

Opponent Testimony on HB 399
Before the House State and Local Government Committee
By: Wezlynn Davis
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My name is Wezlynn VanDyke Davis and I have been an advanced licensed professional for 12 years, a small business owner for 8 years. I have been a consultant to female entrepreneurs in the beauty industry for 5 years. Small business owners and licensees do not agree that HB 399 will build on common sense reforms but instead feel HB 399 is will gave a crippling financial impact to our small female owned businesses (which makes up 61% of the market) as it seeks to reduce our education, remove licensure options, and seeks to strip us of country wide reciprocity.

According to the Bureau of Labor Statistics, the number of personal appearance jobs (Salon and Spa Industry) increased 31% percent between 2008 and 2018. This is three times the rate of growth of total U.S. employment (11percent) during the same period. As a result our educational and licensure options are extremely important in order to become a marketable professional with career options.

Summary of HB 399:

While this legislation is couched as economically favorable for beauty industry professionals, small businesses and licensees, it is actually an effort by a non-profit corporation that is a front for big salon business to control the market for beauty industry professionals as it's board is made up of owners, franchisees or officers of large chain salon corporations.

The introduced legislation will have these adverse affects on our booming independent female dominated industry:

1. Harm to small businesses:

- A less educated workforce will result in cosmetologists and salon professionals who have less training and skill sets and which will force them in to low wage jobs instead and eliminate their marketability as a desirable recruit.
- While large salons have the capacity and infrastructure to engage in on the job training, small businesses do not have the infrastructure, time, or luxury to engage in these services creating a very large financial burden for the small business owners.

o It would cost The Beauty Lab between \$5,000 and \$8,000 to train new grad to be up to speed to service my clientele and grow within my company If they were to receive education reduced by 30% or more.

- Entry into workforce of less trained people could mean a variety of scenarios that are harmful to small businesses:

- o New graduates choose to go to larger salons to obtain on the job training leaving no candidates for small business because we cannot duplicate their built in infrastructure and pipelined education.

- o Monopolization/concentration of all new graduates in larger salons.

- o Businesses of less than 20 employees (like a salon) make up 89.6 percent of employers in the United States (U.S. Census Bureau, 2012). Therefore, harm to small businesses will be harmful to a large employment sector.

- o Per the Professional Beauty Association, the single unit salon and spa industry out-performed the overall private sector during the recession.

2. Reciprocity

- Proposed legislation will strip all future cosmetologists from immediate reciprocity to all states except four, including ALL contiguous states.

Counter-arguments:

I. The OSA advances that the legislation enables new graduates to enter the beauty industry with less debt and the ability to repay student loans.

- o Argument is unsupported by data regarding student debt for new graduates. o Student debt is a large problem nationally, not limited to the cosmetology industry.

- o The proposed legislation will create a high volume of insufficiently trained low wage workers.

In closing, SB 213 passed in the spirit of compromise and Governor Kasich signed the OSA bill on June 13th 2016. The OSA cosmetology reform package, introduced as HB 189 in the 132 GA and again as HB 399 and the 133rd GA is not good policy designed with the small female businesses owner in mind, but was designed to successfully position corporate salons and national chains representing to monopolize the market and eliminate competition by harming our small business and eliminating our access to education and licensure. SB 213 was the agreement and further cosmetology reform is not needed.

On behalf of the 61% of female entrepreneurs, I respectfully request this bill not move forward. Thank you for your time and I would be glad to answer any questions.

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