



## **NORTH CAROLINA STATE BOARD OF BARBER EXAMINERS**

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### **Minutes for Public Meeting**

Held August 18, 2015, at 8:00 a.m.  
5809 Departure Drive, Suite 102  
Raleigh, North Carolina

#### **Board Members**

David Hood, Chair  
Don Beal, Vice Chair  
Lance Crumley  
Steffon Sharpless  
Valerie Willis

#### **Executive Director**

Dennis Seavers

#### **Counsel to the Board**

W. Bain Jones, Jr.

The meeting of the North Carolina State Board of Barber Examiners was called to order at 8:06 a.m., on August 18, 2015 at the board's office at 5809 Departure Drive, Suite 102, Raleigh, North Carolina.

The following board members were present during the meeting: David Hood, Don Beal, Lance Crumley, Steffon Sharpless, and Valerie Willis. No Board members were absent, except for a portion of the meeting as indicated below.

Also in attendance were Dennis Seavers, Executive Director, and W. Bain Jones, Jr., Counsel to the Board.

## **Ethics awareness and conflict of interest**

Mr. Hood read the statement required by N.C.G.S. § 138A–15(e) on ethics awareness and conflicts of interest. No board members indicated that they had any potential or actual conflicts.

## **Minutes from August 18, 2015 meeting**

A motion was made by Mr. Beal and seconded by Mr. Sharpless to approve the draft minutes and closed-session narrative of the June 23, 2015 meeting. The motion passed, 4–0 (Mr. Crumley was not present for this portion of the meeting). (The board later noticed a minor error in the minutes, which will be corrected at the October 20, 2015 meeting.)

## **OPEN SESSION (PART 1)**

### **Administrative hearings**

The board conducted a hearing for Terrance L. Elliott, who appeared in person. He had been issued a violation for operating a barber school without a license. Joanna Lewis, an inspector for the board, offered testimony and answered questions from Mr. Jones. Mr. Jones presented video evidence of Mr. Elliott offering instruction outside of a school. Gregory Washington, an inspector for the board, offered testimony and answered questions from Mr. Jones. Mr. Elliott offered testimony and answered questions from the Mr. Jones and the board.

The board conducted a hearing for Jonathan Matthews, who appeared in person. He had applied to be licensed by the board but had a felony offense. He was offered a consent order for a felony offense but instead requested a hearing. The board counsel presented evidence and asked questions of Mr. Matthews. The board members asked questions, and Mr. Matthews responded. Mr. Matthews agreed to the terms of the consent order and agreed to sign it that day.

The board recessed at 9:33 a.m. and reconvened at 9:46 a.m.

### **Administrative hearings—show cause**

The following individuals were served with a notice of hearing to appear before the board to show cause for failing to pay past-due civil penalties and attorney costs. None of the individuals listed below made the required appearance. Mr. Jones presented evidence to the board of the violations and answered questions by the board members.

- a. Deon H. Boney
- b. Tracy A. Harrington
- c. Jackie L. Jenkins

- d. David S. Lindsay
- e. James D. Murphy
- f. Steven Nguyen
- g. Pete Phipps
- h. Ramon A. Regalado

### **Felony petitions**

The North Carolina Division of Prisons had submitted documentation in support of Darrius Campbell receiving a registered barber license. Mr. Jones presented information about Mr. Campbell's criminal history and recommended that the board issue a standard consent order with five years of probation that would allow Mr. Campbell to become a registered barber.

The North Carolina Division of Prisons had submitted documentation in support of Joseph Campbell receiving a registered barber license. Mr. Jones presented information about Mr. Campbell's criminal history and recommended that the board issue a standard consent order with five years of probation that would allow Mr. Campbell to become a registered barber.

The North Carolina Division of Prisons had submitted documentation in support of Anthony Gonzalez receiving a registered barber license. Mr. Jones presented information about Mr. Gonzalez's criminal history and recommended that the board issue a standard consent order with five years of probation that would allow Mr. Gonzalez to become a registered barber.

The North Carolina Division of Prisons had submitted documentation in support of Edgar Hudson receiving a registered barber license. Mr. Jones presented information about Mr. Hudson's criminal history and recommended that the board issue a standard consent order with five years of probation that would allow Mr. Hudson to become a registered barber.

Alo T. Alapati had applied for an apprentice barber license. He appeared and was sworn in. Mr. Jones presented evidence to the board and asked Mr. Alapati questions. Mr. Alapati offered testimony and answered questions from the board.

Javaris Caldwell had applied for an apprentice barber license. He appeared and was sworn in. Mr. Jones presented evidence to the board and asked Mr. Caldwell questions. Mr. Caldwell offered testimony and answered questions from the board.

Joshua D. Rochelle had applied for an apprentice barber license. He appeared and was sworn in. Mr. Jones presented evidence to the board and asked Mr. Rochelle questions. Mr. Rochelle offered testimony and answered questions from the board.

Quinton D. Scott did not appear for his hearing.

Melvin Sellars had applied for an apprentice barber license. He appeared and was sworn in. Mr. Jones presented evidence to the board and asked Mr. Sellars questions. Mr. Sellars offered testimony and answered questions from the board.

Davonne Q. Suitte had applied for an apprentice barber license. He appeared and was sworn in. Mr. Jones presented evidence to the board and asked Mr. Suitte questions. Mr. Suitte offered testimony and answered questions from the board.

**Board elections for chair and vice chair**

Mr. Hood referred board members to Mr. Seavers’s August 7, 2015 memo on elections (see Attachment 1). The board members cast ballots for chair and vice chair, and Mr. Jones tabulated the results and read them into the record. Mr. Beal was elected chair, and Mr. Sharpless was elected vice chair. Mr. Beal commended Mr. Hood for his hard work during his tenure.

The board members voted as indicated below.

<b>Position</b>	<b>Vote cast by</b>	<b>Vote cast for</b>
<b>Chair</b>	Don Beal	Don Beal
	Lance Crumley	Steffon Sharpless
	David Hood	Don Beal
	Steffon Sharpless	Don Beal
	Valerie Willis	David Hood
<b>Vice Chair</b>	Don Beal	Steffon Sharpless
	Lance Crumley	Valerie Willis
	David Hood	Steffon Sharpless
	Steffon Sharpless	Steffon Sharpless
	Valerie Willis	Valerie Willis

**Ratification of board policy for screening felony applicants**

Mr. Hood referred board members to Mr. Seavers’s August 7, 2015 memo on the board’s policy for screening applicants with felonies (see Attachment 2). Ms. Willis asked about the difference between the former policy and the current practice. Mr. Sharpless made a motion to ratify the current practice as described in Attachment B of the memo, and Mr. Beal seconded. The motion passed, 5–0.

**Proposed regulation requiring barber-school students to have a high-school diploma or equivalency credential**

Mr. Hood referred board members to Mr. Seavers’s August 10, 2015 memo on the regulation of barber-school students (see Attachment 3). Mr. Jones answered questions about the background for and purpose of the rule and about the emergency-

rulemaking process. Mr. Sharpless made a motion to propose the rule as an emergency rule, and Mr. Beal seconded. The motion passed, 5–0.

### **Re-adoption of board rules**

Mr. Hood referred board members to Mr. Seavers's August 10, 2015 memo on the periodic review of rules (see Attachment 4). Mr. Jones answered questions about the rules.

Mr. Crumley expressed concern about the rule requiring sinks to be within seven unobstructed linear feet of each barbering area for shops permitted after January 1, 1995 (21 NCAC 06L.0107). He presented information in support of his concern, including a letter from Congresswoman Virginia Foxx about legislation amending N.C.G.S. 86A. Mr. Crumley argued that this legislation prohibited the board from adopting a seven-foot rule. Mr. Beal argued that the rule was appropriate and that it was for the benefit of the public and the profession.

Mr. Beal made a motion to affirm the rules and move forward with their publication. Mr. Hood seconded the motion, which passed 4–1.

### **Online renewal of licenses**

Mr. Hood referred board members to Mr. Seavers's August 11, 2015 memo on online renewals (see Attachment 5). The board members asked questions, and Mr. Seavers responded. Ms. Willis made a motion to use First Data as the payment processor for online renewals. Mr. Beal seconded the motion, which passed, 4–1. Mr. Beal made a motion for the board to assume the cost of transaction fees, and Mr. Sharpless seconded. The motion passed, 4–1.

Mr. Sharpless made a motion to adjourn for lunch, and Mr. Beal seconded. The motion passed, 5–0. The board adjourned at 11:52 p.m. The board reconvened at 12:46 p.m.

### **Exam scoring and written exam materials**

Mr. Hood referred board members to Mr. Seavers's August 10, 2015 memo on exam scoring tools (see Attachment 6). Mr. Seavers answered questions from the board members. Ms. Willis recommended reaching out to schools to get input on the exams and any proposed scoring tools. Mr. Beal recommended having people take the North Carolina law portion of the written exam who aren't barbers to test the difficulty of the exam.

Mr. Sharpless made a motion to direct the staff to conduct a review of its exam materials and report to the board. Mr. Beal seconded the motion, which passed, 5–0.

## **Discussion of and possible action on extended-education programs**

Mr. Hood referred board members to Mr. Seavers's August 10, 2015 memo on the regulation of extended education (see Attachment 7). The board members asked questions, and Mr. Seavers responded. Mr. Beal made a motion to regulate extended education under option 3 identified in the memo. Mr. Hood seconded the motion, which passed, 5–0.

## **Executive director's report**

Mr. Hood referred board members to Mr. Seavers's August 13, 2015 report (see Attachment 8). Mr. Seavers answered questions from the board members.

## **Legal report**

Mr. Jones provided a list of recent probable-cause letters sent to individuals who have been found in violation of board regulations. He answered questions from the board.

## **Legislative report**

Mr. Hood referred board members to Mr. Jones's August 7, 2015 legislative report (see Attachment 9) and Mr. Seavers's August 7, 2015 legislative report on fees (see Attachment 10). Mr. Beal made a motion to adopt the fee-increase rule proposal if the board's legislation passed. Mr. Sharpless seconded the motion, which passed, 5–0.

The board recessed at 1:31 p.m. and reconvened at 1:41 p.m.

## **CLOSED SESSION**

Mr. Hood made a motion to go into closed session under N.C.G. S. § 143–318.11(a)(1), (3), and (6) and under N.C.G.S. § 143–318.11(c), and Ms. Willis seconded. The motion passed, 5–0. Mr. Hood reminded board members that matters discussed in closed session are confidential and must not be discussed outside of the closed session. The board went into closed session at 1:43 p.m.

Mr. Beal made a motion to come out of closed session, and Mr. Hood seconded. The motion passed, 5–0. The board returned to open session at 2:28 p.m.

## **OPEN SESSION (PART 2)**

The board dismissed Terrance L. Elliott's violation.

