

**WEST VIRGINIA
SECRETARY OF STATE
NATALIE E. TENNANT
ADMINISTRATIVE LAW DIVISION**

Form #3

Do Not Mark In This Box

**NOTICE OF AGENCY APPROVAL OF A PROPOSED RULE
AND
FILING WITH THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE**

AGENCY: Board of Barbers and Cosmetologists TITLE NUMBER: 3

CITE AUTHORITY: 30-27-1, 30-27-6

AMENDMENT TO AN EXISTING RULE: YES NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: 6

TITLE OF RULE BEING AMENDED: Schedule of Fees

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: _____

TITLE OF RULE BEING PROPOSED: _____

THE ABOVE PROPOSED LEGISLATIVE RULE HAVING GONE TO A PUBLIC HEARING OR A PUBLIC COMMENT PERIOD IS HEREBY APPROVED BY THE PROMULGATING AGENCY FOR FILING WITH THE SECRETARY OF STATE AND THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE FOR THEIR REVIEW.


Authorized Signature

FISCAL NOTE FOR PROPOSED RULES

Rule Title: Schedule of Fees

Type of Rule: Legislative Interpretive Procedural

Agency: Board of Barbers and Cosmetologists

Address: 1716 Pennsylvania Ave. Suite 7
Charleston, WV 25302

Phone Number: 304-558-2924 Email: adam.l.higginbotham@wv.gov

Fiscal Note Summary

Summarize in a clear and concise manner what impact this measure will have on costs and revenues of state government.

The fee increases would be marginal in comparison to cover the additional costs the Board has or will incur due to the separation from DHHR into a stand alone board. The estimated increase may generate at least \$96,275 per year for the Board.

The additional tasks taken over the DHHR and from the new code governing the Board could increase expenses to a minimum of \$116,500. Therefore, the fee increases are not placed to generate more revenue for want, but need. The additional expenses need to be covered. Please see the 2 attached summary proposals.

Fiscal Note Detail

Show over-all effect in Item 1 and 2 and, in Item 3, give an explanation of Breakdown by fiscal year, including long-range effect.

FISCAL YEAR			
Effect of Proposal	Current Increase/Decrease (use "-")	Next Increase/Decrease (use "-")	Fiscal Year (Upon Full Implementation)
1. Estimated Total Cost	500,035.00	567,535.00	650,535.00
Personal Services	380,669.00	380,669.00	414,669.00
Current Expenses	119,366.00	186,866.00	235,866.00
Repairs & Alterations	0.00	67,500.00	83,000.00
Assets	0.00	0.00	0.00
Other	0.00	0.00	0.00
2. Estimated Total Revenues	520,000.00	560,000.00	660,000.00

Rule Title: _____

Rule Title: Schedule of Fees

3. Explanation of above estimates (including long-range effect):

Please include any increase or decrease in fees in your estimated total revenues.

The estimates above indicate the expenses that are occurring with the Board's separation from DHHR or the new code 30-27. The fees show how the Board intends to cover the increase in expenses. The gradual increase in revenue shows that the Board could lose more than \$7,000 next year. However, the Board can regain the lose by at \$10,000 increase after full implementation. After full implementation is in place, several costs will be reduced or disappear due to the implementation stages disappearing. (For example: the Board will not need to spend \$15,000 a year to inform the licensees about continuing education after 1 or 2 years of implementation has taken place.) Additionally, expenses needed to buy adequate equipment will decrease each after after fiscally conservative purchases are made on a year-to-year basis. Therefore, the Board's expenses will reduce during the next 3-5 years after FY 2010 and stablize itself. The revenue needed from this increase is to cover the greatly increased expenses the Board will take on from the separation from DHHR on July 1, 2009 and implementation of new tasks.

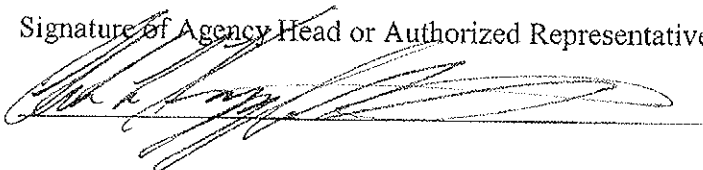
MEMORANDUM

Please identify any areas of vagueness, technical defects, reasons the proposed rule **would not** have a fiscal impact, and/or any special issues **not** captured elsewhere on this form.

NA

Date: 7/30/2009

Signature of Agency Head or Authorized Representative





State of West Virginia
Board of Barbers and Cosmetologists

1716 Pennsylvania Avenue, Suite 7
Charleston, West Virginia 25302
Telephone: 304-558-2924
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Joe Manchin III
Governor

Martha Yeager Walker
Secretary

Adam L. Higginbotham
Director

Date : July 30, 2009

To: Administrative Law Division of Secretary of State's Office

From: *ALH* Adam L. Higginbotham, Director, Board of Barbers and Cosmetologists

Re: Schedule of Fees

SUMMARY OF PROPOSAL

The Schedule of Fees has a list of proposed increases for very few licenses and the establishment of new fees allowed by law through the passage of the new code governing the Board (30-27).

Fee 2.1 This increase would not generate much money, but merely help cover the cost of administering the test. The expenses for a test consist of \$150.00 per diem for each board member (7), \$15.00 per test purchased, minimum \$150.00 rental fee of school per day, a minimum of \$600.00 hotel and food cost of board members, minimum of \$500.00 mileage reimbursement. On a typical test day, the Board expenses exceed \$4,000.00. Based on the estimate of 600 test takers per year, a \$25.00 increase would generate \$15,000.

