



MANPOWER AND
RESERVE AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
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WASHINGTON, D.C. 20301-1500

February 18, 2025

The Honorable Senator Donovan M. Dela Cruz
Chair, Committee on Ways and Means
Hawaii State Senate
415 South Beretania Street
Honolulu, HI 96813

LATE

RE: Senate Bill 1619 SD1 (Cosmetology Licensure Compact)

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

On behalf of the U.S. Department of Defense and military families stationed in Hawai'i, I am writing in support of the policy changes expressed in SB 1619 SD1, a measure to enact the Cosmetology Interstate Compact in Hawai'i.

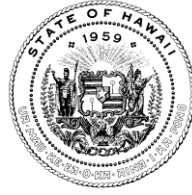
Professional licensure has been an enduring problem for military spouses. Military spouses are a cross-section of the American population, although a greater percentage of them are in licensed occupations than their civilian counterparts, and they are significantly more mobile. The short duration of military assignments, coupled with lengthy relicensing processes, can discourage military spouses from seeking relicensure, causing them to quit an occupation or pause their career, or the Service member to leave the military.

State policies enacting interstate licensure compacts, such as the Cosmetology Compact, facilitate greater career sustainability for military spouses, improving their families' financial security and overall well-being. We also believe that interstate licensing compacts, such as the Cosmetology Compact, will provide significant benefit to both professionals and the community in Hawai'i by contributing to workforce and economic assets in the State, available to serve the local community.

In closing, we are grateful for the tremendous efforts that Hawai'i has historically taken to support our military members and their families. We appreciate the opportunity to support the provisions reflected in SB 1619 and would especially like to thank the bill sponsors for spearheading this effort. Please feel free to contact me with any questions you might have.

Sincerely,

Kelli May Douglas
Pacific Southwest Regional Liaison
Defense-State Liaison Office
571-265-0075



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Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Wednesday, February 19, 2025
10:02 a.m.
Conference Room 211 and Videoconference

On the following measure: **S.B. 1619, RELATING TO THE COSMETOLOGY LICENSURE COMPACT**

Chair Delcruz and Members of the Committee:

My name is Nadine Ando, and I am the Director of the Department of Commerce and Consumer Affairs (Department). The Department has concerns regarding this measures implementation and offers comments.

This measure seeks to: (1) authorize the Governor to enter into the Cosmetology Licensure Compact (CLC) on behalf of the State, allowing cosmetologists to obtain a multistate license and practice in other participating states without needing a separate license; (2) require DCCA to adopt rules to implement and administer the Compact; and (3) authorize the Governor to enter into the Compact effective January 1, 2026.

Administering the CLC would place a significant financial and administrative burden on the Department's Professional Vocational Licensing Division (Division). Implementation would require substantial resources to develop new rules, update licensing systems, track multistate licensees, and enforce compliance with the Compact's provisions. Additionally, staff training, technology upgrades, legal review, and enforcement mechanisms would require funding, yet the measure does not identify

a clear revenue source to cover these increased costs, included costs created from lost licensing revenue.

While the Department is open to exploring alternative licensure pathways, it seeks a more thorough understanding of the administrative and regulatory impacts of implementing the CLC. A comprehensive study of industry and licensing standards, best practices, and a comparison of various interstate licensure compacts would help determine whether joining the CLC is in Hawai'i's best interest at this time. The Legislative Reference Bureau (LRB), as an impartial and neutral agency, is well-positioned to conduct the necessary policy and legal research to assess the feasibility and potential effects of Hawai'i adopting the CLC.

Thank you for the opportunity to provide comments on this measure.

Feb. 19, 2025, 10:02 a.m.

Hawaii State Capitol

Conference Room 211 and Videoconference

To: Senate Committee on Ways and Means

Sen. Donovan M. Dela Cruz, Chair

Sen. Sharon Y. Moriwaki, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: COMMENTS IN SUPPORT OF SB1619 SD1 — RELATING TO THE COSMETOLOGY LICENSURE COMPACT

Aloha Chair Dela Cruz, Vice-Chair Moriwaki and other members of the Committee,

The Grassroot Institute of Hawaii would like to offer its **support** for [SB1619 SD1](#), which would streamline the licensing process for out-of-state cosmetologists by allowing Hawaii to join the Cosmetology Licensure Compact.

