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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 33

SHORT TITLE: Psychology Interjurisdictional Act

SPONSOR: Matthews

LAST **ORIGINAL**
UPDATE: 1/20/2026 **DATE:** 1/20/2026 **ANALYST:** Montano

REVENUE* (dollars in thousands)

Type	FY26	FY27	FY28	FY29	FY30	Recurring or Nonrecurring	Fund Affected
License Fee	(\$25.8)	(\$51.7)	(\$51.7)	(\$51.7)	(\$51.7)	Recurring	Psychology Fund

Parentheses indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
RLD	No fiscal impact	\$70.0	No fiscal impact	\$70.0	Nonrecurring	Other state funds
RLD	No fiscal impact	At least \$8.0	At least \$68.0	At least \$76.0	Recurring	Other state funds
Total	No fiscal impact	At least \$78.0	At least \$68.0	At least \$146.0		Other state funds

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
Regulation and Licensing Department (RLD)
The New Mexico Medical Board (MB)

SUMMARY

Synopsis of House Bill 33

House Bill 33 (HB33) enacts the Psychology Interjurisdictional Compact (PSYPACT), which is already in place in 43 states across the U.S. The compact standardizes the process for licensed psychologists to provide telepsychology services and temporary in-person psychological care across member states without requiring separate licenses in each jurisdiction.

By passing HB33, New Mexico would become a member of PSYPACT, aligning its regulations

with those of other participating states. This would allow New Mexico-licensed psychologists to practice in other PSYPACT states and enable out-of-state PSYPACT-licensed psychologists to provide services in New Mexico under the compact's rules.

Under the compact, psychologists must hold a valid New Mexico license and obtain additional EPassport and Interjurisdictional Practice Certificate credentials to participate. The bill also creates a coordinated licensure information system, enabling states to share disciplinary and licensing data on participating psychologists. Additionally, an oversight commission is established to monitor compliance, investigate complaints, and enforce compact rules.

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

The Regulation and Licensing Department (RLD) states HB33 will require \$70 thousand for RLD to integrate PSYPACT's application programming interface (nonrecurring) and then \$68 thousand in recurring travel costs and yearly updates to the PSYPACT's application programming interface.

RLD explains:

It is anticipated that the system will connect with participating states through an application programming interface (API). Such a system would require New Mexico to incur some costs to integrate PSYPACT's API into New Mexico's system and to pay for the ongoing costs of the MuleSoft software to translate the data. The RLD has some experience in integrating APIs into its current system as it has already done so for other licensed professionals. As a result, there is an idea of what costs it can reasonably expect to incur in integrating API systems into the RLD's NM Plus System. While these costs can fluctuate based on various factors, the RLD anticipates a one-time cost for implementation of approximately seventy thousand dollars (\$70,000) for two (2) APIs. In addition, when utilizing the API process, NM Plus requires the use of MuleSoft, a Salesforce-based software, to process and translate the data that is received from an API. Multiple factors go into the costs involved with utilizing the MuleSoft software, but the RLD estimates a recurring cost of utilizing the MuleSoft program to be approximately sixty thousand dollars (\$60,000) for two (2) API's.

RLD anticipates the enactment of HB33 will decrease revenue generated from licensing fees by allowing two professions to practice in New Mexico without requiring a New Mexico-issued license and the accompanying license and administration fees.

RLDs calculations for the projected loss of revenue:

From January 1, 2023, through December 31, 2025, sixty-nine (69) Temporary Psychologist Licenses were issued by the New Mexico Board of Psychologist Examiners (Board), averaging twenty-three (23) per year. The licensing fee for Temporary Psychologists is three hundred dollars (\$300). Assuming all psychologists who wish to practice temporarily in New Mexico are able to obtain a TAP privilege from PSYPACT rather than a New Mexico-issued Temporary Psychologist license, the Psychology Fund would lose six thousand nine hundred dollars (\$6,900) per year in licensing revenue.

There are currently nine hundred fifty-four (954) licensees under the Board. Of those, three

hundred fifty-seven (357) have out-of-state home addresses. Assuming that fifty percent (50%) of those (179 licensees) are only practicing telehealth in New Mexico, reside in a PSYPACT jurisdiction, and would practice under the APIT privilege rather than renewing their license, the Psychology Fund would lose eighty-nine thousand five hundred dollars (\$89,500) in biennial renewal fees, or forty-four thousand seven hundred and fifty dollars (\$44,750) per year in licensing revenue.

RLD also highlights that the New Mexico Board of Psychologist Examiners (Board) will be required to pay an annual assessment based on a formula determined by the PSYPACT commission. RLD highlights that the cap to this annual fee is \$6,000, but RLD is unable to determine the recurring cost.

RLD included the following information related to adverse actions related to practicing professionals under PSYPACT:

With respect to Article 7 of the bill, “Adverse Actions,” the issuing state would incur expenses related to taking adverse action against a psychologist’s privilege to practice within a member state. The issuing state is responsible for paying any witness fees, travel expenses, mileage and other fees required by the service statutes of the state in which the witnesses or evidence are located. Potential expenses that may be incurred by the RLD on behalf of the Board under this provision cannot be reasonably estimated at this time.

One long term fiscal implication is if New Mexico becomes a member of more interjurisdictional compacts, decreases in fee revenue may impact the ability of the Boards and Commission Program (BCP) of RLD to fund its operations. As of now, the program acts as an enterprise program, meaning BCD’s budget is entirely funded by the revenue it collects from licensing fees, administration fees, and other regulatory fees professionals pay to practice in New Mexico. The only general fund impact from BCD’s operating budget is for the Substitute Care Advisory Council, which is only administratively attached to BCD and does not collect any sort of licensing fees. Ultimately, if too many of the 28 boards and commissions attached to BCD join interjurisdictional compacts, then the likelihood of requiring a substitute funding source to fund BCD’s operations will increase every year.

SIGNIFICANT ISSUES

RLD had the following for significant issues related to the board’s support of joining the compact, education requirements within the compact, and the bills effective date:

RLD consulted the board about its position on the passage of HB 33. The board has not reached a consensus on joining PSYPACT. Some board members have indicated their support for the expanded access to services. There is significant concern among some board members about the ability to discipline psychologists who cause harm to New Mexico clients while operating under these privileges. The board has also expressed concern that enforcement may be inconsistent across compact states leading to public harm.

RLDs comments relating to education requirements:

Because PSYPACT allows psychologists to participate in APIT and TAP with a master’s degree, the psychologists practicing in New Mexico under those privileges may have less education and training than New Mexico psychologists, as licensees here must hold a Ph.D. in psychology to receive a license.

RLDs comments related to the effective date of the bill:

The RLD estimates developing and implementing the numerous administrative rule provisions that would be necessitated by HB 33 as well as the upgrades to NM-Plus licensing database, along with the implementation of CLIS, will require months to accomplish, and requests consideration be given to delaying the effective date of HB 33 to January 1, 2027.

ADMINISTRATIVE IMPLICATIONS

RLD provided the following information for administrative implications:

Enactment of this bill would require the Board to initiate rulemaking to adopt rules in accordance with the requirements, procedures and bylaws of PSYPACT. Administrative rulemaking under the requirements of the State Rules Act can be expected to take a minimum of one hundred-twenty (120) days to develop and draft proposed rules, publish proposed rules for public comment, conduct a public hearing, complete formal adoption proceedings and documentation, and publication of the final rule language before a new or amended rule takes legal effect. In addition, staff members from the RLD who provide administrative support to the Board will require training on how to report and obtain licensing and disciplinary action information with CLIS.

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