

Secretary of State  
**NOTICE OF PROPOSED RULEMAKING\***

A Statement of Need and Fiscal Impact accompanies this form.

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Oregon Health Licensing Agency/Board of Cosmetology	OAR Chapter 817, Division 040
Agency and Division	Administrative Rules Chapter Number

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Rules Coordinator	Address	Telephone

**RULE CAPTION**

Increase Board of Cosmetology fees, including business authorizations.

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**Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.**

**RULEMAKING ACTION**

Secure approval of new rule numbers (Adopted or Renumbered rules) with the Administrative Rules Unit prior to filing

**ADOPT:**

**AMEND:**817-040-0003

**REPEAL:**

**RENUMBER:**

**AMEND & RENUMBER:**

Stat. Auth.: 676.605, 676.606, 676.615, 690.235

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Other Auth.:

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Stats. Implemented: ORS 676.605, 676.606, 676.615, 690.235

**RULE SUMMARY**

The Oregon Health Licensing Agency completed a comprehensive cost allocation analysis in 2008 that, evaluated expenditures, revenues, number of payers, direct and indirect costs, level of complexity in delivering services and growth/attrition ratios for each program. Overall agency operational costs, state agency assessments and inflation factors were also reviewed and factored into the new fee structure. The agency withdrew fee increases for the Board of Cosmetology in October 2008 to allow stakeholders time to implement the fee increase for recent graduates entering the cosmetology industry. The fee increase was implemented through temporary rulemaking on July 1, 2009 to avoid a revenue shortfall. The temporary rule will expire on December 25, 2009.

Proposed rules to permanently increase fees was published in the Oregon Bulletin on August 1, 2009. Public comment was collected from August 1, 2009 to August 31, 2009. Feedback was received from a variety of interested parties in opposition to the proposed fee increases. After further review of the cost allocation for cosmetology, the agency and board reformulated the temporary fee structure to decrease the overall cost of certification to recent graduates using a phase-in method.

Business authorizations have not been increased in a decade, while the cost of doing business has increased. The agency and board are proposing an increase for business authorizations including facility, independent contractor, certificate of identification and temporary facility. Facilities and temporary facilities will be increased from \$100 to \$150 for a two year authorization. All other business authorizations will be increased by an estimated 25% for a two-year authorization.

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The agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing the negative economic impact of the rule on business.

November 28, 2009

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**Last Day for Public Comment** (Last day to submit written comments to the Rules Coordinator)

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Signature

Printed name

Date

\*Rulemaking Notices published in the Oregon Bulletin must be submitted by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a weekend or legal holiday, upon which the deadline is 5:00 pm the preceding workday. A public rulemaking hearing may be requested in writing by 10 or more people, or by an association with 10 or more members, within 21 days following the publication of the Rulemaking Notice in the Oregon Bulletin or 28 days from the date Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.

ARC 923-2005