

**ARKANSAS BUDGET SYSTEM  
AGENCY PROGRAM COMMENTARY  
1997 - 1999**

The Board of Cosmetology operates from two appropriations; Disciplinary Hearings (CO3) - a cash fund account and Operations (053) - a special revenue account.

**DISCIPLINARY HEARINGS (CO3) - FUND SOURCE (331)**

The budget request for disciplinary hearings reflects a base level of \$3,361 in each year of the biennium with sufficient funding to cover the appropriation. Priorities are not requested for the 1997-99 biennium.

This appropriation is used for administrative hearing expenses and the costs for other enforcement actions such as subpoenas, court fees, and related administrative costs. When warranted, Respondents in disciplinary matters are assessed civil penalties in lieu of suspension or revocation of licenses. Cash funds derived from the assessment of penalties are used to support the Disciplinary Hearings Appropriation. The cash fund account was created in 1979 and as of June 30, 1996 the fund balance was approximately \$164,190.

**COSMETOLOGY OPERATIONS (053) - FUND SOURCE (SXC)**

The annual operations budget for FY97 reflects a 15.9% increase over FY96 expenditures. The FY96 expense level does not represent the level of spending that was actually needed to maintain the Agency's required level of operation. Due to terminations, qualified medical leave and the expiration of terms of board members, the expenses that would have normally been incurred for operating purposes for salaries, related matching costs, travel and

per diem were not incurred in FY96. The FY97 operations budget reflects the level of spending that is needed to maintain current operations under normal conditions.

The 1997-99 biennium budget request reflects a Base Level of \$425,746 in FY98 and \$431,923 in FY99, covering 10 positions. The Board uses this appropriation to conduct examinations; maintain a system for issuing certificates of registration and licenses; conduct health and safety inspections, investigations and operation audits; conduct meetings; attend education seminars and conferences; and maintain a principle office. Anticipated receipts and the use of the SXC fund balance will be adequate to fund the base level budget in each year of the biennium.

The Board's total budget request for the 1997-99 biennium for Cosmetology Operations is \$555,289 in FY98 and \$446,074 in FY99. This request includes priorities totalling \$129,543 in FY98 and \$14,151 in FY99.

**PRIORITY 1 - RANK 001:** The Board needs to purchase new data processing equipment and application software to improve its operating efficiency, increase productivity and address the internal control problems that have been recommended by Legislative Audit. The Agency's Management Information System (MIS) and data processing equipment were purchased in 1984. The present system is currently operating at 85% of capacity, and the MIS does not adequately address the current operational requirements of the Board.

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**ARKANSAS BUDGET SYSTEM  
AGENCY PROGRAM COMMENTARY  
1997 - 1999**

With the assistance of DCS, it was determined that it will cost approximately \$110,000 to acquire the new computer system that is needed to support the Agency's data processing requirements, to rewrite the current MIS to address operational requirements, and to develop new application software to strengthen internal controls. Accordingly, the Board is requesting \$110,000 in FY98 for this request.

Given the Agency's current and projected levels of operation, the Board is requesting special language to authorize it to transfer up to \$110,000 in FY98, from the Agency's Cash Fund Account (331) to the Cosmetology Contingency Fund (SXC). This transfer will provide the source of funds needed to fund this request.

Funding of this request from the SXC account would not be financially prudent since it would reduce the fund balance in the SXC account by over 60% in FY98. As opposed to pursuing an increase in license fees in the near future, the Board is requesting authorization to finance this request through the reallocation of resources available in the Board's Cash Fund Account. In FY98, the balance in the Cash Fund Account will approach \$193,468. It is the Board's position that the unencumbered balance in this account would be better utilized by investing in the resources it needs to improve the overall operation of the Agency.

**PRIORITY TWO - RANK 003:** The Board is requesting a total of \$6,994 in FY98 and \$1,194 in FY99 to allow it to continue its level of operation. The \$1,194 requested in

each year of the biennium will cover the cost for maintenance of equipment acquired in FY96 and for an increase in rent for office space. SBS has informed the Board that its rental rate will increase from \$9.25 to \$9.75 per square foot effective July 1, 1997. The Board is also requesting \$5,750 in Capitol Outlay in FY98 to replace a photo copier purchased in 1991. The Agency only has one copier to rely on for all of its reproduction requirements. Due to age, maintenance costs for this equipment has escalated and the downtime of this equipment has increased causing a negative impact on productivity. Anticipated receipts and use of the SXC fund balance will be adequate to cover this request.

