



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

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## Fiscal Note

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### **H.543 – An act relating Vermont’s adoption of the Social Work Licensure Compact**

As Passed by the House of Representatives

#### **Bill Summary**

The bill proposes that the State adopt and enter into the Social Work Licensure Compact, which allows licensed independent clinical social workers (LICSWs) and licensed Master’s level social workers (LMSWs) residing in a compact member state to practice in other compact member states. At this time it is difficult to estimate what the revenue impacts would be if Vermont enters the Social Work Licensure Compact because it likely would not take effect until fiscal year 2026.

#### **Background and Details**

Like other interstate licensure compacts, the Social Work Licensure Compact establishes uniform requirements for a “compact license.” The model legislation for the compact was completed in February 2023. Interest in enacting the compact across states appears to be strong and is anticipated to grow quickly. To date, one state (Missouri) has already adopted the compact and 19 other states have legislation pending.<sup>1</sup> Once seven states have enacted legislation, a commission will form to draft the rules and regulations of the compact, including fees.

#### **Revenue Reductions**

Vermont renews Social Work licenses in January of even years for a fee of \$180. Revenues from license and application fees are deposited into the Professional Regulatory Fee Fund (21150). According to the Office of Professional Regulation (OPR), there are 1,761 LICSWs and 103 LMSWs licensed in Vermont. Of those, 529 LICSWs and 30 LMSWs reside outside Vermont. 60% of those non-resident LICSWs and LMSWs are from states that have either signed onto the Social Work Licensure Compact (Missouri) or have legislation pending. This number is likely to grow in the coming months.

While relatively new, it is anticipated that the compact could see quick adoption across the United States. As such, estimating the revenue impact is difficult at this time. If we were to make an assumption based on the states that have either already enacted the compact or have legislation pending (as of 1/9/23), the estimated biennial revenue impact from the loss of licensing fees would be \$40,320. To the extent more states introduce and enact legislation, the estimated revenue impact will increase. If all 559 non-resident LICSWs and LMSWs were from Social Work Licensure Compact member states, the total loss from license fees would be \$100,620.

<sup>1</sup> <https://swcompact.org/compact-map/>

**Estimated Licensing Revenue Impact from Loss of Fees - Biennial**

Compact Status	Licensing			Total
	LICSWs	LMSWs	Fee	
From Compact States (MO)	11	0	\$180	(\$1,980)
From States with Legislation Pending	201	12	\$180	(\$38,340)
<b>Subtotal</b>	<b>212</b>	<b>12</b>	<b>360</b>	<b>(\$40,320)</b>
From all other States	317	18	\$180	(\$60,300)
<b>Total</b>	<b>741</b>	<b>42</b>		<b>(\$100,620)</b>

OPR estimates it would also see an annual revenue reduction from the loss of initial application fees from out-of-state applicants from other compact states. Again, at this time only one state has enacted legislation. If every state with pending legislation were to enact the compact, revenue reductions would be \$4,320 annually. If every current non-resident applicant was from a compact state, total revenue reduction from the loss of application fees would be \$12,000 annually. Revenue losses would be incurred as soon as the State joins the compact.

**Compact Fees**

States often pay an annual fee to participate in interstate compact. The fee is usually nominal and set annually by the Compact Commission. Given that a commission has yet to be formed, it is not yet known if there will be a fee.

Additionally, unlike other interstate licensure compacts, the Social Work Licensure Compact does not have state privilege fees.

**Other Considerations**

According to OPR, there will be costs to modify their licensing system to accommodate this change. Previous estimates for costs related to implementing other compacts were in the \$10,000 range.

**Summary**

- Currently, it is difficult to provide an accurate revenue loss estimate. Depending on how many states sign on to the compact, and when:
  - The revenue impact from the loss of licensing fees could range from \$40,000 to \$100,000 biennially. It will likely be on the lower end in the early years of the compact.
  - The estimated revenue impact from the loss of application fees could range from \$4,320 to \$12,000 annually. It will likely be on the lower end in the early years of the compact.
  - The first renewal after the effective date would be January 31, 2026. Given how new this compact is, it may not yet be operational when social workers renew in 2026.
- While there is no appropriation in the bill, OPR would incur approximately \$10,000 in expenses to implement this change.
- Vermont could pay a nominal fee to the Compact Commission after the State joins the compact.