

PROPOSED RULEMAKING

STATE BOARD OF COSMETOLOGY

[49 PA. CODE CH. 7]

Fees

The State Board of Cosmetology (Board) and the Acting Commissioner of the Bureau of Professional and Occupational Affairs (Acting Commissioner) propose to amend Chapter 7 (relating to the State Board of Cosmetology) by amending § 7.2 (relating to fees) to read as set forth in Annex A.

Effective Date

This proposed rulemaking will be effective on final-form publication in the *Pennsylvania Bulletin*. The initial graduated increase for application fees will be implemented on the date of publication of the final-form rulemaking in the *Pennsylvania Bulletin* and then on July 1, 2024. The increased biennial renewal fees would be implemented beginning the date of publication of the final-form rulemaking in the *Pennsylvania Bulletin*, which the Board anticipates will increase the biennial renewal fees beginning with the February 1, 2023—January 31, 2025, renewal period. This fee increase will impact licenses that expire on January 31, 2023, and licenses that expire on January 31, 2024. The increased biennial renewal fees will increase again on July 1, 2024, which will increase the biennial renewal fees beginning with the February 1, 2025—January 31, 2027, renewal period. This fee increase will impact licenses that expire on January 31, 2025, and also licenses that expire on January 31, 2026, and thereafter.

Statutory Authority

Under section 16(a) of the Cosmetology Law (act) (63 P.S. § 522(a)), the Board shall, by regulation, fix fees for: cosmetology salon owners, teachers, cosmetologists, nail technicians, nail technology salons, estheticians, esthetician salons, natural hair braiders, natural hair braiding salons, students and cosmetology schools, and registration fee for apprentices. Section 16(a) also provides authority to fix fees for the biennial renewal of cosmetology salon owners, school instructors, cosmetologists, nail technicians, estheticians, natural hair braiders, cosmetology schools, nail technology salons, esthetician salons and natural hair braiding salons.

Additionally, under section 16(c) of the act, all fees required under this act shall be fixed by the Board by regulation and shall be subject to the Regulatory Review Act (71 P.S. §§ 745.1—745.14). “If the revenues raised by fees, fines and civil penalties imposed pursuant to this act are not sufficient to meet expenditures over a two-year period, the board shall increase those fees by regulation so that the projected revenues will meet or exceed projected expenditures.” Section 16(d) of the act provides, “If the Bureau of Professional and Occupational Affairs determines that the fees established by the board pursuant to subsection (c) of this section are inadequate to meet the minimum enforcement efforts required by this act, then the bureau, after consultation with the Board and subject to the “Regulatory Review Act,” shall increase the fees by regulation in an amount that adequate revenues are raised to meet the required enforcement effort.”

The Acting Commissioner is appointed by the Governor and has a number of powers and duties. Specifically,

under section 810(a)(7) of The Administrative Code of 1929 (71 P.S. § 279.1(a)(7)), the Acting Commissioner has the power and duty, “[u]nless otherwise provided by law, to fix the fees to be charged by the several professional and occupational examining boards within the department.”

Background and Purpose of Amendment

This proposed rulemaking increases application fees to reflect updated costs of processing applications and increases the Board’s biennial renewal fees to ensure its revenue meets or exceeds the Board’s current and projected expenses. This proposed rulemaking would increase the following application fees on a graduated basis: cosmetologist, nail technician, esthetician, natural hair braider, cosmetology teacher, limited practice teacher (nail technician teacher, esthetician teacher and natural hair braider teacher) cosmetology salon, limited practice salon (nail technician salon, esthetician salon and natural hair braider salon) cosmetology school, licensure by reciprocity and registration of cosmetology apprentice. Approximately 11,029 applicants will be impacted annually by the increased application fees.

The Board is also implementing graduated biennial renewal fee increases for the following licenses, certificates and registrations: cosmetologist, nail technician, esthetician, natural hair braider, cosmetology teacher, limited practice teacher (nail technician teacher, esthetician teacher, and natural hair braider teacher) cosmetology salon, limited practice salon (nail technician salon, esthetician salon and natural hair braider salon) and cosmetology school. There are approximately 125,467 individuals who possess current licenses, certificates and registrations issued by the Board who will be required to pay more to renew their licenses, certifications or registrations. Licensees under the Board have different renewal periods; some renew in the 2023—2025 biennial renewal period and others renew in the 2025—2027 renewal period.

In addition, this proposed rulemaking increases other miscellaneous fees including, approval of cosmetology school supervisor application, change in cosmetology salon or limited practice salon (inspection required), change in cosmetology salon or limited practice salon (no inspection required), change in cosmetology school (inspection required), change in cosmetology school (no inspection required), reinspection of cosmetology salon or limited practice salon or cosmetology school, certification of student or apprentice training hours and verification of license, registration, permit or approval.

