



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 41-70 – Board for Barbers and Cosmetology Esthetics Regulations
Department of Professional and Occupational Regulation
July 6, 2006

Summary of the Proposed Amendments to Regulation

Pursuant to Chapter 829 of the 2005 Acts of the General Assembly, the Board for Barbers and Cosmetology (board) proposes to establish licensure regulations for esthetics practitioners, schools, and spas where esthetic services are provided.

Result of Analysis

There is insufficient data to accurately compare the magnitude of the benefits versus the costs. Detailed analysis of the benefits and costs can be found in the next section.

Estimated Economic Impact

Chapter 829 of the 2005 Acts of the General Assembly amends the Code of Virginia so that esthetics is added to the list of professions for which “No person shall offer to engage in or engage in ... without a valid license”¹ issued by the board. The Code exempts “Persons whose activities are confined solely to applying make-up, including such activities that are ancillary to applying make-up.”²

Code Section § 54.1-700 defines “esthetician” as a person who for compensation engages in practices including, but not limited to administering cosmetic treatments to enhance or improve the appearance of the skin: cleansing, toning, performing effleurage or other related movements, stimulating, exfoliating, or performing any other similar procedure on the skin of the human body or scalp by means of cosmetic preparations, treatments, any non-laser device, electrical, mechanical, or manual, for care of the skin; applying make-up or eyelashes to any

¹ Code of Virginia Section § 54.1-703.

² Code of Virginia Section § 54.1-701.

person, tinting or perming eyelashes and eyebrows, and lightening hair on the body except the scalp; and removing unwanted hair from the body of any person by the use of tweezing, chemical, or mechanical means.

Code Section § 54.1-700 also defines "master esthetician" as a licensed esthetician who, in addition to the practice of esthetics, offers for sale to the public lymphatic drainage, chemical exfoliation, and microdermabrasion and who has met such additional requirements as determined by the board to practice lymphatic drainage and chemical exfoliation with products other than schedules II through VI controlled substances and microdermabrasion.

According to the board, Virginia is the 49th state to require licensure for the practice of esthetics; and 42 states require at least 600 hours of esthetics training for licensure. The board proposes to require 600 hours of training for basic esthetics licensure. Full-time students typically complete 600 esthetics training courses in 16 weeks in existing Virginia esthetics academies.³ A 600-hour course in esthetics costs approximately \$6,600.⁴

Under the proposed regulations applicants for esthetician licensure must also pass both a practical examination and a board-approved written examination, and pay a \$55 application fee. The practical exam would be offered two or three times a month throughout the state, and the written exam would be available daily via computer.⁵ The proposed regulations specify that the "The fee for examination or reexamination is subject to contracted charges to the board by an outside vendor. ... The fee shall not exceed \$225.00 per candidate." In order to obtain master esthetician licensure, the board proposes to require an additional 600 hours of training. Current experienced estheticians are exempted from the proposed training and examination requirements if they meet specific conditions.⁶ The esthetician and master esthetician licenses must be renewed every two years. The renewal fee is \$55.

³ Source: Board for Barbers and Cosmetology

⁴ Ibid.

⁵ Source: Department of Professional and Occupational Regulation

⁶ Code Section § 54.1-703.3. exempts current estheticians from the proposed training and examination requirements if they meet the following: (i) makes application for licensure between July 1, 2007, and July 1, 2008; (ii) otherwise complies with Board regulations relating to moral turpitude; and (iii) meets any of the following conditions:

1. Has at least three years of documented work experience as an esthetician or a master esthetician that is deemed satisfactory by the Board;
2. Has completed a training program that is deemed satisfactory by the Board; or
3. Holds an unexpired certificate of registration, certification, or license as an esthetician or a master esthetician issued to him on the basis of comparable requirements by a proper authority of a state, territory, or possession of the United States, or the District of Columbia.

The proposed requirements for licensure introduce costs including those discussed above; but required licensure for estheticians produces benefits for the public as well. In addition to teaching proper technique for enhancing quality of appearance, training on proper techniques and how to recognize conditions that preclude the safe administration of specific treatments reduce the risk of adverse health outcomes. For examples, hepatitis can be transmitted without proper procedures; improper chemical exfoliation can cause glycolic rash or permanent scarring; and certain procedures are unsafe for clients with compromised immune systems.

The training for both the esthetician and master esthetician licenses must be obtained from a licensed esthetics school or a public school's esthetics program approved by the Department of Education. For school licensure, the proposed regulations specify required topics with minimum hours of instruction and minimum practical performances for the esthetician and master esthetician programs. The two-year school licensure fee is \$120. Schools must employ certified esthetics instructors for their esthetician program and certified master esthetics instructors for their master esthetician program.

Under the proposed regulations esthetics instructor certificate requirements include: 1) maintaining a Virginia esthetician license, 2) passing a course on teaching techniques at the post-secondary level, 3) completing an instructor training course approved by the board, 4) and passing an exam on esthetics instruction. The master esthetics instructor certificate requirements are analogous. The two-year instructor certificate fee is \$60.

The board proposes specific equipment, sanitation and safety requirements for schools and spas that offer esthetics services. The two-year spa licensure fee is \$90.

According to the board, the demand for esthetician services currently far exceeds the supply; and the lack of Virginia licensure of estheticians has effectively limited the supply of those services. Board members state that spas cannot get insurance to sell esthetic services unless the estheticians are licensed. Thus, currently estheticians must largely obtain out-of-state licensure in order to become employable as estheticians in Virginia.⁷ Since obtaining out-of-state licensure is inconvenient, enabling in-state licensure can potentially increase the supply of

⁷ Source: Board for Barbers and Cosmetology

estheticians, despite the costs associated with licensure described in this report. Whether this actually occurs remains to be seen.

Businesses and Entities Affected

There are approximately 2,000 estheticians, 2,000 salons and spas that may employ estheticians, and 6 esthetics schools in Virginia. All these entities, as well as their clients, are potentially affected by these proposed regulations.

Localities Particularly Affected

The proposed regulations do not disproportionately affect specific localities.

Projected Impact on Employment

According to the board, the demand for estheticians currently exceeds the supply. Board members state that spas cannot get insurance to sell esthetic services unless the estheticians are licensed. Thus, creating Virginia licensure may increase the supply of employable estheticians. On the other hand, the proposed requirements do increase costs for estheticians and their employers. It is not clear whether the overall impact will be an increase or decrease in employment.

Effects on the Use and Value of Private Property

The proposed fees and other requirements will increase costs for estheticians and businesses that employ them. On the other hand introducing licensure in Virginia will likely lower insurance costs for spas.

Small Businesses: Costs and Other Effects

Licensure fees will increase costs for spas and esthetics schools, all of which are likely small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

Pursuant to the Code, licensure is not optional. The board could require fewer hours of training.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act

and Executive Order Number 21 (02). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.