

# HOUSE COMMITTEE REPORT

(11) -

Date Referred: March 22, 1989

FURTHER REFERRALS:

Date of Committee Action: 4/4/89

The FINANCE Committee considered:

HB 144

HOUSE BILL NO. 144

[EXTEND BD OF BARBERS & HAIRDRESSERS]

"An Act continuing the Board of Barbers and Hairdressers; and providing for an effective date."

**RECOMMENDATIONS:**

- [ ] be replaced with \_\_\_\_\_ [ ] the same title
- [ ] \_\_\_\_\_ [ ] a new title
- [ ] have attached amendment(s)
- do pass
- [ ] do not pass
- [ ] no recommendation
- [ ] individual recommendations
- [ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(s):  
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [ ] fiscal impact \_\_\_\_\_
- [ ] zero fiscal note \_\_\_\_\_
- [ ] zero with analysis \_\_\_\_\_

- [ ] fiscal note(s) \_\_\_\_\_
- [ ] zero fiscal note(s) \_\_\_\_\_
- zero fn/analysis 2/3/89 Commerce

**SIGNING DO PASS:**

**SIGNING:**

(Check approp. column)

Do Not  
Pass      No Rec      Amend

<u>[Signature]</u> HOFFMAN				
<u>[Signature]</u> LARSON				
<u>[Signature]</u> SWACKHAMMER				
<u>[Signature]</u> BROWN				
<u>[Signature]</u> KOPONEN				
<u>[Signature]</u> ULMER				
<u>[Signature]</u> SHULTZ				
<u>[Signature]</u> PHILLIPS				
<u>[Signature]</u> RIEBER				
<u>[Signature]</u> WALLIS				
<u>[Signature]</u> Co-Chairman's Signature				

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Economic Dev.  
 Title: An Act continuing the Board of BRU: Occupational Licensing  
Barbers and Hairdressers; and providing for an effective date.  
 Sponsor: Rules Committee Components: Administration  
 Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Funding for the board is included in the department's FY 90 operating budget request.

see attached breakdown of FY 88 actuals which were used as basis for FY 90 request.

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144  
 Division: Occupational Licensing Date: December 27, 1988

Approved by Commissioner: Larry Merculieff Date: 1/11/89  
 Agency: Commerce and Economic Development

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Adopted

ACTUAL88

Printed 10/07/88  
Time 05:42 PM

CATEGORY	TOTAL	BARBER/HD
NUMBER OF LICENSEED	26,765	2,686
PERCENT OF LICENSEES	100%	10.04%
<b>PERSONAL SERVICES</b>		
Administrative	620,399	62,259
Executive Secretary	167,495	
% of Licensing Examiner	1000%	70%
Examiner Pay/Benifits	488,022	34,162
% of Investigator	600%	15%
Investigator Pay/Benifits	296,694	7,417
SUB TOTAL	1,572,409	103,837
<b>TRAVEL/PER DIEM</b>		
Administrative	13,216	1,326
Board Meetings	194,503	12,582
SUB TOTAL	207,719	13,908
<b>CONTRACTUAL SERVICES -ADMINISTRATIVE</b>		
Professional Services	73,096	7,335
Communications	50,603	5,078
Transportation	17,094	1,715
Advertising/Printing	5,652	567
Repairs/Maintenance	21,320	2,129
Rental	5,948	597
Other (Memberships)	6,830	685
SUB TOTAL	180,444	18,108
<b>CONTRACTUAL SERVICES - DESIGNATED</b>		
Professional Services	86,398	2,246
Communications	36,042	2,859
Transportation	6,981	59
Advertising/Printing	44,807	2,956
Repairs/Maintenance	3,374	
Rental	9,946	590
Other (Memberships)	15,577	200
SUB TOTAL	203,126	3,818
<b>CONTRACTUAL TOTAL</b>	<b>383,570</b>	<b>26,926</b>
<b>SUPPLIES</b>		
Administrative	27,658	2,776
Designated	4,438	
SUB TOTAL	32,096	2,776
<b>EQUIPMENT</b>		
Administrative	35,134	3,526
Designated	11,089	
SUB TOTAL	46,222	3,526
<b>TOTAL BUDGET - COLUMNS</b>	<b>2,242,216</b>	<b>150,972</b>

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 144

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act continuing the Board of Barbers and

7

Hairdressers; and providing for an effective date."

