

Office of Regulatory Management
Economic Review Form

Agency name	Board for Barbers and Cosmetology
Virginia Administrative Code (VAC) Chapter citation(s)	18VAC41-20 18VAC41-50 18VAC41-60 18VAC41-70
VAC Chapter title(s)	Barbering and Cosmetology Regulations (18VAC41-20) Tattooing Regulations (18VAC41-50) Body-Piercing Regulations (18VAC41-60) Esthetics Regulations (18VAC41-70)
Action title	Board for Barbers and Cosmetology Fee Adjustment
Date this document prepared	December 18, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Fast-Track (Action 6677 / Stage 10636)

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>The Board is currently operating at an annual deficit. Due to increased Board costs, increased staffing costs, increased facility costs, and increased IT service costs, it is projected that the Board will exhaust all operating funds by FY2026. The Board must increase fees for licenses and certifications if the Board is to remain solvent. This fee increase will result in a transfer from the licensees to the Board, resulting in the offset of costs and benefits. DPOR does not expect a change in licensees or market participation due to this change.</p> <p>Direct Costs: As this regulatory action results in only a transfer payment, there are no additional monetizable direct costs associated with the regulatory change.</p> <p>Indirect Costs: As this regulatory action results in only a transfer payment, there are no additional monetizable indirect costs associated with the regulatory change.</p> <p>Direct Benefits: As this regulatory action results in only a transfer payment, there are no additional monetizable indirect costs associated with the regulatory change.</p> <p>Indirect Benefits: As this regulatory action results in only a transfer payment, there are no additional monetizable indirect benefits associated with the regulatory change.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>\$0</p>	<p>(b) \$0</p>
<p>(3) Net Monetized Benefit</p>	<p>\$0</p>	
<p>(4) Other Costs & Benefits (Non-Monetized)</p>	<p>Benefits:</p> <ul style="list-style-type: none"> • This regulatory change allows the Board to continue to deliver services to the regulated community and the public. Specifically, there would not be delays in processing applications and issuing licenses to applicants who are required to obtain and maintain credentials to perform barbering, cosmetology, nail care, waxing, tattooing, body-piercing, and esthetics services. • This regulatory change allows the Board and DPOR to maintain public protection as it will ensure contractors are performing duties in a manner that protects the health, safety, and welfare of the public. • This regulatory change allows DPOR and the Board to remain in compliance with the Callahan Act and other applicable statutes. 	

	Costs: There are no additional nonmonetizable costs associated with this regulatory change.
(5) Information Sources	The revenue projections and fee analysis used in this research came from the finance section of DPOR. The number of applicants, endorsements, renewals, and reinstatements predicted by the finance section stems from historic trends, expected renewal dates, and any anticipated changes in the profession with an impact on volume.

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>The Board is currently operating in a deficit. Board expenses have increased by 26% over the last five (5) years and 47% since the last fee increase in 2011. The major drivers of the Board’s costs include operating expenses, staffing, facility fees, and IT services, which have all increased.</p> <p>Direct Costs: There are no additional monetizable direct costs associated with maintaining the status quo.</p> <p>Indirect Costs: There are no additional monetizable indirect costs associated with maintaining the status quo.</p> <p>Direct Benefits: There are no additional monetizable direct benefits associated with maintaining the status quo.</p> <p>Indirect Benefits: There are no additional monetizable indirect benefits associated with maintaining the status quo.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$0
(3) Net Monetized Benefit	\$0	
(4) Other Costs & Benefits (Non-Monetized)	<p>Costs:</p> <ul style="list-style-type: none"> • Maintaining the status quo will cause the Board to exhaust operating funds by FY2026. This will result in reduction of services by the Board, which delays the issuance of licenses thereby creating barriers to applicants’ and licensees’ ability to work. Additionally, DPOR will be less effective in ensuring activities are carried out in a manner that protects the public health, safety, and welfare. • Maintaining the status quo may result in the need for DPOR to request a loan from the general fund to cover the Board’s deficit and supplement continued operation. This would be a short-term solution and only delay 	

	<p>the inevitable need to increase fees. Doing this would also require future fee increases to be greater in order to cover loan repayment.</p> <ul style="list-style-type: none"> • Maintaining the status quo may require that DPOR receive general funds to supplement Board activities. Currently, DPOR does not receive any general fund revenue and its boards are intended by law to be self-funded. Should DPOR require general fund revenue, amendments to the Code of Virginia and the Appropriation Act would be necessary. <p>Benefits: There are no identified additional nonmonetizable benefits associated with maintaining the status quo.</p>
(5) Information Sources	Information about the Board’s revenue was provided by DPOR’s finance section.

