

<b>LFC Requester:</b>	<b>Anderson</b>
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**AGENCY BILL ANALYSIS  
2023 REGULAR SESSION**

**SECTION I: GENERAL INFORMATION**

*Check all that apply:*

**Original**        **Amendment**      
**Correction**        **Substitute**   

**Date Prepared:** 02/13/23  
**Bill No:** SB111/SHPACS

**Sponsor:** Soules  
**Short Title:** TEMPORARY SUSPENSION OF LICENSING FEES

**Agency Name and Code Number:** Agency Name and Code Number: PED - 924  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
None	\$1,000.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
None	None	None	Nonrecurring	NFA

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	None	\$41,600.0	\$41,600.0	\$83,200.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

**Synopsis:** The Senate Health and Public Affairs Committee Substitute for Senate Bill 111 (SB111/SHPACS) would suspend the collection of initial licensing fees for three years – from July 1, 2023, until July 1, 2026 – for at least 32 professions regulated by the state of New Mexico, including licensed public education personnel

The effective date of SB111/CS is July 1, 2023.

### **FISCAL IMPLICATIONS**

SB111/SHPACS appropriates \$1 million from the General Fund to the Regulation and Licensing Department (RLD) for expenditure in FY24 through FY27, with remaining moneys reverting to the general fund. This appropriation is estimated to be insufficient to replace the funding from suspended licensure fees.

From July 1, 2022, through January 31, 2023, the Public Education Department (PED) collected \$793,400 in initial licensure fees, and PED is projected to collect about \$1.3 million in FY23. The licensure fees fund the personnel cost of the staff who work in the Licensure Bureau, Licensure Investigations, and Licensure Prosecutions, as well as coaching for educators that are leveling up, development of micro credentials for educators, and other educator quality activities.

If other agencies have similar licensure fees and licensure numbers to PED, it is possible the agencies listed in SB111/SHPACS would need to replace approximately \$41.6 million in funding in FY24 and \$124.8 million over the effective time period of the bill.

### **SIGNIFICANT ISSUES**

SB111/SHPACS would suspend the collection of initial licensing fees for individuals governed by 32 different sections of law, including those governed by the School Personnel Act.

The appropriation from the General Fund to RLD is to offset lost revenue for those boards, commissions, and other departments that depend on licensing fees; however, the appropriating language contains nothing clearly requiring RLD transfer any of those funds to other departments affected, including PED.

SB111/SHPACS would require that the departments affected certify that their licensing funds or appropriations are insufficient to carry out those activities without additional monetary support, in a request for a portion of the \$1 million appropriation. As noted above, in “Fiscal Issues”, the \$1 million is estimated to be insufficient to defray the losses PED would experience from the proposed three-year suspension of initial licensure fees, in addition to the other impacted agencies.

### **PERFORMANCE IMPLICATIONS**

None.

### **ADMINISTRATIVE IMPLICATIONS**

None.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

### **TECHNICAL ISSUES**

None.

### **OTHER SUBSTANTIVE ISSUES**

None.

**ALTERNATIVES**

None.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

None.

**AMENDMENTS**

None.