Under section 16 of the act, the Board is required to support its operations from the revenue it generates from fees, fines and civil penalties. The act further provides that the Board shall increase fees when expenditures outpace revenue. The majority of general operating expenses of the Board are borne by the licensee population through revenue generated by the biennial renewal of licenses. A small percentage of its revenue comes from application fees, fines and civil penalties. Board expenses are the result of direct charges, timesheet-based charges and licensee-based charges. On an annual basis, the Board reviews its fiscal status and receives an annual report from the Department of State’s Bureau of Finance and Operations (BFO) regarding the Board’s income and expenses.

The Board receives an annual report from the Department of State’s BFO regarding the Board’s income and expenses. The Board’s revenue and expenses for Fiscal Years (FY) 2018-2019 and 2019-2020 and the projected revenue and expenses through FY 2021-2022 and FY 2022-2023 are as follows: during FY 2018-2019, the Board received revenue of \$5,257,912.96 and incurred expenses of \$5,171,879.74, and ended with a deficit of \$1,674,126.54, during FY 2019-2020, the Board received revenue of \$4,942,576.49 and incurred expenses of \$5,409,577.32, and ended with a deficit of \$2,140,868.37, during FY 2020-2021, the Board received revenue of \$5,256,402.78 and incurred expenses of \$5,360,000, and ended with a deficit of \$2,244,724.59, and for combined FYs 2021-2022 and 2022-2023, the Board is expected to generate revenue of \$10,616,000, incur expenses of \$11,093,000, and end with a deficit of \$2,721,724.59.

Based on the information presented by the BFO, the revenues generated by fees, fines and civil penalties imposed in accordance with the provisions of the act are not sufficient to meet expenditures over a 2-year period. The Board voted to adopt the proposed graduated fee increases for application and biennial renewal fees contained in the BFO’s report. An exposure draft was released to stakeholders and interested parties to solicit written comments and no comments were received.

Description of Proposed Amendments

The Board proposes to amend § 7.2 to set forth graduated fee schedules for application fees, biennial renewal fees and other fees. The Board also proposes to delete the existing fee schedule and add a new graduated fee schedule. Proposed subsection (a) lists the graduated schedule of fees for applications for licensure, certification and registration with corresponding fees and effective dates. The Board proposes to add subsection (b), which lists the graduated schedule of fees and corresponding effective dates for biennial license renewal. The Board also proposes to add subsection (c), which lists other fees not associated with a profession or type of facility.

Under § 7.2(a), application fees would increase on a graduated level for the licenses and registrations of cosmetologists, nail technicians, estheticians, natural hair braiders, cosmetology teachers, limited practice teacher (nail technician teacher, esthetician teacher and natural hair braider teacher) cosmetology salon, limited practice salon (nail technician salon, esthetician salon and natural hair braider salon) cosmetology school, licensure by reciprocity and registration of cosmetology apprentices. The proposed application fees are increased on a graduated basis so that the application fees collected during each biennium reflect the anticipated costs of processing applications for that biennium. These fees are designed to cover the cost to process applications and are borne by individual applicants. Actual cost calculations for application fees are based on the following formula:

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

Proposed application fee increases effective on the date of publication of the final-form rulemaking in the *Pennsylvania Bulletin* and July 1, 2024, are based on time study reports created within the Bureau of Professional and Occupational Affairs giving each step in the process and the amount of time it takes to process one applica-

tion. That amount is multiplied by the anticipated application requests for 1 year (times two since the increases are biennial). Application fees are almost entirely dependent on personnel-related costs.

Under § 7.2(b), biennial renewal fees would also increase on a graduated basis for cosmetologist, nail technician, esthetician, natural hair braider, cosmetology teacher, limited practice teacher (nail technician teacher, esthetician teacher and natural hair braider teacher) cosmetology salon, limited practice salon (nail technician salon, esthetician salon and natural hair braider salon) and cosmetology school.

The increased biennial renewal fees would be implemented beginning the date of publication of the final-form rulemaking in the *Pennsylvania Bulletin*, which the Board anticipates will increase the biennial renewal fees beginning with the February 1, 2023—January 31, 2025, renewal period and again on July 1, 2024, which will increase the biennial renewal fees beginning with the February 1, 2025—January 31, 2027, renewal period.

Other miscellaneous application fees are listed under § 7.2(c), including approval of cosmetology school supervisor application, change in cosmetology salon or limited practice salon (inspection required), change in cosmetology salon or limited practice salon (no inspection required), change in cosmetology school (inspection required), change in cosmetology school (no inspection required), reinspection of cosmetology salon or limited practice salon or cosmetology school, certification of student or apprentice training hours and verification of license, registration, permit or approval. These fees will increase on a graduated schedule on the date of publication of the final-form rulemaking in the *Pennsylvania Bulletin*, and July 1, 2024.

