

Opposition Testimony on Substitute HB 189
Before the House Government Accountability and Oversight Committee
Patrick J. Thompson
March 7, 2018

To: Chairman Blessing, Vice Chairman Reineke, Ranking Member Clyde and Members of the House Government Accountability and Oversight Committee.

My name is Patrick J. Thompson and I am writing to offer my strong opposition to Substitute House Bill 189.

I have been involved in the beauty industry for over 23 years. I have experience in almost every aspect of the beauty and cosmetology industries, including education, sales, manufacturing, distribution and retail and salon/spa operations. My professional experience includes serving as the Vice President of Sales and Education and Vice President of Salon/Spa Development for Aveda Corporation, a division of the Estee Lauder Companies, and as General Manager and General Counsel for Fredric's Corporation, an Ohio-based distributor of beauty products. In 2004, I left the corporate world to fulfill a life-long dream to become an entrepreneur. I currently am the owner of three Nurtur Salons in Columbus, Ohio and the Aveda Institute Columbus, a cosmetology school located on Bethel Road. These two businesses employ approximately 170 team members, of which most are licensed professionals and all reside and pay taxes in the State of Ohio.

I respectfully ask that you consider my experience and credentials in reviewing my testimony and when casting your vote on this bill.

I am strongly opposed to Substitute HB 189 in all aspects, however I would like to address a few key issues that cause me the greatest concern. They include: 1) lack of evidence supporting that the reduction in hours is in the best interest of the student or leads to better education and employment outcomes; 2) the negative impact on the portability of an Ohio cosmetology license; 3) the increased financial burden on small business; and 4) the disproportionately negative impact on women.

LACK OF EVIDENCE SUPPORTING THAT REDUCTION OF HOURS IS IN THE BEST INTEREST OF THE STUDENT OR LEADS TO BETTER EDUCATION AND EMPLOYMENT OUTCOMES

The Bill seeks to reduce significantly the number of clock hours required for licensure as a cosmetologist from 1500 to 1000 hours. However, the reduction in hours is not backed by any research or definitive studies that conclude that the reduced number of hours will lead to better educational or employment outcomes. In fact, the two major curriculum providers to the cosmetology school industry, Pivot Point and Milady's, have withdrawn their support from the Future of the Beauty Industry Coalition, the group formed to advocate for the change to a 1000-hour curriculum nationwide. Both Pivot Point and Milady's have concluded, like 48 other states, that 1000 hours are not a sufficient number of hours to ensure the requisite skill set for licensure and success in the field of cosmetology. Likewise, Steve Sleeper, the Executive Director of the Professional Beauty Association, recently testified against House Bill 2476 in Arizona, a similar bill to Substitute HB 189 introduced in Arizona aimed at reducing the number of hours required for cosmetology licensure in Arizona to 1000 hours. Curriculum experts and Industry experts agree that 1000 hours is not enough education to produce a cosmetologist with all of the necessary competencies to ensure success.

Most persuasive is the fact that average incomes of recent graduates in states with 1500 hours or more exceed average incomes of recent graduates from New York and Massachusetts, the only 1000-hour states, by 30-50%. Professional cosmetology and beauty industry experts and the data conclusively demonstrate that 1000 hours is simply not enough education to ensure acceptable educational and employment outcomes. The

proponents of Substitute HB 189 have not offered any evidence to support that a 1000-hour cosmetology course would lead to better educational or employment outcomes for cosmetology students. I ask you to consider the negative impact on the quality of student education and student income outcomes that will result if Substitute HB 189 is passed. Ohio would move from one of the leaders in quality of education and outcomes in the cosmetology industry to the bottom.

NEGATIVE IMPACT ON PORTABILITY OF AN OHIO COSMETOLOGY LICENSE

As previously stated, the Bill seeks to reduce significantly the number of clock hours required for licensure as a cosmetologist from 1500 to 1000 hours. Currently, a newly licensed cosmetologist in the State of Ohio can seek licensure in 30 states without the need of investing in any additional education. If Substitute HB 189 becomes law, newly licensed cosmetologists in the State of Ohio would be left with being able to transfer to only 2 states - New York and Massachusetts. Substitute HB 189 is hardly a “common, sensible” change or “reasonable reform” as alleged by the proponents if newly licensed Ohio cosmetologists can no longer seek employment in 28 states.

INCREASED FINANCIAL BURDEN ON SMALL BUSINESS

Nearly two-thirds of salons and spas are small, independently-owned entrepreneurial businesses that employ less than 5 people and operate on an incredibly modest profit margin of less than 10%. Substitute HB 189 would force these small, independent businesses to absorb an additional cost of between \$5,000 and \$8,000 per new hire to replace the training that is now provided to each newly licensed beauty professional in the State. The average salon or spa is not in a financial position to bear the burden of the increased training that would be required if the hours for each professional license were decreased. Even most larger salons and spas would not be in a position to absorb these increased costs. The proponents of Substitute HB 189 are owners, franchisees or officers of large, chain salon operations that stand to benefit from the demise of the small, independently-owned salon and spa that is not able to bear the increased financial burden of educating its professional staff for up to 500 additional hours.

DISPROPORTIONATELY NEGATIVE IMPACT ON WOMEN

The professional beauty industry is dominated by female workers and owners. Nearly 95% of beauty professionals and 85% of licensed cosmetologists are women, while women represent only 47% of the workers in all US industries. Likewise, women own 61% of independent salons, whereas women own only 30% of businesses in all private sectors. While the proponents of Substitute HB 189 argue that the “common sense reforms you are considering in Substitute HB 189 are necessary to position the Ohio cosmetology industry for survival” the truth is that Substitute HB 189, if passed into law, will result in the closing of numerous female-owned businesses and in less choice for Ohio female licensees who currently are free to relocate to 30 other states.

Contrary to what the proponents allege, Substitute HB 189 is not legislative reform “necessary to protect our valuable industry.” Instead, it is an attempt by the proponents to use legislation to harm competitors, limit individual choice and advance their own interests.

Finally, I ask you to consider one question – when has less education ever been beneficial to a student?

Respectfully submitted,

Patrick J. Thompson, President
Nurtur Salons/Aveda Institute Columbus