



2021 Survey of UNIVERSAL LICENSE RECOGNITION LAWS

**National Center for Interstate Compacts
Occupational Licensure Project**



EXECUTIVE SUMMARY

Universal License Recognition (ULR) is a form of occupational licensing in which a state establishes a uniform process to grant recognition to professional licenses issued by another state. Between 2018 and October 2021, 18 states implemented new or amended existing license portability provisions that may be defined as ULR policies. While other forms of license reciprocity predate 2018, they generally are associated with a single profession within a state, and a state may have separate reciprocity provisions for each profession. ULR policies have a much broader scope of recognition in an attempt to simplify reciprocity and the speed of licensure

However, the efficacy of these provisions has yet to be measured. The Council of State Governments developed a survey and distributed it to state licensing boards and/or departments of professional licensing in **Arizona, Colorado, Idaho, Iowa, Missouri, Montana** and **Pennsylvania** to record how ULR policies have changed licensing in these states; the experiences and challenges of implementing these policies; and how ULR policies have affected health care response to the COVID-19 pandemic. These states were chosen based on how long ago they implemented universal license recognition. Utah was not surveyed because it is reviewing the 2020 ULR law, with a report to be published in 2022.

This report will share the responses CSG received, data trends, lessons learned and conclusions drawn from the experiences of state licensing bodies. Included in the appendix are statements on ULR laws from the Council for Licensure, Enforcement and Regulation (CLEAR) and the Federation of Associations of Regulatory Boards (FARB). These organizations assist state governments, especially regulators, in navigating the evolving field of licensing and regulation.

OVERVIEW OF UNIVERSAL LICENSING LAWS

The process of recognizing a license issued by another state, known as “licensure by endorsement” or “reciprocity,” is not a new concept. It usually resides in state licensing statutes for individual professions, or sometimes for a group of professions regulated by the same licensing board. These “true reciprocity” provisions usually specify the state or states that have entered into a reciprocal agreement with the license-issuing state. “True reciprocity” provisions are therefore narrow in scope.

ULR policies apply these endorsement or reciprocity provisions on a wider scale, attempting to streamline the licensing process for practitioners moving into the state by establishing uniform licensure portability standards. ULR laws differ from reciprocity provisions attached to specific professions’ licensing statutes because while reciprocity statutes contain pre-negotiated instantaneous recognition for professionals, ULR laws may require an application and review by the applicable licensing board before a license can be issued. Aside from this limitation, ULR policies have the intended effect of lowering the threshold for license portability and may reduce the time to licensure for practitioners moving into a state.

Among the findings, many ULR policies include provisions to prevent conflicts with existing rules and regulations

both within and between states. Also, many states require individuals to establish residence in the state before obtaining a license through ULR. To prevent uneven qualifications with currently licensed individuals, many states specify that licenses will be granted for “substantially equivalent” or “substantially similar” experience and/or scopes of practice. This is determined by individual licensing boards or departments of professional licensing.

Most states surveyed exclude from ULR professions covered under interstate licensing compacts to which the state is party. By joining a compact, states are agreeing to the requirements for participation as listed in the compact, which are developed by extended negotiations among practitioners, industry experts and other stakeholders. ULR policies that do not exclude interstate compacts may come in conflict with requirements for participation in a compact.

This table includes links to the ULR enabling legislation for each state surveyed and highlights important provisions covering residency requirements, “substantially equivalent” determinations and interstate licensing compact exclusion.