**PRIORITY 11 - RANK 002:** The Board is requesting that the classification of the Cosmetology Inspector's position be upgraded from a Grade 10 to a Grade 15. This request is warranted given the current duties and responsibilities of the Inspector and due to the expansion of job duties and responsibilities to include the examination of applicants for licensure in the practice of Cosmetology. This request is further justified in order to classify this position at a level that is equivalent to the classification and/or compensation level of other positions that perform similar or comparable duties as that of the Cosmetology Inspector. The Board is authorized for 5 Cosmetology Inspector's positions; therefore, the salary and related matching costs needed to cover this request are \$12,599 in FY98 and \$12,957 in FY99. Anticipated receipts and use of the SXC fund balance will be adequate to cover this request.

AGENCY	DIRECTOR	AGENCY PROGRAM COMMENTARY	PAGE
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ARKANSAS STATE BOARD OF COSMETOLOGY  
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 1995

Assets																	
Cash and Investments		Fixed		Other		Total		Liabilities		Total Equity							
								Current		Long-Term							
\$		1,477,861		\$ 88,277		\$ 17,035		\$ 1,583,173		\$ 341		\$ 11,493		\$ 11,834		\$ 1,571,339	

  

Revenues					Expenditures					Other Sources (Uses)									
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total										
\$	0	\$	409,725	\$	21,071	\$	430,796	\$	247,130	\$	0	\$	0	\$	142,007	\$	389,137	\$	0

Findings

1. UNACCOUNTED FOR FUNDS - On September 19, 1995, the Agency notified the Legislative Auditor that an employee, Beresford L. Jones, was suspected of selling licenses to unqualified applicants at inflated prices. The audit revealed unaccounted for funds of \$480.00 for the period July 1, 1994 through September 29, 1995 as detailed at Schedule 5. Mr. Jones was determined to be the custodian of \$430.00 of these funds. Mr. Jones was terminated on September 19, 1995.
  
2. LICENSURE INTERNAL CONTROL - The following deficiencies were noted in the Agency's internal control structure:
  - a. The Agency did not verify that all transactions processed on the computer were included on reports used to summarize revenues.
  - b. The Agency did not adequately account for sequence of license forms used during the year.
  - c. The Agency could not account for all voided and unused license forms.
  
3. DEPOSITS NOT RECEIPTED - For collections of examination fees, duplicate license fees and reciprocity service fees, Agency procedures require the issuance of a manual receipt even though a computer generated receipt may also be issued. During the audit for the year ended June 30, 1995, it was determined that \$219.00 deposited into the Agency's State Treasury account for these types of fees was not manually receipted. For disciplinary fines, the Agency issues only manual receipts. It was determined that \$427.00 deposited into the Agency's bank account for disciplinary fines was not receipted. Part II, Chapter 16 of the State Accounting Procedures Manual requires the formal receipting of all items of income.

Recommendations

1. Our findings in this matter are being reported in accordance with Ark. Code Ann. 10-4-111 and 21-2-708.
  
- 2a. Confirm that the total of daily activities agree to the grand total of transactions processed on the computer.
- b. Verify that all license forms are used in order and that there is not a gap between the last license form printed on one day and the beginning license form used at the next printing.
- c. Secure all unused and voided license forms for audit inspection. Also, mark voided licenses in such a way so that it is obvious that they should not be used.
  
3. Review and comply with Agency internal procedures and Part II, Chapter 16 of the State Accounting Procedures Manual.

ARKANSAS BUDGET SYSTEM  
 EMPLOYMENT SUMMARY  
 AS REQUIRED BY ACT 358 OF 1993  
 (A.C.A 19-4-307)

AGENCY TITLE      227 - STATE BOARD OF COSMETOLOGY

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	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>0</u>	<u>9</u>	<u>9</u>	<u>90%</u>
BLACK EMPLOYEES	<u>0</u>	<u>1</u>	<u>1</u>	<u>10%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF      08/10/96			<u>1</u>	<u>10%</u>
DATE			TOTAL MINORITIES	
			<u>10</u>	<u>100%</u>
			TOTAL EMPLOYEES	

  
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 AGENCY DIRECTOR

**SUMMARY**  
**STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY**  
**BOARD OF COSMETOLOGY (227)**

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	

**APPROPRIATION: C03 - DISCIPLINARY HEARINGS**

No new programs or expansions in the 1995-97 biennium.

**APPROPRIATION: 053 - COSMETOLOGY OPERATIONS**

The Board received Capital Outlay authorization totaling \$4,000 in FY96 for the purchase of various office equipment and furnishings.

\$4,000

\$0

The Board expended \$3,906 for equipment/furniture during FY96.

