

# Opposition Testimony to SB 89 Before The Government Oversight Committee September 27, 2023

**To: Chairperson Roegner, Vice Chair Antani, Ranking Member Hicks-Hudson,  
Members Lang and McColley**

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.

While I support the Cosmetology Compact, the recent amendments to SB 89, reducing Cosmetology hours from 1500 to 1000 is not good for students, our industry and will not encourage people to license and work in our State. Changes were recently made reducing the 1200 hour Hair Designer program to 1000 hours which I feel was a win win for all. 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.

Reducing Cosmetology education to 1000 hours will make it prohibitive to an abundance of students. That's just not right!

- 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 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
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	<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>
<i>Note: All undergraduate annual loan limits are subject to proration.</i>		
<i>See guidance elsewhere in this chapter on increased unsubsidized loan limits for certain health professions students, and loan limits for preparatory &amp; teacher certification coursework.</i>		

- 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 Cosmetologists. I ask that you carefully consider the negative impact passing this bill will have and work towards removing any hour reduction as part of the Cosmetology Compact.

To the proponents, It's time to stop wasting our legislators' valuable time! 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 n obtaining an education they desired and so my job has been very rewarding.

Bottom line, I won't give in. So ask me when I'll quit? When we get it Right! Please be a part of getting this right for everyone and our State.

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

Sincerely,

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