

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
AGENCY PROGRAM COMMENTARY
2003 - 2005

The Arkansas State Board of Cosmetology operates from two appropriations; Disciplinary Hearings (C03) - a cash fund account and Cosmetology Operations (053) - a special revenue account.

DISCIPLINARY HEARINGS (850) - FUND SOURCE (NBC0000)

This fund source is used for administrative hearing expenses (court reporter, subpoenas, witnesses' expenses, etc.), the costs for other enforcement actions and related administrative expenses, (process servers, court fees, transcripts, postage, etc.). The base level request for this appropriations is \$4,814. The Board is requesting continuation of its base level request in each year of the biennium. Anticipated receipts and the current fund balance in the Board's cash fund account are more than sufficient to support this request.

COSMETOLOGY OPERATIONS (053) - FUND SOURCE (SXC0100)

The Board uses this fund source to cover operating expenses to conduct examinations; maintain a system for issuing certificates of registration and licenses; conduct health and safety inspections and operation audits; conduct meetings; maintain a principle office and provide the administrative support the Board needs to carryout its duties and responsibilities as prescribed in the Cosmetology Code.

An increase in the Board's base level operation is needed to address the ever advancing IT requirements; upgrade office furniture and equipment, and to cover general cost increases in operating expenses needed to continue the Agency's level of operation. Change budget requests total \$40,645 for FY 04 and \$87,360 for FY 05.

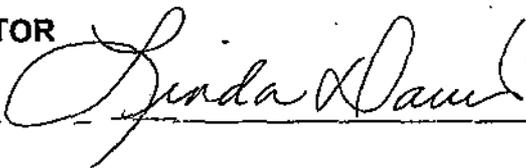
Anticipated receipts generated from operations (SXC0100) and the use of fund balances in the Board's Construction fund (SXD0000) and Cash Fund (NBC0000) are sufficient to support the Board's biennium budget request. Special language is requested to transfer \$108,400 from the Construction fund to the Operating fund to cover expenses to continue the Agency's lease agreement with ASBS for space to house the Board's office and examination facilities. Special language is also requested to transfer \$128,305 from the Board's Cash Fund to the Operating fund to cover the cost of the Information technology expenses. All other operating expenses will be covered by receipts generated from operation.

IT Appropriation

Enhancements and upgrades for the IT equipment and software total an additional \$64,045 for FY 04 and \$64,260 for FY 05. This additional expense is necessary to replace obsolete computer equipment purchased in 1997; replace the FoxPro software licensing system that has become more costly to keep repaired; continue with maintenance on both the hardware and software; and purchase new computer equipment, handheld computers and the software to run them for the Inspection staff.

Capitol Outlay

An additional \$7,500 is requested in FY 04 and \$4,000 in FY 05 to replace desk chairs, mail room equipment, and a photo copier that were purchased in 1984, 1995 and 1996 respectively.

AGENCY Arkansas Board of Cosmetology	DIRECTOR 	AGENCY PROGRAM COMMENTARY	PAGE 143
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ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
AGENCY PROGRAM COMMENTARY
2003 - 2005

Operating Expenses

An additional \$4,100 each year is necessary to cover expected increases in operating expenses.

AGENCY Arkansas Board of Cosmetology	DIRECTOR Linda Davis – Acting Director	AGENCY PROGRAM COMMENTARY	PAGE 144
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DIVISION OF LEGISLATIVE AUDIT
AUDIT OF:
ARKANSAS STATE BOARD OF COSMETOLOGY
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

Findings
None

Recommendations
None

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
 EMPLOYMENT SUMMARY
 Required by: A.C.A. 19-4-307

AGENCY TITLE: 0227 STATE BD OF COSMETOLOGY

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	1	8	9	100%
BLACK EMPLOYEES	0	0	0	0%
EMPLOYEES OF OTHER RACIAL MINORITIES	0	0	0	0%
TOTAL EMPLOYED AS OF			0	0%
08/05/2002				
DATE			TOTAL MINORITIES	
			9	100%
			TOTAL EMPLOYEES	