The board suspended the license of (or prevented future issuance of a license to) each of the respondents listed below in the show-cause administrative hearings for the

respondents' failure to pay past-due civil penalties and attorney costs as ordered. The board also ordered that the licenses remain suspended (or no license be issued) until all civil penalties and attorney costs, including \$165 for attorney fees and costs for the show-cause hearing, were paid in full.

- a. Deon H. Boney
- b. Tracy A. Harrington
- c. Jackie L. Jenkins
- d. David S. Lindsay
- e. James D. Murphy
- f. Steven Nguyen
- g. Pete Phipps
- h. Ramon A. Regalado

The board ordered that the licensure application of Darrius Campbell be approved, with five years of probation.

The board ordered that the licensure application of Joseph Campbell be approved, with five years of probation.

The board ordered that the licensure application of Anthony Gonzalez be approved, with five years of probation.

The board ordered that the licensure application of Edgar Hudson be approved, with five years of probation.

The board ordered that the licensure application of Alo T. Alapati be approved, with the following conditions: eight years of probation and proof of completing a 60-day mental-health program that focuses on daily living, judgment, coping skills, and decision making.

The board ordered that the licensure application of Javaris Caldwell be approved, with the following conditions: five years of probation and proof of completing a 30-day mental-health program that focuses on daily living, judgment, coping skills, and decision making.

The board ordered that the licensure application of Joshua D. Rochelle be approved, with the following conditions: five years of probation and proof of completing a 30-day mental-health program that focuses on daily living, judgment, coping skills, and decision making.

The board ordered that the licensure application of Melvin Sellars be approved, with the following conditions: five years of probation and proof of completing a 30-day mental-health program that focuses on daily living, judgment, coping skills, and decision making.

The board ordered that the licensure application of Davonne Q. Suitte be approved, with the following conditions: five years of probation and proof of completing a 30-day mental-health program that focuses on daily living, judgment, coping skills, and decision making.

Mr. Hood adjourned the meeting at 2:42 p.m.

Minutes approved on October 20, 2015

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David Hood

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Don Beal

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Lance Crumley

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Steffon Sharpless

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Valerie Willis



# NORTH CAROLINA BOARD OF BARBER EXAMINERS

## Memo

TO: Board members  
FROM: Dennis Seavers  
DATE: August 7, 2015  
**SUBJECT: Elections**

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The board's statutes require the board to "annually elect its own officers . . . ." <sup>1</sup> At its August 18, 2015 meeting, the board will have elections for officers (chair and vice-chair). This memo offers background information on the roles of the officers and the election procedures.

### ROLES OF OFFICERS

According to the board's bylaws (section III.2), the chair:

- Performs the duties and has the responsibilities of the chief executive officer of the board
- Presides at the meetings of the board
- Supervises the performance of all activities of the board
- Keeps the board duly informed and carries out its decisions
- Performs other duties and has other powers as pertain to the office or as may be designated by the board

The same section of the bylaws states that the vice-chair assumes the duties of the chair when the chair is absent and has any other duties that the chair may assign.

Officers serve for one year and may only serve two consecutive terms in the same office (i.e., two years in the office). <sup>2</sup> If there is a change in officers, the current officers will serve "until the close of the annual Board meeting in which elections are held." <sup>3</sup>

<sup>1</sup> N.C.G.S. § 86A-6

<sup>2</sup> Bylaws § III.4

<sup>3</sup> Ibid.

All officers must remain in good standing with the board during the tenure.<sup>4</sup> If an elected board member misses two consecutive meetings of the board without good cause, the member is automatically removed from office and a successor will be elected.<sup>5</sup> (This meeting-attendance requirement for officers is separate from the one in Executive Order 34, which establishes attendance requirements for all board members.)

## **ELECTION PROCEDURES**

The board's bylaws specify that elections are by written ballot.<sup>6</sup> North Carolina's Open Meetings Law (OML) prohibits secret ballots.<sup>7</sup> Under OML, if written ballots are used, they must be signed and available for public inspection until the minutes of the meeting are approved.<sup>8</sup> The bylaws further require the names of the newly elected officers to be read into the minutes by the board's attorney immediately following the vote.<sup>9</sup>

Based on these regulations and policies, the following are possible procedures for the board to follow:

1. Preprinted ballots will be available at the board meeting with all board members' names and a signature line
2. Board members will cast written ballots for chair
3. The staff will tabulate the ballots, and the board's attorney will read the name of the newly elected chair into the minutes
4. Board members will cast written ballots for vice-chair
5. The staff will tabulate the ballots, and the board's attorney will read the name of the newly elected vice-chair into the minutes

<sup>4</sup> Id. at § III.5

<sup>5</sup> Id. at § III.6

<sup>6</sup> Id. at § III.5

<sup>7</sup> N.C.G.S. § 143-318.13(b).

<sup>8</sup> Ibid.

<sup>9</sup> Bylaws § III.5



## NORTH CAROLINA BOARD OF BARBER EXAMINERS

### Memo

TO: Board members

FROM: Dennis Seavers

DATE: August 7, 2015

**SUBJECT: Policy for screening applicants with felonies**

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At its August 18, 2015 meeting, the board will consider ratifying an existing policy for screening applicants with felonies. The main purpose of the agenda item is to resolve a discrepancy between the board's direction on felony applicants and the existing written policy.

#### **BACKGROUND**

Under N.C.G.S. § 86A-18(1), the board may "refuse to issue or to renew, or may suspend or revoke" a license for "conviction of the applicant or certificate holder of a felony . . ." Although the board may deny applications for felony applicants, the board frequently issues consent orders to individuals based on the contents of their criminal histories. These consent orders generally contain similar terms and conditions, such as probation, counseling, and drug screening.

At its February 20, 2012 meeting, the board adopted a policy that identified the circumstances under which the board staff (typically through its attorney) may offer a consent order without the applicant having to appear at a board hearing. The complete policy appears in Attachment A, but the policy basically focused on the length of time since the offense and the nature of the crime.

Several sources of evidence—such as longstanding practices, board members' recollections, and notes—indicate that the board updated this policy in 2014, most likely at its February 17, 2014 meeting. The updated policy focused on the following criteria and deemphasized time frames:

- For drug offenses, the nature and circumstances of the offense. More serious drug offenses would require a hearing, while less serious offenses would allow the staff to issue a consent order
- Habitual offenses would require a board hearing

- Violent crimes, such as homicides or assault with a deadly weapon (with intent to kill or inflict serious injury), would require a board hearing

Although there is clear evidence that the board took action to update the policy and directed the staff to issue consent orders in more cases, the minutes don't reflect the action, and the board's written policy wasn't updated to reflect the board's wishes. Accurate written records—in this case, the board's minutes and written policies—are an important internal control to make sure that staff members comply with board directives. Moreover, these records are crucial for transparency and accountability in agency operations—both to the public and other stakeholders, such as auditors. Finally, clear records are necessary for continuity of operations, as might occur with staff turnover.

## **REMEDIAL ACTIONS**

The board should ratify its policy that apparently was adopted in February 2014. Without this ratification, the board staff will instead need to comply with the policy adopted in 2012, which would substantially increase the number of felony hearings that the board conducts at each meeting and would create significant delays for applicants. Attachment B includes the policy that the staff has reconstructed based on current practice and other evidence of the board's wishes.

## ATTACHMENT A. WRITTEN POLICY ADOPTED IN 2012

Subject: Board policy for screening felony applicants

References: N.C.G.S. 86A-18(1) and 21 NCAC 06Q.0103

Purpose: The purpose of this policy is to establish procedures to streamline the review of applications for licensure from individuals with a felony criminal record.

1. Applicants who committed any felony that occurred less than five years ago at the time of application, who is currently on state/federal court ordered probation/parole or who committed a felony crime against a person (rape, attempted murder, murder, manslaughter, sex offense, or kidnapping) regardless of the date of the offense or any offense that included the use of a firearm or other form of deadly force shall appear before the Board to determine his/her suitability to seek any occupational license issued by the Board.
2. Applicants who committed a felony that occurred five or more years ago at the time of application, who are not on state/federal court mandated probation/parole and where the applicant's felony did not include any of the conditions named in paragraph (1), shall have his/her application reviewed by the Board's staff to determine his/her suitability to seek any occupational license issued by the Board. Board staff shall recommend that an applicant appear before the Board as described in paragraph (1) at the discretion of the Board's Executive Director or Attorney if the crime(s) committed by the applicant do not clearly meet the criteria for Board staff review.
3. All petitioners have a right for judicial review if his/her application is not approved by the Board or Board staff.

***\*Adopted by the Board at its February 20, 2012, regular meeting.***

## **ATTACHMENT B. CURRENT PRACTICE FOR RATIFICATION AS BOARD POLICY**

Subject: Board policy for screening felony applicants

References: N.C.G.S. 86A-18(1) and 21 NCAC 06Q.0103

Purpose: The purpose of this policy is to establish procedures to streamline the review of applications for licensure from individuals with a felony criminal record by authorizing the staff to issue consent orders without board hearings.

1. Applicants who committed any felony that occurred less than five years ago at the time of application, who is currently on state/federal court ordered probation/parole or who committed a felony crime against a person (rape, attempted murder, murder, manslaughter, sex offense, or kidnapping) regardless of the date of the offense or any offense that included the use of a firearm or other form of deadly force shall appear before the Board to determine his/her suitability to seek any occupational license issued by the Board, except as indicated in paragraph 3 below.
2. Applicants who committed a felony that occurred five or more years ago at the time of application, who are on state/federal court mandated probation/parole and where the applicant's felony did not include any of the conditions named in paragraph 1, shall have appear before the Board if the individual committed a crime which resulted in injury to an individual such as identity theft, fraud, embezzlement, an habitual felon, a felony crime against the government or a government official.
3. Applicants who have committed felony crimes involving controlled substances or crimes involving alcohol abuse shall have their cases reviewed by the staff (typically the Board Attorney), who, taking totality of the information concerning the applicants, may offer a Consent Agreement to those individuals which would allow the individual to proceed with licensure upon completion of the non-probationary Consent Order requirements.
4. Board staff shall recommend that an applicant appear before the Board as described in paragraph (1) if the nature of the crime(s) committed are such that the Board's Executive Director or Attorney determine the applicant should be reviewed by the Board.
5. All petitioners have a right for a review by the Board should the petitioner disagree with the Staff determination. All petitioners have a right to judicial review if his/her application is not approved by the Board.



## NORTH CAROLINA BOARD OF BARBER EXAMINERS

### Memo

TO: Board members

FROM: Dennis Seavers

DATE: August 10, 2015

**SUBJECT: Regulation of barber-school students**

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In previous board meetings, the board's attorney has reported on recent changes in regulations that deal with federal monies, such as grants, that are provided to institutions to help pay students' tuitions. Barber schools receive some of these federal monies. The United States Congress has made these regulations more restrictive, requiring that any schools that receive certain federal monies must be designated as postsecondary institutions. Barber schools could be designated as postsecondary institutions by requiring barber-school applicants to have a high-school diploma or equivalency credential (GED). The board has previously discussed establishing this requirement in a rule.

