
OHIO STATE BOARD OF COSMETOLOGY

1929 Gateway Circle

Grove City, Ohio 43123

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OFFICIAL BOARD MEETING MINUTES OF OCTOBER 11, 2016

REGULAR BUSINESS MEETING

TRANSCRIPTION NOTE (Exhibit A):

Anderson Reporting Service, 3242 West Henderson Road, Suite A, Columbus, OH 43220 was the transcription service for this meeting. Transcript is attached as Exhibit A.

ATTENDANCE (Exhibit B):

Thomas Taneff, Chairperson

Clara Osterhage, Vice Chairperson

Steve Thompson

Charles Penzone

Luke Hanks

Tasha Sheipline

Staff in attendance:

Christopher H. Logsdon, Executive Director

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Ohio State Board of Cosmetology
Meeting Minutes
October 11, 2016

Lori Pearson, Deputy Director

Lori Flanery, Program Administrator 1

Charley Yaniko, Board in-house counsel

Assistant Attorney General in attendance:

Daniel Murry, Assistant Attorney General

Others in Attendance:

Bunny Neal, CDHS

Darlene Shutovick, JCP

Angela Hodges, The Hornsby Group

Tim Hornsby, The Hornsby Group

Jeff Geisinger, Skills

Michael Schuh, Michael's Salon

Angela Ramsay, OCCTA

Matthew Wells, ODE

Alicia Dogan

Champagne Houchins

Latoyia Goncalves

Sharita Dinkins

Liz Spencer, Moler Beauty Academy

Emily Harrison, Kenneth's

Elizabeth Murch, OSA

Debbie Moore, Paramount

Gwen Holland, Sport Clips

Agenda item #1: CALL MEETING TO ORDER

Mr. Taneff called the meeting to order at 1:00 p.m.

Agenda item 1a: Roll Call

Ms. Flanery took roll call and six members were present. Having noted a majority of members were present, Mr. Taneff proceeded to conduct business. Dr. Shalini Gupta and Valerie Benfer were not present and were excused from the meeting.

Agenda item 1b: Pledge of Allegiance to the Flag of the United States of America

Following the roll call, Mr. Taneff asked members to stand and recite the Pledge of Allegiance to the Flag of the United States of America. Members and audience rose and recited the Pledge of Allegiance.

Agenda item 1c: Approval of Meeting Agenda (Exhibit C)

Motion #1: Ms. Osterhage moved to approve the meeting agenda for October 11, 2016. Mr. Penzone seconded the motion. Discussion: None. Roll call vote taken - carried: 6 – 0.

Agenda item #2: APPROVAL OF PREVIOUS MEETING MINUTES (Exhibit D)

Agenda item 2a: Approval of Previous Meeting Minutes (Exhibit D)

Motion #2: Ms. Osterhage moved to approve the meeting minutes of September 13, 2016. Mr. Penzone seconded the motion. Discussion: None. Roll call vote taken - motion carried: 6– Yes.

Agenda item #3: OFFICER AND STAFF REPORTS (Exhibit E)

Agenda item 3a: Chairperson's Report

Mr. Taneff had no report.

Agenda item 3b: Executive Director's Report (Exhibit E)

Mr. Logsdon filed a written report. Mr. Logsdon provided a verbal review of his report.

Mr. Logsdon reported that the Board is currently under budget, mostly due to lapses in the first quarter payroll.

Next, Mr. Logsdon reported that the agency's FY 2018/2019 budget request had been filed with the Office of Budget and Management. Mr. Logsdon summarized the calendar of events the budget request will go through before it is proposed to the Ohio General Assembly for consideration.

Mr. Logsdon provided a summary of his attendance at the annual NIC conference held in Tampa, Florida. Mr. Logsdon stated that he attended the conference with member Osterhage from September 29, 2016 to October 3, 2016. Mr. Logsdon stated that the first two days was a Board Administrator's meeting, which was composed of Board Executive Directors representing approximately 24 states, Guam, and the District of Columbia. The group, he continued, worked on by-law and model practice act development. Mr. Logsdon stated that he and Ms. Osterhage volunteered to draft a section of the model practice act for licensing schools.

