

Ohio State Barber Board

Senate Finance and Financial Institutions Committee

*Carol A. Robison, Budget Analyst
Legislative Service Commission*

April 22, 2003

*Additional copies are available on our website at www.lsc.state.oh.us
Click on 'Fiscal Publications' then 'Ohio Budget'*

LSC Redbook
for the
Ohio State Barber Board

Senate Finance and Financial Institutions Committee

Carol A. Robison, Budget Analyst
Legislative Service Commission

TABLE OF CONTENTS

Overview.....A1
Analysis of Executive Proposal.....A2
Additional Facts and Figures.....A3
Permanent and Temporary Law Section.....A4
Requests Not Funded.....A6
Catalog Of Budget Line Items COBLI 1
Attachment: LSC Budget Spreadsheet By Line Item
Compare Document: As Introduced to House Passed

April 22, 2003

Ohio State Barber Board

- The two major areas of regulation are sanitation issues and identifying barbers without a license
- \$535,853 executive recommended funding for FY 2004; and \$555,037 executive recommended funding for FY 2005

OVERVIEW

The Ohio State Barber Board was established in 1934 to ensure that the consuming public was protected from communicable diseases. The Board requires all barbers to attend a licensed barber school, after which they must pass an examination to determine their ability and competence. Additionally, licensed barbers must possess knowledge of skin diseases. In addition to licensing barbers, the Board also regulates barber schools and barber shops. Other activities undertaken by the Board include the inspections of barber shops and schools, setting standards for licensure and enforcement of those standards through examinations, investigations, and disciplinary actions.

As of August 2002, the Board was regulating more than 9,000 barbers, more than 3,100 shops, 50 teachers, and 14 schools. There are plans for a new barber school to open in Athens by July 1, 2003, and potential for new schools to open in Toledo/Bowling Green and also in Cleveland at later dates.

In FY 2002, the Board made 7,275 inspections of barber shops resulting in 155 actual violations being written. Approximately 50 complaints were received, which were resolved by letters or inspections. Numerous complaints were received and handled by phone calls. As a result of hearings, a total of \$22,200 was received from fines imposed for violations.

Recent changes to the minimum size of a barber school, found in Ohio Administrative Code Chapter 4709-03-02, has reduced the minimum square footage from 3,000 feet to 2,000 feet and minimum student training facilities from 30 students to 20 students. The Barber Board anticipates that these changes to the Revised Code may encourage new barber schools to open.

The Board renews its licenses biennially. The Board's revenues and expenditures are recorded in the General Services Fund 4K9, for occupational licensing boards. Creating board self-sufficiency continues to be the primary goal for the Barber Board. As a result of increased expenses and a temporary decrease in the number of barbers, the Board is seeking an increase in its fee structure allowed under Revised Code section 4709.12. The fee increase would allow the Board to operate with a 4K9 surplus during the transition from the attrition of older barbers to the expansion of a new generation of barbers from new barber schools.

ANALYSIS OF EXECUTIVE PROPOSAL

OHIO STATE BARBER BOARD

Purpose: License and regulate barbers, barber shops, and barber schools

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
4K9	877-609	Operating Expenses	\$535,853	\$555,037
Total funding: Ohio State Barber Board				

Ohio State Barber Board

Program Description: In accordance with Chapter 4709. of the Revised Code, the Ohio State Barber Board licenses barbers, barber shops, and barber schools and teachers; conducts health, sanitation, and safety related inspections of shops and schools; sets the standards for licensure; and enforces its standards through examinations, investigations, and disciplinary actions.

Funding Source: GSF Fund 4K9 (a rotary fund). All revenue from the 24 occupational licensing boards is placed in Fund 4K9 and then reallocated to each board. Each board must raise enough revenue through its license fees to cover its expenses.

Line Item: 877-609, Operating Expenses

Implication of the Executive Recommendation: The executive recommendation includes funding for the Board of \$535,853 in FY 2004 and \$555,037 in FY 2005. The FY 2004 increase of \$29,854 represents a 5.9% increase over FY 2003 estimated spending. The FY 2005 increase of \$19,184 represents a 3.6% increase in funding over FY 2004 recommendations.

