

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Oregon Health Licensing Agency / Board of Cosmetology
Agency and Division

OAR Chapter 817, Division 040
Administrative Rules Chapter Number

RULE CAPTION

Increase Board of Cosmetology fees, including business authorizations.

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

In the Matter of:

Amending: OAR 817-040-0003

Statutory Authority: ORS 676.605, 676.606, 676.615, 690.235

Other Authority:

Stats. Implemented: ORS 676.606, 690.235

Need for the Rule(s):

The proposed rule is necessary to continue the operations and sustain the Board of Cosmetology without using funds from other Oregon Health Licensing Agency (OHLA) programs.

A new fee structure was implemented on October 1, 2008, for all agency programs. The new fee structure reflected an increase for the Board of Cosmetology. However, during the implementation process agency stakeholders requested the postponement of the fee increase due to economic difficulties to students and graduates from private cosmetology career schools. The agency agreed to defer the increase until July 1, 2009.

The agency's 2009-11 budget anticipated increased fees for cosmetology practitioner applications, initial certifications, certification renewals, examinations and practitioner late fees. These fees were approved by the 2009 Legislative Assembly, with an emergency passage of July 1, 2009.

Documents Relied Upon, and where they are available:

Agency and board fiscal reports and records, analysis findings/documentation and allocation methodology criteria provided to board/council members and Department of Administrative Services, Budget & Management/Budget Analyst. Board of Cosmetology meeting minutes from 2007, 2008 and 2009. Special outreach event handouts and related materials "Change is the Solution: Today's Vision, and Tomorrow's Reality" held on April 18, 2008 (board members) and June 4, 2008 (stakeholders) in addition to the OHLA Customer Connection Committee held on February 11, 2008 (agency advisors). 2009-11 Legislatively Adopted Budget for the Oregon Health Licensing Agency and HB 5525.

All documents are available at the Oregon Health Licensing Agency, 700 Summer Street NE, Suite 320, Salem, OR 97301-1287. To obtain information or copies of information please contact Samantha Patnode, Policy Analyst, at 503-373-1917, during normal business hours Monday through Friday between 7:30 am to 4:30 pm. E-mail: samie.patnode@state.or.us

Fiscal and Economic Impact:

The cost of complying with the changes relating to fee amendments is estimated to include the following:

These rule amendments will have a fiscal and economic impact on students of cosmetology career schools who are graduating and other individuals preparing to obtain certification. Fees required for certification are application, examination and certification fees per field of practice (FOP). This rule will also affect practitioners who are currently certified as the renewal and delinquent fees have been increased. Please see below for increases.

- Application for certification fee per field of practice was previously \$15; new fee is \$20 per FOP, an increase of \$5.
- Examination fee was previously \$25 increased to \$30, an increase of \$5.
- Practitioner certificate initial and renewal fee was previously \$33 for two-years; new fee is \$40 for two years, an increase of \$7.
- Practitioner certificate online renewal fee was previously \$33 for two-years; new fee is \$35 for two years, an increase of \$2.
- Facility license initial & renewal was previously \$100 for two years; new fee is \$150 for two years, an increase of \$50.
- Independent contractor initial registration was previously \$75 for two years; new fee is \$125 for two years, an increase of \$50.
- Independent contractor renewal registration was previously \$100 for two years; new fee is \$125 for two years, an increase of \$25.
- Certificate of Identification initial licensure was previously \$100 for two years; new fee is \$125 for two years, an increase of \$
- Delinquency fee for certificates increases from \$25 per year to \$50 per year up to two years.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)): An increase in renewal fees for certificate holders may result in an increase for services to consumers. The increase in service prices would be at the discretion of the individual certificate holder.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule: ORS 183.310(10) defines small business as, "A corporation, partnership, sole proprietorship or other legal entity formed for the purpose of making a profit, which is independently owned and operated from all other businesses and which has fewer than 50 employees." The agency has determined there may be slight fiscal impact to cosmetology facility owners, independent contractors and certificate of identification holders. An increase of \$25 to \$50 for a two-year authorization is being recommended for initial and renewal of authorization.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services: None anticipated.

c. Equipment, supplies, labor and increased administration required for compliance: None anticipated

How were small businesses involved in the development of this rule? The agency provided outreach to licensees and stakeholders. Additionally, the agency posted information on the OHLA's Web site, and published news articles in industry association newsletters (Northwest Stylist) and through agency electronic newsletter (Licensing Line). 2007, 2008 and 2009 minutes and reports are posted on the agency's Web site for review. Board members represented their diverse constituencies' perspectives.

Administrative Rule Advisory Committee consulted?: Yes. The agency and board have been conducting outreach and fact-finding since 2007 and 2008, sending notification to individuals on the official mailing list, trade newspapers (Northwest Stylist), agency electronic newsletters (Licensing Line), and posted on the agency Web site. Meetings were held on March 5, May 14 and September 17, 2007, January 28, March 3, May 12, 2008, January 12, March 16, and May 11, 2009. Outreach was conducted with state agencies, organizations, associations and interested parties, providing opportunity to attend the fact-finding and board meetings and comment on rule development. Special outreach meetings were conducted on April 18, 2008 and June 4, 2008 with all board members, stakeholders and licensees. All meetings were open to the public

If not, why?: Not applicable

Randal Everitt, Director	10/12/09
Signature	Date
Printed name	