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H.B. 277
134th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsor: Rep. Powell

Local Impact Statement Procedure Required: No

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Highlights

- The State Cosmetology and Barber Board may incur upfront costs totaling tens of thousands of dollars to purchase computer equipment, software, make necessary changes to the state's eLicensing system, and provide staffing to conduct licensure examinations at approved facilities and schools.
- These costs could be partially offset by charges assessed to license applicants that test at the approved facilities and schools. Board expenditures are made from the Occupational Licensing and Regulatory Fund (Fund 4K90).
- The Board may incur a slight loss of examination fee revenue under the bill's provisions (1) eliminating examinations for applicants for cosmetology licenses who are licensed in another state or country, and (2) allowing the Board to waive examinations for applicants for barber licenses who are licensed in another state or country. Board revenues are deposited to the credit of Fund 4K90.

Detailed Analysis

Approved licensure examination facilities

The State Cosmetology and Barber Board will incur upfront costs totaling tens of thousands of dollars to conduct licensure examinations at cosmetology and barber schools and other approved facilities under the bill. In order to do this, the Board would need to purchase secure laptops for the applicants to use while testing and software licenses. The Board would also be required to cover charges for the Department of Administrative Services (DAS) to modify the state's eLicensing system to accommodate remote testing. Finally, the Board would see increased payroll and travel costs to provide staffing to conduct the examinations. These costs could be partially offset by the bill's requirement that license applicants be responsible for any

additional costs associated with the taking of the examination at a testing facility or school. Board expenditures are paid from the Occupational Licensing and Regulatory Fund (Fund 4K90)

Licensure by endorsement

The bill may also result in a slight decrease of examination fee revenue collected by the State Cosmetology and Barber Board and deposited to the credit of Fund 4K90. Under current law, applicants for Ohio cosmetology and barber licenses who are licensed in another state or country must take a license examination. The bill removes this requirement for cosmetology license applicants with out-of-state licensure. Instead, the bill requires the Board to issue licenses to applicants that submit satisfactory evidence that the applicant is licensed or registered in another state or country in addition to other continuing law requirements. For barbers seeking licensure by endorsement, the bill allows the Board to waive the examination. As of August 1, 2020, license examination fees were \$40.00 for cosmetologists and \$90.00 for barbers.

Changes with little or no fiscal effect

The bill also modifies training and education requirements for applicants for licensure as barbers and cosmetologists that would have little or no fiscal effect. The bill generally lessens the number of hours of training an applicant for licensure must complete to be eligible to apply for a cosmetology or barber license, requires the Board to adopt rules establishing standards for distance education by cosmetology and barber schools, and allows licensure applicants to take license examinations at testing facilities approved by the Board or the school from which the applicant graduated. The bill specifies that the applicant is responsible for any additional costs incurred by taking examinations at these facilities.