Fee 2.5 A late fee increase from \$5.00 to \$10.00 would help promote on-time license renewals. The generated revenue would be minimal. Based on the estimate of 500 late renewals per year, a \$5.00 increase would generate \$2,500.

Fee 2.7 The increase to a school opening license would not generate money since very few schools open in West Virginia due to instructor qualification requirements. However, when a school does want to open a lot of time, planning, and consideration is provided to the application. The Board also incurs fees from the Attorney General's Office for advice and reviewing the documentation of the application. Based on past applications for new schools, this would generate no money due to few to zero applications.

Fee 2.11 This fee is to increase registration for booth rentals. This is needed to effectively and efficiently track booth rentals (aka: individual contractors) for the West Virginia State Tax Department as outlined in the new code for the Board (30-27). Based on the estimate of 400 new booth rentals per year, a \$5.00 increase would generate \$2,000.

Fee 2.12 This fee is to establish annual registration for booth rentals. This is needed to effectively and efficiently track booth rentals (aka: individual contractors) for the West Virginia State Tax Department as outlined in the new code for the Board (30-27). Based on the estimate of 3000 booth rentals, a \$5.00 increase would generate \$15,000.

Fee 2.13 This fee is to penalize late submitters of the annual booth rental certificate. Based on the estimate of 300 later booth rentals per year, a \$5.00 increase would generate \$1,500.

Fee 2.14 This fee would not generate a profit. This will only help cover the inspector's mileage of traveling to inspect a new shop or school that needs to submit to an opening inspection. Even with an increase to \$50.00 would not cover the expenses. Based on the estimate of 300 shops opening inspections, a \$25.00 increase would generate \$7,500.

Fee 2.16 This fee is for new shops opening. Based on the estimate of 300 shops opening per year, a \$15.00 increase would generate \$4,500.

Fee 2.17 This fee is an annual renewal and would assist the Board in covering most of the additional expenses. Based on the estimate of 2,700 shop renewals, a \$15.00 increase would generate \$40,500.

Fee 2.18 This fee is a minimal fee since very few are completed. This is for individuals moving to another state and transferring their WV license. There is a lot of labor and research put into license certificates. Based on the estimate of 40 license certificates a year, a \$10.00 increase would generate \$400.

Fee 2.19 This is a new fee to establish continuing education requirements as mentioned by the legislative auditor in 2002 and 2008. This fee would help track the providers. Based on the estimate of 40 providers, this new fee would generate \$4,000.

Fee 2.20 This is a new fee to be implemented as a low-cost and efficient continuing education option to licensees. This would be created and operated by the Board and placed on-line for individuals to perform. Based on the estimate of 100 individuals using this online option, this new fee could generate \$2,500.

Fee 2.21 This new fee would increase the Board's revenue, but only cover paper work and computer storage costs for individuals that place their license on inactive. This one-time fee would assist in the work needed to place a license on inactive. Based on the estimate of 50 inactive licenses, this new fee could generate \$500.

Fee 2.22 This is a new fee to establish the cost of a permit. Although rarely provided, a fee is needed to be in place. Based on the estimate of 25 permits issued per year, this new fee would generate \$ 375.

THE ESTIMATED REVENUE TOTAL FOR ALL PROPOPOSED INCREASES TOTALS TO \$96,275.

X

Adam L. Higginbotham
Executive Director



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Governor

Martha Yeager Walker
Secretary

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State of West Virginia
Board of Barbers and Cosmetologists

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Date : July 30, 2009

To: Administrative Law Division of Secretary of State's Office

From: Adam L. Higginbotham, Director, Board of Barbers and Cosmetologists

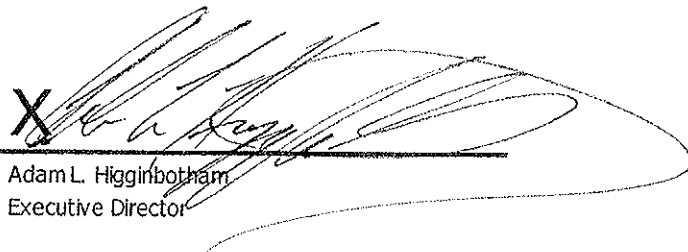
Re: Schedule of Fees

SUMMARY OF PROPOSAL

This summary indicates how the rising costs of operations, implementation of new rules, separation from WV DHHR, and other operational increases have resulted in the request for fee increases.

The chart below indicates the additional costs that Board will incur in the next year.

Relocate to ADA Compliant Office	\$24,000 per year (\$2,000 per month lease)
Implement, Operate, and Manage Continuing Education	\$15,000 per year
Create security protected licenses	\$7,500 per year
Mailing costs from DHHR separation	\$10,000 per year
Other misc. expenses from DHHR separation	\$15,000 per year
Hire 1-2 employees to assist with continuing education implementation and additional tasks taken over from DHHR separation.	\$34,000-\$68,000 per year
Per diems for additional board members from new code	\$6,000 per year
Cover increases in utilities, paper, and general operating expenses	\$5,000 per year
Update office equipment	\$10,000
Set-up Board for more technological operations and procedures	\$10,000
TOTAL PER YEAR INCREASE	\$116,500-\$150,500
OVERALL INCREASE	\$136,500-\$170,500



Adam L. Higginbotham
Executive Director