State	ULR Bill	Residency Required	Substantially Equivalent	Compacts Exempt
Arizona	2019 House Bill 2569	Yes	No	Yes
Colorado	2020 House Bill 20-1326	No	Yes	Yes
Idaho	2020 Senate Bill 1351	No	No	Yes
Iowa	2020 House File 2627	Yes	Yes	Yes
Missouri	2019 House Bill 2046	No	No	Yes
Montana	2019 House Bill 0105	No	Yes	No
Pennsylvania	2019 House Bill 1172	No	Yes	No

METHODOLOGY

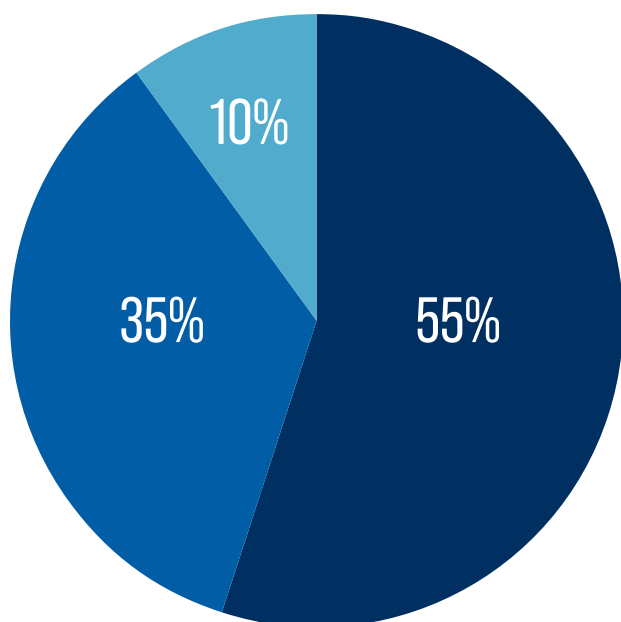
CSG researchers surveyed licensing bodies in Arizona, Colorado, Idaho, Iowa, Missouri, Montana and Pennsylvania. The ULR provisions in these states have been active for more than one year and covered at least a majority of the licensed professions in the state. Thirty-one responses were collected. Sixteen responses were from state boards in Pennsylvania.

Respondents were given a series of open-ended questions and one statement to be evaluated on a Likert scale. Questions

assessed staff member experiences with implementing ULR policy, challenges faced, unintended consequences and whether the policy has positively contributed to the state's workforce. Respondents also were asked to discuss the impact of the policy on the state's ability to respond to the COVID-19 outbreak and any resulting workforce challenges.

RESULTS

"The universal recognition policy has positively contributed to my state's workforce."



- Strongly Agree/Agree
- Neutral
- Strongly Disagree/Disagree

What has your experience as a board administrator been while implementing the universal recognition policy?

POSITIVE

- A few respondents felt it made the licensure process more efficient.
- One respondent noted that average licensing times have steadily decreased and believed the process had gone smoothly.

NEUTRAL

- Many respondents believe there was no need for a ULR policy because the same mechanisms were already in place with the licensure process.
- Some respondents mentioned that changes to the online platform were necessary to implement this policy.

NEGATIVE

- One respondent disclosed that it can be difficult to determine "substantial equivalence" as there was not a clear definition.
- One respondent believes the policy led to licensing people from out-of-state with lesser requirements and qualifications.
- Some respondents noted the policy requires applicants to first establish residency in the state, which discourages many from utilizing the process.
- Finally, one respondent believed the addition of the bill makes the process more confusing for applicants.



What were some challenges your board faced while implementing the universal recognition policy?

POSITIVE

- Some respondents do not believe there had been any challenges.

NEUTRAL

- One respondent believes it was too early to tell.
- Some reported technological challenges hosting the ULR process online.
- One respondent noted there were numerous rules that needed to be re-promulgated after a typo was spotted after a statutory deadline.
- Some respondents mentioned the only challenge was determining the competency standards to use when evaluating out-of-state licensees.

NEGATIVE

- One respondent stated that approximately six states are refusing to verify that out-of-state applicants do not have pending complaints or investigations.
- One respondent noted since not all states have the same requirements for licensure, health and safety could be impacted by accepting applicants with lesser licensure requirements.
- One respondent said there were some challenges with applicants misunderstanding the requirements.
- Several respondents mentioned challenges with determining competency standards and “substantial equivalence.”

Is your state experiencing any unintended consequences as a result of implementing this policy?

POSITIVE

- Some respondents reported no unintended consequence.

NEUTRAL

- Other respondents believe it is still too early in the implementation process to tell.
- Some respondents have not yet received applications for licensure through the ULR process.

