



## House Bill 203

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**The Ohio House of Representatives  
State & Local Government Committee**

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Chairman Wiggam, Vice Chair John, Ranking Member Kelly, and committee members,

Thank you for the opportunity to submit testimony on behalf of Opportunity Solutions Project (OSP), a nonprofit organization that advocates for state policies to advance the power of work so that more people may achieve the American Dream. OSP supports House Bill 203 because it is built on a proven reform to get government out of the way and get people working.

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 HB203 is a smart policy for Ohio.

Slow population growth is a major factor holding back Ohio's economy.<sup>ii</sup> The License Recognition Act is an opportunity for Ohio to attract new residents and businesses by welcoming the young people fleeing the cities in other states. These young families and young workers are looking to build a future and invest in a community, but they need work opportunities. HB203 would allow individuals who have been safely practicing their occupation in another state to continue their profession in Ohio without unnecessary delay.

Licensing restrictions make it more difficult for people with less experience to enter a new market.<sup>iii</sup> This is why licensing tends to act as a barrier to young workers while protecting more established workers.<sup>iv</sup> Moreover, research confirms that licensed workers are less likely to move between states, largely due to the barriers caused by licensing restrictions.<sup>v</sup> HB203 would streamline the licensing process for incoming workers, making it easier for people to relocate and continue their career in Ohio.

This is how the license recognition policy works in HB203: An applicant will be issued a license so they may start working in Ohio if they've earned a license from another state and have held the license for at least one year. However, it's 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>vi</sup> This means some individuals may have work experience in a state that doesn't license an occupation for which Ohio does require a license.

HB203 accounts for these potential workers with a policy to recognize work experience. Under HB203, an applicant will be issued an Ohio license if they have two to three years of real-world experience, depending on whether they've obtained a private credential. Both Iowa and Mississippi have enacted iterations of this policy.

While HB203 streamlines the licensing process, it isn't a free-for-all. It includes important safeguards. All applicants must satisfy minimum training requirements, clear 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.

Ohio has already passed license recognition for military families. This bill uses that policy as a foundation, applying it to even more individuals in order to develop a young workforce and keep Ohio competitive.

Fourteen states have already passed a version of the license recognition policy in this bill, including Pennsylvania, Iowa, and Kansas. And this list may grow by the end of 2021 as states look for ways to stay competitive and get their economies back on track.

The License Recognition Act is an opportunity for Ohio to make it easier to attract young workers and new businesses to its local economies. It's a bipartisan reform that will attract qualified professionals who may otherwise stay put in another state. 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 HB203 because it will create more opportunities for those with out-of-state work experience as they look to make their homes in Ohio. 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/cfd-db-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> 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>iv</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>v</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>vi</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).