

Testimony in Opposition of Senate Bill 76

An Act Concerning Labor; Relating To Professional Occupations; Licensing And Fees, Restrictions.

Presented to the Senate Committee on Federal and State Affairs

February 1, 2017

Chairman LaTurner and Committee Members:

Thank you for the opportunity to provide testimony in opposition to SB 76 from the Kansas Board of Cosmetology.

Members of the Board of Cosmetology (Board) recognize and commend the efforts of SB 76 to reduce or eliminate the costs of licensure for low-income individuals, military families, and for individuals currently licensed in other states who wish to live and practice their professions in Kansas. The Board, however, has multiple concerns regarding the fiscal impact to the Board and our mission to protect the safety, health, and welfare of the consuming public. After examination and consideration of the bill, the Board finds:

- 1) Sections of this bill are in direct conflict with sections of our existing laws.
- 2) Additionally, the amount of funds required to implement this bill, should it become law, would directly and negatively impact the Board's revenue flow and its ability to carry out the statutory requirements to the point of detriment.

The Board, by statute, requires that applicants for licensure in professions regulated by the Board complete certain education/training requirements and successful testing prior to licensure as a measure to reduce risk of harm to the public. SB 76 defines "licensing" as "any required training, education or fee to work in a specific profession." Section 1(d) requires that "licensing authorities shall waive all occupational fees and fees from licensing requirements for low-income individual and military families."

If taken literally, it appears that this bill would require licensing authorities to waive not only licensure fees, but fees from education/training and from required examinations. Most education and training is done in schools or through individual apprenticeships and the fees are not paid directly to the licensing authority. This education is vital to fulfilling the Board's mission to protect those consumers who use the services of its licensees. The State Board exams test for the minimum requirements for entry into the professions with high expectations for knowledge of health, sanitation, and infection control measures to protect Kansas' citizens.

The Board of Cosmetology, as is the case with some other licensing/regulatory boards, does not directly test candidates for licensure but contract the exam process out to or accept exams from national testing entities. Most often in this case, the licensing authority does not receive the exam fee; the fee is paid directly to the exam company. In such case the Board has no control over the fees and could not waive such fees for the intended population.

Education of licensees is a statutory requirement for entry into the professions licensed by the Board. Our licensees indicate more than the desire to engage in or practice an occupation but are more indicative of a practitioner having received the necessary training to safely provide services to those consumers who utilize the services.

While K.S.A. 65-1904(d) establishes a cap on license fees for practitioners, K.S.A. 65-1904(e) provides for an increase in fees when the revenue is insufficient to carry out the purposes for which the fees are collected. KBOC's license fees are relatively low. With implementation of the provisions of SB 76, many of the licensees not falling into the "low-income" definition would be unduly burdened to have to carry the load of the potentially high number of licensees qualifying for the license fee waiver. The existing statutory cap on fees would severely limit the Board's ability to capture sufficient funds to meet the operation needs of the Board. The board is currently maxed out on nearly all fees in cosmetology; we would not be able to increase the fees to cover the loss.

As one might imagine, many of the cosmetology licensees are single women, including single moms. The Federal Poverty Level (FPL) for 2016-2017 for a family of four (4) is \$24,300. The rate of 130% of the FPL would be \$31,590. This amount, however, does not reflect the adjusted gross income specified in SB 76, which decreases the amount even further. According to occupational employment statistics on the Bureau of Labor Statistics website dated March 30, 2016, with data from 2015, the mean annual wage for workers in cosmetology professions is between \$28,000 and \$29,000. That figure is reduced to reflect the conservative Midwest to approximately \$22,000 annually.

The numbers continue to decrease in terms of the income guidelines for licensees eligible for the proposed waiver and for the projected revenue for the Board as a result. This creates difficulty in projecting the loss of revenue to the Board; however, the loss is likely to be in excess of \$200,000 annually. Such a loss would mean the Board would lose 4-6 employees and make it impossible for the agency to carry out its statutory obligations.

A bill introduced in the 2016 Legislative session on behalf of the Board of Cosmetology regarding reciprocity would make it easier for persons coming from out of state to obtain licensure and get to work quicker in Kansas. That bill was not passed. There are, however, some anomalies that must be mentioned about what that means in terms of out-of-state applicants relative to our current laws.

The State of North Carolina has no age limit for some cosmetology professions and it is not uncommon for a 12-year old practitioner to be licensed to provide services in a licensed facility. Such a practitioner under provisions of SB 76 would have to be licensed through reciprocity in Kansas. This is in direct conflict with Kansas statutes. K.S.A. 65-1904b(a)(1) requires that a Kansas applicant for licensure be "not less than 17 years of age and a graduate of an accredited high school."

Until last year the State of Alaska required 12 hours training for a nail technician. Under SB 76 requirements, reciprocity would be granted for an Alaskan nail tech moving to Kansas and would be in direct conflict with our laws, allowing someone from out of state licensure when our own residents could not. Kansas requires a minimum of 350 hours in a licensed school.

SB 76 requires that applicants seeking a waiver from traditional regulations receive their license within 30 days. The Board currently averages 3-5 days turnaround in issuing licenses to qualified applicants upon submission of a completed application. Under SB 76 a staff member would have to be designated to complete the research/investigation of qualifications for applicants even though the possibility exists for losing 4-6 employees in the agency due to a reduction in the revenue stream.

The estimates put forth herein are extremely conservative and it is likely that the negative impact to the Board's revenue and ability to perform its statutory obligations would be much greater. Though the Board recognizes the benefits to low-income Kansans through the provisions of SB 76, the Board must stand in opposition to this bill.

Thank you for allowing me to testify on behalf of the Kansas Board of Cosmetology. I am happy to stand for any questions you may have.