NEGATIVE

- One respondent noted the board’s scope of practice for funeral directors is different from other states and this policy is allowing practitioners to be licensed for operations with which they might not be familiar.
- One respondent noted no one is applying for the ULR process due to its residency requirement and relying on other states to verify licenses.

Describe the process through which it was determined that other state’s requirements were substantially similar to requirements in your state.

POSITIVE

- None

NEUTRAL

- Many respondents simply described the process by which they determine “substantially similar” requirements, reviewing each

application on a case-by-case basis. A majority had these processes in place prior to the bill. In one surveyed state, the boards were given 18 months to promulgate regulations to determine which licensure requirements were substantially equivalent, and if they were found to be not substantially equivalent, the board may grant a provisional license while the applicant works to meet the necessary qualifications.

NEGATIVE

- One respondent noted the ULR policy in the state does not require “substantially equal” experience/scope of practice and this forces boards to license out-of-state applicants with far fewer qualifications.

How has the pandemic affected the need for more licensed professionals in your state?

POSITIVE

- Many respondents stated the pandemic increased the need for licensed professions in the state and therefore increased the need for license portability and telehealth. One respondent believes the pandemic increased the number of licensed professional in the state and this enhanced the state’s workforce and economy.

NEUTRAL

- Some respondents believe there was no impact.

NEGATIVE

- One respondent of a cosmetology licensing board noted the pandemic caused lost income and lost business. Another respondent noted the ULR policy was not needed for mental health professionals due to a statute that expanded access to telehealth practitioners in other states without requiring licensure within the state.

How has this policy affected the health care response to the pandemic in your state?

POSITIVE

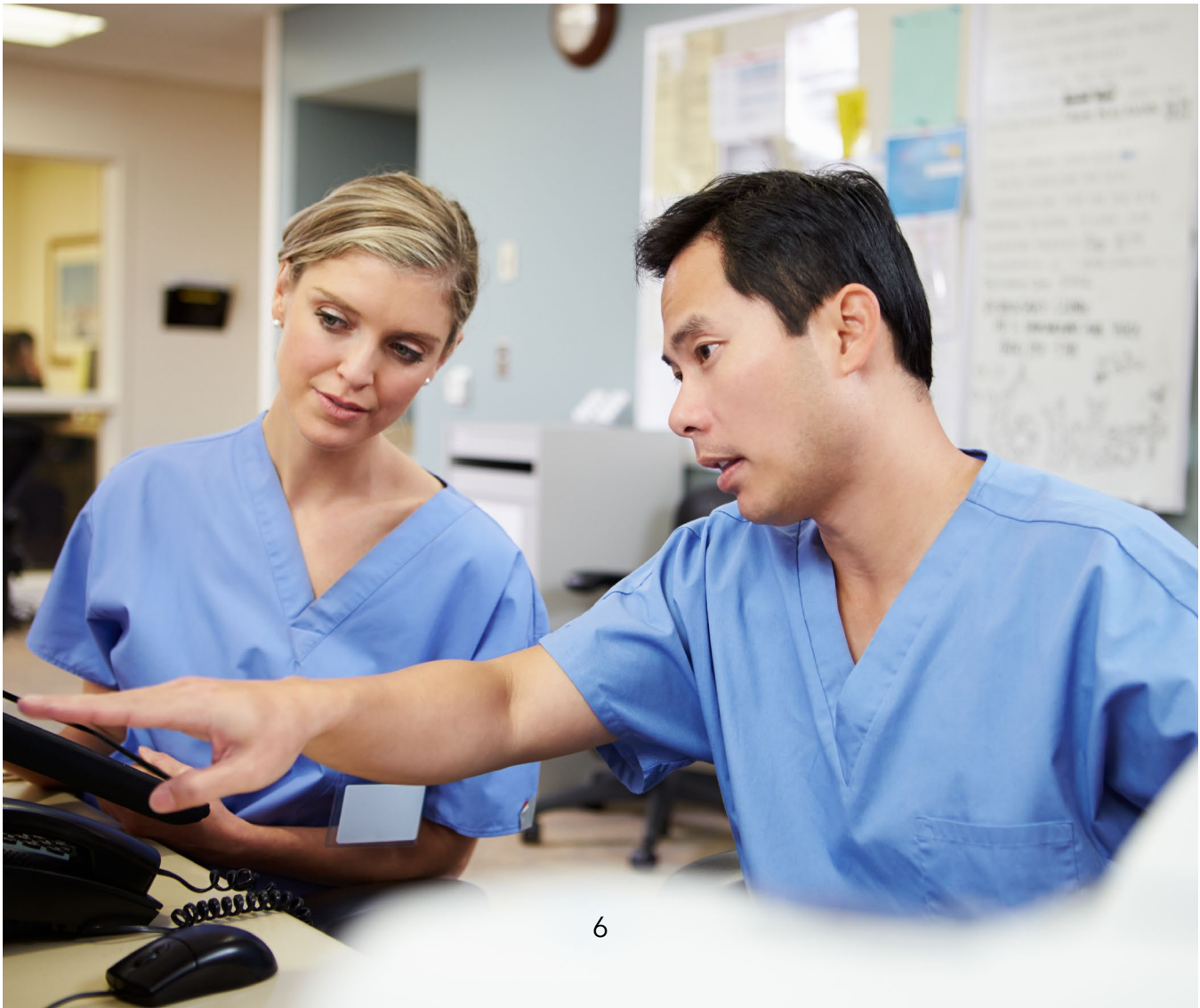
- Many respondents stated the policy made it simpler for individuals to become licensed.