In addition, one school has requested that the board adopt that rule under the emergency rulemaking process. Unlike the normal rulemaking process, which can take a significant amount of time, emergency rules can be adopted much more quickly (a matter of days or weeks rather than months).<sup>1</sup> The process is faster because it eliminates the normal requirements for notice or hearing.<sup>2</sup> At the same time that the board proposes the emergency rule, it would also propose a temporary rule that ultimately would replace the emergency rule.<sup>3</sup> The diagrams attached to this memo describe the emergency and temporary rulemaking processes.<sup>4</sup>

### POSSIBLE BOARD ACTIONS

- The board may propose a rule requiring barber-school students to have a high-school diploma or equivalency credential. Separately, the board could decide

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<sup>1</sup> N.C.G.S. § 150B-21.1A(b).

<sup>2</sup> N.C.G.S. § 150B-21.1A(a).

<sup>3</sup> N.C.G.S. § 150B-21.1A(d)(2).

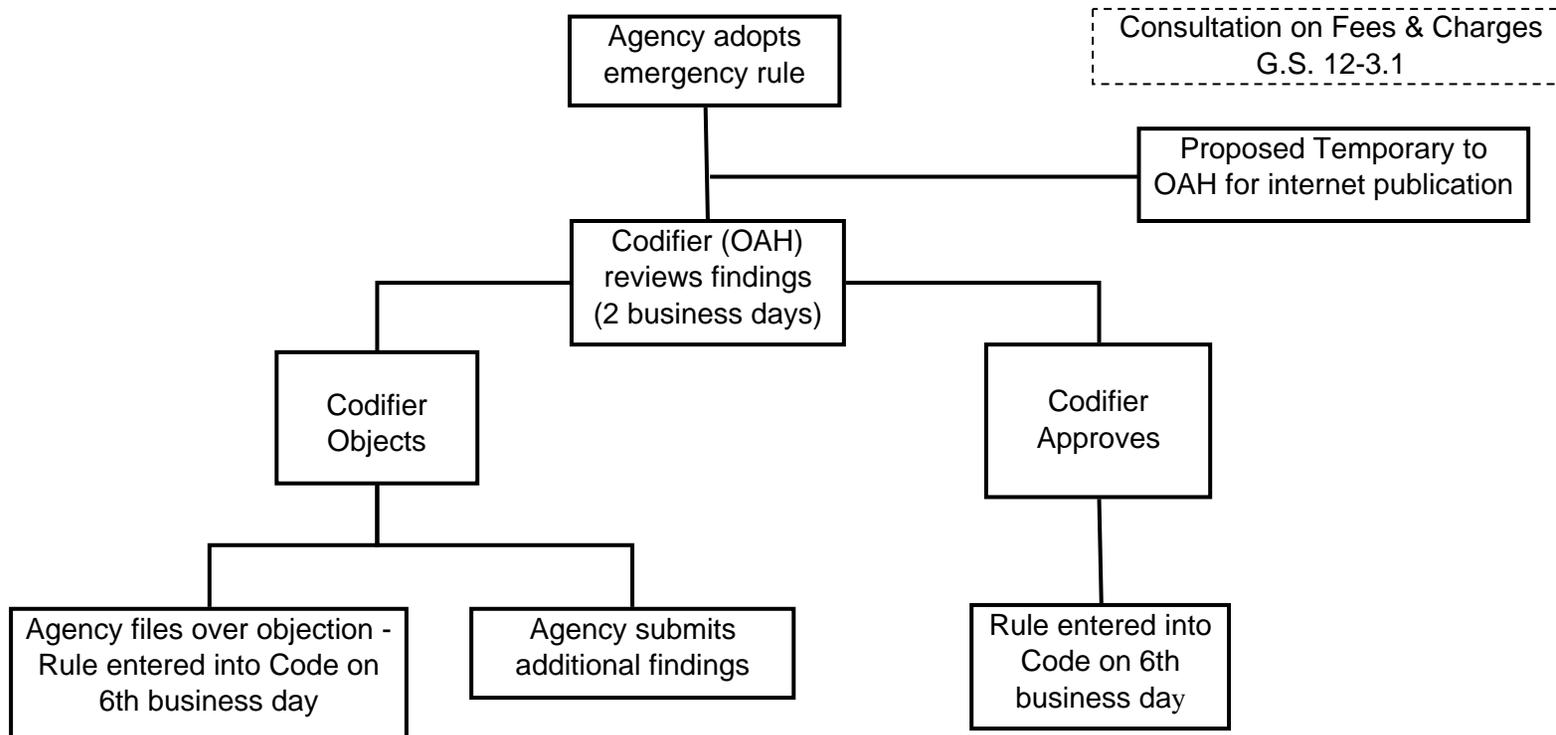
<sup>4</sup> The diagrams are from the North Carolina Office of Administrative Hearings and are available at <http://www.ncoah.com/rules/> (accessed August 10, 2015).

whether it wants this rule to be adopted through the emergency rulemaking process, assuming that the rule is eligible to be adopted through the emergency process.

- The board could take no action, which would allow individuals who don't have diplomas or equivalency credentials to continue to enroll in barber schools. However, schools may lose their ability to access federal funds to help pay student tuitions.

### EMERGENCY RULEMAKING

(G.S. 150B-21.1A)

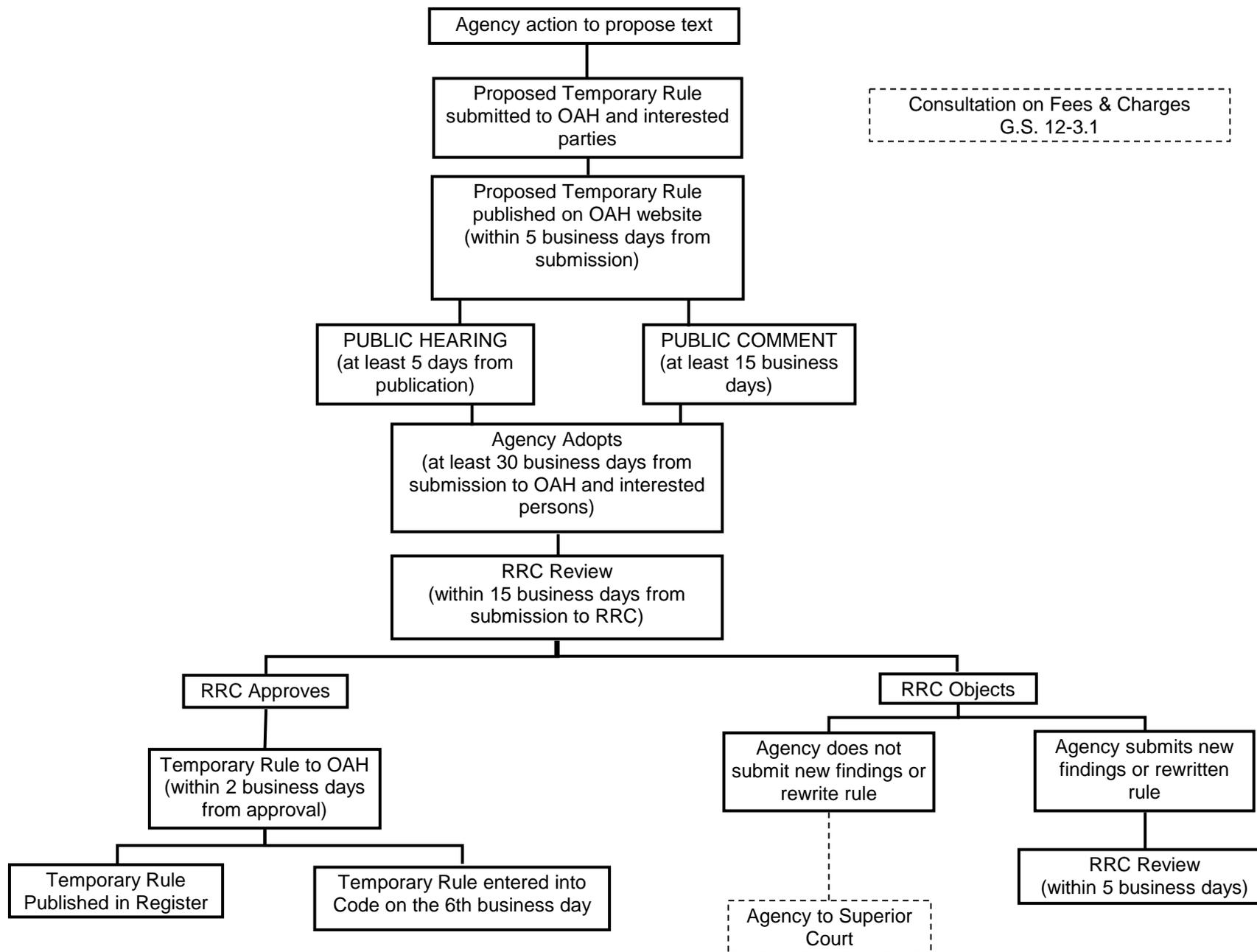


Emergency Rule expires on the earliest of the following dates:

- (1) The date specified in the rule.
- (2) The effective date of the temporary rule adopted to replace the emergency rule, if the Commission approves the temporary rule.
- (3) The date the Commission returns to an agency a temporary rule the agency adopted to replace the emergency rule.
- (4) Sixty days from the date the emergency rule was published in the North Carolina Register, unless the temporary rule adopted to replace the emergency rule has been submitted to the Commission.

### TEMPORARY RULEMAKING PROCESS

(G.S. 150B-21.1)





# NORTH CAROLINA BOARD OF BARBER EXAMINERS

## Memo

TO: Board members  
FROM: Dennis Seavers  
DATE: August 10, 2015  
**SUBJECT: Periodic review of rules**

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As has been previously reported to the board by its rules coordinator (the board counsel), the board has been going through the process required to review its rules. The board has previously determined that its rules are necessary with substantive public interest and followed the appropriate procedures for receiving public comment. The board is now at the portion of the process where it publishes its rules.

At its August 18, 2015 meeting, the board should finalize the process by adopting a motion to publish its rules. A copy of the board's rules is attached to this memo.



## NORTH CAROLINA BOARD OF BARBER EXAMINERS

### Memo

TO: Board members

FROM: Dennis Seavers

DATE: August 11, 2015

**SUBJECT: Online renewals**

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On June 23, 2015, I reported to the board that I had begun a project to allow licensees to renew online. The project is on track to be completed before the next renewal cycle begins in January 2016, although delays could still occur.

At the August 18, 2015 meeting, the board will discuss online renewals, and particularly whether to pass on transaction fees to users.

