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Cosmetologist Examiners, Board of

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mn.gov/boards/cosmetologist-examiners

AT A GLANCE

- As of August 2018, there were 33,278 practitioners and 5,304 establishments licensed in Minnesota
- The Board issued 13,847 total licenses, including initial licenses and license renewals, in fiscal year 2018
- The Board performed 3,821 salon and 66 school inspections in fiscal year 2018
- 165 investigations completed in fiscal year 2018 with 141 investigations open at year close

PURPOSE

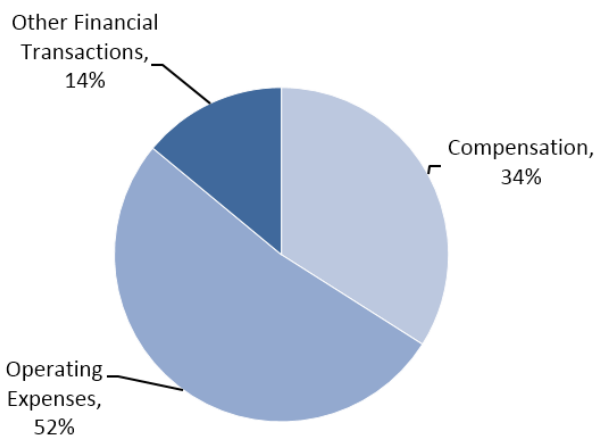
The Board of Cosmetology (“Board”) credentials, licenses, inspects, disciplines, and educates Minnesotans who provide cosmetic hair, nail, or skin care services and education. Businesses and consumers rely on the Board for essential functions related to the safe practice of cosmetology. The Board’s mission is to constantly strive to serve and care for our licensees, applicants, and the public by being committed to public protection, superior service, excellence, and continuous improvement.

As part of the Board’s contribution to statewide outcomes:

- The Board **promotes a thriving economy** through simplifying licensing processes to promote faster business growth and entry into the workforce.
- Through inspections, curriculum review, and education, the Board encourages licensees to **have the education and skills needed to achieve their goals**.
- By licensing practitioners to provide safe services to avoid injury and disease and inspecting businesses regularly to ensure compliance with safety standards, the Board aims to keep **all people in Minnesota safe**.
- The Board constantly evaluates and seeks improvement on internal processes to ensure **efficient and accountable government services**.

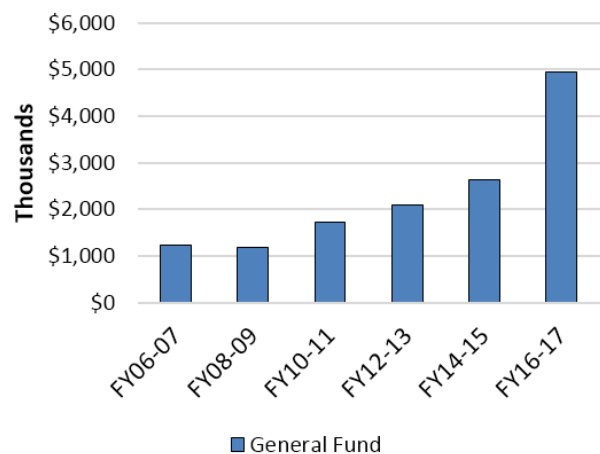
BUDGET

**Spending by Category
FY 17 Actual**



Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Source: Consolidated Fund Statement

The Board receives a direct appropriation from the general fund to cover operational expenses and does not receive funding from any other source. All receipts collected by the Board are deposited into the general fund.

STRATEGIES

The Board promotes a thriving economy and business growth by:

- Assisting salon and school owners and license applicants through in-person, email, and telephone correspondence in answering questions related to the licensing process and other general topics, which results in more successful licensees.
- Educating licensees on proper infection control practices, resulting in better and safer services.
- Implementing only reasonable, rational regulation with the aim of reducing barriers that are unnecessary for public protection. This promotes continued participation in the cosmetology industry and Minnesota economy.

The Board encourages Minnesotans to have the education and skills needed to achieve their goals by:

- Educating licensees through inspections and outreach to promote best practices.
- Requiring continuing education for license renewal.
- Continuously updating licensing exams to ensure minimum competency is tested for and met by all individuals receiving licenses.
- Initiating a school rules overhaul to evaluate each requirement of licensed cosmetology schools, their curricula, and their physical requirements to ensure only necessary requirements remain.
- Personally working with individuals and businesses facing non-compliance to improve their circumstances and provide safer, healthier, and more successful services.

