



NORTH CAROLINA STATE BOARD OF BARBER EXAMINERS

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Minutes for Public Meeting

Held June 20, 2017, at 8:00 a.m.
5809 Departure Drive, Suite 102
Raleigh, North Carolina

Board Members

Don Beal, Chair
Steffon Sharpless, Vice Chair
Gary Gardner
Jamie Norton
Valerie Willis

Executive Director

Dennis Seavers

Counsel to the Board

Palmer Sugg

The meeting of the North Carolina State Board of Barber Examiners was called to order at 8:01 a.m., on June 20, 2017, at the board's office at 5809 Departure Drive, Suite 102, Raleigh, North Carolina.

The following board members were present during the meeting: Don Beal, Steffon Sharpless, Gary Gardner, and Jamie Norton. The following board member was absent: Valerie Willis.

Also in attendance were Dennis Seavers, Executive Director, and Palmer Sugg, Counsel to the Board.

OPEN SESSION

Ethics awareness and conflict of interest

Mr. Beal 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 previous meeting

Mr. Norton made a motion to approve the minutes from the April 18, 2017 meeting. Mr. Sharpless seconded the motion, which passed, 4–0.

Executive director's report

Mr. Beal referred board members to Mr. Seavers's June 8, 2017 report (see Attachment 1). Mr. Seavers answered questions from the board members.

Complaint report

Mr. Beal referred board members to Mr. Seavers's June 9, 2017 complaint report (see Attachment 2). Mr. Seavers explained that the board only needed to take action if the board wanted to reopen a dismissed complaint. The board took no action.

Proposed rulemaking

Mr. Beal referred board members to Mr. Seavers's June 9, 2017 memo suggesting changes to a proposed rule that would mandate online renewals (see Attachment 3). The change would exempt schools from the requirement to renew online and would allow other licensees to request a waiver. Mr. Sharpless made a motion to propose the revised rule, and Mr. Norton seconded. The motion passed, 4–0.

Fiscal year 2018 budget

Mr. Beal referred board members to Mr. Seavers's June 13, 2017 memo that proposed a budget for fiscal year 2018 (see Attachment 4). After discussion, Mr. Norton made a motion to adopt the proposal. Mr. Gardner seconded the motion, which passed, 4–0.

Report by committee on online barber classes

Mr. Beal referred board members to the June 9, 2017 report from an ad hoc committee of the board (see Attachment 5). The report offered recommendations about allowing barber schools to offer online classes. After discussion, Mr. Sharpless made a motion to adopt the recommendations, and Mr. Norton seconded. The motion passed, 4–0. As

suggested in the report, the staff would submit a report at the next board meeting outlining the steps necessary to implement the committee recommendations.

Public comment by barber association

Members of the public offered feedback on a variety of policy issues, especially the potential for a merger between the board and the Board of Cosmetic Arts Examiners. The public association believed that the merger would be injurious to the barber industry. The association also offered comments on the potential for taxation of barber services.

The board recessed at 9:06 a.m. and reconvened at 9:19 a.m.

Elections for board chairperson and vice chairperson

Mr. Beal referred board members to Mr. Seavers's June 8, 2017 memo that described the roles of board officers and election procedures (see Attachment 6).

Mr. Norton nominated Don Beal as chairman, and Mr. Gardner seconded the nomination. The board elected Mr. Beal as chairman by a vote of 4–0.

Mr. Gardner nominated Mr. Norton as vice chairman, and Mr. Sharpless seconded the nomination. The board elected Mr. Norton as vice chairman by a vote of 4–0.

Felony petitions

The following applicants were given notice to appear before the board but failed to appear:

- a. Joe B. Armstrong
- b. Lorenzo E. Turner

The North Carolina Department of Public Safety (NCDPS) had submitted documentation in support of Anthony Balbuena receiving a registered barber license. Sophia Feaster of NCDPS presented information about Mr. Balbuena's record and offered testimony in support of Mr. Balbuena.

NCDPS had submitted documentation in support of Ronnie L. Chasten receiving a registered barber license. Ms. Feaster presented information about Mr. Chasten's record and offered testimony in support of Mr. Chasten.

NCDPS had submitted documentation in support of Raphael D. McEachin receiving a registered barber license. Ms. Feaster presented information about Mr. McEachin's record and offered testimony in support of Mr. McEachin.

NCDPS had submitted documentation in support of Gary A. Parker receiving a registered barber license. Ms. Feaster presented information about Mr. Parker's record and offered testimony in support of Mr. Parker.

NCDPS had submitted documentation in support of Shawn M. Walker receiving a registered barber license. Ms. Feaster presented information about Mr. Walker's record and offered testimony in support of Mr. Walker.

Eric S. Gilbert, Jr., had submitted a student-permit application. He appeared and was sworn in. Mr. Sugg presented evidence to the board and asked Mr. Gilbert questions. Mr. Gilbert offered testimony and answered questions from the board.

Samuel Oakley had submitted a student-permit application. He appeared and was sworn in. Mr. Sugg presented evidence to the board and asked Mr. Oakley questions. Mr. Oakley offered testimony and answered questions from the board.

CLOSED SESSION

Mr. Beal made a motion to go into closed session under N.C.G.S. § 143–318.11, and Mr. Norton seconded. The motion passed, 4–0. Mr. Beal 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 10:05 a.m. and returned to open session at 10:44 a.m.

DETERMINATIONS

The board ordered that Anthony Balbuena be offered a consent order with terms and conditions, including five years of probation and proof of completing a 40-hour substance-abuse program.

The board ordered that Ronnie L. Chasten be offered a consent order with terms and conditions, including five years of probation.

The board ordered that Raphael D. McEachin be offered a consent order with terms and conditions, including seven years of probation.

The board ordered that Gary A. Parker be offered a consent order with terms and conditions, including five years of probation and proof of completing a 40-hour substance-abuse program.

The board ordered that Shawn M. Walker be offered a consent order with terms and conditions, including seven years of probation.

The board ordered that Eric S. Gilbert, Jr., be offered a consent order with terms and conditions, including seven years of probation.

The board ordered that Samuel Oakley be offered a consent order with terms and conditions, including seven years of probation.

Mr. Beal adjourned the meeting at 11:00 a.m.