### **RENEWALS AND PAYMENT TRANSACTIONS**

The online renewal process would be handled by two entities: the board's licensing-software vendor, GL Suite, and a third-party vendor. GL Suite would create a set of webpages for licensees to enter information for their online renewals. The payment would be processed by the third-party vendor, which would send a code to GL Suite indicating whether the transaction was successful. GL Suite would proceed based on the result of the transaction (for example, by finishing the renewal process or by notifying the licensee that the payment was rejected).

There are two options for third-party vendors. In both cases, there would be transaction fees.

- Payscape is GL Suite's preferred vendor. If the board used this vendor, setup (but only the setup) for the payment processor would be part of the project and would not cost the board. Payscape charges a percentage transaction fee of about 2%. The total cost of all transaction fees would be anywhere between \$4,000 and \$18,000, depending on how many licensees renew online.<sup>1</sup> To use

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<sup>1</sup> These estimates assume that the board's fee-increase bill passes and that the board raises fees for barbers to \$75. The lower limit of \$4,000 assumes that at least one-third of barbers will renew online.

Payscape, the board would need to receive approval from the Office of the State Controller (OSC).

- First Data is the vendor on statewide contract. If the board used this vendor, setup would *not* be part of the project. Since this project would not be covered by the contract with GL Suite, it would require an additional billable project of \$5,439.17 (one-time cost). FirstData charges a highly competitive flat rate of 1.5 cents per transaction. If there were 15,000 online renewals—which is more than 100% of all barber licenses and shops—the total cost of all transaction fees would be \$225. In other words, although there’s a one-time startup cost that wouldn’t apply if the board used Payscape, the cost of transaction fees would significantly lower.

In addition to the issue of transaction fees, the board must also consider compliance with the Daily Deposit Act, which currently applies to the board. This law requires the board to deposit all receipts within one business day. As it applies to online transactions, the act would require all online payments to be deposited within one business day. GL Suite believes that Payscape complies with this requirement but is verifying as of the date of this memo. First Data complies with the Act.

The table below summarizes the advantages and disadvantages of each of the vendor options.

Feature	Payscape	First Data
Preferred by GL Suite	Yes	No
Cost per transaction	2%	\$0.015
Total yearly cost of transactions	\$4,000 - \$18,000	< \$225
One-time GL Suite setup fee	No	\$5,439.17
Requires OSC approval	Yes	No
Compliance with Daily Deposit Act	TBD (likely yes)	Yes

## PASSING ON TRANSACTION FEES TO LICENSEES

Public agencies are allowed to recoup transaction fees, but there are important restrictions that the board should be aware of and that may discourage the board from passing on the fees to licensees.<sup>2</sup> Before passing on transactions fees, the board must receive approval from the Office of State Budget and Management, in consultation with the State Chief Information Officer and the Join Legislative Commission on Governmental Operations.<sup>3</sup> (This approval is separate from the authorization required from OSC to use a vendor other than First Data.) The board may also need to adopt rules that allow the transaction fees to be passed on to licensees.

<sup>2</sup> N.C.G.S. § 66–58.12(b)

<sup>3</sup> N.C.G.S. § 66–58.12(c)

In addition, there are restrictions on how the fees collected can be used. Any transaction fees that the agency collects from the user must be credited to a non-reverting agency reserve budget code that can only be used for e-commerce initiatives and projects.<sup>4</sup> There are also other regulations that apply to recouped transaction fees.

Finally, the board should be aware that there are restrictions by card vendors on transaction fees—most notably by Visa, which only permits a fixed rather than a percentage fee. Since Visa dominates the market, the board should avoid passing on any fees that may prevent Visa from being accepted as a payment. In addition, the statewide merchant services agreement requires participating agencies to adhere to the rules of all cards; any violations could result in fines.

## **RECOMMENDATION**

I recommend that the board authorize \$5,439.17 in spending for the one-time cost of setting up online renewals using the statewide contract with First Data. Although there is a notable start-up cost, the value of online renewals—which would save staff time and improve processing speed, as well as offer licensees a convenient renewal option—justifies that cost. As a point of comparison, the board spent \$12,734.22 on temporary services in fiscal year (FY) 2015; if, as estimated by staff members, the temporary employee spent 25% of her time on renewals, the board spent \$3,183.56 on temporary services for renewals in FY 2015 alone. My recommendation is for First Data rather than Payscape because transaction fees are so much lower with First Data.

In addition, I recommend that the board assume the cost of transaction fees, which would be minimal under the First Data contract and would avoid the regulatory challenges of passing on the transaction fees to licensees.

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<sup>4</sup> N.C.G.S. § 66–58.12(c)



# NORTH CAROLINA BOARD OF BARBER EXAMINERS

## Memo

TO: Board members

FROM: Dennis Seavers

DATE: August 10, 2015

**SUBJECT: Exam scoring tools**

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At its August 18, 2015, the board will discuss whether to change its exam testing materials. This memo offers background information and identifies some issues with the current exam materials. It also proposes that the board authorize the staff to develop and propose to the board various changes to the exams.

### **BACKGROUND<sup>1</sup>**

The board offers two types of exams: written and practical. Apprentice-barber applicants are required to take both types of exams, while registered-barber applicants only take the practical exam.<sup>2</sup>

#### *Written exam*

The written exam is 120 questions and has two parts: 10 questions that are specific to North Carolina law, and 110 questions that come from a national barber test.<sup>3</sup> The portion that the board specifically develops is the 10-question portion on North Carolina law. To pass the exam, the applicant must get at least 70% of the questions correct on both parts of the exam (i.e., at least 7 questions correct on the North Carolina law portion and 77 questions correct on the national barber test).

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<sup>1</sup> The board members will be familiar with most of this information, but I'm providing it to establish the background, to create a record, to provide any interested public members with information.

<sup>2</sup> In certain circumstances, out-of-state applicants for a registered-barber license may have to take the written exam.

<sup>3</sup> The exam and scoring are handled by a vendor, the National-Interstate Council of State Boards of Cosmetology.

### *Practical exam*

The practical exam is 60 minutes and includes a shave and a businessman's tapered haircut. The exam is scored by board inspectors in three sections—haircutting, shaving, and sanitation—and a failure to receive at least 70 points on any portion of the three sections causes the applicant to fail. When determining the score, two inspectors may discuss possible scores in order to achieve consensus. A sample copy of the score sheet appears in Attachment A.

### **POSSIBLE CHANGES**

According to experienced staff members, the board's exams have not been revised in many years. The board may want to consider whether there should be a review of the exam scoring tools; this review would determine whether the materials need revision and would make recommendations for board approval.

There are some possible issues with the current exam materials. Some of the issues identified below are based on input from the board inspectors, who administer the practical exam.

- Since the NC portion of the written exam hasn't been modified in many years and isn't long, its contents could become available through illicit means, although this possibility appears to be only a risk rather than an actual problem.
- The board may want to determine whether the NC portion of the written exam is sufficiently difficult. The board may also want to develop multiple written exams.
- The practical exam may not give the inspectors the ability to fail or otherwise penalize individuals whose practices could pose serious health risks. The board's inspectors have specifically raised this issue as a concern.
- The distribution of points on the exam score may need to be changed. The board's inspectors have made recommendations to me of possible redistribution of scores.
- There are no guidelines for inspectors; instead, there are only maximum scores for categories, as shown in Attachment A. Inspectors receive training when they're hired, so there is relative consistency in scoring. However, more comprehensive guidelines would limit the risk of subjectivity in scoring, give new inspectors resources for evaluating practical skills, improve business continuity (since scoring won't rely so heavily on unrecorded institutional knowledge of past practices), and allow for better oversight of scoring.

There may be other issues appropriate for consideration but which haven't been explicitly considered, such as the overall structure of the practical exam. For instance, the board may want to consider blind scoring by inspectors (i.e., the inspectors aren't aware of each other's scores). As another example, the board could consider whether other skills should be assessed in the practical exam in addition to a shave and businessman's tapered haircut. However, broad changes to the exam structure may require additional time to research, develop, and implement.

## RECOMMENDATION

I recommend that the board direct the staff to conduct an in-depth review of its exam materials and identify any issues and make recommendations in a report to the board. I propose the following schedule.<sup>4</sup>

### *Interim report with proposed changes*

The staff would submit an interim report to the board for the December meeting.<sup>5</sup> This report would include recommended changes and a proposed set of guidelines for inspectors. The board would approve or modify the proposed changes, unless it wanted to maintain the current exams.

### *Implementing changes*

If the board approves changes, there would be two schedules for implementation.

First, for the written exam, the staff would work with the national vendor to implement changes, and the schedule would largely depend on how quickly the vendor could make changes.

Second, for the practical exam, I would recommend a four- to six-month period in which both the new and the old exam scoring tools are used. During this time, the old exam tool would record the official score, but inspectors would also use the new exam sheet. The purpose of this overlap is to make sure that overall pass/fail rates aren't affected in an unexpected way and to account for any time inspectors may need to become accustomed to the new tool. In addition, it may be a good idea to give schools time to adjust to the new exam, particularly if there are aspects of the practical exam that are given greater weight in the scoring than they previously received.

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<sup>4</sup> This schedule assumes that the board retains its basic exam structure. As indicated above, significant changes to the structure of the practical exam may take additional time to develop.

<sup>5</sup> The staff could have the interim report available by the October meeting, if the board believes these changes are a high priority. However, I recommend moving cautiously to make sure that there aren't any unanticipated effects of modifying the exams.

«Booklet\_number»  
«SchoolShortName»

## APPRENTICE EXAMINATION IN BARBER SCIENCE

### EXAMINER'S REPORT

#### Scope of Examination

Examination covers the essential  
subjects of barber science as follows:

Personal hygiene — Sterilization and Sanitation  
Shaving the face — Haircutting  
Hairstyling

Sanitation covers all official regulations intended for the  
purpose of safeguarding the health of both the patron  
and the barber

**Name:** «FirstName» «MiddleName» «LastName»

**Date / time:** «Exam\_date», «Exam\_time»

This is the exclusive property of the North Carolina Board  
of Barber Examiners

5809 Departure Drive Suite 102  
Raleigh, North Carolina 27616

### HAIRCUTTING

Preparation of customer—neck strips, towels, and apron properly applied.....	(20)	( )	( )
Tapering of neckline.....	(50)	( )	( )
Guideline length .....	(15)	( )	( )
Outline of haircut .....	(15)	( )	( )
<b>Passing grade = 70.....</b>	<b>(100)</b>	_____	_____

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Examiner's signature** \_\_\_\_\_

### SHAVING

Preparation of customer—linens and lather .....	(15)	( )	( )
Proper handling of razor—strokes .....	(35)	( )	( )
Face shaved clean .....	(35)	( )	( )
Face properly dressed and application of creams and lotions .....	(15)	( )	( )
<b>Passing grade = 70.....</b>	<b>(100)</b>	_____	_____

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Examiner's signature** \_\_\_\_\_

### SANITATION

Hands washed before starting work.....	(25)	( )	( )
Combs and tools sterilized.....	(25)	( )	( )
Used linens discarded.....	(25)	( )	( )
Grooming of person taking test.....	(25)	( )	( )
<b>Passing grade = 70.....</b>	<b>(100)</b>	_____	_____

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Examiner's signature** \_\_\_\_\_



## NORTH CAROLINA BOARD OF BARBER EXAMINERS

### Memo

TO: Board members

FROM: Dennis Seavers

DATE: August 10, 2015

**SUBJECT: Regulation of extended education**

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At its August 18, 2015 meeting, the board will consider options for regulating certain extended-education programs by barber schools. This memo identifies the board's options and offers possible regulatory language for the board to adopt and propose to the Rules Review Commission.

