

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 174

Finance

(Senator Benson)

Health and Government Operations

Interstate Social Work Licensure Compact

This bill enters Maryland into the Interstate Social Work Licensure Compact. The bill establishes (1) specified procedures and requirements for a social worker to practice under a “multistate license” in a member state; (2) the composition, powers, and responsibilities of the Social Work Licensure Compact Commission; and (3) requirements related to the oversight, dispute resolution, and enforcement of the compact. The bill is contingent on similar legislation being enacted in six other states.

Fiscal Summary

State Effect: Special fund expenditures for the State Board of Social Work Examiners (BSWE) increase by \$73,900 in FY 2026 to hire an administrator. Future year expenditures reflect annualization and ongoing costs. Any impact on BSWE special fund revenues is indeterminate but anticipated to be minimal, as discussed below.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SF Revenue	-/(-)	-/(-)	-/(-)	-/(-)	-/(-)
SF Expenditure	\$73,900	\$86,900	\$90,800	\$94,900	\$98,900
Net Effect	(\$73,900)	(\$86,900)	(\$90,800)	(\$94,900)	(\$98,900)

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

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: Generally, the purpose of the compact is to facilitate interstate practice of regulated social workers by improving public access to competent social work services and to preserve the regulatory authority of states to protect public health and safety through the current system of state licensure.

The compact is designed to (1) increase public health access to social workers; (2) reduce overly burdensome and duplicative requirements associated with holding multiple licenses; (3) enhance the member states' ability to protect the public's health and safety; (4) encourage the cooperation of member states in regulating multistate practice; (5) promote mobility and address workforce shortages by eliminating the necessity for licenses in multiple states; (6) support military families; (7) facilitate the exchange of licensure and disciplinary information among member states; (8) authorize all member states to hold a regulated social worker accountable for abiding by a member state's laws, regulations, and applicable professional standards in the member state in which the client is located at the time care is rendered; and (9) allow the use of telehealth to facilitate increased access to regulated social worker services.

Participation in the Compact

To be eligible to participate in the compact, a potential member state must:

- license and regulate social work at either the clinical, master's, or bachelor's category;
- require that applicants graduate from specified programs;
- require that applicants for clinical licensure complete supervised practice; and
- have a mechanism in place for receiving, investigating, and adjudicating complaints about licensees.

To maintain membership in the compact, a member state must:

- require that applicants for a multistate license pass a qualifying national exam and obtain or retain a license in their home state and meet all applicable home state laws;
- participate fully in the commission's data system;
- notify the commission of any adverse action or the availability of current significant investigative information regarding a licensee;
- implement procedures for considering the criminal history of applicants;
- comply with the rules of the commission;
- authorize a licensee holding a multistate license in any member state to practice in accordance with the terms of the compact and rules of the commission; and

- designate a delegate to participate in commission meetings.

Member states must designate the categories of social work licensure that are eligible for issuance of a multistate license. If any member state does not meet the requirements for participation in the compact in any category of social work licensure, the member state may choose to issue a multistate license to applicants that otherwise meet the requirements for the multistate license.

A home state may charge a fee for granting the multistate license.

Multistate License Privilege

“Multistate license” means a license to practice as a regulated social worker issued by a home state licensing authority that authorizes the regulated social worker to practice in all member states under multistate authorization to practice. “Multistate authorization to practice” means a legally authorized privilege to practice, which is equivalent to a license, associated with a multistate license permitting the practice of social work in a remote state.

To be eligible for a multistate license, an applicant must, among other requirements, (1) hold or be eligible for an active, unencumbered license in the home state; (2) pay applicable fees; (3) complete a specified criminal history records check; (4) notify the home state of any adverse action, encumbrance, or restriction on any professional license taken within 30 days from the date the action is taken; (5) meet any continuing competence requirements established by the home state; and (6) abide by the laws, regulations, and applicable standards in the member state where the client is located at the time care is rendered.

To be eligible for a multistate license in a specific category of social work licensure (clinical, master’s, or bachelor’s), an applicant must fulfill specified competency requirements and attain the appropriate degree in social work. Clinical-category multistate license applicants must also fulfill a specified practice requirement.

A regulated social worker practicing in a remote state is subject to that state’s regulatory authority. A remote state may, in accordance with due process and that state’s laws, remove a regulated social worker’s multistate authorization to practice, impose fines, or take any other necessary action to protect health and safety.

Changing Home State License

A social worker may hold a multistate license, issued by their home state, in only one member state at a time. The bill establishes a process by which a social worker may change their home state when moving between two compact states.

Adverse Actions

The bill establishes processes for imposing adverse actions and allows remote states to investigate and take adverse action against a social worker's multistate authorization to practice. The home state has sole power to take adverse action against a social worker's multistate license. In the event of an adverse action by a social worker's home state, that social worker's multistate authorization to practice must be deactivated until all encumbrances have been removed from the social worker's multistate license.

