

## History – Fee Adjustment Increase Proposal

Prepared April 4, 2018

### Fee History

- Last fee increase in 2000.
- Fees decreased by 30% since 2000, with 20% reduction in 2006, and 10% reduction in 2009.
- First time in 18 years to propose a fee increase.
- “Actual fee” amounts proposed and approved in 2017 are still lower than in year 2000.

### Background

- Legislature transferred \$1.4 million from BOSW accumulated balance in the State Government Special Revenue Fund from FY 2004-FY 2012.
- Just from June 2012 – June 2016, while staffing and budget remained flat, services increased by:
  - 44% new applications and licenses granted
  - 74% supervision documents processed
  - 211% temporary licenses
  - 145% complaints received
  - 146% board actions taken
- Cost of doing business has increased, including legal and technology expenses.

### 2014

- Board required to submit FY 2015-FY 2016 Biennial Budget Proposal, as required every two years, to Minnesota Management Budget and Governor’s Office.
- Board took action at its September 19, 2014 public board meeting to 1) approve the biennial budget proposal, 2) intentionally not propose a fee increase, and 3) state on public record it was extremely likely, based on data and budget analysis, that a fee increase would be necessary in the 2016 budget proposal.

### 2016

- FY 2000-FY 2015 Compliance and Licensing Data Report was presented to the Board at its May 20, 2016 meeting to provide data for consideration in FY 2018-FY 2019 biennial budget planning.
- FY 2018-FY 2019 budget preparation and data was conducted by BOSW Finance Committee at public meetings on March 18, May 19, July 14, September 15, and September 30, 2016. All meetings included discussion on need for possible fee increase.
- FY 2018-FY 2019 budget proposal discussions occurred on March 19, May 20, July 15, and September 15, 2016 at public board meetings.
- Board voted to approve the FY 2018-FY 2019 biennial budget proposal at its July 15, 2016 meeting. The fee increase proposal included approval of a “not to exceed” fee amount structure, with the Board acting to approve an “actual” fee increase lower than the “not to exceed” amount identified.
- FY 2018-FY 2019 budget proposal, including the proposed fee increase was discussed at the BOSW Advisory Committee on April 1, August 5, and December 2, 2016 public meetings.
- In-person meeting held on October 5, 2016 with the Minnesota Coalition of Licensed Social Workers. Concerns were addressed and they determined not to oppose the fee increase.

## 2017

- Governor approved the BOSW FY 2018-FY 2019 biennial budget proposal in January 2017, including the change items requests for the fee increase and increased spending authority for technology costs, new 1 FTE staff person, and increased education and outreach initiatives.
- Governor's Budget and BOSW Agency Profile and Budget Data was posted to the BOSW website in January 2017 through June 2017.
  - Omnibus HHS budget SF 800, HF 945
  - Governor's budget bills SF 781, HF 887
- Details regarding the Governor's Budget and the BOSW proposed budget was discussed with the BOSW Advisory Committee at its February 6, April 10, June 16, October 2, and December 15, 2017 meetings. The Members were requested to present the budget and fee increase proposal to their membership and report back to the BOSW.
  - Advisory Committee membership included:
    - MN Nursing Home Social Workers Association
    - Association of Macro Practice Social Workers
    - Minnesota Hmong Social Workers Coalition (vacant)
    - Minnesota American Indian Mental Health Advisory Council
    - National Association of Black Social Workers-MN Chapter
    - Minnesota Coalition of Licensed Social Workers
    - Minnesota Society for Clinical Social Work
    - Minnesota School Social Workers Association
    - Minnesota Association of Home Care Social Workers
    - Minnesota Conference on Social Work Education
- In-person meeting was held on March 6, with the Association of Macro Practice Social Workers Board of Directors. Concerns were addressed, they determined not to oppose the fee increase.
- Testimony was provided at public hearings to the House Health and Human Services Finance Committee on two occasions. Testimony was provided at public hearings to the Senate Health and Human Services Finance Committee on one occasion.
- Legislature and Governor approved the BOSW fee adjustment increase and increased appropriation for critical expenditures for a new staff position, increased technology costs, and increased education and outreach, for the FY 2018-FY 2019 BOSW biennial budget.
- Technical error occurred when the BOSW section of statute, MN 148E.080, was unintentionally omitted from inclusion in the final omnibus finance bill, at the end of the very busy regular 2017 session.
- The unintended consequence resulted in an increased appropriation for strategic initiatives and expenditures, without the intended BOSW fee increase being enacted into law in 2017.
- A meeting with House Legislative Staff on June 29 confirmed the unintentional error, and indicated it may be possible to correct the error in the 2018 session. If not, the fee increase would have to be brought forward in the next FY 2020-FY 2021 biennial budget planning to occur in summer and fall of 2018, with submission in the 2019 session.
- The Board took action at its July 21 meeting to approve bringing forward a fee increase bill, identical to the bill introduced in the 2017 Legislative Session, in the 2018 Legislative Session, if possible.

## 2018

- House of Representatives initiated [HF 4192](#) on March 22, 2018 to correct the 2017 session error.
- HF 4192 passed out of House Health and Human Services Finance Committee March 29, 2018.
- House publically stated it was correcting the 2017 Legislative session technical error, resulting in the BOSW fee increase not enacted into law despite approval by the Legislature and Governor.