

**Michigan Office of Administrative Hearings and Rules**

**Administrative Rules Division (ARD)**

MOAHR-Rules@michigan.gov

**REGULATORY IMPACT STATEMENT  
and COST-BENEFIT ANALYSIS (RIS)**

**Agency Information:**

**Department name:**

Licensing and Regulatory Affairs

**Bureau name:**

Bureau of Professional Licensing

**Name of person filling out RIS:**

Dena Marks

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**Rule Set Information:**

**ARD assigned rule set number:**

2022-19 LR

**Title of proposed rule set:**

Cosmetology – General Rules

**Comparison of Rule(s) to Federal/State/Association Standard**

**1. Compare the proposed rules to parallel federal rules or standards set by a state or national licensing agency or accreditation association, if any exist.**

Each state establishes its own requirements with respect to cosmetology, so there are no federal rules or standards set by a national or state agency that the proposed rules can be compared to.

**A. Are these rules required by state law or federal mandate?**

MCL 339.205 requires the department to promulgate rules that are necessary and appropriate for it to fulfill its role.

MCL 339.308 requires the board to promulgate rules that are necessary and appropriate for it to fulfill its role.

MCL 339.1203 requires the department in consultation with the board to establish sanitation standards and rules for the operation of mobile salons and the performance of cosmetology services in or at mobile salons.

MCL 339.1205 requires the department to establish, by rule, the criteria for determining whether an hour of instruction at a state barber college is substantially similar to an hour of instruction at a school of cosmetology.

The rules are not required by federal mandate.

**B. If these rules exceed a federal standard, please identify the federal standard or citation, describe why it is necessary that the proposed rules exceed the federal standard or law, and specify the costs and benefits arising out of the deviation.**

The rules do not exceed a federal standard.

**2. Compare the proposed rules to standards in similarly situated states, based on geographic location, topography, natural resources, commonalities, or economic similarities.**

The proposed rules are consistent with the standards required by the Occupational Code and are largely consistent with the requirements of other states in the Great Lakes Region. Every state in the Great Lakes Region provides for the regulation of this profession.

**A. If the rules exceed standards in those states, please explain why and specify the costs and benefits arising out of the deviation.**

The standards pertaining to licensure, education and examination requirements, and sanitation differ from state to state. Overall, the standards in the proposed rules do not exceed those of the other states in the Great Lakes Region.

**3. Identify any laws, rules, and other legal requirements that may duplicate, overlap, or conflict with the proposed rules.**

There are no other laws, rules, or other legal requirements that may duplicate, overlap, or conflict with these proposed rules.

**A. Explain how the rules have been coordinated, to the extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter. This section should include a discussion of the efforts undertaken by the agency to avoid or minimize duplication.**

No coordination is needed because there are no other applicable laws that regulate the areas addressed in the proposed rules.

**4. If MCL 24.232(8) applies and the proposed rules are more stringent than the applicable federally mandated standard, provide a statement of specific facts that establish the clear and convincing need to adopt the more stringent rules.**

MCL 24.232(8) does not apply.

**5. If MCL 24.232(9) applies and the proposed rules are more stringent than the applicable federal standard, provide either the Michigan statute that specifically authorizes the more stringent rules OR a statement of the specific facts that establish the clear and convincing need to adopt the more stringent rules.**

MCL 24.232(9) does not apply.

## **Purpose and Objectives of the Rule(s)**

**6. Identify the behavior and frequency of behavior that the proposed rules are designed to alter.**

The purpose of the proposed rules is set forth below:

R 338.2101: The current rule pertains to definitions for terms used in the rule set. The proposed rule adds and amends definitions of terms used to provide more clarity.

R 338.2121: This is a proposed new rule establishing the procedure for an applicant who has been educated or trained in a foreign country. The proposed rule will ensure that the applicant's education and training meet the requirements for licensure.

