

OHIO STATE BOARD OF COSMETOLOGY
LICENSING BRANCHES OF COSMETOLOGY SALONS, INDIVIDUALS,
AND
TANNING FACILITIES



FY 2016
ANNUAL REPORT

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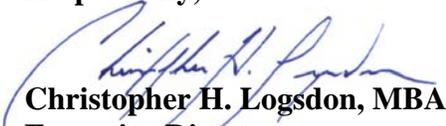
EXECUTIVE SUMMARY

Pursuant to Section 4713.07 (D) of the Ohio Revised Code, the Ohio State Board of Cosmetology (hereafter referred to as “the Board”) is required to file an annual report to the Governor. The annual report, by law, must discuss the current condition of branches of Cosmetology in Ohio, a summary of the Board’s proceedings during the prior year, and the revenue collected. Although the statute only requires the Board to report on these elements, the Board believes the annual report is an opportunity to present the Board’s achievements in the prior year and its strategic goals for the future.

The Board’s annual report strives to inform the Governor and the public of all its activities and actions taken during the prior year. The report is written to cover all aspects of the Board’s operations: regulatory, financial, and judicial. The Board is committed to full public disclosure and accountability at all levels of operations.

On behalf of the Ohio State Board of Cosmetology, I would like to thank the Office of the Governor and the citizens of Ohio for allowing us to serve them.

Respectfully,



Christopher H. Logsdon, MBA
Executive Director

LETTER TO THE GOVERNOR AND OHIO GENERAL ASSEMBLY

Dear Governor Kasich:

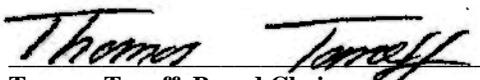
On behalf of the Ohio State Board of Cosmetology, it is my pleasure to submit our annual report for Fiscal Year 2016. This report reflects the efforts made by the Ohio State Board of Cosmetology to ensure that all persons offering cosmetology services, regardless of what branch of cosmetology is practiced, all salons and tanning facilities, and all cosmetology educational programs are properly qualified to provide these services to the citizens of Ohio. This report also summarizes the licensure and enforcement activities undertaken during fiscal year 2016, demonstrating the Ohio State Board of Cosmetology's important influence on providing safe beauty and hair services to Ohioans. This report will provide information about the cosmetology industry in Ohio, our methods of operation, the accomplishments, actions of the agency, and the dedication of the Board members and its staff on meeting the legislative mandates of Chapter 4713. of the Ohio Revised Code. Finally, this report establishes the future goals of the Board and provides suggestions for improving the cosmetology industry in Ohio.

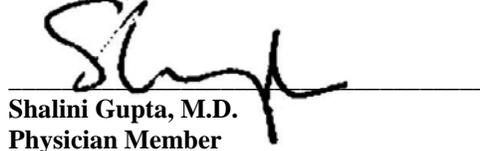
The Ohio State Board of Cosmetology would like to thank you for supporting a budget that allows the Board to meet its legislative objectives and address the many challenges faced by Ohio State Board of Cosmetology to protect the safety and welfare of Ohioans through effective regulation of this industry.

