

LSC Greenbook

Analysis of the Enacted Budget

Ohio State Barber Board

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TABLE OF CONTENTS

OVERVIEW 1
Appropriations Overview 1
Operating Results 1
Fee Schedule 2
ANALYSIS OF ENACTED BUDGET 3
Operating Expenses (877609) 3

ATTACHMENT:

Budget Spreadsheet By Line Item

Ohio State Barber Board

- Appropriations of \$674,272 in FY 2016 and \$688,272 in FY 2017
- Approximately 11,800 active licenses

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. 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 barbers and barber schools.

Appropriations Overview

BRB fees are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90), which serves as the operating fund for many of the state's licensing boards. As can be seen in Table 1 below, the budget provides funding of \$674,272 in FY 2016, an increase of 8.7% when compared to FY 2015 spending of \$620,209 on Board operations. The appropriation for FY 2017 is \$688,272, a 2.1% increase over the FY 2016 amount.

Fund Group	FY 2015*	FY 2016	% change, FY 2015-FY 2016	FY 2017	% change, FY 2016-FY 2017
Dedicated Purpose	\$620,209	\$674,272	8.7%	\$688,272	2.1%

*FY 2015 figures represent actual expenditures.

Operating Results

Table 2 shows BRB's operating results for the FY 2012-FY 2013 biennium and the FY 2014-FY 2015 biennium that concluded June 30, 2015. As with most occupational licensing and regulatory boards, the bulk of BRB's operating revenue comes from

licensing fees. BRB renews licenses biennially in odd-numbered fiscal years. This means that there are significant fluctuations in the amount of revenue collected on a year-to-year basis, with most of the revenue coming in the odd-numbered fiscal years when licenses are renewed. Receipts in the odd-numbered fiscal years thus cover the deficits in even-numbered fiscal years when there is comparatively little income. Nevertheless, over recent two-year renewal cycles, BRB's revenues have consistently exceeded expenditures.

	FY 2012	FY 2013	FY 2014	FY 2015
Revenue	\$168,354	\$1,312,969	\$170,342	\$1,297,605
Expenditures	\$642,907	\$656,615	\$643,325	\$620,209
Net	-\$474,553	\$656,354	-\$472,983	\$677,396

Fee Schedule

As mentioned previously, licensing fees collected by the Board are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). Table 3 below shows the four primary licenses issued by BRB and the fee for each.

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

Sunset Review Committee

H.B. 64 contains a provision that requires the Sunset Review Committee, which is to operate in calendar years 2015 and 2016, to consider and evaluate the usefulness, performance, and effectiveness of various state licensing boards, including BRB. As part of this process, the Committee is to prepare a report of its recommendations, which may be in the form of a bill to be introduced in the House or Senate.

ANALYSIS OF ENACTED BUDGET

Appropriations for the Ohio State Barber Board			
Fund	ALI and Name	FY 2016	FY 2017
Dedicated Purpose Fund Group			
4K90	877609 Operating Expenses	\$674,272	\$688,272

Operating Expenses (877609)

Fund 4K90, line item 877609, Operating Expenses, is used to pay for all of BRB's operating expenses. The proposed funding for FY 2016 is \$674,272, an increase of 8.7% from FY 2015 spending of \$620,209. The amount appropriated for FY 2017 is \$688,272, a 2.1% increase over FY 2016 funding. In addition to the appointed members, the Board employs four inspectors and two administrative assistants. The Executive Director position is currently vacant; however, the Board is operating with an interim director at that position.

The Board receives assistance for certain administrative functions from the Central Service Agency (CSA) within the Department of Administrative Services. These services include help in budget development, fiscal processing, human resources management, and so forth. BRB is also responsible for paying its share of costs related to the state's centralized professional licensing system, as well as the expenses associated with the required biennial financial audit conducted by the Auditor of State.

The number of active licenses in FY 2015 was 11,812. Of that number, 8,794 (74.4%) were for barber licenses and students, and 2,915 (24.7%) were for barber shops. The remaining 103 (0.9%) licenses were issued to barber teachers and barber schools.

BRB.docx/lb

FY 2016 - FY 2017 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			Appropriation	FY 2015 to FY 2016	Appropriation	FY 2016 to FY 2017		
Line Item Detail by Agency			FY 2014	FY 2015	FY 2016	% Change	FY 2017	% Change
Report For Main Operating Appropriations Bill			Version: As Enacted					
BRB Ohio State Barber Board								
4K90	877609	Operating Expenses	\$ 643,325	\$ 620,209	\$ 674,272	8.72%	\$ 688,272	2.08%
Dedicated Purpose Fund Group Total			\$ 643,325	\$ 620,209	\$ 674,272	8.72%	\$ 688,272	2.08%
Ohio State Barber Board Total			\$ 643,325	\$ 620,209	\$ 674,272	8.72%	\$ 688,272	2.08%