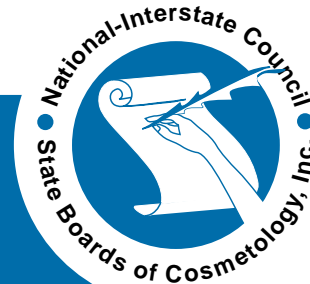


NIC Bulletin

Official Publication of the National-Interstate Council of State Boards of Cosmetology, Inc.



Executive Board March meeting in New York addresses task force reports

The Executive Board of the National-Interstate Council of State Boards of Cosmetology met in New York in a double session March 12.

The first session convened at 10 a.m. to deal with routine Council business, including officer, employee and committee reports.

Task force reports

Following a noontime break, the board reconvened to review recommendations of the three task force committees formed to address issues raised by the NIC research survey conducted by Hill and Knowlton, Inc., an international public relations consulting firm. Task force committees were—

- Internal/External Communications, Wendell Peterson (Mont.), chair
- Administrative Services, Jeannie Worsch (Mont.), chair
- Repositioning/Rebranding of NIC, Dough Van Essen (N.C.), chair

Kitty Pierre (N.C.) served as task force coordinator.

The objective of the task force committees was to compile data and prepare it in a form to be presented at the spring board meeting. The goal was to “make a difference as NIC moves into the year 2000 with a new prospective for growth and development.”

Committee and employee report highlights

Sharon Marks, Region 2 director, announced a change in location for her region meeting: the meeting will take place in Columbus, Ohio.

Jeannie Worsch, Montana board administrator, reported that Louisiana has expressed interest in hosting the 2001 NIC conference.

William (B.J.) Joseph (Texas), Region 5 director, listed several agenda items for the May 7 meeting on Padre Island, including NIC national testing, state

enforcement and legislative fines and laptops in the field.

The next board meeting will take place in Las Vegas.



NIC Executive Board meeting at the Renaissance New York Hotel March 12. Officers, committee chairs and employees reported in the morning session.

NIC 1999–2000

President

Larry Walthers
Rt. 1, Box 698
Carson City, NV 89704
775-884-1001, fax 775-688-1441

Immediate Past President

Michael Hill
7 S. School St.
Fayetteville, AR 72701-5962
501-521-2615, fax 501-521-4378

First Vice President

Carolyn Ackerman
819 D St.
Geneva, NE 68361
402-759-4454

Second Vice President

Ollie Pendley
3851 Wesley Dr.
Lithia Springs, GA 30122
770-948-8622

Third Vice President

Kimber Hicks
7814 Westover Dr.
Boise, ID 83704
208-375-4918, fax 208-375-8958
khicks@cyberhighway.net

Corresponding Secretary

Brenda Mathre
314 Lake Hattie Rd.
Laramie, WY 82070
307-742-6507

Recording Secretary

Kirby E. Morris
815 E. Fifth
Casper, WY 82601
307-472-4247

Treasurer

Wendell Petersen
8945 Paintbrush Ln.
Missoula, MT 59808
406-728-0343
rangerw@aol.com

Board Administrator on Executive Board

Jeannie Worsch
1315 Ranchview Rd.
Helena, MT 59602
406-444-4288,
jworsch@state.mt.us

Region 1 Director

Rose Policastro
43 Kaufman Ave.
Little Ferry, NJ 07643
201-440-4437

Region 2 Director

Sharon I. Marks
60 St. Rt. 132 West
Dixon, KY 42408
502-639-5458

Region 3 Director

Pat Nelson
39942 241st St.
Letcher, SD 57359
605-248-2341

Region 4 Director

Mary Anne Bamrick
26213 S. Greencastle
Sun Lakes, AZ 85248-7212
480-802-4122

Region 5 Director

William (B.J.) Joseph
5318 Guava
Harlingen, TX 78550
956-245-6243
Casino9903@aol.com

