

2023 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1215

2023 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1215
01/16/2023

Relating to business incentives, agreements, and reports administered by the department of commerce.

Chairman Louser called to order 9:05 AM

Members Present: Chairman Louser, Vice Chairman Ostlie, Representatives Boschee, Christy, Dakane, Johnson, Kasper, Koppelman, Ruby, Schauer, Thomas, Tveit, Wagner.
Member absent: Warrey.

Discussion Topics:

- Purpose of data collection
- Accountability at program level

In favor:

Representative Mike Nathe, District 30, Bismarck, Primary bill sponsor (no written testimony)
Josh Teigen, Commerce Commissioner (no written testimony)

Representative Schauer move a do pass.
Representative Ruby seconded.

Roll call vote:

Representatives	Vote
Representative Scott Louser	Y
Representative Mitch Ostlie	Y
Representative Josh Boschee	Y
Representative Josh Christy	Y
Representative Hamida Dakane	Y
Representative Jorin Johnson	Y
Representative Jim Kasper	Y
Representative Ben Koppelman	Y
Representative Dan Ruby	Y
Representative Austen Schauer	Y
Representative Paul J. Thomas	Y
Representative Bill Tveit	Y
Representative Scott Wagner	Y
Representative Jonathan Warrey	AB

Motion passes 13-0-1

Representative Dakane will carry the bill.

House Industry, Business and Labor Committee

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Chairman Louser adjourned the meeting at 9:09 AM

Diane Lillis, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1215: Industry, Business and Labor Committee (Rep. Louser, Chairman)
recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB
1215 was placed on the Eleventh order on the calendar.

2023 SENATE INDUSTRY AND BUSINESS

HB 1215

2023 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

HB 1215
3/7/2023

An act relating to the filing of business incentives reports; and relating to business incentives, agreements, and reports administered by the department of commerce.

10:00 AM Chairman D. Larsen called the meeting to order. Members present: Chairman D. Larsen, Vice Chairman Kessel, Senator Barta, Senator Klein, Senator Boehm.

Discussion Topics:

- Red tape reduction
- Repeal ND Development Fund
- Small rural projects

10:00 AM Josh Teigen, North Dakota Department of Commerce introduced HB 1215 and testified in favor. No written testimony.

Additional written testimony:

#22155 Jessee Skittrall

10:12 AM Chairman D. Larsen closed the hearing on HB 1215.

10:12 AM Senator Barta moved to DO PASS HB 1215. Senator Kessel seconded the motion.

Roll Call Vote:

Senators	Vote
Senator Doug Larsen	Y
Senator Greg Kessel	Y
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Jerry Klein	Y

Vote: 5-0-0 Motion DO PASS HB 1215

Senator Barta will carry the bill.

10:15 AM Chairman Larsen closed the meeting.

Brenda Cook, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1215: Industry and Business Committee (Sen. Larsen, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1215 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.

TESTIMONY

HB 1215



Atarashii Apprentice Program LLC
514 97th Dr Ne Unit B
Lake Stevens, WA 98258
425-341-3457
www.Atarashii.org

RE: ND HB 1215

Dear ND Representative,

3/6/2023

My name is Jessee Skittrall and I am the program director for the Atarashii Apprentice Program. I am writing to you to urge you to support ND HB 1215. Thank you for taking the time to gain a better understanding of the bill and the complexities behind it.

I am a sixth generation cosmetologist, I am licensed in cosmetology, hairdesign, barbering, manicuring, and esthetics. I also hold licenses for these services. I have written curriculum for the beauty trades as well as successfully led programs in private, for-profit higher education institutions. Our company operates a DOL nationally approved Beauty Trades Apprenticeship Program. We successfully operate our program in multiple states including Arizona.

ND HB 1215 is the blueprint by which all other states should follow. There is a huge barrier to entry for the beauty trades industry. Licensure requires future practitioners to complete excessive hours requirements and high financial commitments for the future licensed professional.

