

**CALIFORNIA
BOARD OF BARBERING AND COSMETOLOGY**



JANUARY 22, 2024

LEGISLATION AND BUDGET COMMITTEE

**Department of Consumer Affairs
HQ2 Hearing Room #186
1747 North Market Blvd
Sacramento, CA 95834**

and

Public Teleconference



CALIFORNIA BOARD OF BARBERING AND COSMETOLOGY



MEMBERS OF THE COMMITTEE

Reese Isbell, Chair
Megan Ellis
Colette Kavanaugh
Calimay Pham

LEGISLATION AND BUDGET COMMITTEE MEETING NOTICE AND AGENDA

January 22, 2024

Department of Consumer Affairs
HQ2 Hearing Room #186
1747 North Market Blvd
Sacramento, CA 95834

*Action may be taken on
any item listed on the
agenda.*

**11:00 a.m. or upon Adjournment of
the Enforcement and Inspections
Committee Meeting – Until
Completion of Business**

Committee members will participate remotely from private, non-public sites. The public may participate in-person or remotely. To participate in the WebEx Events meeting, please log on to this website the day of the meeting:

<https://dca-meetings.webex.com/dca-meetings/j.php?MTID=mcfc79d538aa407cc5ddb9a06105dc004>

Webinar number: 2486 727 6348

Webinar password: BBC122

Instructions to connect to the meeting can be found at:

https://www.barbercosmo.ca.gov/about_us/meetings/how_to_join_webex_event.pdf

Members of the public may but are not obligated to provide their names or personal information as a condition of observing or participating in the meeting. When signing into the WebEx platform, participants may be asked for their name and email address. Participants who choose not to provide their names will be required to provide a unique identifier such as their initials or another alternative, so that the meeting moderator can identify individuals who wish to make public comment; participants who choose not to provide their email address may utilize a fictitious email address in the following sample format: XXXXX@mailinator.com.

In order to ensure all public members have an opportunity to speak and in the interest of time, public comments will be limited to two minutes unless, in the discretion of the committee, circumstances require a shorter period or longer period; members of the public will not be permitted to “yield” their allotted time to other members of the public to make comments.

As an alternative, members of the public who wish to observe the meeting without making public comment can do so (provided no unforeseen technical difficulties) at

<https://thedcapage.wordpress.com/webcasts/>.

AGENDA

1. Call to Order/ Roll Call/ Establishment of Quorum
2. Discussion and Possible Approval of the September 11, 2023, Committee Meeting Minutes
3. Discussion, Update, and Possible Recommendation Regarding Proposed Bills:
 - a. AB 1328 (Gipson) Cosmetology Licensure Compact
 - b. SB 451 (Nguyen) Worker classification: employees and independent contractors: licensed manicurists
 - c. SB 817 (Roth) Barbering and cosmetology: application, examination, and licensing fees
4. Discussion and Possible Recommendations Regarding the Fee Study and California Code of Regulations section 998 Schedule of Fees
5. Public Comment on Items Not on the Agenda
Note: The Committee may not discuss or take any action on any item raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting (Government Code Sections 11125, 11125.7(a))
6. Suggestions for Future Agenda Items
7. Adjournment

The time and order of agenda items are subject to change at the discretion of the Committee Chair and may be taken out of order. In accordance with the Bagley-Keene Open Meeting Act, all meetings of the Committee are open to the public.

*Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion or consideration by the Committee prior to the Committee taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issue before the Committee, but the Committee Chair may, at his or her discretion, apportion available time among those who wish to speak. Individuals may appear before the Committee to discuss items not on the agenda; however, the Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).

The meeting is accessible to the physically disabled. A person who needs disability-related accommodation or modification in order to participate in the meeting may make a request by contacting: Natalie Mitchell at (916) 244-6644, email: natalie.mitchell@dca.ca.gov, or send a written request to the Board of Barbering and Cosmetology, PO Box 944226, Sacramento, CA 94244. Providing your request is a least five (5) business days before the meeting will help to ensure availability of the requested accommodations. TDD Line: (916) 322-1700.

Agenda Item
No. 1
No Attachment

DRAFT
CALIFORNIA STATE BOARD
OF
BARBERING AND COSMETOLOGY

LEGISLATION AND BUDGET COMMITTEE MEETING

MINUTES OF SEPTEMBER 11, 2023

BOARD MEMBERS PRESENT

Reese Isbell, Chair
Megan Ellis
Colette Kavanaugh
Calimay Pham

STAFF MEMBERS PRESENT

Kristy Underwood, Executive Officer
Carrie Harris, Deputy Executive Officer
Sabina Knight, Board Legal Counsel
Allison Lee, Board Project Manager
Natalie Mitchell, Board Analyst

1. AGENDA ITEM #1, CALL TO ORDER/ROLL CALL/ESTABLISHMENT OF QUORUM

Reese Isbell, Committee Chair, called the meeting to order at approximately 10:52 a.m. and confirmed the presence of a quorum.

