

## Comments of the Independent Regulatory Review Commission



### State Board of Barber Examiners Regulation #16A-4211 (IRRC #3306)

#### Fees

**August 18, 2021**

We submit for your consideration the following comments on the proposed rulemaking published in the June 19, 2021 *Pennsylvania Bulletin*. Our comments are based on criteria in Section 5.2 of the Regulatory Review Act (71 P.S. § 745.5b). Section 5.1(a) of the Regulatory Review Act (71 P.S. § 745.5a(a)) directs the State Board of Barber Examiners (Board) to respond to all comments received from us or any other source.

#### **1. Economic or fiscal impacts; Reasonableness.**

Under Section 14(b) the act of June 19, 1931 (P. L. 589, No. 202), known as the Barbers' License Law (act), the Board is required to support its operations from the revenue it generates from fees, fines and civil penalties. 63 P.S. § 564(b). Further, the act provides that the Board shall increase fees when revenue is not sufficient to meet expenditures over a two-year period. The revenue generated from increased fees is required to meet or exceed projected expenditures.

The Board states in the Preamble that it has been operating with a deficit balance since Fiscal Year (FY) 2016-2017. The Board explains that majority of its general operating expenses are borne by the licensee population through the biennial renewal of licenses while a small percentage comes from application fees. Therefore, this rulemaking proposes graduated increases beginning in 2022 with a second increase in 2024 for ten application and five biennial renewal fees for barbers, barber shop managers, barber teachers, barber shops and barber schools. The proposed fee schedule in Section 3.103 (relating to fees) will allow the Board to meet or exceed projected expenditures through at least FY 2024-2025.

We have two concerns.

First, the majority of fees in the first phase of the proposed fee schedule are increased 9% to 47% over the current fee schedule. However, the application fees for initial licensure of barbers, barber shop managers and barber teachers are increased 200% over the existing fees. We ask the Board to explain why the increase for these three initial licensure fees is reasonable.

Second, the Board does not explain how it calculated the graduated increases for biennial renewal fees which will take effect on May 1, 2022 and May 1, 2024, and the application fee

increases which will take effect on July 1, 2024. We ask the Board to explain how these increases were determined, and why they are appropriate and reasonable.

We will review the responses to these concerns when evaluating the fiscal impact and reasonableness of the fee schedule when determining if the regulation is in the public interest.

## **2. Regulatory Analysis Form (RAF) – Economic or fiscal impacts.**

In response to RAF Question #21, the Board states that it will incur a minimal cost to implement this regulation. However, the Board does not estimate this cost in RAF Question #23. We ask the Board to estimate its costs in the RAF submitted with the final-form regulation or explain why it is not possible to do so.

In response to RAF Question #28, the Board submitted Fee Report Forms for initial licensure and miscellaneous application fees. However, Fee Report Forms were not submitted for processing biennial renewal applications for barbers, barber shop managers, barber teachers, barber shops and barber schools. We ask the Board to include Fee Report Forms for all fees in Section 3.103 when it submits the final-form regulation.