



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

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**Fiscal Note**

3/30/2023

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## **H.62 – An Act Relating to the Interstate Counseling Compact**

As Passed by the House<sup>1</sup>

### **Bill Summary**

The bill proposes the State adopt the interstate Counseling Compact, which would allow professional counselors licensed and residing in a compact member state to practice in other compact member states without need for multiple licenses. Entering the compact would result in an estimated revenue reduction of approximately \$50,800 from the loss of licensing fees and \$4,000 from the loss of application fees from out-of-state applicants from compact states in FY 2025. The bill would also establish a biennial \$50 privilege to practice fee which would offset revenue losses by an estimated \$12,700.

### **Background and Details**

The compact was developed by the Council of State Governments (CSG) and its National Center for Interstate Compacts. Like all interstate licensure compacts, the Counseling Compact establishes uniform requirements for a “compact license.” The compact would be an additional licensing option for counselors. Applicants who do not qualify or do not want the compact license would still be able to apply for a single-state Vermont license. The compact has been adopted by at least 16 states so far, including New Hampshire and Maine. Compact licenses are expected to be available in late 2023 or early 2024.

### **Revenue Reductions**

Vermont licenses for clinical mental health counselors are renewed in January of odd years for a fee of \$200. Revenues from license and application fees are deposited into the Professional Regulatory Fee Fund (21150). Since licenses were renewed in January 2023, no significant revenue loss will occur until January 2025. According to the Office of Professional Regulations (OPR), there are 1,566 licensed clinical mental health counselors (LCMHCs) in Vermont. Of those LCMHCs, 59% (929) are Vermont residents while 16% (254) are from states that have signed onto the compact. OPR estimates it would see a revenue reduction of \$50,800 from the loss of licensing fees and \$4,000 from the loss of application fees from out-of-state applicants from compact states in FY 2025. Additional compact member states could further impact revenue; according to the National Center for Interstate Compacts, at least 13 other states currently have legislation pending regarding joining the compact.<sup>2</sup>

<sup>1</sup> <https://legislature.vermont.gov/Documents/2024/Docs/BILLS/H-0062/H-0062%20As%20Passed%20by%20the%20House%20Unofficial.pdf>

<sup>2</sup> National Center for Interstate Compacts, Compact Map. <https://counselingcompact.org/map/>

### Compact Fees

The fee to purchase Compact privileges varies state to state. Applicants will pay a compact commission fee and an optional state fee charged for each state compact privilege. The bill would establish a biennial \$50 privilege to practice fee in Vermont. This would offset some of the revenue losses by an estimated \$12,700.

Additionally, while current state applications are done on-line via licensing software, compact applications have to be manually pushed through OPR’s system requiring significantly more staff time. While OPR’s license platform could automate compact applications by building a compact-specific portal through which partnering compact organizations could upload applications into OPR’s system, this could be expensive and require additional financial resources.

### Summary

- There will be little to no fiscal impacts in FY 2024.
- The estimated revenue loss for FY 2025 is approximately \$54,800.
  - Loss of licensing fees = \$50,800
  - Loss of application fees = \$4,000
- The biennial \$50 privilege fee would offset revenue losses by \$12,700.
- If more states join the compact between now and January 2025, revenue impact will be greater.
- 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>		\$50 Privilege Fee	Est. Revenue Loss w/ Fee
		FY 2024	FY 2025		
254	\$200 (Odd Years)		(\$54,800)	\$12,700	(\$42,100)

<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 two other bills related to adopting interstate licensure compacts, that have passed the House to date, which would result in further revenue losses to the Office of Professional Regulations.
  - 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