

STATE OF MINNESOTA  
BOARD OF BARBER EXAMINERS

In the Matter of the Proposed  
Adoption of the Rule of the  
State Board of Barber Examiners  
Governing Fees

STATEMENT OF NEED AND  
REASONABLENESS

The proposed rule in this matter is an amendment to Minn. Rules pt. 2100.9300 (1985), which is the rule governing fees for the Board of Barber Examiners (hereinafter "Board"). The proposed rule increases certain fees charged by the Board.

Pursuant to Minn. Stat. §§ 16A.128 and 214.06 (1986), the Board must set its fees in order to collect an amount that is as equal as possible to its anticipated costs during the fiscal biennium. The Board's present fee structure does not recover its costs. Therefore, the Board has determined that it is necessary to adjust its fee schedule by increasing certain fees charged by the Board. As discussed below, the fee increases in each case are reasonable because the fee increases are only modest increases. At the same time, the fees are increased a sufficient amount to meet the Board's total anticipated costs.

Item A increases the fee for the examination and initial certificate of registration for a registered barber from \$50.00 to \$55.00. This proposed fee will generate increased revenues of approximately \$525.00 for both fiscal years 1988 and 1989.

Item B increases the fee for the examination and initial certificate of registration for an apprentice from \$48.00 to \$50.00. This proposed fee will generate increased revenues of approximately \$210.00 for both fiscal years 1988 and 1989.

Item E increases the fee for renewing a registered barber license from \$20.00 to \$25.00. This proposed fee will generate increased revenues of approximately \$14,375.00 for both fiscal years 1988 and 1989.

Item F increases the fee for renewing the apprentice license from \$18.00 to \$20.00. This proposed fee will generate increased revenues of \$600.00 for both fiscal years 1988 and 1989.

Item K increases the fee for renewing the shop registration of a barber shop from \$25.00 to \$35.00. This proposed fee will generate increased revenues of approximately \$12,500.00 for fiscal year 1987, \$12,750.00 for fiscal year 1988, and \$13,000.00 for fiscal year 1989.

Item M increases the fee for restoring a delinquent registered barber license from \$45.00 to \$50.00. This proposed fee will generate a decrease of revenues of approximately \$1,375.00 for fiscal year 1988 and a decrease of \$2,375.00 for fiscal year 1989.

Item N increases the fee for restoring a delinquent apprentice license from \$43.00 to \$45.00. This proposed fee will generate increased revenues of approximately \$790.00 for both fiscal years 1988 and 1989.

Item O increases the fee for restoring a delinquent shop registration for a barber shop from \$50.00 to \$60.00. This proposed fee will generate increased revenues of approximately \$1,500.00 for fiscal year 1987, \$750.00 for fiscal year 1988, and \$600.00 for fiscal year 1989.

Since the shop registration for barber shops must be renewed July 1 of each year, the increased fees for barber shops, Items K and O, will be effective June 30, 1987. The remainder of the fees will not be effective until December 31, 1987, since the other licenses are renewable at the beginning of each calendar year.

The Department of Finance has reviewed these proposed fee increases and has approved them. A copy of that approval is attached hereto.

Pursuant to Minn. Stat. § 14.115 (1986), the Board determined that the proposed rule has an impact on small business, since many barbers and barber shops are small businesses. However, the fee increases are relatively modest, and the Board concluded that there is no feasible way to reduce the impact on small businesses and still increase the fees a sufficient amount to raise revenues for the Board in order to cover its expenses. Notice of these fee increases has been sent to all licensed barbers, which includes those who are managing a barber shop owned by someone who is not a barber.

DEPARTMENT : BOARD OF BARBER EXAMINERS

STATE OF MINNESOTA

# Office Memorandum

PHONE : 296-2364

DATE : March 11, 1987

TO : Josie Ashton, Agency Controller  
Department of Finance  
Room 309 Administration Bldg.

FROM : Adam J. Mikrot  
Executive Secretary



SUBJECT : REVISED proposed fee increase

As per our telephone conversation on 3/9/87, enclosed is a corrected fee review and a breakdown sheet.

