

Testimony of Angela C. Erickson on HB 343 Kentucky Interim Joint Committee on Licensing, Occupations, and Administrative Regulations June 22, 2023

Co-Chairmen Schickel and Koch, Members of the Interim Joint Committee on Licensing, Occupations, and Administrative Regulations:

Universal recognition of occupational licenses is essential to promote economic prosperity in the Commonwealth. I am writing today to express my strong support for HB 343. I am a Kentuckian, the strategic research director at the Pacific Legal Foundation (PLF), and an expert on occupational licensing. I would like to thank you for giving me the opportunity to testify regarding HB 343.

In 2017, my husband and I decided that we could live anywhere. We didn't feel limited by our jobs or family, so we chose Kentucky. We love Kentucky. When we moved, we brought our two Washington, DC–based incomes and our newborn baby with us. Since then, we've had two more children and bought a home in Shelbyville, Kentucky.

Our move was easy because our jobs could be done remotely, and there were no obstacles to starting work in Kentucky. However, one out of five Kentucky workers cannot say the same. To put it another way, two out of every five households face hurdles when trying to bring one of their jobs to Kentucky. Kentucky's licensing barriers for already licensed individuals slow 40% of families from being able to choose Kentucky—like my family did.

When my husband and I moved to Kentucky, nothing about our qualifications for our jobs changed. A future Kentuckian does not lose his skills just by moving across state lines, yet licensing laws often treat him as if he does.

One out of ten workers in the state already benefits from universal recognition of occupational licenses. In 2017, I published a <u>white paper</u> with the Pegasus Institute on occupational licensing, among other elements, highlighting the impact of occupational licensing on military families.

In 2018 and 2019, the Assembly passed <u>legislation</u> providing universal recognition for veterans and military personnel and their spouses. These bills made it easier for

military families to move to Kentucky, support their families here, and continue to live here after they retire.

We have observed that when it comes to veterans and military families, allowing universal recognition of occupational licenses has no negative impacts. It's like how we accept the driver's license requirements of other states when issuing new driver's licenses to residents here. It's a straightforward process . Similarly, you can expand universal recognition to all workers without any negative consequences.

As of today, 20 states already provide universal recognition of occupational licenses to new residents, including our neighbors, Missouri, Ohio, and Virginia. It works without subjecting consumers to harm.

<u>Goldwater Institute research</u> found that in just over three years, 6,500 licenses were approved in Arizona by recognizing licenses from other states. The <u>Archbridge Institute</u> studied the impact on 19 states of adopting universal recognition and found that it reduced the unemployment rate in these occupations by nearly one percentage point or the equivalent of 3,800 people in Kentucky.

Kentucky has a labor shortage. It needs workers. HB 343 makes it easier for employers and consumers to identify and employ people who can meet their needs.

The Kentucky universal recognition of occupational licenses bill presents an opportunity to emulate the successes observed in other states and unleash economic potential within our commonwealth. By recognizing licenses granted in other states and streamlining licensing requirements, Kentucky can foster a more business-friendly environment that promotes competition, entrepreneurship, and job creation. I urge you to support this bill and make it easier for people to choose Kentucky, just as I did.

Thank you for your time and consideration.

Sincerely,

Angela C. Erickson Strategic Research Director 608-312-3325 <u>aerickson@pacificlegal.org</u> 212 Apache Rd. Shelbyville, KY 40065