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*Margaret R. Wolfe*  
*P. O. Box 1572*  
*Anchorage, Alaska 99510*

February 18, 1986

Representative Max Gruenberg  
Alaska State House of Representatives  
Pouch V  
Juneau, Alaska 99811

Dear Representative Gruenberg: *Max*

I urge your support of the licensing bill for social workers, and since CSSB 227 has passed the Senate already, hope that you will be able to report that bill favorably for full house action.

We need a licensing program for social workers, as a consumer protection service especially. As a past president of the Alaska Chapter of the National Association of Social Workers and as a fully-committed-to-services mental health professional, I have been frustrated on receiving complaints about social work services and having no way to resolve those questions. Once I referred such a matter to the chapter ethics board--only to have the worker in question drop NASW membership and therefore be left with no jurisdiction in the issue in question. In the early 1970's we tried to sanction a state worker for malpractice, and the result was an order to not hire NASW members! (note that the state does not use such tactics under the present leadership--but it remains as a potential in the future under less enlightened leadership.) Only an independent licensing program for any one purporting to be a social worker can deal with these questions. Social workers are the only mental health practitioners authorized to hospitalize mentally ill folks and not governed by a licensing authority in this state! It seems to me that there could be some serious liability issues for the state in such a situation.

I understand the concern about new boards. However, there is current statute which requires all boards to be self-supporting. So the fact is that licensing fees would be set at a sufficient level to pay the costs of the board.

There is also the question of a combined board of behavioral services providers. I do not object to a combined board, providing the parts of such a bill would incorporate at least the provisions of CSSB 227 where the bill speaks to the licensing of social workers. My concern is practical in nature. CSSB 227 has passed the senate already. Is there time for all of the research which needs to be done for the other members of such a board and still obtain licensing this Year? (The social work part would be CSSB 227.) And we NEED social work licensing this year...this is the concern for me. I suggest passing 227 (with an amendment NASW will propose) and next year working on a combined bill. As the first year of a two year session, there would be more time.

Thanks for listening.

*Margaret*  
Margaret Rouse Wolfe, ACSW

*And please excuse the typing -  
I am Not a typist!*



6406 Garners Ferry Rd.

Columbia, SC 29209

(803) 776-6029

February 28, 1986

TO: Deans and Directors of Graduate and Undergraduate  
Social Work Programs

FROM: David Jeffreys, Ph.D., Executive Director

The multi-level licensure examination owned by the member boards of the American Association of State Social Work Boards will be used this year in at least 27 states. Since the exam was first administered, in March 1983, we have tested 11,650 candidates. We are grateful to the Lois and Samuel Silberman Fund for financial support which helped us to acquaint state boards with our program.

Some social work educators are familiar with our exam through service on a state licensing board, through their involvement on our national Examination Committee, by having participated in one of our Item Writing Workshops or by having heard our presentations at the CSWE meetings in Detroit and Washington.

Since our exam will have an impact on the careers of many of your students, we thought it would be helpful to send you the enclosed materials:

1. A map indicating the jurisdictions which have some form of social work regulation and those which are members of our Association. Sometime during March we expect to color in the District of Columbia, when their recently passed bill finally becomes law.
2. A map showing the states using our exam.
3. Our Candidate Handbook, which includes a listing of the content areas on our exam.
4. The Summary Report of our Content Validity Study.

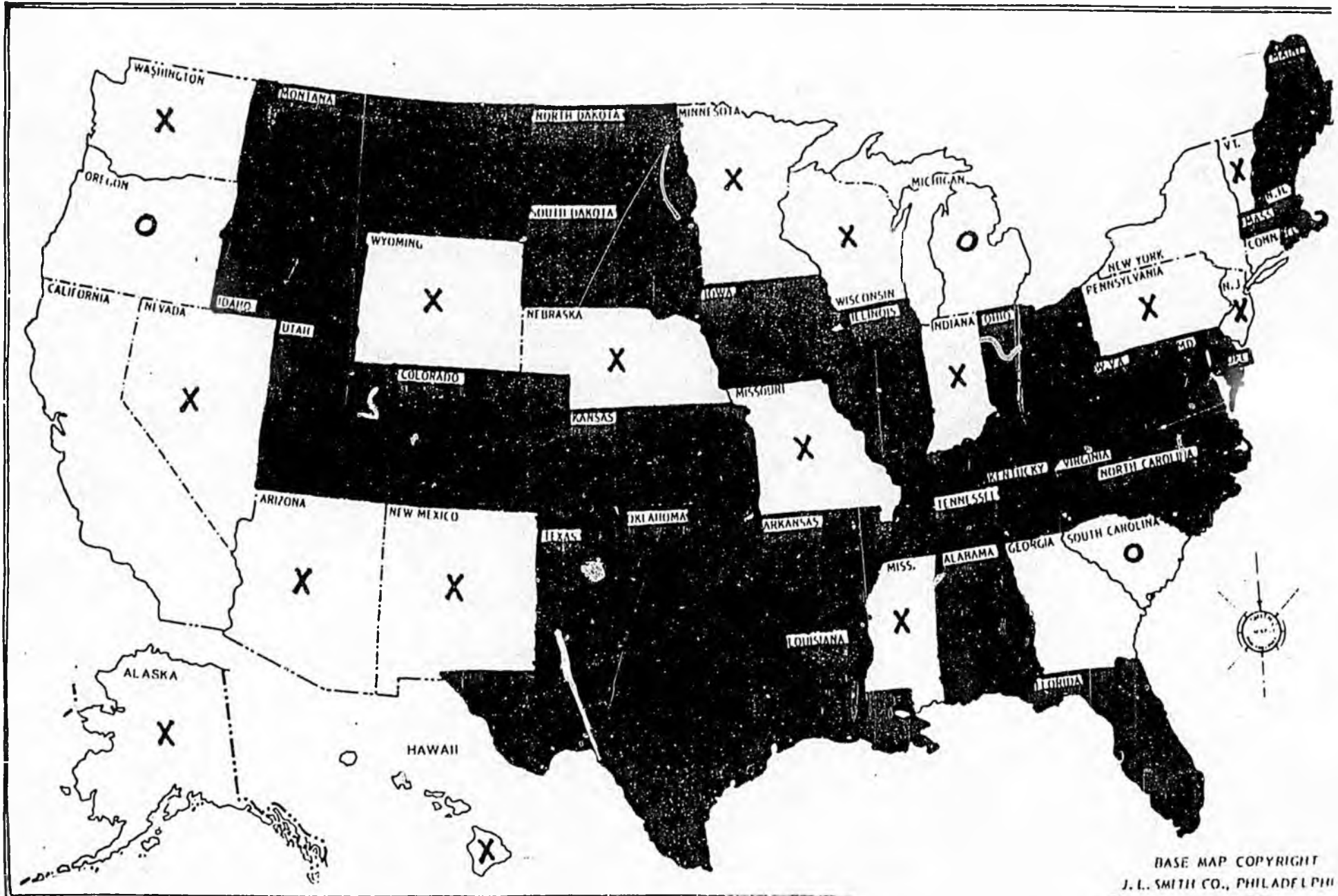
Many practitioners and some educators have gained understanding of our examination through the Item Writing Workshops which we conduct around the country. These workshops have been presented at meetings of state and local NASW units, state Clinical Societies, state social welfare conferences, state social work educator groups and other groups. If you would be interested in sponsoring a workshop, please let me know.

The Association is a member of CSWE and I will be attending the meeting in Miami. I would be pleased to discuss our program with you.

American Association of State Social Work Boards



AMERICAN ASSOCIATION OF STATE SOCIAL WORK BOARDS  
 States Which Have Adopted the AASSWB Examination  
 November 21, 1985



NOTES: X denotes those states, and the District of Columbia, with no social work regulation.  
 O denotes those states with social work regulation where no examination is required.



STATE BOARDS REGULATING SOCIAL WORK

October, 1985

Practice Advancement Department  
National Association of Social Workers  
7981 Eastern Avenue  
Silver Spring, Maryland 20910

STATE BOARDS REGULATING SOCIAL WORK - page 1

<u>STATE</u>	<u>BOARD ADDRESS</u>	<u>ADMINISTRATION</u>	<u>CHAIRPERSON</u>
ALABAMA	Alabama State Board of Social Work Examiners 100 Commerce Street, #406 Montgomery, AL 36104	Alice W. King 205/261-5860	Erma Wesley
ARKANSAS	Social Work Licensing Board P.O. Box 55033 Hilicriest Station Little Rock, AR 72205	Troylene Jones 501/372-5071	Conseulla James
CALIFORNIA	Board of Behavioral Science Examiners Department of Consumer Affairs 1021 O Street, Room A-198 Sacramento, CA 95814	Kathleen Callahan 916/445-4933	Steven Alexander
COLORADO	Colorado State Board of Social Work Examiners 1525 Sherman Street, Room 128 Denver, CO 80203	Karen D. Brumley 303/866-2208	Clara Villarosa
DELAWARE	Board of Social Work Examiners Office of Health-Related Professional Licensing P.O. Box 1401 Dover, DE 19901	E. I. Slacum 302/736-4796	Charles E. Sample
FLORIDA	Department of Professional Regulation Division of Professions 130 N. Monroe Street Tallahassee, FL 32301	Linda Biedermann 904/487-2520	(No Board)
GEORGIA	Georgia Composite Board of Professional Counselors, Social Workers and Marriage and Family Therapists	Lori Gold 404/656-3989	(Not yet selected)

STATE BOARDS REGULATING SOCIAL WORK - page 2

<u>STATE</u>	<u>BOARD ADDRESS</u>	<u>ADMINISTRATION</u>	<u>CHAIRPERSON</u>
IDAHO	Bureau of Occupational Licensing Board of Social Work Examiners 2404 Bank Drive, #312 Boise, ID 83705	M. D. Gregerson 208/334-3233	Mary Reichman
ILLINOIS	Social Workers Examining Committee Department of Registration and Education 320 West Washington Street Springfield, IL 62786	Judy Vargas 217/785-0300	Robert R. Wohlgemuth
IOWA	Board of Social Work Examiners State Health Department Lucas State Office Building Des Moines, IA 50319	Irene Howard, Director Professional Licensing 515/281-4401	Judith K. Rinehart
KANSAS	Behavioral Science Regulatory Board 214 West 6th Street Topeka, KS 66603	Mary Ann Gabel 913/296-3240	Barbara Kovarovic
KENTUCKY	State Board of Examiners of Social Work P.O. Box 456 Frankfort, KY 40602	Betty Sapp 502/564-3296	Kenneth Phillips
LOUISIANA	Louisiana State Board of Certified Social Work Examiners P.O. Box 345 Prairieville, LA 70769	Suzanne Pevey 504/673-3000	Martha Forbes, BCSW
MAINE	State Board of Social Work Registration Department of Business Regulation State House Station #35 Augusta, ME 04333	Patricia Beaudoin 207/289-3671	John Slavin

STATE BOARDS REGULATING SOCIAL WORK - page 3

<u>STATE</u>	<u>BOARD ADDRESS</u>	<u>ADMINISTRATION</u>	<u>CHAIRPERSON</u>
MARYLAND	State Board of Social Work Examiners 201 W. Preston Street Baltimore, MD 21201	Leslie Sporn 301/225-5855	Jacqueline Fassett
MASSACHUSETTS	Board of Registration of Social Workers 100 Cambridge Street Boston, MA 02202	James French 617/727-5511	Dale L. Van Meter
MICHIGAN	Board of Examiners of Social Workers P.O. Box 30018 Lansing, MI 48909	Suzanne U. Jolicoeur 517/373-1653	Ann P. Gross
MONTANA	Board of Social Work Examiners Department of Commerce 1424 9th Avenue Helena, MT 59620-0407	Joan Haubein 406/444-4285	James J. Pomroy
NEW HAMPSHIRE	Board of Examiners of Psychologists c/o Department of Psychology Conant Hall, Univ. of New Hampshire Durham, NH 03824	Stephen J. Seeman, Ph.D. 603/868-1578	Edna-Ann Katz, Ed.D Social Worker Rep. 603/878-2488
NEW YORK	State Board for Social Work State Education Department Cultural Education Center Albany, NY 12230	Philip R. Johnston 518/474-4975	Kenneth Skinner
NORTH CAROLINA	Certification Board for Social Work P.O. Box 1928 Cullowhee, NC 28723	(No administrator)	Wilburn Hayden, Jr.
NORTH DAKOTA	Board of Social Work Examiners P.O. Box 6145 Bismarck, NH 58202	Ole Omlid 701/222-0255	Barbara Norton

STATE BOARDS REGULATING SOCIAL WORK - page 4

<u>STATE</u>	<u>BOARD ADDRESS</u>	<u>ADMINISTRATOR</u>	<u>CHAIRPERSON</u>
OHIO	Counselor & Social Worker Board 65 South Front Street, Suite 210 Columbus, OH 43215	David M. Holford 614/466-0912	Susan Sears, Ph.D.
OKLAHOMA	State Board of Licensed Social Workers 4145 N.W. 61st Terrace Oklahoma City, OK 73112	Mary Sue Counts 405/946-7230	Jim D. Johnson
OREGON	State Board of Clinical Social Workers 895 Sumner Street, N.E. Salem, OR 97310	Deanna Montgomery 503/378-5735	Beverly MacKensie
PUERTO RICO	Board of Examiners of Social Work Box 3271 San Juan, PR 00904	Illia Ivette Amador 809/725-0142 Examining Board Director	
RHODE ISLAND	Department of Social & Rehabilitation Services Board of Social Work Examiners 600 New London Avenue Cranston, RI 02920	Daniel Wheelan, RSW 401/464-3111	Anthony C. Perry
SOUTH CAROLINA	Board of Social Worker Examiners P.O. Box 1083 Columbia, SC 29202	Judy Weesner 803/254-3661	Sue Hawkins
SOUTH DAKOTA	Department of Commerce & Consumer Affairs Board of Social Work Examiners P.O. Box 1037 Pierre, SD 57501	Paula Knudson 605/224-1034 Mon. thru Fri A.M. only	Ernest O. Peters
TENNESSEE	Board of Social Work Certification and Licensing Department of Health & Environment 283 Plains Park Boulevard Nashville, TN 37219	Louise Blair 615/361-6705	Jean Altfeld Cohen

<u>STATE</u>	<u>BOARD ADDRESS</u>	<u>ADMINISTRATION</u>	<u>CHAIRPERSON</u>
TEXAS	Council for Social Work Certification Texas Department of Human Services P.O. Box 2960 Austin, TX 78769	Michael Doughty, CSW 512/450-3255	Frances Powell, CSW
UTAH	Division of Registration 160 East 300 South Salt Lake City, UT 94110	Robert Bowen 801/530-6620	J. Richard Macfarland
VIRGIN ISLANDS	Board of Social Work Licensure P.O. Box 2820 St. Croix, VI 00820		Jane D. Christiansen
VIRGINIA	Virginia Board of Social Work Department of Health Regulatory Boards P.O. Box 27708 517 West Grace Street Richmond, VA 23261	John W. Braymer 804/786-7703	Vesta Downer
WEST VIRGINIA	Board of Social Work Examiners P.O. Box 5477 Charleston, WV 25311	Margy Hale 304/348-2400	Barbara Matz



UNIVERSITY OF ALASKA, FAIRBANKS  
Fairbanks, Alaska 99701

March 10, 1986

Niilo Koponen  
524 4th Ave. Suite B  
Fairbanks, Alaska 99701

Dear Representative Koponen,

Since time was not sufficient on March 6 for me to provide testimony via audioconference, I am writing to express some concerns about the proposed legislation leading to State license for social workers. I speak from the point of view of an educator responsible for training social workers and other categories of human services providers alike. I have been involved in this work for a decade, I am the immediate past Head of the Cross-Cultural Educational Development (X-CED) program, and I have now been asked to develop a comprehensive human services baccalaureate program to serve Fairbanks and rural Alaska. I feel that I am in a good position to evaluate the need for human services education in Alaska, particularly in the Bush.

First, I would like to establish a distinction between undergraduate and graduate education in human services, including social work. It is important to recognize that with regard to function all graduates of baccalaureate programs should be considered para-professionals. This is consistent with practices in the field and is substantiated by such authorities as the National Institutes of Health and Mental Health. What this means in practical terms is that a graduate with a B.A. degree, whether in social work, human services, psychology, etc., is limited to practice under the direct supervision of someone holding a professional degree, e.g., the Ph.D., an M.S.W. II. It is only within the National Association of Social Workers that claims of professional status are made for Baccalaureate graduates in social work. This has its genesis in national organizational politics rather than in client needs; the NASW, while making the claim of professionalization and seeking legal license, backs away from allowing B.A. social workers independent practice. In function, it is difficult to see any evidence that would differentiate Baccalaureate social workers from their other colleagues with similar training.

Second, private and/or independent practice is the norm for advanced M.S.W. social workers, along with Ph.D. psychologists, Ed.D. marriage and family counselors, etc. At this level standards established by Board examination, private practice, third-party reimbursement, and even title protection have a reasonable basis for existence. At the Baccalaureate level they do not.

UNIVERSITY OF ALASKA

Third, I would question the wisdom of State license for B.A. level practitioners of any category. Certainly, it would seem that the desire for license of B.A. social workers by NASW has more to do with their national professional agenda than with any identifiable benefits to Alaska. All B.A. practitioners should be limited in practice and should be well supervised by better trained professionals. I would be extremely uncomfortable with the idea of the social work, human services, psychology, and sociology students that I train being placed in positions of unlimited, unsupervised practice. If the license is to be merely pro forma, i.e., not connoting professional status, then it should be extended to all categories of para-professionals with equivalent training. In either case the argument for title protection is without merit.

I envision serious consequences as the result of the existing proposed legislation. There appears to be no justifiable basis for designating the major category of social service jobs in Alaska as the sole domain of social work graduates. There is no evidence from my experience, or within my knowledge of the research literature, that would substantiate the functional superiority of social work graduates over other similarly trained graduates in other helping disciplines.

At UAF we have strong B.A. degree programs in both human services and social work. I presently teach social work students in the same course with human services majors and I can see no difference in their abilities or their achievement. Further, we require equivalent clinical training: two semesters of counseling, two semesters of supervised practicum. The two programs may differ academically only in historical context, and in the emphasis upon an applied problem area, e.g., substance abuse, crisis intervention, child and family, etc., for the human services majors. I have enclosed brochures for each so that you may compare the two programs.

There is a real difference between social work and, for example, our human services program in the eyes of rural students. While the social work degree carries with it a respected reputation that often translates into some advantage in certain job markets (usually urban agencies), rural students must relocate to either Anchorage or Fairbanks to pursue the degree. By contrast, our human services degree is being developed so that it articulates directly with lower division (Associate of Arts) degrees, with an emphasis in human services, available through CCREE. A similar emphasis in social work does not yet exist. This means that the human services degree can be started close to home, a very important concern for career ladders within the Native non-profits, and can be continued to the B.A. degree on campus, and soon in the field. In fact, we will commence our field based B.A. program in human services this September with the placement of a UAF faculty member in Nome to serve the Bering Straits and NANA regions. Cooperative efforts between UAF and the local community colleges have already begun.