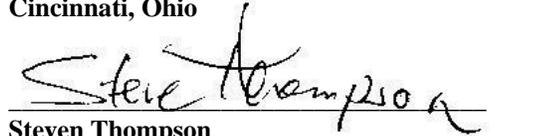
Respectfully submitted,


Tommy Taneff, Chairperson
Ohio State Board of Cosmetology

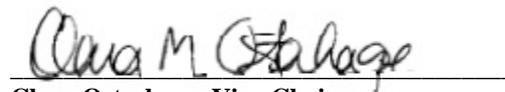
Board Members

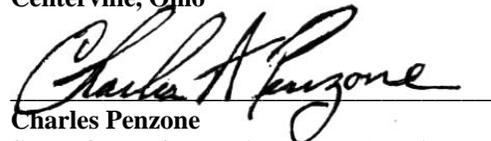

Tommy Taneff, Board Chairperson
Public Member
Columbus, Ohio

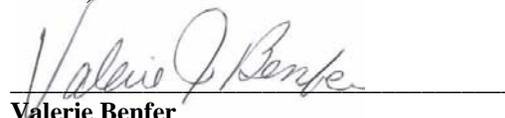

Shalini Gupta, M.D.
Physician Member
Cincinnati, Ohio

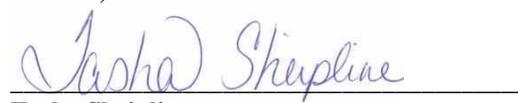

Steven Thompson
Independent Contractor/Salon Owner Member
Centerville, Ohio


Luke Hanks,
Cosmetology School Owner
Plain City, Ohio

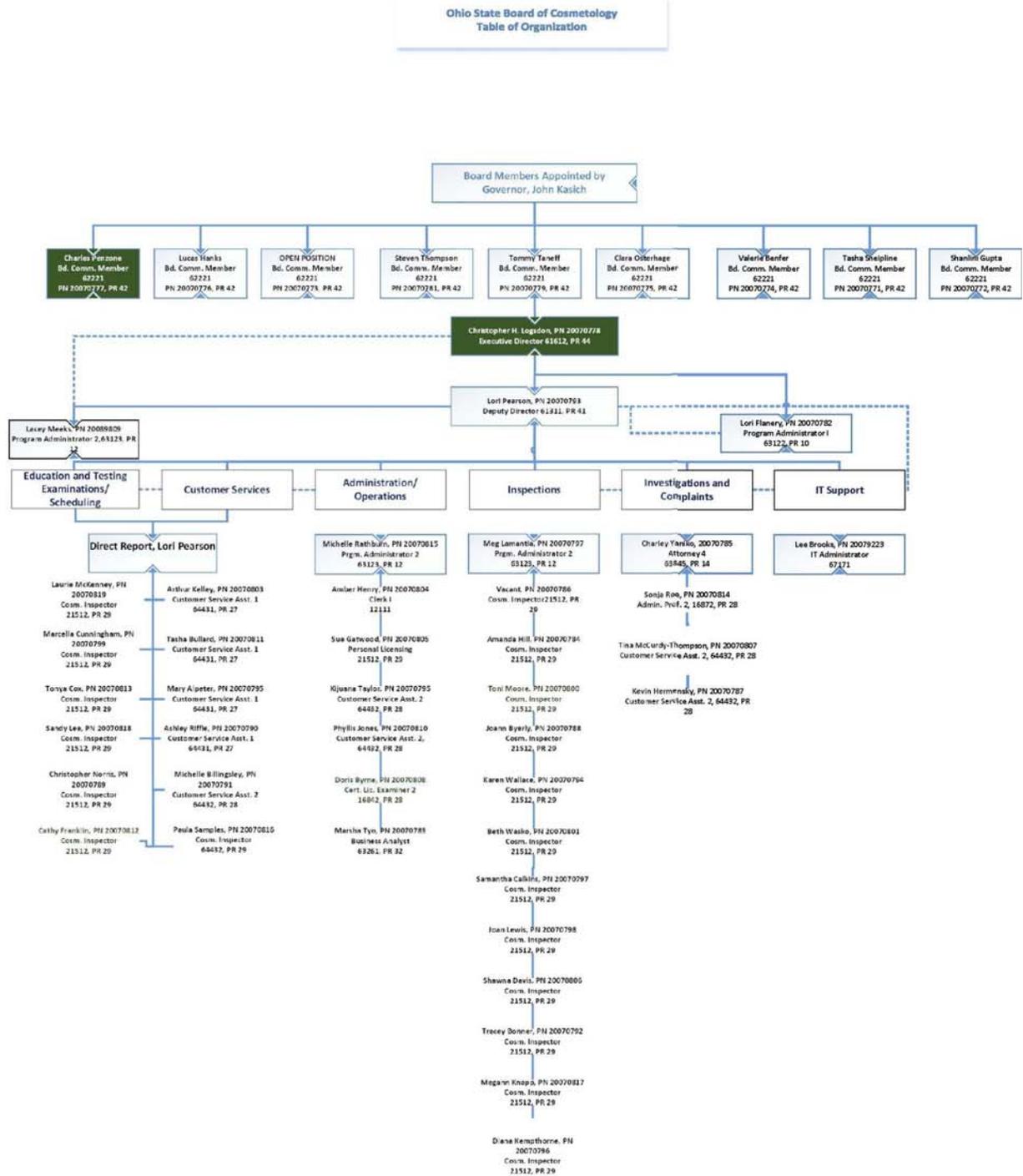

Clara Osterhage, Vice-Chairperson,
Salon Owner Member
Centerville, Ohio


Charles Penzone
Salon Owner/Managing Cosmetologist
Powell, Ohio


Valerie Benfer
Salon Manager/Managing Cosmetologist
Willard, Ohio


Tasha Shepline
Cosmetology Instructor
Wapakoneta, Ohio

BOARD ORGANIZATION



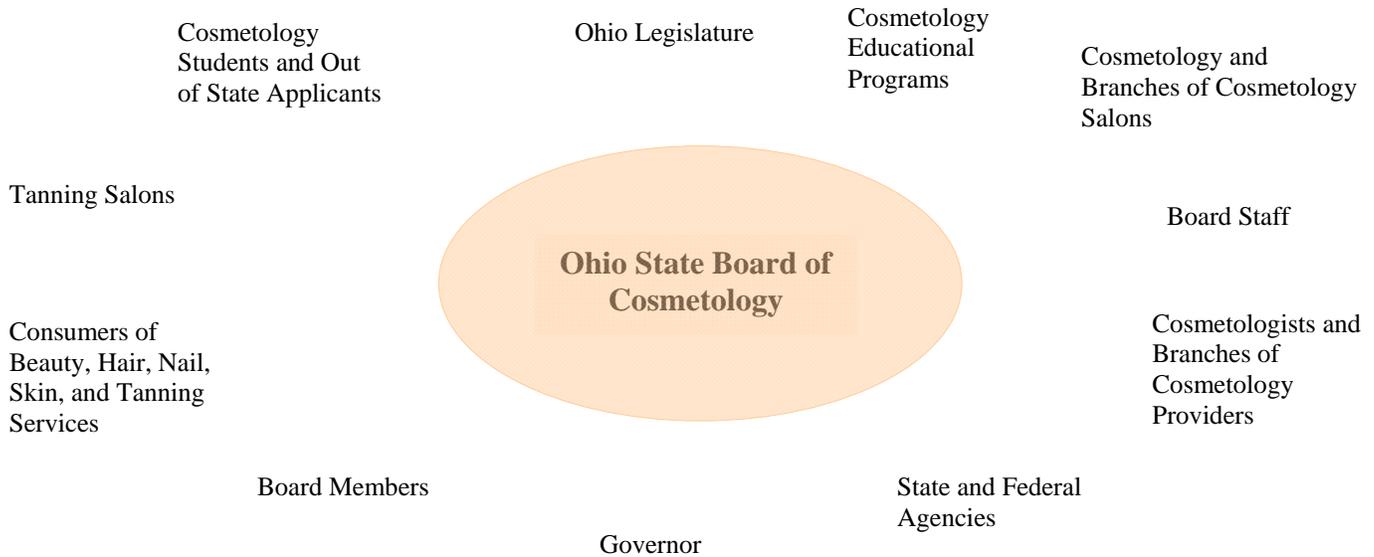
MISSION STATEMENT

The mission of the Ohio State Board of Cosmetology is to protect and support the public through regulation and education while promoting the integrity of the industry.

VISION STATEMENT

Leading the industry and elevating the professional standards in the art and science of cosmetology.

STAKEHOLDERS



BOARD BACKGROUND, AUTHORITY AND FUNCTIONS

- The Board

The Ohio State Board of Cosmetology was established in 1934 under Chapter 4713 of the Ohio Revised Code. The Board is composed of nine members who are appointed by the Governor, with the advice and consent of the Ohio Senate. The Board is a diverse group of persons, geographically representative of the Cosmetology industry, Cosmetology Educational programs, Cosmetology Salons, Medical Practice, and the public. The composition of the Board is as follows:

- (1) **One person holding a current, valid cosmetologist, managing cosmetologist, or cosmetology instructor license at the time of appointment;**
- (2) **Two persons holding current, valid managing cosmetologist licenses and actively engaged in managing beauty salons at the time of appointment;**
- (3) **One person who holds a current, valid independent contractor license at the time of appointment or the owner or manager of a licensed salon in which at least one person holding a current, valid independent contractor license practices a branch of cosmetology;**
- (4) **One person who represents individuals who teach the theory and practice of a branch of cosmetology at a vocational school;**

- (5) **One owner of a licensed school of cosmetology;**
- (6) **One owner of at least five licensed salons;**
- (7) **One person who is either a certified nurse practitioner or clinical nurse specialist holding a certificate of authority issued under Chapter 4723. of the Revised Code, or a physician authorized under Chapter 4731. of the Revised Code to practice medicine and surgery or osteopathic medicine and surgery;**
- (8) **One person representing the general public.**

No more than two members, at any time, shall be graduates of the same school of cosmetology. Each member serves a five-year term. Members are paid for each day employed in the discharge of official duties. All members are reimbursed according to state travel rules for travel expenses. The current membership is:

Name	Residence	Previous Appointments	Current Term Appointment	Current Term Expiration
Tommy Taneff , Chairperson Public Member	New Albany, Oh	May 5, 2006 – Oct. 31, 2008 Nov. 1, 2008 – Oct. 31, 2013	Nov. 4, 2013	Oct. 31, 2018
Steven Thompson Independent Contractor	Columbus, Oh	July 15, 2003 – Oct.31, 2006 Jan. 2, 2007 – Oct. 31, 2011	Jan. 6, 2012	Oct. 31, 2016
Clara M. Osterhage, Vice- Chair Owner- more than 5 salons	Dayton, Oh	Oct. 31, 2009 – Oct. 31, 2014	Dec. 4 , 2014	Oct. 31, 2019
Charles A. Penzone Managing Cosmetologist	Delaware, Oh	Dec. 6, 1994 – Oct. 31, 1999 Nov. 18, 1999 – Oct. 31,2004 Nov. 15, 2004 –Oct. 31, 2009	Jan. 24, 2013	Oct. 31, 2017
Luke Hanks Private School Owner	Plain City, Oh		Jan. 24, 2013	Oct. 31, 2017
Tasha L. Sheipline Career Tech School Rep	Wapakoneta, Oh		March 15, 2013	Oct. 31, 2017
Shalini Gupta M.D. Physician Member	Cincinnati, Oh		May2, 2013	Oct. 31, 2017
Valerie Benfer Salon Owner	Willard, Oh	Nov. 23,1998 – Oct. 31, 2003 Nov. 7, 2003 – Oct. 31, 2008	Jan. 4, 2012	Oct. 31, 2016

The Ohio State Board of Cosmetology meets on a monthly basis. In addition to regular board meetings, the Board has established several committees to improve efficiency and focus the board to address specific actions and recommendations. Among these are:

1. **Curriculum Review Committee – The Curriculum Review Committee is tasked with reviewing each of the educational program courses required for cosmetology and each branch of cosmetology. Educational curriculums are reviewed to assure the programs provide the coursework necessary for students to take and pass the entry-level competency examination for each type of license issued by the Board. The Committee recommends the new curriculums to the Board for approval.**
2. **License Taskforce Committee – The License Taskforce is responsible for reviewing the rules and regulations that affect licensing of the cosmetology industry and branches of cosmetology. Currently, the Committee is considering regulatory changes to improve licensing portability.**
3. **Administrative Review Committee – the Administrative Review Committee is staffed by one Board member who works with staff and legal counsel to review complaints and investigations. The Administrative Review Committee is charged with determining if the findings of an investigation warrant the issuance of a Notice of Opportunity for Hearing or if the matter should be dismissed as non-jurisdictional to the agency’s**

authority or unfounded. Additionally, the Administrative Review Committee routinely reviews settlement agreement conditions, proposed Notices of Opportunity for Hearing to determine if the inspection report findings correlate to violations alleged in the notice, and other actions taken by the Board.

