

LSC Greenbook

Analysis of the Enacted Budget

State Board of Cosmetology

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ATTACHMENT:

Budget Spreadsheet By Line Item

State Board of Cosmetology

- Appropriations of \$3.44 million in FY 2012 and \$3.36 million in FY 2013
- Oversees approximately 140,000 licenses in Cosmetology, Manicuring, Esthetics, and Tanning
- Second largest occupational licensing board in Ohio

OVERVIEW

Agency Overview

The State Board of Cosmetology (COS) was created in 1932 to establish and maintain sanitary and professional standards in the beauty salon industry. The Board is charged with ensuring the health, safety, and sanitation of the beauty industry and its patrons through licensing and regulation of salons and individual licensees. In addition, the Board has oversight over the indoor tanning industry through regulation of ultraviolet radiation devices. COS is the state's second largest licensing board, overseeing more than 140,000 active licensees.

The Board consists of nine members appointed by the Governor. The members represent various facets of the beauty salon industry. The day-to-day licensing and regulatory responsibilities are managed by an executive director who is appointed by the nine-member board. Including the executive director, the Board has 35 full-time employees. The Board receives no funding from the GRF; rather, its operations are funded entirely by fees and other amounts paid by licensees.

FY 2012-FY 2013 Appropriations

Enacted appropriations for COS are \$3.43 million in FY 2012, a 3.9% increase compared to FY 2011 expenditures of \$3.31 million. FY 2013 funding is \$3.36 million, a 2.2% decrease in comparison to FY 2012 appropriations.

Recent Operating Results

Table 2 below shows revenues and expenditures over the FY 2008-FY 2011 span, covering the two previous license renewal periods. Notice that COS's biennial renewal cycle results in significant fluctuations in the amount of revenue received on a year-to-year basis, with the vast majority of revenue coming in odd-numbered fiscal years. The "on" year of the two-year renewal cycle covers the deficit created in the "off" year when little license fee revenue is received. Overall, revenues collected during the renewal period consistently exceed expenditures. FY 2010 and FY 2011 revenues do not reflect amounts collected under the Board's license amnesty program that were deposited into the GRF under a provision of H.B. 1, the FY 2010-FY 2011 main operating budget act.

The amount transferred to the GRF in FY 2010 as a result of the program was just over \$64,000.

	FY 2008	FY 2009	FY 2010	FY 2011
Revenue	\$1,148,055	\$6,401,918	\$1,239,461	\$6,739,289
Expenditures	\$3,550,509	\$3,329,024	\$3,068,468	\$3,311,219
Net	(\$2,402,454)	\$3,072,894	(\$1,829,007)	\$3,428,070

ANALYSIS OF ENACTED BUDGET

COS's operations are funded by a single line item appropriation within the Occupational Licensing and Regulatory Fund (Fund 4K90). The table below shows COS's appropriations for the FY 2012-FY 2013 biennium.

Appropriation for the Cosmetology Board				
Fund	ALI and Name		FY 2012	FY 2013
General Services Fund				
4K90	879609	Operating Expenses	\$3,439,545	\$3,364,030

Fund 4K90 line item 879609, Operating Expenses, supports all of COS's operating expenses. The \$3.44 million appropriated in FY 2012 is 3.9% greater than FY 2011 expenditures of \$3.31 million. Appropriations for FY 2013 are \$3.36 million, or 2.2% less than the FY 2012 amount. As of July 2011, the Board employed 35 full-time employees who are responsible for licensing, testing, and enforcing cosmetology regulations. The Board tests approximately 35 individuals each day examinations are held. Successful examinees are provided with their license on the same day. Note that as of January 31, 2011, the Board has required all license renewals to be made either online or in person at COS's offices, a policy that has substantially reduced postage costs.

COS.docx / lb

FY 2012 - FY 2013 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	FY 2011	Appropriations FY 2012	FY 2011 to FY 2012 % Change	Appropriations FY 2013	FY 2012 to FY 2013 % Change
Report For Main Operating Appropriations Bill			Version: Enacted					
COS State Board of Cosmetology								
4K90	879609	Operating Expenses	\$ 3,068,468	\$ 3,311,219	\$ 3,439,545	3.88%	\$ 3,364,030	-2.20%
General Services Fund Group Total			\$ 3,068,468	\$ 3,311,219	\$ 3,439,545	3.88%	\$ 3,364,030	-2.20%
State Board of Cosmetology Total			\$ 3,068,468	\$ 3,311,219	\$ 3,439,545	3.88%	\$ 3,364,030	-2.20%