R 338.2121a: The current rule pertains to approved examinations and licensure examination requirements. The proposed amendments are intended to improve clarity.

R 338.2121b: The current rule pertains to licensure by endorsement and provides the requirements for an applicant who is licensed in another state and an applicant who wishes to substitute hours of prelicensure training with work experience. The proposed rule is designed to clarify these requirements.

R 338.2121c: The current rule pertains to relicensure requirements. The proposed rule clarifies the requirements and is intended to assist an applicant in becoming relicensed.

R 338.2126a: The current rule specifies the requirements for a cosmetology establishment license. The proposed rule will clarify these requirements.

R 338.2127: The current rule pertains to the physical address for a cosmetology establishment or a school of cosmetology, the requirements if there is a change in ownership or physical address, and the requirements for a branch facility license. The current rule permits the department to monitor and inspect establishments and schools for compliance with the code and rules. The proposed rule clarifies these requirements and removes the requirements for obtaining a branch facility license, which is not authorized by statute.

R 338.2131: The current rule provides the criteria to be used by a cosmetology school to determine whether it will permit a student to substitute instruction completed at a Michigan-licensed barber college for hours required in the cosmetology student's program and the school's duties if it permits that substitution. The rule is being amended for clarity.

R 338.2132: The current rule pertains to school equipment requirements. The proposed changes amend the equipment standards and requires that a physical barrier separate classrooms from practical training areas. The proposed rule is designed to reflect the needs of the current training environment and will assist the department in determining compliance with the rules and statutes.

R 338.2136: The current rule pertains to student and apprentice records. The proposed changes clarify the type of records that must be maintained by a school or apprenticeship program to ensure a school or apprenticeship program can verify an individual's education and training.

R 338.2138: The current rule pertains to program requirements for a cosmetology school or establishment conducting an apprenticeship. The proposed rule has been amended for clarity and would require that an apprentice's training be performed by an individual who holds an active Michigan cosmetology or subfield license. It will also require a cosmetology school or establishment conducting an apprenticeship to notify the department of the number of substantially similar hours and minimum practical applications a student or apprentice has been permitted to transfer from another cosmetology school or apprenticeship program.

R 338.2158: The current rule is being rescinded and the substance moved to R 338.2170 for clarity and to comply with current drafting requirements.

R 338.2161; R 338.2162; R 338.2163; R 338.2163a; R 338.2163b; R 338.2163c; R 338.2166; R 338.2167; R 338.2168; R 338.2169: These current rules pertain to the cosmetology, cosmetology specialties, and cosmetology instructor curricula. The current rules establish the curriculum requirements for each license type and specify that the curriculum requirements apply to individuals who were enrolled for one year after the promulgation under one of these rules. The proposed changes specify that the curriculum requirements apply to individuals who were enrolled before November 4, 2022.

R 338.2169a: The current rule pertains to the cosmetologist, esthetician, electrologist, manicurist, and natural hair culturist curricula and specifies that it applies to students and apprentices who are enrolled in the study of cosmetology beginning one year after the promulgation of the rule. The proposed rule specifies that the curriculum requirements apply to individuals beginning November 4, 2022. The proposed rule also amends the description of the instruction for esthetic services to ensure compliance with the statutory scope of practice and add unassigned hours into the total instruction hours.

R 338.2169b: The current rule pertains to the cosmetology instructor, cosmetologist limited instructor, electrologist instructor, limited electrologist instructor, and limited specialist instructor curricula. The proposed rule clarifies the types of instructors and specifies that the curriculum requirements apply to individuals beginning November 4, 2022.

R 338.2170: This is a proposed new rule that contains the substance of current R 338.2158, which is being rescinded to comply with current drafting requirements.

R 338.2171: The current rule pertains to the duties and responsibilities of an establishment, school, and owner concerning health and safety requirements. The rule is being revised to clarify the responsibilities to ensure public health and safety.

