



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.

1929 GATEWAY CIRCLE GROVE CITY, OHIO 43123

PHONE: (614) 466-3834 WWW.COS.OHIO.GOV

TESTIMONY before the OHIO SENATE GENERAL GOVERNMENT AND AGENCY REVIEW COMMITTEE

ON

H.B. 166, OPERATING BUDGET

BY

CHRISTOPHER H. LOGSDON, M.B.A., C.P.M., EXECUTIVE DIRECTOR
STATE COSMETOLOGY AND BARBER BOARD

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INTRODUCTION:

Good afternoon, Chairman Schuring, and respected members of the General Government and Agency Review Committee, my name is Christopher Logsdon and I am the Executive Director of the State Cosmetology and Barber Board. I appear before this committee to seek your support of the budget recommendations contained in H.B. 166 for the State Cosmetology and Barber Board. The budget recommendations address the Board's 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 service-level 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 payroll 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 system participation rates.

THE STATE COSMETOLOGY AND BARBER BOARD:

The State Cosmetology and Barber Board (hereafter, also referred to as "the Board") regulates salons, barber shops, schools, tanning facilities, and individuals engaged in the practice of cosmetology, branches of cosmetology, barbering, and boutiques services. Branch services of cosmetology include hair design, manicuring, esthetics, and natural hair styling. The Board's mission is to protect and support the public through regulation and education, while promoting the integrity of the barbering and cosmetology industry. Practically, the Board meets this mandate by verifying that persons seeking to practice barbering, cosmetology, or one or more of the branches of cosmetology meet minimum qualifications to practice in Ohio and by ensuring salons, barbershops, and individuals

offering those services are compliant with infection control and safety standards established by the Board. The Board also regulates tanning facilities to ensure compliance with standards on sanitation and the safe use and application of ultraviolet or other artificial radiation sunlamp services. Businesses offering sunlamp services must also comply with age-based restrictions under Section 4713.50 of the Revised Code.

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 approximately 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. During FY 2018, the Board issued 5,347 new individual licenses and 1,371 new business licenses.

The Board administers a nationally accepted, validated theory examination in barbering, cosmetology, and each branch of cosmetology. A practical examination, developed by the Board, is also administered to test hands-on application of techniques, skills, and sanitation procedures needed to provide minimally competent and 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 service providers. 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.

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 and rules under the Ohio Administrative Code. This year, the Board completed a full review of administrative rules under Chapters 4709 and 4713 of the Ohio Administrative Code to eliminate unnecessary or redundant rules, simplify and streamline rules, and to consolidate and standardize 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. In 2018, the Board completed this transition for all basic cosmetology, branch of cosmetology, and barber theory examinations.

The Board also completed transitioning to 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. We believe this system will continue to improve operational efficiencies and services to our licensees and the public.

Fiscal Challenges

The funding presented in the budget recommendation is necessary to support continued service levels to meet the agency's mission critical objectives. The primary factors resulting in increase expenditures are: (1) the cost of eLicense Ohio participation and online credit card service charges, (2) the merger of the Ohio State Barber Board and the Ohio State Board of Cosmetology, (3) DAS service fees, 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. The Board used a zero-based budgeting model to determine its minimum budget requirements. To meet the agency's FY 2020/2021 budget requirements, the Board will need to consider fee increases. The Board anticipated this during its FY 2018/2019 budget and new statutory language was approved in the previous budget bill that provides 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 requirements align with the agency's mission critical mandates and where applicable, 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.