#### **BACKGROUND**

At its June 23, 2015 meeting, the board discussed education programs offered by barber schools specifically for individuals who are registered or apprentice barbers licensed by the board and who are enrolled as full-time students in barber school. As reflected in the minutes, the board considered comments from Park West Barber School and Wake Tech Community College. (The manager of Sherrill's University of Barbering also let me know that she was unable to come to the meeting but wishes to be involved in the board's discussions.)

Following the discussion, the board unanimously adopted a motion to require its staff to present a proposal, based on the schools' input, for regulation of extended education. The board asked that the proposal identify the regulatory options, specifically for: (1) changes to existing rules and practice and (2) monitoring of school programs. (The board explicitly rejected the option of not regulating the programs, since the board believed that it has a statutory obligation to regulate the programs.)

As requested by the board, this memo identifies the board's options, apart from not regulating extended-education programs, and offers possible rule language for the board to adopt or modify.

## **SCHOOL AND PUBLIC INVOLVEMENT**

Although the board has offered schools the opportunity to give input on their programs, and the staff has reached out to schools, there will continue to be opportunities for the schools to give feedback on any regulations the board proposes. In addition to informal communications (e.g., email or letters to schools following the August meeting), the schools will be able to give feedback on proposed rules, both at formal hearings that are required by the rulemaking process and through written comments. The board, through its staff, will be required to respond to school feedback as part of the rulemaking process.

If rules are ultimately adopted and finalized, the schools will have had opportunities for feedback several times throughout the entire process, so any proposed rule that the board might adopt at its August meeting will not preclude further modification or involvement from schools.

## **CURRENT LAW**

The board's governing statutes give it authority to regulate barber schools. Under state law, no "person or combination of persons, or corporation, shall operate, manage or attempt to operate or manage a barber school . . . without first obtaining" a permit.<sup>1</sup> The board is also authorized to "adopt rules establishing criteria for barber schools and colleges to maintain their accreditation."<sup>2</sup>

The board has adopted various rules in the North Carolina Administrative Code under Title 21, Chapter 06, to establish requirements and criteria for school operations and instruction. Barber-school managers are required to "ensure compliance with the North Carolina General Statutes governing barber schools and barbering and the administrative rules of the Board."<sup>3</sup>

The board currently has no rules concerning extended education. If, as it indicated in the June 2015 meeting, the board wishes to regulate extended education by barber schools, it should adopt appropriate rules.

## **DEFINITION**

Based on previous discussions, "extended education" would include programs offered to full-time students at barber schools who have already completed the statutorily required 1,528 hours. Below is a sample definition that would cover the sort of activity that the board considered under its June 2015 agenda.

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<sup>1</sup> N.C.G.S. § 86A-1.

<sup>2</sup> N.C.G.S. § 86A-22. "Accreditation" in this context is different from the separate accreditation a school may seek from national organizations or higher-education systems.

<sup>3</sup> 21 NCAC 06H.0101(3).

“Extended education” is additional course work beyond the 1,528 hours required to complete barber school, or to initially obtain a license from the North Carolina Board of Barber Examiners.

Extended-education programs could have the following features:

- The course work is offered by a barber school for which participants pay the barber school.
- The school uses its name and logo to promote the course to students.
- The school uses its facilities or coordinates facilities for the class.

## **CHANGES**

As indicated above, the board currently does not have rules to describe its regulation of extended education, although the board has authority under N.C.G.S. §§ 86A-1 and – 22 to regulate the activity. The board has several options for regulating extended education, depending on the level of scrutiny the board wishes to impose and how much leeway the board wants to give to the staff to identify compliance issues. I have described these options in general terms below. In addition, Attachment A includes a draft rule that incorporates both approval and monitoring options and that can serve as a draft rule for the board to adopt or modify.

### **Option 1. Low level of scrutiny and high level of staff authorization**

Under this option, schools would be given significant latitude in their preparation of the program, although any curriculums and changes would have to be submitted to the board. In addition, the board would not itself approve each program but would instead authorize the staff to recommend interdiction of programs that don't meet established criteria. The staff would be authorized to monitor for problems in programs.

#### *Advantages*

The advantage of this option is that it allows schools great flexibility to tailor their programs to what they perceive as the needs of their students. Also, the board would not experience a significant effect on its caseload, since it would only handle instances where programs don't meet criteria.

#### *Disadvantages*

This approach has a number of disadvantages that might make it an unsuitable option for effective regulation.

First, this solution is reactive rather than proactive. The board would typically be responding to problematic programs rather than preventing them from being established. Students may have already enrolled and paid for inadequate programs before the board can intervene. Since the board meets on an every-other-month basis,

intervention could take a notable amount of time (unless the board meets on an emergency basis), during which time the problematic program could continue to be offered. Although new programs are more likely to have issues identified up front, when the board can still intervene before significant problems arise, existing programs that change their offering may continue several months (or longer) with the problems.

Second (and related to the first issue), this option may be disadvantageous to the schools, which could provide curriculums that they offered in good faith and that have to be altered—perhaps at significant cost—because of issues that the board identifies only after the program feature has been established. While in theory the approach of maximizing regulatory flexibility may seem beneficial to schools, in practice this option may ultimately discourage investment by them.

Third, there is a risk of unequal treatment. If schools have significant latitude, there may be a great variety of offerings. While this aspect of a low-level of scrutiny may have appeal for schools in meeting the needs of their communities, it may be challenging for the board to apply a set of rules equally to programs that aren't comparable. The board would have to be especially careful not to raise audit concerns or invite litigation when reviewing programs that may have issues.

### **Option 2. Low level of scrutiny and low level of staff authorization**

This option would be similar in most respects to option 1—schools would have flexibility in developing programs and the board would only become involved when problems crop up. Therefore, the advantages and disadvantages under option 1 would also apply to this option.

This approach differs by giving the staff less flexibility to pursue problems that may arise in schools. Most likely, under this option, the board would be responding to complaints from the public (e.g., students) rather than acting on concerns brought forward by the staff. Option 2 represents only a slight increase in the current level of regulation and likely would be inconsistent with a staff-led audit or monitoring program (see the discussion under “Monitoring” below). The role of the board would essentially be to keep minimal records of school programs and act on complaints. The Rules Review Commission, which would have to approve any proposed rules, might question whether this approach has a substantially measurable regulatory effect to justify its adoption.

### **Option 3. Moderate to high level of scrutiny and high level of staff authorization**

Under this option, schools could not offer programs unless they first receive approval from the board. Whether the level of scrutiny is moderate or high would depend on whether the board: (1) develops detailed criteria that programs must meet, or (2) provides schools with broad criteria that touch on essential regulatory concerns while allowing the schools to develop their own programs.

### *Advantages*

Unlike Options 1 and 2, this approach is proactive and thus avoids many of the disadvantages described under Option 1. There would be greater uniformity and less risk of problematic programs. The staff would have authority to identify potential problems through both auditing and investigations and could work with schools to identify and mitigate issues with programs.

### *Disadvantages*

Greater uniformity would necessarily lead to less flexibility for the schools. Although the board could have an efficient administrative process for handling requests for programs, schools may perceive criteria as restrictive. If the board adopts this approach, which the staff has recommended through the proposed language in Attachment A, it should consider regularly revisiting its criteria to make sure that the regulation meets its purpose without stifling school innovation.

In addition, this approach would require schools to receive board approval before beginning the program, and thus would create a regulatory burden. However, this burden would be mitigated by the fact that, apart from programs that are already being offered, schools are not likely to develop, market and provide a program in a short time frame. As long as the board's approval process is relatively quick, the burden would be minimized.

Finally, the board's caseload would be higher than under low levels of regulation. However, there will be a limited number of programs, so even with a relatively high level of scrutiny, the board should have a manageable caseload.

### **Option 4. Moderate to high level of scrutiny and low level of staff authorization**

This option would focus regulatory efforts on the initial approval process rather than ongoing monitoring. Schools would not be able to offer a program without board approval, but the board's involvement after the initial approval would be more limited. As with option 2, complaints rather than monitoring would be the primary method of making sure that schools remain in compliance.

### *Advantages*

This approach would have the advantages of option 3, except that the staff's role would be more limited. This more limited staff role in monitoring could be seen as a disadvantage, since compliance issues and other problems wouldn't be detected until a complaint was filed. However, there would be an effect—though likely a relatively minor one—on board resources.

### *Disadvantages*

As indicated under “Advantages” above, and as with option 2, this approach would limit the staff’s ability to identify and respond to problems in programs after initial approval by the board. If a program posed a risk to the public, the board could only respond after the damage had occurred and a complaint had been filed.

### **MONITORING**

The board also asked the staff to propose a method of monitoring any new regulatory requirements. Since there is an existing framework for auditing schools’ compliance with board rules, this portion of the regulatory scheme should be easy to fill in. The proposed rule in Attachment A includes language to address monitoring, although the board should note that monitoring may not be consistent with the level of regulation in options 2 and 4 above.

## **ATTACHMENT A. PROPOSED RULE ON EXTENDED EDUCATION**

“Extended education” is additional course work beyond the 1,528 hours required to complete barber school, or to initially obtain a license from the North Carolina Board of Barber Examiners.

- A. When a barber school wishes to provide instruction beyond the 1,528 hours required to complete a barber education or to obtain barber licensing, the school shall:
  1. Submit a proposed curriculum or syllabus that describes the purpose of the instruction and indicates how many students are expected to participate in the instruction, where the instruction would be provided, and how many hours of instruction are required or will be provided in the course of instruction.
  2. Identify the instructors providing the instruction.
  3. Submit samples of the advertising or promotion for the program.
- B. Upon receipt of the information, the Board will review the information and determine whether the instruction is appropriate.
- C. After the instruction has been approved, the barber school will notify the Board if there are any changes to the instruction, including suspension or discontinuation the class.
- D. Upon approval, the course offering shall be subject to review of the barber school by the board inspector. The inspector will evaluate:
  1. Like other barber school classes, whether the school maintains accurate records as to the individuals in the class and the number of hours in the class.
  2. The presentation of the class.
  3. Whether the class is offered in appropriate classrooms for practical and academic instruction.
  4. Whether the class complies with the requirements of other barber-school instruction.



