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OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1101

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Yalosta Rickford
Operator's Signature

10/2/03
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1101

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Valosta Rickford

Date

10/2/03

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1101

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 01-13-03

Tape Number	Side A	Side B	Meter #
1	X		3,276-0
		X	0-2803
Committee Clerk Signature <i>Beth Heier</i>			

Minutes: **CHAIR KEISER**: Opened hearing on HB 1101.

GARY ANDES (Board of Cosmetology): (see attached testimony)

REP. FROSETH: How many colleges are in the state?

ANDES: Five.

KEISER: How many did we have five to ten years ago?

ANDES: Twelve

REP. EKSTROM: How many meetings per year? (asked in regards to cost of living increase)

ANDES: An average of one meeting per month. Some months they skip.

VIRGINIA HERBERHOLZ: (Board of Cosmetology): The board is actually doing duties an average of three days per month in addition to the meetings.

REP. FROSETH: How many licensed cosmetologists in the state?

BERNADUCCI: About 1500 licensed.

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House Industry, Business and Labor Committee
Bill/Resolution Number 1101
Hearing Date 1-13-03

REP. TIEMAN: How many hours of continuing education are cosmetologists required in a year?

ANDES: Eight hours per year for instructors.

REP. KLEIN: How many members are on the board?

ANDES: 3 members and one full-time secretary in the Bismarck office.

REP. KASPER: Have the members been polled? Have you asked the other cosmetologists about the amendment. Was it opposed?

ANDES: Held several open meetings. No opposition at this point.

REP. THORPE: Do you always travel to Bismarck or do you do meetings over the Internet?

ANDES: 99% of the meetings are in Bismarck at the office.

HERBERHOLZ: Each member is reimbursed for two days per month automatically for expenses.

REP. KLEIN: Who does the inspections?

ANDES: Five inspectors in the state. The board does not.

REP. THORPE: Is there any flexibility on the number of instructors? If the ratio is 20:1 and you have 41 students, are you required to have 3 instructors? Can you draft it to be more flexible?

ANDES: The ratio is similar to public schools.

REP. NOTTESTAD: Analogy to elementary schools is faulty. If you have one or two students over, common sense would tell you to limit enrollment. Creating a law makes it cut and dry and doesn't allow for flexibility. Why didn't you restructure fees instead of just a flat increase?

Page 3
House Industry, Business and Labor Committee
Bill/Resolution Number 1101
Hearing Date 1-13-03

HERBERHOLZ: Have not had an increase since 1985 and just felt the flat fee was more simple.

REP. THORPE: If you get \$100/ meeting for travel, could you get \$50 for a teleconference?

ANDES: Lose a lot by phone. But sometimes the weather forces it.

FROSETH: What is the financial stability of the board?

HERBERHOLZ: The board is solvent at this time. The costs of running the office are increasing, plus they take care of continuing education costs. The education costs are increasing.

REP. SEVERSON: Does the Health Dept. inspect or does the board also do inspections?

HERBERHOLZ: The board hires inspectors. The board reviews the inspectors

REP. KLEIN: The board has done a remarkable job.

CHAIR KEISER: Trying to standardize all reimbursements to board members throughout the state. The legislature may amend to comply with the consistency throughout the state. Please share your budget with Rep. Thorpe and a justification for the increase of \$78,000 in the account.

FLOYD ROLL (representing self): Board does not consult all schools and makes decisions that crush school. Ask if they had proposed legislation and they said no. They were told they wouldn't do anything to the teacher/student ratio. Tuition went through the roof to deal with the teacher/student ratio. The law does not provide for part-time instructors. The proposed change limits school owners. Unfairness has been noticed in practical exams.

REP. FROSETH: Is it possible for schools to set their own standards on the number of students they need and the methods they use?

ROLL: Yes. These regulations allow no flexibility.

REP. FROSETH: Is it a formatted exam or does it change?

Page 4
House Industry, Business and Labor Committee
Bill/Resolution Number 1101
Hearing Date 1-13-03

ROLL: Currently they pass three exams. A national written exam, a ND exam on rules and regulations, and a practical exam. The board administers the written exams. The practical exam is done by the school and observed by the board.