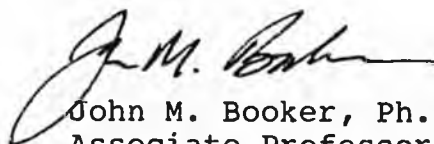
UNIVERSITY OF ALASKA

Comparable opportunities in social work are not available, and are limited by national policies for social work accreditation. While social work borrows directly from clinical theory and practices in psychology, these areas must be taught only by social workers themselves to meet national standards. The counseling and practicum courses in human services at UAF are taught by a licensed clinical psychologist who is a graduate of UC Berkeley and a practitioner with many years of experience, but these same areas must be covered by a faculty member in social work for the social work program. This and other limitations make the delivery of social work to rural Alaska a much more difficult proposition. Our plan is to pursue human services in conjunction with the community colleges, while making every effort to encourage students to transfer to UAF to take advantage of the range of degree opportunities there. Students with A.A. degrees will lose some credits in the transfer to social work (6 - 12), with the transfer to human services they will lose none. I believe we need to build bridges between the various parts of the University in order to meet the needs of all students, but particularly rural students. If we make a distinction between social work and other comparable graduates, even a nominal one, the issue of access is only made more critical.

I had already voiced my concern to the local NASW representatives over a testing provision that amounted to discrimination. This was apparently heard by them, and my colleague in social work at UAA, leading to their motion to amend their proposal, H.B.227. I hope we can all continue to work together to best meet the needs of the people of Alaska. However, I am very fearful that adoption of an exclusive license legislation for social service workers at the baccalaureate level will have long lasting negative ramifications. Such a step will undermine the few existing career paths for rural Alaskans, and will establish in tone a two class system in the helping professions. While practitioners at the graduate level have a variety of options, para-professionals do not. Removing the options to rural Alaskans will likely lead to a lost decade in our attempts to develop the needed cadre of providers for human services in the Bush.

I appreciate this opportunity to participate in establishing policies to guide and develop human services manpower in Alaska. The issues are extremely complex, and I can only hope that my views are useful in arriving at a reasonable solution. I would like to thank you for your concern in this vital area.

Sincerely,



John M. Booker, Ph.D.  
Associate Professor of Sociology  
Coordinator of Human Services  
College of Human & Rural Development  
University of Alaska-Fairbanks  
907/474-6958



ALASKA  
CHAPTER

NATIONAL ASSOCIATION OF  
SOCIAL WORKERS

March 17, 1986

The Honorable Max Gruenberg, Jr.  
The Honorable Nilo Koponen  
Alaska State Legislature  
Co-Chairs, House HESS  
P.O. Box V  
Juneau, Alaska 99811

Dear Sirs:

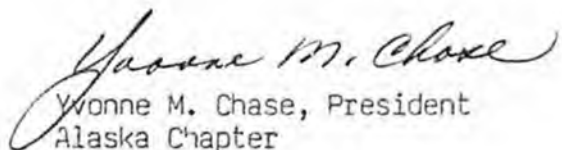
The Alaska Chapter of the National Association of Social Workers has discussed the concerns raised in the recent hearing of CSSu 227 before your Committee, and wishes to propose the following amendments to the Bill.

1. Page 4, line 6: propose the addition of wording that indicates that nothing in the Chapter shall be construed to regulate any title other than "social worker."
2. Page 5, line 27: propose deleting the words "or practice of social work."
3. Page 6: propose deletion of subsection C, lines 11-15.
4. Page 11: subsection C, propose deletion of lines 2-4.
5. Page 11: line 15, propose deletion of words "or practice of social work."


In addition to the above amendments, the Chapter also proposes that language be drafted which would exempt Native non-profit corporations from all provisions of this Act, and that this language be inserted wherever it is appropriate in the Bill.

Thank you for consideration of the above amendments. We appreciate your continued support on the licensing of social workers.

Sincerely,

  
Yvonne M. Chase, President  
Alaska Chapter

cc: Senator Bettye Fahrenkamp  
Representative Albert Adams  
Barbara Dale, Special Assistant to the Governor, Boards and Commissions  
Peter Froelich, Assistant Attorney General, Department of Law  
Michael Price, Director, Division of Family and Youth Services  
Alaska Native Non-Profit Corporations  
Julie Kitka, AFN

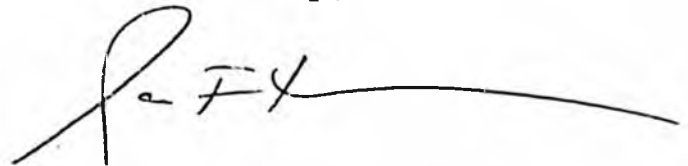
ALPA  Ψ ALASKA  
PSYCHOLOGICAL  
ASSOCIATION

3.18.86

To: Hon. Max Gruenberg  
Alaska State Legislature  
Juneau, Alaska

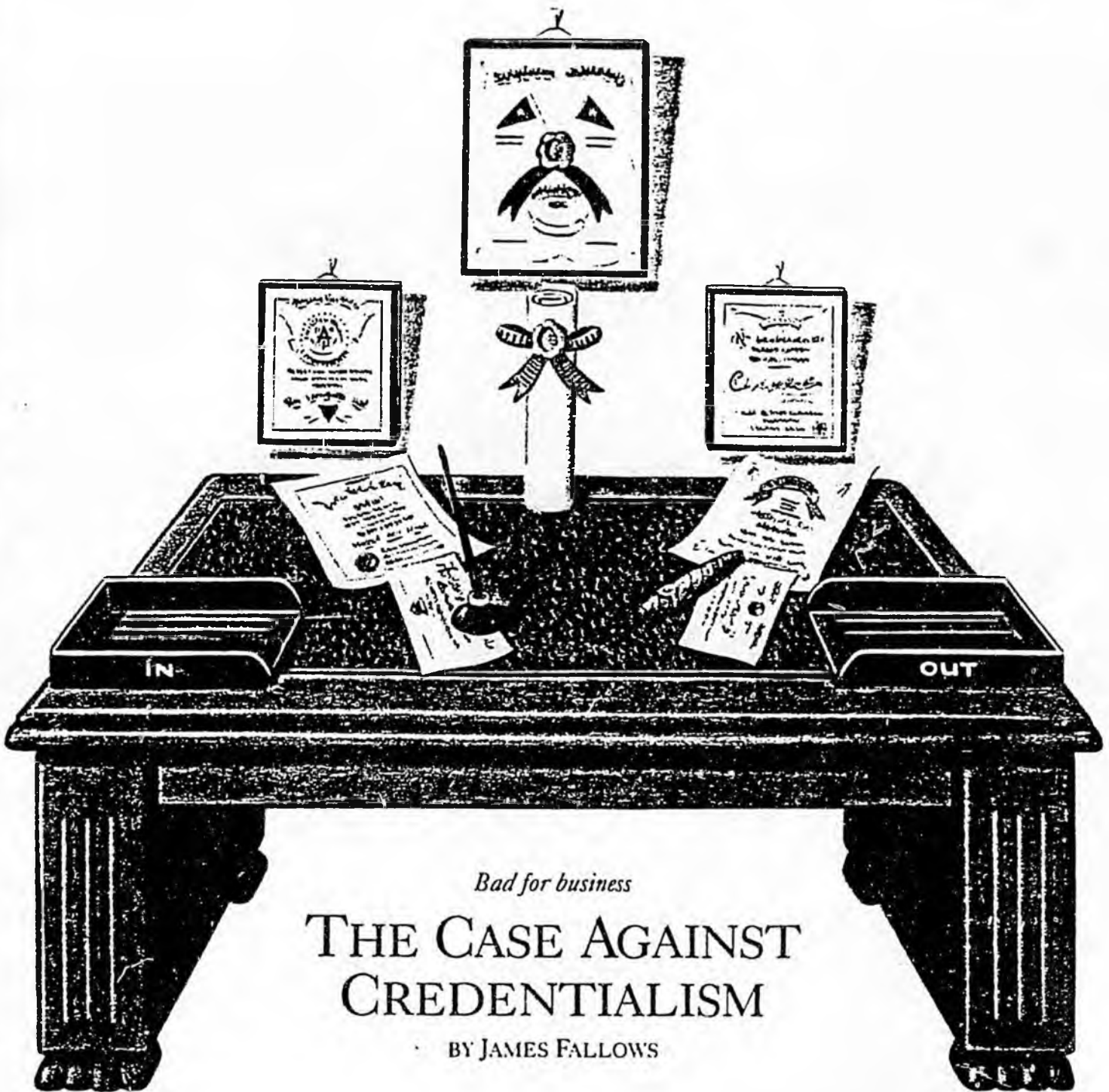
This letter is in support of licensure for marriage and family therapists. At the invitation of the Alaska Psychological Association, Mr. John Pagan spoke to our members on March third, 1986, and explained the qualifications necessary for licensure. It is our understanding that Alaska's Association of Marriage and Family Therapists (AAMFT) is seeking licensure, and we support their efforts in doing so.

Yours truly,



James F. Harper, Ph.D.

President: Alaska Psychological Assoc.



*Bad for business*

## THE CASE AGAINST CREDENTIALISM

BY JAMES FALLOWS

IN 1961 DAVID MCCLELLAND, A PSYCHOLOGIST AT HARVARD, published *The Achieving Society*, an extravagantly ambitious attempt to discover why certain cultures "worked" better than others. Why, among West African tribes, were the Ashanti and the Ibo so economically dominant? Why was so much of the commerce of Southeast Asia run by expatriate Chinese, and so little by the Malays among whom they lived? Why had Jewish immigrants to the United States risen faster than southern Italians?

McClelland's answer involved a value he called *n* Achievement, which varied from culture to culture and gave members of different societies ways to view the workings of fate. Some cultures taught that struggle was

fruitless, since success or failure ultimately depended on destiny and the gods. Others conveyed to their children the view that every person could control or at least influence his outcome in life. Luck mattered, but a prudent man could make his own luck. The odds might be long, but they were rarely insuperable. Indeed, in "achieving" societies people regularly underestimated the odds against them and launched ventures that on the facts seemed quite likely to fail. For indications about the *n* Achievement level of various cultures McClelland looked at nursery rhymes, children's stories, folktales, and other vehicles for the unconscious transmission of values.

When American culture was viewed through this lens.

its folktales seemed to promote an astronomically high level of *n* Achievement. Benjamin Franklin, Abraham Lincoln, Ulysses S. Grant, Thomas Edison, Andrew and even Dale Carnegie—these and countless other self-made men taught by their example what immigrants continued to prove, that hard work might well be rewarded and sights could never be set too high. Starting with *Poor Richard's Almanac* and running through the Horatio Alger series and such inspirational business tracts as *Acres of Diamonds* and *A Message to Garcia*, the flourishing self-improvement industry reflected the American faith that each person held the keys to success in his own hands.

With their regression charts and biographical data, sociologists have demonstrated that the saga of the self-made success was partly myth. The American business titan of the late nineteenth century was more likely to have been born to a comfortable, educated, urban family than to have been a son of toil. Still, McClelland never claimed that the folktales he analyzed—about bad fairies and magic spiders and friendly giants—were literally true. What mattered was that they were told and heard, and that they shaped a culture's attitude. Repeated in schoolrooms and parlors, emphasized in speeches, novels, and popular magazines, the folktales of American business successes emboldened the impressionable public to try. When the sociologist Ely Chinoy studied a community of autoworkers in the 1950s, many people told him that they viewed their jobs in the factory as temporary. Their real dream was to strike out on their own, with a farm, a gas station, or a store.

McClelland's most important point was probably his initial one: that there is a deep connection between the ways we hope to advance as individuals and the economic resiliency the entire culture displays. The nation's bookshelves now groan with analyses of America's productivity problems and competitive woes. Might part of what they seek to explain lie in the changing folklore of success and the private concepts of ambition?

To judge by the recent celebration of entrepreneurs, the American business folklore would seem to be as robustly *n* Achievement-laden as ever. Not since the 1920s has there been so little cynicism and so much public piety about the person who takes a risk, goes out on his own, makes it all work. But once we move past the admiring profiles of software titans and biotechnology kings, the idea that the United States has given itself over to a resurgent entrepreneurial culture is hard to believe. In fact, we are seeing a war between two quite different cultures of achievement, with quite different implications for America's economic ability to adapt and pay its way.

One is the assortment of informal, outside-normal-channels, no-guarantee, and low-prestige activities that is glossed over and glamorized by the term *entrepreneurialism*. Most of the entrepreneurs who rise to public notice have, of course, already proved themselves successful. When we read the inspiring chronicles of Jack Kilby, a co-inventor of the silicon chip, or Fred Smith, who founded Federal Express, we know that the early risks will eventually seem

prudent and the early scoffers will have the joke turned on them. But the thousands of people who are trying to develop tomorrow's new industries have no such certainty: they can't be sure whether they're starting the next Xerox or the next Osborne Computers. Perhaps more important, the world seems to suspect the worst of entrepreneurs. The term *inventor* still conjures up a character with a garage full of gadgets; how much more dignified is the sound of *banker, lawyer, or manager at IBM*. No one brags to friends about children who have signed up for the Learn Computer Repair schools advertised on matchbook covers, even though such self-help courses epitomize the *n* Achievement idea that individuals can improve their standing and control their own fate.

Parents brag, instead, about the son who has finished college or the daughter who has been accepted to law school. Even as modern America honors the successful entrepreneur, it reflects the tremendous pull exerted by the security, dignity, and order of the professionalized world. The basic tenet of this culture of achievement is that he who goes further in school will go further in life. American society is often described as a meritocracy, in the sense that those who show the most pluck and academic merit will prevail. The Houston housewife who labored in obscure solitude on her first novel, picked an agent's name out of a magazine, and then sold her book last summer for \$350,000 is a figure from the first culture, that of self-help; if she uses the money to send her son to *Andover, Yale, and Harvard Law*, he will be a citizen of the second, the meritocracy.

The rise to professional status is one of the most familiar and cherished parts of the American achievement ideal. What immigrant saga would be complete without the peddler's grandson receiving his M.D.? But such an ideal is also at odds with most analyses of what the society as a whole needs if it is to continue to achieve. If everyone has the tenure and security that come with professional status, who will take the risks?

NOWHERE IS THE TENSION BETWEEN THE TWO CULTURES, the entrepreneurial and the professional, more evident at the moment than in American business. At just the time when American business is said to need the flexibility and the lack of hierarchy that an entrepreneurial climate can create, more and more businessmen seem to feel that their chances for personal success will be greatest if they become not entrepreneurs but professionals, with advanced educational degrees.

In the past twenty years enrollment in graduate business schools has increased by a factor of ten. Next spring 67,000 new M.B.A.s will take their degrees to the marketplace. Alert to the workings of supply and demand, some business-school officials have predicted a glut; already, newer, weaker schools have been retrenching, and some recent graduates have settled for less attractive jobs than they might once have hoped to get. Still, overall enrollment

continues to rise, and graduates of the most prominent schools are heavily in demand. The business-school community closely studies each school's "return on investment" or "value added" ratio—how much an M.B.A. degree adds to a person's salary, compared with how much it costs to obtain. At Dartmouth's Amos Tuck School, the nation's oldest graduate business college, tuition this year is \$11,000, and the average starting salary for graduates is around \$43,000. "That four-to-one ratio has been constant for at least the fifteen or twenty years I've been aware of it," Colin Blaydon, Amos Tuck's dean, says. Harvard also reports a four-to-one ratio, down from the heady seven-to-one ratio of 1969, but not so far that Harvard has any trouble filling its admissions quotas.

The rise of the M.B.A. has occurred during precisely the era in which, as anyone who follows business magazines is aware, the content of graduate business training has come under increasing attack. "We have created a monster," H. Edward Wrapp, of the University of Chicago's business school, wrote in 1980, in *Dun's Review*. "The business schools have done more to insure the success of the Japanese and West German invasion of America than any one thing I can think of." "I'd close every one of the graduate schools of business," Michael Thomas, an investment banker and author, wrote in *The New York Times*.

The specific case against business schools is that they have neglected certain skills and outlooks that are essential to America's commercial renaissance while inculcating values that can do harm. The traditional strength of business education has been to provide students with a broad view of many varied business functions—marketing, finance, production, and so forth. But like sociology and political science, business training has gotten all wrapped up in mathematical models and such ideas as can be boiled down to numbers. This shift has led schools to play down two fundamental but hard-to-quantify business imperatives: creating the conditions that will permit the design and production of high-quality goods, and waging the constant struggle to inspire, cajole, discipline, lead, and in general persuade employees to work in common cause.

IT IS BY NOW CONVENTIONAL WISDOM THAT AN UNDER-emphasis on production and on leadership lay behind many of America's industrial difficulties in the 1970s. "Business is principally about design and building and selling, and basic management is not paying attention to those functions," says Thomas Peters, a co-author of the legendarily successful *In Search of Excellence*. "In business and in business schools we don't focus enough on how to lead people. Until you have managed people, you don't have any idea how complex it is. The difficulty now is that the youngster comes to business school without any experience or taste about managing people, so he or she can't ask challenging questions. So in the class you've got the standard business-school professor, who got a Ph.D. in statistics at age twenty and a half, talking to students who got

800s on their GMATs. It sure feels good to both parties, but it doesn't have much to do with business. I wouldn't let anybody in the place before age thirty."

In addition to what business school, because of its academic and theoretical emphasis, neglects, it is said to inculcate attitudes hostile to the flexibility and daring celebrated in today's entrepreneurial heroes. "The students I see are very concerned about resumé value, and very risk-averse," says Roger Muller, who got his M.B.A. in 1973 and is now the director of placement at Amos Tuck. "They don't want to take any chances. Someone will come in wanting to be an investment banker. He decides, I've got to work for Goldman, Sachs this summer, because that will give me a better shot at the job with Goldman, Sachs when I get out of here. They want everything to line up just right and are easily frustrated when things don't."

Goldman, Sachs is not an idly chosen example; investment banking and consulting firms are the most popular outlet for M.B.A.s, especially from the top schools, and they pay the highest salaries. When the Harvard Business School surveyed its class of 1984, nearly 40 percent said they had taken jobs in consulting or investment banking. Consulting, with a median starting salary of \$52,300, was the most lucrative field. Investment banking, at \$45,000, was second highest. Manufacturing attracted only a quarter of the class, and its most common starting salary was under \$40,000. The perversity of such a preference is that students are hoping to find security in the very pursuits that add such instability to the American financial structure. This fall *Business Week* featured a report on the "Casino Economy"—the tremendous increase in speculation, merger, corporate rearrangement, tax avoidance, and other forms of financial churning that make fortunes for investment bankers while ratcheting up the level of corporate debt. To such efforts are the best and brightest now drawn.

