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Board of Cosmetologist Examiners

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<https://mn.gov/boards/cosmetologist-examiners>

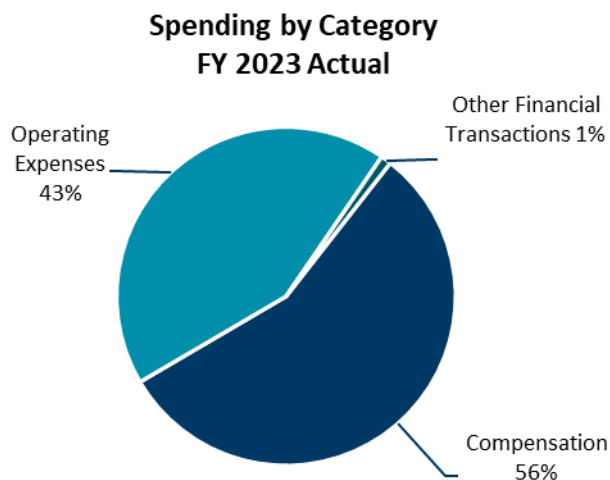
AT A GLANCE

- As of July 2024, there were 34,879 practitioners and 5,439 establishments licensed in Minnesota
- The Board issued 14,364 total licenses, including initial licenses and license renewals, in fiscal year 2024
- The Board performed 6,744 salon and 65 school inspections in fiscal year 2024
- 257 investigations were completed in fiscal year 2024 with 234 investigations open at year close

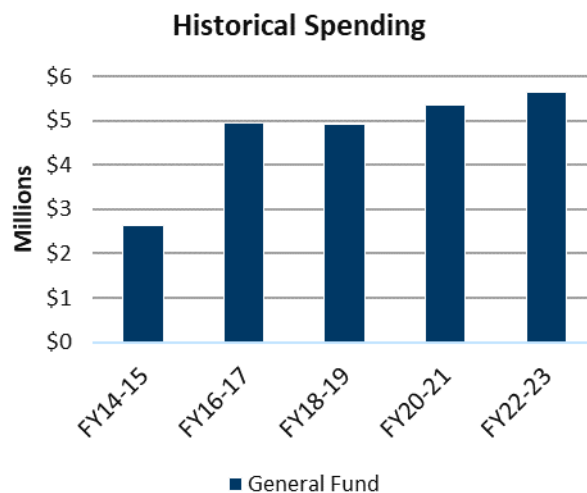
PURPOSE

The Board of Cosmetologist Examiners (“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



Source: Budget Planning & Analysis System (BPAS)



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

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of Licenses, Permits, Registrations Issued Per Quarter	Quantity	GLSuite Licensing Database; FY24 Q2	Consistent	3,740
Number of Inspections Performed Per Quarter	Quantity	Laserfiche Workflow System; FY24 Q2	Consistent	1,313
Number of Complaints Investigated Per Year	Quantity	FY24 Complaint Committee Meeting Minutes	Increased	491
Average Application Processing Time (in business days)	Quality	GLSuite Licensing Database	Decreased	2
Percent of Salons Inspected Per Year	Result	Laserfiche Workflow System, 2024 Q2	Consistent	59%

Minnesota Statutes and Administrative Rules Governing Cosmetology:

Minnesota Statute 155A, <https://www.revisor.mn.gov/statutes/cite/155A>

Minnesota Rule Chapter 2105, <https://www.revisor.mn.gov/rules/2105/>

Minnesota Rule Chapter 2110, <https://www.revisor.mn.gov/rules/2110/>

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

Expenditures by Fund

1000 - General	2,614	3,038	2,988	4,081	3,603	3,603	3,659	3,716
Total	2,614	3,038	2,988	4,081	3,603	3,603	3,659	3,716
Biennial Change				1,417		137		306
Biennial % Change				25		2		4
Governor's Change from Base								169
Governor's % Change from Base								2

Expenditures by Program

Cosmetology	2,614	3,038	2,988	4,081	3,603	3,603	3,659	3,716
Total	2,614	3,038	2,988	4,081	3,603	3,603	3,659	3,716

Expenditures by Category

Compensation	1,790	1,706	1,996	2,462	2,563	2,636	2,619	2,749
Operating Expenses	821	1,312	987	1,618	1,039	966	1,039	966
Other Financial Transaction	4	21	5	1	1	1	1	1
Total	2,614	3,038	2,988	4,081	3,603	3,603	3,659	3,716

Full-Time Equivalents

22.78	20.76	22.49	26.00	26.00	26.00	26.00	26.00
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(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		335		482				
Direct Appropriation	2,923	2,923	3,470	3,599	3,603	3,603	3,659	3,716
Cancellations		219						
Balance Forward Out	309		482					
Expenditures	2,614	3,038	2,988	4,081	3,603	3,603	3,659	3,716
Biennial Change in Expenditures				1,417		137		306
Biennial % Change in Expenditures				25		2		4
Governor's Change from Base								169
Governor's % Change from Base								2
Full-Time Equivalents	22.78	20.76	22.49	26.00	26.00	26.00	26.00	26.00

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Direct				
Fund: 1000 - General				
FY2025 Appropriations	3,599	3,599	3,599	7,198
Base Adjustments				
Minnesota Paid Leave Allocation		4	4	8
Forecast Base	3,599	3,603	3,603	7,206
Change Items				
Operating Adjustment		56	113	169
Total Governor's Recommendations	3,599	3,659	3,716	7,375
Revenue Change Summary				
Non-Dedicated				
Fund: 1000 - General				
Forecast Revenues	2,650	2,644	2,645	5,289
Total Governor's Recommendations	2,650	2,644	2,645	5,289

Board of Cosmetologist Examiners

FY 2026-27 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	56	113	113	113
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$56,000 in FY 2026 and \$113,000 in each subsequent year from the general fund to help address operating cost increases at the Board of Cosmetologist Examiners.

Rationale/Background:

The cost of operations rises each year due to increases in employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs. 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 year to year.

Agencies face challenging decisions to manage these rising costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. For FY 2026-27, agencies will need to continue to find additional efficiencies and leverage management tools to help address budget pressures. Holding open vacancies in certain programs or delaying hiring in other programs are examples of ways agencies manage through constrained operating budgets. Such decisions are difficult and must be weighed against a program's ability to conduct business with less staffing and its impact to service delivery.

This recommendation provides additional resources to help address these cost pressures and pay for agency operations.

Proposal:

The Governor recommends increasing agency operating budgets to support current services. For the Board of Cosmetologist Examiners, this funding will help cover expected growth in employee compensation and insurance, rising rents, IT services, and other operating costs.

Dollars in Thousands

Net Impact by Fund	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
General Fund	56	113	169	113	113	226
Total All Funds	56	113	169	113	113	226

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
GF	Operating Costs	56	113	169	113	113	226

Results:

This recommendation is intended to help the Board of Cosmetologist Examiners address rising cost pressures and mitigate impacts to current levels of service and information to the public.