This bill would make it easier for cosmetologists licensed in other states to practice in Hawaii while reducing the workload of the state Board of Barbering and Cosmetology.

A multi-state license obtained through the CLC works much like a driver's license, allowing its holder to practice in any compact state without having to go through separate licensure procedures.

This would be especially beneficial to military spouses, who may find it difficult to continually seek new licenses when moving in or out of Hawaii.

Similarly, license portability offers great potential for Hawaii residents, whether through compacts like the CLC or more general state license-recognition programs. Separate state requirements for occupational licenses — such as those required for cosmetology — do not make sense in terms of public health or safety needs.

As the Federal Trade Commission noted in a report on occupational licensing portability:

There is little justification for the burdensome, costly, and redundant licensing processes that many states impose on qualified, licensed, out-of-state applicants. Such requirements likely inhibit multistate practice and delay or even prevent licensees from working in their occupations upon relocation to a new state. Indeed, for occupations that have not implemented any form of license portability, the harm to competition from suppressed mobility may far outweigh any plausible consumer protection benefit from the failure to provide for license portability.¹

SB1619 offers the opportunity to remove unnecessary burdens on beauty workers in our state while expanding occupational freedom. We hope this will be the beginning of a new approach to licensing in Hawaii.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

¹ Karen Goldman, [“Options to Enhance Occupational License Portability,”](#) U.S. Federal Trade Commission, September 2018, p. 25.

Testimony of the Hawaii Board of Barbering and Cosmetology

**Before the
Senate Committee on Ways and Means
Wednesday, February 19, 2025
10:02 a.m.
Conference Room 211 and Videoconference**

**On the following measure:
S.B. 1619, SD1, RELATING TO THE COSMETOLOGY LICENSURE COMPACT**

Chair Dela Cruz and Members of the Committee:

My name is Kerrie Shahan, and I am the Executive Officer of Board of Barbering and Cosmetology (Board). The Board offers comments on this measure.

The purposes of this bill are to: (1) authorize the Governor to enter into a Cosmetology Licensure Compact (CLC) on behalf of the State to provide a streamlined process that allows cosmetologists to obtain a multistate license enabling them to practice cosmetology in another state without obtaining a separate license under the laws of that state; (2) require the Department of Commerce and Consumer Affairs to adopt rules to implement and administer the Compact; and (3) authorize the Governor to enter into the Compact effective January 1, 2026.

The Board supports this bill's intent to increase license portability. However, the Board also acknowledges the CLC is currently in its infancy stages and the CLC Commission does not yet have established rules for the requirements for multistate licensure. Adopting the CLC at this time would be premature as any future promulgation of rules by the CLC Commission would be binding on this State because the Commission's rules have the force of law. Currently, the definition of cosmetologist on page 5, lines 6 -7, "means an individual licensed in their Home State to practice Cosmetology." There is an absence of standardized requirements among member states for education, training, and examination for licensure. As a member state, a delegate from the State's licensing authority would only be entitled to a single vote and would likely be unable to incorporate the necessary regulatory requirements that Hawaii licensees must currently meet for licensure. This presents a consumer safety concern, as individuals who do not meet the Board's education, training, and examination requirements will be permitted to practice in Hawaii by means of the CLC.

Additionally, unlike other compacts such as the Interstate Medical Licensure Compact (IMLC) , the CLC lacks a uniform standard examination across member states. The IMLC requires passage of nationally recognized examinations, whereas the CLC does not have a nationally recognized examination, and each state has different examination requirements. Passage of nationally recognized examinations are generally required to ensure that individuals have the minimum knowledge and competency to practice their professions safely.

The Board notes that in addition to cosmetologists, the Board also licenses barbers, hairdressers, estheticians, and nail technicians pursuant to Hawaii Revised Statutes Section 439A, and the CLC does not encompass these other license types.

The Board is supportive of alternative licensure pathways but would like the standardized requirements for multi-state licensure established before considering adopting the CLC. Further, the lack of uniform education, training, and examination standards within the industry nationwide is cause for consumer safety concerns. A study of industry and licensing standards, best practices, and comparison of various interstate licensure compacts may provide clarity as to whether it is prudent for Hawaii to adopt the CLC at this time. The Legislative Reference Bureau (LRB) is an impartial and neutral agency that has the ability to conduct the policy and legal research necessary to determine the feasibility and impact of Hawaii adopting the CLC.