Revenues from the occupational licensing boards are deposited in the 4K9 Rotary Fund for use by this and other boards throughout the biennium. The following table shows that the Barber Board’s revenue exceeded expenditures by \$193,659 over the two-year period, FYs 2001 – 2002.

Recent Barber Board revenues and expenditures are as follows:

FY 2001			FY 2002			2-Year Net
Revenue	Expenditure	Net	Revenue	Expenditure	Net	
\$918,010	\$384,893	\$533,117	\$96,270	\$435,728	(\$339,458)	\$193,659

ADDITIONAL FACTS AND FIGURES

State Board of Barber Examiners Staffing Levels						
Program Series/Division	2000	2001	2002	2003	<i>Estimated</i>	
					2004	2005
Board Members	3	3	3	3	3	3
Administrative Staff	3	3	3	3	3	3
Investigators	4	4	4	4	4	4
Totals	10	10	10	10	10	10

Number of Licensees

License Type	FY 2002
Barber	9,030
Barber School Teacher	50
Barber Shop	3,141
Barber School	14

Current License Fees

Current fees for the four primary Barber Board license types reflect increases that were granted in July 1997. The Board renews its licenses biennially.

License Type	NEW	RENEWAL
Barber	\$20	\$75
Barber School Teacher	\$125	\$100
Barber Shop	\$75	\$50
Barber School	\$500	\$500

PERMANENT AND TEMPORARY LAW SECTION

This section describes permanent and temporary law provisions contained in the executive budget that will affect the Board’s activities and spending decisions during the next biennium.

Permanent Law Provisions

Fee Increases (section 4709.12). The budget request for the FYs 2004 – 2005 biennium includes recommended fee increases as shown in the following table.

Ohio State Barber Board Fee Structure	Current Fee	Proposed New Fee	Estimated Increase in Annual Revenue from New Fees
Barber Examination Application Fee	\$60	\$90	\$6,480
Barber Re-Take Examination Fee	\$30	\$45	\$1,275
Barber License Fee (New)	\$20	\$30	\$2,150
Barber License Fee (*biennial renewal)	\$75	\$110	\$158,025 est. annual increase
Barber Expired License Restoration Fee and Each Lapsed Year Fee (not to exceed \$460 each barber)	\$100 \$50	\$150 \$75	\$5,700 \$0/unknown
Barber or Shop Duplicate License Fee	\$30	\$45	\$360
Shop Inspection and Issuance of License (new, reopening, change of ownership)	\$75	\$110	\$0/unknown
Shop Renewal (*biennial renewal)	\$50	\$75	\$39,262 est. annual increase
Shop License Restoration	\$75	\$110	\$140
School – New Inspection Fee	\$500	\$750	\$250
School – Initial License Fee	\$500	\$1000	\$7,000
School - (*biennial renewal license fee)	\$500	\$1000	\$3,500 est. annual increase
School – Restoration of License Fee	\$600	\$1000	\$0
Student Registration Fee	\$25	\$40	\$5,100
Teacher – Exam and New License Fee	\$125	\$185	\$3,000
Teacher – (*biennial renewal license fee)	\$100	\$150	\$1,250 est. annual increase
Teacher or Assistant Teacher – License Restoration Fee and Each Lapsed Year Fee (not to exceed \$300 each teacher)	\$150 \$40	\$225 \$60	\$525 \$0/unknown
Barber License by reciprocity pursuant to Section 4709.08	\$200	\$300	\$2,800
Fee for providing licensing information to applicant	\$25	\$40	\$1,050
Total Estimated Annual Fee Revenue Increase			\$237,867

* The Ohio State Barber Board *renews* four license types *biennially*: barber, shop, school, and teacher.

Temporary Law Provisions

There are no temporary law provisions with fiscal effects on this agency.

REQUESTS NOT FUNDED

The Barber Board has requested a budget for FY 2004 of \$556,599 and a budget for FY 2005 of \$595,848.

The executive recommendation for FY 2004 of \$535,853 represents a decrease of \$20,746 from the Board's requested amount.

