

HOUSE COMMERCE COMMITTEE

Minutes of Meeting
1997-98 Interim
January 27, 1998

I. CALL TO ORDER

Representative John Travis, Chairman of the House Commerce Committee, called the meeting to order at 11:15 a.m. in Committee Room 1 of the State Capitol in Baton Rouge, Louisiana.

II. ROLL CALL

MEMBERS PRESENT:

Representative John Travis,
Chairman
Representative Pete Schneider,
Vice Chairman
Representative Robert Barton
Representative Dan Flavin
Representative Herman Hill
Representative Michael Michot
Representative Arthur Morrell
Representative Edwin Murray
Representative Gil Pinac
Representative Tank Powell
Representative Sharon Weston
Representative Diane Winston
Representative Clo Fontenot
Representative C. Emile Bruneau

MEMBERS ABSENT:

Representative Naomi Farve
Representative Mickey Frith
Representative Tommy Wright

III. STAFF MEMBERS PRESENT

Cindy Mancuso, Attorney
Billy Gothreaux, Research Analyst
Sandy Painting, Secretary
Dorothy Jarvis, Sergeant at Arms

IV. DISCUSSION

House Study Request No. 26 by Representative Travis

Representative Travis appeared before the committee to present House Study Request No. 26 which requests a study by the House Commerce Committee of the educational system for the cosmetology industry, including but not limited to the implementation of an internship program.

Mr. Murray Roth, Count-Roth Salon, 613 Metairie Rd., Metairie, Louisiana, (504) 837-0020, appeared before the committee in support of House Study Request No. 26. He stated that this request would be beneficial for everyone involved. He mentioned the large drop-out rate and stated that this request would help decrease this rate. He stated that students should be allowed to receive a salary for on-the-job training.

Ms. Becky Preston, Louisiana Cosmetology Association, 132 Platt Dr., Haughton, Louisiana 71037, (318) 949-8753, appeared before the committee in support of House Study Request No. 26. She stated that experience is the best teacher. She stated that this request would decrease the fraud cases with Pell grants. She stated that an apprenticeship program was strongly needed in addition to the formal education currently required.

Mr. Terry Blackwell, Roberts Beauty College, P.O. Drawer 327, Covington, Louisiana, (504) 892-9953, appeared before the committee in support of House Study Request No. 26. He stated that this request would allow a student to work with a licensed cosmetologist during the last 500 hours of his education. He stated that this request would create a more professional industry. He provided the committee with a copy of a study produced by LMP Associations, Inc. which provided key findings and shortages in the labor force (see attached).

Representative Travis asked which state was nearest to Louisiana that currently had an apprenticeship program in place.

Ms. Preston stated that Missouri was the nearest state with an apprenticeship program. She stated that Missouri had the option of a formal education requiring 1500 hours, 1000 being in the classroom and

500 hours being in a salon or a total of 3000 hours in a salon.

Representative Bruneau asked how many southern states currently had apprenticeship programs.

Ms. Preston stated that there were eight states with an apprenticeship program.

Representative Bruneau asked if apprentices would be paid wages for their work in salons.

Mr. Blackwell stated that apprentices are not currently allowed compensation under the rules of the Cosmetology Board.

Representative Murray asked if students are available to hire in salons after completion of school.

Mr. Roth stated that the majority of students need one to two years of work experience after the completion of school in order for clients to feel comfortable with their work.

Representative Murray stated that this legislation appears to be asking for a free source of labor.

Mr. Blackwell stated that he was not opposed to paying wages for an apprentice.

Ms. Diana Adair, Louisiana Cosmetology Association, 2411 Melrose, Bossier City, Louisiana, (318) 742-5202, appeared before the committee in support of House Study Request No. 26. She stated that the majority of students coming out of school cannot do the work. She stated that the skills and techniques in the beauty schools are antiquated and need updating.

Mr. Roth stated that the current Cosmetology Board is in the process of updating the skills and techniques being taught in beauty schools.

Representative Powell stated that most of the representatives recently supported the student work program sponsored by the Department of Labor last year and he did not understand their position on this current issue.

Representative Fontenot asked if the apprenticeship program would guarantee that the student would receive quality training and not be performing clean-up jobs such as sweeping hair.

Mr. Blackwell stated that the guarantee would be in the structure of the master cosmetology system which the board is going to undertake and the competency of the master cosmetologists.

Mr. Blackwell stated that this study is not asking for a mandatory apprenticeship program. He stated that the apprenticeship program would be in addition to the required training.

Mr. Jay Bozant, D-Jay's School of Beauty, 5131 Government St., Baton Rouge, Louisiana, (504) 926-2530, appeared before the committee in opposition to House Study Request No. 26. He stated that research has shown that apprenticeship programs have failed in all other states that have attempted such programs. He stated that the failure rate had risen due to new testing methods and new testers employed by the new board. He suggested that criteria should be established for the testers on the state board and that proper qualifications be met to become a tester. He also suggested that the testers have a workshop with the school owners to assure that they are testing on an entry level. He clarified that his school in Baton Rouge was not a fly-by-night school, that it had the latest of technology, that it produced excellent hair dressers, and that it had a very good job placement ratio.

