



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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Ohio State Cosmetology and Barber Board
Margie Rolf, Executive Director
House Finance Subcommittee on Primary and Secondary Education
House Bill 110
March 4, 2021

Chairwoman Richardson, Ranking Member Troy, and members of the House Finance Subcommittee on Primary and Secondary Education, my name is Margie Rolf and I am the Executive Director of the Ohio State Cosmetology and Barber Board. Thank you for the opportunity to testify on the State Cosmetology and Barber Board budget as proposed in House Bill 110.

The State Cosmetology and Barber Board (the "Board") regulates salons, barbershops, schools, and individuals engaged in the practice of cosmetology, branches of cosmetology, barbering, boutique services, and tanning services. The Board's mission is to protect and support the public through regulation and education, while protecting the integrity of the cosmetology and barbering industries. 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 Board consists of thirteen individuals appointed by the Governor with the advice and consent of the Ohio State Senate. The Board employs thirty-four (34) support staff and seven (7) administrative staff to complete a broad spectrum of duties delegated to them by the Board. Included in the support staff are sixteen (16) field inspectors. Inspections are assigned to regional coverage areas throughout the state. In FY20, field inspectors attempted 12,733 inspections. Of these, 212 were issued warning notices and 380 reports with violations.

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 barbershops, salons, schools, 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. Candidates are scheduled for examinations throughout the year, resulting in approximately 30-50 candidates taking examinations each day of the week prior to the pandemic. Due to current COVID social distancing restrictions, we are currently able to accommodate 24 candidates each day for cosmetology and barber exams and 32 candidates for esthetics, manicurists and theory. During FY20, the Board administered a total of 4,859 theory-based examinations and 3,173 practical examinations for barbering, cosmetology, and the branches of cosmetology.

Additionally, the Board establishes the criteria required to be taught in barber, cosmetology, and branch of cosmetology programs. The Board approves the submitted curriculum and then monitors the curriculum for compliance by licensed schools throughout the state.

As a member of Fund4K90, the Board's budget is entirely supported by revenue raised through licensure fees and disciplinary fines. The Board respectfully requests spending authority totaling \$5,416,852 in FY22 and \$5,716,944 in FY23. This represents a 3.73% decrease in FY22 from our current funding level and a 5.54% increase in FY23 over the proposed FY22 funding. Barring any major expenses related to disciplinary hearings, any wage changes negotiated through the collective bargaining agreement, or legislative initiatives which require eLicense changes, the Board should be able to live within the appropriation. Payroll and eLicense costs are two of the main drivers of the Board's budget.

Fiscal Year 2020/2021 Accomplishments:

The past two years saw the implementation of several new initiatives.

Cross-Training:

The Board has sought to cross-train all inspectors following the merger of the Ohio Barber Board and the Ohio Cosmetology Board. Previously, there were four (4) barber inspectors and twelve (12) cosmetology inspectors for the state of Ohio. As a result of cross-training, all inspectors are now able to inspect barber shops, salons, schools, and tanning facilities. This has reduced the inspection territory for inspectors, which allows them to provide a higher level of service while also reducing auto expenses.

Additionally, the Board is cross-training office-based employees to ensure the Board can accomplish all job duties and maintain expected customer service levels.

Digital licenses and inspection reports:

Previously, all cosmetology licenses were printed and mailed to the licensee or salon. The Board sought and implemented changes in eLicense to deliver all practicing individual cosmetology licenses, including independent contractors, and boutique service registrations, in a digital capacity as a cost-savings measure. Barber licenses, however, are continuing to be printed as required by law. As a result, many licenses are now being delivered electronically and can be printed on demand by the licensee or kept on their smart device. Additionally, the Board approved an Administrative Rule change allowing all facilities to receive their inspection report electronically following their inspection. The result is a tremendous cost savings of paper, printing, and mailing costs.

SOCC transition:

In compliance with Governor DeWine's Executive Order 2019-15D, the Board has worked closely with the Department of Administrative Services Office of Information Technology to move the Board servers to the State's cloud environment. Doing so is providing us with a more stable and reliable environment for all Board operations.

COVID-19 Response:

Like everyone else, the Board has had to respond to the COVID-19 emergency. Due to the office being closed to the public for approximately three months, all licensure testing was paused. Once we were permitted to reopen the testing facility to the license candidates, we were able to do so while meeting all social distancing and sanitation requirements. During the testing pause, a significant backlog of test-eligible candidates occurred. We were able to implement a plan to address this backlog fairly and efficiently to enable prospective licensees to join the workforce in their chosen field. While we continue to experience a backlog on testing due to limited capacity, we offer cosmetology candidates work permits while they await their exam date.

Additionally, per legislative action, renewal deadlines were delayed until December 1, 2020, and again until July 1, 2021. This has impacted all license types issued by the Board. The Board has encouraged licensees to renew on time if they can to reduce confusion over the licensing and continuing education deadlines. However, there will always be a subset of people who wait until the last minute. This has had a significant impact on the Board revenues which are derived primarily from renewal fees. The Board expects to recoup most of this revenue, but some of it will spill into Fiscal Year 2022 if people wait to renew in the few days prior to July 1.

Challenges for 2022/2023 Biennium

Looking forward to the FY22-23 biennium, the Board is committed to efficiently providing services; embracing technology to aid in this goal, 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.

