Individual State Agency Fiscal Note

Bill Number: 1930 E S HB	Title: Cosmetologists, etc/licenses	Agency: 240-Department of Licensing

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Business and Professions Account-State 06L-1		25,000	25,000		
Total $		25,000	25,000		

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
Account					
Business and Professions Account-State 06L-1	0	25,000	25,000	0	0
Total $	0	25,000	25,000	0	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.

☒ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☒ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 02/14/2022
Agency Preparation:	Kim Buechel	Phone: 360-902-3639	Date: 02/17/2022
Agency Approval:	Gerrit Eades	Phone: (360)902-3863	Date: 02/17/2022
OFM Review:	Kyle Siefering	Phone: (360) 995-3825	Date: 02/17/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

See attached fiscal note

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

See attached fiscal note

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

See attached fiscal note

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
06L-1	Business and Professions Account	State	0	25,000	25,000	0	0
		Total $	0	25,000	25,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services		25,000	25,000		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	0	25,000	25,000	0	0

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules .

See attached fiscal note

Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: 1930 ESHB Bill Title: Cosmetologist licenses

Part 1: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts:

Fund Name	FUND #	FY 22	FY 23	21-23 Total	23-25 Total	25-27 Total
Business and Professions	06L	-	25,000	25,000	-	-
Account Totals		**-**	**25,000**	**25,000**	**-**	**-**

Estimated Expenditures:

Fund Name	Fund	FY 22	FY 23	21-23 Total	23-25 Total	25-27 Total
Business and Professions	06L	-	25,000	25,000	-	-
Account Totals		**-**	**25,000**	**25,000**	**-**	**-**

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions.

☒ If the fiscal impact is **less than $50,000** per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ If fiscal impact is **greater than $50,000** per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ Capital budget impact, complete Part IV.

☒ Requires new rule making, complete Part V.

Legislative Contact: Michelle Rusk	Phone: (360) 786-7153	Date: 2/17/2022
Agency Preparation: Kim Buechel	Phone: (360) 902-3639	Date: 2/17/2022
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date: 2/17/2022

Request #	1
Bill #	1930 ESHB

Part 2 – Explanation

This legislation changes the time from one year to three years a cosmetology license can be renewed after its expiration date, before it is cancelled.

2.A – Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

ESHB 1930 compared to SHB 1930 legislation adds instructor and master esthetician license into the intent section and clarifies that licenses that expired or were canceled on or after March 1, 2020, may be renewed before June 30, 2023.

2.B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Fund Name	FUND #	FY 22	FY 23	21-23 Total	23-25 Total	25-27 Total
Business and Professions	06L	-	25,000	25,000	-	-
Account Totals		**-**	**25,000**	**25,000**	**-**	**-**

The 06L fund is 100% fee supported. A one-time assessment would need to be added to each license, equal to the costs contained in the expenditure section of this fiscal note. For efficiency purposes, the department will add inclusion of this one-time assessment per license, to a planned fee rulemaking process in the spring of 2023, and assumes an effective date of June 2023.

2.C – Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Information Services:

The agency will use appropriated funds to hire contract programmers to accomplish this work or to support current staff implementing this legislation within the required timeline. Appropriated funds may also be used to hire agency temporary staff to support permanent staff assigned to this legislative effort.

Any change requires a process to ensure changes are correctly applied to the system. This involves Project Managers that manage the team that completes the update, business analyst that documents

and reviews the system changes, architect services that analyzes how the update could have an effect on other systems or DOL processes, developers who create the change, and testers and quality assurance teams that ensure the update is working correctly.

Cost Category	Description	Rate	2022	2023	2024	2025	2026	2027	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	$ 22,620	-	4,500	-	-	-	-	4,500
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	$ 16,530	-	1,700	-	-	-	-	1,700
PROJECT MANAGER	Manage schedule and contracts	$ 28,710	-	2,900	-	-	-	-	2,900
SECURITY AND ARCHITECT SERVICES	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	$ 16,530	-	1,700	-	-	-	-	1,700
Trainer	Trains business partners and employees in new system processes and capabilities.	$ 22,620	-	2,300	-	-	-	-	2,300
Project Contingency	Office of the Chief Information Officer designated rate of 10%	$ 25,230	-	1,300	-	-	-	-	1,300
		Totals	**-**	**14,400**	**-**	**-**	**-**	**-**	**14,400**

What IS Will Implement:

For the 7 professional cosmetology license types:

- Update POLARIS so licenses that expired on or after March 2, 2020, through June 30, 2022 have until June 30, 2023 to renew.
- Update the status of licenses that expired on or after March 2, 2020, then cancelled to expired, so they can renew until June 30, 2023.
- Update fee configuration to charge for all renewal cycles owed.

Support Services:

Agency Administrative Overhead is included at a rate of 26.0 percent of the direct program costs. This funding received covers agency-wide functions such as vendor payments, contract administration, financial management, mail processing, equipment management, help desk support, and technical assistance to DOL employees.

Standard FTE goods and services (object E) costs are included on Table 3.B.1. Standard FTE costs do not include objects EM (AG services), ER (contractual services), and EZ (Other goods & Svcs).

Part 3 – Expenditure Detail

3.A – Operating Budget Expenditures

Fund Name	Fund	FY 22	FY 23	21-23 Total	23-25 Total	25-27 Total
Business and Professions	06L	-	25,000	25,000	-	-
Account Totals		**-**	**25,000**	**25,000**	**-**	**-**

3.B – Expenditures by Object or Purpose

Object Name	FY 22	FY 23	21-23 Total	23-25 Total	25-27 Total
Goods and Services	-	25,000	25,000	-	-
Total By Object Type	**-**	**25,000**	**25,000**	**-**	**-**

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

Rulemaking will be required to increase the cost of licensing to fund expenditures associated with the new processes.