

Redbook

LBO Analysis of Executive Budget Proposal

Cosmetology and Barber Board

Tom Wert, Senior Budget Analyst
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LBO Redbook

Cosmetology and Barber Board

Quick look...

- The Cosmetology and Barber Board (COS) licenses approximately 136,000 individuals, businesses, and beauty and barbering schools. Licenses are renewed biennially in odd-numbered fiscal years.
- The Board is governed by 13 members appointed by the Governor. Daily operations are overseen by an executive director.
- The Board employs a staff of 39, including 15 field inspection staff, 8 exempt management positions, 5 examination schedulers and examiners, 3 customer service personnel, 5 licensing staff, and 3 administrative action staff. The Board receives no money from the GRF; it is entirely supported by licensing fees and related revenues. The executive recommended budget provides funding of \$5.4 million in FY 2024 and \$5.5 million in FY 2025.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
State Board of Cosmetology – Fund 4K90 ALI 879609, Operating Expenses					
\$4,943,759	\$4,907,876	\$5,451,553	\$5,842,359	\$5,418,707	\$5,486,509
% change	-0.7%	11.1%	7.2%	-7.3%	1.3%

Overview

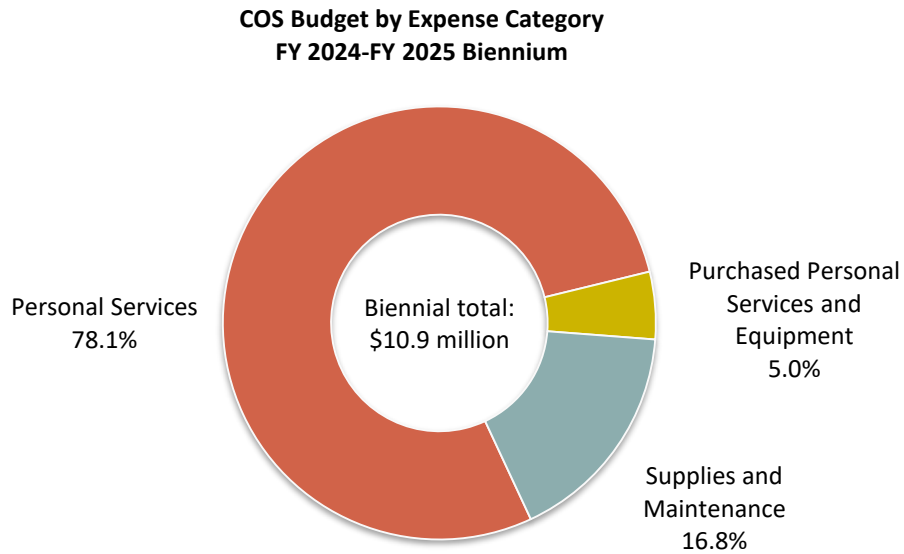
The Cosmetology and Barber Board (COS) is responsible for establishing and maintaining sanitary and professional standards in beauty salons. The Board licenses individuals who provide cosmetology services and related services such as manicuring, esthetics, hair design, natural hair styling, as well as cosmetology schools. In addition, the Board has oversight over the indoor tanning industry through regulation of ultraviolet radiation devices. The Board also oversees barbers, barbershops, and barber schools as a result of the consolidation of the State Board of Cosmetology and the Ohio State Barber Board under H.B. 49, the main operating budget act for the FY 2018-FY 2019 biennium. That consolidation occurred in January 2018. The Board’s operations are funded entirely by licensing fees and associated revenue and appropriated under line item 879609, Operating Expenses, within the Occupational Licensing and Regulatory Fund (Fund 4K90).

Analysis of FY 2024-FY 2025 budget proposal

Executive recommendations by expense category

The chart below shows how the recommended funding for the FY 2024-FY 2025 biennium is allocated by expense type. Of the executive recommended budget for FY 2024-FY 2025, approximately \$8.8 million (78.1%) is for personal services (i.e., payroll and fringe benefits), while

approximately \$1.8 million (16.8%) is for supplies and maintenance. The remaining \$549,000 (5.0%) is for purchased personal services and equipment.



Operating revenues and expenses

Table 1 below shows the license and fee types and corresponding amounts charged by the Board. Under current law, the Board is required to review fee amounts every two years and establish the fee amounts by rule. Current law caps fees established by the bill at specific amounts; however, the Board is permitted, with Controlling Board approval, to increase fees beyond the maximum amounts by as much as 50%.