4. **Rules Review Committee** – the Rules Review Committee is tasked with meeting with staff to consider new, amended, or proposed rescinded rules. The committee may accept, reject, or modify staff recommendations and propose rules to the full Board for consideration. The process results in an efficient review that streamlines drafting processes and results in rules that are better formulated.

- Function

The Ohio State Board of Cosmetology is a multi-dimensional agency that is responsible for the licensing of individuals engaged in providing cosmetology services or branches of cosmetology services (e.g. Manicuring, Esthetics, Hair design, and Natural Hair Styling). The Board also licenses salons engaged in the retail cosmetology services and/or branch of cosmetology services and in addition, tanning services. The Board is responsible for the licensure of educational programs designed to prepare persons for careers in the cosmetology arts or branches of cosmetology.

In addition to its licensing duties, the Board routinely inspects businesses engaged in the provision of cosmetology services, branches of cosmetology, and tanning facilities. Inspectors issue reports in real-time using a web-based inspection system. Violations are noted and salons/tanning facilities are required to post their inspection findings in a conspicuous place that is accessible to the public. Inspectors may issue a warning for some violations, based upon guidance established by the Board that takes into consideration the criticality of the violation. Other findings may result in the issuance of a formal Notice of Opportunity for Hearing issued under Chapter 119 of the Ohio Revised Code. Additionally, the Board also receives and processes complaints from the public. Complaints may result in a formal investigation or follow-up inspection depending upon the nature of the complaint. An investigation may also lead to the issuance of a formal Notice of Opportunity for Hearing issued under Chapter 119 of the Ohio Revised Code. In all respects, persons (including individuals, salons, schools, or tanning facilities) alleged to have committed a violation of Chapter 4713 of the Ohio Revised Code, or rules thereunder, are afforded an opportunity to be heard under the provisions of law.

Following an adjudication hearing held pursuant to Chapter 119 of the Revised Code, the Board may take action against a licensed cosmetologist, manicurist, esthetician, hair designer, or natural hair stylist, related salon, schools, and/or tanning facility licensed by the Board. Within the parameters of the law, the Board may deny a license, suspend, or revoke a license. Additionally, the Board may also levy fines.

If a person or facility is found practicing without a license or permit, the Board may seek an injunction or appropriate restraining order for such practice in the county where the violation occurred. The Office of the Ohio Attorney General, upon the Board's request, may pursue appropriate relief through the court of common pleas in the county in which the violation occurred.

Official actions of the Board are journalized in the minutes of each meeting. In FY 2016, the Board held eleven regular meetings and one special meeting. Board meeting minutes are available to the public by mail, electronic mail, and a full year or more of minutes are maintained on the Board's website. The Board disseminates information concerning its activities, forms, notices, and Board member profiles on its state webpage: www.cos.ohio.gov.

- Funding

The Board is self-sustained through fees generated from applications for initial licensure, renewal fees, fines, and other miscellaneous sources. Most of the Board's fees are deposited into the Occupational and Professional Licensing Fund (called the "4K9" fund) consisting of revenue from twenty-seven commissions and professional licensing boards. Persons restoring an expired license are required to submit a lapsed license fee, which shall be deposited to the General Revenue Fund. Each agency in the fund is required to generate sufficient revenue to meet its own expenses. Although the 4K9 fund serves as the funding source for the Board, it is not a rotary fund and the Board is funded through the standard biennial budget process. Hence, the Ohio General Assembly establishes the Board's biennial budget. Each year, the Board reviews licensure fees and budget requirements to determine if fee adjustments are necessary.

- Staffing

The Board employs 38 full time staff and one intermittent staff to complete the work of the Board. The staff consists of one Executive Director 1.0 FTE, six exempt Supervisory/Administrative staff 6.0 FTE, four Customer Service staff 4.0 FTE, five Examiners 5.0 FTE, eleven field Inspectors 11.0 FTE, three Administrative Action staff 3.0 FTE, and eight administrative/fiscal staff 8.0 FTE. The office is located at 1929 Gateway Circle, Grove City, Ohio. The agency business hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday.

FY 2016 PROGRAM HIGHLIGHTS AND STATISTICS

Board Meetings

In order to conduct business, the Board must meet on a regular basis in an open, public meeting.

The Ohio State Board of Cosmetology met on the following dates in fiscal year 2016:

- July 14, 2015
- August 11, 2015
- September 8, 2015
- October 13, 2015
- November 10, 2015
- December 8, 2015
- February 8, 2016
- March 8, 2016
- April 12, 2016
- May 10, 2016
- June 14, 2016

- **June 23, 2016 (Special Board Meeting)**

In fiscal year 2016, the Board was able to conduct its business during one-day meetings. Meeting dates are posted on the Board’s website and meeting notices and agendas are posted no less than five days prior to a scheduled meeting. Following Board approval at each meeting, the minutes are posted to the agency’s website for public review. Like most meetings, the Board’s business agenda follows a regular process that includes approval of prior meeting minutes, officer, and staff reports, committee meeting reports, new business, and old business. As required, the Board must also address administrative matters under Chapter 119 of the Revised Code, including administrative disciplinary hearings.

One special meeting was scheduled in FY 2016. In June 2016, Sub. S.B. 213 was signed into law, requiring a significant review and updating of the agency’s administrative rule, office procedures, and forms. Additionally, Sub. S.B. 213

Summary of 2016 Board actions

- **July 2015:**

- **The Board’s License Taskforce reported the group was looking into methods to satisfy the legal requirements for conspicuous display of licenses while affording licensees an ability to accommodate portability between different places of employment. The Board adopted a revised Violation Guidance manual, emphasizing the revisions were based upon sensible outcomes for violations of the laws and rules that regulate the cosmetology industry in Ohio.**
- **The Board moved to promote an Administrative Supervisor to Deputy Director.**

- **August 2015:**

- **Tanning consent rules in compliance with H.B. 131 were filed with the Joint Committee on Agency Rules Review. The Board approved a policy on addressing unlicensed practice to bring salons and persons into compliance with Ohio law.**
- **The Board hired an Inspector to fill a vacant opening.**

- **In September 2015:**

- **The Board was provided a summary of the annual Private School overview, held at the Ohio Bureau of Motor Vehicles. Additionally, the Board was provided an update of staff training on the agency’s new Violation Guidance Matrix.**
- **An update on the agency’s examination updates was provided, which stipulated the agency completed a full revision of the basic cosmetology examination. The next examination build, staff reported, was the basic esthetician examination.**
- **The Board presented a review of the U.S. Department of the Treasury Office of Economic Policy, the Council of Economic Advisers, and the Department of Labor’s “Occupational Licensing: A Framework for Policymakers” report.**