The Board strives to protect Minnesotans' safety through:

- Only issuing licenses to qualified applicants.
- Routine inspections of salons and schools to ensure safety, infection control, and education standards are met.
- Public availability of salon and school inspection reports, license status, and formal disciplinary action to help consumers make informed decisions.
- Reaching voluntary resolution of violations and offering remedial education when necessary to ensure licensing and safety standards are met.
- Routinely updating cosmetology laws and rules to align with appropriate and effective national standards.

The Board promotes efficient and accountable government services by:

- Actively promoting participation in rulemaking, events, and work groups, which encourages individuals to remain active and engaged in Board activity and accountability.
- Credentialing and issuing licenses to qualified applicants within 15 business days or less.
- Utilizing an optional expedited process for qualified applicants to become licensed within 5 business days.
- Maintaining a standard that all general inquiries are responded to within 1 business day or less.
- Providing educational materials in conjunction with inspections to improve awareness and results.
- Using instant license account management and real-time online license lookup and renewal to provide transparency and efficiency to licensees and the public.

RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|---|-----------------|----------------|------------------|
| Quantity | Number of Licenses, Permits, Registrations Issued Per Quarter | 3,480 | 3,540 | 2016 Q2; 2018 Q2 |
| Quantity | Number of Inspections Performed Per Quarter | 515 | 1,445 | 2016 Q2; 2018 Q2 |

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|--|-----------------|----------------|------------------|
| Quantity | Number of Complaints Investigated Per Year | 69 | 165 | FY16; FY18 |
| Quality | Average Application Processing Time (in business days) | 14 | 3 | 2016 Q2; 2018 Q2 |
| Quality | Percent of Salons Inspected within Past Year | 28% | 63% | 2016 Q2; 2018 Q2 |
| Quality | Percent of Complaints Receiving Disciplinary Action | 74% | 74% | FY16; FY18 |

Source: Minnesota Board of Cosmetology Databases (GL Suite and Laserfiche)

Minnesota Statutes and Administrative Rules Governing Cosmetology:

- Minnesota Statute 155A, <https://www.revisor.leg.state.mn.us/statutes/?id=155A>
- Minnesota Rule Chapter 2105, <https://www.revisor.leg.state.mn.us/rules/?id=2105>
- Minnesota Rule Chapter 2110, <https://www.revisor.leg.state.mn.us/rules/?id=2110>

Cosmetologist Examiners, Board of

Agency Expenditure Overview

(Dollars in Thousands)

| | Actual FY16 | Actual FY17 | Actual FY18 | Estimate FY19 | Forecast Base | | Governor's Recommendation | |
|------------------------------------|----------------|----------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
| | | | | | FY20 | FY21 | FY20 | FY21 |
| <u>Expenditures by Fund</u> | | | | | | | | |
| 1000 - General | 1,351 | 3,593 | 2,252 | 3,297 | 2,793 | 2,793 | 2,904 | 2,935 |
| Total | 1,351 | 3,593 | 2,252 | 3,297 | 2,793 | 2,793 | 2,904 | 2,935 |
| Biennial Change | | | | 605 | | 37 | | 290 |
| Biennial % Change | | | | 12 | | 1 | | 5 |
| Governor's Change from Base | | | | | | | | 253 |
| Governor's % Change from Base | | | | | | | | 5 |

Expenditures by Program

| | | | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cosmetology | 1,351 | 3,593 | 2,252 | 3,297 | 2,793 | 2,793 | 2,904 | 2,935 |
| Total | 1,351 | 3,593 | 2,252 | 3,297 | 2,793 | 2,793 | 2,904 | 2,935 |

Expenditures by Category

| | | | | | | | | |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Compensation | 982 | 1,238 | 1,576 | 1,862 | 1,931 | 1,981 | 2,024 | 2,103 |
| Operating Expenses | 353 | 1,868 | 623 | 1,419 | 857 | 807 | 875 | 827 |
| Other Financial Transaction | 17 | 487 | 53 | 16 | 5 | 5 | 5 | 5 |
| Total | 1,351 | 3,593 | 2,252 | 3,297 | 2,793 | 2,793 | 2,904 | 2,935 |

Full-Time Equivalent

| | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 14.88 | 18.37 | 23.44 | 26.00 | 27.00 | 27.00 | 27.00 | 27.00 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|