R 338.2171a: The current rule establishes detailed procedures and requirements for cleaning, disinfecting, and sterilizing. The current rule is being revised to clarify the language to assist licensees in compliance and to ensure public health and safety.

R 338.2171b: The current rule pertains to patron protection and sets forth the requirements for performing services on a patron. The rule is being revised for clarity to assist licensees in compliance and to ensure public health and safety.

R 338.2171c: The current rule is being rescinded and the substance recodified in R 338.2183 under Part 6 of this rule set, which pertains to the operation of mobile salons.

R 338.2179e: The current rule pertains to blood spill procedures. The rule is being amended to require compliance with the Michigan Occupational Safety and Health Administration rules to ensure public health and safety.

R 338.2179g: The current rule pertains to prohibited actions by a student, apprentice, or licensee. The rule is being amended to add and clarify actions that are prohibited to assist in compliance and to ensure public health and safety in a cosmetology establishment or cosmetology school.

R 338.2180: The current rule is being rescinded and the provisions of this rule are being recodified in R 338.2181, with revisions for clarity and compliance with current drafting requirements.

R 338.2181: This proposed new rule pertains to the premises of a mobile salon and the requirement that a mobile salon provide and keep up-to-date information with the department. The substance of this rule was previously in R 338.2180.

R 338.2183: This proposed new rule pertains to patron protection in a mobile salon. The substance of this rule was previously contained in R 338.2171c, which is being rescinded.

R 338.2187: The current rule pertains to a mobile salon's duty to advise the department of its itinerary and to provide access to the mobile salon premises. The rule is being revised for clarity and better compliance.

R 338.2188: The current rule pertains to mobile salon records. The rule is being revised for clarity and better compliance.

**A. Estimate the change in the frequency of the targeted behavior expected from the proposed rules.**

The proposed rules are not expected to change the frequency of the targeted behavior.

**B. Describe the difference between current behavior/practice and desired behavior/practice.**

Cosmetology is regulated by statute. Clarifying definitions, licensure requirements, sanitation requirements, apprenticeship requirements, and prelicensure education requirements will make compliance easier for applicants and licensees.

**C. What is the desired outcome?**

A person who is licensed as a cosmetologist and an entity that is licensed as a cosmetology establishment or cosmetology school are regulated. By improving and clarifying the rules, students, apprentices, applicants, and licensees should find compliance easier. This should result in fewer questions, fewer regulatory problems, and greater protection of the public.

**7. Identify the harm resulting from the behavior that the proposed rules are designed to alter and the likelihood that the harm will occur in the absence of the rule.**

The beauty industry's evolution has created many questions concerning a cosmetologist's performance of certain services, and the rules do not currently address the performance of those services. Additionally, the rules related to sanitation need revision to ensure public health, safety, and welfare. The new rules will also provide greater clarity for students, apprentices, applicants, and licensees.

**A. What is the rationale for changing the rules instead of leaving them as currently written?**

The rationale for changing the rules is to eliminate ambiguous and outdated language, provide greater transparency of the licensure requirements, update standards to ensure sanitary conditions, eliminate practices that exceed the authority granted under the code, clarify standards for operating a mobile salon, and provide licensees and the department with clarity that will assist in understanding and complying with the requirements under the rules.

**8. Describe how the proposed rules protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.**

The proposed rules provide a regulatory mechanism for the practice of cosmetology. To protect the health, safety, and welfare of the public, it is important that members of the profession adhere to professional standards.

**9. Describe any rules in the affected rule set that are obsolete or unnecessary and can be rescinded.**

There are no current rules that are obsolete or unnecessary, but R 338.2158 and R 338.2180 will be rescinded and the substance of the rule relocated for organization and to comply with current drafting requirements. R 338.2171c will be rescinded and the substance of the rule recodified in proposed R 338.2183 for organization and clarity.

