

House Bill 238
Patrick Thompson
Ohio House State and Local Government Committee
December 5th, 2023

Chairwoman John, Vice Chair Dean, Ranking Member Brennan and members of the Ohio House State and Local Government Committee, thank you for the opportunity to voice my strong opposition to the proposal to reduce cosmetology and esthetics education and eliminate the hair designer license as part of the Occupational Licensing Review process recommended in the Occupational License Review Report dated November 14, 2023 (the "Report").

I have been involved in the beauty industry for over 25 years. I have experience in almost every aspect of the beauty and cosmetology industries, including education, sales, manufacturing, distribution and retail and salon/spa operations. My professional experience includes serving as the Vice President of Sales and Education and Vice President of Salon/Spa Development for Aveda Corporation, a division of the Estee Lauder Companies, and as General Manager and General Counsel for Fredric's Corporation, an Ohio-based distributor of beauty products. In 2004, I left the corporate world to fulfill a life-long dream to become an entrepreneur. I currently am the owner of two Nurtur Salons in Columbus, Ohio, the Aveda Institute Columbus, a cosmetology school located on Bethel Road in Columbus, the Aveda Fredric's Institute in West Chester, Ohio, and Nurtur Holdings LLC, based in Loveland, Ohio, which owns 4 other Aveda Institutes in Indiana, North Carolina and Iowa. These Ohio-based businesses employ over 275 team members, of which the majority are licensed professionals, and most of whom reside and pay taxes in the State of Ohio.

I respectfully ask that you consider my experience and credentials in reviewing my testimony and when casting your vote on this Report, as amended.

I am strongly opposed to the changes recommended in the Report for the State Cosmetology and Barber Board in all aspects. However, I would like to address a few key issues that cause me the greatest concern. They include: 1) lack of evidence supporting that the reduction in hours is in the best interest of the student or leads to better education and employment outcomes; 2) elimination of individual freedom to pursue career options; 3) the increased financial burden on small business; 4) the disproportionately negative impact on women; and 5) the negative impact on low-income students.

LACK OF EVIDENCE SUPPORTING THAT REDUCTION OF HOURS IS IN THE BEST INTEREST OF THE STUDENT OR LEADS TO BETTER EDUCATION AND EMPLOYMENT OUTCOMES

A cosmetology license in the State of Ohio is a bundled license, consisting of a hair design license (currently 1000 hours), an esthetician's license (currently 600 hours) and a manicuring license (currently 200 hours). The Report seeks to reduce significantly the number of clock hours required for licensure as a cosmetologist from 1500 to 1260 hours. However, the reduction in hours is not backed by any research or definitive studies that conclude that the reduced number of hours will lead to better educational or employment outcomes.

In fact, the two major curriculum providers to the cosmetology school industry, Pivot Point and Milady's, have withdrawn their support from the Future of the Beauty Industry Coalition, the group formed to advocate for the change to a 1000-hour curriculum nationwide. Both Pivot Point and Milady's have concluded, like 46 other states, that 1260 hours are not a sufficient number of hours to ensure the requisite skill set for licensure and success in the field of cosmetology. Likewise, Steve Sleeper, the Executive Director of the Professional Beauty Association, recently testified against House Report 2476 in Arizona, a similar Report to HB 542 introduced in Arizona and aimed at reducing the number of hours required for cosmetology licensure in Arizona to 1000 hours.

Even where cosmetology students are offered the opportunity to participate in a competency-based curriculum such as in Oregon, the average student takes between 1400 and 1600 hours to complete a full cosmetology curriculum. Academic and industry experts involved in this pilot program in Oregon conducted under the supervision of the Department of Education have concluded that a competency-based curriculum would result in most graduates taking 1500 hours to complete the full cosmetology curriculum consisting of hair, skin and nails. Curriculum experts and Industry experts agree that 1,260 hours is not enough education to produce a cosmetologist with all of the necessary competencies to ensure long-term success in the industry.

Most persuasive is the fact that average incomes of recent graduates in states with 1500 hours or more exceed average incomes of recent graduates from New York and Massachusetts, two 1000-hour states, by 50-100%. Professional cosmetology and beauty industry experts and the data conclusively demonstrate that 1000 hours is simply not enough education to ensure acceptable educational and employment outcomes.

The Report does not offer any evidence to support that a 1260-hour cosmetology course would lead to better educational or employment outcomes for cosmetology students. In fact, the Report does not offer any evidence from any academic professionals or from the very students who would be most directly impacted if the recommendations contained in the Report were enacted.

I ask you to consider the negative impact on the quality of student education and student income outcomes that would result if the recommendations contained in the Report are enacted. Ohio would move from one of the leaders in quality of education and outcomes in the cosmetology industry to the bottom like New York and Massachusetts, where students graduating cosmetology school are forced to work under the supervision of a master stylist for 2 years before being eligible for a full cosmetology license.

ELIMINATION OF INDIVIDUAL FREEDOM TO PURSUE CAREER OPTIONS

Chairwoman John, you mentioned last week that the beauty professionals you deal with specialize and do not provide services to the full scope of the cosmetology license, for instance your hairdresser does not also perform your facial.

