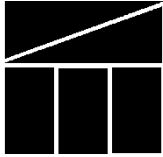


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget Economic Impact Analysis

18 VAC 41-20 Board for Barbers and Cosmetology Rules and Regulations
Department of Professional and Occupational Regulation
Town Hall Action/Stage: 5071 / 8318
August 3, 2018

Summary of the Proposed Amendments to Regulation

Chapter 231 of the 2018 Acts of Assembly¹ amended Code of Virginia § 54.1-700 et seq. (Code) to establish a new licensed designation, master barber. The Board for Barbers and Cosmetology (Board) proposes to amend the regulation to reflect the new licensure category.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The current regulation curriculum requirements for barbering programs include cold permanent waving or chemical relaxing; bleaching and frosting; wig care, styling, placing on model; finger waving and thermal waving; and waxing. None of these activities are included in the Code definition of barbering. Thus technically, barbers have not been permitted to offer services for which they were required to be trained.

The above-mentioned services are included in the new master barber definition established in the Code by Chapter 231. The Board proposes to remove these activities from the curriculum requirements for barbering, and to reduce the required training hours for the barber

¹ See <http://leg1.state.va.us/cgi-bin/legp504.exe?181+ful+CHAP0231>

license from 1,500 to 1,100. Additionally, the Board proposes to include these activities in the curriculum requirements for master barber, and set the required training hours for the master barber license at 1,500.

The Board's proposals would produce net benefits. Individuals who only wish to offer the services included in the barbering definition would save 400 hours of their time (and perhaps fees) from the proposal to reduce the training hours from 1,500 to 1,100 and eliminate training on subjects that are for them irrelevant. Individuals who wish to offer the additional services contained in the new master barber definition would be able to do so with the master barber designation and the same number of required training hours that has already existed. Pursuant to Chapter 231, existing barbers who have had the training for the additional services are grandfathered in as master barbers.²

Businesses and Entities Affected

The proposed amendments affect barbers, barbershops, barber schools, and individuals seeking to enter the barbering profession. As of June 1, 2018, the Board regulated 2,855 barbers, 333 barber teachers, 868 barbershops and 78 barber schools. Most of the 868 barbershops would be considered small businesses.

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposal to reduce required training by 400 hours for those who wish to offer only traditional barbering services may moderately increase the number of individuals who seek to work in the profession.

Effects on the Use and Value of Private Property

The proposal to reduce required training by 400 hours for those who wish to offer only traditional barbering services would moderately reduce costs and may encourage some individuals to open a barbershop offering only traditional barbering services.

² Chapter 231 states that "The Board shall issue a license to practice as a master barber in the Commonwealth to:
"1. An individual who holds a valid, unexpired license as a barber issued by the Board prior to December 8, 2017;
..."

Real Estate Development Costs

The proposed amendments do not affect real estate development costs.

Small Businesses:

Definition

Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

Costs and Other Effects

The proposed regulation would moderately reduce costs for individuals who wish to open a barbershop offering only traditional barbering services.

Alternative Method that Minimizes Adverse Impact

The proposed amendments do not adversely affect small businesses.

Adverse Impacts:

Businesses:

The proposed amendments do not adversely affect businesses.

Localities:

The proposed amendments do not adversely affect localities.

Other Entities:

The proposed amendments do not adversely affect other entities.

Legal Mandates

General: The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 14 (18), as amended. Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Adverse impacts: Pursuant to Code § 2.2-4007.04(C): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.