**ARKANSAS BUDGET SYSTEM  
DEPARTMENT APPROPRIATION SUMMARY**

AGENCY TITLE Board of Cosmetology		1995-97 Expenditures				1997-99 Biennium Request				1997-99 Executive Recommendation			
Appropriations		Actual	No. of	Budgeted	No. of	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code	Name	1995-96	Pos.	1996-97	Pos.	1997-98	Pos.	1998-99	Pos.	1997-98	Pos.	1998-99	Pos.
C03	Disciplinary Hearings	\$3,287		\$3,361		\$3,361		\$3,361		\$3,361		\$3,361	
053	Operations	346,709	10	412,205	10	555,289	10	446,074	10	542,690	10	433,117	10
<b>TOTALS</b>		<b>\$349,996</b>	<b>10</b>	<b>\$415,566</b>	<b>10</b>	<b>\$558,650</b>	<b>10</b>	<b>\$449,435</b>	<b>10</b>	<b>\$546,051</b>	<b>10</b>	<b>\$436,478</b>	<b>10</b>
<b>Funding Sources</b>			<b>% of</b>		<b>% of</b>		<b>% of</b>		<b>% of</b>		<b>% of</b>		<b>% of</b>
Fund Balances		\$373,375	45.7%	\$466,526	51.8%	\$485,858	52.8%	\$362,208	45.4%	\$485,858	52.8%	\$374,807	46.3%
General Revenues													
Special Revenues		410,697	50.3%	416,898	46.2%	417,000	45.3%	417,000	52.3%	417,000	45.3%	417,000	51.5%
Federal Funds													
Const. & Fiscal Agency Fund													
State Central Services Fund													
Non-Revenue Receipts													
Cash Funds		32,450	4.0%	18,000	2.0%	18,000	1.9%	18,000	2.3%	18,000	1.9%	18,000	2.2%
Other													
<b>Total Funding</b>		<b>816,522</b>	<b>100.0%</b>	<b>901,424</b>	<b>100.0%</b>	<b>920,858</b>	<b>100.0%</b>	<b>797,208</b>	<b>100.0%</b>	<b>920,858</b>	<b>100.0%</b>	<b>809,807</b>	<b>100.0%</b>
Excess Appr./ (Funding)		(466,526)		(485,858)		(362,208)		(347,773)		(374,807)		(373,329)	
<b>TOTAL</b>		<b>\$349,996</b>		<b>\$415,566</b>		<b>\$558,650</b>		<b>\$449,435</b>		<b>\$546,051</b>		<b>\$436,478</b>	
DEPARTMENT BOARD OF COSMETOLOGY (227)				DIRECTOR Debra Norton					DEPARTMENT APPROPRIATION SUMMARY BR 40				

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
1997 - 1999**

The Board of Cosmetology utilizes this appropriation to pay expenses of administrative disciplinary hearings of licensed cosmetologists. In settlement of some disciplinary matters, penalties are assessed instead of suspending or revoking licenses. The Base Level budget of \$3,361 each fiscal year is sufficient for the spending authority of this fund source. Base Level reflects a lowered level from the Authorized Amount of \$3,430 due to the 2% required deferment as mandated in Act 494 of 1993. As is evidenced from the Appropriation Summary Form (BR215) the fund is anticipated to contain over \$98,107 by the end of the 1997-99 biennium.

The Executive Recommendation provides for Agency Request.

<b>AGENCY</b> Name: State Board of Cosmetology  Code: 227	<b>APPROPRIATION</b> Name: Disciplinary Hearings - Cash  Code: C03	<b>CASH FUND</b> Name: Board of Cosmetology - Cash  Code: 331	<b>ANALYSIS OF BUDGET REQUEST</b>  BR20	<b>PAGE</b>  126
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ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			96-97			-----97-98 FISCAL YEAR-----			98-99 FISCAL YEAR			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	PRIORITY		TOTAL	PRIORITY		TOTAL	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	PROGRAMS	REQUEST	BASE	PROGRAMS	REQUEST	97-98	98-99	97-98	98-99			
OPERATING EXPENSES	2,241	2,311	2,380	2,311	0	2,311	2,311	0	2,311	2,311	2,311					
EXPENSES	1,046	1,050	1,050	1,050	0	1,050	1,050	0	1,050	1,050	1,050					
<b>TOTAL</b>	<b>3,287</b>	<b>3,361</b>	<b>3,430</b>	<b>3,361</b>	<b>0</b>	<b>3,361</b>	<b>3,361</b>	<b>0</b>	<b>3,361</b>	<b>3,361</b>	<b>3,361</b>					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES	135,027	164,190	*****	68,829		68,829	83,468		83,468	68,829	83,468					
GENERAL REVENUES			*****													
SPECIAL REVENUES			*****													
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS	32,450	18,000	*****	18,000		18,000	18,000		18,000	18,000	18,000					
OTHER			*****													
TOTAL FUNDING	167,477	182,190	*****	86,829		86,829	101,468		101,468	86,829	101,468					
EXCESS APPRO/ (FUNDING)	( 164,190)	( 178,829)	*****	( 83,468)		( 83,468)	( 98,107)		( 98,107)	( 83,468)	( 98,107)					
<b>TOTAL</b>	<b>3,287</b>	<b>3,361</b>	<b>*****</b>	<b>3,361</b>		<b>3,361</b>	<b>3,361</b>		<b>3,361</b>	<b>3,361</b>	<b>3,361</b>					