Currently, students have the option to pursue a full cosmetology license, which as I already mentioned allows them to provide hair, nail, and esthetic services, or a hair designer license, which allows them to provide shampoo, cut, color, and permanent waving services, or an esthetics license or a manicuring license.

These options for students are critical and allow individuals to make the individual decision as to which educational program will best position them for success in their career of choice. While interest in hair designer programs have grown as the license has been established, many students still choose to take the full cosmetology license to give them flexibility and comprehensive skill sets. However, elimination of the hair designer license forces students who wish to enroll in a shorter, more focused program to instead take a full cosmetology curriculum that may have no bearing on their future profession.

The stated goal of the Occupational Licensing Review bill is to streamline regulation to accommodate the state's workforce. It seems that instead of accommodating the workforce these proposals would greatly limit workforce options to pursue the career path best suited to the individual.

Further, the hair design license educational requirements were just lowered as part of the budget conference committee report from 1200 hours to 1000 hours to address the demands of proponents of educational reductions for a pipeline of minimally trained employees and provide an expedited pathway to become a hairdresser. This change should be allowed time to be implemented and we should analyze its impact on the industry prior to pushing additional education reductions.

INCREASED FINANCIAL BURDEN ON SMALL BUSINESS

Nearly two-thirds of salons and spas are small, independently owned entrepreneurial businesses that employ less than 5 people and operate on an incredibly modest profit margin of less than 10%. All of these

businesses were deeply impacted by the COVID-19 Pandemic. The recommendations contained in the Report if enacted would force these small, independent businesses to absorb an additional cost of between \$5,500 and \$8,000 per new hire to replace the training that is now provided to each newly licensed cosmetologist in the State of Ohio. The average salon or spa is not in a financial position, particularly as they recover from the destructive impacts of COVID-19 to bear the burden of the increased training that would be required if the hours for each professional license were decreased. Even most larger salons and spas would not be able to absorb these increased costs, especially after suffering the effects of the loss of business and being subject to forced shutdowns and occupancy restrictions during the last few years.

DISPROPORTIONATELY NEGATIVE IMPACT ON WOMEN TO THE BENEFIT

The professional beauty industry is dominated by female workers and owners. Nearly 95% of beauty professionals and 85% of licensed cosmetologists are women, while women represent only 47% of the workers in all US industries. Likewise, women own 61% of independent salons, whereas women own only 30% of businesses in all private sectors. If the recommendations contained in the Report become the law of the State of Ohio, numerous female-owned businesses will be forced to close and Ohio female licensees who currently are free to relocate to 35 other states will have less choice as they will only be able to relocate to 5 states.

NEGATIVE IMPACT ON LOW-INCOME STUDENTS

Currently, low-income cosmetology students who are eligible for federal Pell grants receive \$12,320 in grant money that does not have to be repaid. Likewise, low-income barbering students are eligible for \$14,790 in federal Pell grants. If the recommendations contained in the Report were to become law in Ohio, low-income cosmetology students would lose \$1,967 in Pell grants and low-income barbering students would lose \$2,470. One of the arguments that the proponents of the recommendations argue for passage of the recommendations is that the proposed changes would reduce student debt. This would not be the case for those students demonstrating the highest need for financial aid as one of the unintended consequences of the passage of the recommendations is that federal Pell grants for low-income Ohio students would be reduced by up to 19%.

SUMMARY

In summary, if passed, the recommendations in the Report have at least four unintended consequences. One, it will foreclose students from pursuing salon ownership as an independent owner directly out of cosmetology school and leave students seeking to open their own business unprepared for success in the career. Second, it will increase the training burden on small businesses already struggling to recover from the devastating impacts of COVID-19 and record inflation. Finally, it will increase the debt burden on students and reduce the amount of Pell Grants available to those most truly in need.

Finally, I ask you to consider one question – when is less education more beneficial to a student seeking to become a professional?

Respectfully submitted,

/s/ PATRICK J. THOMPSON

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BREAKDOWN OF FINANCIAL IMPACT ON PELL GRANTS AND DIRECT LOAN AMOUNTS* FOR ELIGIBLE STUDENTS IF HOURS FOR COSMETOLOGY AND BARBERING ARE REDUCED

Cosmetology - Independent 0 EFC			
	1500 Hours	1260 Hours	Difference - Reduction
Pell Grant	\$12,320	\$10,353	(\$1,967)
Direct Loans	\$16,500	\$13,700	(\$2,800)

Barbering - Independent 0 EFC			
	1800 Hours	1500 Hours	Difference - Reduction
Pell Grant	\$14,790	\$12,320	(\$2,470)
Direct Loans	\$20,000	\$16,500	(\$3,500)

*2023-24 Data

<https://studentaid.gov/announcements-events/PELL-max-award>

<https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2023-2024/vol8/ch4-annual-and-aggregate-loan-limits>

Interest on Direct Loans

5.50% for Direct Subsidized and Unsubsidized Loans

<https://studentaid.gov/understand-aid/types/loans/interest-rates>

Career Training Smart Option Student Loan through Sallie Mae:

Variable rates 4.5% - 15.49% APR

[The Sallie Mae Smart Option Student Loan](#)