### **Fiscal Impact on the Agency**

Fiscal impact is an increase or decrease in expenditures from the current level of expenditures, i.e. hiring additional staff, higher contract costs, programming costs, changes in reimbursements rates, etc. over and above what is currently expended for that function. It does not include more intangible costs for benefits, such as opportunity costs, the value of time saved or lost, etc., unless those issues result in a measurable impact on expenditures.

**10. Please provide the fiscal impact on the agency (an estimate of the cost of rule imposition or potential savings for the agency promulgating the rule).**

The proposed rules are not expected to have a fiscal impact on the agency.

**11. Describe whether or not an agency appropriation has been made or a funding source provided for any expenditures associated with the proposed rules.**

No agency appropriation has been made or a funding source provided because there are no expenditures associated with the proposed rules.

**12. Describe how the proposed rules are necessary and suitable to accomplish their purpose, in relationship to the burden(s) the rules place on individuals. Burdens may include fiscal or administrative burdens, or duplicative acts.**

The proposed rules are required by statute to provide regulatory requirements for cosmetologists, cosmetology establishments, and cosmetology schools. The proposed rules are written to impose no more burden on individuals than is necessary to accomplish the statutory requirements and to provide for the public health and safety. There is no financial or administrative burden on individuals as a result of the proposed rules.

**A. Despite the identified burden(s), identify how the requirements in the rules are still needed and reasonable compared to the burdens.**

The proposed rules do not place any new burden on an individual.

### **Impact on Other State or Local Governmental Units**

**13. Estimate any increase or decrease in revenues to other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Estimate the cost increases or reductions for other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Include the cost of equipment, supplies, labor, and increased administrative costs in both the initial imposition of the rule and any ongoing monitoring.**

There are no anticipated increases or reductions for other state or local governmental units as result of the proposed rules.

**14. Discuss any program, service, duty, or responsibility imposed upon any city, county, town, village, or school district by the rules.**

There are no anticipated or intended programs, services, duties, or responsibilities imposed on any city, town, village, or school district as a result of these proposed rules.

**A. Describe any actions that governmental units must take to be in compliance with the rules. This section should include items such as record keeping and reporting requirements or changing operational practices.**

There are no anticipated actions that a governmental unit must take to comply with the proposed rules.

**15. Describe whether or not an appropriation to state or local governmental units has been made or a funding source provided for any additional expenditures associated with the proposed rules.**

No appropriations have been made to any governmental units as result of the proposed rules. No additional expenditures are anticipated or intended with the proposed rules.

## **Rural Impact**

**16. In general, what impact will the rules have on rural areas?**

A licensee may live, work, or operate a business in a rural area, but no matter where an individual licensee or entity licensee lives, works, or operates a business, the licensee will have to comply with the proposed rules.

No impact on rural areas has been identified because the rules impact is to the licensee no matter where the licensee lives, works, or operates a business.

Statute requires an individual who performs cosmetology services or cosmetology subfield services, and a cosmetology school or a cosmetology establishment to be licensed. All licensees are impacted in the same manner under the Occupational Code, regardless where the licensee lives, works, or operates a business, and although no impact has been identified, even if one was to exist, the department could not exempt the licensee from compliance with these rules because it would create a disparity in the regulation of the profession.

**A. Describe the types of public or private interests in rural areas that will be affected by the rules.**

No impact on public or private interests in rural areas has been identified.

Statute requires an individual who performs cosmetology services or cosmetology subfield services, and a cosmetology school or a cosmetology establishment to be licensed. All licensees are impacted in the same manner under the Occupational Code, regardless where the licensee lives, works, or operates a business, and although no impact has been identified, even if one was to exist, the department could not exempt the licensee from compliance with these rules because it would create a disparity in the regulation of the profession.

## **Environmental Impact**

**17. Do the proposed rules have any impact on the environment? If yes, please explain.**

The proposed rules will not have any impact on the environment.

