



# OHIO STATE COSMETOLOGY AND BARBER BOARD

To protect and support the public through regulation and education, while promoting the integrity of the cosmetology and barbering industries.

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## TESTIMONY before the OHIO HOUSE OF REPRESENTATIVES FINANCE SUBCOMMITTEE ON PRIMARY AND SECONDARY EDUCATION

ON

H.B. 166, OPERATING BUDGET

BY

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STATE COSMETOLOGY AND BARBER BOARD

APRIL 2, 2019

### **INTRODUCTION:**

Good afternoon, Co-Chairmen, Patterson and Cupp, and respected members of the Finance Subcommittee on Primary and Secondary Education, my name is Christopher Logsdon and I am the Executive Director of the State Cosmetology and Barber Board. I appear before this subcommittee to seek the support of the Ohio House of Representatives concerning the budget recommendations contained in H.B. 166 for the State Cosmetology and Barber Board. The Board's budget recommendations address the minimum payroll, purchase services, maintenance, and equipment requirements needed for continued service levels to meet its core legislative mandates.

### **EXECUTIVE BUDGET RECOMMENDATIONS:**

The Executive budget recommendations contained in H.B. 166 provide for continued funding of the State Cosmetology and Barber Board for next biennium. The Executive budget is recommending funding in the amount of \$5,425,748.00 in FY 2020 and \$5,716,944.00 in FY 2021. This represents a 1.4% increase in FY 2020 over current FY 2019 appropriations and a 5.4% increase in FY 2021 over the proposed FY 2020 funding. The primary factors affecting the Board's budget are pay increases mandated by the recently approved OCSEA/State of Ohio contract and fees for services provided to the Board through other state entities, which includes the elicense Ohio participation rates.

### **THE STATE COSMETOLOGY AND BARBER BOARD:**

The State Cosmetology and Barber Board (hereafter referred to as "the Board") regulates salons, barber shops, schools, and individuals engaged in the practice of cosmetology, branches of cosmetology, barbering, boutiques services, and tanning services. The Board's mission is to protect and support the public through regulation and education while promoting the integrity of the industry. This mission is accomplished through the effective regulation and licensing of cosmetology and barber schools, barber shops and cosmetology salons, tanning facilities, and individuals engaged in barbering, cosmetology, hair design, manicuring, natural hair styling, esthetics, and boutique services.

Practically, the Board meets this mandate by verifying that persons meet minimum qualifications to practice one or more of the service branches of cosmetology or barbering and by ensuring salons, barbershops, and individuals offering those services are compliant with infection control and safety standards established by the Board.

The State Board of Cosmetology consists of thirteen individuals appointed by the Governor with the advice and consent of the Ohio Senate. The Board employs thirty-seven (37) support staff and eight (8) administrative staff to complete a broad spectrum of duties delegated to them by the Board. Based on recent data, the Board licenses 119,777 individuals or businesses comprised of 85,331 individual providers, 18,276 independent contractors, 934 boutique services registrants, 2,679 barber shops, 11,482 salons, 1,075 tanning facilities, and 183 schools. Also, during FY 2018, the Board issued 5,347 new individual licenses and 1,371 new business licenses.

The Board's core mandates are to test minimum competencies of persons seeking to enter one or more of the professions regulated by the Board and to ensure that barber shops, salons, and individuals offering barbering, cosmetology, boutique, or tanning services are compliant with infection control and safety standards established by the Board. The Board contracts with a national examination provider to offer a validated and accepted theory examination in barbering, cosmetology, and each branch of cosmetology. Practical testing is administered by Board staff and tests the application of techniques, skills, and sanitation requirements needed to be minimally competent in providing safe barbering or cosmetology services. Testing occurs at the Board's office in Grove City, Ohio. Candidates are scheduled for examinations throughout the year, resulting in approximately 30 – 50 candidates taking examinations each day of the week. During FY 2018, the Board administered a total of 6,467 theory-based examinations and 4,985 practical examinations for barbering, cosmetology, and the branches of cosmetology. Additionally, the Board administered 1,316 advanced practice theory examinations, bringing the total administered to 7,783 theory examinations and 4,985 practical examinations.

