

Reducing U.S. Occupational Licensure Barriers to Work

A Case Study on Ohio's Cosmetology Law

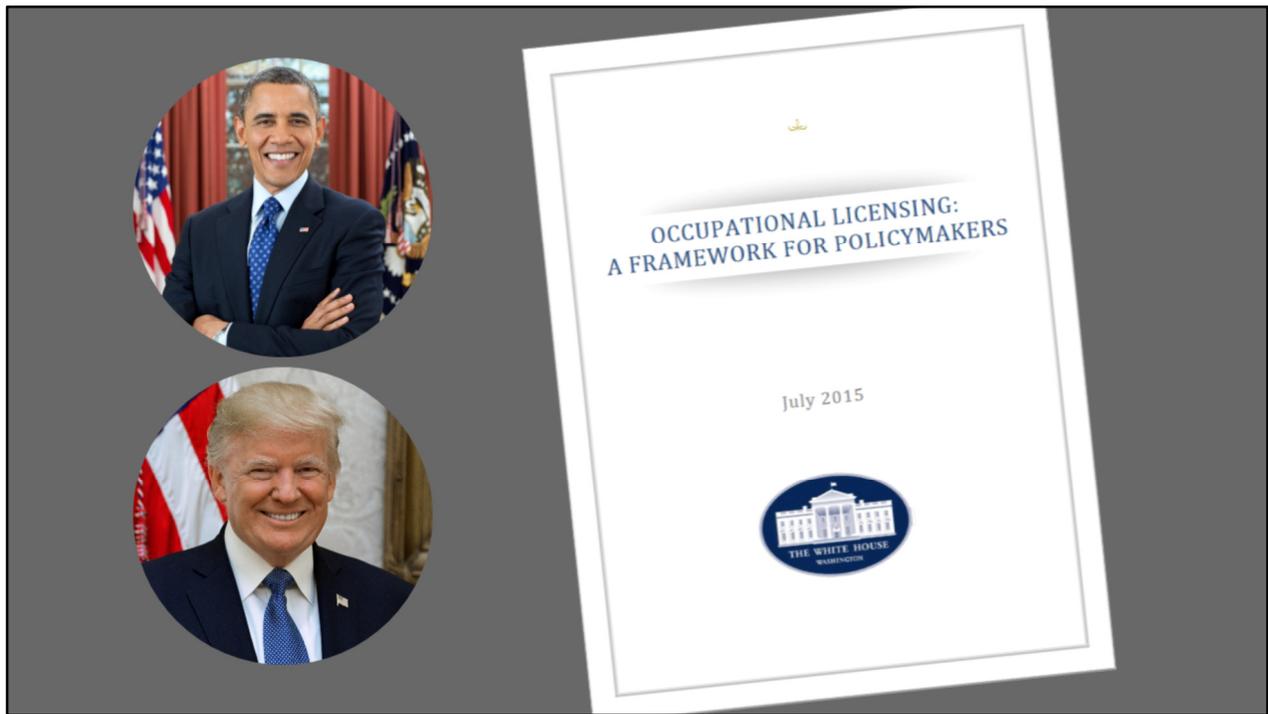
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I'm Tony Fiore, an attorney and lobbyist with Kegler Brown Hill + Ritter, a full service law firm in Columbus Ohio and serve as the legislative counsel for the Ohio Salon Association.

I'm here to chat about the importance of Reducing U.S. Occupational Licensure Barriers to Work using Ohio's Cosmetology Law as A Case Study, but all of your states can benefit from such legislation.



This is a bipartisan effort - both President Obama and President Trump's administration have recognized the need for reforming state occupational licensing laws.

Over the past 60 years the number of jobs requiring an occupational license or government approval to work has grown from about 1 in 20 to more than 1 in 4.

