

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO. 4196-01  
BILL NO. HB 1868  
SUBJECT: Social Workers; Licenses - Professional  
TYPE: Original  
DATE: February 23, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Clinical Social Workers	\$787,500	(\$614,624)	\$508,204
PR Fees	(\$382,348)	\$382,348	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$405,152</b>	<b>(\$232,276)</b>	<b>\$508,204</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses  
This fiscal note contains 7 pages.

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**FISCAL ANALYSIS**

ASSUMPTION

Officials from the **Department of Economic Development (DED)-Division of Professional Registration (DPR)** assume the proposed legislation would result in the potential for 22,500 licensees. This is based on an estimate from the Missouri Chapter of the National Association of Social Workers that there would be approximately 15,000 to 30,000 applicants for licensure.

The projected revenue reflects a \$35 fee for all categories of licensure. The fees have been set at a level sufficient to produce revenue to fund the estimated expenditures. In addition, a 3% growth rate has been estimated. It is assumed that a biennial renewal would be established.

It is assumed the Clinical Social Workers Fund would reimburse the PR Fees Fund for all expenses paid by the PR Fees Fund.

DPR is requesting an additional 7.5 FTE to carry out duties generated by this proposal. The additional employees would include three Licensure Technician IIs (3 FTE at \$23,472 per year) to provide technical support directly to the Principal Assistant and to be responsible for processing applications for licensure, as well as responding to any inquiries relating to the licensure law or rules and regulations, a .5 Clerk IV (.5 FTE at \$25,440 per year) to provide support for the Division's Technical Support Services to prepare board meeting materials, arrange and attend all board meetings, process continuing education for license renewal, etc., two Account Clerk IIs (2 FTE at \$22,164 per year) to provide support for the Division's Central Accounting Section to process payroll, expense accounts, warrant requests, etc., one Clerk Typist II (1 FTE at \$19,452 per year) to provide support for the Technical Support Services Unit to assist with phone coverage due to the anticipated increase in telephone calls and one Investigator II (1 FTE at \$36,468 per year) to provide support to the Division's Central Investigative Unit in conducting investigations. Since it is assumed there would not be any investigations the first year, personal service costs for the Investigator II position would not occur until FY 03.

It is assumed the Board would meet four times per year for two days each. Associated travel costs (mileage, lodging and meals) for the two additional committee members would be \$2,502 per year. It is assumed the Board would meet only two times in FY 00.

DPR has based postage and printing costs on the actual FY 99 usage for a board of similar size and has estimated costs in FY 01 to be \$138,825 and \$28,794 in subsequent years. Additional costs would be incurred the first year for statute and rule mailings to applicants and for first year start up printing of rules and applications. Office and communication expenses and equipment are based on estimated existing costs within the Division.

ASSUMPTION (continued)

Based on FY 99 actual complaints received by the Committee for Social Workers, DPR officials assume there would be 51 complaints filed each year, with an estimate of 30% of the complaints requiring investigation, resulting in 15 investigations. It is estimated that an average investigation would require approximately 30 hours of field work. Travel costs to conduct the investigations are estimated at \$3,825 annually. However, it is assumed the complaints and investigations would not start until FY 03.

It is assumed that existing staff would design, program, and implement a computer licensure program. However, if costs are higher than anticipated, further monies would be required.

Also, it is assumed the Board would utilize a nationally standardized examination. However, if the Board should elect to develop its own examination, costs for such an examination range from \$10,000 to \$50,000.

It is estimated that 25% of the investigations (4 cases) would be forwarded to the AGO for further action. Based on a cost of \$5,400 per case, the annual cost would be \$21,600. However, it is assumed there would not be any cases until FY 03.

Officials from the **Department of Social Services (DOS)** assume the current statute licensing Clinical Social Workers (RSMo 337.603(2)) provides for an exemption for state agencies. Essentially the licensing requirements do not apply to "The practice of any social worker who is employed by any agency or department of the state of Missouri while discharging the person's duties in that capacity." This bill does not specifically provide the same type of exemption for baccalaureate social workers. However, two provisions in the bill may allow that exemption. The definition of baccalaureate social worker in 337.650(5) makes reference to providing services "for a fee". Social workers employed by the state are salaried workers and do not receive fees. Therefore, they may not be included in this definition. Also, Section 337.659 says that no provision of the bill shall be construed to require any agency . . . not otherwise required by law, to employ licensed baccalaureate social workers. This section could be interpreted to extend the state agency exemption for clinical social workers to baccalaureate social workers as well.

