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Testimony from:
Alan Smith, Midwest Director, R Street Institute

In SUPPORT of SB246, amending various sections of the Ohio Revised Code “to require an occupational licensing authority to issue a license or government certification to an applicant who holds a license, government certification, or private certification or has satisfactory work experience in another state under certain circumstances.”

General Government and Agency Review Committee
Tuesday, July 21, 2020
South Hearing Room

Chairman Schuring, Vice-Chair Rulli and Ranking Minority Member O’Brien and members of the Senate Agriculture and Natural Resources Committee:

My name is Alan Smith, and I am the Midwest director of the R Street Institute, a public policy organization dedicated to principles of limited government, commercial freedom and free-market solutions.

Before the COVID-19 pandemic disrupted Americans’ lives, our economy was soaring to record-setting levels due in no small part to a concerted, robust effort in many key states to walk back many of the impediments that were preventing workers from obtaining jobs. The main bottlenecks were laws that required burdensome occupational licenses for everyday jobs and records of low-level criminal violations that prevented employment. The pandemic lent even more urgency to the efforts to roll back these counterproductive laws.

Ohio is a particularly good example of the need for these employment reforms. Before the pandemic scrambled the jobs numbers and turned the economy on its head, a snapshot of [open jobs in Ohio](#) indicated around 176,000 job openings – many of which require a professional license. Despite this, [57.8% of moves](#) involving Ohio last year were Ohioans relocating out of the state, according to information collected by United Van Lines. Most of the outbound traffic listed “employment” as the reason they were leaving the state.

The state simply makes it far too difficult to work here. Indeed, “Ohio’s occupational licensing laws for lower-income occupations are the 20th most burdensome, requiring, on average, \$188 in fees, 350 days of education and experience, and around one exam,” according to the [Institute for Justice](#).

This is clearly an important workforce issue for Ohio government, because it is increasingly obvious that there is no homeland security unless most people can work. One of the best formulas for a society to thrive is to have a high level of productive employment, but too many of those who wish to earn a living in Ohio still face many statutory impediments. As of 2020, nearly one out of every five residents of Ohio must purchase a license of some sort to earn a living. Even though we don’t license florists or fortune tellers like some states, our list encompasses 651 different occupations, according to testimony at the January legislative hearing. What’s more, the [Institute for Justice](#) reports that more people need licenses to work in Ohio (18%) than belong to unions (11%).

Senator McColley has already led some action on this challenge by enactment of his groundbreaking [legislation](#) that mandates a legislative review of all occupational licensing boards over a six-year period. We also commend the legislature for joining other states and passing commonsense legislation to allow spouses of military personnel, who were transferred into the state, in most cases to work in professions for which they had already been licensed and/or trained outside Ohio.

This legislation requiring the state to recognize most occupational licenses issued by another state if licensees meet certain requirements is the logical next step. Arizona, Pennsylvania and Iowa have done this and the Missouri [legislation](#) was signed by the governor last week. The Missouri and Iowa governors appearing on a virtual panel last week each mentioned the competition among states to attract workforce to their respective jurisdictions, and this will be exacerbated by the public health crisis impact on workplaces.

State after state has adopted at least temporary waivers of regulatory requirements due to the pandemic. These principally allow doctors, pharmacists and nurses to practice in different states or with expanded authority. All these emergency policies fulfill the same need during a lengthy recovery period as they do during a pandemic dislocation. Most of these temporary loosening of restrictions should outlast the virus protocols and be made permanent because people will migrate, and always have, to where they can earn a living.

Spikes in calls to various kinds of crisis and counseling lines, drug overdoses and child abuse are reported from every part of the locked down economy; these trends will continue and worsen as unemployment numbers continue to climb. As such, there is substantial reason for the state government to act to remove every barrier to employment that is not wholly and directly related to critical health and safety issues. To keep willing and capable people from working, especially with outdated protectionist laws, begets pathologies in the state that no government can countermand.

Congratulations, as well, on other regulatory reforms currently considered by the committee. Count on us to be helpful with additional government deregulation to mitigate lingering restrictions that modern consumer products and practices may render nonaligned to actual health and safety issues.

I am happy to answer any of your questions.

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