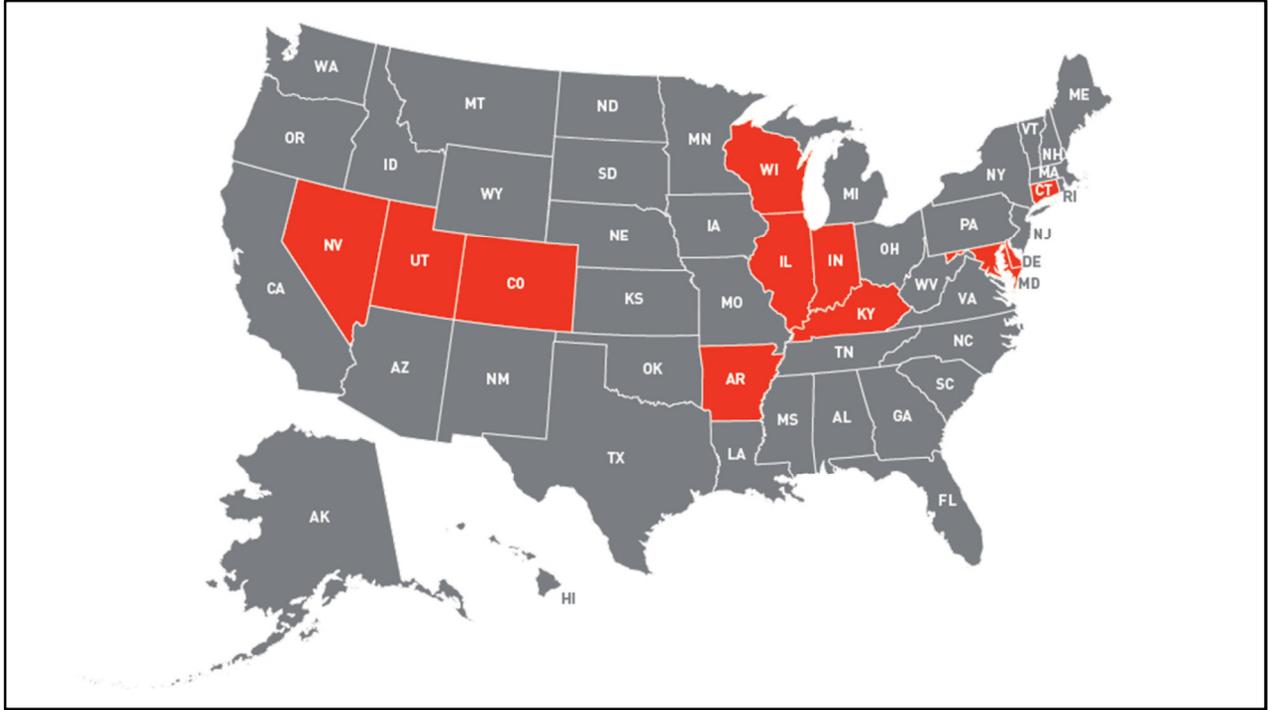


This is such an important issue that NGA, NCSL and CSG began researching state mandated hours for 34 occupations to ensure they are:

- **not overly broad,**
- **burdensome or restrictive,** and
- that they **do not create unnecessary barriers** to labor market entry,

AND

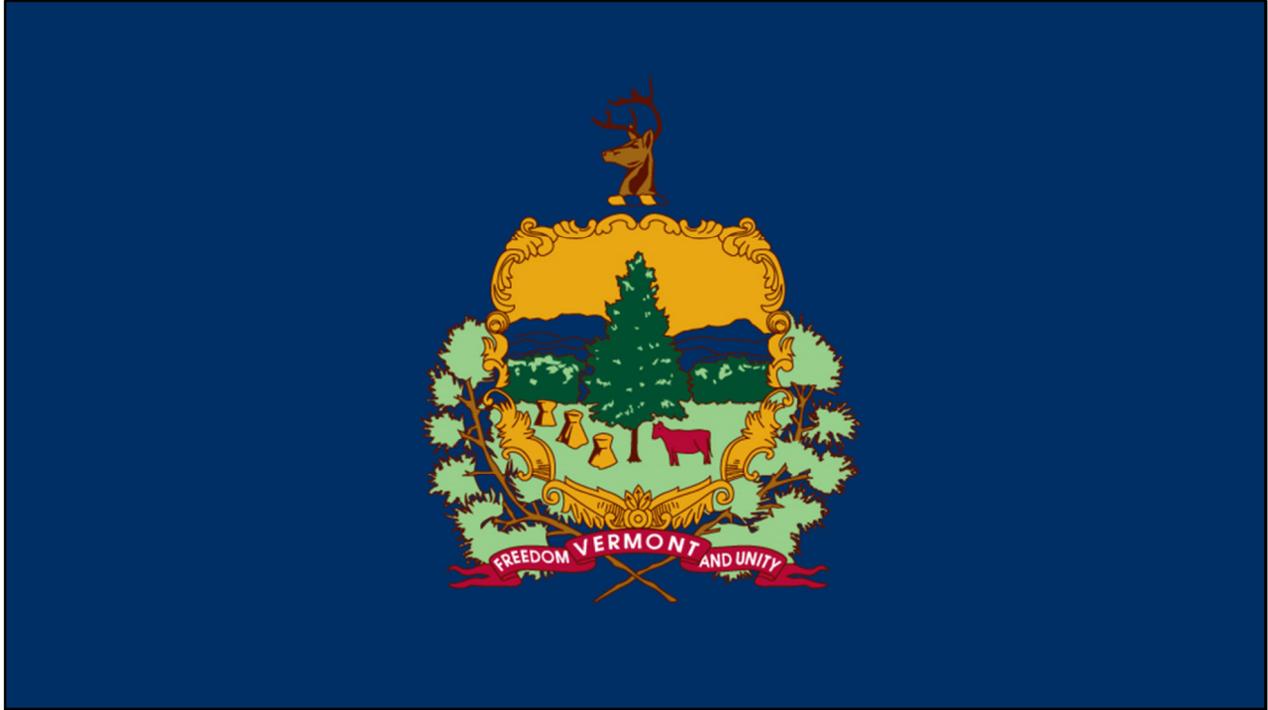
Improve license portability and reciprocity for selected occupations **across state lines**