Linda Paul

AGENCY DIRECTOR

CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 2002

AGENCY: Arkansas Board of Cosmetology

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
Disciplinary Hearings (C03)	\$ 77,632.45	CD	Bank of America	<p>A.C.A. 17-26-323 requires that funds derived from penalties assessed by the Board shall be maintained in a separate bank account and shall be used exclusively to defray the costs of disciplinary hearings and any other enforcement action, including the investigation thereof.</p> <p>STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: A.C.A. 17-26-322 (b) authorizes the Board to assess penalties, in lieu of a suspension or revocation of license, in an amount not to exceed \$500.</p> <p>REVENUE RECEIPTS CYCLE: Penalties are collected throughout the year.</p> <p>FUND BALANCE UTILIZATION: As stated above, this fund is used for on-going expenses incurred to conduct investigations, disciplinary hearings and for other enforcement activities. Except that, when authorized by special language, this fund has been used for expenses for capital purchases. (Note: all funds over \$100,000 are collateralized.)</p>
	\$ 61,006.46	CD	Bank of America	
	\$ 61,006.46	CD	Bank of America	
	\$ 77,568.70	Cash Fund	Treasury	
ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
				<p>STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:</p> <p>REVENUE RECEIPTS CYCLE:</p> <p>FUND BALANCE UTILIZATION:</p>

AGENCY INFORMATION TECHNOLOGY PROJECTS RECOMMENDED FOR OVERSIGHT

STATE AGENCY Arkansas Board of Cosmetology

AGENCY NUMBER: 227

AGENCY HEARING DATE: October 10, 2002

<u>PROJECT NAME</u>	<u>TIMEFRAME</u>	<u>FY04 COST/SOURCE OF FUNDS</u>	<u>FY05 COST/SOURCE OF FUNDS</u>
1. Handhelds to capture inspection information in the field	07/05-07/07		\$35,260/Special Revenues

REASONS FOR OVERSIGHT

A. Scope and Requirements

<u>PROJECT NAME</u>	<u>TIMEFRAME</u>	<u>FY04 COST/SOURCE OF FUNDS</u>	<u>FY05 COST/SOURCE OF FUNDS</u>
2. Replace Licensing Application	07/03-06/05	\$35,000/Special Revenues	\$20,000/Special Revenue

REASONS FOR OVERSIGHT

A. Scope and Requirements

Office of Information Technology Comments: _____

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
STATE AGENCY PUBLICATIONS

Fiscal Year 2002-2003

Required by: A.C.A. 25-1-204

AGENCY: Arkansas Board of Cosmetology

NAME OF PUBLICATION	STATUTORY AUTHORIZATION	PUBLICATION REQUIRED FOR GOVERNOR AND/OR GENERAL ASSEMBLY ONLY	NUMBER OF COPIES PUBLISHED	REASON(S) FOR CONTINUED PUBLICATION AND DISTRIBUTION
Rules and Regulations	A.C.A. 17-26-205(a)(D)	No	800	Required by law. A copy of the regulations is given to all new licensees. Licensees are required by law to comply with the regulations promulgated by the Board. As such, a copy of the regulations should be made available to them.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Department Appropriation Summary

Agency Name STATE BOARD OF COSMETOLOGY
Agency Code 227

Appropriation		2001-02		2002-03		Agency Request				Executive Recommendation			
Code	Name	Actual		Budget	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
053	Cosmetology-Operations	575,818		552,567	10	620,868	10	624,986	10	620,868	10	624,986	10
850	Cosmetology-Disciplinary Hearings	4,650		4,814	0	4,814	0	4,814	0	4,814	0	4,814	0
Grand Total		580,468		557,381	10	625,682	10	629,800	10	625,682	10	629,800	10

Funding Sources			% of Total										
Name	Code												
Fund Balance	4000005	650,189	57.8	549,300	53.6	466,919	49.3	321,172	39.7	466,919	43.4	321,172	34.3
Special Revenue	4000030	430,000	38.0	430,000	42.0	434,935	45.9	442,481	54.7	434,935	40.5	442,481	47.2
Cash Funds	4000045	49,579	4.4	45,000	4.4	45,000	4.8	45,000	5.6	45,000	4.2	45,000	4.8
Fund Transfer	4000060	0	0.0	0	0.0	0	0.0	0	0.0	128,305	11.9	128,305	13.7
Total Funding		1,129,768	100.0	1,024,300	100.0	946,854	100.0	808,653	100.0	1,075,159	100.0	936,958	100.0
Excess Appro/(Funding)		(549,300)		(466,919)		(321,172)		(178,853)		(449,477)		(307,158)	
Grand Total		580,468		557,381		625,682		629,800		625,682		629,800	