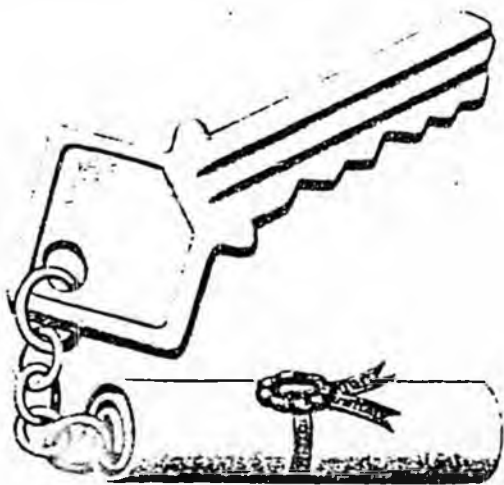
From the student's point of view, the continuing migration into business school and from there onward to consulting firms and banks is hardly mysterious. That is where the money is. But when we think about our culture and its parables of ambition, the rise of M.B.A.s and consultants raises a question like that posed by the prestige and prominence of the legal establishment. Why is so much raw talent creamed off for pursuits of such dubious economic value? Why are so many of our smartest people induced to spend their adult lives waging merger wars against one another and doing battle over the tax code? Even the factory workers who once dreamed of opening their own stores have, it seems, reset their sights. When Richard Sennett and Jonathan Cobb interviewed a group of working-class parents in the 1970s, the parents "did not speak about the good life for their children in terms of small business. It exists, most of them believe, in the professions, in medicine or college teaching or architecture. . . ."

Why did the professions become so attractive, and independent business so unappealing? Why has there been such a surge in the most "professionalized" form of business, investment banking, and such a decline (despite the

current romance of high tech) in designing, building, and selling America's goods? Through the years certain cultures have rewarded behavior that eventually proved ruinous to the society as a whole—the British upper class's desire to be free of the taint of commerce is the most famous example. Is a similar perverse process at work here?

One way to understand the professionalization of business is to step back from strictly commercial concerns and follow the course of an enormous change in American society over the past hundred years. The connection between education and occupation is now so firmly ingrained as to seem almost a fact of nature: To get a good job, you get a diploma; at one time a high school diploma sufficed, and then a B.A., but now you're better off with a J.D. or an M.B.A. When Richard Herrnstein, a Harvard psychologist, wrote a book called *I.Q. in the Meritocracy*, in 1973, parts of his argument were controversial but not his assertion that success in school was and should be a prerequisite to success in later working life. "The gradient of occupations is, then, a natural, essentially unconscious expression of the current social consensus," Herrnstein said. Society had to select and conserve its talent, and the best way to do that was through the schools.

Yet this familiar system, far from evolving "naturally" or "unconsciously," is the product of distinct cultural changes in American history. The process that left it on our landscape is less like the slow raising of a mountain range or the growth of oxbows on the Mississippi, and more like the construction of a dam. Three changes, which all took place in the past hundred years, produced the system that is now producing M.B.A.s. They were the conversion of jobs into "professions," the scientific measurement of intelligence, and the use of government power to "channel" people toward certain occupations.



**T**HE FIRST CHANGE WAS PROVOKED BY THE GENERAL social chaos of the late nineteenth century. In fond recollection this is the era of ice-cream socials and horse-and-buggy outings and white linen suits, but for those alive then, it seems to have featured one moment of

terrifying uncertainty after another. Between the end of the Civil War and the beginning of the First World War the nation's population grew faster and migrated more frequently than ever before or since. Tens of millions of people poured through Ellis Island and into the New World; millions more left farms in Wisconsin and Tennessee to work in stockyards and steel mills in such brash new boomtowns as Chicago, Cleveland, and Detroit. Men and women who had grown up on farms or in small towns where everyone knew his neighbors, and where behavior was constrained by the knowledge that nothing could be kept secret for very long, now found themselves kowtowing to impersonal foremen and brushing shoulders with people who had only recently lived in Calabria or Minsk.

The social order and the traditional sources of security were repeatedly called into question. When the transcontinental railroad network was completed, the United States was for the first time something like a national market. Small-town merchants found they couldn't compete with the big chains operating out of Chicago and New York. With the growth of steamship lines and the cultivation of vast new tracts in Australia, Canada, and South America, farmers were exposed not just to a national but to a worldwide economy. A farm family in Kansas could till, sow, pray for rain, and harvest—only to find that a bumper crop in Argentina had destroyed the price for wheat. At the time of the Civil War more than half of the American work force could still be found on the farm. By the turn of the century only a third was still there. With the decline of the village and the farm, doors were closing on the man who wanted to work for himself and opening to those who were willing to sign on with Armour or Union Pacific or Standard Oil.

"An age never lent itself more readily to sweeping, uniform description: nationalization, industrialization, mechanization, urbanization," the historian Robert Wiebe wrote in his classic study of the era.

Yet to almost all of the people who created them, these themes meant only dislocation and bewilderment. America in the late nineteenth century was a society without a core. . . . A feeling [was] suddenly acute across the land that local America stood at bay, besieged by giant forces abroad and beset by subversion at home.

Wiebe's book was called *The Search for Order*; it stressed the different ways in which different groups struggled to recover the social and economic security they had lost. The farmers joined ranks in the anti-foreign, anti-immigrant, anti-bank, and eventually anti-black protests of the Populist movement. Immigrant and other industrial workers fought for protection through labor unions. The traditional American aristocracy of Roosevelts and Cabots tried both to hold off the immigrants who were reaching for control of city politics and to erect barriers of snobbery and taste with which to separate themselves from the grasping plutocrats of the Gilded Age.

For the middling rank of dislocated merchants, craftsmen, and semi-professionals, the most promising route to security was to enhance the prestige of their occupations. Through the nineteenth century "anyone with a bag of pills and a bottle of syrup could pass for a doctor," as Wiebe put it; many doctors were socially ill-regarded beings, with earnings that fluctuated wildly and were chronically below those of businessmen. Lawyers, teachers, and engineers had similar problems. But a more complicated society had more demand for technical skills, and in the decades after the Civil War nearly every group now thought of as "professional," from lawyers to librarians to accountants to mechanical engineers, organized itself in an attempt to raise its standards and its status.

The economic advantages to be had from professional organization were most concisely explained by Mark Twain, who in *Life on the Mississippi* described the riverboat pilots' attempt to make themselves into a monopoly. At mid-century, when westward expansion caused the steamboat business to boom, the pilots' pay unaccountably began to fall. The reason, as the pilots soon deduced, was that any fool off the farm could sign on as an apprentice pilot, increasing competition and depressing the market. A few of the pilots formed a guild, or "association," asking an inflated wage. They slowly recruited members and agreed to exchange information about the river's constantly changing snags and sandbars only with other members of the guild.

"Now came [the] perfectly logical result," Twain wrote, with admiration. "The outsiders began to ground steamboats, sink them, and get into all sorts of trouble, whereas accidents seemed to keep entirely away from the association men." Insurance companies began to plump for association pilots; the steamship owners agreed to one wage raise after another, passing on the difference (and then some) in freight. Since no one could become a pilot without the recommendation of two existing pilots, the association could regulate its own competition. The pilots prospered until the entire, now overpriced industry was destroyed by the railroads and "the association and the noble science of piloting were things of the dead and pathetic past!"

The difference between the pilots' association and the countless other guilds that sprang up and survived was that the pilots were tied to one specialized industry and could be completely displaced, unlike doctors, teachers, lawyers, and engineers. But the economic logic that lay behind the pilots' association shaped the other organizations as well. They controlled entry into their fields, they often raised professional standards, and they sheltered their members from the more chaotic side of the marketplace.

The newly organizing groups could call themselves professions, and not simply resurrected medieval guilds, because their members' mastery of a new body of knowledge gave them claims to a competence beyond the amateur's reach. Doctors could take advantage of the new break-

throughs in germ theory and anesthesia, engineers of refinements in industrial technology. "A strong profession requires a real technical skill that produces demonstrable results and can be taught," a sociologist named Randall Collins wrote in a history of educational credentials. "The skill must be difficult enough to require training and reliable enough to produce results. But it cannot be too reliable, for then outsiders can judge work by its results." Indeed, when historians try to explain why engineers have never become as prestigious and independent as doctors or lawyers, one of their answers is that the engineer's competence is too clearly on display. (When a patient dies, the doctor might not be to blame, but if a bridge falls down, the engineer is.)

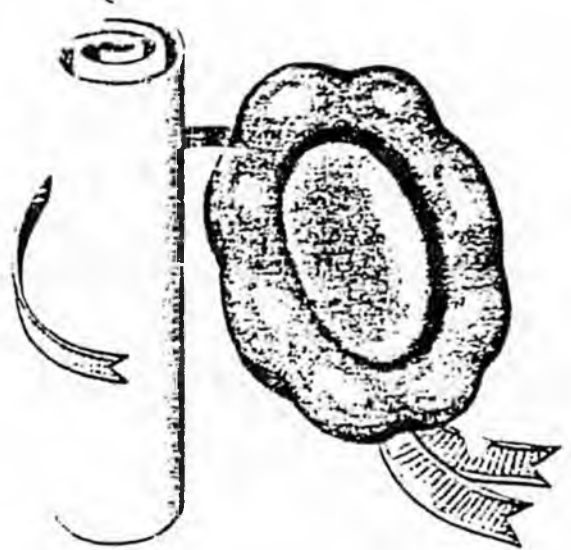
As a means of transmitting the knowledge on which their authority was based—and of reserving to themselves control over who would enter the field—the professions dramatically increased the educational requirements for new aspirants near the turn of the century. Before, practically anyone could declare himself a doctor or a teacher or a lawyer, and the choice about who prospered and who failed would be left to "the market," including people who died after trying to cure their cholera with snake oil. Afterward, those who wanted to enter the professions had to go to school, and once they had their credentials they enjoyed a near-tenured status they had previously been denied. Before the First World War not a single state required that its lawyers have attended law school, and fewer than a third of all North American medical schools required even a high school diploma for admission. By the Second World War professionals without advanced degrees were becoming an oddity.

Business managers began "professionalizing" about the same time that the other groups did, but their alliance with educational institutions developed more slowly. The new body of knowledge that turned business into a profession was created by the rise of huge, complex, integrated corporations. With the coming of railroads and telegraphs and nationwide trading firms, businessmen couldn't keep schedules or accounts in their heads any longer, as the small-town merchant had done. Resources had to be coordinated, inventory tracked from place to place, new systems of accounting worked out. In his history of American management, *The Visible Hand*, Alfred Chandler, of the Harvard Business School, described how the rise of multi-unit corporations killed off the owner-managers of a simpler era and created a demand for salaried, "scientific" management. Soon after the turn of the century professional management societies and scientific-management journals sprouted up everywhere. The early generation of professionally trained managers "was mainly from engineering schools like MIT. 'You needed an engineering background to know what was going on inside the factories,'" Chandler told me. "But when the merger movement began and you needed skills for more than just production, you had the first wave of business schools. At that point, they were indeed meeting a need."

By 1910 graduate business schools had been founded at Dartmouth and Harvard, as had undergraduate schools of business at New York University and the universities of Chicago, California, and Pennsylvania (the Wharton School). Still, until the eve of the Second World War specialized training in business was the exception. According to a national survey conducted in 1937-1938, only about half of all employers required that prospective managers have even a high school diploma, and only one eighth required a college degree. Thirty years later a regional study found that nearly half of all managerial jobs formally required either a B.A. or a graduate degree.

The first cultural change, then, was the evolution of distinct professions, requiring proof of academic training from those who hoped to join. In part the rise of credentialed professions reflected the greater precision of scientific knowledge and the greater complexity of modern business operations, but it also arose from a social choice. When it came to determining professional status, the trial and error of the marketplace would not suffice. Objective standards must be found. Shortly after the Civil War, Charles William Eliot, newly installed as the president of Harvard, had complained in his inaugural address that "as a people we have but a halting faith in special training for high professional employments." There was "national danger" in the "vulgar conceit that the Yankee can turn his hand to anything [which] we insensibly carry into high places, where it is preposterous and criminal. We are accustomed to seeing men leap from farm or shop to courtroom or pulpit, and we half believe that common men can safely use the seven-league boots of genius." The new ethic of self-regulating professions was the answer to this vulgar Yankee conceit.

Because meeting "objective" standards so often meant getting an academic degree, professional competence soon was measured by "input," not "output." That is, anyone who brought the right educational credentials and could pass the entry test was certified and from that point on was shielded from further formal tests of competence. Once a professional, always a professional, barring felony conviction or grotesque error. As part of the movement for professionalization, the U.S. Civil Service was converted from a high-turnover political-spoils system to a "merit" system, based on objective entry tests. In the old days practically anyone could be hired for a government job, but no one could count on staying very long. After the Civil Service was reformed, only those who met the standards could sign on—and once hired, they could practically never be discharged. The corruption of the spoils system symbolized the social chaos that the professional guilds hoped to combat, not only in the government but also in business and the professions. The rigidity of the modern Civil Service illustrates how far the idea of professional tenure has gone. In five years in office Ronald Reagan has managed to replace fewer federal employees than Abraham Lincoln did in four, and in Lincoln's day the government was one seventieth its current size.



THE SECOND HISTORIC STEP TOWARD A MERITOCRACY occurred at about the same time as the wave of professionalization. It was the invention of IQ tests and the dawning of the idea that "intelligence" was a single, real, measurable and unchanging trait that severely limited each person's occupational choice.

To the creator of the first intelligence test, the French psychologist Alfred Binet, *IQ* meant something very different from what it has come to imply. As has often been told, Binet was commissioned by the French Ministry of Instruction to develop a test to identify children in need of remedial schooling. He came up with a list of simple tasks that would illustrate the child's "mental age"—a normal three-year-old should be able to point to his nose, eyes, and mouth, a normal ten-year-old should be able to make a sentence with the words *Paris*, *fortune*, and *gutter*, and so forth. The ratio between mental age and chronological age, of course, yielded the "intelligence quotient," or IQ, with 100 defined as normal.

Binet never viewed "normal" children as appropriate subjects for his test, which, like the white-blood-cell count, was designed to indicate the presence of disease, not to rank degrees of health. He went out of his way to denounce the idea that IQ could be thought of as a fixed, innate value. As he saw it, an IQ test was, to use another analogy, something like a physical-fitness exam given before a conditioning program, which would indicate areas of weakness and serve as a benchmark for future progress. He prescribed a course of "mental therapeutics" to build mental strength and raise IQ. He began his chapter "The Training of Intelligence" by saying, "After the illness, the remedy." As a young student, Binet himself had been told he would never have a truly philosophical spirit.

Never! What a momentous word. Some recent thinkers seem to have given their moral support to these deplorable verdicts by affirming that an individual's intelligence is a fixed quantity, a quantity that cannot be increased. We must protest and react against this brutal pessimism; we must try to demonstrate that it is founded upon nothing.

Something happened to Binet's concept of IQ when it was translated into English. In both England and the United States, IQ was seized upon as a way of quantifying the long-suspected mental differences among individuals and races. In response to the seemingly unstoppable flow of immigrants, American theorists had developed elaborate schema of the mental standing of different ethnic groups—"Nordics" highest, Eastern Europeans and blacks lowest—but for proof they had had to get by with comparative cranium measurements and photographs of deviant physiognomies. The IQ tests gave the new science of psychometrics—mental measurement—the kind of objective, hard data it had so sorely lacked.

By the beginning of the First World War psychometrics had come so far that millions of American recruits were screened for IQ with the famous Army Alpha and Army Beta tests. (The first ten questions from an Army Alpha exam are listed below. \*) When the results were correlated with the recruits' social and ethnic backgrounds, they confirmed what everyone had suspected: the immigrants and blacks were overwhelmingly subnormal, with the most recent arrivals proving to be the most defective. The only unforeseen and unsettling wrinkle was that *most* people were subnormal: the average mental age for white draftees was thirteen. The chief administrator of the tests, Robert Yerkes, noted that if the results were taken seriously, 47 percent of white draftees must be classified as morons. He concluded, "Thus it appears that feeble-mindedness . . . is of much greater frequency of occurrence than had been originally supposed."

The 900-page analysis of the Army exams was made public in 1921. Ever since then arguments about intelligence tests have centered on whether the tests are "fair." If the IQ test and all its progeny, from the Army Alpha to the Scholastic Aptitude Test, really did seek out raw talent "fairly," regardless of social setting, why have all of them, from the beginning, shown that the people with the best jobs, the most money, and the best bloodlines also have the highest IQs? Had American (and English) society become so perfectly meritocratic by the early 1900s that the smartest people had already reached the occupational summit, despite nativist passions, Jim Crow laws, and the brutalized condition of the urban working class?

\* Army Alpha Test 8

1. The apple grows on a shrub vine bush tree
2. Five hundred is played with rackets pins cards dice
3. The Percheron is a kind of goat horse cow sheep
4. The most prominent industry of Gloucester is fishing packing brewing automobiles
5. Sapphires are usually blue red green yellow
6. The Rhode Island Red is a kind of horse granite cattle fowl
7. Christy Mathewson is famous as a writer artist baseball player comedian
8. Revolvers are made by Swift & Co. Smith & Wesson W.L. Douglass B.T. Babbitt
9. Carrie Nation is known as a singer temperance agitator suffragist nurse
10. "There's a reason" is an ad for a drink revolver flour cleaner

But beneath the drawn-out arguments about fair and unfair measures of IQ a more powerful concept has often lain unchallenged. Everyone seems to agree that if only we could find a way to determine IQ "objectively," we would be more than halfway to determining where people should end up in life. Even most critics of the tests don't question the current structure of the professions. Their concern is giving everyone a "fair" shot at an M.B.A.

Forging a link between intelligence and occupation was explicitly the goal of the early psychometricians, even though it was not a goal of Alfred Binet's. Lewis Terman, one of the movement's leaders, wrote in 1923 that

preliminary investigations indicate that an IQ below 70 rarely permits anything better than unskilled labor: that the range from 70 to 80 is preeminently that of semi-skilled labor, from 80 to 100 that of the skilled or ordinary clerical labor, from 100 to 110 or 115 that of the semi-professional pursuits; and that above all these are the grades of intelligence which permit one to enter the professions or the larger fields of business. Intelligence tests can tell us [to which group] a child's native brightness corresponds. . . .

The most important word here is *permits*. If the first major social change, the rise of professions based on advanced educational degrees, dramatically increased the importance of higher education, the second change implied that only a few people would be recognized as having the raw intelligence to handle long years in school and the careers that would follow. The results of this perception were spelled out by Richard Herrnstein, in his book on the meritocracy. "The ties among I.Q., occupation, and social standing make practical sense," he wrote. "If virtually anyone is smart enough to be a ditch digger, and only half the people are smart enough to be engineers, then society is, in effect, husbanding its intellectual resources by holding engineers in greater esteem, and on the average, paying them more."

Surely some people are more talented than others, and some are not fit to be doctors or artists or musicians. Still, there are reasons to be skeptical of the idea that IQ is usually the limit on occupational ascent. For example, one of sociology's longest-running and most thorough surveys, known as the "Kalamazoo Brothers" study, followed thousands of boys from their childhoods in Kalamazoo well into adulthood. A recent analysis of its results revealed that of the men who ended up as professionals, 10 percent had as children been considered "high-grade morons." (That is, their IQs were 85 or below, placing them in the bottom sixth of the population. During the first half century of intelligence testing, people with scores below 85 were known, in descending order of intelligence, as morons, imbeciles, and idiots. Now scores below 70 are associated with severity of retardation, from "mild" to "profound.") Michael Olneck and James Crouse, who analyzed the Kalamazoo data, found that a third of all the professionals and 42 percent of the managers had childhood IQs below 100, which is by definition subnormal. As a group the m

agers had above-average IQs, but a large number of individual managers did not. According to pure meritocratic theory, Olneck and Crouse observed, the greatest diversity of IQ scores should be found at the bottom of the occupational pyramid (since some people have the brains but not the gumption or the opportunity to move up) and the least diversity at the top (where everyone would have to be smart to make the grade). When Richard Herrnstein compared the IQ scores of Second World War recruits with their occupations before induction, he discovered just such a pattern. But Herrnstein's subjects were young, starting out in their careers; the Kalamazoo study, which traced its subjects until much later in life, found that the IQ-and-occupation pattern was in fact the reverse. The greatest diversity of IQ scores was found not among unskilled laborers but among professionals. "It appears that the capacity to succeed in [professional and managerial] jobs is rather widespread, and is not confined to men who score well on tests," Olneck and Crouse concluded.

