



The mission of the Ohio State Board of Cosmetology is to protect and support the public through regulation and education while promoting the integrity of the industry.

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Senate Finance Committee Testimony

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Chairman Widener and Members of the Finance Committee, my name is Jim Trakas and I am the Executive Director of the Ohio State Board of Cosmetology. I thank you for allowing me to appear before you today.

The Ohio State Board of Cosmetology's mission is to protect and support the public through regulation and education while promoting the integrity of the industry. Holding a professional cosmetology license from the state of Ohio is held in high regard. The Board currently oversees approximately 125,000 individuals and businesses, licensed in one or more branches of the cosmetology industry. These include hair, manicuring, esthetics, indoor tanning, public and private cosmetology schools, and continuing education providers. This makes the Cosmetology Board the second largest professional regulatory board in state government.

The Cosmetology Board fees are the lowest professional licensing fees in the state at \$45 for individual licenses per biennium. The current fees collected sustain the existing level of operations and enables our agency to steadily contribute to the 4k90 fund which is a shared fund used to operate multiple boards. The conservative nature of the Board's fiscal administration has consistently provided additional funds that have previously been used to fill in GRF gaps.

Ohio currently has 188 schools that are operating with active students pursuing a career in Cosmetology. Our exam center schedules approximately 9,200 students for exams annually. Each examination

consists of a theory portion which is administered on computer and a practical portion which is performed hands-on. Approximately 6,000 new licensees enter the workforce each year and our same day licensing process allows most licensees to begin working on the same day they pass their exam.

The fiscal year 12-13 budget recommendation, which totaled approximately \$6.8 million dollars for the biennium, allows our operations to be self sustaining, promotes efficiency and allows our constituents to continue to thrive in the industry and contribute to Ohio's economy. It also allows our staff of inspectors and examiners to regulate more than 13,000 salons and tanning facilities, 90 career technical schools, 21 adult career educational programs and 77 private cosmetology schools. The budget recommendation will enable the Board to continue to provide excellent customer service to our licensed individuals and businesses as well as to assist the citizens of Ohio with questions or concerns pertaining to the cosmetology industry.

Our staff has been instrumental in coming up with ideas to increase efficiency and finding ways to implement those ideas. Some of the new efficiencies recently put into place have been a change of the inspector work schedule to a ten hour -four day work week. This change has reduced overall vehicle expenses and allowed for a more efficient inspection schedule as many cosmetology businesses are closed on Mondays. We have re-arranged our Inspection Territories to further add economy and will be able to conduct more frequent inspections in a more cost effective method. Additionally each inspector has been provided a Global Positioning System (GPS), to improve accountability as well as increase efficiency.

Another change was the implementation of requiring renewals to be completed on-line. This has greatly reduced processing time and errors, and the obvious benefit of saving money through not physically

sorting over 100,000 applications, a tedious and expensive task. We are working with DAS to provide online payment mechanisms for all of our fines and licenses, to further serve our customers and cut down on costs. Additional savings can also be found in processes such as on-line application submission, on-line examination scheduling and the ability to pay fines via our web site. The Board is interested in pursuing these ideas as they become technically feasible.

One future cost saving measure is currently being investigated; the preparation, grading and tracking our own state exams. This change may be challenging to implement but we are assessing the feasibility and determining what items and steps would be required to move forward. The cost of the examination system currently in place has been approximately \$170,000 for each year. A recent meeting with the company that provides the exams revealed that prices were anticipated to increase by at least \$75,000 for FY 2012. The cost to implement our own system will be substantially less than our current costs.

The Board of Cosmetology embraces the challenge provided by The Kasich Administration in this budget, and knows that by making a switch to internal testing, which requires hardware updates that we have within our budget due to fiscal prudence, we can not only save the state the money that has been asked, but we can probably do better. We too are serious about doing our part in this budgetary environment.

Despite the current economic difficulties facing Ohio and the country, the cosmetology industry is still going strong. The Board has continued to develop initiatives to help spur job growth and allow our operations to remain self-sustaining and not reliant upon any General Revenue Funds. The Board is also pursuing a thorough review of our current laws and rules to remove any regulations that are outdated or impractical, and to clarify the

laws and rules necessary to protect the public and regulate the industry. We know that both The Governor and General Assembly have expectations of all agencies to reduce barriers and cost on Ohio business, and we are at the forefront of your wishes, while protecting the public.

Providing quality service to our customers is a major focus throughout our decision making and this will continue during these difficult budgetary times. The Board is currently being served by the DAS Central Service Agency which performs many back office functions that allows our agency to focus on the regulatory business of cosmetology in Ohio. We ask that the members of the legislature keep in mind that not all boards should be looked upon the same way and understand that a one-size-fits-all approach could jeopardize our operations that consistently generate revenue. The licensees in our profession not only sustain our operations, but also contribute to the tax base of Ohio.

The Ohio State Board of Cosmetology has remained steadfast in its commitment to establishing and maintaining professional standards that support our mission of protecting and supporting the public through regulation and education while promoting the integrity of the industry. Our cosmetology industry is one of the strongest and most reliable in Ohio. The fiscal year 12-13 budget recommendation appears sufficient to support the Board's mission while responding to its customers' needs. This includes schools, salons, tanning facilities, individuals, and students, as well as the citizens who utilize the vast array of services which the beauty industry provides in Ohio.

To sum up, The Board of Cosmetology is a net contributor to the State Budget, and will continue to be. We believe in continuous improvement and innovation. Our staff has embraced the challenges of the day, and are working hard to save a substantial amount of money. In keeping with the spirit of the times to compensate public employees by performance, I would

ask that our agency be exempt from Cost Savings Days. Our staff has not had a raise in four years, and my belief is that if we can save even more money than The Governor and Legislature are asking, and you are providing management tools to our agency to further save cost, then the elimination of Cost Savings Days is warranted, and we can reward an innovative staff that has come up with ways to drive down costs while keeping head count down as well. Please consider this, and our agency can lead the way in Pay for Performance and a Rewards based compensation system.

I would like to thank all of you for your time today, and I will be happy to answer any questions that you may have.