



# THE BUCKEYE INSTITUTE

## **Opening Ohio's Doors with Occupational License Reform**

Interested Party Testimony  
Ohio Senate Workforce and Higher Education Committee  
Senate Bill 131

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As Prepared for Delivery

Thank you, Chairman Johnson, Vice Chair Cirino, Ranking Member Williams, and members of the Committee, for the opportunity to testify regarding Senate Bill 131.

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.

In many ways, Senate Bill 131 builds on policies enacted last year in **The Buckeye Institute-inspired** Senate Bill 7, which grants the spouses of active-duty military men and women who relocate to Ohio recognition for their valid out-of-state occupational licenses. That commonsense recognition allows transferred military spouses to continue working in Ohio in their chosen profession. The Buckeye Institute **supported** Senate Bill 7 and supports Senate Bill 131.

Occupational licensing laws especially burden military families as they move about the country, but they are not the only professionals who suffer when trying to make Ohio their home. Ohio's current occupational licensing regime prevents many trained, licensed professionals from pursuing their careers here. Onerous licensing provisions require already-licensed workers to ask Ohio for permission to earn a living.

As The Buckeye Institute explained in **Forbidden to Succeed: How Licensure Laws Hold Ohioans Back**, high fees and training requirements reduce an occupation's job growth by 20 percent because prospective workers who cannot afford to enter the occupation remain unemployed or underemployed. And Professor Morris Kleiner, the AFL-CIO chair in labor policy at the University of Minnesota's Humphrey School of Public Affairs, has **testified** that he and Alan Krueger, the former head of President Obama's Council of Economic Advisors, calculated that licensing laws cost between a half and one percent of jobs nationally 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. And for good reason. Occupational licensing restrictions make Ohio less competitive, less prosperous, and less attractive to entrepreneurs and their employees—telling skilled workers, in effect, your skills and training are insufficient here. Consider, for example, that an Ohio **HVAC contractor** must have five years of experience before being licensed here, but Michigan and Kentucky only require three and four years, respectively. Meanwhile, Illinois, Indiana, Missouri, and Pennsylvania have no state HVAC licenses at all, relying on local regulations instead.

Such licensing disparities understandably contribute to Ohio's ongoing emigration problems. In survey after survey, Ohio still ranks among the **top ten** states with the most outbound migration, an exodus that has **now** cost Ohio yet another congressional seat. Changing the occupational licensing regime will help reverse this trend.

In **Universal Licensing Reciprocity: How to Welcome Workers to Ohio** and a related **one-pager**, The Buckeye Institute extolled the benefits of Senate Bill 131's universal occupational license recognition that will make it easier for people with comparable out-of-state licenses to start or continue their careers in Ohio. Would-be Ohioans with similar licenses in good standing

should not have to pay additional fees or take expensive, extraneous classes that do not make them any more qualified for or capable of doing their jobs. Instead, Senate Bill 131 would eliminate employment barriers, make Ohio more “open for business” for licensed professionals, and still protect public health and safety by ensuring that any necessary Ohio-specific knowledge is obtained and demonstrated.

Ohio would not be the first state to embrace universal recognition. **Arizona**, **Missouri**, **Pennsylvania**, and **Utah** already have enacted laws that allow for universal, unilateral license recognition. Ohio should follow their lead.

This Committee has reduced permission-slip burdens imposed on workers before, establishing the occupational licensing review process under Senate Bill 255—also **championed** by The Buckeye Institute. Senate Bill 131’s licensing recognition builds upon that vital effort and will help Ohio by helping would-be Ohio workers pursue their careers and professions here.

Thank you for your time and attention. I would be happy to answer any questions that the Committee might have.



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