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

\* Section 1. AS 08.03.010(c)(16) is amended to read:

10

(16) Board of Barbers and Hairdressers (AS 08.13.010) --

11

June 30, 1993 [1989].

12

\* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 3, 1989

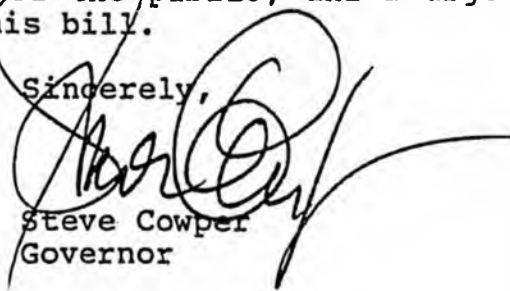
The Honorable Sam Cotten  
Speaker of the House  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to continue the Board of Barbers and Hairdressers for the customary four years (AS 08.03.020(c)). Under current law, this board is scheduled to "sunset" June 30, 1989, and go into its "wind down" year (AS 08.03.020(a)).

The board has worked hard over the past year and a half to improve. It has substantially amended its regulations and, in doing so, has established new licensing criteria, set school curriculum that recognizes the real differences between barbers and hairdressers, and assisted students seeking entry into the profession by offering more frequent examinations. I believe that this board performs an essential function on behalf of the public, and I urge your favorable consideration of this bill.

Sincerely,



Steve Cowper  
Governor

THE FOLLOWING DOCUMENT HAS  
NOT BEEN FILMED BUT IS  
AVAILABLE IN THE ORIGINAL  
FILE

A PERFORMANCE REPORT  
ON THE  
BOARD OF BARBERS AND HAIRDRESSERS

July 1, 1984 - June 30, 1988

Audit Control Number

08-1340-89-R

Acting Commissioner, Department of  
Commerce and Economic Development

Larry Mercurieff

Deputy Commissioner, Department of  
Commerce and Economic Development

Vacant

Members of the Board  
of Barbers and Hairdressers

Chairperson  
Member  
Member  
Member  
Member

Elaina M. Sadlier  
Neva Black  
Ellen M. Hall  
Wende S. Irick  
Marse Kueber

# STATE OF ALASKA

**THE LEGISLATURE**  
BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION  
P.O. BOX W  
JUNEAU, ALASKA 99811-3300

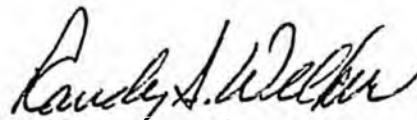
October 25, 1988

Members of the Legislative Budget  
and Audit Committee:

According to the provisions of Titles 24 and 44 of the Alaska Statutes, the Division of Legislative Audit is required to conduct a "sunset" review of the Board of Barbers and Hairdressers.

At the request of the Chairman, during Fiscal Year 1988 budget deliberations, the Audit Division's budget was revised to reflect certain changes in the organization of the Committee's two divisions. The revised budget of the Audit Division reflected efficiencies that might be obtained by utilizing the staff of the Legislative Finance Division on selected audit assignments during the interim.

As a result, the audit of the Board of Barbers and Hairdressers was conducted and this report has been prepared by the Legislative Finance Division. We feel this report discharges our responsibility under Titles 24 and 44. The report is submitted for your review.



Randy S. Welker, CPA  
Legislative Auditor  
Division of Legislative Audit

# STATE OF ALASKA

## THE LEGISLATURE

### BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION  
P.O. BOX WF  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3795

October 20, 1988

Members of the  
Legislative Budget and Audit Committee:

In accordance with the provisions of Titles 24 and 44 of the Alaska Statutes (sunset), the attached report is submitted for your review.