REP. FROSETH: Is it necessary to have Sec. 4?

ROLL: Section 2 is important.

REP. ZAISER: What if there would be a different make-up of the board? Perhaps a customer, owner, and instructor.

ROLL: It would help.

TERESA FELCH (ND Cosmetology Assoc): Met as a committee recently. Would like to see the fees raised, but perhaps more for the manager/operators. There are many licensed cosmetologists who work from home. Would like to see to see the extra money going to continuing education through an amendment.

CHAIR KEISER: Closed hearing on HB 1101

(end 2803 on side B)

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1101

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1/20/03

Tape Number	Side A	Side B	Meter #
1	x		5.5-12.0

Committee Clerk Signature

Judith Hamma

Minutes: **CHAIR KEISER:** Called for committee work on HB 1101.

REP KLEIN: Is a fee increase necessary?

REP. KASPER: Connie Bernabucci told me here hasn't been a fee increase since 1984.

CHAIR KEISER: Suggested that an amendment addressing the size of the board and who is represented as well as the proposed fee increase be drafted.

REP. THORPE: I've received a request from a constituent to increase the size of the board to include representation from the schools.

REP. ZAISER: Why not increase the board size to five members?

REP. EKSTROM: Expressed concern that the Senate would disapprove of a board increase.

CHAIR KEISER: Why not increase the daily stipend from \$50-\$100?

REP KLEIN: Aren't they compensated for two days each month, whether or not they travel to hold meetings?

Yalosta Rickford
Operator's Signature

10/2/03
Date

Page 2
House Industry, Business and Labor Committee
Bill/Resolution Number HB 1101
Hearing Date 1/20/03

REP. THORPE: Agreed to draft three separate amendments:

- 1) a license fee increase of \$5 yearly to the membership
- 2) to revert fees to current level
- 3) increase the size of the board

Concluded.

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10/2/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1101

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1/22/03

Tape Number	Side A	Side B	Meter #
4	x		20.8-28.0
Committee Clerk Signature <i>Judith Hammer</i>			

Minutes: Chairman Keiser called for committee work on HB 1101.

Rep. Thorpe explained that this amendment will no longer include increasing the size of the Board of Cosmetology from three to four or five. There will be a 24-1 ratio of students per teacher.

Rep. Froseth moved to adopt the amendments, seconded by Rep. Ruby. A voice vote carried this motion.

Rep. Froseth moved a DO PASS AS AMENDED

Rep. Thorpe. Seconded the motion.

Rep. Froseth addressed the issue of the daily board stipend, he feels that this board make-up is a qualified group compared to what has transpired in the past and that \$100 is reasonable compensation for their time and efforts.

Roll call vote: 12-0-02. Rep. Thorpe will carry this bill to the floor.

FISCAL NOTE
 Requested by Legislative Council
 01/03/2003

Bill/Resolution No.: HB 1101

1A. **State fiscal effect:** Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$89,000		\$89,000
Expenditures				\$10,800		\$10,800
Appropriations						

1B. **County, city, and school district fiscal effect:** Identify the fiscal effect on the appropriate political subdivision.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

Section 3 and Section 7

3. **State fiscal effect detail:** For information shown under state fiscal effect in 1A, please:

A. **Revenues:** Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

\$5.00 increase on all fees. It is anticipated that increasing fees will add to Board revenue by approximately \$89,000.00 per biennium.

B. **Expenditures:** Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Under current law, each Member of the Board receives compensation of \$50.00 for each day employed in official duties. Board Members work approximately three days per month. It is estimated that increasing to \$100.00 will increase the Board expense by \$10,800.00 per biennium.