NEUTRAL

- Several respondents do not believe it had any effect on the pandemic response.

NEGATIVE

- None





TRENDS

Further examination of ULR policies will be required as utilization increases. However, opinions expressed by board members in early adopter states can be a valuable asset to lawmakers looking to craft effective portability reforms and better communicate with partners in licensing bodies. Additionally, the process of implementation discussed in survey responses can provide guidance for regulators working on the same processes

Benefits

ULR policies can reduce barriers to licensure for out-of-state practitioners, require practitioners to abide by the scope of practice of the state in which they intend to practice and allow for expedited movement of practitioners during emergencies. For states wanting to ease the process of licensing for out-of-state practitioners and gain workers in professions with labor shortages, ULR policies can facilitate the filling of fill these gaps. Thirty-five percent of respondents either agreed or strongly agreed that the universal recognition policy has positively contributed to the state's workforce. However, 55% of respondents were neutral.

One respondent held a positive view of the state's ULR policy, explaining that before this policy was implemented, out-of-state practitioners were required to complete the entire licensing process, creating delays and consequently lost income and career opportunities for military spouses and other workers moving to the state. The respondent argued the ULR policy will "...help reduce unnecessary barriers for new residents, veterans, military spouses, and other individuals who wish to move to and work in [the state]."

During the pandemic, **actions** to increase the mobility of licensed out-of-state health care professionals have been crucial to increasing health care capacity and reducing worker shortages. This survey also asked licensing boards two questions related to the pandemic's effect on the need for licensed professionals as well as the ULR's effect on the health care response to the pandemic. The pandemic's impact heavily depended on the profession of the board, but many saw an increase in the need for licensure portability and telehealth. However, in regard to ULR, most responses focused instead on the temporary measures taken. An exception was the respondent who stated, "The policy enabled more practitioners to provide healthcare services during the pandemic".

Respondents indicated that ULR policies achieve greater success in streamlining licensure for professions with a high degree of standardization across the states than for less standardized professions.

Concerns

One of the primary concerns for board members surveyed was the lack of need for a ULR law. Several respondents noted existing reciprocity agreements and licensure by endorsement policies made an additional pathway for out-of-state practitioners unnecessary. Further, one respondent noted the addition of a ULR law made applying for an out-of-state license more confusing for applicants and difficult to manage for boards. In a state with a residency requirement, respondents raised concerns the ULR policy was not as easy or efficient as the previous endorsement process, making ULR a more challenging pathway to licensure for applicants moving into the state.

