

**Department of Legislative Services**  
Maryland General Assembly  
2022 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 1318  
(Delegate Smith)  
Health and Government Operations

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**Health Occupations - Mental Health Services - Cultural Competency and Diversity**

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This bill requires the State Board of Professional Counselors and Therapists, the State Board of Examiners of Psychologists, and the State Board of Social Work Examiners to have at least three board members who are members of an “underrepresented community.” Each licensee, certificate holder, or registrant of these boards must comply with specified continuing education requirements as a condition of license, certificate, or registration renewal. In fiscal 2024 and 2025, the Governor must provide \$500,000 in the annual budget for the Maryland Department of Health (MDH) to create a continuing education grant program for specified individuals. The bill establishes a Culturally Informed and Culturally Responsive Mental Health Task Force and requires the Governor, in fiscal 2024 and 2025, to provide \$150,000 to staff and develop recommendations for the task force. The Secretary of Health and the Secretary of Human Services must convene an Alternative Mental Health Professional Licensing Pathways Workgroup. In fiscal 2024 and 2025, the Governor must provide \$3.0 million to the Janet L. Hoffman Loan Assistance Repayment Program (LARP), as specified. **The bill’s provisions relating to the task force and workgroup terminate September 30, 2026.**

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**Fiscal Summary**

**State Effect:** No effect in FY 2023. General fund expenditures increase by \$3.65 million in FY 2024 and 2025 to reflect the mandated appropriations. Revenues are not affected. **This bill establishes mandated appropriations for FY 2024 and 2025.**

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	3,650,000	3,650,000	0	0
Net Effect	\$0	(\$3,650,000)	(\$3,650,000)	\$0	\$0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** None.

**Small Business Effect:** Potential meaningful.

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## Analysis

**Bill Summary:** “Underrepresented community” means a group that (1) represents persons of color or (2) is not represented in the majority with respect to race, ethnicity, national origin, sexual orientation, gender identity, or physical ability.

### *Continuing Education Requirements*

As a condition of license, certificate, or registration renewal, an individual regulated by the State Board of Professional Counselors and Therapists, the State Board of Examiners of Psychologists, or the State Board of Social Work Examiners must submit satisfactory evidence of the successful completion of (1) at least six continuing education unit hours that increase knowledge, understanding, self-awareness, and practice skills that enable a licensee, certificate holder, or registrant to serve clients from diverse socioeconomic and cultural backgrounds, as specified, and (2) any additional requirements established by the appropriate board.

### *Continuing Education Grant Program*

MDH must create a grant program to provide for the continuing education necessary for social workers, professional counselors and therapists, psychologists, and other mental health providers who are members of underrepresented communities to become supervisors for individuals pursuing licensure in mental health professions.

### *Culturally Informed and Culturally Responsive Mental Health Task Force*

The task force comprises (1) the Secretary of Human Services (or designee); (2) the Executive Director of the Behavioral Health Administration; (3) one member representing the State Board of Examiners of Psychologists; (4) one member representing the State Board of Social Work Examiners; (5) one member representing the State Board of Professional Counselors and Therapists, as specified; and (6) nine specified members appointed by the Governor by August 1, 2022. The Department of Human Services (DHS) must provide staff for the task force.

The task force must:

- make recommendations for the hiring and recruitment of culturally competent mental health providers from diverse and racial ethnic communities;
- make recommendations for the training of all mental health providers on cultural competency and cultural humility;
- assess the extent to which mental health provider organizations embrace diversity and demonstrate proficiency in culturally competent mental health treatment and services; and
- make recommendations for increasing the number of mental health organizations owned, managed, or led by individuals who are Black, indigenous, or people of color.

The task force must submit to the Governor and the General Assembly, a preliminary report by October 1, 2024, and final report by October 1, 2025.

#### *Alternative Mental Health Professional Licensing Pathways Workgroup*

The Alternative Mental Health Professional Licensing Pathways Workgroup must comprise members representing the State Board of Examiners of Psychologists, the State Board of Professional Counselors and Therapists, the State Board of Social Work Examiners, mental health providers from diverse cultural communities, and mental health graduate programs.

The workgroup must (1) identify barriers to licensure in mental health professions; (2) collect data on the number of individuals graduating from educational programs but not passing examinations required for licensure; and (3) develop recommendations for creating alternative pathways for licensure in the mental health profession and for ensuring provider competency and professionalism, while recognizing the limitations of national credentialing examinations. The workgroup must submit its findings and recommendations to specified committees of the General Assembly by October 1, 2025.

