

February 26, 2013

The Honorable David Crum, Chairperson
House Committee on Health and Human Services
Statehouse, Room 512-N
Topeka, Kansas 66612

Dear Representative Crum:

SUBJECT: Fiscal Note for HB 2257 by Representative Sloan

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2257 is respectfully submitted to your committee.

HB 2257 would allow the Board of Barbering to issue a license to practice barbering to any licensed cosmetologist who pays the prescribed fee, complies with the process, and meets the requirements established by the Board through rules and regulations. The bill would allow the Board to adopt rules and regulations necessary to carry out provisions in HB 2257. Two additional fees would be established by the bill. The first would be for the issuance of a barbering license to a licensed cosmetologist at \$80 and the second would be for the renewal of a barbering license by a licensed cosmetologist at \$80. The bill would allow the Board to develop, establish, and implement a process by which a licensed cosmetologist may become a licensed barber and by which a cosmetology services salon owned by a licensed barber would be inspected and re-inspected by any member of the Board of Barbering or any designated employee.

Current law allows any member of the Board of Barbering or employee designated to have access and may enter at all reasonable hours all places where barbering is being carried on and to inspect all books, papers, records, or documents in any barber shop within the state for the purpose of ascertaining facts to enable the Board to administer its duties. The bill would also allow access at cosmetology services salons, if the salon is owned by a licensed barber. Finally, the bill would prohibit the Board of Cosmetology from inspecting any salon that is owned by a licensed barber.

The Board of Barbering estimates there would be additional revenue from fees paid by a licensed cosmetologist to obtain a barber license or the renewal of a barber license. The Board anticipates the largest increase would occur in FY 2014 when cosmetologists interested in pursuing a barber license would take advantage of the opportunity the first year it is available and estimates additional revenues of \$14,100. Of that amount, 90.0 percent or \$12,650 would go

to the Board of Barbering Fee Fund and the remaining 10.0 percent or \$1,410 would be credited to the State General Fund. The Board's calculations are based on approximately 60 inquiries received in FY 2012 from cosmetologists seeking to obtain a barber license. The Board indicates the licensed cosmetologists would have to pay the \$80 licensing fee, \$100 examination fee, and \$55 student license fee for additional training (60 cosmetologists X \$80 X \$100 X \$55).

The Board of Cosmetology states if it is not allowed to inspect a licensed cosmetology salon, the Board could not issue a cosmetology license to the salon. According to the Board, during the past two years there have been between 125 and 274 shops licensed as both barber shops and cosmetology salons and the majority of these shops are owned by barbers. The Board indicates these dual-licensed facilities would no longer be able to renew their cosmetology license since the Board of Cosmetology could no longer inspect them. The fee for renewal of a cosmetology salon license is \$50. The Board estimates fee from license renewals would decrease \$6,250 to \$13,700, depending on the number of cosmetology salons that are owned by licensed barbers in FY 2014. Any additional expenditure to either the Board of Barbering or the Board of Cosmetology would be negligible resulting from the enactment of HB 2257. Any fiscal effect associated with HB 2257 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Bob Zook, Barbering
Debbie Uhl, Cosmetology