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: 6901 / 11200 Proposed
October 27, 2026

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 17 (2026). The analysis presented below represents DPB's best estimate of the potential economic impacts as of the date of this analysis.[1]

Summary of the Proposed Amendments to Regulation

The Board of Social Work (Board) proposes to streamline requirements for a Licensed Masters Social Worker (LMSW) and a Licensed Clinical Social Worker (LCSW) supervisee and create a clear pathway to obtain licensure as an LCSW. This action also implements Chapter 146 of the 2025 *Acts of Assembly*,[2] which requires the Board to amend regulations to allow LMSWs to engage in clinical services under supervision.

Background

Chapter 146 defines a LMSW as person who, consistent with such person's education and training, engages in the practice of social work and provides non-clinical, generalist services, staff supervision and management, and clinical services under the supervision of a licensed clinical social worker. A LCSW is defined as a social worker who, by education and experience, is professionally qualified at the autonomous practice level to provide direct diagnostic, preventive and treatment services where functioning is threatened or affected by social and psychological stress or health impairment. The main difference between the two license types is that a LCSW is authorized to provide clinical services such as diagnostics and treatment services.

[1] See Code § 2.2-4007.04 (A).
[2] https://lis.virginia.gov/bill-details/20251/HB1897/text/CHAP0146

A LMSW, on the other hand, provides non-clinical, generalist services and can provide clinical services only under supervision.

Under the current regulations, the Board recognizes three related categories: LCSW (14,069 individuals), LMSW (1,437 individuals), and those who are registered with the Board to receive supervision from an LCSW to provide clinical services and eventually become an LCSW (registration of supervision, 3,348 individuals). In essence, there is a supervisee category for individuals working toward the LCSW credential. With the implementation of Chapter 146, the proposed regulations would move the current supervisees into the LMSW category. Additionally, some of the other changes would combine requirements for LCSW and LMSW to clarify the new pathway to become a LCSW; eliminate the fees for registration of supervision ($50 per year) and addition to or change in registration of supervision ($25), etc.

Estimated Benefits and Costs

According to the Department of Health Professions (DHP), there would be no material change in education and supervised experience requirements to become a LCSW. Additionally, individuals in the supervisee category would be licensed as a LMSW and be subject to $65 per year license renewal fee for that category instead of paying a $50 per year registration fee. Thus, DHP believes that moving supervisees into the LMSW category would have negligible fiscal impact on the regulants and the Board.

Businesses and Other Entities Affected

DHP reports that currently there are 14,069 LCSWs, 1,437 LMSWs, and 3,348 supervisees. No licensee appears to be disproportionally affected.

The Code 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 benefit for any entity, even if the benefits exceed the costs for all entities combined.[4] As noted above, the proposal would mainly move supervisee category into the LMSW category. Thus, no adverse impact is indicated.

[3] See Code § 2.2-4007.04 (D).

[4] 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.

Small Businesses[5] Affected:[6]

The proposed amendments do not appear to adversely affect small businesses.

Localities[7] Affected[8]

The proposed amendments do not introduce costs for localities, nor do they disproportionately affect any locality.

Projected Impact on Employment

The proposed amendments do not affect total employment.

Effects on the Use and Value of Private Property

No effects on the use and value of private property nor on real estate development costs are expected.

[5] 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."
[6] See Code § 2.2-4007.04 (A.2). and Code § 2.2-4007.1 (C).
[7] "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.
[8] Code § 2.2-4007.04 defines "particularly affected" as bearing disproportionate material impact.