C. **Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Name:	Sue Meier	Agency:	N.D. Board of Cosmetology
Phone Number:	701-224-9800	Date Prepared:	01/08/2003

38058.0101
Title.0200

Prepared by the Legislative Council staff for
Representative Thorpe
January 21, 2003

VR
1/24/03

HOUSE AMENDMENTS TO HOUSE BILL NO. 1101 IBL 1-27-03

Page 2, line 23, overstrike "for the first" and remove "forty"

Page 2, line 24, overstrike "students enrolled and one additional instructor for each additional"

Page 2, line 25, remove "twenty", overstrike "students enrolled or fraction thereof" and insert immediately thereafter "and maintains a maximum student-to-instructor ratio of twenty-four-to-one based on current enrollment"

Page 2, line 26, overstrike "employ at least one full-time"

Page 2, overstrike line 27

Page 2, line 28, overstrike "each additional twelve students enrolled or fraction thereof" and insert immediately thereafter "maintain a maximum student-to-instructor ratio of twelve-to-one based on current enrollment"

Renumber accordingly

Page No. 1

38058.0101

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10/2/03
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Date: 1/22/03
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1101

House Industry, Business & Labor Committee

Check here for Conference Committee 38058.0101
Legislative Council Amendment Number .0200

Action Taken Do Pass As Amended

Motion Made By Froseth Seconded By Thorpe

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	/		Rep.Boe	.	A
Rep. Severson, Vice-Chair	/		Rep. Ekstrom	/	
Rep. Dosch	/		Rep. Thorpe	/	
Rep. Froseth	/		Rep. Zaiser	/	
Rep. Johnson	/				
Rep. Kasper	/				
Rep. Klein	/				
Rep. Nottlestad	/	A			
Rep. Ruby	/				
Rep. Tleman	/				

Total (Yes) 12 No 0

Absent A 2

Floor Assignment Thorpe

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 27, 2003 1:12 p.m.

Module No: HR-15-1120
Carrier: Thorpe
Insert LC: 38058.0101 Title: .0200

REPORT OF STANDING COMMITTEE

HB 1101: Industry, Business and Labor Committee (Rep. Kelsor, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1101 was placed on the Sixth order on the calendar.

Page 2, line 23, overstrike "for the first" and remove "forty"

Page 2, line 24, overstrike "students enrolled and one additional instructor for each additional"

Page 2, line 25, remove "twenty", overstrike "students enrolled or fraction thereof" and insert immediately thereafter "and maintains a maximum student-to-instructor ratio of twenty-four-to-one based on current enrollment"

Page 2, line 26, overstrike "employ at least one full-time"

Page 2, overstrike line 27

Page 2, line 28, overstrike "each additional twelve students enrolled or fraction thereof" and insert immediately thereafter "maintain a maximum student-to-instructor ratio of twelve-to-one based on current enrollment"

Renumber accordingly

2003 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1101

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1101

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 03-17-03

Tape Number	Side A	Side B	Meter #
2	xxx		4780-end
2		xxx	0-300
Committee Clerk Signature <i>Lisa Van Berkom</i>			

Minutes: Chairman Mutch opened the hearing on HB 1101. All Senators were present.

HB 1101 relates to licensing of cosmetologists and cosmetology schools. Gary Andes of Minot and Virginia Herberholz from Bismarck introduced the bill. They spoke together and read the same testimony. See attached. They, along with one other, serve as the N.D. State Board of Cosmetology.

Senator Klein: So you are currently expanding schools and this would allow the board to appoint more than one person from each school?

Virginia: Yes.

Senator Nething: Could you explain to us what waxing to remove hair is?

Virginia: In our industry, we apply warm bees wax to area with unwanted hair in order to remove it. Whether it is eyebrows. It used to be only above the waist, but we are doing other areas as well.

Senator Nething: Is that a treatment that needs to be repeated?

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number 1101

Hearing Date 03-17-03

Virginia: If you want to keep the area free of hair.

Senator Heitkamp: The licensing fees go to what you have to do to provide these services, are they not meeting the cost of these services?

Virginia: No, it is not.

Senator Mutch: Is the number of cosmetologists in the state going up?

Sue Meier, employed by cosmetology board, stated that there are 6000 cosmetologists and 1000 beauty salons.

Senator Heitkamp: If the number of people who are getting licensed is growing, why is there a need for increase in fee?

Sue: The past year, the licensee revenue was \$80,000 and total revenue was \$151,000 and it was 179,000 for expense.

Senator Klein moved a DO PASS. **Senator Nething** seconded.