The executive recommendation for FY 2005 of \$555,037 represents a decrease of \$40,811 from the Board's requested amount.

Without full funding, the Barber Board anticipates that one full time investigator may be eliminated.

General Services Fund Group

4K9 877-609 Operating Expenses

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$430,340	\$384,892	\$435,729	\$505,999	\$535,853	\$555,037
	-10.6%	13.2%	16.1%	5.9%	3.6%

Source: GSF: Revenue received by the occupational licensing boards is deposited into Fund 4K9

Legal Basis: Section 27 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: The funds in this line item are used for general operating expenses, including payroll, supplies, and equipment for the Ohio State Barber Board. The board protects the health and welfare of the public by setting standards for the licensure of barbers, barber shops, schools, and teachers and by enforcing its standards through examination, renewal, clinical inspection, investigation, and disciplinary action.

LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>Estimated 2003</i>	<i>As Introduced 2004</i>	<i>House Sub Bill 2004</i>	<i>% Change Est. 2003 to House 2004</i>	<i>As Introduced 2005</i>	<i>House Sub Bill 2005</i>	<i>% Change House 2004 to House 2005</i>
BRB Barber Examiners, Board of									
4K9	877-609	Operating Expenses	\$505,999	\$ 535,853	\$ 535,853	5.9%	\$ 555,037	\$ 555,037	3.6%
General Services Fund Group Total			\$ 505,999	\$ 535,853	\$ 535,853	5.9%	\$ 555,037	\$ 555,037	3.6%
Total All Budget Fund Groups			\$ 505,999	\$ 535,853	\$ 535,853	5.9%	\$ 555,037	\$ 555,037	3.6%

As Introduced

As Passed by the House

Subject: License Fee Increases

R.C. 4709.12

Increases license renewal fees as follows:

Barber Examination Application: Current Fee = \$60,
Proposed Fee = \$90Barber Retake Examination Application: Current Fee =
\$30, Proposed Fee = \$45Barber Initial License: Current Fee = \$20, Proposed Fee =
\$30Barber Biennial License Renewal: Current Fee = \$75,
Proposed Fee = \$110Barber License Restoration and Each Lapsed Year:
Current Fee = \$100 and \$50 each lapsed year to a
maximum of \$460, Proposed Fee = \$100 and \$75 each
lapsed year to a maximum of \$690Barber or Shop Duplicate License: Current Fee = \$30,
Proposed Fee = \$45Shop License, including inspection of shop, reopening of
premises or facilities formerly operated as a barber shop,
and issuance of a license: Current Fee = \$75, Proposed
Fee = \$110Shop Biennial License Renewal: Current Fee = \$50,
Proposed Fee = \$75Shop Restoration of License: Current Fee = \$75, Proposed
Fee = \$110Inspection of Premises for Location of New or Relocation
of Current Barber School: Current Fee = \$500, Proposed
Fee = \$750Barber School Initial License: Current Fee = \$500,
Proposed Fee = \$1,000Barber School Renewal License: Current Fee = \$500,
Proposed Fee = \$1,000

Barber School Restoration of License: Current Fee = \$600,

R.C. 4709.12

No change.

As Introduced**As Passed by the House**

Proposed Fee = \$1,000

Student Registration: Current Fee = \$25, Proposed Fee = \$40

Teacher Biennial License Examination and Issuance:

Current Fee = \$125, Proposed Fee = \$185

Teacher Biennial Renewal License: Current Fee = \$100, Proposed Fee = \$150

Expired Teacher Restoration of License: Current Fee = \$150 and \$40 each lapsed year to a maximum of \$300, Proposed Fee = \$225 and \$60 each lapsed year to a maximum of \$450

Barber License by Reciprocity: Current Fee = \$200, Proposed Fee = \$300

Response to Written Request by Applicant for Applicant License Information: Current Fee = \$25, Proposed Fee = \$40

The board, subject to the approval of controlling board, may establish fees in excess of the current or proposed amounts up to fifty per cent of the current or proposed amounts.

Fiscal Effect: Revenue gain for the Barber Board to the 4K9 Fund