

**Department of Legislative Services**  
 Maryland General Assembly  
 2017 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 1030 (Senator Young, *et al.*)  
 Education, Health, and Environmental Affairs

**State Board of Cosmetologists - Licensing and License Renewal - Domestic  
 Violence and Sexual Assault Awareness Course**

This bill requires that, beginning October 1, 2018, an applicant for a license or a licensee renewing a license from the State Board of Cosmetologists complete a domestic violence and sexual assault awareness course approved by the board. The board must waive the course requirement for an applicant that shows hardship due to specified circumstances. The board must adopt regulations that set standards for the course that include the subject matter, the qualifications for teachers, the means to verify completion, and the standards and processes for waiving the course requirement. A licensee, or the employer of the licensee, that completes the course requirement may not be held civilly or criminally liable for acting in good faith or failing to act on information regarding potential domestic violence or sexual assault that is obtained during work as a cosmetologist.

The bill takes effect October 1, 2017.

**Fiscal Summary**

**State Effect:** General fund expenditures for the Department of Labor, Licensing, and Regulation (DLLR) increase by \$70,600 in FY 2018 for staff and programming expenses necessary to implement the bill’s requirements. Future years reflect annualization and the elimination of one-time costs. Revenues are not affected.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	70,600	117,300	123,000	129,100	135,500
Net Effect	(\$70,600)	(\$117,300)	(\$123,000)	(\$129,100)	(\$135,500)

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

**Local Effect:** None.

**Small Business Effect:** Minimal. The bill adds an additional requirement for initial and renewal applicants seeking licensure from the State Board of Cosmetologists, who may be small business owners or self-employed. However, the effect of one training course every two years is minimal. Moreover, the bill establishes a hardship exemption.

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## **Analysis**

**Current Law/Background:** The State Board of Cosmetologists issues two full-service licenses (cosmetologist and senior cosmetologist) and four limited licenses (hairstylist, blow-drying, nail technician, and esthetician). A cosmetologist or senior cosmetologist license authorizes the licensee to provide hair, nail, and esthetic services. The other licenses authorize the licensee to provide just that service. The board also registers apprentices. The bill applies to approximately 45,000 licensees.

There is no continuing education requirement for any license issued by the board. Licenses must be renewed every two years.

**State Expenditures:** The bill establishes a new requirement for initial applicants and the equivalent of a continuing education requirement for existing license renewals beginning October 1, 2018. Licenses are valid for two years and are issued on a staggered basis. Therefore, DLLR must verify approximately 16,875 course completions in fiscal 2019 and 22,500 course completions annually thereafter.

The board must establish a process to track compliance with the bill. This requires programming changes to DLLR's database system, which is done through the services of an outside vendor at a cost of about \$6,000 in fiscal 2018 and \$1,000 annually thereafter.

The board, which shares staff with the State Board of Barbers, cannot handle the additional administrative burden associated with adopting and continuously verifying course completion with existing staff. In addition to the director, only three other staff are assigned to the boards and their combined 55,000 licensees. The minimal resources available to the boards are due to years of cost containment measures, which have hampered the boards' abilities to carry out even basic regulatory duties.

New and renewal licensees must have completed the required course before October 1, 2018, which means that the board must develop the required criteria for the course, issue regulations, and receive and approve applications from vendors wishing to provide the courses to licensees and prospective licensees. As a result, the Department of Legislative Services believes that staff must be in place by January 1, 2018, in order to carry out all of these duties.

Therefore, general fund expenditures increase by \$70,599 in fiscal 2018, which accounts for a January 1, 2018 start date for new staff. This estimate reflects the cost of hiring one full-time and one half-time administrative staff to oversee implementation and administration of the course requirement. It includes salaries, fringe benefits, one-time start-up costs, ongoing operating expenses, and programming expenses as discussed above.

Positions	1.5
Salaries and Fringe Benefits	\$56,030
Programming Costs	6,000
Other Operating Expenses	<u>8,569</u>
<b>Total FY 2018 State Expenditures</b>	<b>\$70,599</b>

Future year expenditures reflect full salaries with annual increases and employee turnover and ongoing operating expenses.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 8, 2017  
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Analysis by: Stephen M. Ross

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