Another illustration that people can often do more than their IQ "limits" suggest: After the Second World War the GI Bill financed a college education for 2.3 million men, including half a million whose backgrounds suggested that they were not "college material" and who said they would not otherwise have gone to school. James B. Conant, the president of Harvard, called the bill "distressing," because it did not "distinguish between those who can profit most by advanced education and those who cannot." In the same spirit Robert Hutchins, of the University of Chicago, warned that when the GIs came home, "colleges and universities will find themselves converted into educational hobo jungles." In other words, this was a scheme to push people beyond what their intelligence would permit. Of course, when the returning GIs enrolled, they confounded all predictions and proved to be famously mature and successful in class. Researchers found that those who would not have gone to college without help from the GI Bill did slightly better in course work than other equally able veterans.

If the linkage between jobs and IQ were as strong and automatic as the meritocratic theories proposed, how could the Kalamazoo morons have succeeded in business and the professions? How could the population of Europe have switched from an overwhelmingly agricultural to an industrial society, with its more demanding skill level, within three or four generations? Where could the United States have found the extra talent to manage an even more rapid transition—the proportion of professional and managerial jobs has quadrupled just since 1900—at precisely the time that its gene pool was "deteriorating" because of dysgenic flows from overseas? Obviously, during the agricultural era the limit on human performance was not the stockpile of native intelligence but the primitive level of technology and social organization. Through most of history most people have been capable of far more than economic organization has permitted them to do. It would be remarkable indeed if in the 1980s we had reached the pre-

cise point of equilibrium at which the supply of human talent exactly matched the high-skill jobs that exist to be done.

Nonetheless, the lasting effect of this second social change was the belief that an individual's IQ placed firm limits on how extensively he could be educated—and, because of the emerging link between education and work, on the jobs to which he could aspire. Since a person's intellectual ability was genetically fixed, predictions about his specific limits could be made early in life, as soon as he reached school. The third change began as a logical sequence of the first two: the conversion of the schools into a "channeling" mechanism.

UNTIL THE EARLY TWENTIETH CENTURY "REFORMING" America's schools meant persuading more people to attend. Through the mid-nineteenth century compulsory-school-attendance laws were all but unknown, and only about two percent of the high-school-age population was enrolled in high school. By the turn of the century more than half the states had passed school-attendance laws, and the long nineteenth-century crusade for publicly financed "common schools" serving the general public had been victorious. But the very success of this crusade created new complications. What was to be done about the "plain people" who were being given the once-rare gift of a diploma but would find that it took them no further than to factory or field?

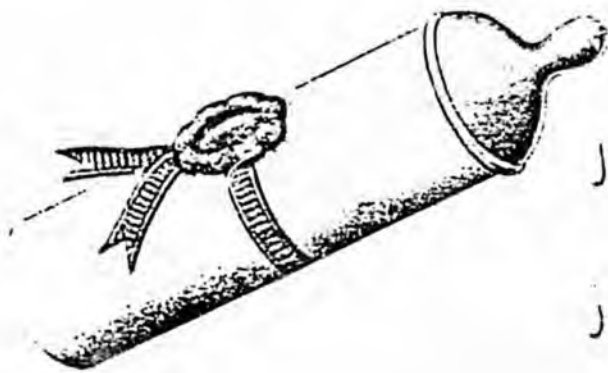
The resolution of this conflict involved the creation of different classroom "tracks" and vocational, as well as academic, schools. But, like IQ testing, manpower channeling took sudden leaps, because of the demands of war. During the First World War, which the United States entered late, mass mobilization did more for the psychometricians than they did for the war effort, since it gave them their first opportunity to collect data on a grand scale. Twenty-five years later, as the United States girded up for total war, its strategic planners knew they had to use human resources as efficiently as rubber or tin. Their principal tool for deploying manpower was the power to draft or defer, and for thirty years, from 1940 to 1970, the Selective Service system played a crucial role in, and offered a window on, the evolution of the meritocracy.

General Lewis B. Hershey, whose military career had begun not at West Point but with a National Guard unit in Angola, Indiana, had as the first Selective Service director vigorously advanced a "no deferments" policy during the Second World War. He was especially hostile to student deferments, arguing that they would turn into a collaboration between colleges (which wanted to keep their enrollments up) and privileged students (who preferred to stay away from the front lines). But in such sentiments Hershey soon proved to be on the wrong side of social history. In the Cold War era the prevailing view was that the United States could not afford to misallocate its intelligence and talent if it hoped to prevail against the Soviet Union.

In 1948 an advisory group assembled by Hershey recommended the creation of a new draft classification, covering any young man "whose educational aptitude suggests he is of potential special value." Men could qualify for the deferment on the basis of their grades in school and their score on what was essentially an IQ test. The plan represented everything that Hershey detested, but he accepted it, apparently out of the bureaucratic desire to keep the Selective Service system alive. He contracted with the Educational Testing Service to write the test, and when he began calling men for service in Korea in 1951, anyone who scored above 70 (out of a possible 100) on the test could remain in college and be sheltered from the draft. Eventually the IQ-test deferment evolved into the 2-S deferment that proved so catastrophically divisive during the Vietnam War.

In a way, the IQ deferment plan was merely symbolic. The number of deferments for married men and fathers, members of ROTC, and those classified 4-F vastly exceeded deferments granted through the IQ test. Still, as symbolism it was potent indeed. By the middle of the twentieth century differences in legal standing based on wealth and skin color were on their way out. The time was long past when a slave was legally three fifths of a man or only property owners could vote. Such distinctions had come to seem unacceptable—but not the idea that the state would scientifically seek out its most intelligent people and grant them extra rights.

This third change, then, instituted the idea that the state, through its school system and its ability to compel military service, would put the science of mental measurement to work, by helping to steer people toward their proper level of education and most appropriate jobs. By the 1950s the evolution of manpower channeling had, along with the two other changes, given us the modern meritocracy.



**W**ITH ITS EMPHASIS ON THE EARLY DETECTION OF intelligence and on extended education as the route to professional success, the meritocratic order has produced such familiar symptoms as the frenzied competition for places in private nursery schools (presum-

ably to improve the odds of admission to Harvard Law School twenty years hence), the bleak prospects that laid-off and uncredentialed industrial workers face when the mills close down, and even the proliferation of consultants and M.B.A.s. But has it in any fundamental way affected America's prospects as a functioning economy or a cohesive democratic state?

If anything in David McClelland's model makes sense—if an earlier national folklore of wide-open opportunities persuaded Americans to take risks that sheer logic might have ruled out—then the rise of the meritocracy has to have had an impact. As the definition of *success* has been altered to give more encouragement to the professional and less to the rough-and-ready entrepreneur, the achievement motive has also changed. If talent is unchangeable and genetic endowment so precisely limits what each person can do, then why fight the inevitable? The logical response to a low IQ score would be resignation to fate.

In measurable economic terms the rate of social mobility in the United States has changed very little in at least a hundred years: people still rise out of poverty and fall from affluence about as frequently as in the days when no one had heard of IQ or tracking or M.B.A.s. American society is more open than most others, but it still rewards the wisely chosen birth. Researchers who dug through estate records in Cleveland in the 1960s, for example, found that if a man was born into the wealthiest five percent of families, the odds were two out of three that his own adult annual earnings would exceed \$47,000 (in 1985 dollars). If he was born into the poorest 10 percent, the odds were one in a hundred. As far as economic historians can determine, at most points in American history actual mobility rates have been about the same as they are now.

What has changed with the coming of the meritocracy is the air of scientific inevitability that surrounds the results. If only one man in a hundred makes it out of the lowest rank, is it because the other ninety-nine just aren't smart enough? Even while angrily denying that a college degree is necessarily a sign of intelligence, or that executives and members of the clean-hands class deserve the privileges they enjoy, many working-class Americans seem to nurse the fear that they really *aren't* good enough to make it anymore. If the "famous self-confidence" of the businessman, as David McClelland put it, made a tangible difference in the growth of American industry, might not this induced self-doubt do equivalent harm?

"I used to go past Johns Hopkins all the time, practically every day," Robert Ward told me earlier this year. Ward is a gruff, wisecracking novelist in his early forties who had recently published *Red Baker*, a book about the travails of a laid-off steelworker. Ward himself grew up in a working-class Baltimore neighborhood similar to the one he described in the novel.

"I went past there probably a thousand times, and it just never occurred to me that somebody like me could go there. It wasn't like, Gee, I wish I could go there and isn't it too bad I can't. *It never entered my mind!* I wasn't ever bit-

ter about it, because I just understood deep down in my soul that of course I'd never go to a place like that." In the end Ward applied at the last minute to Towson State, "only because my mom asked at the end of the summer what I'd think about going to college." He moved on to teaching English at a variety of private schools, wrote his novels, and this year became a story editor in Los Angeles for *Hill Street Blues*.

"When I'd seen a little more of the world, I started thinking, Hey, I could've gone there! I'm as smart as these people! But it wasn't till years later that I saw how you're tracked unless somebody happens to push you in a different direction. One of my teachers used to tell me, 'You're smart, and the only person we've got to convince of that is you.'"

"You're taught never to be certain about what you know," Peggy Miller had told me in Baltimore several years earlier. Miller was a slight woman in her early thirties, with dark hair, round dark-rimmed glasses, and a grave air. She had grown up in a working-class area of Pennsylvania, had earned a doctorate in psychology, and was studying certain aspects of how parents raised children in the neighborhoods that surround Baltimore's steel mills. "Myself, I feel compelled to be a hundred percent sure of something before I'll say that it's so, when many other people say it's the case if they're fifty-one percent convinced. One of the reasons, of course, is that a standard of success in the professional world is a kind of glibness and self-confidence. When you ask a worker about something he actually knows in detail, what he'll say is, 'I know a little about that' or 'I have a little bit of experience with it.'"

Their own life stories might seem to contradict what Ward and Miller say—after all, each of them has risen in the world. But they offer testimony about an attitude to which most of their friends succumbed. Surrounded by indications that they just weren't good enough to earn a berth in the college-degree world, many were persuaded not even to try. There is a more powerful illustration of this destruction of human capital: the behavior of lower-class black teenagers, especially boys, who inspire from most of their fellow citizens a mixture of fear, despair, and a desire that they be kept at bay. The tangled history of race in America may make the situation of the black underclass seem unique, but what is racial prejudice if not a concentrated version of the meritocratic message that certain people are so defective that they deserve to fail?

"When you watch these young men playing sports, you know the enthusiasm, the creativity, the competition, and the standards are all there," Irving Hamer told me one afternoon last year. Hamer is the headmaster of the Park Heights Street Academy, in Baltimore, a private school designed to give a second chance to students who seem bright but have run into trouble in the public schools. The Street Academy is located in a cleaned-up row house in the Baltimore ghetto. Hamer, who was raised in central Harlem by his mother, is a tall black man in his late thirties with broad shoulders and a slender waist.

"Sports is different, because it's the one place where adolescent black males believe there is an outlet for themselves. The determination and energy they show there doesn't translate itself into other areas, because they think they're unavailable. Apart from sports, there is nothing that brings them the message that an upbeat approach can pay off. The subtle message that leaps from their experience and reinforces a sense of self hate is that they shouldn't even try. How do you get a handle on a social pathology that makes people hate themselves?" Hamer ran down a list of his graduates and what had become of them in the few years since Park Heights had opened. About half have gone on to the nearby community colleges, and many have joined the Army. "The military has become a convenient way out for a lot of them, and it kills me. The military simply doesn't demand the performance or level of achievement they should be capable of. And those CETA programs—what terrible, unkind assumptions they make about young people, that they can only make it if all the standards are lowered for them. These kids figured out fairly early that little was expected of them."

When I talked with Park Heights students and asked why they had quit or floundered in public school, I nearly always got the same reply. The teachers were robots; nobody cared about anything except the paychecks; it was a waste of time even to show up. With all proper allowances for teenagers' vast capacity to deflect responsibility away from themselves, by the twentieth time I heard such an account I was convinced—convinced not simply that the urban public schools, deserted by the middle class, have become a trap for those who can't buy their way out but also that when people are told they will fail, most of them do. Is it merely a coincidence that so many immigrants, whose potential has not been ascertained, rise as if they do not know where they are supposed to stop? At the time of my visit to Park Heights, in the spring of 1984, Jesse Jackson's campaign for the presidency was beginning to gather steam. One wall of Hamer's office was dominated by a super-life-size portrait, in which Jackson stood resplendent in a business suit. His dimensions and his beatific smile made him look like a happy god. "Why do you think he's getting all the black votes?" Hamer said. "He sends a message that you can succeed."

"People are always saying, 'Why don't these local blacks try harder, when so many of the black-skinned immigrants do so well?'" Juan Williams said early this year. Williams, a young reporter for *The Washington Post*, is himself a black-skinned immigrant, born in Panama and brought by his mother to Bedford-Stuyvesant when he was two. "When people do well, it's because their parents gave them the feeling that great things were expected of them and were within their grasp. My older sister went off to this fancy college and came home all fine and uppity. You start thinking, I want that too. What mattered was having practical models of what you could achieve."

By persuading people on the bottom of the heap that they probably can't succeed, then, the educational meri-

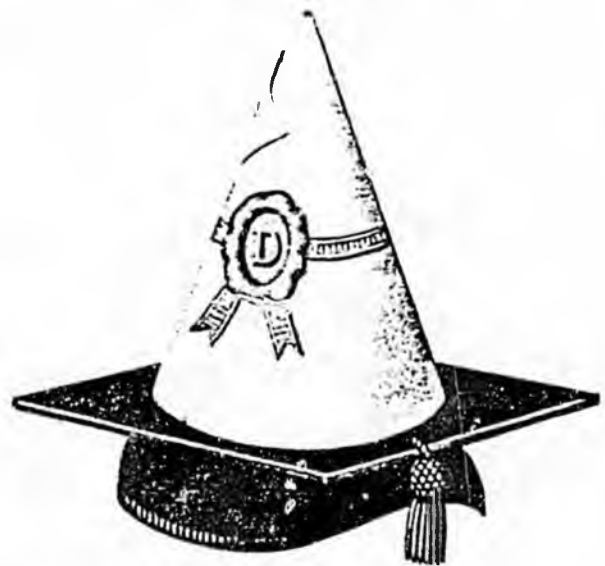
meritocracy destroys talent on which we might otherwise draw. By teaching people that they are stuck where they deserve to be, it promotes the resentment that is so destructive to economic and democratic life. Within the past decade, as American businesses have looked with anxiety at Japan and with envious curiosity at successful domestic firms, the conventional business wisdom has emphasized the danger of creating a rigid class structure within a firm. From the Delta executives who handle baggage at Christmastime to the GM Saturn workers whose pay will depend on the plant's profitability, the anecdotes on which the new folk wisdom is based have had a Frank Capra-like democratic theme. Everyone has to feel important, has to think that his efforts are needed and will be rewarded. These days the "us-against-them" mentality of recalcitrant unions and thickheaded managers is widely denounced, but the caste system created by educational credentials has a similarly divisive effect.

For much of my adult life I have lived among those who have "had it good" on the meritocracy's terms. Because of their intellectual promise, they were better educated than most others, and given longer to explore options and make choices. What I find striking about this class is how few of its members are involved in the sort of creative economic efforts that nearly everyone now professes to admire. From college and graduate school I know lawyers, consultants, and analysts aplenty, but few people who have started their own businesses or created jobs for anyone besides themselves. There are exceptions, but most of the real entrepreneurs I know lack the track record of impeccable schooling and early academic success that is supposed to distinguish the meritocracy's most productive members. What kind of merit system is this, if it discounts the activity on which the collective wealth depends?

A few years ago it was fashionable to blame the distaste for enterprise on the anti-business attitudes of an over-educated "new class." I wonder whether such an explanation is necessary or sensible—especially since the behavior persists even while the well educated have become the main cheerleaders for America's entrepreneurs. Isn't there a more obvious reason, based on calculations of risk and reward? Despite all the pious encomiums that risk-takers now receive, few people seek risk when they can rely on a sure thing. To a degree only dreamed of by Mark Twain's river pilots, the professions now represent America's surest thing. Not many professionals become truly rich, but neither do many doctors, lawyers, consultants, and (today's business students hope) M.B.A.s fall out of the upper tier of income and status. An entrepreneurial society is like a game of draw poker; you take a lot of chances, because you're rarely dealt a pat hand and you never know exactly what you have to beat. A professionalized society is more like blackjack, and getting a degree is like being dealt nineteen. You could try for more, but why?

Thus, in addition to depressing the "unmeritorious" a meritocracy can corrupt its professionals, making them care more about keeping what they have than creating

something new. For at least thirty years after the Depression families refused to borrow, socked away their extra dollars, dared not give up tedious but secure jobs, lived in dread that bad times might return. Such caution was based on a fear of ruination; the lack of entrepreneurial daring in today's professional class seems to come instead from a sense of entitlement. Nearly everyone admitted to a professional school graduates; most of those accredited live well. If an "achieving" society requires a balance between confidence and anxiety, can it afford a swelling class whose chief ambition is one day to "make partner"?



"ALL OF OUR WORK HAS GIVEN ME A VERY STRONG view," Richard Boyatzis told me one afternoon. The consulting firm Boyatzis heads, McBer and Company, was founded by David McClelland in 1963. Its specialty has been analyzing what people actually *do* in business jobs—not what their job descriptions say, but how they spend their time and which skills seem most important to their success. "I've come to see that whenever a group institutes a credentialing process, whether by licensing or insisting on advanced degrees, the espoused rhetoric is to enforce the standards of professionalism. This is true whether it's among accountants or plumbers or physicians. But the observed consequences always seem to be these two: the exclusion of certain groups, whether by intention or not, and the establishment of mediocre performance standards."

Mediocre performance is a grave charge, since the principal justification for a meritocracy is that it sends the right talent to the right jobs. The baleful consequences for working-class morale, the professionals' quest for tenure—these might seem to be the costs we inevitably pay for competence. But the implication of work done at McBer, along with other studies, is that the academic-credentialing system that has evolved over the past century is deficient by its own most basic standard, that of guaranteeing high performance. At every step of the way what is rewarded is excellence in school, which is related to excellence on the job only indirectly and sometimes not at all.

"Because the credentialing and licensing process uses input measures, mainly years of schooling, to determine who gets into the field, we end up licensing people who are good at *studying* law or business, which is not necessarily the same thing as being good at the job," Boyatzis said. "Occasionally a licensing procedure will require a demonstration of relevant skills—craft unions or accountants, for example. But even in those cases they have no way of assessing whether the skills and knowledge have atrophied in all the years afterwards. The physicians are a perfect example. They've agreed to a system for continuing education—which they can satisfy not by passing a test again but by showing that they've gone to a few courses each year."