Minutes approved on August 22, 2017

Don Beal

Jamie Norton

Gary Gardner

Steffon Sharpless

Not present at meeting

Valerie Willis



NORTH CAROLINA BOARD OF BARBER EXAMINERS

Memo

TO: Board members

FROM: Dennis Seavers

DATE: June 8, 2017

SUBJECT: Executive director's report

Below is the executive director's report for the board's June 20, 2017 meeting. If there are other areas of finances or operations that the board is interested in, or if board members have questions about this report, please feel free to contact me.

Fiscal year 2017 budget report

Attachment A shows the board's expenditures and revenues for fiscal year (FY) 2017 from July 1 to May 31. The attachment shows the amounts budgeted for the first 11 months only, not for the entire fiscal year.

Expenditures were under budget—96.06% of the expenditures budgeted for the first nine months of the fiscal year. There were some areas of higher spending; however, these have mostly been addressed in the reports from previous board meetings. The only area of unexpected spending was under budget code 535900, which represents payments for a worker-compensation matter. Board members should feel free to contact me if they have questions about other areas of spending.

Attachment B shows the board's fund balance over the past few years and the projected fund balance through the end of the fiscal year. (The portion that is slightly grayed out represents a projection for the remaining month in the fiscal year.)

Barber exams

Below is information about the pass rates for barber exams for the first nine months of fiscal year 2017.

Apprentice exams

The two tables below show the results by number and percentage for written and practical exams. (The total counts won't match because some apprentice applicants only needed to retake one or the other exam.)

Apprentice Written Exams

July 2016 to May 2017

Result	Count	Percentage
Pass	295	53.44%
Fail	158	28.62%
Did not appear	99	17.93%
Total	552	

Apprentice Practical Exams

July 2016 to May 2017

Result	Count	Percentage
Pass	272	43.24%
Did not appear	129	20.51%
No model	100	15.90%
Model rejected	73	11.61%
Fail	39	6.20%
Improper dress	10	1.59%
Did not take	6	0.95%
Total	629	

Registered exams

The table below shows the results by number and percentage for practical exams. A number of people were unable to attend the October exam because of Hurricane Matthew, so the failure-to-appear rate is relatively high.

Registered Practical Exams

July 2016 to May 2017

Result	Count	Percentage
Pass	199	60.86%
Did not appear	54	16.51%
Model rejected	43	13.15%
Fail	27	8.26%
Improper dress	2	0.61%
No model	1	0.31%
Did not take	1	0.31%
Total	327	

Attachment A. Budget vs. Actual
July 2016 through May 2017

June 20, 2017 minutes
ATTACHMENT 1

	Jul 2016 - May 2017	Budget	\$ Over Budget	% of Budget
Income				
433 - investment income				
433121 - STIF interest income	\$ 2,746.03	\$ 1,375.00	\$ 1,371.03	199.71%
433 - investment income - Other	\$ -	\$ -	\$ -	0.0%
Total 433 - investment income	\$ 2,746.03	\$ 1,375.00	\$ 1,371.03	199.71%
435 - fees, licenses, and fines				
435100 - business license fees				
435100059 - duplicate license	\$ 882.00	\$ 1,008.00	\$ (126.00)	87.5%
435100060 - individual license	\$ 292,825.58	\$ 250,000.00	\$ 42,825.58	117.13%
435100061 - school permit	\$ 4,810.00	\$ 5,090.00	\$ (280.00)	94.5%
435100062 - bus/shop permit	\$ 125,839.00	\$ 80,035.00	\$ 45,804.00	157.23%
435100063 - student permit	\$ 24,525.00	\$ 28,200.00	\$ (3,675.00)	86.97%
435100064 - renewal-individual	\$ 64,595.00	\$ 76,500.00	\$ (11,905.00)	84.44%
435100 - business license fees - Other	\$ (179,867.00)	\$ -	\$ (179,867.00)	100.0%
Total 435100 - business license fees	\$ 333,609.58	\$ 440,833.00	\$ (107,223.42)	75.68%
435300 - certification fees				
435300016 - instructor exam fee	\$ 8,415.00	\$ 9,166.00	\$ (751.00)	91.81%
435300017 - registered exam fee	\$ 37,555.00	\$ 29,770.00	\$ 7,785.00	126.15%
435300018 - apprentice exam fee	\$ 127,775.00	\$ 62,333.00	\$ 65,442.00	204.99%
435300019 - apprentice certific	\$ 36,465.00	\$ 36,666.00	\$ (201.00)	99.45%
435300020 - instructor certific	\$ 12,750.00	\$ 11,000.00	\$ 1,750.00	115.91%
Total 435300 - certification fees	\$ 222,960.00	\$ 148,935.00	\$ 74,025.00	149.7%
435400 - inspection/exam fees	\$ 40,500.00	\$ 29,333.00	\$ 11,167.00	138.07%
435500 - fines, pen, assess fee	\$ 10,109.00	\$ 16,500.00	\$ (6,391.00)	61.27%
435800 - tuition and fees				
435830 - other fees	\$ 830.02	\$ 550.00	\$ 280.02	150.91%
Total 435800 - tuition and fees	\$ 830.02	\$ 550.00	\$ 280.02	150.91%
Total 435 - fees, licenses, and fines	\$ 608,008.60	\$ 636,151.00	\$ (28,142.40)	95.58%
437 - miscellaneous				
437127 - procuremnt card rebate	\$ 150.65	\$ -	\$ 150.65	100.0%
437990 - other misc revenue	\$ 1,096.61	\$ 11,000.00	\$ (9,903.39)	9.97%
Total 437 - miscellaneous	\$ 1,247.26	\$ 11,000.00	\$ (9,752.74)	11.34%

