



THE BUCKEYE INSTITUTE

**Interested Party Testimony Submitted to the Ohio
House Government Accountability & Oversight
Committee on House Bill 189**

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Thank you, Chairman Blessing, Vice Chair Reineke, Ranking Member Clyde, and members of the Committee, for the opportunity to testify regarding House Bill 189. My name is Greg R. Lawson. I am the Research Fellow at The Buckeye Institute for Public Policy Solutions, a free market think tank that believes low taxes and limited government regulations will lead to a more prosperous Ohio.

House Bill 189 helps to address Ohio's "over-licensing" problem and will continue the important work started by Senate Bill 213 in the last General Assembly that lowered barriers of entry to Ohio's salon industry. Others have already addressed specific provisions in this bill, so let me just say that The Buckeye Institute generally supports reducing required education hours and we encourage policymakers to embrace license reciprocity with our sister states. After all, licensed cosmetologists in good standing in New York and Massachusetts should not have to clear additional hurdles to provide the same services and earn their living here in Ohio. Unfortunately, Ohio cosmetologists must complete 250 hours of more training than their peers in Pennsylvania and 500 more hours than hairdressers in New York.¹ The onerous training required for Ohio's cosmetologists is even more ridiculous when compared to the 150 hours of training required to be a state certified Emergency Medical Technician.² With Ohio law currently requiring cosmetologists to have *10 times* the training of basic EMTs, the need for licensing reform doesn't get much clearer.

Ohio's over-licensing problem extends well beyond the local hair salon. The Buckeye Institute's report *Forbidden to Succeed: How Licensure Laws Hold Ohioans Back* revealed that Ohio's occupational licensing burdens are well above average.³ Of Ohio's 31 moderate-income occupations requiring licensure, 15 require hundreds or thousands of hours of training. Remarkably, nearly every Ohio license that requires training can be

¹ Ohio. Rev. Code §4713.28.

² Ohio Admin. Code §4765-15-05.

³ Tom Lampman, "Forbidden to Succeed: How Licensure Laws Hold Ohioans Back," The Buckeye Institute, November 18, 2015, http://buckeyeinstitute.org/uploads/files/Forbidden_to_Succeed.pdf.

earned in less time in another state.⁴ The state certainly needs to require appropriate training and licensing for jobs with health and safety concerns, such as physicians and pilots, and no one disputes this. But such concern fades dramatically when applied, for example, to auctioneers, travel guides, and hair dressers.

Onerous licensing burdens—essentially requiring workers to ask the government for a permission slip to earn a living—make Ohio less competitive, less prosperous, and less attractive to entrepreneurs and their employees. Licensing requirements only make finding a job more difficult. Every unnecessary license is a red-taped hurdle that must be cleared. Every hour of unnecessary, unpaid training needed to satisfy bureaucratic requirements is an hour not spent earning tips, impressing a boss, serving a customer, or climbing a corporate ladder. Those are hours of productivity, hours of opportunity that young, low-income workers sorely need, but that the state continues to take away. For a state still struggling to create new jobs, relieving these burdens remains imperative. Although Ohio has done yeoman's work to recover from the Great Recession, she has not yet rebounded from the tech bubble burst and is still down over 100,000 private sector jobs from March 2000. The state's labor force participation rate has improved, but at just 63.1 percent in April, more remains to be done.⁵

Even more concerning are the daunting employment prospects faced by many in Ohio's minority communities. Nationally, the unemployment rate among African Americans remains much higher than among other demographics. According to the Bureau of Labor Statistics, the most recent unemployment rate was 7.9 percent for African Americans—more than double the 3.8 percent unemployment rate for whites.⁶ Similarly, unemployment confronts a staggering 29.3 percent of young African Americans between 16 and 19, and 12.8 percent of young whites.⁷ Given the relatively high number of

⁴ *Ibid.*

⁵ Ohio Department of Job and Family Services, "Employment Situation Indicators for Ohio, April 2017," accessed May 30, 2017 at http://jfs.ohio.gov/RELEASES/unemp/201705/Ohio-US_EmploymentSituation.stm.

⁶ Bureau of Labor Statistics, "Table A-2. Employment Status of Civilian Population by Race, Sex, and Age," U.S. Department of Labor, accessed May 30, 2017 at <http://www.bls.gov/news.release/empsit.t02.htm>.

⁷ *Ibid.*

African Americans and women in the salon industry, reforming Ohio's cosmetology laws offers a direct response to those alarming statistics.

House Bill 189 advances the state's anti-red-tape reform effort and will remove at least some of the occupational licensing obstacles faced by Ohio's working men and women. Of course, much more than HB 189 is needed and I look forward to exploring additional solutions with you and continuing our conversation on this important issue.

Thank you for your time and attention. I would be happy to answer any questions that the Committee might have.