

# **LSC Greenbook**

**Analysis of the Enacted Budget**

**Ohio State Barber Board**

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### **ATTACHMENT:**

Budget Spreadsheet By Line Item

# Ohio State Barber Board

- Appropriations of \$656,320 in FY 2012 and \$649,211 in FY 2013
- Oversees approximately 12,100 barbers and barber shops
- Statutory change allows those with prior felony convictions to obtain a barber license

## 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, including two administrative assistants and four inspectors. The Board receives no GRF funding; rather, it is entirely supported by fees and other assessments paid by licensees.

### Appropriation Overview

The budget appropriates \$656,320 for the Board's operations in FY 2012, a slight decrease when compared to operating expenses of \$660,223 incurred in FY 2011. The appropriation for FY 2013 is \$649,211. The lion's share of this funding is devoted to payroll for the seven permanent staff.

Like many other regulatory boards, BRB receives assistance for certain administrative functions from the Central Service Agency (CSA) within the Department of Administrative Services. This includes help in budget development, fiscal processing, human resources management, and so forth. BRB paid approximately \$19,000 for these services in FY 2011.

The Board also participates in the eLicensing system, an online tool used by many boards that allows for license applications and renewals to be processed and stored electronically. BRB stores approximately 34,500 records in the system, which is

overseen by the Department of Administrative Services. BRB projects its share of system expenses to be under \$10,000 in each fiscal year of the FY 2012-FY 2013 biennium. At some point in the future, eLicensing will be replaced by a new and more stable licensing platform dubbed the Ohio Professionals Licensing System. As with the current system, licensing boards will be charged for their share of usage.

## **ANALYSIS OF ENACTED BUDGET**

<b>BRB Appropriations</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2012</b>	<b>FY 2013</b>
<b>General Services Fund Group</b>				
4K90	877609	Operating Expenses	\$656,320	\$649,211

Fund 4K90 line item 877609, Operating Expenses, is used to pay for all of BRB's operating expenses. The appropriation for FY 2012 is \$656,320, slightly under FY 2011 spending of \$660,223. The appropriation for FY 2013 is \$649,211, a 1.1% decrease when compared to the FY 2012 amount. Most of these appropriations will go toward payroll costs for the seven full-time employees working for the Board. This includes the executive director, four inspectors, and two administrative assistants.

The remaining amounts are slated for other costs the Board incurs for oversight of the barbering trade. In FY 2010, the Board conducted 8,081 random inspections and 118 investigations. In addition to costs incurred for inspections and enforcement, the Board must also pay eLicensing fees, DAS charges for centralized administrative support, the cost of its biennial audit conducted by the Auditor of State, postage, and other such expenses.

The fees collected by the Board are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). This is a shared pool of funding, derived mostly from licensing fees, used by 28 boards and commissions to support their licensing and regulatory functions. BRB renews licenses every other year in odd-numbered years. This means that in renewal years, BRB sees a large increase in revenues, exceeding operating expenses for the fiscal year. Correspondingly, in the off years, operating expenses incurred during the year exceed fee intake. However, there is generally a net positive balance over the two-year licensing cycle. In FY 2010, the number of active licenses overseen by the Board was 12,204, a 6.1% increase over the FY 2009 figure of 11,502.

### **Issuance of Licenses to People with Prior Felony Convictions**

A provision of the main operating budget act for FY 2012-FY 2013 allows a person convicted of a felony to obtain a barber license if the person was convicted of the felony before applying for a license. These persons were barred from licensure under previous law. As a result of this change, the Board could see an uptick in license applications from these persons, although the number of applications and licenses that would be issued to those with prior felony convictions is difficult to project.

# FY 2012 - FY 2013 Final Appropriation Amounts

# All Fund Groups

Line Item Detail by Agency			FY 2010	FY 2011	Appropriations FY 2012	FY 2011 to FY 2012 % Change	Appropriations FY 2013	FY 2012 to FY 2013 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>					
<b>BRB Board of Barber Examiners</b>								
4K90	877609	Operating Expenses	\$ 615,050	\$ 660,223	\$ 656,320	-0.59%	\$ 649,211	-1.08%
<b>General Services Fund Group Total</b>			<b>\$ 615,050</b>	<b>\$ 660,223</b>	<b>\$ 656,320</b>	<b>-0.59%</b>	<b>\$ 649,211</b>	<b>-1.08%</b>
<b>Board of Barber Examiners Total</b>			<b>\$ 615,050</b>	<b>\$ 660,223</b>	<b>\$ 656,320</b>	<b>-0.59%</b>	<b>\$ 649,211</b>	<b>-1.08%</b>