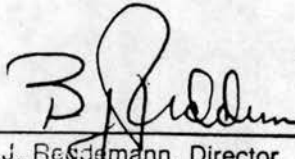
The additional estimated revenue due to a fee increase should be FY 87 \$14,000; FY 88 \$28,625 and FY 89 \$27,725.

Proposed fees were approved by Finance on 2/23/87. Proposed fees will remain the same as approved, however the detail supporting the fee change has been corrected as we discussed.

The proposed fee increase has been sent to the State Register for publication, should there be any problem, please call me immediately.

AJM:mt

Approved

  
B.J. Resdemann, Director  
Budget Operations & Support

3-11-87

Fee Review

Department/Agency:  
**NON HEALTH BOARDS - BOARD OF BARBER EXAMINERS**

Fee Name:  
**LICENSING AND EXAMINATION**

Legal Citation: **MSA 154 214.06 Chapter 2100** Fee Set By:  Law  Agency

Purpose of Fee:  
 To examine and license apprentices, registered barbers, shops and to enforce the provisions of Minnesota Statutes 154, 214.06 and Chapter 2100.

Dedicated  Non Dedicated Revenue Code

| APID<br>21502:00-10           | Accumulated thru 84<br>99.8 | Dollars in Thousands (137,522 = 137.5) |                   |                   |                   |
|-------------------------------|-----------------------------|--|-------------------|-------------------|-------------------|
| Fiscal Year                   | Actual F.Y. 85              | Actual F.Y. 86                         | Estimated F.Y. 87 | Requested F.Y. 88 | Requested F.Y. 89 |
| Actual/Anticipated Receipts   | 127.4                       | 137.4                                  | 138.5             | 157.7             | 156.7             |
| Less Actual/Anticipated Costs | 133.0                       | 144.2                                  | 150.4             | 157.5             | 155.7             |
| Current Difference            | (5.6)                       | (6.8)                                  | (11.9)            | .2                | 1.0               |
| Accumulated Difference*       | (5.6)                       | (12.4)                                 | (24.3)            | (24.1)            | (23.1)            |
| Number Paying Fee             | 5,072                       | 4,894                                  | 4,923             | 4,923             | 4,923             |
| Present Fee                   | SEE ATTACHED                |  |                   |                   |                   |
| Date Fee Last Changed         | 1983                        |  |                   |                   |                   |

Remarks:

|                               | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 |
|-------------------------------|-------|-------|-------|-------|-------|
| Actual/Estimated Expenditures | 121.6 | 119.9 | 130.4 | 133.6 | 133.5 |
| Attorney General              | 0     | 3.9   | 4.0   | 4.0   | 4.1   |
| Commerce Indirect             | 9.3   | 9.8   | 11.1  | 11.3  | 11.3  |
| Statewide Indirect            | 2.1   | 10.6  | 4.9   | 5.2   | 5.4   |
| TOTAL                         | 133.0 | 144.2 | 150.4 | 154.1 | 154.3 |
| CHANGE REQUEST                |       |       |       | 3.4   | 1.4   |
|                               |       |       |       | 157.5 | 155.7 |

Finance Department Recommendation:

The present fee structure does not recover indirect costs, and were it not for the prior year carryover, costs would not have been recovered in the current biennium. The Board has indicated that it intends to increase shop registration fees effective June 30, 1987 and barber license fees effective 12/31/87 to fully recover costs for the FY 1988 and 1989 biennium. Concur with Board's intent to increase fees.

Approved: *[Signature]* 3-11-87  
 B. J. [Name], Director  
 Budget Operations & Support

