

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0586-01
Bill No.: HB 314
Subject: Boards, Commissions, Committees, Councils; Licenses–Professional; Department of Economic Development
Type: Original
Date: February 14, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
PR Fees Fund	\$0	(\$119,128)	\$119,128
Clinical Social Workers Fund	\$0	\$300,000	(\$223,095)
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$180,872	(\$103,967)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Economic Development–Division of Professional Registration (DPR)** assume the proposed legislation would result in the potential for 3,000 licensees. This is based on an estimate by the Missouri Chapter of the National Association of Social Workers, and is less than the past estimates of 15,000 to 30,000 made by the same organization and relied upon by DPR in response to similar previous legislation.

Revenue projected by DPR is based on a fee of \$100 for initial licensure and biennial renewal. A growth rate of 3% has been estimated. It is assumed that the Social Work Fund will reimburse the PR Fees Fund for all expenses paid on its behalf.

DPR assumes the proposal will require 1.5 FTE to absorb the workload created. The additional employees are a Licensure Technician II (1 FTE at \$24,492) to provide technical support directly to the Principal Assistant, and an Account Clerk II (.5 FTE at \$23,184) to provide support to the Division's Central Accounting Section and Cash Receiving Room. DPR notes that 300 square feet of office space are needed for these employees at a cost of \$4,050 annually. **Oversight** assumes the employees will be located in existing offices and has not reflected this cost in the fiscal impact.

The Committee is assumed by DPR to meet four times per year for two days each. Associated travel expenses (mileage, lodging, meals) for the two additional committee members is estimated at \$2,502 per year, beginning in FY 2003. The additional per diem for all nine members of the Committee is estimated to cost \$560 per member, per year, for a total cost of \$5,040 annually, beginning in FY 2003.

DPR estimates printing and postage costs at \$6.19 per licensee per year, for an annual cost of \$18,750. Existing staff are expected to spend eight hours designing, programming, and implementing a computer licensure program at a cost of \$21.65 per hour, for a total cost of \$173. Office and communication expenses are based on existing costs within the Division and follow Office of Administration guidelines.

Based on the number of complaints received by the Committee for Social Workers, DPR assumes 20 complaints annually as a result of this proposal. Of the complaints, DPR estimates six per year will result in investigations, which will require 30 hours of field work each. At \$255 in travel expenses per investigation, the total annual cost is expected to be \$1,530, beginning in FY 2003.

DPR estimates that one investigation per year will be forwarded to the Office of the Attorney General (AGO) at a cost of \$5,400, beginning in FY 2003. Additionally, the AGO will provide approximately 60 hours per year of assistance with rules, opinions, and meetings, at a total annual cost of \$3,652. **Oversight** assumes this cost will not be incurred until FY 2003.

ASSUMPTION (continued)

The Committee will be required by the Division of Professional Registration and the Department of Economic Development to reimburse the agencies for their share of administration costs based on the percentage of licensees served. The 3,000 licensees added by this proposal will be .95% of the licensees served by the Division, and will result in total reimbursements from the fund of \$20,224. **Oversight** assumes this cost will not be realized until FY 2003.

This bill provides for the licensure of baccalaureate social workers. Officials with the **Office of the Secretary of State** assume the State Committee for Social Workers will promulgate rules to implement this bill. Based on experience with other divisions, the rules, regulations and forms issued by the State Committee for Social Workers could require as many as 14 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register in the Code because cost statements, fiscal notes and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23.00. The estimated cost of a page in the Code of State Regulations is \$27.00. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

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 appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

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. Specifically, 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, DOS assumes 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 the Division of Family Services, Division of Youth Services, and Division of Aging who did not meet the requirements and could not obtain licenses would have to be dismissed. Salaries would

ASSUMPTION (continued)

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.

Officials with the **Office of the State Courts Administrator** and the **Office of Administration—Administrative Hearing Commission** assume the proposal will have no fiscal impact on their agencies.

Officials from the **Office of the Attorney General** did not respond to our fiscal note request. **Oversight** assumes no fiscal impact to the Office. Officials from the **Department of Mental Health** responded to similar previous legislation that the proposal would have no effect on the agency.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
PR FEES FUND			
<u>Income—DPR</u>			
Reimbursement by Social Work Fund	\$0	\$0	\$232,095
<u>Costs—DPR</u>			
Personal Service (1.5 FTE)	\$0	(\$42,951)	(\$43,899)
Fringe Benefits	\$0	(\$12,636)	(\$12,952)
Expense & Equipment	\$0	(\$34,842)	(\$24,932)
Other Costs/AGO Costs	\$0	(\$29,499)	(\$30,384)
<u>Total Costs—DPR</u>	\$0	(\$119,928)	(\$112,167)
ESTIMATED NET EFFECT TO PR FEES FUND	<u>\$0</u>	<u>(\$119,928)</u>	<u>\$119,928</u>
CLINICAL SOCIAL WORKERS FUND			
<u>Income—DPR</u>			
Licensure/Renewal Fees	\$0	\$300,000	\$9,000
<u>Costs—DPR</u>			
Transfer to PR Fees Fund	\$0	\$0	(\$232,095)
ESTIMATED NET EFFECT TO CLINICAL SOCIAL WORKERS FUND	<u>\$0</u>	<u>\$300,000</u>	<u>(\$223,095)</u>

FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

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

- (1) Requires applicants for licensure to achieve a passing score on an examination approved by the State Committee for Social Work;
- (2) Gives the committee the authority to require continuing education as a prerequisite for license renewal;
- (3) Increases the number of members on the committee from seven to nine, to include two baccalaureate social workers;
- (4) Sets a per diem rate for committee members of not more than \$75;
- (5) Prohibits anyone from using the title of "baccalaureate social worker" unless duly licensed;
- (6) Allows baccalaureate social workers to engage in psychosocial 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;
- (7) Contains provisions regarding license application, license renewal, licensing fees, provisional licenses, reciprocity, and continuing education;
- (8) 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;
- (9) Makes licenses valid for 2 years;

DESCRIPTION(continued)

(10) 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;

(11) 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;

(12) Exempts persons or agencies who report information to the committee regarding licensees, and who do so in good faith, from actions for civil damages; and

(13) 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.

SOURCES OF INFORMATION

Department of Economic Development
Division of Professional Registration
Office of the Secretary of State
Department of Social Services
Office of Administration
Administrative Hearing Commission
Office of State Courts Administrator

NOT RESPONDING

Office of the Attorney General
Department of Mental Health



Jeanne Jarrett, CPA
Director

February 14, 2001