

OCCUPATIONAL LICENSING SUBCOMMITTEE MEETING AGENDA

Wednesday, February 26, 2020 1:30 - 4:30 p.m.

Department of Commerce, WSI Board Room 1600 E Century Ave. Ste. 2, Bismarck, ND

1:30 – 1:55 p.m.	WELCOME / INTRODUCTIONS	Michelle Kommer
1:55 – 2:25 p.m.	ND WORKFORCE CHALLENGE	Michelle Kommer / Major Jay Sheldon
2:25 – 3:25 p.m.	OCCUPATIONAL LICENSING OVERVIEW	Zach Herman, NCSL / James Tatum, CSG
3:25 – 4:10 p.m.	ND PROGRESS TO DATE	Senator Meyer / Michelle Kommer
4:10 – 4:20 p.m.	SUBCOMMITTEE CHARTER	Michelle Kommer
4:20 – 4:30 p.m.	NEXT STEPS	Michelle Kommer

WORKFORCE DEVELOPMENT COUNCIL

Minutes of the

Occupational Licensing Reform (OLR) Workgroup

Wednesday, February 26, 2020 ND Department of Commerce 1600 E Century Ave, Bismarck, ND 58503

Members present: Michelle Kommer, Katie Ralston, Cynthia Schreiber-Beck, Randy Burckhard, Matt Gardner, Rick Gardner, Adam Martin, Scott Meyer, Kristin Roers, Major Jay Sheldon, Dirk Wilke

Members absent: Jace Beehler, Phil Davis, Judy Lee

Guests: Zach Herman, James Tatum

Staff: Sherri Frieze, Karla Koenig

Welcome and Introductions

Michelle opened the meeting at 1:30 p.m., welcoming members and guests.

Currently North Dakota has 61 licensing boards, approximately 25% of the national workforce requires an occupational license to practice. At 23%, North Dakota has a higher percentage of workforce that requires a license than neighboring states. Through monthly meetings over the next five months, the Occupational Licensing Reform (OLR) workgroup will work with national experts and occupational licensing boards, commissions and agencies to understand licensing requirements and identify opportunities.

The goal of the OLR workgroup is to remove barriers to employment while preserving the health and safety of North Dakotans and promoting competition. An example of population affected by occupational licensing requirements is military members and their families.

- Current licensing requirements make it difficult for military dependents to acquire employment in their field.
- Revising ND's occupational licensing requirements will make our state more military friendly; which
 will not only benefit active duty members, but federal employees and contractors as well.

The purpose of the Occupational Licensing Reform workgroup is to study North Dakota's schema for occupational licensing in order to develop a thorough understanding of:

- Licensing in our state
- Discover best practices
- Engage licensing boards and commissions
- Identify the best path forward

ND Workforce Challenge Major Jay Sheldon

The military in North Dakota is primarily located in 14 communities around the state. Army Reserve units in Bismarck, Fargo, Grand Forks, Fargo, and Marine Reserve Unit in Wahpeton.

- Over 5,000 retirees most of which are Veterans and over 50,000 Veterans statewide.
- The connection that the military has in North Dakota results in about 10% of our population.
- Military spouse/dependent is extremely important to the equation, as the service member is recruited, the family is retained.
- Missions in ND are looking to be cut, causing military and subsequent spouses to leave.
- On an average 35% of the spouses, qualify in occupations that require a license.
- Dependents fill various skilled and unskilled jobs throughout North Dakota.
- Post service / retirement employment opportunities (ages 38-50) go to work in the community.

Occupational Licensing Overview Zach Herman, NCSL James Tatum, CSG

Appendix A & B

Zach Herman, Policy Associate with the National Conference of State Legislatures (NCSL), presented on the database that contains the minimum licensure requirements of a 30-plus occupations across all 50 states. Over the last 60 years, the number of jobs requiring an occupational license, or government approval to practice a profession, has grown from about 1 in 20 to more than 1 in 4. When implemented properly, occupational licensing can help protect the health and safety of consumers by requiring practitioners to undergo a designated amount of training and education in their field.

