

# Regulatory Analysis Form

(Completed by Promulgating Agency)

INDEPENDENT REGULATORY  
REVIEW COMMISSION

(All Comments submitted on this regulation will appear on IRRRC's website)

(1) Agency  
**Department of State, Bureau of Professional and  
Occupational Affairs, State Board of Barber Examiners**

(2) Agency Number: 16A

Identification Number: 16A-428

IRRC Number: **2998**

(3) PA Code Cite: **49 Pa. Code § 3.103**

(4) Short Title: **Fees**

(5) Agency Contacts (List Telephone Number and Email Address):

Primary Contact: **Cynthia K. Montgomery, Regulatory Counsel, Department of State, P.O. Box 2649,  
Harrisburg, PA 1105-2649 (phone 717-783-7200) (fax 787-0251) [cymontgome@pa.gov](mailto:cymontgome@pa.gov).**

Secondary Contact: **Juan Ruiz, Counsel, State Board of Barber Examiners, P.O. Box 2649,  
Harrisburg, PA 17105-2649 (phone 717-783-7200) (fax 787-0251) [jruiz@pa.gov](mailto:jruiz@pa.gov).**

(6) Type of Rulemaking (check applicable box):

- Proposed Regulation  
 **FINAL REGULATION**  
 Final Omitted Regulation

- Emergency Certification Regulation;  
 Certification by the Governor  
 Certification by the Attorney General

(7) Briefly explain the regulation in clear and nontechnical language. (100 words or less)

**The final rulemaking provides for increases to the biennial license renewal fees for all licensees of the Barber Board and adjusts certain application fees to cover the costs of processing those applications.**

(8) State the statutory authority for the regulation. Include specific statutory citation.

**Section 14(b) of the act of June 19, 1931 (P.L. 589, No. 202) (63 P.S. § 564(b))(act) requires the Board to increase fees by regulation to meet or exceed projected expenditures if the revenues raised by fees, fines and civil penalties are not sufficient to meet expenditures over a 2-year period.**

(9) Is the regulation mandated by any federal or state law or court order, or federal regulation? Are there any relevant state or federal court decisions? If yes, cite the specific law, case or regulation as well as, any deadlines for action.

**Except as set forth in paragraph (8), the regulation is not mandated by any federal or state law or court order or federal regulation.**

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(10) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit.

**Under section 14 of the act, the Board is required by law to support its operations from the revenue it generates from fees, fines and civil penalties. In addition, the act provides that the Board must increase fees if the revenue raised by fees, fines and civil penalties is not sufficient to meet expenditures over a 2-year period. The Board raises the vast majority of its revenue through biennial renewal fees. A small percentage of its revenue comes from application fees and civil penalties.**

**The biennial renewal fees have not been increased since May 7, 1988. See 18 Pa.B. 2106. Biennial renewal fees support the general operations of the Board. All licensees are charged the biennial renewal fees when they renew their licenses which expire on April 30 of even-numbered years. Application fees, on the other hand, are intended to offset the costs associated with the processing of the various applications and related inspections. The last time any of the application fees were adjusted was in 2001. See 31 Pa.B. 1225.**

**At the June 25, 2012, Board meeting, representatives from the Department of State's Bureau of Finance and Operations (BFO) presented a summary of the Board's revenue and expenses for fiscal years 2009-2010 and 2010-2011, and projected revenue and expenses through 2014-2015. BFO pointed out that as of June 2012, in spite of it being a renewal year, the Board had incurred a deficit of \$46,816.71. Projected revenues for the fiscal year 2012-2013, a non-renewal year, were estimated at approximately \$85,000. However, the Board's projected expenditures for the current fiscal year are in the area of \$640,000, resulting in a projected deficit as of June 2013 of \$601,816.71. BFO projected that, without an increase to the biennial renewal fees, the Board will incur additional deficits totaling approximately \$686,816.71 in fiscal year 2013-2014, and \$1,281,816.71 in fiscal year 2014-2015. Thus, the Board determined that it was necessary to raise fees to meet or exceed projected expenditures, in compliance with section 14 of the act. As a result, the Board voted to increase the biennial renewal fees by 200% to be effective with the April 30, 2014 renewal.**

**After the Board published proposed rulemaking and received comments, BFO provided revised financial status reports (copies attached) which the Board reviewed at its meeting on August 19, 2013. Two changes in the Board's current financial condition were noted at that meeting. First, the number of active licensees has increased since the proposed increase a year ago. Second, the Board has been able to reduce expenditures below the projections of a year ago, such that the projected deficits have been reduced slightly. For example, when the Board approved the increase in August of 2012, BFO projected a negative fund balance at the end of fiscal year 2012-2013 (a non-renewal year) of approximately (\$601,816.71). However, the actual balance at the end of that year came in at (\$546,230.78). The combination of the increase in renewable licenses and the small decrease in the existing deficit led BFO to conclude that the proposed 200% increase could be lowered to a 160% increase and still be sufficient to recoup existing deficits, cover anticipated operational costs and allow the Board to return to firm financial ground.**

**The Board finds this to be the only viable option at this time that will eliminate the deficits and place the Board on firm financial ground so that the Board can continue to carry out its legislative mandate in the interests of the public health, safety and welfare.**

(11) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulations.

**There are no federal standards applicable to the subject matter of the regulation.**

(12) How does this regulation compare with those of the other states? How will this affect Pennsylvania's ability to compete with other states?

**Comparison with other states is not particularly instructive because some of the surrounding states have significantly differing regulatory schemes. For example, like Pennsylvania, New York, Ohio and Maryland have a separate Barber Board and a separate Cosmetology Board. In New Jersey and West Virginia, those professions are regulated by a single board. In New York, barber shops and barber schools are not licensed, but the shop owners are. Likewise, Maryland does not license shops and schools. Additionally, some of the boards in other states are self-funded and some share in general fund revenues.**

**In Ohio, barbers pay a fee of \$120 for their initial license and \$110 for biennial renewal. Initial license of a barber shop is \$110 with a biennial renewal fee of \$75. Barber teachers in Ohio pay \$185 for initial licensure and \$150 for biennial renewal. An initial school license costs \$1,000 for the license, \$750 for the inspection and \$1,000 to renew biennially. Finally, barbers licensed by reciprocity in Ohio pay a \$300 fee.**

**In New Jersey, barbers pay an application fee of \$50, plus an initial licensure fee of \$60. Biennial renewal is \$60. Barbershops pay an application fee of \$150, an initial licensure fee of \$130, and a renewal fee of \$130. Barber schools pay an application fee of \$250, an initial licensure fee of \$300 and biennial renewal fee of \$300. Licensure by endorsement in New Jersey costs \$100 plus the initial license fee.**

**In West Virginia, initial licensure as a barber costs \$35, with an annual renewal of \$35. Instructors pay an initial licensure fee of \$50, with a \$50 annual renewal fee. A barber shop pays \$50 for initial licensure and inspection, and \$40 for annual renewal. Barber schools pay \$1000 for initial licensure and inspection, and \$250 for annual renewal. Finally, licensure by reciprocity in West Virginia requires a \$100 fee.**

**In Maryland, the initial licensure fee and biennial renewal fees for individual barbers are identical. Barbers and master barbers pay a fee of \$50. For shop owners, the fee for initial licensure is \$200, while biennial renewal is \$50. Maryland's Barber Board is funded by their general fund. All of the fees Maryland charges are placed in this general fund.**

**In New York, applicants for a barber license pay \$40; with a four year renewal fee of \$40. Shop owners and renters pay an application fee of \$60 and a four year renewal fee of \$60. However, in New York, the Department of Education, Office of Professional Education regulates barbers and all fees are placed in the general fund, along with tax revenues.**

**The Board does not believe the regulation will put the Commonwealth at a competitive disadvantage.**

(13) Will the regulation affect any other regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

**The proposed regulation should have no other fiscal impact on the private sector, the general public or political subdivisions of the Commonwealth.**

(14) Describe the communications with and solicitation of input from the public, any advisory council/group, small businesses and groups representing small businesses in the development and drafting of the regulation. List the specific persons and/or groups who were involved. ("Small business" is defined in Section 3 of the Regulatory Review Act, Act 76 of 2012.)