Attachment A. Budget vs. Actual
July 2016 through May 2017

June 20, 2017 minutes
ATTACHMENT 1

	Jul 2016 - May 2017	Budget	\$ Over Budget	% of Budget
Total Income	\$ 612,001.89	\$ 648,526.00	\$ (36,524.11)	94.37%
Expense				
531 - personal services				
531112 - EPA regular salaries	\$ 227,037.20	\$ 225,994.86	\$ 1,042.34	100.46%
531462 - longevity - receipts	\$ 5,162.00	\$ 6,405.00	\$ (1,243.00)	80.59%
531472 - bonus/incentive wages	\$ 1,227.00	\$ -	\$ 1,227.00	100.0%
531512 - Social Security	\$ 16,609.07	\$ 17,484.50	\$ (875.43)	94.99%
531522 - regular retirement	\$ 37,888.09	\$ 37,515.61	\$ 372.48	100.99%
531562 - medical insurance	\$ 26,361.08	\$ 25,502.40	\$ 858.68	103.37%
531576 - flexible spending acct	\$ 462.15	\$ 595.83	\$ (133.68)	77.56%
531651 - comp to board members	\$ 2,900.00	\$ 3,000.00	\$ (100.00)	96.67%
Total 531 - personal services	\$ 317,646.59	\$ 316,498.20	\$ 1,148.39	100.36%
532 - purchased services				
532110 - legal services	\$ 54,845.00	\$ 51,565.00	\$ 3,280.00	106.36%
532120 - financial/audit svcs	\$ 9,670.00	\$ 9,670.00	\$ -	100.0%
532140 - other IT services	\$ -	\$ -	\$ -	0.0%
532145 - managed server support	\$ 26,993.92	\$ 33,073.60	\$ (6,079.68)	81.62%
532170001 - prof testing serv	\$ 8,874.00	\$ 10,083.33	\$ (1,209.33)	88.01%
532184 - janitorial services	\$ 3,850.00	\$ 3,850.00	\$ -	100.0%
532199 - misc contract services	\$ 24,936.10	\$ 28,132.50	\$ (3,196.40)	88.64%
532210 - electrical service	\$ 5,842.85	\$ 5,958.33	\$ (115.48)	98.06%
532220 - natural gas/propane	\$ 667.99	\$ 1,008.33	\$ (340.34)	66.25%
532430 - maint agrmnt - equip	\$ -	\$ -	\$ -	0.0%
532490 - maint agreemnt - other	\$ 2,540.14	\$ 3,300.00	\$ (759.86)	76.97%
532512 - rental of bldg/prop	\$ 57,489.25	\$ 52,174.32	\$ 5,314.93	110.19%
532524 - general office equip	\$ 7,234.94	\$ 8,250.00	\$ (1,015.06)	87.7%
532714 - ground trans in-state	\$ 13,175.86	\$ 17,114.17	\$ (3,938.31)	76.99%
532721 - lodging in-state				
532721900 - workshop/conference	\$ -	\$ -	\$ -	0.0%
532721 - lodging in-state - Other	\$ 9,525.86	\$ 16,500.00	\$ (6,974.14)	57.73%
Total 532721 - lodging in-state	\$ 9,525.86	\$ 16,500.00	\$ (6,974.14)	57.73%
532724 - meals in-state	\$ 6,516.40	\$ 11,916.67	\$ (5,400.27)	54.68%

