

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2642 - A

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Establishes Board of Certified Advanced Estheticians within Health Licensing Office.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Higher Education Coordinating Commission (HECC)

¹Summary of Expenditure Impact - Health Licensing Office, Oregon Health Authority (OHA):

	2015-17 Biennium	2017-19 Biennium
Personal Services	\$196,161	\$392,322
Services and Supplies	190,133	380,266
TOTAL OTHER FUNDS	\$386,294	\$772,588
Positions	2	3
FTE	1.28	2.56

²Summary of Revenue Impact Health Licensing Office, Oregon Health Authority (OHA):

	2015-17 Biennium	2017-19 Biennium
Fees	\$956,391	\$784,787
TOTAL OTHER FUNDS	\$956,391	\$784,787

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

House Bill 2642 establishes the nine-member Board of Certified Advanced Estheticians within the Health Licensing Office (HLO) in the Oregon Health Authority (OHA). The bill authorizes the Health Licensing Office to certify the practice of advanced nonablative esthetics. Certification must be renewed biennially. The bill contains an emergency clause and is effective on passage. The Health Licensing Office is authorized to take action before the July 1, 2016 operative date. The bill allows HLO to begin certifying individuals as of July 1, 2016, and includes a grandfathering period of 18 months. The bill specifies that certificates holders are required to disclose existence of professional liability insurance as part of their client records, and stipulates that a certificate holder must enter into an agreement with a health care professional who has schedule III, IV or V prescriptive authority.

Health Licensing Office, Oregon Health Authority

¹The Health Licensing Office estimates the fiscal impact of this bill to be \$386,294 Other Funds; 2 positions; and 1.28 FTE for the twelve months of the 2015-17 biennium. This amount includes startup costs as well as Personal Services, and related Services & Supplies for two Public Service Representative positions. Because HLO is at operational capacity, to implement this new board and handle the regulation of a new category of estheticians, HLO will need additional staffing to carry out the provisions of this bill.

² The bill allows the Board of Certified Advanced Estheticians to be self-funded via fees charged to applicants and certificate holders for applications, new and annual renewal certifications, examinations, and other activities. Based on the assumption provided by bill proponents that approximately 25% of the current Cosmetology Esthetician certificate holders (14,246 in February 2015) will seek to become a Certified Advanced Esthetician within the first year of operations, HLO estimates certifying 3,562 estimated Certified Advanced Estheticians by end of the 2015-17 biennium. Based on this volume, HLO anticipates establishing the following fees:

- (1) Application – New Certificate = \$100;
- (2) Certificate – New = \$200;
- (3) Certificate Renewal = \$200;
- (4) Examinations = \$35.

Higher Education Coordinating Council (HECC)

The Higher Education Coordinating Council estimated the fiscal impact of this bill to the Private Career Schools to be \$118,249 Other Funds and 0.50 FTE per biennium. This amount reflects the Personal Services and related Services & Supplies for one part-time Education Specialist to oversee the licensing of education programs for this new field. The position will work with OHA and organizations interested in teaching students or instructors pursuing an education to become a certified advanced esthetician. If SB 218 passes, HECC would have the authority to establish a fee of up to \$1,000 for new program approval to recover some of the costs associated with new program review and approval.