

Construction Licensing and its Importance

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WHAT IS CONSTRUCTION TRADE LICENSING?

Licensing is a benchmark to show a level of training and education accomplished. Skilled-craft licensing in the construction industry, as with other professional skill or trade, is to help ensure that individuals performing tasks deemed complex or hazardous possess the education, abilities, knowledge and expertise necessary to provide the customer with a service that is both safe and complies with minimum standards established by industry professionals.

For example, the insurance industry requires licensure to protect consumers against fraudulent or inferior insurance practices and products.

The medical industry believes physicians, nurses, and other healthcare professionals should maintain an extraordinary level of competency in order to deliver services, which affect one's well-being.

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Every licensed industry is critical to the protection of the health, safety, and welfare of the public. The construction industry is no different and carries many risks to workers and consumers.

According to the US Bureau of Labor Statistics, eighteen percent (18%) of all fatal injuries and accidents occur in construction.

Licensing involves overseeing the license and renewal requirements, application process, performing code inspection in those licensed trades when requested or necessary, and enforcing the trade licensing acts and rules. Enforcement involves education on licensing requirements, investigating complaints, and trade building code enforcement when it is not under the local authority.



Created by the Oklahoma Construction Industries Coalition

The procedure to become licensed in one of the trades begins with one obtaining the requirements specified and making application to the appropriate agency. Each act has distinct requirements mostly involving work experience, successfully passing an exam, and for contractors, obtaining general liability insurance and workers' compensation insurance.

The effect of statewide licensing is to provide a minimum standard of competence and protection to the public. Licensed trade professionals have a minimum of years or hours

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of experience required in the trade and have successfully passed their trade exam insuring adequate knowledge and ability to perform the trade work. The minimum standard requirements, along with regular enforcement, assist with consumer protection and increase Oklahoma's educated workforce. The benefits of having a bigger, better-educated, and skilled workforce than states without a minimum standard draws business to

Oklahoma over other states. Another benefit is from the higher quality of buildings being constructed under a statewide building code. Licensing exhibits the workforce is educated for high skilled quality jobs in Oklahoma.

Economic Development

What is the most common denominator in Oklahoma economic and workforce development? Oklahoma businesses, both large and small. Oklahoma trade contractors are Oklahoma businesses and are part of the construction industry. These Oklahoma businesses do the work from small home repairs to large commercial projects.

These Oklahoma businesses pay Oklahoma taxes through their business, employment and revenue in corporate income tax, or personal income tax as a sole proprietor, or their non-corporate business entity. In addition, Oklahoma trades generally purchase their materials in Oklahoma and are subject to state and local sales tax.

Workforce Development

Growth factors for Oklahoma workforce development and recovery include supporting the Oklahoma business environment (businesses of all sizes) from economic risks and providing an adequate workforce to grow the economy. To promote growth, the risks to Oklahoma construction businesses needs to be identified. Serious risks to Oklahoma

businesses include the undoing of skilled-craft trade licensing and nullifying enforcement of licensing and building code requirements.

Oklahoma has proven to be an attractive place for businesses, as our state provides a more competitive business climate than in the past. The “cost of doing business” in Oklahoma has always been competitive with our neighboring states.

In Oklahoma, the Construction Industries Board (CIB) and other professional boards, oversee the licensed trades related to construction. Majority of these boards are self-funded and non-appropriated whose mission is to protect life, property, and welfare of the public through licensing and regulation.



Putting Oklahomans to Work

Growth factors for Oklahoma’s economic and workforce development include providing adequate workforce to grow the economy. Licensing helps demonstrate the achievement of a minimum competency standard in education and training similar to a school degree or diploma.

Workforce shortages in construction are very real and extremely significant here in Oklahoma. Education, not licensing is the barrier because education and training is lacking. More education and training in construction would help fill workforce shortages. Workforce shortages can be overcome by a broader approach to education and workforce preparation. Such as solutions to make it easier for school systems, local associations and construction firms to partner and to set up recruiting and training programs.

Decoding De-Regulation

Deregulation generally refers to the process of reducing government control over industries and private companies. Caution is urged to discern the government overreaching mandates acting as barriers from the minimum standards of statewide construction trades licensing acting as a bridge to a better educated and skilled workforce with good career pathways adding to future economic growth.

Construction jobs performed by licensed skilled workers, who have a better knowledge of building code and safety requirements, results in fewer inspection failures and cost saving resulting in higher profits for contractor businesses.

The undoing of the proven licensing requirements of the skilled-craft trades could possibly lead to the undoing of economic and workforce development that took decades to produce. Action such as weakening the decades-long requirement for licensing for trades would encourage less knowledgeable, less skilled and educated workers. That would put Oklahoma workers' and citizens' health, safety and welfare at risk. Allowing workers with less knowledge, less education or less experience to construct homes, schools and businesses would hurt the Oklahoma economy.

“Allowing workers with arguably no knowledge, education or experience to construct homes, schools and businesses would hurt the Oklahoma economy.”

The skilled-craft trades licensing acts provide for enforcement of the statewide-adopted building codes. Without enforcement of the statewide building codes, there would be no reason to adopt them. In a state, such as Oklahoma with numerous natural disasters, sufficient building codes are essential to the health and safety of the public.

To take actions against statewide licensing and building code requirements risks the health of Oklahomans and would decrease economic and workforce development.

Conclusion

The most important factor in workforce development is Oklahoma businesses. These include construction trade contractors and their employees. It is essential to recognize and protect valuable Oklahoma businesses, both large and small. In doing this, Oklahoma can attain a healthier and better-educated workforce and keep Oklahoma competitive.



This paper was created and produced by the Oklahoma Construction Industry Coalition a non-partisan organization whose constituents consist of both licensed and non-licensed trades as well as open shop and union companies. A coalition of construction industry-related associations or member-based organizations. We provide a unified voice among the construction profession. We promote all aspects of quality construction. We provide a forum for exchange of ideas. We monitor legislation and regulatory affairs that affect construction. We communicate information between organizations representing the construction industry in Oklahoma.