James Tatum, Policy Analyst with the National Center for Interstate Compacts, presented on interstate compacts. States today are facing issues that are not confined to geographical boundaries or jurisdictional lines and as states become more integrated socially, culturally and economically, the volume of these issues is increasing, pre-emption in certain policy areas, is an ever more likely response. The National Center for Interstate Compacts (NCIC) is designed to be an information clearinghouse, a provider of training and technical assistance and a primary facilitator in assisting states review, revise and create new interstate compacts to solve multi-state problems or provide alternatives to federal pre-emption.

ND Progress to Date

Senator Meyers, sponsor to SB 2306, talked about the bill that removed barriers for military spouses holding a current, good-standing occupational license, in the fields of nursing, teaching and social work. SB 2306 passed, accomplishing two important milestones; 1.) it directly benefited the trailing spouse of a service member and, 2.) helped address a potential solution for the North Dakota workforce challenge.

Subcommittee Charter

Appendix C

Michelle walked occupational licensing subcommittee workgroup members through the purpose and focus of the Project Charter. No changes were noted, and the group was in favor of.

Motion: It was moved by Matt Gardner and seconded by Senator Meyer to approve the DRAFT Project Charter. Motion carried.

Next Steps Occupational Licensing FAQ and Timeline

Michelle discussed the timeline of March – June 2020, that will involve the gathering, analyzing, comparing, and reporting of data, collected from an outside firm. This firm will report back to the working group, advising of best practices and opportunities not known. July will consist of draft recommendations and the hosting of listening sessions with licensing boards, commissions, and agencies. In August, drafted recommendations will be finalized.

Future Meetings

Monthly meetings will take place at the Department of Commerce and location updates will be announced if moved.

Meeting adjourned unanimously at 4:30 p.m.

OCCUPATIONAL LICENSING: STATE AND NATIONAL TRENDS

Zach Herman
Policy Associate
National Conference of State Legislatures



PRESENTATION AGENDA

- Occupational licensing 101
- Trends
- Occupational licensing in North Dakota



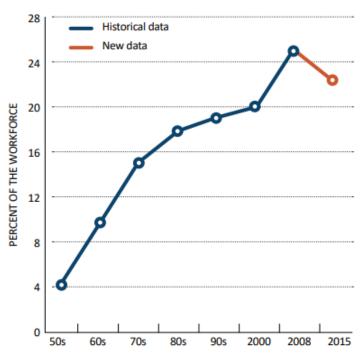
WHAT IS AN OCCUPATIONAL LICENSE?

An occupational license is a credential that government—most often states—requires a worker to hold in certain occupations.



BRIEF HISTORY OF OCCUPATIONAL LICENSING

Figure 1. Share of U.S. Workers with an Occupational License



- Note: Estimates for 1950-2008 are for workers with state licenses; estimates for 2015 include state, federal and local licenses.
 - Source: The Council of State Governments (1952); Greene (1969); Kleiner (2006); and Kleiner and Krueger (2013), Westat data; Bureau of Labor Statistics (2015);

- Licensing is the single largest labor market institution in the country.
 - Roughly 20 25 percent of the workforce.



INCREASING FEDERAL ATTENTION

- 2015 Supreme court case, FTC V. North Carolina Board of Dental Examiners.
 - Licensing boards made up by a controlling number of active market participants must have active supervision by the state or be liable for anti-trust litigation.
- 2015 President Obama's White House Paper on occupational licensing.
- 2019 President Trump's Principles on Workforce Freedom and Mobility.
- 14 pieces of federal legislation introduced in 2019:
 - Improving licensure mobility for military families: United States, HB 2618.
 - Addressing student debt for licensed professionals: United States SB 609.
 - Two bills to require a national review of occupational licensing standards: United States, HB 1629;
 United States SB 1015.



BENEFITS OF LICENSURE

Intent of Licensure:

- Safeguard public health and safety.
- Protect consumers by guaranteeing minimum educational requirements and industry oversight.
- Support career development and pathways, as well as enhanced professionalism for licensed workers.
- Step in when competitive market forces fail to achieve desired outcomes.