The new fee structure is projected to produce biennial revenues of \$12,863,000 in FYs 2022-2023 through 2023-2024, which will allow the Board to meet or exceed its projected expenditures of \$11,260,000 and reduce its deficit. The biennial revenues of \$14,792,000 in FYs 2024-2025 through 2025-2026 will allow the Board to meet or exceed its projected expenditures of \$11,598,000 which will eliminate the Board’s deficit.

Proposed application fees

As set forth as follows and in § 7.2(a), the proposed graduated increases will impact applicants as follows:

Cosmetologist

The Board receives approximately 4,000 cosmetologist applications per year. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$10 to \$25 will generate an additional \$60,000 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$60,000 in application fees.

FY 2024-2025: The fee increase from \$25 to \$26 will generate an additional \$4,000 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$4,000 in application fees.

Nail technician

The Board receives approximately 925 nail technician applications per year. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$10 to \$25 will generate an additional \$13,875 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$13,875 in application fees.

FY 2024-2025: The fee increase from \$25 to \$26 will generate an additional \$925 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$925 in application fees.

Esthetician

The Board receives approximately 1,350 esthetician applications per year. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$10 to \$25 will generate an additional \$20,250 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$20,250 in application fees.

FY 2024-2025: The fee increase from \$25 to \$26 will generate an additional \$1,350 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$1,350 in application fees.

Natural hair braider

The Board receives approximately 15 natural hair braider applications per year. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$10 to \$25 will generate an additional \$225 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$225 in application fees.

FY 2024-2025: The fee increase from \$25 to \$26 will generate an additional \$15 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$15 in application fees.

Cosmetology teacher

The Board receives approximately 155 cosmetology teacher applications per year. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$10 to \$25 will generate an additional \$2,325 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$2,325 in application fees.

FY 2024-2025: The fee increase from \$25 to \$26 will generate an additional \$155 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$155 in application fees.

Cosmetology salon

The Board receives approximately 1,325 applications for cosmetology salons or limited practice salons per year. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$100 to \$135 will generate an additional \$46,375 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$46,375 in application fees.

FY 2024-2025: The fee increase from \$135 to \$142 will generate an additional \$9,275 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$9,275 in application fees.

Cosmetology school

The Board receives approximately ten applications for cosmetology schools per year. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$180 to \$220 will generate an additional \$400 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$400 in application fees.

FY 2024-2025: The fee increase from \$220 to \$231 will generate an additional \$110 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$110 in application fees.

Nail technician teacher

The Board receives approximately two nail technician teacher applications per year. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$10 to \$25 will generate an additional \$30 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$30 in application fees.

FY 2024-2025: The fee increase from \$25 to \$26 will generate an additional \$2 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$2 in application fees.

Esthetician teacher

The Board receives approximately eight esthetician teacher applications per year. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$10 to \$25 will generate an additional \$120 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$120 in application fees.

FY 2024-2025: The fee increase from \$25 to \$26 will generate an additional \$8 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$8 in application fees.

Natural hair braider teacher

The Board receives approximately one natural hair braider teacher application per year. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$10 to \$25 will generate an additional \$15 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$15 in application fees.

FY 2024-2025: The fee increase from \$25 to \$26 will generate an additional \$1 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$1 in application fees.

Nail technician salon

The Board receives approximately 140 applications for nail technician salons per year. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$100 to \$135 will generate an additional \$4,900 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$4,900 in application fees.

FY 2024-2025: The fee increase from \$135 to \$142 will generate an additional \$980 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$980 in application fees.

Esthetician salon

The Board receives approximately 160 applications for esthetician salons per year. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$100 to \$135 will generate an additional \$5,600 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$5,600 in application fees.

FY 2024-2025: The fee increase from \$135 to \$142 will generate an additional \$1,120 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$1,120 in application fees.

Natural hair braider salon

The Board receives approximately five applications for natural hair braider salons per year. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$100 to \$135 will generate an additional \$175 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$175 in application fees.

FY 2024-2025: The fee increase from \$135 to \$142 will generate an additional \$35 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$35 in application fees.

Licensure by reciprocity of cosmetologist

The Board receives approximately 338 cosmetologist reciprocity applications per year. An adjustment of the fees for this category of applications will result in the following revenue changes:

FY 2022-2023: The fee increase from \$60 to \$85 will generate an additional \$8,450 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$8,450 in application fees.

FY 2024-2025: The fee increase from \$85 to \$89 will generate an additional \$1,352 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$1,352 in application fees.