Table 1. License Fees by Type		
License Type	Current Fee	Statutory Maximum
Issuance of a practicing, advanced, or instructor license for any branch of cosmetology	\$45	Not more than \$75
Renewal of practicing, advanced, or instructor license for any branch of cosmetology	\$55	Not more than \$70
Issuance of a salon license; ownership or name change	\$75	Not more than \$100
Salon license renewal	\$70	Not more than \$90
Issuance of a duplicate license	\$20	Not more than \$30
Independent contractor	\$75	Established by rule
Independent contractor renewal	\$70	Established by rule
Issuance of a reciprocal license	\$70	Not more than \$70
Issuance or renewal of private cosmetology school license	\$250	Not more than \$250

Table 1. License Fees by Type		
License Type	Current Fee	Statutory Maximum
Tanning facility permit	\$75	Established by rule
Tanning facility permit renewal	\$70	Established by rule
Temporary pre-examination work permit	\$10	Not more than \$15
Initial application to take an examination/retake an examination after failing	\$40/\$31.50	Not more than \$40
Examination after previously failing to show	\$45	Not more than \$55
Lapsed renewal fee	\$45	Not more than \$45
Mailing license to another state	\$50	Not more than \$50
Special occasions work permit	\$50	Established by rule
Initial barber license	\$30	\$30
Initial barber teacher license and examination	\$185	\$185
Barber renewal	\$110	\$110
Barber teacher renewal	\$150	\$150
Initial barbershop	\$110	\$110
Initial barber school	\$1,000	\$1,000
Barbershop renewal	\$75	\$75
Barber school renewal	\$1,000	\$1,000

Table 2 below shows operating revenues and expenditures over the FY 2017-FY 2022 span, encompassing three previous biennial renewal cycles. Note that there can be 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 when licenses are renewed. Overall, receipts in the odd-numbered fiscal years cover the deficit created in even-numbered fiscal years when less license fee revenue is received.

Table 2. Revenues and Expenditures, FY 2017-FY 2022						
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	\$7,190,001	\$1,652,318	\$8,566,248	\$1,371,113	\$6,899,027	\$4,127,716
Expenses	\$3,817,641	\$4,218,428	\$5,265,839	\$4,943,759	\$4,907,876	\$5,451,553
Net	\$3,372,360	-\$2,566,110	\$3,300,409	-\$3,572,646	\$1,991,151	-\$1,323,837

License oversight

Table 3 below shows the number of active licenses issued by COS as of the end of FY 2021 and FY 2022. Overall, the number of active licenses decreased by 4.1% between these years, from 141,613 in FY 2021 to 135,807 in FY 2022.

License Type	FY 2021	FY 2022	Percent Change
Advanced Cosmetologist	42,830	37,188	-13.2%
Advanced Esthetician	3,981	3,861	-3.0%
Advanced Hair Designer	123	107	-13.0%
Advanced Manicurist	7,895	7,191	-8.9%
Advanced Natural Hair Stylist	43	36	-16.3%
Assistant Barber Teacher	52	61	17.3%
Barber	8,839	7,769	-12.1%
Barber School	26	24	-7.7%
Barber Shop	2,807	2,891	3.0%
Barber Teacher	146	145	-0.7%
Beauty Salon	10,264	10,753	4.8%
Boutique Services Registration	3,729	3,933	5.5%
Boutique Services Salon	114	132	15.8%
Chair Rental License (Barber)	92	70	-23.9%
Cosmetologist	25,327	23,354	-7.8%
Cosmetologist Instructor	3,338	2,532	-24.1%
Cosmetology School	163	173	6.1%
Esthetic Salon	900	1,020	13.3%
Esthetician	2,712	3,141	15.8%
Esthetician Instructor	167	172	3.0%
Hair Designer	210	200	-4.8%
Hair Designer Instructor	4	5	25.0%
Hair Designer Salon	304	294	-3.3%
Independent Contractor	18,178	21,355	17.5%
Manicurist	6,777	6,833	0.8%
Manicurist Instructor	155	135	-12.9%

Table 3. Active Licenses, FY 2021 and FY 2022			
License Type	FY 2021	FY 2022	Percent Change
Nail Salon	1,069	1,101	3.0%
Natural Hair Stylist	13	15	15.4%
Natural Hair Stylist Instructor	2	3	50.0%
Natural Hair Stylist Salon	21	22	4.8%
Tanning Facility	1,116	1,226	9.9%
Temporary Event Salon License	216	65	-69.9%
Total	141,613	135,807	-4.1%

Investigation and enforcement statistics

To carry out its regulatory mission the Board conducts random inspections of cosmetology facilities and takes administrative actions, including issuing warnings, fines, or settlements when violations are discovered. In FY 2022, the Board conducted 15,807 random inspections during which it found 1,336 violations resulting in approximately \$209,000 in revenue from fines and settlements. Fines and settlements are deposited into Fund 4K90.