

# Eliminating California state licensing boards would save funds, aid consumers

By Shirley Svorny

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In rejecting Proposition 1A (both at the ballot box and in polls taken of the broader electorate), California residents rejected higher taxes needed to support bloated state spending. It's time to cut back.

I suggest that state licensing of providers of services, such as contractors, barbers and land surveyors, could be eliminated. There are already many ways for consumers to judge quality on their own. With the state out of the picture, additional information would come from a variety of sources.

State licensing is used to restrict entry unnecessarily. Licensed professionals lobby legislators to increase education and training requirements for new entrants so that their own earnings will rise.

As long as tax revenues grow, it is politically expedient to accommodate the demands of professionals to restrict entry. But faced with a tight budget and pressing needs in critical areas such as health care, I would shift funds from

licensing no matter how much the existing boards and professionals protest.

In many cases the primary licensing function is checking a candidate's education and criminal record. Without state licensing of contractors, private companies would offer similar services. Check out the Web page of the Piping Industry Progress Education and Trust Fund ([www.pipe.org](http://www.pipe.org)). It already has a link to lists of plumbers and heating or air conditioning contractors in your ZIP code.

Without the state's involvement, it would not be long before existing or new companies would step up to offer protection, putting their reputation behind the contractors they endorse, much like the private 1-800-Dentist dentist referral service.

Home builders might put their reputation behind swimming pool contractors, for example. Given these firms' deep pockets and ability to purchase insurance to protect consumers in the case of contractor negligence, many consumers would find themselves better protected than in the past.

Already, the non-profit National Council of Examiners for Engineering and Surveying develops and administers the tests used for state licensing. If the state of California were to drop licensing, I would expect the NCEES to find a way to make this information available to consumers directly.

This would not be free or perfect, but the cost is

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likely to be significantly below that associated with government licensing. Also, the costs would be borne by those who use the services, not by taxpayers who may or may not use the services in question.

Currently, the California Contractors State License Board licenses many individual specialties, including landscaping, swimming pool contractors, earthwork and paving contractors, cabinet, and millwork and finish carpentry contractors. If the state were to eliminate its licensing boards, consumers would turn to other forms of information, including Angie's List, referrals from friends and brand names (Sears, OSH, Lowe's or Home Depot) to assure quality.

The Structural Pest Control Board protects the public from false advertising. There is no reason false advertising couldn't be managed by a state agency that does not also license. The state also licenses barbering and cosmetology, auto repair, and guide dog trainers. California is the only state in the nation to require licensing of guide dog instructors and schools.

With a barber or hairdresser, consumers can observe quality directly. Auto repair is an obvious case for using brand name. Many people already go to a dealer or to Sears. Independent repair shops could join together and develop a brand name (and reputation). This would significantly improve the level of information available to consumers.

Many individuals already use unlicensed

contractors for small jobs, but it is illegal. Not everyone can afford or needs the level of education and training state licensing boards (under the influence of the profession) mandate. Eliminating state licensing would allow a broader range of service providers to advertise and develop a reputation over time. There is some evidence this would reduce injuries from do-it-yourself attempts on the part of consumers who can't afford a highly skilled licensed contractor.

The silver lining of a budget crisis is that it forces you to think about what you are doing and what you really need to do. In the case of licensing, getting the state out of the business of setting standards would actually benefit consumers.

Shirley Svorny is a professor of Economics at California State University, Northridge and an adjunct Scholar at the Cato Institute.

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