

HOW STATES CAN UTILIZE AMERICAN RESCUE PLAN FUNDS:

Occupational Licensure



The American Rescue Plan (ARP) Act of 2021 allocates funding to states for workforce development in healthcare, veteran retraining, and expansion of telehealth services. States can utilize this funding to lower barriers to licensure for healthcare workers and veterans by standardizing and digitizing licensure requirements. They also can increase access to telehealth by making temporary provisions enacted during the pandemic permanent.

Over the last 60 years, the number of jobs requiring an occupational license, or government approval to practice a profession, has grown from about one in 20 to nearly one in four. When implemented properly, occupational licensing protects the health and safety of consumers by requiring practitioners to undergo designated training and education in their field and enforces oversight in cases where harm occurs. However, differences in occupational licensing laws across states create barriers for those looking to enter the market and make it harder for workers to relocate across state lines or for certain sectors to meet workforce demands.

States can leverage federal funding from the American Rescue Plan to invest in occupational licensure.

General Workforce Provisions Provide \$7.66 Billion for Public Health Workforce ([Section 2501](#))

- Funding is available until expended through Department of Health and Human Services grants that are beginning to be announced. Funds will be used to establish a public health workforce where needed and bolster existing programs through direct awards to state, local, and territorial public health departments and to nonprofit or public organizations with experience in public health programs and existing relationships with public health departments. Funding can be used to cover the cost of recruiting, hiring, and training individuals for several roles including public health nurses, epidemiologists, laboratory personnel, and communication/policy experts.
- The Indian Health Service is allocated \$240 million to establish a public health workforce where needed and bolster existing programs. ([Section 11001](#))



\$80 Million is Available to Support the Mental Health of Health Care Professionals ([Section 2703](#))

- Funding is available for public and nonprofit entities including health professions schools, academic health centers, state or local governments, Native American tribes, and tribal organizations to develop and operate training activities addressing mental health care, substance use disorders, suicide, and burnout among health care professionals.



\$100 Million is Available for [Mental and Behavioral Health Education and Training Grants](#)

(through the Public Health Services Act, [Section 2711](#))



\$690 Million is Available for Expansion of Telehealth Services by Medical Professionals

- \$500 million for emergency rural health care development. Grants will be awarded to increase telehealth capabilities and health care information systems ([Section 1002](#)).
- \$50 million in grants for expanding models of care, health care coordination, and training for the mental and behavioral health workforce. Models of care include utilizing telehealth services to deliver mental and behavioral health services ([Section 2707](#)).
- \$140 million for the Indian Health Service for the expansion of health delivery technology, including telehealth infrastructure ([Section 11001](#)).



\$386 Million is Available for Veteran Retraining ([Section 8006](#))

The ARP creates a program through the Secretary of the U.S. Department of Veterans Affairs that provides 12-month re-training to veterans between the ages of 22 and 66 who are unemployed due to a public health emergency and eligible under [38 U.S. Code § 3313](#).

State Programs Supported by American Rescue Plan Funds

Department	Program	State Programs
U.S. Department of Agriculture	Emergency Grants for Rural Health Care	Department of Agriculture programs
U.S. Health Resources and Services Administration (HRSA)	Public Health Workforce	State and local public health departments
HRSA	Mental and Behavioral Health Training (Health Care Professionals)	Project AWARE (Advancing Wellness and Resiliency in Education) state education agency grants
HRSA	Grants for Health Care Providers to Promote Mental and Behavioral Health	State and local public health departments
HRSA	Behavioral Health Workforce Education and Training	State and local public health departments
HRSA	Telehealth and Rural Health	Indian Health Service/Bureau of Indian Affairs

State leaders can learn how to successfully invest in occupational licensure by looking to other states.



States can invest in telehealth/mental health care

- States that utilize funds to expand their mental health workforce can lower barriers for new practitioners by enacting interstate licensing compacts, helping qualified practitioners become licensed more quickly while retaining accountability.
- Several states have modified regulatory requirements relating to telehealth, such as broadening the range of acceptable technologies, suspending requirements for a previous provider-patient relationship, and removing limitations on the ability of out-of-state mental health professionals to practice telemedicine in their state. These temporary policies support the telehealth service expansions funded by many provisions.



