

Fiscal Note

BILL # SB 1036

TITLE: social work compact

SPONSOR: Shope

STATUS: As Amended by Senate HHS

PREPARED BY: Mitch Wenzel

Description

The bill would adopt the Social Work Licensure Compact, which would permit licensed social workers in Arizona to obtain a multi-state licensure in other participating states. The bill would establish the Social Work Licensure Compact Commission, which would appoint a delegate from Arizona for the compact's national administrative body.

Estimated Impact

We estimate that the bill would increase social worker licensing applications, which would result in additional operating costs for the Board of Behavioral Health Examiners (BHE). Based on information provided in the board's FY 2025 budget request, we anticipate that the board would utilize 2 FTE Positions at a cost of \$103,000. Of this amount, \$10,000 would be one-time. We expect new applicant fees collected by the board would be sufficient to fund any increase.

The board estimates the compact could initially reduce the agency's licensing revenues if the fee charged to compact licensees is lower than the fee currently charged to out-of-state applicants. The board expects an overall minimal revenue impact once the compact is established and additional licenses are approved.

Current law requires 10% of licensing revenues to be deposited in the General Fund. We cannot determine the magnitude of this impact in advance.

Analysis

BHE currently licenses, maintains records, and investigates cases of malpractice against social workers practicing in Arizona. In 2023, the board reported 7,438 active social worker licensees. Active practitioners are required to renew their license every two years, which includes a fee of \$325. New applicants pay a fee of \$250 for initial licensure. The agency retains 90% of generated revenues to fund operating costs and deposits 10% into the General Fund.

Staffing

BHE's FY 2025 budget request states that additional personnel would be necessary to assist in processing compact applications, serve as the point of contact for communications, and manage data of the compact's interstate information system. The board requested 4 FTE Positions to serve as Administrative Assistants at a cost of \$51,500 each, or \$206,000 total, from the board's fund. Of this amount, \$186,000 would be ongoing and \$20,000 would be one-time for equipment purchases. The board stated that the additional positions would support both the social worker compact and a proposed Licensed Professional Counselor (LPC) compact. Based on the current number of LPC and Social Work licenses in Arizona, we assume 2 of the requested FTE Positions would support the social worker compact.

The bill would allow BHE to charge fees to compact applicants. We assume the fees charged to applicants would be sufficient to fund increased operating costs associated with any increase in workload.

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To the extent that the bill incentivizes social workers currently licensed in Arizona to be licensed in another compact state, the board could lose revenue. We cannot determine the magnitude of this impact in advance.

Compact Commission

The Compact establishes the Social Work Licensure Compact Commission as a joint government agency comprising all member states. The Commission plays a role in coordinating and overseeing the implementation of the Compact among member states, managing financial aspects, ensuring transparency, and providing liability protection for its members and officers. Arizona would choose a delegate to serve on the Commission. Additional operating costs may be necessary for travel, lodging, and meals for the delegate to attend commission meetings. We do not anticipate that these costs would be significant.

Local Government Impact

None

2/19/24