

ESTD ¥ 201

Interested Party Testimony on HB 238 Before the House State and Local Government Committee Tony Fiore, Executive Director, Ohio Salon Association December 12, 2023

Chairman John, Vice Chair Dean, Ranking Member Brennan and members of the House State & Local Government 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 across the state.

I believe it helps to provide a brief overview of the beauty and barber industry in Ohio. According to the 2023 Ohio State Cosmetology and Barber Board Annual Report there are over 131,000 practicing licensees in Ohio. That includes 13,723 salons (beauty, esthetic, hair and manicuring combined), over 64,021 cosmetology licensees, over 8,050 estheticians, 342 hair designers, 14,929 manicurists, 6,243 barbers, 2,606 barbershops, 14 natural hair salons, and 156 boutique salons in Ohio. In addition, there are 20,985 licensees that must pay for an additional independent contractor license to work for themselves as an entrepreneur behind the chair.

Women own over 77% of salons. Minorities own nearly 50% of them. Salon and barbershop owners are some of the hardest working and resilient business owners in the state. Due to COVID they had to operate at reduced hours, intermittent closures, and full closures due to the protocols that remained in place well into 2021. Even before the pandemic licensing barriers and staffing challenges were at an all-time high for the industry. The Bureau of Labor Statistics (BLS) estimates that barbers, hairstylists, and cosmetologist overall employment will grow 8 percent faster than the average for all occupations over the next decade. OSA wants to help this wave of professionals enter the beauty industry with a job by the time they graduate and get licensed. As the supply of talented individuals grows so will demand.

There are currently around 8,500,000 citizens over the age of twelve. The average person in that demographic visits a barber shop/beauty salon approximately 6 times per year. This equates to over 51,000,000 visits to salons and barber shops in Ohio annually.

Here is a summary of those statutory changes to include in <u>HB 238</u>:

- 1. <u>Combine 4709 (barber law) with 4713 (cosmetology law)</u> Therefore, one statute would govern all licensees in the beauty industry. The Ohio State Cosmetology and Barber Board merged a few years ago to reduce the duplication between each board's function. The statute and administrative code should be combined to reduce duplication and confusion.
- 2. Lower hours for cosmetologists (from 1,500 to 1,000), hair designers (from 1,000 to 800) and barbers (from 1,800 to 1,000)
 - High school cosmetology programs are already taught at 1,125 hours (or fewer) (see OAC 4713-5-3(B)(1)-(4). The other 375 hours (25%) are considered "academic" courses that can be satisfied with general high school courses such as math, science, English, and

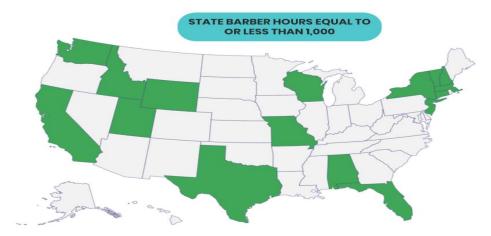
biology. Therefore, private cosmetology and barber programs should give the same 375-hour credit to any student who has already graduated high school in their adult training program. That would treat students equally in both high school and adult training programs. In addition, the Board also recently administratively increased internship hours from 150 to 300, further reducing the actual in-classroom time necessary to complete hours. That means a high school student can take up to 675 hours toward the 1,500-hour requirement outside of a cosmetology classroom while the private school and adult public-school students are stuck paying tuition to a school for those hours.