COSTS OF LICENSURE

Unnecessary requirements have been found to:

- Reduce employment in licensed occupations.
- Reduce geographic mobility.
- Reduce wages for unlicensed workers relative to their licensed counterparts.
- Reduce market competition and innovation.
- Increase the price of goods and services.
- Disproportionately burden certain populations.



HOW ARE THE REGULATIONS ADMINISTERED?

Boards Are Fully Autonomous. Boards are Autonomous But an Umbrella Agency has Greater Authority.

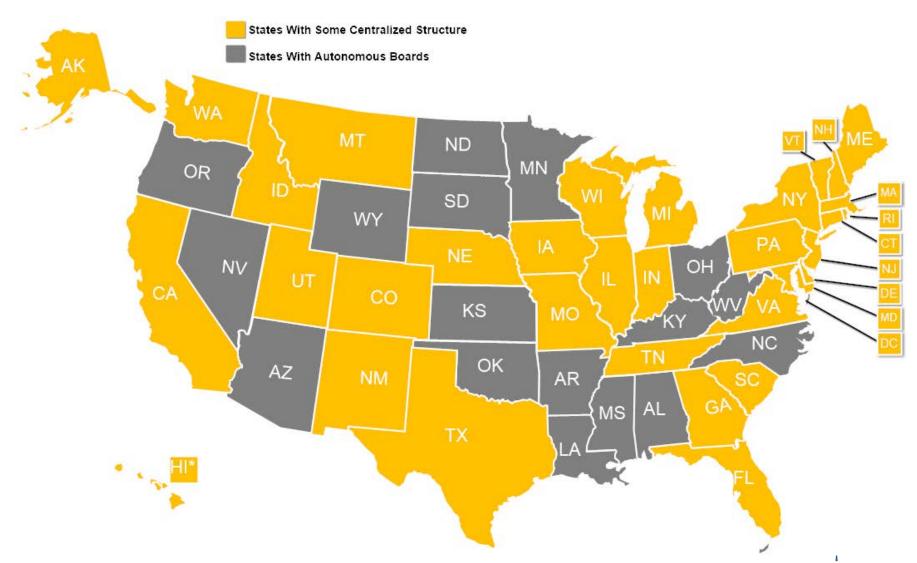
Boards Are
Strictly
Advisory.



MODELS OF BOARD STRUCTURE

Model	Description
Model A	No central agency, only autonomous boards.
Model B	Autonomous boards with a central agency for routine administrative functions.
Model C	Autonomous boards and a central agency with authority for functions such as budgetary, personnel and certain disciplinary activities.
Model D	Board actions subject to review by a central agency.
Model E	Central agency has complete regulatory authority. Boards are advisory only.







BENEFITS OF INDEPENDENT VS CENTRAL AGENCIES

Independent Boards

- Administrative efficiency
- Need for professional expertise
- Insulation from political interference
- Accountability

Central Agencies

- Administrative efficiency
- Centralized and shared data collection
- Coordination
- Oversight
- Accountability



POPULATION SPECIFIC RESEARCH

- People with Criminal Records
- Dislocated Workers
- Military Families



PEOPLE WITH CRIMINAL RECORDS

Criminal records (national data)



77,000,000

Approximate number of American adults
— 1 in 3—with a criminal record

Source: Bureau of Justice Statistics, 2016

600,000 Inmates released each year

Incarceration: Communities of color most affected

■ African-American males ages 18 to 19: 11.8 times more likely be imprisoned than white male same age

x11.8

■ African-American females: twice as likely as white females to be imprisoned

x2

■ Hispanics: 856 per 100,000

Source: Bureau of Justice Statistics: Prisoners, 2016



Barriers to Work:

Improving Employment in Licensed Occupations for Individuals with Criminal Records



BARRIERS FOR PEOPLE WITH CRIMINAL RECORDS



- Blanket bans
- Good moral character clauses
- Cost

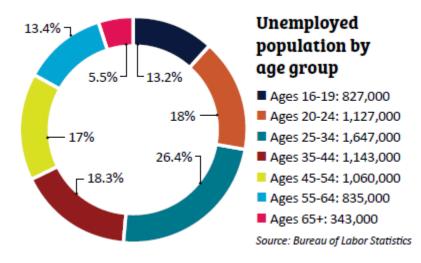


POLICY TRENDS

- Allowing for applicants to apply for determination from the board if their criminal history will be disqualifying:
 2019 Arkansas SB 451
- Requiring a denial of a license due to criminal record only if the convocation is directly related to the scope of work for the occupation: 2019 Mississippi SB 2781
- Removing vague terminology like "good moral character" and "moral turpitude": 2019 Oklahoma HB 1373