Licensure by reciprocity of nail technician

The Board receives approximately 140 nail technician reciprocity applications per year. An adjustment of the fees for this category of applications will result in the following revenue changes:

FY 2022-2023: The fee increase from \$60 to \$85 will generate an additional \$3,500 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$3,500 in application fees.

FY 2024-2025: The fee increase from \$85 to \$89 will generate an additional \$560 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$560 in application fees.

Licensure by Reciprocity of Esthetician

The Board receives approximately 55 esthetician reciprocity applications per year. An adjustment of the fees for this category of applications will result in the following revenue changes:

FY 2022-2023: The fee increase from \$60 to \$85 will generate an additional \$1,375 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$1,375 in application fees.

FY 2024-2025: The fee increase from \$85 to \$89 will generate an additional \$220 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$220 in application fees.

Licensure by reciprocity of natural hair braider

The Board receives approximately ten natural hair braider reciprocity applications per year. An adjustment of the fees for this category of applications will result in the following revenue changes:

FY 2022-2023: The fee increase from \$60 to \$85 will generate an additional \$250 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$250 in application fees.

FY 2024-2025: The fee increase from \$85 to \$89 will generate an additional \$40 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$40 in application fees.

Licensure by reciprocity of cosmetology teacher

The Board receives approximately ten cosmetology teacher reciprocity applications per year. An adjustment of the fees for this category of applications will result in the following revenue changes:

FY 2022-2023: The fee increase from \$60 to \$85 will generate an additional \$250 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$250 in application fees.

FY 2024-2025: The fee increase from \$85 to \$89 will generate an additional \$40 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$40 in application fees.

Licensure by reciprocity of nail technician teacher

The Board receives approximately ten nail technician teacher reciprocity applications per year. An adjustment of the fees for this category of applications will result in the following revenue changes:

FY 2022-2023: The fee increase from \$60 to \$85 will generate an additional \$250 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$250 in application fees.

FY 2024-2025: The fee increase from \$85 to \$89 will generate an additional \$40 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$40 in application fees.

Licensure by reciprocity of esthetician teacher

The Board receives approximately ten esthetician teacher reciprocity applications per year. An adjustment of the fees for this category of applications will result in the following revenue changes:

FY 2022-2023: The fee increase from \$60 to \$85 will generate an additional \$250 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$250 in application fees.

FY 2024-2025: The fee increase from \$85 to \$89 will generate an increase of \$40 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$40 in application fees.

Licensure by reciprocity of natural hair braider teacher

The Board receives approximately five natural hair braider teacher reciprocity applications per year. An adjustment of the fees for this category of applications will result in the following revenue changes:

FY 2022-2023: The fee increase from \$60 to \$85 will generate an additional \$125 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$125 in application fees.

FY 2024-2025: The fee increase from \$85 to \$89 will generate an additional \$20 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$20 in application fees.

Registration of cosmetology apprentice

The Board receives approximately 20 cosmetology apprentice applications per year. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$70 to \$75 will generate an additional \$100 in application fees.

FY 2023-2024: The fee increase will continue to generate an additional \$100 in application fees.

FY 2024-2025: The fee increase from \$75 to \$79 will generate an additional \$80 in application fees.

FY 2025-2026: The fee increase will continue to generate an additional \$80 in application fees.

Proposed biennial renewal fees

As set forth as follows and in § 7.2(b), the proposed graduated increases will impact licensees, registrants and certificate holders as follows:

Cosmetologist

There are approximately 77,854 cosmetologists who are subject to the current biennial renewal fee of \$67; these licensees will be impacted by the proposed biennial renewal fee increases. The graduated biennial renewal fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$67 to \$82 will generate an additional \$583,905 in revenue.

FY 2023-2024: The fee increase from \$67 to \$82 will generate an additional \$583,905 in revenue.

FY 2024-2025: The fee increase from \$82 to \$97 will generate an additional \$583,905 in revenue.

FY 2025-2026: The fee increase from \$82 to \$97 will generate an additional \$583,905 in revenue.

*Cosmetologists are divided into two groups for purposes of biennial renewal. Some cosmetologists renew in even years, and some renew in odd years.

Nail technician

There are approximately 14,809 nail technicians who are subject to the current biennial renewal fee of \$67; these licensees will be impacted by the proposed biennial renewal fee increases. The graduated biennial renewal fee increases will generate additional revenue as follows:

FY 2023-2024: The fee increase from \$67 to \$82 will generate an additional \$222,135 in revenue.

FY 2025-2026: The fee increase from \$82 to \$97 will generate an additional \$222,135 in revenue.

*Nail technicians renew in even-numbered years.

