



# VERMONT LEGISLATIVE Joint Fiscal Office

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## Fiscal Note

3/20/2023

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### **H.282 – An act relating to the Psychology Interjurisdictional Compact**

As recommended by the House Committee on Health Care, *Draft 1.2*<sup>1</sup>

#### **Bill Summary**

The bill proposes the State adopt and enter into the Psychology Interjurisdictional Compact (PSYPACT), which allows licensed psychologists residing in a compact member state to practice in other compact member states. Entering the PSYPACT would result in an estimated revenue reduction of approximately \$15,900 from the loss of licensing fees and approximately \$1,925 from the loss of application fees from out-of-state applicants from other compact states in fiscal year 2024. The State Board of Psychological Examiners would also be charged an annual fee based on the number of Vermont-based psychologists who join the compact, which is anticipated to be less than \$1,000 per year.

#### **Background and Details**

Like other interstate licensure compacts, the PSYPACT establishes uniform requirements for a “compact license.” There are currently 34 states participating in the PSYPACT and two more states (Michigan and Rhode Island) are anticipated to join by the end of July 2023.<sup>2</sup> The PSYPACT has been operational and open for applications since 2020.

#### **Revenue Reductions**

Vermont renews psychologist licenses in January of even years for a fee of \$150. 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 534 psychologists licensed in Vermont. Of those, 106 are from states that have signed onto the PSYPACT. OPR estimates it would see a revenue reduction of \$15,900 from the loss of licensing fees and approximately \$1,925 from the loss of application fees from out-of-state applicants from compact states in fiscal year 2024. Additional states joining the PSYPACT could further impact revenue; 6 other states currently have legislation pending regarding joining the compact.<sup>3</sup>

#### **Compact Fees**

Unlike other interstate compacts which allow member states to establish compact privilege fees (in

<sup>1</sup>[https://legislature.vermont.gov/Documents/2024/WorkGroups/House%20Health%20Care/Bills/H.282/Drafts,%20Amendments,%20and%20Legal%20Documents/H.282~Jennifer%20Carbee~House%20Committee%20on%20Health%20Care%20Committee%20Report%20\(9-0-1\)~3-17-2023.pdf](https://legislature.vermont.gov/Documents/2024/WorkGroups/House%20Health%20Care/Bills/H.282/Drafts,%20Amendments,%20and%20Legal%20Documents/H.282~Jennifer%20Carbee~House%20Committee%20on%20Health%20Care%20Committee%20Report%20(9-0-1)~3-17-2023.pdf)

<sup>2</sup> <https://psypact.org/mpage/psypactmap>

<sup>3</sup> <https://psypact.org/mpage/psypactmap>

addition to the commission fees applicants pay to join a compact), the PSYPACT does not allow for compact privilege fees. As such, member states do not receive any fees through the compact. Additionally, the PSYPACT assesses member states an annual \$10 fee per licensee who claims a member state as their home state. For instance, if 50 psychologists join the PSYPACT and claim Vermont as their home state, the PSYPACT would charge the State Board of Psychological Examiners a \$500 fee. The amount any state can pay is capped at \$6,000. While it is not known how many Vermont-based psychologists would join the compact, it is anticipated that Vermont would be assessed less than \$1,000 per year.

Finally, while current applications are done online, OPR will need to process compact applications manually, requiring significantly more staff time. OPR’s license platform could automate compact applications by building a compact-specific portal, but that would require additional financial resources.

## Summary

- The estimated revenue loss for fiscal year 2024 is approximately \$17,825.
  - Loss of licensing fees = \$15,900
  - Loss of application fees = \$1,925
- If more states join the PSYPACT, future revenue impacts will be greater.
- The State Board of Psychological Examiners will be charged an annual fee, which is anticipated to be less than \$1,000.
- More staff and/or IT resources could be needed at OPR to process fees received through this and other compacts.

Est. Out-of-state Applicants # <sup>1</sup>	Current Fee (When paid)	Est. Revenue Loss <sup>2</sup>	
		FY 2024	FY 2025
106	\$150 (Even Years)	(\$17,825)	

<sup>1</sup> Based on the current number of Vermont licensees from States that have signed onto compact.

<sup>2</sup> Licenses are renewed on 2-year cycles.

## Other considerations

Currently, there are three other bills that have passed the House related to adopting interstate licensure compacts which would result in revenue losses to OPR:

- H.62 – An act relating to the Interstate Counseling Compact
- H.77 – An act relating to Vermont’s adoption of the Physical Therapy Licensure Compact
- H.86 – An act relating to Vermont’s adoption of the Audiology and Speech-Language Pathology Interstate Compact