Ms. Fran Calvert, Alexandria School of Beauty, no address provided, appeared before the committee in opposition to House Study Request 26 due to the apprenticeship programs being unsuccessful in the other states that have attempted such a program. She stated that if apprenticeship programs were implemented, the responsibility of liability would be imposed on the school's part and salon owners would be responsible for grading and seeing to it that the students were doing their jobs, which time would not permit.

Jim Goins, Louisiana Association of Cosmetology Schools, P.O. Box 5151, Bossier City, Louisiana, (318) 746-2600, appeared before the committee in opposition to House Study Request No. 26 due to the students receiving no wages for their work in salons. He stated he was also against salons being responsible for the liability imposed by students working in salons. He stated that a salon is not in the business to train students. He also

stated that he had a problem with the board changing with every new administration and asked for a resolution to this problem. He stated that with every new board the methods of testing and grading change and cause an increase in failing rates.

Mr. John Jay, John Jay Beauty School, 540 Robert E. Lee, New Orleans, Louisiana, (504) 482-7656, appeared before the committee in opposition to House Study Request 26. He stated that apprenticeship programs have not worked in the United States or in other countries. He stated that apprenticeship programs should only be implemented after the normal school requirements are met. He stated that hair dressers are not trained or qualified to teach students. He stated that the failure rates are increasing due to the change in grading and testing. He stated that one year ago his failure rate was three percent and now it is approximately eighty-six percent. He stated that some of the examiners currently employed by the board know less about hair dressing than some of his students but are failing the students because they don't know what they are looking for. He suggested a resolution to this problem would be to start an advanced program as opposed to an apprenticeship program. He reiterated previous testimony regarding the liability brought about by an apprenticeship program. He stated that he had no problem with the board becoming stricter regarding examining and testing but wanted to be informed before implementation.

Representative Murray asked why Mr. Jay's failure rate was higher this year than last year.

Mr. Jay stated that there were a couple of examiners on the current board who had higher failure rates than others. He stated that he would like to be informed of who was scheduled to test his students and if they failed, why. He stated that if the increased failure rate continued, schools would lose their federal funding and consequently would be closed. He asked that Mr. Blackwell disclose his schools' failure rate.

Mr. Blackwell stated that his schools' failure rate was approximately fifty percent.

Representative Winston asked Mr. Jay if his feelings were to do away with the Board of Cosmetology.

Mr. Jay stated that he did not think we should do away with the Board of

Cosmetology but did not think the board should revise its policies every time there was a change in administration. He stated that if the board felt strongly about teaching certain parts of cosmetology their way, then they should be required to inform the schools so they can teach accordingly.

Ms. Toni Ibert, Chairman, State Board of Cosmetology, Baton Rouge, Louisiana, (504) 756-3404, appeared before the committee for informational purposes only. She stated that she was not prepared to comment on the test failure rates but could say that the testing today is the same testing as when this board was originally appointed. She stated that the current board was more strict in their examinations but that the tests were derived from the books which all schools have in their possession.

Representative Bruneau stated that current law provides that no more than three members of the cosmetology board shall be connected with the ownership of a school license in this state. He asked Ms. Ibert if there were any members of the cosmetology board who were connected with a school licensed in Louisiana.

Ms. Ibert stated that Frances Hand is a board member and owns a school in Denham Springs, Louisiana.

Representative Bruneau asked Ms. Ibert if the new cosmetology law recently passed contained qualifications for an executive director of the board.

Ms. Ibert asked Mr. Yelverton to answer Representative Bruneau's question.

Mr. Billy Yelverton, Executive Director, State Board of Cosmetology, Baton Rouge, Louisiana, (504) 756-3404, appeared before the committee for informational purposes only. He stated that there were no qualifications in current law for the executive director of the cosmetology board.

Representative Bruneau asked if there were any qualifications in current law for the chief inspector of the cosmetology board.

Mr. Yelverton stated that there were qualifications for the chief inspector in the current law which was passed in 1997 (House Bill No. 1104).

Representative Bruneau asked if there were any qualifications in current

law for the assistant director position which was just recently created.

Mr. Yelverton stated that there were no qualifications in current law for the position of assistant director.

Representative Bruneau asked Ms. Ibert if she was familiar with the Neill Corporation and if so, what type of business was it.

Ms. Ibert stated she was familiar with the Neill Corporation and went on to explain that the Neill Corporation was in the cosmetology business and distributed beauty products.

Representative Bruneau asked if any members of the cosmetology board or any of their children were affiliated with the Neill Corporation.

Ms. Ibert stated that she was not aware of any members or children of members of the cosmetology board who were affiliated with the Neill Corporation.

Representative Bruneau asked Ms. Ibert if the board was concerned with the complaints being filed regarding the failure rates and changes being made in the board.

Ms. Ibert stated that the board was communicating with everyone who had filed complaints.

