

Ohio House State and Local Government Committee
Opponent Testimony
Occupational License Review Report
HB 238
November 28, 2023

Chairwoman John, Vice Chair Dean, Ranking Member Brennan and members of the Ohio House State and Local Government Committee.

My name is Cheryl Halblaub, Vice-President, Student Aid at Ohio State School of Cosmetology and The Spa School. 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, with many being minority, and single heads of households that depend upon Federal Financial Aid to assist with tuition.

I respectfully request you amend the Occupational License Review Report pending before this committee, specifically removing the recommendation of an hours reduction for cosmetology, barbering, esthetics and the elimination of the hair designer and boutique licenses.

Changes were recently made by the General Assembly reducing the 1200 hour Hair Designer program to 1000 hours as part of the budget process. With this, it still allows students educational choices, provides license mobility between states (no surrounding states are at 1000 hours for Cosmetology) as well as providing a quicker route to enter the workforce for those desiring that option and less training.

I feel there is real value to being able to offer the hair designer program as a choice for those interested in this profession. There have been countless times over my career in which students have chosen not to start school or withdrew after starting because they had no desire to do skincare or nail services which is part of the cosmetology programs. We began offering the 1200 hour hair designer program as another option for our students in 2016 shortly after it was an approved program. Interest and enrollment in the program has continued to grow each year since, with 18% of our enrollment for 2023 choosing the 1200 hour hair designer program vs Cosmetology 1500 hour (35%) or Advanced Cosmetology 1800 hours (47%). The substantial numbers across all three programs clearly indicates there is a need for each program and that students want and deserve educational freedom.

As a Financial Aid Officer, I offer facts below that are unrealized by many who have no day to day hands on processing of FAFSA information, originating / disbursing Pell Grants and Direct Loans and the reality of what these recommendations could mean financially for students.

Reducing Cosmetology education to 1000 hours will make it 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. It's simply not realistic that schools could cut their tuition proportionately and continue to deliver the same quality education. Facility and operational costs would remain near the same leaving the only place to reduce costs, being in quality products and educational materials. Below is a comparison based on our schools' tuition for current programs, assuming the student is 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
1200 hour	\$18,010	\$17,448	\$562	\$17,677	\$333
1500 hour	\$23,250	\$21,659	\$1,591	\$22,913	\$337
1000 hour	\$23,250	\$14,439	\$8,811 *	\$18,884	\$4,366*

* Students without Pell Grant eligibility for the 1000 hour program would have between **\$12,583 and \$17,028** in unmet tuition need.

- 1) In our 1200 and 1500 hour programs, our students' Direct Loan Debt overall averages \$10,200. Our 1500 hour students' Direct Loan Debt averaged \$10,066 while 1200 hour students averaged \$10,333. The \$267 difference should put to rest the argument that schools seek to enroll only for longer courses.
- 2) Prior proponent testimony indicated that many students amass \$15,000 - \$40,000 in student loan debt but as noted above, our students on average borrow roughly \$10,200 for a 1200 hour or 1500 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 a 1500 hour program by an Independent student is \$16,500. Less in many cases, if eligible for other aid sources.

Annual limits for sub/unsub loans

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

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.

- 3) It has also been 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 students. I ask that you carefully consider the negative impact on recommending an hours reduction or elimination for any of these licenses (Cosmetology, Advanced Cosmetology, Hair Designer, Esthetics, Advanced Esthetics, Manicuring & Advanced Manicuring).

I've worked with and helped thousands of students during my career, giving all the same care and guidance I'd give my own children. I've helped guide them to make good decisions about student loan borrowing, see them obtain successful careers in the industry and work with many who have come back to teach the next generation. I've had the opportunity to make a difference for so many in obtaining an education they desired and so my job has been very rewarding. The doors to educational choices and freedoms were meant to be open!

Thank you for allowing me to testify and I'm available for any questions you may have.

Sincerely,

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