

**FY 2010 BUDGET REDUCTIONS - SUMMARY OF ISSUES  
COSMETOLOGY BOARD OF ARIZONA**

**ALL NON-GENERAL FUNDS**

**FY 2010 All Non-General Funds Budget (less Federal Funds)      1,844,300**

**AGENCY REDUCTION TARGET - ALL NON-GENERAL FUNDS (w/o Federal Funds)      276,645**

<b>Fund</b>	<b>Reductions Amount</b>	<b>Percent Reductions</b>
Cosmetology Board Fund	\$276,600	100.0%
<b>Issue Total</b>	<b>\$276,600</b>	

All Non-General Funds Total as a Percentage of Agency Non-GF Reduction Target      100%

**FY 2010 BUDGET REDUCTIONS - SUMMARY OF ISSUES  
COSMETOLOGY BOARD OF ARIZONA**

**COSMETOLOGY BOARD FUND**

**FY 2010 All Non-General Funds Budget (less Federal Funds)      1,844,300**

**AGENCY REDUCTION TARGET - ALL NON-GENERAL FUNDS (w/o Federal Funds)      276,645**

<b>Priority</b>	<b>Issue Title<sup>1</sup></b>	<b>Reductions Amount</b>
1	Staff/Technology	276,600
	<b>Issue Total</b>	<b>\$276,600</b>

Fund Total as a Percentage of Non-General Fund Reduction Target      100%

Please complete the attached Description and Impact Statement for each issue.

**STATE OF ARIZONA**  
**FY 2010 BUDGET REDUCTIONS - ISSUE DESCRIPTION**

**Arizona State Board of Cosmetology**

**Issue Title: Staff Reduction and Technology Elimination**

**Issue Priority: 1**

**Reduction Amounts:**

Cosmetology Board Fund: \$276,645

**Total: \$276,645**

**Issue Description and Statement of Effects:**

The Mission Statement of the Arizona State Board of Cosmetology:

To ensure the public health, welfare, and safety through education and enforcement of the cosmetology laws and rules by the regulation of salons, schools, and individuals who practice Cosmetology.

**Staff:**

The Board of Cosmetology faces many challenges. The board is working with a staff of 16 out of 24.5 positions. These positions remain unfilled as a result of the State's hiring freeze. The board investigates all complaints per statute, many of which involve injuries to the public. Investigations involve critical public health issues such as:

- Mycobacterium fortuitum, a disease causing open sores;
- Necrotizing fasciitis, a flesh eating bacteria;
- Burns, scarring, and infection caused by chemicals;
- Fungal infections;
- MRSA; and many more.

Filling at least two (2) inspector positions is necessary for the following reasons:

- Increase the number of inspections, thus protecting the public from harmful diseases and injuries;
- Increase education to salon owners and staff;
- Increase revenue by fines generated for non compliance of statutes and rules.

The reduction of staff will prevent the board from fulfilling its mission of protecting the public's health and welfare. With growth comes the need for FTE's to continue the efficiency of the agency, continue to provide excellent and knowledgeable customer service, and the ability to uphold the mandated statutes. However, these staff reductions will account for \$134,645.

**Technology:**

The need for technology upgrades are an ongoing endeavor. Continuing upgrades improve efficiency of the many procedures required to license, and facilitates for the ongoing need of effective and precise licensing. The upgrade also will enable the board to produce personal licenses with individual pictures for identification purposes. With the growth of the industry comes the growth of fraud and dishonesty. The upgraded technology will serve as a deterrent for individuals who attempt to work with false identities (displaying licenses that belong to someone else). These individuals perform procedures that result in harm to the consumer. Harm that can occur in uninspected salons can lead to serious and even fatal infections and disease. The need for the inspectors/investigators to be able to identify individuals performing services is becoming mandatory for public safety. The enhancement of a system upgrade will also facilitate a variety of opportunities for individuals to apply for licensure and renewals on line. Keeping up the current technology will enable the board to process and deliver license in a more efficient and timely manner.

**Effects to the agency and State with reduction:**

The necessity of running an efficient agency lies in the ability to progress. Our mission is to protect consumers, and without the ability to perform the duties that protect, we are failing as a national leader in the industry. The Board is recognized by national industry entities as being progressive, insightful, and a leader in cosmetology regulation. The board continually strives to remain in this viable position and receive the respect that so many have worked so hard to achieve and maintain. The following information will show the impact from the sweep, and with the now targeted 15% reduction.

Revenue Generated:            **2008**-\$2,426,647.74            **2009**-\$2,445,100.00

October 9, 2009

Sweeps:	<u>2008</u> -\$3,091,800.00	<u>2009</u> -\$1,803,800.00
APPR amounts	<u>2008</u> -\$1,705,400.00	<u>2009</u> -\$ 1,747,800.00
Percentage:	<u>2008</u> -127%	<u>2009</u> -66%
10% general fund:	<u>2008</u> -137%	<u>2009</u> -76%

In 2008 the board contributed \$363,997.16 to the general fund in addition to the \$3,091,800.00 sweep, and in 2009 \$366,765.00 to the general fund in addition to the \$1,803,800.00. Reduction of staff will lower the quality of work and time necessary to remain compliant, and will have an adverse effect on the agency and reduce the amount of contributed revenue to the State General Fund. A cut of \$142,000.00 or 8% would allow the board to maintain and proceed with our growing industry.

**Where in the agency is this function located:** Throughout the agency

**Provide a legal citation for this function:** ARS-32-518 (B), R4-10-106 (B)