## NORTH CAROLINA BOARD OF BARBER EXAMINERS

### Memo

TO: Board members

FROM: Dennis Seavers

DATE: August 13, 2015

**SUBJECT: Executive director's report**

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Below is the executive director's report for the board's August 18, 2015 meeting. Since the fiscal year has ended and the board received a recent report (in June) on operations, the report focuses on fiscal year (FY) 2015 budget performance. If there are other areas of finances or operations that the board is interested in, or if board members have questions about this report, you may contact me at [dseavers@ncbarbers.com](mailto:dseavers@ncbarbers.com) or (919) 981-5210 x22.

### FISCAL YEAR 2015 BUDGET REPORT

The table below summarizes the FY 2015 spending and revenues and shows their effect on the fund balance.

<b>Starting balance</b>	\$ 405,083.59
<b>Revenues</b>	\$ 896,019.44
<b>Expenditures</b>	\$ 838,364.37
<b>Net income</b>	\$ 57,655.07
<b>Ending balance</b>	\$ 462,738.66

#### *Budget performance*

Attachment A shows a detailed summary of the board's expenditures and revenues (on a cash basis) through the end of fiscal year 2015. It also shows how the revenues and expenditures compare to the board's FY 2015 budget.<sup>1</sup> Expenditures were within

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<sup>1</sup> The budget is the FY 2015 certified budget, which is the budget approved by the governor, plus any budget changes that the board authorized during FY 2015.

budget, even without the additional expenditures that the board authorized after originally adopting the budget. The expenditures were 99.55% of the originally budgeted amount, and 95.12% of the board's modified budget.

Below are justifications for spending that notably exceeded budget accounts. (There may be other areas that the board has questions about, and members are welcome to contact me or ask at the August board meeting.) In these instances, the overspending was covered by other budget accounts.<sup>2</sup> For the most part, overspending in specific accounts was due to the fact that the original budget didn't adequately predict areas of spending where the board had legal obligations or where the board otherwise had limited control. Spending in these areas was covered by underspending in other budget accounts.

- 531522 – regular retirement contribution. This account includes spending for employee retirement benefits, which are based on employee salaries. The board's budget in FY 2015 authorized spending of about \$15,000 less than actual spending in FY 2014, even though the board budgeted higher salary expenses than FY 2014. The actual spending FY 2015 closely matches spending FY 2014.
- 532145 – server support services. This account primarily consists of spending on licensing software (GL Suite). The board's obligations called for significantly higher spending than what the budget authorized—the contract for GL Suite alone was over \$28,000, but the budget only predicted \$8,000 in spending. Since the contract legally obligated the board to spend a certain amount in the year, actual spending was much higher than budgeted.
- 532199 – miscellaneous contractual services. This account covers miscellaneous spending, such as server backups, alarm monitoring, and temporary personnel services. The bulk of the spending was on temp services in 2014 and was covered by underspending on personal services (full-time personnel).
- 532524 – rental or lease of general office equipment. This account covers spending for printers, scanners, and related equipment. Spending in this category was required by contracts with vendors. In addition, in 2014, the board returned equipment from one vendor and acquired equipment from another vendor before the first vendor's contract had expired. The board thus had to pay about \$1,000 extra for the overlap in contracts.
- 532721 – in-state lodging. This account covers hotel expenditures, primarily for inspectors traveling through the state. The board's budget was based on spending in FY 2014. In the current fiscal year, lodging costs increased. Since these costs are related to the board's regulation of shops and schools, the excess spending was covered by other budget categories.

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<sup>2</sup> Overspending in particular accounts may not necessarily represent problems with expenditures. For example, spending authorized under one budget account may actually occur under another budget account—the spending was authorized but just accounted for differently. As another example, exigencies or legal obligations may demand spending that wasn't provided for in the budget. However, there should be justification for the spending, and this memo provides that information.

- 532724 – in-state meals. This account covers meal costs, primarily for traveling inspectors, as allowed under the state budget manual. The basis for the higher spending is the same as under the previous bullet (see “532721 – in-state lodging”).
- 532811 – telephone service. The board’s budget for these costs, which include long-distance and cellular charges, assumed over \$5,000 less in FY 2015 spending than FY 2014. There was no reason to believe that spending would drop without eliminating services.
- 532911 – property insurance. The board was contractually obligated to pay significantly more than it budgeted for this account.
- 533110 – data processing supplies. The board uses an outside accountant for accounts-payable processing. Statewide policy requires segregating financial duties as much as possible, so it would be a weakness in internal controls for the person who approves expenditures (the executive director) to be the same person who processes accounts payable. The agreement with the accounting firm provides for monthly payments of \$750 (\$9,000 per year), but the budget did not adequately account for spending in this area.
- 535900 – other expenses. This account covered spending primarily on worker compensation, which the board was legally obligated to pay.

#### *Fund balance*

Attachment B shows the board’s fund balance by month for the past two FYs and should give a picture of the effect on the fund of significant, unexpected costs or a failure to end deficit spending (either through fee increases or spending reductions). Please note that comparing the June 2014 and June 2015 fund balances may give a misleading impression of the board’s financial picture. The fact that the June 2015 fund balance was greater than the balance in June 2014 is largely the result of changes in cash-handling procedures adopted in May.

## Attachment A. FY15 Budget Report

	FY15 Actual	FY15 Budget	Difference	Percent of Budget
<b>OPERATING REVENUES</b>				
<b>Prior FY Carryover (not totaled in op rev)</b>	\$ 405,083.59	\$ 405,083.59		
<b>Sales of services</b>				
434134 - Print, bind & duplic svc	\$ -	\$ 355.00	\$ (355.00)	0.00%
434190 - Other sales & services	\$ -	\$ -	\$ -	0.00%
<b>Total sales of services</b>	<b>\$ -</b>	<b>\$ 355.00</b>	<b>\$ (355.00)</b>	<b>0.00%</b>
<b>Business license fees</b>				
435100 - Business license fees	\$ 234,423.00	\$ (264,254.00)	\$ 498,677.00	-88.71%
435100059 - Duplicate license	\$ 1,080.00	\$ 1,413.00	\$ (333.00)	76.43%
435100060 - Individual license	\$ 225,700.00	\$ 367,458.00	\$ (141,758.00)	61.42%
435100061 - School permit	\$ 5,040.00	\$ 4,050.00	\$ 990.00	124.44%
435100062 - Bus/shop/salon permit	\$ 104,985.00	\$ 194,333.00	\$ (89,348.00)	54.02%
435100063 - Student permit	\$ 31,000.00	\$ 33,000.00	\$ (2,000.00)	93.94%
435100064 - Renewal-individual	\$ 83,230.00	\$ 145,569.00	\$ (62,339.00)	57.18%
435100065 - Renewal-bus/shp/salon permit	\$ -	\$ 1,000.00	\$ (1,000.00)	0.00%
<b>Total business license fees</b>	<b>\$ 685,458.00</b>	<b>\$ 482,569.00</b>	<b>\$ 202,889.00</b>	<b>142.04%</b>
<b>Certification fees</b>				
435300 - Certification fees	\$ -	\$ (78,865.00)	\$ 78,865.00	0.00%
435300016 - Instructors exam fees	\$ 8,415.00	\$ 5,800.00	\$ 2,615.00	145.09%
435300017 - Registered exam fees	\$ 23,515.00	\$ 59,833.00	\$ (36,318.00)	39.30%
435300018 - Apprentice exam fees	\$ 67,830.00	\$ 73,832.00	\$ (6,002.00)	91.87%
435300019 - Apprentice certificates	\$ 33,320.00	\$ 53,286.00	\$ (19,966.00)	62.53%
435300020 - Instructors certificate	\$ 12,665.00	\$ 8,100.00	\$ 4,565.00	156.36%
<b>Total certification fees</b>	<b>\$ 145,745.00</b>	<b>\$ 121,986.00</b>	<b>\$ 23,759.00</b>	<b>119.48%</b>
<b>Inspection/examination fees</b>				
435400 - Inspection/exam fees	\$ 32,060.00	\$ 93,751.00	\$ (61,691.00)	34.20%
<b>Total inspection/examination fees</b>	<b>\$ 32,060.00</b>	<b>\$ 93,751.00</b>	<b>\$ (61,691.00)</b>	<b>34.20%</b>
<b>Fines, penalties, and assessment fees</b>				
435500 - Fines, penal, assess fee	\$ 18,413.00	\$ 40,000.00	\$ (21,587.00)	46.03%
<b>Total fines, penalties, and assessment fees</b>	<b>\$ 18,413.00</b>	<b>\$ 40,000.00</b>	<b>\$ (21,587.00)</b>	<b>46.03%</b>
<b>Tuition and fees</b>				
435830 - Other fees	\$ 669.54	\$ 500.00	\$ 169.54	133.91%
<b>Total tuition and fees</b>	<b>\$ 669.54</b>	<b>\$ 500.00</b>	<b>\$ 169.54</b>	<b>133.91%</b>
<b>Miscellaneous</b>				
437990 - Other misc rev-program	\$ 12,248.43	\$ 8,467.00	\$ 3,781.43	144.66%
<b>Total miscellaneous</b>	<b>\$ 12,248.43</b>	<b>\$ 8,467.00</b>	<b>\$ 3,781.43</b>	<b>144.66%</b>
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 894,593.97</b>	<b>\$ 747,628.00</b>	<b>\$ 146,965.97</b>	<b>119.66%</b>
<b>NON OPERATING REVENUES</b>				
<b>Investment earnings, net</b>				
433121 - Stif int inc-nonop-progrm	\$ 1,425.47	\$ 4,000.00	\$ (2,574.53)	35.64%
<b>Total sales and services, net</b>	<b>\$ 1,425.47</b>	<b>\$ 4,000.00</b>	<b>\$ (2,574.53)</b>	<b>35.64%</b>
<b>TOTAL NON OPERATING REVENUES</b>	<b>\$ 1,425.47</b>	<b>\$ 4,000.00</b>	<b>\$ (2,574.53)</b>	<b>35.64%</b>
<b>OPERATING EXPENDITURES</b>				
<b>PERSONAL SERVICES</b>				
<b>EPA salaries and wages</b>				
531112 - EPA-Reg Salaries-recpt	\$ 385,810.59	\$ 458,280.00	\$ (72,469.41)	84.19%
<b>Total EPA salaries and wages</b>	<b>\$ 385,810.59</b>	<b>\$ 458,280.00</b>	<b>\$ (72,469.41)</b>	<b>84.19%</b>
<b>Supplements to regular wages</b>				
531462 - EPA&SPA-longvty pay-rec	\$ 5,994.00	\$ 5,000.00	\$ 994.00	119.88%
<b>Total supplements to regular wages</b>	<b>\$ 5,994.00</b>	<b>\$ 5,000.00</b>	<b>\$ 994.00</b>	<b>119.88%</b>

