

Opposition Testimony  
Am. Sub. HB 542  
November 30, 2022

Senate Government Oversight and Reform Committee  
Kristina Roegner, Chair Rob McColley Vice Chair  
Ranking Member Craig, Members Hoagland, Lang, Schaffer, Thomas

Chairman Roegner, Vice Chair McColley, Ranking Member Craig, and members of the Senate Government Oversight and Reform Committee.

I am Cheryl Halblaub, Vice-President, Student Aid, Salon Schools Group, with over 25 years of experience in Financial Aid including with Great Lakes Higher Education Student Loan servicer. I am here to offer my professional insight as to the effect reducing cosmetology education hours will have on aspiring cosmetologists. Our students are overwhelmingly female, a large percentage minority, with many single heads of households that depend upon Federal Financial Aid to assist with tuition.

**Am. Sub HB 542**, has been significantly changed with the added amendments, and will make Cosmetology education prohibitive to an abundance of students.

- 1) Yes, a 1000 hour program does qualify for Federal Financial Aid. However, the unmet need a student will have in meeting tuition alone will make it unaffordable for a large percentage seeking this training. Below is a comparison based on our schools' tuition for current programs, assuming they are eligible for the maximum amounts of Pell Grant and Direct Loans.

Reduction of hours to 1000 impacts Pell Grant and Direct Loan eligibility.

AVERAGED Dependent and Independent student examples based on maximum Pell Grant eligibility:

Program	Total Cost	Dependent Maximum Pell/Direct Loan Eligibility	Dependent Unmet Need	Independent Maximum Pell/Direct Loan Eligibility	Independent Unmet Need
1800 hour	\$24,150	\$18,858	\$4942	\$23,897	\$0
1500 hour	\$21,100	\$16,855	\$3895	\$20,841	\$0
1000 hour	\$21,100	\$13,206	\$7544	\$17604	\$3684

\*\* Students without Pell Grant eligibility for the 1000 hour program would have between **\$10,196 and \$14,594** in unmet tuition need.

- 2) In our 1800 hour Advanced Cosmetology program, that which the Ohio Salon Association wishes to eliminate, our students' Direct Loan Debt averaged \$9,071. Our 1500 hour students'

Direct Loan Debt averaged \$9029. The \$42 difference should put to rest the argument that schools seek to enroll only for longer courses.

- 3) Tony Fiore indicates in his testimony that many students amass \$15,000 - \$40,000 in student loan debt but as noted above, our students on average borrow roughly \$9000 for a 1500 hour or 1800 hour program. In fact, the Department of Education limits Direct Loan borrowing based on grade level and dependency status and the maximum that could be borrowed for an 1800 hour program by an Independent student is \$20,000. Less in many cases, if eligible for other aid sources.

Annual limits for sub/unsub loans	<i>Total (sub &amp; unsub)</i>	<i>Maximum sub</i>
<b>Dependent undergraduates (excluding dependent students whose parents can't get PLUS)</b>		
First Year .....	\$ 5,500	\$ 3,500
Second Year .....	\$ 6,500	\$ 4,500
Third Year and Beyond.....	\$ 7,500	\$ 5,500
<b>Independent undergraduates &amp; dependent students whose parents can't get PLUS</b>		
First Year .....	\$ 9,500	\$ 3,500
Second Year .....	\$ 10,500	\$ 4,500
Third Year and Beyond.....	\$ 12,500	\$ 5,500
<b>Graduate &amp; Professional Students (all years).....</b>	<b>\$ 20,500</b>	<b>\$0</b>

*Note: All undergraduate annual loan limits are subject to proration.*

*See guidance elsewhere in this chapter on increased unsubsidized loan limits for certain health professions students, and loan limits for preparatory & teacher certification coursework.*

- 4) It was referenced that Cosmetology and Barber student loan default rates can be as high as 22.7%, however the national average for Proprietary schools is 11.7%. Our schools and many others maintain rates much lower than the National Average of 7.3%, for all school types.

A reduction in hours will negatively impact the affordability of the Cosmetology profession for future Cosmetologists. I'm requesting you vote NO for the proposed legislation. Thank you for allowing me to testify and I'm available for any questions you may have.

Sincerely,

Cheryl Halblaub  
 Vice-President, Student Aid / Salon Schools Group  
 87 Beechwood Dr SW, Reynoldsburg, OH 43068  
 740-504-4037  
 finaid@salonschools.com