There were 11 states selected by this consortium, but other states are enacting reforms prior to its final report in December 2019.

Proponents and lawmakers are citing:

- **workforce shortages** due to private school closures,
 - **reducing state barriers to work**, and
 - **reducing student loan debt and defaults**
- as reasons to enact reforms now rather than waiting.



The Democratic controlled Vermont House and Senate passed and Republican Governor Phil Scott signed into law an occupational licensure reform bill in May.

Among other licensing barrier reductions, this bill:

- lowers state mandated cosmetology hours from 1,500 to 1,000 and
- provides that an apprenticeship program can be no more than 150% of the state required hours.



A national study concluded that anything over 1,000 cosmetology hours DOES NOT lead to:

- higher graduation rates,
- licensure rates, or
- earning potential.

Compare this to:

- 150 hrs. to save your life as an EMT Tech,
- 695 hrs. to carry a gun as a Police officer,
- 120 hrs. to help families purchase a home as a real estate salesperson.

GOAL

Equalizing state mandated
education for public (high schools)
+ private cosmetology schools



1000

COSMETOLOGIST

In Ohio and Texas public cosmetology education is already around 1,000 clock hours.

Ohio permits 375 hours of high school math, science, English and biology to reach the state 1,500 hour requirement.

Each students skill set is different, but salon owners say high school graduates are just as prepared to enter the workforce as private school licensees.



Women and minorities make up a majority of the beauty industry workforce.

In Ohio 47% of salon businesses are minority-owned and 77% of salon businesses are owned by women.

We need to reduce barriers to work for others aspiring to enter the profession while protecting those in the profession.



Student debt has reached over \$1 trillion and student loan default rates have reached all time highs.

Cosmetology programs strap students with upwards of \$40k – not with a degree that can be built upon, but simply the opportunity to take the state licensing exam

Also, unemployment rates for licensed jobseekers is around 2.7% while the rate for those unlicensed is over 6%.



There have been 30 private school closures in Ohio – that’s 30% in just over 3 years.

Fewer schools = fewer students becoming licensed and entering the workforce

These closures have created a workforce shortage crisis for salon owners in Ohio – the Dayton Ohio area has been hit the hardest