General Counsel/ Administrator of Testing Program

O. Wayne Corley
P.O. Box 11390
Columbia, SC 29211
803-799-9800, fax 803-376-2277
wcorley@mcnair.net

Coordinator of Testing Program

Aurie Gosnell
P.O. Box 891
Aiken, SC 29801
803-648-5437, fax 803-649-6598

Rater Training Developer

Peggy Moon
5806 West Ave.
Lavonia, GA 30553
706-356-0555, phone & fax
peggymoon@nictesting.org

Program Director

Virginia Wilson
3949 Nighthawk Dr.
Weston, FL 33331
954-389-5302, fax 954-389-2837
jinnnywilson@nictesting.org

AACS' Jim Cox addresses NIC members

Following is a summary of Jim Cox's remarks at the NIC conference in August. Cox is executive director of the American Association of Cosmetology Schools.

AACS has undergone many changes over the past year. In January [1999], I assumed the position of executive director after the association moved its offices to Phoenix from Virginia. This was a move designed to allow AACS an opportunity to work closer with other beauty industry partners, primarily BBSI and TSA, both of which are located in the same office complex.

"One of my requests for the NIC to consider is asking more states to recognize the education programs offered at our CEA Convention as official CEUs for state licensure."

This strategic alliance between three of the industry's professional associations has opened lines of communications among schools, salons, distributors and manufacturers. It has become very apparent to me how critical communication is among the various segments of the beauty industry.

One of the most exciting results of this communication is the formation of the Professional Beauty Federation. To my knowledge, this is the first time that the diverse interests in the beauty industry have formally come together to help each other with individual issues. It is reassuring knowing that there

will be a larger entity working with the schools as we tackle issues with the Department of Education

as well as other projects previously only worked on by the schools. I think the other segments of the industry now realize how important the schools are to their businesses and with the Federation there is now a vehicle to utilize for assistance.

This year has seen AACS offer three very well received national meetings, the Mid-Year Conference in February, a Financial Aid Workshop in June and the CEA Convention in July.

One of my requests for the NIC to consider is asking more states to recognize the education programs offered at our CEA Convention as official CEUs for state licensure. Many states already do this and I think it gives the educators a wonderful opportunity to hear world-class speakers and educators and receive their CEUs at the same time. If your state does not currently recognize this program, please consider doing so and you may call me for further details.

I am very excited about the future of the beauty industry and the schools' role in its success. There have been many challenges for school owners and will continue to be, but the key is working together to overcome the obstacles, and I feel everyone is ready to do that.



BBSI to be catalyst to create change

Following is a summary of Michael Spano's remarks at the NIC conference in August. Spano is executive director of the Beauty and Barber Supply Institute, Inc.

The Beauty and Barber Supply Institute has been working diligently to pass a bill which is currently in congress, as H.R. 2100, The Antitampering Act of 1999. This bill would make it a federal crime to deface, decode or cover over batch codes printed on products. The bill would have a dramatic impact on the practice of unauthorized diversion of professional salon products in that many well known redistributors or diverters are known to deface and decode product to protect their sources.

By enacting HR 2100 the practice of decoding professional products would be heavily impacted and most likely stopped completely,

although this would not mean an end to unauthorized diversion.

It would mark that first time that the professional beauty industry has impacted this practice, sending a message to the people in Washington that the professional beauty industry is a force to be reckoned with.

BBSI is leading the charge on this legislation with support from the American Beauty Association as well as some associations representing diverse interests. BBSI has committed well over \$100,000 to supporting this bill and we are confident that by the end of the 106th Congress, we will have passed this bill and sent a message to our industry that unauthorized diversion can be stopped.

HR 2100 has a hearing scheduled in front of the House on October 21, 1999 as well as a hearing in front of the Senate on October 26th, 1999. We are hopeful that a

vote on the House floor will follow these hearings shortly. This is BASS's number one priority right now and although we have a lot on our plate, we are fully committed to passing this landmark bill.

