



BADGER INSTITUTE

POLICY PRIORITIES

WHY IT MATTERS

Burdensome licensing requirements hurt Wisconsin workers and make the state a less attractive place to live.

In 1950, **5%** of the American workforce needed a license to work compared to today's... **20-25%**

Wisconsin issues over **1 million** occupational licenses for **280** different credential types

In early 2020, at least **27**

professional licensing boards & advisory councils were in outright violation of public representation law

After a year of pandemic, political discord, economic distress and social upheaval, 2021 offers a fresh start for policymakers interested in increasing opportunity and prosperity for everyone in Wisconsin.

As the 2021-'22 legislative session progresses, the Badger Institute will highlight policy ideas in the areas of occupational licensure, criminal justice reform, federalism, taxes and transportation, providing a framework for statewide growth and individual well-being.

Occupational Licensing Reform

Reducing barriers to work

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.



Thompson

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

937

licensing requests
from out-of-state
medical
providers
to practice
telemedicine

applications
from health care
professionals
seeking to
practice in
Wisconsin

States that have passed reciprocity bills since 2019



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.



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