Mr. Logsdon stated that two issues were frequently discussed: 1) de-regulation, and 2) Uniform state-to-state licensure standards. Mr. Logsdon stated that a number of recommendations to address variable licensing requirements and reciprocity were discussed, but no firm recommendations were adopted. Mr. Logsdon stated the following three days were devoted to general education sessions. Mr. Logsdon recommended that the Board consider joining the Council on Licensure, Enforcement, and Regulation (CLEAR).

Mr. Taneff asked if Ms. Osterhage had anything to add to the discussion. Ms. Osterhage stated that Mr. Logsdon's contributions were positive and she believed Ohio was a little further ahead than some states.

Next, Mr. Logsdon discussed recent school closings involving Regency Beauty College. Mr. Logsdon stated that 79 schools closed nationwide and that the Board learned of the closing from third party sources. Mr. Logsdon stated that the closing affects nine programs in Ohio and that although his report indicates 175 students were affected, the office has now concluded the number is closer to 367. Mr. Logsdon stated that the office was still trying to get the actual count. Mr. Logsdon reviewed the steps the office has taken to intervene and assist within the agency's jurisdiction. Mr. Logsdon stated that staff has been directed to prioritize transfer documents and forms for affected individuals. Mr. Logsdon expressed concern for the failure of the organization to following the requirements of rule 4713-5-14 of the Ohio Administrative Code, which requires the organization to advise the Board and students of their decision to close at least sixty days prior to the date of closure. Mr. Logsdon recommended that the Board proceed with proactively advising schools of this requirement.

Next, Mr. Logsdon advised the Board had a booth at the 2016 Premier Beauty Classic and sponsored three human trafficking courses with 1,221 attendees.

Last, Mr. Logsdon announced that Tonya Cox had been chosen to fill an inspector vacancy in the Columbus region.

Discussion: Mr. Penzon asked what impact the closing have had on the Board and secondly, he inquired where the students go that were in the programs. Mr. Logsdon deferred to Deputy Director Pearson, but stated the office received over 60 calls on the very first day. Mr. Logsdon stated the volume of calls has been a challenge and the Board's ability to intervene is limited. Mr. Logsdon continued that he believes the greater challenge will be available resources to absorb the number of students affected. Mr. Logsdon stated that the office has been in contact with a number of schools to try to ascertain the capacity for transferring. Ms. Pearson added that the office has received and processed 87 transfer requests, but the Board is still awaiting all of the discontinuance forms from Regency Beauty College. Once the discontinuance form is received, she stated, a transfer of hours letter would be mailed to the new school.

Mr. Penzone stated that he had received a number of calls and he was told some schools would only accept 300 hours. Ms. Pearson stated that the Board did not have any jurisdiction to tell a school how many hours to accept and that each school would make its own determination. Ms. Pearson indicated that the same variation exists in normal, everyday transfers.

Ms. Osterhage interjected that Ms. Pearson's explanation was typical of private education.

Mr. Logsdon also added that the U.S. Department of Education and NACCAS have developed resources and the Board is posting this information to the agency's website.

Ms. Sheipline inquired if the Board has the authority to issue a violation to a school for failing to follow the notification rules. Mr. Logsdon replied that he is evaluating every instance for compliance with Ohio law.

Ms. Osterhage stated that the dynamics of the industry are changing and the issue of closings could be greater. Ms. Osterhage stated that the third (Gainful Employment Act) measure was coming in November 2016 and she believes additional closings may occur as the time goes on. Ms. Osterhage urged the Board to be aware of the issues and try to get involved to help schools and the way the Board views things.

Motion #3: Mr. Penzone moved to approve the Executive Director's Report. Ms. Osterhage seconded the motion.
Discussion: None. Roll call vote taken - motion carried: 6- Yes.

