

Interested Party Testimony on HB 542 Before the House Commerce & Labor Committee By Tony Fiore, Executive Director, Ohio Salon Association May 10, 2022

ESTD ¥ 201

Chairman Stein, Vice Chair Johnson, Ranking Member Lepore-Hagan and members of the House Commerce & Labor 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'm sorry I cannot be with you today in person due to other commitments that were scheduled long before the bill was set for hearing last week. But, I thought it was important before you vote on <u>HB 542</u> to understand what it does and what it does not do for the beauty industry as well as existing and future licensees. I hope you will consider including many, if not all of these suggested changes before passing the bill, but the list below is not exhaustive. If you do decide to pass the bill in its current form, please know that there are better ways to do so and further statutory changes are necessary.

HB 542 does:

- Provide reciprocity for out of state licensees. BUT, it only does so for states that have a similar agreement
 with Ohio. Well intended, but this provision does not say, "Ohio is open for out of state licensees" like
 the provisions in <u>HB 277</u> would do if enacted.
- Address many outdated barber statutory provisions. But, OSA proposed many of the provisions updating the barber statute last General Assembly in the final version of HB 399. That legislation, if enacted, would have combined both Ohio Revised Code Chapter 4709 (the barber statute) into ORC Chapter 4713 (the cosmetology statute) since both are regulated under the Ohio State Cosmetology and Barber Board. Cosmetologists and barbers have been governed under one board since 2017, so why shouldn't the state make it easier for salons and barbershops with both licensees by eliminating the duplication and forcing them to comply with two similar, but separate statutes? OSA's approach would eliminate dozens of pages of unnecessary and duplicative language covering many of the same issues in both statutes.

<u>HB 542</u> does not include the following provisions. OSA recommends considering amending them into the bill before passing it out of the House Commerce and Labor Committee as well as the full Ohio House.

- 1) Lower hours for cosmetologists (from 1,500 to 1,000), hair designers (from 1,200 to 800) and barbers (from 1,800 to 1,000). High school cosmetology programs are already teaching at 1,125 hours (975 hours if the student participates in 150 hours of internship). MA, NY, CA, VT, TX are already at 1,000 hours. NY and MA have been there since the 1940s and CA, VT, and TX 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. In addition, barber clock hours are already at or below 1,000 hours in the following states: AL, CT, MA, MO, UT, VT, WI, WA, WY are already at 1,000 hours. ID and NJ are at 900 hours. NH is at 800. NY is at 228 hours with additional apprenticeship requirements.
- 2) **Implement pre-graduate testing for all licensees**. OSA supports this provision that would ensure 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.
- 3) **Provide for out-of-state license recognition** (license mobility) AZ, FL, and IL already provide full license mobility. Currently licensees from out of state must sit for Ohio's state licensing exam. OSA supports the process in HB 277 following states that have passed similar license recognition/endorsement laws. Such a provision 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."

- 4) **Provide for distance learning and testing around the state rather than in Columbus**. OSA supports provisions that will eliminate the additional hurdle for future licensees of the time and expense to travel to Columbus to take their state licensing exam. Many may have already amassed \$15,000 to \$40,000 in student loan debt transportation to Columbus should not be an obstacle to getting them licensed and into the workforce.
- 5) **Eliminate the independent contractor license** and instead require independent contractors to register with the Board, and comply with rules adopted by the Board establishing registration standards.
- 6) Require a cosmetology or barber licensing examination to be a national, standardized examination that is administered and accepted in other states (this will help with out of state license acceptance).
- 7) Eliminate separate licenses for boutique, esthetics, hair design, nail, and natural hair stylist salons and instead requires only salons to be licensed.
- 8) Require the Board to establish an apprenticeship program for apprentice cosmetologists and barbers who are not licensed but are training under a license holder. Over 20 states provide an apprenticeship track toward a cosmetology license. The apprenticeship option created in HB 399 (133rd GA), which permits students to earn while they learn, is necessary to ensure that people enter the profession especially if more private cosmetology schools close their doors. This need is evident for non-traditional students such as single parents as well as those who cannot afford to go to school full-time and rack up \$20,000-\$40,000 in debt.
- 9) Clarify that cosmetologists and hair designers may use a disposable safety razor on clients while straight razors are limited to barber licensees.
- 10) Protect students from future private school closures. HB 542 lays out criteria for obtaining a school license. What it doesn't do is increase the bonding requirement for private schools that can close abruptly as they have done in the past leaving students with nothing. HB 399 (133rd GA) required a sliding scale for a private school's bond requirement, similar to Minnesota, to ensure students are better protected if a school closes its doors. The existing bond requirement is \$10,000. The new sliding scale is between \$10,000 and \$250,000 depending on what the school receives in "tuition, fees, and other required institutional charges during the preceding calendar year". When the largest cosmetology school provider at the time, Regency, closed its doors throughout Ohio one student applied for and received nearly \$8,000 of its \$10,000 surety bond. This amendment addresses this problem. The cost of such coverage and for good risks the premium is around 1% of the coverage amount per year that's \$1,000 per \$100,000 of coverage. A bad risk would pay closer to 3%.

The beauty industry needs to come together and focus on: 1) lower student debt and defaults, 2) higher graduation rates, 3) better training for less remediation and post education success, and 4) work toward 100% placement in the beauty industry. HB 542 in its current form does not accomplish these goals.

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. <u>HB 542</u> addresses some, but not the vast majority of issues needing to be reformed in Ohio's cosmetology and barber statutes.

Mr. Chairman and members of the committee thank you for the opportunity to provide interested party testimony on <u>HB 542</u>. I would be happy to answer any questions by phone (614) 462-5428, e-mail <u>director@ohiosalonassociation.com</u> or at the next committee hearing.