Roll Call Vote: 7 yes. 0 no. 0 absent.

Carrier: Senator Heitkamp

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Date

10/2/03

4

Date: 3-17-03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

Senate 1101 Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Klein Seconded By Nothing

Senators	Yes	No	Senators	Yes	No
Sen. Mutch, Chairman	X				
Sen. Klein, Vice Chairman	X				
Sen. Krebsbach	X				
Sen. Nething	X				
Sen. Heitkamp	X				
Sen. Every	X				
Sen. Espegard	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Klein Heitkamp

If the vote is on an amendment, briefly indicate intent:

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Operator's Signature Yolanda Rickford Date 10/2/03

REPORT OF STANDING COMMITTEE (410)
March 17, 2003 3:29 p.m.

Module No: SR-47-4957
Carrier: Heltkamp
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1101, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **DO PASS** and **BE REREFERRED** to the Appropriations Committee (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1101 was rereferred to the Appropriations Committee.

(2) DESK, (3) COMM

Page No. 1

SR-47-4957

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2003 SENATE APPROPRIATIONS

HB 1101

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10/2/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1101 & Vote

Senate Appropriations Committee

Conference Committee

Hearing Date 3-19-03

Tape Number	Side A	Side B	Meter #
1	X		0-1000

Committee Clerk Signature *Sandra Davison*

Minutes: CHAIRMAN HOLMBERG opened the hearing to HB 1101. A bill relating to licensing of cosmetologist and cosmetology schools. An attendance roll call was taken, a quorum was established.

(Meter 100) VIRGINIA HERBERHOLZ from the ND State Board of Cosmetology testified in support of the bill. See written testimony Exhibit 1. She also introduced Sue Mayer, Administrative Assistant. She gave a history of the boards responsibilities.

(Meter 209) SENATOR KILZER asked what amendments did the House makes? VIRGINIA answered that the House amended Section 4, having to do with the student/instructor ratio.

(Meter 260) SENATOR SCHOBINGER asked VIRGINIA what the feel was of the people in the field, the cosmetologists themselves? VIRGINIA answered that they felt it was not a hardship to them.

Page 2
Senate Appropriations Committee
Bill/Resolution Number HB 1101
Hearing Date 3-19-03

(Meter 305) SENATOR CHRISTMANN asked how many cosmetologists are there? VIRGINIA said 6,313 licensed hair dressers in ND, approximately half are actively involved in the profession and the manager/operators are 4,254.

(Meter 345) SENATOR CHRISTMANN asked about the board members, how many are there and how many times do they meet. VIRGINIA stated there are three board members and they meet once a month.

(Meter 377) SUE MAYER, employed with the board of cosmetology stated the board members have a meeting once a month and they administrate examinations approximately twice a month.

(Meter 413) SENATOR CHRISTMANN was trying to figure out the revenue changes and VIRGINIA explained the increases to him and the committee. Discussion included expenditures and was discussed some of the fees were due to duplication categories. The increase of license renewal fee are as follows:

6,313 licensed cosmetologists in ND

4,254 manager/operator renewal fee is \$15 and \$10 operator fee

60 instructors renewal at \$15 so some would have an increase of \$20 per year

(Meter 666) SENATOR CHRISTMANN asked if 1% of the population being licensed cosmetologists a normal around the country? VIRGINIA stated she did not know if that was an average but feels our state is heavily endowed with cosmetologists. She also stated there are a number of places to buy products in which you can only buy if you have a license. The Board and active cosmetologists would like to see the public eliminated some of the people who only maintain a license in order to purchase professional products to use in a non professional matter.

Page 3
Senate Appropriations Committee
Bill/Resolution Number HB 1101
Hearing Date 3-19-03

She would like to make it expensive enough so it would discourage people from holding a license just to purchase products.

(Meter 799) SENATOR MATHERN asked VIRGINIA if her board has ever thought of coming to the legislature and letting the board set the fees? VIRGINIA stated she has only been on the Board for a few months, one of the newest members, and she couldn't say that she knows if this is in their history or not. And SUE MAYER did not ever recall the Board setting the fees.

