The Current State of Occupational Licensure and Reform
Agenda

• Welcome and Introductions
• Current State of Licensing
• Barriers to Licensed Professions
• Impact of Licensing
• Trends in Licensing Policy
Occupational Licensure Project

- A multi-year Department of Labor funded project partnering CSG with the National Conference of State Legislatures and the National Governors Association

- Project Goal: Identify licensing criteria to ensure that requirements are not overly burdensome or restrictive and to improve portability and reciprocity.

- Four key populations disproportionately affected
  - Veterans and military spouses
  - Immigrants with work authorization
  - Justice-involved individuals
  - Unemployed and displaced workers

- Licensing.csg.org
What is occupational licensure?
- Occupational licensing can protect the health and safety of consumers by requiring practitioners to undergo designated training and education in their field and enforces oversight in cases where harms occurs.

With few exceptions, each state has full autonomy over licensure:
- Law
- Regulation
- Policy
- Implementation
- Oversight
Current State of Occupational Licensure

- Over the last 60 years, the number of jobs requiring an occupational license has grown from about 1 in 20 to nearly 1 in 4
  - 3 in 4 healthcare occupations require a license to practice
- Effects workers of all education levels, genders and races or ethnicities
- States vary widely on what occupations are licensed and the percentage of the workforce in a licensed occupation
Costs and Benefits of Occupational Licensure

**Benefits**
- Safeguard public health and safety
- Protect consumers by guaranteeing minimum educational requirements and industry oversight
- Support career development and pathways for licensed workers and enhanced professionalism for licensed workers
- Step in when competitive market forces fail to achieve desired outcomes

**Costs**
- Reduce employment in licensed occupations
- Reduce geographic mobility
- Reduce wages for unlicensed workers relative to their licensed counterparts
- Reduce market competition and innovation
- Disproportionately burden low-income workers, military veterans and families, *people with a criminal history*, immigrants with work authorization, and dislocated and unemployed workers
Barriers to Licensure

**Cost**
- Monetary costs through licensing fees, examination fees, study materials, etc.
- Time costs through waiting for approval, study time and examination time
- Opportunity cost through ability to work

**Barriers to Specific Populations**
- Duplicative requirements (particularly for military spouses, veterans, immigrants)
- "Good moral character" clauses and relevance of conviction standards
- Costs outlined above remove ability to climb the ladder for those already at the bottom
- Mobility disparities directly effect specific populations (military spouses are 10 times as likely to have moved to another state in the past year and are more likely to work in a licensed occupation)
Barriers to Licensure Continued

- **Barriers to Specific Professions**
  - Average costs and barriers do not always align with stated goals of protecting public health and safety
  - Cosmetologists are on average required to have over 10 times as many training days as EMTs nationwide
Impact of Barriers on the Workforce

• Current systems of licensing have been shown to depress entrepreneurship and deincentivise participation in the workforce for qualified workers

• Limits on geographic mobility limit the labor pool of each state, affecting both the citizens and potential employers
  • Creates ineffeciencies in which workers are not always able to work in the specialized field best suited to their skills and interests

• Specifically impacted populations
  • Reoffense and recidivism
  • Non-participation in the workforce
Trends in Occupational Licensure Portability

- Interstate Compacts
- Digital Licensing Systems
- Universal License Recognition (ULR)
- Fair Chance Licensing
- Apprenticeships
## Comparing Compacts and Universal Recognition

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<thead>
<tr>
<th>Criteria</th>
<th>Universal Recognition</th>
<th>Interstate Compacts</th>
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<tr>
<td>Requires practitioners to abide by the scope of practice of the state in which they are practicing</td>
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<td>Reduces barriers for out-of-state practitioners aiming to practice within your state</td>
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<tr>
<td>Reduces barriers for in-state practitioners aiming to practice in multiple states</td>
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<td>Allows practitioners to work in multiple states, both in person and via telehealth/telework, without submitting a separate application to each state’s licensure board, requiring verification of the current license, or obtaining a new background check</td>
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<td>Brings together a coalition of states to establish consistent and enforceable interstate licensure standards that are tailored to the public protection requirements of a given profession</td>
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<td>Enhances public protection by creating a multi-state database of licensure information to facilitate collaboration on investigations of potential misconduct by practitioners</td>
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Considerations in General Licensing Policy Reform

- Implementing best practices for one impacted population or profession can often be used as a model when doing the same for others.

- Barriers can be lowered through procedural changes as well as changes to or removal of requirements:
  - Digital licensing systems
  - Improved application processes

- States have the ability to target licensing reform where it is most needed and/or most impactful:
  - Specific populations
  - Specific professions (targeting professions that have increased need projections)
  - Regulatory structures and levels of regulation
Further Information

• **Contact Me:** james.tatum@csg.org

• **COI Licensing Resources:**
  • [Occupational Licensure Policy (licensing.csg.org)](https://licensing.csg.org)
  • [National Center for Interstate Compacts (compacts.csg.org)](https://compacts.csg.org)