

<b>Regulatory Analysis Form</b>		This space for use by IRRC RECEIVED 2000 JUN 21 AM 11:39 REVIEW COMMISSION IRRC Number: 2127	
(1) Agency  Department of State, Bureau of Professional and Occupational Affairs, State Board of Cosmetology			
(2) I.D. Number (Governor's Office Use)  16A-458			
(3) Short Title  Application Fees			
(4) PA Code Cite  49 Pa. Code §7.2		(5) Agency Contacts & Telephone Numbers  Primary Contact: Deborah B. Eskin, Counsel State Board of Cosmetology (717)783-7200 Secondary Contact: Joyce McKeever, Deputy Chief Counsel, Regulatory Review (717)78 3-1088	
(6) Type of Rulemaking (check one)  <input checked="" type="checkbox"/> Proposed Rulemaking Final Order Adopting Regulation Final, Proposed Omitted		(7) Is a 120-Day Emergency Certification Attached?  <input checked="" type="checkbox"/> No Yes: By the Attorney General Yes: By the Governor	
(8) Briefly explain the regulation in clear and nontechnical language.  The regulation amends the fee schedule for the State Board of Cosmetology to revise fees for licensure, registration, and shop change fees and to create new fees for verification of licenses and certification of student/apprentice hours. The new fees are needed to cover the cost of providing those services.			
(9) State the statutory authority for the regulation and any relevant state or federal court decisions.  The regulatory amendments are adopted under Section 16 of the Beauty Culture Law (Law), Act of May 3, 1933, P.L. 242, as amended, 63 P.S. §522.			

## Regulatory Analysis Form

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

**Yes. The Board is required by statute to adopt regulations setting fees. See Item No. 9 for the specific law.**

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

**The enabling statute of the Board requires that the Board set fees by regulation so that revenues meet or exceed expenditures over a biennial period. The operating expenses of the Board are generally borne by the licensee population through biennial renewal revenue. Expenses related to services which are provided directly to individual licensees or applicants are excluded from general operating revenues so that only the licensee who uses a particular service pays for a service being provided to him or her. By this regulation, the cost of providing the service will be apportioned to users, rather than burdening the entire licensee population.**

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

**Nonregulation could potentially adversely impact the fiscal integrity of the Board. If left unregulated, the costs of providing these services would be borne by the general licensing population, some of whom did not or would not receive a benefit from the service.**

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

**The licensing population generally will benefit by having costs of services which are utilized by only a portion of the licensees or applicants paid by those actually using the service.**

## Regulatory Analysis Form

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

**The Board has identified no group of individuals or entities who will be adversely affected by the regulation. Applicants for services or licenses will be required to bear the up-to-date costs of providing the services involved.**

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

**Cosmetologist, manicurist, and cosmetician shop and individual applicants, and cosmetology school applicants for licensure, verifications of licensure, certification of scores or experience requirements, apprentice registration, school supervisor approval and school and shop inspections will be assessed the applicable fees. The Board estimates that approximately 14,391 persons will avail themselves of one or more of the enumerated services in a two-year period.**

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

**These regulations do not place requirements on licensees concerning their conduct or compliance with state law regarding the performance of a licensing duty under licensing statutes. The regulation embodies the fees which capture the cost of providing the service an applicant or licensee requests. Therefore, the information requested in this item is not applicable.**

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

**The Board estimates that 14,391 persons will avail themselves of one or more of the enumerated services within a biennial period. Total aggregate additional cost for the regulated community for a biennial period would be approximately \$136,250.00. However, only those requesting the services will be affected. No legal, accounting or consulting procedures will be implicated in complying with the regulatory amendments.**

## Regulatory Analysis Form

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

**Local governments would not be affected by the regulation.**

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

**The Board will not incur an increase in administrative costs by implementing the regulation. Indeed, the regulatory amendments will permit the Board to recoup the costs of providing the enumerated services.**

### Regulatory Analysis Form

(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
<b>SAVINGS:</b>	\$	\$	\$	\$	\$	\$
<b>Regulated</b>	\$N/A	\$N/A	\$N/A	\$N/A	\$N/A	\$N/A
<b>Local Government</b>						
<b>State Government</b>						
<b>Total Saving</b>						
<b>COSTS:</b>						
<b>Regulated</b>	\$N/A	\$N/A	\$N/A	\$N/A	\$N/A	\$N/A
<b>Local Government</b>						
<b>State Government</b>						
<b>Total Costs</b>						
<b>REVENUE LOSSES:</b>						
<b>Regulated</b>						
<b>Local Government</b>						
<b>State Government</b>						
<b>Total Revenue Losses</b>						

(20a) Explain how the cost estimates listed above were derived.

The cost estimates are based upon the following number of persons which the Board estimates will avail themselves of the specified service over a fiscal year period (one-half biennium) multiplied by the savings or additional cost to the applicant for the service:

## Regulatory Analysis Form

(20b) Provide the past three year expenditure history for programs affected by the regulation.

