

Written Testimony: Alicia Plemmons

House State and Local Government Committee

October 27, 2021

Chair Wiggam, Vice Chair John, Ranking Member Kelly, and all distinguished members of the House State and Local Government Committee:

My name is Alicia Plemmons, PhD, and I am a research affiliate of the Knee Center for the Study of Occupational Regulation at West Virginia University and the co-founder and leader of the Scope of Practice Research Group within the Arkansas Center for Research in Economics at the University of Central Arkansas, two academic centers devoted to the study of occupational regulation and employment outcomes.

1. Recognition empowers minority business ownership.
2. Firms locate in states where they do not additional costs of relicensing employees
3. Recognition provides a larger qualified hiring pool by attracting workers to the state

My research studies the spatial mobility effects of occupational licensing requirements. One of the main concerns and hinderance for moving to a state is the ability to transfer licensing. Individuals unable to do so, such as teachers, nurses, and electricians, must undergo extensive additional training and testing to continue to work in professions that they may have been in for years or decades. Recognizing the hard work and training people have undertaken in other states can attract qualified workers to Ohio and provide employment opportunities by encouraging new businesses to locate within the state.

Second, decreased stringency and cost in obtaining a license if a person has a previous license or experience provides more employment avenues for minority communities.¹ Using business license records, I have researched the geographic location decisions of minority owned firms under different licensing systems and find that restrictive licensing can influence if minority-owned businesses and prevent them from reaching key markets and customers.

Finally, states with lower levels of occupational licensing costs,² in this case through the means of allowing employees from other states to work immediately, can attract new and existing businesses to locate in Ohio. This reduction in training and compliance costs for firms by allowing them to avoid having to pay to retest and retrain people with out of state licenses is a driver in firm location decisions. This policy will also simultaneously expand potential pools of candidates for firms to include those in other states who would be interested in moving to Ohio, gives firms power to make better hiring decisions.

This bill represents a key policy step towards recognizing a worker's history and expertise. This especially empowers marginalized communities by not only giving them the power to work to the extent of their skills and training, but by attracting new firms to the great state of Ohio.

Thank you to the committee for hearing my concerns.

Alicia Plemmons, PhD

Assistant Professor of Economics at Southern Illinois University Edwardsville

¹ <https://www.youtube.com/watch?v=vVzDbivRGhc>

² <https://www.thecgo.org/research/occupational-licensing-effects-on-firm-entry-and-employment/>