**Because the reconciliation of its budget is an administrative function for which public input is not required, the Board did not solicit input from or provide an exposure draft of this proposed rulemaking to interested parties. However, the Board has been considering a fee increase and has received the various financial reports and discussed possible renewal fee increases in public session at meetings routinely attended by members of the regulated community and their professional associations since 2008. In addition, the Board published the proposal and invited public comment. No public comments were received.**

(15) Identify the types and number of persons, businesses, small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012) and organizations which will be affected by the regulation. How are they affected?

**There are approximately 2,543 licensed barber shops and 31 licensed barber schools operating in the Commonwealth of Pennsylvania that will be affected by the regulation. (Of the 31 licensed barber schools, 14 of those are operated by the Commonwealth at the State Correctional Institutions, one is operated by the Allegheny County Community College, and one by the Chester County Technical College. The remaining 15 are privately-owned and operated.) There are also approximately 3,269 licensed barbers, 3,667 licensed barber managers and 252 licensed barber teachers in Pennsylvania that will be affected by the regulation.**

**For the business entities listed above (barber shops and privately-owned barber schools), small businesses are defined in Section 3 of the Regulatory Review Act, Act 76 of 2012, which provides that a small business is defined by the U.S. Small Business Administration's Small Business Size Regulations under 13 CFR Ch. 1 Part 121. Specifically, size standards are provided at 13 CFR § 121.201. These size standards have been established for types of businesses under the North American Industry Classification System (NAICS). In applying the NAICS standards to the types of businesses listed above (NAICS Code 611511 – Cosmetology and Barber Schools; and 812111 – Barber Shops), a small business is one with \$7.0 million or less in average annual receipts. The Board believes that most of the barber schools and barber shops licensed by the Board are considered small businesses because they would fall under this threshold amount.**

**Small businesses would be affected by the increase in the biennial renewal fee for the business itself (\$115 increase for shops; \$179 increase for schools). Barber shops and schools would also be affected by the increase in the biennial renewal fees for barbers, barber managers and barber teachers to the degree the business pays the licensure fees of its employees.**

(16) List the persons, groups or entities, including small businesses, that will be required to comply with the regulation. Approximate the number that will be required to comply.

**There are approximately 2,543 licensed barber shops and 31 licensed barber schools operating in the Commonwealth of Pennsylvania that will be affected by the regulation. There are also approximately 3,269 licensed barbers, 3,667 licensed barber managers and 252 licensed barber teachers in Pennsylvania that will be affected by the regulation.**

(17) Identify the financial, economic and social impact of the regulation on individuals, small businesses, businesses and labor communities and other public and private organizations. Evaluate the benefits expected as a result of the regulation.

**All barbers, barber managers, barber teachers, barber shops and barber schools will be impacted by the increase in the biennial renewal fees. In addition, applicants for various licenses will incur greater costs associated with processing applications and conducting inspections. The Board believes that a majority of barber shops and privately owned and operated barber schools in the Commonwealth qualify as "small businesses" pursuant to the federal SBA standards. Therefore, small businesses will be impacted by the increase in their biennial renewal fees; and will also be impacted to the degree that the shop or school pays the licensure fees for its employees. However, this increase is necessary to ensure the fiscal integrity of the board and to assure that the board's mandate to license individuals and inspect schools and shops in order to protect the health, safety and welfare of the public is carried out.**

(18) Explain how the benefits of the regulation outweigh any cost and adverse effects.

**Section 14(b) of the act of June 19, 1931 (P.L. 589, No. 202) (63 P.S. § 564(b)) (act) requires the Board to increase fees by regulation to meet or exceed projected expenditures if the revenues raised by fees, fines and civil penalties are not sufficient to meet expenditures over a 2-year period. The regulation benefits every citizen of the Commonwealth in that it will ensure the fiscal integrity of the Board and allow the Board to carry out its mission. The costs to licensees, which equates to \$33.50 per year for barbers, \$49.50 per year for barber managers, \$53.50 per year for barber teachers, \$57.50 per year for barber shops, and \$89.50 per year for barber schools, is outweighed by the Board's duty to issue licenses, regulate the barbering profession and inspect barber shops and schools in the public interest.**

(19) Provide a specific estimate of the costs and/or savings to the **regulated community** associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

**Beginning with the 2014 biennial renewals, the regulated community will incur increased costs in the amount of \$ 910,939 every other year calculated as follows:**

**3,269 barbers x \$67 increase = \$219,023      3,667 barber managers x \$99 increase = \$363,033**  
**252 barber teachers x \$107 increase = \$26,964      2,543 barber shops x \$115 increase = \$292,455**  
**31 barber schools x \$179 increase = \$5,549**

**In addition, the Board estimates that costs to applicants will increase annually \$3,915, calculated as follows:**

**Applicants for barber license by reciprocity – 24 x \$35 increase = \$840**

**Applicants for barber shop license – 141 x \$55 increase = \$1,320**

**Applicants for barber school license – .5 x \$140 decrease = (\$70)**

**Applicants for barber shop change (inspection required) – 40 x \$ 35 increase = \$1,400**

**Applicants for barber shop change (no inspection required) – 15 x \$25 increase = \$375**

**Reinspection of school or shop after first failure – 1 x \$50 increase = \$50**

(20) Provide a specific estimate of the costs and/or savings to the **local governments** associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

**The regulation would not result in costs or savings to local government.**

(21) Provide a specific estimate of the costs and/or savings to the **state government** associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required. Explain how the dollar estimates were derived.

**The Board will not incur an increase in administrative costs by implementing the rulemaking. Indeed, the regulatory amendment will permit the Board to recoup the costs of its operations. There are no other costs or saving to state government associated with compliance with the proposed rulemaking.**

(22) For each of the groups and entities identified in items (19)-(21) above, submit a statement of legal, accounting or consulting procedures and additional reporting, recordkeeping or other paperwork, including copies of forms or reports, which will be required for implementation of the regulation and an explanation of measures which have been taken to minimize these requirements.

**This proposed rulemaking would not require any additional recordkeeping or other paperwork.**

(23) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	<b>Current FY FY 12-13</b>	<b>FY +1 FY 13-14</b>	<b>FY +2 FY 14-15</b>	<b>FY +3 FY 15-16</b>	<b>FY +4 FY 16-17</b>	<b>FY +5 FY 17-18</b>
<b>SAVINGS:</b>	\$	\$	\$	\$	\$	\$
<b>Regulated Community</b>						
<b>Local Government</b>						
<b>State Government</b>						
<b>Total Savings</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>COSTS:</b>						
<b>Regulated Community</b>	\$0	\$910,939	\$3,915	\$910,939	\$3,915	\$910,939
<b>Local Government</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>State Government</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Costs</b>	\$0	\$910,939	\$3,915	\$910,939	\$3,915	\$910,939
<b>REVENUE LOSSES:</b>						
<b>Regulated Community</b>						
<b>Local Government</b>						
<b>State Government</b>						
<b>Total Revenue Losses</b>	N/A	N/A	N/A	N/A	N/A	N/A

(23a) Provide the past three year expenditure history for programs affected by the regulation.

<b>Program</b>	<b>FY -3 FY 2010-2011</b>	<b>FY -2 FY 2011-2012</b>	<b>FY -1 FY 2012-2013</b>	<b>Current FY FY-2013-2014</b>
<b>State Board of Barber Examiners</b>	\$674,412.84	\$573,770.82	\$550,000.00 (Projected)	\$567,000.00 (Budgeted)

(24) For any regulation that may have an adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), provide an economic impact statement that includes the following:

- (a) An identification and estimate of the number of small businesses subject to the regulation.
- (b) The projected reporting, recordkeeping and other administrative costs required for compliance with the proposed regulation, including the type of professional skills necessary for preparation of the report or record,
- (c) A statement of probable effect on impacted small businesses.
- (d) A description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.

