

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE

House Bill 1296 (Delegate Vaughn, *et al.*)
 Economic Matters

State Board of Cosmetologists - License Renewal - Continuing Education Requirements

This bill requires the State Board of Cosmetologists to adopt regulations that set continuing education requirements as a condition to the renewal of a cosmetologist license. The bill requires licensed cosmetologists to provide satisfactory evidence of compliance with the continuing education requirement established by the board for license renewal.

Fiscal Summary

State Effect: General fund expenditures would increase by \$103,100 in FY 2006. Out-year expenditures reflect ongoing operational costs that are annualized and adjusted for inflation. Revenues would not be affected.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	103,100	129,300	100,900	107,000	113,600
Net Effect	(\$103,100)	(\$129,300)	(\$100,900)	(\$107,000)	(\$113,600)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: In order to qualify for two-year license renewal, each licensee is required to complete 16 hours of continuing education.

Licensees are required to complete one hour in each of the following course subjects: (1) communicable diseases; (2) disinfection, sanitation, and sterilization; (3) Maryland State law; and (4) Maryland occupational safety and health regulations and the safe handling of chemicals. The remaining 12 hours may be completed in the core course subjects or any other cosmetology-related course subject approved by the board. If a licensee completes more than 16 hours during a two-year license term, the board is required to credit the excess hours to the requirements for the following term. Up to 12 hours of the continuing education requirements for a license term may be met by completing a home study course by correspondence, video, or Internet that the board approves.

The board is required to post a list of approved cosmetology educators on its web site.

The continuing education credits required for renewal may be waived or modified by the board if the licensee: (1) had a documented emergency situation or was called to active duty in the U.S. military during the two-year period; (2) had an incapacitating illness verified by documentation from the licensee's participating physician; or (3) is licensed in another state that requires at least six hours of continuing education.

The bill provides that, except for applicants licensed in another state that requires at least 12 hours of continuing education, any continuing education credits waived or modified by the board are cumulative and must be completed by the applicant before the applicant's next license renewal.

Current Law: The State Board of Cosmetologists licenses and regulates individuals who practice the trade of cosmetology in the State of Maryland and establishes health and safety standards for the operation of beauty salons and trade schools.

Cosmetology licensees are licensed for two-year periods and may renew a license for an additional two-year term, if the licensee: (1) otherwise is entitled to be licensed; (2) pays to the board a renewal fee established by the board; and (3) submits to the board a renewal application on the form that the board provides.

Background: The State Board of Cosmetologists licenses cosmetologists, makeup artists, esthetic service providers, and nail technicians. To practice cosmetology means to provide any service or creative work in regard to: (1) beautifying, cleaning, or embellishing an individual's hair; (2) arching or dyeing eyebrows; (3) dyeing eyelashes; (4) providing makeup artist services; (5) providing esthetic services; and (6) providing nail technician services.

To become a licensed cosmetologist, an individual must: (1) be at least 17 years old; (2) have successfully completed a ninth grade education or the equivalent; (3) have served as

a registered apprentice or received 1,500 hours of training at a cosmetology school approved by the State Board of Education or the Maryland Higher Education Commission; and (4) pass an examination given by the State Board of Cosmetologists. To become a licensee in a limited practice (makeup artist, esthetic service provider, or nail technician), an individual must be at least 17 years old, have successfully completed a ninth grade education or the equivalent, and meet training or coursework as required by the board.

As of January 2004, the board had licensed approximately 38,000 cosmetologists and 4,000 salon owners, all of whom would be subject to the continuing education requirement. The board is currently supported by six full-time authorized staff including an executive director.

The Department of Labor, Licensing, and Regulation (DLLR) advises that the continuing education requirement in the bill would be set by regulation and made to be relatively consistent to practices set in statute or regulation for the continuing education requirements of real estate brokers and public accountants.

State Fiscal Effect: Cosmetologists are not required to take continuing education classes as a condition of license renewal, which is the norm around the country. There is no nationally approved process for continuing education course approval. As such, establishing a program in Maryland would require the board to develop a process to provide for course or sponsor approval. This is a process that the board is not currently equipped to handle. As a result, the board would need additional staff to implement and monitor the continuing education requirements for license renewal pursuant to the bill.

As a result, DLLR's general fund expenditures could increase by an estimated \$103,096 in fiscal 2006, which accounts for the bill's October 1, 2005 effective date. This estimate reflects the cost of hiring one administrative specialist and one office secretary to administer the continuing education program established by the bill as well as one part-time contractual employee in fiscal 2006 and 2007 to assist in the start-up of the program. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses, and \$10,000 in computer programming costs to modify the E-licensing system in fiscal 2006.

Salaries and Fringe Benefits	\$77,818
Computer Programming	10,000
Operating Expenses	<u>15,278</u>
Total FY 2006 State Expenditures	\$103,096

Future year expenditures reflect: (1) full salaries with 4.6% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses and \$16,000 for a mass mailing to all affected parties in fiscal 2007.

Additional Information

Prior Introductions: A similar bill was introduced as HB 405, which required six continuing education hours, in the 2004 session. It received an unfavorable report from the House Economic Matters Committee.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - March 15, 2005
mp/ljm

Analysis by: Michael Sanelli

Direct Inquiries to:
(410) 946-5510
(301) 970-5510