- Reduce the amount of free labor without compensation on clinic floors. Reducing these hours does not have to change the curriculum or classroom time. The current cosmetology hour breakdown provides 375 hours (25%) of academic, 375 hours (25%) of flexible learning and 750 hours (50%) of clinic time. During those 750 hours, the student pays tuition and receives no compensation, while the school receives a fee for each service.
- Putting money back in student's pockets. According to the Bureau of Labor Statistics, the median hourly wage for hairdressers, hairstylists and cosmetologists was \$16.01 in May 2022. The median hourly wage for barbers during the same time was \$16.82. Therefore, adopting this provision you can return over \$8,005 to the pocket of future cosmetology students by reducing clinic time by 500 hours (500 hours x \$16.01) and over \$13,456 in the pockets of barber students by reducing hours by 800 hours (800 hours x \$16.82). This is significant when current programs can cost just under \$26,000 per year according to the most recent Ohio State Cosmetology and Barber Board Annual Report.
- Lowering cosmetology hours. MA, NY, VT, TX, CA (2021) and VA (2022) are already at 1,000 hours. NY and MA have been there since the 1940s. VT, TX, CA, and VA just lowered hours to 1,000 in the last few years. Other states reducing hours in the last few years include CO, ID, KY, MT, NE, OR, RI, SD. When Ohio moved from 1,800 to 1,500 KY followed our lead and did so in the next General Assembly.



- Some will say 1,500 hours is where most states are at, so no change is necessary. But a national study by the <u>Future of the Beauty Industry Coalition (FBIC)</u> concluded that training programs over 1,000 hours do not lead to higher graduation rates, licensure rates or earning potential. **So, why would Ohio mandate more?**
- Lowering barber hours. According to the <u>Institute for Justice</u>, barber clock hours are already at or below 1,000 hours in the following states: AL, CA, CT, FL, MA, MO, UT, VT,

WI, WA, WY are at 1,000 hours. ID and NJ are at 900 hours. NH is at 800. NY is at 228 hours with additional apprenticeship requirements.



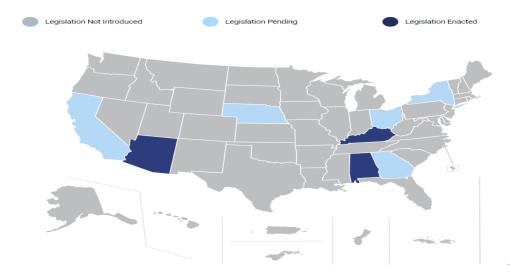
- Compare these state licensure requirements to the following: It takes an EMT- 150 hours or a full paramedic 800 hours of education to save your life; It takes 120 hours to become a licensed realtor to help make the largest financial decision for most families; or 40 hours to obtain a private pilot's license.
- O Some opponents claim that lowering clock hours will reduce federal student aid. However, according to the <u>U.S. Department of Education</u> non-degree (certificate) programs of at least 600 clock hours are eligible. Pell grant funds are available on a per hour basis regardless of the state requirements. In addition, the total program hours cannot be more than 50% of the 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 that 1,000-hour programs can compete with existing programs due to the lowering of state required hours before licensure and existing programs don't want the competition*.
- Reduce additional hours required for a cosmetologist to become a barber from 1,000 to 400.
- Reduce additional hours required for a barber to become a cosmetologist from 1,000 to 400.
- **3.** <u>Implement pre-graduate testing for all licensees</u> This provision ensures that each student can take the state licensing exam before graduation in case they fail, so they can retake the exam.
 - The following states have a similar provision in state law today: IL, IN, NJ, NC, PA and TX.
 - The 2023 Ohio State Cosmetology and Barber Board Annual Report noted that student loan default rates for cosmetology students across the state can be as high as 14.5% (down from more than 22%) while barber student loan default rates can be as high as 19% (but most didn't even report a percentage). That is around 1 in 5 students defaulting on student loans.
 - There are no accreditation risks for schools utilizing pre-graduate tests. Accreditation is not based on hours, but rather the quality of education. Schools should be focused on students successfully completing their program, graduating, passing the licensing exam, and obtaining a job in cosmetology or barbering.
 - 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 owners regionally to make sure there is full employment in the beauty industry.
- 4. Adopt a nationally recognized test The Ohio State Cosmetology and Barber Board can adopt the <u>National Interstate Council of State Boards of Cosmetology (NIC)</u> national test and become part of the national database on licensees to help facilitate license mobility throughout the United States. This national test used by other states would satisfy other state's testing requirements.