- (a) **Assuming that the majority of barber shops and privately owned barber schools qualify as "small businesses" as that term is defined by the Regulatory Review Act and the SBA, there could be as many as 2,558 small businesses subject to the regulation.**
- (b) **There are no projected reporting, or recordkeeping costs required for compliance. There are no additional administrative costs required for compliance. (The administrative costs would be those associated with filling out the biennial renewal form or online renewal application and either writing a check or processing the payment of the fee. These costs would be the same regardless of the increase in the fee.) Also, some of these fees can be avoided by the small businesses by requiring employees to pay their own biennial renewal fees.**
- (c) **The probable effect on impacted small businesses would be a \$115 increase in the biennial renewal fee for each barber shop and a \$179 increase for each barber school. It may also affect the small businesses to the degree they pay the licensure fees of their employees.**
- (d) **The Board considered breaking the increases down into two steps – one to be effective in 2014 and one to be effective in 2018, however, doing so does not eliminate the Board's deficit situation. The Board also considered a 205% increase and a \$200% increase (as proposed). Ultimately, the Board has settled on a 160% increase. In the end, the Board determined that this was the only viable option to recoup existing deficits, comply with the mandate to produce sufficient revenues to cover expenditures over each biennial renewal period, and continue to carry out its mission to issue licenses, regulate the barber profession, and inspect shops and schools in the public interest.**

(25) List any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, the elderly, small businesses, and farmers.

**The Board has perceived no special needs of any subset of its applicants or licenses for whom special accommodations should be made.**



(26) Include a description of any alternative regulatory provisions which have been considered and rejected and a statement that the least burdensome acceptable alternative has been selected.

The Board carefully considered reports and recommendations from the Department's Bureau of Finance and Operations (BFO) in developing this proposed rulemaking. At the August 2012 Board meeting, BFO presented the Board four options. The first option was to consider no fee increases, which would result in a continually growing deficit projected to reach \$5 million by fiscal year 2022-2023. The next option proposed was a one-time 200% increase in biennial renewal fees effective in April of 2014. This option eliminates all deficits by the end of fiscal year 2017-2018 and provides a positive, albeit declining, balance in the Board's account through fiscal year 2023-2024. The third option proposed would break the 200% increase down into two increments, one taking effect in April of 2014; and the second taking effect in April of 2018. This proposal results in continued deficits through fiscal year 2023-2024. Finally, BFO presented as a fourth option, the fee increase that the Board had previously considered, which included an increase of 125% to take place in fiscal year 2013-2014; followed by an increase of an additional \$15 for all license categories to take place in fiscal year 2015-2016. This option also fails to eliminate the deficits into the foreseeable future. Finally, in drafting the final form rulemaking, and reviewing updated financial information from BFO, the Board voted to increase the biennial renewal fees by \$160% to be effective with the April 30, 2014 renewal.

The Board finds this to be the most acceptable viable option at this time that will eliminate the deficits and place the Board on firm financial ground. The Board concludes that this final rulemaking is the least burdensome acceptable alternative to allow the Board to comply with the statute and assure the ongoing fiscal integrity of the Board.

(27) In conducting a regulatory flexibility analysis, explain whether regulatory methods were considered that will minimize any adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), including:

- a) The establishment of less stringent compliance or reporting requirements for small businesses;
- b) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
- c) The consolidation or simplification of compliance or reporting requirements for small businesses;
- d) The establishment of performing standards for small businesses to replace design or operational standards required in the regulation; and
- e) The exemption of small businesses from all or any part of the requirements contained in the regulation.

- a) & b) All licenses renew biennially. The Board did not consider less stringent reporting requirements or deadlines for small businesses or for licensees that work for small businesses.
- c) There are no compliance or reporting requirements that could be consolidated or simplified. The biennial renewal process is the same whether a particular barber shop or school is a small business or whether a particular licensee is employed by a small business or a large business.

- d) **The regulations do not contain design or operational standards that need to be altered for small businesses.**
- e) **To exclude any licensees from the requirements contained in the regulation (an increased biennial renewal fee) based on the size of the business would not be consistent with public health, safety and welfare because it would prevent the Board from obtaining adequate revenue to meet projected expenditures and it would not be able to carry out its legislative mandate to issue licenses, regulate the barber profession and inspect shops and schools in the public interest.**

(28) If data is the basis for this regulation, please provide a description of the data, explain in detail how the data was obtained, and how it meets the acceptability standard for empirical, replicable and testable data that is supported by documentation, statistics, reports, studies or research. Please submit data or supporting materials with the regulatory package. If the material exceeds 50 pages, please provide it in a searchable electronic format or provide a list of citations and internet links that, where possible, can be accessed in a searchable format in lieu of the actual material. If other data was considered but not used, please explain why that data was determined not to be acceptable.

**This rulemaking is based upon financial reports made by the Department of State's Bureau of Finance and Operations (copies attached). This proposed rulemaking is not based upon any scientific data, studies, or references.**

(29) Include a schedule for review of the regulation including:

A. The date by which the agency must receive public comments: **May 6, 2013.**

B. The date or dates on which public meetings or hearings will be held: **No public hearings are contemplated, however the Board meets in regular public meetings six times a year, at which time its regulatory matters are considered. In 2013, the Barber Board is scheduled to meet on the following remaining dates: October 21, and December 9. The Board will meet on the following dates in 2014: February 24, April 21, June 9, August 18, October 20 and December 8.**

C. The expected date of promulgation of the proposed regulation as a final-form regulation: **Within 2 years of the close of public comments; but in no event later than Saturday, February 1, 2014, because the Board begins accepting renewal applications three months before the end of the biennial renewal period which ends on April 30, 2014.**

D. The expected effective date of the final-form regulation: **The increased application fees will be effective upon publication of the final-form rulemaking; the increased biennial renewal fees will go into effect with the renewal cycle commencing in 2014.**

E. The date by which compliance with the final-form regulation will be required: **Upon publication of the final-form rulemaking.**

F. The date by which required permits, licenses or other approvals must be obtained: **N/A**

(30) Describe the plan developed for evaluating the continuing effectiveness of the regulations after its implementation.