A PERFORMANCE REPORT  
ON THE  
BOARD OF BARBERS AND HAIRDRESSERS

July 1, 1984 - June 30, 1988

Audit Control Number

08-1340-89-R



Mike Greany, Director  
Division of Legislative Finance

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## PURPOSE AND SCOPE OF THE REPORT

### PURPOSE

In accordance with the intent of Titles 24 and 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Barbers and Hairdressers for the past four fiscal years. Our examination was conducted to determine if the Board has been operating in an efficient and effective manner.

Legislative intent requires consideration of this report during legislative oversight hearings to determine whether the Board of Barbers and Hairdressers should be reestablished. The law now specifies that the Board will terminate June 30, 1989, and have one year from that date to conclude its affairs.

### SCOPE

The major areas of our examination were the licensing, examination, administration, complaint, and affirmative action functions of the Board. We reviewed and evaluated the following:

1. Applicable statutes and regulations.
2. Interviews with the licensing examiners.
3. Tests of files and documents of licensees.
4. Complaints filed with the Division of Occupational Licensing, Human Rights Commission, Equal Employment Opportunity Office, Attorney General's Office, and the Office of the Ombudsman.
5. Discussions with Board members.
6. Minutes of Board Meetings and Division correspondence files.
7. Attorney General Opinions applicable to professional boards.

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## ORGANIZATION AND FUNCTION

The Board of Barbers and Hairdressers was created in 1980. This Board is the result of the Legislature combining the Board of Barbers and the Board of Hairdressing and Beauty Culture Examiners. The membership of the Board consists of two licensed barbers, two licensed hairdressers, and one public member. Each member is appointed by the Governor for a three year term, but can serve no more than two consecutive full terms. Effective June 18, 1987, members are appointed to four year terms; Sec. 3, Ch. 94, SLA 1987.

The Board regulates the vocations of barbering, hairdressing, and cosmetology. The Board has been given the authority to examine applicants, issue licenses and permits, suspend or revoke licenses and permits, and investigate complaints. The Board issues the following licenses: beauty or barber schools, school owners, shop owners, instructors, barbers, hairdressers, and cosmetologist practitioners. They also issue temporary and student permits. Effective February 2, 1988, the Board no longer licenses school owners.

The Board is organized under the Department of Commerce and Economic Development, Division of Occupational Licensing (DOL). DOL provides the Board with licensing and investigative support. The licensing section processes applications, maintains license files, answers inquires and provides other administrative help to the Board.

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## REPORT CONCLUSION

### Policy Issues

This report contains policy and/or procedural issues raised as a result of our evaluation of Board practices. The final decisions affecting these practices are not within the scope of this report but require legislative consideration. In debating these issues, the oversight committee should take into consideration the Findings and Recommendations presented in this report so the potential impact of changes can be evaluated.

### Report Conclusion

The primary purpose of a regulatory board with a licensing function is to protect the public. The questions that have to be evaluated to determine if licensing is needed are:

1. Does the unlicensed practice pose a serious risk to the consumers' life, health, safety, or economic well being?
2. Can the potential users be expected to possess the knowledge needed to properly evaluate the qualifications of those offering services?
3. Do the benefits to the public clearly outweigh any potential harmful effects, such as a decrease in the availability of practitioners, higher costs of services, and restriction on optimum utilization of personnel?

During our review to determine if the Board's licensing function is required and meets the previously mentioned criteria, we examined existing statutes, complaints and various Board functions. We also reviewed the prior audit recommendation to terminate the Board and the public and legislative response to that recommendation. As a result of our examination we found that:

1. although unlicensed practitioners may not pose a "serious" risk to the public's life, health, safety or economic well-being the potential for injury as a result of chemicals or implements being improperly used does exist;
2. potential users certainly have expectations that practitioners of barbering, hairdressing and cosmetology possess the skills and qualifications necessary to offer quality services, and
3. the public and the profession benefit from licensing by maintaining a standard level of quality in the services being provided.