	FY 96-97	FY 97-98	Projected FY 98-99	Budgeted FY 99-00
Program	FY -3	FY -2	FY -1	Current FY
State Board of Cosmetology	\$2,120,342.05	\$2,300,699.00	\$1,931,340.37	\$2,517,000.00

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

**The amendments to the existing regulations will assure that the costs of providing the specified services to certain applicants and licensees will be borne by individuals who receive the service.**

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

**No nonregulatory alternatives were considered because the Board's enabling statute requires the Board to promulgate regulations to establish fees or changes thereto.**

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

**See No. 22 above.**

## Regulatory Analysis Form

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

**No federal licensure standards apply.**

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

**Additional information has been requested from other states. The following chart summarizes the information received. (See page 7A)**

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

**This regulation will have no effect on other regulations of the Board or other state agencies.**

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

**In light of the statutory mandate, the Board has scheduled no public hearings or informational meetings regarding this regulation.**





## Regulatory Analysis Form

(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

**No changes to reporting, recordkeeping or other paperwork are required by this regulation.**

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

**The Board has perceived no special needs of any subset of its applicants or licensees for whom special accommodations should be made.**

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

**The regulation will be effective upon publication as an Order of Final Rulemaking in the *Pennsylvania Bulletin*.**

(31) Provide the schedule for continual review of the regulation.

**The Board reviews its revenues and costs of its programs on a fiscal year and biennial basis.**

# FEE REPORT FORM

**Agency:** State - BPOA

**Date:** 03/22/00

**Contact:** David Williams

**Phone No.** 783-7194

## Fee Title, Rate and Estimated Collections:

License Application-Cosmetologist, Manicurist or Cosmetician: \$10.00

Estimated Biennial Revenue: \$95,000.00 (9,500 applications x \$10.00)

## Fee Description:

The fee will be charged to every applicant who applies for licensure as a Cosmetologist, Manicurist or Cosmetician.

## Fee Objective:

The fee should offset the identifiable costs incurred by the State Board of Cosmetology to review and process a request for licensure for a Cosmetologist, Manicurist or Cosmetician and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Board Staff - process application	(0.08)	1.62
Administrative Overhead:		<u>8.56</u>
	Total Estimated Cost:	\$10.18
	Proposed Fee:	\$10.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$10.00 be established for processing an application for licensure as a Cosmetologist, Manicurist or Cosmetician.

**Board staff: Receives roster and computer tape of passing candidates from test contractor, forwards tape to M I S (Management Information Systems) for update into license computer system and production of a display license and wallet card. Printed document is sent to the Bureau's mailing contractor for processing and mailing to licensee. The administrative overhead charge offsets expenses such as rent, phones, mailroom/microfilm services that are charged to each board based on a licensee population.**

# FEE REPORT FORM

**Agency:** State - BPOA

**Date:** 03/22/00

**Contact:** David Williams

**Phone No.** 783-7194

## Fee Title, Rate and Estimated Collections:

License Application-Cosmetology, Manicurist or Cosmetician Shop: \$55.00

Estimated Biennial Revenue: \$148,500.00 (2,700 applications x \$55.00)

## Fee Description:

The fee will be charged to every applicant who applies for licensure of a Cosmetology, Manicurist or Cosmetician Shop.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Cosmetology to review and process a request for licensure of a Cosmetology, Manicurist or Cosmetician Shop and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Staff time- process application	(1.00 hr)	20.30
BEI - inspect facility	(1.10 hr)	25.51
Administrative Overhead:		<u>8.56</u>
	Total Estimated Cost:	\$54.37
	Proposed Fee:	\$55.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$55.00 be established for processing an application for licensure of a Cosmetology, Manicurist or Cosmetician Shop.

**Board staff: Receives application, reviews for completeness, contacts applicant to obtain any missing information and/or documents, forwards to Bureau of Enforcement and Investigation for inspection of facility. BEI conducts inspection, forwards report to board staff who issue license if requirements are met or letter of discrepancy if unmet.**

## FEE REPORT FORM

**Agency:** State - BPOA

**Date:** 03/22/00

**Contact:** David Williams

**Phone No.** 783-7194

### Fee Title, Rate and Estimated Collections:

Re-inspection after initial failure-New or Relocated Cosmetology, Manicurist or Cosmetician Shop: \$40.00

Estimated Biennial Revenue: \$400.00 (10 applications x \$40.00)

### Fee Description:

The fee will be charged to re-inspect a new or relocated Cosmetology, Manicurist or Cosmetician Shop after initial failure.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Cosmetology to inspect a Cosmetology, Manicurist or Cosmetician Shop after initial failure and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

Staff time- process application	(.17 hr)	3.38
BEI - inspect facility	(1.10 hr)	25.51
Administrative Overhead:		<u>8.56</u>
	Total Estimated Cost:	\$37.45
	Proposed Fee:	\$40.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$40.00 be established to re-inspect a new or relocated Cosmetology, Manicurist or Cosmetician Shop after initial failure.

**Board staff: After failure at initial inspection, applicant notifies board when deficiencies have been corrected, board forwards to Bureau of Enforcement and Investigation for inspection of facility. BEI conducts inspection, forwards report to board staff who issue license if requirements are met or letter of discrepancy if unmet. This fee will be charged each time a re-inspection is necessary to determine compliance with regulations for a new or relocated shop.**

# FEE REPORT FORM

Agency: State - BPOA

Date: 03/22/00

Contact: David Williams

Phone No. 783-7194

## Fee Title, Rate and Estimated Collections:

Change to Existing Shop - Inspection Required: \$55.00  
Estimated Biennial Revenue: \$38,500.00 (700 applications x \$55.00)

## Fee Description:

The fee will be charged to process a request to change an existing license (change of location, remodeling, etc.) when an inspection is required to determine compliance with requirements for Cosmetology, Manicurist or Cosmetician Shop.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Cosmetology to process a request to change a Cosmetology, Manicurist or Cosmetician Shop license and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Staff time- process application	(1.10 hr)	20.30
BEI - inspect facility	(1.10 hr)	25.51
Administrative Overhead:		<u>8.56</u>
	Total Estimated Cost:	\$54.37
	Proposed Fee:	\$55.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$55.00 be established to process a request to change an existing Cosmetology, Manicurist or Cosmetician Shop license.