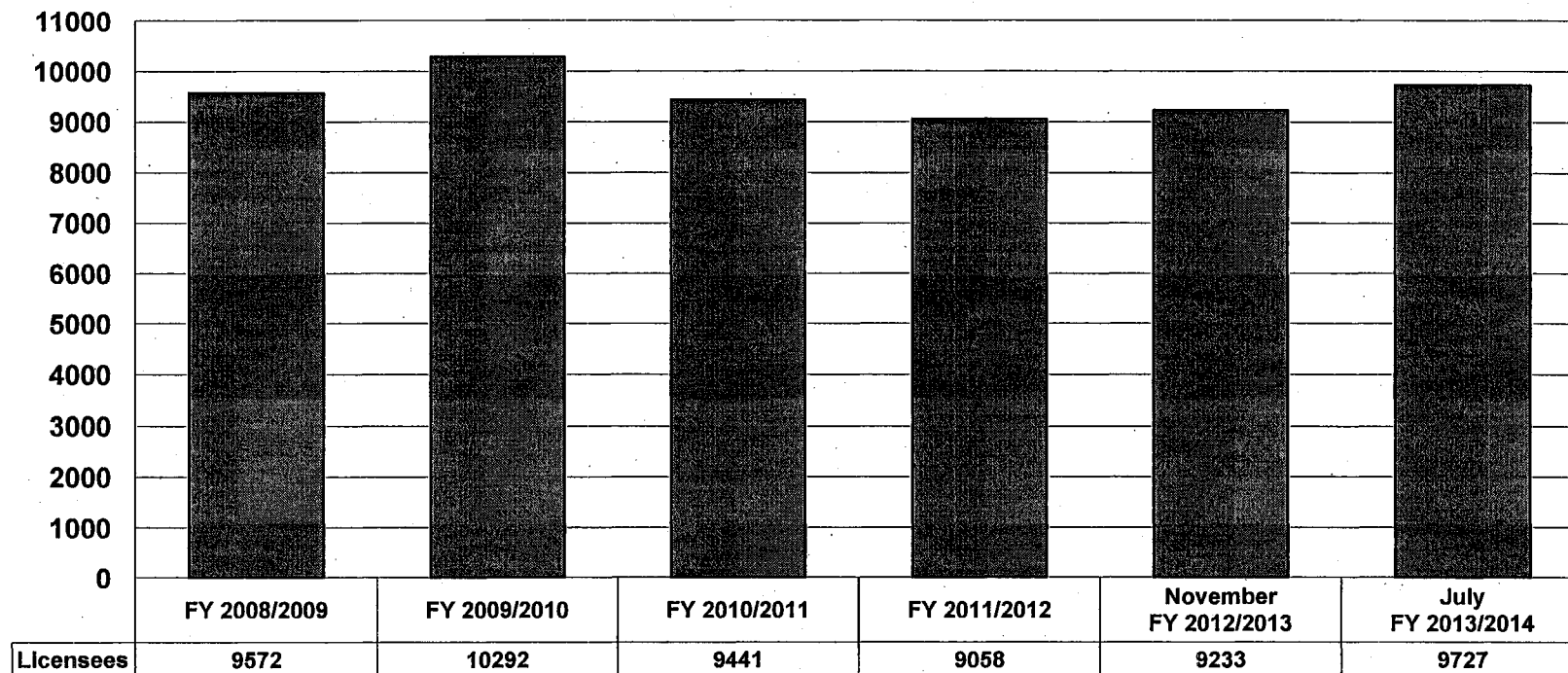
**The Board continually reviews the efficacy of its regulations, as part of its annual review process under Executive Order 1996-1. The Board reviews its regulatory proposals at regularly scheduled public meetings, generally six times a year. More information can be found on the Board's website ([www.dos.state.pa.us/](http://www.dos.state.pa.us/)). Additionally, the Department of State, Bureau of Finance and Operations, makes annual financial reports to the Board.**

# State Board of Barber Examiners

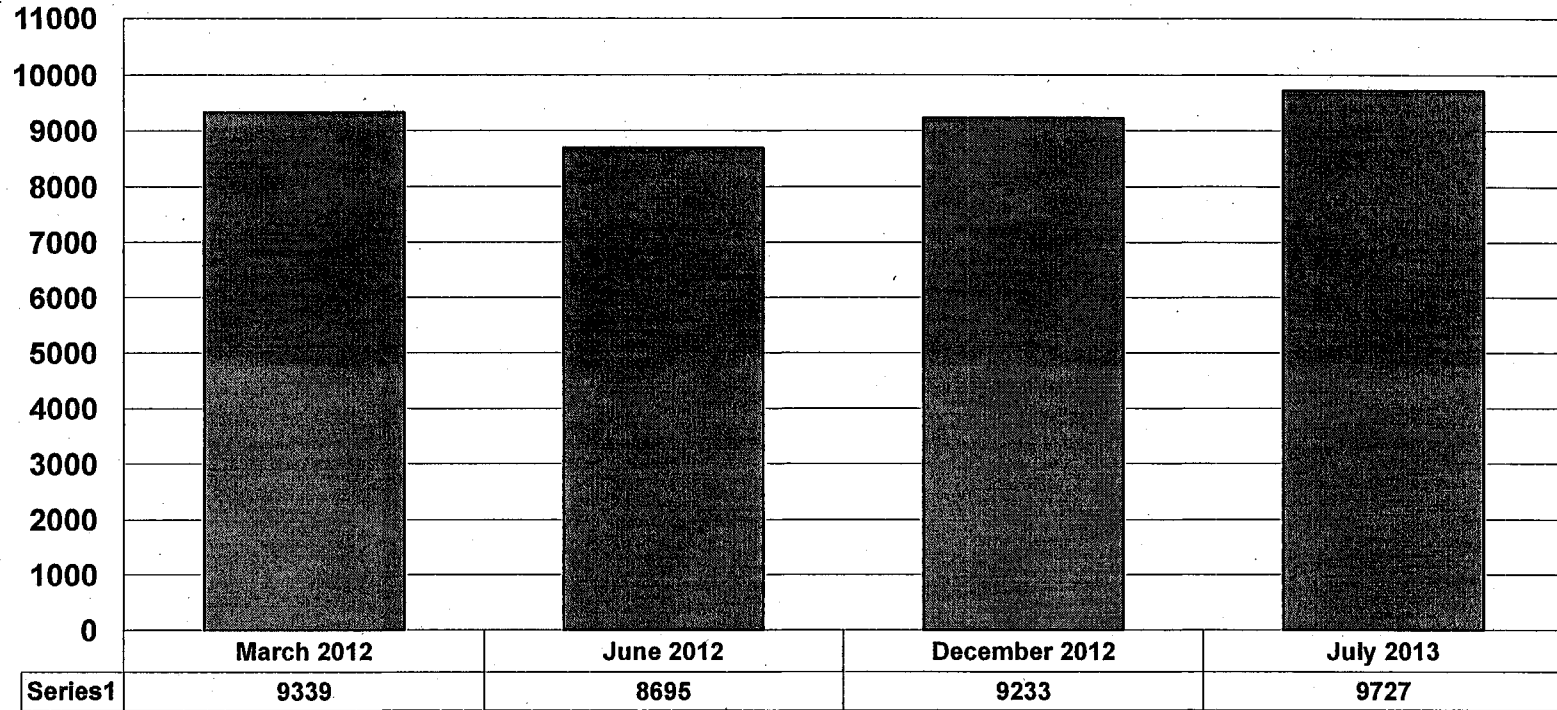
(based on current conditions)

<b>Projected FY13-15 Biennial Revenue</b>	<b>\$671,000</b>
<b>Projected FY13-15 Biennial Budget/Expenses</b>	<b>\$1,151,000</b>
<b>Projected Biennial Balance</b>	<b>(\$480,000)</b>

**STATE BOARD OF BARBER EXAMINERS  
RENEWABLE LICENSEE COUNTS**



### STATE BOARD OF BARBER EXAMINERS RENEWABLE LICENSEE COUNTS



	March 2012	June 2012	November 2012	July 2013
Barber	2,913	2,708	2,966	3,259
Barber Manager	3,636	3,409	3,545	3,651
Barber Teacher	246	223	236	251
Barber Shop	2,515	2,328	2,456	2,535
Barber School	29	27	30	31
	<u>9,339</u>	<u>8,695</u>	<u>9,233</u>	<u>9,727</u>

**STATE BOARD OF BARBER EXAMINERS  
PROPOSED BIENNIAL RENEWAL FEE INCREASE  
ONE TIME INCREASE - OPTION 2**

BOARD APPROVED 8/20/2012

LICENSE CLASSES	LICENSE COUNT	CURRENT		TOTAL	FY 13-14		TOTAL
		RENEWAL FEE	RENEWAL FEES	RENEWAL FEES	PROPOSED RENEWAL FEE	REVENUE	REVENUE
Barber	2,708	\$ 42.00	\$ 113,736.00		\$ 126.00	\$ 341,208.00	
Barber Manager	3,409	\$ 62.00	\$ 211,358.00		\$ 166.00	\$ 634,074.00	
Barber Teacher	223	\$ 67.00	\$ 14,941.00		\$ 201.00	\$ 44,823.00	
Barber Shop	2,328	\$ 72.00	\$ 167,816.00		\$ 216.00	\$ 502,848.00	
Barber School	27	\$ 112.00	\$ 3,024.00		\$ 336.00	\$ 9,072.00	
	8,695						
<b>TOTAL RENEWAL REVENUE:</b>			\$ 610,675.00			\$ 1,532,026.00	
<b>TOTAL NON-RENEWAL REVENUE:</b>			\$ 100,000.00			\$ 100,000.00	
<b>TOTAL BOARD REVENUE:</b>			\$ 810,675.00			\$ 1,632,026.00	

<b>LICENSE CLASS</b>	<b>LAST FEE INCREASE</b>
All Classes	5/7/1988
Increase effective for renewal in April 2014.	