DEPT 007 REGULATORY BOARDS AND COMMISSIONS  
 AGY 227 STATE BOARD OF COSMETOLOGY  
 APPRO C03 DISCIPLINARY HEARINGS -- CASH  
 FUND 331 BOARD OF COSMETOLOGY CASH(227)

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
1997 - 1999**

The Board of Cosmetology uses this appropriation to cover operating expenses of examinations, certification, inspections, and all other Board related duties. Special revenue supports the expenditures, with all funds remaining at the end of each fiscal year carried forward. Remaining funds had been transferred to the Cosmetology Construction Fund until 1991, when legislation was passed allowing retention of the funds in the account in which it was originally deposited. The Construction Fund will therefore contain only the \$1.1 million currently in this account.

The budget request for the Board of Cosmetology reflects a Base Level of \$425,746 in FY98 and \$431,923 in FY99, covering 10 positions. Priorities were requested in the areas of Capital Outlay, Data Processing, Operating Expenses, and Regular Salaries. The Capital Outlay request will cover the cost of a new computer system and a photo copier to support the Agency's data processing and reproduction requirements. Data Processing will be utilized to cover the cost to redesign and develop new applications software for the computer system. Operating Expenses will cover increases in equipment maintenance costs, as well as rental increases as dictated by State Building Services. Regular Salaries and Personal Matching were requested to cover the cost to upgrade five Cosmetology Inspector positions from a grade 10 to a grade 15. Salaries and associated Personal Matching costs total \$12,599 for FY98 and \$12,957 for FY99.

The Board of Cosmetology is requesting special language to authorize a transfer up to \$110,000, in FY98 from the Agency's Cash Fund Account (311) to the Cosmetology Contingency Fund (SXC). The Board's Capital Outlay and Data Processing requests will be funded by this transfer.

The Executive Recommendation provides for Agency Request, which includes appropriation for a 2.8% Cost of Living Allowance for positions on July 1 of each year of the biennium along with accompanying employee matching requirements. The Executive Recommends to use up to \$110,000 to fund the Capital Outlay and Data Processing requests.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: State Board of Cosmetology  Code: 227	Name: Cosmetology - Operations  Code: 053	Name: Cosmetology Contingency  Code: SXC	BR20	128

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	PRIORITY		TOTAL	PRIORITY		TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	PROGRAMS	REQUEST	BASE	PROGRAMS	REQUEST	97-98	98-99	97-98	98-99
REGULAR SALARIES	159,901	184,350	180,332	192,543	10,684	203,227	197,782	10,983	208,765	192,543	197,782		
NUMBER OF POSITIONS	10	10	10	10	0	10	10	0	10	10	10		
PERSONAL SERV MATCHING	49,825	59,316	59,710	64,664	1,915	66,579	65,602	1,974	67,576	64,664	65,602		
OPERATING EXPENSES	121,826	154,190	158,630	154,190	1,194	155,384	154,190	1,194	155,384	155,384	155,384		
CONF FEES & TRAVEL	2,835	4,349	4,349	4,349	0	4,349	4,349	0	4,349	4,349	4,349		
PROF FEES & SERVICES	1,972	3,000	3,600	3,000	0	3,000	3,000	0	3,000	3,000	3,000		
CAPITAL OUTLAY	3,906	0	0	0	74,750	74,750	0	0	0	74,750			
DATA PROCESSING	6,444	7,000	10,000	7,000	41,000	48,000	7,000	0	7,000	48,000	7,000		
<b>TOTAL</b>	<b>346,709</b>	<b>412,205</b>	<b>416,621</b>	<b>425,746</b>	<b>129,543</b>	<b>555,289</b>	<b>431,923</b>	<b>14,151</b>	<b>446,074</b>	<b>542,690</b>	<b>433,117</b>		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	238,348	302,336	*****	307,029	110,000	417,029	278,740		278,740	417,029	291,339		
GENERAL REVENUES			*****										
SPECIAL REVENUES	410,697	416,898	*****	397,457	19,543	417,000	402,849	14,151	417,000	417,000	417,000		
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	649,045	719,234	*****	704,486	129,543	834,029	681,589	14,151	695,740	834,029	708,339		
EXCESS APPRO/ (FUNDING)	( 302,336)	( 307,029)	*****	( 278,740)		( 278,740)	( 249,666)		( 249,666)	( 291,339)	( 275,222)		
<b>TOTAL</b>	<b>346,709</b>	<b>412,205</b>	<b>*****</b>	<b>425,746</b>	<b>129,543</b>	<b>555,289</b>	<b>431,923</b>	<b>14,151</b>	<b>446,074</b>	<b>542,690</b>	<b>433,117</b>		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS  
 AGY 227 STATE BOARD OF COSMETOLOGY  
 APPRO 053 COSHETOLOGY -- OPERATIONS  
 FUND SXC COSHETOLOGY CONTINGENCY(227)