- **In October 2015:**

- **The Board review, amended, and adopted the FY 2015 Annual Report.**
- **The Board adopted a new asset management policy.**
- **The Board reviewed and revised thirty-nine rules and approved posting the rules for public stakeholder input.**

- The Board adopted an Investigation/Inspection policy manual.
- **In November 2015:**
 - The Board moved to file thirty-nine rules with the Office of Common Sense Initiative and the Joint Committee on Agency Rules Review pending a recommendation from the Office of Common Sense Initiative.
- **In December 2015:**
 - The Board moved to file rule 4713-8-08 with the Office of Common Sense Initiative and the Joint Committee on Agency Rules Review pending a recommendation from the Office of Common Sense Initiative.
 - The Board heard a presentation by Bob Reichardt, from Salon Institute requesting the Board consider revising the training curriculum to include teaching business skills, in addition to technical skills.
- **In February 2016:**
 - The Board elected Thomas Taneff as Chairperson for the Board and Clara Osterhage to the position of Vice-Chairperson.
 - The Board moved to re-appoint the current Executive Director.
 - The Board appointed members to the Administrative Review Committee, the Rules Committee, and the Curriculum Review Committee.
 - The Board adopted five revised application forms.
 - The Board adopted a policy of per-diem compensation pursuant to ORC 4713.02 (C) of the Revised Code.
 - The Board moved to have the Executive Director attend the all-hands meeting for the National Interstate Council of State Boards of Cosmetology.
- **In March 2016:**
 - The Board was informed that the Executive Director testified before the Ohio Sunset Review Committee concerning a recommendation to combine the Ohio State Board of Cosmetology and the Ohio State Barbers Board.
 - The Board moved to file three rules for posting for stakeholder input and then filing with the Office of Common Sense Initiative and the Joint Committee on Agency Rules Review.
- **In April 2016:**
 - The Board approved four revised forms and templates for processing licensure.
 - The Board adopted five guiding policy decisions for consideration while building the new electronic licensing system, including: transparent license look-up features that would allow viewing of agency orders, developing a process to accept electronic signatures on field inspection reports, requiring mandatory on-line renewal applications, instituting a status change grace period for fee processing, and instituting a renewal waiver period for initial licensees that become licensed within 120 days of the next renewal date.
 - The Board adopted a revised Violation Guidance Matrix.
 - The Board moved to require floor plans with initial applications for residential-based salons.
 - The Board moved to approve the Executive Director's performance review.

- **In May 2016:**
 - **The Board heard a presentation from Dr. Iams, Ohio Collaborative to Prevent Infant Mortality. Following the presentation, the Board moved to approve explorative cooperation with the Ohio Collaborative to Prevent Infant Mortality.**
 - **The Board moved to approve amendments to proposed rules OAC 4713-7-01, 4713-7-11, and 4713-8-08.**
 - **The Board moved to direct staff to determine the feasibility of group scheduling as a feature in the new elicensing system.**

- **In June 2016:**
 - **The Executive Director reported that Sub. S.B. 213 was enacted on June 13, 2016.**
 - **The Board adopted a tentative implementation plan for Sub. S.B. 213.**
 - **The Board adopted a resolution to direct the Executive Director of the Ohio State Board of Cosmetology to draft rules and/or procedures on: (1) the recognition of currently approved Manager’s training program curriculums as being changed to be Advanced Practice training curriculums pursuant to Sub. S.B. 213; (2) the recognition of hours earned while currently enrolled in an approved Manager’s program on or before the effective date of Sub. S.B. 213 for continuance into an approved Advanced Practice training program; (3) the recognition of hours earned in a Manager’s program prior to the effective date of Sub. S.B. 213 that are less than five years old for continuance into an approved Advanced Practice training program; and (4) the recognition of Manager’s training and the associated hours completed prior to the effective date of Sub. S.B. 213 from an approved Manager’s training curriculum as being eligible for an Advanced Practice Examination.**
 - **The Board adopted a resolution to direct the Executive Director of the Ohio State Board of Cosmetology to issue an Advanced Practice license pursuant to Section 3 of Sub. S.B. 213 to individuals holding a valid managing license for the level of licensure obtained by the individual prior to the effective date of the Act.**

Education

The Ohio State Board of Cosmetology is responsible for licensing private or career technical educational programs that offer training in cosmetology or branches of cosmetology. Schools in Ohio offer training in Cosmetology, Manicuring, Esthetics, Hair design, and Natural Hair Styling.

The Ohio State Board of Cosmetology is responsible for the licensing of educational programs offering education in cosmetology or branches of cosmetology in the State of Ohio. Three distinct types of schools offer educational programs: Adult Education – Career Technical Schools, Career Technical Schools, and Private Schools.

Career Technical Schools are affiliated with the Public School system offering a comprehensive approach in completing both primary education requirements and training in technical theory and practical skills in cosmetology or branches of cosmetology. Adult Education through a Career Technical School, on the other hand, is offered by the Career

Technical School as an afterhours program for adult learners returning to increase their skills in a particular career track, specifically, cosmetology or branches of cosmetology.

Private Schools are proprietary systems offering to provide education and training in technical theory and practical skills in cosmetology or branches of cosmetology. Most of these schools are accredited by the National Accrediting Commission of Cosmetology Arts and Science (NACCAS); however, accreditation is not a specific requirement under Ohio laws and rules.

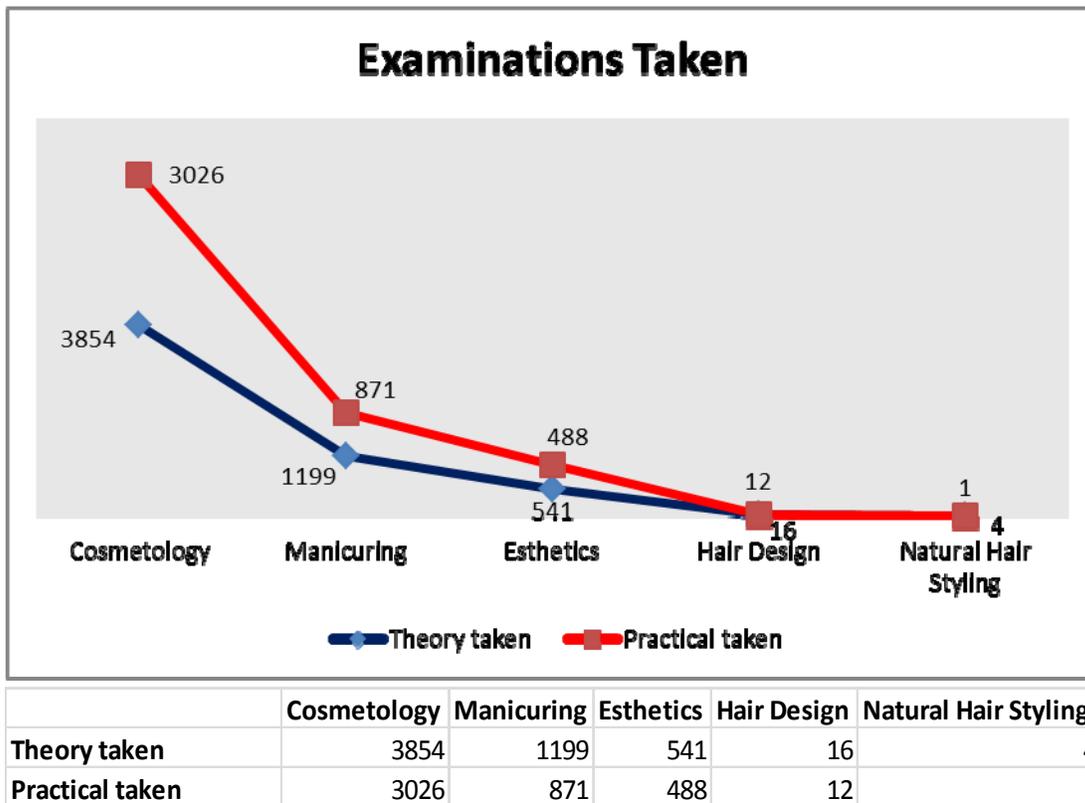
The Ohio State Board of Cosmetology currently licenses 89 Career Technical Schools, 19 Adult Education programs, and 84 Private Schools.