Attachment A. Budget vs. Actual
July 2016 through May 2017

June 20, 2017 minutes
ATTACHMENT 1

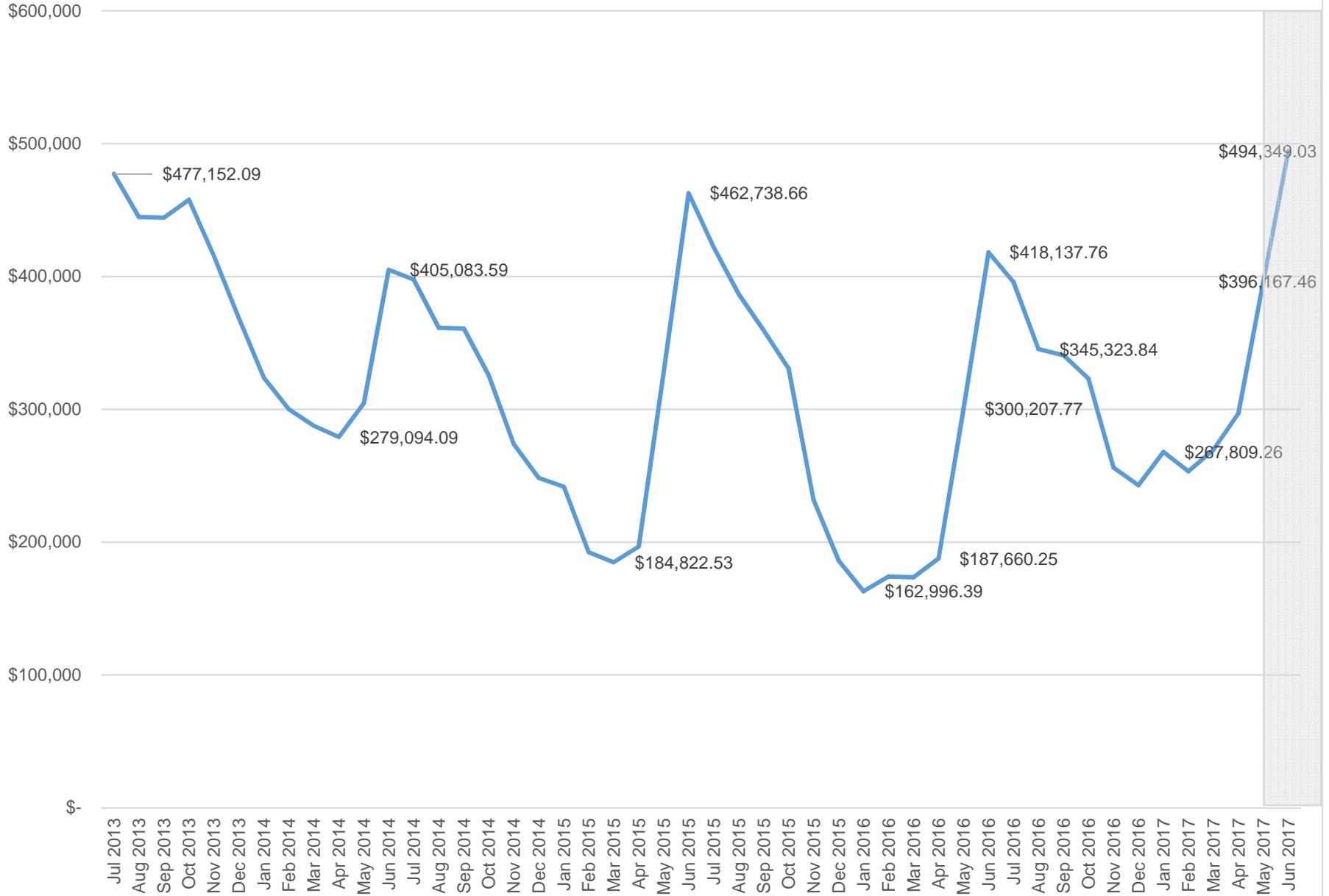
	Jul 2016 - May 2017	Budget	\$ Over Budget	% of Budget
532731 - board/non-emp transpor	\$ 1,209.50	\$ 1,705.00	\$ (495.50)	70.94%
532732 - board/non-emp subsist	\$ 1,974.28	\$ 1,604.17	\$ 370.11	123.07%
532811 - telephone service	\$ 8,292.46	\$ 8,250.00	\$ 42.46	100.52%
532814 - cellular phone service	\$ -	\$ -	\$ -	0.0%
532815 - email and calendaring	\$ 1,582.74	\$ 1,600.00	\$ (17.26)	98.92%
532817 - ISP charge	\$ 1,297.45	\$ 1,301.67	\$ (4.22)	99.68%
532819 - telephone wiring srvc	\$ -	\$ 1,000.00	\$ (1,000.00)	0.0%
532822 - managed LAN svc charge	\$ 285.00			
532826 - software subscriptions	\$ -	\$ -	\$ -	0.0%
532840 - postage & delivery	\$ 9,637.36	\$ 19,250.00	\$ (9,612.64)	50.06%
532850 - printing, binding, dup	\$ 4,043.92	\$ 4,000.00	\$ 43.92	101.1%
532911 - insurance - property	\$ 18,973.80	\$ 13,000.00	\$ 5,973.80	145.95%
532942 - other emp trng expense	\$ 60.00	\$ -	\$ 60.00	100.0%
Total 532 - purchased services	\$ 279,518.82	\$ 304,307.09	\$ (24,788.27)	91.85%
533 - Supplies				
533110 - general office supply	\$ 6,949.56	\$ 6,416.67	\$ 532.89	108.31%
533120 - data process supplies	\$ 9,750.00	\$ 9,000.00	\$ 750.00	108.33%
533150 - security & safety supp	\$ 5,790.50	\$ 7,333.33	\$ (1,542.83)	78.96%
533190 - other admin supplies	\$ 6.60	\$ -	\$ 6.60	100.0%
533210 - janitorial supplies	\$ -	\$ -	\$ -	0.0%
Total 533 - Supplies	\$ 22,496.66	\$ 22,750.00	\$ (253.34)	98.89%
534 - property, plant, & equip				
534511 - office equipment	\$ -	\$ -	\$ -	0.0%
534521 - PC software	\$ -	\$ -	\$ -	0.0%
534534 - PC and printer purch	\$ -	\$ 4,000.00	\$ (4,000.00)	0.0%
534535 - server purchases	\$ -	\$ -	\$ -	0.0%
534539 - other equipment	\$ -	\$ -	\$ -	0.0%
534730 - externally developed s	\$ -	\$ -	\$ -	0.0%
Total 534 - property, plant, & equip	\$ -	\$ 4,000.00	\$ (4,000.00)	0.0%
535 - other expenses and adjust				
535830 - member dues & subcript	\$ 270.00	\$ 500.00	\$ (230.00)	54.0%
535900 - other expenses	\$ 7,067.12	\$ -	\$ 7,067.12	100.0%

Attachment A. Budget vs. Actual
July 2016 through May 2017

June 20, 2017 minutes
ATTACHMENT 1

	Jul 2016 - May 2017	Budget	\$ Over Budget	% of Budget
Total 535 - other expenses and adjust	\$ 7,337.12	\$ 500.00	\$ 6,837.12	1,467.42%
538 - intragovernmental transac				
538030 - fine/penalty transfer	\$ 6,973.00	\$ 11,916.67	\$ (4,943.67)	58.52%
Total 538 - intragovernmental transac	\$ 6,973.00	\$ 11,916.67	\$ (4,943.67)	58.52%
Total Expense	\$ 633,972.19	\$ 659,971.96	\$ (25,999.77)	96.06%
Net Income	\$ (21,970.30)	\$ (11,445.96)	\$ (10,524.34)	191.95%

Attachment B. Fund balance





NORTH CAROLINA BOARD OF BARBER EXAMINERS

Memo

TO: Board members

FROM: Dennis Seavers

DATE: June 9, 2017

SUBJECT: Complaint report

On April 1, 2017, a rule adopted by the board on complaints went into effect. Under this rule, the executive director must “submit to the Board a report of dismissed complaints that he or she has not previously reported, with a summary of the allegations and a justification for the dismissal.” The executive director is required to dismiss complaints for the following reasons:

- The complaint lacks information, such as barbershop location or a description of the alleged conduct, necessary to investigate the complaint. (Before dismissal, the executive director must attempt to collect additional information from the complainant, if possible.)
- The complaint alleges conduct that is not prohibited by the board’s statutes or rules or is not within the board’s jurisdiction.
- After receiving a recommendation from the investigator, the executive director determines that the allegation is untrue.

This memo serves as the required report. (Complaints disposed before April 1 are not included in this report, since the rule had not gone into effect.) By a majority vote, the board may reopen any of these complaints if the board believes that the dismissal was not justified. If the board agrees with the dismissals, no further action is required.

Complaint ID 70

On April 6, 2017, the board received a complaint forwarded from the Board of Cosmetic Arts Examiners (CA). The complaint alleged that there was a barbershop operating out of a residence in a way that was not in compliance with the board’s rules. Before the board finished its investigation, CA’s own investigation revealed that there were no barbers working at the location

Basis for dismissal: the board has no jurisdiction.

Complaint ID 71

On April 21, 2017, the board received a complaint that there were unlicensed barbers working in a shop in Smithfield. On May 8, 2017, an inspector went to the address listed in the complaint and did not find a shop or salon. Instead, the inspector found a residence with no evidence of a business.

Basis for dismissal: the allegations were not substantiated.