(Dollars in Thousands)

| | Actual FY16 | Actual FY17 | Actual FY18 | Estimate FY19 | Forecast Base FY20 FY21 | | Governor's Recommendation FY20 FY21 | |
|-----------------------------------|----------------|----------------|----------------|------------------|----------------------------|--------------|---|--------------|
| 1000 - General | | | | | | | | |
| Balance Forward In | | 1,243 | | 508 | | | | |
| Direct Appropriation | 2,565 | 2,584 | 2,761 | 2,789 | 2,793 | 2,793 | 2,904 | 2,935 |
| Transfers Out | | 60 | | | | | | |
| Cancellations | | 173 | | | | | | |
| Balance Forward Out | 1,214 | | 508 | | | | | |
| Expenditures | 1,351 | 3,593 | 2,252 | 3,297 | 2,793 | 2,793 | 2,904 | 2,935 |
| Biennial Change in Expenditures | | | | 605 | | 37 | | 290 |
| Biennial % Change in Expenditures | | | | 12 | | 1 | | 5 |
| Governor's Change from Base | | | | | | | | 253 |
| Governor's % Change from Base | | | | | | | | 5 |
| Full-Time Equivalents | 14.88 | 18.37 | 23.44 | 26.00 | 27.00 | 27.00 | 27.00 | 27.00 |

(Dollars in Thousands)

| | FY19 | FY20 | FY21 | Biennium 2020-21 |
|---|--------------|--------------|--------------|---------------------|
| Direct | | | | |
| Fund: 1000 - General | | | | |
| FY2019 Appropriations | 2,789 | 2,789 | 2,789 | 5,578 |
| Base Adjustments | | | | |
| Pension Allocation | | 4 | 4 | 8 |
| Forecast Base | 2,789 | 2,793 | 2,793 | 5,586 |
| Change Items | | | | |
| Operating Adjustment | | 111 | 142 | 253 |
| Total Governor's Recommendations | 2,789 | 2,904 | 2,935 | 5,839 |
| Revenue Change Summary | | | | |
| Non-Dedicated | | | | |
| Fund: 1000 - General | | | | |
| Forecast Revenues | 2,859 | 2,788 | 2,800 | 5,588 |
| Total Governor's Recommendations | 2,859 | 2,788 | 2,800 | 5,588 |

Cosmetologist Examiners, Board of

FY 2020-21 Biennial Budget Change Item

Change Item Title: Operating Adjustment

| Fiscal Impact (\$000s) | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--|----------|----------|----------|----------|
| General Fund | | | | |
| Expenditures | 111 | 142 | 142 | 142 |
| Revenues | 0 | 0 | 0 | 0 |
| Other Funds | | | | |
| Expenditures | 0 | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 | 0 |
| Net Fiscal Impact = (Expenditures – Revenues) | 111 | 142 | 142 | 142 |
| FTEs | 0 | 0 | 0 | 0 |

Recommendation:

The Governor recommends additional funding of \$111 thousand in FY 2020 and \$142 thousand each year thereafter to maintain the current level of service delivery at the Board of Cosmetologist Examiners.

Rationale/Background:

Each year, the cost of doing business rises—employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related cost increases. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

The Board is responsible to license, inspect, and regulate approximately 38,000 licensees, 5,000 salons, and 30 schools. Over the past two years, staff have helped create positive trends including, but not limited to, the following:

- The average application processing time was reduced by 79%, from 14 to 3 business days (Q2, 2016; Q2, 2018).
- The average number of inspections per quarter increased by 181%, from 515 to 1445 inspections (Q2, 2016; Q2, 2018).
- The number of complaints investigated per year increased by 139%, from 69 (FY 2016) to 165 (FY 2018).

Proposal:

The Governor recommends increasing agency operating budgets to maintain the delivery of current services. For the Board, this funding will cover known employee compensation growth, one-time retirement costs, and other administrative costs.

Equity and Inclusion:

This requested operational increase will support the Board's effort to create an equitable and inclusive environment for employees, licensees, and the public. The Board and its staff strive to reflect the licensees it serves in terms of race, gender, age, and other demographic data while complying with state standards and initiatives.

IT Related Proposals:

N/A

Results:

Appropriate funding will contribute to the Board’s positive trends for licensees and the public. In the last two years, the agency has become demonstrably more efficient as is shown by the measures listed below.

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
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Statutory Change(s):

N/A