Another consistent concern raised by respondents was the application of "substantially similar" provisions in ULR policies. While some states had previously completed the work of defining these requirements for other laws, several respondents noted difficulty in procuring information to determine "substantially similar" requirements because definitions of occupations can differ from state-to-state. One respondent also was concerned with differing scopes of practice and job titles creating disruptions in the process. Also, the definition of "substantially similar" can differ among states and sometimes between licensing bodies within the same state. As an extension of this issue, respondents in multiple states noted practitioners with lower requirements were being actively licensed through the ULR policy. In one state without a "substantially similar" provision, several survey responses pointed out the ULR policy allowed for the licensing of out-of-state applicants with noticeably fewer requirements than those in-state.

Through the course of implementation, survey respondents raised a number of procedural concerns. Respondents also noted a need for new or improved online application and licensing processes. Further burdens were put on boards to overhaul information technology and website systems for increased traffic from out-of-state practitioners.

LESSONS LEARNED

Licensing bodies that were able to easily interpret the ‘substantially similar’ requirements had completed this work previously for other processes. States exploring the adoption of a ULR law should consider the current position of the state boards regarding definitions of “substantially similar” requirements and ensure guidance is given on the completion of this process. Stakeholder engagement from licensing bodies can assist legislatures with crafting ULR laws that support boards in the process of determining these requirements.

Many respondents mentioned the challenge of making a new application for out-of-state residents utilizing the ULR policy,

raising issues with standardization and technology. These concerns can be partly mitigated by implementing **digital licensing systems** which reduce cost for both the state and licensee and reduce the time it takes to become licensed. By digitizing the licensing process, states can further reduce barriers such as transportation, time constraints, cost and other potential challenges associated with physical and/or in-person licensing applications. For example, **Vermont’s** online licensure process has dramatically reduced the time required for licensing in many professions, with a process that used to take two or three weeks reduced to two days or even as little as 45 minutes if the applicant has an active license in another state.

CONCLUSION

ULR policies allow states to reduce barriers to licensure for out-of-state professionals already licensed in another jurisdiction. However, the burden of implementation and use by practitioners could be eased through the inclusion of clearer language to determine substantial equivalence, digitized licensing systems and provisions to explicitly exclude interstate compacts. Enhancing the ability of practitioners to engage in interstate practice requires more than a one-size-fits-all approach. States should account for industry-tailored reciprocity mechanisms such as interstate compacts when crafting universal recognition laws.



Appendix A

RESPONSE FROM CLEAR

Interstate compacts and universal licensure recognition (ULR) policies intend to streamline license portability across state borders. Can or should these policies coexist? Members at the Council for Licensure, Enforcement and Regulation (CLEAR), an organization providing resources to professional regulation stakeholders, point out the nuances of these two mechanisms.

CLEAR members characterize ULR and compact policies as effective tools to address obstacles to portability. Compacts can offer value by standardizing requirements when severe disparity exists among states. Consider the spectrum of requirements to enter the massage therapy field, which one CLEAR member pointed to as an example of a profession that is not regulated in every state. In states in which massage therapy is regulated, the entry requirements vary from 500 to 1,000 hours of education and experience. Massage therapy licenses also are sometimes utilized as a front for human trafficking. In such cases, a compact may be the more appropriate tool to provide standardization and transparency in the mobility process. However, compacts can take years to develop and apply to only a single profession. ULR policies affect a multitude of professions but often require an evaluation of “substantial equivalence” — a vague term that is applied to evaluate the scope of practice and entry requirements in another state. Such an analysis may prove cumbersome when multiplied across hundreds of professions and 50 states.

Workforce mobility trends can vary by profession and circumstance, all of which demand unique policies. Consider the following scenarios and policies:

Border Regions and Reciprocity Agreements: In border areas, licensees want the ability to cross state lines to serve the communities of a region thereby necessitating a license in multiple states. Reciprocity agreements — an agreement between two states to automatically recognize a license earned in a participating (and often neighboring) state — are effective at addressing this problem but exclude states outside of the regional economy.