Programs taught include:

- (1) Cosmetology, which includes all branches of cosmetology.
- (2) Esthetics, which includes the application of cosmetics, tonics, antiseptics, creams, lotions, or other preparations for the purpose of skin beautification and includes preparation of the skin by manual massage techniques or by use of electrical, mechanical, or other apparatus.
- (3) Hair design, which includes embellishing or beautifying hair, wigs, or hairpieces by arranging, dressing, pressing, curling, waving, permanent waving, cleansing, cutting, singeing, bleaching, coloring, braiding, weaving, or similar work. The practice of hair design also includes utilizing techniques performed by hand that result in tension on hair roots such as twisting, wrapping, weaving, extending, locking, or braiding of the hair.
- (4) Manicuring, which includes manicuring the nails of any person, applying artificial or sculptured nails to any person, massaging the hands and lower arms up to the elbow of any person, massaging the feet and lower legs up to the knee of any person, or any combination of these four types of services.
- (5) Natural hair styling includes utilizing techniques performed by hand that result in tension on hair roots such as twisting, wrapping, weaving, extending, locking, or braiding of the hair.

Examinations

The Ohio State Board of Cosmetology develops and administers examinations in cosmetology and each specialized branch of cosmetology. Candidates are scheduled for examination throughout the year, resulting in approximately 30 – 50 candidates taking examinations each day of the week. Two examinations are administered: (1) a computer-based theory examination that tests minimum competency on subject matter required to safely practice, and (2) a practical examination that tests hands-on technique used to competently render services, including applying infection control procedures. Upon completion and passing both the theory examination and practical examination, the Board issues a license on the same day the examinations were complete. This same day service allows licensees to enter their professional tracks immediately after successfully completing their competency examination for their intended careers. During FY 2016, the Board administered a total of 5614 theory-based examination and 4398 practical examination for cosmetology and specialized branches of cosmetology. The following represents the examinations scheduled and taken during FY 2016.



Additionally, the Board administered 3305 manager’s examinations, bringing the total examinations administered to 8919 theory and 4398 practical.

Over the past eighteen months, a major focus of the Board has been examination revisions and updates. A strategic review of each Board examination is being undertaken. So far, the cosmetology and esthetician examinations have been updated and fully implemented for licensees. The Board considers stakeholder input from schools and candidate test questions throughout the examination review process. On average, it takes approximately 6-8 months from starting with an examination to fully implementing the updated changes.

Licensure

The Ohio State Board of Cosmetology is responsible for licensing individuals engaged in providing cosmetology services or branches of cosmetology services (e.g. Manicuring, Esthetics, Hair design, and Natural Hair Styling). The Board also licenses salons engaged in the retail cosmetology services and/or branch of cosmetology services, schools, and tanning services.

2016 Licensing Activity

The Ohio State Board of Cosmetology is responsible for the issuance and management of a number of professional licenses. Three primary practice licenses are issued to provide services

in Cosmetology or any specific branch of cosmetology: Practice License, Manager’s License, and/or an Instructor’s License. Additionally, the Board issues Independent Contractor licenses to persons that rent booth space in salons.

Salon licenses are issued by the Board and are designated according to the scope of practice rendered: Cosmetology, Esthetics, Manicuring, Hair Design, and Natural Hair Styling. Additionally, the Ohio State Board of Cosmetology issues permits to Tanning Facilities. Tanning facilities, pursuant to provisions of law, must restrict access based upon the age of the person seeking to use the tanning services. Persons under the age of sixteen must have parental or legal guardian consent signed prior to each session attended and the parent or legal guardian must be present during the tanning session (see ORC 4713.50 (B)(3)). Persons older than sixteen, but less than eighteen years old must have parental or legal guardian consent signed every ninety days and Ohio law restricts the individual’s exposure. Persons older than eighteen are required to sign a consent form, but there are no limits on exposure. Consent forms developed by the Ohio State Board of Cosmetology clearly state the risk factors associated with tanning and skin exposure to radiation produced by light sources used in tanning systems.

Ohio State Board of Cosmetology FY16 end of Year Numbers						
Type of License	Renewal Cycle: Annual, Biennial...	FY 2015 Active	FY 2016 Active	FY 2016 New	FY 2016 Escrow	
COS Cosmetologist	Biennial	20,408	18,547	2,173	3,526	
COSI Cosmetologist Instructor	Biennial	4,293	3,929	272	714	
COSM Managing Cosmetologist	Biennial	49,531	47,639	1,864	4,546	
COSS Beauty Salon	Biennial	9,052	9,379	918	0	
EST Esthetician	Biennial	886	928	181	104	
ESTI Esthetician Instructor	Biennial	137	149	25	14	
ESTM Managing Esthetician	Biennial	2,936	3,187	376	212	
ESTS Esthetic Salon	Biennial	689	816	186	0	
HD Hair Designer	Biennial	136	152	26	15	
HDI Hair Designer Instructor	Biennial	4	6	2	0	
HDM Managing Hair Designer	Biennial	134	141	9	4	
HDS Hair Designer Salon	Biennial	318	328	35	0	
IC Independent Contractor	Biennial	17,994	20,303	1,857	0	
MAN Manicurist	Biennial	3,815	3,865	540	402	
MANI Manicurist Instructor	Biennial	166	172	25	24	
MANM Managing Manicurist	Biennial	7,947	8,045	465	521	
MANS Nail Salon	Biennial	1,159	1,272	224	0	
NHS Natural Hair Stylist	Biennial	3	6	3	0	
NHSI Natural Hair Stylist Instructor	Biennial	3	2	0	1	
NHSM Managing Natural Hair Stylist	Biennial	35	40	6	2	
NHSS Natural Hair Stylist Salon	Biennial	8	16	8	0	
SCHL Cosmetology School	Biennial	193	191	7	0	
TAN Tanning Facility	Biennial	1,291	1,265	139	0	
Totals		121,138	120,378	9,341	10,085	

The total active licenses maintained by the Board in FY 2016 amounts to 130,463 or a 7.2% increase over FY 2015. A breakdown of the active licenses as of June 30, 2016 for each discipline governed by the Board is as follows:

	FY 2015 Active	FY 2016 Active
■ Cosmetologist	74,232	78,901
■ Esthetician	3,959	4,594
■ Hair Designer	274	318
■ Manicurist	11,928	13,029
■ Natural Hair Stylist	41	51
■ Tanning	1,291	1,265
■ Schools	193	192
■ Independent Contractor	17,994	20,303
■ Salons	11,226	11,811