Board staff: receives application, reviews for completeness, contacts candidate to request any missing information and/or documents, forwards to Bureau of Enforcement and Investigation for inspection of facility. BEI conducts inspection, forwards report to board staff who update computer information and issue license if requirements are met or letter of discrepancy if unmet.

# FEE REPORT FORM

**Agency:** State - BPOA

**Date:** 03/22/00

**Contact:** David Williams

**Phone No.** 783-7194

## Fee Title, Rate and Estimated Collections:

Initial License - Cosmetology School: \$160.00

Estimated Biennial Revenue: \$800.00 (5 applications x \$160.00)

## Fee Description:

The fee will be charged to process an application for licensure of a Cosmetology School.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Cosmetology to process a request for licensure for a Cosmetology School and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Staff time- prepare application	(1.00 hr)	20.30
Board Administrator - process application	(1.00 hr)	30.20
BEI - inspect facility	(1.10 hr)	25.51
Board Meeting - review/discuss/vote	(0.25 hr)	72.00
Administrative Overhead:		<u>8.56</u>
	<b>Total Estimated Cost:</b>	<b>\$156.57</b>
	<b>Proposed Fee:</b>	<b>\$160.00</b>

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$160.00 be established to process an application for licensure of a Cosmetology School.

Board staff: receives application, reviews for completeness, contacts applicant to request any missing information and/or documents, places on agenda for board review of curriculum, facilities, etc. If approved by board, request is forwarded to Bureau of Enforcement and Investigation for inspection of facility. BEI conducts inspection, forwards report to board staff who issue license through computer if requirements are met or letter of discrepancy if unmet.

# FEE REPORT FORM

**Agency:** State - BPOA

**Date:** 03/22/00

**Contact:** David Williams

**Phone No.** 783-7194

## Fee Title, Rate and Estimated Collections:

Re-inspect New or Relocated Cosmetology School after initial failure: \$40.00

Estimated Biennial Revenue: \$40.00 (1 application x \$40.00)

## Fee Description:

The fee will be charged to re-inspect a new or relocated Cosmetology School after initial failure.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Cosmetology to re-inspect a new or relocated Cosmetology School after initial failure and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Staff time- prepare application	( .17 hr)	3.38
BEI - inspect facility	(1.10 hr)	25.51
Administrative Overhead:		<u>8.56</u>
	Total Estimated Cost:	\$ 37.45
	Proposed Fee:	\$ 40.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$40.00 be established to re-inspect a new or relocated cosmetology school after initial failure.

**Page 2 Re-inspect new or relocated Cosmetology School after initial failure: Date: 03/22/00**

Board staff: receives notification that discrepancy have been corrected, notifies Bureau of Enforcement and Investigation to schedule inspection of facility. BEI conducts inspection, forwards report to board staff who update computer issue license if requirements are met or letter of discrepancy if unmet. This fee will be charged each time a re-inspection is necessary to determine compliance for a new or relocated cosmetology school.

## FEE REPORT FORM

**Agency:** State - BPOA

**Date:** 03/22/00

**Contact:** David Willialms

**Phone No.** 783-7194

### **Fee Title, Rate and Estimated Collections:**

License by Reciprocity-Cosmetician/Cosmetologist/Manicurist/Cosmetology Teacher:  
\$20.00

Estimated Biennial Revenue: \$7,000.00 (350 applications x \$20.00)

### **Fee Description:**

The fee will be charged to every applicant who applies for licensure by reciprocity.

### **Fee Objective:**

The fee should (1) offset the costs incurred by the State Board of Cosmetology to process an application for license by reciprocity and (2) defray a portion of the Board's administrative overhead.

### **Fee-Related Activities and Costs:**

Board staff - process application	(.50 hr)	10.15
Administrative Overhead:		<u>8.56</u>
	Total Estimated Cost:	\$18.71
	Proposed Fee:	\$20.00

### **Analysis, Comment, and Recommendation:**

It is recommended that a fee of \$20.00 be established for processing an application for licensure by reciprocity as a Cosmetician, Cosmetologist, Manicurist, or Cosmetology Teacher.

**Page 2 License by Reciprocity-Cosmetician/Cosmetologist/Manicurist/Cosmetology Teacher**  
**Date: 03/22/00**

Board staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents. When application is complete and requirements are met the license is issued through the computer.

# FEE REPORT FORM

**Agency:** State - BPOA

**Date:** 03/22/00

**Contact:** David Williams

**Phone No.** 783-7194

## Fee Title, Rate and Estimated Collections:

Application for Apprentice Permit: \$70.00  
Estimated Biennial Revenue: \$1,400.00 (20 applications x \$70.00)

## Fee Description:

The fee will be charged to every applicant for an Apprentice Permit.