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	Refer to Box #4	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	No alternative approaches that will sustain the Board’s operability were identified in the development of this action.	
(5) Information Sources	N/A	

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Local partners are not directly affected by the regulatory change.

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

No direct or indirect impact on families is anticipated.

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	See Box #3.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	The Board issues licenses to individuals, facilities and schools. Facilities and schools that are required to apply for and maintain a license with the Board may be small businesses that will be affected by the fee increase. Additionally, individuals licensed by the Board may be owners or employees of facilities or schools considered to be small businesses.	
(4) Alternatives	N/A	
(5) Information Sources	N/A	

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
20-140	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	3	0	0	0
50-130	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	3	0	0	0
60-90	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	3	0	0	0
70-120	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	3	0	0	0
Grand Total of Changes in Requirements:					(M/A): 0 (D/A): 0 (M/R): 0 (D/R): 0

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
20-140	Application fees for (i) initial licensure of individuals, facilities, and schools; (ii) initial certification of instructors; (iii) addition of program for licensed schools; (iv) renewal of licenses and certifications; and (v) reinstatement of licenses and certifications.	Individual initial license: \$105	Individual initial license: \$165	Individual initial license: +\$60 (+57%)
		Initial instructor certification: \$125	Initial instructor certification: \$185	Initial instructor certification: +\$60 (+48%)
		Initial facility license: \$190	Initial facility license: \$275	Initial facility license: +\$85 (+45%)
		Initial school license: \$220	Initial school license: \$310	Initial school license: +\$90 (+41%)
		Addition of program for schools: \$100	Addition of program for schools: \$140	Addition of program for schools: +\$40 (+40%)
		Renewal of individual licenses: \$105	Renewal of individual licenses: \$165	Renewal of individual licenses: +\$60 (+57%)
		Renewal of instructor certifications: \$150	Renewal of instructor certifications: \$185	Renewal of instructor certifications: +\$35 (+23%)
		Renewal of facility licenses: \$190	Renewal of facility licenses: \$275	Renewal of facility licenses: \$85 (+45%)
		Renewal of school licenses: \$220	Renewal of school licenses: \$310	Renewal of school licenses: \$90 (+41%)
	Reinstatement of individual licenses: \$210	Reinstatement of individual licenses: \$330	Reinstatement of individual	

		<p>Reinstatement of instructor certifications: \$300</p> <p>Reinstatement of facility licenses: \$380</p> <p>Reinstatement of school licenses: \$440</p>	<p>Reinstatement of instructor certifications: \$370</p> <p>Reinstatement of facility licenses: \$550</p> <p>Reinstatement of school licenses: \$620</p>	<p>licenses: +\$120 (+57%)</p> <p>Reinstatement of instructor certifications: +\$70 (+23%)</p> <p>Reinstatement of facility licenses: +\$170 (+45%)</p> <p>Reinstatement of school licenses: +\$180 (+41%)</p> <p>The changes apply to three D/R requirements in the section.</p>
50-130	<p>Application fees for (i) initial licensure of individuals, facilities, and schools; (ii) initial certification of instructors; (iii) renewal of licenses and certifications; and (iv) reinstatement of licenses and certifications.</p>	<p>Individual initial license: \$105</p> <p>Initial instructor certification: \$125</p> <p>Initial facility license: \$190</p> <p>Initial school license: \$220</p> <p>Renewal of individual licenses: \$105</p> <p>Renewal of instructor</p>	<p>Individual initial license: \$165</p> <p>Initial instructor certification: \$185</p> <p>Initial facility license: \$275</p> <p>Initial school license: \$310</p> <p>Renewal of individual licenses: \$165</p> <p>Renewal of instructor</p>	<p>Individual initial license: +\$60 (+57%)</p> <p>Initial instructor certification: +\$60 (+48%)</p> <p>Initial facility license: +\$85 (+45%)</p> <p>Initial school license: +\$90 (+41%)</p> <p>Renewal of individual licenses: +\$60 (+57%)</p> <p>Renewal of instructor</p>