Esthetician

There are approximately 8,602 estheticians who are subject to the current biennial renewal fee of \$67; these licensees will be impacted by the proposed biennial renewal fee increases. The graduated biennial renewal fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$67 to \$82 will generate an additional \$129,030 in revenue.

FY 2024-2025: The fee increase from \$82 to \$97 will generate an additional \$129,030 in revenue.

*Estheticians renew in odd-numbered years.

Natural hair braider

There are approximately 54 natural hair braiders who are subject to the current biennial renewal fee of \$67; these licensees will be impacted by the proposed biennial renewal fee increases. The graduated biennial renewal fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$67 to \$82 will generate an additional \$810 in revenue.

FY 2024-2025: The fee increase from \$82 to \$97 will generate an additional \$810 in revenue.

*Natural hair braiders renew in odd-numbered years.

Cosmetologist teacher

There are approximately 7,324 cosmetologist teachers who are subject to the current biennial renewal fee of \$105; these licensees will be impacted by the proposed biennial renewal fee increases. The graduated biennial renewal fee increases will generate additional revenue as follows:

FY 2023-2024: The fee increase from \$105 to \$120 will generate an additional \$109,860 in revenue.

FY 2025-2026: The fee increase from \$120 to \$135 will generate an additional \$109,860 in revenue.

*Cosmetologist teachers renew in even-numbered years.

Cosmetology salon

There are approximately 11,930 cosmetology salons or limited practice salon licenses that are subject to the current biennial renewal fee of \$114; these licensees will be impacted by the proposed biennial renewal fee increases. The graduated biennial renewal fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$114 to \$129 will generate an additional \$178,950 in revenue.

FY 2024-2025: The fee increase from \$129 to \$144 will generate an additional \$178,950 in revenue.

*Cosmetology salons renew in odd-numbered years.

Cosmetology school

There are approximately 158 cosmetology schools who are subject to the current biennial renewal fee of \$285; these licensees will be impacted by the proposed biennial renewal fee increases. The graduated biennial renewal fee increases will generate additional revenue as follows:

FY 2023-2024: The fee increase from \$285 to \$300 will generate an additional \$2,370 in revenue.

FY 2025-2026: The fee increase from \$300 to \$315 will generate an additional \$2,370 in revenue.

*Cosmetology schools renew in even-numbered years.

Nail technician teacher

There are approximately 15 nail technician teachers who are subject to the current biennial renewal fee of \$105; these licensees will be impacted by the proposed biennial renewal fee increases. The graduated biennial renewal fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$105 to \$120 will generate an additional \$225 in revenue.

FY 2024-2025: The fee increase from \$120 to \$135 will generate an additional \$225 in revenue.

*Nail technician teachers renew in odd-numbered years.

Esthetician teacher

There are approximately 41 esthetician teachers that are subject to the current biennial renewal fee of \$105; these licensees will be impacted by the proposed biennial renewal fee increases. The graduated biennial renewal fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$105 to \$120 will generate an additional \$615 in revenue.

FY 2024-2025: The fee increase from \$120 to \$135 will generate an additional \$615 in revenue.

*Esthetician teachers renew in odd-numbered years.

Natural hair braider teacher

There are approximately three natural hair braider teachers who are subject to the current biennial renewal fee of \$105; these licensees will be impacted by the proposed biennial renewal fee increases. The graduated biennial renewal fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$105 to \$120 will generate an additional \$45 in revenue.

FY 2024-2025: The fee increase from \$120 to \$135 will generate an additional \$45 in revenue.

*Natural hair braider teachers renew in odd-numbered years.

Nail technician salon

There are approximately 2,306 nail technology salons that are subject to the current biennial renewal fee of \$114; these licensees will be impacted by the proposed biennial renewal fee increases. The graduated biennial renewal fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$114 to \$129 will generate an additional \$34,590 in revenue.

FY 2024-2025: The fee increase from \$129 to \$144 will generate an additional \$34,590 in revenue.

*Nail technician salons renew in odd-numbered years.

Esthetician salon

There are approximately 2,359 esthetician salons that are subject to the current biennial renewal fee of \$114; these licensees will be impacted by the proposed biennial renewal fee increases. The graduated biennial renewal fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$114 to \$129 will generate an additional \$35,385 in revenue.

FY 2024-2025: The fee increase from \$129 to \$144 will generate an additional \$35,385 in revenue.

*Esthetician salons renew in odd-numbered years.

Natural hair braiding salon

There are approximately 12 natural hair braiding salons that are subject to the current biennial renewal fee of \$114; these licensees will be impacted by the proposed biennial renewal fee increases. The graduated biennial renewal fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$114 to \$129 will generate an additional \$180 in revenue.

