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**Board of Cosmetology**

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**AT A GLANCE**

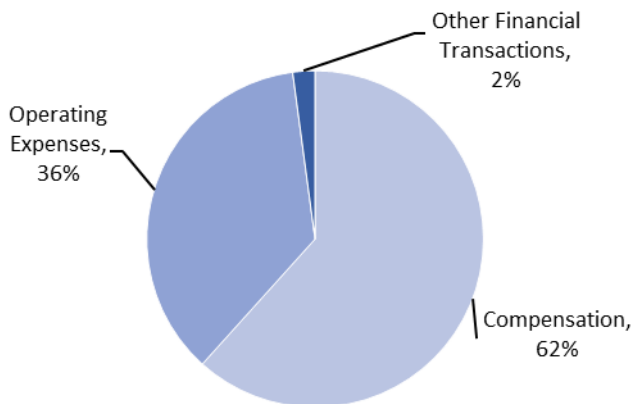
- As of July 2020, there were 32,441 practitioners and 5,312 establishments licensed in Minnesota
- The Board issued 14,331 total licenses, including initial licenses and license renewals, in fiscal year 2020
- The Board performed 4,032 salon and 38 school inspections in fiscal year 2020
- 249 investigations completed in fiscal year 2020 with 94 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.

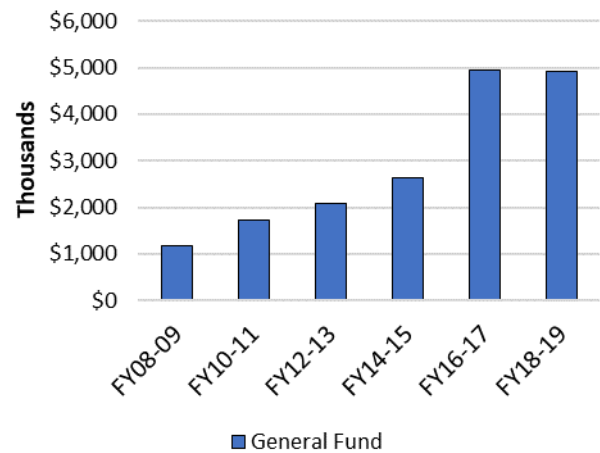
**BUDGET**

**Spending by Category  
FY 2019 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 contributes to the State of Minnesota 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 through inspections and outreach, resulting in better and safer services that protect Minnesotans.

- Implementing 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.
- Requiring continuing education for license renewal.
- Continuously updating licensing exams to ensure minimum competency is tested for and met by all individuals receiving licenses.
- Ensuring 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 actively promotes participation in rulemaking, which encourages individuals to remain active and engaged in Board activity and accountability.
- Conducting routine inspections of salons and schools to ensure safety, infection control, and education standards are met. Inspectors provide educational materials in conjunction with inspections to improve awareness and results.

## 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	3,540	3,008	2018 Q2; 2020 Q2
Quantity	Number of Inspections Performed Per Quarter	1,445	1069 – 2019 Q2* 105 – 2020 Q2	2018 Q2; 2019 Q2; 2020 Q2
Quantity	Number of Complaints Investigated Per Year	165	339	FY18; FY20
Quality	Average Application Processing Time (in business days)	3	10	2018 Q2; 2020 Q2
Quality	Percent of Salons Inspected within Past Year	63%	72% – 2019 Q2* 56% – 2020 Q2	2018 Q2; 2019 Q2; 2020 Q2
Quality	Percent of Complaints Receiving Disciplinary Action	74%	76%	FY18; FY20

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

\* Data from 2019 has been provided to give a more accurate picture of the Board’s inspection measures. Due to COVID-19 and efforts to mitigate the spread of infection, salon inspections were temporarily put on hold March 16 - June 21, 2020. No salon or school inspections were completed at this time. Several inspection team members were redeployed to other state agencies during this time and one was redeployed on a longer-term basis.

