



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4601 Amended by the House of Representatives on March 21, 2018
Author: Fry
Subject: Addiction Counselors
Requestor: Senate Labor, Commerce, and Industry
RFA Analyst(s): A. Martin
Impact Date: April 20, 2018

Estimate of Fiscal Impact

| | FY 2018-19 | FY 2019-20 |
|----------------------------------|-------------------|-------------------|
| State Expenditure | | |
| General Fund | \$0 | \$0 |
| Other and Federal | \$44,863 | \$43,663 |
| Full-Time Equivalent Position(s) | 1.00 | 0.00 |
| State Revenue | | |
| General Fund | \$4,486 | \$4,366 |
| Other and Federal | \$60,000 | \$0 |
| Local Expenditure | \$0 | \$0 |
| Local Revenue | \$0 | \$0 |

Fiscal Impact Summary

This bill is expected to increase Other Funds expenditures by \$44,863 for FY 2018-19 and \$43,663 each year thereafter for the addition of 1 FTE and two board members. This bill will have no expenditure impact on the General Fund or Federal Funds. This bill will increase General Funds revenue by \$4,486 for FY 2018-19 and \$4,366 each year thereafter, because the Department of Labor, Licensing and Regulation (LLR) is required to remit an amount equal to 10 percent of expenditures annually to the General Fund. This bill is expected to increase Other Funds revenue by \$60,000 for the issuance of new licenses.

Explanation of Fiscal Impact

Amended by the House of Representatives on March 21, 2018

State Expenditure

This bill requires anyone representing himself as an addiction counselor to be licensed by the Board of Examiners for Licensure of Professional Counselors, Marriage and Family Therapists, Addiction Counselors and Psycho-Educational Specialists. The bill establishes requirements for licensure as an addiction counselor. LLR does not currently require an addiction counselor to obtain a license. However, a person representing himself as an addiction counselor currently must be certified by an approved certification board. The South Carolina Association of Alcoholism and Drug Abuse Counselors (SCAADAC) Certification Commission is currently responsible for certifying addiction counselors. According to DAODAS, SCAADAC reports that there are approximately 400 certified addiction counselors that meet the eligibility requirements for licensure set forth in this bill.

LLR anticipates that it will need to hire a Program Assistant to assist with the activities associated with licensure and administrative functions. The salary and fringe benefits for 1 additional FTE are expected to total \$42,863. This estimate is based on the minimum salary for the Program Assistant pay band. The normal associated non-recurring costs for infrastructure and technological requirements for this position are expected to be \$1,200. Therefore, this bill will increase Other Fund expenditures by \$44,063 in FY 2018-19 and \$42,863 each year thereafter.

In regards to the licensure board, the bill adds two members. Members of the licensing board receive per diem, subsistence, and mileage for each day they are engaged in the activities of the office. On average, LLR spends approximately \$100 per member per board meeting. This estimate is based on the average cost per board meeting. Over the previous four fiscal years, the board has held an average of four meetings per year. Therefore, this bill is expected to increase Other Fund expenditures by \$800 for FY 2018-19 and each year thereafter for the new board members.

The bill also removes two standards committees. LLR will create task forces to assume the duties of these standards committees. Therefore, this portion of the bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

This bill is expected to increase Other Funds expenditures by \$44,863 in FY 2018-19, and \$43,663 each year thereafter. LLR is required to adjust fees biennially to ensure that fee revenue is sufficient, but not excessive, to cover expenses of each respective board. Therefore, the estimated expenditures will be offset by subsequent fee adjustments made to cover any shortfalls in revenue collections associated with the regulation of addiction counselors.

This bill repeals Section 40-75-300 of the 1976 South Carolina Code of Laws, which provides guidelines for the licensure of alcohol and drug counselors by the board. Guidelines for the licensure of alcohol and drug counselors is further established by this bill. Therefore, this section of the bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

State Revenue

This bill establishes requirements for licensure as an addiction counselor. Addiction counselors are currently not required to obtain a license; however, they must be certified by an approved certification board. According to DAODAS, the Certification Commission of SCAADAC estimates 400 certified addiction counselors that will be eligible for licensure under the requirements of this bill. LLR estimates the licensure fee will be \$150 biennially. Therefore, we expect this bill to increase Other Funds revenue by \$60,000 in FY 2018-19. This revenue will recur every two years.

Additionally, the licensure board for professional counselors falls under the Division of Professional and Occupational Licensing. Pursuant to Proviso 81.3 of the FY 2017-18 Appropriations Act, LLR is required to remit annually to the General Fund an amount equal to 10 percent of expenditures. Therefore, we expect this bill to increase General Fund revenue by \$4,486 in FY 2018-19 and \$4,366 each year thereafter. This bill will have no revenue impact on Federal Funds.