Complaint ID 77

On April 9, 2017, the board received a complaint that a cosmetology salon was displaying a barber pole, offering straight razor shaves, and referring to itself as a barber shop. The board staff investigated the allegations and found that the salon was referring to itself as a barbershop on social media and claiming on its website that it provides barbering techniques. The executive director contacted the salon owner and asked her to remove any advertising that claimed the business was a barbershop until the business acquired a barbershop permit. The salon immediately removed the references.

Basis for dismissal: the alleged conduct could be resolved without issuing a violation.

Complaint ID 80

On May 16, 2017, the board received a complaint that an individual was operating a drug and prostitution ring disguised as a barbershop. The anonymous complainant indicated that he or she had contacted law enforcement about the activity. The complaint did not provide the name or address of the barbershop.

Basis for dismissal: the complaint did not include sufficient information to investigate and included allegations that are within the jurisdiction of law enforcement.



NORTH CAROLINA BOARD OF BARBER EXAMINERS

Memo

TO: Board members

FROM: Dennis Seavers

DATE: June 9, 2017

SUBJECT: Changes to proposed rule about mandatory online renewals

The board previously proposed a rule change that would require mandatory online renewals of all licenses. Based on some initial feedback from stakeholders, I recommend that the board make some changes to the proposed rule.

The original version would have required all licenses to be renewed online, without any exceptions. The attached revision would allow licenses to be renewed by mail or in person in the following circumstances.

- Schools would be exempt from the online renewal requirements. The main reason for this exemption is that some schools, especially community colleges, restrict the use of credit cards by employees and prefer that payments be made with checks. Since schools represent a tiny fraction of the license population, this proposed change would have a negligible impact on the original proposal.
- For other licenses, an individual who has a hardship could request a waiver from the board. The proposed changes would require the staff to automatically issue a waiver, regardless of the merits of the request. However, the requirement to submit a notarized statement would create enough of a burden that individuals would probably only request a waiver if they truly had a hardship.

1 21 NCAC 06N .0101 is proposed for amendment as follows:

2

3 **21 NCAC 06N .0101 FEES, ACCESS TO FORMS, AND RENEWALS**

4 (a) The Board charges the following amounts for the fees authorized by G.S. 86A-25:

5	(1)	Certificate of registration or renewal as a barber	\$50.00
6	(2)	Certificate of registration or renewal as an apprentice barber	\$50.00
7	(3)	Barbershop permit or renewal	\$50.00
8	(4)	Examination to become a registered barber	\$85.00
9	(5)	Examination to become a registered apprentice barber	\$85.00
10	(6)	Late fee for restoration of an expired barber certificate within first year after expiration	\$35.00
11	(7)	Late fee for restoration of an expired barber certificate after first year after expiration but within five years after expiration	\$70.00
12			
13	(8)	Late fee for restoration of an expired apprentice certificate within the first year after expiration	\$35.00
14			
15	(9)	Late fee for restoration of an expired apprentice certificate after first year after expiration but within three years of first issuance of the certificate	\$45.00
16			
17	(10)	Late fee for restoration of an expired barber shop certificate	\$45.00
18	(11)	Examination to become a barber school instructor	\$165.00
19	(12)	Student permit	\$25.00
20	(13)	Issuance of any duplicate copy of a license, certificate, or permit	\$10.00
21	(14)	Barber school permit or renewal	\$130.00
22	(15)	Late fee for restoration of an expired barber school certificate	\$85.00
23	(16)	Barber school instructor certificate or renewal	\$85.00
24	(17)	Late fee for restoration of an expired barber school instructor certificate within first year after expiration	\$45.00
25			
26	(18)	Late fee for restoration of an expired barber school instructor certificate after first year after expiration but within three years after expiration	\$85.00
27			
28	(19)	Inspection of newly established barbershop	\$120.00
29	(20)	Inspection of newly established barber school	\$220.00
30	(21)	Issuance of a registered barber or apprentice certificate by certification	\$120.00
31	(22)	Charge for certified copies of public documents \$10.00 for first page, \$0.25 per page thereafter	
32	(23)	Charge for duplication services and material shall be as set forth in 26 NCAC 01 .0103(a), including any subsequent amendments and editions of the Rule	
33			
34	(24)	Certificate of registration or renewal as a barber for barbers over 70 years of age	\$0.00
35	(25)	Administrative fee under G.S. 86A-27(d) for paying any required fee for renewal or restoration, or a civil penalty and attorney fee, where the apprentice barber or registered barber is subject to a pick-up order issued to an inspector.	\$70.00
36			
37			

1 (b) In the event the Board's authority to expend funds is suspended pursuant to G.S. 93B-2, the Board shall continue
2 to issue and renew licenses and all fees tendered shall be placed in the escrow account maintained by the Board for
3 this purpose.

4 (c) The forms set forth in this Subchapter may be obtained on the website or at the address listed in 21 NCAC 06A
5 .0102.

6 (d) Beginning January 1, 2018, all timely renewals of licenses, permits, or certificates of registration shall be
7 submitted online at the website listed in 21 NCAC 06A .0102, along with any fees required by this Rule.

8 (e) Barber school permits are exempt from the online renewal requirement in Paragraph (d) of this Rule.

9 (f) Registered barbers, apprentice barbers, barber instructors, or barber shops that are unable to comply with the online
10 requirement of Paragraph (d) of this Rule may submit the renewal and payment by mail or in person after receiving a
11 waiver from the Board. This waiver shall be effective only for one renewal period. The Board shall issue a waiver
12 within five business days after receiving the following:

13 (1) For registered barbers, apprentice barbers, or barber instructors, a notarized statement from the
14 holder of the license, permit, or certificate of registration that the barber is not able to renew online;

15 or

16 (2) For barber shops, a notarized statement from the manager or owner that neither the manager nor
17 owner are able to renew online.

18
19 *Authority G.S. 86A-5; 86A-13; 86A-17; 86A-23; 86A-24; 86A-25; 86A-27(d); 93B-2; 150B-19.1*



NORTH CAROLINA BOARD OF BARBER EXAMINERS

Memo

TO: Board members

FROM: Dennis Seavers

DATE: June 13, 2017

SUBJECT: Fiscal year 2018 budget proposal

Below is a proposal for the board's fiscal year (FY) 2018 budget, which the board will be considering at its June 20, 2017 meeting. Board members should feel free to contact me if they have questions about the details of the proposal.