Department Authorized Signature: *[Signature]* 3/11/87

Agency Controller Signature: *[Signature]* 3/11/87

REVISED REVENUE ESTIMATES FY 87-89  
BARBE

| <u>TITLE OF FEES</u>                   | <u>REVENUE SOURCE</u> | <u>FEE</u> | <u>FY 85 ACTUAL</u> | <u>FY 86 ACTUAL</u> | <u>FY 87 ESTIMATED</u> | <u>FY 88 ESTIMATED</u> | <u>FY 89 ESTIMATED</u> | <u>STATUTORY REFERENCES</u> |
|--|-----------------------|------------|---------------------|---------------------|------------------------|------------------------|------------------------|-----------------------------|
| Apprentice Exams                       | 300                   | 48         | 7,440               | 6,144               | 4,320                  | 5,040                  | 5,040                  | Rule                        |
|  | Proposed              | 50         |                     |                     |                        | 5,250                  | 5,250                  | Rule                        |
| Barber Exams                           | 300                   | 50         | 4,300               | 5,000               | 5,250                  | 5,250                  | 5,250                  | Rule                        |
|  | Proposed              | 55         |                     |                     |                        | 5,775                  | 5,775                  | Rule                        |
| Instructor Exam                        | 300                   | 150        | 450                 | 150                 | 150                    | 150                    | 150                    | Rule                        |
| Duplicate License-Barbers              | 300                   | 10         | 30                  | 20                  | 20                     | 20                     | 20                     | Rule                        |
| Duplicate License-Apprentice           | 300                   | 10         | 0                   | 0                   | 0                      | 0                      | 0                      | Rule                        |
| Duplicate License-Shops                | 300                   | 10         | 0                   | 0                   | 0                      | 0                      | 0                      | Rule                        |
| Student Permit                         | 310                   | 10         | 1,590               | 1,570               | 1,300                  | 1,300                  | 1,300                  | Rule                        |
| Apprentice Renewals                    | 310                   | 18         | 5,436               | 5,958               | 4,950                  | 5,400                  | 5,400                  | Rule                        |
|  | Proposed              | 20         |                     |                     |                        | 6,000                  | 6,000                  | Rule                        |
| Barber Renewals                        | 310                   | 20         | 57,140              | 60,955              | 55,400                 | 57,500                 | 57,500                 | Rule                        |
|  | Proposed              | 25         |                     |                     |                        | 71,875                 | 71,875                 | Rule                        |
| Initial Shop Registration              | 310                   | 50         | 2,800               | 3,750               | 1,000                  | 1,000                  | 1,000                  | Rule                        |
| Shop Renewals                          | 310                   | 25         | 31,400              | 32,650              | 31,250                 | 31,875                 | 32,500                 | Rule                        |
|  | Proposed              | 35         |                     |                     | 43,750                 | 44,625                 | 45,500                 | Rule                        |
| School Renewals                        | 310                   | 200        | 1,000               | 1,000               | 800                    | 800                    | 800                    | Rule                        |
| Instructors License                    | 310                   | 35         | 630                 | 595                 | 630                    | 630                    | 630                    | Rule                        |
| Change of Location                     | 310                   | 25         | 650                 | 800                 | 775                    | 775                    | 775                    | Rule                        |
| Change of Ownership                    | 310                   | 25         | 825                 | 675                 | 625                    | 625                    | 625                    | Rule                        |
| Initial School Registration            | 310                   | 1,000      | 0                   | 1,000               | 0                      | 0                      | 0                      | Rule                        |
| Miscellaneous                          | 360                   |            | 390                 | 70                  | 35                     | 35                     | 35                     | Rule                        |
| Apprentice Restoration                 | 800                   | 25         | 1,150               | 1,500               | 2,580                  | 2,585                  | 2,585                  | Rule                        |
|  | Proposed              | 45         |                     |                     |                        | 3,375                  | 3,375                  | Rule                        |
| Barber Restoration                     | 800                   | 25         | 11,170              | 14,000              | 12,375                 | 12,375                 | 12,375                 | Rule                        |
|  | Proposed              | 50         |                     |                     |                        | 11,000                 | 10,000                 | Rule                        |
| Shop Restoration                       | 800                   | 25         | 950                 | 1,500               | 3,000                  | 3,750                  | 3,000                  | Rule                        |
|  | Proposed              | 60         |                     |                     | 4,500                  | 4,500                  | 3,600                  | Rule                        |
| TOTALS                                 |                       |            | <u>127,351</u>      | <u>137,400</u>      | <u>124,460</u>         | <u>129,110</u>         | <u>128,985</u>         |                             |
| PROPOSED (estimated effective 3/30/87) |                       |            |                     |                     | <u>138,460</u>         | <u>157,735</u>         | <u>156,710</u>         |                             |
| Fee Increase                           |                       |            |                     |                     | 14,000                 | 28,625                 | 27,725                 |                             |