DISLOCATED WORKERS



Unemployment rate, 25 years and older ⁶	Less than a high school diploma	Some college or an associate degree	Bachelor's degree and higher
Total	6.5	3.8	2.3
Men	6.1	3.6	2.2
Women	7.2	3.9	2.4
White	5.7	3.3	2.1
Black	12.5	5.8	3.6
Asian	4.4	3.2	2.7
Hispanic or Latino ethnicity	5.2	3.9	2.9



Barriers to Work:

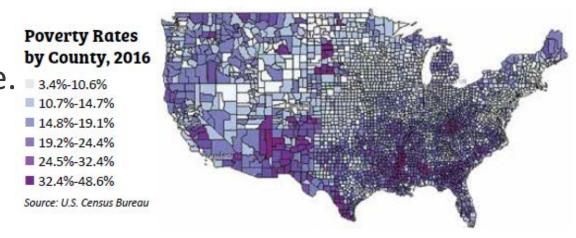
Improving Access to Licensed Occupations
For Low-Income, Unemployed and Dislocated Workers

GEOFF KING, NATIONAL GOVERNORS ASSOCIATION
JOELLEN KRALIK, NATIONAL CONFERENCE OF STATE LEGISLATURES



BARRIERS FOR DISLOCATED WORKERS

- Fees for applications.
- Cost of education and training.
- High bars for entry through licensure.
- Previous job experience.
- Uneven mobility of a license.
- Uneven requirements for licensure.





POLICY TRENDS

- Reduction or elimination of fees: 2019 Nebraska LB 112; 2019 West Virginia SB 396.
- Apprenticeship programs connected to licensed occupations—Colorado, Maryland, Vermont.
- Tiered and stacking credentials for licensed occupations—Vermont.
- Prohibition on licensure denial or revocation due to student loan default:
 Arkansas HB 1297



VETERANS AND MILITARY SPOUSES

- Veterans have an unemployment rate of 12.1 percent.
- 30 percent of military spouses are unemployed.
- 56 percent of military spouses are underemployed.
- Well educated:
 - 84 percent some college or higher.
 - 25 percent bachelor's degree.
 - 10 percent advanced degree.
- Often in high-demand fields such as health care and education.

Barriers to Work:

Improving Access to Licensed Occupations for Veterans and Military Spouses

BY AMANDA WINTERS, NATIONAL GOVERNORS ASSOCIATION RACHAEL STEPHENS, NATIONAL GOVERNORS ASSOCIATION JENNIFER SCHULTZ, NATIONAL CONFERENCE OF STATE LEGISLATURES

The United States is home to millions of military families, made up of veterans, active-duty service members, spouses and dependents. These individuals offer a unique set of skills, experiences and leadership abilities, yet many struggle to find and maintain employment. For veterans, translating their skills to the civilian workforce and marketing themselves to employers play a role. For military spouses, challenges stem from frequent moves and parenting responsibilities. Both groups face barriers and challenges with state occupational licensing regulations.

The U.S. Department of Labor estimates that the military trains people in skills applicable in at least 962 civilian occupations. Despite being well-prepared for civilian employment, veterans report that finding a job is the top challenge they face as they transition into civilian life. When job markets are regulated through licensing, veterans can be put at a disadvantage when competing for work with a similarly skilled person trained in the private sector. The challenge of finding a





BARRIERS FOR MILITARY FAMILIES

- Crosswalking military education and experience.
- Uneven requirements for licensure across states.
- Lack of mobility of licenses across state lines.