## **Small Business Impact Statement**

**18. Describe whether and how the agency considered exempting small businesses from the proposed rules.**

The department did not consider exempting small businesses because they are not directly regulated by the proposed rules.

Even if an individual licensee works in a small business or an entity licensee qualifies as a small business, the department could not exempt that licensee from the requirements of these rules because it would create a disparity in the regulation of the profession.

Therefore, the agency did not consider exempting small businesses from the proposed rules because setting lesser standards of compliance for a small business is not in the best interest of the public.

**19. If small businesses are not exempt, describe (a) the manner in which the agency reduced the economic impact of the proposed rules on small businesses, including a detailed recitation of the efforts of the agency to comply with the mandate to reduce the disproportionate impact of the rules upon small businesses as described below (in accordance with MCL 24.240(1)(a-d)), or (b) the reasons such a reduction was not lawful or feasible.**

The rules cannot exempt a small business because the rules do not directly regulate small businesses. The rules regulate licensees, and even if an individual licensee works in a small business or an entity licensee qualifies as a small business, the department could not exempt that business from the requirements of these rules because it would create a disparity in the regulation of the profession.

Further, the Michigan Occupational Code requires cosmetologists, including those performing subfield services, cosmetology establishments, and cosmetology schools to be licensed. Small businesses are not exempted from the licensure requirements.

**A. Identify and estimate the number of small businesses affected by the proposed rules and the probable effect on small businesses.**

There are approximately 104,019 cosmetologists, cosmetology subfield licensees, cosmetology establishments, and cosmetology schools in Michigan. It is unknown how many licensees work in or qualify as a small business.

Even if a licensee works in or would qualify as a small business, the licensee will have to comply with the proposed rules. The rules do not impact small businesses differently because to practice cosmetology or a cosmetology subfield or to operate a cosmetology school or cosmetology establishment, statute requires licensure.

The department cannot exempt a small business from the requirements of these rules because it would create a disparity in the regulation of the profession and would not protect the best interest of the public.

**B. Describe how the agency established differing compliance or reporting requirements or timetables for small businesses under the rules after projecting the required reporting, record-keeping, and other administrative costs.**

The agency did not establish separate compliance or reporting requirements for small businesses. The proposed rules will apply to all licensees. The rules were drafted to be the least burdensome on all affected licensees.

**C. Describe how the agency consolidated or simplified the compliance and reporting requirements for small businesses and identify the skills necessary to comply with the reporting requirements.**

The agency did not consolidate or simplify compliance and reporting requirements for small businesses with the proposed rules because the proposed rules do not directly impact small businesses.

**D. Describe how the agency established performance standards to replace design or operation standards required by the proposed rules.**

The agency did not establish performance standards to replace design or operation standards required by these rules.

**20. Identify any disproportionate impact the proposed rules may have on small businesses because of their size or geographic location.**

The proposed rules do not directly impact small businesses. They impact a licensee. Therefore, there is no disproportionate impact on a small business because of its size or geographic location.

**21. Identify the nature of any report and the estimated cost of its preparation by small businesses required to comply with the proposed rules.**

The proposed rules do not require any report not required by statute under MCL 339.1205a(1)(b), so there is no separate cost to a small business to comply with the proposed rules.

**22. Analyze the costs of compliance for all small businesses affected by the proposed rules, including costs of equipment, supplies, labor, and increased administrative costs.**

The proposed rules require a cosmetology school to ensure that there is a physical barrier of not less than 6 feet in height between a classroom and the practical application floor. There are approximately 102 licensed cosmetology schools in Michigan. It is unknown if any of these licensees would qualify as a small business.

If a barrier already exists within the cosmetology school, the cosmetology school will not incur any compliance costs. The rule does not require that a wall be built if one does not already exist. The cost of a moveable barrier will vary depending on the size and style chosen, but a barrier that would satisfy the rule can be obtained for less than \$200.

The barrier is necessary to ensure that students on the practical application floor are qualified to be in that area.

