

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 4205

STATE OF NEW JERSEY  
219th LEGISLATURE

DATED: MAY 20, 2021

SUMMARY

**Synopsis:** Enters New Jersey into Psychology Interjurisdictional Compact.

**Type of Impact:** Annual State revenue loss and expenditure increases.

**Agencies Affected:** State Board of Psychological Examiners.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Expenditures Increase	Indeterminate
State Revenue Decrease	Indeterminate

- The Office of Legislative Services (OLS) estimates that the State Board of Psychological Examiners will experience a decrease in annual State revenue associated with licensure fees as a result of providing licensure reciprocity under the Psychological Interjurisdictional Compact, as entered into under this bill. The board will also incur additional, indeterminate annual expenditures related to assessments imposed by the Psychological Interjurisdictional Compact, as well as potential annual administrative costs to manage and monitor licensees, both within and outside the State, who choose to enter into the compact.

BILL DESCRIPTION

This bill enters New Jersey into the Psychology Interjurisdictional Compact, which was established by the Association of State and Provincial Psychology Boards in 2015. The compact allows a psychologist licensed in a member state who meets certain criteria to provide telepsychology services and limited in-person, face-to-face psychological services in other member states, without the need for individual licensure in those other states.

As a member State, New Jersey would be required to appoint a member to the Psychology Interjurisdictional Compact Commission (PICC). The PICC is comprised of commissioners appointed by the member states, with one voting member appointed by each state. A state’s commissioner is required to be the head of the state’s psychology licensing authority or a designee.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

None received.

### *OFFICE OF LEGISLATIVE SERVICES*

The OLS estimates that the State Board of Psychological Examiners will experience an indeterminate decrease in annual State revenue associated with licensure fees as a result of providing licensure reciprocity under the Psychological Interjurisdictional Compact, as entered into under this bill. The board's will also incur additional, indeterminate expenditures related to assessments imposed by the Psychological Interjurisdictional Compact, as well as potential annual administrative costs to manage and monitor licensees, both within and outside the State, who choose to enter into the compact. The board's mission is to ensure that licensed psychologists meet the requirements set by State law and regulations and requires those practicing psychology to meet the standards for licensure and renew their licenses annually. Currently, the board does not provide licensure reciprocity with any state.

To the extent that licensed psychologists residing in other compact states choose to practice in New Jersey under the compact privilege and choose not to obtain or renew a New Jersey license, the State Board of Psychological Examiners will experience a decline in licensure revenues. Currently, the board charges a \$300 licensure fee and a \$300 licensure renewal fee every two years. Delaware and Pennsylvania are both compact states and the OLS assumes that some number of psychologists in these neighboring states possess New Jersey licenses; however, the OLS does not have access to the data to quantify this number. Other compact states include: Arizona, Colorado, Georgia, Illinois, Missouri, Nebraska, Nevada, New Hampshire, North Carolina, Oklahoma, Texas, Utah, and Virginia.

Further, the Psychological Interjurisdictional Compact requires participating compact states to contribute an annual assessment fee, currently set at \$10 per home state licensee who practices under the compact privilege with a \$6,000 cap. Thus, board expenditures will increase to the extent that State licensees chose to practice under the compact privilege by up to \$6,000 annually. The number of such licensees is unpredictable, and therefore quantifying this cost is not possible.

The board may also incur costs to handle the additional workload of tracking licensees who participate in the compact and psychologists not licensed in the State who provide services in the State under the compact. The OLS estimates that these costs will be minimal, or possibly even entirely absorbed by the board's existing budget, as the compact has created a directory to assist states in tracking and managing participation in the compact.

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).