



Chairman Blessing, Vice Chair Reineke, Ranking member Clyde and members of the House Government Accountability and Oversight Committee,

Thank you for the opportunity for submit opposition testimony on Substitute HB189. My name is Nancy Brown and I am the President of Brown Aveda Institute's based in Cleveland and Austintown and Ladies & Gentlemen Salon Spa in Mentor and Lyndhurst. I employ 250 including over 140 licensed cosmetologists, estheticians, nail technicians, and educators in our salons and schools. Sub HB189 will have a devastating impact on the Salon, Spa, and Private School Industry.

This bill's sole purpose is to use the legislative process to eliminate competition and open the door for the large salon chains to create a monopoly. This will push many of the independent salons and private school owners out of business. There isn't any reason to change an industry that is growing and employing thousands mostly women along with many minorities that wish to achieve the American Dream of owning their own business. Ohio has been the role model for the entire country in Cosmetology industry regulation. This will destroy that status. We have grave concern that Sub HB189 will negatively impact Ohioans in the following ways:

Harm to Public Safety

- Less Education will result in less hands-on practice prior to licensing, moving this vital part of the learning process to be performed on trusting clientele unsupervised
- Creates greater risk and harm to individuals due to much less skilled labor, increasing liability insurance premiums for salons
- Bureau of Labor Statistics for Personal Appearance jobs (Salon and Spa) projected a 31% increase by 2018 triple the rate of growth in US Employment which was 11% in the 2008-2018
- The major curriculum providers in the industry have stated that they will not support 1,000 hour cosmetology licensure requirements as they feel it is not sufficient
- Education as supported by both political parties are what's needed to grow the economy, not less skilled workers dumped into the labor market, most certainly increasing failure rates

Harm to Small Business

- Small businesses of less than 20 employees (small independent salons) make up 89.6% of the businesses in the US and by estimations two thirds of the salons in Ohio
- Large salons have the infrastructure for additional training that will be required, small independent salons do not
- New graduates would need to go to large salons for the training that will require them to sign a non-compete agreement eliminating their ability to move on if unhappy
- Chain salons would create a monopoly by securing under skilled workers at low wages without the education necessary to pursue career advancement
- Decimate the private school sector which has grown in numbers and quality due to the desire of the smaller salons to hire "turn key" employees ready to work with the proper training
- Place the private school industry into chaos with recent, current, and future students unclear of their future and the future of the industry

Harm to Ohio's Tax Base

- Reducing the revenue to thousands of small salons and spas will reduce payroll tax and push more into an underground non-reporting economy
- Ohio collects significant sales tax revenue from spa and nail services. This disruption of the industry will absolutely reduce those that report
- Shrinking the market for those that want a professional career and relegating this once proud profession to a low skilled low paying job market.

We thank you for your consideration in this matter and would welcome any questions you have.