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Proponent Testimony on HB 277
Before the House Commerce & Labor Committee
By Tony Fiore, Executive Director, Ohio Salon Association
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Chairman Stein, Vice Chair Johnson, Ranking Member Lepore-Hagan and members of the House Commerce & Labor Committee. My name is Tony Fiore and I serve as the Executive Director of the Ohio Salon Association. OSA members are individual licensees, independent contractors, barbershop owners as well as salon owners from a single location to several franchised locations across the state.

I believe it helps to provide a brief overview of the beauty and barber industry in Ohio. According to the Ohio State Cosmetology and Barber Board annual report, there are over 12,000 beauty salons and over 2,800 barbershops in the state. There were over 147,620 cosmetology licensees in Ohio, but only 111,094 (75.2% renewed) and 19,060 have lapsed. There were 11,412 barbers, but only 9,157 (or 80.2% have renewed) and 515 have lapsed. Women own over 77% of salons. Minorities own nearly 50% of them. Salon and barbershop owners in Ohio are trying to recover from the closures due to the COVID-19 and return to pre-pandemic profitability almost two years later. Due to unemployment and licensing barriers, staffing challenges are at an all-time high for the industry, just as it is for many other businesses.

We are here today to urge your support of HB 277. Here are a few reasons why HB 277 is good public policy and deserves your support before the spring recess.

HB 277, sponsored by Rep. Jena Powell, simply does the following. It:

1) Lowers hours for cosmetologists (from 1,500 to 1,000), hair designers (from 1,200 to 800) and barbers (from 1,800 to 1,000)

- a. High school cosmetology programs are already teaching at below 1,000 hours, especially if they utilize the 150 -300 hours of internship in a local salon. The other 375 hours are considered “flexible hours” that can be satisfied with high school math, science, English and biology. Barbers should have this same option.
- b. The new hours requirements would be the “floors” for hours – not the ceiling. Program offerings can continue at current levels as the market allows.
- c. Reducing these hours does not have to change the curriculum or classroom time. The current cosmetology hour breakdown provides 375 hours of academic, 375 hours of flexible learning and 750 hours of clinic time. During those 750 hours, the student pays tuition and receives no compensation, while the school receives a fee for each service.
- d. According to the Bureau of Labor Statistics, the median hourly wage for hairdressers, hairstylists and cosmetologists was \$13.16 in 2020. The median hourly wage for barbers during the same time was \$15.61. (Note: these amounts likely do not include tips or other benefits such as healthcare, 401K match, etc.) Therefore, by passing HB 277 you can return over \$6,500 to the pocket of future cosmetology students by reducing clinic time by 500 hours (500 hours x \$13.16) and nearly \$12,500 in the pockets of barber students by reducing hours by 800 hours (800 hours x \$15.61). This is significant when current programs can cost up to \$28,000 per year according to the most recent Board Annual Report.
- e. CA, MA, NY, VT, TX are already at 1,000 hours. NY and MA have been there since the 1940s and VT and TX just lowered hours to 1,000 in the last few years. CA did so in October 2021. The VA Senate just passed a similar bill recently. Other states reducing hours in recent years include CO, ID, KY, MT, NE, OR, RI, SD.
- f. Some will say 1,500 hours is where most states are at so no change is necessary. However, an independent study funded by major industry associations, including the beauty school association, concluded that training programs over 1,000 hours do not lead to higher graduation rates, licensure rates or earning potential. So, why would the state mandate more?

- g. According to the Institute for Justice, barber clock hours are already at or below 1,000 hours in the following states: AL, CA, CT, MA, MO, UT, VT, WI, WA, WY are already at 1,000 hours. ID and NJ are at 900 hours. NH is at 800. NY is at 228 hours with additional apprenticeship requirements.
- h. Compare these state licensure requirements to the following: It takes an EMT-Tech 150 hours or a full paramedic 800 hours to save your life; It takes 120 hours to become a licensed realtor to help make the largest financial decision for most families; it takes 40 hours to obtain a private pilot's license.
- i. Some opponents claim that lowering clock hours will reduce federal student aid. However, according to the U.S. Department of Education non-degree (certificate) programs of at least 600 clock hours are eligible. In addition, the total program hours cannot be more than 50% of state required minimum hours. This means existing programs can choose to remain unchanged and the student, if eligible due to income and other factors, can qualify for up to 1,500 hours of funding. The only change is 1,000-hour programs can compete with existing programs due to the lowering of state required hours before licensure.

2) Implements pre-graduate testing for all licensees

- a. This provision in HB 277 ensures that each student can take the state licensing exam before graduation in case they fail, so they can retake the exam.
- b. The following states have a similar provision in state law today: IL, IN, NJ, NC, PA and TX
- c. According to the 2020 Ohio State Cosmetology and Barber Board Annual Report, student loan default rates for cosmetology students across the state can be as high as high as 23.6% while barber student loan default rates can be as high as 24.5%. That is between 1 in 5 to 1 in 4 students defaulting on student loans.
- d. OSA wants every student graduating from a public or private cosmetology or barber program to have a job before graduation. However, that will require schools to collaborate with salon and barber shop owners regionally to make sure there is full employment in the beauty and barber industry.

3) Provides for out-of-state license recognition (license mobility)

- a. AZ, CA, FL, and IL already provide full license mobility.
- b. Currently licensees from out of state must sit for Ohio's state licensing exam. This bill follows states that have passed similar license recognition/endorsement laws. It also says to those with out of state licensees in good standing "Welcome to Ohio. We are glad you are here and want to work and/or raise your family."

4) Provides for distance learning as well as practical and written testing around the state rather than in Columbus

- a. We are not sure if any states have addressed this issue yet, but due to COVID-19 Ohio provided up to 50% distance learning (up from 10 or 15%).
- b. HB 277 would permit practical exams to be administered by schools and written examinations administered through regional/local testing centers, like Prometric. An alternative would be for schools to attest to the career technical skills that they train students on rather than a practical exam to further remove a barrier to entering the workforce. CA just eliminated its practical exam in October 2021.
- c. The testing provisions will eliminate the additional hurdle for future licensees of the time and expense to travel to Columbus to take their state licensing exam. Many may have already amassed \$15,000 to \$40,000 in student loan debt – transportation to Columbus should not be an obstacle to getting them licensed and into the workforce.
- d. The board has given the schools terrific direction and latitude as part of the school licensing process. Certainly, the school's instructors are in a better place to attest to the student's competency in those areas that are being tested in Columbus through the practical portion of the examination.

Mr. Chairman and members of the committee thank you for the opportunity to provide proponent testimony on HB 277. I would be happy to answer any questions.