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Commission Calls for Removing Unnecessary Licensing Barriers to Good Jobs

The Little Hoover Commission in its report, *Jobs for Californians: Strategies to Ease Occupational Licensing Barriers*, sent Tuesday to Governor Brown and the Legislature, called for a comprehensive review of a state occupational licensing system that increasingly stands in the way of upward mobility. In its study, the Commission found that more than one in five Californians must meet government-set requirements to practice their occupations. Thousands of Californians, meanwhile, especially former offenders, veterans, military spouses and those educated and trained outside of the state, cannot find work and are unable to move up the economic ladder.

Though billed as consumer protection, occupational licensing requirements often advance other goals, such as professionalizing occupations, standardizing services and limiting competition, the Commission learned during a yearlong review. The burden to Californians is significant: Applicants to lower-income licensed occupations – those who earn less than the national average income – on average pay \$300 in fees, spend 549 days in education or training and take an exam in order to work. Consumers also bear a burden when the government limits who can practice a profession. Nationally, consumers pay an estimated \$200 billion more annually for services due to licensing restrictions. Lower-income people are more likely to be affected by reduced access to services.

“Getting government out of the way of people finding good jobs is a bipartisan issue,” said Little Hoover Commission Chair Pedro Nava. “California must review all of its licensing regulations and assess whether the level of consumer protection provided justifies barring entry to occupations and limiting access to services.”

In addition to a comprehensive evaluation of California’s occupational regulations, the Commission recommended:

- Expanded demographic data collection to understand how licensing regulations affect different demographic groups.
- Additional resources to verify data submitted during legislative reviews of proposed licensing and current licensing regulations.
- Increased access to the criteria used to evaluate applicants for licensure.
- Creation of bridge education programs to help people who are missing only a few educational requirements begin working more quickly.
- Investment in apprenticeship programs to help individuals meet training requirements and earn a wage for their labor as they build skills for upward mobility.

The Little Hoover Commission is a bipartisan and independent state agency charged with recommending ways to improve the efficiency and effectiveness of state programs. The Commission’s recommendations are submitted to the Governor and the Legislature for their consideration and action. For a copy of the report, visit the Commission’s website: www.lhc.ca.gov.