#### *Janet L. Hoffman Loan Assistance Repayment Program*

In fiscal 2024 and 2025, the Governor must provide \$3.0 million in the annual budget bill to MDH to be used for the Janet L. Hoffman LARP, of which \$1.0 million must be used for loan repayment for mental health professionals who are Black, indigenous, persons of color, or members of an underrepresented community.

## **Current Law:**

### *State Board of Professional Counselors and Therapists*

In general, an individual must be licensed by the State Board of Professional Counselors and Therapists to practice professional counseling in Maryland. Each license or certificate expires every two years, after which the licensee or certificate holder must pay a renewal fee, submit a renewal application, submit satisfactory evidence of compliance with any continuing education requirements, and otherwise be entitled to be licensed or certified.

The board consists of 13 members, including clinical professional counselors, clinical marriage and family therapists, clinical alcohol and drug counselors, a clinical professional art therapist, and consumer members. The composition of the board must reflect the race and sex composition of the State.

### *State Board of Examiners of Psychologists*

In general, an individual must be licensed or registered by the State Board of Examiners of Psychologists to practice psychology in the State. A license may not be renewed for a term longer than two years, after which the licensee must pay a renewal fee, submit a renewal application, submit satisfactory evidence of compliance with any continuing education requirements, and otherwise be entitled to be licensed.

The board consists of nine members: two consumer members and seven licensed psychologists. At least two of the licensed psychologists must be engaged in providing psychological services, and at least two must be engaged in teaching, training, or research in psychology.

### *State Board of Social Work Examiners*

In general, an individual must be licensed by the State Board of Social Work Examiners to practice social work in Maryland. Each license expires every two years, after which the licensee must pay a renewal fee, submit a renewal application, submit satisfactory evidence of compliance with any continuing education requirements, and otherwise be entitled to be licensed.

The board consists of 12 members, including 1 licensed bachelor social worker, 1 licensed master social worker, 1 licensed certified social worker, 4 licensed certified social workers-clinical, 1 licensed social worker employed by DHS, 1 licensed social worker who is primarily engaged in social work education, and 2 consumer members.

### *Implicit Bias Training*

Chapter 744 of 2021 requires applicants for the renewal of a license or certificate issued by a health occupations board to attest to completion of an approved implicit bias training program the first time they renew their license or certificate after April 1, 2022.

### *Cultural Competency and Workforce Development for Mental Health Professionals*

In 2007, the Workgroup on Cultural Competency and Workforce Development for Mental Health Professionals convened to examine (1) barriers to accessing mental health services by culturally competent health care professionals; (2) barriers to licensure or certification for foreign-born and foreign-trained mental health professionals; (3) other states' initiatives to facilitate licensure or certification of specified professionals; (4) mental health workforce shortages and the potential strategies for using specified professionals to alleviate the shortages; and (5) options for enhancing currently licensed and certified mental health professionals' cultural competency. A copy of the workgroup's final report can be located [here](#). The website of MDH's Office of Minority Health and Health Disparities includes [links](#) to recommended online cultural and linguistic competency, health disparities, and health literacy training modules.

### *Janet L. Hoffman Loan Assistance Repayment Program*

The Janet L. Hoffman LARP is administered by the Office of Student Financial Assistance (OSFA) in the Maryland Higher Education Commission (MHEC) to assist in the repayment of any higher education loan owed by an individual who:

- (1) receives a graduate, professional, or undergraduate degree from a college or university in the State, or a law school or (2) receives a Resident Teacher Certificate from the Maryland State Department of Education after completing an approved alternative teaching program;
- obtains eligible employment;
- receives an income less than the maximum eligible total income levels established by the office, including any additional sources of income; and
- satisfies any other criteria established.

A licensed clinical alcohol and drug counselor, a licensed clinical marriage and family therapy counselor, or a licensed clinical professional counselor whose practice is located in a high-need geographic area of the State as determined by MDH may receive assistance under the program.

In fiscal 2020, a total of \$583,300 in awards were made under the program. The program received 117 applications from individuals in the field of social work, of which 34 individuals received awards, and 11 applications from licensed clinical counselors, of which 5 received awards.

OSFA must publicize the LARP at historically black colleges and universities and in a manner that focuses on students who are historically underrepresented in the teaching field.

