



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0593

Title: Generally revise barbering and cosmetology laws

Primary Sponsor: Seekins-Crowe, Kerri

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$10,119	\$15,262	\$14,562	\$14,562
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$15,262	\$14,562	\$14,562
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 593 creates a new license type of Advanced Practice Esthetician under the Board of Barbers and Cosmetology, and revises the laws covering most facets of the practice and instruction of barbering and cosmetology, changes the makeup of the board, and revises requirements to hold a license, and qualifications for licensees, schools, and teachers. Fiscal impacts include costs for rulemaking, expenses for development and programming of database changes necessary to add a new license type, modifications to the existing instructor license type to include advanced practice esthetician instruction, costs to change the board website and create forms and instruction for application, annual online renewal, tracking of supervision in a clinical setting, licensee lookup inclusion, changes to the board webpage to include the new license type and other legislative changes, and additional personal services to conduct licensure and regulatory work on behalf of the board.

FISCAL ANALYSIS**Assumptions:**

1. HB 593 changes the makeup of the board to include a Master Esthetician and alters the number of board members from different practice areas who make up the board. Because the overall number of board members does not change, there is no fiscal impact.
2. The board will draft new rules and revise existing rules, to implement this legislation. It is assumed there will be a 20-page rule note and five-page adoption notice, with a cost to the board from the Secretary of State for \$60 per page for a total of \$1,500.
3. The board will hold a public hearing for a maximum of two hours to take comments from the public on the proposed rules with a hearing officer and court reporter present to record comments and provide a transcript. The estimated cost is \$459.
4. The board will notify interested parties of the rule changes as required. Currently, the board contacts all parties by email and directs them to the board website for information on notices, hearings, and how to provide comments in writing or in person at the hearing.
5. The board will utilize additional department legal services to draft the notice and assist in responding to comments, and prepare the adoption notice to add the new license type and adopt any rule changes necessary to implement statutes. It is estimated board counsel and the department legal rule reviewer will charge the board an additional 80 hours for these services for a cost of \$8,160.
6. The total estimate rulemaking costs are \$10,119.
7. A new license type for Advanced Practice Esthetician will be added to the licensing database, to include application, renewal record, supervision tracking, continuing education entry and tracking, as required, and a compliance record. Changes will be made to the existing instructor license record to include instruction in advanced practice esthetics and any other related information. Forms will be created for online completion of application and renewal, and the board website will be updated to include licensee information and updates for the public to the licensee lookup system. The board will be assisted in this by the department's Technology Services Division, (TSD), and TSD will bill the board for its services.
8. It is estimated TSD will spend 245 hours total on these tasks, including analysis, design, development, testing and implementation at a rate of \$81 per hour for a total expense to the board of \$19,845. Work will be completed by existing staff and contractors using existing department appropriation. These costs are not included in expense tables for this note.
9. The addition of a new license type will result in ongoing, increased workload for board licensing and management staff. It is estimated this license could be applied for by up to 300 advanced practice estheticians by the second year of the biennium. The department will need an additional 0.25 FTE Licensing Technician, with a salary and benefits cost of \$13,390 annually, indirect costs which are listed in table under operating expenses, of \$1,172, and office supplies and computer set up of \$700 in year two of the biennium as a one-time expense.
10. Fees for licensure and subsequent renewal will be set by the board and will be commensurate with costs. It is estimated there are 300 people who may qualify for and apply for this license. Initial licensure would not take place until the second year of the biennium.

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.25	0.25	0.25
<u>Expenditures:</u>				
Personal Services	\$0	\$13,390	\$13,390	\$13,390
Operating Expenses	\$10,119	\$1,872	\$1,172	\$1,172
TOTAL Expenditures	\$10,119	\$15,262	\$14,562	\$14,562
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$10,119	\$15,262	\$14,562	\$14,562
TOTAL Funding of Exp.	\$10,119	\$15,262	\$14,562	\$14,562
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$15,262	\$14,562	\$14,562
TOTAL Revenues	\$0	\$15,262	\$14,562	\$14,562
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$10,119)	\$0	\$0	\$0



 Sponsor's Initials

3/9/21

 Date

KA

 Budget Director's Initials

3/8/21

 Date