Professional licenses are often created by the state for the ostensible reason of protecting public health and safety. In reality, policymakers rarely act in response to a public health crisis. Instead, members of a specific profession lobby to create a new license that effectively reduces competition and makes it more difficult for others to enter the occupation. Research shows that occupational licensing leads to fewer jobs, creates higher prices for consumers, disproportionately affects low-income households and hinders worker mobility.

Last year, the Badger Institute told the story of Meggan Thompson, a clinical social worker from California who moved to Wisconsin to improve her family’s quality of life and use her expertise to help Wisconsinites battling suicide, addiction and trauma. Unfortunately, she encountered webs of red tape at the Department of Safety and Professional Services, which prevented her from securing a license for over a year.

Meggan’s experience is not unique. Wisconsin policymakers should follow other states in the growing bipartisan trend of expanding reciprocity and provisional licenses to help people like Meggan — and those she would serve.

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Between March 27 and Oct. 31, DSPS approved: 556 licensing requests from out-of-state medical providers to practice telemedicine, 937 applications from health care professionals seeking to practice in Wisconsin.

Some progress was made in this area during the last session when the Legislature and Gov. Tony Evers expanded licensing reciprocity for active duty military, veterans and their spouses. The COVID-19 crisis also resulted in the temporary removal of licensing barriers for out-of-state physical and mental health professionals.

Wisconsin should make these streamlined processes permanent. States such as Missouri, Iowa and others already have done so for health care professionals and went even further by adopting universal reciprocity for all occupations. Missouri’s law is the broadest in the country and passed with bipartisan support.

Policymakers should also address the lack of public members on state licensing boards and councils. When these bodies are made up of market participants, they are susceptible to self-dealing and antitrust practices. Wisconsin law mandates that public members represent consumers on these boards, but the Badger Institute research found they are regularly out of compliance.

Finally, policymakers should be well-informed when demands for new licensing regimes arise, and they should consider less-restrictive alternatives in the process. Several states have implemented a sunrise review process, which provides a fuller picture of the scope and impact of a new license and less-restrictive options that would achieve the same goal. During the last session, sunrise review legislation passed the Senate but failed to get a vote in the Assembly.

You can find extensive research and reporting on licensing and other regulatory issues at: badgerinstitute.org

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