POLICY TRENDS

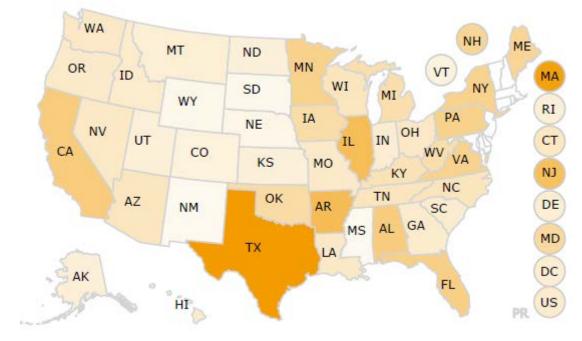
- Fee waivers: 2019 Nebraska LB 112; 2019 Oklahoma SB 670.
- Teacher licensure: 2018 New Mexico SB 97.
- Expedited licensure 2019 Kentucky HB 18-319.
- Overall process improvements and education/experience cross walking: 2019
 Nevada AB 25.
- Exemption of military spouse licensure requirements under certain circumstances: 2019 Arizona HB 2569; 2019 South Dakota HB 1111.



2019 NATIONAL TRENDS IN OCCUPATIONAL LICENSING

- Saw 1,229 pieces of legislation on occupational licensing; 449 pieces of legislation were enacted.
- All 50 states introduced at least one piece of legislation related to occupational licensing.

Heat Map of Number of Bills Introduced by State in 2019





2019 OVERSIGHT TRENDS

Oversight Legislation		
Bills Introduced	397	
Bills Enacted	155	

Board Legislation		
Bills Introduced	225	
Bills Enacted	208	

- Board composition or member qualifications:
 Oklahoma HB 1911.
- Enforcement powers of the board: Oklahoma SB 731.
- Prohibit boards from hiring lobbyists: West Virginia HB
 2204.
- More directly outlining government and legislative supervision over board activities like: Alabama HB 232.



2019 REQUIREMENTS TRENDS

Education Requirements		
Bills Introduced	125	
Bills Enacted	52	

Fees	
Bills Introduced	120
Bills Enacted	48

- Specifications of the types of and division of continuing education hours: Kentucky HB 436.
- Changes in the types of supervision required for qualifying experience hours: Montana HB 751.
- Expanding requirements to allow for the inclusion of experience gained while in an apprenticeship: North Carolina HB 770.
- Allowing for competency-based assessments: Utah HB 226.
- Prohibiting the revocation of licenses based in student debt default:
 Louisiana HB 423.



2019 POPULATION SPECIFIC: PEOPLE WITH CRIMINAL RECORDS

 Allowing for applicants to apply for determination from the board if their criminal history will be disqualifying: Arkansas SB 451

Bills Introduced	94
Bills Enacted	43

- Requiring a denial of a license due to criminal record only if the convocation is directly related to the scope of work for the occupation: Mississippi SB 2781
- Removing vague terminology like "good moral character" and "moral turpitude": Oklahoma HB 1373



2019 POPULATION SPECIFIC: VETERANS AND MILITARY FAMILIES

Fee waivers: Nebraska LB 112; Oklahoma SB 670.

Bills Introduced	52
Bills Enacted	26

- Expedited licensure: Kentucky HB 18-319.
- Overall process improvements and education/experience cross walking: Nevada AB 25.
- Exemption of military spouse licensure requirements under certain circumstances: South Dakota HB 1111.



LICENSURE RECOGNITION LEGISLATION

- An emerging trend in licensing that we are seeing is increasing interest among state legislatures and regulators.
- Started in 2019 with Arizona HB 2569.
- Two other states also pursued this idea in 2019 Pennsylvania, HB 1172 and Maine, LR 2864.
- Currently six other states have introduced this type of legislation in 2020.
 - Iowa, SB 2114, California AB 2185, Georgia HB 773, Virginia HB 982,
 Ohio HB 432, and Washington HB 2354, 2355, 2356 2357.

NATIONAL CONFERENCE OF STATE LEGISLATURES

ARIZONA HB 2569 AND PENNSYLVANIA HB 1172

Both require:

- Applicants pay all applicable fees.
- Does not have a disqualifying criminal history.
- Has not committed an act that may be disqualifying or require disciplinary action.

They are not reciprocity bills. They do not establish reciprocity with any other state, and do not prevent any licensing board from entering into a reciprocity agreement with another state.

