


Government of the District of Columbia  
Office of the Chief Financial Officer



Glen Lee  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Glen Lee  
Chief Financial Officer 

**DATE:** June 18, 2024

**SUBJECT:** Fiscal Impact Statement – Counseling Compact Approval Act of 2024

**REFERENCE:** Bill 25-287, Draft Committee Print as provided to the Office of Revenue Analysis on May 30, 2024

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**Conclusion**

Funds are not sufficient in the fiscal year 2024 budget and proposed fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The bill will cost \$164,000 in fiscal year 2025 and \$552,000 over the fiscal year 2025 through the fiscal year 2028 financial plan.

**Background**

The bill enables the District to participate in the Counseling Compact (Compact). The Compact<sup>1</sup> is an interstate licensure compact designed to create interstate licensure portability, increase access to services, and enhance public protection for the counseling profession. There are currently 36 states<sup>2</sup> that participate in the Compact, including Maryland and Virginia.

The Department of Health (DC Health) Board of Professional Counseling (Board) currently regulates the practice of professional counseling in the District. To participate in the Compact, the District must:

- License and regulate Licensed Professional Counselors;
- Require licensees to pass a nationally recognized exam approved by the Counseling Compact Commission (Commission);

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<sup>1</sup> See: <https://counselingcompact.org/>

<sup>2</sup> See: <https://www.counseling.org/publications/media-center/article/2024/05/31/minnesota-becomes-36th-state-to-sign-interstate-counseling-compact-into-law>

- Require Licensees to have a 60 semester-hours (or 90 quarter-hours) master’s degree in counseling or 60 semester-hours (or 90 quarter-hours) of graduate coursework in specific topic areas;
- Require licensees to complete a supervised postgraduate professional experience as defined by the Commission;
- Have a mechanism in place for receiving and investigating complaints about licensees;
- Fully participate in the Commission’s data system;
- Notify the Commission of adverse action regarding a licensee;
- Implement procedures for considering the criminal history of applicants who apply for a “privilege to practice<sup>3</sup>” in other states;
- Comply with the rules of the Commission;
- Require applicants that apply for a privilege to practice to maintain a license in their home state; and
- Grant the privilege to practice to a licensee holding a valid license in a Compact member state.

The bill specifies the requirements to obtain a privilege to practice in Compact states and allows the District to charge licensees from Compact states a fee to practice in the District. The bill also establishes guidelines around the provisions of telehealth as well as adverse actions. It also establishes the legal framework for how the Commission will operate, including membership and voting guidelines, meeting requirements, governance structure, and data system management.

**Financial Plan Impact**

Funds are not sufficient in the fiscal year 2024 budget and proposed fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The bill will cost \$164,000 in fiscal year 2025 and \$552,000 over the fiscal year 2025 through the fiscal year 2028 financial plan.

DC Health requires additional resources to implement the bill. Linking DC Health’s licensure system with the Compact’s systems and reviewing privilege to practice applications will create additional work that cannot be absorbed into the workload of existing DC Health staff. DC Health will hire one full-time Health Licensing Assistant to complete this work. The salary and fringe costs of this employee are \$108,000 in fiscal year 2025 and \$448,000 over the fiscal year 2025 through fiscal year 2028 budget and financial plan. The agency also needs to purchase supplies for this employee at a one-time cost of \$4,000 in fiscal year 2025. DC Health must update its licensing IT system so that it can synchronize with the Compact’s practice to privilege tracking system. This IT system upgrade has a one-time cost of \$52,000 in fiscal year 2025 and recurring maintenance costs of \$15,000 over the financial plan.

Bill 25-287 – Counseling Compact Approval Act of 2024					
Total Cost					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Salary <sup>(a)</sup>	\$88,730	\$90,416	\$92,134	\$93,884	\$365,164
Fringe <sup>(b)</sup>	\$19,521	\$20,359	\$21,233	\$22,145	\$83,258

<sup>3</sup> “Privilege to practice” is a legal authorization, which is equivalent to a license, permitting the practice of professional counseling in a remote state.

The Honorable Phil Mendelson

FIS: Bill 25-287, "Counseling Compact Approval Act of 2024," Draft Committee Print as provided to the Office of Revenue Analysis on May 30, 2024

Bill 25-287 – Counseling Compact Approval Act of 2024					
Total Cost					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Supplies	\$4,000	\$1,000	\$1,000	\$1,000	\$7,000
IT Upgrade and Maintenance <sup>(c)</sup>	\$52,000	\$15,000	\$15,000	\$15,000	\$97,000
<b>Total</b>	<b>\$164,251</b>	<b>\$126,775</b>	<b>\$129,367</b>	<b>\$132,029</b>	<b>\$552,422</b>

Table Notes:

(a) Assumes one Grade-12, Step 5 Health Licensing Assistant and cost growth of 1.9 percent.

(b) Assumes fringe rate of 22 percent and fringe cost growth of 2.35 percent.

(c) Assumes one-time costs in fiscal year 2025 and ongoing maintenance costs starting in fiscal year 2026.

DC Health will likely have to pay an administrative fee to the Compact for each out-of-state counselor who applies for a privilege to practice in the District. The Compact has yet to determine this administrative fee amount. DC Health will set an application fee for the privilege to practice at the same cost as applying for a regular counseling license (\$230) plus an add-on for the Compact administrative fee.