

Office of Regulatory Management

Economic Review Form

<b>Agency name</b>	Board for Barbers and Cosmetology
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	18 VAC 41-20 18 VAC 41-70
<b>VAC Chapter title(s)</b>	Barbers and Cosmetology Regulations (18 VAC 41-20) Esthetics Regulations (18 VAC 41-70)
<b>Action title</b>	Temporary License Extension
<b>Date this document prepared</b>	March 26, 2024 (revised May 28, 2024)
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	Fast-Track Regulation (Action 6451 / Stage 10311)

**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 &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<p>This regulatory change extends the period for a temporary license for barbers, master barbers, cosmetologists, nail technicians, wax technicians, estheticians, and master estheticians. Under the current regulations, an applicant for licensure may receive a temporary license for 45 days that allows the applicant to practice while waiting to take and pass the license examination. This action extends the period of a temporary license to 90 days. Temporary licenses are issued at no additional charge to an applicant. Temporary licenses cannot be renewed.</p> <p>This action also eliminates the current requirement for applicants to schedule an examination date in order to qualify for a temporary license. Currently, applicants must schedule to take the license examination in order to receive a temporary license.</p> <p>Direct Costs: There are no new monetizable direct costs associated with this regulatory change.</p> <p>Indirect Costs: There are no new monetizable indirect costs as a result of the proposed change.</p> <p>Direct Benefits:</p> <ul style="list-style-type: none"> <li>• The median pay for barbers, hairstylists, and cosmetologists is \$33,400 per year. <ul style="list-style-type: none"> <li>○ On a monthly basis, median income for these professions is \$2,783 per month.</li> <li>○ A 45-day temporary license would allow an individual to earn approximately \$4,175.</li> <li>○ A 90-day temporary license would allow an individual to ear approximately \$8,349.</li> <li>○ A temporary license holder would be able to earn an additional \$4,174 during the term of the temporary license.</li> <li>○ On average, the Board issues approximately 250 temporary licenses per year.</li> <li>○ Additional income x number of temporary licenses: \$1,043,500.</li> </ul> </li> </ul> <p>Indirect Benefits:</p> <ul style="list-style-type: none"> <li>• As an industry practice, licensed professionals pay a salon a booth rental fee to practice in the salon.</li> <li>• The average booth rental fee is \$400 per month.</li> </ul>
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	<ul style="list-style-type: none"> <li>• During the term of a 45-day license, a salon would receive approximately \$600 in booth rental income.</li> <li>• During the term of a 90-day license, a salon would receive approximately \$1,200 in booth rental income, and would receive \$600 in additional income.</li> <li>• Additional booth rental income x number of temporary licenses: \$150,000.</li> </ul>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) 0	(b) \$5,217,500 (5 years)
(3) Net Monetized Benefit	\$5,217,500 (5 years)	
(4) Other Costs & Benefits (Non-Monetized)	<p>Costs: There are no new non-monetizable direct or indirect costs associated with this regulatory change.</p> <p>Benefits:</p> <ul style="list-style-type: none"> <li>• The proposed change will reduce the amount of time applicants must wait in order to receive a temporary license because applicants will no longer be required to schedule an examination date before receiving the temporary license.</li> </ul>	
(5) Information Sources	<p>The US Bureau of Labor Statistics provided information on the median pay for barbers, hairstylists, and cosmetologists.</p> <p><a href="https://www.bls.gov/ooh/personal-care-and-service/barbers-hairstylists-and-cosmetologists.htm">https://www.bls.gov/ooh/personal-care-and-service/barbers-hairstylists-and-cosmetologists.htm</a></p> <p>Salon booth rental information was obtained from GlossGenius.com</p> <p><a href="https://glossgenius.com/blog/how-much-is-booth-rent-at-a-salon">https://glossgenius.com/blog/how-much-is-booth-rent-at-a-salon</a></p> <p>Additional information provided by Board for Barbers and Cosmetology program staff.</p>	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: There are no new monetizable costs associated with maintaining the status quo.</p> <p>Indirect Costs: There are no new monetizable indirect costs associated with maintaining the status quo.</p>
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	<p>Direct Benefits: There are no new monetizable benefits associated with maintaining the status quo.</p> <p>Indirect Benefits: There are no new 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)		
(5) Information Sources		

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

(1) Direct & Indirect Costs & Benefits (Monetized)	There are no additional alternatives discussed by the Board. 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 less intrusive or less costly alternatives to achieve the purpose of the regulatory change were identified.	
(5) Information Sources		

**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.

**Table 2: Impact on Local Partners**

(1) Direct & Indirect Costs & Benefits (Monetized)	N/A- 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)	<p>The proposed change is not anticipated to impose any direct or indirect costs on local partners.</p> <p>The proposed change is not anticipated to create any direct or indirect benefits to local partners.</p>	
(4) Assistance		
(5) Information Sources		

**Impacts on Families**

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

**Table 3: Impact on Families**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: There are no direct costs that will impact families.</p> <p>Indirect Costs: There are no indirect costs that will impact families.</p> <p>Direct Benefits: There are no direct benefits that will impact families.</p> <p>Indirect Benefits: There are no indirect benefits that will impact families.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	There are no anticipated direct or indirect costs to families. There are no anticipated direct or indirect benefits to families.	
(4) Information Sources		

**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)	<p>Direct Costs: There are no direct costs that will impact small businesses.</p> <p>Indirect Costs: There are no indirect costs that will impact small businesses.</p> <p>Direct Benefits: There are no direct benefits that will impact small businesses.</p> <p>Indirect Benefits: There are no indirect benefits that will impact small businesses.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	<p>Temporary licenses are issued to individuals and not business entities. However, shops and salons where licensed professionals operate are business entities. Many of these business entities would likely meet the definition of “small business” in § 2.2-4007.1 of the Code of Virginia.</p> <p>The costs and benefits of this regulatory change are identified in Table 1(a). To the extent that additional costs are assumed by small business entities, this regulatory change would impact small businesses.</p>	
(4) Alternatives	No less intrusive or less costly alternatives to achieve the purpose of the regulatory change were identified.	

(5) Information Sources	
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## 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
20-90	(M/A):	0	0	0	0
	(D/A):	4	0	0	0
	(M/R):	0	0	0	0
	(D/R):	5	0	1	-1
70-70	(M/A):	0	0	0	0
	(D/A):	4	0	0	0
	(M/R):	0	0	0	0
	(D/R):	5	0	1	-1
<b>Grand Total of Changes in Requirements:</b>					(M/A): 0 (D/A): 0 (M/R): 0 (D/R): -2

**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
N/A	N/A	N/A	N/A	N/A

### *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
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20-90	<p>1. Extends the period of a temporary license from 45 days to 90 days.</p> <p>2. Eliminates the requirement for an applicant to schedule an examination date in order to receive a temporary license.</p>	<p>1. Doubles the amount of days an individual may practice in the profession prior to taking and passing the examination.</p> <p>2. Reduces the amount of time an applicant must wait in order to receive a temporary license after making application to the Board.</p>
70-70	<p>1. Extends the period of a temporary license from 45 days to 90 days.</p> <p>2. Eliminates the requirement for an applicant to schedule an examination date in order to receive a temporary license.</p>	<p>1. Doubles the number of days an individual may practice in the profession prior to taking and passing the examination.</p> <p>2. Reduces the amount of time an applicant must wait in order to receive a temporary license after making application to the Board.</p>

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

<b>Title of Guidance Document</b>	<b>Original Length</b>	<b>New Length</b>	<b>Net Change in Length</b>
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).