There are no other expected costs for equipment, supplies, labor, or administrative costs that a licensee, including a small business, would incur in complying with the proposed rules.

**23. Identify the nature and estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rules.**

There are no expected costs for legal, consulting, or accounting services that a small business would incur in complying with the proposed rules.

**24. Estimate the ability of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace.**

The proposed rules require a cosmetology school to ensure that there is a physical barrier of not less than 6 feet in height between a classroom and the practical application floor. There are approximately 102 licensed cosmetology schools in Michigan. It is unknown if any of these licensees would qualify as a small business.

If a barrier already exists within the cosmetology school, the cosmetology school will not incur any compliance cost. The rule does not require that a wall be built if one does not already exist. The cost of a moveable barrier will vary depending on the size and style chosen, but a barrier that would satisfy the rule can be obtained for less than \$200.

The barrier is necessary to ensure that students on the practical application floor are qualified to be in that area.

It is unlikely that a cost of \$200 or less would adversely impact a cosmetology school's ability to compete in the marketplace. This is a one-time cost, which is unlikely to cause an applicable licensee to suffer economic harm.

There are no other expected costs to a small business that will cause economic harm to a small business or the marketplace as a result of the proposed rules.

**25. Estimate the cost, if any, to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses.**

The proposed rules impose requirements on licensees rather than a small business. Even if a licensee lives, works, or operates a small business, the department could not exempt that license or business under the rules because it would create disparity in the regulation of the profession.

Therefore, there is no cost to the agency for administering or enforcing the rules because exempting or setting lesser standards of compliance for a small business is not in the best interest of the public.

**26. Identify the impact on the public interest of exempting or setting lesser standards of compliance for small businesses.**

The proposed rules impose requirements on individual licensees rather than a small business. Even if a licensee qualifies as a small business, the department could not exempt that business because it would create a disparity in the regulation of the profession. Therefore, exempting or setting lesser standards of compliance for a small business is not in the best interest of the public.

**27. Describe whether and how the agency has involved small businesses in the development of the proposed rules.**

The department worked with the Michigan Board of Cosmetology in the development of the proposed rules. The Board is composed of members of the profession and public members.

**A. If small businesses were involved in the development of the rules, please identify the business(es).**

No small businesses were involved in the development of the rules.

## **Cost-Benefit Analysis of Rules (independent of statutory impact)**

### **28. Estimate the actual statewide compliance costs of the rule amendments on businesses or groups.**

There are no estimated compliance costs with these rule amendments on groups.

The proposed rules require a beauty school to ensure that there is a physical barrier of not less than 6 feet in height between a classroom and the practical application floor. There are approximately 102 licensed cosmetology schools in Michigan.

If a barrier already exists within the cosmetology school, the cosmetology school will not incur any compliance cost. The rule does not require that a wall be built if one does not already exist. The cost of a moveable barrier will vary depending on the size and style chosen, but a barrier that would satisfy the rule can be obtained for less than \$200.

The barrier is necessary to ensure that students on the practical application floor are qualified to be in that area.

#### **A. Identify the businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rules.**

If a cosmetology school does not have a classroom that is currently separated from the practical application floor, that business would incur the cost of obtaining a physical barrier to separate those areas. The cost of a barrier would vary depending on the size and style chosen by the school. No other businesses or groups will be directly affected or benefitted by the proposed rules. No other additional costs will be imposed on any businesses or groups.

#### **B. What additional costs will be imposed on businesses and other groups as a result of these proposed rules (i.e. new equipment, supplies, labor, accounting, or recordkeeping)? Please identify the types and number of businesses and groups. Be sure to quantify how each entity will be affected.**

If a cosmetology school does not have a classroom that is currently separated from the practical application floor, that business would incur the cost of obtaining a physical barrier to separate those areas from each other. The cost of a barrier would vary depending on the size and style chosen by the school. There are approximately 102 licensed cosmetology schools in Michigan.

