



THE BUCKEYE INSTITUTE

Growing Ohio's Workforce by Removing Barriers to Job Entry

Interested Party Testimony
Ohio Senate Health Committee
Senate Bills 3 and 6

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As Submitted

Chair Huffman, Vice Chair Antani, and Ranking Member Antonio, thank you for the opportunity to submit written testimony regarding Senate Bill 3 and Senate Bill 6.

My name is Greg R. Lawson, I am the research fellow at **The Buckeye Institute**, an independent research and educational institution—a think tank—whose mission is to advance free-market public policy in the states.

Senate Bills 3 and 6, nursing and medical compact bills, largely concern the same overall issue: making it easier for licensed medical professionals to come make a living in Ohio. Both bills take steps in the right direction and should be part of broader occupational licensing reform.

Senate Bill 3 adds Ohio to a growing list of nearly three dozen states that recognize a nurse's license issued by one of the member states. Upon joining the compact, nurses licensed in Ohio may practice in any of the other **34 member-states** and, more importantly, nurses licensed in any of the member-states may move to Ohio and begin practicing and treating patients—all without the added cost and hassle of applying for new licenses. The nursing compact will make it easier for Ohio to recruit qualified, trained, and licensed nurses from other states and U.S. territories—an advantage that will grow Ohio's workforce and health care capacity.

Senate Bill 6 would have Ohio join the Interstate Medical Licensure Compact (IMLC), which holds similar advantages achieved through slightly different mechanisms. The IMLC still requires individual states to issue medical licenses, but the compact facilitates a streamlined licensing approach that reduces the time and expense for out-of-state doctors to be licensed and begin working in a member-state.

Ohio's occupational licensing regime is flawed and the best policy would include **universal occupational license recognition**, but joining these compacts improves the *status quo* at an opportune time. Although out-of-state medical license recognition predated the COVID-19 pandemic, the pandemic reinforced the critical need for greater flexibility and reciprocity in respecting medical licenses across state lines—a need The Buckeye Institute addressed in ***Policy Solutions for the Pandemic: Medical License Reciprocity Should be Permanent***.

Although the need for licensing reform is especially acute in health care, broader licensing recognition and reform across professions should be a legislative priority. As The Buckeye Institute has explained in ***Forbidden to Succeed: How Licensure Laws Hold Ohioans Back***, high fees and training requirements may reduce an occupation's job growth by 20 percent, with prospective workers who cannot afford the requirements remaining unemployed or underemployed. Subsequently, ***Still Forbidden to Succeed: The Negative Effects of Occupational Licensing on Ohio's Workforce*** confirmed the disturbing and stubborn fact that Ohio's licensing requirements erect higher barriers to employment for those most in need of quality jobs—middle-aged and low-income workers, and those without a college degree.

The Buckeye Institute's concerns are shared by Professor Morris Kleiner, the AFL-CIO chair in labor policy at the University of Minnesota's Humphrey School of Public Affairs, who **has testified** that he and Alan Krueger, the former head of President Barack Obama's Council of

Economic Advisors, calculated that licensing laws cost the nation between a half and one percent of jobs in 2010. More recently, Dr. Kleiner and his co-author **estimated** that Ohio lost more than 67,000 total jobs—equal to Ohio’s average annual job growth—due to occupational licensing. Such losses remain a significant problem for Ohio, likely contributing to its stagnating population, which is **projected to fall behind** Georgia and North Carolina by the next decade.

Fortunately, the General Assembly—and the Senate in particular—have taken significant action to arrest these trends. The **Senate Bill 255** occupational licensing review process, the **recognition of licenses** for spouses of military personnel, and the introduction of **universal licensing recognition** legislation, all championed by The Buckeye Institute, make it easier for new careers to begin in Ohio.

Universal recognition of occupational licenses remains the ideal. It avoids complexities and the potential for compact rules to erect higher, unnecessary barriers to jobs and opportunities. But for some professions, especially medical professions, compacts can still help achieve many of the same goals and make Ohio a more attractive place to live and work.

The Buckeye Institute applauds the licensing recognition initiatives being pursued, and considers Senate Bill 3 and Senate Bill 6 to be important steps on the road to greater occupational licensing reform.

Thank you for the opportunity to submit written testimony on this important issue.



About The Buckeye Institute

Founded in 1989, The Buckeye Institute is an independent research and educational institution – a think tank – whose mission is to advance free-market public policy in the states.

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