

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6465**

**BILL NUMBER:** SB 160

**NOTE PREPARED:** Apr 4, 2023

**BILL AMENDED:** Apr 4, 2023

**SUBJECT:** Professional Counselors Licensure Compact.

**FIRST AUTHOR:** Sen. Crider

**FIRST SPONSOR:** Rep. Vermilion

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill requires the Behavioral Health and Human Services (BHHS) Licensing Board to administer the Professional Counselors Licensure Compact (Compact). The bill adopts the Compact. The bill sets forth requirements of a member state. The bill sets forth the duties and authority of the Counseling Compact Commission (CCC). The bill allows a counselor in a home state to practice via telehealth in a member state. The bill allows each member state to have one delegate on the CCC. The bill establishes the procedure to withdraw from the Compact. The bill makes conforming changes.

**Effective Date:** July 1, 2023.

**Explanation of State Expenditures:** *Summary*— Joining the Compact would increase the workload of the Professional Licensing Agency (PLA) and the BHHS Licensing Board beyond routine administrative functions. Implementation of the Compact is expected to require between \$24,800 and \$42,200 in staff salary costs in FY 2024. After implementation, the PLA would likely incur between \$7,370 and \$17,800 in ongoing annual operating expenses related to administering the Compact. The PLA operating expenses are paid from state General Fund appropriations.

Additionally, the Attorney General’s Office and the BHHS Licensing Board could experience an increase in workload for investigatory and disciplinary procedures to the extent that complaints are made against out-of-state practitioners practicing in Indiana under the compact or Indiana licensees practicing in other states. The BHHS Licensing Board would also be required to pay any witness fees and travel expenses necessary to summon witnesses from other compact states for hearings held by the BHHS Licensing Board. The volume of such complaints and disciplinary actions is expected to be minimal.

<b>Estimated PLA Expenditures for the Professional Counselors Licensure Compact</b>				
<b>Expense</b>	<b>FY 2024</b>		<b>FY 2025 &amp; Subsequent Years</b>	
	<u>Low Estimate</u>	<u>High Estimate</u>	<u>Low Estimate</u>	<u>High Estimate</u>
PLA & BHHS Licensing Board Implementation Costs*	\$24,800	\$42,200	-	-
PLA & BHHS Licensing Board Ongoing Administrative Costs*	-	-	\$6,800	\$10,300
Delegate Travel**			\$570	\$1,500
Annual Assessment Fee***	-	-	\$0	\$6,000
<b>TOTAL</b>	<b>\$24,800</b>	<b>\$42,200</b>	<b>\$7,370</b>	<b>\$17,800</b>

\*Estimated salary cost of existing staff to complete the bill's requirements.  
\*\*Includes average costs for domestic airfare, lodging, meals, and ground transportation.  
\*\*\*Possible assessment fee range based on assessments of similar license compacts.

*Additional Information* - The Professional Counselors Licensure Compact is a multi-state agreement that allows professional counselors licensed in a member state to obtain mutual recognition of their licenses in other member states through a single platform. Maryland and Georgia became the first states to adopt the Professional Counselors Licensure Compact legislation in 2021, with Delaware joining on August 4, 2022. The Compact currently has 17 members.

*PLA Workload*– The PLA would likely dedicate a significant amount of staff time toward adopting rules relating to the Compact, facilitating data sharing with the CCC, educating license holders about the Compact, and other planning activities in FY 2024. Salary costs associated with this workload are estimated between \$24,800 and \$42,200 based on current PLA staff salaries for the various employee types likely to be involved and across a range of total hours that may be spent on compact implementation. Ongoing workload for functions such as verifying licensure for Compact applicants, submitting investigative and disciplinary information to the Compact database, and providing staff support for Indiana’s Compact Commissioner is estimated to require between \$6,800 and \$10,300 in salary cost per year.

*Commission Membership*– The CCC is a joint public agency made up of one delegate from each compact state. The BHHS Licensing Board would appoint a current committee member or a PLA administrator as a voting delegate representing Indiana. The bill authorizes the CCC to levy an annual assessment on Indiana as a compact state. Among other health care licensure compacts currently established and authorized to levy annual assessments on member states, these fee amounts range between \$0 and \$6,000 per year.