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
ANALYSIS OF BUDGET REQUEST
2003 - 2005

Arkansas Code Annotated §17-26-201 authorized the State Board of Cosmetology consisting of ten members appointed by the Governor. The members of the Board may not be directly or indirectly connected to the wholesale business of the manufacture, rental, sale, or distribution of cosmetological appliances or supplies. The Board is responsible for holding examinations, issuing certificates of registration and licenses, registering cosmetological establishments and schools of cosmetology, approving disbursement of funds, adopting rules and regulations, and enforcing the rules and regulations adopted. Funding is derived from special revenues received from the collection of license fees, and all funds remaining at the end of each fiscal year carry forward. This appropriation is utilized for the operating expenses for examinations, certifications, licenses, inspections, and all other Board related activities.

The Base Level request includes a 2.7% salary increase each year over the FY03 salary levels for all incumbents plus associated increases in Personal Services Matching. Included in Personal Services Matching is a \$33 per month increase in the monthly contribution for State employee's health insurance for a total state contribution of \$280 per month per budgeted employee. The Change Level requests include a small amount for CLIP increases, increases in Operating Expenses for IT upgrades, supplies, rent and postage, increases in Capital Outlay for a photo copier and IT enhancements, and IT maintenance increases in Data Processing. A special language request for fund transfers is noted in the funding portion of the Biennial Appropriation Summary report.

The Executive Recommendation provides for the agency request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: State Board of Cosmetology Code: 227	Name: Cosmetology - Operations Code: 053	Name: Cosmetology - Special Revenue Code: SXC		151

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name STATE BOARD OF COSMETOLOGY
 Agency Code 227
 Appropriation Name Board of Cosmetology - Operations
 Appropriation Code 053
 Fund Name Board of Cosmetology - Special Revenues
 Fund Code SXC

Character		Expenditures				
		2001-02	2002-03		2002-03	
Name	Code	Actual	Budget	Pos.	Authorized	Pos.
Regular Salaries	5010000	223,618	223,463	10	224,277	10
Personal Serv Match	5010003	68,536	69,173	0	69,359	0
Operating Expenses	5020002	278,134	189,900	0	189,900	0
Travel-Conferences	5050009	5,455	6,349	0	6,349	0
Capital Outlay	5120011	0	22,500	0	22,500	0
Prof. Fees & Serv.	5060010	75	24,750	0	24,750	0
Data Processing	5090012	0	16,432	0	16,432	0
Grand Total		575,818	552,567	10	553,567	10

Funding Sources						
Name	Code					
Fund Balance	4000005	454,318	308,500	*****	*****	*****
Special Revenue	4000030	430,000	430,000	*****	*****	*****
Fund Transfer from NBC Fund	4000060	0	0	*****	*****	*****
Fund Transfer from Construction	4000065	0	0	*****	*****	*****
Total Funding		884,318	738,500	*****	*****	*****
Excess Appro/(Funding)		(308,500)	(185,933)	*****	*****	*****
Grand Total		575,818	552,567	*****	*****	*****

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name STATE BOARD OF COSMETOLOGY
 Agency Code 227
 Appropriation Name Board of Cosmetology - Operations
 Appropriation Code 053
 Fund Name Board of Cosmetology - Special Revenues
 Fund Code SXC

Character		Agency Request											
		2003-04						2004-05					
		Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.
Regular Salaries	5010000	229,497	10	3,442	0	232,939	10	235,693	10	3,535	0	239,228	10
Personal Serv Match	5010003	74,244	0	610	0	74,853	0	75,341	0	626	0	75,967	0
Operating Expenses	5020002	189,900	0	56,400	0	246,300	0	189,900	0	14,100	0	204,000	0
Travel-Conferences	5050009	6,349	0	0	0	6,349	0	6,349	0	0	0	6,349	0
Capital Outlay	5120011	0	0	9,245	0	9,245	0	0	0	48,260	0	48,260	0
Prof. Fees & Serv.	5060010	24,750	0	0	0	24,750	0	24,750	0	0	0	24,750	0
Data Processing	5090012	16,432	0	10,000	0	26,432	0	16,432	0	10,000	0	26,432	0
Grand Total		541,171	10	79,697	0	620,868	10	548,465	10	76,521	0	624,986	10

