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↻ Designates that this item is a change item

Agency Purpose

The Board of Barber and Cosmetologist Examiner (Board) was established under M.S. 154 in 2004 by merging the Board of Barbers and the Cosmetology Division from the Department of Commerce. The Board of Barber and Cosmetologist Examiners, a licensing agency, is responsible for licensing and regulating individual, establishment, and school licenses for a variety of cosmetology and barbering related fields.

The mission of the Board is to promote the public's health and safety by ensuring that barbers and cosmetologists meet the minimum requirements establishment by the legislature and the Board.

Core Functions

The Board accomplishes its mission by:

- ◆ setting and administering educational requirements and examination standards;
- ◆ reviewing applications in a timely and thorough manner
- ◆ setting standards of practice and conduct;
- ◆ conducting annual inspections of shops and schools to ensure compliance with statues and rules;
- ◆ responding to inquiries, complaints, and reports, regarding licensure and conduct of applicants, licensees and unlicensed practitioners; and
- ◆ providing information and education to the public and other interested parties.

Operations

The Board serves barber and cosmetology customers by licensing only those individuals, establishments, and schools that meet established educational, examination, and other requirements. The board also investigates complaints regarding barber and cosmetologist care, and when necessary, initiates corrective or disciplinary action. The board verifies applicants' credentials and verifies license status and inspection scores to interested parties.

Key Goals

The Board's strategic goals are:

- ◆ To improve operational efficiency by streamlining processes and procedures to better serve our customers.
- ◆ To foster a sense of partnership by demonstrating respect and support for our licensees.
- ◆ To maintain, promote, and improve the complaint process to ensure that those that violate law or rules are held accountable.

Key Measures

- ◆ Public protection – the Board's website allows the public to verify license status and inspection scores, and also provides complaint forms and information on the complaint process.
- ◆ Online services – All information that can be provided over the phone is available on our website, including general updates, meeting minutes, newsletters, applications & forms, questions & answers, and beginning in October of 2008, online renewals.
- ◆ Public information – In addition to the website, the Board provides information through public outreach, newsletters, field inspectors, and agency staff taking questions via phone, in-person, and email.
- ◆ Investigations – The Board investigates approximately 100 complaints alleging misconduct of rule or law each year. Complaints can involve both licensed and non-licensed shops and individuals. The board's complaint committee determines whether it has jurisdiction, and investigates accordingly.

At A Glance

Minnesota Board of Barber and Cosmetologist Examiners Statistics
(As of June 30th, 2008)

Total Licensees:	38,587
Barber Related Licensees:	3,384
◆ 886 Shops	
◆ 2,498 Individual	
Cosmetology Related Licensees:	35,203
◆ 5,995 Salons	
◆ 29,208 Individual	
Total Complaints:	102
Number of Inspections per year:	5,200

Increase of Licensees Since July 1,2006

Barber Related Licensees:	361	10.67%
Cosmetology Related:	8,216	23.34%
Total Increase:	8,577	22.23%

Budget

The board receives a direct appropriation from the general fund for all its expenses. All revenues are deposited as non-dedicated receipts in the general fund. The legislature sets all fee amounts in statute. Expenditures for FY 2008-09 are approximate \$1.5 million, which includes 10.5 full-time equivalent employees. Revenues over the same period are budgeted at \$3.0 million.

Contact

Minnesota Board of Barber and Cosmetologist Examiners
2829 University Avenue South East
Suite 710
Minneapolis, Minnesota 55414
www.bceboard.state.mn.us

The website at www.bceboard.state.mn.us gives visitors easy access to useful information regarding the Board of Barber and Cosmetologist Examiners. Types of information available through the website include: regulatory news and updates, applications, online verification, rules and statutes, public notices, newsletters, and overall general information.

Gina Stauss, Executive Secretary
Email: bce.board@state.mn.us
Phone: (651) 201-2742
Fax: (612) 617-2601
TDD: (1-800) 627-3529

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	829	749	749	749	1,498
Recommended	829	749	839	839	1,678
Change		0	90	90	180
% Biennial Change from 2008-09					6.3%
 <u>Expenditures by Fund</u>					
Direct Appropriations					
General	714	864	839	839	1,678
Total	714	864	839	839	1,678
 <u>Expenditures by Category</u>					
Total Compensation	547	590	566	566	1,132
Other Operating Expenses	167	274	273	273	546
Total	714	864	839	839	1,678
 <u>Expenditures by Program</u>					
Barbers	714	864	839	839	1,678
Total	714	864	839	839	1,678
Full-Time Equivalent (FTE)	10.6	10.2	8.5	8.2	