FINANCIAL STATUS	Actual FY 09-10	Actual FY 10-11	Proj. Actual FY 11-12	Proposed FY 12-13	Projected FY 13-14	Projected FY 14-15	Projected FY 15-16	Projected FY 16-17	Projected FY 17-18	Projected FY 18-19	Projected FY 19-20	Projected FY 20-21	Projected FY 21-22	Projected FY 22-23	Projected FY 23-24
<b>Beginning Balance:</b>	525,503.55	488,578.42	(91,816.71)	(46,816.71)	(601,816.71)	228,183.29	(309,816.71)	480,183.29	(97,816.71)	652,183.29	34,183.29	739,183.29	71,183.29	726,183.29	8,183.29
<b>Revenue:</b>	576,108.55	94,017.71	575,000.00	85,000.00	1,490,000.00	142,000.00	1,490,000.00	142,000.00	1,490,000.00	142,000.00	1,490,000.00	142,000.00	1,490,000.00	142,000.00	1,490,000.00
<b>Total Available:</b>	1,101,612.10	582,596.13	483,183.29	38,183.29	888,183.29	370,183.29	1,180,183.29	622,183.29	1,392,183.29	794,183.29	1,524,183.29	881,183.29	1,561,183.29	868,183.29	1,498,183.29
<b>Expenses/Budget:</b>	613,033.68	674,412.84	530,000.00	640,000.00	660,000.00	680,000.00	700,000.00	720,000.00	740,000.00	760,000.00	785,000.00	810,000.00	835,000.00	860,000.00	885,000.00
<b>Remaining Balance:</b>	488,578.42	(91,816.71)	(46,816.71)	(601,816.71)	228,183.29	(309,816.71)	480,183.29	(97,816.71)	652,183.29	34,183.29	739,183.29	71,183.29	726,183.29	8,183.29	613,183.29

**STATE BOARD OF BARBER EXAMINERS  
PROPOSED BIENNIAL RENEWAL FEE INCREASE  
NO CHANGE**

LICENSE CLASSES	LICENSE COUNT	CURRENT RENEWAL FEE	TOTAL RENEWAL FEES	FY 13-14 PROPOSED RENEWAL FEE NO CHANGE	TOTAL REVENUE
Barber	3,259	\$ 42.00	\$ 136,878.00	\$ 42.00	\$ 136,878.00
Barber Manager	3,651	\$ 62.00	\$ 226,362.00	\$ 62.00	\$ 226,362.00
Barber Teacher	251	\$ 67.00	\$ 16,817.00	\$ 67.00	\$ 16,817.00
Barber Shop	2,535	\$ 72.00	\$ 182,520.00	\$ 72.00	\$ 182,520.00
Barber School	31	\$ 112.00	\$ 3,472.00	\$ 112.00	\$ 3,472.00
	9,727				
<b>TOTAL RENEWAL REVENUE:</b>			\$ 566,049.00		\$ 566,049.00
<b>TOTAL NON-RENEWAL REVENUE:</b>			\$ 105,000.00		\$ 105,000.00
<b>TOTAL BOARD REVENUE:</b>			\$ 671,049.00		\$ 671,049.00

**LICENSE CLASS**  
**Effective April 2014 (FY13-14)**  
 Last Increase - 5/1988

FINANCIAL STATUS	Actual FY 11-12	Projected FY 12-13	Projected FY 13-14	Projected FY 14-15	Projected FY 15-16	Projected FY 16-17	Projected FY 17-18	Projected FY 18-19	Projected FY 19-20	Projected FY 20-21	Projected FY 21-22	Projected FY 22-23	Projected FY 23-24	Projected FY 24-25	Projected FY 25-26
<b>Beginning Balance:</b>	(90,710.45)	(103,421.09)	(546,230.78)	(536,230.78)	(1,026,230.78)	(1,051,230.78)	(1,577,230.78)	(1,839,230.78)	(2,203,230.78)	(2,304,230.78)	(2,908,230.78)	(3,050,230.78)	(3,697,230.78)	(3,883,230.78)	(4,575,230.78)
<b>Revenue:</b>	561,060.18	107,190.31	577,000.00	94,000.00	577,000.00	94,000.00	577,000.00	94,000.00	577,000.00	94,000.00	577,000.00	94,000.00	577,000.00	94,000.00	577,000.00
<b>Total Available:</b>	470,349.73	3,769.22	30,769.22	(442,230.78)	(449,230.78)	(957,230.78)	(1,000,230.78)	(1,545,230.78)	(1,626,230.78)	(2,210,230.78)	(2,331,230.78)	(2,956,230.78)	(3,120,230.78)	(3,789,230.78)	(3,998,230.78)
<b>Expenses/Budget:</b>	573,770.82	550,000.00	567,000.00	584,000.00	602,000.00	620,000.00	639,000.00	658,000.00	676,000.00	696,000.00	719,000.00	741,000.00	763,000.00	786,000.00	810,000.00
<b>Remaining Balance:</b>	(103,421.09)	(546,230.78)	(536,230.78)	(1,026,230.78)	(1,051,230.78)	(1,577,230.78)	(1,839,230.78)	(2,203,230.78)	(2,304,230.78)	(2,908,230.78)	(3,050,230.78)	(3,697,230.78)	(3,883,230.78)	(4,575,230.78)	(4,808,230.78)



**STATE BOARD OF BARBER EXAMINERS  
PROPOSED BIENNIAL RENEWAL FEE INCREASE  
200% Increase**

LICENSE CLASSES	LICENSE COUNT	CURRENT RENEWAL FEE	TOTAL RENEWAL FEES	FY 13-14 PROPOSED RENEWAL FEE 200% Increase	TOTAL REVENUE
Barber	3,259	\$ 42.00	\$ 136,878.00	\$ 126.00	\$ 410,634.00
Barber Manager	3,851	\$ 62.00	\$ 228,362.00	\$ 186.00	\$ 679,086.00
Barber Teacher	251	\$ 67.00	\$ 16,817.00	\$ 201.00	\$ 50,451.00
Barber Shop	2,535	\$ 72.00	\$ 182,520.00	\$ 216.00	\$ 547,560.00
Barber School	31	\$ 112.00	\$ 3,472.00	\$ 336.00	\$ 10,416.00
	9,727				
<b>TOTAL RENEWAL REVENUE:</b>			\$ 566,049.00		\$ 1,898,147.00
<b>TOTAL NON-RENEWAL REVENUE:</b>			\$ 105,000.00		\$ 105,000.00
<b>TOTAL BOARD REVENUE:</b>			\$ 671,049.00		\$ 1,803,147.00

LICENSE CLASS
Effective April 2014 (FY13-14)
Last Increase - 5/1988

FINANCIAL STATUS	Actual FY 11-12	Projected FY 12-13	Projected FY 13-14	Projected FY 14-15	Projected FY 15-16	Projected FY 16-17	Projected FY 17-18	Projected FY 18-19	Projected FY 19-20	Projected FY 20-21	Projected FY 21-22	Projected FY 22-23	Projected FY 23-24	Projected FY 24-25	Projected FY 25-26
Beginning Balance:	(90,710.45)	(103,421.09)	(546,230.78)	516,769.22	105,769.22	1,133,769.22	686,769.22	1,877,769.22	1,192,769.22	2,144,769.22	1,619,769.22	2,530,769.22	1,962,769.22	2,829,769.22	2,216,769.22
Revenue:	561,060.18	107,190.31	1,830,000.00	173,000.00	1,830,000.00	173,000.00	1,830,000.00	173,000.00	1,830,000.00	173,000.00	1,830,000.00	173,000.00	1,830,000.00	173,000.00	1,830,000.00
Total Available:	470,349.73	3,769.22	1,083,769.22	689,769.22	1,735,769.22	1,306,769.22	2,316,769.22	1,850,769.22	2,822,769.22	2,317,769.22	3,249,769.22	2,703,769.22	3,592,769.22	3,002,769.22	3,846,769.22
Expenses/Budget:	573,770.82	550,000.00	567,000.00	584,000.00	602,000.00	620,000.00	639,000.00	658,000.00	678,000.00	698,000.00	719,000.00	741,000.00	763,000.00	786,000.00	810,000.00
Remaining Balance:	(103,421.09)	(546,230.78)	516,769.22	105,769.22	1,133,769.22	686,769.22	1,877,769.22	1,192,769.22	2,144,769.22	1,619,769.22	2,530,769.22	1,962,769.22	2,829,769.22	2,216,769.22	3,036,769.22