By statute, a cosmetology school or establishment conducting an apprenticeship must report monthly to the department each student's or apprentice's record of attendance, MCL 339.1205a(1)(b). This report may be submitted online and there is no cost to use the online system for reporting.

No additional costs will be imposed on any businesses or group by these rules.

### **29. Estimate the actual statewide compliance costs of the proposed rules on individuals (regulated individuals or the public). Include the costs of education, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or recordkeeping.**

There will be no new compliance costs to an individual as a result of the proposed rules.

#### **A. How many and what category of individuals will be affected by the rules?**

All licensees and applicants are affected by the proposed rules.

#### **B. What qualitative and quantitative impact do the proposed changes in rules have on these individuals?**

There is no qualitative or quantitative impact on individuals as a result of the proposed rules.

### **30. Quantify any cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rules.**

There are no cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rules.

### **31. Estimate the primary and direct benefits and any secondary or indirect benefits of the proposed rules. Please provide both quantitative and qualitative information, as well as your assumptions.**

The primary and direct benefits of the proposed rules is to applicants and licensees as the proposed rules will update out-of-date information, as well as reorganize and clarify all requirements in the rule set.

### **32. Explain how the proposed rules will impact business growth and job creation (or elimination) in Michigan.**

The rules are not expected to have an impact on business growth, job creation, or job elimination in Michigan.

**33. Identify any individuals or businesses who will be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.**

The department does not expect any individuals or businesses to be disproportionately impacted by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.

**34. Identify the sources the agency relied upon in compiling the regulatory impact statement, including the methodology utilized in determining the existence and extent of the impact of the proposed rules and a cost-benefit analysis of the proposed rules.**

Illinois: <https://www.idfpr.com/profs/cosmo.asp>

Indiana: <https://www.in.gov/pla/professions/cosmetology-and-barber-home/>

Minnesota: <https://mn.gov/boards/cosmetology/>

New York: <https://dos.ny.gov/cosmetology>

Ohio: <https://cos.ohio.gov/>

Pennsylvania: <https://www.dos.pa.gov/ProfessionalLicensing/BoardsCommissions/Cosmetology/Pages/default.aspx>

Wisconsin: <https://dsps.wi.gov/pages/Professions/Cosmetologist/Default.aspx>.

**A. How were estimates made, and what were your assumptions? Include internal and external sources, published reports, information provided by associations or organizations, etc., that demonstrate a need for the proposed rules.**

Since the rules are required by statute, no estimates were made.

## **Alternative to Regulation**

**35. Identify any reasonable alternatives to the proposed rules that would achieve the same or similar goals.**

The rules are required by statute; there is no reasonable alternative to the proposed rules.

**A. Please include any statutory amendments that may be necessary to achieve such alternatives.**

Since the rules are required by statute, a statutory change would be needed to provide an alternative.

**36. Discuss the feasibility of establishing a regulatory program similar to that proposed in the rules that would operate through private market-based mechanisms. Please include a discussion of private market-based systems utilized by other states.**

Since the rules are required by statute, private market-based systems cannot serve as an alternative. States regulate cosmetologists, cosmetology establishments, and cosmetology schools by statute, regulation, or both. Private market-based systems are not used for licensing and regulation. The licensing and regulation are state functions, so a regulatory program independent of state intervention cannot be established.

**37. Discuss all significant alternatives the agency considered during rule development and why they were not incorporated into the rules. This section should include ideas considered both during internal discussions and discussions with stakeholders, affected parties, or advisory groups.**

Since the rules are specifically required by statute, there are no alternatives to the proposed rules that the agency could consider. They are necessary for the administration and enforcement of the licensing process.

## **Additional Information**

**38. As required by MCL 24.245b(1)(c), please describe any instructions regarding the method of complying with the rules, if applicable.**

The instructions for compliance are included in the rules.