Agenda item #4: COMMITTEE REPORTS

Agenda item 4a: Administrative Action Committee Report (Exhibit F)

Mr. Taneff asked Mr. Logsdon to present the Administrative Review Committee (ARC) report. Mr. Logsdon reported that the ARC met on October 6, 2016. Mr. Logsdon then reviewed the ARC's recommendation for each case listed in the ARC report.
Discussion: None.

**Names and identifying information was redacted from the Administrative Review Report. For the purpose of discussion, matters were referred to only by case number and referenced by case number verbally. Identifying information based upon the correlating case number was added during the writing of the minutes where specific reference or motion is entered upon the board's journal.*

Motion #4: Mr. Hanks moved to confirm the Administrative Review Committee (ARC) report, as referenced hereto by attachment to the minutes of the Board. Ms. Osterhage seconded the motion. Discussion: Ms. Osterhage inquired why the 2015 audits were only now being completed. Mr. Logsdon stated that the audits were done, but did not get started on time due to staff involvement on other projects. Ms. Osterhage inquired of the agency goal. Mr. Logsdon stated that the upcoming goal would be having notices sent in March and audits completed by the end of June. No further discussion. Roll call vote taken - motion carried: 6 - Yes.

Agenda item 4b: Rules Committee Report

No report.

Agenda item #5: PUBLIC TESTIMONY - AFTER NEW BUSINESS

Agenda item #6: Unfinished Business

None.

Agenda item #7: Old Business

None.

Agenda item #8: NEW BUSINESS

Agenda item 8a (item #1): Policy on former Ohio licensees

Mr. Logsdon was asked to provide some background on the issue, which he obliged.

Motion #5: Ms. Osterhage moved to approve the following policy statement:

Effective February 1, 2017, all individuals who allowed their license(s) to expire, regardless of licensure status in another jurisdiction, shall have their license status changed to "expired" and be subject to the fees under R.C. 4713.10(A)(11) upon receipt of an application for restoration of the expired license. The Executive Director shall communicate to licensees that no further applications for reciprocity from former licensees shall be accepted after February 1, 2017.

Mr. Penzone seconded the motion. Discussion: None. Roll call vote taken - motion carried: 6 – Yes.

Agenda item 8a (item #2): Directive for Executive Director on policy on Ohio licensees licensed in other jurisdictions.

Motion #6: Ms. Osterhage moved to create a communique for affected persons and place it on the agency's website. Mr. Penzone seconded the motion. Discussion: None. Roll call vote taken - motion carried: 6 – Yes.

Motion #7: Ms. Osterhage moved to direct the Executive Director to develop a draft rule that credits an individual who is actively licensed in another state and who is seeking to restore their expired Ohio license with continuing education completed in another state for the maintenance of that license. Mr. Hanks seconded the motion. Discussion: None. Roll call vote taken - motion carried: 6 – Yes

Agenda item 8b: Renewal update

Mr. Logsdon provided the Board members with an update on the current preparedness for the 2017 biennial license renewal. Mr. Logsdon provided members with a copy of the online renewal form configuration for each license type issued by the Board.

No action required.

Agenda item 8c: School Closings (Exhibits G)

Mr. Logsdon introduced the matter and requested that the Board approve a prepared communique for all schools concerning the notification requirements under Chapters 4713-3 and 4713-5 of the Ohio Administrative Code and in particular, rule 4713-5-14 of the Ohio Administrative Code.

Motion #8: Ms. Osterhage moved to approve the communique to Ohio licensed schools concerning notification requirements for schools contemplating closure, which shall be attached to and incorporated into the minutes of the Board. Mr. Hanks seconded the motion. Discussion: None. Roll call vote taken. Motion carried: 6 – Yes.