## Fee Objective:

The fee should (1) offset the costs incurred by the State Board of Cosmetology to process an application for an Apprentice Permit and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Board staff - prepare application	(1.00 hr)	20.30
Board Administrator - process application	(1.00 hr)	30.20
Board Member Committee - avg. cost		4.00
Board Meeting - review recommendation/vote	(0.02 hr)	4.80
Administrative Overhead:		<u>8.56</u>
	Total Estimated Cost:	\$67.86
	Proposed Fee:	\$70.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$70.00 be established for processing an application for an Apprentice Permit.



Board staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents. When application is complete it is sent to the Board Administrator for technical review and then to the School Committee for evaluation and finally, on to a board meeting for vote on the committee recommendation. If approved, the permit is issued.

# FEE REPORT FORM

Agency: State - BPOA

Date: 03/22/00

Contact: David Williams

Phone No. 783-7194

## Fee Title, Rate and Estimated Collections:

Application for Approval of School Supervisor: \$20.00

Estimated Biennial Revenue: \$400.00 (20 applications x \$20.00)

## Fee Description:

The fee will be charged to every applicant for approval of a school supervisor.

## Fee Objective:

The fee should (1) offset the costs incurred by the State Board of Cosmetology to process an application for approval of a school supervisor and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Board staff - process application	(.50 hr)	10.15
Administrative Overhead:		<u>8.56</u>
	Total Estimated Cost:	\$18.71
	Proposed Fee:	\$20.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$20.00 be established for processing an application for approval of a School Supervisor.

**Page 2      Application to Approval School Supervisor:      Date: 03/22/00**

**Board staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents. When application is complete the approval letter is issued if all requirements are met; letter of discrepancy if unmet.**

# FEE REPORT FORM

Agency: State - BPOA

Date 03/22/00

Contact: David Williams

Phone No. 783-7194

## Fee Title, Rate and Estimated Collections:

Verification of License, Registration, Permit or Approval: \$15.00

Estimated Biennial Revenue: \$15,000.00 (1,000 verifications x \$15.00)

## Fee Description:

The fee will be charged to every applicant who requests a verification of license, registration, permit or approval.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Cosmetology to review and process a request for verification and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Staff time- process request for verification	(.08 hr)	1.62
Bureau Average Administrative Overhead:		<u>9.76</u>
	Total Estimated Cost:	\$11.38
	Proposed Fee:	\$15.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$15.00 be established for verification of license, registration, permit, or approval.

**Page 2 Verification of License, Registration, Permit or Approval March 22, 2000**

**Board Staff:** Reviews request for verification, researches computer, microfilm or other files to retrieve pertinent information, transfers that information onto document submitted by requester, affixes Bureau seal onto documents, forwards as instructed by applicant.

# FEE REPORT FORM

**Agency:** State - BPOA

**Date:** 03/22/00

**Contact:** David Williams

**Phone No.** 783-7194

## Fee Title, Rate and Estimated Collections:

Certify Student or Apprentice Training Hours:	\$30.00
Estimated Biennial Revenue:	\$2,250.00 (75 applications x \$30.00)

## Fee Description:

The fee will be charged to every applicant for certification of student or apprentice training hours.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Cosmetology to process a request for certification of student or apprentice training hours and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Staff time-process application (1.00 hr)	20.30
Administrative Overhead:	<u>8.56</u>
Total Estimated Cost:	\$ 28.86
Proposed Fee:	\$ 30.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$30.00 be established for processing a request for certification of student or apprentice training hours.

**Board Staff - receives request to report training hours recorded in Pennsylvania to another state board and/or out of state school, researches computer, microfilm or other files to retrieve information, transfers that information onto document submitted by requester, affixes Bureau seal onto documents, forwards as instructed by applicant.**

FACE SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE BUREAU  
(Pursuant to Commonwealth Documents Law)

RECEIVED  
2000 JUN 21 AM 11:39  
LEGISLATIVE REFERENCE BUREAU  
DOCUMENTARY REVIEW COMMISSION

# 2127

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality. Attorney General

Copy below is hereby certified to be a true and correct copy of a document issued, prescribed or promulgated by:

Copy below is approved as to form and legality. Executive or Independent Agencies.

*Cristina A. Caputo*  
BY: \_\_\_\_\_  
(DEPUTY ATTORNEY GENERAL)

State Board of Cosmetology  
(AGENCY)

*John V. Turner*  
BY: \_\_\_\_\_

JUN 15 2000

DOCUMENT/FISCAL NOTE NO. 16A-458

DATE OF APPROVAL

DATE OF ADOPTION:

5-24-00  
DATE OF APPROVAL

BY: *Carol M. Thompson*  
Carol M. Thompson

(Deputy General Counsel  
(~~Chief-Counsel,~~  
~~Independent Agency~~  
(Strike inapplicable title)

TITLE: Chairperson  
(EXECUTIVE OFFICER, CHAIRMAN OR SECRETARY)

[ ] Check if applicable  
Copy not approved.  
Objections attached.

[ ] Check if applicable. No Attorney General approval or objection within 30 day after submission.

NOTICE OF PROPOSED RULEMAKING  
COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE BOARD OF COSMETOLOGY  
49 Pa. Code, Chapter 7

APPLICATION FEES



The State Board of Cosmetology (Board) proposes to amend its regulation at 49 Pa. Code §7.2 Fees. by revising certain application fees as set forth in Annex A.