They do not affect established licensing agreements set in interstate compacts or existing reciprocity agreements.

They do not affect the regulation of new applications applying for their first license in Arizona or Pennsylvania.

NATIONAL CONFERENCE OF STATE LEGISLATURES

YET TO BE DETERMINED...

- Licensing is still at the board's discretion.
- Vague on "disqualifying criminal history."
- Do not address scope of practice discrepancies.





OVERVIEW OF LICENSING IN NORTH DAKOTA

- Approximately 28 percent of your workforce works in construction.
- Approximately 66 percent of your workforce works in education or health care.
- 23 percent of North Dakota's workforce is licensed.
- Is 6th in the nation in terms of percent of workforce that are licensed.





NORTH DAKOTA'S REGULATION OF OCCUPATIONS

- Nor61 licensing boards, commissions and agencies.
- North Dakota currently regulates its professions through a Model A system with fully autonomous boards.
 - With fully autonomous boards all data collection, administration, and rule making is at the board level
- Regular review of licensure requirements happen at the board level.



PEOPLE WITH CRIMINAL CONVICTIONS

- Approximately 213,000 people in North Dakota, or approximately 28 percent of the population, have a criminal record.
- Of the 34 occupations we track nationally:
 - Five are required to consider rehabilitation in North Dakota.
 - Eight are required to consider the relationship between the conviction and the scope of practice in North Dakota.
 - One occupation has a limitation on the scope of inquiry and length of lookback when considering criminal convictions in North Dakota.
 - Ten have good moral character clauses in North Dakota.



MILITARY FAMILIES AND VETERANS OVERVIEW

- Two military bases in-state. Seven bases across neighboring states.
- About 8 percent of North Dakota's population, amounting to about 46,507 people, are veterans.
- North Dakota has 7,300 active-duty and 4,440 National Guard or reserve service members.
- In 2019 North Dakota passed SB 2306.



DISLOCATED WORKERS

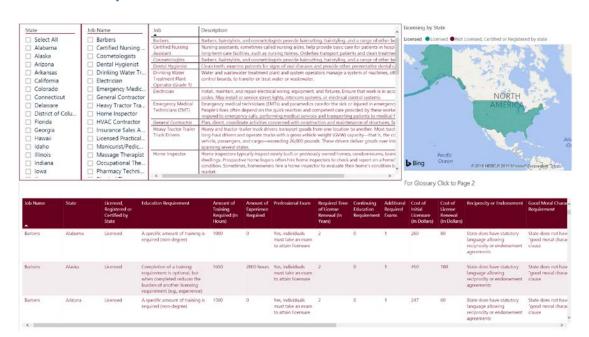
- Unemployment rate of 2.5 percent.
- Underemployment rate of about 4.8 percent.

Occupation Requirements For Less than a 4 Year Degree		
Average Cost of Initial Licensure	\$280	
Average Amount of Experience	2.5 Months	
Average Hours of Training	729	

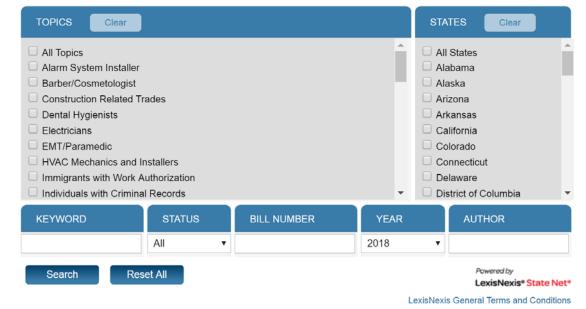


DATABASES

Occupation Database



Legislative Database





Questions?

Zach Herman
Policy Associate
Employment, Labor and Retirement Program
National Conference of State Legislatures





WHAT IS AN INTERSTATE COMPACT?



WHAT IS AN INTERSTATE COMPACT?

