

TITLE 820 STATE BOARD OF COSMETOLOGY EXAMINERS**Economic Impact Statement**

LSA Document #08-935

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

The majority of the cosmetology rules currently in effect have been unchanged for several years and are out of date when compared with current statutes, industry standards, and technology. Several of the existing rules place an undue burden on the cosmetology schools, cosmetology students, and licensees regarding facility requirements, equipment requirements, reexamination requirements, and sanitary requirements.

The proposed rules bring the rules of the State Board of Cosmetology Examiners up to date with current statutes, industry standards, and technology. The proposed rules also address safety concerns for the salon patrons and cosmetology school patrons.

Under the proposed rules, antiquated rules affecting small businesses are either repealed or amended as follows:

- Disinfectant language is amended to take advantage of current sanitizing products while requiring a minimum standard of product to protect the public. The proposed rules also address the type of disinfectant to use when blood or body fluids are present.

Under the proposed rules, cosmetology school curriculum is amended to address current practice and trends. Cosmetology school rules are also amended to provide more options of record keeping to take advantage of new technology.

Impact on Small Businesses:**1. Estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule:**

NAICS CODE 812112	Cosmetology salons or shops	8515
NAICS CODE 611511	Cosmetology schools	89

IC 4-22-2.1-4 provides that "small business" means any person, firm, corporation, limited liability company, partnership, or association that:

- (1) is actively engaged in business in Indiana and maintains its principal place of business in Indiana;
- (2) is independently owned and operated;
- (3) employs one hundred (100) or fewer full-time employees; and
- (4) has gross annual receipts of five million dollars (\$5,000,000) or less.

NAICS codes are not assigned to individual practitioners. The following is the number of current licenses:

Beauty Culture Instructor	1,503
Cosmetologist	41,729
Electrologist	151
Esthetician	1,843
Manicurist	4,754
TOTAL:	50,010

2. Estimate of the average annual reporting, record keeping, and other administrative costs that small business will incur to comply with the proposed rule:

The proposed rule decreases the number of years a cosmetology school must maintain records from seven years to five years. Data is not available to determine the savings the rule amendment will provide to the cosmetology schools.

3. Estimate of the total annual economic impact that compliance with the proposed rule will have on all small businesses subject to the rule:

As of October 2006, 27 states required the use of EPA registered hospital liquid disinfectants associated with the practice of cosmetology. The International Nail Technicians Association is a proponent of using an EPA registered hospital liquid disinfectant that is a bactericide, viricide, and fungicide. EPA registered disinfectants are being used in salons now. They are available in licensee supply houses where the licensees purchase hair, nail, and skin products.

The cost of using EPA registered disinfectants in cosmetology schools and salons will vary widely depending on the brands of disinfectants purchased, the types of services provided, the number of licensees working in a salon, and the number of customers served.

In one example, a manicurist who purchases her own supplies spends \$2 per month on EPA approved disinfectants. If all 4,754 licensed manicurists provided their own disinfectants at \$2 per month, the estimated cost per year would be:

$$(\$2 \times 12 \text{ months}) \times 4,754 \text{ licensees} = \$114,096 \text{ per year.}$$

In one example, a cosmetology salon that performs cosmetology, manicuring, esthetics, and tanning spends \$5 per month on disinfectants. In this case, the manicurist in the first example would not have to purchase her own disinfectants. If all 8,515 salons provided all of the listed services at the rate of \$5 for disinfectants per month, the cost would be:

$$(\$5 \times 12 \text{ months}) \times 8,515 \text{ salons} = \$510,900 \text{ per year.}$$

A school indicated that it spends \$42 per month for Virex and \$18 per month for Barbicide (the blue liquid you are used to seeing in salons for cleaning combs and scissors). If all 89 schools used the same products at the same purchase price, the cost would be:

$$(\$42 + \$18) \times 12 \text{ months} \times 89 \text{ schools} = \$64,080 \text{ per year.}$$

It should be recognized that salons and schools are currently incurring these costs. The proposed rule will not increase the expense to these licensees.

4. Statement justifying any requirement or cost that is imposed on small businesses by the rule or any other state or federal law:

To prevent the spread of bacterial and viral infections, it is necessary to disinfect and decontaminate implements, linens, and surfaces in salons. Products approved for use by the EPA have undergone independent testing by the government.

The proposed rules will ensure cosmetology schools provide accurate instruction and record keeping without imposing additional requirements. The proposed rules provide schools with more flexibility in their methods of record keeping and reporting to utilize current technology and trends.

5. Regulatory flexibility analysis:

Consideration of alternative methods of achieving the purpose of the proposed rule

The purpose of the proposed rule is to update cosmetology regulations to comply with current industry standards and procedures. The Cosmetology Board has worked diligently to ensure that the proposed rules provide the required regulations at the lowest cost to consumers and small businesses.

Conclusion:

According to the Centers for Disease Control, outbreaks of skin infections on the legs and feet of patrons following spa pedicures have caused concern about spa safety. The CDC states that disinfectants used in the foot spa should indicate on the label that they are approved for hospital use. A disinfectant label should clearly show its uses and that it is EPA-approved. Salons should use an EPA-registered hospital disinfectant.

Supporting Data, Studies, or Analyses:

Selected EPA-registered Disinfectants:

<http://www.epa.gov/oppad001/chemregindex.htm>

Recommended cleaning and disinfection procedures for foot spa basins in salons:

http://www.epa.gov/opp00001/factsheets/footspa_disinfection.htm

Preventing Pedicure Foot Spa Infections:

<http://www.epa.gov/opp00001/factsheets/pedicure.htm>

Vugia DJ, Jang Y, Zizek C, Ely J, Winthrop KL, Desmond E. Mycobacteria in nail salon whirlpool footbaths, California. Emerg Infect Dis (serial on the Internet). 2005 Apr (date cited). Available from:

<http://www.cdc.gov/ncidod/EID/vol11no04/04-0936.htm>

CleanSweepSupply.com:

<http://www.cleansweepsupply.com/pages/subsection1611.html>

International Nail Technicians Association, pedicure equipment cleaning and disinfecting procedures:

http://www.probeauty.org/about/committees/nmc/docs/INTA_PBA_pediprocedures.pdf

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