**STATE BOARD OF BARBER EXAMINERS  
PROPOSED BIENNIAL RENEWAL FEE INCREASE  
160% Increase**

LICENSE CLASSES	LICENSE COUNT	CURRENT RENEWAL FEE	TOTAL RENEWAL FEES	FY 13-14 PROPOSED RENEWAL FEE 160% Increase	TOTAL REVENUE
Barber	3,258	\$ 42.00	\$ 136,878.00	\$ 109.00	\$ 355,231.00
Barber Manager	3,651	\$ 62.00	\$ 226,362.00	\$ 161.00	\$ 587,811.00
Barber Teacher	251	\$ 67.00	\$ 16,817.00	\$ 174.00	\$ 43,674.00
Barber Shop	2,535	\$ 72.00	\$ 182,520.00	\$ 187.00	\$ 474,045.00
Barber School	31	\$ 112.00	\$ 3,472.00	\$ 291.00	\$ 9,021.00
	9,727				
<b>TOTAL RENEWAL REVENUE:</b>			\$ 566,049.00		\$ 1,469,782.00
<b>TOTAL NON-RENEWAL REVENUE:</b>			\$ 105,000.00		\$ 105,000.00
<b>TOTAL BOARD REVENUE:</b>			\$ 671,049.00		\$ 1,574,782.00

<b>LICENSE CLASS</b>
<b>Effective April 2014 (FY13-14)</b>
<b>Last Increase - 5/1988</b>

FINANCIAL STATUS	Actual FY 11-12	Projected FY 12-13	Projected FY 13-14	Projected FY 14-15	Projected FY 15-16	Projected FY 16-17	Projected FY 17-18	Projected FY 18-19	Projected FY 19-20	Projected FY 20-21	Projected FY 21-22	Projected FY 22-23	Projected FY 23-24	Projected FY 24-25	Projected FY 25-26
Beginning Balance:	(90,710.45)	(103,421.09)	(546,230.78)	303,769.22	(123,230.78)	691,769.22	228,769.22	1,006,769.22	505,769.22	1,244,769.22	703,769.22	1,401,769.22	817,769.22	1,471,769.22	842,769.22
Revenue:	561,060.18	107,190.31	1,417,000.00	157,000.00	1,417,000.00	157,000.00	1,417,000.00	157,000.00	1,417,000.00	157,000.00	1,417,000.00	157,000.00	1,417,000.00	157,000.00	1,417,000.00
Total Available:	470,349.73	3,769.22	870,769.22	460,769.22	1,293,769.22	848,769.22	1,645,769.22	1,163,769.22	1,922,769.22	1,401,769.22	2,120,769.22	1,558,769.22	2,234,769.22	1,628,769.22	2,259,769.22
Expenses/Budget:	573,770.82	550,000.00	567,000.00	584,000.00	602,000.00	620,000.00	639,000.00	658,000.00	678,000.00	698,000.00	719,000.00	741,000.00	763,000.00	786,000.00	810,000.00
Remaining Balance:	(103,421.09)	(546,230.78)	303,769.22	(123,230.78)	691,769.22	228,769.22	1,006,769.22	505,769.22	1,244,769.22	703,769.22	1,401,769.22	817,769.22	1,471,769.22	842,769.22	1,449,769.22

State Board of Barber Examiners  
Expense and Revenue History

7/24/2013

Cost Center	Renewal Yr			Renewal Yr		Renewal Yr	
	Actual Expenses FY 06-07	Actual Expenses FY 07-08	Actual Expenses FY 08-09	Actual Expenses FY 09-10	Actual Expenses FY 10-11	Actual Expenses FY 11-12	Actual Expenses FY 12-13 as of 7/24/13
Board Administration	151,589.47	170,398.33	98,732.29	108,233.09	89,781.72	111,677.98	98,051.91
Commissioner's Office	8,172.25	9,724.56	11,135.95	7,108.85	5,064.75	5,518.30	7,276.26
Revenue Office	5,827.93	6,569.02	9,550.12	3,525.42	3,776.27	3,308.18	3,051.67
Departmental Services	31,258.52	34,439.44	32,830.78	40,777.32	32,714.17	35,499.55	30,572.87
Legal Office	78,137.93	79,951.35	101,119.23	98,136.49	107,198.10	79,482.87	66,242.69
Hearing Expenses	17,922.25	33,418.25	16,439.32	24,268.84	33,710.70	29,022.23	40,510.84
Enforcement & Investigation	173,681.72	261,933.29	279,309.43	273,758.78	342,752.39	254,143.35	251,619.63
Professional Compliance Office	32,851.75	43,463.62	40,326.77	41,183.99	47,042.18	46,757.82	31,923.31
Board Member Expenses	15,221.52	17,375.62	20,009.95	13,534.76	13,772.64	8,360.54	5,858.12
<b>TOTAL</b>	<b>514,663.34</b>	<b>657,273.48</b>	<b>609,453.84</b>	<b>610,527.54</b>	<b>675,812.92</b>	<b>573,770.82</b>	<b>535,107.30</b>

Revenue By Source	Actual Revenue FY 06-07	Actual Revenue FY 07-08	Actual Revenue FY 08-09	Actual Revenue FY 09-10	Actual Revenue FY 10-11	Actual Revenue FY 11-12	Actual Revenue FY 12-13
Renewals	37,888.52	543,119.62	33,405.50	528,240.15	35,011.00	513,428.00	37,060.00
Applications	14,922.00	14,025.00	9,201.00	10,705.00	10,335.00	10,880.00	9,670.00
Letters of Good Standing	705.00	595.00	790.00	980.00	1,585.00	1,035.00	1,260.00
Fines	11,150.00	21,775.00	13,545.82	7,594.04	17,828.01	5,315.35	14,310.05
Act 48	12,350.00	19,602.00	15,456.35	21,490.00	21,688.70	21,225.00	34,847.00
Investigations	0.00	0.00	0.00	0.00	0.00	200.00	559.69
Licensee Lists	4,281.46	6,969.05	7,232.90	7,099.36	7,570.20	8,976.83	9,483.57
<b>TOTAL REVENUE</b>	<b>81,296.98</b>	<b>606,085.67</b>	<b>79,631.57</b>	<b>576,108.55</b>	<b>94,017.91</b>	<b>561,060.18</b>	<b>107,190.31</b>

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FACE SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE BUREAU

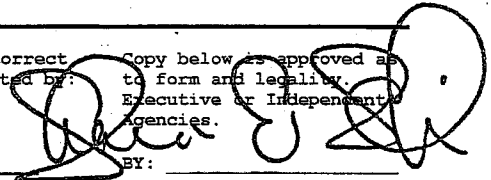
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BY: \_\_\_\_\_  
(DEPUTY ATTORNEY GENERAL)

State Board of Barber Examiners  
(AGENCY)

BY: \_\_\_\_\_  
SHAWN E. SMITH

DOCUMENT/FISCAL NOTE NO. 16A-428

**DEC 16 2013**

\_\_\_\_\_  
DATE OF APPROVAL

DATE OF ADOPTION: \_\_\_\_\_

\_\_\_\_\_  
DATE OF APPROVAL

BY: John E. Payne, Jr.  
John E. Payne, Jr.

(Deputy General Counsel  
(~~Chief Counsel~~,  
Independent Agency  
Strike inapplicable  
title)

TITLE: Chairperson  
(EXECUTIVE OFFICER, CHAIRMAN OR SECRETARY)

- Check if applicable  
Copy not approved.  
Objections attached.
- Check if applicable. No Attorney  
General approval or  
objection within 30 day  
after submission.