Therefore, we recommend that the Board of Barbers and Hairdressers be reestablished.

The Findings and Recommendation Section (see page 7) describes areas where weaknesses or conflicts exist. We have made recommendations which, if implemented, will improve the efficiency and effectiveness of the Board.

## FINDINGS AND RECOMMENDATIONS

### Recommendation No. 1

The Board should comply with their regulation concerning public notice of examinations.

The Board has promulgated regulations, 12 AAC 09.010, requiring that public notice of the date and place of examination be given at least 45 days prior to the examination. In FY88, the Board held five examinations and failed to give 45 day public notice prior to three of those exams. Additionally, there was no notice of the locations where the examinations would be held in three of the public notices.

Lack of timely public notice and absence of the examination locations in the notice may preclude a potential applicant from participating in that examination. We recommend that the Board comply with their regulations and that appropriate notice be given prior to each examination.

### Recommendation No. 2

The Board should comply with their regulation requiring an application fee from all applicants for licensure.

In November 1986, the Board instituted a \$20.00 application fee for all applicants for licensure, 12 AAC 02.140. In May 1988 that fee was increased to \$30.00. The regulation clearly requires an application fee in addition to the examination fee.

During our review, we found that the application fee was not being collected in all cases. In the instance of an individual applying for licensure by credentials, the application fee was collected. However, individuals applying for licensure by examination were not required to submit the application fee in addition to their \$25.00 examination fee.

Apparently, there was some confusion over the \$20.00 student/apprentice permit fee, the \$20.00 application fee and the \$25.00 examination fee. The Board is in the process of revising their applications to clearly detail all of the required fees. We recommend that the Board collect the required application fee from all applicants for licensure.

### Recommendation No. 3

The Board should review existing statutes and regulations and seek appropriate revision where necessary.

During our examination, we reviewed the Board's statutes and regulations to determine if any were obsolete, unclear or unduly restrictive. Examples of what we found are as follows:

- A. AS 08.13.185(a)(2) provides that the Department of Commerce and Economic Development shall set fees for school owner licenses. 12 AAC 02.140(b)(5) sets that license fee at \$60.00 and 12 AAC 02.140(c)(5) sets the renewal fee at \$60.00. However, 12 AAC 09.120 requiring a school owner license was repealed in February 1988. It is unclear if the Board intends that school owners be licensed. In our discussion with Division staff, we learned that they do not intend to license school owners.
  
- B. AS 08.13.120 provides for shop licenses but refers to licensing of shop owners. 12 AAC 09.110 refers specifically to shop owner licenses. Again it is unclear if the shop or the shop owner, or both, are to be licensed.

The Board cannot work effectively in carrying out their statutory mandate without clear and concise statutes and regulations. Therefore, we recommend that the Board review their statutes and regulations and propose appropriate changes where necessary.

## ANALYSIS OF PUBLIC NEED

### Limited Analysis

The following analyses of Board activities relate to the public need factors defined in the "sunset" law. These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

I. The extent to which the board, commission, or program has operated in the public interest.

The Board has operated in the public interest by fulfilling its statutory responsibility to license schools, shop owners, instructors, barbers, hairdressers and cosmetologists. They have increased the availability of the practical and written examinations by offering them at least four times a year during the audit period. The Board has recently adopted a policy to hold six examinations per year.

II. The extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters.

A. The Board failed, in some instances, to give public notice of the date and place of examination 45 days prior to the examination as required by 12 AAC 09.010 (see Recommendation No. 1).

B. The Board failed, in some instances, to collect the application fee as required by 12 AAC 02.140 (see Recommendation No. 2).

C. The Board has conflicting statutes and regulations concerning licensing of school owners and shops (see Recommendation No. 3).

III. The extent to which the board, commission, or agency has recommended statutory changes which are generally of benefit to the public interest.