- Simple, versatile and proven tool
- Effective means of cooperatively addressing common problems
- Allows states to respond to national priorities with one voice
- Retains collective state sovereignty over issues belonging to the states

THREE PRIMARY USES

- 1. Used to resolve boundary disputes.
- 2. Used to manage shared natural resources.
- 3. Used to create administrative agencies which have jurisdiction over a wide variety of state concerns:
 - ✓ State transportation
 - ✓ Taxation
 - ✓ Environmental matters
 - √ Regulation
 - √ Education
 - √ Corrections
 - ✓ Public safety
 - ✓ Occupational Licensure

CONGRESSIONAL CONSENT

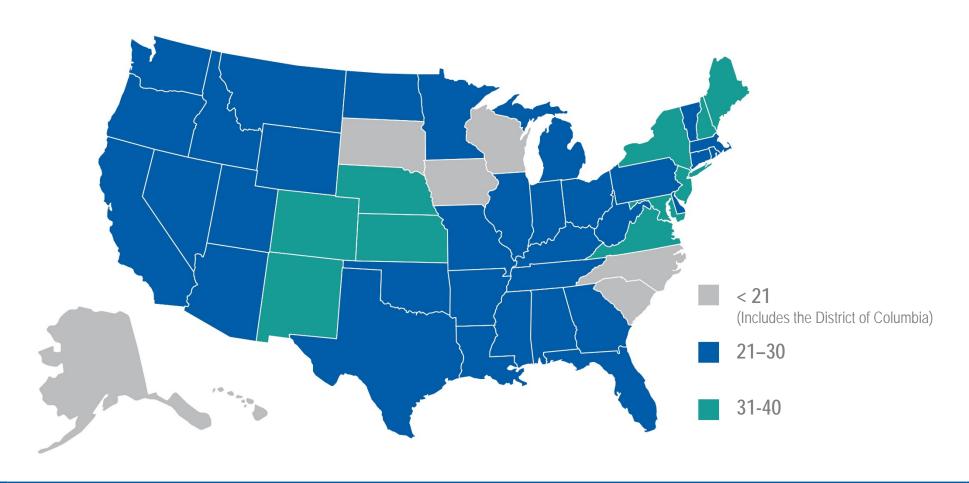
Compacts between States are authorized under Art. I, Sec. 10, Cl. 3 of the U. S. Constitution:

No State shall, without the Consent of Congress . . . enter into any Agreement Compact with another State . . . " U.S. Supreme Court holds, in effect, that "any" doesn't mean "all" and consent isn't required unless the compact infringes on the federal supremacy.

[See U.S. Steel Corp. v. Multi-State Tax Commission, 434 U.S. 452 (1978)]

COMPACTS TODAY

STATE-BY-STATE INTERSTATE COMPACT MEMBERSHIP



COMPACTS TODAY

- Approximately 215 active compacts
- Precedence for international participation

On average states are members of about 25 compacts

➤ Port Authority of NY & NJ (1922) signaled a new era in regulatory compacts

BENEFITS OF THE INTERSTATE COMPACT



BENEFITS OF THE INTERSTATE COMPACT

- States lead by establishing agreement on uniform licensure requirements
- Forestalls Federal Action
 - North Carolina Dental (Anti-Trust Issues)
 - Flexibility and autonomy compared to national policy
 - "One size does not fit all"
- Meets the professional expectations of new practitioners
- Support of spouses of relocating military members

BENEFITS OF THE INTERSTATE COMPACT

- A data system adequate to allow electronic processing of interstate licensure
- Expands access to care
- Enhances the ability to protect the public's health and safety
- Creates standards for disciplinary actions and dispute resolution related to interstate licensure

DEVELOPING AN INTERSTATE COMPACT



Phase I – Development

Phase II – Education and Enactment

Phase III – Transition and Operation

Advisory Group

Studies issues and gives recommendations

Drafting Team

Creates a compact draft. Circulates for comment.

Final Product

Considers comments and incorporates into final draft.
Sent to states.

Education

Legislators and state officials are given resources to learn about the compact

State Support

Provide support to legislators pushing the legislation

State Enactments

Track state enactments and prepare for implementation

Transition

Establish Board, convene first meeting, develop information sharing system

Operation

Ongoing state control and governance.
Provide support as needed.