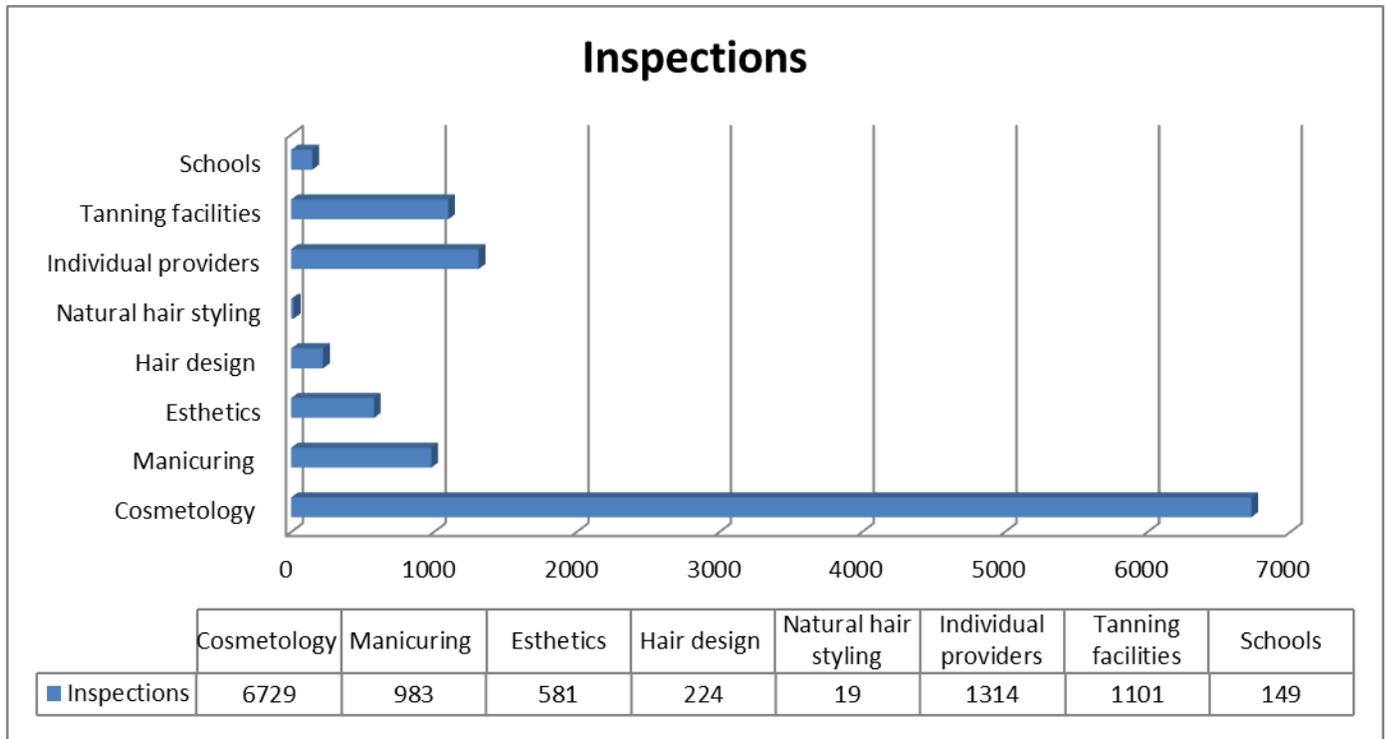
Inspections/Complaints/Administrative Action

The Ohio State Board of Cosmetology is authorized under ORC 4713 to inspect facilities licensed by the Board. Additionally, the Board may investigate complaints filed by consumers. Pursuant to the findings of inspections, the Board may impose disciplinary action against a licensed provider, salon, school, or tanning facility for violating standards of practice in the provision of services. Hearings are held in accordance with Section 119. of the Revised Code. Alternative settlement agreements (Consent Agreements) are regularly offered in lieu of hearing. Once approved by the Ohio State Board of Cosmetology, Settlement Agreements are entered upon the Board’s journal as an Order of the Board.

The Ohio State Board of Cosmetology employs one inspection supervisor who, under the supervision of the Executive Director, investigates complaints filed by consumers or salons in the state of Ohio. Additionally, the Ohio State Board of Cosmetology employs 12 field inspectors, who under the supervision of the Inspection Supervisor, conduct assigned and random inspections of cosmetology salons, branches of cosmetology salons (Manicuring salons, Esthetic salons, Hair Design salons, Natural Hair Styling salons), schools, and tanning facilities. Independent inspection findings can be issued directly to salons, independent contractors, and/or individual licensees or permit holders depending upon the inspection findings. Inspectors work from their home area and are assigned regional coverage areas. The three largest metropolitan areas are Cleveland, Columbus, and Cincinnati. On average, field inspectors completed approximately 927 inspections each during FY 2016. The

investigator is responsible for statewide coverage.

In FY 2016, field inspectors issued 11,125 inspection reports, representing 8536 salons visited (Cosmetology - 6729, Hair Design - 224, Esthetics - 581, Manicuring - 983, and Natural Hair Styling - 19), 1101 Tanning facilities, 149 Schools, and 1314 individual licensees (basic cosmetology and branches of cosmetology licensees, managers, and independent contractors). The Board issued 8622 approved (no violation) inspection reports. Additionally, the Board found 2445 violations of Ohio law or rule resulting in the issuance of 1,678 warnings and 767 violations. Inspectors also reported 1729 “no contact” inspections, meaning inspections were attempted but the facility was not open.



The Ohio State Board of Cosmetology has developed standard guidance for field inspection staff on the laws and rules regarding the conduct of business, maintenance of licensure, and compliance with infection control standards for all regulated areas under the agency’s jurisdiction. Since 2015, the Board’s standard guidance has been designed to consider the criticality of the violations found during an inspection. In many circumstances, the Board will issue a warning for activity and not violations that result in an administrative fines or other sanction. As a result, the Board’s total violations issued have actually decreased over the past two years. The following is a list of the top ten most violated standards in FY 2016.

	Violation Type	FY 2016 Issued
1.	OAC 4713-15-03 Use of inactive disinfectants due to contamination; failure to sanitize non-porous implements; or failure to discard porous implements after use	114
2.	ORC 4713.14 (J) Operating a salon without a current, valid license.	98
3.	ORC 4713.14 (I) Practicing a branch of cosmetology at a salon, in which a person rents booth space, without a current, valid independent contractor license.	86

4.	ORC 4713.14 (C) Practicing a branch of cosmetology without a current, valid license to practice that branch.	85
5.	OAC 4713-19-14 (A) Failure to have a current, valid certified operator on duty at all times at a tanning facility.	45
6.	ORC 4713.14 (B) Aiding and abetting a person in the practice of cosmetology without a current, valid independent contractor license.	29
7.	OAC 4713-15-15 (B) Failure to clean and disinfect electrical equipment that provides circulation, whirlpool or vacuum effects.	23
8.	ORC 4713.14 (Q) Operating a tanning facility without a current, valid permit.	22
9.	OAC 4713-15-03 (A)(2) Failure to prepare fresh disinfectants daily.	20
10.	OAC 4713-19-05 (G) Failure to skin type individuals seeking to use sunlamp tanning services.	15

During FY 2016, the Ohio State Board of Cosmetology also received and conducted 191 complaints. Of those filed, 178 investigations were completed during the fiscal year, resulting in eighteen violations.

Administrative Action Summary:

During FY 2016, the Ohio State Board of Cosmetology held 17 hearings in accordance with Chapter 119 of the Ohio Revised Code. 168 cases cited did not request a hearing before the Board, resulting in an Order entered upon the Board's journal. 480 persons or salons entered into settlement agreements with the Board, which were approved and entered upon the Board's journal as Orders of the Board.

Board Administration

Administration responsibilities covered by the Board include fiscal, personnel, legal, information technology, and communications.

Fiscal

FY 2016 Final Disbursements as of 6/30/2016.