The Board proposed various statutory changes regarding licensing of manicure, pedicure and nail application and renaming cosmetologist to esthetician. None of these changes have been submitted to the Legislature from the Executive Branch.

IV. The extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service which it has provided.

Board meetings are announced to the public. Comments on regulation changes are solicited by public notices in newspapers. The Board does not actively solicit comments on its effectiveness.

- V. The extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

The Board has published notices of meetings and proposed regulations in various newspapers to encourage public participation in their decision making process.

- VI. The efficiency with which public inquires or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the Office of the Ombudsman have been processed and resolved.

During our review we found that the majority of complaints filed with the Office of the Ombudsman involved delay or denial of a license. Depending upon the complexity of the case, resolution took from 1 day to 4 months. The investigations unit of Occupational Licensing deals almost exclusively with cases concerning unlicensed activity and resolution generally requires working with the individual to become licensed.

- VII. The extent to which a board or commission which regulated entry into an occupation or profession has presented qualified applicants to serve the public.

According to the Division of Occupational Licensing's records for Fiscal Year 1988, there were 373 new licenses issued. Of these new licenses, 161 were issued by credentials and 212 by examination (see Appendix D).

- VIII. The extent to which state personnel practice, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area or activity or interest.

We found no problems in this area.

- IX. The extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

Please refer to the previous section, Findings and Recommendations.

APPENDIXES

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APPENDIX A

BOARD OF BARBERS AND HAIRDRESSERS  
SCHEDULE OF REVENUES COMPARED WITH EXPENDITURES  
 For the Fiscal Year Ended June 30, 1988

(UNAUDITED)  
 (Note 1)

Average Revenues (Note 2)		\$171,247
Less: Expenditures (Note 3)		
Personal Services	\$103,837	
Travel	13,908	
Contractual Services	26,926	
Supplies	2,776	
Equipment	<u>3,526</u>	<u>150,973</u>
Excess of Revenues Over Expenditures (Note 5)		<u>\$ 20,274</u>

Schedule 1  
Types of Revenues  
 (Note 4)

<u>Revenue Type</u>	<u>Amount</u>	<u>Collection Time</u>
School	\$ 700	With license issuance
School Renewal	200	Biennially
School Owner	60	With license issuance
School Owner Renewal	60	Biennially
Instructor	30	With license issuance
Instructor Renewal	30	Biennially
Shop Owner	60	With license issuance
Shop Owner Renewal	60	Biennially
Barber Practitioner	100	With license issuance
Barber Practitioner Renewal	100	Biennially
Hairdresser Practitioner	100	With license issuance
Hairdresser Practitioner Renewal	100	Biennially
Cosmetology Practitioner	30	With license issuance
Cosmetology Practitioner Renewal	30	Biennially
Temporary Permit	20	With permit issuance
Student Permit	20	With permit issuance
Examination	25	With application
Delinquent Fee for Late Renewal	20	With application
Application Fee	30	With application

Note 1

The Schedule of Revenues Compared with Expenditures was prepared from available records and discussions with the Division of Occupational Licensing (DOL) personnel. The records were not audited by us and, accordingly, we do not express an opinion on the Board's Schedule of Revenues Compared with Expenditures.

Note 2

Revenues are primarily composed of license renewal fees which are collected on a biennial basis. Because of the two year renewal cycle, revenues will increase substantially every second year. To obtain an average of annual revenues collected, we combined actual receipts collected in FY88 with the division's estimate of revenues to be collected in FY89. For the current fee structure, see Schedule 1 on the previous page.

Note 3

Expenditures consist of direct cost resulting from Board members activities, (i.e. travel and per diem) and an allocation of direct and indirect costs of DOL. The expenditures do not include expenses incurred by other Departments or other divisions of the Department of Commerce and Economic Development in assisting the Board.

Note 4

The Schedule reflects changes in licensing fees since the previous audit. The regulation requiring a school owner license was repealed effective February 28, 1988.