FINAL RULEMAKING

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE BOARD OF BARBER EXAMINERS

49 PA. CODE § 3.103  
FEES

The State Board of Barber Examiners (Board) hereby amends § 3.103 (relating to fees) to read as set forth in Annex A. The rulemaking increases the biennial license renewal fees for all licensees of the Barber Board and adjusts certain application fees to cover the costs of processing those applications.

### **Effective Date**

The amendments will be effective upon publication of the final-form rulemaking in the Pennsylvania Bulletin. The new application fees will be implemented immediately upon publication of the final-form rulemaking. The new biennial renewal fees will take effect for the biennial renewal period commencing May 1, 2014.

### **Statutory Authority**

Section 14(b) of the act of June 19, 1931 (P.L. 589, No. 202) (63 P.S. § 564(b)) (act) requires the Board to increase fees by regulation to meet or exceed projected expenditures if the revenues raised by fees, fines and civil penalties are not sufficient to meet expenditures over a 2-year period.

### **Background and Need for Amendment**

Under section 14 of the act, the Board is required by law to support its operations from the revenue it generates from fees, fines and civil penalties. In addition, the act provides that the Board must increase fees if the revenue raised by fees, fines and civil penalties is not sufficient to meet expenditures over a 2-year period. The Board raises the vast majority of its revenue through biennial renewal fees. A small percentage of its revenue comes from application fees and civil penalties.

The biennial renewal fees have not been increased since May 7, 1988. See 18 Pa.B. 2106. Biennial renewal fees support the general operations of the Board. All licensees are charged the biennial renewal fees when they renew their licenses which expire on April 30 of even-numbered years. Application fees, on the other hand, are intended to offset the costs associated with the processing of the various applications and related inspections. The last time any of the application fees were adjusted was in 2001. See 31 Pa.B. 1225.

At the June 25, 2012, Board meeting, representatives from the Department of State's Bureau of Finance and Operations (BFO) presented a summary of the Board's revenue and expenses for fiscal years 2009-2010 and 2010-2011, and projected revenue and expenses through 2014-2015. BFO pointed out that as of June 2012, in spite of it being a renewal year, the Board had incurred a deficit of \$46,816.71. Projected revenues for the fiscal year 2012-2013, a non-renewal year, were estimated at approximately \$85,000. However, the Board's projected expenditures for the current fiscal year are in the area of \$640,000, resulting in a projected deficit as of June 2013 of

\$601,816.71. BFO projected that, without an increase to the biennial renewal fees, the Board will incur additional deficits totaling approximately \$686,816.71 in fiscal year 2013-2014, and \$1,281,816.71 in fiscal year 2014-2015. At that time, BFO recommended that the Board consider increasing the biennial renewal fees by 205% to recoup the existing deficits and provide adequate revenues to meet the Board's operational needs. The Board voted to table the matter until the August meeting and asked BFO to provide them with some options.

Thereafter, representatives from BFO returned to the August 20, 2012, Board meeting. At that time, they presented the Board with various options. The Board selected an option that would raise biennial renewal fees by 200% which would eliminate all deficits by the end of fiscal year 2017-2018 and provide a positive, albeit declining, balance in the Board's account through fiscal year 2023-2024. The Board had previously voted to adjust certain application fees to more appropriately reflect the current costs of processing the applications. These adjustments were also included in the proposed rulemaking.

### **Summary of Comments**

The Board published a notice of proposed rulemaking in the Pennsylvania Bulletin on April 6, 2013, for thirty days of public comment. See, 43 Pa.B. 1854. No public comments were received. On May 24, 2013, the Board received comments from the House Professional Licensure Committee (HPLC); and on June 5, 2013, the Independent Regulatory Review Commission (IRRC) submitted comments to the Board.

The HPLC requested additional information pertaining to the major cost centers of the Board and explaining any significant increases in its expenditures. The Independent Regulatory Review Commission indicated that it would review the Board's response to the HPLC's comment as part of its determination of whether the rulemaking is in the public interest.

### **The Board's Response**

In response, the Board first notes that it has been over a year since BFO first met with the Board suggesting that a fee increase was necessary. Therefore, the Board asked BFO to provide an updated analysis of the Board's fiscal situation based on current data. BFO provided updated information to the Board which was discussed at the Board's regularly scheduled meeting on August 19, 2013. Two changes in the Board's current financial condition were noted at that meeting. First, the number of active licensees has increased since the proposed increase a year ago. Second, the Board has been able to reduce expenditures below the projections of a year ago, such that the projected deficits have been reduced slightly. For example, when the Board approved the increase in August of 2012, BFO projected a negative fund balance at the end of fiscal year 2012-2013 (a non-renewal year) of approximately (\$601,816.71). However, the actual balance at the end of that year

came in at (\$546,230.78). The combination of the increase in renewable licenses and the small decrease in the existing deficit led BFO to conclude that the proposed 200% increase could be lowered to a 160% increase and still be sufficient to recoup existing deficits, cover anticipated operational costs and allow the Board to return to firm financial ground.

As for the major cost centers of the Board, the largest cost center for this board is "Enforcement and Investigation" which has averaged approximately \$264,263 annually since fiscal year 2006-2007. All costs incurred by the regulatory enforcement inspectors and professional conduct investigators associated with inspections of barber shops and schools and investigations of complaints involving barbers, barber shops and barber schools are included in this cost center. Enforcement and investigation costs account for over 40% of the Board's expenditures each year. Board administration costs and costs associated with the legal office combined account for another 35% of the Board's expenditures. Board administration costs include all costs associated with receiving and reviewing applications and issuing licenses. These costs have averaged \$121,735 since fiscal year 2006-2007. The "Legal Office" costs are those costs associated with the prosecution of disciplinary actions involving licensees of the Board, and defending those actions on appeal. This cost center also includes the costs associated with the promulgating regulations pertaining to the practice of the profession. Legal Office costs have averaged approximately \$90,670 per year since fiscal year 2006-2007. Finally, the costs associated with the Professional Compliance Office and Hearing Expenses average \$41,937 and \$25,797 per year, respectively. Together these five cost centers make up 90% of the Board's expenditures. The remaining 10% consists of costs associated with the Commissioner's office, revenue office, departmental services, and board member expenses.

The major driving force behind the fee increase is not significant increases in expenditures, but rather the fact that the Board has not raised fees since 1988. Historically, the Board enjoyed a healthy balance in its "account" and elected not to increase its fees because the Board preferred to reduce the significant "surplus" of available funds. When it became apparent that a fee increase was necessary in 2008, for reasons beyond the Board's control, it was not promulgated in time to go into effect for the 2010 renewal. In 2010, a renewed effort was made to promulgate a fee increase for the 2012 renewal. With the change in administration in 2011, the Board's efforts were refocused as the Board worked with BFO to explore options to reduce expenditures in order to mitigate any necessary fee increase. As a result, projected expenditures have been reduced from a high of \$675,812.92 in fiscal year 2010-2011 to \$573,770.82 in fiscal year 2011-2012 and \$550,000 (projected) in fiscal year 2012-2013. However, because there was no fee increase in either 2010 or 2012, the Board began incurring deficits, which now amount to \$546,230.76 as of the end of fiscal year 2012-2013. Without a fee increase at this time, even with the decreases in expenditure, these deficits will continue to mount because the Board currently produces approximately \$671,000 in biennial revenues at the current fee levels, while incurring biennial expenditures of approximate \$1,151,000, a difference of \$480,000.