**A. Effective date**

The amendments will be effective upon publication of the final form regulation in the Pennsylvania Bulletin.

**B. Statutory Authority**

The amendments are authorized under Section 16 of the Beauty Culture Law (Law), Act of May 3, 1933, P.L. 242, as amended, 63 P.S. §522.

**C. Background and Purpose**

The Law requires the Board to set fees by regulation so that revenues meet or exceed expenditures over a biennial period. General operating expenses of the Board are funded through biennial license renewal fees. Expenses related to applications or services which are provided directly to individual licensees or applicants are excluded from general operating revenues and are funded through fees in which the cost of providing the service forms the basis for the fee.

In a recent systems audit of the operations of the Board within the Bureau of Professional and Occupational Affairs, the fees for services to licensees and applicants were analyzed to determine if the fees reflected the actual cost of providing the services. Actual cost calculations are based upon the following formula:

$$\begin{array}{r} \text{number of minutes to perform the function} \\ \times \\ \text{pay rate for the classification of personnel performing the function} \\ + \\ \text{a proportionate share of administrative overhead} \end{array}$$

**Administrative Overhead**

During reviews of other Bureau proposed fee regulations, IRRC requested that the Bureau and the Boards: (1) itemize the overhead cost to be recouped by the fees; and (2) re-examine the method that is used to determine the administrative overhead factor for each fee.

IRRC commented that although the Bureau's method was reasonable, there was

no assurance that the fees would recover the actual overhead cost because the charge was not related to the service, and because the charge was based on the actual rather than the projected expenditures. IRRC also commented that there was no certainty that the projected revenues would meet or exceed projected expenditures, as required under the Boards' enabling statutes.

In computing overhead charges, the Boards and the Bureau include expenses resulting from service of support staff operations, equipment, technology initiatives or upgrades, leased office space and other sources not directly attributable to a specific Board. Once determined, the Bureau's total administrative charge is apportioned to each Board based upon that Board's share of the total active licensee population. In turn, the Board's administrative charge is divided by the number of active licensees to calculate a "per application" charge which is added to direct personnel cost to establish the cost of processing. The administrative charge is consistently applied to every application regardless of how much time the staff spends processing the application.

This method of calculating administrative overhead to be apportioned to fees for services was first included in the biennial reconciliation of fees and expenses conducted in 1988-89. In accordance with the regulatory review, the method was approved by the Senate and House Standing Committees and IRRC as reasonable and consistent with the legislative intent of statutory provisions which require the Board to establish fees which meet or exceed expenses.

IRRC suggested that within each Board, the administrative charge should be determined by the amount of time required to process each application. For example, an application requiring one-half hour of processing time would pay one-half as much overhead charge as an application requiring one hour of processing time. The Bureau concurs with IRRC that by adopting this methodology the Bureau and the Boards would more nearly and accurately accomplish their objective of setting fees that cover the cost of the service. Therefore, in accordance with IRRC's suggestions, the Bureau conducted a test to compare the resulting overhead charges obtained by applying IRRC suggested time factor versus the current method.

This review of Board operations showed that approximately 25% of staff time was devoted to providing services described in the regulations. The current method recouped 22% to 28% of the administrative overhead charges versus the 25% recouped using a ratio-based time factor. However, when the time factor is combined with the licensing population for each Board, the resulting fees vary widely even though different licensees may receive the same services. For example, using the time-factor method to issue a verification of licensure would cost \$34.58 for a landscape architect as compared with a

cost of \$10.18 for a cosmetologist. Conversely, under the Bureau method the administrative overhead charge of \$9.76 represents the cost of processing a verification application for all licensees in the Bureau. Also, the Bureau found that employing a time factor in the computation of administrative overhead would result in a different amount of overhead charge being made for each fee proposed.

With regard to IRRC's suggestions concerning projected versus actual expenses, the Boards note that the computation of projected expenditures based on amounts actually expended has been the basis for biennial reconciliations for the past ten years. During these five biennial cycles, the experience of both the Boards and the Bureau has been that established and verifiable data which can be substantiated by collective bargaining agreements, pay scales and cost benefit factors. This method has provided a reliable basis for fees. Also, the fees are kept at a minimum for licensees, but appear adequate to sustain the operations of the Boards over an extended period. Similarly, accounting, record keeping and swift processing of applications, renewals and other fees were the primary basis for "rounding up" the actual costs to establish a fee. This rounding up process has in effect resulted in the necessary but minimal cushion or surplus to accommodate unexpected needs and expenditures.

For these reasons, the Boards have not made changes in the method by which it allocates administrative expenditures and the resulting fees will remain as proposed.

The analysis, with regard to the Cosmetology Board, determined that the fees for eight services do not accurately reflect the actual cost of providing those services: licensure of cosmetologist, manicurist or cosmetician; licensure of cosmetology, manicurist or cosmetician shop; licensure of cosmetology school; licensure by reciprocity; registration of cosmetology apprentice; approval of cosmetology school supervisor; change in cosmetology shop (inspection required); and reinspection of cosmetology shop. No fee is in place for verification of license, registration, permit or approval; certification of student or apprentice training; or reinspection of cosmetology school.