The table in Attachment A shows a detailed breakdown of the budget proposal according to the state's revenue and expense accounts. The table also compares the FYs 2017 and 2018 proposals.

SUMMARY

- The board's projected starting fund balance on July 1, 2016 is \$494,349.
- The budget anticipates \$802,200 in revenues.
- The budget would authorize \$686,624 in spending. This spending represents a decrease of \$19,860 (about 2.8%) from the FY 2017 budget.
- The board's net income is projected to be \$115,576.
- The board's ending fund balance on June 30, 2017, would be approximately \$609,925.

ASSUMPTIONS AND AUTHORIZATIONS

Every budget makes certain assumptions but should, as much as possible, identify those assumptions. I've listed some assumptions below for this budget proposal (others appear in the next section of this memo). In addition, as part of this proposal, I ask the board to authorize me to continue or enter into any necessary contracts—the costs of which are included in the budget—to make sure that operations remain smooth, just as the board has done for the last two fiscal years.

Fee increase

The budget doesn't include revenues from fee increases for two reasons. First, the bill has not made progress yet through the General Assembly. Second, even if a fee increase were to pass soon and the board pursued an aggressive rulemaking schedule, it's a practical impossibility that the rule would become effective and the board would give notice to its licensees by the time the next renewal cycle begins in January 2018.

Board meetings

Various portions of the budget include costs associated with board meetings. The proposal assumes that the board will hold six regularly scheduled meetings. This assumption is solely for cost projection and doesn't commit the board to a particular schedule.

Potential future costs

In addition to the expenditures discussed below, the board should note that I'm working on a project to improve security by moving some of the board's IT functions under the Department of Information Technology. I'm also working on a project to replace the existing phone system, which was installed in 2004. At a later point in the year, as the cost information becomes available, I may need to ask the board to approve changes to the budget so that these projects can proceed.

Revenues

The budget proposal assumes that revenues will match the projections for FY 2017. The staff is still processing renewals and should have more up-to-date information available at the June 20 meeting, but the board should be aware that revenues appear to have dropped in the current fiscal year. If revenues prove to be significantly below the FY 2017 projections, the FY 2018 projections may not be accurate. That would mean that the net income would not be as high as this budget proposal anticipates. The board may not need to make changes to the expenditures, but it would need to monitor its revenues and be cautious about any future increases in spending.

DETAILED EXPLANATIONS AND JUSTIFICATIONS

This section of the memo explains portions of the budget that depart notably from the FY 2017 budget. Not all changes in spending are addressed—though the most important are—so if board members have additional questions about changes, they should feel free to contact me. The focus is on expenditures rather than revenues because the latter are projections rather than proposals. The information below is organized by the state's expenditure categories and chart of accounts, as shown on Attachment A.

Personal services (531)

This budget category includes personnel costs and employee-related expenditures, as well as per diem payments for board members. The proposed budget continues the current level of staffing. The overall increase of about \$3,678 reflects the annualization of changes that the board made at its October 24, 2016 meeting. The increase also reflects projected changes in retirement-system and medical-insurance costs.

Purchased services (532)

Legal services (532110)

In order to cut costs and pay for increased costs in other areas of the budget, I have restructured the board's legal-services contract. There will be no negative effect on the legal services because of these changes.

Miscellaneous contract services (532199)

As the name suggests, this budget account includes various contract costs and purchased services that don't fit under other budget accounts. There are two notable areas of increased spending in this category.

- Merchant services. The board is required to pay bank-card transaction fees (in addition to processing fees by the online payment processor). As the number of online transactions increases, the board's transaction fees will also increase. Since the board has proposed a rule to mandate online renewal and is working on projects to put more licensing processes online, there will be a significant increase in transaction fees. Although this increase is justified by the benefits of having all renewals occur online, the board should account for this increase in its budget.
- Data-breach testing. The board should authorize funding for an outside vendor to test the board's data systems for security. This testing is required by state law and, apart from that requirement, is advisable to make sure that there aren't weaknesses that could lead to data breaches.

Rental of buildings or property (532512)

The board's office lease includes an option for the landlord to increase rent according to the Consumer Price Index or 1.5%, whichever is lower.

Printing, binding, duplicating (532850)

The board has proposed a rule change that would make online renewals mandatory. If that rule goes into effect, the board will need to send multiple notices to barbers and barber shops to prepare them for the change and make sure they don't mail payments.

Insurance (532911)

In the past couple of years, the board has taken steps to reduce its risk by acquiring additional insurance. These insurance costs have been higher than the FY 2017 budget anticipated, and this budget accounts for that higher cost. In addition, I recommend that the board acquire data-breach insurance, especially since the board is moving more processes online.

Attachment A FY 2018 Budget Proposal

June 20, 2017 minutes
ATTACHMENT 4

	FY17 Budget (Revised)	FY18 Proposed	Difference
Income			
433 - investment income			
433121 - STIF interest income	\$ 1,500.00	\$ 1,500.00	\$ -
Total 433 - investment income	\$ 1,500.00	\$ 1,500.00	\$ -
435 - fees, licenses, and fines			
435100 - business license fees			
435100059 - duplicate license	\$ 1,100.00	\$ 1,100.00	\$ -
435100060 - individual license	\$ 338,000.00	\$ 338,000.00	\$ -
435100061 - school permit	\$ 6,000.00	\$ 6,000.00	\$ -
435100062 - bus/shop permit	\$ 115,000.00	\$ 115,000.00	\$ -
435100063 - student permit	\$ 30,000.00	\$ 30,000.00	\$ -
435100064 - renewal-individual	\$ 85,000.00	\$ 85,000.00	\$ -
435100 - business license fees - Other	\$ -	\$ -	\$ -
Total 435100 - business license fees	\$ 575,100.00	\$ 575,100.00	\$ -
435300 - certification fees			
435300016 - instructor exam fee	\$ 10,000.00	\$ 10,000.00	\$ -
435300017 - registered exam fee	\$ 33,000.00	\$ 33,000.00	\$ -
435300018 - apprentice exam fee	\$ 68,000.00	\$ 68,000.00	\$ -
435300019 - apprentice certific	\$ 40,000.00	\$ 40,000.00	\$ -
435300020 - instructor certific	\$ 12,000.00	\$ 12,000.00	\$ -
Total 435300 - certification fees	\$ 163,000.00	\$ 163,000.00	\$ -
435400 - inspection/exam fees	\$ 32,000.00	\$ 32,000.00	\$ -
435500 - fines, pen, assess fee	\$ 18,000.00	\$ 18,000.00	\$ -
435800 - tuition and fees			
435830 - other fees	\$ 600.00	\$ 600.00	\$ -
Total 435800 - tuition and fees	\$ 600.00	\$ 600.00	\$ -
Total 435 - fees, licenses, and fines	\$ 788,700.00	\$ 788,700.00	\$ -
437 - miscellaneous			
437990 - other misc revenue	\$ 12,000.00	\$ 12,000.00	\$ -
Total 437 - miscellaneous	\$ 12,000.00	\$ 12,000.00	\$ -
Total Income	\$ 802,200.00	\$ 802,200.00	\$ -