2. AGENDA ITEM #2, DISCUSSION AND POSSIBLE APPROVAL OF THE MARCH 13, 2023, COMMITTEE MEETING MINUTES

Motion: Ms. Kavanaugh moved to approve the March 13, 2023, Committee Meeting Minutes. Ms. Ellis seconded.

No comments were received from the public.

Motion to approve March 13, 2023, Committee Meeting Minutes carried; 4 yes, 0 no, and 0 abstain, per roll call vote as follows:

The Committee Members voted "Yes": Reese Isbell, Megan Ellis, Colette Kavanaugh, and Calimay Pham.

3. AGENDA ITEM #3, DISCUSSION, UPDATE, AND POSSIBLE RECOMMENDATIONS REGARDING PROPOSED BILLS:

Executive Officer, Kristy Underwood, stated that the legislative calendar and deadlines have been listed on the packet information.

a. AB 1328 (Gipson) Cosmetology Licensure Compact

AB 1328 Cosmetology Compact Licensure is a two-year bill. No action taken.

No comments were received from the public.

b. SB 247 (Wilk) Alcoholic beverages: licensing exemptions: barbering and cosmetology services

Ms. Underwood stated that this Bill does not impact the Board or licensees but changes wording to make it an establishment instead of just a beauty salon or barber shop. This Bill has been enrolled to the Governor's Office.

No comments were received from the public.

c. SB 384 (Bradford) Barbering and Cosmetology

Ms. Underwood noted that Senator Bradford authored this bill. It is the remedial education bill that the Board started. The Bill is expected to be heard on the Floor at today's meeting. It is anticipated for the Bill to move right out and go to the Governor's Office. The team has begun preparing for implementation.

No comments were received from the public.

d. SB 451 (Nguyen) Worker Classification: employees and independent contractors: licensed manicurists

SB 451 is a two-year Bill. No activity.

No comments were received from the public.

e. SB 544 (Laird) Bagley-Keene Open Meeting Act: teleconferencing

SB 544 was amended on September 8th to allow a certain level of teleconference meetings. Committees will be able to attend virtually while open meetings are held at the office to provide a location for the public to attend. This is allowed for Committee meetings and is allowed for Board meetings if a majority of people are in a public location. This Bill is expected to go to the Governor's Office and similar language was also used in a trailer bill. As soon as the bill is signed, it will go into effect and the other bill will go into effect January 1st. The Bill is in the Assembly and was amended on the Assembly Floor. The Bill will have to return to the Senate for a third reading due to the changes made and then hopefully to the Governor.

No comments were received from the public.

f. SB 817 (Roth) Barbering and cosmetology: application, examination, and licensing fees

SB 817 is a two-year bill and the team is waiting for more information. Ms. Underwood explained that they have reached out to the author's office and she has not heard back yet. The bill clarifies the fee for the hairstyling license and will continue to be watched.

No comments were received from the public.

4. AGENDA ITEM #4, DISCUSSION AND POSSIBLE RECOMMENDATION REGARDING THE FEE STUDY AND CALIFORNIA CODE OF REGULATIONS SECTION 998 SCHEDULE OF FEES

Kristy Underwood explained that the Board has been working on a fee study for quite some time and it has been delayed due to staffing issues. As a result of SB 803 which

eliminated the practical exam, two sites with lots of staff that were there to administer the exam were also eliminated. The Board has been working on timing all of the processes and every step such as downloading the application online or the cashiering process time. Staff salaries were also considered. The Board is not ready to make a formal recommendation to the Committee yet and has not fully reviewed this study with the Budget Office at Consumer Affairs. The Budget Office knows a lot more information than the Board and the extensive data will need to be gone through to ensure fees are set appropriately to not negatively impact the budget.

In looking at the initial examination application, there is a department-wide contract for the administration of the examination for individuals to complete the test on a computer. The next line is the examination which is the actual cost paid for the development, the continued occupational analysis, and all of the work that goes into developing and creating the exam. There are also staff costs and then the total. What was found is that an initial examination fee should be \$103 based on costs. Only \$75 is being charged right now and the fee would increase \$28. It is not desired or necessary to increase fees and there will need to be further discussion with the Budget Office. Funds from other locations can help to maintain a healthy budget and prevent increased fees.

