

**The National Academies of Sciences, Engineering and Medicine
Committee on the Supply Chain for Middle-Skill Jobs: Education,
Training, and Certification Pathways**

**Panel I: Advancing the Mobility of the Skilled Technical Workforce
Fostering Worker Mobility**

Topic: Easing State Barriers to Labor Market Entry

December 12, 2017



National Governors Association



NGA is the bipartisan organization of all the nation's governors, established in 1908. Through NGA, governors identify priority issues and deal collectively with matters of public policy and governance at the state and national levels.

The NGA Center for Best Practices assists governors and their senior staff members in developing and implementing innovative solutions to today's most pressing public policy challenges and is the only research and development firm that directly serves the nation's governors.





OCCUPATIONAL LICENSING: ASSESSING STATE POLICY AND PRACTICE

Partners:

National Governors Association

National Conference of State Legislatures

Council of State Governments

Occupational Licensing: Assessing State Policy and Practice

Project Objectives

- Identify licensing criteria to ensure that existing and new licensing requirements are not overly broad, burdensome or restrictive, and do not create unnecessary barriers to labor market entry;
 - Improve the portability and reciprocity provisions for selected occupations across state lines.
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11 Learning Consortium States:

- Arkansas
 - Colorado
 - Connecticut
 - Delaware
 - Illinois
 - Indiana
 - Kentucky
 - Maryland
 - Nevada
 - Utah
 - Wisconsin
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Occupational Licensing Project Background

- **Growth in Licensing:** Over the last 60 years, the number of jobs requiring an occupational license, or government approval to practice a profession, has grown from about one in 20 to more than one in four.
- **Balancing Consumer Protection with Unnecessary Barriers to Entry**
 - Military spouses and families, immigrants with work authorization, people with criminal records, and unemployed and dislocated workers can be especially affected by barriers.
- **Primary Role of States in Licensing:** Most occupations are licensed at the state level and licensed practitioners typically must acquire a new license when they move across state lines.

