



**Colorado
Legislative
Council
Staff**

HB17-1196

**REVISED
FISCAL NOTE**

(replaces fiscal note dated March 8, 2017)

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0899
Prime Sponsor(s): Rep. Arndt
Sen. Priola

Date: March 22, 2017
Bill Status: Senate Business
Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: CREDIT HOURS REQUIRED FOR BARBERS COSMETOLOGISTS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	<u>\$8,064</u>	
Cash Funds	8,064	
State Expenditures	<u>\$8,064</u>	
Cash Funds	8,064	
TABOR Impact	\$8,064	
Appropriation Required: \$8,064 - Department of Higher Education (FY 2017-18).		
Future Year Impacts: None.		

Summary of Legislation

The **reengrossed** bill clarifies that the number of credit hours and corresponding contact hours required to be licensed as a barber or cosmetologist are not to exceed:

- 50 credits, or 1,500 contact hours, for a barber; and
- 50 credits, or 1,500 contact hours, for a cosmetologist.

The 50 credits are defined by either institutional accreditation requirements; the Colorado Commission on Higher Education's full-time equivalent clock-to-credit hour requirements; or the Department of Education's accreditation requirements. The Director of the Division of Professions and Occupations in the Department of Regulatory Agencies must promulgate rules to implement these requirements.

Background

As of January 2017, approximately 57,000 individuals are licensed under the Barber and Cosmetologist Act. In order to qualify for a license, applicants are required to submit proof of graduation from an approved school, pass a written practical examination, and pay a fee. The Division of Private Occupational Schools (DPOS) in the Department of Higher Education oversees barber and cosmetology schools.

State Revenue

In FY 2017-18 only, cash fund revenue may increase by approximately \$8,064 to the DPOS Cash Fund to cover the cost of the bill. Actual fee calculations, if necessary, will be set administratively by DPOS based on cash fund balance, estimated program costs, and the estimated number of entities subject to the fees.

TABOR Impact

This bill potentially increases state cash fund revenue from fees, which may increase the amount of money required to be refunded under TABOR for FY 2017-18. Since the bill may increase the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget may decrease by an identical amount.

State Expenditures

In FY 2017-18 only, cash fund expenditures will increase by \$8,064 in the Department of Higher Education from the DPOS Cash Fund. DPOS will require temporary staff to review the updated course syllabi, curriculum, catalogs, enrollment agreements, and bonds for the 168 barber and cosmetology schools it oversees. Assuming that each school will require a 2 hour review from a \$24 per hour temporary staff, this will cost \$8,064 in FY 2017-18.

The deputy director of DPOS will be required to shift workload in order to perform a final review of these documents, which will require a minimum of 75 hours of their time. In addition, the Colorado Community College System, area technical schools, and DPOS, will also experience a workload increase to update materials related to barber and cosmetology licensing requirements. Finally, workload will increase in the Division of Professions and Occupations in the Department of Regulatory Agencies to perform rulemaking and update forms. These workload increases, which take place in FY 2017-18 only, can be accomplished within the existing appropriations of these agencies.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2017-18, the bill requires a cash fund appropriation of \$8,064 from the Division of Private Occupational Schools Cash Fund to the Department of Higher Education.

State and Local Government Contacts

Higher Education
Regulatory Agencies

Information Technology

Law