Expenses	FY 2016	FY 2015
Personal Service (Account ID 500)	\$ 2,915,771	\$ 2,786,709
Purch Personal Service (Acct 510)	\$ 41,572	\$ 679,229
Supplies & Maintenance (Account ID 520)	\$ 713,407	\$ 679,229
Equipment (Account ID 530)	\$ 23,026	\$ 6,724
Settlements, Bonds (Account ID 590)	\$ -	
Transfers & Non-Expense (Account ID 595)	\$ -	\$ 211
Total	3,693,776	3,472,872

These expenditure numbers are from the Monthly Expenditure Report GL-0076 as of 6/30/2016

FY 2016 Revenue Collected as of 6/30/2016.

Pursuant to Chapter 4713. of the Ohio Revised Code, the Board is authorized to charge fees for the issuance of licenses or permit and/or impose fines for violations of Chapter 4713. of the Ohio Revised Code and rules adopted thereunder. Except for fees collected under Section 4713.63 of the Ohio Revised Code, all collected fees are deposited to the 4K90 Occupational Licensing and Regulatory Fund. Total revenue collected in Fiscal Years ending in even numbers will show a deficit in comparison to expenditures for the year due to licensure renewal activity, which occurs during Fiscal Years ending in an odds. Odd numbered year revenue represents approximately 80% of the agency’s biennial total. Biennial revenue collection exceeds biennial expenditures.

Revenue 4K90	FY 2016	FY 2015
Business Licenses & Fees (Var. Accounts)	1,258,875.75	7,061,126.66
Intragov. Service/ISTV (Account ID 470800)		
Sales & Service (Account ID 430047)	-	-
Fines & Penalties (Var. Accounts)	269,988.39	471,893.20
Recoveries (Var. Accounts)	1,556.88	553.67
Refunds & Other Reimb. (Var. Accounts)	1,225.32	34.53
Licenses & Fees/ISTV (Account ID 470200)	1,219.00	2,274.00
Total	1,532,865.34	7,535,882.06
Transfer In (Account ID 885600)	4,600.00	13,200.00
4K90 Revenue + Transfers In (4k90)	1,537,465.34	7,549,082.06

Revenue GRF	FY 2016	FY 2015
Business Licenses & Fees (Var. Accounts)	58,990.00	71,650.00
Intragov. Service/ISTV (Account ID 470800)	-	-
Transfer In (Account ID 885600)	-	-
Total	58,990.00	71,650.00

Total Revenue (4k90 + GRF)	1,591,855.34	7,607,532.06
Total Revenue (4k90 + GRF) + Transfers In	1,596,455.34	7,620,732.06

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Revenue 4K90	FY 2015	FY 2014
	7,061,126.66	1,322,308.35
Intragov. Service/ISTV (Account ID 470800)		
Sales & Service (Account ID 430047)	-	-
Fines & Penalties (Var. Accounts)	472,033.20	545,583.62
Recoveries (Var. Accounts)	553.67	-
Refunds & Other Reimb. (Var. Accounts)	34.53	-
Licenses & Fees/ISTV (Account ID 470200)	2,274.00	2,013.00
Total	7,536,022.06	1,869,904.97
Transfer In (Account ID 885600)	13,200.00	26,031.00
4K90 Revenue + Transfers In (4K90)	7,549,222.06	1,895,935.97

Revenue GRF	FY 2015	FY 2014
Business Licenses & Fees (Var. Accounts)	71,650.00	55,935.00
Intragov. Service/ISTV (Account ID 470800)	-	-
Transfer In (Account ID 885600)	-	-
Total	71,650.00	55,935.00

Fees and Other Receipts

Name of Fee or Revenue Source	Authorizing R.C. Section or Rule	Current Fee (as of 6-30-16)	# Paying Fee in FY2013	Total Fees Collected FY2013
Cosmetology School-New License	4713.10(H)	\$250	5	\$1,250.00
Cosmetology School - License Renewal	4713.10(H)	\$250	-	\$0.00
Beauty Salon - New License	4713.10(I)	\$75	915	\$68,625.00
Beauty Salon - License Renewal	4713.10(J)	\$60	9	\$540.00
Nail Salon - New License	4713.10(I)	\$75	239	\$17,925.00
Nail Salon - License Renewal	4713.10(J)	\$60	-	\$0.00
Esthetics Salon - New License	4713.10(I)	\$75	184	\$13,800.00
Esthetics Salon - License Renewal	4713.10(J)	\$60	1	\$60.00
Hair Design Salon - New License	4713.10(I)	\$75	40	\$3,000.00
Hair Design Salon - License Renewal	4713.10(J)	\$60	-	\$0.00
Natural Hair Stylist Salon - New License	4713.10(I)	\$75	8	\$600.00
Natural Hair Stylist Salon - License Renewal	4713.10(J)	\$60	-	\$0.00
Independent Contractor - New License	RC 4713.39 OAC 4713-13-02	\$75	2,053	\$153,975.00

Independent Contractor - License Renewal	RC 4713.39 OAC 4713-13-02	\$60	41	\$2,460.00
Tanning Facility - New License	RC 4713.48(A) OAC 4713-19-03	\$65	140	\$9,100.00
Tanning Facility - License Renewal	RC 4713.48(A) OAC 4713-19-03	\$50	2	\$100.00
Cosmetologist - New License	4713.10 (E)	\$45	2,130	\$95,850.00
Cosmetologist - License Renewal	4713.10 (G)	\$45	135	\$6,075.00
Managing Cosmetologist - New License	4713.10 (E)	\$45	1,928	\$86,760.00
Managing Cosmetologist - License Renewal	4713.10 (G)	\$45	167	\$7,515.00
Cosmetology Instructor - New License	4713.10 (E)	\$45	307	\$13,815.00
Cosmetology Instructor - License Renewal	4713.10 (G)	\$45	7	\$315.00
Manicurist - New License	4713.10 (E)	\$45	540	\$24,300.00
Manicurist - License Renewal	4713.10 (G)	\$45	28	\$1,260.00
Managing Manicurist - New License	4713.10 (E)	\$45	480	\$21,600.00
Managing Manicurist - License Renewal	4713.10 (G)	\$45	39	\$1,755.00
Manicurist Instructor - New License	4713.10 (E)	\$45	28	\$1,260.00
Manicurist Instructor - License Renewal	4713.10 (G)	\$45	1	\$45.00
Esthetician - New License	4713.10 (E)	\$45	180	\$8,100.00
Esthetician - License Renewal	4713.10 (G)	\$45	7	\$315.00
Managing Esthetician - New License	4713.10 (E)	\$45	380	\$17,100.00
Managing Esthetician - License Renewal	4713.10 (G)	\$45	16	\$720.00
Esthetics Instructor - New License	4713.10 (E)	\$45	23	\$1,035.00
Esthetics Instructor - License Renewal	4713.10 (G)	\$45	-	\$0.00
Natural Hair Stylist - New License	4713.10 (E)	\$45	1	\$45.00
Natural Hair Stylist - License Renewal	4713.10 (G)	\$45	-	\$0.00
Managing Natural Hair Stylist - New License	4713.10 (E)	\$45	9	\$405.00
Managing Natural Hair Stylist - License Renewal	4713.10 (G)	\$45	-	\$0.00
Natural Hair Stylist Instructor - New License	4713.10 (E)	\$45	-	\$0.00