EMPLOYED WORKERS

**25.5% HAVE A
CERTIFICATION OR LICENSE**

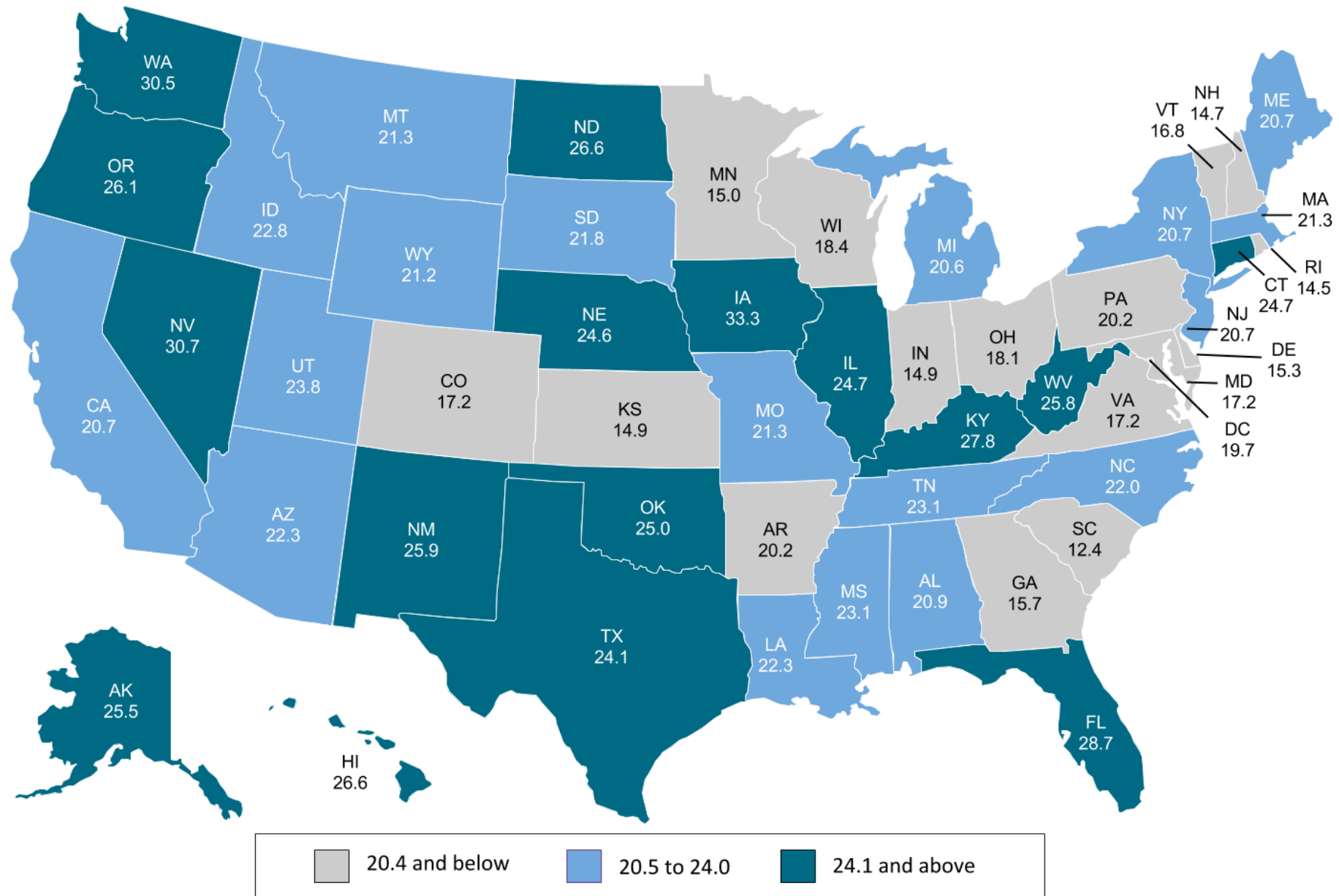
UNEMPLOYMENT RATES

**2.7% FOR LICENSED JOBSEEKERS
6.1% FOR UNLICENSED JOBSEEKERS**

Extent of Licensure

- There are over 1,100 registered, certified, or licensed occupations in at least one state
 - Less than 60 occupations are licensed in all states
 - Almost 72.6% of health care and technical workers had a license in 2016
 - Licensure levels increase with levels of education – in 2016:
 - 7% of people with less than a high school degree held a license;
 - 14% of high school graduates held a license;
 - 24% of people with some college or an associates degree held a license;
 - 34% of bachelor's or advanced-degree holders held a license.
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Share of Workforce Licensed, by State



Source: Kleiner and Vorotnikov (2015) based on an analysis of data from a Harris poll of 9,850 individuals conducted in the first half of 2013.

Note: The three categories were constructed to contain roughly the same number of states.

Benefits and Costs of Licensure

Benefits:

- Safeguard public health, safety and welfare.
- Protect consumers by guaranteeing minimum requirements and industry oversight.
- Support career development and pathways for licensed workers and enhanced professionalism.
- Step in when market forces fail to achieve desired results.

Costs:

- Reduce employment in licensed occupations.
 - Reduce geographic mobility.
 - Reduce wages for unlicensed workers relative to their licensed counterparts.
 - Reduce market competition and innovation.
 - Increase the price of goods and services.
 - Disproportionally burden low-income and other populations.
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Populations with Licensure Challenges

- Military veterans, spouses, and their families;
 - Immigrants with work authorization or foreign trained individuals;
 - People with a criminal history;
 - Low- income and unemployed workers.
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Learning Consortium Overview

The Occupational Licensing Policy Learning Consortium will improve the understanding of occupational licensure issues among the eleven participating states by providing a forum for the selected state team members and the expanded stakeholder group to:

- learn about occupational licensing best practices;
 - become familiar with and discuss the existing licensing policies in their state and across states;
 - identify current policies that create unnecessary barriers to labor market entry; and
 - create an action plan that focuses on removing barriers to labor market entry and improves portability and reciprocity for select occupations.
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Learning Consortium: Benefits for States

- Access to partners' staff experts and other national subject matter experts, including through the Consortium's Panel of Experts;
 - Access to other states and organizations to identify best practices and share lessons learned;
 - Opportunity to strengthen relationships among key policymakers across the state; and
 - Formation and implementation of a state action plan that focuses on removing barriers to labor market entry and improves portability and reciprocity for select occupations.
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State approaches to Reforming Occupational Licensure

- Alter specific licensing requirement for a profession.
 - Alter specific licensing requirements for a population group.
 - Analyze costs and benefits.
 - Increase licensing and regulatory oversight.
 - Enact board licensing reforms.
 - Reduce licensing barriers to mobility.
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Research and Reports

- Policy Literature Scan- Summer 2017
 - National Occupational Licensing Report- Fall 2017
 - Population Reports- Summer 2018
 - Ongoing webinars, blogs, newsletters and magazine articles
 - All research will be available on webpage www.ncsl.org/stateslicense
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Thank you!

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