

Department of Legislative Services
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FISCAL AND POLICY NOTE
First Reader

Senate Bill 238 (Senator Augustine)
Education, Energy, and the Environment

School Psychologist Interstate Licensure Compact

This bill enters Maryland into the School Psychologist Interstate Licensure Compact. The bill details the conditions for entry into the compact, compact governance under the School Psychologist Interstate Licensure Compact Commission, compact financing, information exchange in the compact, and dispute resolution processes, among other provisions.

Fiscal Summary

State Effect: MSDE general fund expenditures increase by \$30,000 in FY 2027 for one-time enhancements to the State licensure system and by an additional \$7,000 in FY 2027 and annually thereafter to pay a fee to participate in the compact. Otherwise, MSDE can likely accommodate participation in the compact with existing budgeted resources, as discussed below. Potential minimal increase in MSDE fee revenue to the extent license fees are levied on compact licenses.

Local Effect: No direct effect on local finances; however, the bill may facilitate the recruitment of school psychologists from other states to fill school psychologist vacancies.

Small Business Effect: None.

Analysis

Bill Summary:

Purpose of the Compact

The purpose of the compact is to facilitate the practice of school psychology in educational

or school settings and, in doing so, improve the availability of school psychological services to the public. The compact aims to establish a pathway for school psychologists to obtain equivalent licenses to provide school psychological services in any member state. In this way, the compact enables member states to ensure that safe and effective school psychological services are available and delivered by appropriately qualified professionals in their educational settings.

State Participation in the Compact

To be eligible to join the compact and maintain eligibility as a member state, a state must;

- enact a compact statute that is not materially different from the model compact;
- participate in the sharing of information with other member states as reasonably necessary to accomplish the objectives of the compact;
- identify and maintain with the commission a list of equivalent licenses available to licensees who hold a home state license under this compact;
- have a mechanism in place for receiving and investigating complaints about licensees;
- notify the commission, in compliance with the compact and commission rules, of any adverse action taken against a licensee or of the availability of investigative information related to a licensee or applicant for licensure;
- require that applicants for a home state license have taken and passed a qualifying national exam, completed a minimum of 1,200 hours of supervised internship (at least 600 of which must have been completed in a school prior to licensure) and graduated from a qualifying school psychologist education program; and
- comply with compact terms and commission rules.

Each member state must grant an equivalent license or renewal to practice school psychology upon application by a licensee who satisfies the applicable criteria. Member states may set and collect a fee for granting an equivalent license.

School Psychologist Participation in the Compact

The bill establishes conditions under which a licensee may obtain and maintain an equivalent license from a remote state (a member state other than the home state where a licensee holds a license). Among other requirements, a licensee must hold and maintain an active license in a home state; satisfy applicable state-specific requirements; complete any administrative or application requirements established by the commission and pay any associated fees; and complete any requirements for renewal in the home state.

Individuals seeking compact licensure or license renewal must undergo a criminal background check.

The bill also establishes additional rules for active military members or their spouses regarding determining home state status.

Discipline and Adverse Actions

The bill sets out processes for disciplining licensees and imposing adverse actions. Nothing in the compact must be deemed or construed to limit the authority of a member state to investigate or impose disciplinary measures on licensees according to its state practice laws. Member states are authorized to receive, and must provide, investigative files and information regarding discipline. Member states must also protect and maintain the confidentiality and security of investigative information and clearly communicate the intention and purpose of any disclosure.

School Psychologist Interstate Licensure Compact Commission

The compact is governed by the School Psychologist Interstate Licensure Compact Commission, a joint government agency composed of all member states. The bill outlines requirements regarding commission structure, membership, powers, voting, financing, and meetings. Each member state is limited to one commissioner, selected by that state's licensing authority. The commission must fund its establishment, organization, and ongoing activities. The commission is authorized to collect annual assessments from member states and impose fees on licensees practicing in member states to cover expenses.

