

Agency 5-Year Plan

Issue 1 Other Operating Expenses

Description: Other Operating Expenses

Solutions:

The Board of Cosmetology (BOC) must be able to effectively and continually improve and update services rendered to its licensees and consumers. The BOC provides, with great efficiency, services to approximately 96,000 licenses in the BOC's database, a number that had been kept a steady pace of growth yearly. With the situation of employee retirement, health issues, training & replacement has reached its downfall in the productivity of number of inspections that were not met this fiscal year.

The BOC will continue to use "operating expenses" to educate consumers, licensees & Board Members, through newsletters and website updates with our continued endeavors and education we have seen, and will continue to see a reduction in serious injuries to Arizona Consumers.

To allow the Board to fulfill its mandate within constraints of a limited appropriated budget, the Board is seeking to increase our revenue without intervening with Operating demands, due to cost increases for - projecting ISA fee waivers with the Department of Revenue has an impact to our move in December 2017 to the 1740 Adams building, the extra time to scan files, migration on google account (emails), outside & professional & temporary services (Hiring freeze will be a definite impact) Address stamps, Business Cards, Licenses /letterhead & envelope address changes to new location, supplies, facility maintenance and other operating expenses.

Issue 2 Improved Enforcement Efficiency

Description: Improved Enforcement Efficiency

Solutions:

The BOC is at a 29% reduction in filling staff positions. Filling the (2) vacant Inspector and Investigators positions is always top priority when permitted. With the 10,733 plus schools & salons in the State of Arizona, the importance in conducting health and safety inspections at least once a year is a priority for the protection of consumers and the education of licensee's through inspections. These goals can not be met, due to the lack of Inspector positions. A hiring of temporary services must be initiated so that a Risk Based Salon Inspection approach can be continued. We are presently working with only 2 inspectors & 3 Investigators where we need at least 2 more Inspectors in the field in order to comply with the 1 year Inspections, these goals can not be met at this time, because of the Hire Freeze and 17 Cap Employees. Our solution is to hire 24.5 FTEs that will allow us to hire more inspectors. Our budget has the money to pay for the extra employees needed to meet our goals or to even just comply.

The implementation for the handheld devices for Inspectors is a goal to be reached by 2019/2020 which will allow Inspectors out in the field to have the capability to retrieve license information that is in our data base to assist in their inspections with up to date information.

The hiring and training Inspectors that is invested has impacted our goal due to Hire Freeze / HR not allowing us to hire or replace staff for at least 8 months of our fiscal year 2017 /2018. Our resolution to request that the Hire Freeze be lifted and our cap changed from 17 > 24.5.

Issue 3 Employee Development

Description: Employee Development

Solutions:

The BOC recognizes the value of good employees and must safeguard the professional growth and development of these employees. The BOC must continue to show appreciation to the current employees by providing wage increases, professional development, and implementing the technology necessary for staff to meet the demands for even greater efficiency. As a result the agency will retain personnel longevity and satisfaction. Therefore, BOC would like to project wage increase(s), promotions, and incentives to employees who are recognized with qualified & efficient performance(s). During these past 8 months duration or more, the hire freeze and cap 17 has caused working constraints that impact employee development.

Issue 4 System maintenance Support, Equipment Replacement, Enhancement, & Upgrades.

Description: System maintenance Support, Equipment Replacement, Enhancement, & Upgrades.

Solutions:

The BOC must continue to work on the efficiency and accuracy of licensee's electronic filing. Maintenance and enhancement of the current system or implementation of new system, will allow user friendly use and increase application on-line which must be continued and improved.

By 2020- The BOC also needs to purchase or set in place a hand held device for inspectors and investigators that will enable them to have pictures, and information at the job site, along with the ability to print reports for salons & schools.

Funding Issue

Digitization of records – One-time Request

The Arizona Board of Cosmetology ("Board") is requesting a one-time additional appropriation for purposes of digitizing all active and closed licensing files that are currently stored in paper form.

The project further aligns with the state's initiative for agencies to conduct business electronically where possible. To provide access to historical records, digitization is necessary so that staff won't need to maintain two systems (new information electronically, and historical information in paper form).

Benefits of digitizing include:

- Prepare the historical files for import to the new ICM Viewcenter application
- Eliminate the need for file storage space (currently > 450 square feet)
- Mitigate the risk of having a single point of failure for critical agency records
- Provide added levels of security for access to records
- Provide staff easier searching capabilities

Based on the estimate provided by a document solutions vendor, the Board has 1.1 million pages or more to be digitized. The magnitude of this project dictates that an outside vendor be engaged. With only 17.5 staff members serving almost 110,000 licensees and an average of 2153 new applications in process at any given time, the alternative of handling the project in house is not feasible.

In accordance with Laws 2017, Chapter 78, the Board plans to begin accepting records electronically through the e-Licensing project. To further supplement the effectiveness of the e-Licensing process, digitizing historical data and managing it electronically will greatly improve the experience of the staff who use the data daily and the public who will have more options of viewing and updating data.

Should the funding issue not be approved for FY2020, the Board will need to continue to maintain two separate filing systems and the effectiveness of the e-Licensing project will be limited with no historical records attached.

It is the Board's understanding that a "blanket" PIJ was completed by ADOA-ASET in conjunction with the RFP for an enterprise digitization solution that would pertain to all agencies, boards and commissions.

Prior to the state's RFP for digitization, the Board researched document solution vendors, and received quotes for the volume of paper currently being stored. The Board hopes that once a vendor is awarded the state contract, potentially the cost could be lowered, but based on a quote provided in 2016, the Board is requesting the amount below.

