



THE BUCKEYE INSTITUTE

Universal Licensing Reciprocity: How to Welcome Workers to Ohio

Interested Party Testimony
Ohio Senate General Government and Agency Review Committee
Senate Bill 246

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As Prepared for Delivery

Thank you, Chairman Schuring, Vice Chair Rulli, Ranking Member O'Brien, and members of the Committee, for the opportunity to testify regarding Senate Bill 246.

My name is Dr. Andrew Kidd. I am an economist at **The Buckeye Institute's** Economic Research Center. The Buckeye Institute is an independent research and educational institution—a think tank—whose mission is to advance free-market public policy in the states.

The Buckeye Institute has just released a new policy brief—***Universal Licensing Reciprocity: How to Welcome Workers to Ohio***—along with a **one-pager** (attached to my testimony) that explain the benefits of Senate Bill 246's universal occupational licensing reciprocity.

I will spare the Committee some of the brief's more granular detail and focus on the big picture—namely, that universal reciprocity will make it easier for people with licenses in other states to come to Ohio. Universal reciprocity grants an Ohio license to those moving to Ohio who already have comparable licenses in good standing from another state. And that's a good thing.

In some ways, Senate Bill 246 builds on the policies just enacted in the **Buckeye-inspired** Senate Bill 7 that offered reciprocity to the families of military personnel who have been assigned to Ohio. Military families, of course, are especially burdened by occupational licensing laws, but they are not the only ones who face such challenges when entering Ohio.

Ohio's current occupational licensing regime hinders job growth across the state and keeps trained, licensed professionals from pursuing their careers here. Onerous licensing burdens—essentially requiring workers to ask the government for a permission slip to earn a living—make Ohio less competitive, less prosperous, and less attractive to entrepreneurs and their employees.

In its report, ***Forbidden to Succeed: How Licensure Laws Hold Ohioans Back***, The Buckeye Institute explained that high fees and training requirements reduce an occupation's job growth by 20 percent because prospective workers who cannot afford to enter the occupation remain unemployed or underemployed.

Professor Morris Kleiner, the AFL-CIO chair in labor policy at the University of Minnesota's Humphrey School of Public Affairs, **has testified** that he and Alan Krueger, the former head of President Obama's Council of Economic Advisors, calculated that licensing laws cost between a half and one percent of jobs nationally in 2010. More recently, Dr. Kleiner and his co-author **estimated** that Ohio lost more than 67,000 total jobs—equal to Ohio's average annual job growth—due to occupational licensing.

Such job loss remains a significant problem, likely contributing to Ohio's stagnating population that is projected to **cost** Ohio yet another Congressional seat after the 2020 Census. In national surveys, Ohio ranks, yet again, among the **top ten** states with the most outbound migration.

Reversing the exodus will require big changes.

Fortunately, this Committee has already taken significant action under the Senate Bill 255 review process to begin reducing permission-slip burdens imposed on Ohioans. But there is more work to be done.

For starters, would-be Ohioans with comparable out-of-state licenses in good standing should not have to pay additional fees or take expensive, extraneous classes that do not make them any more qualified for or capable of doing their jobs just because there are some minor differences between Ohio's and the licensing state's regulations. Universal occupational licensing reciprocity can eliminate such barriers and make Ohio "open for business" for licensed professionals considering a move.

Ohio would not be the first state to embrace universal reciprocity. **Arizona** and **Pennsylvania** already have enacted laws that allow for universal, unilateral licensing reciprocity, and Indiana has introduced legislation similar to Senate Bill 246—Ohio should follow their lead.

Recognizing out-of-state occupational licenses will allow more professionals to continue their careers and serve Ohio communities. Allowing those with comparable out-of-state licenses in good standing to obtain an Ohio license without delay or additional training requirements will benefit workers and Ohio. Protections built into Senate Bill 246 will ensure the public's safety and that any necessary, Ohio-specific knowledge is obtained and proven.

Thank you for your time and attention. I would be happy to answer any questions that the Committee might have.



About The Buckeye Institute

Founded in 1989, The Buckeye Institute is an independent research and educational institution – a think tank – whose mission is to advance free-market public policy in the states.

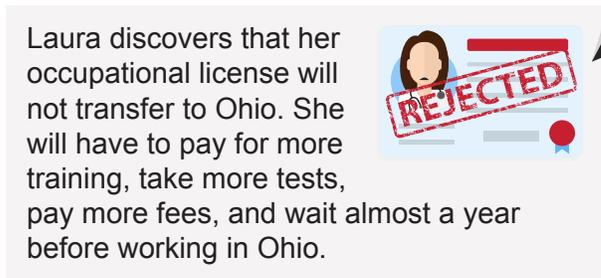
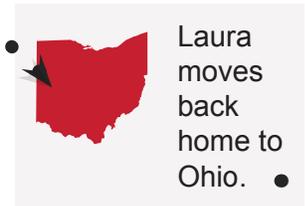
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ZERO BARRIERS

REDUCING OHIO'S OCCUPATIONAL LICENSING BURDEN

IMAGINE



WHY IT MATTERS

Burdensome Licensing Requirements Hurt Ohioans and Make Ohio a Less Attractive Place to Live

18% of Ohio residents require an occupational license to earn a living in their chosen profession.¹

In 2018, Ohio had 67,000 fewer jobs due to occupational licensing.²

Ohio is losing workers and ranks in the top 10 for more people moving out of the state than moving into the state.³

According to the U.S. Census Bureau, Ohio will see a decline in population in the 2020s.⁴

THE SOLUTION

Universal Occupational Licensing Reciprocity Will Allow Laura and Others to Live Out Their Dreams in Ohio and Will Fuel the Economic Growth Our State Desperately Needs



Establish Universal Reciprocity

Make Ohio a national leader by allowing people with occupational licenses from other states to easily be licensed in Ohio.⁵



Make Sure Years of Work Count Towards Earning a License

If a person has at least 3 years of experience working in a state that doesn't require a license for a job, but Ohio does, he or she should still be able to get an Ohio license.



Ensure Public Safety

People who get a license through reciprocity must prove they are in good standing in all the states where they are licensed, and they will still need to pass a background check.

¹ Dick M. Carpenter II, Ph.D.; Lisa Knepper; Kyle Sweetland; and Jennifer McDonald, *License to Work*, Institute for Justice, November 2017.

² Morris M. Kleiner and Evgeny S. Vorotnikov, *At What Cost?: State and National Estimates of the Economic Costs of Occupational Licensing*, Institute for Justice, November 2018.

³ Annual 2019 United Van Lines National Movers Study, UnitedVanLines.com (Last visited January 9, 2020).

⁴ States—Population Projections, Census.gov (Last visited January 9, 2020).

⁵ Arizona was the first state in the nation to adopt universal reciprocity.



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