

SF4076 - 0 - Social Work Interstate Compact

Chief Author: **Kelly Morrison**
 Committee: **Health And Human Services**
 Date Completed: **3/15/2024 1:39:18 PM**
 Agency: **Social Work Board**

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		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Health Related Boards	-	-	3	114	48	
Total	-	-	3	114	48	
Biennial Total			3		162	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Health Related Boards	-	-	-	1	1
Total	-	-	-	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:** 3/15/2024 1:39:18 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 Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Health Related Boards	-	-	3	114	48
Total	-	-	3	114	48
Biennial Total			3		162
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Health Related Boards	-	-	3	149	83
Total	-	-	3	149	83
Biennial Total			3		232
2 - Revenues, Transfers In*					
Health Related Boards	-	-	-	35	35
Total	-	-	-	35	35
Biennial Total			-		70

Bill Description

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SF4076/HF4049 establishes an interstate compact for Social Workers. The Social Work Licensure Interstate Compact will allow licensed social workers to apply for a multistate license to practice in all states that join the compact. This will eliminate the need for social workers to obtain a separate license in each state in which they want to practice. The compact establishes coordinated processes across member states for exchanging information and enacting disciplinary actions ensuring public protection across state lines.

Assumptions

The bill establishes an interstate social work compact agreement between the Board and the Interstate Compact Commission.

The State of Minnesota Board of Social Work (Board) understands that the compact has not met the minimum number of member states to begin operations.

The Board assumes that the establishment of a multistate license will include one-time licensure database (ALIMS) modifications and associated costs to manage and track information related to individuals applying for a multistate license. These IT costs will include but are not limited to:

- 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 “multistate license fee” within the Boards database.
- Costs associated with website modifications to reflect compact multistate license 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 multistate license to offset the costs of administering multistate license and any associated disciplinary action.

The Board assumes there will be an ongoing annual assessment fee to participate in the Compact.

The Board assumes the Executive Director and Assistant Executive Director will work to establish participation in the Compact and will oversee ongoing final approval/issuance of compact multistate licenses. Following start up, it is expected that the staff needed to run the compact program at the Board will be an Office and Administrative Specialist, intermediate role. This position will oversee the Boards part of the compact process.

The Board assumes that a board member or staff will represent the Minnesota Board on the compact commission and that associated expenditures will be required.

The Board assumes one-time costs for sending notification of the compact to its licensees and applicants via email, updating the Board’s website, and creation and distribution of education materials. Any additional notification costs will be absorbed.

Currently, the Board’s is collecting the maximum licensing fees allowed by statute. The Board will need to propose a fee increase to either its current licensing fees or create a multistate licensing fee structure to cover the increased appropriation needed to establish the multistate licensing compact. This fiscal note assumes that the multistate licensing fee will begin in FY26. The multistate licensing fee will be used to maintain the program. 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 Social Work		FY25	FY26	FY27
Office and Administrative Specialist 1.0 FTE	1.0 FTE per year based on salary/fringe calculations using position calculator with base pay of \$20.96	0	\$80,457 (with 5% increase from FY 25)	\$80,457
Board member or staff attendance at least one meeting or as set forth in the bylaws 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: ALIMIS database; website modification	One-time costs to develop the compact privilege in the Boards database. Ongoing maintenance will be absorbed by the board		\$65,000	
Costs associated with ongoing participation in the compact	Social Work Compact commission has not been established. Cost is unknown	Unknown	Unknown	Unknown
Notification of licensees and related parties via email communication, distribution of educational materials	Estimated at \$1,000	0	\$1,000	0
Total Expenditures		Est. \$3,000	Est. \$149,457	Est. \$83,457

Revenue Formula

Board of Social Work		FY25	FY26	FY27
Multistate license fee, Board fee charged to those seeking a compact multistate license in the State of MN	Bachelor level license fee \$50 and 100 applicants = \$5,000 Master level license fee \$100 and 300 applicants = \$30,000	0	Est. \$35,000	Est. \$35,000

Long-Term Fiscal Considerations

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

Local Fiscal Impact

No impact.

References/Sources

MN Board of Social Work Practice Act

Interstate Compact bill language

Lynmark Consulting; database vendor

MN.IT

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

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