



The Council
of State
Governments

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



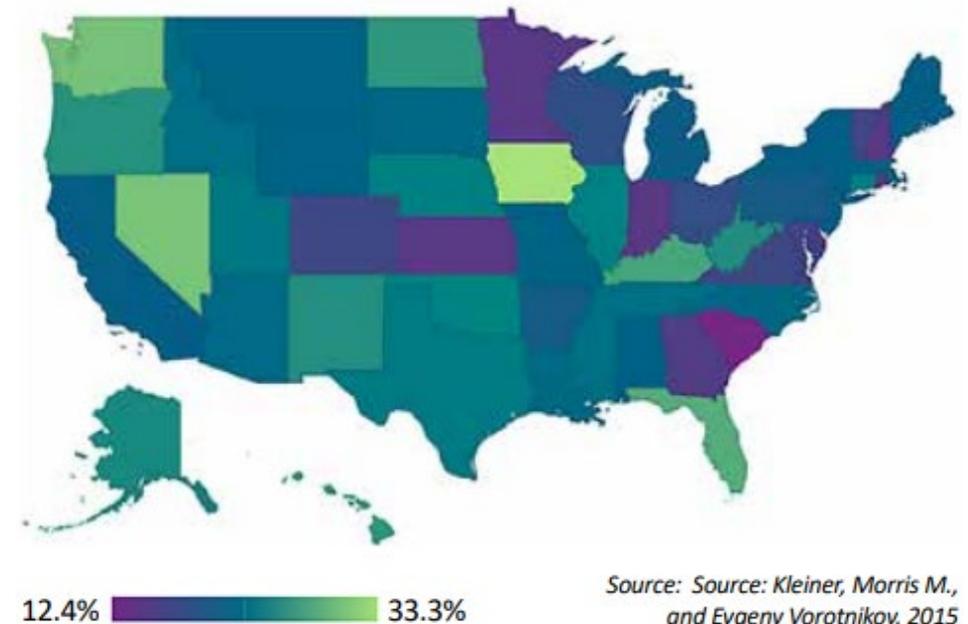
Occupational Licensure

- **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

Figure 2. Percent of Workforce Licensed by State, 2015



Source: Source: Kleiner, Morris M., and Evgeny Vorotnikov, 2015

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 inefficiencies 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**
- **Fair Chance Licensing**
- **Digital Licensing Systems**
- **Apprenticeships**
- **Universal License Recognition (ULR)**



Comparing Compacts and Universal Recognition

| Criteria | Universal Recognition | Interstate Compacts |
|--|-----------------------|---------------------|
| Requires practitioners to abide by the scope of practice of the state in which they are practicing | ● | ● |
| Reduces barriers for out-of-state practitioners aiming to practice within your state | ● | ● |
| Reduces barriers for in-state practitioners aiming to practice in multiple states | ○ | ● |
| 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 | ○ | ● |
| 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 | ○ | ● |
| Enhances public protection by creating a multi-state database of licensure information to facilitate collaboration on investigations of potential misconduct by practitioners | ○ | ● |

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 \(licensing.csg.org\)](http://licensing.csg.org)
 - [National Center for Interstate Compacts \(compacts.csg.org\)](http://compacts.csg.org)
 - [Occupational Licensing Final Report: Assessing State Policies and Practices](#)