Local Expenditure and Revenue

N/A

Updated for Additional Agency Response

Introduced on January 10, 2018

State Expenditure

This bill requires anyone representing himself as an addiction counselor to be licensed by the Board of Examiners for Licensure of Professional Counselors, Marriage and Family Therapists, Addiction Counselors and Psycho-Educational Specialists. The bill establishes requirements for licensure as an addiction counselor. LLR does not currently require an addiction counselor to obtain a license. However, a person representing himself as an addiction counselor currently must be certified by an approved certification board. The South Carolina Association of Alcoholism and Drug Abuse Counselors (SCAADAC) Certification Commission is currently responsible for certifying addiction counselors. According to DAODAS, SCAADAC reports that there are approximately 400 certified addiction counselors that meet the eligibility requirements for licensure set forth in this bill.

LLR anticipates that it will need to hire a Program Assistant to assist with the activities associated with licensure and administrative functions. The salary and fringe benefits for 1 additional FTE are expected to total \$42,863. This estimate is based on the minimum salary for the Program Assistant pay band. The normal associated non-recurring costs for infrastructure and technological requirements for this position are expected to be \$1,200. Therefore, this bill will increase Other Fund expenditures by \$44,063 in FY 2018-19 and \$42,863 each year thereafter.

In regards to the licensure board, the bill adds two members. Members of the licensing board receive per diem, subsistence, and mileage for each day they are engaged in the activities of the office. On average, LLR spends approximately \$100 per member per board meeting. This estimate is based on the average cost per board meeting. Over the previous four fiscal years, the board has held an average of four meetings per year. Therefore, this bill is expected to increase Other Fund expenditures by \$800 for FY 2018-19 and each year thereafter for the new board members.

The bill also removes two standards committees. LLR will create task forces to assume the duties of these standards committees. Therefore, this portion of the bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

This bill is expected to increase Other Funds expenditures by \$44,863 in FY 2018-19, and \$43,663 each year thereafter. LLR is required to adjust fees biennially to ensure that fee revenue is sufficient, but not excessive, to cover expenses of each respective board. Therefore, the estimated expenditures will be offset by subsequent fee adjustments made to cover any shortfalls in revenue collections associated with the regulation of addiction counselors.

This bill will have no expenditure impact on the General Fund or Federal Funds. This fiscal impact statement has been updated based on responses from LLR and DAODAS.

State Revenue

This bill establishes requirements for licensure as an addiction counselor. Addiction counselors are currently not required to obtain a license; however, they must be certified by an approved certification board. According to DAODAS, the Certification Commission of SCAADAC estimates 400 certified addiction counselors that will be eligible for licensure under the requirements of this bill. LLR estimates the licensure fee will be \$150 biennially. Therefore, we expect this bill to increase Other Funds revenue by \$60,000 in FY 2018-19. This revenue will recur every two years.

Additionally, the licensure board for professional counselors falls under the Division of Professional and Occupational Licensing. Pursuant to Proviso 81.3 of the FY 2017-18 Appropriations Act, LLR is required to remit annually to the General Fund an amount equal to 10 percent of expenditures. Therefore, we expect this bill to increase General Fund revenue by \$4,486 in FY 2018-19 and \$4,366 each year thereafter.

This bill will have no revenue impact on Federal Funds. This fiscal impact statement has been updated based on responses from LLR and DAODAS.

Local Expenditure and Revenue

N/A

Introduced on January 10, 2018

State Expenditure

This bill requires anyone representing himself as an addiction counselor to be licensed by the Board of Examiners for Licensure of Professional Counselors, Marriage and Family Therapists, Addiction Counselors and Psycho-Educational Specialists. The bill establishes requirements for licensure as an addiction counselor. LLR does not currently require an addiction counselor to obtain a license. However, a person representing himself as an addiction counselor currently must be certified by an approved certification board. The South Carolina Association of Alcoholism and Drug Abuse Counselors Certification Commission reports that there are approximately 685 certified addiction counselors in the state. This bill may increase General Fund expenditures in FY 2018-19 for the administration of additional licenses.

In regards to the licensure board, the bill adds two members. The bill also removes the duties of establishing two standards committees. Members of the licensing board receive per diem, subsistence, and mileage for each day they are engaged in the activities of the office. This bill may increase Other Fund expenditures for FY 2018-19 for these new board members.

This bill will have no expenditure impact on Federal Funds. The expenditure impact of this bill on the General Fund and Other Funds is pending, contingent upon a response from LLR.

State Revenue

This bill establishes requirements for licensure as an addiction counselor. Addiction counselors are currently not required to obtain a license; however, they must be certified by an approved certification board. There are currently approximately 685 certified addiction counselors in the state. These counselors would be required to obtain a license in order to continue their practice.

LLR currently charges a fee for licensure of similar professions. Therefore, we expect this bill to increase Other Funds revenue in FY 2018-19.

Additionally, the licensure board for professional counselors falls under the Division of Professional and Occupational Licensing. Pursuant to Proviso 81.3 of the FY 2017-18 Appropriations Act, LLR is required to remit annually to the General Fund an amount equal to 10 percent of expenditures. Therefore, we expect this bill to increase General Fund revenue in FY 2018-19.

The revenue impact to the General Fund and Other Funds is pending, contingent upon a response from LLR. This bill will have no revenue impact on Federal Funds.

Local Expenditure and Revenue

N/A



Frank A. Rainwater, Executive Director