FY 2024-2025: The fee increase from \$129 to \$144 will generate an additional \$180 in revenue.

*Natural hair braider salons renew in odd-numbered years.

Proposed Other Fees

Approval of cosmetology school supervisor application

There are approximately 20 cosmetology school supervisors that are subject to the current application fee of \$20; these licensees will be impacted by the proposed application fee increases. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$20 to \$31 will generate an additional \$220 in revenue.

FY 2023-2024: The fee increase will continue to generate an additional \$220 in application fees.

FY 2024-2025: The fee increase from \$31 to \$32 will generate an additional \$20 in revenue.

FY 2025-2026: The fee increase will continue to generate an additional \$20 in revenue.

Change in cosmetology salon or limited practice salon (inspection required)

There are approximately 50 applications for a change in salon (inspection required) that are subject to the current fee of \$85; these licensees will be impacted by the proposed application fee increases. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$85 to \$100 will generate an additional \$750 in revenue.

FY 2023-2024: The fee increase will continue to generate an additional \$750 in application fees.

FY 2024-2025: The fee increase from \$100 to \$105 will generate an additional \$250 in revenue.

FY 2025-2026: The fee increase will continue to generate an additional \$250 in revenue.

Change in cosmetology salon or limited practice salon (no inspection required)

There are approximately 75 applications for a change in salon (no inspection required) that are subject to the current fee of \$30; these licensees will be impacted by the proposed application fee increases. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$30 to \$43 will generate an additional \$975 in revenue.

FY 2023-2024: The fee increase will continue to generate an additional \$975 in application fees.

FY 2024-2025: The fee increase from \$43 to \$45 will generate an additional \$150 in revenue.

FY 2025-2026: The fee increase will continue to generate an additional \$150 in revenue.

Change in cosmetology school (inspection required)

There are approximately ten applications for a change in cosmetology school (inspection required) that are subject to the current fee of \$110; these licensees will be impacted by the proposed application fee increases. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$110 to \$125 will generate an additional \$150 in revenue.

FY 2023-2024: The fee increase will continue to generate an additional \$150 in application fees.

FY 2024-2025: The fee increase from \$125 to \$131 will generate an additional \$60 in revenue.

FY 2025-2026: The fee increase will continue to generate an additional \$60 in revenue.

Change in cosmetology school (no inspection required)

There are approximately six applications for a change in cosmetology salon or limited practice salon (no inspection required) that are subject to the current fee of \$35; these licensees will be impacted by the proposed application fee increases. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$35 to \$69 will generate an additional \$204 in revenue.

FY 2023-2024: The fee increase will continue to generate an additional \$204 in application fees.

FY 2024-2025: The fee increase from \$69 to \$72 will generate an additional \$18 in revenue.

FY 2025-2026: The fee increase will continue to generate an additional \$18 in revenue.

Reinspection of a salon or cosmetology school

There are approximately ten applications for reinspection of a salon or cosmetology school that are subject to the current fee of \$85; these licensees will be impacted by the proposed application fee increases. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$85 to \$87 will generate an additional \$20 in revenue.

FY 2023-2024: The fee increase will continue to generate an additional \$20 in application fees.

FY 2024-2025: The fee increase from \$87 to \$91 will generate an additional \$40 in revenue.

FY 2025-2026: The fee increase will continue to generate an additional \$40 in revenue.

Certification of student or apprentice training hours

There are approximately 24 applications for certification of student or apprentice training hours that are subject to the current fee of \$30; these licensees will be impacted by the proposed application fee increases. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023 and FY 2023-2024: The fee increase from \$30 to \$56 will generate an additional \$624 in revenue.

FY 2023-2024: The fee increase will continue to generate an additional \$624 in application fees.

FY 2024-2025: The fee increase from \$56 to \$58 will generate an additional \$48 in revenue.

FY 2025-2026: The fee increase will continue to generate an additional \$48 in revenue.

Verification of license, registration, permit or approval

There are approximately 2,140 applications for verification of license, registration, permit or approval that are subject to the current fee of \$15; these licensees will be impacted by the proposed application fee increases. The graduated application fee increases will generate additional revenue as follows:

FY 2022-2023: The fee increase from \$15 to \$20 will generate an additional \$10,700 in revenue.

FY 2023-2024: The fee increase will continue to generate an additional \$10,700 in application fees.

FY 2024-2025: The fee increase from \$20 to \$21 will generate an additional \$2,140 in revenue.

FY 2025-2026: The fee increase will continue to generate an additional \$2,140 in revenue.

The previous revenues will have a positive projected remaining balance of \$861,534.41 in FY 2024-2025. Therefore, the new fee structure is projected to allow the Board to meet or exceed its projected expenditures and will put the Board back on firm financial ground.