In addition to becoming more politically active recently, BBSI continues to be very proactive in the industry. Our divisions include: The International Cosmetology Expo (ICE), a trade show for licensed cosmetologists; The North American Hairstyling Awards; Young Executives Council; and Beauty Inc. Magazine. In addition, our sister association, The Salon Association (TSA), has been experiencing exponential growth and recently had their board of directors pictured on the cover of *Salon Today* magazine. Also, we feel that our participation in the Professional Beauty Federation will strengthen our political agenda and bring our industry closer together.

Our goal is to enhance the communication between the many segments of our industry. By doing so, we believe that our industry can become a more cohesive unit, working together to solve common problems rather than pulling in many different directions. BBSI believes that we can be the catalyst to create this change and we are looking forward to leading this effort.

Michael A. Spano is Executive Director of the Beauty and Barber Supply Institute, Inc., 11811 N. Tatum Blvd. Suite 1085, Phoenix, AZ 85028, (800) 468-2274, Fax: (602) 404-8900, www.bbsi.org.

"...we believe that our industry can become a more cohesive unit, working together to solve common problems rather than pulling in many different directions..."

www.nictesting.org

NIC is online with news and information! Lists of officers, staff, committees, NIC history, links to related sites, Legislative Committee report—and more. Check it out, and please offer suggestions.

—jerrybrooks@nictesting.org or 518-899-5798

International Chain Salon Association

Following is a summary of Dan Coniglio's remarks at the NIC conference. Coniglio represents the Professional Beauty Federation.

The Professional Beauty Federation is addressing our industry concerns:

- Problems facing our beauty schools
- Diversion of professional products
- IRS is now probing into the beauty industry regarding our business practices

Those concerns center around the underreporting of income as it relates to—

- Both independent and booth rental salons
- Paying stylists "under the table"
- Any unlicensed activities
- Tips

The real problem is the nonreporting of income. What are we doing about the problem? The Professional Beauty Federation is doing research into a tax concept. A bill was introduced by Mary Bono to give a tax credit to salons. Both myself and Malcolm Bonawits will be meeting with IRS commissioner Charles Rossetti. I recently attended the NCA convention to do a workshop with their state delegates on how to partner with their state boards on the issue of reciprocity. I would like to share some of that presentation with you!

Beauty industry facts—

- Beauty schools are the heartbeat of our profession.
- Federal funding for students to go to beauty schools is always in jeopardy!
- Beauty schools are over-regulated by the federal government, making it

harder for them to do business!

- Beauty school enrollments are down dramatically!

Ray Testa [AACS president] expressed concerns of the beauty schools explaining that accredited schools decreased in the past six or seven years from over 2000 to 1000—a 50 percent decrease.

Consider this: more than 50 percent of the people in this country visit a salon on a regular basis. The highest it's ever been. There is more of a demand for professional beauty services than ever before. We are experiencing a severe shortage of workers. Twenty-five years ago we were experiencing the same problems.

Reasons for the stylist shortage—

- Strong economy.
- Lowest unemployment rates in the history of our country.
- Our profession is competing with other jobs in general.

A recent article was published, entitled "Salon Industry Needs Workers." [The article was written by Linda Kim, Associated Press writer, April 11. Basically it states that for beauty salons across the country, the strong economy is both a blessing and a curse. Business is brisk, but the low unemployment rate means workers are hard to come by.]

We cannot currently afford to lose a single person in our profession. This is why state cosmetology laws must favor today's business climate.

Why must reciprocity rules be changed? Because we live

in an increasingly mobile society.

Many qualified stylists in this country who relocate to another

state in which they are not licensed simply cease employment as stylists rather than overcome the costs, time and frustration of obtaining a license in the state to which they have moved.

How do we position reciprocity with our state boards?—

- Right-to-work issue.
- We have to humanize the issue.

What to look for in state laws—

- Length of time to get a license.
- How often is testing? What happens if they don't pass?
- Temporary permit?