Thank you for this opportunity to testify on this bill.

LATE

FUTURE OF THE BEAUTY INDUSTRY COALITION

Chair, Vice Chair and esteemed Committee Members -

My name is Leslie Roste with the Future of the Beauty Industry Coalition in support of SB 1619.

I represent many employers in your state who hire cosmetologist and often have difficulty being able to stay fully staffed as well as the many cosmetologists licensed in Hawaii or coming to Hawaii. This legislation, that is considered the gold standard for license mobility allows employers to draw from a larger pool of employees, allows cosmetologists who come to Hawaii to get to work immediately and reduces workload related to reciprocity applications for the regulatory agency. In addition, the compact's use of a required comprehensive database, may also reduce license fraud and therefore improve health and public safety for your consumers.

Currently, to move to Hawaii as a licensee from another state you must complete a lengthy and most licensees cannot forgo work for weeks or months while they complete the multiple steps in the reciprocity process.

If the compact were passed, you would enact the only form of license mobility that is bi-directional and is considered the gold standard for mobility by the military. In fact, it is the only form of mobility that would benefit your actual constituents, allowing them the same benefits you currently give to licensees coming into your state. While no state likes their citizens to leave, there are simply times when it must happen, and this compact would benefit that resident tremendously.

While some of the benefits of the compact are obvious for licensees, including the military spouse and even the state, by reducing reciprocity processing and providing a licensure database, some of the other potential beneficiaries may not

be so obvious but are very important. We have heard extensive testimony over the last year about the very real benefits to survivors of domestic violence and licensees displaced by natural disasters. For survivors of domestic violence the ability to move quickly and anonymously may be lifesaving and in this industry which is 85% female, the compact would provide the ability to work today and with tips, have money in your pocket tonight - which can provide groceries, a meal or even a hotel while they get on their feet. In addition, as we have all seen lately, natural disasters like the Lahaina fires, hurricane Helena and the current California wildfires create a displacement of people who need to work and may have resources like family in Hawaii where they could move and not only begin working, but also fill vacancies that currently exist in.

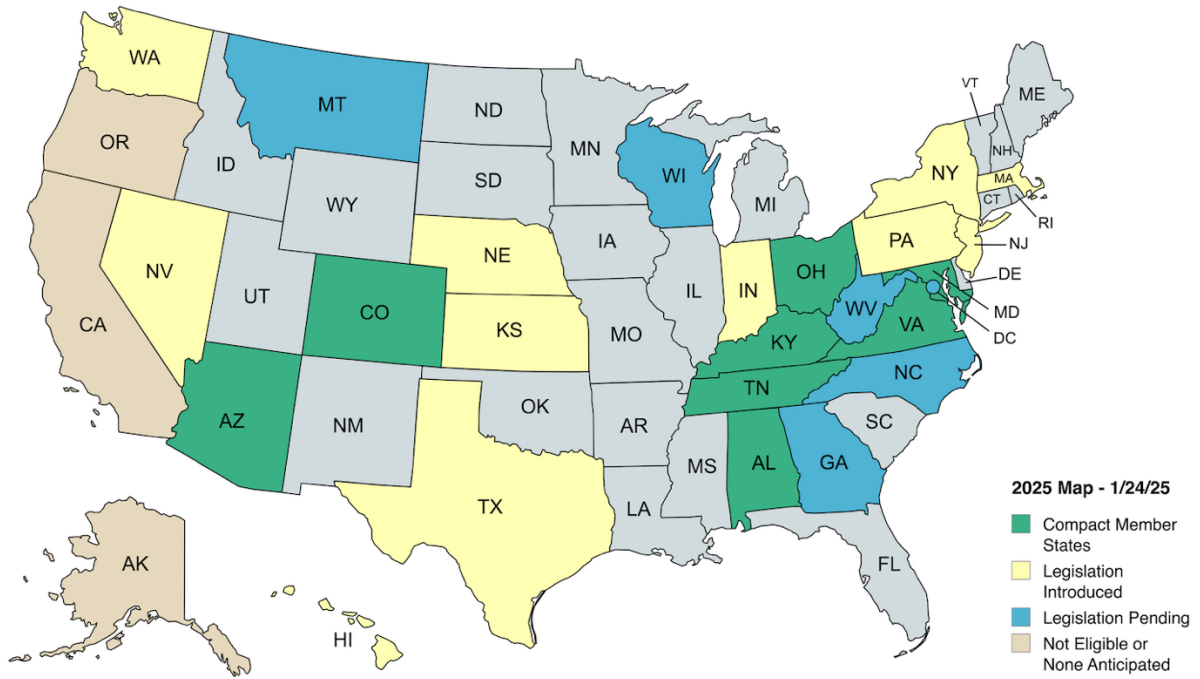
The compact currently has 8 enacted states (see attached map) and legislation pending in 15 states. Our commission will be seated this summer, so should Hawaii pass legislation this session, you would have a commissioner on the charter commission where the bylaws, rules and executive board will be determined.

