

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6404**

**BILL NUMBER: SB 110**

**NOTE PREPARED: Dec 13, 2023**

**BILL AMENDED:**

**SUBJECT:** Social Work Licensure Compact.

**FIRST AUTHOR:** Sen. Crider

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:  GENERAL  
 DEDICATED  
 FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill establishes the Social Work Licensure (SWL) Compact.

**Effective Date:** July 1, 2024.

**Explanation of State Expenditures:** *Summary*– Joining the SWL Compact would increase the workload of the Professional Licensing Agency (PLA) and the Board of Behavioral Health and Human Services Licensing Board (BHHS Board) beyond routine administrative functions. Implementation of the SWL Compact is expected to require between \$30,800 and \$52,800 in staffing costs in FY 2025, assuming the compact will have enough member states to begin operation. After implementation, the PLA would incur between \$8,800 and \$20,200 in ongoing annual operating expenses related to administering the Compact.

[The dates assume joining the SWL Compact beginning in FY 2025. The SWL compact does not yet have seven member states. Currently, there is one member state and seven states that have pending legislation to join the SWL Compact.]

PLA operating expenses are paid from state General Fund appropriations. The following table provides a breakdown of estimated initial and ongoing expenditures required for the State to join the SWL Compact.

<b>Estimated PLA Expenditures for the Social Work Licensure Compact</b>				
<b>Expense</b>	<b>FY 2025<sup>^</sup></b>		<b>FY 2026 &amp; Subsequent Years</b>	
	<u>Low Estimate</u>	<u>High Estimate</u>	<u>Low Estimate</u>	<u>High Estimate</u>
PLA & Behavioral Health Board Implementation Costs*	\$30,800	\$52,800	-	-
PLA & Behavioral Health Board Administrative Costs*	-	-	\$8,800	\$13,200
Delegate Travel**	-	-	\$0	\$1,000
Annual Assessment Fee***	-	-	\$0	\$6,000
<b>TOTAL</b>	<b>\$30,800</b>	<b>\$52,800</b>	<b>\$8,800</b>	<b>\$20,200</b>

<sup>^</sup>Assumes Indiana would join Compact in FY 2025  
\*Estimated salary cost of existing staff to complete the bill's requirements.  
\*\*Includes average costs for domestic airfare, lodging, meals, and ground transportation.  
\*\*\*Possible assessment fee range based on assessments of similar license compacts.

The Attorney General's Office and the BHHS Board would experience an increase in workload for investigatory and disciplinary procedures to the extent that complaints are made against out-of-state practitioners practicing in Indiana under the SWL Compact or Indiana licensees practicing in other states. The BHHS Board would also be required to pay any witness fees and travel expenses necessary to summon witnesses from other compact states for hearings held by the BHHS Board. The volume of such complaints and disciplinary actions is expected to be minimal.

*Commissioner Travel*— It is assumed that any travel required of Indiana's appointed delegate for Commission business would be at the expense of the PLA. However, the bill provides that the Commission must meet at least once per year and may meet by telecommunication, video conference, or other similar electronic means. Costs for Indiana's delegate to attend annual meetings are estimated between \$0 (if electronic meetings are held) and \$1,000 per year, based on recent domestic airfare and lodging costs.

*Uniform Data Set*— Upon joining the compact, the bill would require the PLA to submit a uniform database containing certain identifying, licensure, and disciplinary information to the Commission's coordinated database on all participating practitioners. Similar requirements were included in the authorization of the Nurse Licensure Compact, which was recently implemented by the PLA. The PLA reported costs of approximately \$130,000 for harmonizing its licensure database with the Nurse Licensure Compact's national database, an effort that was funded through a grant awarded by the Nurse Licensure Compact Commission. To the extent the PLA determines that the data sharing requirements of the compact necessitate similar customization of PLA's existing licensure database, similar information technology costs may be incurred.

Indiana, as a member state, would be required to monitor the database for determination if adverse action has been taken against any licensee or license applicant.

*Adverse Action:* The bill grants Indiana the authority to investigate and take adverse action against a social worker's compact privileges in Indiana. It is likely the Attorney General's Office and the BHHS Board would

be the state's advocates for investigating and taking adverse action. It is likely the Attorney General and the BHHS Board would conduct any investigations and take action within their existing staff and resource levels.

*Annual Compact Membership Fee*— A state membership fee has not yet been established, likely due to not enough members joining the Compact to date. The bill authorizes either a state fee, a compact license holder fee, or both to be established in order to fund Commission activities.

Currently, the Interstate Medical Licensure Compact Commission charges a service fee to each interstate license applicant. However, the Nursing Compact charges member states an annual fee of \$6,000. Therefore, the impact above assumes a minimum fee of \$0 to a maximum fee of \$6,000 that would be assessed, depending on what the SWL Compact governing body decides.

**Explanation of State Revenues: Summary** - If a significant number of out-of-state social workers holding Indiana licenses choose to forego Indiana license renewal for compact authorization to practice in Indiana, the bill could potentially result in a reduction in General Fund revenue from license fees estimated to total between \$21,400 and \$64,100 per biennium. However, the bill provides that member states may charge a fee for granting compact privileges. Therefore, Indiana could potentially recoup some or all of the potential lost revenue through compact privilege fees, depending on rules adopted by the Compact Commission relating to member state fees. Any revenue impact would not be expected until the fiscal year that compact privileges begin to be granted in Indiana (FY 2025 at the earliest).

*Additional Information* - The BHHS Board currently collects a biennial fee of \$50 for licensed social workers. A licensed social worker includes social workers, bachelors' social workers, and clinical social workers. In FY 2022 and FY 2023, it is estimated the BHHS Board collected approximately \$0.55 M in fees from licensed social workers. As of November 9, 2023, there were approximately 11,000 social workers with an active Indiana license. About 9,200 active licensed social workers (84%) had an in-state address. Estimates of possible revenue reduction assume between 25% and 75% of the out-of-state licensees would choose not to renew their Indiana licenses upon receiving compact privileges.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana General Assembly; Professional Licensing Agency; Board of Behavioral Health and Human Services Licensing Board; Attorney General.

**Local Agencies Affected:**

**Information Sources:** <https://swcompact.org/compact-map/>; PLA license search and verify tool; <https://www.imlcc.org/wp-content/uploads/2020/02/IMLCC-Rule-Chapter-3-Administrative-Rule-on-Fees-Amended-May-22-2017.pdf>; <https://www.ncsbn.org/public-files/FY21-NLCAnnualReport.pdf>.

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