(Meter 880) A motion of a DO PASS by SENATOR MATHERN with a second by SENATOR BOWMAN. It passed with a vote of 12 yeas, 0 nays and 2 absent. It will be carried by IBL, SENATOR HEITKAMP.

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10/2/03
Date

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Date: 3-19-03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1101

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do PASS

Motion Made By Mathern Seconded By Bowman

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman	✓				
Senator Bowman, Vice Chair	✓				
Senator Grindberg, Vice Chair	✓				
Senator Andrist	✓				
Senator Christmann	✓				
Senator Kilzer	✓				
Senator Krauter	✓				
Senator Kringstad	✓				
Senator Lindaas	✓				
Senator Mathern	✓				
Senator Robinson	✓				
Senator Schobinger	✓				
Senator Tallackson	✓				
Senator Thane					

Total (Yes) 12 No 0

Absent 2

Floor Assignment IBL Heitkamp

If the vote is on an amendment, briefly indicate intent:

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10/2/03
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REPORT OF STANDING COMMITTEE (410)
March 19, 2003 10:32 a.m.

Module No: SR-49-5169
Carrier: Heitkamp
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1101, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends DO PASS (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING).
Engrossed HB 1101 was placed on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-49-5169

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10/2/03
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CR

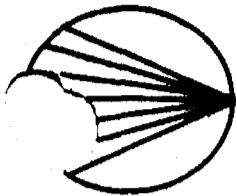
2003 TESTIMONY

HB 1101

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10/2/03
Date



UNITED IN PROGRESS

PRESIDENT:

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VICE PRESIDENT:

Mario Oliveri
627 NP Ave
Fargo, ND 58102
(701) 235-0111

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108 S Main St
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MEMBER SCHOOLS:

 Down Styling
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Josef's School of
Hair Design
(701) 235-0011

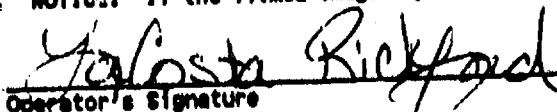
RD Hairstyling College
(701) 223-8804

The Headquarters
Academy of Hair Design
(701) 852-8329

NORTH DAKOTA COSMETOLOGY SCHOOL OWNERS ASSOCIATION

SECTION 4. AMENDMENT. Subsection 3 of section 43-11-16 of the North Dakota Century Code is amended and reenacted as follows;
3. Employs at least two full-time licensed instructors for the first twenty-five students enrolled and one additional instructor for each additional twenty five students enrolled or fraction thereof and maintains a 24:1 student to instructor ratio for all students currently enrolled except a school that provides training and instruction limited to esthetics or manicure shall employ at least one full-time instructor for the first twelve students enrolled and one additional instructor for each additional twelve students or fraction thereof;

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10/2/03
Date



NORTH DAKOTA STATE BOARD OF COSMETOLOGY

1102 S. WASHINGTON SUITE 310
P.O. BOX 2177
BISMARCK, ND 58502
TELEPHONE (701) 224-9800

TESTIMONY ON HOUSE BILL 1101

Mr. Chairman and members of the committee, We serve as Board Members for the N.D. State Board of Cosmetology. I am Gary Andes from Minot, Connie Bernabucci from Fargo and Virginia Herberholz from Bismarck. Thank you for allowing us to testify on House Bill 1101. We as Board Members are asking you and the members of the committee to vote in favor of this bill.

Section 1 of 43-11-01 will include waxing to remove hair on the entire body not confining the services to the upper part of the body. Cosmetologists and Estheticians are asked to provide services that include contact with the entire body.

Section 2 of 43-11-04 will allow individuals who graduated from the same school to serve on the board. With the small number of cosmetology schools in North Dakota it is highly likely that at sometime in the future we could have a potentially excellent candidate for a position on the board who did attend a school in North Dakota that another existing board member attended.

Section 3 of 43-11-06 this is allowing the Board Members an increase in compensation. Members of our Board have not been given a cost of living compensation since the early 1980's. We no longer can make it worth while financially for a potential board member to consider taking a position with our board at \$50.00 per day.