Within the professions there are abundant illustrations that the skills on which credentials are granted are different from the performance that matters most. For example, in 1979 Daniel Hogan, a lawyer and social psychologist at Harvard, published a four-volume study called *The Regulation of Psychotherapists*. Its ambition was to examine the day-by-day workings of psychotherapy at every level, from social worker to licensed psychoanalyst.

Hogan devoted his first several hundred pages to an analysis of the traits and qualities that distinguish effective psychotherapists from ineffective ones. In judging effectiveness he concentrated on "output"—changes in the patient's condition—rather than "input," such as how much effort the therapist applies, how much he charges, or how long he spent in school. Then, in the second half of that volume, and with the same painstaking thoroughness, Hogan went through the qualities demanded of those who want to be certified as psychotherapists. There was little overlap between the two lists.

"Contrary to much professional opinion . . .," he said, "the effectiveness of therapists is more determined by the presence or absence of certain personality characteristics and interpersonal skills than technical abilities and theoretical knowledge." The skills that make a superb psychotherapist are mainly common-sense human skills—warmth, empathy, reliability, a lack of pretentiousness or defensiveness, an alertness to human subtlety, an ability to draw people out. "The necessary qualities are very similar to those one looks for in a good friend." These are not traits that can be detected on a multiple-choice exam, but they are real, and can be measured in creative ways. In half of the "effectiveness" studies that Hogan surveyed, non-professional therapists did better than professionals in helping patients, despite their lack of formal education. In one study conducted in 1965, for example, five laymen (only one of whom had finished college) were given less than 100 hours of training in therapy skills. Then they were put in charge of patients who had been hospitalized, on average, for more than *thirteen years*. Under their treatment more than half the patients improved.

Hogan contrasted such subjective skills with the traits the profession considered essential before issuing a license, most of which were based on academic proficiency. "For traditional psychotherapy, psychiatrists stress a

understanding of human biology, neurology, and psychopharmacology; psychologists stress personality dynamics and interpersonal behavior; and social workers believe that a theoretical understanding of environmental influences on behavior is essential." As Hogan pointed out, such "hard" scientific preparation was necessary in some cases, to be sure that the patient's complaint did not arise from chemical imbalance, from injury, or from a tumor. But once those possibilities had been eliminated, Hogan's findings showed, advanced technical training counted for nothing in restoring most mental patients to health.

If psychotherapy seems too "soft" a discipline to provide a fair test of meritocratic standards, what about air-traffic control? In 1970 Ivar Berg reported on a study conducted by the Federal Aviation Administration, which wanted to understand what made 507 highly competent air-traffic controllers good at their jobs. The question was whether advanced educational requirements would produce competent controllers; the answer was no. As Berg explained,

This complicated job . . . might well require, not merely the details of engineering or management science or mathematics, but all the supposed "correlates" of education—a disciplined mind, for example—and the more personal qualities that education is supposed to produce—reliability, steadfastness, responsibility, ability to think quickly, motivation, etc.

Common sense might suggest that the better controllers would be more educated—but the FAA found that fully half the top-ranked controllers had no formal education beyond high school. Many of them had come directly to the FAA for rigorous technical training specifically related to the jobs they were expected to do. Berg said.

Because it was "stuck with" less educated men . . . the FAA became a little laboratory in which the relevance of education for attainment of, and achievement in, important managerial and technical positions could be examined. Education proves not to be a factor in the daily performance of one of the most demanding decision-making jobs in America.

The implication of examples such as these is not that talent is equally distributed or that minds are limitlessly malleable or that advanced training is always destructive. A liberal education is good for its own sake, and schooling of any sort can impart a broad perspective that can help in any job. Rather, the charge against credential requirements is that they are simultaneously too restrictive and too lax. They are too restrictive in giving a huge advantage to those who booked early passage on the IQ train and too lax in their sloppy relation to the skills that truly make for competence. No nurse is allowed to hang out a shingle and collect professional fees for the many medical functions she can competently perform; any psychiatrist is legally entitled to perform open-heart surgery or read x-rays of your knee. If sports were run like the meritocracy, the Miami Dolphins would choose their starting lineup on the ba-

sis of high-school times in the forty-yard dash and analyses of the players' muscle tissues to see who had the highest proportion of "quick-twitch" fibers. If the Dolphins actually did this, they'd face a long losing season: the coach cares about speed but finally chooses the players who have proved they can catch the ball or stop the run.

Nearly fifteen years ago David McClelland wrote an article called "Testing for Competence Rather Than Intelligence." It said, in effect, that what Don Shula does for the Dolphins (the testing and licensing system should do for the professions. While some people are brighter than others, and while the variations in their abilities matter in some jobs, differences in IQ scores should not be the central concern of professional licensing. The proper function of licenses is to ensure that when passengers enter an airplane, they can count on the pilot's knowing how to fly, and that anyone who offers to argue a case in court or prepare a tax return is competent in those tasks. Designing tests of these specific skills might be slightly harder than drawing up yet another IQ test, McClelland said, but the obstacles would hardly be insuperable. Social competition would be more open, the economy would be more flexible, and standards of performance would be higher if credential requirements gave way to tests of specific skills.

In business the companies that are growing and changing the fastest, and where flexibility and performance are presumably more crucial than anywhere else, already tend to overlook credentials and behave like armies in wartime, rewarding people for what they can do today, not for their background or what their theoretical potential might be. "We do a lot of college recruiting to find our new people," says Steven Ballmer, a twenty-nine-year-old vice-president of Microsoft, the phenomenally successful software firm that Ballmer's contemporary and college classmate, Bill Gates, founded after dropping out of Harvard. Ballmer dropped out of Stanford Business School to join him. "We go to colleges not so much because we give a damn about the credential but because it's hard to find other places where you have large concentrations of smart people and somebody will arrange the interviews for you. But we also have a lot of walk-on talent. We're looking for programming talent, and the degree is in no way, shape, or form very important. We ask them to send us a program they've written that they're proud of. One of our superstars here is a guy who literally walked in off the street. We talked him out of going to college and he's been here ever since."

Such established firms as General Electric and AT&T have long been known for recruiting college graduates and then offering management training, as necessary, inside the firm. Of the 4,500 entry-level professionals General Electric hires each year, only fifty are new M.B.A.s. Most of the others have technical backgrounds; as they move up, they are given brief courses inside the company rather than being formally sent back to school. "As far as we're concerned, there's no broad incentive for technical companies to go out and get M.B.A.s," says James Baughman, who formerly taught at Harvard Business School and now

supervises management training at GE. "It's a heck of a lot easier to change a technical person into a businessman over the years than the other way around."

As an alternative or supplement to judging academic credentials, many firms have developed "assessment centers," in which employees handle simulated business problems, in a setting as close to real life as possible, to demonstrate their competence or indicate the need for training. Candidates for administrative jobs, for example, might work their way through a sample in-box. "Bosses find those promoted because of their assessment center scores to be competent, the candidates feel the system is fair, and assessors believe that the process has given them the chance to measure important characteristics," wrote Robert Klitgaard in his recent book *Choosing Elites*.

A number of firms, from McDonnell Douglas to Mobil to Digital Equipment, have turned to McBer for its "competency" analyses of specific jobs. The results are sometimes surprising. To manage its new-product-development lab, for example, one firm had habitually looked for freewheeling, creative types; the lab's researchers were innovators, so naturally their boss should be too. "It turned out that those with the best performance were actually less creative and risk-taking than others," Richard Boyatzis says. "The most creative people held onto ideas way too long. What distinguished the superior performers were other traits, like being able to informally steer people and to get engineers, market researchers, and scientists to pull together."

Equipped with such knowledge, the company was able to select more-competent directors; more important, it was able to train a broader range of people to succeed. McBer's view of "competencies" is very similar to Binet's view of intelligence: after the illness, the remedy. Boyatzis says, "The most positive message we consistently get is that people do want to improve themselves, but usually they don't know *exactly* what to work on. When you can give them good feedback on specific goals, that releases the natural internal inclination to improve."

**I**S IT POSSIBLE TO COMBINE THAT BASIC DESIRE FOR improvement and upward mobility with standards that ensure high performance? Can a society be both efficient and open? One of the most successful, and least credentialled, assessment procedures suggests that it is.

Among lawyers, accountants, and M.B.A.s incompetence may be a nuisance, but in airline pilots it is a catastrophe. In the early days of commercial flight the airlines bore the responsibility for training and certifying their pilots, but they soon begged for government regulation, so as to spread the responsibility when crashes occurred. Like the licensing procedures for doctors, lawyers, and engineers, these standards were supposed to protect the public from incompetence, but they were of a very different nature from those of the professional guilds. The pilot-licensing system was built on the premise that competence

was divisible: people can be good at one thing without being good at others, and they should be allowed to do only what they have mastered. As opposed to receiving a blanket license, the way members of other professions do, pilots must work their way up through four certificate levels, from student to air-transport pilot, and be specifically qualified on each kind of aircraft they want to fly. What's more, a pilot must demonstrate at regular intervals that he is still competent. To keep his license a pilot must take a review flight with an instructor every two years, and the pilots for commercial airlines must pass a battery of requalification tests every six months. "A small but regular percentage is washed out each time," John Mazor, of the Air Line Pilots Association, says. It is reassuring to know they are gone, but what about their tenured counterparts in the other professions?

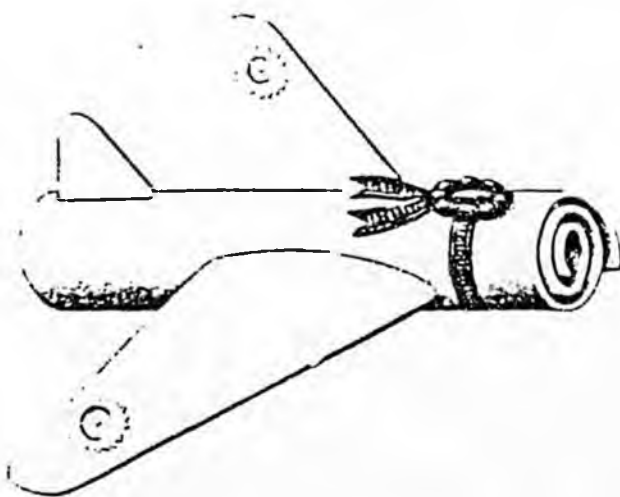
The results of this licensing scheme are a high level of proficiency and a profession more open socially than the rest. Most pilots of big jets learned to fly in the military, since that is the least expensive way to put in the 1,500 hours of flight time necessary for an air-transport license. But the remainder slowly worked their way up, putting in flight time on their own or working for small air-taxi outfits until they could move to the next level of licensure. Imagine what other professions would be like if they operated this way. The sociologist Randall Collins's prescription for medical training follows a similar pattern:

All medical careers would begin with a position as orderly, which would be transformed into the first stage of a possible apprenticeship for physicians. After a given number of years, successful candidates could leave for a few years of medical school (2 years seems sufficient background for most practitioners . . .) and then return to the hospital for advanced apprenticeship training of the sort now given in internship and residency programs. . . . Advanced specialties could continue to be taught as they now are—through further on-the-job training; only medical researchers would be involved in lengthy schooling.

In theory business is better positioned than the professions to resist the worst effects of a meritocracy. The professions depended for their creation and growth on credential barriers that kept people out; business depends for its survival on making the best and most flexible use of all its resources, including talent. Even dominant firms must face the possibility that somebody who may not have gone to the right school and may not have the right degree might still come to market with a better, cheaper product.

Because successful business practice depends to some extent on appearances, business may never be as completely open as America's one true meritocracy—sports. (It didn't matter that Babe Ruth was fat, slovenly, and ungrammatical, so long as he could hit the ball.) But why shouldn't sports, rather than the professions, epitomize the meritocracy to which we aspire? American professional sports have their sins and excesses, to be sure. But with their relative openness to newcomers and disregard for background (most teams have hired non-name free agents and waived famous first-round draft choices) and their faith that ruthless and continuing judgments of performance will finally lead to equal opportunity, sports seem more admirably meritocratic than the system of early selection and later tenure that *meritocracy* has been perverted to mean.

Perhaps the cultural changes that have professionalized America are irreversible. The economist Mancur Olson has gloomily hypothesized that most societies tend to separate into inflexible castes, except when warfare or other cataclysms disrupt the social order and unleash new talent. The United States has renewed itself in less traumatic fashion—by continually populating new regions, by absorbing varied immigrant groups, and by taking deliberate steps, such as the GI Bill, to give more of its people a chance. As we drift toward a neater and more predictable social order, we might reflect on the rough-and-ready adaptation to experience that brought us this far, and ask ourselves whether we need it still. □



### WHAT IS THE PURPOSE OF SB 227, THE BILL TO LICENSE SOCIAL WORKERS?

The purpose of the Act is to assure the consumer that persons providing services under the title "social worker" have completed social work education or training, adhere to a code of professional ethics, and are subject to licensure by the Board of Social Work Examiners.

### WHY DO SOCIAL WORKERS NEED TO BE LICENSED?

The actions of a social worker often have significant effects on the lives of their clients. Social workers are responsible for such matters as decisions to remove children from their own homes; evaluating mental patients for commitment to an institution; and providing counseling services to individuals and families that are emotionally distressed. Social workers deal with people at a time in their lives when they are most vulnerable and in need of competent assistance.

It is in the greatest public interest that those engaged in providing social work services to the public be properly prepared for this work and be held to publicly-defined standards of qualifications and performance.

### WHAT ARE THE BENEFITS OF LICENSING?

Licensing will enable the public to identify those social workers who have met minimum standards required for licensing. Presently anyone can use the title "social worker" even if the person has no training or experience.

Licensing will further the delivery of quality human services by setting standards for social work practitioners.

Licensing will ensure an enforceable code of professional conduct and provide consumers access to a complaint process in cases of alleged misconduct.

Licensing will regulate the private, independent practice of social work.

Licensing will enable consumers to receive mental health services from clinical social workers, particularly in rural parts of the State where psychiatrists and psychologists do not reside. Social workers deliver over half of mental health services but are not considered eligible providers by most insurance companies unless they are licensed and regulated by a Board.

Licensing will ensure privileged communication between the social worker and his client, provided the communication does not disclose information that the social worker is required by state or federal laws to disclose.

### WHAT IS ESSENTIAL IN A LAW TO LICENSE SOCIAL WORKERS?

Licensing should regulate a minimum of three levels of social work practice, in all settings in which it is practiced. Client confidentiality should be protected. A social worker should not be allowed to engage in the private independent practice of social work without sufficient training and supervised experience. An objective measure to assess the knowledge and competency of applicants must be established. Social workers must be held accountable for their professional and ethical conduct.

### WHAT ARE THE QUALIFICATIONS FOR LICENSING?

In order to be licensed, one must be in good professional standing; pass the state examination; provide three references acceptable to the Board; meet the educational requirements; and pay the required fee.

## WHAT ARE THE DIFFERENT LEVELS OF SOCIAL WORK PRACTICE?

Three levels identify entry standards appropriate for legal regulation. The BACHELOR SOCIAL WORKER requires a BSW degree and the MASTER SOCIAL WORKER requires a MSW degree. A private practitioner must have a MSW and completed a minimum of two years postgraduate supervised experience.

## ARE THERE ANY EXEMPTIONS TO THESE REQUIREMENTS?

An applicant is exempted from examination if he or she is licensed under the laws of a state, country or territory with similar requirements, or if he or she is grandparented.

## WILL A LICENSE BE REQUIRED TO PRACTICE SOCIAL WORK?

Social work students, new employees on probationary status, and qualified members of other professions engaged in the practice of social work only to the extent required by their profession do not need a license.

## WHAT IS THE INTENT OF THE "GRANDPARENT" CLAUSE?

The intent of the "grandparenting clause" is to bring persons with degrees practicing under the title of "social worker" under the regulation of the Board.

The purpose of the "grandparenting clause" is to ensure consumer protection and to prevent persons from losing their jobs.

## WHO MAY USE THE TITLE "SOCIAL WORKER?"

Unless licensed under this Act, a person may not use the title "social worker." A person who is not licensed may use the title "associate social worker" or similar title while the person is providing services to the state or a political subdivision of the state under a licensed social worker.

## WHAT IS THE SCOPE OF PRACTICE OF A SOCIAL WORKER

A social worker provides services that enhance, protect, or restores people's capacity for social functioning whether impaired by physical, environmental, or emotional factors, guided by professional social work ethics, knowledge and intervention methods.

## WHO WILL REGULATE THE LICENSING OF SOCIAL WORKERS

A Board of Social Work Examiners consisting of three master social workers, one bachelor social worker and one public member will be appointed by the Governor.



NATIONAL  
ASSOCIATION OF  
SOCIAL WORKERS, INC.

## QUESTIONS & ANSWERS ON SOCIAL WORK LICENSING

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# **ANSWERS TO QUESTIONS STATE LEGISLATORS ASK ABOUT SOCIAL WORK LICENSING**

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A RESPONSE TO QUESTIONS PROPOSED BY THE  
COUNCIL OF STATE GOVERNMENTS IN  
OCCUPATIONAL LICENSING:  
QUESTIONS A LEGISLATOR SHOULD ASK.

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## Introduction

State licensure of persons to engage in an occupation or profession has come under increasing question in recent years as state legislators more critically examine just which activities state government should be involved in and which activities should be left outside governmental control. In 1978, the Council of State Governments prepared a booklet titled "Occupational Licensing: Questions a Legislator Should Ask,"<sup>1</sup> which has been widely used by state legislators in studying both new bills proposing the regulation of currently unregulated groups and in considering whether existing laws regulating an occupation or profession are justified.

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<sup>1</sup> Shinberg, Benjamin, and Roederer, Doug. *Occupational Licensing: Questions a Legislator Should Ask*. Lexington, Ky.: The Council of State Governments, 1978.

The following "Answers to Questions Legislators Should Ask About Social Work Licensing" is a response to these questions. The National Association of Social Workers believes that the questions are valid and that they represent a major advance for the public interest in making government more effective and efficient. We believe that social workers, as professional practitioners carrying important responsibilities for the lives and well-being of people, should be accountable to the public for their actions in serving vulnerable and often defenseless or dependent adults and children. We believe that a serious consideration of the reasons for regulating who may engage in the practice of social work will conclude that such regulation is in the public interest.

## **#1. What is the problem? Has the public been harmed because social workers have not been regulated?**

Because social workers serve people in so many ways, the extent of harm to the public's health, safety, or economic well-being that is caused by incompetent or improper practice has never been appreciated. The actions, or failure to act, of a social worker often have significant effects on the health, mental health, and well-being of both individual clients and family groups. Social workers are responsible for such matters as:

- decisions to remove or return children to their home;
- the placement of children outside their own family;
- determining if a child is in risk of physical or sexual abuse;
- ensuring that a mentally ill patient or a retarded adult can leave an institution with plans for sound care;
- providing mature and constructive counseling to emotionally distressed individuals and families; and
- helping people make decisions about their lives in a countless number of other ways.

