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FISCAL IMPACT REPORT

SPONSOR Alcon/Gould/Sariñana/ Garcia, H ORIGINAL DATE 1/26/2020
 LAST UPDATED 1/29/2020 HB 30/aHLVMC

SHORT TITLE Expedited Licensure for Military Families SB _____

ANALYST Gaussoin

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY20	FY21	FY22		
(\$895.0)	(\$895.0)	(\$895.0)	Recurring	Other State Funds

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$36.5	\$36.5	\$36.5	\$109.5	Recurring	Other State Funds

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB530, 2019 session

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

Board of Nursing (NMBN)

Board of Veterinary Medicine (BVM)

Medical Board (NMMB)

Board of Licensure for Professional Engineers and Professional Surveyors (PELS)

Department of Military Affairs (DMA)

Veterans Services Department (VSD)

Public Education Department (PED)

No Response Received

Regional Education Cooperatives (REC)

SUMMARY

Synopsis of HLVMC Amendment

The House Labor, Veterans and Military Affairs Committee amendment reduces the expansion of the pool of those eligible for expedited licenses and certificates and waived fees to include only veterans within three years of their separation from the military. In addition, it extends the period that agencies must issue the license to 60 days and clarifies the definition of veteran to those “honorably” discharged or separated.

Synopsis of Original Bill

House Bill 30 amends existing law that requires expedited public school and occupational licensing for military members and their spouses to expand the pool of those eligible and waive licensing fees for three years. The bill clarifies that active service members includes those who serve in military reserves and the National Guard and adds military member’s dependent children and veterans to those eligible for expedited licenses and waived fees. It specifies the license or certificate must be issued within 30 days and fees must be waived for the first three years. It amends the Uniform Licensing Act and the language for almost all of the almost 40 occupations it covers, including doctors and other traditional and nontraditional medical providers, dentists and their assistants, veterinarians, barbers and cosmetologists, polygraphers, accountants and real estate appraisers, architects and engineers, funeral service providers, private investigators, and signed language interpreters. The law does not amend the licensing provisions for athletic agents and water utility operators.

The effective date of this bill is July 1, 2020.

FISCAL IMPLICATIONS

By waiving fees and expanding the pool of eligible applicants, occupational licensing boards could see a significant decrease in licensing revenue. Boards and commissions use this revenue to help regulate professions. RLD say the expansion of the definition of eligibility could mean hundreds, and possibly thousands, more applicants will be exempt from paying license and renewal fees for three years. PED would also experience a similar decline in revenue.

Professional boards do not generally track the number of licenses and renewals issued to military members, their spouses and dependent children, or veterans; however, to demonstrate the impact, the Board of Nursing used 5 percent of the revenue earned on licenses and renewals issued in a fiscal year for registered nurses, licensed practical nurses, and advance practice nurses to assume a loss of \$51,200 a year.

The Nursing Board chose 5 percent “for illustration” and the loss to the board could easily be more. Veterans make up approximately 11 percent of the adult population in New Mexico, although the number who are “working age” is unknown. Reserve and National Guard members make up about a half percent. (Active military members are not likely candidates for occupational and teacher licenses, although their spouses might be.) Using a conservative 10 percent as the share of occupational license holders eligible for the fee waiver, RLD Boards and Commission Program could lose \$850 thousand of the about \$8.5 million it generates each year in the “other revenue” category. PED reports about 300 military service members, their spouses,

and veterans submitted license applications in FY19, leading the department to estimate \$45 thousand in fees would be waived. **While the HLVMC amendment reduces the pool of those eligible for waived fees, the original estimate of fiscal impact was based on a conservative estimate of veterans, spouses, and dependent children in the occupational and professional licensing pool.**

Although other boards that responded said they would not need additional staff, the Nursing Board reports it will need an additional licensing specialist at a cost of \$36,500 in salary and benefits.

SIGNIFICANT ISSUES

The Nursing Board identified the following issue:

A significant issue with HB30 is the unintended consequence it would have on all active military nursing professionals. In recent years, the Department of Defense, via the individual branches of military services, has issued notices to all active duty members in the nursing profession. In short, the Department of Defense requires that Nurse Corps Officers must “possess and maintain an active, current, and unrestricted license from a U.S. jurisdiction before practicing independently within the defined scope of their specialty.” Under HB30, any active duty military nurse who applies for any jurisdictional licensure at a waived, reduced or prorated fee would be considered to have a “restricted license,” which could negatively impact the nurse in his or her military capacity. This restriction would also apply if the military member were allowed to obtain licensure with a waived, reduced or prorated continuing education requirement. As stated in the attached notice, this could “potentially impact the readiness of our military force.”

Expedited licensing for military members licensed in good standing in other jurisdictions already exists in state law and is in the rules of most licensing agencies. The Board of Veterinary Medicine reports it already processes all applications and renewals for military service members on the day they are received, and the Medical Board said the requirements to expedite licenses for military members, their spouses, and their dependent children and waive their fees is a minor task for the board.

The New Mexico Board of Licensure for Professional Engineers and Professional Surveyors says the 2013 law requiring expedited licensure for military members had little affect on the agency and it supports HB30.

ADMINISTRATIVE IMPLICATIONS

According to RLD, every affected board, commission, and RLD division will be required to conduct a rulemaking process to comply with HB30.

The Nursing Board says it would have to change its online application to screen for eligible candidates and, because the board issues licenses for 13-24 months, track those eligible for a discounted renewal. It would also have to revise its application forms to collect information to prove eligibility, to include an affidavit of eligibility.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Similar legislation from the 2019 session, House Bill 530, was adopted by the House but died on adjournment in the Senate Public Affairs Committee.

TECHNICAL ISSUES

The Veterans Services Department notes the definition of “veteran” in HB30 is not consistent with definitions in other areas of New Mexico law, including the Tax Code, Motor Vehicle Code, and laws related to the Veterans Services Department. Additionally, statute generally assumes the definition of active service member includes those in the reserves or National Guard; HB30 language drawing a distinction between the two could create confusion in the interpretation of other laws. The bill’s definitions also refer to the “active reserve component,” raising questions about whether this includes only members of the selected reserve serving on full-time active duty or all members of the selected reserve. Finally, the HB definition of “honorably discharge” or “separation from military service” could lead to confusion over what conditions render a veteran ineligible.

The Department of Military Affairs notes the bill does not specify how a person’s military status will be verified or how the waiver will be address after the initial three years.

RLD reports it has discussed several possible amendments with the bill sponsors and will present them at the first hearing for HB30.

OTHER SUBSTANTIVE ISSUES

RLD notes the 31 boards and commissions administratively attached or advisory to the department have a variety of policy and statutory requirements for licensure, including background checks, examinations, application review, and board approval, that could impact the board or commissions ability to expedite a license. Backgrounds checks sometimes are delayed, exams are only offered at specific times of the year, and many boards only meet a few times a year.

PED, which says already expedites licenses for all military service members, veterans, and their spouses, raises concerns that HB30 might create equity issues for applicants who do not qualify for the fee waiver. However, it notes waiving the fee could encourage eligible applicants to pursue a career in education and help alleviate the state’s teacher shortage.

ALTERNATIVES

The Nursing Board recommends increasing New Mexico’s participation in interstate compacts, such as the Nurse License Compact, to reduce licensing barriers for military service members and veterans.

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