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Testimony from:

Robert Melvin, Senior Manager, State Government Affairs for the Northeast Region, R Street Institute

In SUPPORT of HB 2180, “Department of Professional and Occupational Regulation; Universal License Recognition”

January 26, 2023

House General Laws Committee, Subcommittee #1

Chairman Fowler and members of the committee,

My name is Robert Melvin, and I am the senior manager of state government affairs for the Northeast region for the R Street Institute. The R Street Institute is a nonprofit, nonpartisan public policy research organization. Our mission is to engage in policy research and outreach to promote free markets and limited, effective government in many areas, including professional licensing reform. This is why HB 2180 is of particular interest to our organization.

With a population of approximately 8.6 million residents, Virginia is one of the larger states on the eastern seaboard.<sup>1</sup> We have seen a population migration into the Commonwealth of around 275,000 residents from other states in 2021 alone.<sup>2</sup> This period of population growth in Virginia has coincided with a decline in labor participation rates. Almost every job sector in Virginia reports workforce challenges, from teachers and physicians to plumbers and electricians.<sup>3</sup> Reports indicate that the Old Dominion is facing a severe worker shortage with only 47 available workers for every 100 open positions.<sup>4</sup>

Compounding this challenge is the fact that Virginia has oppressive professional licensing requirements. According to the Institute for Justice, Virginia has the sixth-highest burden for licensed occupations; however, the Old Dominion is poised to head in a new direction and join 18 other states that have implemented or amended their laws to permit Universal Licensing Recognition.<sup>5</sup> HB 2180 is vital to address the existing shortage of workers by removing barriers to entry for licensed professions.

Many occupational licenses are state-specific and not automatically recognized, and improving portability will help reduce the impediments imposed by licensing requirements and create an expedited process for applicants.

To attract more workers to tackle these obstacles and to remain economically competitive, barriers must be reined in by lawmakers. Businesses will be less inclined to relocate to Virginia if they face



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significant headwinds related to professional licensing. In addition, employees who are to be transferred to Virginia with their spouses may not be inclined to agree to the transfer if their spouse serves in a licensed occupation that is not readily recognized in Virginia.

The Commonwealth has previously identified this as a barrier for military spouses and remedied the issue during the 2020 Virginia General Assembly session with the passage of HB 967 and SB 981.<sup>67</sup> These measures permitted the spouses of active duty service members and veterans of the United States Armed Services to expedite issuance of credentials and permitted the state to waive requirements related to experience.

While HB 2180 builds upon the previous laws, it goes further by offering relief to more individuals from burdensome requirements for licensed occupations. It also retains critical protections to ensure workers are qualified and has stipulations to protect the general public. Regulatory boards would be permitted to extend a license to a licensed occupant from another state so long as the applicant meets the following criteria:

- The applicant holds a current and valid occupational license or certification in another state in an occupation with a similar scope of practice.
- The applicant has possessed the occupational license or certification in the other state for at least three years and passed an exam and met certain standards.
- The applicant is held in good standing by the board in the other state, does not have a disqualifying criminal record under state law, and has not faced any discipline related to harm to the health or economic well-being of the public.
- The applicant pays all relevant fees.

As you consider HB 2180, we urge you to recognize the benefits of this legislation. The proposal can help alleviate Virginia's workforce shortages by recognizing professional licenses from other states. The measure will reduce regulatory burdens for those considering relocating to Virginia who already hold a license that meets a similar scope of practice. The bill includes crucial provisions to ensure that consumers are protected. For these reasons, I strongly urge you to grant this legislation favorable consideration.

Thank you,

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<sup>1</sup> United States Census Bureau, “QuickFacts: Virginia,” United States Department of Commerce, last accessed Jan. 17, 2023. <https://www.census.gov/quickfacts/VA>.

<sup>2</sup> United States Census Bureau, “American Community Survey,” United States Department of Commerce, last accessed Jan. 17, 2023.

[https://data.census.gov/map?q=migration&g=0400000US51&layer=VT\\_2021\\_040\\_00\\_PP\\_D1&mode=thematic&loc=38.0180,-79.8616,z5.9958](https://data.census.gov/map?q=migration&g=0400000US51&layer=VT_2021_040_00_PP_D1&mode=thematic&loc=38.0180,-79.8616,z5.9958).

<sup>3</sup> David Ress, “‘Staffing is a nightmare:’ Needed jobs squeezed hard by Virginia’s tight job market,” *Richmond Times-Dispatch*, Sept. 2, 2022. [https://richmond.com/business/local/staffing-is-a-nightmare-needed-jobs-squeezed-hard-by-virginias-tight-job-market/article\\_4c26e677-3170-52e0-ae0f-21a4825f7107.html](https://richmond.com/business/local/staffing-is-a-nightmare-needed-jobs-squeezed-hard-by-virginias-tight-job-market/article_4c26e677-3170-52e0-ae0f-21a4825f7107.html).

<sup>4</sup> Lindsay Cates and Stephanie Ferguson, “Understanding America’s Labor Shortage: The Most Impacted States,” U.S. Chamber of Commerce, Jan. 19, 2022. <https://www.uschamber.com/workforce/the-states-suffering-most-from-the-labor-shortage?state=va>

<sup>5</sup> “Virginia Occupational Licensing,” Institute for Justice, last accessed Jan. 17, 2023. <https://ij.org/report/license-to-work-3/tw-state-profile/virginia>.

<sup>6</sup> HB 967, Military service members and veterans; expediting issuance of credentials to spouses, application, Virginia General Assembly.

<sup>7</sup> SB 981, Military service members and veterans; expediting the issuance of credentials to spouses, Virginia General Assembly.