Attachment A FY 2018 Budget Proposal

June 20, 2017 minutes
ATTACHMENT 4

	FY17 Budget (Revised)	FY18 Proposed	Difference
Expense			
531 - personal services			
531112 - EPA regular salaries	\$ 246,749.94	\$ 249,060.96	\$ 2,311.02
531462 - longevity - receipts	\$ 7,600.00	\$ 7,600.00	\$ -
531512 - Social Security	\$ 19,074.00	\$ 18,163.17	\$ (910.83)
531522 - regular retirement	\$ 40,926.12	\$ 42,265.59	\$ 1,339.47
531562 - medical insurance	\$ 27,820.80	\$ 29,258.94	\$ 1,438.14
531576 - flexible spending acct	\$ 650.00	\$ 650.00	\$ -
531651 - comp to board members	\$ 3,500.00	\$ 3,000.00	\$ (500.00)
Total 531 - personal services	\$ 346,320.86	\$ 349,998.66	\$ 3,677.80
532 - purchased services			
532110 - legal services	\$ 50,610.00	\$ 9,055.00	\$ (41,555.00)
532120 - financial/audit svcs	\$ 9,670.00	\$ 9,670.00	\$ -
532145 - managed server support	\$ 33,073.60	\$ 33,473.76	\$ 400.16
532170001 - prof testing serv	\$ 11,000.00	\$ 11,000.00	\$ -
532184 - janitorial services	\$ 4,200.00	\$ 4,200.00	\$ -
532199 - misc contract services	\$ 30,690.00	\$ 36,539.00	\$ 5,849.00
532210 - electrical service	\$ 6,500.00	\$ 6,500.00	\$ -
532220 - natural gas/propane	\$ 1,100.00	\$ 850.00	\$ (250.00)
532430 - maint agrmnt - equip	\$ -	\$ -	\$ -
532490 - maint agreemnt - other	\$ 3,600.00	\$ 2,800.00	\$ (800.00)
532512 - rental of bldg/prop	\$ 56,920.00	\$ 59,173.62	\$ 2,253.62
532524 - general office equip	\$ 9,000.00	\$ 8,000.00	\$ (1,000.00)
532714 - ground trans in-state	\$ 18,670.00	\$ 18,670.00	\$ -
532721 - lodging in-state	\$ 18,000.00	\$ 16,100.00	\$ (1,900.00)
532724 - meals in-state	\$ 13,000.00	\$ 11,000.00	\$ (2,000.00)
532731 - board/non-emp transpor	\$ 1,860.00	\$ 1,860.00	\$ -
532732 - board/non-emp subsist	\$ 1,750.00	\$ 2,900.00	\$ 1,150.00
532811 - telephone service	\$ 9,000.00	\$ 9,000.00	\$ -
532815 - email and calendaring	\$ 1,600.00	\$ 1,600.00	\$ -
532817 - ISP charge	\$ 1,420.00	\$ 1,420.00	\$ -

Attachment A FY 2018 Budget Proposal

June 20, 2017 minutes
ATTACHMENT 4

	FY17 Budget (Revised)	FY18 Proposed	Difference
532819 - telephone wiring srvc	\$ 1,000.00	\$ 1,000.00	\$ -
532822 - managed LAN svc charge	\$ -	\$ 444.00	\$ 444.00
532840 - postage & delivery	\$ 21,000.00	\$ 20,000.00	\$ (1,000.00)
532850 - printing, binding, dup	\$ 4,000.00	\$ 7,000.00	\$ 3,000.00
532911 - insurance - property	\$ 13,000.00	\$ 25,000.00	\$ 12,000.00
532942 - other emp trng expense	\$ -	\$ 100.00	\$ 100.00
Total 532 - purchased services	\$ 320,663.60	\$ 297,355.38	\$ (23,308.22)
533 - Supplies			
533110 - general office supply	\$ 7,000.00	\$ 8,000.00	\$ 1,000.00
533120 - data process supplies	\$ 9,000.00	\$ 9,000.00	\$ -
533150 - security & safety supp	\$ 8,000.00	\$ 7,000.00	\$ (1,000.00)
533190 - other admin supplies	\$ -	\$ -	\$ -
Total 533 - Supplies	\$ 24,000.00	\$ 24,000.00	\$ -
534 - property, plant, & equip			
534521 - PC software	\$ -	\$ -	\$ -
534534 - PC and printer purchases	\$ 2,000.00	\$ 2,000.00	\$ -
Total 534 - property, plant, & equip	\$ 2,000.00	\$ 2,000.00	\$ -
535 - other expenses and adjust			
535830 - member dues & subcript	\$ 500.00	\$ 270.00	\$ (230.00)
535900 - other expenses	\$ -	\$ -	\$ -
Total 535 - other expenses and adjust	\$ 500.00	\$ 270.00	\$ (230.00)
538 - intragovernmental transac			
538030 - fine/penalty transfer	\$ 13,000.00	\$ 13,000.00	\$ -
Total 538 - intragovernmental transac	\$ 13,000.00	\$ 13,000.00	\$ -
Total Expense	\$ 706,484.46	\$ 686,624.04	\$ (19,860.42)
Net Income	\$ 95,715.54	\$ 115,575.96	\$ 19,860.42



NORTH CAROLINA BOARD OF BARBER EXAMINERS

Memo

TO: Board members

FROM: Dennis Seavers

DATE: June 9, 2017

SUBJECT: Online classes for barber schools

This memo is a report by an ad hoc committee of the board. This committee was appointed to make recommendations about allowing barber schools to offer online classes.