The Board needs to sit down with their expert to figure out the increases and decreases and potentially predict where the budget will fall in the future. The Board has gotten very close to coming up with this much data, will hopefully have met with the Budget Office by the next meeting, and will be able to provide a recommendation with regulatory language. Changing any fees is a regulation change.

Ms. Pham asked if the exam development is an ongoing monthly cost being paid to a service and what kind of work is being done towards exam development versus what was done initially. Ms. Underwood explained that the Board pays two fees - one for the exam administration and then a charge for every applicant to take the exam. All of the money goes to the continual review of the exam. For instance, members just met with the examination company last week and the barber exam is currently being updated. It is a continual process by the exam developers and that is why fees are paid per licensee. Ms. Pham asked if these are the only fees that are being looked at to change or study. The Board is required to look at the reexam fees, but it is for all five of the license types. The fines are being looked at, but not as part of a fee study.

5. AGENDA ITEM #5, PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

No comments were received from the public.

6. AGENDA ITEM #6, SUGGESTIONS ON FUTURE AGENDA ITEMS

No suggestions were received from Committee members.

7. AGENDA ITEM #7, ADJOURNMENT

There being no further business to discuss, the meeting adjourned at approximately 11:06 a.m.



MEMORANDUM

DATE	January 22, 2024
TO	Members, Legislative and Budget Committee
FROM	Kristy Underwood, Executive Officer
SUBJECT	Agenda Item 3 – Legislative Update

2024 Legislative Calendar and Deadlines

- January 1, Statutes take effect.
- January 3, Legislature Reconvenes.
- January 10, Budget must be submitted by Governor.
- January 12, Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house in the odd-numbered year.
- January 19, Last day for any committee to hear and report to the floor bills introduced in that house in the odd-numbered year, and Last day to submit bill requests to the Office of Legislative Counsel.
- January 31, Last day for each house to pass bills introduced in that house in the odd-numbered year.
- February 16, Last day for bills to be introduced.
- March 21, Spring Recess begins upon adjournment of session.
- April 1, Legislature Reconvenes from Spring Recess.
- April 26, Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house.
- May 3, Last day for policy committees to hear and report to the floor non-fiscal bills introduced in their house.
- May 10, Last day for policy committees to meet prior to May 28.
- May 17, Last day for fiscal committees to hear and report to the floor bills introduced in their house.
- May 20-24, Floor Session only, No committees, other than conferences or Rules committees, may meet for any purpose.
- May 24, Last day for each house to pass bills introduced in that house.
- May 28, committee meetings may resume.
- June 15, Budget Bill must be passed by midnight.
- June 27, Last day for a legislative measure to qualify for the Nov 5 General Election ballot.
- July 3, Last day for policy committees to meet and report bills, and Summer Recess begins upon adjournment provided Budget Bill has been passed.
- August 5, Legislature Reconvenes from Summer Recess.
- August 16, Last day for fiscal committees to meet and report bills.
- August 19-31, Floor Session only, No committees, other than conference and Rules committees, may meet for any purpose.
- August 23, Last day to amend on the floor.
- August 31, Last day for each house to pass bills, Final Recess begins upon adjournment.

2023 Board-Sponsored Bills

- **AB 1328 (Gipson) Cosmetology Licensure Compact**

Location: Senate

Status: 06/06/2023 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Committee on Business, Professions and Economic Development. This bill is now a 2-year bill.

Summary: This bill would enact the Cosmetology Licensure Compact to facilitate the interstate practice and regulation of cosmetology. The compact would require the board to grant a multistate license to practice cosmetology to an applicant meeting specified requirements.

2023 Bills with Support Position

- **SB 451 (Nguyen) Worker classification: employees and independent contractors: licensed manicurists**

Location: Senate

Status: 04/20/2023 April 26 set for first hearing canceled at the request of author. This is now a 2-year bill.

Summary: This bill would extend the inoperative date of the Borello exemptions to January 1, 2030.

- **SB 817 (Roth) Barbering and cosmetology: application, examination, and licensing fees**

Location: Assembly

Status: 07/11/2023 From committee: Do pass and re-refer to Committee on Appropriations. Held in Appropriations, this is now a 2-year bill.

Summary: This bill would require that the hairstylist application and examination fee be the actual cost to the board for developing, purchasing, grading, and administering the examination, and limit a hairstylist's initial license fee to \$50.