Fiscal Impact and Paperwork Requirements

The proposed amendments will increase application and biennial renewal fees on a graduated basis. The applicants, licensees and registrants will be required to comply with the regulation. The fees may be paid by applicants, licensees or registrants or may be paid by their employers, should their employers choose to pay these fees. This proposed rulemaking should have no other fiscal impact on the private sector, the general public or political subdivisions of the Commonwealth.

Approximately 11,029 applicants will be impacted by the increased application fees. Specifically, the number of applicants effected are as follows: 4,000 cosmetologists, 925 nail technicians, 1,350 estheticians, 15 natural hair braiders, 155 cosmetology teachers, 1,325 cosmetology salons, 10 cosmetology schools, 2 nail technician teachers, 8 esthetician teachers, 1 natural hair braider teacher, 140 nail technician salons, 160 esthetician salons, 5 natural hair braider salons, 578 licensures by reciprocity and 20 cosmetology apprentices.

Based on the graduated application fee increases, the total economic impact per fiscal year is as follows:

| | |
|---------------|-----------|
| FY 2022-2023: | \$182,483 |
| FY 2023-2024: | \$182,483 |
| FY 2024-2025: | \$ 23,094 |
| FY 2025-2026: | \$ 23,094 |
| Total: | \$411,154 |

Approximately 125,467 licensees will be impacted by the increased biennial renewal fees. Specifically, the number of licensees effected are as follows: 14,809 nail technicians, 8,602 estheticians, 77,854 cosmetologists, 54 natural hair braiders, 7,324 cosmetology teachers, 11,930 cosmetology salons, 158 cosmetology schools, 15 nail technician teachers, 41 esthetician teachers, 3 natural hair braider teachers, 2,306 nail technician salons, 2,359 esthetician salons and 12 natural hair braider salons who possess current licenses and registrations issued by the Board who will be required to pay more to renew their licenses and registrations. Current licensed individuals will be affected as follows:

Based on the previous biennial renewal fee increases, the economic impact is as follows:

| | |
|---------------|--------------------|
| FY 2022-2023: | \$963,735 |
| FY 2023-2024: | \$918,270 |
| FY 2024-2025: | \$963,735 |
| FY 2025-2026: | \$918,270 |
| Total: | \$3,764,010 |

Thus, the total economic impact to applicants, licensees, registrants or employers, if employers choose to pay application or licensing fees, is \$4,175,164. This amount reflects the economic impact that will occur as a result of the fee increases.

This proposed rulemaking will require the Board to revise its printed and online application forms. The amendments will not create additional paperwork for the regulated community or for the private sector.

Sunset Date

The Board continuously monitors the effectiveness of its regulations. Therefore, no sunset date has been assigned. Additionally, the BFO provides the Board with an annual report detailing the Board’s financial condition. In this way, the Board continuously monitors the adequacy of its fee schedule.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on April 14, 2022, the Board submitted a copy of this proposed rulemaking and a copy of a Regulatory Analysis Form to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the Senate Consumer Protection and Professional Licensure Committee and the House Professional Licensure Committee. A copy of this material is available to the public upon request.

Under section 5(g) of the Regulatory Review Act, IRRC may convey any comments, recommendations or objections to the proposed rulemaking within 30 days from the close of the public comment period. The comments, recommendations or objections must specify the regulatory review criteria in section 5.2 of the Regulatory Review Act (71 P.S. § 745.5b) that have not been met. The Regulatory Review Act specifies detailed procedures for review, prior to final publication of the rulemaking, by the Board, the General Assembly and the Governor.

Public Comment

Interested persons are invited to submit written comments, recommendations or objections regarding this proposed rulemaking to the Board Counsel, Department of State, State Board of Cosmetology, P.O. Box 69523, Harrisburg, PA 17106-9523 or RA-STRegulatoryCounsel@pa.gov within 30 days following publication of this proposed rulemaking in the *Pennsylvania Bulletin*. Reference Regulation No. 16A-4520 (Fee Increase) when submitting comments.

TAMMY O’NEILL,
Chairperson, State Board of Cosmetology
 ARION R. CLAGGETT,
Acting Commissioner, Bureau of Professional and Occupational Affairs

Fiscal Note: 16A-4520. No fiscal impact; (8) recommends adoption.

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
GENERAL PROVISIONS

§ 7.2. Fees.