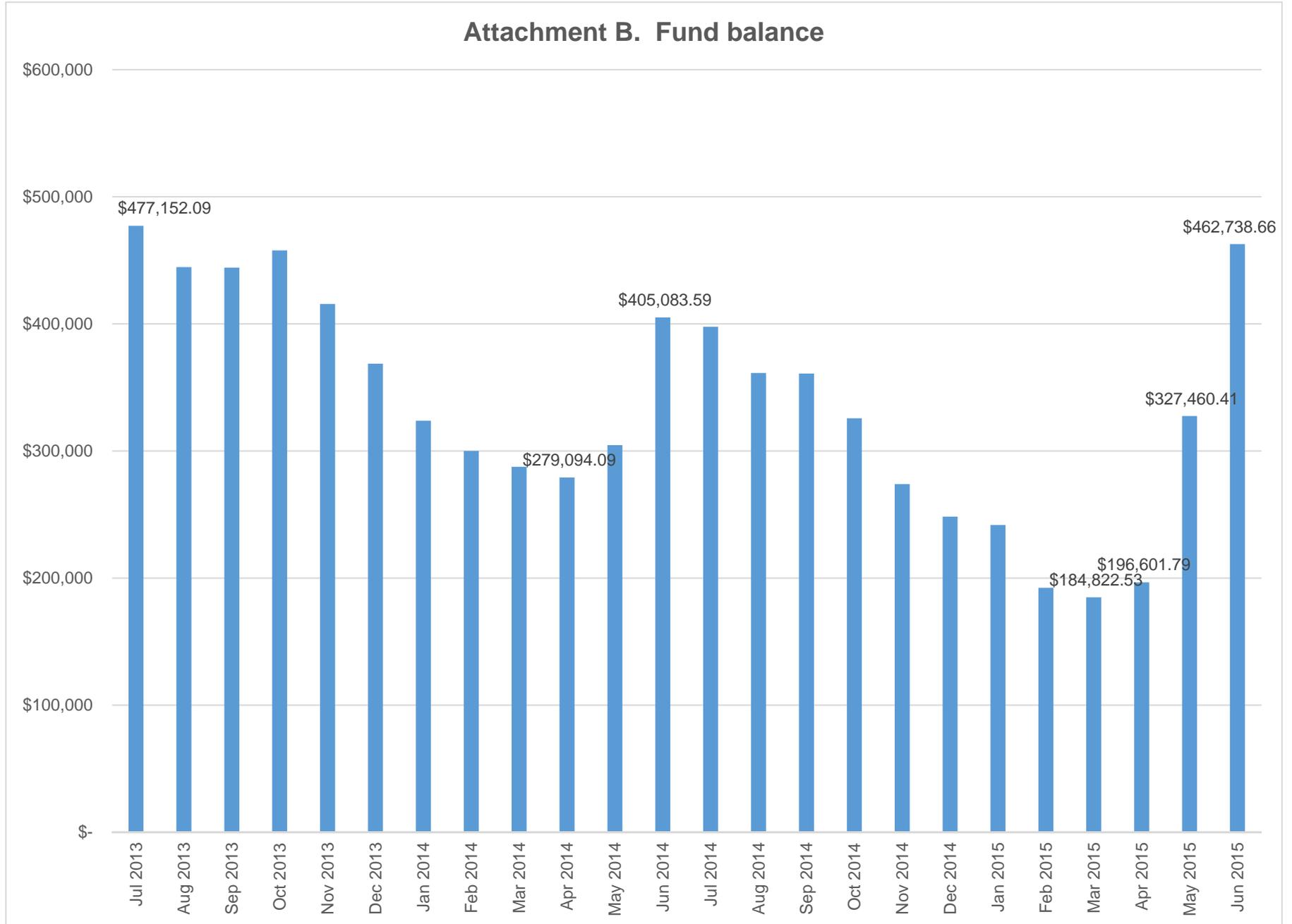
## Attachment A. FY15 Budget Report

	FY15 Actual	FY15 Budget	Difference	Percent of Budget
<b>Employee benefit costs</b>				
531512 - Social sec contrib-recpts	\$ 28,775.08	\$ 35,147.00	\$ (6,371.92)	81.87%
531522 - Reg retire contrib-recpts	\$ 59,593.43	\$ 41,621.00	\$ 17,972.43	143.18%
531562 - Med ins contrib-recpts	\$ 42,571.40	\$ 38,808.00	\$ 3,763.40	109.70%
531576 - Flexible spending svg acct	\$ 448.49	\$ 125.00	\$ 323.49	358.79%
<b>Total employee benefit costs</b>	<b>\$ 131,388.40</b>	<b>\$ 115,701.00</b>	<b>\$ 15,687.40</b>	<b>113.56%</b>
<b>Other personal service payments</b>				
531651 - Compensation to board members	\$ 3,800.00	\$ 10,100.00	\$ (6,300.00)	37.62%
<b>Total other personal service payments</b>	<b>\$ 3,800.00</b>	<b>\$ 10,100.00</b>	<b>\$ (6,300.00)</b>	<b>37.62%</b>
<b>TOTAL PERSONAL SERVICES</b>	<b>\$ 526,992.99</b>	<b>\$ 589,081.00</b>	<b>\$ (62,088.01)</b>	<b>89.46%</b>
<b>PURCHASED SERVICES</b>				
<b>Purchased contractual services</b>				
532110 - Legal services	\$ (25,603.86)	\$ 6,036.00	\$ (31,639.86)	-424.19%
532120 - Finan/audit services	\$ 6,900.00	\$ 7,500.00	\$ (600.00)	92.00%
532140 - Other information tech scvs	\$ -	\$ 2,300.00	\$ (2,300.00)	0.00%
532143 - LAN support services	\$ -	\$ 300.00	\$ (300.00)	0.00%
532145 - Server support svc	\$ 21,426.27	\$ 8,000.00	\$ 13,426.27	267.83%
532170 - Admin services	\$ -	\$ 2,242.00	\$ (2,242.00)	0.00%
532170001 - Admin svc-prof test svc	\$ 9,720.00	\$ 6,258.00	\$ 3,462.00	155.32%
532184 - Janitorial ser agreement	\$ 4,200.00	\$ 4,500.00	\$ (300.00)	93.33%
532199 - Misc contractual services	\$ 15,646.84	\$ 1,000.00	\$ 14,646.84	1564.68%
<b>Total purchases contractual services</b>	<b>\$ 32,289.25</b>	<b>\$ 38,136.00</b>	<b>\$ (5,846.75)</b>	<b>84.67%</b>
<b>Operational services and expenses</b>				
532210 - Enrg ser-electrical	\$ 6,413.71	\$ 6,302.00	\$ 111.71	101.77%
532220 - Enrg ser-nat.gas/propane	\$ 1,065.87	\$ 700.00	\$ 365.87	152.27%
532430 - Maint agreement-equip	\$ 736.58	\$ 200.00	\$ 536.58	368.29%
532490 - Maint agreement-other	\$ 3,159.46	\$ 3,000.00	\$ 159.46	105.32%
532512 - Rent/lease-bldings/office	\$ 52,611.53	\$ 56,000.00	\$ (3,388.47)	93.95%
532524 - Rent/lease-gen off equip	\$ 10,661.17	\$ 5,200.00	\$ 5,461.17	205.02%
<b>Total operational servies and expenses</b>	<b>\$ 74,648.32</b>	<b>\$ 71,402.00</b>	<b>\$ 3,246.32</b>	<b>104.55%</b>
<b>Other purchased services</b>				
532714 - Transp-grnd-in state	\$ 30,619.50	\$ 36,000.00	\$ (5,380.50)	85.05%
532715 - Trans grnd-out sta,in US	\$ -	\$ 1,300.00	\$ (1,300.00)	0.00%
532721 - Lodging-in state	\$ 24,792.08	\$ 17,000.00	\$ 7,792.08	145.84%
532722 - Lodging-out state, in US	\$ -	\$ 1,200.00	\$ (1,200.00)	0.00%
532724 - Meals-in state	\$ 15,573.31	\$ 10,000.00	\$ 5,573.31	155.73%
532725 - Meals-out of state, in US	\$ -	\$ 300.00	\$ (300.00)	0.00%
532731 - Bd/non-employee transp	\$ 1,772.00	\$ 4,100.00	\$ (2,328.00)	43.22%
532732 - Bd/non-employee subsis	\$ 1,954.47	\$ 2,000.00	\$ (45.53)	97.72%
532811 - Telephone service	\$ 9,647.37	\$ 3,594.00	\$ 6,053.37	268.43%
532812 - Telecommun data chrg	\$ -	\$ 2,000.00	\$ (2,000.00)	0.00%
532814 - Cellular phone services	\$ 117.95	\$ 6,000.00	\$ (5,882.05)	1.97%
532815 - Email and calendaring	\$ 1,768.20	\$ 2,000.00	\$ (231.80)	88.41%
532817 - Internet serv prov charge	\$ 1,289.45	\$ 2,000.00	\$ (710.55)	64.47%
532819 - Telephone wiring svc chrg	\$ 905.65	\$ 1,000.00	\$ (94.35)	90.57%
532821 - Computer/data process svc	\$ -	\$ 10,000.00	\$ (10,000.00)	0.00%
532840 - Postage, freight, & deliv	\$ 11,583.08	\$ 16,000.00	\$ (4,416.92)	72.39%
532850 - Print,bind,duplicate	\$ 6,632.31	\$ 7,000.00	\$ (367.69)	94.75%
<b>Total other purchased services</b>	<b>\$ 106,655.37</b>	<b>\$ 121,494.00</b>	<b>\$ (14,838.63)</b>	<b>87.79%</b>
<b>Other services</b>				
532911 - Property-insurance	\$ 8,946.00	\$ 233.00	\$ 8,713.00	3839.48%
532930 - Registration fees	\$ -	\$ 190.00	\$ (190.00)	0.00%
532942 - Other emp training expenses	\$ 1,710.00	\$ 1,000.00	\$ 710.00	171.00%
<b>Total other services</b>	<b>\$ 10,656.00</b>	<b>\$ 1,423.00</b>	<b>\$ 9,233.00</b>	<b>748.84%</b>
<b>TOTAL PURCHASED SERVICES</b>	<b>\$ 224,248.94</b>	<b>\$ 232,455.00</b>	<b>\$ (8,206.06)</b>	<b>96.47%</b>