Appropriation Request:

\$ 70,000 Total FY 2020 Appropriation Request

Equipment Replacement:

- Continued upgrades and replacement computers, and laptops

System maintenance support, enhancement, and upgrades:

- Network services reviewed and renewal of service contracts.

Funding Issue

Database - Rule Changes– One-time Request – Priority #1

The Arizona Board of Cosmetology ("Board") is requesting a one-time additional appropriation for the revisions of the Arizona Administrative Codes requirements to be implemented to our existing database system (GL Solutions). The project follows the intent of Executive Order 18-02 to repeal overly burdensome, antiquated, contradictory, redundant and nonessential regulations. With this order, the Board's database will require programming changes that will cost the agency funds that have not been appropriated.

Benefits of revisions to the Board's database:

To stay in compliance with the Arizona Administrative Codes
Eliminate obsolete information produced by the system
Update critical programming within the system

Should the funding issue not be approved for FY2020, the Board would be working with an outdated database system that could produce critical issues for licensing. Example: The Arizona Administrative Codes newly revised rules will combine all salon types (Cosmetology, Nail Technology and Aesthetician) into one "Salon" license. This would benefit our licensees. The database system would have to be reprogrammed to reflect this changes.

Issue 5 Budget Contingency Plan

Description: Budget Contingency Plan

Solutions:

Establish a fund or insurance plan available for legal issues at a state level for every year, such as, but not limited to, lawsuits, court representation, witnesses, specialists, etc; Re: Case (Fish Pedicure) Vong vs Aune.

Continued services provided by Rule Writing - In process of updating our rule package and eliminating rules. a rule writer continues to be a service needed by our agency.

Funding of Digitization of Records. The Digitization project is a digital government solution designed to provide citizens and businesses with faster, easier and more intuitive access to State services. The project follows the intent of Executive Order 18-02 to identify services not currently available electronically.

Issue 6 A Quality continuity Plan

Description: A Quality continuity Plan

Solutions:

To provide continued public protection even in times of disaster, a workable continuity plan for a small agency must be in place. This will require finding a place to set up an office away from the current Board office in case of a local tragedy, perhaps by coordinating with another state office for use of their offices. There must be a provision in law and rule to allow for licensees to provide services outside of a salon setting in a disaster. Our database is hosted at an outside location providing extra security and minimal down time to the public. We are at a continual search for an Offsite storage back up location for a main server & email server.

Due to Agency move (mandatory) to the 1740 Adams Building, the agency will be completing a workable continuity plan.

Issue 7 External Partners

Description: External Partners

Solutions:

Continuing to maintain its relationship with current partners, the leadership involvement that has proven to assist the board to benchmark and remain current both as a regulatory agency and as a leader in the Cosmetology profession. These partners include The Internal Revenue Service (for small business participation and investigative tax fraud), National Interstate Council of State Boards of Cosmetology, National Accreditation Commission of Cosmetology Arts and Sciences, Council for Licensure, Enforcement and Regulation Federation Association of Regulatory Boards, AACCS American Association of Cosmetology Schools, The Salon Association, ACIA (Arizona Cosmetology Industry Association), PCS (Professional Credential Services, PSI Testing, and others. All require travel to meeting locations or electronic participation at the very least which must continue to be funded. Board members hold office at National levels. Board Chairman, Vice Chair, & Executive Director work & Co- Chair National committee positions.

Issue 8 Public Communication

Description: Public Communication

Solutions:

Ongoing communication with the Arizona Legislature and State Administration about the importance of the funding necessary to continue responsible regulation, is required. Regulatory pamphlets, health and safety educational classes, and issues of public interest, to answer regulatory questions and issues. Reorganization and the continuing restructuring of the Agency website is needed to improve communication. By 2019 and 2020 printing brochures and/or newsletters for licensees, salons, and schools for distribution, is a goal of the Board. By 2019 – 2020 by continuing services with our state printing vendors and distribution information will bring jobs and information to the public. BOC presently working on campaign for consumer awareness.

Issue 9 Rule Promulgation

Description: Rule Promulgation

Solutions:

Rule promulgation needs to be on going to promote consumer protection - fighting deregulation in the near future is a possibility. All license renewal applications to be accompanied with current photographs. With an updated system those pictures would be scanned and printed on licenses. At this time the BOC requires pictures to be submitted for all first licenses, but requires rule promulgation for renewals. Continual goal of the BOC is to rewrite and update our infection control and safety standards R4-10-112 so they are easily read and understood by licensees and consumers.

Issue 10 Increase of Fees

Description: Increase of Fees

Solutions:

A.R.S. 32.507 –A-22 Continual credit card fees as convenient fees effective July of 2018/19, Merchant fees continue to rise. In order to derail these fees without raising the license fee, a convenient fee(s) are in place to be reviewed on a yearly basis. By 2019/2020 fees are calculated to be at a yearly rise, which we estimate will double. Therefore, a continued review is required for recalculation of fees. Total Merchant fees calculated for FY 18 (was \$12,217.32 (4645-jud) , Our Convenient fee is \$3.00 per credit card transaction-FY18 @ 4073 credit cards, total fees collected for FY 18 = \$7237.32 (4645-Other). Difference is \$4,980.00. In order to compensate our losses of \$4980.00 & to continue to offset merchant fees, we must consider raising our convenient fees to \$ 3.05. We may evaluate again end of FY 2019, and reconsider raising or lower convenient fees again at that time.

Resource Assumptions

	FY2021 Estimate	FY2022 Estimate	FY2023 Estimate
Full-Time Equivalent Positions	0.0	0.0	0.0
General Fund	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0