Michael [Hill, immediate past NIC president] has told me as a result of our last meeting with you that many states have changed their reciprocity laws to reflect today's business climate. A stumbling block may be illegal licensing activities. Please don't let a few "bad apples" ruin it for the rest of those honest people. Please let your conscience be your guide and let's continue to work together to keep stylists in our profession.

Dan Coniglio is president of the International Chain Salon Association, P.O. Box 600, Pottsville, PA 17901, 570-429-1800.



"Please don't let a few 'bad apples' ruin it for the rest of those honest people. Please let your conscience be your guide and let's continue to work together to keep stylists in our profession."

New practical exam contracts negotiated

Thirty-four states participated in NIC's testing programs July 1–Dec. 31.

O. Wayne Corley, general counsel and administrator of the testing program, reported new practical examination testing contracts were negotiated and executed with Alabama, Arkansas, Georgia and Guam. Renewal contracts were negotiated and executed with Idaho and Nevada. A proposed contract for use of the computerized national exam was forwarded to Utah for review. Currently, the following states have signed on to offer the NIC national examination through LaserGrade Computer Testing, Inc.: Arizona, Arkansas, North Carolina, Ohio and Oklahoma. Thirty-four states participated in the NIC testing program from July 1 through Dec. 31, 1999:

Examinations	States
Cosmetology	30
Manicuring/nail tech	29
Esthetician	27
Instructor	27
Electrology	7
Manager	1
Barber	8
Barber/stylist	9
Cosmetology practical	14
Manicuring practical	15
Esthetician practical	11
Instructor practical	8
Barber practical	3

Report from NIC rater program developer

New states using the NIC practical exam were announced by Peggy Moon, NIC rater program developer. "The most exciting news to

report to the council," Moon reported, "is that the states of Georgia and Alabama have adopted and their raters have been certified for the NIC practical examination program and that the state of Arkansas has voted to adopt the NIC practical examination."

"Arkansas would like to have raters certified before June 15," she added.

Moon also reported on rater training progress:

- Nineteen raters have been trained and certified in Maryland.
- The NIC school overview was held in Maryland with over 100 instructors in attendance.
- Six raters have been trained and certified for the NIC instructor practical examination in Georgia.
- Six raters have been trained and certified for the NIC esthetician practical examination in Alabama.
- North Carolina rater training is scheduled for April 9 and 10.
- Missouri is scheduled for April 15 and 16.
- Guam will be attending the training workshop in Missouri.
- Montana is scheduled for training May 21 and 22.
- Arkansas is scheduled for its first training session

and school overview June 4–6.

- New Mexico is scheduled for July 9 and 10.
- Wyoming is scheduled for July 22–24.
- South Dakota is scheduled for rater training and a school overview Sept. 25 and 26.

A workshop was held in February to improve all NIC practical examinations.

Changes were made to allow easier rating of each task for all examiners.

"The task lines were not changed and cannot be changed until another job delineation study is conducted," Moon explained.

"However, clarifying directions, reorganizing task lines and changing the color and design of examination booklets were some of the revisions."

Rater consistency reports continue to bene-

fit states that are participating in the NIC practical examination program. "We are able to pinpoint a rater who has a statistically significant difference between the rater pass rate and the total pass rate of their group," she said.

States requesting information about NIC's testing program include Colorado, Utah and Washington.



Aurie Gosnell (top), coordinator of NIC testing program, and Peggy Moon, NIC rater program developer.



"The most exciting news to report to the council," Moon reported, "is that the states of Georgia and Alabama have adopted and their raters have been certified for the NIC practical examination program and that the state of Arkansas has voted to adopt the NIC practical examination."

State board administrators enthusiastic about national database

by Mary E. Bird, Esq.

"The Advisory Committee on Cosmetology Relations in Education (ACCRED) has agreed to raise funds to cover start-up costs. ACCRED is made up of representatives of beauty salons, chain salons, publishing, beauty supply manufacturers and distributors, and others."

