

SF1445 - 0 - Interstate Compact for Professional Counselors

Chief Author: **Kelly Morrison**
 Committee: **Health And Human Services**
 Date Completed: **3/14/2024 9:20:29 PM**
 Agency: **Behavioral Health and Therapy Bd**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Health Related Boards	-	-	159	75	75
Total	-	-	159	75	75
Biennial Total			159		150

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Health Related Boards	-	-	1	1	1
Total	-	-	1	1	1

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Steve McDaniel **Date:** 3/14/2024 9:20:29 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026
					FY2027
Health Related Boards	-	-	159	75	75
Total	-	-	159	75	75
Biennial Total			159		150
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Health Related Boards	-	-	159	95	95
Total	-	-	159	95	95
Biennial Total			159		190
2 - Revenues, Transfers In*					
Health Related Boards	-	-	-	20	20
Total	-	-	-	20	20
Biennial Total			-		40

Bill Description

SF1445 establishes an interstate compact for licensed professional counselors. The Counseling Compact will allow licensed professional counselors to apply for a privilege to practice in all states that join the compact. This will eliminate the need for professional counselors to obtain a separate license in each state in which they wish to practice. The Counseling Compact establishes a coordinated process across member states to exchange information, including adverse actions, ensuring public protection across state lines.

Assumptions

This bill establishes an interstate licensed professional counselor compact agreement between the Minnesota Board of Behavioral Health and Therapy (Board) and the Interstate Compact Commission. The Board understands that the Counseling Compact has met the minimum number of member states to begin operations and is currently in the ruling writing process. The Board assumes it could start issuing compact privileges in fiscal year 2026.

The Board assumes that the establishment of the Counseling Compact will include one-time licensure database modifications and associated costs to manage and track information related to individuals applying for a compact privilege to practice. These IT costs will include the following:

- Costs associated with linking the Board's data systems to the Compact Commission's data systems and allowing those system to share data.
- Costs associated with establishing a new "license basis" within the Boards database.
- Costs associated with website modifications to reflect compact privilege holders and information for the public.
- Costs associated with creating the capacity to track details related to compact privilege holders including state of home licensure, complaint management, and adverse action monitoring.

The Board assumes it will impose a fee for issuance of a compact privilege to practice. The Board estimates receiving 200 applications for a compact privilege to practice per year. This is based on data related to recent reciprocity applications and requests to provide counseling services in Minnesota as a nonresident provider according to Minnesota Statutes section 148B.592, subdivision 5. Between July 1, 2022 and June 30, 2023, the Board received approximately 180 new reciprocity license applications and approximately 140 requests to provide services in Minnesota as a non-resident provider. The Board assumes some, but not all, out-of-state licensees and non-resident providers will elect to apply for the

compact privilege to practice instead of the reciprocity licensure or nonresident provider practice options.

The Board assumes there will be an annual member fee to participate in the Counseling Compact.

The Board assumes an Office and Administrative Specialist-Intermediate (OAS-I) will work to establish participation in and oversee the Counseling Compact program at the Board once established.

The Board assumes that a board member or staff member will represent the Board on the Compact Commission and that associated expenditures will be required, including per diem and travel costs.

The Board assumes one-time costs for sending notification of the Counseling Compact to its licensees and applicants via email, updating the Board's website, updating printed materials, and creation and distribution of education materials.

Currently, the Board collects sufficient revenue to cover the increased appropriation needed to establish and maintain this program without having to raise fees beyond the compact privilege fee. The Board assumes revenue will vary annually and increase incrementally to cover additional portions of the expenditures.

Expenditure and/or Revenue Formula

Expenditure Formula

Board of Behavioral Health and Therapy		FY25	FY26	FY27
Office and Administrative Specialist 1.0 FTE	\$90,443.65 per year based on salary/fringe calculations, including regular increases.	\$90,444	\$92,075	\$92,075
Board member or staff attendance at yearly meeting as delegate to the commission	Minimum of quarterly meeting participation with one time per year in person. Per diem of 3x \$75. In person participation includes per diem of 3x\$75 and travel costs including airfare, lodging, and meals.	\$3,000	\$3,000	\$3,000
IT related costs: ALIMS database; website modification	One-time costs to develop the compact privilege in the Boards database.	\$65,000	0	0
Costs associated with ongoing participation in the compact	The annual member fee has not been established. The ongoing costs are unknown.	unknown	unknown	unknown
Notification of licensees and related parties via email communication, distribution of educational materials	Estimated at \$1,000 (cost of materials, mailings, etc.)	\$1,000	-	-
Total Expenditures		\$159,444	\$95,075	\$95,075

Revenue Formula

Board of Behavioral Health and Therapy		FY25	FY26	FY27
Compact privilege fee, Board fee charged to those seeking a compact privilege in the State of MN	200 applicants for compact privileges annually at \$100 per application beginning in FY26		\$20,000	\$20,000

Long-Term Fiscal Considerations

The Board anticipates that, after initial startup, the fees collected for a compact privilege in the State of MN will help cover the costs of the Boards participation in the compact.

Local Fiscal Impact

References/Sources

Minnesota Statutes sections 148B.50 through 148B.71 (LPC/LPCC Statutes)

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MN.IT and LynMark Consulting; database contractor

The Minnesota Board of Behavioral Health and Therapy collaborated with the MN Board of Occupational Therapy, the MN Board of Physical Therapy, the MN Board of Dentistry, The MN Board of Medical Practice, and the MN Board of Social Work in formulating its assumptions and fiscal calculations for this bill.

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