

Fiscal Note

BILL # SB 1173

TITLE: licensed professional counselors; compact

SPONSOR: Gowan

STATUS: As Introduced

PREPARED BY: Mitch Wenzel

Description

The bill would adopt the Licensed Professional Counselor Compact, which would permit licensed professional counselors (LPC) to obtain multi-state licensure in other participating compact states. In addition, the bill would establish the Counseling 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 LPC 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 regulates LPCs practicing in Arizona. In 2023, the board reported 7,323 active LPC 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 LPC compact and a proposed Social Work 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 LPC compact. The FY 2025 Executive Budget would fund these positions.

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 LPCs 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

As a member of the compact, Arizona would choose a delegate as part of the compact's national administrative body called the Counseling Compact Commission. According to the Counseling Compact's most recent annual report, the National Board of Certified Counselors has offered to cover the travel/lodging expenses for state delegates at the annual meeting if held in conjunction with the annual Counseling Summit. However, additional operating costs would likely be necessary for travel, lodging, and meals for the delegate to attend commission meetings. We do not anticipate that these costs would be significant.

According to the Counseling Compact's most recent annual report, the Commission is authorized to charge fees to Compact member states. The Commission has not yet determined if there will be an annual state assessment fee, which may increase operational costs if implemented. The compact is currently funded by the American Counseling Association and the National Board of Certified Counselors.

Local Government Impact

None

2/16/24