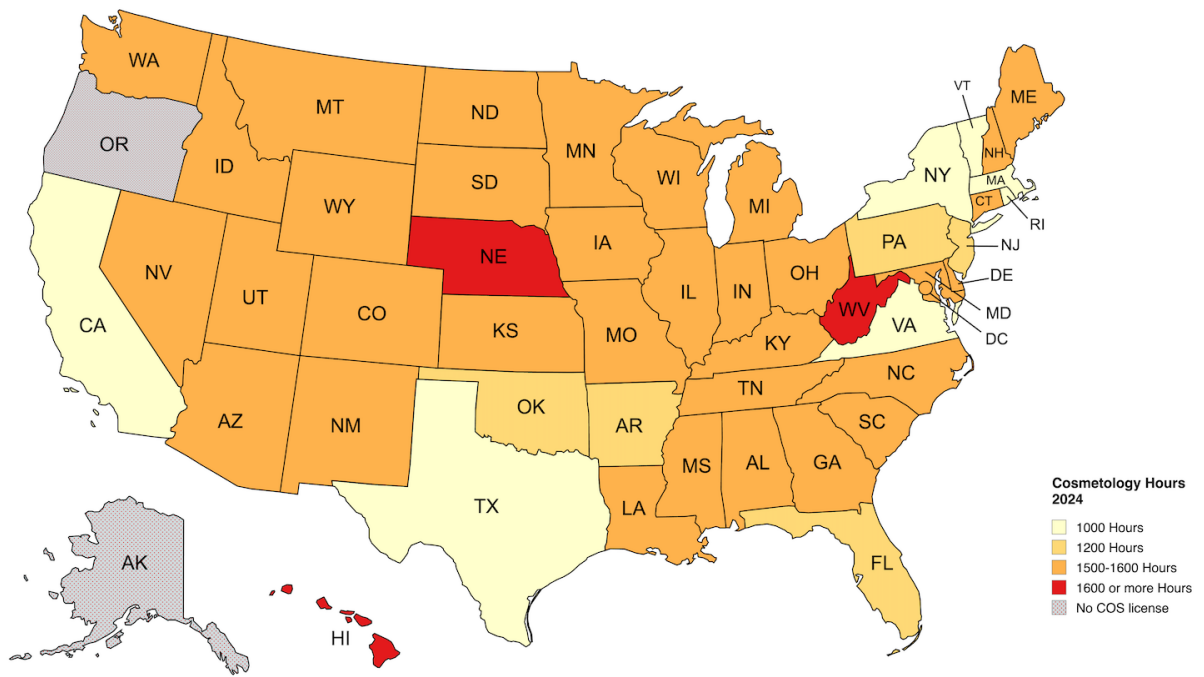
The compact approach to license mobility provides clear benefits to licensees moving to your state, businesses in your state and even the state itself, but most importantly to your own constituents.