At the annual conference of the National-Interstate Council of State Boards of Cosmetology held in Whitefish, Montana in August, a proposal to establish a national database of licensed cosmetologists received support from state board administrators. The project, conceived by Mark C. Gross, chief executive of the National Accrediting Commission of Cosmetology Arts and Sciences, Inc., would decrease the time spent by state board personnel supplying licensure information for the decidedly mobile population of cosmetologists, manicurists, electrologists, estheticians and others.

The need to verify training hours, years of license

Each time a cosmetology professional from your state seeks licensure in another state, you need to verify the hours training and the years the person has been licensed and active in the profession. More importantly, you want to know if any disciplinary action has been taken against the applicant in the state where he or she already holds licenses. Each state maintains slightly different information and stores it in different ways. Some have data on computers. Others use paper files. Whatever systems they use, many state board administrators at the NIC conference agreed they spend too much time locating information. Betty Abernethy, administrator for the Wyoming Board of Cosmetology, and Jeannie Warsech, administrator for the Montana board, became co-chairs of an ad hoc committee to

study how a national database of cosmetology licenses could address administrative needs.

The need for an individual's effort

Even in states where data on licensed cosmetologists is computerized, a person still needs to be assigned to pull out the information when it is requested. Requests do not often come when it is convenient for you. The state board you send it to also has to assign a person to check the information against the roving cosmetologist's application. This takes state board personnel at both ends of the transaction away from other activities. It can delay decisions on reciprocity or endorsement.

"By improving the reliability of licensure information, a national database may add credibility to cosmetology as an industry."

Ms. Mary Manna, executive director of the state board of cosmetology in Nevada, estimates her staff receives 200 or more reciprocity applications each month and spends three to eight hours processing each one. "By improving the reliability of licensure information, a national database may add credibility to cosmetology as an industry," she says.

Several state board administrators volunteered to work with Ms. Abernethy and Ms. Warsech to devise a list of data elements that should be on a national database shared by all participating state

boards. The goals are to have formal, reliable information on licensed professionals, which identifies the licensee in such a way that it can be used by no one else, and which may be accessed quickly. Betty Abernethy said, "We will be looking at how a national database can benefit state board administrators, how it can be a reference tool and a formal source of information."

Nelda Luckett, administrator for the Mississippi State Board of Cosmetology, says she joined the group to become more knowledgeable about databases of the type envisioned by Mr. Gross and to "get educated about the opportunities." She expects the committee will look at—

- What data individual states can provide,
- Information the states would like to retrieve,
- What personal information should be included, and
- Feasibility in terms of cost and staff requirements

Computer equipment to store photos, fingerprints, signatures

In his talk to the convention, Mr. Gross described computer equipment which can store the picture, fingerprint, and signature of each licensed cosmetologist. The development committee may plan a field trip to visit Imaging Automation, in Bedford, New Hampshire, where the equipment is manufactured, to see its capabilities firsthand. The company is looking for a state interested in

running a pilot test for the project.

Advisory Committee on Cosmetology Relations

The Advisory Committee on Cosmetology Relations in Education (ACCRED) has agreed to raise funds to cover startup costs. ACCRED is made up of representatives of beauty salons, chain salons, publishing, beauty supply

manufacturers and distributors and others. They believe that activities which make it easier for beauty professionals to relocate across state lines to pursue job opportunities benefit the industry. "A national database, where all licensing data is located in one place, will reduce the time needed for professionals to become licensed when

they move," says Mr. Gross, the chair of ACCRED.

If you have suggestions for the types of information that should go into the national database, you may contact Ms. Abernethy or Ms. Worsech. If you have other questions you may contact Mr. Gross at (703) 527-7600 ext. 34.

IRS beauty industry educational outreach program presented

Features of the IRS' beauty industry educational outreach program were described at the NIC conference by Donald Segal, IRS beauty industry employment tax outreach coordinator.

The IRS mission, Segal explained, is to provide America's taxpayers top-quality service by helping them understand and meet their responsibilities and by applying the tax law with integrity and fairness to all.