Agenda item 8d: Resolution to employ (Exhibits H)

Motion #9: Ms. Osterhage moved to approve Resolution #10-2016, item 8-d, and to attach the resolution as an exhibit to the Board's journal. Mr. Penzone seconded the motion. Discussion: None. Roll call vote taken. Motion carried: 6 – Yes.

Agenda item 8e Hearing Officer Report and Recommendation (Exhibits I)

R&R – 1: In the matter of Ohio State School of Cosmetology, SCHL.000629, Case #2016-194

Motion #10: Ms. Shepline moved to approve the hearing examiner's findings of fact in the matter of Ohio State School of Cosmetology, SCHL.000629, Case #2016-194. Mr. Penzone seconded the motion. Discussion: None. Roll call vote taken. Motion carried: 5 – Yes, Mr. Hanks recused himself.

Motion #11: Ms. Osterhage moved to approve the hearing examiner's conclusions of law in the matter of Ohio State School of Cosmetology, SCHL.000629, Case #2016-194. Mr. Penzone seconded the motion. Discussion: None. Roll call vote taken. Motion carried: 5 – Yes, Mr. Hanks recused himself.

Motion #12: Ms. Osterhage moved to approve the hearing examiner's recommended Order of the Board in the matter of Ohio State School of Cosmetology, SCHL.000629, Case #2016-194 to impose a \$500.00 fine. Mr. Penzone seconded the motion. Discussion: None. Roll call vote taken. Motion carried: 4 – Yes, 1- No (Mr. Thompson), Mr. Hanks recused himself.

The Order will be entered upon the Board's journal and attached hereto as an exhibit to the proceedings.

SO ORDERED

The language contained therein will be incorporated by reference into the Board's journal in this case and attached as an exhibit to the minutes.

Agenda item 8f: Correction to Previously Approved Orders of the Board (Exhibits J – O)

Motion #13: Ms. Osterhage moved to approve an Order to Vacate the Order of the Board in the matters as listed on "COS – Issue Report NOV Business + Credential" dated 8/23/2015 to 8/23/2016 as items #1, #2, #3, #4, #5, and #6 and approve CORR-1 (case 2016-263), CORR-2 (case 2016-270), CORR-3 (case 2016-339), CORR-4 (case 2016-348), CORR-5 (case 2016-364), and CORR-6 (case 2016-366) listed on "COS – Issue Report NOV Business + Credential" dated 9/29/2015 to 9/29/2016. The agreements will be journalized and attached hereto as exhibits. Mr. Penzone seconded the motion. Discussion: None. Roll call vote taken. Motion carried: 6 – Yes.

Agenda item 8g: Board Orders to Enforce Notices of Opportunity for Hearing (Items #1 - #4) – (Exhibit P collective)

Motion #14: Ms. Osterhage moved to approve Orders of the Board as listed on "COS – Issue Report NOV Business + Credential" dated 9/29/2015 to 9/29/2016 as items #1 through item #4, the Orders to be journalized and attached hereto as an exhibit entered upon the Board's journal. Mr. Penzone seconded the motion. Discussion: None. Roll call vote taken - Motion carried: 6 - Yes

The Orders of the Board shall become effective upon the date of mailing of the Orders.

SO ORDERED

The language contained therein will be incorporated by reference into the Board's journal in this case and attached as an exhibit to the minutes.

In the Matter of Luxury Beauty Bar, CEP.1390, Case #2016-370 (Exhibit Q)

Motion #15: Ms. Osterhage moved to enter private session for quasi-judicial deliberation in the matter of Luxury Beauty Bar, CEP.1390, Case #2016-370. Ms. Sheipline seconded the motion. Discussion: None. Roll call vote:

Mr. Taneff –	Yes	Mr. Thompson -	Yes
Mr. Penzone –	Yes	Ms. Sheipline -	Yes
Mr. Hanks -	Yes	Ms. Osterhage -	Yes

The Board entered private session at 1:35 PM. Mr. Logsdon, Ms. Pearson, Mr. Yaniko, and Mr. Murry were asked to remain. All other persons, other than members, were excused.