The Board employs 16 field inspectors. Inspectors are assigned to regional coverage areas throughout the state. In FY 2018, field inspectors filed 10,270 inspection reports, representing 7,510 salons, 799 barber shops, 755 tanning facilities, 173 schools, 15 unlicensed businesses, and 1,018 individual providers visited. Of these, Inspectors issued 1,069 warning notices and 728 reports with violations.

Additionally, the Board establishes and monitors the curriculum for licensed educational programs throughout the state.

### **Fiscal Year 2018/2019 Accomplishments**

Over the past two years, the Board has implemented several substantive changes which fundamentally modified the agency's mission and administrative processes. First and foremost, Am. Sub. H.B. 49 merged the Ohio State Board of Cosmetology and the Ohio State Barber Board, creating the new State Cosmetology and Barber Board. The two Boards completed the merger of all administrative, licensure, inspection, and testing functions effective January 21, 2018. Since the merger, the Board has strived to streamline and standardize administrative processes. This year, the Board completed a full review of its administrative rules under OAC 4709 and 4713 in an effort to eliminate unnecessary or redundant rules, simplify and streamline rules, and to consolidate and standardize OAC 4709 and 4713 rules. In February 2019, the Board rescinded 63 rules, amended 46 rules, and added 6 new rules.

In addition, Am. Sub. H.B. 49 included funding to move and integrate the Board's current written licensing examination to a nationally validated examination through a contracted service provider. The Board has completed this process for all basic cosmetology, branch of cosmetology, and barber theory examinations.

The Board also completed the implementation of the eLicense Ohio system. This system was developed to address the comprehensive needs of Ohio licensing Boards. The system automates several licensure processes, such as online licensing and license renewal, creating electronic inspection/investigation case management, and examination scheduling. The system has proven itself by creating a more efficient workflow model for the Board, greatly reducing paper forms and correspondence and improving records management.

### **Fiscal Challenges**

The funding presented in the budget recommendation is necessary to support continued personnel, service levels, and operational costs to meet mission critical objectives. The primary factors leading to the need to increase expenditures are: (1) the cost of eLicense Ohio and online credit card service charges, (2) the merger of the Ohio State Barber Board and the Ohio State Board of Cosmetology, (3) DAS fees for services, and (4) payroll costs. In total, the budget recommendation provides for an additional \$76,988.00 in FY 2020 and \$368,184.00 in FY 2021 to address these requirements.

To meet the budget requirements, the Board will need to consider fee increases for FY 2021 license renewal. The Board anticipated this during its FY 2018/2019 budget and new statutory language was approved to provide the Board with latitude to adjust fees up to a capped amount through rule promulgation. This authority is found under Section 4713.10 (B) of the Revised Code and it requires the Board to adjust fees biennially, by rule, to provide enough funds to meet expenditures. Fees, in general, have not changed since 2007.

The Board is committed to providing effective, fiscally sound services, including embracing technology to improve services and reduce cost, searching for and implementing policies that improve compliance and promote fairness, educating licensees to ensure the public receives quality services in a clean and safe environment, and maintaining the educational standards that develop the professionals of the future.

### **Conclusion:**

The Board will continue to incorporate conservative business principals in its business plan by seeking the least costly alternatives to meeting its mission-critical goals and objectives. This includes evaluating its workforce plan to validate its staffing and resource alignment with the agency's business needs and foregoing unnecessary expenditures that hold no value-added benefit for the agency or its stakeholders. I would encourage the members of this body to fairly evaluate the Board budget recommendations and support them, as proposed, in the amount of \$5,425,748.00 in FY 2020 and \$5,716,944.00 in FY 2021. I am pleased to address any questions.