



Support for SB 83|HB 85: Universal Temporary Licensure

The Archbridge Institute is a nonpartisan nonprofit organization dedicated to lifting barriers to flourishing and increasing opportunities for upward social and economic mobility. We are proud to work with a variety of academic and policy experts to offer research and solutions oriented toward increasing the opportunities for individuals of all backgrounds to climb the income ladder, particularly across generations. To that end, we are writing in support of SB 83 and HB 85, which would implement processes for qualified professionals to acquire temporary occupational licenses in the state of Alaska.

Occupational licensing has been a consistent area of study for our academic researchers and public policy scholars. Occupational licensing restrictions represent the most stringent form of professional regulation, forbidding residents from working in a profession before meeting various requirements including completing minimum levels of education, passing exams, and paying fees to the state. A 2018 study found that in Alaska, nearly 1 in 5 workers are licensed.¹ Moreover, between 1993 and 2012, the state of Alaska added 33 new low-income occupational licensing requirements, which economic research suggests has reduced upward economic mobility by 4 percent and increased income inequality by 9.1 percent.²

Licensing restrictions also represent a significant barrier for professionals looking to move across state lines. Economic researchers have estimated that occupational licensing restrictions reduce geographic mobility by as much as 7 percent.³ The explanation for this reduction is simple: not allowing licensed workers to transfer their license and continue to work in the occupation for which they have already been trained discourages relocation. This status quo effectively prohibits Outside qualified professionals with a license from using their skills and experience to serve Alaskans. These are unnecessary losses that will negatively affect current and future Alaskans for years to come, especially since Alaska already experienced net out-migration in 2022.⁴ Allowing for the temporary recognition of out-of-state licenses would be a major step toward mitigating these problems.

¹ Morris M. Kleiner and Evgeny S. Vorotnikov, *At What Cost? State and National Estimates of the Economic Costs of Occupational Licensing* (Arlington, VA: Institute for Justice, November 2018).

² Edward Timmons et al., *Too Much License: A Closer Look at Occupational Licensing and Economic Mobility* (Washington, D.C.: Archbridge Institute, April 2018).

³ Janna E. Johnson and Morris M. Kleiner, "Is Occupational Licensing a Barrier to Interstate Migration?," *American Economic Journal: Economic Policy* 12, no. 3 (2020): 347–73.

⁴ U.S. Census Bureau, *Vintage 2022 Estimates*.

Additionally, allowing for even temporary recognition out-of-state licenses would hardly be an untested risk by a lone state. Over the past few years, 12 states, including Arizona, Colorado, Idaho, Iowa, Kansas, Mississippi, Missouri, Montana, Ohio, Pennsylvania, Utah, and Wyoming, have enacted broad universal recognition of out-of-state occupational licenses.⁵ Even more states have passed lighter or qualified versions of universal recognition or universal recognition for military spouses.

Overall, allowing licensed professionals to transfer their licenses to the state of Alaska, even on a temporary basis, would provide an opportunity for licensed professionals to move to Alaska and continue working with minimal interruption. This means businesses would have a wider pool of potential applicants available to fill needed roles and licensed professionals considering a move to Alaska would be able to continue serving customers and earning a living by working in the occupation for which they have been trained—all while still protecting Alaskans.

Sincerely,



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⁵ Heather Curry, Breaking Down Barriers to Work with Universal Recognition (Phoenix, AZ: Goldwater Institute, January 2023).