

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** H.B. 1069 Committee Substitute

**SHORT TITLE:** Social Work Licensure

**SPONSOR(S):** Rep. Martha Alexander

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 1999-00</u></b>	<b><u>FY 2000-01</u></b>	<b><u>FY 2001-02</u></b>	<b><u>FY 2002-03</u></b>	<b><u>FY 2003-04</u></b>
<b>REVENUES</b>					
<b>General Fund</b>			<b>* No General Fund Impact *</b>		
<b>Social Work Board</b>	<b>\$120,175</b>	<b>84,097</b>	<b>384,715</b>	<b>204,209</b>	<b>414,828</b>
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>	<b>North Carolina Certification Board for Social Workers.</b>				
<b>EFFECTIVE DATE:</b>	<b>July 1, 1999.</b>				

**BILL SUMMARY:** The legislation makes several changes to the fee schedule and clarifies disciplinary procedures for social workers. It reclassifies certified clinical social workers as licensed clinical social workers. It also modifies the existing social work licensure fee schedule, and introduces new fees.

**ASSUMPTIONS AND METHODOLOGY:** The North Carolina certification program for social workers, and the associated fees, was established in 1982. The fees have not changed since that time. In 1993 certification became mandatory for clinical social workers. Previously certification was voluntary. According to Board members, this change dramatically increased the workload of the Board. In 1996-97 the Board provided 570 clinical social work renewal certifications (CCSW). In the following fiscal year the Board offered 1630 clinical social work renewal certifications. These certifications, as well as all other certifications offered by the board, must be renewed every two years. The board charges the maximum fee of \$50.00. Previous renewal revenue for clinical social workers is as follows:

Year	Clinical Social Worker Cert.	Revenue
1996-97	576	28,800
1997-98	1639	81,950

Based on the last four fiscal years, the Board believes 10% is a reasonable growth rate for the number of clinical social workers over the next five fiscal years. The legislation authorizes the Board to increase the fee to a maximum of \$200.00 for this group. However, they anticipate moving gradually to that level. They expect to charge approximately \$100.00 for clinical renewals in FY 1999-00, and \$125.00 in FY 00-01. No Board decision has been made about fees in the out years. Assuming the board charges \$100.00 in FY 1999-00, \$125.00 in FY 2000-01, and the maximum of \$200 in future years, the expected revenue from clinical renewals is as follows:

Year	Clinical Social Worker Cert.	Revenue @ \$50	New Revenue Levels	Change
1999-00	1803	90,145	180,290	90,145
2000-01	697	34,848	87,120	52,272
2001-02	1983	99,160	396,638	297,479
2002-03	767	38,333	153,331	114,998
2003-04	2182	109,075	436,302	327,226

(Note: These estimates, and the historical figures, assume both the clinical and provisional clinical social work certifications are raised to the levels indicated above).

The Board also certifies several other related types of social work professionals like social work managers and clinical workers with Masters' degrees. The bill also authorizes an increase in these fees. These certifications must also be renewed every two years. The board currently charges approximately \$50.00 for each of these certifications. The Board anticipates increasing these fees to between \$55 and \$100 in FY 1999-00, and between \$60 and \$125 in FY 2000-01. In 1996-97 there were 177 individuals in these categories combined. In 1997-98 that number increased to 310. The board anticipates there will be 245 individuals in these categories in FY 1999-00, and 243 in FY 2000-01. The number of each type of certificate, the anticipated fee, and the associated revenue increase, is as follows:

	FY 1999-00				FY 2000-01			
	Certif.	New Fee	Revenue	Increase	Certif.	New Fee	Revenue	Increase
Social Work Managers	28	100	\$ 2,800	<b>1,400</b>	23	125	\$ 2,875	<b>1,725</b>
Master Social Work	83	65	\$ 5,395	<b>1,245</b>	79	75	\$ 5,925	<b>1,975</b>
Social Worker	134	55	\$ 7,370	<b>670</b>	141	60	\$ 8,460	<b>1,410</b>
<b>TOTAL</b>	<b>245</b>	<b>220</b>	<b>15565</b>	<b>3,315</b>	<b>243</b>	<b>260</b>	<b>17260</b>	<b>5,110</b>

Fiscal Research assumes these numbers will increase by 10% in the out years. (Because of the cyclical nature of certification the increase is staggered). The five-year revenue estimate for this portion of the bill is as follows:

	Revenue Increase
FY 1999-00	3,315
FY 2000-01	5,110
FY 2001-02	3,647
FY 2002-03	5,621
FY 2003-04	4,011

The bill also authorizes a fee increase for initial applications. Currently the board charges \$50.00. Under the legislation the board can increase the fee to as much as \$200.00. The Board believes they will charge \$100 for the first two years. Last year the board drew approximately \$28,125 from initial application fees. If the fee were increased to \$100, the Board would see an additional \$28,125 in annual revenue. If the board charges the maximum in the out years they would see an increase of approximately \$85,000 annually.

The legislation also lowers the administrative fee associated with the national written exam. Under current law the board charges \$50.00 plus the actual cost of the test instrument. The bill lowers that amount to \$40.00, plus test cost. The Board believes this reduction more accurately reflects the actual administrative expense. In 1997-98, 241 individuals paid an examination fee. No significant change is expected in the number of tests given. Therefore, the board will lose approximately \$2,410 as a result of this provision.

The bill establishes a \$25.00 fee for temporary and duplicate licenses and certificates, and a \$200.00 fee for reinstatement. The Board expects the revenue from these changes to be insignificant, but feels such provisions are necessary to clarify the law. This fiscal note assumes \$1,000 in revenue from these provisions.

According to Board members, the revenue from increased fees will be used to establish an office with a professionally trained director and support staff. They note that full time staff is needed to provide professional training and support for social workers and appropriate record keeping. They believe the renewal fees in the bill are in line with those charged by similar professional boards in North Carolina.

The total net change in revenue as a result of the bill is as follows:

	1999-00	2000-01	2001-02*	2002-03*	2003-04*
CCSW Renewals	90,145	52,272	297,479	114,998	327,226
Other Renewals	3,315	5,110	3,647	5,621	4,011
Initial Applications	28,125	28,125	85,000	85,000	85,000
Exams	(2,410)	(2,410)	(2,410)	(2,410)	(2,410)
Other Provisions	1,000	1,000	1,000	1,000	1,000
<b>TOTAL</b>	<b>120,175</b>	<b>84,097</b>	<b>384,715</b>	<b>204,209</b>	<b>414,828</b>

\* Because the Board has yet to determine the fee levels for FY 2001-02 and later years, the note assumes they charge the maximum allowed in the out years.

**NOTE:** While certification is required for all clinical social workers, this requirement was temporarily waived for government employees. The waiver expired on January 1, 1999. As a result, some of the renewal costs may be transferred to county governments that pay for their employees' certification. However, Board representatives believe this number will be small. Neither the Board nor Fiscal Research is aware of any state payment for employee certification. If the state does not pay for its employees' certification renewals, there is no general fund impact.

**FISCAL RESEARCH DIVISION 733-4910**  
**PREPARED BY:** Linda Struyk Millsaps

**APPROVED BY:** Tom Covington

**DATE:** Thursday, May 27, 1999



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