

SB

335

SFIN

FILE

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

No. 1
 Bill Version: CSSB 335(L&C)
 (S) Publish Date: 4-23-98

Revision Date: _____
 Title: An Act relating to barbers, hairdressers, manicurists,
and cosmetologists.
 Sponsor: Senate Labor and Commerce
 Requestor: Senate Labor and Commerce

Department: Commerce and Economic Development
 BRU: Occupational Licensing
 Component: Operations
 COMPONENT SERIAL NO. 1844

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	8.5	8.5	8.5	8.5	8.5	8.5
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	45.7	14.3	14.3	14.3	14.3	14.3
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	55.2	23.8	23.8	23.8	23.8	23.8
CAPITAL EXPENDITURES						
CHANGE IN REVENUES	79.0	0.0	47.6	0.0	47.6	0.0

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts	55.2	23.8	23.8	23.8	23.8	23.8
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	55.2	23.8	23.8	23.8	23.8	23.8

Estimate of any current year (FY 98) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

CSSB 335(L&C) establishes a licensing category for manicurists to be regulated by the Board of Barbers and Hairdressers. The number of individuals that would be affected by the bill is not known therefore, a number of assumptions are made in this fiscal note. Information obtained from the Business Licensing files indicate there are approximately 295 manicure/pedicure salons licensed to do business. For the purposes of this fiscal note, we have doubled the number (590) assuming that most salons would have more than one manicurist. An explanation of the costs is attached.

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 Agency: Commerce and Economic Development

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FISCAL NOTE

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BILL NO.: CSSB 335(L&C)

ANALYSIS: (Continued)

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT FISCAL NOTE CALCULATIONS

PERSONAL SERVICES

Funding to add 2.5 months of time to an existing PPT Occupational Licensing Examiner I position, Range 12, GGU 8.5

The increase time to the existing position will be responsible for the licensing of manicurists.

TRAVEL

No travel is anticipated 0.0

CONTRACTUAL SERVICES 45.7

Contractual Services are based on the following costs -

Examinations: \$32.5

Examination costs at \$55 per candidate x 590 candidates.
(Note: Exam candidates pay the State for the cost of the examination. In turn, the State pays the examination agency for use of its examinations. This is considered to be a pass-through cost.) After the first year, the assumption is made that at least 20 applicants will take the examination each year at a cost of \$1.1 (20 x \$55).

Exam Facilities: \$2.8

Examination facility rentals: one day exams at \$125 per site based on:

- 12 exams in Anchorage (\$125 x 12 = \$1,500)
- 6 exams in Fairbanks (\$125 x 6 = \$750)
- 4 exams in Juneau (\$125 x 4 = \$500)

Continuation of CSSB 335(L&C) Fiscal Note

Proctor Fees: \$3.5
 Based on one-day exams, 8 hours per day, with at least two proctors at each exam. The proctor fee is \$10 per hour x 8 hrs = \$80 x 2 proctors = \$160 per exam x 22 exams = \$3,520.

Regulations: \$5.2
 - One public notice printed in three newspapers, estimated at \$200 per paper x 3 = \$600
 - Printing of regulations consisting of 6 pages, back-to-back, at \$12 per 100 x 6 pages = \$72 x 6 (to produce 600 copies) = \$432
 - Postage for 600 pieces x .32 = \$192
 - Printing and mailing costs to current licensees (3,838) of the new statute and regulation changes, \$4.0

Daily Communication Costs: \$1.0

Printing Costs: \$0.7
 Applications and other forms will be needed to implement the licensing requirements. A large supply will be required for the initial mailing and to have forms available in each division office. Assuming application forms are at least 3 pages, back-to-back, at \$12 per 100 x 3 pages = \$36 x 20 (to produce 2,000 copies) = \$720

SUPPLIES \$1.0

TOTAL: **\$55.2**

REVENUE/FUND SOURCE:

AS 08.01.065 requires all licensees to pay the costs of regulating their profession. The general fund program receipts from the licensing of manicurists will be expected to cover the direct costs shown in this fiscal note and a share of administrative indirect costs like other licensing programs.