Specialized Services and Telehealth: Physicians and mental health counselors are examples of professions that commonly leverage telehealth to deliver specialized services to remote and out-of-state communities. Telehealth policies can facilitate access to care, providing “electronic” mobility to meet patient demand. Often, telehealth policies define the location of practice as that of the patient, not the licensee. Such a policy therefore mandates that a provider seek licensure in the patient’s state. Defining a location of practice by the patient helps consumers; in such a model consumers navigate only local regulations and reporting mechanisms should wrongdoing occur. However, defining the location of practice by the patient can create a cumbersome process for providers as they seek licensure in multiple states.

Physical Mobility and Compacts: Nursing often requires the physical presence of the licensee, frequently making telehealth an impractical policy solution. The Nurse

Licensure Compact created an infrastructure that assigns a single license to practice in any member state. Through the compact, information about consumer complaints and risk are shared with the licensee’s home state. Such agreements among states can take time and apply to a single profession with unique service-delivery characteristics.

Asked to identify the next policy innovation in license portability, CLEAR members noted comparisons to drivers’ licenses, commercial driving and even airline pilots. In the case of a driver’s license, the credential is issued by a home state but disciplinary action may be taken in any state where that person drives and violates regulations. A compact allows for information sharing among states concerning violations and sanctions with the motto of “One Driver, One License, One Record.”

Utah recently adopted legislation that propels state policy toward goals similar to those observed in the universal drivers’ license. The law preserves the regulatory authority’s ability to refuse to issue a license in certain circumstances that pose a risk to consumer safety (see [Utah Code Section 58-1-302](#)).

Determining which workforce portability policy (or policies) to enact can be an iterative process. CLEAR’s resource, “Questions a Legislator Should Ask,” provides guidance to policymakers as they weigh professional and occupational regulations. It suggests considerations such as:

- What is the problem that could be solved by the policy?
- What previous efforts have been made to address the problem?
- What is the public benefit of the proposed policy?
- What does the public need to know about a licensed professional and how will they be informed?
- Would the proposed regulation unfairly disadvantage special populations?

The Council on Licensure, Enforcement and Regulation (CLEAR) is the premier international resource for professional regulation stakeholders. CLEAR promotes regulatory excellence and provides a neutral forum for those involved with, or affected by, professional and occupational regulation. Find out more at [clearhq.org](#).

Appendix B

RESPONSE FROM FARB

The Federation of Associations of Regulatory Boards (FARB), comprised of national regulatory associations and jurisdictional licensing boards, advances excellence in regulation of the professions in the interest of public protection. The FARB community strives to inform public policy discussions regarding the utility of reasonable regulation, including consistent approaches across jurisdictional boundaries through its network of non-profit executives, government leaders and legal staff specializing in regulatory law.

Regarding exploration of the potential merits of universal licensing laws, FARB advocates for the need to embrace the value of reasonable regulation as a means of protecting consumers and the greater public while spurring economic growth through the provision of services by licensed professionals. Consumers value licensing and are protected by an established system that regulates education, examination and experience standards — all of which are overseen by professional licensing boards. Thus,

lawmakers must never lose sight of the fundamental truth that licensing, and licensing boards, exist to protect the public. There is no need to duplicate or change what already works well.

Public protection must remain paramount and lawmakers will best serve constituents by embracing smart regulatory practices. It is essential that well-intentioned efforts to facilitate professional mobility are not thwarted by unintended consequences of hasty, ill-informed and counterproductive legislative actions. While there is no value in solidifying seemingly arbitrary or unnecessarily burdensome licensure requirements, the dilution, reduction or elimination of standards that protect citizens and communities must not be enabled.

At its best, licensing can lead to needed improvements that benefit professionals and the public they serve. Gone awry, it runs the risk of creating a plethora of problems where consumers end up being hurt and communities suffer. Universal licensing laws provide cautionary tales in both instances.

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