



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

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**18 VAC 115-20 Regulations Governing the Practice of Professional Counseling**  
**Department of Health Professions**  
**Town Hall Action/Stage: 6836 / 10895**  
February 20, 2026

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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 19. The analysis presented below represents DPB’s best estimate of the potential economic impacts as of the date of this analysis.<sup>1</sup>

### **Summary of the Proposed Amendments to Regulation**

The Board of Counseling (Board) proposes to no longer require that applicants for licensure by endorsement submit: 1) extensive documentation related to supervision and post-licensure clinical practice, and 2) an affidavit of having read and understood the regulations and laws governing the practice of professional counseling in Virginia. The Board also proposes to add clarifying language.

### **Background**

Under both the current and proposed regulations, applicants for licensure by endorsement must hold or have held a professional counselor license in another jurisdiction of the United States and have no unresolved action against that license. Both regulations also state that “The board will consider history of disciplinary action on a case-by-case basis.”

Under the current regulation, applicants for licensure by endorsement must submit documentation of having completed education and experience requirements per the following:

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<sup>1</sup> 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.

1. Educational requirements consistent with those specified in [18VAC115-20-49](#) and [18VAC115-20-51](#) and experience requirements consistent with those specified in [18VAC115-20-52](#);
2. If an applicant does not have educational and experience credentials consistent with those required by this chapter, he shall provide:
  - a. Documentation of education and supervised experience that met the requirements of the jurisdiction in which he was initially licensed as verified by an official transcript and a certified copy of the original application materials; and
  - b. Evidence of post-licensure clinical practice in counseling, as defined in § [54.1-3500](#) of the Code of Virginia, for 24 of the last 60 months immediately preceding his licensure application in Virginia. Clinical practice shall mean the rendering of direct clinical counseling services or clinical supervision of counseling services; or
3. In lieu of transcripts verifying education and documentation verifying supervised experience, the board may accept verification from the credentials registry of the American Association of State Counseling Boards or any other board-recognized entity.

The Board proposes to replace the above documentation requirement with an “Official transcript documenting the applicant's completion of a graduate degree program.”

### **Estimated Benefits and Costs**

As stated above, under both the current and proposed regulations applicants for licensure by endorsement must hold or have held a professional counselor license in another jurisdiction of the United States and have no unresolved action against that license. In order to have obtained a professional counselor license in another jurisdiction the applicant must have met the education and supervised experience requirements of the other jurisdiction. The Board is proposing to eliminate the requirement that the applicant provide documentation of supervised experience and post-licensure clinical practice in counseling.

According to the Department of Health Professions (DHP), some states are legally prohibited from providing applicants with copies of their original licensure files, which forces an applicant to locate a former supervisor to verify supervision hours or possibly even complete an additional 2,000 hours of supervised training in Virginia before being approved for licensure (2,000 hours is roughly equal to one year of practice). Eliminating the requirement that

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documentation of the supervised experience is provided can thus remove a potential substantial barrier for some individuals to become licensed by endorsement. Since the applicant must have satisfied the supervised experience requirement in the other jurisdiction in order to have gained licensure, eliminating the documentation requirement would not allow less qualified practitioners to become licensed in the Commonwealth.

According to DHP, some applicants have had difficulty finding evidence to prove their two years of post-licensure experience. Eliminating this requirement would also make it easier for individuals who hold or have held a professional counselor license in another jurisdiction to become licensed in Virginia.

Reducing barriers for professional counselors licensed in other jurisdictions to become licensed in the Commonwealth could be beneficial for Virginia consumers of counseling services in that it may increase the number of qualified professional counselors available to provide these services. This may reduce the difficulty some Virginians have finding mental health services. According to an August 2025 report from the Virginia Healthcare Workforce Data Center, less than one percent of professional counselors in the Commonwealth are involuntarily unemployed, which suggests that openings for professional counseling services for new clients may be limited.<sup>2</sup> Increasing the number of qualified professional counselors available to provide services in Virginia could also benefit employers of licensed professional counselors in that they may be able to find more productive and/or less costly people to hire. On the other hand, some current Virginia licensed professional counselors may face greater competition and have somewhat less leverage to negotiate pay increases; if they have their own practice, they may have less ability to raise rates for service.

