

Proponent Testimony on HB 399 (Written)
By Rhoda Olsen, CEO, Great Clips, Inc.
Before the House State & Local Government Committee
On Wednesday, January 29, 2020

Chairman Wiggam, Vice Chair Stephens, Ranking Member Kelly and distinguished members of the House State & Local Government Committee. My name is Rhoda Olsen and I am the CEO of Great Clips, Inc. located in Minneapolis, Minnesota. I want to express my support for the cosmetology reforms contained in HB 399.

Great Clips, Inc., the largest haircare brand in the world. We are a franchise organization and our 1,200 salon owners operate almost 4,300 salons in the United States and Canada. Our growth has been strong on both additional salons and growth in every salon. We open about 200 salons a year and are approaching our 53rd quarter of same salon sales growth. Our franchisees are strong, committed business owners and care deeply about their employees' success and growth. It is likely that we are approaching 40,000 talented stylists in our system. We have 44 franchisees in Ohio that operate 301 salons with over 3,000 stylists.

I have been a part of the Great Clips leadership team since 1987. I became president in 1998 and CEO in 2011. I am also going into my 4th year as President of ISBN, the International Salon Spa Network, representing over 30,000 salons/spas. I am personally committed to the growth and development of salon professionals throughout the country. I am also a member of the Future of the Beauty Industry Coalition. The industry has changed dramatically over the last 25 years and we need to be responsive to those changes. Operating in almost every state gives us a clear view of stylist training and education. I don't see any difference in the stylist training and skill in any state, regardless of hours. The stylists in New York with a 1,000 hours of training are as skilled as any stylists in the country. Over 26% of the population are trained in less than 1,250 hours. Many organizations provide their own additional training and this does not vary based on the states' hours. State licensing should focus on safety and sanitation and the shorter hours' programs adequately cover that.

I feel strongly that we need reform and look to Ohio to be focused on common sense and encouraging a great work environment and opportunity. In addition to hours, mobility and reciprocity are critically important. Stylists move and they want to take advantage of opportunities. That may mean relocating for a promotion or a new position. Ohio borders five states: Michigan, Pennsylvania, West Virginia, Indiana and Kentucky. Stylists from these states and other states should be afforded the growth opportunities that may be available in Ohio. Some of our largest franchisees operate in Ohio and career growth is so important to stylists. Let's make it easier for them to work, pay taxes, grow our businesses and live in the wonderful state of Ohio.

The common-sense reforms you are considering in HB 399 are necessary to position the Ohio cosmetology industry for survival with the hope of continuing to thrive. As legislators, you need to know the truth about this industry in Ohio – not just from my perspective, but from the perspectives of many license holders – both individual and salon owners.

The current governmental climate with respect to the beauty industry is concerning. The beauty industry is being targeted by the federal government and state regulators to make changes to streamline the entry process to our profession. Additionally, school closings citing government regulations and increased scrutiny of industry programs is alarming. The industry must come together with one voice to enact change; if we fail to advocate for our industry, the result could lead to deregulation of our industry licenses, which will negatively affect our students, business owners, and consumers.

Deregulation will harm the industry's commitment to educating students about proper health and sanitation standards. This will place consumers at risk and jeopardize their safety. Common, sensible licensing standards are crucial to sustainable growth for our industry and protecting public safety. Together, we will build a stronger future for our industry and continue to support accountability and licensing of our professionals.

Cosmetology Schools in Ohio:

- Communities in Ohio, as well as salon owners, need great schools and educators who are passionate about this industry and about providing meaningful foundation education to the students.
- Over 30 percent of private school programs have closed in Ohio since 2015, many without notice to their students.
- There are some predictions that forty percent of private schools will ultimately close. This is of great concern.
- We need more than just traditional cosmetology programs to ensure a pipeline of workers into our industry. HB 399 provides for the establishment of apprenticeship programs which will allow salons to create alternatives to formal cosmetology training and education if needed. Those salons that do not have formal school programs close by can benefit immensely – providing a new source of trained and licensed professionals.

Cosmetology Hours:

- Ohio high school programs are already at training at 1,125 hours. Therefore, the equalization of hours at 1,000 for both private beauty schools and high schools makes sense for Ohio. TX and VT moved from 1,500 to 1,000 hours in the last 2 years.
- Pass/fail rates between high school and private schools are comparable.
- High school students benefit from taxpayer funding while private school students acquire significant debt.
- With 1,000 hours as a minimum, nothing precludes reciprocity/mobility schools from offering more hours. But, anything above 1,000 must be elective, not mandated by the state.

Reciprocity/mobility

- Experienced, well-educated stylists have difficulty getting their license across state lines. They should be able to get to work quickly without burdensome requirements and delays.
- It should matter to us that licensed professionals want and need the ability to move across state lines. License-for-license exchange would allow stylists to keep working!

Common, sensible licensing standards are crucial to sustainable growth for our industry and protecting public safety. HB 399, and its Senate companion SB 245, are strong examples of reasonable legislation that directly addresses concerns of over-regulation of state-mandated occupational licensing, and will create meaningful changes to archaic cosmetology licensing laws that desperately need reform.

On behalf of all our Ohio franchisees, I urge your favorable action on this bill. HB 399 allows aspiring cosmetologists to more quickly learn the trade with on-the-job training, they will experience lower levels of student loan debt and, more importantly, be in a position to provide for their families.

Thank you for the opportunity to provide proponent testimony on HB 399 to the committee.

Respectfully,



Rhoda Olsen
Vice Chair
Great Clips, Inc. Board of Directors