It is commonplace for most instructors in beauty trade schools to hyperfocus on preparing future professionals only for their licensure exams. Unfortunately, students often hear the statement *"Everything you will need to learn you will learn once you are out there."*

Ultimately this is deflating for the future professional as they have purchased the dream of proficiency and money making success, and they clearly do not achieve that. Unfortunately this leads to a massive drop out rate from the industry of 83% within the first 3-5 years after licensure.

With the bulk of the learning placed on the industry, the beauty trades industry has risen to the occasion and created internship and mentoring programs purely based on the need.

It is not hard to conclude from here that the current process is a money maker for the beauty trades schools, and clearly does not create a viable workforce for the industry. This is where apprenticeship enters the equation.

Apprenticeship in the beauty trades creates an *"Earn as you learn"* in a real time learning environment. All apprenticeships are overseen by the Federal DOL and the local extension of the office in the state, This oversight actually sets up a higher standard for gaining proficiency in the industry as well as imparts the safety and sanitation protocols that are industry standard and regulated by the ND State Board of Cosmetology Boards. Through a partnership with an approved program such as ours the Training Agent Partner Salon can hire the personality that fits their culture and train them to licensure in a structured

program. The industry has already been teaching the next generation for years. ND HB 1215 will allow the industry to self-regulate and eliminate underground practices and activities

Apprenticeships completed in this style create a pathway into the industry and lower the barrier to entry for marginalized citizens, BiPoc and LGBTQIA+. A great unintended consequence is that this will serve rural areas greatly. One of our findings is that we are able to vet and train a salon in how to teach and administer the trades and this keeps the economy of the rural areas strong as they can create talent from the local population. Oftentimes a young person that wants to gain entry into the industry is left to move to the next closest city and oftentimes does not bring their talent back to the rural community.

Here are some facts about the industry:

- 76% drop out in the first 1/3 of their training
- Less than 1/3 of students graduate on time
- 83% drop out 3-5 years after licensure
- The average student is left with \$9000 in debt
- Average cost of school \$18,000
- Average wage \$26,000
- 63% of Beauty School students receive Pell Grants vs 55% of Students overall
- 61% of Beauty School students receive Federal Student loans vs 45% of students overall
- 9 of the Top 15 schools with the highest default rate on student loans are Cosmetology/Barber Schools.

Here are some facts about apprenticeship:

- Apprenticeship starts with a job
- 93% of apprentices are retained to the Training Agent Company
- \$77K is the average journeyman salary
- Since apprenticeship are jobs with education they pay taxes

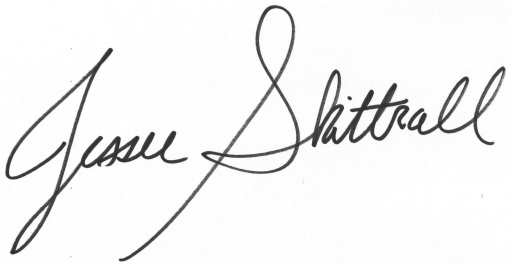
Here are some facts about our program:

- 86% completion rate
- 97% first time pass rate on licensure exam
- 92% retention to Training Agent Salon 3-5 years after licensure
- Apprentices are working at a 75% productivity rate at the completion of the program
- We have a waiting list of 10 salons in ND that are wanting to participate in Esthetics, Manicuring and Hairdesign.
- We have over 300 apprentices in our program
- We have over 250 training Partners nationally and over 100 Training Partners in AZ

Summary:

Please strongly consider placing your support behind ND HB 1215 as this will be the blueprint for how the rest of the United States addresses this national problem. It makes me smile knowing that we will be able to lower the barrier to entry for marginalized citizens of North Dakota as well as be the first in the nation to pave and pioneer a pathway.

Thank you for your time and consideration.



Jessee Skittrall
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@AtarashiiApprenticeProgram