According to DHP, all jurisdiction of the United States require a graduate degree. Thus, adding that “Official transcript documenting the applicant's completion of a graduate degree program” be provided and removing the current education documentation text would not have a substantive impact.

Licensed professional counselors are required to abide by the regulations and laws governing the practice of professional counseling in Virginia whether or not they sign an

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<sup>2</sup> See <https://www.dhp.virginia.gov/media/dhpweb/docs/hwdc/behsci/0701LPC2025.pdf>.

affidavit of having read and understood such regulations and laws. Eliminating the affidavit requirement saves a small amount of time and paperwork and would have no other substantive impact.

### **Businesses and Other Entities Affected**

The proposed amendments would particularly affect applicants for licensure by endorsement. In 2025, 576 individuals became Virginia licensed professional counselors via licensure by endorsement.<sup>3</sup> The proposed reduction in barriers to become licensed by endorsement may lead to more individuals gaining licensure than otherwise would occur. Consumers of counseling services, employers of licensed professional counselors, and the 11,652 professional counselors currently licensed in the Commonwealth<sup>4</sup> may be affected as well. According to survey data from the Virginia Healthcare Workforce Data Center report titled *Virginia's Licensed Professional Counselor Workforce: 2025*, the primary types of employers of licensed professional counselors by establishment type in the Commonwealth are distributed as follows:<sup>5</sup>

<b>Primary Employers of Licensed Professional Counselors by Type</b>	<b>Percentage</b>
Private Practice, Group	24%
Private Practice, Solo	24%
Mental Health Facility, Outpatient	13%
Community Services Board	12%
Community-Based Clinic or Health Center	6%
School (Providing Care to Clients)	5%
Academic Institution (Teaching Health Professions Students)	2%
Residential Mental Health/Substance Abuse Facility	2%
Hospital, General	2%
Hospital, Psychiatric	1%
Corrections/Jail	1%
Administrative or Regulatory	1%
Other Practice Setting	7%

The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.<sup>6</sup> An adverse impact is indicated if there is any increase in net cost or

<sup>3</sup> Data source: DHP

<sup>4</sup> Ibid.

<sup>5</sup> See footnote 2, *supra*.

<sup>6</sup> 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

reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.<sup>7</sup> As noted above, some current Virginia professional counselors could face increased competition in providing services through the proposed reduction in barriers to licensure by endorsement. Thus, an adverse impact is indicated.

### **Small Businesses<sup>8</sup> Affected:<sup>9</sup>**

#### Types and Estimated Number of Small Businesses Affected

The Board regulates individual practitioners, but not their employers. Thus, data on the number of small businesses affected is not available. The types of businesses that are potentially affected and may qualify as small are described in the table above.

#### Costs and Other Effects

As described above, some small providers of counseling services may have less ability to raise rates for service due to potentially increased competition.

#### Alternative Method that Minimizes Adverse Impact

There are no clear alternative methods that both reduce adverse impact and meet the intended policy goals.

### **Localities<sup>10</sup> Affected<sup>11</sup>**

Additional professional counselors licensed in a neighboring state or the District of Columbia may choose to become licensed by endorsement in the Commonwealth in response to

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Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance.

<sup>7</sup> 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. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

<sup>8</sup> 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.”

<sup>9</sup> 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.

<sup>10</sup> “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.

<sup>11</sup> § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

the proposed reduction in barriers and the resulting potential for more clients. It may be more likely in practice that residents of localities near the border of neighboring states or the District of Columbia would receive recommendations for counselors licensed in the nearby jurisdiction than would residents further from the border. Thus, localities near a neighboring state or the District of Columbia may be particularly affected.

The proposed amendments do not appear to introduce costs for local governments.

### **Projected Impact on Employment**

The proposed reduced barriers for licensure by endorsement may increase the number of individuals employed as licensed professional counselors in the Commonwealth. The number of professional counselors licensed in another U.S. jurisdiction who would be encouraged to apply for licensure by endorsement in Virginia due to the proposed reduction in barriers is not known.

### **Effects on the Use and Value of Private Property**

As described above, some private providers of counseling services may have reduced costs through the potential increase in supply of professional counselors from which to hire, while other private providers may have reduced ability to raise rates for services due to increased competition. Some may face both effects simultaneously. Thus, some private providers of counseling services may moderately increase in value, while others may moderately decrease in value.

The proposed amendments do not affect real estate development costs.