In this proposal, fees for the services identified above would be adjusted to allocate costs to those who use the service or make application. The Board would continue to apportion enforcement and operating costs to the general licensing population by means of its license renewal fee through the biennial reconciliation of revenue and expenditures.

The fee for certification of licensure would be deleted as it was, in actuality, a verification rather than a certification and is covered under the new "verification of license, registration permit or approval" fee.

**D. Description of Services**

Professional licensing boards other than the State Board of Cosmetology have also been proposing revisions to non-renewal fees. Review of the proposed new fee regulations by the legislative committees indicated that certain explanations of the services for which fees are charged would be helpful for an understanding of the need to set appropriate fees.

**Certification of Student or Apprentice Training Hours**

This service is necessary if a student is changing schools prior to completion of a program or to document training hours completed in Pennsylvania for another state board. The new fee will to recoup the cost of time required to research quarterly reports which are made by all schools for their students. The Board employs a manual reporting system with records maintained on microfilm and on paper. Because reporting is done quarterly, it is necessary to research numerous reports to ensure that all hours credited by schools are reported. 63 P.S. §512(a)

**Certification and Verification Fees**

The certification of a score is made at the request of a licensee when the licensee is seeking to obtain licensure in another state based upon licensure in Pennsylvania which was issued on the basis of a uniform national or regional examination which was taken in Pennsylvania. Generally, the state of original licensure is the only source of the score of the licensee, as testing agencies do not maintain this information. The licensure laws of many states include provisions that licensure by reciprocity or endorsement based on licensure in another state will be granted only if the board or agency determines that the qualifications are the same or substantially similar. Many state agencies have interpreted this provision to require that licensees have attained a score equal to or exceeding the passing rate in that jurisdiction at the time of original licensure. For this reason, these states require that the Pennsylvania Board and other Boards certify the examination score the applicant achieved on the licensure examination.

The difference between the verification and certification fees is the amount of time required to produce the document requested by the licensee. As noted above, states request different information when making a determination as to whether to grant licensure based on reciprocity or endorsement from another state. The Bureau has been able to create two documents from its records that will meet all of the needs of the requesting state. The licensee, when she applies to the other state, receives information as to what documentation and form is acceptable in the requesting state. The Bureau then advises the licensee of the type of document he Bureau can provide and the fee.

In the case of a "verification" the staff produces the requested documentation by a letter, usually computer-generated, which contains the license number, date of original issuance and current expiration date, and status of the license. The letters are printed for the Bureau's central computer records and sent to the Board staff responsible for handling the licensee's application. The letters are sealed, folded and mailed in accordance with the directions of the requestor. The Bureau estimates the average time to prepare this document to be five minutes.

The Bureau uses the term "certification fee" to describe the fee for a request for a document, again generally to support reciprocity or endorsement applications to other states, territories or countries, or for employment or training in another state. A certification document contains information specific to the individual requestor. It may include dates or locations where examinations were taken, or scores achieved or hours and location of training. The information is entered onto a document which is usually supplied by the requestor. The average time to prepare a certification is 45 minutes. This is because a number of resources, such as files, microfilm and rosters must be retrieved and consulted in order to provide the information requested. The Board staff then seals and issues this document.

**E. Description of Proposed Amendments**

The following table outlines the affected application fees and proposed changes:

<u>Application/Service</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Licensure of cosmetologist, manicurist or cosmetician	\$ 5.00	\$ 10.00
Licensure of cosmetology shop, manicurist shop or cosmetician shop	\$ 35.00	\$ 55.00
Licensure of cosmetology school	\$ 95.00	\$160.00
Licensure by reciprocity	\$ 25.00	\$ 20.00
Registration of cosmetology apprentice	\$ 35.00	\$ 70.00
Approval of cosmetology school supervisor	\$ 10.00	\$ 20.00
Change in cosmetology shop (inspection required)	\$ 35.00	\$ 55.00
Reinspection of cosmetology shop	\$ 15.00	\$ 40.00
Reinspection of cosmetology school	\$ 0.00	\$ 40.00
Certification of student or apprentice training hours	\$ 0.00	\$ 30.00
Verification of license, registration, permit or approval	\$ 0.00	\$ 15.00

**F. Compliance with Executive Order 1996-1**

In accordance with the requirements of Executive Order 1996-1 (February 6, 1996), in drafting and promulgating the regulation the Board considered the least restrictive alternative to regulate costs for services requested by licensees and applicants.

**G. Fiscal Impact and Paperwork Requirements**

The proposed amendments will have no adverse fiscal impact on the Commonwealth or its political subdivisions. The fees will have a modest fiscal impact on those members of the private sector who apply for services from the Board. The amendments will impose no additional paperwork requirements upon the Commonwealth, political subdivisions or the private sector.

**H. Sunset Date**

The Board continuously monitors the cost effectiveness of its regulations. Therefore, no sunset date has been assigned.

**I. Regulatory Review**

Pursuant to Section 5(a) of the Regulatory Review Act, the Act of June 30, 1989 (P.L. 73, No. 19), as amended, 71 P.S. §745.5(a), the Board submitted a copy of this proposed regulation on July 21, 2000, to the Independent Regulatory Review Commission and the Chairmen of the House Professional Licensure Committee and the Senate Consumer Protection and Professional Licensure Committee. In addition to submitting the regulation, the Board has provided the Commission and the Committees with a copy of a detailed regulatory analysis form prepared by the Board in compliance with Executive Order 1996-1, "Regulatory Review and Promulgation." A copy of this material is available to the public upon request.

