
Introduction

There are nearly 200 regulated occupations and professions in Minnesota, not counting teachers' licenses. The number of regulated occupations has grown dramatically in recent decades in Minnesota and across the country. Several states including Minnesota have enacted a variety of reforms to try to ensure that occupational regulation works in the public interest.

In April 1998, The Legislative Audit Commission directed the Legislative Auditor to conduct a study of occupational regulation that would look at the effectiveness of the system as a whole. This study addresses the following questions:

- **What is the history of occupational regulation in Minnesota and other states? What are the problems with occupational regulation recognized by policy makers and others, and what solutions to the problems have been suggested or implemented?**
- **What constitutes Minnesota's system of occupational regulation? What occupations and professions are regulated, and which state agencies and boards have regulatory authority? How many people are licensed or otherwise regulated in each occupation? How does the system of regulation in Minnesota compare with occupational regulation in other states?**
- **What proposals for new occupational regulation or significant change in regulation have been introduced in recent years?**
- **How effective is Minnesota's system of occupational regulation? Is the state's policy on occupational regulation applied consistently? How effective is Legislative oversight of occupational regulation?**

To carry out the study we interviewed many board and agency officials involved in occupational regulation, representatives of professional associations, legislators, and others concerned with or knowledgeable about occupational regulation. In order to assemble a complete list of regulated occupations, we surveyed state agencies and occupational licensing boards. We compiled basic descriptive information on each regulated occupation and are separately publishing a Directory of Regulated Occupations.

We compiled a list of regulatory proposals debated by the Legislature in recent years and investigated 13 of these in some detail in order to learn about the

process by which regulatory issues are debated and decided. We reviewed the national literature on occupational regulation and studied occupational regulation in eight states with organizational features of interest.

Chapter 1 of this report provides background information and a history of occupational regulation nationally and in Minnesota. Occupational regulation has been a source of interest and concern for some time and has given rise to several reform strategies that should be considered as Minnesota reforms are discussed.

Chapter 2 is mainly a description of Minnesota's system: which occupations are regulated, which boards and agencies are responsible for regulation, how is occupational regulation financed, and what does it cost? Chapter 2 also compares Minnesota's system to occupational regulation in other states and presents a description of the occupational regulatory agenda before the Legislature in recent years.

Chapter 3 discusses the effectiveness of our system of occupational regulation by analyzing what we believe are the major problems. There are many regulated occupations, however, and it is somewhat difficult to generalize. Our study of effectiveness focuses on the state's general policy on occupational regulation provided in Minnesota Statutes Chapter 214.

Finally, we present two appendices. Appendix A presents a summary of the studies we did of occupational regulation in eight other states. Appendix B presents 13 case studies of recent proposals for new regulation or a change in regulation.