Natural Hair Stylist Instructor - License Renewal	4713.10 (G)	\$45	-	\$0.00
Hair Designer - New License	4713.10 (E)	\$45	26	\$1,170.00
Hair Designer - License Renewal	4713.10 (G)	\$45	-	\$0.00
Managing Hair Designer - New License	4713.10 (E)	\$45	9	\$405.00
Managing Hair Designer - License Renewal	4713.10 (G)	\$45	1	\$45.00
Hair Designer Instructor - New License	4713.10 (E)	\$45	2	\$90.00
Hair Designer Instructor - License Renewal	4713.10 (G)	\$45	-	\$0.00
Late Fee	4713.10 (K)	\$45	452	\$20,340.00
License Restoration	4713.10 (K)	---	-	\$465.00
Duplicate License	4713.10 (L)	\$20	770	\$15,400.00
Reciprocity	4713.10 (F)	\$70	56	\$3,920.00
Board Certification	4713.10 (M)	\$50	724	\$36,200.00
Examination	4713.10 (B)	\$31.50	8,010	\$252,315.00
Retake Examination	4713.10 (D)	\$31.50	3,158	\$99,477.00
No Show Examination	4713.10 (C)	\$40	391	\$15,640.00
Work Permit	4713.10 (A)	\$7.50	3,202	\$24,015.00
Work Permit	4713.37 (A) RC 4713-5-25(B) OAC	\$50.00	4	\$200.00
Continuing Education-Online/Corr/Tan	ORC 4713.09 OAC 4713-21-08(B)	\$250	18	\$4,500.00
Continuing Education-Workshop/Demo	ORC 4713.09 OAC 4713-21-08(A)	\$100	624	\$62,400.00
License Reinstatement	4713-21-06 OAC	\$30	156	\$4,680.00
Overage	N/A	---	-	-\$3,259.84
Less Bad Checks	N/A	---	-	-\$4,052.00
Bad Checks Paid	N/A	---	-	\$3,020.59
Bad Check Penalty Fee	4713.10 (N)	\$30	58	\$1,669.96
Violation Fines	4713.64 (D)	---		\$268,318.43
Other Revenue		---		\$2,782.20
Intra-State Transfer Voucher				\$1,219.00
Subtotal (Collected At Board Office For Fund 4K90)				\$1,370,665.34
Standard Renewals Collected Via Internet Transactions	4713.10 ORC	---		\$162,200.00

Total 4K90 collected for Fiscal Year 2016				\$1,532,865.34
Other Revenue (GRF)	4713.63 (B)	---		\$58,990.00
Total Collected For Fiscal Year 2016				\$1,591,855.34

INDUSTRY OUTLOOK AND CONDITIONS

The following issues addressed in the Board’s Fiscal Year 2015 annual report remain national topics that are positioned to influence state regulatory strategies.

Reciprocity

Licensing requirements vary widely from state-to-state and not all states have reciprocal licensure. On a regional and national level, consideration of a regulatory system that allows individual licensees to move from one state to another without significant restraint is being discussed. Proponent note that persons who experience delays or inability in getting licensed in different states are more prone to dropping out of the industry or “going underground,” thereby performing services without regulatory oversight and in competition with legitimate salons.

Hours Requirements

There is widespread discrepancy in the length of required programs of study (usually measured in classroom hours) in cosmetology and branches of cosmetology between states. Ranges in state requirements vary from 1,000 to 2,300 hours. While the state of Ohio is positioned in the mid-range of these variations, there are group discussions on normalizing these variations, which lends to national standards and reciprocal licensure.

Sub. S.B. 213, effective September 11, 2016:

Sub. Senate Bill 213 amends the current Ohio Cosmetology law under Chapter 4713 of the Ohio Revised Code, creating or causing several fundamental changes to the current regulation. The Act creates a new “Boutique Services” salon license and boutique services registration for individual providers. Additionally, the Act will change the current Managing license to an “Advanced Practice” license and remove the Manager mandate for salons, a long sought change by the salon industry. Other changes include, (1) creating a Cosmetology Instructor’s examination and curriculum within two-years of the effective date of the Act; (2) adding additional grounds for disciplinary action, but limiting violations of laws and rules to only those dealing with safety, sanitation, and licensing; and (3) placing limits on fines issued by the Board, while providing the Board with the authority to extend the time for repayment and charge additional financial penalties for non-payment and add interest penalties.

Most provisions of the Act go into effect on September 11, 2016. The Board is currently disseminating information to affected groups and individuals, creating new, amended, or

rescinded administrative rules, implementing new or revised licensure process; and changing agency policy and procedures.

- **Advanced Practice licenses:**

The Board is currently engaged in creating five independent “advanced” practice examinations for each branch of cosmetology and updating the training curriculum for each branch to reflect the transition to “advanced” practice. Over time, the Board will begin to employ market-driven surveys to further drive the curriculum and examination design process, leading to a credential that reflects market-based skills and knowledge. The Board is required, under the new Act, to issue Advanced Practice licenses to all persons that hold a valid Manager’s license prior to the effective date of the Act.

- **Boutique Services:**

The Act creates a new licensure requirement for facilities offering Boutique Services and no other branch of cosmetology. “Boutique services” means braiding, threading, and shampooing. Additionally, the Act creates a registration requirement for an individual engaged in practicing boutique services. To be a qualified provider, an individual must be 16 years of age, be of good moral character, and must have the equivalent of an Ohio public school tenth grade education. In addition to demographic data collection, an applicant must provide an affidavit as proof of formal training or apprenticeship under an individual providing boutique services. Over the next few weeks and months, the Board will be engaged in information dissemination, locating services that provide one or more boutique services and providing these services with appropriate information, forms, and applications to become licensed or registered in boutique services.

- **Instructor Licenses:**

The Act requires the Board to create a curriculum and an examination for individuals seeking licensure as an Instructor within two years of the effective date of the Bill. Holding a valid Advanced Practice license is a prerequisite qualification for an instructor’s license. The Board’s current qualifications for an instructor’s license will remain in effect until the Board completes the new curriculum and examination over the next two years.

- **Grounds for Disciplinary Action:**

The Act amends the grounds for disciplinary action under Section 4713.64 by stating the Board may only take disciplinary action against persons or entities that fail to comply with safety, sanitation, and licensing requirements of the chapter or rules adopted. Non-“safety, sanitation, and licensing” violations of Section 4713.14 will be driven by Section 4713.99 of the Revised Code, which would require court intervention to address the violation.

The Act also sets limits on fines imposed for violations of the Board’s laws and rules by creating a formula based on a root amount and the number of times a person or entity commits a violation.

Offense	Current law limits for fines imposed against licensees	Limits for fines imposed against licensees under the bill
First time a violator commits an offense	\$500	\$250 plus \$100 for each additional violation discovered during that inspection
Second time a violator commits an offense	\$1,000, if the violator has previously been fined for the offense	\$500 plus \$200 for each additional violation discovered during the inspection
Third and subsequent time a violator commits an offense	\$1,500, if the violator has been fined for the same offense two or more times	\$1,000 plus \$300 for each additional violation discovered during the inspection

CONCLUSIONS

The Board is an active state agency, representing approximately 111,000 individuals and businesses in the state of Ohio. Cosmetology and its associated arts are illustrative of a vibrant, important contributor to private industry in the state of Ohio. The Board is continually challenging itself to provide services in a cost effective and efficient manner, holding individuals and business accountable for providing clean, safe services for Ohioans seeking quality beauty services. The Board will continue to learn from its experiences and apply regulatory efforts, within the jurisdiction and authority of Chapter 4713 of the Ohio Revised Code, that balance effective regulation against over-regulation that restricts business growth. The Board looks forward to working with Ohio's policymakers to explore additional opportunities to create a better regulatory environment for the Beauty industry in the state of Ohio.