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## Exempt Action Final Regulation Agency Background Document

<b>Agency name</b>	Board for Barbers and Cosmetology
<b>Virginia Administrative Code (VAC) citation(s)</b>	18 VAC 41-20 18 VAC 41-40 18 VAC 41-50 18 VAC 41-60 18 VAC 41-70
<b>Regulation title(s)</b>	Barbering and Cosmetology Regulations Wax Technician Regulations Tattooing Regulations Body-Piercing Regulations Esthetics Regulations
<b>Action title</b>	Fee Reduction
<b>Final agency action date</b>	May 9, 2016
<b>Date this document prepared</b>	July 6, 2016

When a regulatory action is exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the Virginia Administrative Process Act (APA) or an agency's basic statute, the agency is not required, however, is encouraged to provide information to the public on the Regulatory Town Hall using this form. Note: While posting this form on the Town Hall is optional, the agency must comply with requirements of the Virginia Register Act, Executive Orders 17 (2014) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

### Brief summary

*Please provide a brief summary of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.*

The Board for Barbers and Cosmetology has adopted a temporary reduction in application, renewal, and reinstatement fees for all licenses on or before August 31, 2018, in order to reduce an accumulated

surplus in its budget and to be in compliance with the Callahan Act. At the close of each biennium, the Department of Professional and Occupational Regulation is required by Section 54.1-113 of the Code of Virginia (Callahan Act) to review each board’s financial position to determine whether fees need to be adjusted to ensure that revenues are sufficient, but not excessive, to cover the board’s operating expenses. The Board for Barbers and Cosmetology fees were last decreased on March 1, 2014 and the Board has completed a full renewal cycle with these fees in place. At the close of the 2014-2016 biennium, it is projected the Board will have accumulated a cash balance of \$7,933,000 with a Callahan Act position of 102%. Current fees will continue to produce revenue and cash balances that are greater than necessary to cover the Board’s operating expenses for the foreseeable future. Reductions in fees are needed to bring revenues and cash balances to an appropriate amount, allowing the Board to gradually begin using its accumulated cash to support ongoing operations, and will result in a gradual decrease in the Board’s cash balance and Callahan Act position.

**Fee Structure**

<u>Fee Type</u>		<u>Current Fees</u>	<u>Fees September 1, 2016 to August 31, 2018</u>
Application	Individual	105	75
License App. by Endorsement	Individual	105	75
Renewal	Individual	105	75
Reinstatement	Individual	105	75
Application	Instructor	125	100
License App. by Endorsement	Instructor	125	100
Renewal	Instructor	150	100
Reinstatement	Instructor	150	100
Application	Facility	190	130
Renewal	Facility	190	130
Reinstatement	Facility	190	130
Application	School	220	140
Add Program	School	100	100
Renewal	School	220	140
Reinstatement	School	220	140

This action is exempt from the Virginia Administrative Process Act in § 2.2-4006 A 6: “Regulations of the regulatory boards served by (i) the Department of Labor and Industry pursuant to Title 40.1 and (ii) the Department of Professional and Occupational Regulation or the Department of Health Professions pursuant to Title 54.1 that are limited to reducing fees charged to regulants and applicants.”

**Statement of final agency action**

*Please provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.*

The Board for Barbers and Cosmetology authorized an exempt action for the Barbering and Cosmetology Regulations, Wax Technician Regulations, Tattooing Regulations, Body-Piercing Regulations, and Esthetics Regulations on May 9, 2016.

### Family impact

*Please assess the impact of this regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.*

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- 1) The proposed regulations will have no impact on the authority and rights of parents in the education, nurturing, and supervision of their children.
  - 2) The proposed regulations should encourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents through easier access into the profession and lower costs of maintain the license. The proposed amendments should make entering and engaging in the regulated professions more easily understood for individuals and businesses.
  - 3) The proposed regulations will have no impact on marital commitment.
  - 4) The proposed regulations should increase disposable family income.