Among other powers, the commission may;

- establish and amend rules and bylaws;
- establish procedures related to licensure;
- maintain financial records;
- take actions relating to the finances of the commission;
- provide and receive information from law enforcement agencies;
- determine compliance with model compact language;
- initiate and conclude legal proceedings; and
- perform other functions necessary to achieve the compact's purposes.

The bill establishes an executive committee with the power to act on behalf of the commission with certain specified powers, duties, and responsibilities. The commission must create an annual report for member states. Meetings of the commission must generally

be open to the public except in specified circumstances. The commission must keep minutes that fully and clearly describe all matters discussed in a meeting.

Facilitating Information Exchange

The commission must provide for facilitating the exchange of information to administer and implement the compact. A member state must agree to provide identifying information, licensure data, adverse actions against a licensee, nonconfidential information related to alternative program participation, any denial of application, investigative information, and other information that may facilitate the administration of the compact. However, nothing in the compact must be deemed or construed to alter, limit, or inhibit a member state's authority to control and maintain ownership of its licensee information.

Rulemaking, Oversight, Dispute Resolution, and Enforcement

The commission must promulgate reasonable rules to achieve the compact's intent and purpose. If the commission exceeds its rulemaking authority, such actions are invalid and have no legal force in member states. The bill sets out processes for rejecting rules by a majority of member states, promulgating new rules, and handling emergency rulemaking. The executive and judicial branches of each state must enforce the compact and take necessary actions to implement it. The bill specifies oversight procedures and provisions for legal proceedings involving the compact.

The bill also establishes procedures for determining when a member state is in default of its obligations. If a state's membership is terminated, it must immediately notify all licensees within the state. The terminated state must continue to recognize all licenses granted under the compact for at least six months after notice of termination.

Upon request, the commission must attempt to resolve disputes between member states and between member and nonmember states. The commission must establish rules for mediation and binding dispute resolution. Additionally, the commission may initiate legal action against member states to enforce compliance, and member states may similarly take legal action against the commission. However, no person other than a member state may enforce the compact against the commission.

Effective Date, Withdrawal, and Amendment

The compact takes effect upon enactment in the seventh member state. If a state is later found to be in default, or withdraws, the compact and commission remain in effect even if the number of member states falls below seven.

A state may withdraw by enacting a statute repealing the compact, but withdrawal does not take effect until 180 days after enactment. The bill establishes other requirements relating to withdrawal from the compact, including that withdrawal does not absolve the state's licensing authority from complying with investigative and adverse action reporting requirements before the withdrawal becomes effective.

Construction and Severability

The compact and the commission's rulemaking authority must be liberally construed to effectuate the purposes of the compact. The provisions of the compact must be severable.

Consistent Effect and Conflict with Other State Laws

Nothing in the compact may prevent or inhibit the enforcement of any other law of a member state that is not inconsistent with the compact. Any laws, statutes, regulations, or other legal requirements in a member state in conflict with the compact are superseded to the extent of the conflict. All permissible agreements between the commission and the member states are binding in accordance with their terms.

Current Law: Under Maryland regulations (COMAR 13A.12.04.09), "school psychologist" means an individual who is licensed to provide psychological services to children in a public or State-approved nonpublic school setting. The school psychologist supervises interns and psychometrists (individuals who work directly under the professional supervision of a school psychologist and assist in administering psychological tests and other related psychometric tasks).

To qualify for MSDE licensure as a school psychologist, an applicant must meet one of four sets of requirements:

- hold a master's or higher degree in school psychology from a State-approved program and have qualifying scores on the State-approved test for school psychologists;
- hold a master's or higher degree; complete a State-approved program in school psychology, culminating in at least a 1,200-hour internship in school psychology; and have qualifying scores on the State-approved test for school psychologists;
- hold a valid Nationally Certified School Psychologist certificate issued by the National School Psychology Certification Board; or
- hold a master's or higher degree from an institution of higher education and hold a valid professional certificate in school psychology from another state (with appropriate verification of at least 27 months of satisfactory performance as a school

psychologist during the past seven years on the same basis for which application is being made for a comparable Maryland certificate).