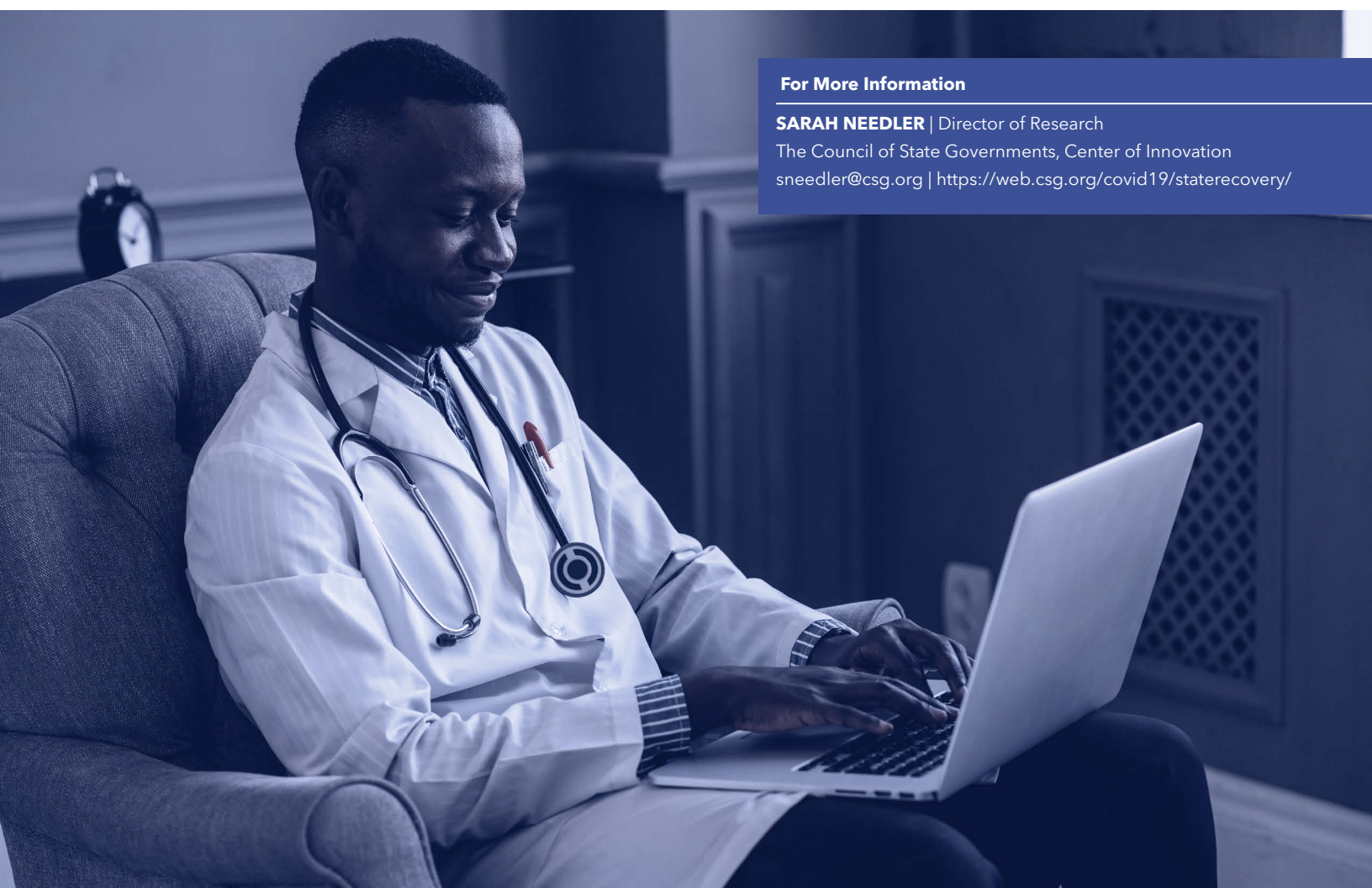
States can invest in veteran employment

- In addition to retraining programs, lowering or eliminating licensing fees for veterans and military spouses can increase employment among these populations.
- Enacting interstate licensing compacts can encourage veterans to pursue high-demand occupations included in the list of [Fastest Growing Occupations](#) compiled by the Bureau of Labor Statistics. Occupations on the list that have a licensing compact include nurse practitioners, physical therapist assistants, and speech-language pathologists.



States can invest in digital occupational licensing systems

- Many states have implemented online professional licensing systems to make the occupational licensing process faster and more cost-effective. For example, Virginia utilizes an online digital licensing system with the company [Merits](#) and gives licensees the ability to use digital licenses. [Vermont](#) reduced the time it takes a practicing nurse to obtain a state license to 45 minutes.
- Other states with digital occupational licensing systems include [Colorado](#), [Delaware](#).



For More Information

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