Funding Sources													
Name	Code												
Fund Balance	4000005	185,933	*****	0	*****	185,933	*****	0	*****	0	*****	0	*****
Special Revenue	4000030	355,238	*****	79,697	*****	434,935	*****	365,960	*****	76,521	*****	442,481	*****
Fund Transfer from NBC Fund	4000060	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****
Fund Transfer from Construction	4000065	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****
Total Funding		541,171	*****	79,697	*****	620,868	*****	365,960	*****	76,521	*****	442,481	*****
Excess Appro/(Funding)		0	*****	0	*****	0	*****	182,505	*****	0	*****	182,505	*****
Grand Total		541,171	*****	79,697	*****	620,868	*****	548,465	*****	76,521	*****	624,986	*****

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name STATE BOARD OF COSMETOLOGY
 Agency Code 227
 Appropriation Name Board of Cosmetology - Operations
 Appropriation Code 053
 Fund Name Board of Cosmetology - Special Revenues
 Fund Code SXC

Character		Recommendations							
		Executive				Legislative			
Name	Code	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
Regular Salaries	5010000	232,939	10	239,228	10	0	0	0	0
Personal Serv Match	5010003	74,853	0	75,967	0	0	0	0	0
Operating Expenses	5020002	246,300	0	204,000	0	0	0	0	0
Travel-Conferences	5050009	6,349	0	6,349	0	0	0	0	0
Capital Outlay	5120011	9,245	0	48,260	0	0	0	0	0
Prof. Fees & Serv.	5060010	24,750	0	24,750	0	0	0	0	0
Data Processing	5090012	26,432	0	26,432	0	0	0	0	0
Grand Total		620,868	10	624,986	10	0	0	0	0

Funding Sources									
Name	Code								
Fund Balance	4000005	185,933	*****	128,305	*****	0	*****	0	*****
Special Revenue	4000030	434,935	*****	442,481	*****	0	*****	0	*****
Fund Transfer from NBC Fund	4000060	128,305	*****	0	*****	0	*****	0	*****
Fund Transfer from Construction	4000065	0	*****	54,200	*****	0	*****	0	*****
Total Funding		749,173	*****	624,986	*****	0	*****	0	*****
Excess Appro/(Funding)		(128,305)	*****	0	*****	0	*****	0	*****
Grand Total		620,868	*****	624,986	*****	0	*****	0	*****

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Rank by Appropriation

Agency Name STATE BOARD OF COSMETOLOGY
 Agency Code 227
 Appropriation Name Board of Cosmetology - Operations
 Appropriation Code 053
 Fund Name Board of Cosmetology - Special Revenue
 Fund Code SXC

Rank	Justification	Designation	Cost Center	2001-02		2002-03		Agency Request				Executive Recommendation				Legislative Recommendation			
				Actual	Pos.	Budget	Pos.	2003-04 Pos.	2004-05 Pos.	2003-04 Pos.	2004-05 Pos.	2003-04 Pos.	2004-05 Pos.	2003-04 Pos.	2004-05 Pos.				
		BL Base Level	Total	575,818	10	552,567	10	541,171	10	548,465	10	541,171	10	548,465	10	0	0	0	0
1	Increases in Operating Expenses is requested for supplies, postage, and rent .	C01	178210 Cosmo Operations Adm	0	0	0	0	11,600	0	8,100	0	11,600	0	8,100	0	0	0	0	0
		C01	Total	0	0	0	0	11,600	0	8,100	0	11,600	0	8,100	0	0	0	0	0
1	Increases are needed for IT maintenance and upgrades, and to purchase a photo copier.	C08 Technology	178210 Cosmo Operations Adm	0	0	0	0	64,045	0	64,260	0	64,045	0	64,260	0	0	0	0	0
		C08 Technology	Total	0	0	0	0	64,045	0	64,260	0	64,045	0	64,260	0	0	0	0	0
1	CLIP request.	C09 CLIP	178210 Cosmo Operations Adm	0	0	0	0	4,052	0	4,161	0	4,052	0	4,161	0	0	0	0	0
		C09 CLIP	Total	0	0	0	0	4,052	0	4,161	0	4,052	0	4,161	0	0	0	0	0
		Grand Total	Total	575,818	10	552,567	10	620,868	10	624,986	10	620,868	10	624,986	10	0	0	0	0

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
ANALYSIS OF BUDGET REQUEST
2003 - 2005

The Board of Cosmetology is authorized under Arkansas Code Annotated §17-26-208 to initiate investigations and conduct administrative disciplinary hearings. This appropriation allows the agency to pay expenses of administrative hearings of licensed cosmetologists. In settlement of some disciplinary matters, penalties are assessed rather than license suspension or revocation.

