House Bill 5055

Michigan Legislature
House Regulatory Reform Committee

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Chair Hauck and members of the committee,

Thank you for the opportunity to submit testimony on behalf of Opportunity Solutions Project (OSP), a nonprofit dedicated to advancing policies that remove barriers to work. OSP supports House Bill 5055 because it is based on a proven reform that gets government out of the way and gets people working.

The 2020 census shows that Michigan was the only state to reverse the previous decade's trend of population loss. Even so, slow population growth remains an economic challenge.[i] This is why HB 5055 matters. This bill is not a magic bullet, but it is an opportunity for Michigan to attract new residents to the state by welcoming new talent.

HB 5055 uses Michigan's existing licensing law for military families as a template and applies it to workers in the skilled trades. This would streamline the licensing process for incoming workers in the skilled trades, making it easier for new talent to move to Michigan and start working. In turn, Michigan could help grow its working-age population.

State licensing restrictions act as a barrier to new workers while protecting established workers. This is because it takes times and money to complete new training and education requirements for licenses.[ii] Research confirms that licensed workers are less likely than unlicensed workers to move between states, largely due to licensing restrictions.[iii]

Sometimes chasing the American Dream means pursuing a new opportunity in a new place, and it is unsurprising there is a link that exists between worker mobility and economic mobility.[iv] By removing unnecessary barriers to licensing, HB 5055 could attract licensed workers to Michigan who may otherwise stay put in another state.

The policy in HB 5055 is straightforward. Michigan will issue a license to an applicant if they are a resident of Michigan and have an out-of-state skilled trade license. This will help to keep Michigan competitive in these occupations, as more than 15 states have passed a similarly structured policy that applies to more occupations, including Pennsylvania and Iowa with a bill currently moving in Ohio.[v]

While HB 5055 streamlines the licensing process, it is not a free-for-all. There are safeguards. In order to obtain a Michigan license, an applicant's out-of-state license must be in good standing. Applicants are required to have met minimum training standards and passed requisite exams, as well as have held their license for half a year. Moreover, applicants must be free from professional complaints and ongoing investigations, clear background checks, and pay application fees.

Michigan should continue to build on its licensing law for military families by expanding it to all workers. HB 5055 is a smart step in that direction. Advance this bill so that more people can make Michigan their home and the state can grow its workforce. Thank you for your time.

Haley Holik, *Visiting Fellow*

References

[i] The Pew Charitable Trusts, "Fiscal 50: State Trends and Analysis" (2021), https://www.pewtrusts.org/en/research-and-analysis/articles/2021/07/27/population-growth-sputters-in-midwestern-eastern-states.

[ii] National Conference of State Legislatures, "The State of Occupational Licensing" (2017), https://www.ncsl.org/Portals/1/Documents/employ/Licensing/State_Occupational_Licensing.pdf.

[iii] Janna Johnson and Morris M. Kleiner, "Is Occupational Licensing a Barrier to Interstate Migration?" National Bureau of Economic Research (2017), https://www.nber.org/papers/w24107.

[iv] Stephen Slivinski, "You Can Take It with You: A Case for Occupational Licensing Reciprocity" Center for the Study of Economic Liberty at Arizona State University (2020), https://csel.asu.edu/sites/default/files/2020-02/CSEL-2020-01-You-Can-Take-It-with-You-03_02_20.pdf.

[v] Ohio HB 203, https://search-prod.lis.state.oh.us/solarapi/v1/general_assembly_134/bills/hb203/IN/00/hb203_00_IN?format=pdf.