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Cosmetologist Examiners, Board of

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AT A GLANCE

- **FY 2016 Licensing**
 - 14,079 licenses issued
 - 33,830 total individual licenses
 - 5,286 total establishment licenses
- **FY 2016 Inspections**
 - 1,342 completed establishment inspections
 - 629 attempted, uncompleted establishment inspections
- **FY 2016 Complaint Resolutions**
 - 118 complaints filed/received
 - 47 complaints closed/resolved

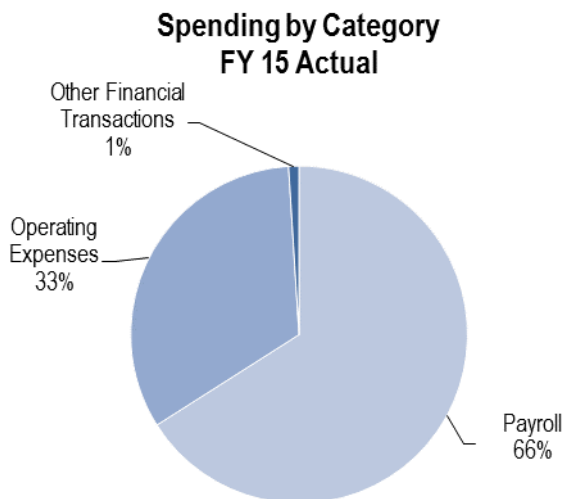
PURPOSE

The Board of Cosmetologist Examiners (BCE) credentials, licenses, inspects, disciplines, and educates on the necessity of the safe practice of cosmetology services in order to protect the public and licensees.

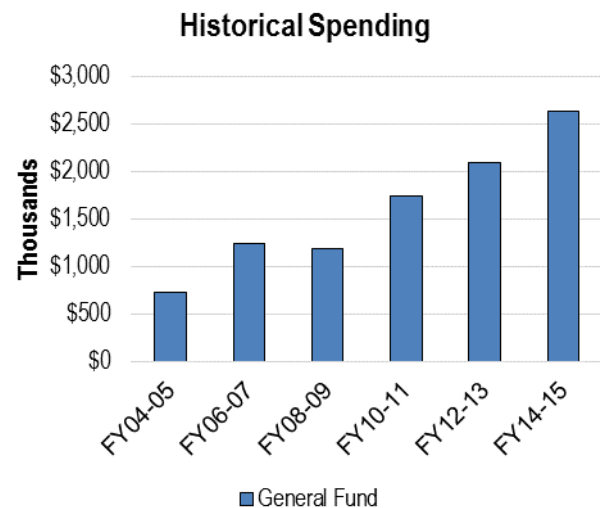
The BCE's mission is to constantly strive to serve and care for our licensees, applicants, and the public by being committed to public protection, superior service, excellence, and continuous improvement.

The BCE contributes to statewide outcomes in the following ways:

- **Promoting a thriving economy** through simplifying licensing processes to promote faster business growth and entry into the workforce.
- Through inspections and education, encouraging licensees to **have the education and skills needed to achieve their goals.**
- By licensing those competent to provide safe services to avoid injury and disease and performing regular inspections to ensure compliance with safety standards, the BCE aims to keep **all people in Minnesota safe.**
- The BCE constantly evaluates and seeks improvement on internal processes to ensure **efficient and accountable government services.**

BUDGET

Source: BPAS



Source: Consolidated Fund Statement

All receipts collected by the BCE are deposited into the General Fund. The BCE receives a direct appropriation from the General Fund to cover operational expenses. The BCE does not receive funding from any other sources.

STRATEGIES

The BCE promotes a thriving economy and business growth 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, resulting in better and continued services.
- Limiting barriers to license issuance and renewal through a major rules overhaul, which promotes more individuals to maintain active participation in the cosmetology industry.

The BCE promotes Minnesotans to have the education and skills needed to achieve their goals by:

- Educating licensees through inspections and outreach to promote best practices.
- Requiring continuing education for license renewal.
- Continuously updating licensing exams to ensure minimum competency is tested for and met by all individuals receiving licenses, which includes weekly to quarterly monitoring of exam question performance.

The BCE promotes Minnesotans safety by:

- Only issuing licenses to qualified applicants.
- Routine inspections of salons and schools to ensure safety and infection control standards are met.
- Performing field inspections, electronic communications, and face-to face outreach which continuously educates licensees of new standards and how to resolve deficiencies.
- Reach voluntary resolution of violations and offer remedial education when necessary to ensure licensing and safety standards are met.
- Constantly reviewing cosmetology related laws and rules to create simplified processes that adhere to national industry standards.

The BCE promotes efficient and accountable government services by:

- Credentialing and issuing licenses to qualified applicants within 15 business days.
- Utilizing an optional expedited process for qualified applicants to become licensed within 5 business days.
- Maintaining a standard that all general inquiries are responded to within 1 business day or less.
- Providing educational materials in conjunction with inspections to improve awareness and immediate response.
- Using instant license account management and real-time online license lookup and renewal to provide transparency and efficiency to licensees and the public.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of Expedited Applications ¹	0	324	FY14; FY16
Quantity	Number of Education Materials Provided Upon Inspection ²	7	10	FY14; FY16
Quantity	Number of Outreach Events ³	7	16	FY14; FY16
Quality	Voluntary Resolution of Settlement Agreement ⁴	89%	89.3%	FY14; FY16
Result	Rewrite of MN Rule 2105 ⁵	84 changes; incomplete	>500 changes; complete	FY14; FY16

Source: GLSuite (Government Licensing Database); BCE website, www.bceboard.state.mn.us

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>

¹ Beginning January 1, 2016, the BCE was able to offer an option to process applications on an expedited timeline for a fee. Instead of the standard 15 business day or less timeline, expediting applications are processed within 5 business days or less. This allows for individuals and businesses to begin working faster.