It is *because* a client is vulnerable, or has been hurt, that the social worker is involved and has been given the task of helping. Failure to help, whether through incompetence or irresponsibility, is a serious matter to thousands of persons every day whose well-being depends upon the ability of a social worker.

Because most social workers, up to recent years, have practiced as employees of public and private (voluntary) agencies, there has been little attempt made to hold social workers legally accountable for malpractice, but with the growing number of social workers in private or independent practice, suits by persons who have been harmed through malpractice are increasing. Most of the people who have been served by social workers are the clients of government or voluntary agencies. There is increasing concern for the effectiveness of these programs, which are often staffed by workers without any professional social work training or education.

Exposés by the news media and by investigating committees repeatedly document the inadequacy and sometimes fatal consequences of poor practices in programs and institutions where so-called "social workers" have responsibility for service. But little changes, because both civil service and other employers continue to hire people who do not have the professional knowledge or skill to know what their clients need or how to help them. Unfortunately, it is probable that most of the instances of harm to the public resulting from the actions of untrained and incompetent "social workers" are never known, but are suffered in silence by dependent, defenseless clients. Most members of the public, at one time or another, have heard about or experienced how a so-called "social worker" can take advantage of (or just plain fail to help) a distressed or vulnerable client. And if they believe the social worker is wrong, they have had no place to take the complaint.

Yes, the public has been greatly harmed by the services of ill prepared and incapable persons acting as social workers, and the economic burden of social services which do not give effective aid is a serious social problem. Social services are a major public and private investment by our society designed to alleviate distress and assist people to provide better for themselves. There is every reason to believe that large amounts of public and voluntary funds spent for "social services" have been wasted because such services were being provided by ill-equipped, even if well-meaning, persons.

How do you measure the harm done to a bewildered mother whose life and responsibilities threaten to overwhelm her and whose plea for help is not understood by an ill-equipped "social worker"? What about the lasting impact on the children where such a family breaks up? How do you measure the harm to a child in foster care who goes from failure to failure because no responsible "social worker" was able to understand how to help? Or the harm to all those people who reach out for help but do not receive it?

## **#2. Who are the users of social work services? Are they able to evaluate the qualifications of those offering social work services?**

Most of the persons receiving social work services are clients of public programs, such as services providing care to children, counseling to the mentally distressed or troubled, and protective functions. Such clients literally have no choice about who "serves" them and rarely would they have any basis for evaluating qualifications. But large numbers of persons also use social work services in hospitals, mental health clinics, from private practitioners, and, increasingly, in programs conducted by employers to assist employees with alcoholism or other family problems. Without some form of licensing, clients and potential clients of social work services have no basis for understanding the qualifications of those persons presenting themselves as "social workers." In recent years, there has been a very large number of people graduating from college and university programs at every level from Associate of Arts (2 year college programs), BA (4 years) and MA (1 or 2 post-

graduate study). These programs carry a variety of titles, such as "Counseling," "Mental Health," "Human Service," but they are not accredited professional programs, meeting nationally recognized professional educational standards. Social work programs are accredited by the federally sanctioned Council on Social Work Education.

Nevertheless, the great bulk of the graduates of these non-social work programs seek employment and are hired in social service agencies. At best such programs offer only a "book knowledge" of their fields. In no way do they prepare graduates to assume responsibility for helping clients make significant decisions about their life, nor do they assess the actual *practice competence* of their students. The major professional helping disciplines (e.g., medicine, social work, psychology) incorporate supervised practice in the process of professional education.

## **#3. What is the extent of autonomy of social work practice? How much skill and experience is required in social work? What kind of "supervision" is there?**

Social workers practice both as salaried employees and as independent therapists and consultants. While some form of "supervision" is involved in any type of salaried employment, social workers are characterized by the high degree of independent judgment vested in even beginning level workers. Social work practice requires confidentiality and privacy in contacts between the social worker and client; even closely supervised practice involves contacts that are entirely private and therefore subject only to later supervisory review.

Beginning level social workers are frequently involved in highly emotional, challenging situations, such as in child abuse investiga-

tions, and a high level of mature, informed judgment is needed. Both definite professional skills and prior experience during professional training are needed for entry into the field.

Experienced salaried social workers normally work under administrative supervision, using professional supervision only on a consultant basis. Supervisors in social work should be licensed or regulated in the same way as the practitioners they supervise.

Social workers practicing as independent therapists or consultants function autonomously, even though they might use consultation with a colleague or other professional, such as a psychiatrist, where such expertise is needed.

**#4. What efforts have been made to address problems that occur in social work practice? Is there a code of ethics? Are there complaint handling procedures? Are these effective in protecting the public?**

There is a Code of Ethics promulgated by the National Association of Social Workers, a voluntary professional membership organization of some 80,000 members, and the NASW does have a well organized procedure for handling complaints of unethical conduct. However, the effectiveness is limited because *only* members of the association can be made accountable and because the most severe "discipline" (censure or termination of membership in NASW) possible may not prevent continued practice by an unethical social worker. Moreover, this professional peer review of ethical conduct is not a review of *competence* and so does not provide an adequate forum for handling disputes between practitioners and the public.

The NASW Code of Ethics is widely recognized and accepted in the field of social work and social services as the primary ethical guide or standard. This demonstrates the readiness of the profession to observe such standards. It is estimated that of the nearly 350,000 persons employed in a social service capacity, only 150,000 are *trained* social workers and, therefore, eligible for membership in NASW. The fact is that the field has large numbers of persons employed as "social workers" who lack the necessary training and have little or no awareness of the profession's ethical and other practice standards. Thus, the only way to ensure full accountability of persons practicing social work is through state regulation covering all such practitioners.

**#5. Is there a nongovernmental certification program that would assist the public in identifying qualified practitioners?**

There are several such programs for voluntary certification in social work but they provide certification only for certain advanced levels of social work practice. They do not provide an adequate guide to the public and to clients about the great bulk of social workers now practicing.

The major voluntary certification program is the ACADEMY OF CERTIFIED SOCIAL WORKERS, which requires membership in the National Association of Social Workers, two years of postgraduate social work experience, and a written examination. It was developed to provide a voluntary identification of practitioners qualified to practice independently and

as supervisors. In 1979, some 45,000 persons held the ACSW certification.

Social workers in private or independent clinical social work practice can also be certified and listed in the national Register of Clinical Social Workers, which is primarily designed as a guide to the public and to insurance companies using the services of social work therapists and consultants.

There is no certification program for the great majority of persons employed as social workers. Most civil service social workers are not required to be trained social workers, and the public now has no means of knowing whether "social workers" in public agencies are, in fact, professionally qualified.

## **#6. Could existing laws or standards solve the problem? Would strengthening existing regulations help?**

Existing laws covering unfair trade practices, consumer protection, deceptive advertising, etc., have little or no applicability to the practice of social work. This is primarily because most practice is by agency employees operating on a non-profit basis and not usually subject to the various trade and commerce regulations. Civil law protections are, of course, applicable in certain situations but do not provide any assurance of *quality* in the practice of social work or a protection against

mistreatment. Without the standards set by a state regulatory act, there is little basis for effective malpractice litigation.

Strengthening state regulation of such institutions and facilities as hospitals, nursing homes, day care centers, etc., would help but, again, without state recognized standards of qualification and with no procedure to monitor practice, there are no standards to follow. Also, such increased regulation would cover only a limited number of social workers.

## **#7. Have alternatives to licensure been considered? Registration by a state agency? Certification of competence by other than the profession?**

Several alternatives to licensing of social work practice have been tried in some states, but found inadequate as a means of protecting the public. One alternative—registration on a voluntary basis by practitioners—is effective only where such registration can serve as a guide to members of the public in selecting a qualified practitioner. Because most social work clients are not voluntary but are served by a public or private agency program, the client is not helped by knowing that a social worker is or is not "registered" by the state. Also, such registration is voluntary and to *not* be registered does not mean that an agency employee is not qualified.

Other alternatives are the ACSW and *The Register of Clinical Social Workers*. These existing certification programs are, of course, operated by the social work profession. Certification of competence by other than the profession does not in fact exist for any profession or occupation simply because a certifying body would have to be competent in the profession in order to make such a determination. NASW supports the increased use of lay members on boards and proposes their appointment on all state regulatory boards in order to ensure effective public participation in monitoring professional practice.

Accountability and effective standards set-

ting for a profession that is practiced as widely and in so many different types of settings as social work can only be successfully carried out through a basic licensure law, which covers all settings and requires mandatory participation of all practitioners.

In the past, it was expected that state civil service systems, and such agency-related organizations as the United Way and Family Service Association of America, would establish and maintain standards of professional quality and would adequately protect the public in providing services to them. In fact this has not proved to be the case, as state civil service systems in most states have not established standards for ensuring the quality of service and have taken no measures to ensure the accountability of their social work employees to their clientele. Private agencies, such as those affiliated with the FSAA or Child Welfare League of America, are more responsive to public criticism but the field of social welfare and services in recent years has come to incorporate many new agencies that use "social workers" and "counselors" but recognize no professional standards. The public has no way of knowing what standards, if any, such agencies follow, or how they hold their social work staff accountable for the quality of services given.

## **#8. How will the public benefit from licensing of social work practice? What standards would be used? Are they job related? Will they ensure competence?**

The public stands to benefit from the licensure of social work practice because such a law will ensure that those persons who the client and public see and deal with, and who make decisions about their lives, or who intervene to protect a child's life, or to whom they turn when troubled and wanting sound counseling, will have had the training needed to be able to understand and to help, and can be held accountable for their actions as social workers.

- Licensing will end the confusion caused by the proliferation of job titles and varied training and experience backgrounds by recognizing standards for which social workers, regardless of background or training, will be held accountable;
- Licensing will create an easily accessible forum in which a client can raise charges of malpractice and unethical conduct;

- Licensing will establish state recognized standards which can be in turn recognized by other state agencies and reduce wasteful studies and disputes about social work services in state regulated activities.

The social work profession over the years has developed standards that are widely recognized in practice and that are job related because they are derived from experience on the job. Specific standards and regulations are, of course, established by each licensing board but those states currently that have regulatory acts share information through the Association of State Boards of Social Work, an independent organization formed by these state boards. The NASW strongly supports the concept of interstate mobility of professionals and reciprocity that is based on nationally recognized standards.

## **#9. What training and experience requirements would exist? Are they similar to those of other states?**

The licensure of social work practice should be based on the accredited professional training that is now recognized by the profession as beginning with the Bachelors in Social Work (BSW). This degree, accredited by the Council on Social Work Education, is offered in over 180 colleges and universities in nearly every state in the nation. The second level of professional practice is achieved through the Masters in Social Work (MSW) or an equivalent graduate degree accredited by the Council on Social Work Education (CSWE). There are currently about 90 accredited Master's programs. The CSWE is designated by the federal Department of Education as the single accrediting body authorized for social work education. These standards are recognized by federal regulations for Medicare and, as of March 1980, in proposed guidelines for all state child welfare services.

Licensure to engage in independent or private practice of social work, as a therapist or consultant, requires two years of post-MSW social work experience and the passing of an examination to assess the applicant's breadth of knowledge and professional judgment. Frequently, an oral examination or other means of demonstrating competence is also required.

These standards for education and experience are recognized by the majority of those twenty-three states that regulate social work. Some states do not include a baccalaureate level, but the NASW strongly believes that this level of initial professional practice is critical to the objective of protection of the public because, in fact, more clients are served by practitioners at this level than at any other level.

## **#10. Will applicants be required to pass an examination? Will the exam meet professional and legal testing standards?**

It is the position of NASW that some form of assessment of competence and professional knowledge should be required in addition to possession of a degree. In practice, most states now use some form of written test but these vary in their quality.

The NASW, using the professional expertise

of the Educational Testing Service, has prepared nationally available examinations for the baccalaureate, master's, and advanced levels of practice. These tests meet legal and professional standards and their validity is under continuing review.

## **#11. What assurance would there be that licensed practitioners will maintain their competence? Will renewal be required?**

The law licensing social work practice should require periodic evidence of continued professional learning. Most recent acts regulating social work do have such provisions. A total of eight states regulating social work now require this.

All social work regulatory acts do require periodic renewal and the NASW supports this important aspect of ensuring that a commit-

ment to professional development is maintained. Renewal should not be based merely on the payment of a fee. The NASW believes that continuing professional learning is extremely important, particularly in view of the fact that the enactment of licensing may "grandparent in" practitioners who have not had accredited social work education.

## **#12. How will complaints of the public against practitioners be handled? What grounds will there be for suspension or revocation of license?**

Complaints of improper conduct or malpractice are usually made directly to the state board, which should have investigating staff available to handle the complaint promptly.

The Board created by the law should be empowered to conduct a hearing, with full due process safeguards for all parties, and to act without undue delay in any disciplinary action required.

Suspension or revocation of the license—and therefore of the right to practice—may be based on a number of grounds, including unprofessional conduct, inability to render adequate professional service, or unethical conduct.

The NASW believes that one of the most important reasons for enacting licensure is the accountability it provides to the public.

### **#13. Will licensure restrict competition? Will the profession unduly restrict entry to practice? Will it increase costs to the public? Or decrease service available?**

These questions of economic impact are not applicable to the practice of social work, which is largely carried out by non-profit organizations and public agencies, and only to a lesser degree by private practitioners. Because, as noted before, enactment of licensure usually entails the grandparenting in of a number of persons already in practice, there is no way that the law can have a restrictive impact. For future applicants and entrants, the requirements for professional education are neither burdensome (since existing accredited programs are producing adequate numbers of graduates and are available in nearly every state) nor unfair (since the practice of social work does require the knowledge and skills provided in these accredited programs). Also, since there are a significantly higher proportion of minority graduates in social work than in other related fields, the job related requirement of a social work degree acts to reinforce affirmative action objectives. The serious problem faced by many members of minority groups in financing a college education of any kind is not a factor here, as social work employment generally requires at least a college level education. It is important to bear in mind that licensure of *social work practice* does not mean that *all types of social service work* would require a license. There is a great need for many social service positions not requiring a college degree and for which other forms of training and experience are appropriate.

Because there is no economic restriction involved in the licensing of social work practice, there has been no cost or economic impact following the passage of laws regulating social work. In all states having regulation, there has continued to be a surplus of qualified persons and there is no reason to foresee any change in this situation.

A problem for all professional disciplines is the tendency of members to move toward

metropolitan areas, leaving shortages in the rural and inner-city areas of a state. Social workers tend to be more widely dispersed than other professionals (psychologists, psychiatrists) and the licensing of the BSW social worker, particularly, could make opportunities available that will attract licensed social workers to the under-served areas.

Also, since in practice the fees charged by social workers being reimbursed for mental health services as private practitioners generally are less than the fees charged by psychiatrists, physicians, and many clinical psychologists, the real economic impact of the increased use of social workers has been to retard or reduce the costs to insurance companies of mental health coverage, and thus ultimately to slow down the cost spiral. Experience shows that licensure of social workers does increase their participation in providing mental health services and the lack of licensure tends to exclude their participation.

Other charges of unfair restriction or of negative impact by licensing have also been shown to be unfounded. The advertisement of professional services has generally been accepted by professions today as valid and appropriate, as long as it is honest and does not include "scare" tactics or exaggerated claims. It is also clear that the primary professional organization, NASW, as a voluntary membership organization, does not in any sense "control" the profession, and therefore cannot control the supply of practitioners.

The existing "scope of practice" clauses incorporated in laws regulating social work provide a broad definition and do not interfere with the right of other professions to provide those services for which they are qualified. Specific exemptions are usually included to recognize those other professions and occupations regulated by the state.

## **#14. Will the regulatory body be restricted to social workers? What powers would it have? Will its actions be subject to review?**

NASW has consistently supported the inclusion of lay or public interest representation on boards regulating social work, and almost all existing boards do include non-social worker members. In recent years, there has developed another form of regulatory body, the "umbrella" board, which administers the licensure law covering several related professions—for instance, psychology and social work. On such a board, there should be major, not token, public interest representation.

The regulatory board's powers should be spelled out in the legislation. Usually it includes the authority to promulgate regulations necessary to administer the law, to establish

standards of professional performance and ethics, to examine applicants, and to consider complaints by the public against licensed social workers. Where there is an umbrella board covering more than one profession, each profession evaluates the applications of its own discipline.

Many states also bring their regulatory bodies under a single department which establishes overall standards and administrative procedures. Many states now have Sunset laws which provide for periodic performance audits of each regulatory board and provide for their termination if not found justified or in the public interest.

## **#15. How is the regulatory board financed? How are fees set? How are the funds administered?**

Boards regulating social work are uniformly financed entirely from the fees paid by the licensees, which, in many cases, provide a regular surplus to the state treasury. Many state laws set maximum or minimum amounts for the fees to be charged, and permit the board to revise the fee schedule within those limits. This procedure is the most practical one and appears to work best. Fees should not be set in

specific terms by a state law because they are not then subject to change as needed to finance the administration of the law.

Most laws, however, do provide that all fees be paid into the state treasury. The board's administrative costs are paid under an appropriated budget acted on in the regular legislative process.

## **#16. Who is sponsoring the licensure of social workers? What organizations are there in the profession? What is their position on licensing?**

The licensure of social workers in all states is a goal of the National Association of Social Workers, the primary professional organization representing trained social workers. For many years, after the development of the social work profession, while the other major professions, such as medicine, law and psychology, were establishing state licensing for their respective professions, social workers resisted the concept of seeking state regulation because of

their concern that such regulation would prove restrictive, rather than helpful, and that other professions had not adequately demonstrated that such regulation was in the public's interest.

By 1968, however, fundamental changes in our nation's system of providing social services have eroded and seriously undercut the actual delivery of vital services which require sound professional education and preparation. It

became all too clear that the best means of ensuring quality in the delivery of social services was to seek regulatory laws requiring persons engaging in and responsible for the provision of services having critical impact on the life and social functioning of others to be professionally trained and fully accountable to the client and the public. Since then, NASW has firmly pursued the goal of legal regulation as a necessary measure to ensure adequate quality in social services on which so many people depend for a chance at a better life.

Other professional social work organizations also support and are active in seeking licensure. The National Federation of State Societies of Clinical Social Workers, most of whose members are social workers engaged in psychotherapeutic services, is an important factor in this effort.

Another major professional group is the Society of Hospital Social Work Directors. They strongly support the need to ensure the social workers in medical and psychiatric settings are fully trained to carry their important roles as a helping professional discipline in the treatment of illness and encouragement of healthful living.

The National Association of Black Social Workers has not supported licensing out of their concern that insufficient numbers of blacks are able to secure the requisite professional education and their fear that state regulation will entail some degree of state control. While it is certainly true that continuing racism and economic discrimination is a problem in our society, the fact is that schools of social work have strongly recruited and graduated blacks and persons of other minority and ethnic groups. Thus, these minorities are more highly represented in social work than in other professions. The very fact that social workers direct so large a portion of their work to assisting people in need and helping them combat the effects of discrimination ensures that social work as a profession needs the knowledge and commitment of members of all minorities and ethnic groups if we, as a society, are to succeed in eliminating all forms of discrimination. And far from being a tool of increased state control, the participation of Blacks and other minority and ethnic groups on state boards of social work offers a new opportunity to enforce accountability and increase the consumer's influence in the delivery of social services in this country.