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### 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>

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<b><u>Expenditures by Fund</u></b>								
1000 - General	2,252	2,661	2,752	3,075	2,923	2,923	2,969	3,016
<b>Total</b>	<b>2,252</b>	<b>2,661</b>	<b>2,752</b>	<b>3,075</b>	<b>2,923</b>	<b>2,923</b>	<b>2,969</b>	<b>3,016</b>
Biennial Change				913		19		158
Biennial % Change				19		0		3
Governor's Change from Base								139
Governor's % Change from Base								2

**Expenditures by Program**

Cosmetology	2,252	2,661	2,752	3,075	2,923	2,923	2,969	3,016
<b>Total</b>	<b>2,252</b>	<b>2,661</b>	<b>2,752</b>	<b>3,075</b>	<b>2,923</b>	<b>2,923</b>	<b>2,969</b>	<b>3,016</b>

**Expenditures by Category**

Compensation	1,576	1,641	1,829	2,015	2,069	2,086	2,115	2,179
Operating Expenses	623	963	905	1,055	849	832	849	832
Other Financial Transaction	53	57	17	5	5	5	5	5
<b>Total</b>	<b>2,252</b>	<b>2,661</b>	<b>2,752</b>	<b>3,075</b>	<b>2,923</b>	<b>2,923</b>	<b>2,969</b>	<b>3,016</b>

**Full-Time Equivalent**

	23.44	24.28	25.53	26.75	27.00	27.00	27.00	27.00
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Cosmetologist Examiners, Board of

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
<b>1000 - General</b>								
Balance Forward In		521		152				
Direct Appropriation	2,761	2,789	2,904	2,923	2,923	2,923	2,969	3,016
Transfers Out		450						
Cancellations		199						
Balance Forward Out	508		152					
<b>Expenditures</b>	<b>2,252</b>	<b>2,661</b>	<b>2,752</b>	<b>3,075</b>	<b>2,923</b>	<b>2,923</b>	<b>2,969</b>	<b>3,016</b>
Biennial Change in Expenditures				913		19		158
Biennial % Change in Expenditures				19		0		3
Governor's Change from Base								139
Governor's % Change from Base								2
Full-Time Equivalents	23.44	24.28	25.53	26.75	27.00	27.00	27.00	27.00

*(Dollars in Thousands)*

	FY21	FY22	FY23	Biennium 2022-23
<b><i>Direct</i></b>				
<b>Fund: 1000 - General</b>				
FY2021 Appropriations	2,923	2,923	2,923	5,846
Forecast Base	2,923	2,923	2,923	5,846
Change Items				
Operating Adjustment		46	93	139
<b>Total Governor's Recommendations</b>	<b>2,923</b>	<b>2,969</b>	<b>3,016</b>	<b>5,985</b>
<b><i>Revenue Change Summary</i></b>				
<b><i>Non-Dedicated</i></b>				
<b>Fund: 1000 - General</b>				
Forecast Revenues	3,005	3,126	2,984	6,110
<b>Total Governor's Recommendations</b>	<b>3,005</b>	<b>3,126</b>	<b>2,984</b>	<b>6,110</b>

# Cosmetologist Examiners, Board of

## FY 2022-23 Biennial Budget Change Item

### Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
General Fund					
Expenditures	0	46	93	93	93
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	46	93	93	93
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends additional funding of \$46,000 in FY 2022 and \$93,000 in each subsequent year from the general fund to maintain the current level of service delivery at the Board of Cosmetology.

This represents a 2.4 percent increase over the Board’s FY 2022-2023 biennial general fund base budget.

### Rationale/Background:

This operating increase funds a portion of projected cost increases in the upcoming biennium. Each year, the cost of doing business rises—including growing costs for employer-paid health care contributions and other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, IT and legal services also grow. This cost growth puts pressure on operating budgets that remain flat from year to year without enacted increases. Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect.

### Proposal:

The Governor recommends increasing the Board’s operating budget to support the delivery of current services. This funding will cover compensation cost growth.

### Results:

This proposal is intended to allow the Board of Cosmetology to continue to provide current levels of service and information to the public.