

LSC Greenbook

Analysis of the Enacted Budget

Ohio State Barber Board

*Nick Thomas, Budget Analyst
Legislative Service Commission*

August 2009

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ATTACHMENT:

Budget Spreadsheet By Line Item

Ohio State Barber Board

- Appropriations of \$600,851 in both FY 2010 and FY 2011
- Oversees approximately 12,100 barbers and barber shops

OVERVIEW

Agency Overview

The Ohio State Barber Board (BRB) was established in 1934 to retard the spread of communicable diseases by establishing and enforcing standards of practice in barber shops. The Board continues to help regulate barbers in Ohio by providing licenses to barbers, barber shops, and barber schools. Licenses to individual barbers are granted upon the successful completion of an accredited school's program and an examination, which includes being able to identify the skin diseases of the head, face, and neck. The Board also conducts random inspections of barber shops to ensure that standards of hygiene are met.

The Board's governing authority consists of three members appointed by the Governor: two licensed barbers and one member of the public. Board members are compensated for time spent discharging the Board's duties and for actual expenses incurred. The day-to-day operations of the Board are handled by the executive director and six other full-time employees, who include two administrative assistants and four inspectors.

Appropriation Overview

The table below shows the Board's FY 2010-FY 2011 appropriations. The FY 2010 appropriation is 7.6% lower than FY 2009 expenditures of \$650,150. The Board receives no GRF; it is entirely supported by fees and other assessments paid by barbers and barber schools. These receipts are deposited in the Occupational Licensing and Regulatory Fund (Fund 4K90). Similar to other licensing boards, the majority of expenses are related to payroll.

Ohio State Barber Board Appropriations for FY 2010-FY 2011					
Fund Group	FY 2009	FY 2010	% change, FY 2009-FY 2010	FY 2011	% change, FY 2010-FY 2011
General Services	\$650,150	\$600,851	-7.6%	\$600,851	0%
TOTAL	\$650,150	\$600,851	-7.6%	\$600,851	0%

*FY 2009 figures represent actual expenditures.

The Board receives support for some of its administrative tasks from the Central Service Agency (CSA) of the Department of Administrative Services. These services include help in budget development, fiscal processing, human resources, and so forth, the cost of which was \$11,995 in FY 2008.

The Board uses the state's eLicensing system, an on-line tool that allows for license applications and renewals to be processed and stored electronically. Access to the system was provided at no cost in FY 2009, but users will be charged for it in FY 2010 and FY 2011. The Board stores approximately 34,582 records in the database, which is approximately 2.3% of the system's total capacity.

Fees and Fund 4K90

The board issues four primary licenses. Fees for licenses and certifications were last increased in FY 2004. Table 1 below shows the current fees for these licenses.

License	Fee
Barber	\$110
Barber School	\$1,000
Barber Shop	\$75
Barber Teacher	\$150

As mentioned above, the Board deposits fee revenue in Fund 4K90, as do many of the state's occupational licensing and regulatory boards and commissions. The Board renews licenses every other year in odd-numbered years. This means that in renewal years, revenues exceed operating expenses for the fiscal year. Conversely, in the off years when licensing receipts decline, operating expenses exceed revenues. However, as is the case with most boards that renew on a two-year cycle, there is generally a net positive balance over the two-year period. Table 2 below shows the Board's revenue and expenditure history over the last two biennia. Combined revenues from FY 2006-FY 2007 were \$1,505,447; expenditures for the same period were \$1,087,316, giving a net balance over that period of \$418,131. The net balance for the FY 2008-FY 2009 biennium was \$232,875.

	FY 2006-FY 2007	FY 2008-FY 2009
Revenues	\$1,505,447	\$1,483,875
Expenditures	\$1,087,316	\$1,251,000
Net	\$418,131	\$232,875

ANALYSIS OF ENACTED BUDGET

The following table shows the Board's appropriations for the FY 2010-FY 2011 biennium.

Ohio State Barber Board Appropriations				
Fund	ALI and Name		FY 2010	FY 2011
General Services Fund Group				
4K90	877609	Operating Expenses	\$600,851	\$600,851

The Board pays all of its operating expenses from this line item. Appropriations are \$600,851 in each fiscal year, a 7.6% decrease over actual FY 2009 expenditures of \$650,150. The Board currently employs seven FTEs: the executive director, four inspectors, and two administrative assistants.

Licenses

Table 3 shows the number of active licenses issued by the Board in FY 2007 and FY 2008.

Table 3. Active Licenses, FY 2007 and FY 2008			
License Type	FY 2007	FY 2008	% Change
Barber	8,549	8,964	4.9%
Barber School	18	18	0.0%
Barber Shop	3,159	3,150	(0.3%)
Barber Teacher	65	67	3.1%
Total	11,791	12,199	3.5%

The number of active licenses overseen in FY 2008 was 12,199, a 3.5% increase over the 11,791 licenses active in FY 2007. While barbers are becoming scarcer in the rural areas of Ohio, the overall barber population remains fairly constant, due in part to a substantial rise in the number of barbers immigrating to urban areas of Ohio from other countries.

Investigation and Enforcement Statistics

The Board's regulatory obligations also include conducting random inspections and investigating complaints about issues of incompetent or unhygienic practitioners. During FY 2008, the Board conducted more than 8,000 random inspections and

investigated more than 100 complaints. The Board issued 100 violations and collected \$12,225 in fines during FY 2008. Additionally, two official disciplinary hearings were held, resulting in license revocation in both cases.

Table 4. Enforcement Statistics, FY 2008	
Enforcement Action	Amount
Random Inspections	8,081
Investigations	118
Violations	100
Disciplinary Hearings	2

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FY 2010 - 2011 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2008	FY 2009	FY 2010 Appropriations	% Change FY09 - FY10	FY 2011 Appropriations	% Change FY10 - FY11
Report For: Main Operating Appropriations Bill			Version: Enacted					
BRB Board of Barber Examiners								
4K90	877609	Operating Expenses	\$ 600,851	\$ 650,190	\$ 600,851	-7.59%	\$ 600,851	0.00%
General Services Fund Group Total			\$ 600,851	\$ 650,190	\$ 600,851	-7.59%	\$ 600,851	0.00%
Board of Barber Examiners Total			\$ 600,851	\$ 650,190	\$ 600,851	-7.59%	\$ 600,851	0.00%