licensure standards are lower than other U.S. jurisdictions, this bill may attract licensees seeking an easier endorsement. Growth in the number of applicants would increase license fee revenue but may not significantly affect improvements in New Mexico's workforce as licensees may obtain licensure without intent to practice in the state.

Many professionals being investigated or prosecuted for wrongdoing seek licensure in other jurisdictions. Verification of good standing license status, as referenced in the bill, may not be sufficient since investigations can take months to complete. Disciplinary action can also take weeks after a hearing. Enactment of this bill as written could potentially allow licensees with pending disciplinary actions to move from another jurisdiction and receive licensure in New Mexico. The bill does not provide for a revocation of the expedited license if at a later date it is determined that the applicant is unqualified. As such, a licensee with an expedited license who is later disciplined in another jurisdiction could still maintain licensure in New Mexico.

The 2015 New Mexico Health Care Workforce Committee annual report estimates the state had 1,909 primary care physicians (PCP) in 2014, 306 more than the national benchmark for similar populations. However, Bernalillo County accounts for approximately 42.3 percent of the total and has 273 more PCPs than the national average. The report found that 32 out of 33 counties qualified as full or partial federally designated health professional shortage areas for primary care, dental, and mental health. Without redistribution of the workforce, the report estimated a shortage of 145 PCPs and 136 physician assistants for the state, especially in rural areas. The report also found that older physicians were concentrated in rural areas, indicating underserved areas would face even more shortages as physicians retired or left practice. The estimated number of PCPs in the state decreased from 2013 to 2014, with the highest decline in Bernalillo County. The report also estimated a shortage of 197 certified nurse practitioners and specialists for the state. From 2013 to 2014, however, the number of certified nurse practitioners and specialists increased by 139 and the number of counties with nurse shortages decreased by five.

According to HSD, New Mexico has a significant shortage of licensed health care providers. Facilitating licensing of experienced professionals who are in good standing in another state could provide more clinicians to treat New Mexico residents, including those on Medicaid. Many professionals have been in practice for many years in another state and are in good standing; however, licensing boards must review the transcripts, supervision logs and other information before they receive a license. This administrative requirement may limit their ability to practice in New Mexico and could serve as a deterrent to recruiting them to the state.

CONFLICT, RELATIONSHIP

This bill conflicts with HB 48 and SB 78, which prevent the Board of Osteopathic Medicine from licensing an applicant that has not passed all three levels of the comprehensive osteopathic medical licensing examination. This bill relates to HB 191 and SB 217, which outline licensing requirements for dental therapists. SB 287 provides that an associate's degree or a baccalaureate degree in a relevant program of study may be considered qualifying experience toward a private investigator's license.

TECHNICAL ISSUES

The terms "qualified applicant" and "good standing" referenced in this bill are ambiguous. A clear definition, however, would diminish each board's ability to effectively maintain or change licensing standards.

OTHER SUBSTANTIVE ISSUES

The New Mexico Medical Board offers license by endorsement which effectuates what this bill attempts to address. If an applicant has graduated from an approved school, is certified by the American Board of Medical Specialties, has no licensure action against them, and has practiced medicine outside of a post graduate training program for at least three years, MB does not require verification of medical education or post graduate training and exams for licensure, which helps to expedite the process. Applications take a maximum of 20 days to process and issue.

The Board of Examiners for Architects provides provisional licensure upon completion of the application, payment of fee, submittal of a certificate from the National Council of Architectural Registration Boards (NCARB), and review and recommendation for approval by the board's exam and reciprocity committee. Each applicant must pass a brief multiple choice exam based on the Architectural Act and Rules. The process is usually completed within four to six weeks. Provisional status is lifted following the BEA's approval for licensure during a public meeting. BEA is currently contemplating changes to its rules which would allow applicants who are broadly experienced to apply for licensure without an NCARB certificate.

According to RLD, boards like the Dental Board are under federal regulatory oversight. This could prohibit expedited licensure for these boards. This bill may conflict with various board statutes and provisions of the Uniform Licensing Act.

ALTERNATIVES

The Board of Nursing suggests adjusting performance measures for regulatory boards to prioritize efficient processing of licenses.

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