5. Provide for out-of-state license recognition (license mobility/endorsement)

- AZ, FL, and IL already provide <u>full license mobility</u>. Legislation is expected to be introduced in GA, MI, NE, and NH.
- SB 131 from the 134th General Assembly should address this concern. Starting December 29, 2023, the board shall issue a license to practice barbering or a branch of cosmetology (i.e. cosmetologist, esthetician, hair designer, or nail technician) if the applicant holds a license to practice in another state or has satisfactory work experience, a government certification, or private certification.
- Opponents argue that students will not have reciprocity with other states due to lower hours, but this is not true. Each state has different requirements and includes experience and testing. PA is a 1,200-hour state that has no issues with people coming from NY or Ohio to work and pay taxes.
- Currently licensees from out of state must sit for Ohio's state licensing exam. This language 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."
- 6. Adopt all proposed statutory changes from the Ohio State Cosmetology and Barber Board staff contained in the Board's 2022 Annual Report. Most of those changes are contained in HB 158. A few examples of such changes include:
 - Eliminating requirements regarding barber examinations dealing with minimum passing scores, waiting periods to reapply to retake parts of an examination, and required additional study.
 - Removing the requirement that, to be issued a license by the Board, an applicant hold a license from a state or country that extends similar reciprocity to individual holding a license the Board issues, but it doesn't lower hours for licensees to help them get into the profession sooner and start earning a wage rather than going further into debt.
 - O Helping barber and cosmetology schools with a single license but increase the surety bond required depending on number of students enrolled (like MN) to protect them in the case of a private school closing abruptly as we've seen in the past. There has not been an increase from a flat \$10,000 bond in decades to protect students from additional future bankruptcies. Larger schools with more students would pay a little more than smaller schools with fewer students.
- 7. Adopting the Cosmetology Licensure Compact This will ensure that licensees moving into or out of Ohio and other compact states will be able to practice in the beauty industry without additional hurdles to do so where migration may take their family. Three states have enacted

the compact: AL, AZ, and KY. The compact is pending in five states: CA, GA, NE, OH and NY. There will be 20 states with pending legislation in 2024. The compact becomes effective when seven states have enacted it. You can find more facts about the compact at www.cosmetologycompact.org.



- **8.** <u>Eliminate the fee of becoming an independent contractor</u> Replace license and fee with a simple registration for inspection purposes.
- 9. <u>Clarify that barbers are the only licensees that may use a straight razor</u> This also requires a clarification that cosmetologists may use a safety razor while providing grooming services to clients.

We do not recommend elimination of the natural hair provisions or reducing requirements for boutique service registrants that would not keep those businesses on a level playing field with salons, barber shops and independent contractors. There are also other issues such as regional versus centralized testing and apprenticeship options that would be good additions to this area of the law, but the primary focus are the recommendations listed above. Compromise is key to good legislation. These provisions, if enacted, will advance the cosmetology and barber profession for schools, salons, licensees, but most importantly future students entering the profession.

The doom and gloom opponents argue has not happened in the states that have already made such changes. We've provided the legislature with good <u>facts</u> and <u>data</u> while opponents use fear and speculation to stop change from occurring. We were the first state in the union to propose these changes over 6 years ago. Let's not be the last state in the union to adopt them. Future students will be better off if these provisions become law.

In **summary**, my understanding is that AM_135_1462-1: 1) combines the cosmetology and barber law into ORC 4713; 2) adopts the cosmetology licensure compact language; 3) provides that upon the Compact being in effect, extends the waiver of 375 hours of high school graduation credit to all cosmetology applicants; 4) creates a single school license for barber and cosmetology schools; 5) eliminates the advanced cosmetology licenses in favor of teaching licenses, 6) clarifies the practice of natural hair styling, and 7) lowers the Board's fees for certain licenses and renewals. While this amendment doesn't address all issues listed above, OSA supports its inclusion and passage of HB 238.

Chairwoman John and members of the committee thank you for the opportunity to provide interested party testimony on <u>HB 238</u>. I would be happy to answer any questions.