Section 4 of 43-11-16 the Board agrees in having two instructors for the first 40 students is an appropriate ratio.

Section 5 of 43-11-24 will allow an applicant to retake an examination without a time limit, after the applicant completed the additional 160 hours of school training after failing the first reexamination.

Section 6 of 43-11-27 (3) will allow the Board to clarify by rule, what type of continuing education is necessary.

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Yolanda Rickford
Operator's Signature

10/2/03
Date

Section 7 of 43-11-28 increasing the license fees will help the Board to budget a positive cash flow for the general fund. The Board has seen and will continue to see a significant decrease in its financial resources due to the office operation expense. There has not been an increase in fees since 1985 and the \$5.00 increase would not be a hardship to our licensees.

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NORTH DAKOTA STATE BOARD OF COSMETOLOGY

1102 S. WASHINGTON SUITE 310
P.O. BOX 2177
BISMARCK, ND 58502
TELEPHONE (701) 224-9800

January 15, 2003

Honorable Elwood Thorpe
State Representative
600 E. Boulevard Ave.
Bismarck, ND 58505

Dear Representative Thorpe:

Information you requested on H.B. 1101 relating to cosmetologists and cosmetology school.

There are 6,260 licensees and 1,028 salons in North Dakota. All licenses must be renewed by the 31st of December in any year.

The Board regulates and licenses all cosmetologists, manicurists, estheticians, instructors, students, schools, and salons. It is the duty of the Board to protect the public health, welfare, and safety. There is one full time employee employed by the Board who handles all the office duties. The board employs five inspectors to travel to salons for yearly sanitation inspections and for all new salons. Inspectors receive \$100.00 per day employed plus reimbursement for expenses for meals, travel and lodging.

The license renewal fee help to defray part of the operating costs to maintain an office and communicate with the stylists via the yearly newsletter to all licensees in North Dakota. Expenditures such as salaries, travel expense, attorney fees, insurance, updating equipment (computer system update in 1997, copy machine and fax machine updated in 2000), general office supplies, printing cost, postage, office rental, telephone expense, and yearly audit. The board office operating costs and salaries have increased through the years thus making a fee increase unavoidable.

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North Dakota Board of Cosmetology uses portion of the renewal fees for the purpose of providing educational programs for licensees. The Board will continue to provide educational programs. In 2001 the Board offered three seminars, a Spring seminar with one guest artist for two day class @ \$2,800.00 plus expenses and a Fall seminar with two guest artists for a two day class @ \$3,000.00 plus expenses for each artist.

North Dakota administrates National Cosmetology Written Examination @ 12.50 per exam. Approximately 225 students take the examination per year. The Board is considering implementing the National Practical Examination. The cost for the practical exam is \$15.00 per exam. In offering the National practical examination the Board Members will have to complete a two-day training program per yea. @ 2,500.00 per year.

The compensation and expenses of all members of the Board receives paid from the license fees. The Board consists of three members. The Board meets at least once a month and administrates examinations at schools approximately twice a month. The Board has considered increase to five members of the Board, to better serve the cosmetology profession in the State of North Dakota, which will increase the compensation and expenses.

We respectfully request that you support HB 1101. Thank you for your time and effort to help the North Dakota Board of Cosmetology.

North Dakota Board of Cosmetology

Gary Andes, President
Connie Bernabucci, Vice President
Virginia Herberholz, Secretary

NORTH DAKOTA STATE BOARD OF COSMETOLOGY
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
June 30, 2002

Revenues:	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
License Renewals	\$ 78,500.00	\$ 80,086.00	\$ 1,586.00
Original Licenses	4,800.00	4,500.00	(300.00)
Licenses: Schools and Salons	24,500.00	23,625.00	(875.00)
Original Licenses: Schools and Salons	13,000.00	10,697.50	(2,302.50)
Penalty on Licenses	4,500.00	4,670.00	170.00
Reciprocity Licenses	5,000.00	4,750.00	(250.00)
Exam Fees	4,000.00	4,550.00	550.00
Other Fees	7,500.00	1,397.50	(6,102.50)
Interest Income	8,000.00	5,355.56	(2,644.44)
Seminar Income	1,000.00	1,630.00	630.00
Student Enrollment Fees	3,000.00	3,280.00	280.00
Duplicate Licenses	0.00	550.00	550.00
Lists and Labels	0.00	1,525.00	1,525.00
Fines	0.00	3,175.00	3,175.00
Miscellaneous	0.00	1,710.34	1,710.34
Total Revenues	\$ 153,800.00	\$ 151,501.90	\$ (2,298.10)

