

**ORAL STATEMENT OF**

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**SECRETARY**

**ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**

On behalf of the

**STATE OF ILLINOIS**

On

**OCCUPATIONAL LICENSING: REDUCING BARRIERS TO ECONOMIC  
MOBILITY AND GROWTH**

Before the

**SUBCOMMITTEE ON HIGHER EDUCATION AND WORKFORCE  
DEVELOPMENT**

**HOUSE COMMITTEE ON EDUCATION AND WORKFORCE**

**U.S. HOUSE OF REPRESENTATIVES**

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**10:00 AM**

1 Good morning, Chairman Guthrie, Ranking Member Davis, and  
2 Members of the Subcommittee.

3 My name is Bryan Schneider. I am the Secretary of the Illinois  
4 Department of Financial and Professional Regulation. Thank you for  
5 your interest in occupational licensing reform and taking time to hear  
6 testimony on this issue.

7 The Department is an umbrella regulatory agency overseeing  
8 almost all individual occupational licenses within the State of Illinois.  
9 Unlike most states which regulate through individual professional  
10 boards, we license and regulate over 1.1 million Illinois residents in over  
11 70 different professions such as doctors, architects, roofers, barbers  
12 and even hair braiders. This regulatory structure provides numerous  
13 operational efficiencies and a unique and holistic view of the regulatory  
14 landscape. It has made the need for sensible reform in the  
15 occupational licensing sector even more apparent.

16 Our guiding mission is to protect the health, safety and welfare of  
17 the people of the State of Illinois through the appropriate and tailored  
18 regulation of professionals. The underpinning principle of this mission  
19 is that government regulation through licensure is appropriate where  
20 unlicensed practice would result in public harm.

21 However, often the question of “does this profession pose such a  
22 danger to the public that government intervention is required?” is

1 conflated with “does the profession provide a benefit to the public?” In  
2 Illinois, we have frequently seen groups propose legislation seeking  
3 licensure based almost entirely on the contention that their profession  
4 offers immutable consumer benefits with only a generalized,  
5 unsubstantiated claim that public safety may be tangentially impacted.

6         While there may appear to be no downside in requiring a  
7 profession to be licensed, over-regulation where the public safety is not  
8 in question has tangible, adverse consequences. Obtaining a license is  
9 costly, often requiring thousands of dollars in school, exams, licensing  
10 fees and continuing education. These costs create a significant barrier  
11 to entry for otherwise qualified individuals who could practice safely in  
12 an unregulated environment and disproportionately impact low wage  
13 earners and those with criminal histories. The proliferation of varying  
14 state licensing regimes can also lead to decreased mobility across state  
15 lines, which negatively effects families of veterans or active duty  
16 military personal. Licensure also creates a state sanctioned monopoly  
17 which leads to reduced consumer choice and increased prices.

18         Recognizing these challenges, Illinois has undertaken several  
19 practical regulatory reform initiatives. For example, the Department  
20 made a key change to our licensing process for barbers that would  
21 allow those being trained in a prison facility to obtain a license  
22 immediately upon release as opposed to starting the licensing process

1 upon release. This seemingly small change allows those re-entering  
2 society to immediately start working, decreasing the likelihood of  
3 recidivism.

4 This year the Department proposed Senate Bill 3395 which would  
5 ease interstate mobility issues for physical therapists. Instead of  
6 requiring the submission of transcripts, extensive educational history  
7 and test scores, as is currently required, the bill only requires the  
8 applicant to submit proof he or she has been licensed for 10 years in  
9 another jurisdiction with no disciplinary history. This proposal ensures  
10 that the public is dealing with an individual who has a proven track  
11 record of safe practice while easing the regulatory burden for the  
12 licensee.

13 We have also eliminated 11 specific license categories that  
14 historically had few complaints and posed little harm to the public.  
15 While we view this repeal of 5% of our license types a victory, we  
16 included several other similarly situated professions but were met with  
17 hard fought opposition from the associations who had initially  
18 advocated for these licensed monopolies.

19 From this, we learned an important lesson: it is much easier to  
20 play defense against a new license type than to eliminate an existing  
21 license type. This session we proposed a practical review process used  
22 by 19 other states in which an unregulated profession would have to

1 undergo a thoughtful cost/benefit analysis prior to introducing  
2 legislation. The analysis would be performed by an unbiased, trained  
3 economist within the university system and would focus on the  
4 imperative question of whether public harm would result from the  
5 unregulated practice of the profession and what the potential costs to  
6 the public are if the profession were to be licensed. The analysis must  
7 be provided within a year and would be contained in a user-friendly  
8 report that would aid the legislature in making the determination  
9 whether licensure is necessary.

10 Through these initiatives we are ensuring public safety while  
11 creating a right-sized regulatory environment allowing for rich  
12 competition, interstate mobility and job creation.

13 Thank you for the opportunity to testify today. I look forward to  
14 answering your questions.