## Attachment A. FY15 Budget Report

	FY15 Actual	FY15 Budget	Difference	Percent of Budget
<b>SUPPLIES</b>				
<b>General administrative supplies</b>				
533110 - General office supplies	\$ 6,254.30	\$ 6,000.00	\$ 254.30	104.24%
533120 - Data processing supplies	\$ 8,900.00	\$ 2,300.00	\$ 6,600.00	386.96%
533150 - Security & safety supp	\$ 5,402.00	\$ 3,100.00	\$ 2,302.00	174.26%
533190 - Other admin supplies	\$ 85.36	\$ 500.00	\$ (414.64)	17.07%
<b>Total general administrative supplies</b>	<b>\$ 20,641.66</b>	<b>\$ 11,900.00</b>	<b>\$ 8,741.66</b>	<b>173.46%</b>
<b>TOTAL SUPPLIES</b>	<b>\$ 20,641.66</b>	<b>\$ 11,900.00</b>	<b>\$ 8,741.66</b>	<b>173.46%</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
<b>Equipment</b>				
534521 - Office equipment	\$ -	\$ -	\$ -	N/A
534530 - Other DP equipment	\$ -	\$ -	\$ -	N/A
534534 - PC/printer equipment	\$ 555.09	\$ 7,042.00	\$ (6,486.91)	7.88%
<b>Total equipment</b>	<b>\$ 555.09</b>	<b>\$ 7,042.00</b>	<b>\$ (6,486.91)</b>	<b>7.88%</b>
<b>Intangible assets</b>				
534521 - PC software	\$ -	\$ 1,000.00	\$ (1,000.00)	0.00%
<b>Total intangible assets</b>	<b>\$ -</b>	<b>\$ 1,000.00</b>	<b>\$ (1,000.00)</b>	<b>0.00%</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>\$ 555.09</b>	<b>\$ 8,042.00</b>	<b>\$ (7,486.91)</b>	<b>6.90%</b>
<b>OTHER EXPENSES AND ADJUSTMENTS</b>				
<b>Other administrative expenses</b>				
535830 - Membership dues&subscript	\$ 1,906.57	\$ 516.00	\$ 1,390.57	369.49%
535840 - Service & other awards	\$ -	\$ 240.00	\$ (240.00)	0.00%
<b>Total other administrative expenses</b>	<b>\$ 1,906.57</b>	<b>\$ 756.00</b>	<b>\$ 1,150.57</b>	<b>252.19%</b>
<b>Other expenses</b>				
535900 - Other expenses	\$ 45,585.12	\$ 39,149.72	\$ 6,435.40	116.44%
<b>Total other expenses</b>	<b>\$ 45,585.12</b>	<b>\$ 39,149.72</b>	<b>\$ 6,435.40</b>	<b>116.44%</b>
<b>Intergovernmental transactions</b>				
538030 - Fine/penalty/forfeit-tran	\$ 18,434.00	\$ -	\$ 18,434.00	N/A
<b>Total intergovernmental transactions</b>	<b>\$ 18,434.00</b>	<b>\$ -</b>	<b>\$ 18,434.00</b>	<b>N/A</b>
<b>TOTAL OTHER EXPENSES AND ADJUSTMENTS</b>	<b>\$ 65,925.69</b>	<b>\$ 39,905.72</b>	<b>\$ 26,019.97</b>	<b>165.20%</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 838,364.37</b>	<b>\$ 881,383.72</b>	<b>\$ (43,019.35)</b>	<b>95.12%</b>
<b>NET INCOME</b>	<b>\$ 57,655.07</b>			
<b>CASH BALANCE AT PERIOD END</b>	<b>\$ 462,738.66</b>			

### Attachment B. Fund balance





## NORTH CAROLINA BOARD OF BARBER EXAMINERS

### Memo

TO: Board members

FROM: Bain Jones

DATE: August 7, 2015

**SUBJECT: Legislative report**

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House Bill 191 is in the Finance Committee. The majority of the Committee has been contacted and there is no opposition to the Bill. It has been scheduled for Committee review during the week of July 27 and August 3. The Legislative focus upon the State Budget and Medicaid have taken precedence over the bill moving out of the Committee.

House Bill 191 is anticipated to be reviewed in the coming week and with a positive report will go to the House floor for approval.

Senate Bill 623 is the identical bill to the House counterpart. It has remained in the Rules Committee with a large number of other bills. The disagreement between the Senate and the House concerning the State Budget and Medicaid has prohibited movement to this point. Senator Bingham and other Senators are working to encourage Senator Apodaca to allow the Bill to move to the Senate Finance committee. There appears to be an agreement concerning the State Budget and Medicaid that will make movement of this bill or a bill coming from the House possible.

Each bill must pass Committee review and approval of the respective legislative chamber before it would go to the Governor's desk for approval. The legislature is anticipated to be in session into October 2015.

The bills are monitored and members are encouraged to support passage on a daily basis while the Legislature is in session.



## NORTH CAROLINA BOARD OF BARBER EXAMINERS

### Memo

TO: Board members

FROM: Dennis Seavers

DATE: August 7, 2015

**SUBJECT: Legislative report—fees**

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In preparation for the board's August 18, 2015 meeting, the board's legislative liaison will provide a report on the status of the board's bills, which, among other provisions would allow the board to increase various fees.

As part of the legislative report, this memo recommends the board adopt the following changes to the board's fees. If the General Assembly approves the fee-increase legislation, then the board staff will pursue rule changes to implement the new fees. There are two tables attached:

- Attachment A compares the current fee and proposed fees (if any) for the various fee types. The column "Cap under Bills" refers to the highest fee that the board could charge under the legislation.
- Attachment B projects the revenue from the primary fee changes and compares it to calendar year 2014 data. (I've compared calendar rather than fiscal years because the licensing deadlines are close to the end of the fiscal year.) Please note that these are projections only, and actual revenues may vary. Not all fee types are listed, but the ones that generate the bulk of the board's income are listed.

### RECOMMENDED ACTION

I recommend that the board adopt these changes. If the changes are adopted and if the legislation authorizing the changes passes, the staff will implement the new fees by modifying its rule and notifying barbers.

### Attachment A. Comparison of Current and Proposed Fees

Category	Current	Cap under Bills	Proposed	Difference
<b>Individual fees</b>				
Registered barber license	\$ 50.00	\$ 100.00	\$ 75.00	\$ 25.00
Late fees (registered, first year)	\$ 35.00	\$ 85.00	\$ 50.00	\$ 15.00
Late fees (registered, 1-5 years)	\$ 70.00	\$ 120.00	\$ 85.00	\$ 15.00
Apprentice barber license	\$ 50.00	\$ 100.00	\$ 75.00	\$ 25.00
Late fees (apprentice, first year)	\$ 35.00	\$ 85.00	\$ 50.00	\$ 15.00
Late fees (apprentice, 1-3 years)	\$ 45.00	\$ 95.00	\$ 60.00	\$ 15.00
Barber license by certification (out of state)	\$ 120.00	\$ 170.00	\$ 120.00	\$ -
Instructor certificate	\$ 85.00	\$ 135.00	\$ 100.00	\$ 15.00
Late fees (instructor, first year)	\$ 45.00	\$ 95.00	\$ 60.00	\$ 15.00
Late fees (instructor, 1-3 years)	\$ 85.00	\$ 135.00	\$ 100.00	\$ 15.00
Student permit	\$ 25.00	\$ 75.00	\$ 40.00	\$ 15.00
<b>Total individual fees</b>	<b>\$ 645.00</b>	<b>\$ 1,195.00</b>	<b>\$ 815.00</b>	<b>\$ 170.00</b>
<b>Exam fees</b>				
Registered barber exam	\$ 85.00	\$ 135.00	\$ 100.00	\$ 15.00
Apprentice barber exam	\$ 85.00	\$ 135.00	\$ 100.00	\$ 15.00
Instructor exam	\$ 165.00	\$ 215.00	\$ 185.00	\$ 20.00
<b>Total exam fees</b>	<b>\$ 335.00</b>	<b>\$ 485.00</b>	<b>\$ 385.00</b>	<b>\$ 50.00</b>
<b>Business fees</b>				
Barber shop permit	\$ 50.00	\$ 100.00	\$ 75.00	\$ 25.00
Late fees (shop)	\$ 45.00	\$ 95.00	\$ 60.00	\$ 15.00
School permit	\$ 130.00	\$ 180.00	\$ 150.00	\$ 20.00
Late fees (school)	\$ 85.00	\$ 135.00	\$ 100.00	\$ 15.00
<b>Total business fees</b>	<b>\$ 310.00</b>	<b>\$ 510.00</b>	<b>\$ 385.00</b>	<b>\$ 75.00</b>
<b>Other fees</b>				
Duplicate license	\$ 10.00	\$ 60.00	\$ 10.00	\$ -
Inspection fees (shop)	\$ 120.00	\$ 170.00	\$ 150.00	\$ 30.00
Inspection fees (school)	\$ 220.00	\$ 270.00	\$ 250.00	\$ 30.00
<b>Total other fees</b>	<b>\$ 350.00</b>	<b>\$ 500.00</b>	<b>\$ 410.00</b>	<b>\$ 60.00</b>
<b>Total</b>	<b>\$ 1,640.00</b>	<b>\$ 2,690.00</b>	<b>\$ 1,995.00</b>	<b>\$ 355.00</b>

**Attachment B. Comparison of Actual (FY 2014) and Projected (FY 2016) Revenues for Primary Licenses and Exams**

Category	CY 2014 Actual	CY 2016 Projected	Difference
<b>Individual fees</b>			
Registered barber license	\$ 276,712.00	\$ 415,068.00	\$ 138,356.00
Apprentice barber license	\$ 40,350.00	\$ 60,525.00	\$ 20,175.00
Instructor certificate	\$ 7,395.00	\$ 8,700.22	\$ 1,305.22
Student permit	\$ 27,000.00	\$ 43,200.00	\$ 16,200.00
<b>Total individual fees</b>	<b>\$ 351,457.00</b>	<b>\$ 527,493.22</b>	<b>\$ 176,036.22</b>
<b>Exam fees</b>			
Registered barber exam	\$ 32,240.00	\$ 37,930.36	\$ 5,690.36
Apprentice barber exam	\$ 66,035.00	\$ 77,690.18	\$ 11,655.18
Instructor exam	\$ 10,890.00	\$ 12,209.87	\$ 1,319.87
<b>Total exam fees</b>	<b>\$ 109,165.00</b>	<b>\$ 127,830.41</b>	<b>\$ 18,665.41</b>
<b>Business fees</b>			
Barber shop permit	\$ 121,700.00	\$ 182,550.00	\$ 60,850.00
School permit	\$ 3,770.00	\$ 4,373.20	\$ 603.20
<b>Total business fees</b>	<b>\$ 125,470.00</b>	<b>\$ 186,923.20</b>	<b>\$ 61,453.20</b>
<b>Other fees</b>			
Late fees	\$ 77,985.00	\$ 100,265.31	\$ 22,280.31
Inspection fees	\$ 28,700.00	\$ 35,875.00	\$ 7,175.00
<b>Total other fees</b>	<b>\$ 106,685.00</b>	<b>\$ 136,140.31</b>	<b>\$ 29,455.31</b>
<b>Total</b>	<b>\$ 692,777.00</b>	<b>\$ 978,387.14</b>	<b>\$ 285,610.14</b>