Expenditures:

Salaries: Office Personnel	\$ 35,000.00	\$ 37,161.00	\$ (2,161.00)
Salaries: Board Members	17,000.00	13,600.00	3,400.00
Salaries: Inspectors	20,000.00	22,700.00	(2,700.00)
Travel: Board	8,000.00	6,658.36	1,341.64
Travel: Inspectors	20,000.00	16,618.72	3,381.28
Professional Services	9,500.00	5,299.39	4,200.61
State Retirement Contribution	2,800.00	3,452.56	(652.56)
Payroll Taxes	6,000.00	6,033.25	(33.25)
Employee Insurance	9,000.00	9,891.97	(891.97)
Rent	9,500.00	8,280.00	1,220.00
Postage	10,000.00	12,762.00	(2,762.00)
Testing Materials and Expenses	4,000.00	2,550.00	1,450.00
Printing	6,000.00	7,474.25	(1,474.25)
Telephone	5,000.00	4,776.97	223.03
Audit	0.00	2,000.00	(2,000.00)

The accompanying notes are an integral part of these financial statements.

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NORTH DAKOTA STATE BOARD OF COSMETOLOGY
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
June 30, 2002

Expenditures (cont.):

Office Supplies	6,500.00	5,589.19	910.81
Seminar Expense	15,000.00	12,266.26	2,730.74
Property Insurance	1,900.00	27.91	1,872.09
Equipment Purchase and Repair	6,000.00	818.00	5,182.00
Miscellaneous	400.00	1,284.00	(884.00)
	<u>191,600.00</u>	<u>179,246.83</u>	<u>12,353.17</u>
Total Expenditures	\$ 191,600.00	\$ 179,246.83	\$ 12,353.17
Excess (Deficiency) of Revenues Over Expenditures	\$ (37,800.00)	\$ (27,744.93)	\$ 10,055.07
Fund Balance - July 1	<u>125,297.14</u>	<u>125,297.14</u>	<u>0.00</u>
Fund Balance - June 30	\$ 87,497.14	\$ 97,552.21	\$ 10,055.07

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Section 1. Subsection 2 and 13 of section 43-11-01 will include waxing to remove hair on the entire body not confining the services to the upper part of the body. Cosmetologists and Estheticians are asked to provide services that include contact with the entire body.

Section 2. Section 43-11-04 will allow individuals who graduated from the same school to serve on the board. With the small number of cosmetology schools in North Dakota, it is highly likely that at sometime in the future, we could have a potentially excellent candidate for a position on the board who did attend a school in North Dakota that another existing board member attended.

Section 3. Section 43-11-06 is allowing the Board Members an increase in compensation. Members of our Board have not been given a cost of living compensation since the early 1980's. We no longer can make it worth while financially for a potential board member to consider taking a position with our board at \$50.00 per day.

Section 4. Subsection 3 of section 43-11-16 the Board is in agreement with the school owners with this proposed amendment to maintain a maximum student-to-instructor ratio of twenty-four to one based on current enrollment.

Section 5. Section 43-11-24 will allow an applicant to retake an examination without a time limit, after the applicant completed the additional 160 hours of school training after failing the first re-examination.

Section 6. Subsection 3 of section 43-11-27 will allow the Board to clarify by rule, what type and how many hours of continuing education are necessary.

Section 7. Subsection 1 of section 43-11-28. Increasing the license fees will help the Board to budget a positive cash flow for the general fund. The Board has seen and will continue to see a significant decrease in its financial resources due to the office operation expense. The board office operating costs and salaries have increased through the years thus making a fee increase unavoidable. There has not been an increase in fees since 1985 and the \$5.00 increase would not be a hardship to our licensees.

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