### **State Expenditures:**

#### *Continuing Education Grant Program*

Under the bill, in fiscal 2024 and 2025, the Governor must provide \$500,000 to MDH to create a grant program to provide for the continuing education necessary for social workers, professional counselors and therapists, psychologists, and other mental health providers who are members of underrepresented communities to become supervisors for individuals pursuing licensure in mental health professions. MDH advises that additional staff will be needed to administer the grant program. Therefore, MDH general fund expenditures increase by \$22,057 in fiscal 2024 for one part-time contractual administrator (30% full-time equivalent) to administer the grant program. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. Remaining funds from the mandated appropriation are used to provide continuing education grants as specified.

Contractual Position	0.3
Continuing Education Grants	\$477,943
Salary and Fringe Benefits	15,243
Operating Expenses	<u>6,814</u>
<b>Total FY 2024 MDH Expenditures</b>	<b>\$500,000</b>

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act (ACA).

Future year expenditures reflect a full salary with annual increases and employee turnover, annual increases in ongoing operating expenses, and termination of the contractual position at the end of fiscal 2025.

#### *Culturally Informed and Culturally Responsive Mental Health Task Force*

Under the bill, the Governor must provide \$150,000 in fiscal 2024 and 2025 to staff and develop recommendations for the task force. Therefore, general fund expenditures increase by \$150,000 in fiscal 2024 and 2025 to reflect the mandated appropriation.

DHS general fund expenditures increase by \$122,185 in fiscal 2024 to hire two full-time contractual positions to assist the task force. This analysis assumes that the two positions will be employed from July 1, 2023, through June 30, 2025, and that the final report can be finished prior to the end of fiscal 2025 when funding ends. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Positions	2.0
Salaries and Fringe Benefits	\$106,958
Operating Expenses	<u>15,227</u>
<b>Total FY 2024 DHS Expenditures</b>	<b>\$122,185</b>

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the ACA.

Future year expenditures reflect full salaries with annual increases and employee turnover, annual increases in ongoing operating expenses, and termination of the contractual positions at the end of fiscal 2025. To the extent the remaining portion of the mandated appropriation (approximately \$27,815 in fiscal 2024) is not required, unspent funds are assumed to revert to the general fund.

#### *Alternative Mental Health Professional Licensing Pathways Workgroup*

The workgroup must be convened by the Secretary of Health and the Secretary of Human Services to make recommendations to specified committees of the General Assembly by October 1, 2025. As the workgroup has three years to complete its work, MDH, DHS, and other workgroup members can likely convene the workgroup and report findings and recommendations with existing budgeted resources.

#### *Janet L. Hoffman Loan Assistance Repayment Program*

Under the bill, in fiscal 2024 and 2025, the Governor must provide \$3.0 million to MDH to provide loan forgiveness under the Janet L. Hoffman LARP, of which \$1.0 million must be used for loan repayment for mental health professionals who are Black, indigenous, persons of color, or members of an underrepresented community. This analysis assumes that the appropriation will be provided to MHEC, which administers the program, rather than to MDH as specified under the bill.

MHEC advises that the LARP application does not currently collect information on race, ethnicity, gender, or other demographics that would be required to determine if an applicant qualifies for certain loan repayment under the bill. Therefore, enhancements must be made in the Maryland College Aid Processing System (MDCAPS) to collect this information from applicants. MHEC advises that to distribute \$3.0 million in additional awards,

including \$1.0 million in awards that are limited to specified applicants, one full-time contractual administrative specialist is required for fiscal 2024 and 2025.

Contractual Position	1.0
Additional LARP Awards	\$2,891,545
One-time Changes to MDCAPS	58,932
Salary and Fringe Benefits	41,909
Operating Expenses	<u>7,614</u>
<b>Total FY 2024 MHEC Expenditures</b>	<b>\$3,000,000</b>

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the ACA.

Future year expenditures reflect a full salary with annual increases and employee turnover, elimination of one-time costs, annual increases in ongoing operating expenses, and termination of the contractual position at the end of fiscal 2025.

**Small Business Effect:** Small business mental health professionals regulated by the affected boards must meet specified continuing education requirements under the bill and may benefit from continuing education grants or additional funding for loan forgiveness.

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## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland Higher Education Commission; Department of Budget and Management; Maryland Department of Health; Department of Legislative Services

**Fiscal Note History:** First Reader - March 2, 2022  
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