### **Description of Amendments**

Based upon the current expense and revenue estimates provided to the Board, the Board is amending § 3.103 (relating to fees) to increase the biennial renewal fees for all classes of licensees. The biennial renewal fees will increase in 2014 by 160% - from \$42 to \$109 for barbers; from \$62 to \$161 for barber shop managers; from \$67 to \$174 for barber teachers; from \$72 to \$187 for barber shops and from \$112 to \$291 for barber schools. No change has been made to the proposed application fees, as these fees were designed to cover the costs associated with processing each application. Therefore, the fee for initial licensure by reciprocity will increase from \$20 to \$55, and the application fee for initial licensure of a barber shop will increase from \$55 to \$110. Conversely, the fee for initial licensure of a barber school will be reduced from \$280 to \$140. There are two fees the Board charges when a barber shop proposes a change depending on whether the proposed change requires an inspection. The Board is increasing the fee where an inspection is required from \$55 to \$90; and where no inspection is required from \$15 to \$40. Similarly, the fee to reinspect a shop or school after a failed inspection is being increased from \$40 to \$90.

### **Fiscal Impact**

The proposed amendment will increase the biennial renewal fees for licensees of the Board. There are currently approximately 9,731 licensees that will be required to pay more to renew their licenses when they expire on April 30, 2014. In addition, applicants for various licenses will incur greater costs associated with processing applications and conducting inspections. The regulation should have no other fiscal impact on the private sector, the general public or political subdivisions of the Commonwealth.

### **Paperwork Requirements**

The amendments will require the Board to alter some of its forms to reflect the new fees; however, the amendments will not create additional paperwork for the regulated community or for the private sector.

### **Sunset Date**

The act requires the Board to monitor its revenue and costs on a fiscal year and biennial basis. Therefore, no sunset date has been assigned.

### **Regulatory Review**

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on March 25, 2013, the Board submitted a copy of the notice of proposed rulemaking, published at 43 Pa.B. 1854 (April



6, 2013), to the House Professional Licensure Committee (HPLC), the Senate Consumer Protection and Professional Licensure Committee (SCP/PLC) and the Independent Regulatory Review Commission (IRRC) for review and comment. No public comments were received. In preparing the final-form regulation, the Board has considered the comments received from the HPLC and IRRC.

Under section 5.1(j.2) of the Regulatory Review Act (71 P.S. § 745.5a(j.2)), this final-form regulation was (deemed) approved by the HPLC on \_\_\_\_\_, 2013, and deemed approved by SCP/PLC on \_\_\_\_\_, 2013. Under section 5(g) of the Regulatory Review Act (71 P.S. § 745.5(g)), the final regulation was approved by IRRC on \_\_\_\_\_, 2013.

### **Contact Person**

Further information may be obtained by contacting Kelly Diller, Board Administrator, State Board of Barber Examiners, P.O. Box 2649, Harrisburg, PA 17105-2649; [RA-BARBER@pa.gov](mailto:RA-BARBER@pa.gov).

### **Findings**

The State Board of Barber Examiners finds that:

- (1) Public notice of proposed rulemaking was given under sections 201 and 202 of the act of July 31, 1968 (P.L. 769, No. 240) (45 P.S. §§ 1201 and 1202) and the regulations promulgated thereunder, 1 Pa. Code §§ 7.1 and 7.2.
- (2) A public comment period was provided as required by law and no comments were received.
- (3) The amendments to the final form rulemaking do not enlarge the purpose of proposed rulemaking published at 43 Pa.B. 1854.
- (4) This final-form rulemaking is necessary and appropriate for administering and enforcing the authorizing act identified this Preamble.

### **Order**

The State Board of Barber Examiners, acting under its authorizing statutes, orders that:

- (a) The regulations of the Board at 49 Pa. Code § 3.103 are amended to read as set forth in Annex A.

(b) The Board shall submit this order and Annex A to the Office of General Counsel and the Office of Attorney General as required by law.

(c) The Board shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.

(d) This order shall take effect on publication in the *Pennsylvania Bulletin*.

John E. Payne, Jr.,  
Chairperson

**Commentator's List**

**16A-428 – State Board of Barber Examiners**

**Fees**

No public comments were received.

ANNEX A

**TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS**

**PART I. DEPARTMENT OF STATE**

**Subpart A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS**

**CHAPTER 3. STATE BOARD OF BARBER EXAMINERS**

\* \* \* \* \*

**§ 3.103. Fees.**

The schedule of fees charged by the Board is as follows:

\* \* \* \* \*

Licensure of barber by reciprocity .....	[\$20]	<u>\$55</u>
Licensure of barber shop.....	[\$55]	<u>\$110</u>
Licensure of barber school.....	[\$280]	<u>\$140</u>
Biennial renewal of barber license .....	[\$42]	<u>\$126</u> <b>\$109</b>
Biennial renewal of barber shop manager license.....	[\$62]	<u>\$186</u> <b>\$161</b>
Biennial renewal of barber teacher license.....	[\$67]	<u>\$201</u> <b>\$174</b>
Biennial renewal of barber shop license.....	[\$72]	<u>\$216</u> <b>\$187</b>
Biennial renewal of barber school license.....	[\$112]	<u>\$336</u> <b>\$291</b>
Change in barber shop-inspection required.....	[\$55]	<u>\$90</u>
Change in barber shop-no inspection required.....	[\$15]	<u>\$40</u>
Reinspection after first fail-new or change (shop or school).....	[\$40]	<u>\$90</u>

\* \* \* \* \*



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE BOARD OF BARBER EXAMINERS

Post Office Box 2649  
Harrisburg, Pennsylvania 17105-2649  
(717) 783-3402

December 30, 2013

The Honorable Silvan B. Lutkewitte, III, Chairman  
INDEPENDENT REGULATORY REVIEW COMMISSION  
14<sup>th</sup> Floor, Harrisstown 2, 333 Market Street  
Harrisburg, Pennsylvania 17101

Re: Final Regulation  
State Board of Barber Examiners  
16A-428: FEES

Dear Chairman Lutkewitte:

Enclosed is a copy of a final rulemaking package of the State Board of Barber Examiners pertaining to Fees.

The Board will be pleased to provide whatever information the Commission may require during the course of its review of the rulemaking.

Sincerely,

A handwritten signature in black ink that reads "John Payne".

John E. Payne, Jr., Chairperson  
State Board of Barber Examiners

CKM/JEP:rs

Enclosure

cc: Travis N. Gery, Esq., Acting Commissioner  
Professional and Occupational Affairs  
Patricia Allen, Director of Policy, Department of State  
Steven V. Turner, Chief Counsel  
Department of State  
Cynthia Montgomery, Regulatory Counsel  
Department of State  
Juan A. Ruiz, Counsel  
State Board of Barber Examiners  
State Board of Barber Examiners

**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE  
REGULATORY REVIEW ACT**

**I.D. NUMBER:** 16A-428  
**SUBJECT:** FEES  
**AGENCY:** DEPARTMENT OF STATE  
 BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
 STATE BOARD OF BARBER EXAMINERS

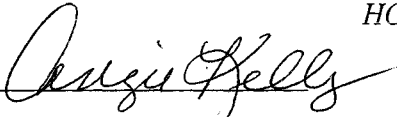

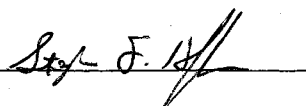
**TYPE OF REGULATION**

- Proposed Regulation
- X Final Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor
- Delivery of Tolled Regulation
  - a. With Revisions
  - b. Without Revisions

2013 DEC 30 AM 10:38

RECEIVED  
IRRC

**FILING OF REGULATION**

<u>DATE</u>	<u>SIGNATURE</u>	<u>DESIGNATION</u>
		<i>HOUSE COMMITTEE ON PROFESSIONAL LICENSURE</i>
12/30/13		MAJORITY CHAIR <u>Julie Harhart</u>
		MINORITY CHAIR _____
		<i>SENATE COMMITTEE ON CONSUMER PROTECTION &amp; PROFESSIONAL LICENSURE</i>
		MAJORITY CHAIR <u>Robt. M. Tomlinson</u>
		MINORITY CHAIR _____
12/30/13		<i>INDEPENDENT REGULATORY REVIEW COMMISSION</i>
		<i>ATTORNEY GENERAL (for Final Omitted only)</i>
		<i>LEGISLATIVE REFERENCE BUREAU (for Proposed only)</i>