Each school system must provide school psychological services. The School Psychology Program is a comprehensive continuum of services and activities based on psychological principles; the continuum of services and activities includes, but is not limited to, consultations, psychological counseling, psychological assessments, professional development, and program development. The goal of the program is to prevent or remediate educational, emotional, or behavioral problems by identifying, analyzing, and reporting psychoeducational needs through consultation, observation, or psychological and educational assessment. According to MSDE, comprehensive school psychological services are undertaken in concert with the activities of teachers, administrators, school counselors, and other school staff.

State Fiscal Effect:

Programming Costs

MSDE advises that there are one-time programming costs of approximately \$30,000 in fiscal 2027 only to enhance the Maryland educator licensure system to allow for applications from compact members.

License Fees

MSDE fee revenues increase to the extent additional individuals apply for compact licensure or renewal. The exact amount of such increase depends on the number of additional licensees who apply for compact licensure, which is unknown at this time. Furthermore, while the compact allows MSDE to set and collect fees for granting equivalent licenses to out-of-state school psychologists, § 6-704 of the Education Article limits the fee that the Professional Standards and Teacher Education Board may set for the issuance of a license at \$10. Therefore, MSDE would not be able to establish a higher fee for these licenses.

As the commission may impose fees on member States for compact participation, MSDE expenditures likewise increase by an estimated \$7,000 annually beginning in fiscal 2027 to pay this fee.

Criminal History Records Checks

Individuals seeking compact licensure or license renewal must undergo a criminal background check. The Federal Bureau of Investigation (FBI) charges a fee of \$12.00 for a national check. The Criminal Justice Information System Central Repository (CJIS-CR)

in the Department of Public Safety and Correctional Services collects the fee from the applicant and reimburses the FBI. CJIS-CR submits requests for national criminal records to the FBI electronically. Each individual who uses CJIS-CR to conduct a criminal history records check (CHRC) is required to pay \$50.00 for a State and national CHRC, including a \$20.00 fingerprinting fee, a \$12.00 FBI fee, and an \$18.00 fee to CJIS-CR. To the extent the bill's requirement for a criminal background check result in additional individuals obtaining a State and national CHRC, CJIS-CR revenues increase from fees. Fees collected from applicants are anticipated to offset any cost to complete the CHRC.

Maryland State Department of Education

MSDE advises that one education program specialist is required to administer the compact, including acting as the commissioner for the State, implementing rules developed by the commission, complying with information sharing processes, investigating complaints about licenses, collecting fees, and generally enforcing the compact. However, the Department of Legislative Services (DLS) advises that such administrative and oversight responsibilities are likely not meaningfully different to those MSDE already performs to oversee in-State licensing of school psychologists. Therefore, DLS advises that MSDE can likely accommodate entry into the compact with existing resources.

To the extent compact entry necessitates the revision of regulations, MSDE can likely accomplish such updates with existing resources. MSDE further notes that licensure does not require a background check, rather employers must conduct background checks at the time of hire.

Under the bill, the compact must come into effect once the compact statute is enacted in the seventh member state. According to the [compact's website](#) and as of February 2026, seven states (Alabama, Colorado, Delaware, Georgia, Kansas, Nebraska, and West Virginia) have enacted the model legislation required to join the compact, allowing the compact to begin its operations.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 959 of 2025.

Designated Cross File: HB 340 (Delegate Mireku-North, *et al.*) - Ways and Means.

Information Source(s): Maryland Department of Health; Maryland State Department of Education; Maryland Association of County Health Officers; Baltimore City Public

Schools; Baltimore County Public Schools; Montgomery County Public Schools;
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sj/jc

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