Respectfully Submitted,

Leslie Roste, RN
Vice President, Government Affairs

Leslie.roste@fbic.org
816-955-1643





Potential Benefits/Beneficiaries – HI

Military Spouses: For military spouses that work in a licensed profession (36%), the unemployment rate is 25%. With frequent moves, it is often impractical or impossible to get a license in the new state within a reasonable period of time. Although a 2021 modification to the SCRA required states to expedite licensure for military spouses, the modifications did little to improve licensure in a new state. States still require letters of certification from other states worked in as well as proof of education and testing, after which they will expedite the licensure process. Obtaining those records and letters is the most time-consuming part of the application process often taking several months before they can even apply in the new state. The cosmetology compact would allow these military family members to begin work immediately upon moving to HI as well as allowing HI trained/licensed military spouses to begin working immediately in their new state upon relocation.

Domestic Violence Survivors: The cosmetology industry is one of the few industries where a licensee can work today and have money in their pocket at the end of the day to buy a meal or get a hotel room. For a survivor of DV the ability to move anonymously and work immediately can be life critical. The cosmetology industry is 85% female, and the compact would provide an immediate means of mobility for DV survivors when they need it most.

Displaced Workers: With the increasingly devastating natural disasters, we have heard numerous stories of cosmetologists who need to work in another state due to loss of their places of business or home. The compact would allow these licensees to work immediately in another state to ensure financial stability in a time of need.

Tracking of Fraudulent Schools: The compact database provides member states with the ability to track licenses from their inception – including educational path. This oversight along with the information from other member states will give visibility to potentially problematic schools.

Tracking of License Fraud: The compact database provides member states with the ability to track licenses from their inception. The history this provides combined with the ability for member states to perform joint investigations will make identification of fraudulent licensees more possible.

Joint Investigations: The compact, by law, allows states to perform joint investigations when licensees work in multiple states. This added communication and enforcement pathway creates a greater ability to ensure that problems in HI are adequately communicated to other states and that HI has the information they need to handle problem licensees within your state.

February 3, 2025

Chair Keohokalole & Vice Chair Fukunaga
Hawaii State Capitol
Commerce & Consumer Protection Committee
Conference Room 229
Honolulu, Hawaii

RE: SB 1619 Adopt the Cosmetology Licensure Compact

Dear Chairman Keohokalole, Vice Chair Fukunaga, and Honorable Members of the Senate Commerce & Consumer Protection Committee,

Thank you for your consideration of SB 1619, creating the Interstate Cosmetology Licensure Compact. I appreciate the opportunity to express support for SB 1619 on behalf of the Professional Beauty Association (PBA) and our members.

PBA has existed for over one hundred years and is the only national non-profit organization representing licensed beauty professionals, small business salon and barbershop owners, distributors, and manufacturers. PBA strives to support the professional beauty industry by giving back to the community through our charitable foundation programs, education, mentorship, and advocacy.

The Interstate Cosmetology Licensure Compact will ease the complexity and process for licensed beauty professionals moving to Hawaii. Many students aspire to move out of state once they complete their program. Licensed beauty professionals would welcome the opportunity to be able to call Hawaii home.

The collaborative action and leadership of Hawaii can help shape the direction and oversight for the Interstate Compact. This cooperative participation will support economic growth, and public safety while allowing for true license mobility without the deterrent of extra steps in what could be a very lengthy process.

The expected employment growth for professionals in the beauty industry coupled with the Interstate Cosmetology Licensure Compact will create a simple and welcoming invitation to new licensed professionals to pursue their career path in the state of Hawaii.

The Professional Beauty Association and our members encourage you to successfully pass SB 1619 out of committee, allowing the state of Hawaii to be a leader with the Interstate Cosmetology Licensure Compact.

Myra Y. Reddy
Director of Government Affairs
Professional Beauty Association



Testimony of Keith Buckhout, Policy Analyst, The Council of State Governments
Subject: Senate Bill 1619 – The Cosmetology Licensure Compact
Before the Hawaii Senate Committee on Ways and Means
Hearing Date: Wednesday, February 19, 2025

Good morning, Chair Dela Cruz and committee members. Thank you for the opportunity to testify on HB 1619. My name is Keith Buckhout, and I am a Policy Analyst for The Council of State Governments (CSG).

As a representative of CSG, we serve all elected and appointed state officials, so my testimony on SB 1619, the Cosmetology Licensure Compact, is neutral. However, we appreciate Senator Kim's sponsorship and the committee's consideration of the legislation.

