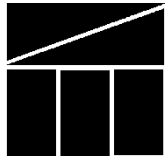


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes¹ Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget Economic Impact Analysis

18 VAC 140-20 Regulations Governing the Practice of Social Work
Virginia Department of Health Professions
Town Hall Action/Stage: 5389/8766
November 6, 2019

Summary of the Proposed Amendments to Regulation

The Board of Social Work (Board) proposes to amend 18 VAC 140-20 *Regulations Governing the Practice of Social Work* (regulation) in order to reduce the fees and remove the supervised experience requirements for “licensed baccalaureate social workers” (LBSW). The application fee would be reduced from \$115 to \$100, and the renewal fee would be reduced from \$65 to \$55. LBSW candidates are currently required to undergo 3,000 hours of supervised experience in order to qualify for licensure; this requirement would be entirely eliminated.

Background

Chapter 451 of the 2018 Acts of Assembly divided the category of “licensed social worker” into two categories of “baccalaureate social workers” (BSW) and “master’s social worker” (MSW) based on the education level of the applicants. In response to Chapter 451, the Board amended the regulation to create two categories of licensure by incorporating the definitions of BSW and MSW, and replacing “licensed social worker” with “LBSW and LMSW”

¹ Adverse impact is indicated if there is any increase in net cost or reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined.

in all of the existing fees and requirements for licensure. Apart from these changes, the Board did not revise the content of the requirements.²

Prior to the creation of two separate licenses, the regulatory requirements for licensed social workers were identical for applicants with bachelor's or master's degrees, except with respect to work experience. While applicants with a master's degree were not required to acquire any supervised work experience, those with a bachelor's degree were required to register for 3,000 hours of supervised experience with a licensed social worker. This difference in requirements was maintained when the Board amended the regulation in response to Chapter 451 to create two categories of licensure: LBSW applicants are required to provide documentation of having completed 3,000 hours of supervised experience whereas LMSW applicants face no such requirement.

The board now proposes to revise the content of the requirements. As per the Agency Background Document,³ the Board is interested in increasing the workforce that is able to provide social work services; in particular, by increasing the number of LBSWs. A survey of requirements in other states found that 32 states do not require supervised experience following the bachelor's degree and 12 states have no equivalent category of licensure. Virginia has required supervised experience for 30 years, and is one of only 4 states that requires supervised experience. The Board estimates that it typically takes 18 months to 2 years for a candidate to complete 3,000 hours of supervised experience. Further, the category of BSW is defined as providing basic generalist services under the supervision of an MSW, including casework management, supportive services, consultation and education.⁴ Hence, removing the supervised experience requirement does not change the capacity in which LBSWs perform their professional duties; it only allows them to become fully licensed more expeditiously upon completing their bachelor's degree in social work.

Finally, the Board also proposes a reduction in the first-time application fee and annual renewal fees for LBSWs; the application fee would be reduced from \$115 to \$100, and the

² See <https://townhall.virginia.gov/ViewStage.cfm?stageid=8344>, effective August 8, 2019.

³ See https://townhall.virginia.gov/GetFile.cfm?File=32\5389\8766\AgencyStatement_DHP_8766_v1.pdf

⁴ Code of Virginia ([§ 54.1-3700](#))

renewal fee would be reduced from \$65 to \$55. This is a reduction of the current fees by \$15 and \$10 respectively, and is intended to more clearly distinguish between the two levels of licensure.

Estimated Benefits and Costs

Institutions that hire social workers, such as hospitals, schools, and community services boards may find it easier to fill vacancies for social workers if the number of LBSWs increases. Further, to the extent that employers are able to substitute services provided by LMSWs with services provided by LBSWs, they may be able to lower their operating costs assuming LBSWs are paid less than LMSWs. However, the ability of employers to substitute LMSWs with LBSWs is limited since LMSWs are required to supervise LBSWs.

Potential LBSWs may benefit from the removal of the 3,000 hour supervised experience requirement by being able to obtain a license and begin employment upon obtaining their degree, to the extent that having the license in hand gives them greater flexibility and bargaining power in the labor market for social workers. However, unless there already is a shortage of social workers, such that employers cannot fill positions, an increase in the supply of social workers competing for positions would likely lead to a decline in average wages paid to them.

Potential LMSWs may be affected even though the proposed changes are not directly targeted at them. If the supervised experience requirement was burdensome (difficult to arrange, low-paying, and requiring nearly two years to complete), and ultimately provided the same benefits as obtaining a master's degree, it could have incentivized social work students to obtain a master's degree before applying for licensure altogether. This is indicated by the fact that the Board currently has only 13 LBSWs but 771 LMSWs.⁵ This incentive was likely heightened to the extent that the burden of obtaining a master's degree decreased over the last thirty years as a result of increased access to student loans and the proliferation of online master's programs. Although these incentives will likely interact, the removal of the supervised experience requirement could diminish the perceived additional benefit of obtaining a master's degree in

⁵ The Department of Health Professions provided this information via email. Unfortunately, they could not provide information on the highest education level of licensed social workers prior to the separation of licensure levels.

social work. As a result, some of the growth in the number of LBSWs could arise from slower growth, or even a reduction, in the number of LMSWs.

Finally, an overall increase in the supply of qualified and licensed social workers would support the expansion of mental health resources in a variety of institutional settings from schools and hospitals to prisons and rehabilitation facilities. This could lead to increased public safety and well-being in general, although these benefits may be difficult to quantify in precise terms.

Businesses and Other Entities Affected

As mentioned above, some social workers with a bachelor's degree may be encouraged to seek licensure. Mental health providers and entities that employ social workers, such as hospitals and nursing facilities, correctional facilities, child placing agencies, etc. may find it easier to fill vacancies for licensed social workers.

Localities⁶ Affected⁷

The proposed amendments do not introduce new costs for local governments and are unlikely to affect any locality in particular.

Projected Impact on Employment

The proposed amendments are likely to increase the overall number of social workers that are licensed and employed in a variety of institutional settings, from schools and hospitals to prisons and rehabilitation facilities.

Effects on the Use and Value of Private Property

The proposed amendments are unlikely to affect the use and value of private property. Real estate development costs are not affected.

Adverse Effect on Small Businesses⁸:

The proposed amendments are unlikely to have an adverse impact on any small business.

⁶ "Locality" can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

⁷ § 2.2-4007.04 defines "particularly affected" as bearing disproportionate material impact.

⁸ Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as "a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million."

Legal Mandates

General: The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 14 (as amended, July 16, 2018). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Adverse impacts: Pursuant to Code § 2.2-4007.04(D): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.