## **#17. Why is the profession of social work seeking licensure? Is it self interest? Or public interest?**

Many of the responses to other questions in this booklet speak to this question, but the basic reason is that we have become convinced it is necessary for the profession to be regulated in order to ensure that clients receive competent and ethical help in dealing with their problems. It is important to understand that the great majority of clients receiving social work help *have no choice about who is to be their social worker*. And where they do have a choice, such as when seeking psychotherapy or marital counseling, the consumer is in no position to effectively judge the possible competence of the therapist. The consumer, or client's, need to be assured of capable service is the basic reason why the social work profession is seeking regulation.

It would, however, be less honest to deny that social workers have a real and legitimate self interest in achieving the same type of legal and social recognition that the other major, learned professions have obtained. One of the major changes in our society has been the increasing use of insurance as a primary means of providing personal services; in fact, a major portion of mental health care in this country is now provided through such insurance and, of course, hospital and health services which so often involve social workers are also heavily supported by insurance systems. To ensure quality in the services paid for, insurance companies demand that providers, such as social workers, have some objective form of certifying their competence. State

licensing is the primary way in which all such professions are certified for practice, and therefore, social work should be so regulated.

A third important fact is that social workers practice in a larger number and variety of settings, organizations, and institutions than does any other profession. There simply is no way to ensure a minimum of professional quality apart from that provided by licensing. This is dramatically illustrated in the confusion that

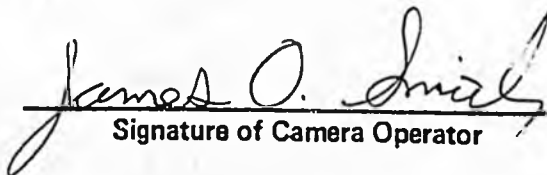
now exists in the public mind about what a social worker is, what he or she does, and what a client should expect in the way of service.

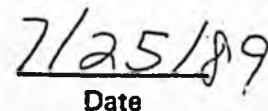
It is our conviction that providing competent social work help requires professional education. Experience shows the only way to ensure that persons giving services are capable is to establish minimum standards for practice. Such regulation is essential for the public, as well as for the profession.



# RECORDS CERTIFICATION

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Signature of Camera Operator

  
Date

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HOUSE  
COMMITTEE REPORT

(7)

Date referred: 4/22/86

FURTHER REFERRALS:

DATE: May 2 1986

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee has considered CSSE 251 (HESS)

"An Act relating to regulation of the practice of psychology; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with \_\_\_\_\_  same title
- replace with \_\_\_\_\_  new title

and recommends \_\_\_\_\_

further referral to the \_\_\_\_\_ Committee

- and attaches:
- letter of intent
  - first fiscal note
  - new fiscal note
  - zero fiscal note

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Mark Stuenkel

Steve Korman

David W. ...

Katie Shirley

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Alice ... No-Rec

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Steve Korman *co chair*

Mark Stuenkel *chairman*

Co-Ch



Alaska State Legislature  
House of Representatives  
COMMITTEE ON HEALTH, EDUCATION  
AND SOCIAL SERVICES

OFFICIAL BUSINESS

POUCH V  
JUNEAU, AK 99811  
465-3759

MEMORANDUM

TO: ALL MEMBERS OF THE HOUSE HESS COMMITTEE

FROM: REPRESENTATIVE MAX F. GRUENBERG, JR., CO-CHAIR  
REPRESENTATIVE NIILLO KOPONEN, CO-CHAIR

DATE: MAY 5, 1986

RE: MEMBERSHIP ON THE STATEWIDE HEALTH COORDINATING  
COUNCIL

The HESS Committee has been asked to appoint a non-voting member to the Statewide Health Coordinating Council (SHCC) for a three year term. Since this is the end of this session, it may be appropriate to select a representative to serve until the selection of a new HESS committee in 1987.

Please review the attached letter, and the committee will consider an appointment at tomorrow's meeting, May 6th.

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPARTMENT OF HEALTH AND SOCIAL SERVICES

### STATEWIDE HEALTH COORDINATING COUNCIL

BOX H-01A  
JUNEAU, ALASKA 99811  
PHONE: 465-3015

April 30, 1986

The Honorable Max F. Gruenberg, Jr., Co-Chairman  
House Health, Education and Social  
Services Committee  
Alaska State House of Representatives  
P.O. Box V, Mail Stop 3100  
Juneau, AK 99811

Dear Representative Gruenberg:

The Statewide Health Coordinating Council (SHCC) was created to improve the health of all Alaskans by establishing priorities for the orderly development and implementation of health care delivery in Alaska. Health care providers and consumers on the SHCC work together to coordinate health planning activities. At its April meeting the Statewide Health Coordinating Council adopted a bylaw amendment which changes its membership structure. Under the new structure the SHCC will include a non-voting member appointed from the Legislature by a Senate or House Health, Education and Social Services Committee. The bylaws provide that the legislative member to the SHCC be appointed by the Senate Health, Education and Social Services Committee in odd numbered years and by the House Health, Education and Social Services Committee in even numbered years. The term of membership is three years.

The Statewide Health Coordinating Council needs members who will:

- bring knowledge of a geographic region, a health issue, or a branch of health care;
- integrate his/her special health interest with a comprehensive view of the health care arena;
- value planning;
- study issues;
- share opinions;
- advocate for health and social services; and
- strive for improvements over the status quo.

On behalf of the Statewide Health Coordinating Council, I respectfully request that the House Health, Education and Social Services Committee appoint to the SHCC a legislator who possesses the attributes listed above

Max F. Gruenberg, Jr.

2

April 30, 1986

for a three year term as a non-voting member. (Non-voting members shall be neither compensated nor reimbursed for travel and per diem by the Council.) Please make the appointment by June 30, 1986 by submitting the name of the appointee and verification that the appointee is willing to serve to Paul Sherry, Chairman, Statewide Health Coordinating Council, in care of the Department of Health and Social Services, P.O. Box H-01A, Juneau, Alaska 99811.

The Statewide Health Coordinating Council looks forward to the addition of a Legislator to its body and thanks you in advance for your attention to this matter.

Sincerely,

*Gertie Esmailka*  
gpe

Gertie Esmailka  
Bylaws and Membership Committee  
Chairperson

cc: Bettye M. Fahrenkamp, Chairman, Senate Health, Education and Social Services Committee, Alaska State Senate, Juneau



**Alaska State Legislature**  
**House of Representatives**  
COMMITTEE ON HEALTH, EDUCATION  
AND SOCIAL SERVICES

OFFICIAL BUSINESS

POUCH  
JUNEAU, AK 998  
465-375

LETTER OF INTENT FOR CSSB 251, AN ACT RELATING TO THE REGULATION OF  
THE PRACTICE OF PSYCHOLOGY

CSSB 251(HESS) directs the State Board of Psychologist and Psychological Associate Examiners to adopt regulations identifying criteria for programs of graduate study in psychology for the purposes of licensure, and to present those regulations to the legislature no later than the 10th day of the first session of the 15th Alaska State Legislature. It is the intent of the Senate Committee on Health, Education and Social Services that program criteria be based on the following:

For a program of graduate study for a doctorate degree:

1. The doctoral education and training in psychology are offered in an institution of higher education accredited by one of the regional accrediting bodies recognized by the Council of Postsecondary Accreditation.
2. The doctoral program is publicly identified as a psychology program, or an equivalent degree that is psychological in nature, and is specified as such in pertinent institutional catalogues and brochures.
3. The psychology program stands as a recognizable, coherent organizational entity within the institution.
4. Psychologists have clear authority and primary responsibility for the academic core and specialty preparation, whether or not the program involves multiple administrative lines.
5. The psychology program is an organized, integrated sequence of study.
6. The program requires the equivalent of three full-time academic years of graduate study:
  - a. Two years of which are at the institution from which the doctoral degree is granted.
  - b. One year of which is in full-time residence at the institution from which the doctoral degree or the equivalent as determined by the Board is granted.

7. The program requires students to acquire knowledge in the following program components:

a. Methodology and History. Systematic preparation in scientific standards and responsibilities, research design and methodology, quantitative methods, and historical foundations in psychology.

b. Foundation in psychology. Coursework in each of the four following areas of study:

i. biological bases of behavior (physiological psychology, comparative psychology, neuropsychology, psychopharmacology)

ii. cognitive-affective bases of behavior (learning, memory, perception, cognition, thinking, motivation, emotion)

iii. social bases of behavior (social psychology, cultural, ethnic, group processes, sex roles, organizational behavior)

iv. individual differences (personality theory, human development, individual differences, abnormal psychology, psychology of women, psychology of the handicapped, psychology of the minority experience)

c. Additional preparation in the area of specialization.

i. knowledge and use of ethics, guidelines, standards.

ii. supervised practicum and/or laboratory experiences appropriate to the area of practice, teaching, or research in psychology specialization.

iii. advanced preparation appropriate to the area of specialization. Internship or other appropriate supervised experience takes place in a specialized doctoral program following the supervised practicum and/or laboratory experience.

10. Programs accredited by the American Psychological Association Education and Credentialing Committee are recognized as meeting the program definition.

For a program of graduate study for a masters degree:

1. The masters level education in psychology is offered in an institution of higher education accredited by one of the regional accrediting bodies recognized by the Council of Postsecondary Accreditation.

2. The masters level program is publicly identified as a psychology program, or the equivalent, and is specified as such in pertinent institutional catalogs and brochures.

3. The psychology program stands as a recognizable, coherent organizational entity within the institution.

4. Psychologists have clear authority and primary responsibility for the academic core and specialty preparation, whether or not the program involves multiple administrative lines.

5. There is an identifiable core of psychology faculty.

6. There is an identifiable body of students who are matriculated in the psychology program for the masters degree.

7. The psychology program is an organized, integrated sequence of study.

House Health, Education and Social Services Committee  
May 6, 1986

Representative Max f. Gruenberg, Jr., Co-Chair

Representative Niilo Koponen, Co-Chair

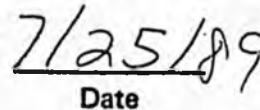


# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

  
Signature of Camera Operator

  
Date

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Introduced: 3/29/85  
Referred: Health, Education and  
Social Services and  
Finance

BY FAIKS, HALFORD,  
ELIASON AND STURGULEWSKI

1 IN THE SENATE

2 SENATE BILL NO. 263

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to disqualification for certain  
7 state loan programs for failure to pay child sup-  
8 port."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 03.10.030 is amended by adding a new subsection to  
11 read:

12 (i) A person is not eligible for a loan under this chapter if  
13 the person has a past due child support obligation at the time of  
14 application.

15 \* Sec. 2. AS 14.43.125(a) is amended to read:

16 (a) A person may apply for and obtain a scholarship loan if the  
17 person

18 (1) is a resident of the state at the time of application  
19 for a scholarship loan;

20 (2) meets the requirements of (b) of this section; [AND]

21 (3) is

22 (A) enrolled as a full-time student in a career educa-  
23 tion or associate or baccalaureate or graduate degree program; or

24 (B) a graduate of a high school, or scheduled for  
25 graduation from a high school within six months, with sufficient  
26 credits to be admitted to a career education program or to an  
27 accredited college or university; and

28 (4) does not have a past due child support obligation at  
29 the time of application.

1 \* Sec. 3. AS 14.43.650(a) is amended to read:

2 (a) To be eligible for a teacher scholarship loan, a student  
3 must

4 (1) be a graduate of a public or private high school in the  
5 state, with sufficient credits to be admitted to an accredited college  
6 or university;

7 (2) be enrolled in or show evidence of intent to enroll in  
8 a degree program directed at a teaching career at the elementary or  
9 secondary school level;

10 (3) meet the conditions set by the student's local school  
11 board with respect to the district's requirements for teachers in  
12 particular subject areas; [AND]

13 (4) submit to the local school board an application pro-  
14 vided by the student financial aid committee under AS 14.43.630(a)(3);  
15 an application may be submitted six months before graduation from high  
16 school; and

17 (5) not have a past due child support obligation at the  
18 time of application.

19 \* Sec. 4. AS 16.10.320(a) is amended to read:

20 (a) A loan under AS 16.10.310 - 16.10.370

21 (1) may not exceed a term of 15 years;

22 (2) may not bear interest exceeding 10-1/2 percent;

23 (3) shall be secured by a first priority lien and appropri-  
24 ate security agreement; [AND]

25 (4) may not exceed 90 percent of the appraised value of the  
26 collateral used to secure the loan, except that a loan granted under  
27 AS 16.10.333 for the purchase of an Alaska limited entry permit may  
28 not exceed an amount determined in accordance with (f) or (h) of this  
29 section; and

1                   (5) may not be made to a person who has a past due child  
2                   support obligation at the time of application.

3 \* Sec. 5. AS 18.56.096(a) is amended to read:

4                   (a) The corporation may not make, participate in the making of,  
5                   purchase, or participate in the purchase of

6                   (1) a first mortgage loan under this chapter for a duplex,  
7                   triplex, or four-plex that exceeds the limitations on first mortgage  
8                   loans for similar housing purchased by the Federal National Mortgage  
9                   Association as to principal amount and loan-to-value ratio;

10                   (2) a second mortgage loan for a duplex, triplex, or four-  
11                   plex the amount of which, when combined with the principal balance of  
12                   a first mortgage loan on the property, exceeds the limitation on the  
13                   amount set out in (1) of this subsection or that has a loan-to-value  
14                   ratio, when considered with the principal balance of the first mort-  
15                   gage loan, that exceeds 90 percent;

16                   (3) a mortgage loan to finance the purchase of new housing  
17                   or for the improvement or rehabilitation of existing housing, unless  
18                   the construction, improvement, or rehabilitation work has been per-  
19                   formed by a contractor who is registered to work as a contractor under  
20                   AS 08.18; this paragraph does not apply if the construction, improve-  
21                   ment, or rehabilitation work

22                   (A) has been totally or substantially performed by the  
23                   borrower;

24                   (B) has been performed by a borrower who acts as the  
25                   contractor for the construction, improvement, or rehabilitation  
26                   work; or

27                   (C) has been performed in an area designated by the  
28                   corporation as exempt from the requirements of this paragraph  
29                   because of the unavailability of registered contractors in that

1 area;

2 (4) a first mortgage loan for a single-family residence  
3 that exceeds the limitations on first mortgage loans for similar  
4 housing purchased by the Federal National Mortgage Association as to  
5 principal amount by more than 10 percent, or has a loan-to-value ratio  
6 that exceeds 95 percent, or a second mortgage loan for a single-family  
7 residence, the amount of which, when combined with the principal  
8 balance of a first mortgage loan on the property, exceeds the limi-  
9 tations on loans for similar housing purchased by the Federal National  
10 Mortgage Association as to principal amount by more than 10 percent,  
11 or has a loan-to-value ratio, when considered with the principal  
12 balance of the first mortgage loan, that exceeds 90 percent; or

13 (5) a first or second mortgage loan for rental housing  
14 unless the borrower agrees not to discriminate against tenants or  
15 prospective tenants because of sex, marital status, changes in marital  
16 status, pregnancy, parenthood, race, religion, color, national origin,  
17 or status as a student; [OR]

18 (6) a first mortgage loan if the borrower has an outstand-  
19 ing first mortgage housing loan under this chapter or an outstanding  
20 first mortgage loan for owner-occupied housing under AS 44.47; or

21 (7) a loan to a person who has a past due child support  
22 obligation at the time of application.

23 \* Sec. 6. AS 26.15.130 is amended by adding a new subsection to read:

24 (c) A person who has a past due child support obligation at the  
25 time of application is not eligible for a loan under this chapter.

26 \* Sec. 7. AS 27.09.020 is amended by adding a new subsection to read:

27 (b) A person who has a past due child support obligation at the  
28 time of application is not eligible for a loan under this chapter.

29 \* Sec. 8. AS 44.47.390 is amended to read:

1           Sec. 44.47.390.   LIMITATIONS ON USE OF HOUSING ASSISTANCE LOAN  
2   FUND). The director may not use the money in the housing assistance  
3   loan fund to

4           (1) originate a direct loan or purchase or participate in  
5   the purchase of a nonconforming or rural housing mortgage loan that  
6   exceeds the limitations on mortgage loans purchased by the Federal  
7   National Mortgage Association as to principal amount or loan-to-value  
8   ratio;

9           (2) originate a direct loan or purchase or participate in  
10  the purchase of a loan made for building materials for nonconforming  
11  or rural housing

12                   (A) that exceeds \$45,000 or exceeds

13                           (i) 80 percent of the appraised value of the work  
14                   completed on the nonconforming or rural housing for which  
15                   the loan is made if the nonconforming or rural housing is  
16                   pledged as collateral for the loan; or

17                           (ii) 90 percent of the value of other property  
18                   that is pledged as security for the loan and that is satis-  
19                   factory to the director as collateral;

20                   (B) unless the terms of the loan agreement require  
21                   inspections and certifications, as required by regulations of the  
22                   director, at the expense of the borrower; and

23                   (C) unless the period of time allowed for payment of  
24                   the loan is equal to or less than 15 years;

25           (3) originate direct loans or purchase or participate in  
26   the purchase of a nonconforming or rural housing mortgage loan that is  
27   secured by real property the marketable title to which is shown in  
28   accordance with AS 44.47.420(b)(2) if the total amount of outstanding  
29   nonconforming and rural housing mortgage loans held by the division

1 exceeds 10 times the amount of money in the restricted title loss  
2 reserve account (AS 44.47.430);

3 (4) originate a direct loan for nonconforming or rural  
4 housing or purchase or participate in the purchase of a nonconforming  
5 or rural housing mortgage loan, other than a loan for the repair,  
6 remodeling, rehabilitation, or expansion of an existing owner-  
7 occupied residence, if the borrower has an outstanding housing loan  
8 made under a state loan program, other than a loan for nonowner-  
9 occupied housing under AS 44.47.520, that bears interest at a rate  
10 that was less than the prevailing market interest rate for similar  
11 housing loans at the time the loan was made;

12 (5) originate a direct mortgage loan or purchase or partic-  
13 ipate in the purchase of a mortgage loan for rental housing unless the  
14 borrower agrees not to discriminate against tenants or prospective  
15 tenants because of sex, marital status, changes in marital status,  
16 pregnancy, parenthood, race, religion, color, national origin, or  
17 status as a student;

18 (6) originate, purchase, or participate in a loan to a  
19 person who has a past due child support obligation at the time of  
20 application.

21 \* Sec. 9. AS 45.88.020 is amended by adding a new subsection to read:

22 (c) The department may not make a loan under this chapter to a  
23 person who has a past due child support obligation at the time of  
24 application.

25 \* Sec. 10. AS 45.89.030 is amended by adding a new subsection to read:

26 (k) The department may not make a loan under this chapter to a  
27 person who has a past due child support obligation at the time of  
28 application.

# COMMITTEE REPORT

## HOUSE

HOUSE SPECIAL COMMITTEE  
ON STATE LOANS

(7)

5/10/85

FURTHER: FINANCE

Date: March 11, 1986

HEALTH, EDUCATION  
SOCIAL SERVICES

SB 263

The Committee on \_\_\_\_\_ has had \_\_\_\_\_

"An Act relating to disqualification for certain state loan programs for failure to pay child support."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for SB 2102 (HCS)  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]

[Signature] Vice Chair

[Signature]

David W. [Signature] - "WONDERFUL!"