Alignment of Licenses:

Following the merger of the Ohio Barber Board and the Ohio Cosmetology Board in FY18, the Board conducted a review of the statutes and identified various inequities between the licenses. As an example, a student who has completed their cosmetology program can obtain a work permit prior to testing for their license. A student who has completed their barbering program is unable to do so. Additionally, if a cosmetology student does not pass their exam, they may simply retake the exam as many times as needed, whereas a barber student must return to school for an additional 200 hours of education after a second failed test. This is costly and delays their ability to enter the workforce. We continue to seek a legislative remedy to address these types of inequities.

Cost of e-License:

In FY19, we transitioned from the CAVU system, which was ending its life cycle, to the eLicense system managed through DAS. The cost of this new system has been unpredictable. The Board's costs were \$378,149 in FY20 and \$403,827 in FY21, necessitating a fee increase on many of our licenses in FY21. DAS has now estimated our costs to be \$502,017 in FY22 and \$557,249 in FY23. This is a 24% and 11% increase in fixed costs, respectfully.

The pass-thru cost increases are not sustainable and will result in changes to the Board workforce, which will directly impact licensees.

Revenues:

Despite raising some fees in FY21, not filling several positions in FY20/FY21, and eliminating expenditures by converting to electronic cosmetology licenses, an analysis of the Board's projected revenue/expenditures for FY22/FY23 shows that the Board will be required to cut expenses whenever possible or face the possibility of eliminating positions. The reality is that during the COVID shut down we know that many of the salons and barbershops closed their doors and have not yet found a way to reopen. Additionally, some licensees turned to the underground economy during the shutdown. Until the licensing renewal cycle has ended on July 1, we will not have a full appreciation of the impact that COVID-19 has had on our licensees remaining in the profession.

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.

Thank you for your consideration of our budget request and I am happy to answer any questions you may have.

Historical Trends
Number of License Holders by Fiscal Year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Change from 2010-2020	% Change
Cosmetologist	23,845	21,447	23,227	20,706	22,642	20,408	22,073	17,639	20,841	20,253	22,027	(1,818)	-8%
Cosmetologist Instructor	5,242	4,710	5,068	4,511	4,891	4,293	4,643	3,245	3,529	2,821	2,958	(2,284)	-44%
Managing/Advanced Cosmetologist	51,930	48,771	51,800	49,246	52,101	49,531	52,185	43,462	44,704	40,327	41,091	(10,839)	-21%
Esthetician	1,126	980	1,077	904	1,003	886	1,032	982	1,339	1,698	2,097	971	86%
Esthetics Instructor	122	120	142	133	157	137	163	121	137	112	127	5	4%
Managing/Advanced Esthetician	2,304	2,242	2,630	2,592	2,996	2,936	3,399	3,035	3,417	3,284	3,541	1,237	54%
Hair Designer	234	195	211	163	185	136	167	135	165	163	183	(51)	-22%
Hair Designer Instructor	3	4	4	2	4	4	6	5	5	4	4	1	33%
Managing/Advanced Hair Designer	74	82	106	116	135	134	145	127	129	113	116	42	57%
Manicurist	4,262	3,825	4,176	3,815	4,068	3,815	4,267	3,957	4,731	5,277	5,860	1,598	37%
Manicurist Instructor	215	179	202	175	201	166	196	132	153	124	131	(84)	-39%
Managing/Advanced Manicurist	7,880	7,274	7,906	7,626	8,303	7,947	8,566	7,429	7,832	7,107	7,365	(515)	-7%
Natural Hair Stylist	5	7	4	3	5	3	6	5	7	9	10	5	100%
Natural Hair Stylist Instructor	-	-	1	1	1	3	3	1	1	1	1		
Managing/Advanced Natural Hair Stylist	15	17	21	20	26	35	42	34	39	36	37	22	147%
Independent Contractor	12,708	13,769	16,687	16,391	19,138	17,994	20,303	19,090	21,506	19,561	21,899	9,191	72%
Beauty Salon	9,515	9,515	9,474	9,166	9,429	9,052	9,379	9,239	9,768	9,631	10,228	713	7%
Esthetic Salon	361	363	471	534	1,013	689	816	982	899	830	916	555	154%
Hair Designer Salon	242	253	300	294	333	318	328	359	418	336	345	103	43%
Nail Salon	1,115	969	1,047	1,071	1,146	1,159	1,272	1,216	1,250	1,129	1,152	37	3%
Natural Hair Stylist Salon	11	4	5	6	7	8	16	14	16	16	20	9	82%
Cosmetology School	180	178	182	186	191	193	191	178	169	168	167	(13)	-7%
Tanning Facilities	1,948	1,676	1,630	1,470	1,465	1,291	1,265	1,100	1,206	1,159	1,195	(753)	-39%
Boutique Service Registration	-	-	-	-	-	-	-	337	955	1,284	2,307		
Boutique Service Salon	-	-	-	-	-	-	-	32	57	58	93		
Barbers	8,915	8,435	9,012	8,039	8,767	8,101	8,663	8,068	8,649	8,026	8,417	(498)	-6%
Barber School	17	17	18	14	18	16	19	19	21	21	22	5	29%
Barber Shop	3,200	3,150	3,186	2,802	2,903	2,909	2,987	2,852	2,857	2,771	2,875	(325)	-10%
Barber Teacher	72	68	74	71	91	86	92	97	114	120	127	55	76%
Assistant Barber Teacher	-	-	-	-	-	-	-	-	2	16	29		
Chair Rental License (Barber)	-	-	-	-	-	-	-	-	47	92	100		
Temporary Event Salon License	-	-	-	-	-	-	-	60	87	89	174		
Total Number of Licenses and Registrations	135,541	128,250	138,661	130,057	141,219	132,250	142,224	123,952	135,049	126,636	135,614	73	0%