		<p>certifications: \$150</p> <p>Renewal of facility licenses: \$190</p> <p>Renewal of school licenses: \$220</p> <p>Reinstatement of individual licenses: \$210</p> <p>Reinstatement of instructor certifications: \$300</p> <p>Reinstatement of facility licenses: \$380</p> <p>Reinstatement of school licenses: \$440</p>	<p>certifications: \$185</p> <p>Renewal of facility licenses: \$275</p> <p>Renewal of school licenses: \$310</p> <p>Reinstatement of individual licenses: \$330</p> <p>Reinstatement of instructor certifications: \$370</p> <p>Reinstatement of facility licenses: \$550</p> <p>Reinstatement of school licenses: \$620</p>	<p>certifications: +\$35 (+23%)</p> <p>Renewal of facility licenses: \$85 (+45%)</p> <p>Renewal of school licenses: \$90 (+41%)</p> <p>Reinstatement of individual licenses: +\$120 (+57%)</p> <p>Reinstatement of instructor certifications: +\$70 (+23%)</p> <p>Reinstatement of facility licenses: +\$170 (+45%)</p> <p>Reinstatement of school licenses: +\$180 (+41%)</p> <p>The changes apply to three D/R requirements in the section.</p>
60-90	<p>Application fees for (i) initial licensure of individuals, and facilities; (ii) renewal of licenses; and (iii) reinstatement of licenses.</p>	<p>Individual initial license: \$105</p> <p>Initial facility license: \$190</p> <p>Renewal of individual licenses: \$105</p>	<p>Individual initial license: \$165</p> <p>Initial facility license: \$275</p> <p>Renewal of individual licenses: \$165</p>	<p>Individual initial license: +\$60 (+57%)</p> <p>Initial facility license: +\$85 (+45%)</p> <p>Renewal of individual licenses: +\$60 (+57%)</p>

		<p>Renewal of facility licenses: \$190</p> <p>Reinstatement of individual licenses: \$210</p> <p>Reinstatement of facility licenses: \$380</p>	<p>Renewal of facility licenses: \$275</p> <p>Reinstatement of individual licenses: \$330</p> <p>Reinstatement of facility licenses: \$550</p>	<p>Renewal of facility licenses: \$85 (+45%)</p> <p>Reinstatement of individual licenses: +\$120 (+57%)</p> <p>Reinstatement of facility licenses: +\$170 (+45%)</p> <p>The changes apply to three D/R requirements in the section.</p>
70-120	<p>Application fees for (i) initial licensure of individuals, facilities, and schools; (ii) initial certification of instructors; (iii) renewal of licenses and certifications; and (iv) reinstatement of licenses and certifications.</p>	<p>Individual initial license: \$105</p> <p>Initial instructor certification: \$125</p> <p>Initial facility license: \$190</p> <p>Initial school license: \$220</p> <p>Renewal of individual licenses: \$105</p> <p>Renewal of instructor certifications: \$150</p>	<p>Individual initial license: \$165</p> <p>Initial instructor certification: \$185</p> <p>Initial facility license: \$275</p> <p>Initial school license: \$310</p> <p>Renewal of individual licenses: \$165</p> <p>Renewal of instructor certifications: \$185</p>	<p>Individual initial license: +\$60 (+57%)</p> <p>Initial instructor certification: +\$60 (+48%)</p> <p>Initial facility license: +\$85 (+45%)</p> <p>Initial school license: +\$90 (+41%)</p> <p>Renewal of individual licenses: +\$60 (+57%)</p> <p>Renewal of instructor certifications: +\$35 (+23%)</p>

		Renewal of facility licenses: \$190	Renewal of facility licenses: \$275	Renewal of facility licenses: \$85 (+45%)
		Renewal of school licenses: \$220	Renewal of school licenses: \$310	Renewal of school licenses: \$90 (+41%)
		Reinstatement of individual licenses: \$210	Reinstatement of individual licenses: \$330	Reinstatement of individual licenses: +\$120 (+57%)
		Reinstatement of instructor certifications: \$300	Reinstatement of instructor certifications: \$370	Reinstatement of instructor certifications: +\$70 (+23%)
		Reinstatement of facility licenses: \$380	Reinstatement of facility licenses: \$550	Reinstatement of facility licenses: +\$170 (+45%)
		Reinstatement of school licenses: \$440	Reinstatement of school licenses: \$620	Reinstatement of school licenses: +\$180 (+41%)
				The changes apply to three D/R requirements in the section.

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden
N/A	N/A	N/A

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count
N/A	N/A	N/A	N/A

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).