In 2020, CSG entered into a cooperative agreement with the Department of Defense to fund the development of new interstate compacts for occupational licensure.

The cosmetology profession was selected through a competitive Request for Proposal (RFP) process. Between March 2021 and December 2022, CSG, and our project partner, the Future of the Beauty Industry Coalition (FBIC), convened subject matter experts to review state policies, identify best practices, determine the needs of the profession and draft the model legislation contained in SB 1619. The subject matter experts included state licensure board officials, licensees, cosmetology educators, board attorneys, representatives from professional associations and officials with major beauty industry employers.

CSG and FBIC also hosted public review sessions that every state licensure board was invited to attend. We also published a survey and distributed it to state licensure boards, licensees, educators, employers and any other stakeholder we could, to solicit feedback from as many people in the cosmetology profession as possible. This extensive process ensures the legislation before you today contains comprehensive policies developed through an open, transparent and thorough process.

The purpose of this compact is to create an alternative, optional multistate license for cosmetologists.

The intent is that the multistate cosmetology license would function like a driver's license. The cosmetologist's home state would issue the license, and the other member states or remote states would recognize the multistate license as authorized for practice within their respective jurisdictions.

To be eligible to join the Cosmetology Licensure Compact, a state must:

- License and regulate cosmetology.
- Require that applicants for licensure pass a cosmetology competency examination.
- Require that applicants for licensure satisfy educational or training requirements in cosmetology.



- Implement and maintain procedures for considering one or more of the following categories of information from applicants: criminal history, license disciplinary history, or background check.

The Cosmetology Licensure Compact does not require a member state to perform a criminal background check. The compact permits states who currently require a criminal background check to continue and if Hawaii ever wishes to implement a criminal background check requirement for cosmetologists that would not jeopardize compliance. Hawaii's current cosmetology license application complies with the requirements of the compact by asking applicants to disclose criminal convictions and license discipline.

As Hawaii is a state with several significant military installations and, because it is home to many military service members, it is important for the Committee to know SB 1619 contains a provision allowing active military members and their spouses additional licensure mobility to ensure the compact meets the specific needs of highly mobile military families.

From a regulatory perspective, the Cosmetology Licensure Compact preserves the authority of each compact member state to protect public health and safety through the existing state regulatory structure. Any cosmetologist using the compact to provide services in Hawaii must abide by Hawaii's scope of practice rules. If a multistate licensee from another member state, violates Hawaii's laws and rules while practicing here, they can be disciplined and prohibited from practicing in Hawaii in the future. Hawaii also retains authority over initial licensing requirements.

This compact will be governed by a commission consisting of delegates appointed by each member state. Hawaii is already a member of the Interstate Medical Licensure Compact which uses the same commission structure. The commission's authority only extends to effectively administering the purposes in the compact. It cannot dictate licensing policy to states.

We don't anticipate substantial additional costs for states participating in the Cosmetology Licensure Compact. There may be some costs for the programming to connect Hawaii's existing cosmetology licensure data system to the compact's data system as well as travel cost(s) for Hawaii's delegate to attend the annual commission meeting in person if they wish.

Thanks again for the opportunity to share this information about the compact. I would be happy to address any questions from Chair Dela Cruz or the committee.

Why Limit Reform to Cosmetologists?

Conor Norris

Director of Labor Policy, Knee Regulatory Research Center, West Virginia University

The Senate Ways and Means Committee

February 19, 2025

Chair Dela Cruz, Vice Chair Moriwaki, and all distinguished members of the Senate Ways and Means Committee:

Thank you for allowing me to submit testimony on the regulation of cosmetologists in the state of Hawaii. I am the director of labor policy at the Knee Regulatory Research Center at West Virginia University. The main takeaways of my comments are the following:

1. Occupational licensing can create arbitrary barriers for potential new residents.
2. Research shows that rigid occupational licensing restricts mobility by 7 percent.
3. While the cosmetologist compact can help cosmetologists, a broader reform like universal recognition would impact more professionals.

Occupational licensing is the most restrictive form of professional regulation. Workers cannot legally practice in licensed profession until they meet entry requirements, like achieving a minimum level of education or training, passing exams, and paying fees. Over 25 percent of workers in Hawaii require a license to work.¹ By creating barriers to entry, occupational licensing reduces employment opportunities and raises costs for consumers.