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Change Summary

Dollars in Thousands

	FY2009	Governor's Recomm.		Biennium
		FY2010	FY2011	2010-11
<i>Fund: GENERAL</i>				
FY 2009 Appropriations	749	749	749	1,498
Subtotal - Forecast Base	749	749	749	1,498
Change Items				
Fee Collection and Cost Recovery	0	90	90	180
Total Governor's Recommendations	749	839	839	1,678
<i>Revenue Change Items</i>				
<i>Fund: GENERAL</i>				
Change Items				
Fee Collection and Cost Recovery	0	90	90	180

BARBER/COSMETOLOGIST EXAM BD

Change Item: Fee Collection and Cost Recovery

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$90	\$90	\$90	\$90
Revenues	90	90	90	90
Net Fiscal Impact	\$0	\$0	\$0	\$0

Recommendation

The Governor recommends that the Board of Barber and Cosmetologist Examiners establish new fees. Specifically, the Board of Barber and Cosmetologist Examiners should collect fees for a lapsed license, revoked license, duplicate licenses, and letters of verification.

Background

The Board of Barber and Cosmetologist Examiners is a fee-supported agency. Funds are appropriated from the general fund by the legislator to the board. The board collects and deposits revenue into the general fund each year. The legislature approves our spending plans and the fees assed the various licensees of the Board which cover all of the Board's direct and indirect expenditures. At the end of the biennium, the Board should be at least revenue neutral.

The Board process approximately 1,000 lapsed licenses, 350 duplicate licenses, and 1,200 letter of verification per year. The Board currently has no penalty for those who renew their license late. There is no financial or other type of penalty associated with a delinquent renewal. Due to the high number of licensees, the Board is consistently reissuing new licenses for reasons such as name changes, lost license, etc. Due to the time and supplies involved in creating a new license or update certain data, the Board needs to recover these costs.

Relationship to Base Budget

The changes required will allow the Board to collect revenue which would help offset administrative costs as well as operational costs that are associated with processing and printing licensees and letters. The Board will use the revenue to offset these expenses in which we are already incurring. The Board's budget is self-generated through fees from the various types of license we offer.

The table listed below identifies:

- ◆ A list of all fees that will be changing and implementing
- ◆ The current amount of all fees that will be changing
- ◆ The current anticipated revenue collected each fiscal year
- ◆ The proposed percentage of the fee change
- ◆ The proposed amount of each fee
- ◆ The total anticipated to pay under the proposed changes
- ◆ The new proposed anticipated revenue
- ◆ The difference in revenue

BARBER/COSMETOLOGIST EXAM BD

Change Item: Fee Collection and Cost Recovery

Current Fee Information				Proposed New Fee Information			
Fee Name	Current Fee Amount	Current FY 2008-09 Anticipated Revenue Budget Each Year	Proposed % of the Fee Change-Increase	Proposed New Fee Amount	Number Paying Under New Proposals	Proposed FY 2010-11 Anticipated Revenue Budget Each Year	Difference in Revenue Anticipated to be Collected
Operator/Manager License –Lapsed	\$0.00	\$0.00	New	45.00	750	\$33,750	\$33,750
Salon/School License-Lapsed	0.00	0.00	New	50.00	100	5,000	5,000
Cosmetology Duplicate License	0.00	0.00	New	20.00	350	7,000	7000
Cosmetology Letter of Verification	0.00	0.00	New	30.00	1,200	36,000	36,000
Name Change	0.00	0.00	New	20.00	300	6,000	6,000
Processing Fee	0.00	0.00	New	10.00	100	1,000	1,000
Total	\$0.00	\$0.00	N/A	N/A		\$89,750	\$89,750

Key Goals and Measures

The fee increase will increase revenues. The Board will monitor revenues and expenditures closely to ensure that significant excess fee collection does not occur. The Board will receive sufficient revenue to cover all expenses.

The Board of Barber and Cosmetologist Examiners is taking this initiative to be fiscally responsible, while not sacrificing services to the public that may jeopardize public protection nor cause undue burdensome to our licensees. The Board will continue to fulfill its mission of protecting the public by ensuring we license competent barbers and cosmetologist.

Alternatives Considered

The alternative would be to not collect fees for services provided to licensees and the public. Performing the tasks of the above –outlined items uses board staff time and resources, thus incurring costs and expenses to the Board. Collection of fees to provide these services demonstrates the Board’s fiscal responsibility.

Statutory Change: M.S. 154.44

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Governor's Recomm. FY2010 FY2011		Biennium 2010-11
<u>Non Dedicated Revenue:</u>					
Departmental Earnings:					
General	1,435	1,562	1,674	1,734	3,408
Total Non-Dedicated Receipts	1,435	1,562	1,674	1,734	3,408
<u>Dedicated Receipts:</u>					
Total Dedicated Receipts	0	0	0	0	0
Agency Total Revenue					
	1,435	1,562	1,674	1,734	3,408