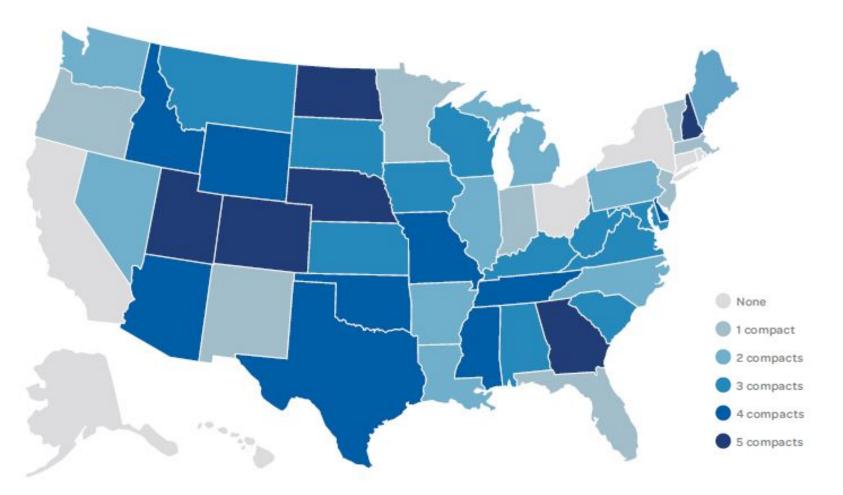


HEALTH CARE LICENSE RECIPROCITY

- ➤ Nurse Licensure Compact 25 states (expired)
- ➤ Enhanced Nurse Licensure Compact 34 states (25 state threshold)
- ➤ APRN Compact 3 states (10)
- ➤ EMS Licensure Compact (Formerly REPLICA) 18 states (10)
- ➤ Medical Licensure Compact 29 states (7)
- ➤ Physical Therapy Compact 25 states (10)
- ➤ PsyPact 12 states (7)
- ➤ ASLP-IC Went out in January 2020 0 (10 states)

HEALTH CARE LICENSE RECIPROCITY

STATE-BY-STATE INTERSTATE COMPACT MEMBERSHIP



HEALTH CARE LICENSE RECIPROCITY

- Mobile society (patients and practitioners)
- > Technological advancements
- Rising population
- Deficit of health care professionals, especially serving rural areas
- Practical advancement for current and future generations of practitioners

Myth 1:

Interstate compacts are a takeover of state licensing

Fact:

Compacts are not a takeover of state licensing;

But

They may serve as a way to preserve state control over health professional licensure and minimize/preempt federal intervention

- Compacts are a State-based approach to multi-state licensure that uses a vehicle for interstate collaboration that is provided for in the U.S. Constitution.
 - > State licensure processes remain in place
 - > Licensees voluntarily become part of a Compact
 - > State practice acts are not impacted

Myth 2:

Interstate compacts are owned or controlled by an outside organization.

Fact:

Compacts are governed by a statutorily created governing 'infrastructure' as determined by the member states through the terms of the compact

Commission members are appointed by and represent the member states.

Myth 3:

Commission rules and bylaws impede state sovereignty.

Fact:

Rules written by compact commissions only apply to the specific compact procedures implementing the interstate extension of member state authority across state lines.

- > Rules do not change the state practice act
- Rules are specific to the implementation of the Compact's extension of professional licensure across state lines
- Each member state has a seat at the table to craft rules, bylaws, and other administrative functions of the compact

CONTACT INFORMATION

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Visit CSG's National Center for Interstate Compacts online at: www.csg.org/ncic



PROJECT CHARTER

OCCUPATIONAL LICENSING SUBCOMMITTEE WORKGROUP

OCCUPATIONAL LICENSING SUBCOMMITTEE WORKGROUP PURPOSE	A joint effort between Executive and Legislative branch, the occupational licensing subcommittee of the Workforce Development Council will a) develop a comprehensive understanding of the current state of ND occupational licensing compared to national standards; and b) identify opportunities for statutory and/or policy reform to remove unnecessary licensing burdens in order to improve labor market entry and interstate portability, while protecting the health and safety of North Dakotans, and promoting competition.
AREAS OF FOCUS	 Licensing necessity Licensing requirement transparency Licensing portability Impact on populations with barriers Governance practices