

Date of Hearing: May 14, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 427 (Jackson) – As Amended April 9, 2025

Policy Committee: Business and Professions
Judiciary

Vote: 16 - 0
12 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill ratifies and approves the Social Work Licensure Compact (compact), which authorizes member states to issue multistate licenses to applicants meeting specified education and experience requirements.

Under the compact, a multistate license authorizes the holder to practice in other member states. This bill requires the Board of Behavioral Sciences (Board) comply with the requirements of the compact and adopt regulations necessary to implement that compact. This bill becomes operative only if a majority of the Board has voted in favor of joining the compact and upon certification by the Director of Consumer Affairs.

FISCAL EFFECT:

The Board estimates costs of \$974,000 for six staff positions in fiscal year (FY) 2025-26, \$926,000 in FY 2026-27, and \$766,000 for five positions in FY 2027-28 and ongoing to process increases in applications, inquiries, audits, outreach, and reporting (Behavioral Sciences Fund). The Board also anticipates creating new rules, developing procedures and training, and promulgating regulations. In addition, the Board anticipates an increase in enforcement workload to investigate complaints, coordinate with other jurisdictions, and monitor the compact data systems for multi-state licensees. The Board expects licensing fees to defray the cost of licensing activities, but not necessarily enforcement costs.

The Board also estimates a potential loss in annual revenue of \$631,000 if current and potential Licensed Clinical Social Workers (LCSWs) pursue multistate licenses through states other than California, assuming half of the 3,700 licensees with out-of-state addresses choose to obtain licensure through the compact, in addition to the average of 560 new out-of-state licensees that would choose the compact (Behavioral Sciences Fund). Costs may be offset by increased revenue from LCSWs seeking multistate licenses with California as their home state, but the Board could not estimate the number of potential licensees and revenue per interstate license at this time.

The Department of Consumer Affairs, Office of Information Services (OIS) estimates absorbable costs of \$36,000 to make changes in its electronic licensing and enforcement system, among other things. OIS states implementation is contingent on the compact reaching seven member states.

COMMENTS:

- 1) **Purpose.** This bill is sponsored by the National Association of Social Workers. According to the author:

AB 427 will significantly enhance the ability of social workers to provide essential services across state lines. This compact is vital not only for professionals in the field but also for the countless individuals and families who rely on their expertise and support. It is a commitment to improving the social services landscape in California and beyond. By removing barriers and fostering greater mobility for social workers, we are investing in the well-being of our communities and reinforcing the foundation of support that so many depend on.

The author states the current licensing scheme has contributed to the underrepresentation of marginalized communities among licensed social workers, and this bill is intended to facilitate the ability of social workers to move and practice across state lines. By doing so, the bill would “allow for greater flexibility and [address] workforce shortages, especially in underserved areas.”

- 2) **Policy Issues.** The Assembly Business and Professions Committee analysis of this bill raises several policy issues for consideration. First, there are already pathways for out-of-state social workers to practice in California temporarily. The Board must expedite the licensure process for honorably discharged veterans, spouses, and domestic partners of active duty service members, and some active duty military members. An existing “licensure-by-credential” pathway offers a streamlined licensure process for all out-of-state social workers, regardless of military affiliation. Second, by joining the compact, California would delegate its existing authority to a multistate commission to determine and enforce licensing requirements. Third, the compact would enable out-of-state social workers whose qualifications might not meet California’s standards to provide services in California. The Business and Professions Committee notes that out-of-state licensees would not be required to pass the Board’s California laws and ethics exam, and some member states require less continuing education than California does.
- 3) **Prior Legislation.** In the 2023-24 Legislative Session, the Legislature considered, but did not approve, four multistate compacts: AB 2051 (Bonta; Psychology Interjurisdictional Compact), AB 2566 (Wilson; Counseling Compact), AB 3232 (Dahle; Nurse Licensure Compact), and AB 1328 (Gipson; Cosmetology Licensure Compact).

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