The FY97 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the Authorized amounts due to the implementation of the pay plan during the 1995-97 biennium.

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM  
PROGRAM/SERVICE INFORMATION LIST  
RANK BY APPROPRIATION

1	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
NK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIAL REQUESTS				RECOMMENDATIONS							
					ACTUAL 95-96	BUDGETED 96-97	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
							REQUEST	REQUEST			1997-98	1998-99	1997-98	1998-99				
0		SXC	227 053	B	346,709 10	412,205 10	425,746 10			431,923 10			425,746 10	431,923 10				
11		SXC	227 053	P01			110,000 0			0 0			110,000					
					<p>The Board is requesting \$110,000 in FY98 to acquire new data processing equipment and to redesign current and develop new application software for the Agency's Management Information System (MIS). The Agency's MIS and DP equipment were purchased in 1984. The present system is currently operating at 85% of capacity and the MIS does not adequately address the current operational requirements of the Agency. The Agency has been working with DCS to develop a plan to rewrite the current MIS, implement enhancements to that system to address operational requirements and internal control problems cited by Legislative Audit and to acquire the equipment needed to support the Agency's data processing requirements. Approval of this request is needed to improve operating efficiency, increase productivity and strengthen internal controls.</p>													
12		SXC	227 053	P11			12,599 0			12,957 0								
					<p>The Board is requesting that the classification of the Cosmetology Inspector's position be upgraded from a Grade 10 to a Grade 15. This request is warranted given the current duties and responsibilities of the Inspector and due to the expansion of job duties and responsibilities to include the examination of applicants for licensure in the practice of Cosmetology. This request is further justified in order to classify this position at a level that is comparable to the classification and/or compensation level of other positions that perform similar or comparable duties as that of the Cosmetology Inspector. The salary and related matching costs to fund this request are \$12,599 in FY98 and \$12,957 in FY99.</p>													

EPT 007 REGULATORY BOARDS AND COMMISSIONS  
 2Y 227 STATE BOARD OF COSMETOLOGY  
 PPRO 053 COSMETOLOGY -- OPERATIONS  
 JND SXC COSMETOLOGY CONTINGENCY(227)

RANK BY APPROPRIATION  
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ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIUM REQUESTS		RECOMMENDATIONS									
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99						
003		SXC	227 053	P02		0	6,944	1,194							6,944	1,194		
						0	0	0										

The Board is requesting a total of \$6,944 in FY98 and \$1,194 in FY99 to allow it to continue its current level of operation. The \$1,194 requested in each year of the biennium will cover the cost for maintenance of equipment acquired in FY96 and for an increase in the rental rate for office space. The Board has been informed by SBS that its rental rate will increase from \$9.25 to \$9.75 per square foot effective July 1, 1997. The Board is also requesting \$5,750 in Capital Outlay in FY98 to replace a photo copier purchased in 1991. The Agency only has one copier to rely on for all of its reproduction requirements. Because of the age of this equipment, downtime has increased resulting in an adverse effect on productivity and the cost to maintain the copier has escalated to the point that it is no longer practical to maintain this equipment.

DEPT 007 REGULATORY BOARDS AND COMMISSIONS  
 AGY 227 STATE BOARD OF COSMETOLOGY  
 APPRO 053 COSMETOLOGY -- OPERATIONS  
 FUND SXC COSMETOLOGY CONTINGENCY(227)

RANK BY APPROPRIATION  
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