If the Commission has any objections to any portion of the proposed regulation, it will notify the Board within ten days after the expiration of the Committees' review period. Such notification shall specify the regulatory review criteria which have not been met by that portion. The Act specifies detailed procedures for review, prior to final publication of the regulation, by the Board, the General Assembly, and the Governor, of objections raised.

**J. Public Comment**

Interested persons are invited to submit written comments, suggestions or objections regarding the proposed amendments to Sara Sulpizio, Administrative Assistant, State Board of Cosmetology, P. O. Box 2649, Harrisburg, PA 17105-2649, ~~within 30 days~~ of **publication of this proposed rulemaking**. Please reference No. 16A-458 (Application Fees), when submitting comments.

ANNEX A

TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS  
PART I. DEPARTMENT OF STATE  
SUBPART A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
CHAPTER 7. STATE BOARD OF COSMETOLOGY

FEEES

§7.2. Fees.

\*\*\*\*

(b) Other fees charged by the Board:

Licensure of cosmetologist, manicurist or cosmetician . . . . .	\$[5] 10
Licensure of cosmetology shop manager or cosmetology teacher . . . . .	\$10
Licensure of cosmetology shop, manicurist shop or cosmetician shop . . . . .	\$[35] 55
Licensure of cosmetology school . . . . .	\$[95] 160
Licensure by reciprocity . . . . .	\$[25] 20
Registration of cosmetology apprentice . . . . .	\$[35] 70
Biennial renewal of manicurist's license . . . . .	\$21
Biennial renewal of cosmetician's license . . . . .	\$21
Biennial renewal of cosmetologist's license . . . . .	\$23
Biennial renewal of cosmetology shop manager's or cosmetology teacher's license . . . . .	\$36
Biennial renewal of cosmetology shop's license . . . . .	\$41
Biennial renewal of cosmetician or manicurist shop's license . . . . .	\$25
Biennial renewal of cosmetology schools's license . . . . .	\$66
Approval of cosmetology school supervisor . . . . .	\$[10] 20
Change in cosmetology, <u>cosmetician or manicurist</u> shop (inspection required) . . . . .	\$[35] 55
Change in cosmetology, <u>cosmetician or manicurist</u> shop (no inspection required) . . . . .	\$15
Reinspection of cosmetology, <u>cosmetician or manicurist</u> shop or <u>cosmetology school</u> . . . . .	\$[15] 40
[Certification of licensure . . . . .	\$10]
<u>Certification of student or apprentice training hours . . . . .</u>	<u>\$30</u>
<u>Verification of license, registration, permit or approval . . . . .</u>	<u>\$15</u>





COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE BOARD OF COSMETOLOGY

Post Office Box 2649  
Harrisburg, Pennsylvania 17105-2649  
(717) 783-7130

June 21, 2000

The Honorable John R. McGinley, Jr., Chairman  
INDEPENDENT REGULATORY REVIEW COMMISSION  
14<sup>th</sup> Floor, Harristown 2  
333 Market Street  
Harrisburg, Pennsylvania 17101

Re: Proposed Rulemaking of the State Board of Cosmetology  
Application Fees: 16A-458

Dear Chairman McGinley:

Enclosed is a copy of a proposed rulemaking package of the State Board of Cosmetology pertaining to application fees.

The Board will be pleased to provide whatever information the Commission may require during the course of its review of the rulemaking.

Sincerely,

Carol M. Thompson, Chairperson  
State Board of Cosmetology

CMT/dn  
Enclosure

c: John T. Henderson, Jr., Chief Counsel  
Department of State  
Dorothy Childress, Commissioner  
Bureau of Professional and Occupational Affairs  
Joyce McKeever, Deputy Chief Counsel  
Department of State  
Herbert Abramson, Senior Counsel in Charge  
Bureau of Professional and Occupational Affairs  
Deborah B. Eskin, Counsel  
State Board of Cosmetology  
State Board of Cosmetology



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
**STATE BOARD OF COSMETOLOGY**

Post Office Box 2649  
Harrisburg, Pennsylvania 17105-2649  
(717) 783-7130

June 21, 2000

The Honorable Clarence D. Bell, Chairman  
Consumer Protection and Professional Licensure Committee  
SENATE OF PENNSYLVANIA  
20 Main Capitol, East Wing  
Harrisburg, Pennsylvania 17120

Re: Proposed Rulemaking of the State Board of Cosmetology  
Application Fees: 16A-458

Dear Senator Bell:

Enclosed are five (5) copies of a proposed rulemaking package of the State Board of Cosmetology pertaining to application fees.

The Board will be pleased to provide whatever information the Committee may require during the course of its review of this rulemaking.