Because licensing laws are the responsibility of states, they pose challenges for workers moving across state lines. Relocating often entails reapplying for a license, taking state-specific exams, and, in some cases, completing additional education or training. Moving is already a hassle, and licensing can make it even worse. We estimate that licensing laws reduce the number of people moving to a new state by 7 percent.²

Unfortunately, cosmetologists are among those most affected by these burdens. Cosmetology programs are notoriously lengthy, with just one third of students graduating on time and tuition far exceeding what is appropriate for their career earnings.³ Worse yet, requirements vary

¹ Kleiner, Morris M., and Evgeny Vorotnikov. "Analyzing occupational licensing among the states." *Journal of Regulatory Economics* 52 (2017): 132-158.

² Johnson, Janna E., and Morris M. Kleiner. "Is occupational licensing a barrier to interstate migration?." *American Economic Journal: Economic Policy* 12, no. 3 (2020): 347-373.

³ Menjou, Mindy, Michael Bednarczuk, and Amy Hunter. "Beauty School Debt and Drop-Outs: How State Cosmetology Licensing Fails Aspiring Beauty Workers." *Institute for Justice* (2021).

significantly between states.⁴ Forcing out-of-state residents to go through this education and training again is costly enough to discourage cosmetologists from moving to Hawaii.

The cosmetology licensing compact seems like a perfect solution to this issue. It allows licensed cosmetologists from member states to practice in Hawaii without undergoing redundant education and training, saving time and money. However, the compact has its limitations.

First, the compact would only help cosmetologists from states that are also members of the compact. Right now, that is eight states, just two of which are west of the Mississippi River.⁵ Any cosmetologist from non-member states would continue to face the same barriers.

Second, cosmetology is just one of many professions that faces affected by licensing laws. Other beauty professions—like barbers, manicurists, and estheticians—face the same inconsistent standards. Nationwide, over 300 professions require licenses, creating widespread mobility issues.

A far more effective solution would be to adopt the universal recognition of out-of-state licenses. So far, 26 states have implemented this reform.⁶ Arizona, one of the first states to recognize out-of-state licenses, has already seen beneficial effects from enacting this legislation. An estimated 6,500 or more skilled workers have moved to Arizona since passage of the reform.⁷ States with universal recognition laws not only see increased employment, but they also see increased economic output.⁸

Universal recognition would address both limitations of the cosmetology licensing compact by including all states and licensed professions. Under universal recognition, licensed professionals from any state—not just member states for specific professions—could move to Hawaii and begin working without unnecessary delays. This would be an even bigger win for Hawaii residents, new and old.

Allowing licensed professionals to bring their license with them increases worker mobility while leaving consumer protections in place. Reducing burdens for cosmetologists would be a step forward, but reducing them for all licensed professions would be a much greater win for Hawaii.

Conor Norris

⁴ Norris, Conor, Edward Timmons, Ethan Kelley, and Troy Carneal. "Introducing a new state-level occupational licensing requirement database." *Journal of Entrepreneurship and Public Policy* 13, no. 2 (2024): 182-199.

⁵ "Compact Map." *Cosmetology Licensure Compact*. (2024). <https://cosmetologycompact.org/compact-map/>

⁶ Bae, Kihwan, and Darwyn Deyo. "2024 Update to the Survey of Universal Licensing Reforms in the United States." Knee Regulatory Research Center Policy Brief. (2024). <https://csorwvu.com/policy-brief-survey-of-universal-licensing-reforms-in-the-united-states-2024/>

⁷ Curry, Heather, and Vance Ginn. "Thousands Free to Work: The Power of Universal Recognition in Arizona." Goldwater Institute Policy Report. (2023). <https://www.goldwaterinstitute.org/policy-report/universal-recognition-hb-2569/>

⁸ Bae, Kihwan, and Edward Timmons. "Now you can take it with you: Effects of occupational credential recognition on labor market outcomes." (2023).

SB-1619-SD-1

Submitted on: 2/16/2025 6:31:41 PM

Testimony for WAM on 2/19/2025 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruth Love	Individual	Support	Written Testimony Only

Comments:

Good idea