

INTERSTATE COMPACTS FOR OCCUPATIONAL LICENSING

BACKGROUND

In August 2021, staff from the Department of Defense (DOD) contacted the State Administration and Veterans' Affairs and Economic Affairs Interim Committees to share DOD priorities for military families for the upcoming year, highlighting occupational licensing for military spouses and licensing compacts. Both committees directed staff to gather information about the issues and how they are currently being addressed in Montana. This briefing paper is intended to serve as a high-level summary of those findings. A memo and data sheet from the Montana Department of Labor and Industry are attached and include additional information.

WHAT IS AN INTERSTATE COMPACT?

Interstate compacts are authorized in Article I, Section 10 of the U.S. Constitution. Historically used to settle boundary disputes between a pair of neighboring states, modern day interstate compacts are contracts between two or more states used to address common problems, adopt standards, and create agreements on policy issues.

Interstate compacts are used for a variety of policy areas, including transportation, taxation, environmental matters, education, public safety, corrections, and occupational licensing.

BENEFITS AND DRAWBACKS OF INTERSTATE COMPACTS

The growing use of interstate compacts is largely a function of their potential for states to address shared problems, promote a common agenda, or produce collective goods. Further, by joining a compact, a state can reduce the costs associated with policy design and experimentation.

BENEFITS	DRAWBACKS
<ul style="list-style-type: none"> • Effective and efficient (economies of scale) • Flexible and autonomous compared to national policy • Dispute settlement among the states • State and Federal partnership – "collective cooperation" 	<ul style="list-style-type: none"> • Difficult and time-consuming to develop and implement • Difficult to revise once enacted • Compacts may need congressional approval • Language of the compact may not align with the state's intent for the topic

INTERSTATE COMPACTS FOR OCCUPATIONAL LICENSING

Interstate compacts create mobility and portability of occupational licenses. A licensee who is a member of a compact has an easier time relocating to different states if both states are members of the compact. Interstate compacts for occupational licensing were developed to create reciprocal professional licensing practices between states, while ensuring the quality and safety of the services and maintaining the sovereignty of the states involved.

Depending on how the compact is structured, the licensee may be able to retain licensure in a "home state" and establish a "privilege to practice" in a member state through the compact, or the compact may simply reduce the application time for a licensee and create efficiencies in processing with standardized requirements.

OCCUPATIONAL LICENSING IN MONTANA

The Montana Department of Labor and Industry (DLI) oversees the professional licensing boards for the state. MCA Title 37 provides for general duties and authority of the Department and the boards, as well as uniform professional licensing and regulation procedures.

Occupational licensing standards are set by the individual professional boards. There are 37 professional boards in the state, with certain boards governing multiple professions. For example, the Board of Medical Examiners oversees physicians, podiatrists, acupuncturists, nutritionists, and physician assistants.

Under 37-1-131, MCA, each board has the authority to:

"(1)(a)(i) set and enforce standards and adopt and enforce rules governing the licensing, certification, registration, and conduct of the members of the particular profession or occupation within the board's jurisdiction;"

Within the authority of each board is the review and adoption of interstate compacts. Montana has adopted three occupational licensure compacts to date:

- Physical Therapy Compact (PT)
- Interstate Medical Licensure Compact (IMLC)
- Enhanced Nurse Licensure Compact (ENLC)

While most boards have not adopted an interstate compact, 37-1-304, MCA, states that an applicant who holds a current, valid license from another state is exempt from examination, and shall be granted a license by the board within certain parameters.

Many boards issue temporary licenses to out-of-state applicants so licensees can begin work while the application is pending approval. This uniform statute allows for flexibility and portability for out-of-state applicants who move to Montana with current professional licenses.

According to DLI, 59.6% of licenses issued from FY 2018 to FY 2021 were to out-of-state applicants and the average number of days to issue these licenses was 18.95 calendar days.

