



Virginia Department of Planning and Budget **Economic Impact Analysis**

18 VAC 140-20 Regulations Governing the Practice of Social Work
Department of Health Professions
Town Hall Action/Stage: 5792 / 9556
May 5, 2022

The Department of Planning and Budget (DPB) 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). The analysis presented below represents DPB's best estimate of these economic impacts.¹

Summary of the Proposed Amendments to Regulation

Pursuant to a petition for rulemaking and a recommendation of the Regulation Committee, the Board of Social Work (Board) proposes to no longer require passage of a board-approved national examination when applying for licensure by endorsement if the applicant either passed a state exam or if a national exam was not required when they initially obtained their license from another state.

Background

This action results from a petition for rulemaking that requested deletion of the requirement that an applicant pass a national exam in order to be licensed by endorsement as a social worker in Virginia.² Currently, the regulation requires “*Verification of a passing score on a board-approved national exam at the level for which the applicant is seeking licensure in Virginia.*” Consequently, applicants for licensure by endorsement from other states who lack

¹ Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis 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.

² <https://townhall.virginia.gov/l/viewpetition.cfm?petitionid=349>

such evidence are currently required to take and pass the national examination even if they are fully licensed in the jurisdiction from which they are applying.

According to the Board, licensing in the field of social work is relatively new and requirements in different jurisdictions have varied. It was common for states to offer temporary exceptions to exam requirements when social work laws were first enacted. Similarly, temporary exceptions are often granted when a new category of licensure is added to the regulatory framework. In an effort to reduce barriers to licensure (and employment), there has been a trend for states to accept applicants' credentials for endorsement if they are consistent with the laws in place in their original jurisdiction at the time the applicant obtained a license.

Following the trend in this field, the proposal would allow licensed applicants from other states to be licensed in Virginia by endorsement so long as "*a national examination was not required for licensure by the other jurisdiction at the time the applicant was initially licensed.*"

Estimated Benefits and Costs

Although passage of a national exam was not uniformly required across jurisdictions early on in the field of social work, the Department of Health Professions (DHP) reports that most jurisdictions currently require a national exam. Thus, it is likely that this change would only apply to and benefit a few applicants who were licensed a number of years ago and who either passed a state exam or who were grandfathered by another jurisdiction and thus did not have to pass a national examination. At this time, DHP is aware of only two individuals including the petitioner that would benefit from this proposed change.

The benefits of the proposal would include the avoidance of costs associated with taking the national exam, including the time it takes to prepare, apply, and receive results as well as the associated fees. According to DHP, the exam fee is between \$230 and \$260 depending on the license type and it takes approximately 7-10 days to receive results once the exam is taken. On the other hand, there does not appear to be significant risks or costs associated with the proposal in light of the fact that the Board is satisfied that years of practice are adequate evidence of competency and the affected persons held and currently hold unrestricted licenses in other states.

Businesses and Other Entities Affected

The proposed amendment would affect licensed social workers who obtained an unrestricted license in other states without taking a national exam and who want to be licensed

in Virginia by endorsement. Currently, DHP is aware of only two individuals including the petitioner who would be affected. The number of affected individuals appear to make up a relatively small portion of licensure by endorsement applicants. In 2021, the Board granted 13, 112, and 632 licenses by endorsement respectively to licensed baccalaureate social workers, licensed master's social workers, and licensed clinical social workers. No licensed social workers appear to be disproportionately affected.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.³ An 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. No adverse impact is indicated for this action.

Small Businesses⁴ Affected:⁵

The proposed amendment does not appear to adversely affect small businesses.

Localities⁶ Affected⁷

The proposed amendment neither disproportionately affects any particular locality, nor introduce costs for local governments.

³ 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. Statute does not define "adverse impact," state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation.

⁴ 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."

⁵ 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.

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.

Projected Impact on Employment

The proposed amendment would make it easier for a few individuals to be licensed in Virginia by endorsement as a social worker. Thus, a small positive impact on employment may be expected.

Effects on the Use and Value of Private Property

The proposed change does not appear to directly affect the use and value of private property or real estate development costs.