Based on the assumption that state employees would be exempt from the licensing requirements in this bill, the impact would be zero. However, if this is not the case and DOS would have to hire only licensed social workers for all social services positions, the fiscal implications would be enormous (unknown, greater than \$100,000). All social workers in DFS, DYS and DA who did not meet the requirements and could not obtain licenses would have to be dismissed. Salaries would have to be increased to attract social workers with the necessary credentials. Furthermore, at least initially, there would not be sufficient numbers of licensed social workers to allow DOS to perform its functions of delivering social services to children and the elderly.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** assume the proposed legislation would require the printing of additional pages in the *Missouri Register* and the *Code of State Regulations* and have estimated a publishing cost of \$1,928 for FY 01. Additionally, future costs are unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

While this bill alone would not require SOS to acquire additional staff, SOS assumes the cumulative effect of other bills that require rulemaking may, in the aggregate, necessitate additional staff.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriations process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Mental Health (DMH), Office of Administration - Administrative Hearing Commission (AHC)** and the **Office of State Courts Administrator (CTS)** assume the proposed legislation would have either minimal or no fiscal impact on their agencies.

Officials from the **Office of the Attorney General (AGO)** did not respond to the fiscal note request, but Oversight assumes the proposal would not result in a fiscal impact for its agency.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>CLINICAL SOCIAL WORKERS FUND</b>			
<u>Income-Division of Professional Registration (DPR)</u>			
Licensure Fees/Renewals	\$787,500	\$11,813	\$835,450
<u>Costs-DPR</u>			
Transfer to PR Fees Fund	\$0	(\$626,437)	(\$327,246)
<b>ESTIMATED NET EFFECT TO CLINICAL SOCIAL WORKERS FUND</b>	<b><u>\$787,500</u></b>	<b><u>(\$614,624)</u></b>	<b><u>\$508,204</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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**PR FEES FUND**

Income-Division of Professional Registration (DPR)

Transfer from Clinical Social Workers Fund	\$0	\$626,437	\$327,246
 <u>Costs-DPR</u>			
Personal Service (7.5 FTE)/Per Diem	(\$130,886)	(\$159,754)	(\$202,885)
Fringe Benefits	(38,587)	(47,464)	(60,727)
Expense and Equipment	(212,875)	(36,871)	(42,034)
Other Costs/AGO Costs	0	0	(21,600)
Total <u>Costs</u> - DPR	(\$382,348)	(\$244,089)	(\$327,246)

**ESTIMATED NET EFFECT TO  
 PR FEES FUND**

**(\$382,348)**      **\$382,348**      **\$0**

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

This proposal would be expected to have a direct fiscal impact on small businesses.

DESCRIPTION

This bill authorizes the licensing of baccalaureate social workers. The bill:

- (1) Gives the Committee for Social Workers the authority to require continuing education as a prerequisite for license renewal;
- (2) Increases the number of members on the committee from 7 to 9, to include 2 baccalaureate social workers;
- (3) Sets a per diem rate for committee members of not more than \$75;
- (4) Prohibits anyone from using the title of baccalaureate social workers unless duly licensed;

DESCRIPTION (continued)

- (5) Allows baccalaureate social workers to engage in psycho social assessment, conduct basic data gathering, serve as advocates, counsel, perform crisis intervention, provide community support, conduct crisis planning, refer clients, perform case management, and engage in training and education of social work students;
- (6) Contains provisions regarding license application, license renewal, licensing fees, provisional licences, reciprocity, and continuing education;
- (7) Requires applicants for licensure to furnish the committee with evidence that they have a baccalaureate degree in social work from an accredited program, have passed a basic exam from the American Association of State Social Work Boards, and have completed 3,000 hours of supervised baccalaureate experience;
- (8) Makes licenses valid for 2 years;
- (9) Requires the committee to promulgate rules pertaining to the form and content of licensing applications, fees, characteristics of supervised baccalaureate experience, standards and methods used in assessing competency, and procedures for conducting investigations and appeals;
- (10) Gives the committee authority to refuse to issue, renew, or revoke licenses and to file complaints with the Administrative Hearing Commission for the use of controlled substances, alcohol abuse, criminal conviction, fraud, and incompetency;
- (11) Exempts persons or agencies who report information to the committee regarding licensees, and do so in good faith, from actions for civil damages; and
- (12) Prohibits licensees from disclosing information acquired from persons while consulting them in their professional capacity, except with written consent, when information pertains to a criminal act, when it pertains to a minor who was a victim of a crime, when a person waives privileges by bringing charges against a licensee, and when a licensee is called to testify in court or administrative hearings.

Violation of any provision of the bill is a class B misdemeanor.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

This proposal would affect Total State Revenues.

#### SOURCES OF INFORMATION

L.R. NO. 4196-01  
BILL NO. HB 1868  
PAGE 7 OF 7  
February 23, 2000

Department of Economic Development - Division of Professional Registration  
Department of Social Services  
Office of the Secretary of State  
Department of Mental Health  
Office of Administration - Administrative Hearing Commission  
Office of State Courts Administrator  
Office of the Attorney General

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is cursive and somewhat stylized, with the first name "Jeanne" written in a larger, more prominent script than the last name "Jarrett".

Jeanne Jarrett, CPA  
Director  
February 23, 2000