



THE BUCKEYE INSTITUTE

Universal License Recognition: Welcoming New Workers to Ohio

Interested Party Testimony
Ohio House State and Local Government Committee
House Bill 203

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As Prepared for Delivery

Thank you, Chairman Wiggam, Vice Chair John, Ranking Member Kelly, and members of the Committee, for the opportunity to testify regarding House Bill 203.

My name is Logan Kolas. I am the economic policy analyst at the Economic Research Center at **The Buckeye Institute**, an independent research and educational institution—a think tank—whose mission is to advance free-market public policy in the states.

In many ways, House Bill 203 builds on policies enacted last year in Senate Bill 7, which grants the spouses of active-duty military men and women who relocate to Ohio recognition for their valid out-of-state occupational licenses. That commonsense license recognition allows military spouses to continue working in their chosen profession. The Buckeye Institute **supported** the policies in Senate Bill 7 and supports the policies in House Bill 203.

Occupational licensing laws may especially burden military families, but they are not the only professionals burdened when making Ohio their home. Ohio's current occupational licensing regime hinders job growth across the state and prevents trained, licensed professionals from pursuing their careers here. It tells licensed professionals that their skills are not welcome here. Onerous licensing provisions require workers to ask the government for permission to earn a living, and they make Ohio less competitive, less prosperous, and less attractive to entrepreneurs and their employees.

As The Buckeye Institute explained in ***Forbidden to Succeed: How Licensure Laws Hold Ohioans Back***, 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 likely contributes to the state's emigration problems. In survey after survey, Ohio still ranks among the **top ten** states with the most outbound migration, an exodus that has **now** cost Ohio yet another congressional seat. Changing the occupational licensing regime will help reverse this trend.

In ***Universal Licensing Reciprocity: How to Welcome Workers to Ohio*** and a related **one-pager** (attached to my testimony), The Buckeye Institute has extolled the benefits of House Bill 203's universal occupational licensing recognition. Without getting into the weeds of the issue, universal licensing recognition will make it easier for people with comparable licenses in other states to come to Ohio and start or continue their careers. 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. Instead, House Bill 203 would eliminate employment barriers, make Ohio more “open for business” for licensed professionals, and still protect public health and safety by ensuring that any necessary Ohio-specific knowledge is obtained and proven.

Ohio would not be the first state to embrace universal recognition. **Arizona, Missouri, Pennsylvania,** and **Utah** already have enacted laws that allow for universal, unilateral licensing recognition. Ohio should follow their lead.

This Committee has reduced permission-slip burdens imposed on workers before, establishing the occupational licensing review process under Senate Bill 255—also **championed** by The Buckeye Institute. House Bill 203’s licensing recognition builds upon that vital effort and will help Ohio by helping would-be Ohio workers pursue careers and professions here.

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.

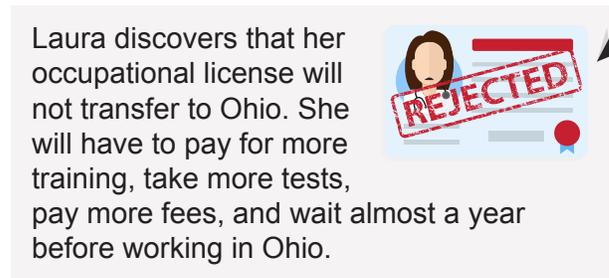
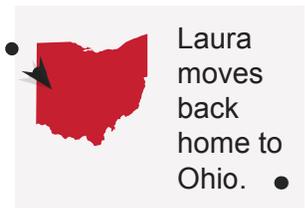
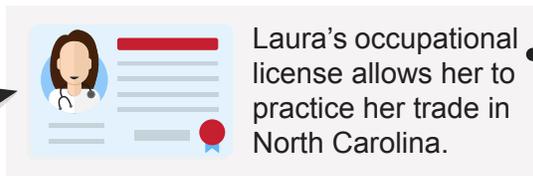
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ZERO BARRIERS

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



Establish Universal Recognition

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 recognition 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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