Sincerely,

Carol M. Thompson, Chairperson  
State Board of Cosmetology

CMT/dn  
Enclosure

c: John T. Henderson, Jr., Chief Counsel  
Department of State  
Dorothy Childress, Commissioner  
Bureau of Professional and Occupational Affairs  
Joyce McKeever, Deputy Chief Counsel  
Department of State  
Herbert Abramson, Senior Counsel in Charge  
Bureau of Professional and Occupational Affairs  
Deborah B. Eskin, Counsel  
State Board of Cosmetology  
State Board of Cosmetology



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE BOARD OF COSMETOLOGY

Post Office Box 2649  
Harrisburg, Pennsylvania 17105-2649  
(717) 783-7130

June 21, 2000

The Honorable Mario J. Civera, Jr., Chairman  
Professional Licensure Committee  
PENNSYLVANIA HOUSE OF REPRESENTATIVES  
315-D Main Capitol  
Harrisburg, Pennsylvania 17120

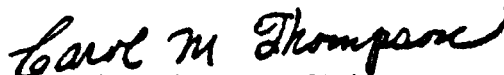
Re: Proposed Rulemaking of the State Board of Cosmetology  
Application Fees: 16A-458

Dear Representative Civera:

Enclosed is a copy of a proposed rulemaking package of the State Board of Cosmetology pertaining to application fees.

The Board will be pleased to provide whatever information the Committee may require during the course of its review of the rulemaking.

Sincerely,

  
Carol M. Thompson, Chairperson  
State Board of Cosmetology

CMT/dn  
Enclosure

c: John T. Henderson, Jr., Chief Counsel  
Department of State  
Dorothy Childress, Commissioner  
Bureau of Professional and Occupational Affairs  
Joyce McKeever, Deputy Chief Counsel  
Department of State  
Herbert Abramson, Senior Counsel in Charge  
Bureau of Professional and Occupational Affairs  
Deborah B. Eskin, Counsel  
State Board of Cosmetology  
State Board of Cosmetology



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Post Office Box 2649  
Harrisburg, Pennsylvania 17105-2649  
(717) 783-7130

June 21, 2000

The Honorable Lisa M. Boscola, Minority Chairperson  
Consumer Protection and Professional Licensure Committee  
SENATE OF PENNSYLVANIA  
183 Main Capitol  
Harrisburg, Pennsylvania 17120

Re: Proposed Rulemaking of the State Board of Cosmetology  
Application Fees: 16A-458

Dear Senator Boscola:

Enclosed is a copy of a proposed rulemaking package of the State Board of Cosmetology pertaining to application fees.

The Board will be pleased to provide whatever information the Committee may require during the course of its review of the rulemaking.

Sincerely,

A handwritten signature in black ink that reads "Carol M. Thompson".

Carol M. Thompson, Chairperson  
State Board of Cosmetology

CMT/dn  
Enclosure

c: John T. Henderson, Jr., Chief Counsel  
Department of State  
Dorothy Childress, Commissioner  
Bureau of Professional and Occupational Affairs  
Joyce McKeever, Deputy Chief Counsel  
Department of State  
Herbert Abramson, Senior Counsel in Charge  
Bureau of Professional and Occupational Affairs  
Deborah B. Eskin, Counsel  
State Board of Cosmetology  
State Board of Cosmetology



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE BOARD OF COSMETOLOGY

Post Office Box 2649  
Harrisburg, Pennsylvania 17105-2649  
(717) 783-7130

June 21, 2000

The Honorable William W. Rieger, Minority Chairman  
Professional Licensure Committee  
PENNSYLVANIA HOUSE OF REPRESENTATIVES  
327-C Main Capitol  
Harrisburg, Pennsylvania 17120


Re: Proposed Rulemaking of the State Board of Cosmetology  
Application Fees: 16A-458

Dear Representative Rieger:

Enclosed is a copy of a proposed rulemaking package of the State Board of Cosmetology pertaining to application fees.

The Board will be pleased to provide whatever information the Committee may require during the course of its review of the rulemaking.

Sincerely,

  
Carol M. Thompson, Chairperson  
State Board of Cosmetology

CMT/dn  
Enclosure

c: John T. Henderson, Jr., Chief Counsel  
Department of State  
Dorothy Childress, Commissioner  
Bureau of Professional and Occupational Affairs  
Joyce McKeever, Deputy Chief Counsel  
Department of State  
Herbert Abramson, Senior Counsel in Charge  
Bureau of Professional and Occupational Affairs  
Deborah B. Eskin, Counsel  
State Board of Cosmetology  
State Board of Cosmetology

TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE  
REGULATORY REVIEW ACT

RECEIVED

I.D. NUMBER: 16A-458

2000 JUN 21 AM 11:39

SUBJECT: Application Fees

INDEPENDENT REGULATORY  
REVIEW COMMISSION

AGENCY: DEPARTMENT OF STATE - STATE BOARD OF COSMETOLOGY



TYPE OF REGULATION

X Proposed Regulation

Final Regulation

Final Regulation with Notice of Proposed Rulemaking Omitted

120-day Emergency Certification of the Attorney General

120-day Emergency Certification of the Governor

Delivery of Tolled Regulation

a. \_\_\_\_\_ With Revisions

b. \_\_\_\_\_ Without Revisions

FILING OF REGULATION

DATE	SIGNATURE	DESIGNATION
6/21/00		HOUSE COMMITTEE ON PROFESSIONAL LICENSURE
JUN 21 2000		SENATE COMMITTEE ON CONSUMER PROTECTION & PROFESSIONAL LICENSURE
6/21/00		INDEPENDENT REGULATORY REVIEW COMMISSION
_____	_____	ATTORNEY GENERAL
6/21/00		LEGISLATIVE REFERENCE BUREAU

June 16, 2000