

PREPARED BY: Liz Hruska
 DATE PREPARED: December 16, 2021
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LB 19

Revision: 01

Updated for the 2022 Session

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$13,067	\$13,100		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$13,067	\$13,100		

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill provides for new credentialing for temporary body art facilities, guest body artists, nail technology apprentice and nail technology salons as well as other changes to the cosmetology statutes.

Most individuals who are covered by the new credentialing requirements are expected to apply in FY 2023. Estimated costs to process the applications are \$13,067. Estimated revenue is \$13,100 based on the methodology for establishing fees under the Uniform Credentialing Act.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 19 AM: AGENCY/POLT. SUB: Department of Health and Human Services

REVIEWED BY: Jacob Leaver DATE: 12/13/2021 PHONE: (402) 471-4173

COMMENTS: The fiscal estimate provided by the Department of Health and Human Services' seems reasonable given the assumptions used as a result of LB 19.

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared 12-13-21

Phone: (5) 471-6719

	<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$13,067	\$13,100		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$13,067	\$13,100		

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 19 establishes new credentials for Temporary Body Art Facilities, Guest Body Artists, and Apprentice Nail Technology Salons and re-defines several related activities to the Cosmetology, Electrology, Esthetics, Nail Technology, and Body Art Practice Act. LB 19 also eliminates the exemption of performing manicures on natural nails from the Act.

The estimate includes the cost to create new credential applications, add credentials to the licensure software, provide notifications of changes, and update the Department’s website. The current national examination is available in four (4) languages: English, Korean, Spanish, and Vietnamese. Translated results are provided to the Department of Health and Human Services. Other requested languages would require translation services. The cost of additional translation services has not been included.

The Department of Health and Human Services (DHHS) will be required to complete minor rules and regulation changes as a result of LB 19. DHHS will absorb the estimated costs listed below to complete this regulation change:

Title	Hour(s)	Hourly Cost	Absorbed Cost
Director	1	74.28	\$ 74
Deputy Director	1	53.48	\$ 53
Administrator I	1	30.82	\$ 31
Program Specialist	2	22.52	\$ 45
Program Analyst	4	21.91	\$ 88
Attorney 3	10	33.82	\$ 338
Total Absorbed Costs			
	19		\$ 629

Revenue and expenditures are based upon the estimated number of new applicants as shown below:

- 100 – Licenses for manicurists and pedicurists that would meet the new definition of nail technician
- 5 – Licenses for apprentice nail technology salons
- 10 – Licenses issued for a temporary body art facility, and
- 20 – Registrations for a guest body artist

It is expected that the bulk of new applications will be submitted during the first year of enactment. This new work will require additional staff time to process applications and issue licensing in the first year and biennially thereafter.

1. An IT Business Systems Analyst to add Temporary Body Art Facilities, Guest Body Artists and Apprentice Nail Technology Salons to the electronic credentialing system for eighty (80) hours.
2. A Health Licensing Coordinator to create, electronically distribute media, and update the Licensure Unit website regarding the new credentialing requirements for eighty (80) hours plus one hundred twenty-eight (128) hours to process new applications. This position would be at a lower salary rate than for management duties.
3. A Health Licensing Coordinator to manage startup project and serve as liaison between the Board of Cosmetology and Licensure Unit for forty (40) hours plus one sixty-four (64) hours to review all new applications with the Board of Cosmetology.

The work listed above will be required to implement LB 19. The estimated cost of this work would be recovered per the Uniform Credentialing Act (UCA) statutes.

Revenue Estimate:

All expenses and revenues would be subject to the UCA's specified methodology for establishing fees. The current cost for an occupational credential averages \$80-95 biennially. This estimate uses current fee amounts that would most likely be in line with the new credentials and registration fees for individuals and facilities.

(100) Nail Technician credentialing fees @ \$95 each	\$9,500
(10) Temporary Body Art Facility credentialing fees @ \$150	\$1,500
(5) Apprentice Nail Technology Salon credentialing fees @ \$300 each	\$1,500
(20) Guest Body Artist credentialing fees @ \$30 each	<u>\$ 600</u>
 Biennial revenue estimate	 \$13,100

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2022-2023	2023-2024
	22-23	23-24	EXPENDITURES	EXPENDITURES
IT Business Systems Analyst	.04	0	\$1,977	\$0
Health Licensing Coordinator (Previous Job Code "Specialist" Obsolete)	.10	0	\$3,768	\$0
Health Licensing Coordinator	.05	0	\$2,060	\$0
Benefits.....			\$2,340	\$0
Operating.....			\$2,922	\$0
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$13,067	\$0