



**Rick Carfagna, Senior Vice President  
Ohio Chamber of Commerce  
*Proponent Testimony – Senate Bill 131  
December 13, 2022***

Good morning, Chairman Wiggam, Vice Chair John, Ranking Member Kelly, and members of the House State and Local Government Committee. Thank you for allowing me to present proponent testimony for Senate Bill 131 on behalf of the Ohio Chamber of Commerce. My name is Rick Carfagna, and I am the Senior Vice President of Government Affairs for the Ohio Chamber of Commerce. For 129 years, the Ohio Chamber has served as the state's leading business advocate, and we represent over 8,000 companies that do business in Ohio. Our mission is to aggressively champion free enterprise, economic competitiveness, and growth for the benefit of all Ohioans.

Senate Bill 131 offers a host of reforms to Ohio's system of occupational licensing and government certifications, with the most significant being the establishment of universal occupational licensure reciprocity. When the Ohio Chamber canvasses our members on their most immediate challenges, the universal response across all economic sectors continues to be workforce, and we find the struggle to find qualified employees impedes many companies' ability to grow.

Following the 2020 census, it comes as no surprise that Ohio's population growth lagged several states, to the point of us losing a congressional seat. The median United States growth rate was just over a half percent, while Ohio struggled to grow by even a quarter of a percent. Simply put, our state must consider policies, recruitment campaigns, incentives, and advocacy not just to recruit out-of-state workers, but also to welcome back the millions of Ohioans who have fled the state over time.

Senate Bill 131 can help address this problem because occupational licensing affects more than 20% of the workforce, and Ohio's occupational licensing is more complex and restrictive than many comparison states. As mentioned by the bill's sponsors, Ohio has over 650 different occupational licenses with approximately 18%, or almost 1 in 5, of Ohio's jobs requiring an occupational license. By recognizing occupational licenses from other states, SB 131 not only reduces or even eliminates certain re-licensing costs, but it

also supplies Ohio with trained professionals having the skills to match in-demand career fields.

Furthermore, in July 2015 the federal government issued a report titled “Occupational Licensing: A Framework for Policymakers”. The purpose of the report was to outline “the growth of licensing over the past several decades, its costs and benefits, and its impacts on workers and work arrangements”, as well as to recommend “several best practices to ensure that licensing protects consumers without placing unnecessary restrictions on employment, innovation, or access to important goods and services”. This report made numerous observations, such as:

- Most research does not find that licensing improves quality or public health and safety.
- Unlicensed workers earn 28% less than licensed workers.
- Lower-income workers are less likely to be able to afford the tuition and lost wages associated with receiving the education necessary to obtain an occupation license, closing the door to many licensed jobs for them.
- Licensing also reduces interstate mobility because licensing laws are passed at the state level.

The Ohio Chamber recently unveiled the [\*Blueprint for Ohio's Economic Future\*](#), a constructive look at policy areas where Ohio can better capitalize on opportunities and position itself as a leader in the coming decade. Our “Business Friendliness” section specifically recommends the review and reduction of occupational licensing restrictions where applicable. This includes:

- Joining more interstate compacts for occupational reciprocity
- Performing regular cost/benefit analyses of licensing laws:
  - Limiting licensing requirements to those necessary to protect the public (many occupations have educational requirements not necessary to promote public safety).
  - Ensuring licensing requirements do not prevent qualified individuals from securing employment.
  - Minimizing procedural burdens of acquiring licenses in terms of fees, complexity of requirements, processing time and paperwork.

SB 131 aligns with the Chamber’s long-term policy vision for the state and is a critical step in licensure reformation. We applaud Senators Roegner and McColley for their diligence in working with many stakeholders to craft a bipartisan bill that accomplishes so much, and we thank the Ohio Senate for supporting SB 131 with its unanimous committee and floor votes.

Mr. Chairman and members of this committee, thank you for your consideration of SB 131 and for recognizing the importance of this legislation. I would be happy to answer any questions at this time.