² A variety of education materials are provided to licensees in order to further educate on current infection control standards, safety practices, and compliance with cosmetology regulatory rules. These documents are in plain language and can be posted in salons to encourage education for licensees and the public.

³ To support the BCE's mission of public protection and encouraging industry development, we have increased our number of outreach events for licensees. These events promote communication, awareness, and education related to safe and lawful practices.

⁴ The BCE offers a simplified settlement agreement process for licensees that have been cited for serious violations. This condensed process is done only if the licensee is willing and agrees. This process has been beneficial for both the licensees and the Board and significantly reduces the amount of time by several months to reach the settlement agreement.

⁵ The BCE has rewritten our rules over the past three years. Over 500 changes were made to existing rules to eliminate unnecessary requirements, to update outdated language, and to implement plain language, and to reflect current credentialing and infection control standards.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecasted Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	1,187	1,441	1,351	3,798	2,584	2,584	2,781	2,794
Total	1,187	1,441	1,351	3,798	2,584	2,584	2,781	2,794
Biennial Change				2,521		19		426
Biennial % Change				96		0		8
Governor's Change from Base								407
Governor's % Change from Base								8

Expenditures by Program

Program: Cosmetology	1,187	1,441	1,351	3,798	2,584	2,584	2,781	2,794
Total	1,187	1,441	1,351	3,798	2,584	2,584	2,781	2,794

Expenditures by Category

Compensation	891	952	982	1,998	1,656	1,699	1,712	1,768
Operating Expenses	288	483	353	1,794	903	873	1,044	1,014
Other Financial Transactions	8	6	17	6	25	12	25	12
Total	1,187	1,441	1,351	3,798	2,584	2,584	2,781	2,794
Full-Time Equivalents	14.7	15.4	14.9	23.0	23.0	23.0	23.0	23.0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	163	0	1,214	0	0	0	0
Direct Appropriation	1,346	1,366	2,565	2,584	2,584	2,584	2,781	2,794
Cancellations	0	87	0	0	0	0	0	0
Expenditures	1,187	1,441	1,351	3,798	2,584	2,584	2,781	2,794
Balance Forward Out	159	0	1,214	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				2,521		19		426
<i>Biennial % Change in Expenditures</i>				96		0		8
<i>Gov's Exp Change from Base</i>								407
<i>Gov's Exp % Change from Base</i>								8
Full-Time Equivalents	14.7	15.4	14.9	23.0	23.0	23.0	23.0	23.0

Cosmetologist Examiners, Board of

FY18-19 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	127	140	140	140
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	127	140	140	140
FTEs	0	0	0	0

Request:

The Governor recommends additional funding of \$267,000 from the general funds for the Board of Cosmetologist Examiners ("Board") to sustain the current operations and support statewide initiatives to keep Minnesotans safe and provide efficient and accountable government services.

Rationale/Background:

- Annual rent increases: The Board's current lease imposes an annual increase of \$5,000 per year.
- Employee development: The Board will be comprised of approximately 23 staff next biennium in addition to the 7 board members. The Board is a small agency with limited resources. The Board wishes to offer more employee development opportunities to professional and support staff.
- Meetings and Travel: The Board has grown and more staff are required to travel both in-state and out of state to participate in national meetings, obtain necessary certifications, stay current with emerging regulatory trends and participate at the national regulatory level.
- Compensation increases
- Administrative Services Unit (ASU): The Board contracts with ASU for services such as purchasing, human resources and accounting. The need for services has increased due to the additional staffing at the Board which results in an increase in ASU's billable rate. Further, ASU has annual salary increases and intends to hire an accounting officer. Those costs are directly billed back to the board.

Proposal:

The Governor recommends increasing agency operating budgets to maintain the delivery of current services. For the Board this funding will cover expected and anticipated employee compensation growth, including anticipated compensation increases and employer-paid pension costs.

Results:

This increase will allow the Board to meet rent, employee development, training, national presence, and salary increase expenses.

Statutory Change(s):

No statutory changes.

Cosmetologist Examiners, Board of

FY18-19 Biennial Budget Change Item

Change Item Title: IT Cost Increase

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	70	70	70	70
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	70	70	70	70
FTEs	0	0	0	0

Recommendation:

The Governor recommends an increase of \$140,000 in the FY2018-2019 biennium to the Board of Cosmetologist Examiners ("Board") to sustain current information technology services and support centralized information technology.

Rationale/Background:

- Centralized Information Technology: The board has increased costs for centralized services to sustain its information technology operations. This includes both known rate increases and unknown rate increases billed to the board.
- Centralized MNIT Staff: The Board shares information technology services with 18+ health and non-health licensing boards.

Proposal:

The Governor recommends additional funding to allow the Board to sustain current information technology operations and support centralized IT.