Note 5

The amount of revenue generated by a board's activity depends upon the number of licensee's that are regulated by the board. A small number of licensed professionals, generally lead to an excess of expenditures over revenues. Conversely, a large number of licensees generally results in an excess of revenues over expenditures.

The comparison of revenues and expenditures for all licensing boards indicates, that collectively, the licensing boards are substantially self supporting. The following schedule represents revenues and expenditures for all boards combined:

Average Revenue	\$2,130,834
Expenditures	<u>2,242,216</u>
Excess Expenditures	< <u>\$ 111,382</u> >

APPENDIX B

BOARD OF BARBERS AND HAIRDRESSERS  
SCHEDULE OF EXAMINATION STATISTICS

	<u>FY86</u>	<u>FY87</u>	<u>FY88</u>
No. of Exam Held:	4	4	5
No. Licensed By Exam:			
Barber	20	16	16
Cosmetology	13	3	13
Hairdresser	9	4	28
Hairdresser/Cosmetology	118	123	152
Instructor	<u>0</u>	<u>10</u>	<u>3</u>
Total Licensed by Exam	<u>160</u>	<u>156</u>	<u>212</u>

SOURCE: Board of Barbers and Hairdressers Annual Reports  
FY86 - FY88 -- Division of Occupational Licensing

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APPENDIX C

BOARD OF BARBERS AND HAIRDRESSERS  
SCHEDULE OF ADMINISTRATIVE STATISTICS  
As of June 30, 1988

Number of Current Licenses by Category:

Barbers	275
Cosmetologists	53
Hairdressers	491
Hairdressers/Cosmetologists	1,270
Instructors	191
Schools	12
School Owners	8
Shop Owners	<u>386</u>

Total Number of Current Licenses	<u>2,686</u>
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SOURCE: Board of Barbers and Hairdressers FY88 Annual Report

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APPENDIX D

BOARD OF BARBERS AND HAIRDRESSERS  
STATISTICAL SUMMARY FY86 - FY88

	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>
Current Licenses:	2,828	3,094	2,686
New Licenses:			
By Exam	160	156	212
By Credentials	<u>378</u>	<u>161</u>	<u>161</u>
Total New Licenses Issued	<u>538</u>	<u>317</u>	<u>373</u>
New Licenses By Category:			
Barber	37	33	25
Cosmetology	14	3	15
Hairdresser	56	36	38
Hairdresser/Cosmetology	197	181	196
Instructor	161	10	6
School	1	1	4
School Owner	1	1	0
Shop Owner	<u>71</u>	<u>52</u>	<u>89</u>
Total	<u>538</u>	<u>317</u>	<u>373</u>
Student Permits:	466	360	431
Exams:	4	4	5
Meetings:	1	1	2
Teleconferences:	2	2	2

SOURCE: Board of Barbers and Hairdressers Annual Reports  
FY86 - FY88; Division of Occupational Licensing

(Intentionally left blank)

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

P. O. BOX D  
JUNEAU, ALASKA 99811-0800  
PHONE: (907) 465-2500

OFFICE OF THE COMMISSIONER

December 20, 1988

Randy S. Welker  
Legislative Auditor  
Division of Legislative Audit  
Budget and Audit Committee  
P.O. Box W  
Juneau, AK 99811-3300

DEC 22 1988

Dear Mr. Welker:

This is written in response to the Division of Legislative Audit's (hereinafter "Audit") preliminary audit report of its sunset performance review of the Board of Barbers and Hairdressers (hereinafter "Board"). Below is the Department of Commerce and Economic Development's (hereinafter "Department") comments on Audit's preliminary findings and recommendations.

### Response to Recommendation No. 1

Audit has found that the Board failed to provide timely public notice of three of the five barber/hairdresser exams it administered in FY 88. The Division of Occupational Licensing (hereinafter "Division"), on behalf of the Board, is required by administrative regulation to give at least 45 days advance notice of an exam date and place.

