



## **Senate Bill 131**

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**The Ohio Senate  
Workforce and Higher Education Committee**

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Chair Johnson, Vice-Chair Cirino, Ranking Member Williams, and committee members,

Thank you for the opportunity to submit testimony on behalf of Opportunity Solutions Project (OSP), a nonprofit organization that supports policies to advance the power of work so that more people may achieve the American Dream. OSP supports Senate Bill 131 because it will remove barriers to work and help Ohio compete for skilled workers.

Cities across the country are losing residents. Recent data from the Federal Reserve shows a sharp uptick in the number of people leaving urban centers or choosing to settle elsewhere, with young adults (ages 18-34) exhibiting the largest increase in out-migration.<sup>i</sup> This is why SB 131 is a smart policy for Ohio.

Slow population growth is a major factor holding back Ohio's economy.<sup>ii</sup> SB 131 is an opportunity for Ohio to attract new residents and businesses to the state by welcoming the young people fleeing outside cities. Young workers and their families are moving so they can build a future, but a new future requires new opportunities. There is a link between worker mobility and economic mobility, and state licensing laws can prevent workers from pursuing opportunities.<sup>iii</sup>

Licensing restrictions make it more difficult for people with less experience to enter a new market.<sup>iv</sup> This is why licensing tends to act as a barrier to young workers while protecting more established workers.<sup>v</sup> Moreover, research confirms that licensed workers are less likely to move between states, largely due to the barriers caused by licensing restrictions.<sup>vi</sup> SB 131 would streamline the licensing process for incoming workers, making it easier for people to move to Ohio.

The policy to recognize out-of-state licenses in SB 131 is straightforward. The bill uses Ohio's recent licensing reform for military families as a template, applying to even more workers. Under SB 131, Ohio will issue a worker an in-state license if they have already earned a license from another state and held the license for at least one year. This will keep Ohio competitive, as more than 15 states have passed a similar reform, including Pennsylvania, Iowa, and Kansas.

However, licensing requirements differ between states. It is estimated that more than 1,000 occupations require a license to work in at least one state, while fewer than 60 occupations are licensed in every state.<sup>vii</sup> This means some workers may have experience in a state that does not require a license to work for which Ohio does. SB 131 accounts for these workers with a policy to recognize real-world experience. Ohio will issue a worker an in-state license if they have two to three years of work experience, depending on whether they have obtained a private credential. Three states have enacted iterations of this policy.

While SB 131 removes regulatory barriers, it is not a free-for-all. It includes commonsense safeguards. In order to receive an Ohio license, all applicants must satisfy minimum training requirements, clear criminal background checks, be in good standing with their respective licensing board or credentialing organization, be free from professional complaints, and have the requisite years of work experience.

Sometimes chasing the American Dream means pursuing a new opportunity in a new place. SB 131 is a safe, bipartisan reform that will attract professionals who may otherwise stay put in another state by

streamlining the licensing process. Republican Governor Ducey of Arizona and Democratic Governor Wolf of Pennsylvania have already put up their “open for business” signs. Ohio could and should be next.

OSP supports SB 131 because it will make it easier for workers with out-of-state experience to find new opportunities and make Ohio their home. Thank you for your time.

Haley Holik, Visiting Fellow

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<sup>i</sup> Stephan D. Whitaker, “Did the COVID-19 Pandemic Cause an Urban Exodus?” Federal Reserve Bank of Cleveland (2021), <https://www.clevelandfed.org/en/newsroom-and-events/publications/cfed-district-data-briefs/cfddb-20210205-did-the-covid-19-pandemic-cause-an-urban-exodus.aspx>.

<sup>ii</sup> Ohio Chamber of Commerce Research Foundation, “Ohio BOLD: A Blueprint for Accelerating the Innovation Economy” (2018), <https://ohiochamberfoundation.com/wp-content/uploads/2018/07/OhioBold-fullreport.pdf>.

<sup>iii</sup> Stephen Slivinski, “You Can Take It with You: A Case for Occupational Licensing Reciprocity,” Center for the Study of Economic Liberty at Arizona State University (2020), [https://csel.asu.edu/sites/default/files/2020-02/CSEL-2020-01-You-Can-Take-It-with-You-03\\_02\\_20.pdf](https://csel.asu.edu/sites/default/files/2020-02/CSEL-2020-01-You-Can-Take-It-with-You-03_02_20.pdf).

<sup>iv</sup> National Conference of State Legislatures, “The State of Occupational Licensing” (2017), [https://www.ncsl.org/Portals/1/Documents/employ/Licensing/State\\_Occupational\\_Licensing.pdf](https://www.ncsl.org/Portals/1/Documents/employ/Licensing/State_Occupational_Licensing.pdf).

<sup>v</sup> Jared Meyer, “How Occupational Licensing Inhibits Economic Opportunity,” Foundation for Government Accountability (2017), <https://thefga.org/wp-content/uploads/2017/10/How-Occupational-Licensing-Inhibits-Economic-Opportunity-10-23-17.pdf>.

<sup>vi</sup> Janna Johnson and Morris M. Kleiner, “Is Occupational Licensing a Barrier to Interstate Migration?” National Bureau of Economic Research (2017), <https://www.nber.org/papers/w24107>.

<sup>vii</sup> Jared Meyer & Victoria Eardley, “Dispelling Three Big Myths About Occupational Licensing,” Foundation for Government Accountability (2017), [https://www.ncsl.org/Portals/1/Documents/employ/Licensing/State\\_Occupational\\_Licensing.pdf](https://www.ncsl.org/Portals/1/Documents/employ/Licensing/State_Occupational_Licensing.pdf).