Bill Text

The text version of Assembly Bill 1328 is available online at https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1328&firstNav=tracking

The text version of Senate Bill 451 is available online at https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB451&firstNav=tracking

The text version of Senate Bill 817 is available online at https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB817&firstNav=tracking



MEMORANDUM

DATE	January 22, 2024
TO	Committee Members, Legislation and Budget Committee
FROM	Kristy Underwood, Executive Officer
SUBJECT	Agenda Item 4 – Discussion and Possible Recommendations Regarding the Fee Study and California Code of Regulations section 998 Schedule of Fees

Background

In 2019, the Board of Barbering and Cosmetology was audited by the Office of Internal Audits at the Department of Consumer Affairs. One of the findings for the Board was:

The Board’s application and examination fee of \$75 for barbers, cosmetologists, manicurists, estheticians and electrologists exceeds its actual costs for administering re-examinations because the fee includes costs associated with both the written and practical examinations and candidates that re-exam typically only retake it once.

Recommendation: The Board should adopt fee regulations that set the re-examination fee based on the actual costs to administer the examinations.

Current Fees

The California Code of Regulations (CCR) section 998 establishes the Schedule of Fees for all Board license types. Each license type has a different license fee; however, all license types have the same application and examination fee of \$75. This fee is charged regardless of whether the applicant is applying for the exam for the first time or for a re-exam.

The current fee of \$75 was established by regulation in 2006.

Processes

Processing an initial exam application involves more time than a re-examination application. An initial examination application requires staff to input information to create the licensee record. This includes the address of the applicant, educational information, criminal background information, language preference, and exam accommodations. If an applicant fails the examination and submits a re-exam application, the address and educational information do not need to be re-entered. As a result, the re-examination process takes less time to process than an initial application.

Examination Changes

In January 2022, the practical examination was eliminated. In addition, in July 2022, the Board began a contract with a new examination vendor. The elimination of the practical examination also eliminated the requirement that the Board maintain two facilities and staff to administer the examination.

Data Reviewed

In determining what the Board's fees should be, the following was reviewed:

- Processing times for an initial application
- Processing times for a re-exam application
- Volume of received applications
- Costs of staffing
- Cost of the examination administration
- Cost of the computer-based testing of the examination

Initial Application Processing

Initial examination applications have various steps for processing depending on the pathway that the applicant qualified for the exam. An applicant can attend a California school, a school out of state, a school out of county, or complete an apprenticeship program. In addition, applications can be mailed into the board or can be submitted on-line. Each of these pathways varies in the amount of time it takes to process. Board staff utilized an average of all pathways to determine the overall average processing time.

- The average processing time for an initial application is 22 minutes.

Re-exam applications have less steps to process and can be completed in less time. The processing time for re-exams was established by looking at the processing times for both paper and on-line applications.

- The average processing time for a re-exam application is 8 minutes.

To determine the cost for staffing needed to process the applications, the board took an average number of applications received annually:

- Initials Applications Received: 33,710
- Re-Exam Applications Received: 12,440

The Board then took the salary of the civil service classification that is assigned to process these applications and used the following formula to determine the cost:

$$\text{minutes X volume X salary} = \text{Staffing Cost to Board}$$

Exam Costs

The Board currently has two contracts for the development and administration of the examination. The development contract provides the current examination along with regular updates to the examination and the required occupational analysis. The administration contract provides the computer-based delivery of each examination. These costs per exam candidate are:

Administration	\$33.00
Exam Development:	\$20.00

Total Costs for Processing Initial and Re-Examination Applications

The cost to the Board is calculated as:

$$\text{staffing costs X exam administration X exam development} = \text{Processing Costs}$$

Using the above formula, the processing costs are as follows:

- The initial examination process costs the Board = \$97.00
- The re-examination process costs the Board = \$71.00

Additional Costs

The current study takes into consideration the exact costs to the Board for staff and examination costs. However, it does not take into consideration the additional costs incurred by the Board. This includes:

- Mail Room Staff and Processing
- Cashiering Services
- Accounting Services

Taking these additional costs into consideration, the current fee of \$75.00 is lower than the actual cost to the Board.

Conclusion

The finding in the 2019 audit indicated that the current fee of \$75 exceeds the costs for administering the re-examination. Based on the research conducted, the current fee is less than the actual costs to the Board. This is likely because the current fee was set in 2006.

The Board's fund condition for fiscal year 23/24 indicates 10.2 months in reserve. This shows that the Board has more than sufficient funds to perform its operations. Therefore, it is not a viable solution for the Board to consider a fee increase.

Agenda Items

No. 5-7

No Attachments