



HB 512 TESTIMONY

March 21, 2018

John Barker, President & CEO – Ohio Restaurant Association

Chairman Blessing and members of the committee. My name is John Barker and I am the President and CEO of the Ohio Restaurant Association.

Background: 17 years with The Wendy's Company, where we operated many brands over the years, including Wendy's Old Fashioned Hamburgers, Wendy's Bakery, Sisters' Chicken, Tim Hortons, Baja Fresh, Café Express, Pasta Pomodoro and Arby's, as well as The Dave Thomas Foundation for Adoption.

The restaurant industry is a bell-weather of America's economy:

In 2017, restaurants generated nearly \$800 billion dollars in sales, which is about 4% of the U.S. gross domestic product – or, GDP.

Sales in the State of Ohio are about \$21 billion dollars on an annual basis.

Across the USA, there are about 1 million restaurants serving food, including 22,000 in Ohio.

At the end of 2017, the restaurant industry was the nation's second-largest private sector employer, and we are a job creator. Here are important facts:

- Restaurants employ 14.7 million people – or, about one in 10 working Americans – which is 10% of the nation's workforce.
- The industry is expected to add 1.6 million jobs over the next decade, with employment reaching 16.3 million people by 2027.
- The great news is that our industry not only employs general managers, chefs, cooks, hosts, servers and part-time workers, we also employ and support every function that a business needs – attorneys, accountants, finance professionals, auditors, information technology, marketers, research and development technicians, food safety and quality assurance experts ... and more.

While many restaurants are part of national chains, more than 70% are what we call "mom-n-pop" operators, with just one location in cities and towns across the U.S. and Ohio.

This is truly a diverse industry that offers tremendous opportunity for people at every level of the economy.

As most people know, restaurants offer first jobs. They also offer upward mobility and growth ... if you do the basics of – showing up on time, treating people right, doing your job well and working hard. If you do those things, many times the job turns in to a rewarding career.

Here are some wonderful facts:

- 1 in 3 Americans got their first job experience in a restaurant.
- Half of all adults have worked in the restaurant industry at some point during their lives.

- 9 in 10 restaurant managers started in entry-level positions, and climbed the ladder of success.
- Since 2012:
 - i. The number of women-owned restaurant businesses have increased by 40%.
 - ii. The number of Hispanic-owned businesses increased by 51% ... and African-American owned businesses increased by 49%.

And finally, once people enter the restaurant industry they tend to fall in love with making great food, providing hospitality and being part of a successful business.

Many restaurant professionals say they have ketchup in their veins. Here are a few facts:

- 80% of current restaurant employees believe the restaurant industry is a place where people of all backgrounds can open their own business.
- 8 out of 10 employees believe restaurants provide an opportunity for people who want to succeed, based on their own hard work.
- And, 2 out of 3 current employees plan to continue working in the restaurant industry until they retire.

Now, let me turn it over to Patty Halper, our Executive Director of the Ohio Restaurant Association Education Foundation



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Patty Halper, Executive Director – Ohio Restaurant Association Education Foundation

Chairman Blessing and members of the committee. My name is Patty Halper and I am the Executive Director of the Ohio Restaurant Association Education Foundation (ORAEF), which administers Ohio ProStart, a national training program for high school juniors and seniors interested in the culinary arts and restaurant management as a career. Currently the ProStart curriculum is taught in 56 career technical centers as well as traditional high schools throughout Ohio. The ProStart program includes 70 educators and over 2,000 students.

Previous documentation submitted by John Barker of the Ohio Restaurant Association (ORA) illustrates the tremendous need both currently and in the future for foodservice workers and ProStart is an essential partner to provide the necessary workforce solutions. The foodservice industry is diverse and the opportunities are many for those that want to work to get ahead. Often times they can start at an entry level position, however the rapid advancement is unlike any other industry. Our student's career goals vary from being a chef, wait staff, assistant manager, food truck operator to eventually even a restaurant owner as they see endless possibilities. We want to keep their goals and dreams alive by making their education a priority within HB 512's new agency, Ohio Department of Learning and Achievement (ODL) who will have the oversight as well as the responsibility to do so, although, there will be accountability to a higher entity which is currently lacking.

A vital training program, such as ProStart, is the lifeline for its industry. Our students come from very diverse backgrounds and very different social and economic climates. Some have disabilities, are economically challenged, and have a less than desirable family situation. The ProStart program provides them the opportunity to earn employability skills regardless of their career choice. They learn dependability, teamwork, time management, communications and leadership skills that are all necessary life skills for success.

I have read several of the opponent's testimony and failed to see support of the current system. Change is not always easy but is necessary when the current structure is not working properly or to the benefit of its constituents. Our students, educators and employers should be viewed as clients of this proposed agency and how can their needs be best served. If Ohio is to continue to keep pace with the rest of the country, we need to continue to attract industries to not only locate here as well as be able to supply them the workforce to staff their operations with both non-college and college trained professionals. Our students, educators and employers deserve better.

Many of our ProStart students plan to attend post-secondary education, however, a portion do not and directly enter the workforce. We provide them with the best opportunities regardless of their choice. ProStart offers students an opportunity to earn an industry credential, Certificate of Achievement (COA)

which can be recognized for up to twelve articulation credits. ProStart students who earn this credential can apply for over hundreds of thousands of scholarship dollars both on the state and national level.

The ProStart credential as well as other industry credentialed programs exemplifies one of the issues plaguing the current structure. In December of 2016, Senate Bill 3 passed which exempted students that earned an industry-recognized credential from taking WebXams. But this has not been the case, the State Board of Education and ODE have not complied with Senate Bill 3; directly violating legislation that the General Assembly has passed. As ProStart students and others are still required to take a test to earn their credential as well as take additional exam to satisfy the state which is in direct conflict with Senate Bill 3. This additional testing is not time well spent and nor does it hinder a student from graduating. How can this possibly be in the best interest of the student not to mention that it does not comply with the legislation that passed.

The career path for these students' needs to be easier to navigate and the roadblocks that currently exist be removed. I have dealt firsthand with the silos that currently exist with all three current department's operations and so have our students. The removal of the silos to foster a more collaborative and cooperative working environment is what is owed to the students and employers in Ohio if we are to continue to stay pace with rest of the country. Under HB 512, all three silos will be working collectively, to accomplish a common mission, with a Director managing operations to ensure that the right hand knows what the left hand is doing. This will better enable the state to ensure that the students are put first, regardless if they are career tech or college prep as well as the interests of the industries that want to employ them. The creation of separate funding line items proposed for PreK-12, workforce development and higher education would be preferred over the current one lump sum.

There has been mention of changing the articulation agreement process currently in place. Articulation agreements are vital to ProStart, as students not only earn college credit but ultimately save on the cost of their education. This can be a leading factor if a student can pursue their secondary education or not. Currently, the ProStart program would secure the articulation agreement with the state or/and community college for its participating schools. There seems to be miscommunication with the intent that each high school and career technical program would need to pursue their own articulation agreement with each state and/or community college. I hope this is not the case as would establish a non-efficient process that would be a disservice to our students.

In closing, an improved infrastructure for our education system to properly and efficiently prepare our current and future students for the workforce is critical to Ohio's future. And even more importantly is the accountability factor of this proposed new cabinet level agency, Ohio Department of Learning and Achievement. This new agency is tasked to ensure the lines of communication will remain open and that the department will work together to achieve their missions and goals and service our students in the best manner possible. I trust Career Tech will be given equal consideration and a voice when needed within this new agency.

Mr. Chairman, thank you for your consideration. I would be happy to answer questions from the Committee.