BACKGROUND

At previous meetings, the board discussed whether to allow barber schools to offer certain hours online. Below is a summary of the issues the board previously addressed:

- At its December 16, 2016 meeting, the board considered the results of a survey that assessed whether schools have a sufficient level of interest in offering online classes. At that time, the board determined there was enough interest.
- At its February 21, 2017 meeting, the board considered a presentation by one of its members, Jamie Norton, on the technological options for schools and the benefits to students and schools.
- At its April 7, 2017 meeting, the board considered a report from the executive director on some of the regulatory and operational issues that the board should consider.

At its last meeting, the chairman appointed a committee to consider the April 7 report and make recommendations on how to respond to the regulatory and operational issues, and to determine whether it would be advisable to allow online classes despite these issues. The chairman appointed two board members—Valerie Willis and Jamie Norton—and the executive director to the committee.

Below is a brief discussion of the issues that the committee was required to consider, along with recommendations by the committee. The issues are in four areas:

- Licensure
- Oversight
- School personnel requirements
- Costs

ISSUES AND RECOMMENDATIONS

Licensure

Background

The executive director's April 7 report to the board identified the following issues with online classes in the area of licensure.

The board issues certificates to barber instructors who meet the requirements in law. If a person is prohibited from offering training in barbering without having an instructor certificate, then the board should ask whether schools should be able to offer online classes if the instructor in the online program doesn't have a certificate. The board should also ask what constitutes instruction in this case. Narrating the video? Acting in an ancillary role? If the individual featured in the video has to be an instructor, and he or she no longer has a certificate (whether through disciplinary action or because the certificate expires), does the school need to redo the video or stop offering online classes?

Recommendations

The committee believes that state regulations should require schools to have a licensed barber instructor develop or review the online program to make sure it meets the state's regulatory criteria and curriculum requirements. As long as this review occurs, the committee does not believe that individuals appearing in the video, including narrators or actors, need to be licensed by the board.

The committee believes that the board should conduct occasional audits to verify that the online content meets state requirements—just as there are occasional audits of traditional classroom programs.

Oversight

Background

The April 7 report identified the following issues with online classes in the area of oversight.

Several of the board's rules establish requirements for schools to make sure that students attend in person. If the board plans to allow schools

to offer online classes, it will need to change these rules. The board would need to plan a relatively reliable way of making sure that students are receiving the instructional hours and that the schools are recording the time data.

Recommendations

The committee recommends that the board specify a requirement—presumably in rule—that requires the online program to be interactive. That means that the software must have some feature where the person accessing the online content must interact periodically to make sure that he or she is present during the content delivery. Online content that allows students to play the program and walk away would not be permissible. Although it's possible for students to take advantage of online programs and avoid instruction, the committee believes that the written exam for licensure will make sure people have adequate theoretical knowledge.

School personnel requirements

Background

The April 7 report identified the following issues with online classes in the area of oversight.

There are three main areas of the board's regulations that establish personnel requirements for schools. Two of these issues, listed below, would have an effect on the value of online classes to schools.

- *Instructor-student ratio.* Each school must have a minimum number of instructors. This number depends on two factors: (1) the number of students enrolled, and (2) whether the school is nonprofit.
- *Student supervision.* Schools are prohibited from providing practical and theoretical training simultaneously unless at least two instructors are present.

If it weren't for these personnel requirements, schools that offered online classes might be able to limit the number of instructors. However, because of these requirements, schools would still need to maintain the instructor-student ratio. In addition, schools probably would need to have a way to prevent students from taking classes online while the school is offering practical training. Otherwise, the schools would violate the prohibition on offering practical and theoretical training simultaneously. The personnel requirements wouldn't prohibit schools from offering online classes, but the willingness of schools to offer them might be diminished.

Two of these requirements—the instructor-student ratio and student supervision—are statutory and thus would require action by the General Assembly to change. The board should not propose that the statute be changed without first considering the benefits of these requirements.

Recommendation

The committee recommends that legislation be introduced that would exempt online content from the supervision requirement (see the second bullet point above).

The committee did not recommend changes to the instructor–student ratio. The committee was concerned that schools would be motivated to take a large number of students for the initial online classes without having an adequate number of instructors for practical training.

Costs

Background

The April 7 report identified the following issues with online classes in the area of costs.

If the board proposes any rule change that would require the expenditure or distribution of funds, the board must submit a fiscal analysis to the Office of State Budget and Management, which must certify that the funds are available. This process can take time and would lengthen the rulemaking process. The board also should make sure that increased costs fit within the board’s long-term goal of improving its cash reserve.

Recommendation

The committee doesn’t believe that there would be any costs associated with these regulatory changes.

FUTURE STEPS

If the board agrees with the committee’s recommendations, it can require the staff to submit a report at the August 22, 2017 meeting. This report would list the steps necessary to implement these recommendations, including legislation and rulemaking.



NORTH CAROLINA BOARD OF BARBER EXAMINERS

Memo

TO: Board members

FROM: Dennis Seavers

DATE: June 8, 2017

SUBJECT: Elections

The board's statutes require the board to "annually elect its own officers" ¹ At its June 20, 2017 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.² 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."³

¹ G.S. § 86A-6

² Bylaws § III.1

³ Id. at § III.3

All officers must remain in good standing with the board during the tenure.⁴ 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.⁵ (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

North Carolina's Open Meetings Law (OML) prohibits secret ballots.⁶ Under OML, if written ballots are used, they must be signed and available for public inspection until the minutes of the meeting are approved.⁷

Since OML discourages the use of written ballots, I recommend the following steps for each office. I also recommend handling the office of chair first; after electing a chair, then the board can elect a vice-chair:

1. Board members make a nomination and second the nomination.
2. After the nominations are complete, a motion is made and seconded to close the nominations.
3. Through a roll-call vote, the board members cast their votes for one of the nominated members.

⁴ Id. at § III.4

⁵ Id. at § III.5

⁶ G.S. § 143-318.13(b).

⁷ Ibid.