*Commissioner Travel*– Although the bill provides that the CCC would be required to provide payment for the expenses of its ongoing activities, it also specifies that member states must provide for their delegates to attend all meetings. Therefore, it is assumed that any travel required of Indiana’s appointed delegate for CCC business would be at the expense of the PLA. The bill requires the CCC to meet at least once per year. Costs for Indiana’s delegate to attend annual meetings are estimated between \$570 and \$1,500 per year, based on recent domestic airfare and lodging costs.

*Uniform Data Set*– Upon joining the Compact, the bill would require the BHHS Licensing Board to submit a uniform data set containing certain identifying, licensure, and disciplinary information to the CCC’s coordinated database on all participating practitioners. Similar requirements were included in the authorization of the Nurse Licensure Compact, which was recently implemented by the PLA. The PLA reported costs of approximately \$130,000 for harmonizing its license database with the Nurse Licensure Compact’s national database, an effort that was funded through a grant awarded by the Nurse Licensure Compact Commission. To the extent that the PLA determines that the data sharing requirements of the Compact necessitate similar customization of PLA’s existing licensure database, similar information technology costs may be incurred. However, the bill states that the CCC is responsible for the development and maintenance of the coordinated database and does not expressly require the harmonization of states’ databases with the CCC’s database. It is unknown whether the CCC will offer funding for this type of project.

*Adverse Action*– The bill grants the BHHS Licensing Board and the Attorney General’s Office authority to investigate and take adverse action against a professional counselor’s compact privileges in Indiana. Additionally, the bill requires the BHHS Licensing Board and Attorney General’s Office to give the same priority for taking investigatory and disciplinary action related to conduct of Indiana licensees reported by other member states as they would if the conduct had occurred in Indiana. The bill also requires the BHHS Licensing Board and the Attorney General’s Office to complete any pending investigations of professional counselors who change their primary state of residence during the investigation. The BHHS Licensing Board would be required to report to the compact data system any adverse actions taken against Indiana compact privilege holders or distant state practitioners practicing in Indiana. The bill allows for member states to recover from the affected professional counselor the costs of investigations and disposition of cases resulting from adverse actions.

**Explanation of State Revenues: Summary** - If a significant number of out-of-state professional counselors who hold Indiana licenses choose to forego license renewal for compact authorization to practice in Indiana, the bill could potentially result in a reduction in state General Fund revenue from license fees by an amount estimated between \$14,800 and \$44,400 per biennium. However, the bill provides that member states may charge a fee for granting compact privileges. Therefore, the BHHS Licensing Board could potentially recoup some or all of this lost revenue through compact privilege fees, depending on rules adopted by the CCC relating to member state fees. Any revenue impact would not be expected until the fiscal year that compact privileges begin to be granted in Indiana . [Approximately 84% of BHHS license fee revenue is collected in even numbered years.]

*Additional Information* - The BHHS Licensing Board currently collects a biennial license fee of \$50 for all types of counselors’ licenses. In FY 2021 and FY 2022, the BHHS Licensing Board collected approximately \$1.2 M from license fees. As of June 30, 2022, there are 15,486 licensed mental health and addiction counselors, marriage and family therapists, and social workers physically located in Indiana with active Indiana licenses (not including temporary licenses). There are approximately 1,184 professional counselors with Indiana licenses that live outside of Indiana. Estimates of possible revenue reduction assume between 25% and 75% of the out-of-state licensees would choose not to renew their Indiana licenses upon receiving compact privileges.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Behavioral Health and Human Services Licensing Board, Professional Licensing Agency; Attorney General.

**Local Agencies Affected:**

**Information Sources:** Professional Licensing Agency license counts FY 2022; [Search and Verify Tool](#), Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations*, Fiscal Year 2021; <https://counselingcompact.org/delaware-enacts-counseling-compact/>; <https://www.transtats.bts.gov/averagefare/>

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