



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

4/7/2023

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

As passed by the House Committee¹

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. Potential revenue losses due to reductions in application and renewal fees from applicants from other compact states would not be felt until FY 2026. 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 once the compact became effective in FY 2025.

Sec. 1 – Psychology Interjurisdictional Compact

Like other interstate licensure compacts, the PSYPACT establishes uniform requirements for a “compact license.” There are currently 34 states in the PSYPACT. Two more states (Michigan and Rhode Island) will likely join by the end of July 2023.² The PSYPACT has been operational since 2020.

Revenue Reductions

According to OPR, there are 534 psychologists licensed in Vermont. Of those, 106 are from states that have signed onto the PSYPACT. Vermont renews psychology licenses in January of even years for a fee of \$150 so the next renewal would be January 2024. The effective date of this bill isn’t until July 1, 2024. As such, there would only be revenue losses (from application and license fees) in FY 2024 to the extent out-of-state applicants forgo renewing in January 2024 in anticipation of purchasing a compact license later in the year instead. Nonetheless, the fiscal impact for FY 2024 is anticipated to be minimal. The impact could be larger – approximately \$18,000 based on the current fee structure – in FY 2026 when licenses are renewed again. Additional states joining the PSYPACT could further impact revenues in out-years; 6 other states currently have legislation pending regarding joining the compact.³

Compact Fees

Unlike other interstate compacts, which allow member states to establish compact privilege fees (in 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 revenue from compact licenses.

¹ <https://legislature.vermont.gov/bill/status/2024/H.282>. As of 4/7/2023, the bill as passed the House had yet to be posted.

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

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

Additionally, the PSYPACT charges member states an annual \$10 fee per licensee who claims a member state as their home state. The annual fee 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 once the compact became effective in FY 2025.

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

- Estimated revenue loss for FY 2024 would be minimal.
- The State Board of Psychological Examiners will be charged an annual fee, which is anticipated to be less than \$1,000 once the compact became effective in FY 2025.
- More staff and/or IT resources could be needed at OPR to process fees received through this and other compacts.

Other Considerations

Currently, three other bills relating to interstate licensure compacts have passed the House. Each of these 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