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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 32

SHORT TITLE: Counseling Licensure Compact

SPONSOR: Matthews

LAST ORIGINAL
UPDATE: _____ **DATE:** 1/20/2026 **ANALYST:** Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
RLD/Counseling and Therapy Practice Board	No fiscal impact	\$8.0	\$68.0	\$76.0	Recurring	Other state funds
	No fiscal impact	\$70.0	\$0	\$70.0	Nonrecurring	Other state funds

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bills 10, 11, 12, 13, 14, 31, 33, 44, 45, and 50.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
New Mexico Medical Board (NMMB)
Regulation & Licensing Department (RLD)

SUMMARY

Synopsis of House Bill 32

House Bill 32 (HB32) enters New Mexico into the Counseling Licensure Compact to facilitate interstate practice by licensed professional counselors who meet uniform licensure requirements. The compact preserves each state's authority to regulate counseling practices through its current system of licensure. Under the compact, "home state" is the licensee's primary state of residence and licensure; "member state" is a state that has joined the compact; "remote state" is a member state, other than the home state, where a licensee seeks a practice privilege; and "counseling compact commission," is the national administrative body consisting of representatives from member states tasked with implementing the compact's provisions. The compact invests all members states with authority to hold a licensee accountable for meeting all state practice laws in the state in which the client is located at the time services are rendered.

To be suitable, a state must require applicants to pass a recognized exam, have a master's degree in counseling with 60 hours of graduate course work, and have supervised postgraduate professional experience. A member state must also agree to participate in an interstate data

system to verify licensure and share discipline information, have a system to investigate complaints, and agree to notify the commission of adverse action regarding a licensee with compact privileges. For the applicant's initial license, states must also agree to obtain a criminal background check.

To practice under the compact, the licensee must hold a license in their home state, be eligible to practice in a member state, pay commission administrative and state fees for a compact privilege, meet continuing education requirements in their home state, meet any additional jurisprudence requirements by the remote state, and report to the commission any adverse action against them taken by a nonmember state within 30 days. The privilege is valid until the home license expires.

The remainder of the bill includes procedures for states when taking adverse action and conducting joint investigations and powers and duties of the commission, including collecting assessments from states, developing a coordinated licensure database, and enforcing the compact including managing defaults and disputes among states. The compact also provides the commission immunity for actions taken managing the compact, provided the act was not malicious or illegal.

Member states may withdraw from the compact by enacting a statute repealing the compact, as long as the statute takes effect no less than six months after enactment.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

If the compact increases access and number of encounters, either in-person or with telehealth, the number of disputes and costs could rise because more services are being delivered.

RLD said it is not known how the compact may affect fee revenue. Member states are allowed to charge and keep a licensing fee for granting a privilege. According to RLD, fees vary among the three states that currently provide privileges, from Arizona charging \$250 plus the compact administration fee (\$30) to Ohio charging \$25 plus the compact administration fee. If permitted by state laws, member states may also attempt to recover from licensees' costs to dispose of cases resulting from adverse action taken against that licensee. The commission may also recover operational costs with an annual assessment for states, should administrative fees be insufficient. For reference, the Nurse Licensure Compact charges states \$6,000 annually.

RLD anticipates a one-time cost of \$70 thousand to connect to the compact's data system and a recurring cost of \$60 thousand annually for software to process and translate the data.

The state counselor licensing board will incur out-of-state travel expenses for its compact commission delegates to attend annual meetings. RLD anticipates a recurring annual expense of \$8,000.

SIGNIFICANT ISSUES

Under the compact, "counseling" occurs either in-person or with telehealth technology in the

state where the client is located, not where the counselor is physically located. Therefore, as long as the client is in this state, New Mexico would have jurisdiction for any complaints or discipline.

The qualified immunity provided to the commission and its representatives appears to be the same protections New Mexico laws already use for state officials and employees. The Nurse Licensure Compact uses similar language and there has been no reported increase in tort exposure.

Nothing in the compact affects the requirements established by a member state for the issuance of a single state license in multiple states. According to RLD, the compact applies to the professional clinical mental health counselor license (LPCC). There are 2,730 active licenses in New Mexico.

RLD notes current statutes and board rules meet all licensing requirements in the compact except for criminal background checks and 60 hours of graduate coursework. Currently, the board requires 48 hours. However, most New Mexico universities educate counselors at the 60-credit level, to align with national accreditation and for portability purposes. In any event, an amendment to the Counseling and Therapy Practices Act and changes to board rules are required. RLD noted an amendment to the act is also needed to allow the board to charge fees for a compact privilege.

For this compact to take effect, a minimum of 10 states must enact it into law. As of 2026, 39 states have enacted the compact, although only three (Arizona, Minnesota and Ohio) have completed the necessary steps to be able to issue a privilege to practice among those states.

For relocating military families, the compact will facilitate spouses who are licensed professional counselors with working with clients across state lines. This is important for continuity of care purposes because client-practitioner relationships in the field of behavioral health are often hard to develop.

PERFORMANCE IMPLICATIONS

To participate under the compact, this bill cannot be materially altered. An acceptable modification, however, would be to change the effective date language, which RLD requested.

ADMINISTRATIVE IMPLICATIONS

An administrative rulemaking process, including a public hearing and required publication of notices and proposed rules, would also be required. RLD believes it can absorb these costs.

RLD commented that the administrative staff that support the board will require training on how to report and obtain licensing and disciplinary action information using the compact's data system.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

In addition to HB32, the Legislature is also considering other workforce compacts:

House Bill 10 Physician Assistant Interstate Compact
House Bill 11 Audiology and Speech-Language Pathology Compact
House Bill 12 Physical Therapy Licensure Compact
House Bill 13 Occupational Therapy Licensure Compact
House Bill 14 Dentist and Dental Hygienist Compact
House Bill 31 EMS Personnel Licensure Interstate Compact
House Bill 33 Psychology Interjurisdictional Compact
House Bill 44 Dentist and Dental Hygienist Compact
House Bill 45 Physician Assistant Licensure Compact
House Bill 50 Social Work Licensure Interstate Compact

OTHER SUBSTANTIVE ISSUES

According to Mental Health America, New Mexico ranks 43rd for higher prevalence of mental illness and lower rates of access to care. The ranking included both adult and youth measures.

AHO/ct/hg/ct