The Board returned to public session at 1:50 PM

Motion #16: Ms. Sheipline moved to enter an Order upon the journal of the Board in the matter of Luxury Beauty Bar, CEP.1390. Case #2016-370 and attached it hereto as an exhibit by accepting the finding of facts and conclusions of law contained in the Notice of Opportunity for Hearing dated August 17, 2016 are TRUE, and the Board Orders that the license pay a fine of \$350.00. Ms. Osterhage seconded the motion. Discussion: None. Roll call vote taken - Motion carried: 6 - Yes

The Orders of the Board shall become effective upon the date of mailing of the Orders.

SO ORDERED

The language contained therein will be incorporated by reference into the Board's journal in this case and attached as an exhibit to the minutes.

Agenda item 8h: Board Orders to Approve Settlement Agreements (Items #6- #28)
(Exhibit R collective)

Motion #17: Ms. Osterhage moved to approve the Settlement Agreement Orders of the Board as listed on “COS – Issue Report NOV Business + Credential” dated 9/29/2015 to 9/29/2016 as items #6 through item #28 and the Orders to be attached hereto as an exhibit entered upon the Board’s journal as Orders of the Board. Mr. Penzone seconded the motion. Discussion: None. Roll call vote taken - Motion carried: 6 - Yes.

The Orders of the Board shall become effective upon the date of mailing of the Order.

SO ORDERED

The language contained therein will be incorporated by reference into the Board's journal in this case and attached as an exhibit to the minutes.

Before moving on to Public Testimony, Mr. Taneff addressed two long-standing members of the Board: Mr. Steve Thompson and Ms. Valerie Benfer. Mr. Taneff announced that this meeting might be their last. Concerning Ms. Benfer, Mr. Taneff, on behalf of the Board, extended his gratitude for her long service, the years of sacrifice and travel, and always being on time regardless of weather conditions.

Regarding Mr. Thompson, Mr. Taneff stated that Mr. Thompson had been a past chairperson of the Board, never lost his composure, and was always a team player. Mr. Taneff stated that he would miss him.

Mr. Thompson stated it was an honor and pleasure serving the people of Ohio.

Agenda item #5: PUBLIC TESTIMONY

- Elizabeth Murch, Ohio Salon Association

Ms. Murch introduced herself and provided her address for the record. Ms. Murch stated that the Ohio Salon Association spoke to the Board about the Gainful Employment Act and has continued to speak about for several years. Ms. Murch stated that many did not fully believe what would happen once the Act was in effect. Ms. Murch stated that approximately 150 schools have closed nationwide because of the law, including 10% of the programs in Ohio. Ms. Murch stated that the Ohio Salon Association represents salons, that this issue impacts students, schools, and salons. Ms. Murch offered her services, as a partner with the school and the Board, to develop a plan of action to address the “fallout” of the Gainful Employment Act. Ms. Murch stated that the Ohio Salon Association has been in discussions with large cosmetology corporations and that the [OSA’s] plan is to move forward with legislation to mitigate the issue. Ms. Murch stated that everyone is at a crossroads and each can choose to remain reactive and risk more closures or work together to proactively address the issue. Ms. Murch urged the Board to create a committee of salon owners, private and public school representatives, and Board representation to proactively contain the crisis.

- Darlene Shutovich

Ms. Shutovich introduced herself and provided her address for the record. Ms. Shutovich voiced support for a working committee to address concerns with schooling and licensing. Ms. Shutovich stated that she would like to get involved in some way with the Board and she would love to help more.