Representative Bruneau asked Ms. Ibert if she could shed some light on why all the sudden changes with the board.

Ms. Ibert stated that no rules or regulations were changed nor was the test changed, but that the board just started grading more strictly and was no longer lax with their grading procedures.

Representative Bruneau stated that there seemed to be a lack of communication between the board and the schools and asked the board to work with the schools.

Representative Murray asked that if the cosmetology test is to be changed in the future that he be provided with copies before implementation.

Representative Travis requested that the entire committee be advised of

any test changes.

Mr. Jay stated that the services performed by cosmetologists have not changed but the manner in which the services are evaluated have changed.

Representative Travis advised the board to communicate with the schools to ensure that they are aware that what is being taught is the same as what is being tested.

Representative Murray asked Ms. Ibert her opinion on the apprenticeship program.

Ms. Ibert stated that she feels that an apprenticeship program would be very good for the cosmetology industry.

The committee recessed until 3:15 p.m.

House Study Request No. 21 by Representative Travis

Representative Travis appeared before the committee to present House Study Request No. 21, which requests a study of extended warranty contracts. He stated that the law needed to be changed wherein an extended warranty contract should not take effect until the original manufacturer warranty expires.

Mr. Kip Wall, Louisiana Department of Insurance, 950 N. 5th St., Baton Rouge, Louisiana, (504) 342-4900, appeared before the committee for informational purposes only. He stated that the Department of Insurance did not regulate the sale of extended warranty contracts.

Representative Travis stated that the Department of Insurance should promulgate rules regarding the sale of extended service contracts and in such rules it should be disclosed to the public the effective period of such contract.

Mr. Robley Henry, Attorney General's Office, Baton Rouge, Louisiana, appeared before the committee for informational purposes only. He stated that the attorney general's office did not regulate extended warranty contracts but attempts to mediate consumer complaints of this type.

Representative Murray suggested that the legislature could pass a law giving the attorney general's office the authority to regulate service contracts.

Representative Travis stated that he was going to speak to the governor to have oversight assigned regarding regulation of service contracts. He stated that the non-regulation of service contracts was unfair to the consumer.

Ms. Isabel Wingerten, Consumer Protection, Attorney General's Office, 301 Main St., Ste. 1250, Baton Rouge, Louisiana 70801, (504) 342-9639, appeared before the committee for informational purposes only. She asked that if the regulation of service contracts was assigned to the attorney general's office, that additional funds be allocated for additional staff to perform such duties.

House Study Request No. 24 by Representative Travis

Representative Travis appeared before the committee to present House Study Request No. 24, which requests the study of the regulation of automobile repair facility owners and the rulemaking authority of the Used Motor Vehicle and Parts Commission

Mr. Fred Burkett, Louisiana Collision Association, (no address provided), (504) 295-1338, appeared before the committee in opposition to House Study Request No. 24. He stated that the association had a problem with the licensure of automobile repair facilities by the Used Motor Vehicle and Parts Commission. He stated that the industry would like to regulate themselves.

Representative Travis stated that there was unfair competition in the automobile repair industry and that the purpose of this study was to change this situation.

Ms. Ann Spink, Louisiana Collision Association, American Coachworks, 8458 Lockhart Rd., Denham Springs, LA 70726, (504) 665-7427, appeared before the committee in opposition to House Study Request No. 24. She stated that there was not currently an effective automobile repair shop law in any state. She stated that the association was not necessarily opposed to licensing of body shops but did not feel they should be

licensed under the Used Motor Vehicle and Parts Commission. She stated that something had to be done regarding insurance companies "blackballing" certain businesses.

Mr. William C. Burnside, North Louisiana Collision Repair Association, 2715 Essex St., Shreveport, Louisiana 71108-3607, (318) 635-4156, appeared before the committee in opposition to House Study Request No. 24. He stated that most consumers are surprised when they are involved in an accident and their automobiles are repaired with imitation

parts. He stated that his organization is working to educate the consumer regarding automobile repairs.

Representative Travis stated that insurance companies should not control where automobile repairs are made.

Representative Murray asked Ms. Spink to explain why her body shop was being "blackballed".

Ms. Spink stated that because her shop complies with replacing automobile parts with new and original manufacture parts as opposed to used or imitation parts, the insurance companies are informing the customers that they have chosen a repair facility that is not approved by them, therefore causing her company to lose business.

Mr. Burnside stated that the consumers are being intimidated by insurance companies.

Representative Murray asked Ms. Spink if she had tried litigation.

Ms. Spink stated that insurance companies are exempt from the anti-trust laws. She stated that insurance companies are performing surveys to establish bodyshop repair rates but refuse to disclose said surveys or even their methodology of said surveys.

Representative Murray asked that the committee request from State Farm a copy of the survey used regarding rates.

V. OTHER BUSINESS

There was no other business discussed.

VI. ANNOUNCEMENTS

There were no announcements.

VII. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:25 p.m.

Respectfully submitted,

John Travis, Chairman

Date Approved: _____