

February 24, 2017

The Honorable Daniel Hawkins, Chairperson
House Committee on Health and Human Services
Statehouse, Room 521-E
Topeka, Kansas 66612

Dear Representative Hawkins:

SUBJECT: Fiscal Note for HB 2296 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2296 is respectfully submitted to your committee.

HB 2296 would change the name of the Kansas State Board of Cosmetology (KBOC) to the Kansas Board of Barbering, Cosmetology, and Body Arts (KBBCBA). All the powers, duties and functions of the Kansas Board of Barbering would be merged into the KBBCBA, as would the properties, moneys, appropriations, rights and authorities now vested in the KBOC. The KBBCA would comprise eleven members: three licensed cosmetologists; three licensed barbers; one licensed permanent color technician, tattoo artist or licensed body piercer; one licensed operator of a tanning facility; one person who is the operator or owner of a school licensed by the Board; and two members who represent the general public. The bill would change all statutory references to the KBOC and the Board of Barbering to refer to the KBBCBA. On enactment of the bill, the Board of Barbering and the position of Administrative Officer of the Board of Barbering would be abolished.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	--
Expenditure	--	(\$126,039)	--	(\$165,166)
FTE Pos.	--	(1.50)	--	(2.50)

The FY 2018 Governor's Budget Report includes a recommendation to merge the Board of Cosmetology and the Board of Barbering. That recommendation makes no changes to expenditures from the Cosmetology Fee Fund, but reduces planned expenditures from the Board of Barbering Fee Fund by nearly 40.0 percent in both FY 2018 and FY 2019. Expenditures from both funds are included in the Board of Cosmetology budget.

In its response to a request for fiscal information with regard to HB 2296, the Board of Cosmetology indicated that the formation of the KBBCBA could be accomplished at a lower cost than reflected in the Governor’s recommendation for the merger of the KBOC and Board of Barbering, with estimated savings in expenditures from the Board of Barbering Fee Fund of 67.4 percent in FY 2018 and 88.3 percent in FY 2019. The table below shows the FY 2018 and FY 2019 base budget requests from the Board of Barbering for expenditures from the Board of Barbering Fee Fund, as well as the amounts that would be paid from the fund with the Governor’s recommendations, and the most recent estimate of expenditures.

Expenditures from the Barbering Fee Fund

	<u>FY 2018</u>				<u>FY 2019</u>			
	<u>Agency Request</u>	<u>Gov. Rec.</u>	<u>Revised Estimate</u>	<u>Estimated Savings</u>	<u>Agency Request</u>	<u>Gov. Req.</u>	<u>Revised Estimate</u>	<u>Estimated Savings</u>
Salaries & Wages	\$141,628	\$68,855	\$47,482	\$94,146	\$141,628	\$68,816	\$8,355	\$133,273
Contractual Services	42,581	42,581	12,099	30,482	42,581	42,581	12,099	30,482
Commodities	2,861	2,861	1,450	1,411	2,861	2,861	1,450	1,411
Capital Outlay	--	--	--	--	--	--	--	--
Total	\$187,070	\$114,297	\$61,031	\$126,039	\$187,070	\$114,258	\$21,904	\$165,166
Positions	2.50	1.50	1.00	1.50	2.50	1.50	--	2.50

Currently, 2.50 FTE positions are funded from the Board of Barbering Fee Fund. The Governor’s recommendation transferred 1.50 FTE positions to the Board of Cosmetology. The Board of Cosmetology indicates that the KBBCBA would need 1.00 FTE in FY 2018 to handle the transition, including entering the Board of Barbering information into a database. For FY 2019, it is not expected that the KBBCBA would need the additional position and could function with the 14.00 FTE positions transferred from the KBOC. The KBOC fiscal note indicates that there would be changes to licensing revenue as barber and barber college license fees would be reduced to reflect the savings shown above, but without complete information regarding the number of barbers in the state, it is unable to estimate what that reduction would amount to.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Laura Gloeckner, Cosmetology
Sonia Sprouse, Barbering