The agency request is for Base Level.

The Executive Recommendation provides for the agency request. Expenditure of appropriation is contingent upon available funding.

AGENCY Name: State Board of Cosmetology Code: 227	APPROPRIATION Name: Disciplinary Hearings - Cash Code: 850	TREASURY FUND Name: Disciplinary Hearings - Cash Code: NBC	ANALYSIS OF BUDGET REQUEST	PAGE 156
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ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name STATE BOARD OF COSMETOLOGY
 Agency Code 227
 Appropriation Name Board of Cosmetology - Disciplinary Hearings
 Appropriation Code 850
 Fund Name Board of Cosmetology - Treasury
 Fund Code NBC

Character		Expenditures				
		2001-02	2002-03		2002-03	
Name	Code	Actual	Budget	Pos.	Authorized	Pos.
Operating Expenses	5020002	3,764	3,764	0	3,764	0
Exp.of Disciplinary Hearings	5900046	886	1,050	0	1,050	0
Grand Total		4,650	4,814	0	4,814	0

Funding Sources						
Name	Code					
Fund Balance	4000005	195,871	240,800	*****	*****	*****
Cash Funds	4000045	49,579	45,000	*****	*****	*****
Fund Transfer to Operations	4000060	0	0	*****	*****	*****
Total Funding		245,450	285,800	*****	*****	*****
Excess Appro/(Funding)		(240,800)	(280,986)	*****	*****	*****
Grand Total		4,650	4,814	*****	*****	*****

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name STATE BOARD OF COSMETOLOGY
 Agency Code 227
 Appropriation Name Board of Cosmetology - Disciplinary Hearings
 Appropriation Code 850
 Fund Name Board of Cosmetology - Treasury
 Fund Code NBC

Character		Agency Request											
		2003-04						2004-05					
		Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.
Operating Expenses	5020002	3,764	0	0	0	3,764	0	3,764	0	0	0	3,764	0
Exp.of Disciplinary Hearings	5900046	1,050	0	0	0	1,050	0	1,050	0	0	0	1,050	0
Grand Total		4,814	0	0	0	4,814	0	4,814	0	0	0	4,814	0

Funding Sources													
Name	Code	2003-04						2004-05					
Fund Balance	4000005	280,986	*****	0	*****	280,986	*****	321,172	*****	0	*****	321,172	*****
Cash Funds	4000045	45,000	*****	0	*****	45,000	*****	45,000	*****	0	*****	45,000	*****
Fund Transfer to Operations	4000060	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****
Total Funding		325,986	*****	0	*****	325,986	*****	366,172	*****	0	*****	366,172	*****
Excess Appro/(Funding)		(321,172)	*****	0	*****	(321,172)	*****	(361,358)	*****	0	*****	(361,358)	*****
Grand Total		4,814	*****	0	*****	4,814	*****	4,814	*****	0	*****	4,814	*****

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name STATE BOARD OF COSMETOLOGY
 Agency Code 227
 Appropriation Name Board of Cosmetology - Disciplinary Hearings
 Appropriation Code 850
 Fund Name Board of Cosmetology - Treasury
 Fund Code NBC

Character		Recommendations							
		Executive				Legislative			
		2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
Operating Expenses	5020002	3,764	0	3,764	0	0	0	0	0
Exp.of Disciplinary Hearings	5900046	1,050	0	1,050	0	0	0	0	0
Grand Total		4,814	0	4,814	0	0	0	0	0

Funding Sources									
Name	Code								
Fund Balance	4000005	280,986	*****	192,867	*****	0	*****	0	*****
Cash Funds	4000045	45,000	*****	45,000	*****	0	*****	0	*****
Fund Transfer to Operations	4000060	(128,305)	*****	0	*****	0	*****	0	*****
Total Funding		197,681	*****	237,867	*****	0	*****	0	*****
Excess Appro/(Funding)		(192,867)	*****	(233,033)	*****	0	*****	0	*****
Grand Total		4,814	*****	4,814	*****	0	*****	0	*****