

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 8084**  
**BILL NUMBER: SB 470**

**DATE PREPARED:** Jan 29, 2001  
**BILL AMENDED:**

**SUBJECT:** Alcohol and Drug Abuse Counselor Licensing.

**FISCAL ANALYST:** Chris Baker  
**PHONE NUMBER:** 232-9851

<b>FUNDS AFFECTED:</b> <u>X</u>	<b>GENERAL</b>	<b>IMPACT:</b> State & Local
<u>X</u>	<b>DEDICATED</b>	
	<b>FEDERAL</b>	

**Summary of Legislation:** The bill provides that a practitioner violates the health professions standards by engaging in or soliciting sexual contact with the practitioner's patient. It establishes the Alcohol and Drug Abuse Counselor Board. The bill also sets qualifications for licensed clinical alcohol and drug abuse counselors. The bill provides that prohibitions on the unlicensed practice of alcohol and drug abuse counseling do not apply to physicians, nurses, psychologists, clergy members, volunteers for or employees of certain organizations, marriage and family therapists, social workers, mental health counselors, government employees, and under specified circumstances, students, interns, and trainees pursuing an accredited course of study to gain licensure as an alcohol and drug abuse counselor. It prohibits the use of certain titles by unlicensed individuals. The bill also makes the unlicensed practice of alcohol and drug abuse counseling a Class A misdemeanor. This bill prohibits licensed clinical alcohol and drug abuse counselors from practicing hypnosis and from counseling for the purpose of recovering a memory. It makes conforming amendments.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** The bill creates the five-member Alcohol and Drug Abuse Counselor Board after December 31, 2002. The Health Professions Bureau has indicated the bill would increase expenditures for administrative items including: design of forms, printing of applications, wall certificates, statute, and rules, conduct meetings and pay travel expenses for new board members related to the creation of the Board. In addition, new stationary, additional postage and telephone expenditures would be required. The Bureau estimates the following administrative expenses, for one year of operation, in the following table:

<b>Expenditure</b>	<b>Estimated Amount</b>
Board member per diem	\$4,200
Board member travel	\$10,500
Postage	\$8,000
Printing	\$6,000
Telephone	\$4,000
Supplies	\$1,000
<b>Total</b>	<b>\$33,700</b>

Additionally, the Bureau would be responsible for the processing of licenses. The Bureau has indicated additional staff would be required to administer the license. If an additional PAT II position and a Secretary III (COMOT III) position are required, the expenses involved for salary, fringe benefits, and supplies are estimated at \$73,841 in FY 2002 and \$73,053 in FY 2003. As of January 2001, the Bureau had no vacant positions. All staff and resources are being currently utilized to capacity. In FY 2001, two additional positions were hired using funds that would have otherwise been reverted. It is estimated by the Bureau that FY 2001 reversions will be minimal. In FY 2000, the Bureau reverted \$177,198. Total expenditures required by the Bureau to implement the legislation are estimated at \$107,541 in FY 2001 and \$106,753 in FY 2002.

If additional hearings are required by the Bureau for violations due to sexual contact between a practitioner and the practitioner's patient, it is believed the Bureau would be able to absorb the cost of hearings within their budget.

Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

**Explanation of State Revenues:** An estimated 3,000 individuals may require licensure under the bill. Currently, over 5,000 individuals are licensed in the professions of mental health counseling, social work, and marriage and family therapy. It is estimated that as many as half of the individuals licensed in the professions listed above could cross over and seek drug and alcohol counselor licensure. Additionally, the Indiana Counselors Association on Alcohol and Drug Abuse (ICAADA) has listings of 1,500 alcohol or drug (A&D) abuse counselors in Indiana. Based on the national average of responding alcohol and drug abuse counselors, it is estimated that 49% have achieved a master's level of education. Combining the potential 2,300 to 2,500 cross-over therapists and 500 to 700 ICAADA counselors gives an estimated range of 2,800 to 3,200, with 3,000 being the midpoint that would be required to be licensed by the bill. Licensure would begin after June 30, 2004. All candidates for licensure would have to meet the bill's experience and education requirements. These requirements are included in the following:

**Requirement:**

Master's Degree in A&D abuse counseling, marriage and family therapy, pastoral counseling, social work, applied human developmental psychology, or nursing.

Completed specific Master's level course work.

Passed nationally standardized written and oral examination in alcohol and drug abuse counseling approved by the Board.

Submitted documentation of three years or 6,000 hours of supervised alcohol and drug abuse counseling experience in the five years immediately preceding the date of application.

Provide documentation of completion of at least 300 hours of a supervised practicum in A&D counseling, and 270 hours of formal training in A&D abuse and counseling.

In addition, if an individual has completed the following they may also be licensed:

**Alternative Requirements:**

Completed at least three years of experience in A&D abuse counseling.

Completed a practicum, approved by the Board, of at least 300 hours in A&D abuse counseling.

Passed the case presentation examination or a nationally standardized written and oral examination in A&D abuse counseling approved by the Board.

The ICAADA reports that approximately 550 A&D counselors have at one time been a resident of Indiana and have attained three years experience, including 180 hours of education obtained within the past five years plus 90 hours of continuing education with a written examination and case presentation. An individual in this group is recognized by the ICAADA as a Certified Alcohol and Drug Abuse Councilor (CADAC2.) It is not certain how many individuals classified as such would apply for licensure. The number applying would depend on qualification approval by the Board.

The Board would be required to establish fees for the new license. If the license fees were designed to cover the expenditures listed above for administrative and personnel (based on 3,000 applicants) a fee of \$36 would be required.

A practitioner could face disciplinary sanctions, including a civil penalty of up to \$1,000 per violation, if the practitioner has engaged in sexual contact or used the practitioner-patient relationship to solicit sexual contact with a patient under the practitioner's care. Revenue from civil penalties is deposited into the State General Fund.

*Penalty Provision:* The bill provides a Class A misdemeanor penalty for violations of prohibited practices as defined by the bill. If additional court cases occur and fines are collected, revenue to both the Common

School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the State General Fund.

**Explanation of Local Expenditures:** *Penalty Provision:* A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:**

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Barbara McNutt, Board Director and Staff Counsel, Health Professions Bureau, (317) 233-4406; Lynn Calaway, Indiana Counselors Association on Alcohol and Drug Abuse, (317) 923-8800.