Social Work Licensure Compact Commission

The commission is an instrumentality of the compact states. The delegate from each member state must be selected by the state's licensing authority. The commission must meet at least once during each calendar year and must, among other actions:

- establish and amend rules and bylaws;
- maintain financial records and conduct an annual financial review;
- assess and collect fees;
- take actions consistent with the provisions of the compact and the commission's rules and bylaws;
- initiate and conclude legal proceedings or actions;
- appoint committees, including an executive committee;
- adopt and provide an annual report;
- establish a budget and make expenditures; and
- perform such other functions as may be necessary or appropriate to achieve the purposes of the compact.

The commission may levy a fee on and collect an annual assessment from each member state and impose fees on multistate licensees to cover the cost of the operations and activities of the commission and its staff.

Coordinated Data System

The commission must provide for the development, maintenance, operation, and utilization of a coordinated data system. All member states must participate in the commission's data system and submit a uniform data set on all social workers with a multistate license, including (1) identifying information; (2) licensure data; (3) adverse actions against a license and related information; (4) nonconfidential information related to alternative program participation; (5) any denial of application for licensure; (6) the presence of current significant investigative information; and (7) other information that may facilitate

the administration of the compact. A member state may designate information that may not be shared with the public without the express permission of the contributing state.

Oversight, Dispute Resolution, and Enforcement

Each member state must enforce the compact and take all actions necessary and appropriate to implement the compact. If the commission determines that a member state has defaulted in the performance of its obligations or responsibilities under the compact, the commission must (1) provide a written notice to the defaulting state and other member states that describes the default, proposed means of curing the default, and any other action that the commission may take and (2) offer training and specific technical assistance regarding the default. If a member state fails to cure the default, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the member states.

Construction and Severability

The compact and the commission's rulemaking authority must be liberally construed to effectuate the purposes and the implementation and administration of the compact. The provisions of the compact must be severable. If the compact is held to be contrary to the constitution of any member state, the compact must remain in full force and effect as to the remaining member states and in full force and effect as to the member state affect for all severable matters. The commission may deny a state's participation or terminate a member state's participation in the compact if the commission determines that a constitutional requirement of a member state is a material departure from the compact.

Current Law: Generally, an individual must be licensed by BSWE to practice social work in Maryland. In general, to obtain a license, an applicant must (1) submit a written application on a board-prescribed form; (2) be at least 18 years old; (3) be of good moral character; (4) successfully pass required examinations pertinent to the license sought; (5) pay any applicable fees; (6) complete a criminal history records check; and (7) if required, complete a mental or physical examination by a board-appointed health care practitioner. 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.

Categories of Social Work Licensure

A licensed bachelor social worker (LBSW) must have a bachelor's degree in social work from an accredited social work program. A licensed master social worker (LMSW) must have, or be a candidate for, a master's degree in social work from an accredited social work program. Generally, an LBSW or an LMSW must practice social work under the

supervision of another social worker, unless given approval to engage in independent practice.

A licensed certified social worker (LCSW) must have a master's degree in social work from an accredited social work program and provide documentation of having completed two years of specified supervised experience. LCSW licenses are no longer issued but are renewed by BSWE.

A licensed certified social worker-clinical (LCSW-C) must have a master's degree in social work from an accredited social work program and documentation of 12 academic credits in clinical course work, as specified. An LCSW-C must also provide documentation of having completed two years as a licensee with specified supervised experience of face-to-face client contact, formulation of a diagnostic impression, and treatment of mental disorders and other conditions and the provision of psychotherapy.

State Revenues: BSWE special fund revenues may decrease as social workers who do not reside in the State but currently chose to be licensed by BSWE instead seek multistate licensure in their home state under the compact. Currently, each new applicant for a social worker license in Maryland must pay a \$100 application processing fee and a \$75 initial license fee. On a biannual basis, each social worker must pay a license renewal fee based on their license category as follows: (1) LBSW, \$100; (2) LMSW, \$200; and (3) LCSW and LCSW-C, \$275.

The Department of Legislative Services (DLS) notes that any loss in revenues from license fees is not quantifiable at this time. One neighboring state (Virginia) has already enacted the compact, and Pennsylvania has introduced legislation to join the compact. It is not clear how many individuals from neighboring states may no longer chose to be licensed in Maryland. However, any such impact is likely minimal.

State Expenditures: BSWE special fund expenditures increase by \$73,917 in fiscal 2026, which accounts for the bill's October 1, 2025 effective date. This estimate reflects the cost of hiring one administer to manage additional workload associated with awarding compact licenses. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$66,548
Operating Expenses	<u>7,369</u>
Total FY 2026 State Expenditures	\$73,917

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Additional Comments: DLS advises that, although the bill includes language that it is contingent on six other states adopting legislation to enter the [compact](#), as of January 21, 2025, 22 states have enacted such legislation (including Virginia), and 11 other states have introduced such legislation (including Pennsylvania and New Jersey). According to the National Center for Interstate Compacts, the compact has reached activation status; however, multistate licenses are not yet being issued.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 204 and HB 34 of 2024.

Designated Cross File: HB 345 (Delegate Kerr, *et al.*) - Health and Government Operations.

Information Source(s): Maryland Department of Health; Department of Human Services; Department of Legislative Services

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Analysis by: Amberly E. Holcomb

Direct Inquiries to:

(410) 946-5510

(301) 970-5510