- Tim Hornsby, Hornsby Group

Mr. Hornsby introduced himself and provided his address for the record. Mr. Hornsby agreed with Ms. Murch, but stated that the Gainful Employment Act had not affected any of the schools that recently closed. Mr. Hornsby stated that the fourteen schools that closed in Ohio were due to financial reasons. Mr. Hornsby stated that direct action of the Department of Education could have been a hardship, but that he did not know. Mr. Hornsby reiterated that the schools in Ohio; however, closed due to financial reasons and not the result of the Gainful Employment Act. Mr. Hornsby stated that the Gainful Employment report would not affect schools until the next year’s cycle. Mr. Hornsby stated that he is now the acting president of the Ohio Private School Association. Mr. Hornsby stated that he looks forward to working with Ms. Murch, because students come first. Mr. Hornby stated that he is working with the Department of Education and NACCAS and new directives will be released by NACCAS that will allow a school to exclude students from a close out in the completion and licensure count. Mr. Hornsby stated that Mr. Logsdon’s recommended letter to schools would have had no impact on the recent closures. Mr. Hornsby urged the Board to release hours completed by each student and to collect the bond on each school.

- Michael Schuh

Mr. Schuh introduced himself and provided his address for the record. Mr. Schuh reminded the Board that he appeared before them previously to discuss the internship program and the need to get students out into the salons for experience. Mr. Schuh gave a summary of his background. Mr. Schuh stated that ten percent of the schools have closed in his area and vocational schools, like Sinclair Community College, received funds to provide grants, which will cause cosmetology student to go into college. Mr. Schuh noted the internship program that is accepted in Alabama. Mr. Schuh stated the situation is critical and something needs to be done.

- Alicia Dolan

Ms. Dolan introduced herself and gave her address for the record. Ms. Dolan appeared before the Board to discuss the recent closure of Regency Beauty Schools. Ms. Dolan stated that she was an instructor for the school until September 28, 2016, when she learned the school would close at 6:00 p.m. Ms. Dolan stated that not only did she not have a job, but also students had no school to attend to complete their education. Ms. Dolan stated that the Regency program was the only hope for some, because other schools, for one reason or another had rejected them. Ms. Dolan stated that the school closed without notice, leaving students with only seven, ten, two weeks, or three weeks until graduation. Most, she stated, will be able to transfer to another school, but a select few who are so close to graduation do not deserve this. Ms. Dolan requested that the Board consider waiving the academic and practical hours for persons that had less than 100 hours of education left.

Board member discussion:

Mr. Hanks inquired if there was precedent for the request, remembering a prior school closure. Mr. Thompson stated that he remembered the school, but that the laws and rules may have been different. The matter, he stated, precedes him. Mr. Penzone stated that he could not remember how it was handled.

Mr. Penzone asked Mr. Hornsby to collate a list of schools within his group that accept hours form students.

Mr. Hanks asked if the Board could look into any prior precedent. Mr. Taneff stated that he would like to see any options: administrative, legislative, or executive.

Mr. Penzone stated that he would be willing to attend a special meeting if some plan came about.

Agenda item #9 EXECUTIVE SESSION

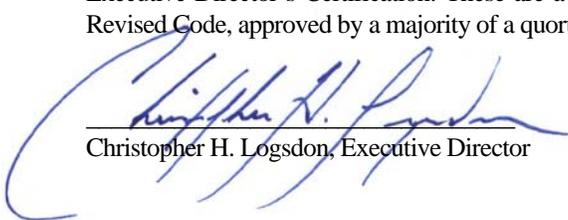
None.

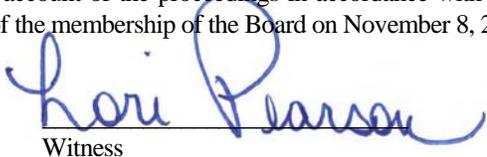
Agenda item #10 ADJOURNMENT

Motion #18: Mr. Penzone moved to adjourn. Mr. Hanks seconded the motion. Discussion: None. Roll call vote taken. Motion carried: 6- Yes.

The meeting adjourned at 2:20 p.m.

Executive Director's Certification: These are a true account of the proceedings in accordance with Section 121.11 of the Ohio Revised Code, approved by a majority of a quorum of the membership of the Board on November 8, 2016.


Christopher H. Logsdon, Executive Director


Witness