"Zero is not the right number," he emphasized, referring to tip reporting. The IRS sees compliance education as a solution.

Total tips reported on form 941 steadily increased between 1994 and 1997:

1994	\$8.52 billion
1995	\$9.45 billion
1996	\$10.19 billion
1997	\$10.88 billion (est.)

The form 8027 tip rate increased from 7.1 percent in 1989 to 9.5 percent in 1997.

The law, according to Segal, is that tips received in

the amount of \$20 or more in a month must be reported to the employer. Tips not reported must be reported at the end of the year on form 1040 with form 4137. For an independent contractor or employee, factors to consider are behavioral control, financial control and relationship/contract.

For chair renters, rent paid over \$600 per year must be reported to the salon owner on form 1099.

Benefits of improved income reporting are—

- Social Security benefits
- Unemployment benefits
- Better credit rating for loans
- No penalties for not reporting
- *Peace of mind!*

Educational aids include—

- Tip Agreement (TRAC)
- Publication 1244—Daily Tip Record
- Publication 531—Reporting Tips
- Publication 454—Small Business Tax Kit



Don Segal, IRS beauty industry educational outreach program

- Publication 583—Record Keeping
- Publication 1779—IC or Employee?
- Form SS-8—Determination of worker Status
- Publication 15-A—Employer Supp. Guide, Section 2, IC or EE
- Publication 505—Tax Withholding and Estimated Tax

Don Segal may be reached at 203-781-3086, don.p.segal@ml.irs.gov. For forms and publications, call 800-TAX-FORM or visit <http://www.irs.ustreas.gov>.

"The IRS mission is to provide America's taxpayers top-quality service by helping them understand and meet their responsibilities and by applying the tax law with integrity and fairness to all."

Bulletin

Published every other month, the *NIC Bulletin* is the official newsletter of the National-Interstate Council of State Boards of Cosmetology, Inc., P.O. Box 11390, Capitol Station, Columbia, SC 29211.

T. Gerald Brooks, editor

8 Hills Road
Ballston Lake, NY 12019-9231
518-899-5798 (phone and fax)
jerrybrooks@nictesting.org

Newsletter/Publicity Committee

Carolyn Ackermann (Nebr.),
(402) 759-4454
William (B.J.) Joseph (Texas)
Nancy King (Md.), (410) 230-6320, nailcare@juno.com
Kirby Morris (Wyo.), 307-472-hair
Patricia Nelson (S.D.), (605) 248-2341



Major costs incurred in the preparation, printing and mailing of the *NIC Bulletin* are underwritten as a service to the cosmetology industry by Milady/SalonOvations.

NIC 2000 conference update...

By Mary Manna

Plans are well under way for the Las Vegas, 2000 Conference. The first mailing of the conference registration information along with additional data regarding points of interest in Las Vegas was completed Jan. 6. A second mailing with a

better constructed

agenda is

planned for the end of April and will be the final mailing.

We would like to take this opportunity to again remind

NIC members to make their hotel reservations no later than July

2000 = Change!

NIC Annual Conference / Las Vegas, Nevada

rooms cannot be accommodated. The earlier that registrations are completed, the



Palace Station Hotel, Las Vegas—site of the 2000 NIC conference Aug. 18–21.

18. After that date, our hotel room block will expire, and special requests for

easier it is for us to ensure a well planned conference.

The theme of our conference is “2000 = Change!” Only with your help and participation can this be accomplished. We look forward to greeting all of you in Las Vegas.

Spring 2000 region meetings scheduled

Region meetings have been scheduled as follows:

- Region 1, April 1–2, Secacus, N.J.
- Region 2, May 20–21, Columbus, Ohio
- Region 3, April 16–17, Sioux Falls
- Region 4, April 29–30, Cottonwood, Ariz.
- Region 5, May 7–8, South Padre Island

Contact your region director for further information. (Contact information is listed on page 2 of this newsletter.)

NIC Bulletin

8 Hills Road

Ballston Lake, NY 12019-9231

First Class