

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1858-01  
Bill No.: SB 489  
Subject: Licenses–Professional; Department of Economic Development;  
 Department of Social Services  
Type: Original  
Date: March 5, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
PR Fees Fund	\$0	(\$119,928)	\$119,928
Clinical Social Workers Fund	\$0	\$300,000	(\$223,095)
Various Board Funds	\$0	\$20,447	\$21,060)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$200,519</b>	<b>(\$82,107)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
<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 2002	FY 2003	FY 2004
<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.

**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.

ASSUMPTION (continued)

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.

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 offset expenses paid by other board funds, and will be realized beginning in 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

ASSUMPTION (continued)

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 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 Attorney General**, the **Department of Mental Health**, 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.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>PR FEES FUND</b>			
<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	<u>\$0</u>	<u>(\$29,499)</u>	<u>(\$30,384)</u>
<u>Total Costs–DPR</u>	\$0	(\$119,928)	(\$112,167)
<b>ESTIMATED NET EFFECT TO</b>			
<b>PR FEES FUND</b>	<b><u>\$0</u></b>	<b><u>(\$119,928)</u></b>	<b><u>\$119,928</u></b>
<b>CLINICAL SOCIAL WORKERS FUND</b>			
<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)

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>ESTIMATED NET EFFECT TO CLINICAL SOCIAL WORKERS FUND VARIOUS BOARD FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$300,000</u></b>	<b><u>(\$223,095)</u></b>
<u>Savings—DPR</u>			
Other Fund Costs	<b><u>\$0</u></b>	<b><u>\$20,447</u></b>	<b><u>\$21,060</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2002 (10 Mo.)	 FY 2003	 FY 2004
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This act creates licensure provisions for baccalaureate social workers (BSWs) and modifies licensure for clinical social workers (CSWs).

This act requires CSWs to pass an examination in addition to current requirements. The State Committee for Social Workers may require continuing education as a condition of license renewal. The Committee will consist of nine members, rather than seven, and will now include two licensed BSWs. Each member will receive a per diem payment of no more than seventy dollars and will be reimbursed for actual and necessary expenses. (Sections 337.615 - 337.618).

Definitions relating to the licensure of BSWs are provided and a description of common BSW tasks is also provided. Licensed BSWs may not engage in the practice of clinical social work. No BSW provisions shall require any organization to hire a BSW. (Section 337.650 - 337.659).

Application procedures for licensure are provided. The Committee must send renewal notices to each licensee and failure to provide the Committee with the required information or fees will result in a license revocation. The license will be restored if, within two years, the information and fees are provided. (Section 337.662).

DESCRIPTION (continued)

The act outlines the information required of BSW applicants. This includes a degree, passage of an exam, 3000 practice hours, written application, and fees. Reciprocity may be granted to any person holding a license from another state with substantially similar requirements. A provisional BSW license may be issued to those who have not yet completed the required practice hours. Each license will be issued for a term of 2 to 4 years. All licensees must complete 15 hours of continuing education each year in order to renew. Temporary permits to practice may be issued under extenuating circumstances. (Sections 337.665 - 337.671).

No part of this section, Chapter 354, or Chapter 375 will be construed to mandate insurance benefits or 3d-party reimbursement for BSW services. The Committee may establish rules. (Sections 337.674 - 337.677).

Reasons the Committee may refuse to issue or renew any license are provided. The applicant must be notified in writing of the refusal and of his or her right to request an administrative hearing. Anyone reporting an applicant's wrongdoing is exempt from liability. The Committee may place the applicant on probation for up to five years and may suspend or revoke a license for up to three years. (Section 337.680).

Violation of these sections is a Class B misdemeanor. The Department of Economic Development may sue and may request an injunction against a person violating these sections. No information about clients may be disclosed, except in specified circumstances. These sections do not prohibit persons licensed as a BSW from testifying in court regarding social work matters or from consulting professional colleagues or supervisors for their clients. (Sections 337.683 - 337.689).

This act is substantially similar to HB 314 (2001). This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

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

#### SOURCES OF INFORMATION (continued)

Office of State Courts Administrator

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Office of Prosecution Service  
Office of State Public Defender

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA  
Director

March 5, 2001