

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6528

BILL NUMBER: HB 1135

NOTE PREPARED: Feb 22, 2024

BILL AMENDED: Feb 22, 2024

SUBJECT: Cosmetology Apprenticeships.

FIRST AUTHOR: Rep. Wesco

FIRST SPONSOR: Sen. Rogers

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Apprenticeship Program*– The bill establishes a cosmetology apprenticeship program (program). The bill sets certain requirements for cosmetologists offering a program and apprentice cosmetologists enrolled in the program.

Taking Examination– The bill provides that an individual who completes a United States Department of Labor registered apprenticeship program to practice cosmetology may take the cosmetologist licensure examination and, upon passage of the examination, practice as a cosmetologist.

Instructor License– The bill requires an applicant for a beauty culture instructor license to state that the applicant has completed at least 100 hours of methodology, but provides that the applicant is not required to complete any methodology in excess of 100 hours.

Effective Date: July 1, 2024.

Explanation of State Expenditures: *Apprenticeship Program*– Based on current wage levels of existing Professional Licensing Agency (PLA) staff it is estimated that the establishment of the certificate of registration (COR) would require between \$36,300 and \$72,600 in existing staff costs (the bill does not provide an appropriation to hire any additional PLA staff). The estimate assumes that any action needed by the state Board of Cosmetology and Barber Examiners (Board) to establish the COR could be accomplished within a regularly scheduled meeting of the board. It is likely that the cost for establishing the proposed COR would be significantly less than the cost for an entirely new licensed profession since cosmetology is already a licensed profession with an established board, and since PLA staff is already assigned to administer the licensing of that profession.

(Revised) *Taking Examination*– The PLA would likely need to update forms, information, and rules to implement this requirement. This can be accomplished within the PLA’s existing staffing and resource levels.

Instructor License– The Board may need to meet to approve a methodology test and the PLA may need to update applicants and license holders on the changes the bill makes to the methodology requirements. It is likely the Board and the PLA would be able to accomplish this provision as a matter of routine business.

Explanation of State Revenues: *Apprenticeship Program*– Research into similar existing professional apprentice or intern certificates yielded an average fee of \$21. If a \$20 fee were established for the proposed COR, there would be a need for 1,700 to 3,500 persons to apply for an apprentice cosmetologist COR in the first biennium of establishment in order to meet the estimated cost to develop the COR. Cosmetology COR’s would be valid for two years after issuance. Revenue from the COR would be deposited into the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Professional Licensing Agency; Board of Cosmetology and Barber Examiners.

Local Agencies Affected:

Information Sources: Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2023; PLA license search and verify tool; LSA’s PLA License Cost Estimator Model, FY 2024.

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