In FY 88, in response to requests from cosmetology school owners and students, the Board began offering six exams per year, instead of the previous four. This makes each exam approximately 60 days apart, barely over the 45 day limit. It has taken us some time to adjust to this frequent exam schedule, hence the resultant notice delays.

However, notice of each exam is timely sent to all schools, from which ninety-five percent (95%) of all exam applicants come. It is therefore unlikely that the publication of an "untimely" notice in a newspaper ever precluded any qualified applicant from sitting for the exam. We, at least, are aware of no such complaint.

Further, because the practical exam requires the use of special facilities, arrangements must be made with a school to use its facilities prior to each exam, negotiations concerning which may, on occasion, not be finalized within the time deadline set by the current regulation.

Finally, the Division, which provides administrative support to the Board, assumes responsibility for the untimely notices and has taken steps to ensure notice compliance in the future.

#### Response to Recommendation No. 2

Audit found that the Board has been inconsistent in the application of the \$20.00 application fee for all applicants for licensure. This inconsistency resulted from treating persons who obtained a student/apprentice permit differently from regular applicants. Student/apprentice permits cost \$20.00 and the application fee for applicants with such permits was routinely waived.

While the reason for this administrative inconsistency is understandable (i.e., the Board already had, in a sense, received an application fee from a student or apprentice when he or she applied for the permit), there is no regulatory authority creating this distinction and, thus, the Division erred in not applying the application fee equally among applicants.

A letter clarifying all cosmetology fees was sent to school owners in September, 1988 (see copy enclosed). Also, recently rewritten information packets for shop (apprentice) and school (student) owners now clearly outline the Board's fee structure. Finally, all applications have been revised to provide a clearer explanation of the fees required and an application fee is currently collected from all applicants, regardless of status.

#### Response to Recommendation No. 3

Audit has focused on two rather confusing statutory references to school owner and shop owner licenses and suggests amendments clarifying these two matters.

We have one section (AS 08.13.110) which requires a school license, with no reference to a school owner license, but another section [AS 08.13.185(1) and (2)] which provides for licensing fees for both the school itself and the school owner; and, we have one section (AS 08.13.120) which requires a shop license, with reference to the fact that a shop owner should also be licensed, but another section [AS 08.13.183(4)] which provides a licensing fee for only the shop owner and not the shop itself. This is admittedly confusing.

Mr. Randy S. Welker

-3-

December 20, 1988

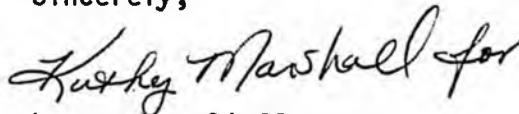
To partially remove the confusion, the Division has attempted to remove school owner fees from its fee regulations and license only the school. A number of barber and cosmetology schools are well established and have existed under a number of different owners. We believe the Board's role is to license a school that meets the Board's required curriculum standards, as well as appropriate building maintenance and cleanliness standards. We do not see a need to license the owner of the school. However, the Attorney General would not approve our deletion of school owner licensing fees, since the statute states that the Board shall assess a fee for the school owner license.

Vis-a-vis the shop/shop owner question, licenses are and have always been issued only to the shop owner and not the shop. The Board has determined that licensing a shop owner is sufficient to regulate the activity of a shop. Unlike the school, a shop itself is not highly regulated by the Board, and the Board believes it more appropriate to license the shop owner than the shop itself, since shops open and close with some regularity.

We would appreciate the Legislative Budget and Audit Committee's support of clarifying amendments to these two licensing/fee matters.