DOD INITIATIVE TO SUPPORT MILITARY FAMILIES

The DOD, through their Defense-State Liaison Office (DSLO), works with state policymakers to adjust state laws and policies to improve active military family well-being. Each year, the DSLO focuses on 10 key issues. For 2022, the top three are:

- Enhanced Military Spouse Licensure Portability
- Military Spouse Occupational Licensure Access
- Licensing Compacts

Many military spouses must relicense each time they move to a new state with their active-duty spouse. In order to reduce obstacles for military spouses, the DSLO is encouraging states to adopt the following licensing compacts:

- Nurse Licensure (NLC)
- Advanced Practice Registered Nurse (APRN)
- Physical Therapy (PT)
- Occupational Therapy (OT)
- Emergency Medical Services (EMS)
- Psychology Interjurisdictional Compact (PSYPACT)
- Counseling Compact
- Audiology and Speech-Language-Hearing Interstate Compact (ASLP-IC)

ACTIVE MILITARY FAMILIES IN MONTANA

In Montana, there are currently over 3,200 active military personnel assigned to Malmstrom Air Force Base in Great Falls and an additional 100 active military members spread across the state, primarily in Butte, Missoula, and Bozeman. Their assignment to Montana typically runs about 3 years. Along with these individuals, there are more than 2,400 active duty dependents – spouses and children – in Montana.

COMPARING DOD REQUESTS TO MT PRACTICE

ENHANCED MILITARY SPOUSE LICENSURE PORTABILITY

DOD Request:

- Streamline state licensing processes for relocating military spouses by providing them with a license within 30 days with minimal initial paperwork

MT Practice:

- Average processing time for FY18- FY21 was 18.95 calendar days; average time decreased over the period measured even with a steady increase of applications
- Current state statute expedites out-of-state applications (37-1-304, MCA)
- 1.5% of total applications received are required to be reviewed by the relevant licensing board and of those, 0.02% are denied

MILITARY SPOUSE OCCUPATIONAL LICENSURE ACCESS	
<p>DOD Request:</p> <ul style="list-style-type: none"> Reduce obstacles military spouses experience when applying under state laws by posting easily accessible website content specific to military spouses 	<p>MT Practice:</p> <ul style="list-style-type: none"> DLI website enhancement effort – ongoing project to offer specific presentation space, guidance, and FAQs for active military and military spouse applicants; will include customer service assistance to get licensed by reciprocity or by equivalent military experience as applicable Comprehensive remodel of DLI application processes and software to reduce barriers

LICENSING COMPACTS	
<p>DOD Request:</p> <ul style="list-style-type: none"> Facilitate the ability of military spouses to work across state lines by enacting occupational licensure interstate compacts 	<p>MT Practice:</p> <ul style="list-style-type: none"> Already participate in the Physical Therapy Compact (PT), Interstate Medical Licensure Compact (IMLC), and Enhanced Nurse Licensure Compact (ENLC) Average processing time for FY18- FY21 was 18.95 calendar days Current state statute expedites out-of-state applications (37-1-304, MCA)

SUMMARY

After reviewing existing law in Montana, speaking with DLI representatives, reviewing data provided by DLI, and comparing the findings to the information provided by the DOD, it appears that the requests from the DOD are either already being met or are in progress towards being met. Even in professions not currently participating in compacts, the state still has measures in place to clearly communicate the application process and to help facilitate speedy licensure to all out-of-state applicants, including military spouses.

SOURCES:

- <https://compacts.csg.org/>
- <https://compacts.csg.org/compacts/>
- <https://counselingcompact.org/wp-content/uploads/2021/08/CC-Summit-Slides-2021.pdf>
- https://licensing.csg.org/wp-content/uploads/2020/04/OL_Compacts_InAction_Update_APR_2020-3.pdf
- <https://statepolicy.militaryonesource.mil/faq>
- <https://statepolicy.militaryonesource.mil/#key-issues-report>
- https://www.malmstrom.af.mil/Portals/43/FY20%20EIA%20Factcard_1.jpg
- Montana Department of Labor and Industry
- Department of Defense & Northwest Region Defense-State Liaison Office