[Signature]

[Signature]

[Signature]

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]  
Co-CHAIRMAN

[Signature]  
Co-Chair

AMENDMENT

IN THE HOUSE

BY TAYLOR

TO SB 263

Page 1, line 13:

After obligation, insert:

"established by court order or by the Child Support  
Enforcement Division under AS 47.23.160 - 220"

Page 1, line 18:

After obligation, insert:

"established by court order or by the Child Support  
Enforcement Division under AS 47.23.160 - 220"

Page 2, line 17:

After obligation, insert:

"established by court order or by the Child Support  
Enforcement Division under AS 47.23.160 - 220"

Page 3, line 2:

After obligation, insert:

"established by court order or by the Child Support  
Enforcement Division under AS 47.23.160 - 220"

Page 4, line 22:

After obligation, insert:

"established by court order or by the Child Support  
Enforcement Division under AS 47.23.160 - 220"

Page 6, line 19:

After obligation, insert:

"established by court order or by the Child Support  
Enforcement Division under AS 47.23.160 - 220"

Page 6, line 23:

After obligation, insert:

"established by court order or by the Child Support  
Enforcement Division under AS 47.23.160 - 220"

Page 6, line 27:

After obligation, insert:

"established by court order or by the Child Support  
Enforcement Division under AS 47.23.160 - 220"

CHILD SUPPORT VERIFICATION

PART I - REQUEST

1. TO: Child Support Enforcement Div.                      2. FROM (Name and Address of Lender):  
Attention: Ann Pilch  
550 W. 7th, Hunt Bldg., 4th Floor  
Anchorage, AK 99501

3.     Applicant(s) Name                      Soc. Sec. No.                      Address                      Signature\*

a. \_\_\_\_\_  
b. \_\_\_\_\_  
c. \_\_\_\_\_  
d. \_\_\_\_\_

\* Signature authorizes release of information.

\_\_\_\_\_  
Signature of Lender    Date

PART II - VERIFICATION  
(To be completed by Child Support Enforcement Division)

4. Child Support Obligation Information

	<u>Name</u>	<u>Monthly Payment</u>	<u>Amount of Arrearage</u>	<u>No Record</u>
a.	_____	_____	_____	_____
b.	_____	_____	_____	_____
c.	_____	_____	_____	_____
d.	_____	_____	_____	_____

5. If there is an arrearage, the applicant is under an approved repayment schedule, and is current on the payments under the plan.

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

Monthly payment amount \_\_\_\_\_ (not including regular monthly payment above).

6. Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Information verified by: \_\_\_\_\_  
Name    Date

Alaska State Legislature

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CO-CHAIRMAN  
FINANCE COMMITTEE  
907-465-3740

JAN FAIKS  
POUCH V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99811

Senate

April 11, 1985

MEMORANDUM

TO: Senator Bettye Fahrenkamp, Chairman  
FROM: Senator Jan Faiks *Jan Faiks*  
SUBJECT: Background on Senate Bill 263, an Act relating to disqualification for certain state loan programs for failure to pay child support.

This bill will disqualify persons who have an overdue child support obligation from participating in certain state loan programs. Persons who are delinquent in their payments to the Child Support Enforcement Division of the Department of Revenue (CSED) will be prevented from receiving loans from any of the following programs:

<u>Section of Bill</u>	<u>Loan Program</u>
Section 1	Agricultural Loan Program
Sections 2 & 3	Alaska Student Loan Program
Section 4	Commercial Fishing Loan Program
Section 5	Alaska Housing Finance Corporation
Section 6	Veteran's Loan Assumption

Section 7	Mining Loan Program
Section 8	Housing Assistance Loan Program
Section 9	Alternative Technology and Energy Loan Program
Section 10	Residential Energy Conservation Loan Program

Delinquent child support is a monumental problem in Alaska. As of April 2 of this year, CSED has 7198 cases having a total arrearage balance of over \$30,000,000. The Division is now determining what portion of this debt is owed by loan recipients. Once this information is available, I will forward it to the committee.

The Division's files are computerized, and it can share information with loan agencies in three ways. Upon receiving a call from an agency, CSED can respond within minutes with a status report on a particular loan applicant. The Division can match computer tapes with any agency which has a system which is compatible with its IBM equipment. Finally, CSED sends a monthly statement to all absent parents which verifies their current obligation status. The parents can provide a copy of this statement to the lending agency when they file their loan applications, or upon request, CSED can verify their obligations in writing.

Support payments are a debt that is owed to the children of Alaska. When payments are not made, our public assistance programs must often pick up the cost of maintaining our children's health, safety, and comfort. To alleviate hardship and reduce our public welfare costs, I ask you to act favorably on this bill.

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

CHILD SUPPORT ENFORCEMENT DIVISION

BILL SHEFFIELD, GOVERNOR

Dept. of Revenue  
Child Support Enforcement Division  
550 W. 7th, Hunt Bldg., 4th floor  
Anchorage, AK 99501  
Phone: (907) 276-3441  
Toll Free: Zenith 3300

April 4, 1985

Senator Jan Faiks  
Pouch V  
Juneau, AK 99811

re: SB 263

FAIRBANKS FIELD OFFICE  
REGIONAL OFFICE BLDG.  
675 7TH AVENUE, STATION G  
FAIRBANKS, ALASKA 99701  
PHONE: (907) 458-6607

JUNEAU FIELD OFFICE  
1111 W. 8TH STREET, ROOM 110  
JUNEAU, ALASKA 99801  
PHONE: (907) 465-2941

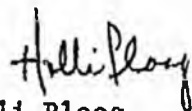
Dear Senator Faiks:

As per Elizabeth Hickerson's request, I have looked at the various options available to Child Support Enforcement to verify child support delinquency information to state agencies administering loan programs. All the fiscal information on a child support case is in our computer system and can be accessed easily. Should we receive a phone call from a loan officer asking for a status report on a particular individual, we would be able to respond to this request in a couple of minutes. Secondly, we can match computer tapes with any agency compatible to the IBM system, a process we currently use with Health and Social Services and the Department of Labor. I discussed this second option with Kerry Romesburg, Director of the Commission on Post-Secondary Education and he felt it would work well with their system. Finally, should an agency need written verification of current obligation status, we mail monthly computerized statements to all absent parents and they can provide a copy of that statement to the loan processing agent upon filing of their application and/or we can verify their obligation in writing upon request.

To illustrate the extent of the problem, as of April 2, 1985, we had an outstanding arrearage balance of \$30,434,052.09 with 8312 cases being enforced by our division out of which 7198 have arrearages.

Thank you for your continued support. If you need additional information, please do not hesitate to call.

Sincerely,



Holli Ploog  
Director  
Child Support Enforcement Division

# Alaska State Legislature

CO-CHAIRMAN  
FINANCE COMMITTEE

907-465-3740



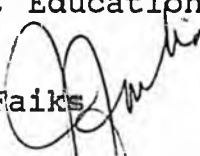
JAN FAIKS  
POUCH V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99611

Senate

February 24, 1986

## MEMORANDUM

TO: Representative Niilo Kcponen, Co-Chairman  
Representative Max Gruenberg, Co-Chairman  
House Health, Education, and Social Services  
Committee

FROM: Senator Jan Faiks 

SUBJECT: Additional Background Information on Senate Bill  
263, an Act relating to disqualification for  
certain loan programs for failure to pay child  
support.

During the interim, the Alaska Housing Finance Corporation adopted the principles of this bill in its loan application procedure.

The Corporation has begun requiring loan applicants to disclose any unsatisfied child support obligations and to allow verification of their statements with the Alaska Child Support Enforcement Agency. CSEA then cross-checks a list of all AHFC applicants against its delinquency records. Any applicant who is overdue in his child support payments is denied a loan.

Although it is too early to quantify the results, it appears that this system is working. CSEA has found that approximately 5% of loan applicants have overdue support obligations. According to the agency director, most these persons readily pay up their debt so that they can qualify for the housing loans. In some instances, this has resulted in payments of up to \$10,000 going directly to their dependents.

I congratulate AHFC for taking this initiative. Its experience shows that SB 263 can be implemented without placing an undue administrative burden on the agencies even

OUT OF SESSION

1024 WEST SIXTH AVENUE, SUITE 302 ANCHORAGE, ALASKA 99501 907-274-6611

when they must manually cross-check their records. Since the other loan programs have computerized record systems which are compatible with those of the CSEA, verification of their applicants will involve even less effort.

The interaction between the loan agencies and CSEA will have another benefit. It is often difficult for CSEA to locate property of certain debtors in order to satisfy judgments against them. Through contact with the agencies, CSEA can learn about loan collateral which can be attached if a borrower later becomes delinquent in his support obligation.

The results of the new AHFC policy are an exciting preview of what Senate Bill 263 can achieve when it is applied across the board to all state loan programs. It shows that this Act will be an effective tool for securing the financial support of our dependent children.

# ALASKA WOMEN'S LOBBY

POST OFFICE BOX 10-1571, ANCHORAGE, ALASKA 99510

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February 25, 1986

Honorable Niilo Koponen  
Honorable Max Gruenberg  
House Health and Services Committee

Mr. Chairmen and members of the committee:

The Alaska Women's Lobby would like to express it's support for SB 263.

Limiting eligibility for state loans to those individuals who do not have delinquent child support obligations on record with the Child Support Enforcement Agency will encourage the payment of past due child support.

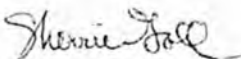
We believe that child support arrearages should be brought current before any state loan is granted.

If the borrower does not have sufficient funds to bring the account current other financing may be obtained to pay for the delinquent child support thereby qualifying the individual for the desired state loan.

A person who ignores his or her responsibility for and obligation to his or her own children may not take his or her obligation to the state more seriously.

We urge the swift passage of this legislation.

Thank you for your consideration.



Sherrie Goll, lobbyist  
Alaska Women's Lobby

# ALASKA WOMEN'S LOBBY

POST OFFICE BOX 10-1571, ANCHORAGE, ALASKA 99510

---

February 25, 1986

Honorable Niilo Koponen  
Honorable Max Gruenberg  
House Health and Services Committee

Mr. Chairmen and members of the committee:

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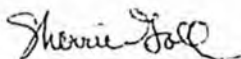
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We urge the swift passage of this legislation.

Thank you for your consideration.



Sherrie Goll, lobbyist  
Alaska Women's Lobby

MEMORANDUM

TO: HOUSE HESS COMMITTEE MEMBERS  
FROM: NANCY BENNETT, COMMITTEE STAFF  
DATE: FEBRUARY 25, 1986  
RE: TODAY'S AGENDA

WE HAVE TWO BILLS SCHEDULED TODAY:

SB 263 - Relating to disqualification for certain state loan programs for failure to pay child support.

This bill would disqualify persons who have an overdue child support obligation from participating in the following loan programs: agricultural loan, student loan, commercial fishing loan, AHFC, Veteran's loan assumption, mining loan, housing assistance loan, alternative technology and energy loan and residential energy conservation loan program.

HB 461 - Relating to water quality enhancement grants

This bill adds water quality enhancement to the description of existing grant funds used for water supply, sewage and solid waste facilities. DEC would be allowed to grant to municipalities up to 50% of the eligible costs of enhancing water quality if not financed by the federal government and incurred after July 1, 1986. The program must be approved by the department and administration costs are excluded.

A draft CS is in your packet for the purpose of discussing each section as an amendment. In section 1, the word program is added after water quality enhancement, meaning that programs, and not just facilities would qualify. Section 2 would allow replacement costs to be eligible costs for the purposes of the grant program. Section 3 includes the cost of "testing, research, education, enforcement and clean-up programs for the purpose of discovering and solving water pollution problems" as eligible costs. Administration of programs is not mentioned.

The committee is also to re-schedule the briefing on HB 98 and a follow-up hearing on HB 497 at today's meeting

Alaska State Legislature

*Blue Copy*

CO-CHAIRMAN  
FINANCE COMMITTEE  
907-465-3740

IAN FAIKS  
POUCH V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99811



Senate

April 11, 1985

MEMORANDUM

TO: Senator Bettye Fahrenkamp, Chairman  
FROM: Senator Jan Faiks *Jan Faiks*  
SUBJECT: Background on Senate Bill 263, an Act relating to disqualification for certain state loan programs for failure to pay child support.

This bill will disqualify persons who have an overdue child support obligation from participating in certain state loan programs. Persons who are delinquent in their payments to the Child Support Enforcement Division of the Department of Revenue (CSED) will be prevented from receiving loans from any of the following programs:

<u>Section of Bill</u>	<u>Loan Program</u>
Section 1	Agricultural Loan Program
Sections 2 & 3	Alaska Student Loan Program
Section 4	Commercial Fishing Loan Program
Section 5	Alaska Housing Finance Corporation
Section 6	Veteran's Loan Assumption

Section 7	Mining Loan Program
Section 8	Housing Assistance Loan Program
Section 9	Alternative Technology and Energy Loan Program
Section 10	Residential Energy Conservation Loan Program

Delinquent child support is a monumental problem in Alaska. As of April 2 of this year, CSED has 7198 cases having a total arrearage balance of over \$30,000,000. The Division is now determining what portion of this debt is owed by loan recipients. Once this information is available, I will forward it to the committee.

The Division's files are computerized, and it can share information with loan agencies in three ways. Upon receiving a call from an agency, CSED can respond within minutes with a status report on a particular loan applicant. The Division can match computer tapes with any agency which has a system which is compatible with its IBM equipment. Finally, CSED sends a monthly statement to all absent parents which verifies their current obligation status. The parents can provide a copy of this statement to the lending agency when they file their loan applications, or upon request, CSED can verify their obligations in writing.

Support payments are a debt that is owed to the children of Alaska. When payments are not made, our public assistance programs must often pick up the cost of maintaining our children's health, safety, and comfort. To alleviate hardship and reduce our public welfare costs, I ask you to act favorably on this bill.

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

OFFICE OF THE COMMISSIONER  
REQUEST

Bill/Resolution No.: SB 263  
Title: Disqualification for cer-  
tain loans for failure to pay child  
Sponsor: Faiks  
Requestor: HESS  
Date of Request: 4-2-85

FISCAL DETAIL  
Agency Affected: Revenue  
Program Category Affected: Child Support  
Enforcement Division  
BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL						
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REVENUE	2.5	2.5	2.5	2.5	2.5	2.5
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FUNDING: (Thousands of Dollars)

GENERAL FUND	.75	.75	.8	.8	.85	.85
FEDERAL FUNDS	1.75	1.75	1.7	1.7	1.65	1.65
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

This figure represents one notice per year for each case currently in arrears which includes postage, paper goods, computer time, and photocopy costs.

Prepared By: Holli Ploor  
Division: Child Support Enforcement Division

Phone: 276-3441  
Date: 4-4-85

Approved by Commissioner: [Signature]  
Agency: [Signature]

Date: 4/5/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

Revenue

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

<p><u>REQUEST</u>                  Bill/Resolution No.: <u>SB 263</u>                  Title: <u>Disqualification</u>                  State loan programs . . . <u>Child Support</u>                  Sponsor: <u>Faiks</u>                  Requestor: _____                  Date of Request: _____</p>	<p><u>FISCAL DETAIL</u>                  Agency Affected: <u>Comm. &amp; Econ. Dev.</u>                  Program Category Affected: _____                  BRU, Program or Subprogram(s) Affected: _____                  Division of Investments _____</p>
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EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		3.3				
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		3.3				

<b>CAPITAL</b>		-0-				
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<b>REVENUE</b>		-0-				
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FUNDING: (Thousands of Dollars)

GENERAL FUND		3.3				
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		3.3				

POSITIONS:

FULL-TIME		-0-				
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

\$3,300 is requested to revise and reprint existing loan application packets for the loan programs affected by this bill. A new credit authorization form will be sent to the Division of Child Support Enforcement, Department of Revenue, prior to application processing.

Prepared By: Paul B. Arnoldt, Director Phone: 465-2510  
 Division: Division of Investments Date: \_\_\_\_\_

Approved by Commissioner: Loren H. Lounsbury Date: 4/19/85  
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

7/1/84

*Investments*

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

**BILL**  
Bill Resolution No.: SB 263  
Title: An Act relating to disqualification for certain loan programs  
Sponsor: Paiks, Halford et al  
Requestor: \_\_\_\_\_  
Date of Request: \_\_\_\_\_

**FISCAL DETAIL**  
Agency Affected: Revenue  
Program Category Affected: \_\_\_\_\_  
BRU, Program or Subprogram(s) Affected: Alaska Housing Finance Corporation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		-0-	-0-	-0-	-0-	
<b>CAPITAL</b>						
<b>REVENUE</b>						

FUNDING: (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	
OTHER FUNDS						
TOTAL		-0-	-0-	-0-	-0-	

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

SB 263 would not have a fiscal impact on AHFC. The Corporation would require that any loan application must contain verification that there is no child support obligation.

Prepared By: Alfonso R. Paiks Phone: 276-5539  
Division: Alaska Housing Finance Corporation Date: \_\_\_\_\_

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency

7/1/84

*Alfonso R. Paiks*

01626

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

CHILD SUPPORT ENFORCEMENT DIVISION

BILL SHEFFIELD, GOVERNOR

Dept. of Revenue  
Child Support Enforcement Division  
550 W. 7th, Hunt Bldg., 4th floor  
Anchorage, AK 99501  
Phone: (907) 276-3441  
Toll Free: Zenith 3300

April 4, 1985

Senator Jan Faika  
Pouch V  
Juneau, AK 99811

re: SB 263

FAIRBANKS FIELD OFFICE  
REGIONAL OFFICE BLDG.  
675 7TH AVENUE, STATION G  
FAIRBANKS, ALASKA 99701  
PHONE: (907) 456-8607

JUNEAU FIELD OFFICE  
1111 W. 8TH STREET, ROOM 110  
JUNEAU, ALASKA 99801  
PHONE: (907) 465-2941

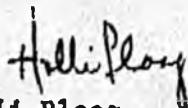
Dear Senator Faika:

As per Elizabeth Hickerson's request, I have looked at the various options available to Child Support Enforcement to verify child support delinquency information to state agencies administering loan programs. All the fiscal information on a child support case is in our computer system and can be accessed easily. Should we receive a phone call from a loan officer asking for a status report on a particular individual, we would be able to respond to this request in a couple of minutes. Secondly, we can match computer tapes with any agency compatible to the IBM system, a process we currently use with Health and Social Services and the Department of Labor. I discussed this second option with Kerry Romesburg, Director of the Commission on Post-Secondary Education and he felt it would work well with their system. Finally, should an agency need written verification of current obligation status, we mail monthly computerized statements to all absent parents and they can provide a copy of that statement to the loan processing agent upon filing of their application and/or we can verify their obligation in writing upon request.

To illustrate the extent of the problem, as of April 2, 1985, we had an outstanding arrearage balance of \$30,434,052.09 with 8312 cases being enforced by our division out of which 7198 have arrearages.

Thank you for your continued support. If you need additional information, please do not hesitate to call.

Sincerely,



Holli Ploog  
Director  
Child Support Enforcement Division