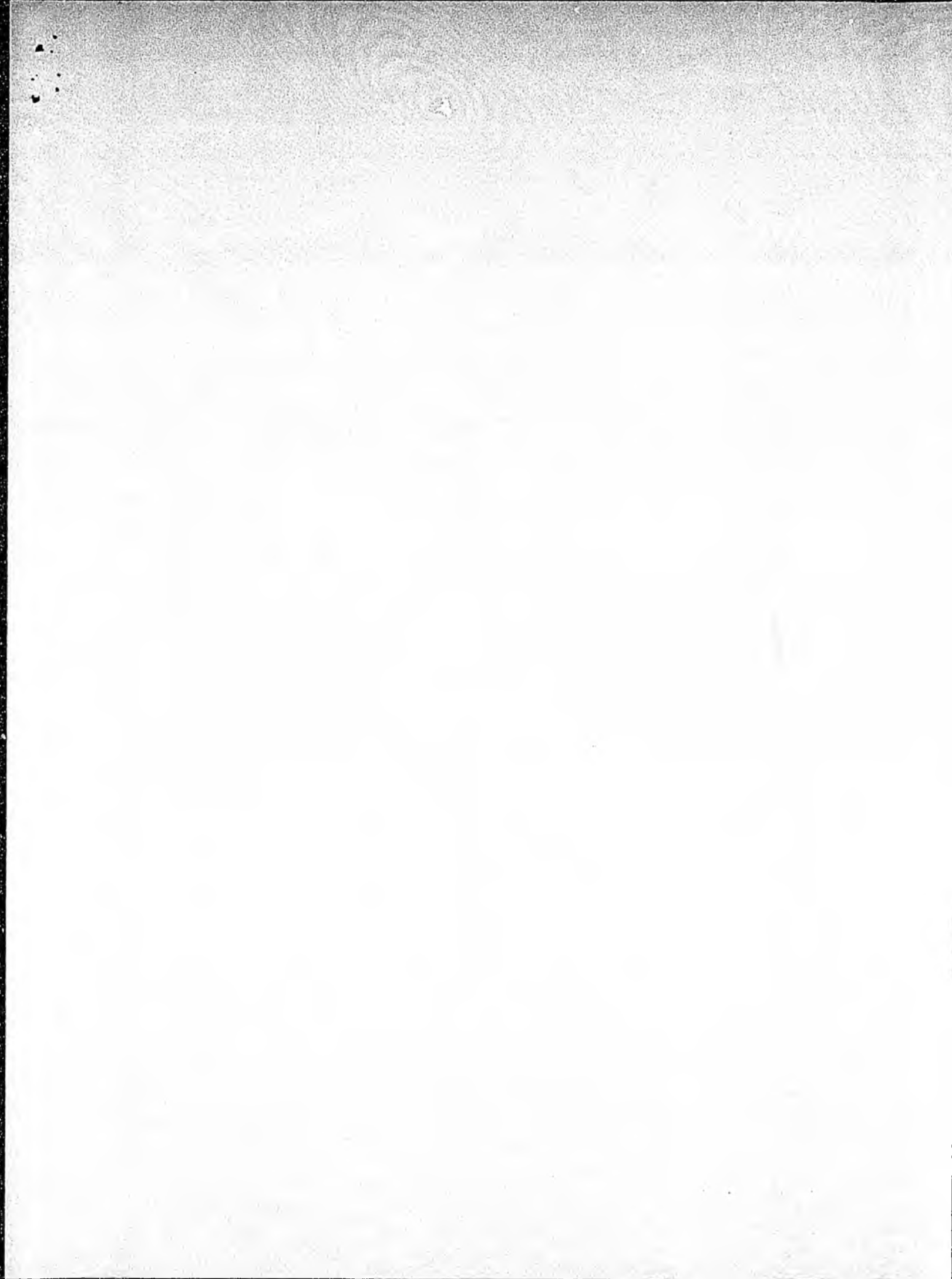
Should you have any additional questions, or if we can be of further assistance, please advise.

Sincerely,



Larry Mercurieff  
Commissioner

LM/RB/mm0471t  
122088b  
Enclosure



1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 144

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act continuing the Board of Barbers and

7

Hairdressers; and providing for an effective date."

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

\* Section 1. AS 08.03.010(c)(16) is amended to read:

10

(16) Board of Barbers and Hairdressers (AS 08.13.010) --

11

June 30, 1993 [1989].

12

\* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).