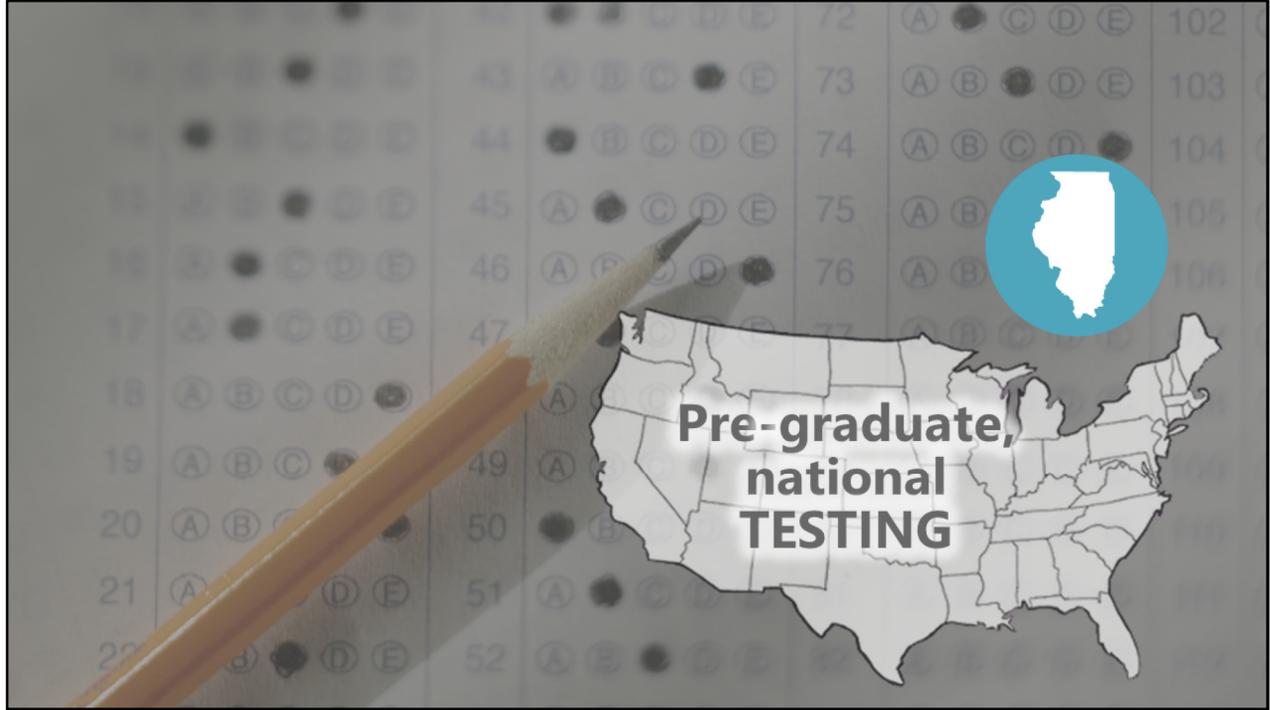
So, how do we fix the challenges facing the beauty industry?



The focus needs to be on student success, salon success and school success, but teaching and doing things the same way just will not work

We need to build closer connections between cosmetology students, schools/educators and salon owners.

We need successful students, salons and schools in the future for the health and well-being of this industry



Pre-graduate, national testing allows graduates to enter the workforce immediately after completing their cosmetology hours.

It would allow a student that might struggle with test taking to have more than one opportunity to take the state exam.

The Democratic controlled Illinois House and Senate passed and Republican Governor Bruce Rauner signed legislation in July that establishes pre-graduate testing.



State license mobility by endorsement



Cutting hair, doing nails, beautifying skin, etc. no different state-to-state

So why do states have artificial barriers like additional hours or testing before an out of state licensee can work?

State license mobility by endorsement is the answer so no one with an existing state license in good standing should have to wait to work.



17 state provide an apprenticeship track toward a cosmetology license.

Creating an apprenticeship so students can earn while they learn is necessary especially if more private cosmetology schools close their doors.

This is especially true for those who cannot afford to go to school full time and rack up \$20-\$40,000 in debt, including single parents



Annually providing suggestions for modern techniques to better prepare graduates for success

Salons need to be able to:

- 1) discuss job opportunities with students before graduation and
- 2) annually provide suggestions for modern techniques being taught to better prepare graduates for success in the beauty industry –

Teaching and doing things the same way just will not work

We need to work towards 100% placement in a beauty industry job before graduation.



Reducing state required hours provides plenty of time for students to:

- 1) obtain the entry level skills they need to start a safe and successful career in the beauty industry, and
- 2) Enter the workforce sooner to begin obtaining hands-on skills and earning a wage to pay back student debt.



If state required hours are not lowered to eliminate some of the excessive clinic time the U.S. Department of Labor may require schools to pay such students a wage for doing so.

Private cosmetology schools receive tuition money and payment for student services to the public during clinic time.

But, school clinic hours doesn't guarantee practicing skills for students.

This time is better served in the salon earning a wage and building clients.



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

Whether working at a salon or starting their own business.

If changes are not made fewer students will enter the profession leading to more school closures and fewer salons operating throughout the U.S.



1,000 hours of cosmetology training is based off of successful training programs in NY and MA that have been in place for decades.

It includes 26 hours of dedicated safety and infection control requirements while encouraging such training throughout the entire 1,000 hour curriculum

And remember nearly every product used in a salon can be purchased at your local drug or grocery store and the service performed on oneself or another for free.



These changes protect those professionals already practicing in the beauty industry while reducing the barrier for those who want to work and build their career.

I welcome the opportunity to discuss similar proposals that may be underway in your respective states or provide you with additional information on the efforts to reform occupational licensing laws to the beauty industry in Ohio.

Thank you for your time and attention today