[Fees charged by the Board are as follows:

| | |
|---|---------------|
| Licensure of cosmetologist, nail technician, esthetician or natural hair braider..... | \$10 |
| Licensure of cosmetology teacher or limited practice teacher | \$10 |
| Licensure of cosmetology salon or limited practice salon..... | \$100 |
| Licensure of cosmetology school | \$180 |
| Licensure by reciprocity..... | \$60 |
| Registration of cosmetology apprentice | \$70 |
| Biennial renewal of nail technician license | \$67 |
| Biennial renewal of esthetician license..... | \$67 |
| Biennial renewal of cosmetologist license..... | \$67 |
| Biennial renewal of natural hair braider license | \$67 |
| Biennial renewal of cosmetology teacher or limited practice teacher license | \$105 |
| Biennial renewal of cosmetology salon or limited practice salon license..... | \$114 |
| Biennial renewal of cosmetology school license | \$285 |
| Approval of cosmetology school supervisor | \$20 |
| Change in cosmetology salon or limited practice salon (inspection required)..... | \$85 |
| Change in cosmetology salon or limited practice salon (no inspection required) | \$30 |
| Change in cosmetology school (inspection required)..... | \$110 |
| Change in cosmetology school (no inspection required)..... | \$35 |
| Reinspection of cosmetology salon or limited practice salon or cosmetology school..... | \$85 |
| Certification of student or apprentice training hours | \$30 |
| Verification of license, registration, permit or approval | \$15] |

(a) An applicant for initial application and registration shall pay the following fees: *(Editor’s Note: The blank in the second column of effective dates refers to the date of publication of the final-form rulemaking in the Pennsylvania Bulletin).*

| | | Effective July 1, 2024 |
|------------------------|-------------|---------------------------------------|
| Cosmetologist | \$25 | \$26 |
| Nail technician | \$25 | \$26 |

| | | <u>Effective July 1, 2024</u> |
|--|--------------|---------------------------------------|
| <u>Esthetician</u> | <u>\$25</u> | <u>\$26</u> |
| <u>Natural hair braider</u> | <u>\$25</u> | <u>\$26</u> |
| <u>Cosmetology teacher or limited practice teacher</u> | <u>\$25</u> | <u>\$26</u> |
| <u>Cosmetology salon or limited practice salon</u> | <u>\$135</u> | <u>\$142</u> |
| <u>Cosmetology school license</u> | <u>\$220</u> | <u>\$231</u> |
| <u>Licensure by reciprocity</u> | <u>\$85</u> | <u>\$89</u> |
| <u>Registration of cosmetology apprentice</u> | <u>\$75</u> | <u>\$79</u> |

(b) An applicant for biennial renewal shall pay the following fees: (Editor's Note: The blank in the second column of effective dates refers to the date of publication of the final-form rulemaking in the *Pennsylvania Bulletin*).

| | | <u>Effective July 1, 2024</u> |
|--|--------------|---------------------------------------|
| <u>Nail technician</u> | <u>\$82</u> | <u>\$97</u> |
| <u>Esthetician</u> | <u>\$82</u> | <u>\$97</u> |
| <u>Cosmetologist</u> | <u>\$82</u> | <u>\$97</u> |
| <u>Natural hair braider</u> | <u>\$82</u> | <u>\$97</u> |
| <u>Cosmetology teacher or limited practice teacher</u> | <u>\$120</u> | <u>\$135</u> |
| <u>Cosmetology salon or limited practice salon</u> | <u>\$129</u> | <u>\$144</u> |
| <u>Cosmetology school license</u> | <u>\$300</u> | <u>\$315</u> |

(c) An applicant for other miscellaneous applications shall pay the following fees: (Editor's Note: The blank in the second column of effective dates refers to the date of publication of the final-form rulemaking in the *Pennsylvania Bulletin*).

| | | <u>Effective July 1, 2024</u> |
|--|--------------|---------------------------------------|
| <u>Approval of cosmetology school supervisor application</u> | <u>\$31</u> | <u>\$32</u> |
| <u>Change in cosmetology salon or limited practice salon (inspection required)</u> | <u>\$100</u> | <u>\$105</u> |
| <u>Change in cosmetology salon or limited practice salon (no inspection required)</u> | <u>\$43</u> | <u>\$45</u> |
| <u>Change in cosmetology school (inspection required)</u> | <u>\$125</u> | <u>\$131</u> |
| <u>Change in cosmetology school (no inspection required)</u> | <u>\$69</u> | <u>\$72</u> |
| <u>Reinspection of cosmetology salon or limited practice salon or cosmetology school</u> | <u>\$87</u> | <u>\$91</u> |
| <u>Certification of student or apprentice training hours</u> | <u>\$56</u> | <u>\$58</u> |
| <u>Verification of license, registration, permit or approval</u> | <u>\$20</u> | <u>\$21</u> |

[Pa.B. Doc. No. 22-635. Filed for public inspection April 29, 2022, 9:00 a.m.]